A.P. MØLLER HOLDING A/S ANNUAL REPORT 2022

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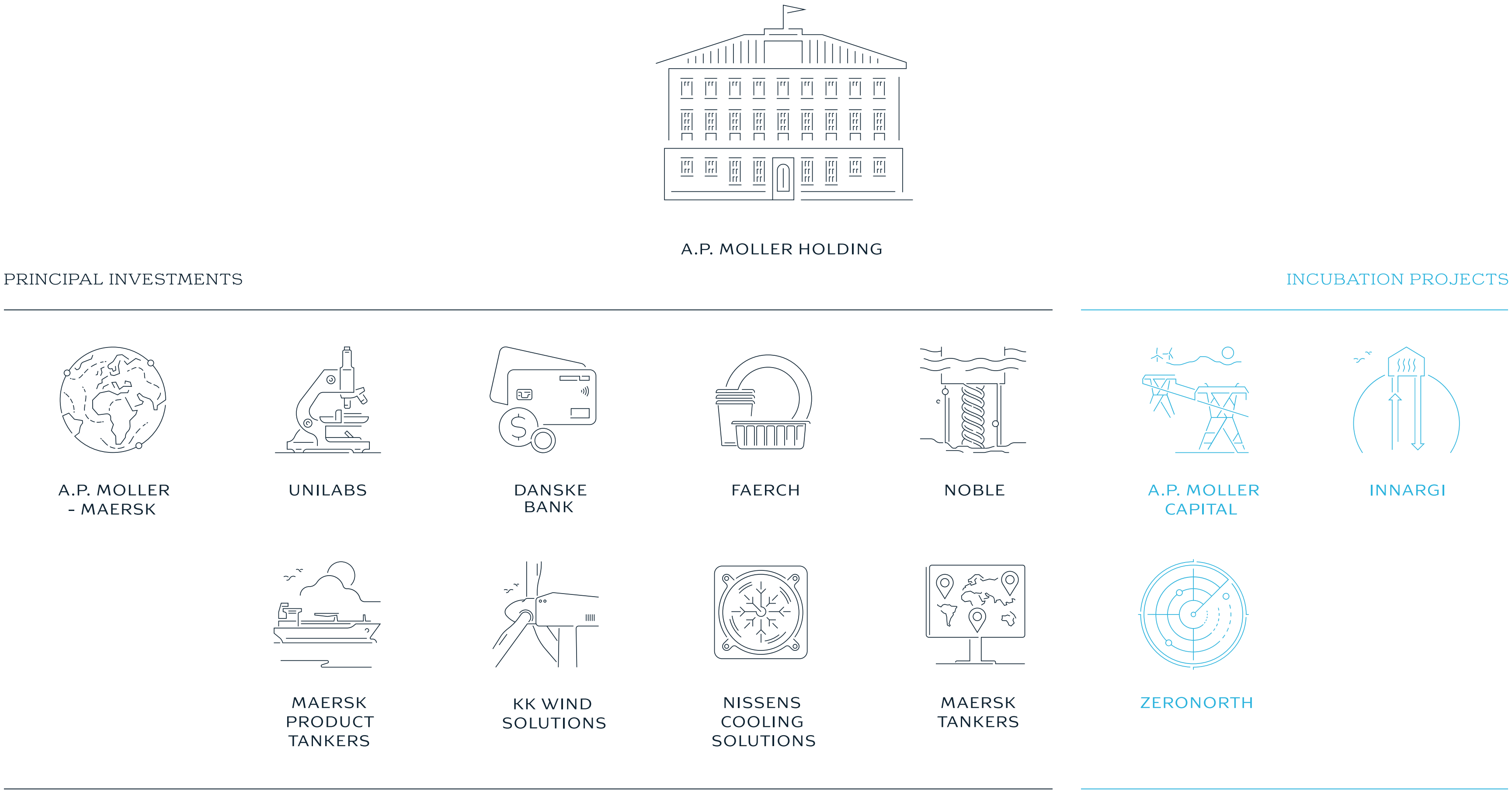
Chair of the meeting Lars-Erik Brenøe

THE A.P. MOLLER GROUP

The A.P. Moller Group is a diversified group of industry leading companies. While independently run with dedicated boards and executive teams, we encourage and facilitate collaboration, networking, and sharing of best practices across the portfolio companies. A.P. Moller Holding is the parent company of the Group, investing in and building businesses with a positive impact on society – 'nyttig virksomhed'.



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A.P. Møller Holding A/S (hereafter referred to as A.P. Moller Holding) is the parent company of the A.P. Moller Group (the Group). The Annual Report of A.P. Moller Holding includes management review, consolidated financial statements and parent company financial statements. The term A.P. Moller Holding group (the group) is used in the Annual Report for controlled and consolidated companies.

The 2021 comparative figures are stated in brackets, except in 'Letter from the CEO'.

A.P. Møller Holding A/S
Esplanaden 50 • DK-1263 Copenhagen K • Registration number: 25 67 92 88 • apmoller.com

MANAGEMENT REVIEW

LETTER FROM THE CEO

ROBERT M. UGGLA
CEO

The A.P. Moller Group ended 2022 on a historic high note financially, with revenue of DKK 611bn (USD 86bn), EBITDA of DKK 266bn (USD 38bn), a net result of DKK 204bn (USD 29bn), and total assets of DKK 790bn (USD 113bn). A.P. Moller Holding, the parent company of the Group, remains debt free with a full year cash inflow of DKK 29bn (USD 4bn).

The Group navigated a volatile and changing environment in 2022, with a pandemic coming to an end, the beginning of a brutal war in Ukraine, increased geopolitical fragmentation, congested supply chains, disrupted energy markets, and rapidly rising inflation.

A.P. Moller Holding invests based on a strategy that is anchored in our purpose of 'nyttig virksomhed' and focused on four selected long-term themes:

- Global trade
- The energy transition
- Circularity, water & waste recovery
- Demographic & societal change

CHANGING TRADE

2022 was an exceptional and unusual year for container shipping and logistics, representing a significant share of our Group's income.

The global trade and logistics industry topped USD 10 trillion in revenue in 2022. The container shipping industry reached an all-time high after two decades of low returns. Container shipping industry profits (EBIT) in 2022 totaled upwards of USD 120bn, compared to a cumulative profit of USD 16bn between 2010-19.

Covid-19 followed by the outbreak of war in Europe put unprecedented strain on all nodes of the supply chain. Congestion and delays continued to plague customers during the first half of 2022, albeit with many choke points easing during the latter part of the year. The depth and scope of supply chain challenges have been exceptional in many ways.

2022 also saw trade policies and geopolitical tension begin to impact supply chain planning in noticeable ways with several companies announcing plans to relocate production, and many companies considering how to add resilience to their supply chains. This is an acceleration of the general trend seen after the global financial crisis when supply chains started diversifying away from China. The share of US imports from China has dropped from around 50% prior to the financial crisis to 45% in 2019 and 42% in 2022. In turn, South East Asia and the Indian Subcontinent have gained market share.

The year also provided a stark reminder that shipping companies continue to operate in an extremely cyclical industry. Exceptionally strong consumer demand, particularly in the US, and unprecedented congestion across the global supply chains began to fade during 2022, giving way to a large inventory overhang correction. As a result, the global container volumes declined during the last quarter of the year, bringing the total number of containers transported back to 2017 levels. The situation was especially challenging in Europe where import volumes fell back to 2016 levels, in part because of the additional loss of Russian and Ukrainian volumes. As we entered 2023, the last few years' strong tailwind of the global container shipping markets had turned into head winds with a bleak outlook for the period ahead.

At the same time, companies need to prepare for a paradigm shift as global supply chains will undergo a huge transition towards 2030. The change will be driven by a greater requirement for resilience due to geopolitical fragmentation, by the increased focus to develop net zero transportation solutions, and by the opportunity to benefit from technology to reduce waste in global supply chains. The rise of new trade networks is inevitable. As we head towards 2030, reshoring, diversification, and regionalisation will all play an important role in the value chains.

In this respect, A.P. Moller - Maersk's strategy to provide end-to-end logistics solutions remains highly relevant. It is remarkable to note that A.P. Moller - Maersk's net promoter score increased substantially during the year despite the many supply chain disruptions, a testament to the A.P. Moller - Maersk team's ability to work closely with customers to solve their challenges. The company is also repositioning itself from having been primarily an east-west carrier serving western markets with goods from Asia based factories, to becoming a major logistics provider in regions with new growth. The USD 3.4bn acquisition of LF Logistics significantly enhances the company's footprint of fulfilment centres and reach in the Asia region, which is expected to see its intra-regional trade grow by USD 1 trillion in the next ten years.

SOLVING ENERGY CHALLENGES

The war in Ukraine is having a profound impact on the energy markets, particularly in Europe, with energy security becoming the most pressing consideration for many nations. The changing flows of oil and petroleum products affected Maersk Tankers and related activities, which experienced a significant increase in demand for their transportation services with tanker shipping rates returning to fifteen year highs.

Maersk Drilling, which was spun out of A.P. Moller - Maersk to become a separate listed company in 2019, was merged with Noble during 2022. The transaction represents significant value for Maersk Drilling's shareholders and creates a leading offshore drilling operator with a significant international presence, including in the North Sea, with a strong operational record and modern assets. A.P. Moller Holding remains a shareholder post-merger, recognising the favourable demand for oil related services and the importance these activities play for the energy transition.

Many of the Group's activities have, in the past few years, accelerated our portfolio's pivot towards net zero emissions. A.P. Moller - Maersk, which was the first shipping company to order large ships with propulsion systems designed for green fuels, has become an industry catalyst with other shipping companies now following suit. So far, A.P. Moller - Maersk has ordered 19 ships to the tune of USD 2.7bn designed for green methanol, with the aspiration to source 750,000 tonnes of green methanol by 2025 and reduce 2.3 million tonnes of GHGs (greenhouse gases). In this respect, A.P. Moller - Maersk also sharpened its environmental targets to become net zero by 2040. Maersk Supply Service, a company historically associated with the oil and gas industry, is now offering a range of services to the offshore wind industry and with a newbuilding programme to support the installation of next generation wind parks. The gravitation towards more energy efficient port infrastructure and green power solutions has also been a growing investment theme of other A.P. Moller - Maersk related entities such as APM Terminals and Svitzer, as well as the infrastructure fund manager A.P. Moller Capital.

During the last years, our Group has incubated, developed, and scaled new platforms, building on our companies' long-standing energy capabilities and record. ZeroNorth, founded by Maersk Tankers in 2020, now has 170+ employees, of which a majority are data and software engineers. With 3,000+ vessels on its platform, ZeroNorth has, in a short time, become one of the leading software solutions providers, driving fuel efficiencies and emission reductions in shipping. Innargi, founded by colleagues coming out of the divested Maersk Oil, provides geothermal based district heating solutions to secure green base load energy (13% of all emissions in Europe are derived from the heating of buildings). Innargi has secured an agreement in Aarhus to provide district heating totalling 110 MW and entered into dialogues and letters of intent for further project development across Europe. In February 2023, the company signed its first letter of intent outside Denmark by announcing an agreement with Veolia to explore district heating in Poznań, Poland.

ACCELERATING OUR PORTFOLIO'S RENEWAL

Our recent years' principal investments in the energy transition theme include the industrial companies KK Wind Solutions and Nissens Cooling Solutions, both serving the wind industry. These companies experienced significant margin pressure in 2022 due to increased inflation, but the outlook remains very promising with a robust order book. For KK Wind Solutions, 2022 has been a groundbreaking year with the announcement of the acquisition of Vestas' converter & controls business. This transaction will not only more than double the size of KK Wind Solutions, but it also confirms our investment thesis that specialised tier one suppliers play a critical role in supporting the large wind OEMs to enable bigger and more cost-effective wind farms across the globe.

During 2022, we have continued our ambitious investment programme in Faerch, Europe's leading sustainable food packaging company, with more than 70% (pre Paccor) of their products containing recycled and circular PET (rPET). During the year, the company acquired Paccor more than doubling the current sales volumes and capacity. The transaction also provides the opportunity to transition a larger part of Paccor's non circular PP (polypropylene) production to Faerch's more sustainable packaging materials (rPET). In this respect, Faerch is also committed to expand the sourcing of recycled PET and to become the leader of closed loop production of packaging to the food industry.

Finally, in 2022, we also closed the acquisition of Unilabs, a European leader of diagnostics, carrying out more than 245 million tests per year and 5 million imaging examinations. Diagnostics plays a critical part in the pressing shift from volume-based to value-based healthcare – a more targeted and accurate treatment provides a better outcome for patients and lower costs for governments and insurance companies. The cost of testing represents only a small percentage of the overall healthcare spend, but the results determine the accuracy of any treatment and drive more than two thirds of healthcare spend. Hence, the efficiency and availability of precise diagnostics is a critical component of the healthcare system. Shorter term, the diagnostics industry in Europe is facing margin pressure due to inflationary labour costs and there is a need for securing efficiencies through scale. However, we believe there is a growing long-term demand for diagnostics, also mindful that the propensity of testing likely increases with ageing demographics; and technology such as telemedicine-based radiology holds the opportunity to open up new markets.

DANSKE BANK TURNS A CORNER

Our Group has been a long-term shareholder in Danske Bank. In 2018, A.P. Moller Holding, together with ATP and PFA, called for an extraordinary general meeting to change the composition of the board to better address the bank's compliance challenges. Since then, most of Danske Bank's board and leadership team have been replaced, the banks' compliance programme has been overhauled and a new strategy has been set in motion. A.P. Moller Holding has also become an engaged shareholder with representation in the chairmanship of the bank. In December 2022, the bank announced that it had reached a coordinated and joint settlement with the DOJ, SEC, and SCU for, in total, DKK 15.3bn. The last years have been characterised by many challenges. As the year came to an end, Danske Bank delivered the best relative TSR performance of its Nordic banking peers. There is still a long way to go and the bank continues to trade with a discount. However, we believe that Danske Bank, under the valued leadership of Carsten Egeriis and his colleagues, has turned a corner with the opportunity to become a leading bank in the Nordics for customers and shareholders alike.

LIVING OUR PURPOSE

Our strong financial results in 2022 are a testimony to our Group's many leaders' and more than 125,000 employees' dedication and hard work. I am also very grateful for the stewardship of our Group's chairs and directors. At the end of 2022, Søren Skou stepped down as CEO of A.P. Moller - Maersk, after six years at the helm and more than 20 years in different CEO roles. His contributions to our Group have been significant. His successor, Vincent Clerc, is taking over at a challenging time for A.P. Moller – Maersk, but Vincent Clerc comes well prepared, having been responsible for the company's integrated ocean and logistics activities over the last few years.

Financial results aside, what truly stands out when looking back at our Group's activities during 2022 is our many colleagues' support to the local communities, which we are an integral part of. Our colleagues in Unilabs have worked restlessly to provide immediate diagnostics solutions during the Covid-19 outbreaks. The societal value of their response is significant and many lives have been saved as a result. During the year, we have also seen remarkable efforts to support relief organisations with logistics solutions, not least evident in Ukraine, Turkey, and Syria, where A.P. Moller - Maersk is a critical partner to UNICEF and many other global humanitarian organisations in providing aid to millions of displaced people. These and many other efforts by our colleagues make our Group's purpose come alive.

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FIVE-YEAR SUMMARY

Amounts in DKKm	2022	2021	2020	2019	2018
INCOME STATEMENT					
Revenue	611,207	408,025	276,958	275,032	262,613
Share of profit in associated companies	1,171	4,695	2,016	3,944	2,201
Profit before financial items (EBIT)	216,859	128,547	19,115	15,187	10,325
Financial items, net	- 6,682	- 4,660	- 6,674	- 5,281	- 2,891
Profit for the year	203,808	118,975	9,987	6,577	22,464
A.P. Møller Holding A/S' share of profit	**82,579**	**51,527**	**4,737**	**4,772**	**10,942**
Average number of employees	125,399	93,076	88,191	88,006	86,113
BALANCE SHEET					
Total assets as of 31 December	790,315	579,049	421,819	462,222	413,113
Total equity as of 31 December	541,394	374,790	249,202	262,940	255,758
CASH FLOW STATEMENT					
Cash flow from operating activities	249,113	141,824	55,885	44,586	25,627
Purchase of property, plant and equipment	- 27,706	- 23,260	- 9,957	- 16,037	- 19,857
FINANCIAL RATIOS					
Proposed dividend to the A.P. Moller Foundation	2,500	2,000	600	400	500
Return on equity	44.5%	38.1%	3.9%	2.5%	9.3%
Equity ratio	68.5%	64.7%	59.1%	56.9%	61.9%

IFRS 16 Leases have been applied from 1 January 2019 in accordance with the modified retrospective approach. Therefore, comparative figures from 2018 are not adjusted.

HIGHLIGHTS

- 2022 was a year impacted by the brutal war in Ukraine, an energy crisis in Europe, elevated inflation, and subsequently rising interest rates globally.
- A.P. Moller – Maersk delivered its best financial result in the history of the company, driven by extraordinary market conditions in the first part of the year. With 19 green methanol vessels ordered and several green fuel partnerships, the company continues to lead the green transformation in the sector.
- Danske Bank announced that it reached final coordinated resolutions with the US and Danish authorities following the investigations into the Estonia matter. The bank is now in a position to shift its full attention to the opportunities ahead.
- The acquisition of Unilabs was closed. Later in 2022, Unilabs acquired a majority stake in RIMED, a leading Swiss diagnostic radiology company, further strengthening its presence in Switzerland.
- Faerch continued its growth and completed the acquisition of Paccor, a leading player in the packaging industry. This was another step towards circular packaging solutions.
- KK Wind Solutions announced the acquisition of the converter & controls business from Vestas, bringing immediate scale to operations and significant growth to the business.
- The merger between Maersk Drilling and Noble Corporation was successfully completed, creating a leading offshore drilling contractor for the oil and gas industry.
- Maersk Tankers delivered strong returns influenced by the disruption in energy markets. Maersk Product Tankers experienced historically high freight rates. ZeroNorth raised more than USD 50m, welcoming PSG Equity as a new investor.
- Innargi signed a contract to develop green district heating for Aarhus and a letter of intent for the metropolitan area of Copenhagen. In February 2023, the company signed its first letter of intent outside Denmark by announcing an agreement with Veolia to explore district heating in Poznań, Poland.
- A.P. Moller Holding has increased its focus on growth equity investments with an objective to leverage and enhance domain knowledge while generating attractive financial returns.

FINANCIAL PERFORMANCE

A.P. Moller Holding delivered a consolidated result of DKK 204bn and a return on equity of 45%. We benefited from cash inflow of DKK 29bn and experienced a decrease in net asset value of DKK 25bn to DKK 199bn as a result of the volatility in the financial markets.

A.P. Moller Holding is the parent company of the A.P. Moller Group, investing in 'nyttig virksomhed' – building and developing businesses that have a positive impact on society. Our focus is to build and buy platforms within our four thematic investment areas: global trade; the energy transition; circularity, water & waste recovery; and demographic & societal change.

A.P. Moller Holding group delivered a consolidated revenue of DKK 611bn, a net result of DKK 204bn ending the year with a consolidated equity of DKK 541bn. Operating profit and earnings increased compared to 2021, reflecting improvements in the underlying performance in the shipping related entities; A.P. Moller - Maersk, Maersk Product Tankers, and Maersk Tankers. Other parts of the portfolio saw a more challenging year due to significant inflationary pressure.

Unilabs, as well as our portfolio companies' acquisitions, have been included in the consolidated accounts as of the closing date of the acquisitions.

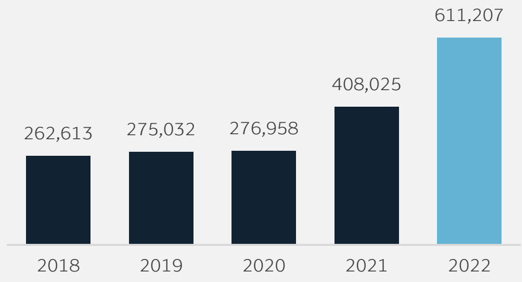
A.P. Moller Holding recorded a cash inflow from our portfolio companies of DKK 29bn and had a net investment outflow of DKK 26bn.

The increase in total assets and consolidated equity is positively impacted by a higher USD exchange rate (6% increase compared to last year).

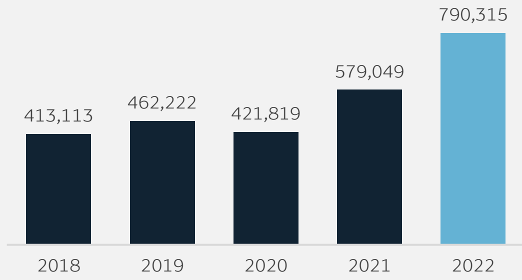
Net asset values decreased by 11% mainly driven by the decline in A.P. Moller - Maersk's share price of 33%, partly set-off against an increase in Danske Bank's share price of 22% and an increase in the value of our shareholding in Noble of 64%. Overall, our valuation of the privately owned portfolio companies remained unchanged throughout the year with small changes on portfolio company level. The financial portfolio developed better than benchmark but delivered a negative return in absolute figures due to significant decline in the global financial markets.

The merger announced in November 2021 between Maersk Drilling and Noble Corporation was completed on 3 October 2022. Following the merger, we hold approx. 21% of the shares

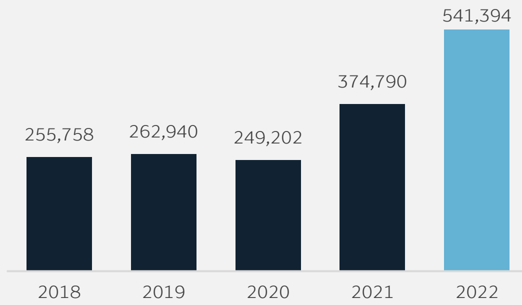
REVENUE (DKKm)



TOTAL ASSETS* (DKKm)



TOTAL EQUITY (DKKm)



* IFRS 16 Leases have been implemented from 1 January 2019

in the combined company, Noble, which is now being recognised as an associated company for accounting purposes.

In August 2022, KK Wind Solutions signed an agreement to acquire Vestas' converter & controls business. The acquisition was completed on 28 February 2023.

Faerch has completed the acquisition of Paccor, which was announced in December 2021.

The war in Ukraine has impacted the year in several ways. All our businesses decided to withdraw from doing business in Russia, for A.P. Moller – Maersk this led to impairment losses of approx. DKK 4bn.

Higher freight rates in the shipping markets as well as increasing inflation, interest rates, and commodity and energy prices have significantly impacted the financial performance of our portfolio companies.

OPERATING ACTIVITIES

Revenue for 2022 grew by 50% to DKK 611bn (DKK 408bn). Especially the revenue in A.P. Moller – Maersk has been positively impacted by extraordinary market conditions, supply chain disruptions, and congestions. Furthermore, revenue attributed to our new portfolio company Unilabs, as well as full year effect of acquisitions made in 2021, and a revenue surge in Maersk Product Tankers contributed to the growth. The revenue was positively impacted by mainly increased freight rates and a higher average USD exchange rate compared to 2021. Revenue growth in local currencies was approx. 34%.

OPERATING COSTS

Operating costs increased with 37% during 2022, led by higher activity levels, higher bunker costs, and the inclusion of Unilabs in the consolidated accounts as from the closing of the acquisition. Furthermore, operating costs are negatively impacted by higher inflation, including increasing commodity and energy prices, as well as transaction costs due to several acquisitions across the organisation in 2022 and the merger between Maersk Drilling and Noble Corporation.

A.P. Moller Holding's administrative costs have increased as we continue to add resources and capabilities within the organisation. At the end of 2022, the organisation counted 56 employees, up from 48 the year before.

EBITDA

Our operational profit increased to DKK 266bn from DKK 154bn in 2021 reflecting improved earnings especially in A.P. Moller – Maersk. Maersk Drilling, Faerch, and Maersk Product Tankers also contributed to the earnings improvements. EBITDA was negatively impacted by transaction costs as well as increasing inflation in input prices including commodity and energy prices reducing the profitability in our industrial portfolio companies.

EBIT

EBIT increased to DKK 217bn from DKK 129bn in 2021, reflecting the improved profitability across our portfolio companies.

FINANCIAL ITEMS

Net financial expenses increased with DKK 2bn to DKK 7bn reflecting the volatility in exchange rates, higher interest expenses, and net fair value losses from the financial portfolio.

TAX

Corporate income taxes comprise taxes calculated in accordance with various countries' tax regimes. Land-based and drilling activities, which are subject to normal corporate income tax, include terminals, logistics, services and shipping agencies, offshore drilling, sale of industrial products, diagnostics services, and financial profit from other equity investments. The taxation of shipping income is based on tonnage tax regimes and applies to the vast majority of the group's activities in 2022 (and 2021). Given the liability to tonnage tax is not impacted by financial profits, and is payable even in loss making years, the effective tax rate metric can fluctuate significantly.

Tax for the year amounted to DKK 6bn compared to DKK 5bn in 2021.

PROFIT FOR THE YEAR

Profit for the year increased to DKK 204bn from DKK 119bn in 2021, mainly reflecting the record high result in A.P. Moller - Maersk and the improved profitability across the group.

A.P. Moller Holding's share of the profit was DKK 83bn compared to DKK 52bn in 2021. The share of profit was positively impacted by the result in A.P. Moller - Maersk and Maersk Product Tankers.

Overall, the result was positively impacted by an increase in the USD average exchange rate of 13% compared to last year's average rate, as a number of entities (mainly shipping related) report in USD. The exceptional market situation with high demand and global disruptions to the supply chains has contributed to earnings improvements. The result for the year is higher than the expectations set in the Annual Report 2021.

FINANCIAL DEVELOPMENT IN PORTFOLIO COMPANIES

A.P. Moller - Maersk delivered a record result across all segments with revenue up 32% (local currencies) and an increase in EBITDA as well as EBIT of more than 50% compared to 2021. Net profit for the year amounted to DKK 208bn (DKK 113bn). Due to the Russian invasion of Ukraine in February 2022, A.P. Moller – Maersk decided to withdraw from doing business in Russia. As a result, the income statement was negatively impacted by DKK 4bn due to impairment losses.

Cash flow from operating activities was up 57%, positively impacted by EBITDA, offset by a negative change in net working capital and tax paid, leading to a cash conversion of 94% (92%). A.P. Moller - Maersk continues to show strong capital discipline in 2022 and delivered free cash flow of DKK 192bn (DKK 104bn), an increase of 64% in local currencies.

During 2022, A.P. Moller - Maersk completed the acquisition of LF Logistics, Pilot Freight Services, and Senator. Furthermore, the acquisitions of Grindrod Intermodal Group and Martin Bencher Group have been completed in January 2023, all supporting the transformation to become the integrator of global logistics.

In August 2022, A.P. Moller - Maersk decided to increase the existing share buy-back programme from USD 10bn to USD 12bn to be carried out in several phases from 2022 to 2025. Of the planned share buy-back of DKK 39.3bn (around USD 6bn) for the years 2022-2023, A.P. Moller - Maersk has bought back DKK 22.5bn (USD 3.2bn) as of end 2022.

A.P. Moller - Maersk approved a dividend of DKK 4,300 (DKK 2,500) per share based on a pay-out ratio of 37.5% in line with its dividend policy.

Danske Bank reported a net loss of DKK 5.1bn (net profit of DKK 12.9bn) negatively impacted by the final resolutions of the Estonia matter. The return on shareholders' equity was a negative 3.1% for 2022. Excluding the provision for the Estonia matter of DKK 13.8bn and the goodwill impairment charge of DKK 1.6bn related to the acquisition of SEB Pension Danmark, net profit was DKK 10.4bn and the return on shareholders' equity was 6.2%.

The core banking activities continued to deliver good progress. Net fee income from everyday banking products maintained the positive trend throughout 2022. Furthermore, good mortgage loan activity as a result of the rise in interest rate levels as well as increasing service fees due to repricing contributed positively to the result. Investment fees decreased as customer activity within capital markets was significantly lower, and income in Asset Management fell following a decline in assets under management and lower performance fees.

Danske Bank kept its CET1 ratio target above 16% in the short-term to ensure a sufficiently prudent buffer in relation to the capital requirements. The total capital target was kept above 20%.

No dividend has been proposed for 2022 (for 2021 DKK 2.00 per share) due to the reported net loss. Danske Bank's dividend policy remains unchanged, targeting a dividend of 40-60% of net profit.

On 15 March 2022, A.P. Moller Holding completed the acquisition of *Unilabs*. Unilabs has delivered a net loss of DKK 1.3bn which includes amortisation of intangible assets, DKK 0.8bn. The year has been affected by high Covid-19 testing volumes in Q1 2022 followed by a rapid decline, and inflation which has led to an increase in costs. Medical diagnostic services are challenged by strained healthcare systems and lower capacity due to high sick leave and turnover rate among staff, especially nurses and technicians. Lower margins are a result of inflationary impact, mainly energy, cleaning, transport, and maintenance costs. Unilabs has initiated corporate transformation projects to support organic growth in the coming years.

Faerch delivered a net loss of DKK 0.4bn due to continued rising prices on resin, energy, and costs surpassing direct labour leading to increasing pressure on costs and margins. Regardless of the challenging market conditions, Faerch experienced strong activity levels with continuing record-breaking volumes and demand for circular packaging solutions. Faerch also made progress on adding capacity in tray recycling including looking at sites in new countries.

On 31 August 2022, Faerch completed the acquisition of Paccor, the largest acquisition in Faerch's history. At the end of December, Faerch's combined business consists of 32 factories and a revenue of approx. DKK 11bn and 5,600 employees.

On 3 October 2022, the merger between *Maersk Drilling and Noble Corporation* was completed. Our share of the result of Maersk Drilling until the time of the merger has decreased compared to last year. Furthermore, the merger resulted in an accounting loss of DKK 0.7bn. Following the merger, our investment in Noble is recognised as an associated company.

The year was operationally challenging for *KK Wind Solutions* with short-term market weakness and severe supply chain issues, negatively impacting the output and earnings. Despite the current market conditions, KK Wind Solutions managed to increase the revenue with 1.2% as a result of increased prices and growing its market share, however, not offsetting the increasing cost levels and supply chain inefficiencies resulted in a lower EBITDA margin. The extraordinary efforts made to keep the customers operational were appreciated by the customers which the 34% increase in the order backlog confirms.

KK Wind Solutions continued its acquisition strategy with the signing of an agreement to acquire Vestas' converter & controls business. The transaction adds 600 new colleagues in China, Denmark, and India, making KK Wind Solutions the world's leading converter manufacturer for the wind industry with an extended footprint that allows KK Wind Solutions to be able to better serve its customers globally.

Nissens Cooling Solutions has been challenged by short-term market disruption, as well as high inflationary pressure on operating costs. Since closing in November 2021, a new management team has been recruited to Nissens Cooling Solutions.

Maersk Product Tankers delivered a net profit of DKK 1.8bn (net loss of DKK 0.2bn) positively impacted by the TCE earnings, where rates for all segments ended at historical high points. This marks the end of a year where Russia's invasion of Ukraine caused freight markets to spike in Q1 and remain strong through the year as a result of war related sanctions and wider arbitrage on the back of changes in demand and trade flows.

Maersk Tankers reported a net profit of DKK 0.3bn (DKK 0.2bn) mainly driven by the positive market conditions with high freight rates and strong performance in freight trading partly offset by less vessels under management.

ZeroNorth continued growing its platform with third parties. During 2022, ZeroNorth raised over USD 50m to further finance decarbonisation in shipping.

EQUITY

As of 31 December 2022, total equity amounted to DKK 541bn (DKK 375bn) reflecting an increase of 45%. The increase was mainly the result of the distribution of net profit for the year as well as exchange rate adjustments as the USD exchange rate climbed 6% compared to 31 December 2021. The return on equity amounted to 45% (38%) and the equity ratio to 69% (65%). A.P. Moller Holding's share of the equity increased to DKK 272bn (DKK 187bn), also impacted by the higher USD exchange rate.

DIVIDEND

Based on the financial result for 2022, the Board of Directors proposes a dividend of DKK 2.5bn to A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal (A.P. Moller Foundation). In 2022, a dividend of DKK 2bn was paid.

INVESTMENT ACTIVITY

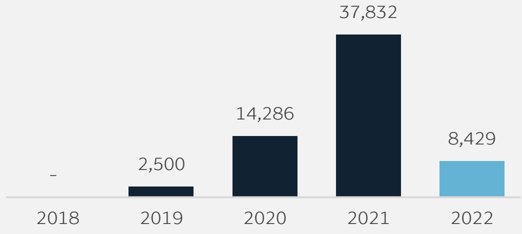
During 2022, A.P. Moller Holding has completed the acquisition of Unilabs and our portfolio companies have signed and completed a number of acquisitions, including Faerch's acquisition of Paccor. In August 2022, KK Wind Solutions announced the acquisition of Vestas' converter & controls business.

In January 2022, we announced that the geothermal based heating company Innargi, established by A.P. Moller Holding, has entered a 30-year agreement to develop and operate EU's largest geothermal heating plant in Aarhus, Denmark. In connection with the contract award Innargi raised capital for the next phases from Denmark's state owned and largest pension fund ATP, and the Danish utility company NRGi. In February 2023, Innargi has taken a large step towards expanding large scale geothermal heating across Europe by signing an agreement with Veolia to explore the potential for geothermal district heating in Poznań, Poland.

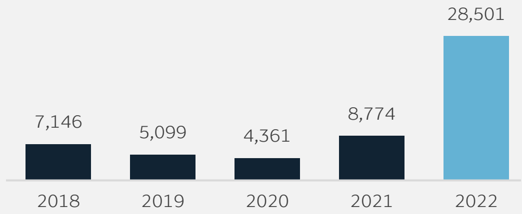
Cash flow used for investing activities was mainly impacted by the investment in Unilabs as well as activity in our financial investment portfolio. The total capital inflow from dividends, share buy-back programmes and our financial portfolio was DKK 29bn (DKK 9bn) positively impacted by dividend and share buy-back programmes from A.P. Moller - Maersk.

Amounts in DKKm	2022	2021	2020	2019	2018
KEY FIGURES: A.P. Moller Holding's investment activities					
Cash flow from operating activities	- 567	- 221	- 263	- 172	- 47
Cash flow for investing activities inflow	28,501	8,774	4,361	5,099	7,146
Cash flow for investing activities outflow	- 26,243	- 11,967	- 577	- 4,959	- 1,397
Cash flow from financing activities	- 2,096	- 23	- 403	- 477	- 5,334
Net asset value (market value)	199,199	223,891	141,708	116,605	98,085
Average number of employees	48	39	36	28	21

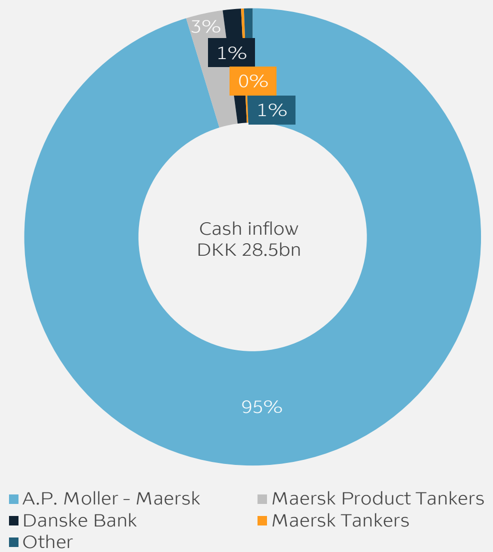
INVESTMENT COMMITMENTS (DKKm)



CASH INFLOW (DKKm)



DISTRIBUTION OF CASH INFLOW



NET ASSET VALUE

At the end of 2022, the net asset value decreased to DKK 199bn (negative 11%). The correction of the A.P. Moller - Maersk share price following the normalisation of the freight rates was the main driver.

The value of the Danske Bank shares increased during 2022. In December, Danske Bank announced that it had reached final co-ordinated resolutions with the US Department of Justice (DOJ), the US Securities and Exchange Commission (SEC), and the Danish Special Crime Unit (SCU) following the investigations into failings and misconduct related to the non-resident portfolio at Danske Bank's former Estonia branch. The aggregate amounts payable to the US and Danish authorities, in total DKK 15.3bn, is covered by provisions booked in 2022. All amounts have been paid in 2023.

The value of our shareholding in Noble (previously Maersk Drilling) has increased by 64% as a result of the merger between Maersk Drilling and Noble Corporation.

The net asset value is a volatile measure, not least over a shorter period, given our significant exposure to a few main portfolio companies. The net asset value calculation is based on different valuation methods. A.P. Moller - Maersk, Danske Bank, and Noble are assessed using their share prices at Nasdaq Copenhagen and New York Stock Exchange. The privately held companies are assessed based on recognised valuation methods, and the financial investment portfolio on market capitalisation (primarily quoted prices).

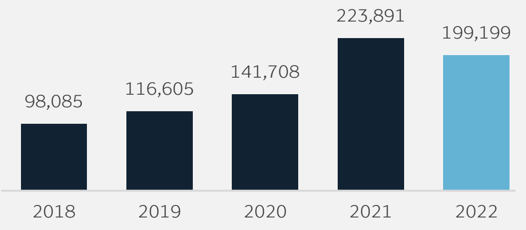
The market value of A.P. Moller - Maersk, Danske Bank and Noble corresponds to 73% (87%) of the total net asset value as of 31 December 2022. Over time, we expect that A.P. Moller - Maersk's, Danske Bank's, and Noble's relative share of our portfolio will decrease further.

FINANCIAL OUTLOOK

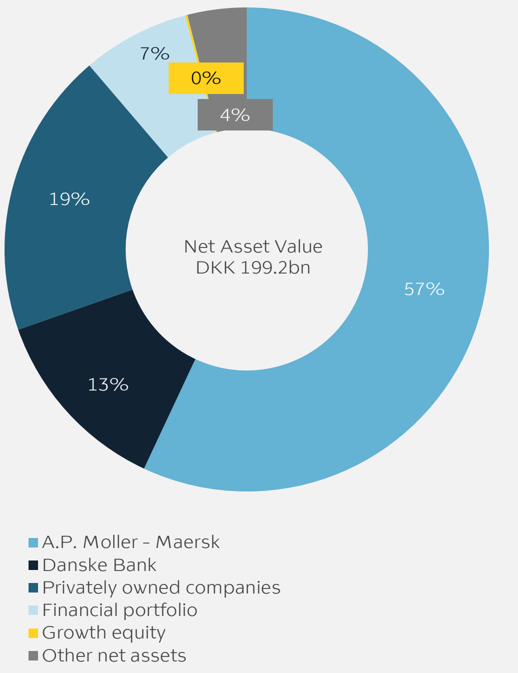
A.P. Moller Holding and its portfolio companies are exposed to the global economic activity levels as well as the development in the global financial markets. Based on our expectations and financial guidance for our portfolio companies, we expect EBITDA for 2023 to be in the range of DKK 60-80bn based on current exchange rates.

The above statement is, by nature, subject to a number of uncertainties, including, but not limited to the geopolitical uncertainties and the potential economic recession in Europe that will challenge the global supply chains and global economic growth. This could cause actual results and performance to differ materially from our expectations. In addition, financial performance depends on several factors subject to uncertainties related to the given uncertain macroeconomic conditions as well as future development of freight rates and volumes, demographic and social changes, demand for sustainable solutions, commodity prices, including, but not limited to, oil and energy prices, inflation, and interest rates.

NET ASSET VALUE (DKKm)



DISTRIBUTION OF NET ASSET VALUE



BUILDING A PORTFOLIO OF PLATFORMS FOR THE FUTURE

In our existing portfolio and new investments, we focus on building scalable platforms in areas where we can drive long-term momentum and impact. Our investment strategy focuses on long-term mega trends, ‘nyttig virksomhed’ (having a positive impact on society), and leveraging the strength of our Group’s legacy.

This strategy implies that we devote our time and resources to identifying and executing investments across sectors and countries, and within four themes that we believe will be relevant for multiple business cycles:

Global trade
Global trade is key to prosperity as it enables income and growth for people and societies. We enable global trade in different ways, for example by facilitating more efficient logistics for countries and companies across the globe and by building critical infrastructure.

The energy transition
Our societies depend on a steady and reliable energy supply. The recent tragic geopolitical developments underline this, and we generally focus on contributing to the urgent transition from hydrocarbon based energy to more sustainable and green energies.

Circularity, water & waste recovery
Global consumption of resources is under pressure. More sustainable replacements are being adapted and the use and utilisation of resources must be optimised. We are committed to the development towards circular rather than linear production and consumption models.

Demographic & societal change
Across both mature and emerging economies, population demographics are changing. These slow-moving but largely inevitable demographic and societal factors are transforming our societies. We investigate digital and automated ways of working to address the welfare challenges arising from demographic change.

INVESTMENT MANDATES

We leverage our knowledge, expertise, and experience across four different mandates:

Principal investments
Large control-oriented investments in companies backed by solid long-term value drivers. Our principal investments are our platforms where we can deploy additional capital over time for organic and inorganic expansion.

Growth equity initiatives
Patient minority investments in late-stage growth businesses. In addition to generating attractive financial returns, the objective is to leverage and continue to enhance domain knowledge within our core areas of expertise.

Incubation projects
Rooted in our entrepreneurial legacy and spirit, we selectively initiate incubation projects and actual building of new businesses. Such greenfield projects are based on ideas generated internally in our Group where some, after an extensive vetting process, are pushed forward and initially funded by us. Over time, we typically bring on other investors.

Public investments
We apply active concentrated global strategies across various asset classes seeking to generate outside financial results above market benchmarks.

ENGAGED AND ACTIVE LONG-TERM OWNERS

In the spirit of our founder, A.P. Møller, we are engaged and active long-term owners with a point of view on key matters. Stewardship and a continued focus on the quality of interactions between management, board, and owner are therefore critical to our success. In 2022, we have drafted a set of principles and guidelines defining the type of owner we are, and how we exercise our ownership model.

These principles guide the interactions with our portfolio companies and ensure that our core values, beliefs, and ways of working are being transmitted consistently, and with the highest possible level of efficiency, to the organisations.

A.P. Moller - Maersk

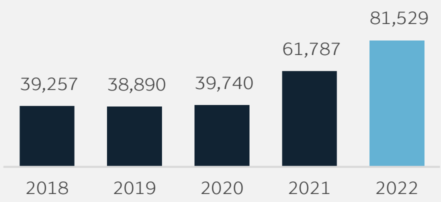
A.P. MOLLER - MAERSK is an integrated transport and logistics company working to connect and simplify its customers' supply chains. The company is a global leader in shipping activities.

CEO: Vincent Clerc
CFO: Patrick Jany

Representatives
- Robert M. Uggla (Chair)

Key figures
- Market cap: USD 39.1bn (31 December 2022)
- Ownership: 41.51% / 51.45% voting share

REVENUE
(USDm)



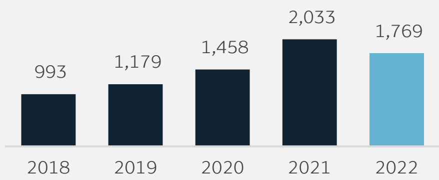
Unilabs

UNILABS is a leading diagnostics services provider in Europe, focusing on laboratory testing, pathology, and radiology. The company services both public and private healthcare providers across multiple countries.

CEO: Michiel Boehmer
CFO: Britt Hendriksen (1 April 2023)

Representatives
- Johan Lilliehöök (Vice Chair)
- Martin N. Larsen

REVENUE
(EURm)



Danske Bank

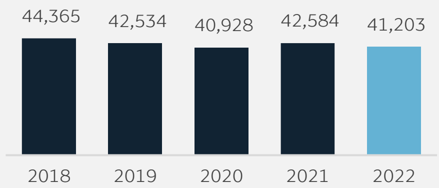
DANSKE BANK is Denmark's largest bank. Its core business includes private, business, institutional customer segments, and other financial services to the Nordic markets.

CEO: Carsten R. Egeriis
CFO: Stephan Engels

Representatives
- Jan T. Nielsen (Vice Chair)
- Lars-Erik Brenøe

Key figures
- Market cap: DKK 116.8bn (31 December 2022)
- Ownership: 21.26%

TOTAL INCOME
(DKKm)



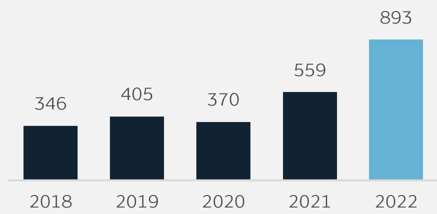
Faerch

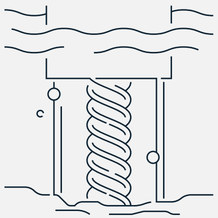
FAERCH is a leading supplier of circular packaging solutions to the global food industry, serving leading food manufacturers and retailers around the world.

CEO: Lars G. Hansen
CFO: Tom Sand-Kristensen

Representatives
- Henrik Poulsen (Chair)
- Jan T. Nielsen (Vice Chair)

REVENUE
(EURm)





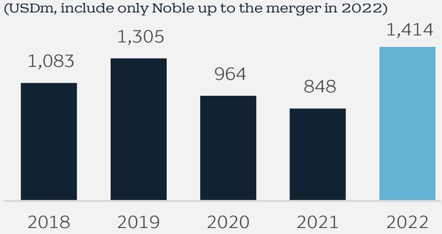
Noble

NOBLE is a leading offshore drilling company for the oil and gas industry. The company owns and operates one of the youngest and most advanced fleets in the offshore drilling industry.

CEO: Robert W. Eifler
CFO: Richard B. Barker

Key figures
- Market cap: USD 5.1bn (31 December 2022)
- Ownership: 20.7%

REVENUE
(USDm, include only Noble up to the merger in 2022)



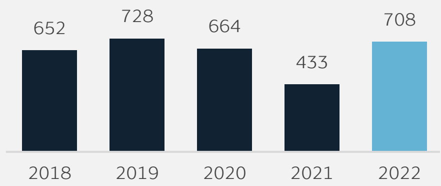
Maersk Product Tankers

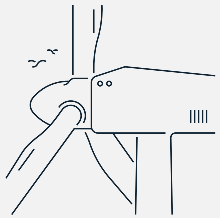
MAERSK PRODUCT TANKERS is an asset company, owning tankers transporting energy products worldwide for large energy companies and trading houses.

CEO: Claus Grønborg
CFO: Morten M. Christensen

Representatives
- Martin N. Larsen (Chair)
- Birgitte Schou

REVENUE
(USDm)





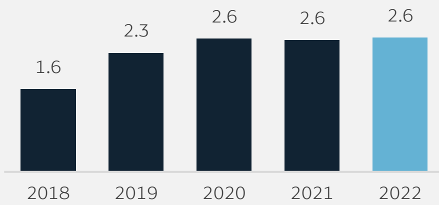
KK Wind Solutions

KK WIND SOLUTIONS is a leading global supplier of power electronic system solutions for the wind turbine industry, offering a wide range of products and services to wind turbines and parks.

CEO: Mauricio Quintana
CFO: Søren B. Just

Representatives
- Jan T. Nielsen (Chair)
- Simon K. Ibsen

REVENUE
(DKKbn)



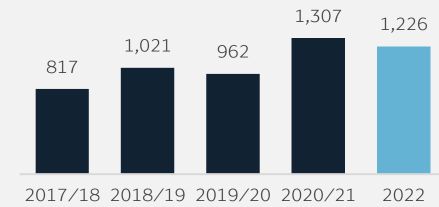
Nissens Cooling Solutions

NISSENS COOLING SOLUTIONS is a leading manufacturer of customised cooling solutions for industrial applications, including on- and offshore applications in the wind turbine industry.

CEO: Lars S. Rasmussen
CFO: Jakob Backs

Representatives
- Simon K. Ibsen

REVENUE
(DKKm)



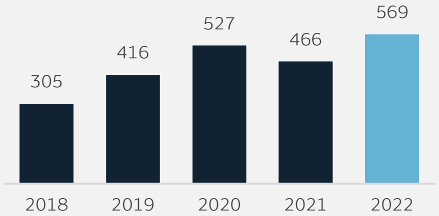
Maersk Tankers

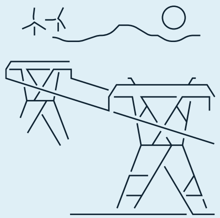
MAERSK TANKERS is a service company providing commercial management solutions for shipowners in the tanker industry. The company operates one of the largest tanker fleets in the world.

CEO: Christian M. Ingerslev
CFO: Morten M. Christensen

Representatives
- Robert M. Uggla (Chair)
- Maria Pejter
- Martin N. Larsen

REVENUE
(USDm)



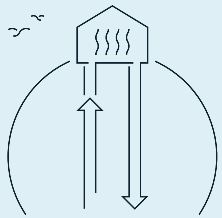


A.P. Moller Capital

A.P. MOLLER CAPITAL is an infrastructure fund manager focusing on high growth markets, combining attractive risk adjusted return with a positive societal impact.

CEO: Kim Fejfer
CFO: Joe Nielsen

Representatives
- Robert M. Uggla (Chair)
- Martin N. Larsen

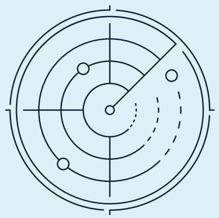


Innargi

INNARGI is a geothermal heating company, aiming to heat millions of urban homes while leaving zero impact on our planet.

CEO: Samir Abboud
CFO: Michael Harboe-Jørgensen

Representatives
- Claus V. Hemmingsen (Chair)



ZeroNorth

ZERONORTH is a technology company providing a range of software solutions that enable the shipping industry to reduce its impact on the climate while maintaining commercial performance.

CEO: Søren C. Meyer
CFO: Karl Thorngren

Representatives
- Maria Pejter

RISK MANAGEMENT

Our risk management setup is closely related to our investment strategy and allows us to safeguard the longevity of our portfolio companies by understanding the inherent risks associated with each of our portfolio companies and by supporting the companies in managing these risks in a changing environment.

Risk management reporting is an integrated part of our business processes, allowing A.P. Moller Holding to respond appropriately to the changing environments our businesses are operating in. The Board of Directors receives portfolio performance reports including risk management measures on a regular basis throughout the year.

Being an investor focusing on capital risk, we continuously develop our risk framework, and we have embedded controls and operational risk mitigation processes in our critical daily operations. We have a constant focus on good governance, and we have implemented procedures to continuously assess and ensure that we follow market standards and developments. Further, in line with the purpose of the A.P. Moller Foundation, and to ensure the long-term viability and longevity of A.P. Moller - Maersk, our portfolio companies are structured as visualised on page 79.

OUR PORTFOLIO COMPANIES

Having a long-term ownership horizon, our ambition for each investment is defined in a clear ownership strategy, considering sector specific market parameters and developments, as well as current and emerging risks.

Risks related to our portfolio companies include business and financial risks associated with operations and performance. The management of such risks is effectively anchored with the Board of Directors in each of the portfolio companies. Each entity has defined and implemented their own risk management framework, managing specific, defined risks. As owners, we monitor business performance in the portfolio companies closely as part of our ownership aspiration. We report on business and risk related issues to our Board of Directors as appropriate.

Our investment team is focusing on large and long-term investments and brings valuable global investment expertise. As we evaluate investment opportunities, the investments will undergo committees and investment gates where thorough risk analysis, due diligence, and mitigation are natural parts of the investment evaluation process. Our risk management framework allows us to critically evaluate such risks and where risks/rewards are not deemed attractive and in line with our values, as well as our financial and strategic beliefs, investments will be abandoned.

As our investments are expected to have a long-term ownership horizon, we focus on the inherent risks related to such investments. At all times, it is part of our strategic beliefs to invest in and build businesses that have a positive impact on society. Hence, we strive to ensure that all our partners acknowledge our values and share our commitment to conduct business in an ethical, legal, and socially responsible manner.

FINANCIAL INVESTMENTS

A.P. Moller Holding has a financial portfolio primarily with exposure to global equity markets managed by our own financial investment team. The overall objective of the portfolio is i) to create economic value in line with our values, ii) to ensure a part of our financial portfolio remains highly liquid, acting as a buffer for the company to be flexible and able to react as needed in relation to our portfolio companies or to significant changes in our cash flows, and iii) to deliver performance in line with a fixed benchmark.

The Board of Directors approves the investment policy and defines the acceptable risk limits including a variety of risk management factors such as single line limits, currency exposures, and asset class weights. These, in combination with internal investment principles, guide the financial investments on a daily basis. We manage the market, credit, liquidity, and currency risks related to our financial portfolio by limiting maximum exposure to individual asset classes and underlying assets. The guidelines are reviewed regularly to ensure they reflect the market situation and our financial situation at any given time.

CORPORATE SOCIAL RESPONSIBILITY

A.P. Moller Holding invests in and builds businesses with a positive impact on society – 'nyttig virksomhed' – as defined by our founder A.P. Møller.

'Nyttig virksomhed' is a key element in our investment strategy, and we are open to reconsider our ownership of a business, if its business model does not have a positive impact on society. Hence, social responsibility is integrated into our purpose and is core to everything we do.

As part of good governance practice, we have implemented policies and systems to secure a solid basis for our activities as an engaged investment company. We focus on mitigating the key risks of essential compliance areas including money laundering & financing of terrorism and bribery & corruption. As reflected in our Anti-Bribery & Anti-Corruption Policy, we have zero tolerance towards fraud and bribery, which is one of the cornerstones in our overall framework for how to exercise due care to prevent bribery and corruption internally as well as in relation to third parties acting on behalf of A.P. Moller Holding. This is especially relevant in relation to our investments, where we, prior to investing, conduct thorough due diligence measures on the target and relevant counterparties such as advisors, co-investors, etc.

STATUTORY REPORT CF. SECTION 99A OF THE DANISH FINANCIAL STATEMENTS ACT

As an international investment company with a broad range of investment activities, A.P. Moller Holding has a significant influence on society. We acknowledge the responsibilities that this entails and make an effort to ensure that we are recognised as a trustworthy group of companies.

The Board of Directors of each of our portfolio companies, A.P. Moller - Maersk, Unilabs, Danske Bank, Faerch, Noble, Maersk Product Tankers, KK Wind Solutions, Nissens Cooling Solutions, Maersk Tankers, A.P. Moller Capital, Innargi, and ZeroNorth, define their own specific CSR policies and Codes of Conduct. We are represented on each board in companies where we hold a minimum of 50% of the votes, and these representatives ensure that CSR policies, including human rights, climate change, and environmental impact, are enforced. Policies are adapted to meet the circumstances in which each of the affiliates operate.

For A.P. Moller Holding's statutory statement on CSR in accordance with section 99a of The Danish Financial Statements Act, please refer to: https://apmoller.com/wp-content/uploads/2023/03/APMH-CSR-Report-2022.pdf.

STATUTORY REPORT CF. SECTION 99B OF THE DANISH FINANCIAL STATEMENTS ACT

The Board of Directors counts two women and three men. This constitutes gender balance in accordance with the guidelines issued by The Danish Business Authority.

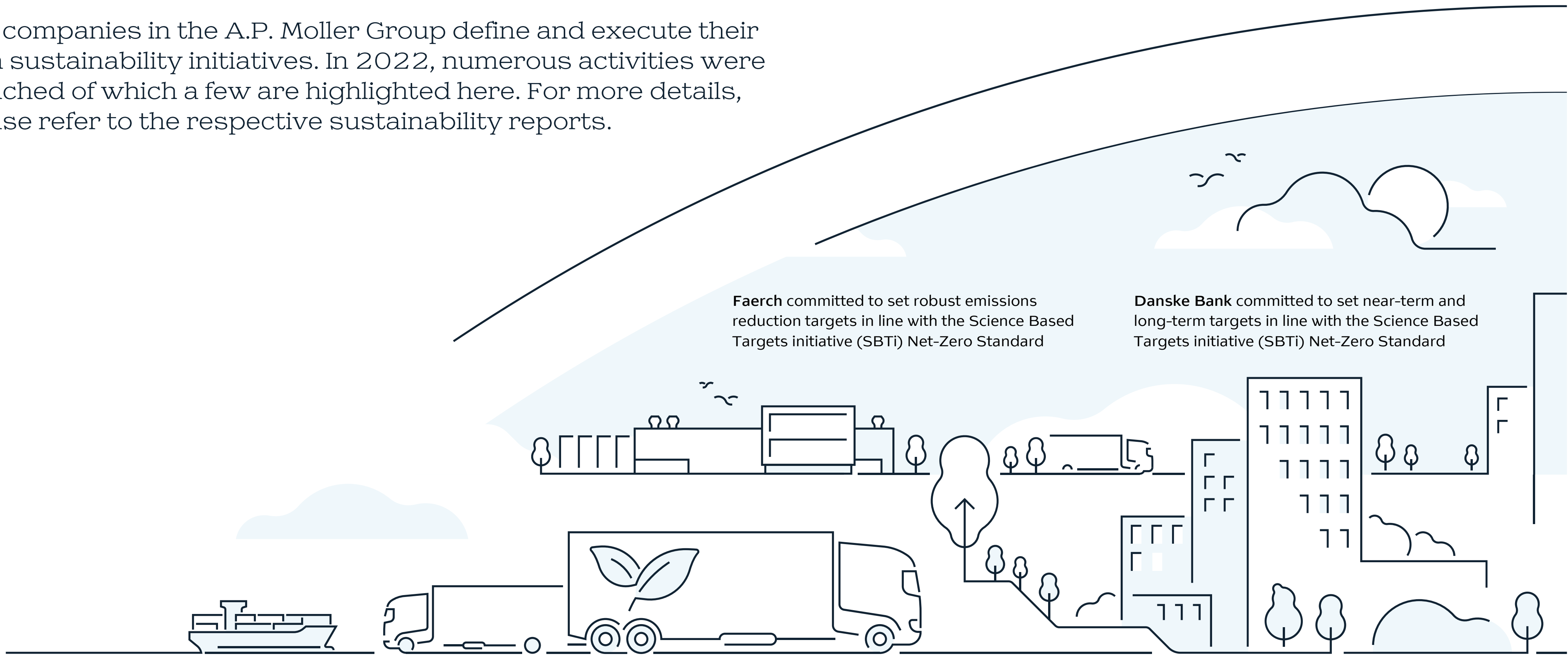
A.P. Moller Holding has not set a consolidated target for the underrepresented gender across its portfolio companies, but has ensured that all subsidiaries which fall under the requirements as reporting class large C or D have set targets for their supreme management body individually. Furthermore, our subsidiaries report on their individual targets in their annual reports, as well as for their individual policies concerning gender balance at other management levels, if applicable.

STATUTORY REPORT CF. SECTION 99D OF THE DANISH FINANCIAL STATEMENTS ACT

In line with our core values, responsible use of information and data is part of our overall aim to adhere to high ethical standards. Pursuant to the requirements and with our daily operations and activities as a starting point, A.P. Moller Holding has developed a policy on data ethics based on five principles reflecting how we use and process both personal and non-personal data as well as general data and information. The policy addresses our aim for being transparent as appropriate and acting responsibly with respect and dignity both towards our employees and when working with third parties. The policy complements our policies and procedures on handling of personal data, IT-security, etc.

SUSTAINABILITY HIGHLIGHTS

The companies in the A.P. Moller Group define and execute their own sustainability initiatives. In 2022, numerous activities were launched of which a few are highlighted here. For more details, please refer to the respective sustainability reports.

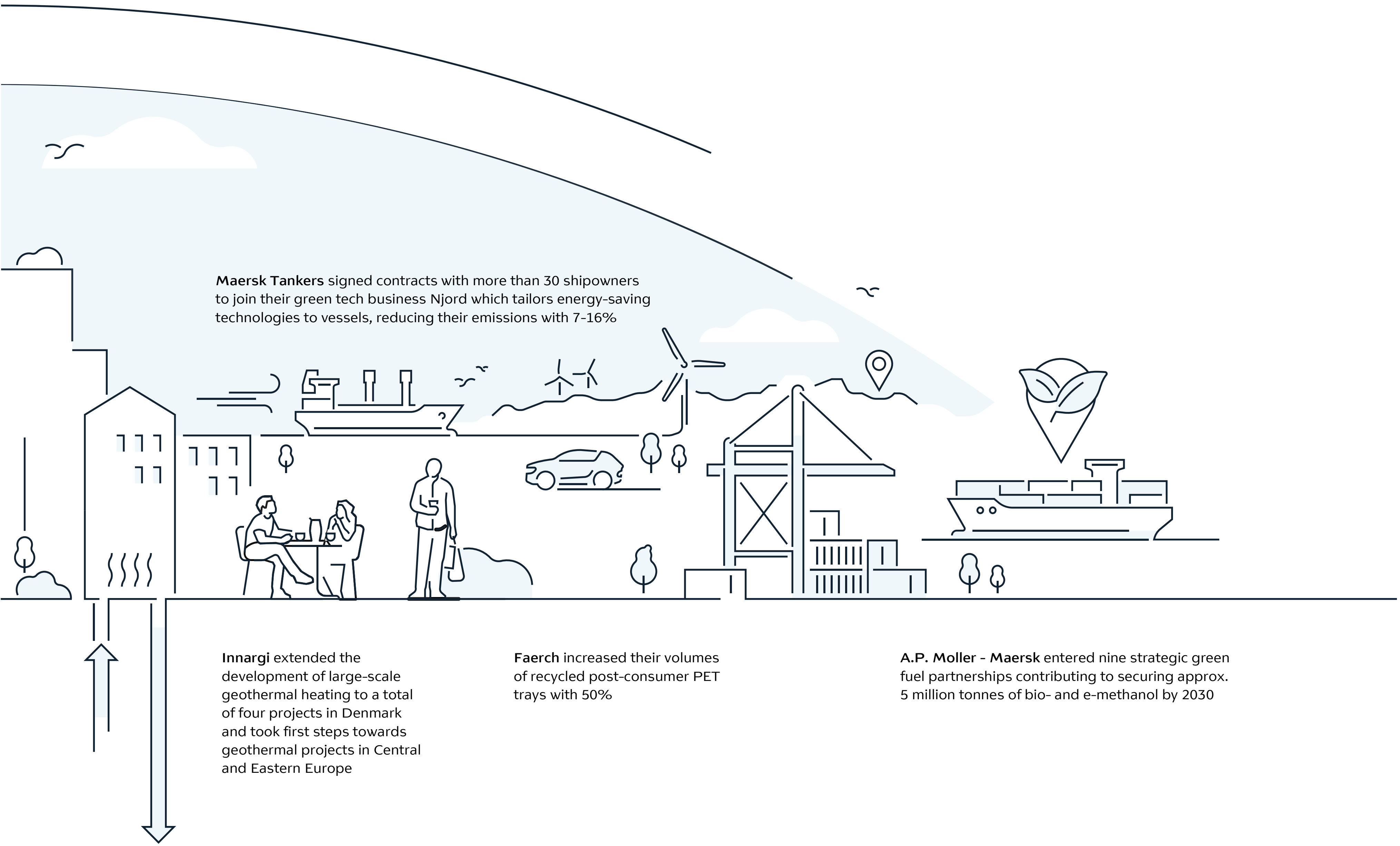


Faerch committed to set robust emissions reduction targets in line with the Science Based Targets initiative (SBTi) Net-Zero Standard

Danske Bank committed to set near-term and long-term targets in line with the Science Based Targets initiative (SBTi) Net-Zero Standard

A.P. Moller - Maersk ordered 400+ electric trucks for their North American warehousing, distribution, and transportation business

Danske Bank joined the Partnership for Biodiversity Accounting Financials and the Finance for Biodiversity Pledge



Maersk Tankers signed contracts with more than 30 shipowners to join their green tech business Njord which tailors energy-saving technologies to vessels, reducing their emissions with 7-16%

Innargi extended the development of large-scale geothermal heating to a total of four projects in Denmark and took first steps towards geothermal projects in Central and Eastern Europe

Faerch increased their volumes of recycled post-consumer PET trays with 50%

A.P. Moller - Maersk entered nine strategic green fuel partnerships contributing to securing approx. 5 million tonnes of bio- and e-methanol by 2030

BOARD OF DIRECTORS

Ane M.M. Uggla

Chair

Chair of the Board of Directors
- A.P. Møller og Hustru Chastine McKinney Møllers Fond til almene Formaal
- Den A.P. Møllerske Støttefond

Other management duties
Estemco III ApS (CEO)
Timer ApS (CEO)

Claus V. Hemmingsen

Chair of the Board of Directors
- DFDS A/S
- Innargi Holding A/S (and chair of one affiliated undertaking)
- HusCompagniet A/S

Member of the Board of Directors
- A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal
- Den A.P. Møllerske Støttefond
- Noble Corporation PLC
- Det Forenede Dampskibsselskabs Jubilæumsfond
- Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping
- Global Maritime Forum Fonden
- Work Wear Group A/S (and member of two affiliated undertakings)

Other management duties
CVH Consulting ApS (CEO)
Committee for Corporate Governance, Denmark (member)

Diane B. Greene

Chair of the Board of Directors
- Massachusetts Institute of Technology

Member of the Board of Directors
- Stripe Inc.
- Wix.com Ltd.

Other management duties
Advisory Board at School of engineering for the University of California, Berkeley (Co-chair)

Jan Leschly

Chair of the Board of Directors
- Care Capital, LLC

Member of the Board of Directors
- Universal Tennis Ranking LLC
- The Leschly Tennis Foundation
- Nightingale Veterinary Partners

Other management duties
Adjunct Professor at Copenhagen Business School

Lars-Erik Brenøe

Member of the Board of Directors
- Danske Bank A/S
- A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal
- A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond
- Odense Havn A/S
- Maersk Broker A/S (Vice Chair)
- Maersk Broker K/S (and Chair of three affiliated undertakings)

EXECUTIVE BOARD

Robert M. Uggla

Chief Executive Officer

Other management duties, etc.

- A.P. Møller - Mærsk A/S (Chair)
- A.P. Møller Capital P/S (Chair)
- Maersk Tankers A/S (Chair)
- Foundation Board of IMD Business School (Board member)
- Agata ApS (CEO)
- Estemco XII ApS (CEO)
- International Business Leaders' Advisory Council in Shanghai (Member)

Robert M. Uggla is appointed to the Board of Directors in a number of entities controlled by A.P. Møller Holding A/S.

Jan T. Nielsen

Chief Investment Officer

Other management duties, etc.

- KK Wind Solutions Holding A/S (Chair)
- Faerch Group Holding A/S (Vice Chair)
- Danske Bank A/S (Vice Chair)
- LEGO A/S (Board member)
- Thorsgaard Holding ApS (CEO)

Jan T. Nielsen is appointed to the Board of Directors in a number of entities controlled by A.P. Møller Holding A/S.

Martin N. Larsen

Chief Financial Officer

Other management duties, etc.

- Maersk Product Tankers A/S (Chair)
- A.P. Møller Capital P/S (Board member)
- Maersk Tankers A/S (Board member)
- Unilabs Group Holding ApS (Board member)
- Navigare Capital Partners A/S (Chair)
- Assuranceforeningen SKULD (Gjensidig) (Vice Chair)
- MVKH ApS (CEO)

Martin N. Larsen is appointed to the Executive Board and Board of Directors in a number of entities controlled by A.P. Møller Holding A/S.

FINANCIAL STATEMENTS

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT FOR 1 JANUARY TO 31 DECEMBER

Note	Amounts in DKKm	2022	2021
1	Revenue	611,207	408,025
2, 16	Operating costs	- 346,934	- 253,947
	Other income	2,685	1,330
	Other costs	- 1,407	- 1,142
	Profit before depreciation, amortisation and impairment losses, etc.	**265,551**	**154,266**
3, 7, 8, 9	Depreciation, amortisation and impairment losses, net	- 48,993	- 33,879
4	Gain on sale of non-current assets, etc., net	496	2,442
10	Share of profit in joint ventures	- 1,366	1,023
10	Share of profit in associated companies	1,171	4,695
	Profit before financial items	**216,859**	**128,547**
5	Financial income	9,806	6,132
5	Financial expenses	- 16,488	- 10,792
	Profit before tax	**210,177**	**123,887**
6	Tax	- 6,369	- 4,912
	Profit for the year	**203,808**	**118,975**
	Profit for the year attributable to:		
17	Non-controlling interests	121,229	67,448
	Owner of A.P. Møller Holding A/S	82,579	51,527
		203,808	**118,975**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	Amounts in DKKm	2022	2021
	Profit for the year	**203,808**	**118,975**
	Translation to functional currency		
	Translation impact arising during the year	- 4,349	- 2,265
	Reclassified to income statement, gain on sale of non-current assets, etc., net	375	145
	Cash flow hedges		
22	Value adjustment of hedges for the year	42	- 510
22	Reclassified to income statement	1,148	0
22	Reclassified to cost of property, plant and equipment	0	13
6	Tax on other comprehensive income	- 101	- 49
10	Share of other comprehensive income of joint ventures and associated companies, net of tax	- 575	- 31
	Total items that have been or may be reclassified subsequently to the income statement	**- 3,460**	**- 2,697**
21	Other equity investments (FVOCI), fair value adjustments for the year	170	899
19	Actuarial gains/losses on defined benefit plans, etc.	200	- 144
	Translation from functional currency to presentation currency	16,975	20,577
6	Tax on other comprehensive income	221	44
10	Share of other comprehensive income of joint ventures and associated companies, net of tax	- 168	69
	Total items that will not be reclassified to the income statement	**17,398**	**21,445**
	Other comprehensive income, net of tax	**13,938**	**18,748**
	Total comprehensive income for the year	**217,746**	**137,723**
	Total comprehensive income for the year attributable to:		
17	Non-controlling interests	130,704	78,586
	Owner of A.P. Møller Holding A/S	87,042	59,137
		217,746	**137,723**

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER

Note	Amounts in DKKm	2022	2021
7	**Intangible assets**	**133,580**	**53,823**
8	**Property, plant and equipment**	**208,234**	**206,269**
9	**Right-of-use assets**	**78,601**	**65,679**
10	Investments in joint ventures	5,379	8,533
10	Investments in associated companies	49,618	44,675
	Other equity investments	4,412	2,661
22	Derivatives	216	216
19	Pensions, net assets	933	970
	Loans receivable	461	79
	Other receivables	5,017	1,442
	Financial non-current assets	**66,036**	**58,576**
12	**Deferred tax**	**3,066**	**2,215**
	Total non-current assets	**489,517**	**386,562**
13	**Inventories**	**14,107**	**11,124**
21	Trade receivables	53,212	38,841
	Tax receivables	1,426	1,469
22	Derivatives	1,451	282
11	Loans receivable	124,219	34,043
	Other receivables	9,597	6,292
	Prepayments	9,266	4,130
	Receivables, etc.	**199,171**	**85,057**
	Securities	**12,458**	**9,958**
	Cash and bank balances	**74,581**	**83,692**
14	**Assets held for sale**	**481**	**2,656**
	Total current assets	**300,798**	**192,487**
	Total assets	**790,315**	**579,049**

Note	Amounts in DKKm	2022	2021
15	Share capital	2,000	2,000
	Reserves	- 3,993	- 2,585
	Retained earnings	271,160	186,005
	Proposed dividend	2,500	2,000
	Equity attributable to A.P. Møller Holding A/S	**271,667**	**187,420**
17	Non-controlling interests	269,727	187,370
	Total equity	**541,394**	**374,790**
18	**Borrowings, non-current**	**54,062**	**45,981**
18	**Lease liabilities, non-current**	**61,485**	**54,029**
19	Pensions and similar obligations	1,446	1,410
20	Provisions	6,047	4,626
22	Derivatives	3,470	1,577
12	Deferred tax	10,958	4,968
	Tax payable, non-current	2,857	2,125
	Other payables	1,898	1,559
	Other non-current liabilities	**26,676**	**16,265**
	Total non-current liabilities	**142,223**	**116,275**
18	**Borrowings, current**	**4,879**	**4,648**
18	**Lease liabilities, current**	**21,892**	**16,337**
20	Provisions	6,335	5,204
	Trade payables	51,544	44,235
	Tax payables	3,506	3,600
22	Derivatives	573	722
	Other payables	16,987	10,506
	Deferred income	919	1,132
	Other current liabilities	**79,864**	**65,399**
14	**Liabilities associated with assets held for sale**	**63**	**1,600**
	Total current liabilities	**106,698**	**87,984**
	Total liabilities	**248,921**	**204,259**
	Total equity and liabilities	**790,315**	**579,049**

CONSOLIDATED CASH FLOW STATEMENT FOR 1 JANUARY TO 31 DECEMBER

Note	Amounts in DKKm	2022	2021
	Profit before financial items	216,859	128,547
3, 7, 8, 9	Depreciation, amortisation and impairment losses, net	48,993	33,879
4	Gain on sale of non-current assets, etc., net	- 496	- 2,442
10	Share of profit in joint ventures	1,366	- 1,023
10	Share of profit in associated companies	- 1,171	- 4,695
26	Change in working capital	- 14,066	- 10,063
	Change in provisions and pension obligations, etc.	1,111	574
	Financial income received	1,720	403
26	Other non-cash items	1,764	457
	Cash flow from operating activities before tax	**256,080**	**145,637**
	Taxes paid	- 6,967	- 3,813
	Cash flow from operating activities	**249,113**	**141,824**
26	Purchase of intangible assets and property, plant and equipment	- 31,962	- 21,190
	Sale of intangible assets and property, plant and equipment	3,864	6,891
27	Acquisition of subsidiaries and activities	- 57,980	- 14,315
	Sale of subsidiaries and activities	157	51
	Disposal, merger, etc.	- 1,848	0
	Dividends received	2,815	2,226
26	Other financial investments	- 88,788	- 32,108
	Purchase/sale of securities, trading portfolio	- 4,543	- 2,362
	Cash flow used for investing activities	**- 178,285**	**- 60,807**
18	Repayment of borrowings	- 74,023	- 32,566
18	Repayment of leases	- 22,660	- 14,737
18	Proceeds from borrowings	65,139	18,979
	Purchase of own shares	- 11,321	- 7,181
	Financial expenses paid	- 4,140	- 2,843
	Financial expenses paid on lease liabilities	- 3,772	- 2,897
	Dividends distributed	- 2,000	- 600
	Dividends distributed to non-controlling interests	- 29,239	- 4,788
	Sale of treasury shares	221	141
	Capital increases made by non-controlling interests	684	41
	Acquisition of non-controlling interests	0	- 19
	Sale of non-controlling interests	10	6
	Other equity transactions	- 763	176
	Cash flow from financing activities	**- 81,864**	**- 46,288**
	Net cash flow for the year	**- 11,036**	**34,729**

Note	Amounts in DKKm	2022	2021
	Cash and cash equivalents as of 1 January	81,626	42,649
	Currency translation effect on cash and cash equivalents	3,584	4,424
	Net cash flow for the year	- 11,036	34,729
	Total cash and cash equivalents as of 31 December	**74,174**	**81,802**
	Of which classified as assets held for sale	- 7	- 176
	Cash and cash equivalents as of 31 December	**74,167**	**81,626**
	Cash and bank balances	74,581	83,692
	Overdrafts	- 414	- 2,066
	Cash and cash equivalents as of 31 December	**74,167**	**81,626**

Cash and bank balances include DKK 10.0bn (DKK 8.6bn) relating to cash and bank balances in countries with exchange rate control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in DKKm	Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
Equity as of 1 January 2021	**2,000**	**- 1,094**	**- 13**	**- 309**	**128,013**	**600**	**129,197**	**120,005**	**249,202**
Other comprehensive income, net of tax	0	- 1,329	392	- 224	8,771	0	7,610	11,138	18,748
Profit for the year	0	0	0	0	49,527	2,000	51,527	67,448	118,975
Total comprehensive income for the year	**0**	**- 1,329**	**392**	**- 224**	**58,298**	**2,000**	**59,137**	**78,586**	**137,723**
Dividends to shareholders	0	0	0	0	0	- 600	- 600	- 4,788	- 5,388
Value of share-based payment	0	0	0	0	55	0	55	77	132
Sale of own shares	0	0	0	0	60	0	60	81	141
Purchase of own shares	0	0	0	0	1	0	1	- 7,181	- 7,180
Acquisition of non-controlling interests	0	0	0	0	- 50	0	- 50	9	- 41
Sale to non-controlling interests	0	0	0	0	- 131	0	- 131	131	0
Capital increases and decreases	0	0	0	0	0	0	0	656	656
Transfer of loss on disposal of equity investments at FVOCI to retained earnings	0	0	- 8	0	8	0	0	0	0
Change in non-controlling interests	0	0	0	0	149	0	149	- 165	- 16
Liability (put option)	0	0	0	0	- 370	0	- 370	0	- 370
Other equity movements	0	0	0	0	- 28	0	- 28	- 41	- 69
Total transactions with shareholders	**0**	**0**	**- 8**	**0**	**- 306**	**- 600**	**- 914**	**- 11,221**	**- 12,135**
Equity as of 31 December 2021	**2,000**	**- 2,423**	**371**	**- 533**	**186,005**	**2,000**	**187,420**	**187,370**	**374,790**
Other comprehensive income, net of tax	0	- 2,239	285	495	5,922	0	4,463	9,475	13,938
Profit for the year	0	0	0	0	80,079	2,500	82,579	121,229	203,808
Total comprehensive income for the year	**0**	**- 2,239**	**285**	**495**	**86,001**	**2,500**	**87,042**	**130,704**	**217,746**
Dividends to shareholders	0	0	0	0	0	- 2,000	- 2,000	- 29,239	- 31,239
Value of share-based payment	0	0	0	0	106	0	106	135	241
Sale of own shares	0	0	0	0	93	0	93	128	221
Purchase of own shares	0	0	0	0	- 24	0	- 24	- 11,491	- 11,515
Acquisition of non-controlling interests	0	0	0	0	0	0	0	426	426
Sale to non-controlling interests, including dilution and merger	0	0	0	0	- 27	0	- 27	- 9,335	- 9,362
Capital increases and decreases	0	0	0	0	0	0	0	928	928
Transfer of loss on disposal of equity investments at FVOCI to retained earnings	0	0	- 38	0	38	0	0	0	0
Transfer of cash flow hedge reserve to non-current assets	0	0	0	89	0	0	89	124	213
Change in non-controlling interests	0	0	0	0	159	0	159	- 159	0
Liability (put option)	0	0	0	0	- 962	0	- 962	- 12	- 974
Other equity movements	0	0	0	0	- 229	0	- 229	148	- 81
Total transactions with shareholders	**0**	**0**	**- 38**	**89**	**- 846**	**- 2,000**	**- 2,795**	**- 48,347**	**- 51,142**
Equity as of 31 December 2022	**2,000**	**- 4,662**	**618**	**51**	**271,160**	**2,500**	**271,667**	**269,727**	**541,394**

Notes to consolidated financial statements

Note 1: Revenue

TYPES OF REVENUE

Amounts in DKKm	2022	2021
Global trade	585,389	393,836
The energy transition	3,799	2,633
Circularity, water & waste recovery	6,642	3,581
Demographic & societal change	9,546	0
Other	5,831	7,975
Total	**611,207**	**408,025**
Of which:		
Recognised over time	567,759	375,824
Recognised at a point in time	43,448	32,201

CONTRACTS WITH CUSTOMERS

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed as total revenue.

Amounts in DKKm	2022	2021
Revenue from contracts with customers	599,339	397,655
Revenue from other sources		
Vessel sharing and slot charter income	8,698	6,666
Lease income	2,173	2,949
Others	997	755
Total	**611,207**	**408,025**

CONTRACT BALANCES

Amounts in DKKm	2022	2021
Trade receivables from contracts with customers	49,927	36,461
Accrued income - contract assets	2,514	570
Accrued income - contract liabilities	0	612
Deferred income - contract liabilities	482	701

Accrued income included in trade receivables in the balance sheet constitutes contract assets comprising unbilled amounts representing the group’s right to consideration for the services transferred to date. Any amount previously recognised as accrued income is reclassified to trade receivables at the time it is invoiced to the customer.

Deferred income is recognised in the income statement within 12 months.

Under the payment terms generally applicable to the group’s revenue generating activities, prepayments are only received to a limited extent. Typically, payment is due upon or after completion of the services.

Part of the deferred income presented in the balance sheet constitutes contract liabilities, which represent advance payments and billings in excess of the recognised revenue.

There were no significant changes in accrued income and deferred income during the reporting period.

Provision for bad debt disclosed in note 21 relate to receivables arising from contracts with customers.

PERFORMANCE OBLIGATIONS

Performance obligations are services that are to be completed under existing customer contracts.

Amounts in DKKm	2022	2021
Within one year	2,030	4,901
Between one and five years	83	3,671
After five years	0	557
Total	**2,113**	**9,129**

Note 2: Operating costs

Amounts in DKKm	2022	2021
Cost of goods sold	21,254	14,408
Bunker costs	58,253	34,716
Terminal costs	49,241	43,989
Intermodal costs	32,073	25,079
Port costs	16,037	14,237
Rent and lease costs	12,005	11,288
Staff costs	59,295	42,843
Other costs	98,776	67,387
Total operating costs	**346,934**	**253,947**
Remuneration of employees		
Wages and salaries	52,029	38,051
Severance payments	796	223
Pension costs, defined benefit plans	292	151
Pension costs, defined contribution plans	2,195	1,667
Other social security costs	4,445	2,854
Total remuneration	**59,757**	**42,946**
Of which:		
Recognised in the cost of assets	- 158	- 97
Included in other costs	- 304	- 6
Expensed as staff costs	**59,295**	**42,843**
Average number of employees	**125,399**	**93,076**

Customary agreements have been entered into with employees regarding compensation in connection with resignation, with consideration for local legislation and collective agreements.

Please refer to note 16 for information about share-based payment.

FEES AND REMUNERATION TO THE EXECUTIVE BOARD AND BOARD OF DIRECTORS

The group has a cash-settled incentive plan to members of the Executive Board and grants have been awarded on a yearly basis. The incentive plan provides an annual bonus and long-term incentive programmes, which are determined by the development in the value creation of the underlying investments. The main part of the long-term incentive programmes is capped.

Amounts in DKKm	2022	2021
Executive Board		
Fixed base salary	17	17
Short-term cash incentive	11	16
Long-term incentive, grant value	9	8
Annual board fees from subsidiaries	5	3
Remuneration to the Executive Board before fair value adjustments	**42**	**44**
Fair value adjustments of long-term incentive, including of previous years' grants	19	44
Total remuneration to the Executive Board, including fair value adjustments	61	88
Board of Directors		
Annual fees, including board fees from subsidiaries	6	7
Total fee to the Board of Directors	**6**	**7**
Fees and remuneration to the Board of Directors and Executive Board	67	95

FEES TO STATUTORY AUDITORS

PricewaterhouseCoopers including network firms

Amounts in DKKm	2022	2021
Statutory audit	137	100
Other assurance services	1	13
Tax and VAT advisory services	12	7
Other services	38	29
Total fees	**188**	**149**

Note 3: Depreciation, amortisation and impairment losses, net

Amounts in DKKm	2022	2021
Total depreciation	42,729	29,620
Total amortisation	3,917	2,152
Total impairment losses, net	2,347	2,107
Depreciation, amortisation, and impairment losses, net	**48,993**	**33,879**

Total impairment losses, net in 2022 include DKK 137m regarding wind down of operations in Russia.

For more information, reference is made to note 7, 8 and 9.

Note 4: Gain on sale of non-current assets, etc., net

Amounts in DKKm	2022	2021
Gains	1,946	2,716
Losses	- 1,450	- 274
Gain on sale of non-current assets, etc., net	**496**	**2,442**

Gains include sales of containers and vessels, DKK 1.4bn (DKK0.9bn), and disposal of subsidiaries due to dilution, DKK 0.4bn (DKK 0.0bn). In 2021, gains included sales of rigs, DKK 1.6bn.

Losses are primarily related to sales of containers, DKK 0.2bn (DKK 0.3bn) and sales of businesses, DKK 1.0bn (DKK 0.0bn), which includes the wind down of operations in Russia and disposal of subsidiaries due to the merger between Maersk Drilling and Noble Corporation.

Note 5: Financial income and expenses

Amounts in DKKm	2022	2021
Interest expenses on liabilities[1]	- 3,435	- 3,009
Of which borrowing costs capitalised on assets[2]	348	44
Interest expenses on lease liabilities	- 3,772	- 2,933
Interest income on loans and receivables	3,196	370
Interest income on securities	0	23
Fair value adjustment transferred from equity hedge reserve (gain)	9	0
Fair value adjustment transferred from equity hedge reserve (loss)	- 269	- 372
Net interest expenses	**- 3,923**	**- 5,877**
Exchange rate gains on bank balances, borrowings, and working capital	5,141	2,661
Exchange rate losses on bank balances, borrowings, and working capital	- 5,149	- 2,582
Net foreign exchange gains/losses	**- 8**	**79**
Fair value gains from derivatives	385	654
Fair value losses from derivatives	- 2,258	- 1,585
Fair value gains from securities	928	2,350
Fair value losses from securities	- 1,875	- 267
Net fair value gains/losses	**- 2,820**	**1,152**
Dividends received from securities	147	93
Impairment losses on financial non-current receivables	- 92	- 164
Reversal of write-downs of loans and other non-current receivables	14	57
Financial expenses, net	**- 6,682**	**- 4,660**
Of which:		
Financial income	9,806	6,132
Financial expenses	- 16,488	- 10,792

[1] Of which DKK 0m (DKK 233m) relates to a loss on the prepayment of issued bonds
[2] Various capitalisation rates between 4.60% - 4.99% (3.30% - 4.99%) have been used to determine the amount of borrowing costs eligible for capitalisation

Please refer to note 22 for an analysis of gains and losses from derivatives.

Note 6: Tax

Amounts in DKKm	2022	2021
Tax recognised in the income statement		
Current tax on profits for the year	5,657	4,559
Adjustment for current tax of prior periods	256	410
Utilisation of previously unrecognised deferred tax assets	- 191	- 182
Total current tax	**5,722**	**4,787**
Origination and reversal of temporary differences	- 1,115	- 491
Adjustment for deferred tax of prior periods	332	122
Adjustment attributable to changes in tax rates and laws	0	- 30
Recognition of previous unrecognised deferred tax assets	- 10	- 497
Reassessment of recoverability of deferred tax assets, net	10	146
Total deferred tax	**- 783**	**- 750**
Total income tax	**4,939**	**4,037**
Tonnage and freight tax	1,430	875
Total tax expenses	**6,369**	**4,912**
Tax reconciliation		
Profit before tax	210,177	123,887
Profit subject to Danish and foreign tonnage taxation, etc.	- 207,455	- 110,560
Share of profit in joint ventures	1,366	- 1,023
Share of profit in associated companies	- 1,171	- 4,695
Profit before tax, adjusted	**2,917**	**7,609**
Tax using the Danish corporation tax rate (22%)	642	1,674
Tax rate deviations in foreign jurisdictions	278	234
Non-taxable income	- 1,190	- 229
Non-deductible expenses	2,661	1,012
Adjustment to previous years' taxes	588	532
Effect of changed tax rate	0	- 30
Change in recoverability of deferred tax assets	- 191	- 534
Deferred tax assets not recognised	480	264
Other differences, net	1,671	1,114
Total income tax	**4,939**	**4,037**
Effective tax rate	3.0%	4.0%

Amounts in DKKm	2022	2021
Tax recognised in other comprehensive income and equity	**120**	**- 5**
Of which:		
Current tax	149	- 59
Deferred tax	- 29	54

Corporate income taxes comprise taxes calculated in accordance with various countries' tax regimes.

Land-based and drilling activities, which are subject to normal corporate income tax, include terminals, logistics, services and shipping agencies, offshore drilling, sale of industrial products, diagnostics services, and financial profit from other equity investments.

The taxation of shipping income, generated by vessels providing services on the high seas, calling at multiple ports across the globe, is outlined in the OECD Model Tax Convention, Article 8 (Shipping Article). Under the Shipping Article, activities are taxable in the jurisdiction where the ship owning and operating entity is resident. Within our group, this is predominantly in Denmark and Singapore.

To encourage ship registration in Europe and ensure global competitiveness of the European Maritime Industry, the EU has approved a specific shipping regime. This is normally referred to as tonnage tax which calculates corporate income tax, based on the net tonnage of the fleet. Consequently, under the tonnage tax regime, no credit is given for losses and, despite massive capital investments in containers and vessels, no tax deductions are granted for depreciation or operating expenses.

Tonnage tax regimes apply to the main part of the group's activities within global trade and result in a stable annual tax liability. Given the liability to tonnage tax is not impacted by financial profits, and is payable even in loss making years, the effective tax rate (ETR) metric can fluctuate significantly. The group operates 750+ vessels delivering cargo to every corner of the globe, including dry cargo commodities, refrigerated cargo, and dangerous cargo, as well as transport of oil products.

Going forward, the group's other business areas, including the sale of industrial products, diagnostics services, and logistics services subject to normal corporate income taxes are expected to make up a larger part of the group's taxable income.

Note 7: Intangible assets

Amounts in DKKm	Goodwill	Terminal and service concession rights	Customer relations and brand names	Other intangible assets[1]	Total
Cost					
As of 1 January 2021	9,889	19,457	10,254	6,833	46,433
Addition	0	0	0	1,686	1,686
Acquired in business combinations[2]	11,209	0	7,028	609	18,846
Disposal	- 478	- 138	- 421	- 226	- 1,263
Transfers, tangible assets	0	0	0	1	1
Transfers, assets held for sale	- 13	- 31	0	- 63	- 107
Exchange rate adjustment	628	1,249	686	354	2,917
As of 31 December 2021	**21,235**	**20,537**	**17,547**	**9,194**	**68,513**
Addition	0	177	1	2,610	2,788
Acquired in business combinations[2]	54,488	0	25,237	1,899	81,624
Disposal	0	0	0	- 2,499	- 2,499
Disposal due to dilution and merger	0	0	0	- 694	- 694
Transfers, tangible assets	0	- 28	- 51	55	- 24
Transfers, assets held for sale	0	- 736	0	7	- 729
Exchange rate adjustment	36	846	423	399	1,704
As of 31 December 2022	**75,759**	**20,796**	**43,157**	**10,971**	**150,683**

Amounts in DKKm	Goodwill	Terminal and service concession rights	Customer relations and brand names	Other intangible assets[1]	Total
Amortisation and impairment losses					
As of 1 January 2021	2,748	4,150	1,904	3,773	12,575
Amortisation	0	711	955	486	2,152
Impairment losses	0	88	17	97	202
Disposal	- 478	0	- 421	- 13	- 912
Transfers, assets held for sale	0	- 31	0	- 57	- 88
Exchange rate adjustment	136	288	148	189	761
As of 31 December 2021	**2,406**	**5,206**	**2,603**	**4,475**	**14,690**
Amortisation	0	778	2,195	944	3,917
Impairment losses	0	106	162	226	494
Disposal	0	0	0	- 1,570	- 1,570
Disposal due to dilution and merger	0	0	0	- 498	- 498
Transfers, tangible assets	0	- 21	0	- 2	- 23
Transfers, assets held for sale	0	- 559	0	10	- 549
Exchange rate adjustment	25	230	105	282	642
As of 31 December 2022	**2,431**	**5,740**	**5,065**	**3,867**	**17,103**
Carrying amount:					
As of 31 December 2021	**18,829**	**15,331**	**14,944**	**4,719**	**53,823**
As of 31 December 2022	**73,328**	**15,056**	**38,092**	**7,104**	**133,580**

[1] Of which DKK 4.0bn (DKK 1.3bn) is related to ongoing development of software and DKK 3.0m (DKK 172m) to other ongoing development projects
[2] Acquired in business combinations, please refer to note 27

Note 7: Intangible assets – continued

The carrying amount of goodwill has been allocated to the following operating cash generating units based on the management structure.

Cash generating unit Amounts in DKKm	2022	2021
Ocean	2,202	2,072
Logistics & Services	31,924	6,184
Terminals & Towage (multiple terminals)	1,728	1,974
Manufacturing & others	404	0
Demographic & societal change	25,022	0
Tray (food packaging)[1]	9,145	3,652
Recycling PET[1]	716	2,852
Energy transition (wind solutions)	1,530	1,530
Other	657	565
Total	**73,328**	**18,829**

[1] In 2022, a final allocation of goodwill of DKK 2.1bn between Tray and Recycling PET has been made

IMPAIRMENT – KEY ASSUMPTIONS APPLIED

The recoverable amount of each cash generating unit is determined on the basis of the higher of its value in use or fair value less costs of disposal. The value in use is calculated using certain key assumptions for the expected future cash flows and applied discount factors.

The cash flow projections are based on financial budgets and business plans approved by management. In nature, these projections are subject to judgments and estimates that are uncertain, though based on experience and external sources, where available. The discount rates applied reflect the time value of money as well as the specific risks related to the underlying cash flows, i.e. project and/or country specific risk premiums. Further, any uncertainties reflecting past performance and possible variations in the amount or timing of the projected cash flows, are generally reflected in the discount rates.

The outcome of impairment tests is subject to estimates of the future development of freight rates and volumes, demographic and societal changes, demand for sustainable solutions, commodity prices, including, but not limited to, oil and utility prices, inflation, and the discount rates applied. Inflation is expected to have a higher impact in 2023 than in 2022 and in prior years.

Management determines the key assumptions for each impairment test by considering past experience, as well as market analysis and future expectations based on supply and demand trends.

The future development in freight rates is an uncertain and significant factor impacting Ocean and the product tanker market in particular, whose financial results are directly affected by fluctuations in container and tanker freight rates. Freight rates are expected to be influenced by regional and global economic environments, trade patterns, and by industry specific trends in respect of capacity supply and demand. As the shipping market has started on its path to normalisation, shipment and contract rates have begun to see a decline in 2022 and are expected to continue to decline until part way through 2023. The overall volume growth outlook is flat in 2023 and is expected to increase from 2024 onwards.

The future development in the oil price is also an uncertain and significant factor impacting accounting estimates, either directly or indirectly. Shipping is directly impacted by the bunker oil price, where the competitive landscape determines the extent to which the development is reflected in the freight rates charged to the customer. Bunker consumption is expected to reduce compared to 2022, driven by fleet outsourcing and efficiency improvements.

Terminals located in oil-producing countries, e.g. Nigeria and Brazil, are indirectly impacted by the development in oil prices and the consequences for the respective countries' economies, which not only affect volumes handled in the terminals, but also foreign exchange rates. Continued economic deterioration and a lack of cash repatriation opportunities in certain oil-producing countries could also put pressure on the carrying amounts of individual terminals.

The key sensitivities impacting Terminals include container moves, revenue and cost per move, and local port rates, all of which are impacted by the local economic outlook and competition, as well as concession right extensions and the discount rate applied.

The future development in demand for sustainable solutions within food packaging, recycling of plastic, as well as the demand for wind energy onshore and offshore is uncertain and significant factors impacting Faerch, KK Wind Solutions, and Other. The Paris Agreement adopted in 2015, together with increased focus on sustainable value chains and sustainability reporting will also determine the extent of the demand.

Note 7: Intangible assets – continued

The future development in demand for services within medical diagnostic services is dependant on demographic changes and composition, including what the public authorities in the individual countries decide to allocate to the healthcare budget. Demographic changes include an increasing and ageing population, increasing prevalence of chronic diseases, and higher welfare.

RESULTS OF IMPAIRMENT ASSESSMENTS

Impairment losses recognised are specified as follows:

Amounts in DKKm	2022	2021
Terminal and service concession rights		
Terminals & Towage	106	88
Other intangible assets		
Ocean	198	
Logistics & Services	149	
Terminals & Towage	14	97
Energy transition (wind solutions)	13	17
Other	14	
Total	**494**	**202**

Recoverable amount is based on fair value less costs of disposal, hence no discount rate has been applied.

Impairment losses 2022

Impairment tests for Terminals and service concessions rights and Other tangible assets in Terminals & Towage are considered fair value less costs of disposal compared to the carrying amount and resulted in impairment losses of DKK 0.5bn (DKK 0.2bn). The impairment losses included impairment losses in two terminals in 2022 (impairment losses of an immaterial amount in three terminals in 2021).

In Ocean, the cash flow projection is based on forecasts as per Q3 2022, covering five-year business plans for 2023-2027. Management has applied an assumption of growth in volumes based on a calculated terminal value with growth equal to the expected economic growth of 2.5% (2.0%), based on pressure on freight rates, and continued cost efficiency. A discount rate of 9.2% (7.2%) p.a. pre-tax has been applied. The impairment test continues to show headroom for the value in use to the carrying amount.

In Logistics & Services, the impairment test is based on the estimated value in use from five-year business plans for 2023-2027, where the volume and margin growth assumptions, which are regionally specific, reflect the current market expectations for the relevant period. The applied terminal value is 2.0% (2.0%). A discount rate of 8.4% (6.8%) p.a. pre-tax has been applied. The impairment test showed headroom from the value in use to the carrying amount.

In Terminals & Towage, management assesses indicators of impairment including decreasing volumes and based on these indicators, estimates the recoverable amounts of the individual terminals where impairment indicators exist. Management also tests for impairment of the cash generating units to which goodwill or indefinite life intangible assets are allocated to. The cash flow projections for each terminal cover the concession period and extension options deemed likely to be exercised. The growth rates assumed reflect current market expectations for the relevant period, and the discount rates applied are between 7.2% and 13.0% (5.9% and 10.6%) p.a. after tax.

In addition, as a decision to withdraw from doing business in Russia, Terminals has recognised impairment of DKK 2.5bn on its minority stake in Global Ports Investments (GPI). The amount is recognised as share of profit and loss from associated companies in the income statement. The impairment tests considered fair value less costs of disposal compared to the carrying amount. Furthermore, provisions were made to cover costs relating to the withdrawal from operations and write-down of receivables. In total, the income statement in 2022 was negatively impacted by DKK 3.6bn. Except for the divestment of GPI, the impacts have been classified as non-cash items in the cash flow statement.

Note 7: Intangible assets – continued

In Unilabs, the estimated future cash flows are based on the budget for 2023 and business plans and projections for 2024-2035. The extended forecast period reflects the nature of the business, where Unilabs is benefitting from long-term demographic trends driving predictable volume growth, and is a business underpinned by a well-diversified portfolio of long-term government contracts, long-term partnerships with insurance companies, contracts with hospitals, as well as a broad-based exposure to referring physicians combined with an extensive footprint of collection centres and clinics. The business plans and projections are based on a market by market approach, assessing the organic business potential for each of the key markets, and estimating the volume growth, sales prices, and contribution margins for each segment. Further, the capital expenditure and working capital required to maintain and organically grow the business are considered. The average revenue growth rate in the forecast period (2026-2035) is 4.5% and while uncertainties connected to especially the inflation can impact the growth rates, management considers the average growth rates realistic based on historical growth rates, expected test volumes, as well as the business plans and market analysis at hand. The long-term growth rate in the terminal period has been estimated to 2.5% and is supported by industry specific market analyses performed by external advisors. Discount rates p.a. pre-tax of 7.8% have been applied. The impairment test showed headroom from the value in use to the carrying amount. The sensitivity analysis shows that the impairment loss in 2022 would have been DKK 377m with a one percentage point decline in the annual revenue growth rate in the forecast period (2026-2035).

In Tray and Recycling PET, the estimated future net cash flows are based on the budgets for 2023 and business plans and projections for 2024-2027. The business plans and projections are based on a market by market approach, assessing the organic business potential for each of the key markets and segments, and estimating the volume growth, sales prices, and contribution margins for each segment. The capital expenditure and working capital required to maintain and organically grow the business is also considered. The average revenue growth rates in the forecast period (2023-2027) are generally kept unchanged compared to prior years, i.e. 8.5% for Tray and 18.5% for Recycling. Management expects to gain market share due to the company's strong product portfolio, comprehensive recycling offerings, and positive tailwind from material conversion into PET, also driven by regulatory developments, e.g. mandatory recycled content. The long-term growth rate in the terminal period has been set to equal for an expected long-term rate of inflation of 2% for the Euroregion. Discount rates p.a. pre-tax of 8.6% (8.1%) for Tray and 8.6% (8.1%) for Recycling PET have been applied. The impairment test showed headroom from the value in use to the carrying amount. The sensitivity analysis shows that the impairment loss in 2022 would have been DKK 345m with a two percentage point decline in the annual revenue growth rate in the forecast period (2023-2027).

In KK Wind Solutions, the estimated future cash flows are based on the budget for 2023 and business plans and projections for 2024-2026. The business plans and projections are based on a market by market approach, assessing the organic business potential for each of the key markets, and estimating the volume growth, sales prices, and contribution margins for each segment. Further, the capital expenditure and working capital required to maintain and organically grow the business are considered. The average revenue growth rate in the forecast period (2023-2026) is 21.2% (17.1%) and while uncertainties connected to especially the inflation can impact the short-term growth rates, management considers the average growth rates realistic based on the business and market plans at hand. The long-term growth rate in the terminal period has been set to equal for an expected long-term rate of inflation of 2.0% (2.0%). A discount rate of 12.3% (12.3%) p.a. pre-tax has been applied. The impairment test showed headroom from the value in use to the carrying amount.

OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

Terminal and service concession rights include DKK 237m (DKK 190m) related to terminal rights with indefinite useful life. The impairment test is based on the estimated fair value according to business plans. An average discount rate of 9.91% (9.95%) p.a. after tax has been applied in the calculations. Furthermore, the developments in volumes and rates are significant parameters. Service concession rights with a carrying amount of DKK 488m (DKK 518m) have restricted title.

Customer relations and brand names include DKK 2.8bn (DKK 2.8bn) related to the Faerch brand with indefinite useful life. Thus the asset is carried at cost without amortisation as it is estimated that the brand will generate net cash inflows for an indefinite period.

Note 8: Property, plant and equipment

Amounts in DKKm	Ships, contain-ers, etc.	Produc-tion facili-ties and equip-ment, etc.	Rigs	Construc-tion work in pro-gress and payment on account	Total
Cost					
As of 1 January 2021	283,276	50,052	60,409	3,945	397,682
Addition	11,694	1,077	0	10,489	23,260
Acquired in business combinations[1]	6	2,620	0	74	2,700
Disposal	- 6,768	- 553	- 3,088	- 31	- 10,440
Transfers	3,046	1,852	987	- 5,835	50
Transfers, intangible assets	0	0	0	- 1	- 1
Transfers, assets held for sale	- 357	- 1,283	- 3,251	- 101	- 4,992
Reclassification from/to right-of-use assets	10,427	101	0	5	10,533
Exchange rate adjustment	23,836	2,508	4,811	418	31,573
As of 31 December 2021	**325,160**	**56,374**	**59,868**	**8,963**	**450,365**
Addition	11,138	1,897	0	14,671	27,706
Acquired in business combinations[1]	8	5,149	0	322	5,479
Disposal	- 10,298	- 1,212	0	0	- 11,510
Disposal due to dilution and merger	0	- 1,401	- 63,253	- 566	- 65,220
Transfers, intangible assets	3,700	2,546	432	- 6,654	24
Transfers between assets and liabilities	474	14	0	- 474	14
Transfers, assets held for sale	- 230	- 382	- 1,798	106	- 2,304
Reclassification from/to right-of-use assets	594	- 57	0	- 21	516
Exchange rate adjustment	19,582	1,678	4,751	231	26,242
As of 31 December 2022	**350,128**	**64,606**	**0**	**16,578**	**431,312**

[1] Acquired in business combinations, please refer to note 27

Amounts in DKKm	Ships, contain-ers, etc.	Produc-tion facili-ties and equip-ment, etc.	Rigs	Construc-tion work in pro-gress and payment on account	Total
Depreciation and impairment losses					
As of 1 January 2021	146,294	22,151	43,692	59	212,196
Depreciation	12,469	3,115	1,214	0	16,798
Impairment losses	1,937	245	0	0	2,182
Reversal of impairment losses	- 151	- 82	- 69	0	- 302
Disposal	- 3,953	- 498	- 3,000	- 19	- 7,470
Transfers, assets held for sale	- 357	- 1,044	- 2,409	0	- 3,810
Transfers between assets and liabilities	31	50	0	- 31	50
Reclassification from/to right-of-use assets	7,018	0	0	0	7,018
Exchange rate adjustment	12,723	1,244	3,463	4	17,434
As of 31 December 2021	**176,011**	**25,181**	**42,891**	**13**	**244,096**
Depreciation	15,194	4,038	998	0	20,230
Impairment losses	120	827	835	71	1,853
Reversal of impairment losses	- 148	0	0	0	- 148
Disposal	- 7,802	- 1,028	0	- 7	- 8,837
Disposal due to dilution and merger	0	- 382	- 46,601	0	- 46,983
Transfers, intangible assets	0	22	0	1	23
Transfers, assets held for sale	- 145	- 446	- 1,522	- 7	- 2,120
Transfers between assets and liabilities	13	17	0	- 13	17
Reclassification from/to right-of-use assets	248	- 50	0	0	198
Exchange rate adjustment	10,484	888	3,399	- 22	14,749
As of 31 December 2022	**193,975**	**29,067**	**0**	**36**	**223,078**
Carrying amount:					
As of 31 December 2021	**149,149**	**31,193**	**16,977**	**8,950**	**206,269**
As of 31 December 2022	**156,153**	**35,539**	**0**	**16,542**	**208,234**

Note 8: Property, plant and equipment – continued

IMPAIRMENT – KEY ASSUMPTIONS APPLIED

Please refer to note 7 and 31 for information on key assumptions applied in impairment tests.

RESULTS OF IMPAIRMENT ASSESSMENTS

Impairment losses recognised are specified as follows:

Cash generating unit

Amounts in DKKm	Impairment losses	Reversal of impairment losses	Applied discount rate p.a. after tax[1]	Recoverable amount
2022				
Ocean	99		9.2%	
Terminals	410			
Logistics & Services	326		8.4%	
Towage & Maritime Services	149			
Jack-up rigs	134			
Floaters	701			
Recycling PET	34		8.8%	
Tanker vessels		148		
Total	**1,853**	**148**		
2021				
Terminals	226			
Manufacturing & Others	1,956	170	9.6%	2,793
Jack-up rigs		69		
Tanker vessels		63		
Total	**2,182**	**302**		

[1] Discount rates are disclosed for impairment losses, where the recoverable amount is based on value in use. Hence, if the recoverable amount is based on fair value less costs of disposal no discount rate has been applied

The recoverable amount of each cash generating unit is determined based on the higher of its value in use or fair value less costs of disposal. The estimated value in use is calculated using certain key assumptions for the expected future cash flows and applied discount factors. Current market values for vessels, etc., are estimated using acknowledged brokers.

Projected cash flow models are used when fair value is not obtainable or when fair value is deemed lower than value in use. The cash flow projections are based on financial budgets and business plans approved by management.

Impairment losses 2022

Impairment of jack-up rigs and floaters are related to sale of assets.

Impairment reversal 2022

Reversal of impairment of tanker vessels is related to sale of assets.

Impairment losses 2021

In Terminals, the cash flow for each terminal covers the concession period and extension options that are deemed likely to be exercised. The growth rates assumed reflect current market expectations for the relevant period. Key sensitivities are container moves, revenue and cost per move, and local port rates, all of which are impacted by the local economic outlook and competition, as well as concession right extensions and the discount rate applied. The impairment test resulted in impairment losses on assets of an immaterial amount in three terminals in 2021.

In Manufacturing & Others, the offshore support vessel market has continued to suffer under strained market conditions. International oil companies are increasingly channelling new investments into green energy projects and activities. Maersk Supply Service has made a strategic choice to pursue this transition towards green energy projects and activities. On this basis, Maersk Supply Service has made a review of its current fleet concluding that part of the fleet will not be able to service the green transition due to age and technical capabilities. This change in the market outlook and revised strategy has significantly impacted the expected cash flow generation of the current fleet. The recoverable amount for the assets has been determined based on the five-year business plans for 2022-2026.

Impairment reversal 2021

Reversal of impairment for jack-up rigs and tanker vessels is related to sale of assets.

Note 8: Property, plant and equipment – continued

OPERATING LEASES AS LESSOR

Property, plant and equipment include assets which are leased out as part of the group's activities. The amounts below comprise the calculated future minimum lease payments for the assets and exclude the estimated service elements, which are presented in note 1. Jointly the two elements amount to the group's revenue backlog.

Operating lease receivables

Amounts in DKKm	2022	2021
Within one year	267	1,813
Between one and five years	7	3,757
After five years	0	650
Total	**274**	**6,220**

PLEDGES

Property, plant and equipment with a carrying amount of DKK 9.2bn (DKK 26.8bn) has been pledged as security for loans of DKK 6.2bn (DKK 14.3bn).

Note 9: Right-of-use assets

Amounts in DKKm	Ships, containers, etc.	Concession agreements	Real estate and other leases	Total
Right-of-use assets				
As of 1 January 2021	25,118	18,557	7,292	50,967
Additions	27,213	340	2,505	30,058
Acquired in business combinations[1]	0	0	602	602
Disposal	- 1,264	- 1,509	- 390	- 3,163
Depreciation	- 9,829	- 1,226	- 1,767	- 12,822
Impairment losses	0	- 19	- 6	- 25
Transfers, assets held for sale	0	- 38	- 13	- 51
Transfers to owned assets, etc.	- 3,396	0	- 119	- 3,515
Exchange rate adjustment	2,631	617	380	3,628
As of 31 December 2021	**40,473**	**16,722**	**8,484**	**65,679**
Additions	21,975	1,111	7,255	30,341
Acquired in business combinations[1]	0	0	5,937	5,937
Disposal	- 2,224	0	- 1,002	- 3,226
Disposal due to dilution and merger	0	0	- 149	- 149
Depreciation	- 18,102	- 1,302	- 3,095	- 22,499
Impairment losses	0	0	- 11	- 11
Transfers to owned assets, etc.	- 318	0	0	- 318
Exchange rate adjustment	2,502	267	78	2,847
As of 31 December 2022	**44,306**	**16,798**	**17,497**	**78,601**

[1] Acquired in business combinations, please refer to note 27

As part of the group's activities, customary leasing agreements are entered into, especially regarding the chartering of vessels, leasing of containers and other equipment, and real estate. In some cases, leasing agreements comprise purchase options exercisable by the group and options for extending the lease term. The group also enters into arrangements that provide the right to use some existing infrastructure or land as required to carry out the terminal business.

To optimise lease costs during the contract period, the group sometimes provides residual value guarantees in relation to equipment leases. At the end of 2022, the expected residual values were reviewed to establish if these reflected the actual residual values achieved on comparable assets and expectations about future prices. As of 31 December 2022, DKK 1.6bn (DKK 1.5bn) is expected to be payable and is included in the measurement of lease liabilities.

Note 9: Right-of-use assets - continued

Leases to which the group is committed, but for which the lease term has not yet commenced, have an undiscounted value of DKK 11.1bn (DKK 17.7bn). They comprise approx. 31 (60) contracts commencing in 2023 and 2024 (2022 to 2024).

Certain terminal concession agreements contain variable payment terms that are linked to future performance, i.e. number of containers handled. Such payments are recognised in the income statement in the period in which the condition that triggers those payments occurs.

Lease liabilities are disclosed in note 18, 21 and 23.

Amount recognised in profit and loss

Amounts in DKKm	2022	2021
Depreciation cost and impairment losses on right-of-use assets	22,510	12,847
Interest expenses (included in financial expenses)	3,772	2,933
Expenses relating to service elements of leases	6,908	5,628
Expenses relating to short-term leases	2,590	3,178
Expenses relating to variable lease payments	176	145
Expenses relating to lease of low-value assets	2,075	1,698
Income from sublease of right-of-use assets	- 13	- 28
Total recognised in operating costs	**11,736**	**10,621**

Total cash outflow for leases

Amounts in DKKm	2022	2021
Other lease expenses	10,907	10,890
Interest expenses	3,772	2,933
Repayment of leases	22,660	14,737
Total cash outflow for leases	**37,339**	**28,560**

Note 10: Investments in joint ventures and associates

Summarised financial information for joint ventures and associates that are material for the group as of 31 December 2022 are presented below.

DANSKE BANK A/S, ASSOCIATED COMPANY

Amounts in DKKm	2022	2021
Total income	138,862	156,024
Operating costs, depreciations, financials, tax, etc.	- 144,016	- 143,555
Profit for the year	**- 5,154**	**12,469**
Comprehensive income	- 3,693	326
Comprehensive income, total	**- 8,847**	**12,795**
Non-current assets	2,550,383	2,644,358
Current assets	1,212,616	1,291,476
Non-current liabilities	- 2,789,278	- 2,970,338
Current liabilities	- 813,403	- 794,289
Total assets, net	**160,318**	**171,207**
Cash and bank balances	**175,052**	**293,386**

Reconciliation of A.P. Møller Holding A/S’ share of carrying amount in Danske Bank A/S:

Amounts in DKKm	2022	2021
Net assets 1 January	171,207	160,171
Profit for the year	- 5,154	12,469
Other comprehensive income	- 3,693	326
Dividends paid	- 1,705	- 1,708
Other equity transactions	- 337	- 51
Net assets 31 December	**160,318**	**171,207**
A.P. Møller Holding A/S' ownership	21.3%	21.3%
A.P. Møller Holding A/S' share of		
Profit for the year	- 1,096	2,651
Comprehensive income	- 785	69
Dividends received during the year	367	367
Ownership interest	34,078	36,393
Goodwill	957	957
Carrying amount	**35,035**	**37,349**

Note 10: Investments in joint ventures and associates – continued

A.P. Møller Holding A/S' share of Danske Bank A/S' market value at 31 December 2022 amounted to DKK 25.2bn (DKK 20.7bn). For impairment test, please refer to note 31.

On 13 December 2022, Danske Bank announced that it had reached final coordinated resolutions with the US Department of Justice (DOJ), the US Securities and Exchange Commission (SEC), and the Danish Special Crime Unit (SCU) following the investigations into failings and misconduct related to the non-resident portfolio at Danske Bank's former Estonia branch. In relation to the resolutions with US authorities, Danske Bank has pleaded guilty to a criminal charge from the DOJ of conspiracy to commit bank fraud. Furthermore, Danske Bank agreed to settle a civil securities fraud action with the SEC. Under the SCU resolution, Danske Bank has agreed to accept a fine and confiscation for violations of the Danish AML Act and the Danish Financial Business Act.

The coordinated resolution marks the end of the criminal and regulatory investigations into Danske Bank by the authorities in Denmark and the US.

Danske Bank remains subject to a criminal investigation by authorities in France and has posted bail in the amount of DKK 80m. Danske Bank continues to cooperate with the authorities.

The aggregate amounts payable to the US and Danish authorities in total approx. DKK 15.3bn are covered by provisions booked in 2022. All amounts have been paid in 2023.

For more information, please refer to note 31.

OTHER JOINT VENTURES AND ASSOCIATED COMPANIES

In addition to the interests in material associated companies disclosed above, the group also has interests in a number of individually immaterial joint ventures and associates.

Other investments in joint ventures

Amounts in DKKm	2022	2021
A.P. Møller Holding A/S' share of:		
Profit for the year	- 1,366	1,023
Comprehensive income	- 7	- 31
Carrying amount	5,379	8,533

Other investments in associated companies

Amounts in DKKm	2022	2021
A.P. Møller Holding A/S' share of:		
Profit for the year	2,267	2,045
Comprehensive income	49	0
Carrying amount	14,583	7,326

Note 11: Loans receivable

Loans receivable amount to DKK 124.2bn (DKK 34.0bn) and consist primarily of term deposits with a maturity of more than three months, amounting to DKK 122.7bn (DKK 32.8bn). For details on the assessment of the expected losses on term deposits, please refer to note 21.

Note 12: Deferred tax

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net liabilities	
Amounts in DKKm	2022	2021	2022	2021	2022	2021
Intangible assets	305	357	7,669	3,133	7,364	2,776
Property, plant and equipment	347	431	2,623	2,386	2,276	1,955
Provisions, etc.	1,901	1,035	1,470	361	- 431	- 674
Tax loss carryforward	1,067	946	0	0	- 1,067	- 946
Other	1,049	685	799	327	- 250	- 358
Total	**4,669**	**3,454**	**12,561**	**6,207**	**7,892**	**2,753**
Offsets	- 1,603	- 1,239	- 1,603	- 1,239	0	0
Total	**3,066**	**2,215**	**10,958**	**4,968**	**7,892**	**2,753**

Change in deferred tax, net during the year

Amounts in DKKm	2022	2021
As of 1 January	**2,753**	**1,881**
Intangible assets	153	- 395
Property, plant and equipment	227	187
Provisions, etc.	- 884	- 212
Tax loss carryforward	61	- 334
Other	- 340	4
Recognised in the income statement	**- 783**	**- 750**
Other, including business combinations	5,843	1,515
Exchange rate adjustments	79	107
As of 31 December	**7,892**	**2,753**

Unrecognised deferred tax assets

Amounts in DKKm	2022	2021
Deductible temporary differences	871	918
Tax loss carryforward	6,424	5,255
Unused tax credit	76	66
Total	**7,371**	**6,239**

The unrecognised deferred tax assets have no significant time limitations. There are no substantial unrecognised tax liabilities on investments in subsidiaries, associated companies or joint ventures. Deferred taxes are subject to uncertainties due to tax disputes in certain countries. For more information, please refer to note 31.

Note 13: Inventories

Amounts in DKKm	2022	2021
Raw materials and consumables	1,688	689
Work in progress	565	354
Finished goods and goods for resale	965	357
Bunker oil, etc.	9,537	8,605
Other consumables	1,352	1,119
Inventories as of 31 December	**14,107**	**11,124**

Note 14: Assets held for sale

Amounts in DKKm	2022	2021
Balance sheet items comprise		
Intangible assets	0	269
Property, plant and equipment	91	695
Deferred tax assets	7	0
Other assets	355	361
Non-current assets	**453**	**1,325**
Current assets	28	1,331
Assets held for sale	**481**	**2,656**
Provisions	7	85
Deferred tax liabilities	0	72
Other liabilities	56	1,443
Liabilities associated with assets held for sale	**63**	**1,600**

As of 31 December 2022, assets held for sale relate to two terminals.

As of 31 December 2021, assets held for sale largely relate to Maersk Container Industry and three terminals. On 25 August 2022, the divestment of Maersk Container Industry was discontinued following regulatory challenges. As a result, assets and liabilities of Maersk Container Industry were reclassified out of assets held for sale during 2022.

Note 15: Share capital

The share capital comprises 2,000 shares of DKK 1m.

Development in the number of shares and par value:

	Shares	DKKm
As of 31 December 2021	2,000	2,000
As of 31 December 2022	2,000	2,000

All shares are fully issued and paid up. No shares hold special rights.

Dividend has been distributed at DKK 1m per share in 2022 (DKK 0.3m).

Note 16: Share-based payment

A.P. MØLLER - MÆRSK A/S (A.P. MOLLER – MAERSK)

Restricted shares plan

Outstanding restricted shares	No.	Fair value per share[1] DKK	Total fair value[2] DKKm
Outstanding as of 1 January 2021	17,691		
Granted	7,882	14,793	119
Exercised and vested[3]	- 3,542		
Forfeited	- 134		
Cancelled	- 11		
Outstanding as of 31 December 2021	**21,886**		
Granted	6,720	17,139	120
Exercised and vested[3]	- 4,458		
Forfeited	- 338		
Outstanding as of 31 December 2022	**23,810**		

[1] Equal to the volume weighted average share price on the date of grant, i.e. 1 April 2022 (1 April 2021)
[2] At the time of grant
[3] The weighted average share price at the settlement date was DKK 20,372 (DKK 14,793)

Restricted shares are awarded to certain key employees and members of A.P. Moller - Maersk's Executive Board annually. Each restricted share granted is a right to receive an existing B share of nominal DKK 1,000 in A.P. Møller - Mærsk A/S.

Transfer of restricted shares is contingent upon the employee still being employed and not being under notice of termination, and takes place when three years have passed from the date of grant. The vesting period is five years.

The participants are not entitled to any dividends during the vesting period. Special conditions apply regarding illness, death, and resignation as well as changes in A.P. Moller - Maersk's capital structure, etc. A part of A.P. Moller - Maersk's treasury B shares will be used to meet A.P. Moller - Maersk's obligations in connection with the restricted shares plan.

The recognised remuneration expense related to the restricted shares plan was DKK 106m (DKK 57m).

The average remaining contractual life for the restricted shares as per 31 December 2022 was 1.6 years (1.8 years).

Share option plans

Outstanding share options	No.	Average exercise price[1] DKK	Total fair value DKKm
Outstanding as of 1 January 2021	88,430	8,670	
Granted	28,214	13,754	107
Exercised	- 13,883	- 9,988	
Outstanding as of 31 December 2021	**102,761**	**9,873**	
Exercisable as of 31 December 2021	**7,576**	**9,941**	
Granted	20,158	25,096	64
Exercised	- 27,352	- 7,998	
Forfeited	- 2,531	- 19,818	
Outstanding as of 31 December 2022	**93,036**	**13,452**	
Exercisable as of 31 December 2022	**7,071**	**8,637**	

[1] The weighted average share price at the dates of exercise of share options exercised in 2022 was DKK 19,833 (DKK 16,490)

Note 16: Share-based payment – continued

In addition to the restricted shares plan, A.P. Moller - Maersk has a share option plan for members of A.P. Moller - Maersk's Executive Board and other key employees. Each share option granted is a call option to buy an existing B share of nominal DKK 1,000 in A.P. Møller - Mærsk A/S.

The share options are granted at an exercise price corresponding to 110% of the average market price on the first five trading days following the release of A.P. Møller - Mærsk A/S' most recent Annual Report. Exercise of the share options is contingent upon the option holder still being employed at the time of vesting, which takes place when three years have passed from the date of grant. The share options can be exercised when at least three years and no more than six years (seven years for share options granted to employees who are not members of A.P. Moller - Maersk's Executive Board) have passed from the date of grant. Special conditions apply regarding illness, death, and resignation as well as changes in A.P. Moller - Maersk's capital structure, etc.

The share options can only be settled in shares. A part of A.P. Moller - Maersk's holding of treasury B shares will be used to meet the company's obligations in respect of the share option plan.

The remuneration expense related to the share option plan was DKK 78m (DKK 50m).

The average remaining contractual life for the outstanding stock options as per 31 December 2022 was 4.6 years (4.8 years), and the range of exercise prices for the outstanding stock options as per 31 December 2022 is DKK 7,605 to DKK 25,096 (DKK 7,605 to DKK 13,754).

The following principal assumptions are used in the valuation:

	Share options granted to members of A.P. Moller – Maersk's Executive Board		Share options granted to employees not members of A.P. Moller – Maersk's Executive Board	
Outstanding share options	2022	2021	2022	2021
Share price, volume weighted average at the date of grant, 1 April, DKK	20,372	14,793	20,372	14,793
Share price, five days volume weighted average after publication of Annual Report, DKK	22,814	12,503	22,814	12,503
Exercise price, DKK	25,096	13,754	25,096	13,754
Expected volatility (based on historic volatility)	33%	33%	33%	33%
Expected term (years)	5.00	5.00	5.75	5.75
Expected dividend yield	5.0%	2.2%	5.0%	2.2%
Risk-free interest rate	0.31%	-0.47%	0.35%	-0.43%
Fair value per option at grant date, DKK	2,859	3,670	3,082	3,837

The fair value of the options granted is based on the Black-Scholes option pricing model using the assumptions in the table above.

THE DRILLING COMPANY OF 1972 A/S (MAERSK DRILLING)

Restricted share units (RSUs)

Following the listing on 4 April 2019, Maersk Drilling implemented a long-term incentive programme (LTI) and a one-time transition grant was awarded to certain employees.

Under the LTI and transition grant the Executive Management, key employees, and certain other employees in Maersk Drilling received a number of RSUs. The vesting period for the RSUs was three years from the date of grant. Except for RSUs granted as part of the exchange grant, Maersk Drilling's Executive Management would not be able to sell any shares vesting until the total period from grant (inclusive of the vesting period) which is five years, i.e. a holding period of two years in addition to the three-year vesting period. Maersk Drilling's Executive Management and other key management personnel were also subject to a share ownership requirement of twice the annual LTI grant level applicable.

The transfer of restricted shares was contingent on the participants still being employed and not being under notice of termination and generally takes place when three years have passed from the time of grant. The participants were not entitled to any dividend during the vesting period. Special conditions apply regarding illness, death, and resignation as well as changes in capital structure.

Outstanding restricted shares	No.	Total fair value DKKm
Outstanding as of 1 January 2021	176,793	
Granted	130,576	31
Vested	- 1,767	
Forfeited/cancelled	- 12,575	
Outstanding as of 31 December 2021	**293,027**	
Granted	106,045	28
Vested	- 100,946	
Forfeited/cancelled	- 2,046	
Disposal, loss of control	- 296,080	
Outstanding as of 31 December 2022	**0**	

Note 16: Share-based payment – continued

The fair value of restricted shares granted to four (four) key management personnel and to 30 (34) other employees was DKK 28m (DKK 31m) at the time of the grant. Total expenses recognised in the income statement for granted restricted shares were at a cost of DKK 22m (DKK 25m).

The average fair value per restricted share at the time of grant was DKK 262 (DKK 249), which is equal to the average closing price on the day of the grant.

At the time of the merger between The Drilling Company of 1972 A/S and Noble Corporation plc, outstanding restricted shares have been converted to Noble shares.

OTHER SHARE-BASED PAYMENT PROGRAMMES

The group has introduced a number of cash-settled share-based payment programmes in its non-listed portfolio companies. The programmes are for key employees and some Board of Directors in the respective companies. Certain programmes include a co-investment programme, however, due to service conditions, they are defined as share-based payment programmes. The value of the programmes depends on, among other things, the development of the value creation in the portfolio companies. The value is not material for the group as of 31 December 2022 and 31 December 2021.

Note 17: Non-controlling interests

The group's subsidiaries with significant non-controlling interests include:

Amounts in DKKm	Registered office	Non-controlling interests	Percentage of votes
A.P. Møller - Mærsk A/S	Copenhagen	58.5	48.6

Summarised financial information (before inter-company eliminations) for A.P. Møller – Mærsk A/S:

Amounts in DKKm	2022	2021
Statement of comprehensive income		
Revenue	576,973	388,553
Profit (loss) for the year	207,714	113,404
Total comprehensive income	205,612	111,297
Profit (loss) for the year attributable to non-controlling interests	121,461	66,398
Balance sheet		
Non-current assets	373,560	304,716
Current assets, including assets classified as held for sale	279,127	169,194
Non-current liabilities	106,786	95,672
Current liabilities, including liabilities classified as held for sale	92,810	79,299
Equity	453,091	298,939
Carrying amount of non-controlling interests of equity	267,178	177,351
Cash flow statement		
Cash flow from operating activities	245,632	138,490
Cash flow from investing activities	- 152,996	- 52,460
Cash flow from financing activities	- 101,681	- 49,681
Net cash flow for the year	- 9,045	36,349
Dividends paid to the non-controlling interests	28,802	- 4,065

Note 18: Borrowings and net debt reconciliation

Amounts in DKKm	Net debt as of 31 December 2021	Cash flows[1]	Non-cash changes: Additions, net[2]	Non-cash changes: Disposals	Non-cash changes: Foreign exchange move-ments	Non-cash changes: Other[3]	Net debt as of 31 December 2022
Borrowings:							
Bank and other credit institutions	28,721	- 10,879	24,281	- 5,251	1,460	- 126	38,206
Issued bonds[4]	21,908	0	0	0	157	- 1,330	20,735
Total borrowings	**50,629**	**- 10,879**	**24,281**	**- 5,251**	**1,617**	**- 1,456**	**58,941**
Classified as non-current	45,981						54,062
Classified as current	4,648						4,879
Leases:							
Lease liabilities	70,366	- 22,660	36,398	- 3,504	3,083	- 306	83,377
Total leases	**70,366**	**- 22,660**	**36,398**	**- 3,504**	**3,083**	**- 306**	**83,377**
Classified as non-current	54,029						61,485
Classified as current	16,337						21,892
Total borrowings and leases	**120,995**	**- 33,539**	**60,679**	**- 8,755**	**4,700**	**- 1,762**	**142,318**
Derivatives hedge of borrowings, net	**1,383**	**99**	**0**	**- 17**	**1,382**	**861**	**3,708**

1 Total cash outflow from borrowings of DKK 10.9bn includes decrease in cash overdraft of DKK 2.0bn
2 Including business combinations
3 Other includes fair value changes and amortisation of fees
4 Of total issued bonds as of 31 December 2022, DKK 3.8bn are green bonds used to finance acquisitions of green methanol vessels

Amounts in DKKm	Net debt as of 31 December 2020	Cash flows[1]	Non-cash changes: Additions, net[2]	Non-cash changes: IFRS 16 adoption	Non-cash changes: Foreign exchange move-ments	Non-cash changes: Other[3]	Net debt as of 31 December 2021
Borrowings:							
Bank and other credit institutions	30,391	- 10,002	6,093	0	2,133	106	28,721
Issued bonds[4]	23,144	- 1,874	0	0	1,204	- 566	21,908
Total borrowings	**53,535**	**- 11,876**	**6,093**	**0**	**3,337**	**- 460**	**50,629**
Classified as non-current	46,007						45,981
Classified as current	7,528						4,648
Leases:							
Lease liabilities	54,221	- 14,737	30,779	- 3,232	3,788	- 453	70,366
Total leases	**54,221**	**- 14,737**	**30,779**	**- 3,232**	**3,788**	**- 453**	**70,366**
Classified as non-current	45,309						54,029
Classified as current	8,912						16,337
Total borrowings and leases	**107,756**	**- 26,613**	**36,872**	**- 3,232**	**7,125**	**- 913**	**120,995**
Derivatives hedge of borrowings, net	**413**	**25**	**0**	**0**	**670**	**275**	**1,383**

1 Total cash outflow from borrowings of DKK 11.9bn includes increase in cash overdraft of DKK 1.7bn
2 Including business combinations
3 Other includes fair value changes and amortisation of fees
4 Of total issued bonds as of 31 December 2021, DKK 2.8bn are green bonds used to finance acquisitions of green methanol vessels

The maturity analysis of lease liabilities is disclosed in note 21.

Note 19: Pensions and similar obligations

As employer, the group participates in pension plans according to normal practice in the countries in which it operates. Generally, the pension plans within the group are defined contribution plans, where contributions are recognised in the income statement on an accrual basis. A number of entities have defined benefit plans, in which retirement benefits are based on length of service and salary level. To a limited extent, these defined benefit plans also include payment of medical expenses, etc.

In 2023, the group expects to pay contributions totalling DKK 221m (DKK 236m) to funded defined benefit plans.

Amounts in DKKm	UK 2022	Other 2022	Total 2022	UK 2021	Other 2021	Total 2021
Specification of net liability						
Present value of funded plans	9,726	4,161	13,887	14,643	3,311	17,954
Fair value of plan assets	- 11,029	- 3,537	- 14,566	- 16,079	- 2,662	- 18,741
Net liability of funded plans	**- 1,303**	**624**	**- 679**	**- 1,436**	**649**	**- 787**
Present value of unfunded plans	0	732	732	0	689	689
Impact of minimum funding requirement/ asset ceiling	460	0	460	531	7	538
Net liability as of 31 December	**- 843**	**1,356**	**513**	**- 905**	**1,345**	**440**
Of which:						
Pensions, net assets			933			970
Pensions and similar obligations			- 1,446			- 1,410

The majority of the group's defined benefit liabilities are in Switzerland 10% (0%), the UK 68% (79%), and the US 12% (12%). All of the plans in Switzerland and the UK and the majority of the plans in the US are funded. Although all of the UK plans are now closed to new entrants, active members in the two largest plans continue to accrue new benefits. The smaller UK plans are all closed to new accruals, although a salary link remains in some of the plans.

Overall, the plans have an average duration of approx. 12 years (15 years) and approx. 57% (59%) of the obligation is in respect of pensioner members.

As well as being subject to the risks of changing interest rates, which would increase the obligation, poor asset returns, and pensioners living longer than anticipated, the group is also subject to the risk of higher-than-expected inflation. This is because many pension benefits, particularly in the UK plans, increase in line with inflation although some minimum and maximum limits apply.

Significant financial assumptions 2022	UK	Total
Discount rate	4.8%	4.2%
Inflation rate	3.5%	3.2%

Significant financial assumptions 2021	UK	Total
Discount rate	2.0%	2.1%
Inflation rate	3.5%	3.3%

The rates of life expectancy reflect the most recent mortality investigations, and in line with market practice, an allowance is made for future improvements in life expectancy. The group assumes that future improvements will be in line with the latest projections of 1.25% for all UK plans.

	As of 31 December			
Life expectancy	2022	2042	2021	2041
65 year old male in the UK	22.0	23.5	21.9	23.3
65 year old female in the UK	24.3	25.8	24.2	25.5

Note 19: Pensions and similar obligations – continued

The sensitivity of the liabilities and pension cost to the key assumptions are as follows:

In the UK Factors (Amounts in DKK)	Change in liability	Increase 2022	Decrease 2022
Discount rate	Increase/(decrease) by 25 basis points	- 300	314
Inflation rate	Increase/(decrease) by 25 basis points	167	- 139
Life expectancy	Increase/(decrease) by one year	439	- 432

The liabilities are calculated using assumptions that are the group's best estimate of future expectations bearing in mind the requirements of IAS 19.

The group's plans are funded in accordance with applicable local legislation. In the UK, each plan has a trustee board that is required to act in the best interest of plan members. Every three years, a formal valuation of the plan's liabilities is carried out using a prudent basis, and if the plan is in deficit, the trustees agree with the group or the sponsoring employer on a plan for recovering that deficit.

Around 80% of the UK liabilities are now covered by insurance policies. Therefore, movements in the liabilities due to changes in assumptions would equally impact the assets' value related to the buy-in policies, resulting in a reduced movement in the overall balance sheet position.

No contributions to the UK plans are expected for 2023 (no contributions to the UK plans were expected for 2022). In most of the UK plans, any surplus remaining after the last member dies may be returned to the group. However, the Merchant Navy Ratings Pension Fund (MNRPF) and the Merchant Navy Officers Pension Fund (MNOPF) contributions paid by the group are not refundable under any circumstance and the balance sheet liability reflects an adjustment for any agreed deficit recovery contributions in excess of the deficit determined using the group's assumptions. In 2022, an adjustment of DKK 21m (DKK 20m) was applied in this respect.

Other than the insurance contracts and a small proportion of other holdings, the plan assets held by the group are quoted investments.

Specification of plan assets 2022

Amounts in DKKm	UK	Other	Total
Shares	362	589	951
Government bonds	906	586	1,492
Corporate bonds	369	1,407	1,776
Real estate	56	333	389
Other assets	9,336	622	9,958
Fair value as of 31 December 2022	**11,029**	**3,537**	**14,566**

Specification of plan assets 2021

Amounts in DKKm	UK	Other	Total
Shares	531	656	1,187
Government bonds	1,331	767	2,098
Corporate bonds	1,305	656	1,961
Real estate	59	46	105
Other assets	12,853	537	13,390
Fair value as of 31 December 2021	**16,079**	**2,662**	**18,741**

Note 19: Pensions and similar obligations – continued

Change in net liability

Amounts in DKKm	Present value of obliga-tions	Fair value of plan assets	Adjust-ments	Net liability	Of which: UK
Net liability as of 1 January 2022	18,642	18,740	537	440	- 906
Current service cost, administration cost, etc.	206	- 78	0	284	57
Calculated interest expense/income	379	378	7	8	- 14
Recognised in the income statement in 2022	**585**	**300**	**7**	**292**	**43**
Actuarial gains/losses from changes in financial and demographic assumptions, etc.	- 4,741	- 4,515	0	- 226	28
Return on plan assets, exclusive calculated interest income	0	- 83	0	83	0
Adjustment for unrecognised asset due to asset ceiling	0	0	- 57	- 57	- 57
Recognised in other comprehensive income in 2022	**- 4,741**	**- 4,598**	**- 57**	**- 200**	**- 29**
Contributions from the group and employees	18	39	0	- 21	0
Benefit payments	- 949	- 852	0	- 97	0
Settlements	0	35	0	- 35	0
Effect of business combinations and disposals	1,493	1,403	0	90	0
Exchange rate adjustment	- 430	- 502	- 28	44	48
Net liability as of 31 December 2022	**14,618**	**14,565**	**459**	**513**	**- 844**

Change in net liability

Amounts in DKKm	Present value of obliga-tions	Fair value of plan assets	Adjust-ments	Net liability	Of which: UK
Net liability as of 1 January 2021	18,756	18,806	486	436	- 1,120
Current service cost, administration cost, etc.	57	- 75	0	132	63
Calculated interest expense/income	314	321	6	0	- 19
Recognised in the income statement in 2021	**371**	**246**	**6**	**132**	**44**
Actuarial gains/losses from changes in financial and demographic assumptions, etc.	- 805	0	0	- 805	- 755
Return on plan assets, exclusive calculated interest income	0	- 943	0	943	1,038
Adjustment for unrecognised asset due to asset ceiling	0	0	6	6	6
Recognised in other comprehensive income in 2021	**- 805**	**- 943**	**6**	**144**	**289**
Contributions from the group and employees	0	69	0	- 69	- 38
Benefit payments	- 918	- 855	0	- 63	0
Effect of business combinations and disposals	- 88	31	0	- 119	0
Exchange rate adjustment	1,326	1,386	39	- 21	- 81
Net liability as of 31 December 2021	**18,642**	**18,740**	**537**	**440**	**- 906**

Note 19: Pensions and similar obligations – continued

MULTI-EMPLOYER PLANS

Under collective agreements, certain entities in the group participate together with other employers in defined benefit pension plans as well as welfare/medical plans (multi-employer plans). In general, the contributions to the schemes are based on man hours worked or cargo tonnage handled, or a combination hereof.

For the defined benefit pension plans, the group has joint and several liabilities to fund total obligations, while the welfare/medical plans are by nature contribution plans funded on a 'pay-as-you-go basis'. In 2022, the group's contributions to the pension and welfare/medical plans are estimated at DKK 0.9bn (DKK 0.6bn) and DKK 2.6bn (DKK 2.0bn), respectively. The contributions to be paid in 2023 are estimated at DKK 0.9bn (DKK 0.6bn) for the pension plans and DKK 2.6bn (DKK 2.2bn) for the welfare/medical plans.

No reliable basis exists for allocation of the schemes' obligations and plan assets to individual employer participants. For the pension plans where the group has an interest and there is a deficit, the net obligations for all employers amount to DKK 0.1bn (DKK 0.6bn). This net obligation is based on the most recent available financial data from the plan's trustees, calculated in accordance with the rules for such actuarial calculations in US GAAP. The deficit in some of the schemes may necessitate increased contributions in the future. Welfare/medical plans are 'pay-as-you-go', and form a part of the group's collective bargaining agreements in the US. They cover a limited part of employees' medical costs as occurred.

Note 20: Provisions

Amounts in DKKm	Restructuring	Legal disputes, etc.	Other	Total
As of 1 January 2022	387	7,061	2,382	9,830
Provision made	472	3,862	1,494	5,828
Amount used	- 314	- 1,325	- 1,176	- 2,815
Amount reversed	- 85	- 1,589	- 492	- 2,166
Addition from business combinations	89	441	706	1,236
Disposal, loss of control	0	- 78	0	- 78
Transfers between assets/liabilities	4	30	- 28	6
Transfers, assets held for sale	0	0	212	212
Exchange rate adjustment	3	287	39	329
As of 31 December 2022	**556**	**8,689**	**3,137**	**12,382**
Of which:				
Classified as non-current	123	4,480	1,444	6,047
Classified as current	433	4,209	1,693	6,335
Non-current provisions expected to be realised after more than five years	0	294	161	455

Restructuring includes provisions for decided and publicly announced restructurings. Legal disputes, etc. include, among other things, indirect tax and duty disputes. Other includes provisions for warranties and onerous contracts.

Reversals of provisions primarily relate to legal disputes and settlements of contractual disagreements, which are recognised in the income statement under operating costs and tax.

Note 21: Financial risks

The group's activities expose it to a variety of financial risks:

- Market risk
- Credit risk
- Liquidity risk

The group's risk management programmes focus on the unpredictability of financial markets and seek to minimise the potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

Risk management is most effectively managed by each portfolio company. Consequently, management of risks related to our portfolio companies is anchored with the Board of Directors in each of our portfolio companies. A.P. Moller Holding monitors business performance in the portfolio companies closely as part of our ownership aspiration.

MARKET RISK

Market risk is the risk, that changes in market prices, such as foreign exchange rates, interest rates, and share prices, will affect the group's profit or the value of its holdings of financial instruments. The sensitivity analyses in the currency risk and interest rate risk sections below relate to the position of financial instruments as of 31 December 2022.

The sensitivity analyses for currency risk and interest rate risk have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, and the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place at 31 December 2022. Furthermore, it is assumed that the exchange rate and interest rate sensitivities have a symmetrical impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The sensitivity analyses show the effect on profit and equity of a reasonably possible change in exchange rates and interest rates.

Hedges comprise primarily currency derivatives and interest rate derivatives, which are further described in the following sections.

CURRENCY RISK

The group's currency risk relates to the fact that while income from global trade and oil-related activities is denominated mainly in USD, the related expenses are incurred in both USD and a wide range of other currencies such as CAD, DKK, EUR, HKD, and SGD. Income and expenses from the group's other activities are mainly denominated in local currencies, thus reducing the group's exposure to these currencies. As the net income is primarily in DKK, EUR, and USD, these are also the primary financing currencies.

The main purpose of hedging the currency risk in each portfolio company is to hedge the DKK, EUR, or USD value of the portfolio company's net cash flow and reduce fluctuations in the net profit of the portfolio company. The group uses various financial derivatives, including forwards, option contracts, and cross-currency swaps, to hedge these risks. The key aspects of the currency hedging policy are:

- Net cash flows in significant currencies other than DKK, EUR, and USD are hedged using a layered model with a 12-month horizon
- Significant capital commitments or divestments in currencies other than DKK, EUR, and USD are hedged
- Majority of debt in currencies other than DKK, EUR, and USD is hedged depending on the asset-liability match and the currency of the generated cash flow

Currency derivatives hedge future revenue, operating costs, and investments/divestments, and are recognised on an ongoing basis in the income statement and the cost of property, plant and equipment, respectively. There is not any proxy hedging for the currency risk hedging, and therefore the economic relationship between the hedged exposure and the hedge is high. Effectiveness is assessed using the critical terms match approach according to IFRS 9.

Hedges of future revenue and operating costs mature within a year (mature within a year). Hedges of investments mature within a year (mature within a year).

For hedges related to operating cash flows and investments, a gain of DKK 670m in 2022 (loss of DKK 943m) is recognised in other comprehensive income, and the cash flow hedge reserve amounts to a gain of DKK 396m as of 31 December 2022 (loss of DKK 258m). For hedges where the cost of hedging is applied, the forward points are recognised in other comprehensive income and transferred with the effective hedge when the hedged transaction occurs. The cost of hedging reserve amounts to DKK 0m (DKK 0m). There was no ineffectiveness in 2022 (DKK 0m).

Note 21: Financial risks – continued

Hedge of operating cash flow and investment in foreign currencies

Amounts in DKKm	Fair value, asset	Fair value, liability	Nominal amount of derivative	Average hedge rate
Main currencies hedged				
2022				
- DKK	98	21	2,221	USD/DKK 7.08
- EUR	168	35	5,254	EUR/USD 1.05
Other currencies	261	104	9,306	N/A
Total	**527**	**160**		
2021				
- DKK	0	94	2,556	USD/DKK 6.32
- EUR	33	166	5,800	EUR/USD 1.20
Other currencies	65	148	7,518	N/A
Total	**98**	**408**		

Besides the designated cash flow hedges in the table above, the group uses derivatives to hedge currency exposures that do not qualify for hedge accounting. These derivatives are classified as fair value through profit or loss. The average FX hedge rates for swaps in cash flow hedge were EUR/USD 1.18 (1.18), GBP/USD 1.52 (1.52), USD/NOK 8.25 (8.25), and USD/SEK 8.88 (8.88). The average FX hedge rates for swaps in combined fair value hedge were EUR/USD 1.24 (1.24), GPP/USD 1.25 (1.52), USD/NOK 8.25 (8.25), and USD/JPY 119.39 (119.39).

Please refer to note 22 for information about derivatives.

The sensitivity within global trade activities to an increase in the USD exchange rate of 10% against all other significant currencies to which global trade activities are exposed is estimated to have the following impact:

Currency sensitivity for financial instruments	Profit before tax		Equity before tax	
Amounts in DKKm	2022	2021	2022	2021
- CNY	245	- 545	191	- 553
- DKK	- 1,874	0	- 2,095	0
- EUR	190	- 679	- 293	- 887
- USD	7	50	7	- 48
Other currencies	- 995	- 1,105	- 1,643	- 1,632
Total	**- 2,427**	**- 2,279**	**- 3,833**	**- 3,120**

The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date and are thus not an expression of the group's total currency risk.

OIL PRICE RISK

The majority of the group's trading of commodity products is related to inventory stocks of crude oil and bunker oil, as the products are bought in large quantities and stored for processing and resale. The oil price risk arising from these oil price exposures is mitigated by entering into commodity derivative agreements. The overall exposure limit is set in the risk policy, defining a maximum net open position. On 31 December 2022, the group has entered into oil derivatives positions shown in the table below.

Commodity hedges		Maturity		
Amounts in DKKm	Fair value	0-1 year	2-4 years	5 years
2022				
Commodity swaps	175	140	35	0
Commodity futures	35	35	0	0
Total	**210**	**175**	**35**	**0**
2021				
Commodity swaps	66	66	0	0
Total	**66**	**66**	**0**	**0**

Note 21: Financial risks – continued

INTEREST RATE RISK

The group has most of its debt denominated in DKK, EUR, and USD, but part of the debt (e.g. issued bonds) is in other currencies such as GBP, JPY, and NOK. The group strives to maintain a combination of fixed and floating interest rates on its net debt, reflecting expectations and risks.

The hedging of the interest rate risk is governed by a range of gross debt paying fixed interest. The level as of 31 December 2022 is 44% (41%) excluding IFRS 16 leases.

A general increase in interest rates by one percentage point is estimated, all other things being equal, to affect profit before tax and equity, excluding the tax effect, positively by approx. DKK 1.4bn (positively by approximately DKK 0.9bn) and DKK 1.0bn (positively by approximately DKK 1.1bn), respectively.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The hedging of interest rate risks is done by cross-currency swaps and interest rate swaps. The hedging is a mix of fair value hedging, combined fair value hedging, and cash flow hedging.

The hedges are expected to be highly effective due to the nature of the economic relationship between the exposure and the hedge. The source of ineffectiveness is the credit risk of the hedging instruments. For hedges where the cost of hedging is applied, the change in basis spread is recognised in other comprehensive income and is a time effect during the lifetime of the swap and at maturity, amounting to 0. If the hedged transaction is prepaid, the change in basis spread will be recognised in profit or loss as ineffectiveness. The cost of hedging reserve amounts to a gain of DKK 105m (DKK 39m).

Borrowings by interest rate levels inclusive of interest rate swaps

Amounts in DKKm	Carrying amount	Next interest rate fixing 0-1 year	1-5 years	5- years
2022				
0-3%	14,952	4,526	4,893	5,533
3-6%	106,564	30,957	52,318	23,289
6%-	20,802	14,228	3,169	3,405
Total	**142,318**	**49,711**	**60,380**	**32,227**
Of which:				
Fixed interest rate	109,054			
Floating interest rate	33,264			
2021				
0-3%	39,689	24,459	8,583	6,647
3-6%	75,107	15,587	36,680	22,840
6%-	6,199	541	1,847	3,811
Total	**120,995**	**40,587**	**47,110**	**33,298**
Of which:				
Fixed interest rate	95,772			
Floating interest rate	25,223			

Note 21: Financial risks – continued

Interest rate hedging of borrowings

Amounts in DKKm	Fair value, asset	Fair value, liability	Nominal amount of derivative	Maturity 0-1 year	Maturity 1-5 years	Maturity 5- years	Gain/loss on hedged items	Gain/loss on hedging instrument	Average hedge rate
2022									
Combined fair value hedge, hedge of borrowings									
- EUR	0	885	3,386	0	2,794	592	248	- 382	6.2%
- GBP	0	202	585	0	585	0	28	- 50	6.8%
- JPY	0	84	662	0	662	0	0	- 21	6.1%
- NOK	0	446	1,554	0	1,554	0	120	- 156	6.8%
Fair value hedge, hedge of borrowings									
- USD	0	509	6,270	0	3,484	2,786	531	- 517	6.7%
Cash flow hedge, hedge of borrowings									
- EUR	180	1,042	6,752	69	2,962	3,721	- 29	- 258	3.2%
- GBP	0	536	1,930	0	1,930	0	0	- 35	4.6%
- NOK	0	35	181	181	0	0	0	0	3.3%
- SEK	0	77	425	0	425	0	0	0	1.7%
- USD	77	- 3	3,568	1,224	2,059	285	97	199	2.7%
Total	**257**	**3,813**	**25,313**	**1,474**	**16,455**	**7,384**	**995**	**- 1,220**	
2021									
Combined fair value hedge, hedge of borrowings									
- EUR	13	203	3,384	0	2,787	597	- 203	105	1.8%
- GBP	0	72	623	0	623	0	- 20	7	2.5%
- JPY	20	0	715	0	715	0	- 13	- 13	1.7%
- NOK	0	177	1,639	0	1,639	0	33	- 72	2.5%
Fair value hedge, hedge of borrowings									
- USD	197	0	5,902	0	3,279	2,623	- 190	197	2.2%
Cash flow hedge, hedge of borrowings									
- EUR	13	452	8,439	0	4,721	3,718	0	- 230	3.2%
- GBP	0	321	2,039	0	2,039	0	0	- 72	4.6%
- NOK	0	13	190	0	190	0	0	- 7	3.3%
- USD	13	485	12,118	0	4,459	7,659	0	- 256	2.3%
Total	**256**	**1,723**	**35,049**	**0**	**20,452**	**14,597**	**- 393**	**- 341**	

Note 21: Financial risks – continued

CREDIT RISK

Trade receivables

The group has exposure to financial and commercial counterparties, but has no particular concentration of customers or suppliers. To minimise the credit risk, financial vetting is undertaken for all major customers and financial institutions, adequate security is required for commercial counterparties, and credit limits are set for financial institutions and key commercial counterparties.

The group applies the simplified approach to providing the expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In accordance with IFRS 9, non-due trade receivables have also been considered for impairment.

Approx. 34% (50%) of the provision for bad debt is related to trade receivables overdue by more than one year.

Maturity analysis of trade receivables

Amounts in DKKm	2022	2021
Receivables not due	39,352	29,664
Less than 90 days overdue	12,872	8,904
91-365 days overdue	2,255	956
More than 1 year overdue	984	693
Receivables, gross	**55,463**	**40,217**
Provision for bad debt	- 2,251	- 1,376
Carrying amount as of 31 December	**53,212**	**38,841**

The loss allowance provision for trade receivables as of 31 December reconciles to the opening loss allowance as follows:

Change in provision for bad debt

Amounts in DKKm	2022	2021
Provision as of 1 January	1,376	1,050
Provision made	2,431	1,241
Amount used	- 754	- 509
Amount reversed	- 1,190	- 516
Acquired in business combinations	406	8
Transfers, assets held for sale	- 92	- 6
Exchange rate adjustment	74	108
Provision as of 31 December	**2,251**	**1,376**

Other financial assets at amortised cost

Other financial assets at amortised cost comprise loans receivable, finance lease receivables, and other receivables. These financial assets are considered to have a low credit risk, and thus, the impairment provision calculated based on 12 months' expected losses is considered immaterial. The financial assets are considered to be low risk when they have a low risk of default, and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Note 21: Financial risks – continued

LIQUIDITY RISK

The capital allocation in A.P. Moller Holding is an annual process and approved by the Board of Directors. The objective of the process is to assess the overall investment capacity and investment pipeline, as well as key risks over the coming period. In addition, the liquidity profile and capital structure are managed by each portfolio company in accordance with financial policies approved by the Board of Directors in each entity. Capital is managed to meet the objective of a solid capital structure over the business cycle and to maintain an appropriate liquidity profile.

The equity share of total equity and liabilities was 68.5% as of 31 December 2022 (64.7%).

Amounts in DKKm	2022	2021
Borrowings and lease liabilities	142,318	120,995
Net interest-bearing debt (net cash position)	- 59,206	3,906
Cash and bank balances	74,581	83,692
Restricted cash	- 10,009	- 8,614
Term deposits not included in cash and cash balances	122,727	32,951
Securities	12,458	9,958
Undrawn revolving credit facilities > 12 months	52,055	47,796
Liquidity reserve[1]	**251,812**	**165,783**

[1] Liquidity reserve is defined as undrawn committed revolving facilities with more than one year to expiry, securities, term deposits, and cash and bank balances, excluding securities and balances in countries with exchange control or other restrictions

Deposits and bank balances are primarily held in relationship banks with a credit rating of at least A-. No individual counterparty exposure is above 10%.

For information about cash and bank balances in countries with exchange control or other restrictions, see text to the consolidated cash flow statement.

The group has placed DKK 123.4bn (DKK 33.0bn) in term deposits (more than three months), which is included in the liquidity reserve.

Based on the liquidity reserve, loans for the financing of specific assets, the maturity of outstanding loans, revenue back-log, the current investment profile, and the group's financial resources are deemed satisfactory.

The average term to maturity of loan facilities in the group is around five years (around six years as of 31 December 2021).

Maturities of liabilities and commitments

		Cash flows including interest			
Amounts in DKKm	Carrying amount	0-1 year	1-5 years	5- years	Total
2022					
Bank and other credit institutions	38,206	10,894	30,344	6,845	48,083
Lease liabilities	83,377	25,088	46,437	30,069	101,594
Issued bonds	20,735	787	14,917	7,873	23,577
Trade payables	51,544	51,544	0	0	51,544
Other payables	18,885	16,491	2,393	162	19,046
Non-derivative financial liabilities	**212,747**	**104,804**	**94,091**	**44,949**	**243,844**
Derivatives	4,043	552	2,501	990	4,043
Total recognised in balance sheet	**216,790**	**105,356**	**96,592**	**45,939**	**247,887**
Operating lease commitments		1,019	0	0	1,019
Capital commitments		9,734	21,820	4,910	36,464
Total		**116,109**	**118,412**	**50,849**	**285,370**
2021					
Bank and other credit institutions	28,721	5,330	19,594	7,291	32,215
Lease liabilities	70,366	19,035	40,492	27,802	87,329
Issued bonds	21,908	597	16,459	8,249	25,305
Trade payables	44,235	44,235	0	0	44,235
Other payables	12,065	11,273	1,365	101	12,739
Non-derivative financial liabilities	**177,295**	**80,470**	**77,910**	**43,443**	**201,823**
Derivatives	2,299	648	1,292	235	2,175
Total recognised in balance sheet	**179,594**	**81,118**	**79,202**	**43,678**	**203,998**
Operating lease commitments		941	0	0	941
Capital commitments		9,756	15,664	3,252	28,672
Total		**91,815**	**94,866**	**46,930**	**233,611**

It is of great importance for the group to maintain a financial reserve to cover the group's obligations and investment opportunities and to provide the capital necessary to offset changes in the group's liquidity due to changes in the cash flow from operating activities.

The flexibility of the financial reserve is subject to ongoing prioritisation and optimisation, among other things, by focusing on release of capital and following up on the development in working capital, revenue back-log, and capital commitments.

Note 22: Derivatives

Derivatives are presented at fair value in the balance sheet.

Amounts in DKKm	2022	2021
Non-current receivables	216	216
Current receivables	1,451	282
Non-current liabilities	- 3,470	- 1,577
Current liabilities	- 573	- 722
Liabilities, net	**- 2,376**	**- 1,801**

Hedges comprise primarily currency derivatives, interest rate derivatives, and oil price hedges, which are further described in note 21. The gains/losses of the derivatives are recognised as follows:

Amounts in DKKm	2022	2021
Hedging foreign exchange risk on revenue	- 49	89
Hedging foreign exchange risk on operating costs	- 922	253
Hedging interest rate risk	- 260	- 372
Hedging foreign exchange risk on the cost of non-current assets	- 212	- 13
Total effective hedging	**- 1,443**	**- 43**
Ineffectiveness recognised in financial expenses	81	30
Total reclassified from equity reserve for hedges	**- 1,362**	**- 13**
Derivatives accounted for as held for trading		
Currency derivatives recognised directly in financial income/expenses	- 1,953	- 1,031
Interest rate derivatives recognised directly in financial income/expenses	- 1,387	- 579
Oil prices and freight rate derivatives recognised directly in other income/costs	- 1,060	- 1,038
Net gains/losses recognised directly in the income statement	**- 4,400**	**- 2,648**
Total	**- 5,762**	**- 2,661**

Value adjustment of cash flow hedges recognised in other comprehensive income are specified as follows:

Amounts in DKKm	2022	2021
Value adjustment of hedges for the year	**42**	**- 510**
Reclassified to income statement:		
- revenue	92	- 94
- operating costs	915	- 250
- financial expenses	141	344
Total reclassified to income statement	**1,148**	**0**
Reclassified to non-current assets	**0**	**13**

Besides the designated cash flow hedges, the group enters into derivatives to hedge currency exposures that do not qualify for hedge accounting. These derivatives are classified as fair value through profit and loss.

Amounts in DKKm	2022	2021
Currency derivatives	390	- 90
Price hedge derivatives	213	0
Total	**603**	**- 90**

Note 23: Financial instruments by category

Financial assets Amounts in DKKm	Carrying amount 2022	Fair value[3] 2022	Carrying amount 2021	Fair value[3] 2021
Carried at amortised cost				
Loans receivable	124,680	122,757	34,122	
Lease receivables	121	91	541	
Other interest-bearing receivables and deposits	2,017	739	472	
Trade receivables	53,212		38,841	
Other receivables (non-interest-bearing)	12,425		6,695	
Securities	6,562		0	
Cash and bank balances	74,581		83,692	
Financial assets at amortised cost	**273,598**		**164,363**	
Derivatives	**1,667**		**498**	
Carried at fair value through profit/loss				
Other receivables (non-interest bearing)[1]	51		26	
Other equity investments (FVPL)	7,649		10,515	
Other securities	32		20	
Financial assets at fair value through profit/loss	**7,732**		**10,561**	
Carried at fair value through other comprehensive income				
Other equity investments (FVOCI)[2]	2,627		2,084	
Financial assets at fair value through OCI	**2,627**		**2,084**	
Total financial assets	**285,624**		**177,506**	

[1] Relates to contingent consideration receivables
[2] Designated at initial recognition in accordance with IFRS 9
[3] Where no fair value is stated, the amount equals carrying amount

Financial liabilities Amounts in DKKm	Carrying amount 2022	Fair value[1] 2022	Carrying amount 2021	Fair value[1] 2021
Carried at amortised cost				
Bank and other credit institutions	38,206	38,213	28,721	29,127
Lease liabilities	83,377		70,366	
Issued bonds	20,735	19,891	21,908	23,194
Trade payables	51,544		44,235	
Other payables	16,256		10,866	
Financial liabilities at amortised cost	**210,118**		**176,096**	
Derivatives	**4,043**		**2,299**	
Carried at fair value				
Other payables	2,629		1,199	
Financial liabilities at fair value	**2,629**		**1,199**	
Total financial liabilities	**216,790**		**179,594**	

[1] Where no fair value is stated, the amount equals carrying amount

Note 23: Financial instruments by category – continued

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Financial instruments measured at fair value can be divided into three levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — Inputs for the asset or liability that are not based on observable market data

Fair value of listed securities is within level 1 of the fair value hierarchy. Non-listed shares and other securities are within level 3 of the fair value hierarchy.

Fair value of derivatives is mainly within level 2 of the fair value hierarchy and is calculated based on observable market data as of the end of the reporting period. A minor amount of crude oil price derivatives is within level 1 of the fair value hierarchy.

Fair value of level 3 assets and liabilities is primarily based on the present value of expected future cash flows. A reasonable possible change in the discount rate is not estimated to affect the group's profit or equity significantly.

FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

Fair value of the short-term financial assets and other financial liabilities carried at amortised cost is not materially different from the carrying amount. In general, fair value is determined primarily based on the present value of expected future cash flows. However, where a market price was available, this was deemed to be the fair value.

Fair value of listed issued bonds is within level 1 of the fair value hierarchy. Fair value of the remaining borrowing items is within level 2 of the fair value hierarchy, and is calculated based on discounted future cash flows.

OTHER EQUITY INVESTMENTS (FVOCI)

The group has investments in equity shares of both listed and non-listed companies. The group holds non-controlling interests in these companies. If such investment is considered to be of a strategic nature, the investment was irrevocably designated at fair value through OCI.

Financial assets and liabilities measured at fair value 2022

Amounts in DKKm	Level 1	Level 2	Level 3
Financial assets			
Derivatives	237	1,430	0
Securities	6,259	0	4,049
Loans receivable	0	0	51
Financial assets at fair value as of 31 December 2022	**6,496**	**1,430**	**4,100**
Financial liabilities			
Derivatives	0	4,043	0
Other payables	0	0	2,629
Financial liabilities at fair value as of 31 December 2022	**0**	**4,043**	**2,629**

Financial assets and liabilities measured at fair value 2021

Amounts in DKKm	Level 1	Level 2	Level 3
Financial assets			
Derivatives	72	426	0
Securities	10,072	0	2,547
Loans receivable	0	0	26
Financial assets at fair value as of 31 December 2021	**10,144**	**426**	**2,573**
Financial liabilities			
Derivatives	0	2,299	0
Other payables	0	0	1,199
Financial liabilities at fair value as of 31 December 2021	**0**	**2,299**	**1,199**

Note 23: Financial instruments by category – continued

Movement during the year in level 3

Amounts in DKKm	Other equity investments (FVOCI)	Other equity investments (FVPL)	Other receivables	Total financial assets
Carrying amount as of 1 January 2021	550	386	130	1,066
Addition	390	277	26	693
Disposal	- 113	- 33	- 131	- 277
Gains/losses recognised in the income statement	0	156	0	156
Gains/losses recognised in other comprehensive income	807	0	0	807
Exchange rate adjustment, etc.	93	35	0	128
Carrying amount as of 31 December 2021	**1,727**	**821**	**25**	**2,573**
Addition	255	557	21	833
Disposal	- 198	0	0	- 198
Gains/losses recognised in the income statement	0	256	0	256
Gains/losses recognised in other comprehensive income	502	0	0	502
Exchange rate adjustment, etc.	98	31	5	134
Carrying amount as of 31 December 2022	**2,384**	**1,665**	**51**	**4,100**

Movement during the year in level 3

Amounts in DKKm	Other payables	Total financial liabilities
Carrying amount as of 1 January 2021	351	351
Addition	874	874
Exchange rate adjustment, etc.	- 26	- 26
Carrying amount as of 31 December 2021	**1,199**	**1,199**
Addition	1,799	1,799
Disposal	- 446	- 446
Gains/losses recognised in the income statement	- 14	- 14
Exchange rate adjustment, etc.	91	91
Carrying amount as of 31 December 2022	**2,629**	**2,629**

Note 24: Commitments

SHORT-TERM AND LOW-VALUE LEASES

As part of the group's activities, customary agreements are entered into regarding charter and operating leases of ships, containers, port facilities, etc.

The future charter and operating lease payments are:

Amounts in DKKm	2022	2021
Within one year	1,019	941
Total	**1,019**	**941**

CAPITAL COMMITMENTS

The group has the following capital commitments:

Amounts in DKKm	2022	2021
Capital commitments relating to acquisition of non-current assets	29,985	20,993
Commitments towards concession grantors	6,479	7,679
Total capital commitments	**36,464**	**28,672**

The increase in capital commitments is primarily related to vessel newbuilding contracts entered into during 2022.

The capital commitments will be financed by cash flow from operating activities as well as existing and new loan facilities.

	No.			
Newbuilding programme as of 31 December 2022	2023	2024	2025	Total
Vessels	22	10	11	43
Aircrafts	0	0	2	2
Total	**22**	**10**	**13**	**45**

	DKKm			
Capital commitments relating to the newbuilding programme as of 31 December 2022	2023	2024	2025	Total
Vessels	3,783	7,622	10,632	22,037
Aircrafts	0	0	620	620
Total	**3,783**	**7,622**	**11,252**	**22,657**

Note 25: Contingent liabilities

Except for customary agreements within the group's activities, no material agreements have been entered into that will take effect, change or expire upon change of control of the company.

Custom bonds of DKK 3.3bn (DKK 3.2bn) have been provided to various port authorities in India.

The group has entered into agreements with terminals and port authorities, etc. containing volume commitments including an extra payment in case minimum volumes are not met.

Certain subsidiaries in the group are guarantors as principal obligor for part of the group's external banking facility of DKK 9.3bn (DKK 4.2bn) of which DKK 1.0bn (DKK 3.7bn) are drawn as of 31 December 2022. The net assets of the guarantors amount to DKK 1.2bn (DKK 0.6bn) as of 31 December 2022.

The group is involved in a number of legal cases, investigations by various authorities, tax and other disputes. Some of these involve significant amounts and are subject to considerable uncertainty. The group continuously assesses the risks associated with the cases, investigations and disputes, and their likely outcome. It is the opinion of management that, apart from items recognised in the financial statements, the outcome of these cases, investigations and disputes are either not probable or cannot be reliably estimated in terms of amount or timing. The group does not expect these to have a material impact on the consolidated financial statements.

Tax may crystallise on repatriation of dividends.

SECONDARY DECOMMISSIONING LIABILITY

As part of the divestment of Mærsk Olie & Gas A/S to Total S.A. in 2018, A.P. Møller - Mærsk A/S has assumed a secondary liability related to the decommissioning of the offshore facilities in Denmark by issuance of a declaration. A.P. Møller - Mærsk A/S assesses the risk of economic outflows due to this secondary liability as very remote.

Note 26: Cash flow specifications

Amounts in DKKm	2022	2021
Change in working capital		
Inventories	- 895	- 3,330
Trade receivables	- 6,769	- 12,362
Other receivables and prepayments	- 10,593	- 94
Trade payables and other payables	4,658	6,002
Exchange rate adjustment of working capital	- 467	- 279
Total	**- 14,066**	**- 10,063**
Purchase of intangible assets and property, plant and equipment		
Addition	- 60,894	- 54,586
Of which right-of-use assets, etc.	29,986	29,742
Of which borrowing costs capitalised on assets	348	44
Addition, assets held for sale	207	0
Change in trade payables regarding purchase of assets	- 1,899	3,610
Change in abandonment	290	0
Total	**- 31,962**	**- 21,190**
Financial investments		
Addition, joint ventures	- 7	- 19
Disposal, joint ventures	835	0
Addition, associated companies	- 387	0
Disposal, associated companies	715	0
Addition, receivables	- 192,488	24
Payments regarding receivables	103,197	132
Addition, other equity investments	- 871	- 556
Disposal, other equity investments	218	- 31,689
Total	**- 88,788**	**- 32,108**

Other non-cash items relate primarily to the adjustment of provisions.

Note 27: Acquisition/sale of subsidiaries and activities

ACQUISITIONS DURING 2022

Cash flow used for acquisitions in 2022

Amounts in DKKm	Unilabs	Paccor	Logistics & Services[1]	Other	Total
Fair value at time of acquisition					
Intangible assets	12,771	2,270	11,889	206	27,136
Property, plant and equipment	1,300	2,449	1,458	272	5,479
Right-of-use assets	1,501	239	3,962	235	5,937
Financial assets	110	14	848	520	1,492
Deferred tax assets	135	20	35	0	190
Current assets	4,667	2,099	7,821	672	15,259
Provisions	- 998	- 80	- 155	- 3	- 1,236
Deferred tax liability	- 2,521	- 626	- 2,979	- 17	- 6,143
Other liabilities	- 19,413	- 7,787	- 13,408	- 1,021	- 41,629
Net assets acquired	**- 2,448**	**- 1,402**	**9,471**	**864**	**6,485**
Non-controlling interests	- 276	- 43	0	- 108	- 427
A.P. Møller Holding A/S' share	**- 2,724**	**- 1,445**	**9,471**	**756**	**6,058**
Goodwill	23,118	3,224	25,908	2,238	54,488
Purchase price	**20,394**	**1,779**	**35,379**	**2,994**	**60,546**
Change in payable purchase price, etc.	982	0	- 113	0	869
Contingent consideration assumed	0	0	- 425	- 39	- 464
Contingent consideration paid	0	0	134	30	164
Cash and bank balances assumed	- 1,114	- 408	- 1,239	- 374	- 3,135
Cash flow used for acquisition of subsidiaries and activities	**20,262**	**1,371**	**33,736**	**2,611**	**57,980**

[1] Acquisitions in Logistics & Services are specified below

Transaction related costs recognised in the income statement amounted to DKK 0.7bn.

Unilabs

On 15 March 2022, the group acquired all the shares in Unilabs Holding AB. Unilabs is a leading European provider of medical diagnostic services. By acquiring Unilabs, the group contributes to critical societal challenges as diagnostics is a crucial part of the important transition from volume-based to value-based care, to reduce the amount of medical resources applied and to provide better patient outcomes. The agreement was signed in December 2021.

The total purchase price is DKK 20.4bn. Of the purchase price allocation, DKK 23.1bn is related to goodwill while DKK 12.8bn is related to intangible assets, mainly customer relationships and brand. Liabilities are mainly related to borrowings and lease liabilities. Goodwill is mainly attributable to expected future synergies from leveraging the acquired knowhow and technologies. Acquired goodwill is not allowable for tax purposes.

During 2022, Unilabs acquired Rimed, a leading Swiss diagnostic radiology company and a number of other acquisitions, which are disclosed under other.

From the acquisition date to 31 December 2022, Unilabs contributed with a revenue of DKK 9.5bn and net loss of DKK 1.4bn. Had the acquisition occurred on 1 January 2022, the impact on the group's revenue would have been DKK 13.9bn and net loss of DKK 0.9bn, including amortisation of intangibles recognised in the acquisition.

The accounting for the business combination is considered provisional as of 31 December 2022, as valuation of intangible assets is not yet finalised.

Note 27: Acquisition/sale of subsidiaries and activities - continued

Faerch

On 31 August 2022, Faerch acquired all the shares in Paccor Holdings GmbH, a leading European manufacturer of rigid packaging for the food industry with a significant position in the dairy segment. The agreement was signed in December 2021.

The total purchase price is DKK 1.8bn. Of the purchase price allocation, DKK 3.2bn is related to goodwill while DKK 2.3bn is related to intangible assets, mainly customer relationships. Liabilities are mainly related to borrowings and lease liabilities. Goodwill is mainly attributable to expected future synergies from leveraging the acquired knowhow and technologies. Acquired goodwill is not allowable for tax purposes.

In December 2022, Faerch acquired MCP Performance Plastic. The acquisition expands Faerch's geographical footprint beyond Europe and establishes a presence in the important US market. The acquisition is disclosed under Other. The agreement was signed in July 2021.

From the acquisition dates to 31 December 2022, the acquisitions contributed with a revenue of DKK 1.7bn and net loss of DKK 0.3bn. Had the acquisitions occurred on 1 January 2022, the impact on the group's revenue would have been DKK 5.6bn and net loss of DKK 0.6bn, including amortisation of intangibles recognised in the acquisition.

The accounting for the business combination is considered provisional as of 31 December 2022, as valuation of intangible assets is not yet finalised.

KK Wind Solutions

In June 2022, KK Wind Solutions acquired ConverterTec Deutschland GmbH's R&D department and IP portfolio to further strengthen their offerings within power conversion. The acquisition is disclosed under Other.

A.P. Moller - Maersk

A.P. Moller - Maersk has acquired a number of businesses within Logistics & Services.

Acquisitions in Logistics & Services are included in the previous table and can be specified as follows:

Cash flow used for acquisitions in 2022

Amounts in DKKm	LF Logistics	Pilot	Senator	Total
Fair value at time of acquisition				
Intangible assets	5,711	4,600	1,578	11,889
Property, plant and equipment	1,246	78	134	1,458
Right-of-use assets	2,526	1,231	205	3,962
Financial assets	778	28	42	848
Deferred tax assets	35	0	0	35
Current assets	3,086	1,918	2,817	7,821
Provisions	- 127	- 28	0	- 155
Deferred tax liability	- 1,444	- 1,132	- 403	- 2,979
Other liabilities	- 4,167	- 7,409	- 1,832	- 13,408
Net assets acquired	**7,644**	**- 714**	**2,541**	**9,471**
Non-controlling interests	0	0	0	0
A.P. Møller Holding A/S' share	**7,644**	**- 714**	**2,541**	**9,471**
Goodwill	16,213	8,103	1,592	25,908
Purchase price	**23,857**	**7,389**	**4,133**	**35,379**
Change in payable purchase price, etc.	- 170	57	0	- 113
Contingent consideration assumed	- 425	0	0	- 425
Contingent consideration paid	0	134	0	134
Cash and bank balances assumed	- 892	- 64	- 283	- 1,239
Cash flow used for acquisition of subsidiaries and activities	**22,370**	**7,516**	**3,850**	**33,736**

Note 27: Acquisition/sale of subsidiaries and activities - continued

At the end of August 2022, A.P. Moller - Maersk completed the acquisition of all shares in LF Logistics Holdings Limited, a leading omnichannel fulfilment contract logistics company in Asia Pacific. The acquisition will further strengthen A.P. Moller - Maersk's capabilities as an integrated container logistics company, offering global end-to-end supply chain solutions to its customers. The agreement was signed in December 2021.

The total purchase price is DKK 23.9bn, including the fair value of contingent consideration of DKK 0.4bn, which is contingent upon LF Logistics' future financial performance for the years 2023-2024 and has a maximum payment value of DKK 1.1bn. Of the purchase price allocation, DKK 16.2bn is related to goodwill while DKK 5.7bn is related to intangible assets, mainly customer relationships. Liabilities are mainly related to trade payables and lease liabilities. Goodwill is mainly attributable to expected future commercial and operational synergies, driven by cross-selling and improved productivity. Acquired goodwill is not allowable for tax purposes.

From the acquisition date to 31 December 2022, the acquisition contributed with a revenue of DKK 2.5bn and an insignificant net profit. Had the acquisition occurred on 1 January 2022, the impact on the group's revenue would have been DKK 7.1bn and net profit of DKK 0.3bn, including amortisation of intangibles recognised in the acquisition.

The accounting for the business combination is considered provisional as of 31 December 2022, as valuation of intangible assets is not yet finalised.

In May 2022, A.P. Moller - Maersk completed the acquisition of all shares in Pilot Freight Services, a US-based first, middle, and last mile cross-border solutions provider. Pilot will add specific new services within the fast-growing big and bulky e-commerce segment, thus increasing cross-selling opportunities.

The total purchase price is DKK 7.4bn and settlement of debt of DKK 4.2bn is presented as cash flow from financing in the cash flow statement. Of the purchase price allocation, DKK 8.1bn is related to goodwill while DKK 4.6bn is related to intangible assets, mainly customer relationships. Liabilities are mainly related to trade payables, lease liabilities, and debt settled as part of the transaction. Goodwill is mainly attributable to expected future commercial and operational synergies, driven by cross-selling, network optimisations, and improved productivity. Goodwill of DKK 0.7bn related to the acquisition is expected to be deductible for tax purposes.

From the acquisition date to 31 December 2022, the acquisition contributed with a revenue of DKK 7.0bn and an insignificant net profit. Had the acquisition occurred on 1 January 2022, the impact on the group's revenue would have been DKK 10.6bn and an insignificant net profit.

The accounting for the business combination is considered provisional as of 31 December 2022, as valuation of intangible assets is not yet finalised.

In June 2022, A.P. Moller - Maersk completed the acquisition of all shares in Senator International, a well-renowned German air-based freight carrier company. Senator International will contribute with offerings within air freight out of Europe into the US and Asia, and thereby add strong capabilities and geographical reach to the integrator vision. The agreement was signed in November 2021.

The total purchase price is DKK 4.1bn. Of the purchase price allocation, DKK 1.6bn is related to goodwill while DKK 1.6bn is related to intangible assets, mainly customer relationships. Liabilities are mainly related to accrued expenses and deferred tax. Goodwill is mainly attributable to expected future commercial and operational synergies, driven by cross-selling, network optimisations, and improved productivity. Acquired goodwill is not allowable for tax purposes.

From the acquisition date to 31 December 2022, the acquisition contributed with a revenue of DKK 5.6bn and net profit of DKK 0.3bn. Had the acquisition occurred on 1 January 2022, the impact on the group's revenue would have been DKK 11.3bn and net profit of DKK 0.7bn, including amortisation of intangibles recognised in the acquisition.

Note 27: Acquisition/sale of subsidiaries and activities - continued

ACQUISITIONS AFTER 31 DECEMBER 2022

The acquisitions mentioned below are each considered a business combination in accordance with IFRS 3, Business Combinations. Due to the timing of the closing of the acquisition, the initial accounting for the business combination is incomplete at the time of issuing the financial statements for 2022 for A.P. Moller Holding.

On 15 November 2021, it was announced that A.P. Moller - Maersk will partner with Grindrod Intermodal Group to merge the logistics activities of the Grindrod Intermodal business and the oceans activities of the Ocean Africa Container Lines with the current Logistics & Services products in South Africa. The Grindrod Intermodal Group is a well-known and trusted partner in South Africa that offers a range of logistics and services. The group will have a controlling interest of 51%. The purchase price is DKK 0.2bn. The acquisition was closed on 2 January 2023.

On 5 August 2022, it was announced that A.P. Moller - Maersk intends to acquire all shares in Martin Bencher Group, a Denmark-based company with premium competencies within non-containerised project logistics. The acquisition of Martin Bencher Group will add to the existing project logistics services already available in A.P. Moller - Maersk, with a specialised service offering the combination of solution design, special cargo transportation, and project management services. The purchase price is DKK 0.4bn. The acquisition was closed on 2 January 2023.

On 10 August 2022, it was announced that KK Wind Solutions intends to acquire Vestas' converter & controls business. In addition, Vestas and KK Wind Solutions have agreed to jointly develop converters with both companies' engineering teams fully dedicated to the partnership. The acquisition will bring immediate scale to KK Wind Solutions' operations and significantly grow the business. The purchase price is DKK 2.2bn. As of 31 December 2022, the transaction was subject to receipt of approvals from the relevant regulatory authorities and separation of the converter & controls business from Vestas. The acquisition was closed on 28 February 2023.

ACQUISITIONS DURING 2021

Cash flow used for acquisitions in 2021

Amounts in DKKm	Faerch	Logistics & Services	Nissens Cooling Solutions	Other	Total
Fair value at time of acquisition					
Intangible assets	5,815	1,327	301	194	7,637
Property, plant and equipment	2,213	163	291	33	2,700
Right-of-use assets	95	453	54	0	602
Financial assets	0	19	3	0	22
Deferred tax assets	55	0	3	0	58
Current assets	1,415	565	593	50	2,623
Provisions	0	0	- 21	0	- 21
Liabilities	- 8,538	- 856	- 497	- 128	- 10,019
Net assets acquired	**1,055**	**1,671**	**727**	**149**	**3,602**
Non-controlling interests	0	0	0	0	0
A.P. Møller Holding A/S' share	**1,055**	**1,671**	**727**	**149**	**3,602**
Goodwill	6,500	3,855	513	341	11,209
Purchase price	**7,555**	**5,526**	**1,240**	**490**	**14,811**
Change in payable purchase price, etc.	0	0	40	- 13	27
Contingent consideration	0	- 402	0	93	- 309
Cash and bank balances assumed	- 49	- 132	- 52	19	- 214
Cash flow used for acquisition of subsidiaries and activities	**7,506**	**4,992**	**1,228**	**589**	**14,315**

For the year 2021, the total acquisition costs for the acquisitions recognised in the income statement amounted to DKK 0.2bn.

Note 27: Acquisition/sale of subsidiaries and activities - continued

Faerch

On 12 March 2021, the group acquired 100% of the shares in Faerch. Faerch is the world's leading sustainable food packaging company as a pan-European manufacturer of sustainable food packaging solutions. By acquiring Faerch, the group contributes to the critical societal development of a circular system of waste, with the same material being used and re-used in an endless number of manufacturing cycles. Faerch has demonstrated that it offers a compelling, sustainable solution, by developing food packaging products with a high degree of post-consumer recycled content.

The total purchase price is DKK 7.6bn. Of the purchase price allocation, DKK 6.5bn is related to goodwill while DKK 5.8bn is related to intangible assets, mainly customer relationships and brand. DKK 0.1bn is related to right-of-use assets. Liabilities are mainly related to borrowings and lease liabilities. Goodwill is mainly attributable to expected future synergies from leveraging the acquired knowhow and technologies.

From the acquisition date to 31 December 2021, Faerch contributed with a revenue of DKK 3.6bn and an insignificant net profit. Had the acquisition occurred on 1 January 2021, the impact on the group's revenue would have been DKK 4.2bn. The net profit impact to the group would have been insignificant.

A.P. Moller - Maersk

A.P. Moller - Maersk has acquired a number of businesses within Logistics & Services.

On 2 August 2021, the group acquired 100% of the shares in Visible Supply Chain Management, an e-commerce logistics provider based in North America focusing on e-fulfilment, parcel delivery services, and freight management. Visible Supply Chain Management will contribute with strong e-commerce capabilities and further strengthen the business-to-consumer part of the business.

The total purchase price is DKK 5.0bn, including a contingent consideration valued at DKK 0.4bn. The contingent consideration is made up of a fixed number of A.P. Moller - Maersk B shares. Of the purchase price allocation, DKK 3.5bn is related to goodwill while DKK 1.1bn is related to intangible assets, mainly customer relationships, software, and technology. DKK 0.5bn is related to right-of-use assets. Liabilities are mainly related to lease liabilities. Goodwill is mainly attributable to expected future synergies from leveraging the acquired technology software, network optimisations, and improved productivity.

From the acquisition date to 31 December 2021, Visible Supply Chain Management contributed with a revenue of DKK 1.3bn and an insignificant net profit. Had the acquisition occurred on 1 January 2021, the impact on the group's revenue would have been DKK 3.2bn. The net profit impact to the group would have been insignificant.

The accounting for the business combination is considered provisional as per 31 December 2021, as valuation of intangible assets is not yet finalised.

On 1 October 2021, the group acquired 100% of the shares in B2C Europe, an e-commerce logistics provider headquartered in the Netherlands, specialising in cross-border parcel delivery services. B2C Europe will contribute with strong e-commerce capabilities and further strengthen the business-to-consumer part of our business.

The total purchase price is DKK 0.4bn. Of the purchase price allocation, DKK 0.2bn is related to goodwill while DKK 0.1bn is related to intangible assets, mainly customer relationships and technology. Goodwill is mainly attributable to expected future synergies from integration and scale-up of technology.

From the acquisition date to 31 December 2021, B2C Europe contributed with a revenue of DKK 0.2bn and an insignificant net profit. Had the acquisition occurred on 1 January 2021, the impact on the group's revenue would have been DKK 0.9bn. The net profit impact to the group would have been insignificant.

The accounting for the business combination is considered provisional as per 31 December 2021, as valuation of intangible assets is not yet finalised.

On 1 September 2021, the group acquired 100% of the shares in HUUB, a Portuguese cloud-based logistics start-up specialised in technology solutions for B2C warehousing for the fashion industry. HUUB will contribute to strengthening A.P. Moller - Maersk's technology capabilities, bringing the best attributes of a modern entrepreneurial agile workplace. The acquisition is accounted for as an asset deal. The total acquisition price is DKK 0.1bn, and is subject to adjustment based on future performance.

Note 27: Acquisition/sale of subsidiaries and activities - continued

Nissens Cooling Solutions

On 30 November 2021, the group acquired 100% of the shares in Nissens Cooling Solutions, a global market leading supplier of customised cooling solutions for industrial applications, not least the wind turbine industry.

The total purchase price is DKK 1.2bn. Of the purchase price allocation, DKK 0.5bn is related to goodwill while DKK 0.3bn is related to intangible assets, mainly customer relationships, know-how and technologies. Goodwill is mainly attributable to expected future synergies from integration.

From the acquisition date to 31 December 2021, Nissens Cooling Solutions contributed with a revenue of DKK 0.1bn and an insignificant net profit. Had the acquisition occurred on 1 January 2021, the impact on the group's revenue would have been DKK 1.3bn. The net profit impact to the group would have been insignificant.

Other

In addition to the above acquisitions, there have been other smaller acquisitions within the group and therefore the cash outflow related to acquisitions adds up to DKK 14.3bn.

SALES DURING 2022

Terminals completed the sale of the 30.75% minority stake in Global Ports Investments in Russia for DKK 1.0bn. The transaction includes an ability for Terminals to re-enter the partnership in the future.

In February 2022, Innargi concluded fundraising of DKK 0.6bn. Consequently, our ownership was diluted and Innargi has been recognised as an associated company. A gain of DKK 0.4bn has been recognised in the income statement.

In October 2022, the merger between Maersk Drilling and Noble Corporation was completed, leading to A.P. Moller Group no longer holding a controlling position in the combined company, Noble Corporation plc (Noble). The merger was a non-cash transaction and the fair value of the received shares in the combined company amounted to DKK 6.2bn. Our shareholding in Noble is recognised as an associated company. A net loss of DKK 0.7bn has been recognised in the income statement.

There were no other material sales in 2022.

SALES DURING 2021

No material sales were performed during 2021.

Note 28: Related parties

Amounts in DKKm	Associated companies 2022	Associated companies 2021	Joint ventures 2022	Joint ventures 2021	Management[1] 2022	Management[1] 2021
Income statement						
Revenue	368	157	1,316	1,239	0	0
Operating costs[2]	3,892	3,761	4,197	4,195	99	75
Remuneration to Executive Board and Board of Directors	0	0	0	0	67	96
Financial income	19	0	0	0	0	0
Financial expenses	135	68	0	0	0	0
Other costs	0	0	0	13	0	0
Other income	3	6	14	0	0	0
Assets						
Other receivables, non-current	0	0	188	210	0	0
Other receivables, current	63	249	111	92	0	5
Trade receivables	244	203	77	131	0	0
Cash and bank balances	9,845	7,611	0	0	0	0
Liabilities						
Guarantees etc.	288	221	0	0	0	0
Issued bank guarantees	166	127	0	0	0	0
Credit institutions including loan commitments	7,544	4,045	0	0	0	0
Trade payables	432	466	571	577	14	13
Other payables	0	0	0	0	0	0
Equity						
Capital increase	216	297	7	216	10	0
Sale to non-controlling interests	0	0	0	0	11	30
Purchase from non-controlling interests	0	0	0	0	0	61
Dividends	1,699	1,363	955	879	14	32

[1] The Board of Directors and the Executive Board in A.P. Møller Holding A/S and their close relatives (including undertakings under their significant influence). Other receivables and trade payables include customary business-related accounts regarding shipping activities
[2] Operating costs regarding management include commission and commercial receivables to Maersk Broker K/S from chartering as well as purchase and sale of ships

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Denmark is the parent company and the ultimate owner.

A.P. Møller Holding A/S' related parties comprise its owner The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal as well as the Board of Directors and Executive Boards of A.P. Møller Holding A/S and the A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal. Related parties also comprise subsidiaries, associated companies, and joint ventures. All agreements have been negotiated on market-based terms.

Dividends distributed to A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal are not included in the table above.

Note 29: Events after the balance sheet date

On 2 January 2023, the acquisition of Martin Bencher Group and Grindrod Intermodal Group were closed and on 28 February 2023, the acquisition of Vestas' converter & controls business was closed. Reference is made to note 27.

On 20 March 2023, A.P. Moller Holding signed an agreement to acquire Maersk Supply Service from A.P. Moller – Maersk. The acquisition is expected to close in Q2 2023.

No other events of importance to the Annual Report have occurred during the period from the balance sheet date until the presentation of the financial statements.

Note 30: Significant accounting policies

BASIS OF PREPARATION

The consolidated financial statements for 2022 for A.P. Møller Holding A/S have been prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for large enterprises in class C. The consolidated financial statements are also in accordance with IFRS as issued by the Internal Accounting Standards Board (IASB).

The consolidated financial statements are presented in DKK million (DKKm) and all values are rounded to the nearest thousand except when otherwise stated.

The accounting policies are consistent with those applied in the consolidated financial statements for 2021, except for the changes to accounting standards that were effective from 1 January 2022 and were endorsed by the EU. In addition, a few adjustments have been made to comparative figures. The changes have not had material impact on the financial statements.

CONSOLIDATION

The consolidated financial statements comprise the parent company A.P. Moller Holding, its subsidiaries, and proportionate shares in joint arrangements classified as joint operations.

Subsidiaries are entities controlled by A.P. Moller Holding. Control is based on the power to direct the relevant activities of an entity and the exposure, or right, to variable returns arising from it. In that connection, relevant activities are those that significantly affect the investee's returns. Control is usually achieved by directly or indirectly owning or in other ways controlling more than 50% of the voting rights, or by other rights, such as agreements on management control.

Joint arrangements are entities in which A.P. Moller Holding, according to contractual agreements with one or more parties, has joint control. The arrangements are classified as joint ventures, if the contracting parties' rights are limited to net assets in separate legal entities, and as joint operations, if the parties have direct and unlimited rights to the assets and obligations for the liabilities of the arrangement.

Entities in which A.P. Moller Holding exercises a significant but non-controlling influence are considered associated companies. A significant influence is usually achieved by directly or indirectly owning or controlling 20-50% of the voting rights. Agreements and other circumstances are considered when assessing the degree of influence.

Consolidation is performed by summarising the financial statements of the parent company and its subsidiaries, including the proportionate share of joint operations, which have been prepared in accordance with A.P. Moller Holding's accounting policies. Intra-group income and expenses, shareholdings, dividends, intra-group balances, and gains on intra-group transactions are eliminated. Unrealised gains on transactions with associated companies and joint arrangements are eliminated in proportion to A.P. Moller Holding's ownership share. Unrealised losses are eliminated in the same way, unless they indicate impairment.

When the group ceases to consolidate or applies equity accounting for an investment because of a loss of control, joint control, or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or other equity investment. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. Therefore, amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests' share of profit/loss for the year and of equity in subsidiaries is included as part of A.P. Moller Holding's profit and equity, respectively, but shown as separate items.

FOREIGN CURRENCY TRANSLATION

The functional currency of the parent company is USD. DKK has been selected as the presentation currency as the ultimate owner of the group, A.P. Moller Foundation, is located in Denmark.

In the translation to the presentation currency of the parent company, subsidiaries, associated or joint agreements with functional currencies other than DKK, the total comprehensive income is translated into DKK at average exchange rates and the balance sheet is translated at the exchange rates as per the balance sheet date. Exchange rate differences arising from such translations are recognised directly in other comprehensive income and in a separate reserve of equity (translation to the functional currency).

Note 30: Significant accounting policies - continued

The functional currency varies from business area to business area. For A.P. Møller Holding A/S and its subsidiaries' principal shipping and drilling activities, the functional currency is typically USD. This means, among other things, that the carrying amounts of property, plant and equipment and intangible assets and, hence, depreciation and amortisation are maintained in USD from the date of acquisition. For other activities, including container terminal activities and land-based logistics activities, the functional currency is generally the local currency of the country in which such activities are performed, unless circumstances suggest that a different currency is appropriate.

Transactions in currencies other than the functional currency are translated at the exchange rate prevailing on the date of the transaction. Monetary items in foreign currencies not settled by the balance sheet date are translated at the exchange rate as per the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income or financial expenses.

INCOME STATEMENT

Revenue

Revenue for all businesses is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for the goods and services.

Revenue from shipping activities is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages at the balance sheet date. Invoiced revenue related to an estimated proportion of remaining voyage time and activities at the destination port is deferred. The number of days of a voyage, as a percentage of the total number of days a voyage is estimated to last, is considered as a close approximation of percentage of completion. Detention and demurrage fees are recognised over time until the customers' late return or pick-up of containers.

Revenue from terminal operations and towing activities is recognised upon completion of the service. In container terminals operated under certain restrictive terms of pricing and service, etc., the value of tangible assets constructed on behalf of the concession grantor is recognised as revenue during the construction.

Revenue from drilling activities typically comprises i) fixed amounts for each day the rig is under contract differentiated by the activities undertaken (day rate revenue) and other revenue components such as lump sum payments for rig mobilisation and demobilisation and payments for investments in equipment or rig upgrades required to meet the operational needs of the drilling campaign, both of which are amortised over the contract period, ii) bonuses linked to performance in terms of time, efficiency or drilling outcome measures such as reservoir targeting, iii) or payments for third-party services to be delivered to the customer.

Revenue from most freight forwarding activities is recognised over time.

Revenue from the sale of goods is recognised upon the transfer of control to the buyer.

Contract work in progress and services are included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed and service completed in the financial year (the percentage-of-completion method).

No significant element of financing is deemed present as sales are made with credit terms which are consistent with market practice. Revenue from sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Operating costs

Operating costs comprise costs incurred in generating revenue for the year, including costs for crew, labour, raw materials and consumables, repair and maintenance, and sales and administration.

Share of profit/loss in associated companies and joint ventures

Share of profit/loss in associated companies and joint ventures is recognised net of tax and corrected for the share of unrealised intra-group gains and losses. The item also comprises any impairment losses for such investments and their reversal.

Financial income and financial expenses

Financial income and financial expenses comprise interest income and expenses, including the interest element of lease payments related to leases capitalised under IFRS 16, foreign exchange gains and losses, realised and unrealised gains and losses on financial instruments, bank fees, and amortisation of transaction costs related to borrowings.

Note 30: Significant accounting policies – continued

Tax

Tax comprises an estimate of current and deferred income tax as well as adjustments to previous years of those. Income tax is tax on taxable profits and consists of corporation tax and withholding tax of dividends, etc. In addition, tax comprises tonnage tax. Tonnage tax is classified as tax when creditable in, or paid in lieu of, income tax.

Tax is recognised in the income statement to the extent it arises from items recognised in the income statement, including tax on gains on intra-group transactions that have been eliminated in the consolidation.

Current tax liabilities and receivables are recognised in the balance sheet at the amounts calculated on the taxable income for the year, adjusted for tax on taxable income for prior years and for taxes paid on account.

STATEMENT OF COMPREHENSIVE INCOME

Other comprehensive income consists of income and costs not recognised in the income statement, including exchange rate adjustments arising from the translation from functional currency to presentation currency, fair value adjustments of other equity investments (at FVOCI), cash flow hedges, forward points and currency basis spread as well as actuarial gains/losses on defined benefit plans, etc. The group's share of other comprehensive income in associated companies and joint ventures is also included.

On disposal or discontinuation of an entity, the group's share of the accumulated exchange rate adjustment relating to the relevant entity compared to the functional currency is reclassified to the income statement. Accumulated value adjustments of equity instruments classified as equity instruments at fair value through other comprehensive income will remain in equity upon disposal.

Other comprehensive income includes current and deferred income tax to the extent the items recognised in other comprehensive income are taxable or deductible.

BALANCE SHEET

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. The fair value of any future contingent payments are included in the cost at acquisition. Subsequent adjustments are recognised in the income statement. Goodwill has an indefinite useful life.

For container terminals operated under certain restrictive price and service conditions, etc., concessional rights to collect usage charges are included under intangible assets. The cost includes the present value of minimum payments under concession agreements and the cost of property, plant and equipment constructed on behalf of a grantor of a concession. The rights are amortised from the commencement of operations over the concession period. The concession period ranges from 10 to 34 years, with an average of 17 years.

Intangible assets regarding acquired customer relationships, brand names, and technology are amortised over a useful life of up to 10 years, up to 20 years, and 5-10 years, respectively.

IT software is amortised over a useful life of 3-5 years. Estimated useful lives and residual values are reassessed on a regular basis.

Completed development projects are amortised on a straight-line basis over 3 years. Projects in progress are not amortised, but are tested for impairment annually.

Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the useful lives at an estimated residual value. The useful lives of assets are typically as follows:

Ships, etc.	20-25 years
Containers, etc.	15 years
Buildings	10-75 years
Terminal infrastructure	10-30 years or concession period, if shorter
Warehouses and related infrastructure	5-25 years, or lease term, if shorter
Aircrafts and related components	3-30 years
Plant and machinery, cranes, and other terminal equipment	3-25 years
Rigs and drilling equipment	5-25 years (residual value 0-30%)
Other operating equipment, fixtures, etc.	3-10 years

Note 30: Significant accounting policies – continued

Estimated useful lives, residual values, and methods of depreciation are reviewed and reassessed on a regular basis.

Cost comprises the acquisition price as well as costs directly associated with the asset until such time as the asset is ready for its intended use.

The cost of an asset is divided into separate components, which are depreciated separately if the useful lives of the individual components differ. Dry-docking costs are recognised in the carrying amount of ships when incurred and depreciated over the period until the next dry-docking.

The cost of assets constructed by the group includes directly attributable expenses and indirect costs related to materials, components, and payroll that directly concern the construction of assets. For assets with a long construction period, borrowing costs during the construction period from specific as well as general borrowings are attributed to the cost of the asset. In addition, the cost includes the net present value of estimated costs of removal and restoration.

Subsequent expenditure items of property, plant and equipment are only recognised as an addition to the carrying amount of the item, when it is likely that incurring the cost will result in future financial benefits for the group. Other costs such as general repair and maintenance are recognised in the income statement when incurred.

Grants received from governments or similar institutions are recognised when there is reasonable certainty that they will be received. Grants for capital expenditures are offset against the cost of the assets to which the grants relate.

Right-of-use assets

The group mainly leases vessels and containers. Lease contracts for vessels and containers are typically made for fixed periods of three to five years but may have extension options as described below. Concession lease agreements and real estate contracts are negotiated on an individual basis and contain a wide range of terms and conditions.

Lease contracts, under which the group is the lessee, are capitalised using an incremental borrowing rate and recognised in the balance sheet as right-of-use assets and corresponding lease liabilities. The right-of-use assets are generally depreciated over the lease term. Lease payments are split into an interest element presented under financial expenses and amortisation of the lease liability. Both elements are included under cash flow from financing activities in the cash flow statement.

Lease contracts with a term shorter than 12 months or for which the underlying assets are of low value are not capitalised but expensed straight-line over the lease term.

Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use by the group. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Impairment of intangible assets and property, plant and equipment

Impairment losses are recognised when the carrying amount of an asset or a cash generating unit exceeds the higher of the estimated value in use and fair value less costs of disposal. Goodwill is attributed to cash generating units on acquisition and impaired before other assets.

Intangible assets and property, plant and equipment are tested for impairment, if there is an indication of impairment. However, annual impairment tests are carried out for goodwill and other intangible assets with indefinite useful lives as well as intangible assets that are not yet in use. Impairment losses are included in depreciation, amortisation, and impairment losses, net, in the income statement.

Assets held for sale

Assets held for sale are recognised when the carrying amount of an individual non-current asset, or disposal group of assets, will be recovered principally through a sales transaction rather than through continued use. Assets are classified as held for sale, when activities to carry out a sale have been initiated, the activities are available for immediate sale in their present condition and when the activities are expected to be disposed of within 12 months. Liabilities directly associated with assets held for sale are presented separately from other liabilities.

Assets held for sale are measured at the lower of carrying amount immediately before classification as held for sale and fair value less costs of disposal, and impairment tests are performed immediately before classification as held for sale. Non-current assets are not depreciated or amortised while classified as held for sale. The measurement of deferred tax and financial assets and liabilities is unchanged.

When an asset or a disposal group have been classified as held for sale or distribution, but the requirements are no longer met, the assets and related liabilities cease to be classified as held for sale. The cessation of the classification as held for sale will be reflected in the period in which the change of circumstances has occurred. Comparative figures are not restated, and any adjustments to the carrying value of assets and liabilities previously classified as held for sale are recognised in the period in which the circumstances have changed.

Note 30: Significant accounting policies – continued

Investments in associated companies and joint ventures
Investments in associated companies and joint ventures are recognised at the group's share of the equity value inclusive of goodwill less any impairment losses. Goodwill is an integral part of the value of associated companies and joint ventures and is therefore subject to an impairment test together with the investment as a whole. Impairment losses are reversed to the extent the original value is considered recoverable.

Other financial investments
Equity instruments, etc., including shares, bonds, and similar securities, are recognised on the trading date at fair value, and subsequently measured at the quoted market price for listed securities and at estimated fair value for non-listed securities. Fair value adjustments from equity investments are classified in the following measurement categories:

- Through other comprehensive income, or
- Through the income statement

Fair value adjustments from equity investments at fair value through other comprehensive income (FVOCI) remain in equity upon disposal.

Dividends are recognised in the income statement.

Inventories
Inventories mainly consist of bunker, spare parts not qualifying as property, plant and equipment, other consumables, and purchased goods. Inventories are measured at cost including delivery costs and indirect production costs or net realisable value, whichever is lower. Cost is determined using the first-in, first-out method (FIFO method) or the weighted average cost formula. The same cost formula is used for inventory of a similar nature.

Loans and receivables
Loans and receivables are initially recognised at fair value, plus any direct transaction costs and subsequently measured at amortised cost using the effective interest method. For loans and other receivables, write-downs are made for anticipated losses based on specific individual or group assessments. For trade receivables, the loss allowance is measured by the simplified approach according to IFRS 9, applying a provision matrix to calculate the expected lifetime losses. The provision matrix includes an impairment for non-due receivables.

Prepayments
Prepayments comprise upfront fees, consumables, and prepaid costs including mobilisation and start-up costs that are considered costs to fulfil contracts under IFRS 15 (contract assets). For contract assets, any need for loss provisions are estimated using the simplified approach under IFRS 9.

Equity
Equity includes total comprehensive income for the year comprising the profit/loss for the year and other comprehensive income. Proceeds on the purchase and sale of own shares and dividends from such shares are recognised in equity.

The translation reserve comprises A.P. Møller Holding A/S' share of accumulated exchange rate differences arising from translation from functional currency into presentation currency. Differences arising from translation to the presentation currency are recognised in other comprehensive income and will not be reclassified to the income statement. The reserve for other equity investments comprises accumulated changes in the fair value of equity investments (at FVOCI), net of tax. Reserve for hedges includes the accumulated fair value of derivatives qualifying for cash flow hedge accounting, net of tax, as well as forward points and currency basis spread. The reserve is transferred to the income statement when the hedge transaction is settled.

Share-based payments
Equity settled restricted shares and share options allocated to executive employees as part of the group's long-term incentive programmes are recognised as staff costs over the vesting period at estimated fair value at the grant date and a corresponding adjustment in equity.

Cash settled performance awards allocated to employees as part of the group's long-term incentive programmes are recognised as staff costs over the vesting period and a corresponding adjustment in other payables.

At the end of each reporting period, the group revises its estimates of the number of awards that are expected to vest based on the non-market vesting conditions and service conditions. Any impact of the revision is recognised in the income statement with a corresponding adjustment to equity or other payables.

Note 30: Significant accounting policies – continued

Provisions

Provisions are recognised when the group has a present legal or constructive obligation from past events. The item includes, among others, legal disputes, provisions for onerous contracts, and unfavourable contracts acquired as part of a business combination. Provisions are recognised based on best estimates and are discounted where the time element is significant and where the time of settlement is reasonably determinable.

Reversals of provisions primarily relate to the settlement of contractual disagreements, which are recognised in the income statement under operating costs.

Defined benefit plans

Pension obligations are the net liabilities of defined benefit obligations and the dedicated assets adjusted for the effect of minimum funding and asset ceiling requirements. Plans with a funding surplus are presented as net assets on the balance sheet. The defined benefit obligations are measured at the present value of expected future payments to be made, in respect of services provided by employees, up to the balance sheet date. Plan assets are measured at fair value. The pension cost charged to the income statement consists of calculated amounts for vested benefits and interest in addition to settlement gains or losses, etc. Interest on plan assets is calculated with the same rates as used for discounting the obligations. Actuarial gains/losses are recognised in other comprehensive income.

Pension plans where the group, as part of collective bargaining agreements, participates together with other enterprises – so called multi-employer plans – are treated as other pension plans in the financial statements. For defined benefit multi-employer plans where sufficient information to apply defined benefit accounting is not available, the plans are treated as defined contribution plans.

Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax is not recognised for differences on the initial recognition of assets or liabilities where, at the time of the transaction, neither accounting nor taxable profit/loss is affected, unless the differences arise in a business combination. In addition, no deferred tax is recognised for undistributed earnings in subsidiaries, when A.P. Moller Holding controls the timing of dividends, and no taxable dividends are currently expected. A deferred tax asset is recognised to the extent that it is probable that it can be utilised within a foreseeable future.

Financial liabilities

Financial liabilities are initially recognised at fair value less transaction costs. Subsequently, the financial liabilities are measured at amortised cost using the effective interest method, whereby transaction costs and any premium or discount, are recognised as financial expenses, over the term of the liabilities. Fixed interest loans, subject to fair value hedge accounting, are measured at amortised cost, with an adjustment for the fair value of the hedged interest component.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments over the lease term, at the interest rate implicit in the lease, or at the group's incremental borrowing rate (IBR). The applied IBR reflects the group's credit risk, leased amount, and contract duration, as well as the nature and quality of the asset's security and economic environment in which the leased assets operate. To determine the IBR, where possible, A.P. Moller Holding uses recent third-party financing received by the individual lessee as a starting point, with adjustments to reflect changes in financing conditions since that financing was received. Where such financing is not available, A.P. Moller Holding uses a build-up approach that starts with a risk-free interest rate adjusted by credit risk and specific risks faced by the lessee such as asset type, geographical risks, etc.

Subsequently, the lease liability is measured at amortised cost with each lease payment allocated between the repayment of the liability and financing cost. The financing cost is charged to the income statement over the lease period using the IBR that was used to discount the lease payments.

The following lease payments are included in the net present value:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments which are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Payments associated with short-term leases and leases of low-value assets are recognised on a straight line basis as an expense in profit or loss.

Note 30: Significant accounting policies – continued

If extension and termination options in lease contracts are included, A.P. Moller Holding will probably exercise those options. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Most of the extension and termination options held, are exercisable only by A.P. Moller Holding and not by the respective lessor.

The assessment is reviewed if a significant event or a significant change in circumstances occurs, which affects this assessment and is within the control of the lessee. Where A.P. Moller Holding will probably exercise specific purchase options, those options are included in the measurement of the lease liability with the corresponding right-of-use asset depreciated over the asset's useful life rather than lease term.

OTHER AREAS

Derivative financial instruments

Derivative financial instruments are recognised on the trading date and measured at fair value using generally acknowledged valuation techniques based on relevant observable swap curves and exchange rates.

The effective portion of changes in the value of derivative financial instruments designated to hedge highly probable future transactions is recognised in other comprehensive income until the hedged transactions are realised. At that time, the accumulated gains/losses are transferred to the items under which the hedged transactions are recognised. The effective portion of changes in the value of derivative financial instruments used to hedge the value of recognised financial assets and liabilities is recognised in the income statement, together with changes in the fair value of the hedged assets or liabilities that can be attributed to the hedging relationship. Currency basis spreads and forward points are considered a cost of hedge and deferred in equity.

The ineffective portion of hedge transactions and changes in the fair value of derivative financial instruments, which do not qualify for hedge accounting, are recognised in the income statement as financial income or expenses for interest and currency-based instruments, and as other income/costs for oil price hedges and forward freight agreements.

Cash flow statement

Cash flow from operating activities includes all cash transactions other than cash flows arising from investments and divestments, received dividends, principal payments of loans, instalments on finance lease liabilities, paid and received financial items, and equity transactions. Capitalisation of borrowing costs is considered non-cash items, and the actual payments of these borrowing costs are included in cash flow from financing.

Cash and cash equivalents comprise cash and bank balances net of bank overdrafts where overdraft facilities form an integral part of the group's cash management.

Business combinations and disposal of subsidiaries

Upon acquisition of new entities, the acquired assets, liabilities, and contingent liabilities are measured at fair value at the date when control was achieved using the acquisition method. Identifiable intangible assets are recognised if they arise from a contractual right or can otherwise be separately identified. The difference between the fair value of the acquisition cost and the fair value of the acquired identifiable net assets is recognised as goodwill. Contingent consideration is measured at fair value and any subsequent changes to contingent consideration are recognised as financial income or financial expense in the income statement. If contingent consideration is settled by issuing a predetermined number of shares, the contingent consideration is classified as equity and is subsequently not remeasured at fair value. Transaction costs are recognised as operating costs as they are incurred.

When the group ceases to have control of a subsidiary, the value of any retained investment is remeasured at fair value and the value adjustment is recognised in the income statement as gain (or loss) on the sale of non-current assets. The difference between sales proceeds and the carrying amount of the subsidiary is recognised in the income statement, including fair value of the contingent consideration at the time of sale. Contingent consideration is remeasured at fair value with changes recognised in the income statement.

The effect of the purchase and sale of non-controlling interests without changes in control is included directly in equity.

Note 30: Significant accounting policies – continued

NEW FINANCIAL REPORTING REQUIREMENTS IN 2022 OR LATER

A.P. Moller Holding has not adopted the following standards and requirements:

- IFRS 17 – Insurance contracts

An analysis of the impact has been made and it has been assessed that the standard will not have a significant impact on recognition and measurement of the group.

Other changes to IFRS are not expected to have any significant impact on recognition and measurement.

DEFINITIONS OF FINANCIAL RATIOS

Return on equity is calculated as profit for the year in proportion to the average total equity for the year.

Equity ratio is calculated as total equity end of year in proportion to total assets end of year.

Note 31: Significant accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make estimates and judgments on an ongoing basis and form assumptions that affect the reported amounts. Management forms its judgments and estimates based on historical experience, independent advice, external data points as well as in-house specialists, and on other factors believed to be reasonable under the circumstances.

In its assumption setting, management deals with various aspects of uncertainty. One aspect of uncertainty is the assessment of control over investments classified as associated, joint ventures, and subsidiaries, where the assessment forms the basis for classification. Another aspect is measurement uncertainty, where management makes assumptions that derive the value of recognised assets and liabilities. These assumptions concern the timing and amount of future cash flows as well as the risks inherent in these.

In certain areas, the outcome of business plans, including ongoing negotiations with external parties to execute those plans or the outcome of negotiations to settle claims that are raised against the group, is highly uncertain. Therefore, assumptions may change, or the outcome may differ in the coming years, which could require a material upward or downward adjustment to the carrying amounts of assets and liabilities.

The areas in which A.P. Moller Holding is particularly exposed to material uncertainties over the carrying amounts as at the end of 2022 are included below.

SIGNIFICANT ACCOUNTING ESTIMATES

Vessel sharing agreements (cost sharing arrangements)

Vessel sharing agreements in shipping require that some vessels are committed to specific service routes. The committed vessel's capacity is then shared with one or more container shipping providers in proportion to each party's contribution to the joint service. In practice, it is not always possible to provide tonnage precisely as agreed in the sharing arrangements, therefore financial settlement often takes place on a basis of relative capacity over/under utilised on a monthly or other mutually agreed cycle. These capacity agreements are settled as close to actual costs incurred as possible based on market rates applicable at that time.

Impairment tests

The outcome of impairment tests is subject to estimates in financial budgets and business plans, as well as of the future development of freight rates and volumes, demographic and societal changes, demand for sustainable solutions, commodity prices, including but not limited to oil and utility prices, inflation, and the discount rates applied.

Please refer to notes 7 and 8 for information about impairment analysis, key assumptions and impairment test results.

Note 31: Significant accounting estimates and judgments – continued

Useful life and residual values

Useful lives are estimated based on experience. When there is an indication of a change in an asset's useful life, management revises the estimates for individual assets or groups of assets with similar characteristics due to factors such as quality of maintenance and repair, technical development or environmental requirements. Management has also considered the impact of decarbonisation and climate related risks on useful lives of existing assets. Such risks include new climate related legislation restricting the use of certain assets, new technology demanded by climate related legislation, and the increase in restoration costs for terminal sites due to new and/or more comprehensive policies.

Residual values of vessels and rigs are difficult to estimate given their long useful lives, the uncertainty of future economic conditions, and the uncertainty of future steel prices, which is considered the main determinant of the residual value. Generally, the residual values of vessels are initially estimated at 10% of the purchase price excluding dry-docking costs. The long-term view is prioritised in order to disregard, to the extent possible, temporary market fluctuations which may be significant.

Investments in associated companies

As of 31 December 2022, the carrying amount of the shares in Danske Bank amounted to DKK 35.0bn (DKK 37.3bn), including group goodwill of DKK 1.0bn and the market value amounted to DKK 25.2bn (DKK 20.7bn). An impairment test has been prepared and supports that there is no impairment as of 31 December 2022 (31 December 2021).

On 13 December 2022, Danske Bank announced that it had reached final coordinated resolutions with the US Department of Justice (DOJ), the US Securities and Exchange Commission (SEC), and the Danish Special Crime Unit (SCU) following the investigations into failings and misconduct related to the non-resident portfolio at Danske Bank's former Estonia branch. In relation to the resolutions with US authorities, Danske Bank has pleaded guilty to a criminal charge from the DOJ of conspiracy to commit bank fraud. Furthermore, Danske Bank agreed to settle a civil securities fraud action with the SEC. Under the SCU resolution, Danske Bank has agreed to accept a fine and confiscation for violations of the Danish AML Act and the Danish Financial Business Act.

The coordinated resolution marks the end of the criminal and regulatory investigations into Danske Bank by the authorities in Denmark and the US.

Danske Bank remains subject to a criminal investigation by authorities in France and has posted bail in the amount of DKK 80m. Danske Bank continues to cooperate with the authorities.

The aggregate amounts payable to the US and Danish authorities in total approx. DKK 15.3bn are covered by provisions booked in 2022. All amounts have been paid in 2023.

Danske Bank has accepted and agreed to the terms of the resolutions. As part of Danske Bank's arrangement with the DOJ, Danske Bank was placed on corporate probation for three years from 13 December 2022 until 13 December 2025. As a result of the resolutions, the investigations by US and Danish authorities are now closed as to Danske Bank. However, Danske Bank remains in contact with the DOJ as a matter of post-resolution obligations set forth in the agreement with the DOJ.

The civil claims filed against Danske Bank by institutional investors can be summarised to six categories of claims with a current total claim amount of approx. DKK 12.8bn. One of the claims has partly been referred to the Eastern High Court, while the remaining cases are stayed or pending before the Copenhagen City Court. The civil claims are not included in the coordinated resolutions with the DOJ, SEC, and SCU. Danske Bank will continue to defend itself vigorously against these claims. The timing of completion of such civil claims (pending or threatening) and their outcome are uncertain and could be material.

Danske Bank has been procedurally notified in two claims filed against its former CEO Thomas F. Borgen. Under Danish Law, the purpose of a procedural notification is to make a formal reservation of rights to bring a potential claim against the notified party. The first case was dismissed in the first instance and subsequently appealed by the claimants. The original claim amount for both claims was approx. DKK 3.2bn, but has been reduced to approx. DKK 1.7bn.

An action has been filed in the Unites States District Court for the Eastern District of New York against Danske Bank and others. The complaint sought unspecified punitive and compensatory damages. On 29 December 2022, the action was dismissed by the court and on 27 January 2023, the complainants filed an appeal of the dismissal. The timing of the completion of the lawsuit and the outcome are uncertain.

Provisions for legal cases, disputes, etc.

Management's estimate of the provisions regarding legal cases, investigations by competition authorities, and disputes, including disputes on taxes and duties, is based on the knowledge available on the actual substance of the cases and a legal assessment of these. The resolution of legal disputes, through either negotiations or litigation, can take several years to complete and the outcome is subject to considerable uncertainty.

Note 31: Significant accounting estimates and judgments – continued

Deferred tax assets

Estimates have been applied with respect to the group's ability to utilise the assets. Management considers the likelihood of utilisation based on the latest business plans and recent financial performances of the individual entities. Net deferred tax assets recognised in entities having suffered an accounting loss in either the current or preceding period amount to DKK 1.1bn (DKK 0.9bn), excluding entities participating in joint taxation schemes. These assets mainly relate to the tax value of the difference between the accounting value and the fair market value of the bond debt as well as to unused tax losses or deductible temporary differences generated, during construction of terminals, where taxable profits have been generated either in the current period or are expected within a foreseeable future.

Uncertain tax positions

The group is engaged in a number of disputes with tax authorities of varying scope. Appropriate provisions and recognition of uncertain tax positions have been made where the probability of the tax position being upheld in individual cases is considered less than 50%. Claims, for which the probability of the group's tax position being upheld is assessed by management to be at least 50%, are not provided for. Such risks are instead evaluated on a portfolio basis by geographical area and country risk. Provision and uncertain tax liabilities are recognised when the aggregated probability of the tax position being upheld is considered less than 50%.

SIGNIFICANT ACCOUNTING JUDGMENTS

Determination of cash generating units

Judgment is applied in the definition of cash generating units of which goodwill is allocated to impairment testing and in the selection of methodologies and assumptions applied in impairment tests.

The determination of cash generating units differs for various business areas.

Ocean operates its fleet of container vessels and hub terminals in an integrated network. Consequently, the Ocean activities are tested for impairment as a single cash generating unit.

Logistics & Services, including intermodal activities is considered one cash generating unit as a result of the continued integration within the business. Management now views the Logistics & Services products as an integrated network, with the activities tested for impairment as a single cash generating unit.

In Terminals, each terminal is considered an individual cash generating unit for impairment tests, except when the capacity is managed as a portfolio. The Towage & Maritime Services includes towage activities made up of two separate cash generating units as well as several individual businesses which are each considered one cash generating unit.

Rigs with similar functionality and operating environment are considered as one cash generating unit due to largely interdependent cash flows.

Product tanker vessels with similar functionality and operating environment (LR2, MR, Intermediate, and Handy) are considered as one cash generating unit.

Tray and recycling businesses are considered as two cash generating units.

KK Wind Solutions, Nissens Cooling Solutions, and Unilabs are each considered as one cash generating unit.

Operations in countries with limited access to repatriating surplus cash

A.P. Moller Holding group operates worldwide, and in this respect, has operations in countries where the ability to repatriate surplus cash is complicated and time consuming. In these countries, management makes judgments as to whether these cash positions can be recognised as cash or cash equivalents.

Business combinations

Upon acquisition of new entities, the acquired assets, liabilities, and contingent liabilities are measured at fair value. In fair value assessments, significant judgments have been made and estimates have been applied using various valuation techniques.

Note 32: Company overview

A.P. MØLLER HOLDING A/S

- A.P. MØLLER - MÆRSK A/S
- APMH INVEST A/S
  - Unilabs Group Holding ApS
  - Danske Bank A/S
  - Faerch Group Holding A/S
  - Noble Corporation PLC
  - Maersk Product Tankers A/S
  - KK Wind Solutions Holding A/S
  - NCS International Holding ApS
  - Maersk Tankers A/S
  - A.P. Møller Capital P/S
  - Innargi Holding A/S
  - ZeroNorth A/S

Note 32: Company overview – continued

A.P. Moller Holding group of companies comprises more than 1,300 companies.

COMPANIES OWNED BY A.P. MØLLER HOLDING A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
A.P. Møller - Mærsk A/S[1]	Denmark	41.5%
APMH Invest A/S	Denmark	100%

[1] Voting rights 51.45%

COMPANIES OF A.P. MØLLER - MÆRSK A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
A.P. Moller Singapore Pte. Ltd.	Singapore	100%
Aliança Navegação e Logística Ltda.	Brazil	100%
APM Terminals Algeciras S.A.	Spain	100%
APM Terminals Apapa Ltd.	Nigeria	94%
APM Terminals B.V.	Netherlands	100%
APM Terminals Barcelona S.L.U.	Spain	100%
APM Terminals Callao S.A.	Peru	64%
APM Terminals China Co. Ltd.	Hong Kong	100%
APM Terminals Elizabeth, LLC	USA	100%
APM Terminals Espagna Holding SL	Spain	100%
APM Terminals Gothenburg AB	Sweden	100%
APM Terminals Lazaro Cardenas S.A. de C.V.	Mexico	100%
APM Terminals Maasvlakte II B.V.	Netherlands	100%
APM Terminals Management S.L.	Spain	100%
APM Terminals Management B.V.	Netherlands	100%
APM Terminals MedPort Tangier S.A.	Morocco	80%
APM Terminals Mobile, LLC	USA	100%
APM Terminals Moin S.A.	Costa Rica	100%
APM Terminals North America Inc.	USA	100%
APM Terminals Pacific LLC	USA	90%
APM Terminals Valencia S.A.	Spain	75%
Aqaba Container Terminal Company (Pvt) Co.	Jordan	50%
Damco China Ltd.	China	100%
Damco Denmark A/S	Denmark	100%
Damco Distribution Canada Inc.	Canada	100%

Subsidiary	Country of incorporation	Ownership share
Damco Distribution Services Inc.	USA	100%
Damco Germany GmbH	Germany	100%
Damco Hong Kong Ltd.	Hong Kong	100%
Damco India Pvt. Ltd.	India	100%
Damco Logistics Mexico S.A. de C.V.	Mexico	100%
Damco Netherlands B.V.	Netherlands	100%
Damco Poland Sp. z o.o.	Poland	100%
Damco Spain S.L.	Spain	100%
Frey P/S	Denmark	100%
Gateway Terminals India Pvt. Ltd.	India	74%
Gujarat Pipavav Port Ltd.	India	44%
Hambürg Südamerikanische Dampfschifffahrts-Gesellschaft A/S & Co KG	Germany	100%
Hamburg Süd A/S & Co KG	Germany	100%
LF Logistics (China) Co., Ltd.	China	100%
LF Logistics (Hong Kong) Limited	Hong Kong	100%
LF Logistics Holdings Limited	Bermuda	100%
LF Logistics Management Limited	Hong Kong	100%
Maersk A/S	Denmark	100%
Maersk Agency U.S.A. Inc.	USA	100%
Maersk Air Cargo A/S	Denmark	100%
Maersk Container Industry A/S	Denmark	100%
Maersk Container Industry Qingdao Ltd.	China	100%
Maersk Denizcilik A.S.	Turkey	100%
Maersk Global Service Centres (India) Pvt. Ltd.	India	100%
Maersk Holding B.V.	Netherlands	100%
Maersk Insurance A/S	Denmark	100%
Maersk Line Agency Holding A/S	Denmark	100%
Maersk Line, Limited	USA	100%
Maersk Logistics & Services Australia Pty Ltd	Australia	100%
Maersk Logistics & Services International A/S	Denmark	100%
Maersk Logistics & Services Japan K.K.	Japan	100%
Maersk Logistics & Services Peru S.A.	Peru	100%
Maersk Logistics & Services USA Inc	USA	100%
Maersk Logistics & Services Vietnam Company Limited	Vietnam	100%
Maersk Logistics and Services UK LTD	UK	100%
Maersk Oil Trading and Investments A/S	Denmark	100%
Maersk Oil Trading Inc.	USA	100%
Maersk Oil Trading Panama S.A.	Panama	100%
Maersk Oil Trading Singapore Pte. Ltd.	Singapore	100%

Note 32: Company overview – continued

Subsidiary	Country of incorporation	Ownership share
Maersk Oil Trading Spain, S.L.	Spain	100%
Maersk Shipping Hong Kong Ltd.	Hong Kong	100%
Maersk Supply Service A/S	Denmark	100%
Maersk Supply Service Apoio Maritimo Ltda.	Brazil	100%
Maersk Supply Service International A/S	Denmark	100%
Maersk Supply Service UK Ltd.	UK	100%
Maersk Warehousing & Distribution Services USA LLC	USA	100%
Mainstreet 1878 (Pty) Ltd	South Africa	100%
New Times International Transport Service Co. Ltd.	China	100%
Pilot Air Freight, LLC	USA	100%
Pilot Customs Brokerage Services, LLC	USA	100%
Pilot Truck Brokerage, LLC	USA	100%
Sealand Europe A/S	Denmark	100%
Sealand Maersk Asia Pte. Ltd.	Singapore	100%
Senator International Freight Forwarding LLC Florida	USA	100%
Senator International Spedition GmbH	Germany	100%
St. Petri Shipping ApS & Co KG	Germany	100%
Suez Canal Container Terminal SAE	Egypt	55%
Svitzer A/S	Denmark	100%
Svitzer Australia Pty Ltd	Australia	100%
Svitzer Europe Holding B.V.	Netherlands	100%
Svitzer Marine Ltd.	UK	100%
Terminal 4 S.A.	Argentina	100%
Visible Supply Chain Management LLC	USA	100%

Associate	Country of incorporation	Ownership share
Abidjan Terminal SA	Côte d'Ivoire	49%
Brigantine Services Ltd.	Hong Kong	30%
Conakry Terminal S.A.	Guinea	25%
Congo Terminal SA	Congo	15%
Guangzhou South China Oceangate Container Terminal Co. Ltd.	China	20%
Höegh Autoliners Holdings AS	Norway	26%
Itapoa Terminais Portuarios S.A.	Brazil	30%
Kanoo Terminal Services Ltd.	Saudi Arabia	50%
Meridian Port Services Ltd.	Ghana	35%
Pelabuhan Tanjung Pelepas Sdn. Bhd.	Malaysia	30%
Qingdao Qianwan United Container Terminal Co. Ltd.	China	10%
Salalah Port Services Company SAOG	Oman	30%
South Asia Gateway Pvt. Ltd.	Sri Lanka	33%
Tianjin Port Alliance International Container Terminal Co. Ltd.	China	20%

Joint venture	Country of incorporation	Ownership share
Blue Dragon Logistics Co. Ltd.	China	50%
Brasil Terminal Portuario S.A.	Brazil	50%
Cai Mep International Terminal Co. Ltd.	Vietnam	49%
Caucedo Marine Service S.A. (DR Branch)	Dominican Republic	50%
Cote D'Ivoire Terminal SA	Côte d'Ivoire	49%
LCB Container Terminal 1 Ltd.	Thailand	35%
LCMT Company Ltd.	Thailand	32%
Nakilat Svitzerwijsmuller Company W.L.L.	Qatar	30%
North Sea Terminal Bremerhaven GmbH and Co KG	Germany	50%
Qingdao New Qianwan Container Terminal Co. Ltd.	China	19%
Qingdao Qianwan Container Terminal Co. Ltd.	China	20%
Shanghai East Container Terminal Co. Ltd.	China	49%
Smart International Logistics Company Ltd.	China	49%
South Florida Container Terminal LLC	USA	49%
Svitzer Caribbean Dominicana, S.A.S	Dominican Republic	50%
Xiamen Songyu Container Terminal Co. Ltd.	China	25%

Note 32: Company overview – continued

COMPANIES OF APMH INVEST A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
Maersk Tankers Holding ApS	Denmark	100%
Maersk Tankers A/S	Denmark	80%
Maersk Product Tankers A/S	Denmark	70%
ZeroNorth A/S	Denmark	54%
A.P. Møller Capital P/S	Denmark	59%
AIF I Sponsor Invest K/S	Denmark	100%
APMH GE P/S	Denmark	100%
APMH Invest IX ApS[1]	Denmark	96%
APMH Invest X P/S	Denmark	100%
APMH Invest XIII ApS	Denmark	100%
APMH Invest XVI ApS[1]	Denmark	99%
APMH Invest XVIII ApS	Denmark	100%
APMH Invest XXI ApS[1]	Denmark	99%
APMH Invest XXII ApS	Denmark	100%

[1] 100 % of the voting rights

Associate	Country of incorporation	Ownership share
Danske Bank A/S	Denmark	21%
Innargi Holding A/S[1]	Denmark	56%
Noble Corporation Plc	USA	21%

[1] Voting rights less than 50%

COMPANIES OF MAERSK TANKERS A/S ARE LISTED BELOW

Subsidiary of Maersk Tankers	Country of incorporation	Ownership share
Broström AB	Sweden	100%
Handytankers General Partner A/S	Denmark	100%
Handytankers K/S	Denmark	100%
Maersk Tankers Afra General Partner A/S	Denmark	100%
Maersk Tankers Afra K/S	Denmark	100%
Maersk Tankers India Pvt. Ltd.	India	100%
Maersk Tankers Intermediate General Partner A/S	Denmark	100%
Maersk Tankers Intermediate K/S	Denmark	100%
Maersk Tankers LR2 General Partner A/S	Denmark	100%
Maersk Tankers LR2 K/S	Denmark	100%
Maersk Tankers MR General Partner A/S	Denmark	100%
Maersk Tankers MR K/S	Denmark	100%
Maersk Tankers US Personnel Inc.	USA	100%

COMPANIES OF MAERSK PRODUCT TANKERS A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
Maersk Tankers Singapore Pte Ltd	Singapore	100%

COMPANIES OF ZERONORTH A/S ARE LISTED BELOW

Subsidiary of ZeroNorth A/S	Country of incorporation	Ownership share
ZeroNorth US Inc.	USA	100%
ClearLynx LLC	USA	100%
Z-North Singapore Pte. Ltd.	Singapore	100%
Prosmar Bunkering AS	Norway	100%

Note 32: Company overview – continued

COMPANIES OF APMH INVEST IX APS ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
KK Wind Solutions Holding A/S	Denmark	98%
KKWSH ApS	Denmark	100%
KK-Group A/S	Denmark	100%
KK Wind Solutions A/S	Denmark	100%
KK Wind Solutions International A/S	Denmark	100%
KK Wind Solutions India Private Limited	India	100%
KK Wind Solutions Service A/S	Denmark	100%
KK Wind Solutions Service US Inc.	USA	100%
KK Wind Solutions Polska Sp.Z.o.o	Poland	100%
KK Wind Solutions Taiwan co. Ltd.	Taiwan	100%
KK Wind Solutions GmbH	Germany	100%
PCH Engineering A/S	Denmark	100%
Ved Klædebo 4 ApS	Denmark	100%

COMPANIES OF APMH INVEST XIII APS ARE LISTED BELOW

Subsidiary of APMH Invest XIII ApS	Country of incorporation	Ownership share
Faerch Group Holding A/S	Denmark	97%
Faerch A/S	Denmark	100%
Faerch France SAS	France	100%
Faerch Annecy SAS	France	100%
Faerch Lorient SAS	France	100%
Inline Poland Sp. z o.o.	Poland	100%
Faerch London Ltd.	UK	100%
FP1988UK Ltd.	UK	100%
Faerch Durham Ltd.	UK	100%
Faerch Poole Ltd.	UK	100%
Faerch UK Ltd.	UK	100%
Faerch Bunol S.L.U.	Spain	100%
Faerch Barcelona S.L.U.	Spain	100%
Faerch Italy S.r.l.	Italy	100%
Faerch Netherlands B.V.	Netherlands	100%
Cirrec Netherlands B.V.	Netherlands	100%
DSF Exstrusion B.V.	Netherlands	100%

Subsidiary of APMH Invest XIII ApS	Country of incorporation	Ownership share
Paccor Holding GmbH	Germany	100%
Paccor Packaging GmbH	Germany	100%
Paccor International Holdings Sàrl	Luxembourg	100%
Paccor Deutschland GmbH	Germany	100%
Paccor Deutschland (Ravensburg) GmbH	Germany	100%
Paccor Polska Sp. z o.o.	Poland	100%
Paccor Lietuva UAB	Lithuania	100%
Paccor Ukraine LLC	Ukraine	100%
Paccor Romania S.R.L.	Romania	100%
Paccor Hungary Kft.	Hungary	100%
Paccor Netherlands B.V.	Netherlands	100%
Paccor Finland Oy	Finland	100%
Paccor France SAS	France	100%
Paccor Turkey Ambalaj Sanayi A.S.	Turkey	100%
Paccor Iberia S.A.	Spain	100%
Inmobiliaria Frank Lloyd S.L.	Spain	100%
Paccor NA. Inc.	USA	100%
Paccor Packaging NA. Inc.	USA	100%
Atlas Rigid North America Inc.	USA	100%
Miko Pac NV Belgium	Belgium	100%
Miko Pac Sp. Z.o.o.	Poland	100%
Miko-Hordijk Verpackungen GmbH	Germany	100%
Miko Pac France SAS	France	55%
Pt. Innoware Indonesia	Indonesia	50%
MCP USA, Inc	USA	100%

COMPANIES OF APMH INVEST XVIII APS ARE LISTED BELOW

Subsidiary of APMH Invest XVIII ApS	Country of incorporation	Ownership share
Iv3 Aqua Holding A/S	Denmark	100%
Iv3 Aqua Corporation	USA	100%

Associate of APMH Invest XVIII ApS	Country of incorporation	Ownership share
Subic Water and Sewerage Company, Inc.	Philippines	30%

Note 32: Company overview – continued

COMPANIES OF APMH INVEST XXI APS ARE LISTED BELOW

Subsidiary of APMH Invest XXI ApS	Country of incorporation	Ownership share
NCS International Holding ApS	Denmark	100%
NCS International A/S	Denmark	100%
Nissens Cooling Solutions A/S	Denmark	100%
Nissens Cooling Solution Czech S.r.o.	Czech Republic	100%
Nissens Cooling Solutions Inc.	USA	100%
Nissens Cooling System (Tianjin) Co. Ltd.	China	100%
Nissens Slovakia, s.r.o.	Slovakia	100%
Nissens Slovakia, s.r.o., Svit	Slovakia	100%

COMPANIES OF APMH INVEST XXII APS ARE LISTED BELOW

Subsidiary of APMH Invest XXII ApS	Country of incorporation	Ownership share
Unilabs Group Holding ApS	Denmark	100%
UL SWE I AB	Sweden	100%
Unilabs, Laboratoire d'analyses médicales, SA	Switzerland	100%
Unilabs Pathologie SA	Switzerland	100%
Unilabs St. Gallen AG	Switzerland	49%
Unilabs Nederland BV	Netherlands	100%
Medlon BV	Netherlands	100%
Unilabs Eerstelijnsdiagnostiek BV	Netherlands	100%
Unilabs Antistollingszorg BV	Netherlands	100%
Saltro BV	Netherlands	100%
Unilabs Eerstelijns diagnostiek Saltro BV	Netherlands	100%
SHO Groep B.V	Netherlands	100%
SHO Diagnostisch Centrum Vechtdal B.V.	Netherlands	100%
Swisslab Holdco S.A.U	Spain	100%
United Laboratories España SA	Spain	100%
United Laboratories Barcelona SL	Spain	100%
United Laboratories Madrid SA	Spain	100%
Unilabs Desarollos SA	Spain	100%
B.R. Salud Union Temporal De Empresas	Spain	55%
Belfiore Inversiones SL	Spain	100%
CGC Genetics Laboratorio de Genetica Clinica y Forense SA	Spain	100%
European Telemedicine Clinic SL	Spain	100%

Subsidiary of APMH Invest XXII ApS	Country of incorporation	Ownership share
Unilabs Pathology, S.L.	Spain	100%
Centros Medicos de Diagnostico Integral, S.L.	Spain	100%
Transmisión de Imagen Diagnóstica, S.L.	Spain	100%
UR Salud UTE	Spain	51%
Torrevieja Diagnosticos, S.L	Spain	51%
Laboratoire Unilabs France SAS	France	100%
Biolab-Unilabs SELAS	France	100%
ACM-Bio Unilabs SELAS	France	100%
Eylau Unilabs SELAS	France	100%
Dynabio Unilabs SELAS	France	100%
GIE Unilabs Franc	France	100%
Société de Laboratoire de Biologie Médicale Bio Dômes Unilabs SELAS	France	100%
Biologie Nord Unilabs SELAS	France	100%
Unilabs BIOCT SELAS	France	100%
Sipath SELAS	France	99%
Unilabs Biogen SELAS	France	100%
Biomediqual Unilabs SELAS	France	100%
Cedibio-Unilabs SELAS	France	100%
Forte Bio Unilabs SELAS	France	100%
Bio-line Unilabs SELAS	France	100%
InterLabo Unilabs SELAS	France	100%
Pathologie Nord-Unilabs SELAS	France	100%
Biolib Unilabs SELAS	France	100%
IHCP SELAS	France	100%
Putterman	France	100%
Unilabs Pathologie Paris	France	100%
Medecina Laboratorial Dr. Carlos Torres SA	Portugal	100%
Laboratorio de Patologia Clinica Hilario de Lima SA	Portugal	100%
LAP - Laboratorio de Anatomia Patalogica Lda	Portugal	100%
CGC Centro de Genetica Clinica e Patologia SA	Portugal	100%
Cedivet Centro Diagnostico Veterinario Lda	Portugal	80%
Laboratorio de Analises Clinicas do Tamega, Lda	Portugal	100%
Laboratório de Patologia Clínica do Pioledo S.A	Portugal	100%
Labgarb -Análises Clínicas Lda	Portugal	51%
BMAC - Clínica Laboratorial de Lisboa S.A	Portugal	100%
CARDIOTESTE – Clínica Cardiológica SA	Portugal	90%
BASE – Serviços Médicos de Imagiologia, SGPS S.A	Portugal	100%
C.T.B. - Centro de Tomografia de Braga Lda	Portugal	100%
Centro de Radiologia da Maia, Serviços Médicos SA	Portugal	100%

Note 32: Company overview – continued

Subsidiary of APMH Invest XXII ApS	Country of incorporation	Ownership share
S.M.I.C. - Serviço Médico de Imagem Computorizada SA	Portugal	100%
SMIC Dragão Lda	Portugal	100%
Clínica de Amarante CA S.A.	Portugal	100%
G.M.I. - Gabinete Médico de Imagem Lda	Portugal	95%
Krug de Noronha Lda	Portugal	100%
C.M.N. - Centro de Medicina Nuclear S.A.	Portugal	100%
AHIUM - Imageologia Médica S.A.	Portugal	100%
Gabinete de Radiologia Espinho S.A	Portugal	100%
Edgar Mesquita Lda	Portugal	100%
Diamédica - Sociedade Médica Lda	Portugal	70%
Dr. Campos Costa - Consultório de Tomografia Computorizada SA	Portugal	100%
Amadeu Campos Costa, Sociedade Unipessoal Lda	Portugal	100%
C.I.M.C. - Centro de Imagiologia Médica Computorizada S.A	Portugal	100%
CENTAC - Centro de Tomografia Computorizada de Aveiro Lda	Portugal	100%
CDA – Centro Integrado de Diagnóstico do Algarve Lda	Portugal	51%
DMIL Diagnostico Medico por Imagem, Lda	Portugal	100%
CIMB Centro de Imagem Medica de Barcelos, Lda	Portugal	100%
Imagiologia Medica, Lda	Portugal	100%
Serviços Médicos de Imagem SA	Portugal	100%
Instituto Médico de Radiologia Clinica SA	Portugal	100%
Fernando Sancho, Unipessoal, Lda	Portugal	100%
Centro de Diagnóstico Radiológico e Ecográfico de Algueirão Mem Martins S.A.	Portugal	100%
Clidiral - Clinica de diagnostico e radiologia LDA	Portugal	100%
Unilabs Sverige AB	Sweden	100%
Unilabs AB	Sweden	100%
Unilabs Norway AS	Norway	100%
Unilabs Laboratoriemedisin AS	Norway	100%
Unilabs A/S DK	Denmark	100%
Unilabs Holding Ltd	UK	100%
Unilabs Ltd	UK	100%
York Bioanalytical Solutions Ltd	UK	100%
Telemedicine Clinic Ltd	UK	100%
United Laboratories Peru SAC	Peru	100%
Unilabs Peru SAC	Peru	100%
Unilabs Laboratory Diagnostics Services, SA	Peru	100%
Unilabs Business Services, SAC	Peru	100%

Subsidiary of APMH Invest XXII ApS	Country of incorporation	Ownership share
Unilabs Pathology Diagnostics Services, SAC	Peru	80%
Servicios Medicos De Diagnostico SA	Peru	100%
Unilabs Holding Czech Republic s.r.o	Czech Republic	100%
AeskuLab,k.s.	Czech Republic	100%
AeskuLab Patologie, k.s	Czech Republic	100%
Alpha Medical s.r.o.	Slovakia	100%
Scientific Clinical Laboratories LLC	UAE	60%
Annab Laboratories LLC	UAE	60%
Botania Scan OY	Finland	100%
Noemia Igreja, Lda	Portugal	100%
Le Labo Parc Monceau	France	50%
Centro de Diagnostico Scanner, S.A	Spain	100%
Clínica Radiológica Marbella, S.A.	Spain	100%
Radiología Campo de Gibraltar, S.L.	Spain	100%
Clínica Radiológica Ceuta, S.A.	Spain	100%
Imunolab - Centro de Diagnóstico Imunológico S.A	Portugal	100%
UL SWE II AB	Sweden	100%
UL SWE III AB	Sweden	100%
UL SWE IV AB	Sweden	100%
RIMED AG	Switzerland	80%
VYTIS Invest AG	Switzerland	100%
Röntgeninstitut Marktgasse AG Bern	Switzerland	100%
Röntgeninstitut Schwyz AG	Switzerland	100%
Röntgeninstitut Lindberg AG	Switzerland	67%
Rad4Sports AG	Switzerland	51%
Kühnrad AG	Switzerland	100%
Röntgeninstitut Oerlikon AG	Switzerland	100%
Röntgeninstitut Zürich-Altstetten AG	Switzerland	100%
IRC Istituto Radiologico Colleciata SA	Switzerland	100%
Radiologiezentrum Zug AG	Switzerland	100%
Radiologie im Silberturm AG	Switzerland	100%
Oestran AG	Switzerland	67%

Parent company financial statements

INCOME STATEMENT

Note	Amounts in DKKm	2022	2021
1	Share of profit in subsidiaries	78,795.4	50,821.6
2	Staff costs	- 183.4	- 177.7
	Other external expenses	- 58.7	- 28.2
3	Depreciation	- 3.9	- 3.9
	Other income	144.5	125.2
	Profit before financial items	**78,693.9**	**50,737.0**
4	Other financial income	4.6	2.5
5	Other financial expenses	- 3.3	- 1.7
	Profit before tax	**78,695.2**	**50,737.8**
6	Tax on profit for the year	38.6	5.8
7	**Net profit for the year**	**78,733.8**	**50,743.6**

BALANCE SHEET AS OF 31 DECEMBER

Note	Amounts in DKKm	2022	2021
	Non-current assets		
3	Property	224.2	228.1
	Equipment	7.5	5.2
1	Investments in subsidiaries	264,791.7	183,951.3
	Total non-current assets	**265,023.4**	**184,184.6**
	Current assets		
	Receivables from affiliates	1.0	0.7
8	Deferred tax	54.8	43.7
	Tax receivables	103.9	95.6
	Other receivables	212.9	60.3
	Total receivables	**372.6**	**200.3**
	Cash and bank balances	**18.0**	**185.5**
	Total current assets	**390.6**	**385.8**
	Total assets	**265,414.0**	**184,570.4**

Note	Amounts in DKKm	2022	2021
	Equity		
9	Share capital	2,000.0	2,000.0
	Reserve for net revaluation under the equity method	124,045.3	64,575.5
	Retained earnings, etc.	136,611.0	115,797.3
	Proposed dividend	2,500.0	2,000.0
	Total equity	**265,156.3**	**184,372.8**
	Long-term liabilities		
	Other payables	136.0	129.0
	Total long-term liabilities	**136.0**	**129.0**
	Short-term liabilities		
	Payables to affiliates	2.5	0
	Trade payables	13.4	5.7
	Other payables	105.8	62.9
	Total short-term liabilities	**121.7**	**68.6**
	Total liabilities	**257.7**	**197.6**
	Total equity and liabilities	**265,414.0**	**184,570.4**

10 Related parties
11 Commitments
12 Contingent liabilities
13 Events after the balance sheet date
14 Accounting policies

STATEMENT OF CHANGES IN EQUITY

Amounts in DKKm	Share capital	Reserve for net revaluation under the equity method	Retained earnings, etc.	Proposed dividend	Total
Equity as of 1 January 2021	2,000.0	11,012.9	112,919.0	600.0	126,531.9
Dividend paid for the year	0.0	0.0	0.0	- 600.0	- 600.0
Net profit for the year	0.0	50,821.6	- 2,078.0	2,000.0	50,743.6
Dividend from subsidiaries	0.0	- 2,644.3	2,644.3	0.0	0.0
Other adjustments[1]	0.0	5,385.3	2,312.0	0.0	7,697.3
Equity as of 31 December 2021	**2,000.0**	**64,575.5**	**115,797.3**	**2,000.0**	**184,372.8**
Dividend paid for the year	0.0	0.0	0.0	- 2,000.0	- 2,000.0
Net profit for the year	0.0	78,795.4	- 2,561.6	2,500.0	78,733.8
Dividend from subsidiaries	0.0	- 19,356.0	19,356.0	0.0	0.0
Other adjustments[1]	0.0	30.4	4,019.3	0.0	4,049.7
Equity as of 31 December 2022	**2,000.0**	**124,045.3**	**136,611.0**	**2,500.0**	**265,156.3**

[1] Other adjustments primarily comprise exchange rate adjustments and disposals due to share buy-back programmes in subsidiaries

Notes to parent company financial statements

Note 1: Investments in subsidiaries

Amounts in DKKm	2022	2021
Cost as of 1 January	119,375.8	114,433.1
Additions	25,155.0	7,270.0
Disposals	-3,784.4	-2,327.3
Cost as of 31 December	**140,746.4**	**119,375.8**
Adjustment to carrying amount as of 1 January	64,575.5	11,012.9
Share of profit for the year	78,795.4	50,821.6
Dividend	-19,356.0	-2,644.3
Disposals[1]	-4,941.3	-990.9
Other adjustments incl. exchange rate adjustments	4,971.7	6,376.2
Adjustment to carrying amount as of 31 December	**124,045.3**	**64,575.5**
Carrying amount as of 31 December	**264,791.7**	**183,951.3**

[1] Disposals include share buy-back programmes in subsidiaries

COMPANY OVERVIEW AS OF 31 DECEMBER 2022

Subsidiary	Country of incorporation	Ownership share[1]	Voting share
A.P. Møller - Mærsk A/S	Denmark	41.51%	51.45%
APMH Invest A/S	Denmark	100.00%	100.00%

[1] Percentage of total number of issued shares. The ownership share has been adjusted for A.P. Moller - Maersk's holding of own shares as of 31 December 2022 due to the ongoing share buy-back programme. Without the adjustment, the ownership share amounts to 39.3%. Cancellation of A.P. Moller - Maersk's own shares will be completed at a general meeting

Please refer to the company overview for A.P. Moller Holding group of companies as stated in note 32, which is an integrated part of this note.

Note 2: Staff costs

A.P. Moller Holding has a cash-settled incentive plan to members of the Executive Board and grants have been awarded on a yearly basis. The incentive plan provides an annual bonus and long-term incentive programmes, which are determined by the development in the value creation of the underlying investments. The main part of the long-term incentive programmes is capped.

Amounts in DKKm	2022	2021
Wages and salaries	180.5	175.4
Pensions	2.6	2.0
Other social security costs	0.3	0.3
Total	**183.4**	**177.7**
Average number of employees	48	39
Executive Board		
Fixed base salary	16.9	16.9
Short-term cash incentive	11.5	16.4
Long-term incentive, grant value	8.9	8.4
Remuneration to the Executive Board before fair value adjustments	**37.3**	**41.7**
Fair value adjustments of long-term incentive, including previous years' grants	18.5	43.5
Total remuneration to the Executive Board, including fair value adjustments	55.8	85.2
Remuneration to the Board of Directors	**3.7**	**2.7**
Fees and remuneration to the Board of Directors and Executive Board	59.5	87.9

Note 3: Property

Amounts in DKKm	2022	2021
Cost as of 1 January	236.5	236.5
Cost as of 31 December	**236.5**	**236.5**
Depreciation as of 1 January	- 8.4	- 4.5
Depreciation for the year	- 3.9	- 3.9
Depreciation as of 31 December	**- 12.3**	**- 8.4**
Carrying amount as of 31 December	**224.2**	**228.1**

Note 4: Other financial income

Amounts in DKKm	2022	2021
Interest income	1.7	2.4
Interest income, affiliates	2.0	0.0
Exchange rate gains	0.9	0.1
Total	**4.6**	**2.5**

Note 5: Other financial expenses

Amounts in DKKm	2022	2021
Interest expenses	2.8	1.6
Exchange rate losses	0.5	0.1
Total	**3.3**	**1.7**

Note 6: Tax on profit for the year

Amounts in DKKm	2022	2021
Tax on profit for the year	-3.9	2.4
Adjustment of tax concerning previous years	-23.6	11.4
Adjustment of deferred tax	-11.1	-19.6
Total	**-38.6**	**-5.8**

Note 7: Distribution of net profit for the year

Amounts in DKKm	2022	2021
Proposed dividend	2,500.0	2,000.0
Reserve for net revaluation under the equity method	78,795.4	50,821.6
Retained earnings	-2,561.6	-2,078.0
Net profit for the year	**78,733.8**	**50,743.6**

Note 8: Deferred tax

Amounts in DKKm	2022	2021
Deferred tax asset as of 1 January	43.7	24.1
Adjustment of deferred tax for the year	11.1	19.6
Deferred tax asset as of 31 December	**54.8**	**43.7**

Deferred tax is calculated based on the difference between the carrying amount and the tax base of assets and liabilities. Management expects the deferred tax asset to be utilised by the company itself or by the group of jointly taxed companies within a few years.

Note 9: Share capital

The share capital consists of 2,000 shares with a nominal value of DKK 1m. Share capital as of 31 December 2022 amounts to DKK 2bn. There have been no changes in share capital in the past 5 years.

Note 10: Related parties

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal (A.P. Moller Foundation) holds 100% of the company's capital.

Related parties exercising controlling interest in the company:

- A.P. Moller Foundation, Esplanaden 50, Copenhagen, Denmark

The company has not entered into any transactions with related parties that were not on an arm's length basis.

Note 11: Commitments

As part of the company's activities, lease agreements are entered into regarding the lease of office equipment and cars. The total amount of lease commitments regarding short-term and low value asset leases as of 31 December 2022 amounts to DKK 2.2m (DKK 1.5m). During 2022, the company had lease costs regarding short-term leases and low-value leases amounting to DKK 0.9m (DKK 0.7m).

Note 12: Contingent liabilities

The company is included in national joint taxation with other Danish companies in the A.P. Moller Holding group. The company is jointly and severally liable for the payment of taxes and withholding tax.

Note 13: Events after the balance sheet date

No events of importance to the Annual Report have occurred during the period from the balance sheet date until the presentation of the financial statements.

Note 14: Accounting policies

The financial statements for 2022 for A.P. Møller Holding A/S have been prepared on a going concern basis and in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the company.

With reference to section 96(3) of the Danish Financial Statements Act, the company has not presented fees to statutory auditors.

Compared to the accounting policies described for A.P. Møller Holding A/S as stated in note 30 to the consolidated financial statements, the company's accounting policies differ mainly in the following areas:

- Shares in subsidiaries are measured under the equity method. The share of profit/loss after tax in the subsidiaries is recognised as a separate line item in the income statement. Goodwill and other intangible assets with indefinite useful lives are recognised as part of the investment and amortised over a maximum of 25 years
- Shares in associates that are retained shareholdings in a former subsidiary, will initially be recognised with the same carrying amounts as previously, and hence, the carrying amounts will be presented as transfers
- Dividends from subsidiaries are recognised as a receivable at the time of declaration
- Other equity investments are measured at fair value and the fair value adjustment is recognised through the income statement. Therefore, other equity investments classified at fair value through other comprehensive income in the consolidated financial statements, are recognised in the income statement in the financial statements for A.P. Møller Holding A/S

The financial statements have been prepared under the same accounting policies as last year.

The financial statements are presented in DKK million.

INCOME STATEMENT

Share of profit/loss in subsidiaries

Share of profit/loss in subsidiaries is recognised net of tax and corrected for the share of unrealised intra-group gains and losses. The line item also includes amortisation and impairment of goodwill recognised as part of the equity investment.

Other external expenses

Other external expenses comprise expenses for administration, office supplies, etc.

Other income

Other income comprises service fees.

BALANCE SHEET

Investments in subsidiaries

Investments in subsidiaries are accounted for under the equity method and the equity method is used as a consolidation method. The investments are initially recognised at cost and adjusted thereafter to recognise the company's share of the post-acquisition profits or losses of the investee, and the company's share of movements in equity of the investee. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the company. Dividends received or receivable from subsidiaries are recognised as a reduction in the carrying amount of the investment.

When the company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the company and its subsidiaries are eliminated in full.

Business combinations under common control are accounted for at carrying values using predecessor accounting, i.e. pooling of interests when the entity acquired has been under control of another member of the same group company before the acquisition. A difference between the carrying value and the consideration paid are recognised directly in equity.

REPORTS

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of A.P. Møller Holding A/S for the financial year 1 January – 31 December 2022.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the parent company financial statements have been prepared in accordance with the Danish Financial Statements Act. Management review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position at 31 December 2022 of the group and the parent company and of the results of the group and parent company operations and consolidated cash flows for the financial year 1 January – 31 December 2022.

In our opinion, management review includes a true and fair account of the development in the operations and financial circumstances of the group and the parent company, of the results for the year, and of the financial position of the group and the parent company, as well as a description of the most significant risks and elements of uncertainty facing the group and the parent company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 30 March 2023

Executive Board

Robert Maersk Uggla
CEO

Jan Thorsgaard Nielsen
CIO

Martin Nørkjær Larsen
CFO

Board of Directors

Ane Mærsk Mc-Kinney Uggla
Chair

Claus V. Hemmingsen

Diane B. Greene

Jan Leschly

Lars-Erik Brenøe

INDEPENDENT AUDITOR'S REPORT

To the shareholder of A.P. Møller Holding A/S

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2022 and of the results of the group's operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the parent company Financial Statements give a true and fair view of the parent company's financial position as of 31 December 2022 and of the results of the parent company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the consolidated financial statements and the parent company financial statements of A.P. Møller Holding A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the group and the parent company, as well as statement of comprehensive income and cash flow statement for the group ('financial statements').

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON MANAGEMENT REVIEW

Management is responsible for management review.

Our opinion on the financial statements does not cover management review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management review and, in doing so, consider whether management review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, management review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in management review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of the parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 30 March 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Mogens Nørgaard Mogensen	**Thomas Wraae Holm**
State Authorised Public Accountant	State Authorised Public Accountant
mne21404	mne30141