

Maersk GSC Holding A/S

Esplanaden 50
DK -1263 Copenhagen K

CVR-No. 26643015

Annual Report for 2019

The Annual Report was presented and adopted at the Annual General Meeting of the company on 9th June 2020

Jacob Ramsgaard Nielsen
Chairman

Maersk GSC Holding A/S
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Maersk GSC Holding A/S Management's statement

The Executive Board and the Board of Directors have today discussed and approved the annual report for the financial year 1 January 2019 - 31 December 2019 for Maersk GSC Holding A/S.

The annual report has been prepared in accordance with the Danish Financial Statement Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position as of 31 December 2019 and of the results of its operations for the financial year 1 January 2019 - 31 December 2019.

Further, in our opinion the management review includes a fair review of the matters dealt with.

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

Copenhagen, 9th June 2020

Executive board

Casper Munch

Board of Directors

Caroline Sundorph
Pontoppidan
Chairman

Navneet Kapoor

Casper Munch

Maersk GSC Holding A/S

Independent Auditor's Report

To the Shareholder of Maersk GSC Holding A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk GSC Holding A/S for the financial year 1 January - 31 December 2019, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's 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's Review and, in doing so, consider whether Management's 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's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the 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's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of 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.

Maersk GSC Holding A/S Independent Auditor's Report

In preparing the financial statements, Management is responsible for assessing the 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 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 skepticism 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 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 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 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.

Maersk GSC Holding A/S Independent Auditor's Report

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, 9th June 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Jacob Brinch
State Authorised Public Accountant
mne35447

Maersk GSC Holding A/S
Company information

The Company

Maersk GSC Holding A/S
Esplanaden 50
DK-1263 Copenhagen K, Denmark

CVR No.: 26643015
Domicile: Copenhagen

Board of Directors

Caroline S. Pontoppidan (Chairman)
Casper Munch
Navneet Kapoor

Executive Board

Casper Munch

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Maersk GSC Holding A/S Management's review

Key figures and financial ratios

(Amounts in DKK'000.)

	2019	2018	2017	2016	2015
Revenue	-	-	-	-	-
Profit/loss before financial items	69,150	100,670	38,679	183,573	90,295
Financial item, net.	6,715	10,246	-1,258	-936	6,531
Profit/loss before tax	75,865	110,917	37,421	182,637	96,826
Profit/loss for the year	75,882	110,932	37,229	181,126	95,454
Total assets	481,647	414,702	328,655	295,254	375,471
Total equity	481,502	414,556	310,149	295,129	115,622
Return on equity	16.9%	30.6%	12.3%	88.2%	55.3%
Equity ratio	100.0%	100.0%	94.4%	100.0%	30.8%

Return on equity is the results for the year divided by the average equity. The equity rate is equity divided by total equity and liabilities.

The company's main activities

Maersk GSC Holding A/S operates through its subsidiaries' business, by selling back office services to companies in the transportation industry.

Development in activities and financial affairs

Profit after tax is positive with DKK 75.9 million. The result is considered satisfactory.

Subsequent events

The Company's outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures in note 7.

Company Management has tried to estimate the effect of COVID-19 on the net profit of the Company. It is, however, too early yet to give an opinion as to the extent of the negative implications. Therefore, Management finds itself unable to disclose reliably outlook for the future in accordance with section 12 of the Danish Financial Statements Act.

Sustainability and Gender Composition of Management

An independently assured Sustainability Report for 2019 is published which provides detailed information on the A.P. Moller – Maersk Group's sustainability performance and new sustainability strategy. The report serves as the Group's Communication on Progress as required by the UN Global Compact, and ensures compliance with the requirements of Section 99a of the Danish Financial Statements Act (Årsregnskabsloven) on corporate social responsibility and reporting on the gender composition of management. The report is available on: https://www.maersk.com/~/_media_sc9/maersk/about/files/sustainability/sustainability-reports/apmm-sustainability-report-2019-a4-200227.pdf

Account and gender composition of Board of Directors

The Board of Directors consists of 2 men and 1 woman, thus the gender split is considered to be balanced and is expected to be maintained in the future.

Risks

The Company's earnings depend, among other things, on the development in container freight rates, interest level and foreign exchange rates. In addition, the company is dependent on dividend from subsidiaries.

Maersk GSC Holding A/S

Annual report 1 January – 31 December 2019

Summary of significant accounting policies

The Annual Report of Maersk GSC Holding A/S for 2019 has been prepared in accordance with the provisions under the Danish Financial Statements Act applying to enterprises of reporting Class B with additional choice of specific provisions for accounting Class C enterprises.

According to the Danish Financial Statement Act - section 112 the financial statements are not consolidated.

The company is included in the consolidated financial statements of A.P. Møller - Mærsk A/S, Copenhagen, and A.P. Møller Holding A/S, Copenhagen (cvr-nr. 22 75 62 14). The consolidated financial statement is available at <https://investor.maersk.com/static-files/984a2b93-0035-40d3-9cae-77161c9a36e0>

The financial statements are prepared using the same accounting policies as last year.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the asset can be measured reliably. Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the company and the liability can be measured reliably. On initial recognition, assets and liabilities are recognized at cost.

Income is recognized in the income statement as it is earned. Moreover, costs incurred to generate the year's earnings are recognised in the income statement.

Foreign currency translation

The functional and reporting currency of the company is DKK. Transactions in currencies other than the functional currency are translated at the exchange rate prevailing at the date of the transaction. Monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rate as at the balance sheet date. Foreign exchange gains and losses are included in the income statements as financial income or expenses.

Income from investments in subsidiaries

Income from investments in subsidiaries comprises exceed accumulated earnings of the group enterprise during the ownership period. Income from investments in subsidiaries are translated into DKK using the year's average exchange rate.

Other external expenses

External costs include costs for administration, audit fees etc.

Financial income and expenses

Financial income and expenses include interest, realized and unrealized gains and losses on securities, debt and transactions in foreign currencies, amortization of financial assets and liabilities, etc.

Maersk GSC Holding A/S

Annual report 1 January – 31 December 2019

Summary of significant accounting policies

Income and deferred taxes

The Company is jointly taxed with Danish companies in the A.P. Møller - Mærsk Group and A.P. Møller Holding A/S. The current Danish company tax is distributed by allocating joint taxation contributions among the jointly taxed enterprises in proportion to the taxable income of these enterprises.

The tax for the year, which includes the current company tax for the year (the joint taxation contribution), and the change in deferred tax are recognised in the income statement with the share that can be attributed to the results for the year and directly in the equity with the share that can be attributed to entries directly in the equity.

Investments in subsidiaries

Investments in subsidiaries are valued using the equity method. The share in the subsidiaries' equity is translated into DKK at the closing rate. Exchange differences on translation of net assets of subsidiaries are recognized directly in equity.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Receivables from group companies

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Equity - Dividends

Proposed dividends are recognized as a liability at the time of declaration at the Annual General Meeting.

Liabilities

Financial liabilities including bank debt, trade payables and liabilities to affiliated companies are recognized initially at cost equal to the proceeds received less transaction costs. In subsequent periods, financial liabilities are measured at amortized cost.

Other liabilities are measured at net realizable value.

Provision

Provision are recognized when-in consequence of an event occurred before or on the balance sheet date the company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Maersk GSC Holding A/S
Income statement for the period 01.01. - 31.12.
(Amounts in DKK'000.)

<i>Note</i>	<u>2019</u>	<u>2018</u>
1 Other external expenses	-75	-73
Result before depreciation, interest and tax	-75	-73
2 Income from investments in subsidiaries	69,225	100,744
Result before financial items	69,150	100,670
3 Financial income	6,715	10,246
3 Financial expenses	0	0
Result before tax	75,865	110,917
Tax on profit/loss for the year	17	15
Result of the year	75,882	110,932
Distribution		
Net revaluation under equity method	69,225	100,744
Retained earnings	6,657	10,188
	75,882	110,932

Maersk GSC Holding A/S
Balance sheet at 31 December
(Amounts in DKK'000.)

<i>Note</i>	<u>2019</u>	<u>2018</u>
Assets		
2 Investments in subsidiaries	224,156	163,867
Total financial assets	<u>224,156</u>	<u>163,867</u>
Total non-current assets	<u>224,156</u>	<u>163,867</u>
Receivables from group companies	257,490	250,835
Total receivables	<u>257,490</u>	<u>250,835</u>
Total current assets	<u>257,490</u>	<u>250,835</u>
Total assets	<u>481,647</u>	<u>414,702</u>

Maersk GSC Holding A/S
Balance sheet at 31 December
(Amounts in DKK'000.)

<i>Note</i>	2019	2018
Liabilities		
4 Share capital	795	795
Net revaluation under equity method	213,181	152,892
Retained earnings	267,526	260,869
Total equity	481,502	414,556
Total non-current liabilities	0	0
Other payables	145	145
Total current liabilities	145	145
Total Liabilities	481,647	414,702
5 Contingent Assets, Liabilities and Other Financial Obligations		
6 Related parties		
7 Subsequent events		

Maersk GSC Holding A/S
Statement of changes in equity
(Amounts in DKK'000.)

2019	<u>Share capital</u>	<u>Net valuation under equity method</u>	<u>Retained earnings</u>	Total
Balance at 1 January	795	152,892	260,869	414,556
Currency adjustment	0	17,063	0	17,063
Actuarial gain/loss	0	-25,999	0	-25,999
Result of the year	0	69,225	6,657	75,882
Balance at 31 December	<u>795</u>	<u>213,181</u>	<u>267,526</u>	481,502

2018	<u>Share capital</u>	<u>Net valuation under equity method</u>	<u>Retained earnings</u>	Total
Balance at 1 January	795	58,673	250,681	310,149
Currency adjustment	0	10,447	0	10,447
Actuarial gain/loss	0	-16,972	0	-16,972
Result of the year	0	100,744	10,188	110,932
Balance at 31 December	<u>795</u>	<u>152,892</u>	<u>260,869</u>	414,556

Maersk GSC Holding A/S
Notes to the financial statements
(Amounts in DKK'000.)

1 Other external expenses

The company has no employees in 2019 (2018: 0 employees). No remuneration or salaries were paid to the Board of Directors or the Management (2018: 0 USD).

2 Investments in subsidiaries

Cost price:

	2019	2018
1 January	10,975	10,975
Disposals	0	0
Additions	0	0
31 December	<u>10,975</u>	<u>10,975</u>

Value adjustments:

1 January	152,892	58,673
Subsidiaries' result of the year	69,225	100,744
Actuarial losses to equity	-25,999	-16,972
Currency adjustment	17,063	10,447
31 December	<u>213,181</u>	<u>152,892</u>

Provision for negative equity at 1 January	0	18,434
Provision for negative equity at 31 December	0	0

Carrying amount at 31 December 224,156 163,867

Shares in subsidiaries

Name	Country	Ownership
Maersk Global Service Centres (India) Pvt. Ltd.	India	100%
Maersk Global Service Centres (Philippines) Limited	Hong Kong	100%
Maersk Global Service Centre (Chengdu) Ltd.	China	100%

3 Financial income and expenses

All financial income and expenses of the year are interest income and expenses, revaluation gains and losses on transaction denominated in foreign currencies.

Maersk GSC Holding A/S
Notes to the financial statements
(Amounts in DKK'000.)

	2019	2018
4 Share capital		
Balance at 31 December	795	795

There has been no changes in the share capital in the past 5 years.

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group enterprises are jointly and separately liable for tax on the jointly taxed income of the Group and for Danish taxes at source such as dividend tax, tax on royalty payments and withholding tax. The total payable corporation tax is disclosed in the Annual Report of A.P.Møller Holding A/S, which is the management company of the joint taxation.

The Company's subsidiary Maersk Global Service Centres (India) Pvt. Ltd. has evaluated the opinion given in the Supreme Court of India judgement on definition of wages for the calculation of Provident Fund.

The entity has obtained legal opinion from Lawyer firm and views of company's EPFO consultants on the possible liability. On basis of their opinion Management considers the risk at remote.

6 Related parties

Shareholders under Section 55 of the Danish Companies Act:

Maersk Oil Trading and Investments A/S, owns 100% of the share capital and voting rights. A.P. Møller and wife Chastine Mc-Kinney Møllers fund for general purpose is the ultimate controlling shareholder.

The company is included in the consolidated financial statements of A.P. Møller - Mærsk A/S, Copenhagen and A.P. Møller Holding A/S, Esplanaden 50, DK-1263 Copenhagen. Link to annual reports: <https://investor.maersk.com/financial-reports>

7 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company. At this time, it is not possible to calculate the size of the negative COVID-19 impact.

No other significant events have occurred after the balance sheet date up through the date of this report which would influence the evaluation of this annual report.