

# **Maersk Supply Service A/S**

Esplanaden 50  
DK-1263 Copenhagen K

**Central Business Registration  
No. 31414377**

## **Annual Report 2022**

The Annual General Meeting adopted the Annual Report on 04.05.2023.

**Chairman of the General Meeting**

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Name: Morten Schou Kierulff

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## COMPANY DETAILS

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**The Company** Maersk Supply Service A/S  
Esplanaden 50  
DK-1263 Copenhagen K  
Denmark

CVR No.: 31414377

Registered in: Copenhagen

Registration date: 29 April 2008

Accounting period: 1 January 2022 - 31 December 2022

**Board of Directors** Henriette Hallberg Thygesen (Chairman)  
Johan Pedersson Hay Uggla  
Magnus Joakim Warholm

**Executive Board** Steen Strøm Karstensen

**Auditors** PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup  
Denmark  
CVR No. 33771231

**Consolidated accounts** The Company is included in the consolidated accounts of A.P. Møller Holding A/S, Copenhagen and A.P. Møller – Mærsk A/S, Copenhagen.

## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

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The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Maersk Supply Service A/S for the financial year 1 January - 31 December 2022.

The Annual Report for 2022 has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

We believe that the Management`s Review contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 04 May 2023

### **Executive Board**

Steen Strøm Karstensen

### **Board of Directors**

Henriette Hallberg Thygesen  
(Chairman)

Johan Pedersson Hay Ugglå

Magnus Joakim Warholm

## INDEPENDENT AUDITOR'S REPORT

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### To the Shareholder of Maersk Supply Service 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Supply Service 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 ("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' 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'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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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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, 04 May 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31

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Martin Lunden  
State Authorised Public Accountant  
mne32209

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Jacob Dannefer  
State Authorised Public Accountant  
mne47886

## MANAGEMENT'S REVIEW

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### Key figures and financial highlights

(amounts in USD million)

|   | 2022 | 2021    | 2020   | 2019   | 2018   |
|---|------|---------|--------|--------|--------|
| Revenue                                     | 188  | 163     | 135    | 134    | 103    |
| Gross profit/loss                           | 85   | 93      | 92     | 71     | 132    |
| Operating profit/loss                       | 2    | (205)   | (77)   | (44)   | (98)   |
| Financial items, net                        | (87) | (82)    | 2      | (64)   | (399)  |
| Profit/loss for the year                    | (51) | (289)   | (76)   | (104)  | (491)  |
| Total assets                                | 773  | 592     | 852    | 888    | 964    |
| Investments in vessels, plant and machinery | 39   | 12      | 157    | 189    | 446    |
| Total equity                                | 660  | 522     | 386    | 460    | (139)  |
| Gross margin (%)                            | 45.0 | 57.2    | 68.0   | 53.0   | 128.6  |
| Profit margin (%)                           | 1.0  | (125.5) | (57.0) | (32.8) | (95.4) |
| Return on equity (%)                        | 0.3  | (63.7)  | (18.2) | (64.8) | -      |
| Equity ratio (%)                            | 85.4 | 88.3    | 45.3   | 51.8   | (15.8) |
| Return on assets (%)                        | 0.2  | (34.6)  | (9.0)  | (5.0)  | (10.2) |

#### Ratios

#### Calculation formula

#### Ratios

|                      |  |   |
|----------------------|--|---|
| Gross margin (%)     | $\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$               | The entity's operating gearing                                      |
| Profit margin (%)    | $\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$        | The entity's operating profitability                                |
| Return on equity (%) | $\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$ | The entity's return on capital invested in the entity by the owners |
| Equity ratios (%)    | $\frac{\text{Equity} \times 100}{\text{Total assets}}$                     | The financial strength of the entity                                |
| Return on assets (%) | $\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$   | Profitability ratio measuring net income from total assets          |

## MANAGEMENT'S REVIEW (CONTINUED)

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### **Primary activities**

Maersk Supply Service A/S is a 100% owned subsidiary of A.P. Møller-Mærsk, providing global services to the offshore industry including anchor handling, towage of drilling rigs and platforms, as well as project management and execution. The Company is also moving into the renewables (offshore wind) market. A minor part of the activities takes place in branches abroad (please refer note 4).

As of 31 December 2022, the Company's fleet comprises 22 vessels.

### **Development in activities and finances**

The Income Statement of the Company for 2022 shows a loss of USD 51 million (2021: loss of USD 289 million) and at 31 December 2022 the Balance Sheet of the Company shows equity of USD 660 million (2021: USD 522 million). The result for 2022 includes impairment reversals on vessels and intangible assets of USD 9.4 million (2021: USD 188 million write downs) and impairment write downs on investments in subsidiaries and joint ventures of USD 70 million (2021: USD 86 million), partly offset by dividends received of USD 2.6 million (2021: USD 4 million). Consequently, the adjusted profit for 2022 amounts to USD 7 million, which was better than the adjusted loss for 2021 of USD 16 million. The improvement in adjusted profit is primarily due to an increase in revenue, partly offset by increased operating cost.

Gross profit ended at USD 85 million (2021: USD 93 million), in line with the expectations.

A review of asset values, in light of increasing interest rates, did not reveal a need for further Maersk Supply Service group impairment as improved market conditions offset the effect. For Maersk Supply Service A/S, a minor impairment reversal was recognized due to company ownership of vessels benefitting most from improved market conditions.

During the year, A.P. Møller-Mærsk A/S has made capital increases in Maersk Supply Service A/S of total USD 187 million as tax-free contributions in kind.

### **Investments**

During 2022, no major investments have been made, thus the investments during the year are mainly related to Drydocking and Modifications.

### **Outlook**

The Company's outlook for the near future is set to improve, as the Company continues to grow the renewables (offshore wind) market, optimize the core time chartering business and further develop the solutions business with specific focus on the towing and mooring market.

Renewables (offshore wind) is expected to become an ever more important source of vessel demand.

Gross profit for 2023 is expected to be in line with 2022. The range expected is USD 70 million to USD 120 million.

## MANAGEMENT'S REVIEW (CONTINUED)

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### **Particular risks**

The main risks to Maersk Supply Service's performance relate to development in global demand for offshore support vessels and the corresponding development in day rates.

Impairment indicators in Maersk Supply Service are lower day rates on new contracts, forecasted utilisation on vessels without firm contracts and a decline in fair market value of vessels.

The fair market value estimates for vessels are highly uncertain, as the second-hand market for offshore vessels is in a state of distress, with only very few benchmark transactions for both modern and older vessels involving willing buyers / willing sellers.

The value in use calculations for the individual cash generating units are sensitive to the day rates expected to apply when contracts expire, and to the risks of idle periods in the forecasts. Other critical variables include the discount rate, and the impact on day rates from the green transition.

The market development for oil and gas assets, as well as the speed of the green transition, is uncertain and will impact the future valuation of Maersk Supply Service and determine additional impairment or impairment reversals in the coming years

Foreign exchange risks:

The Company's income is mainly in USD, whereas expenditure is spread across several currencies. Due to net earnings in USD, this currency is also the Company's primary financing currency. Based on specific assessment, the Company uses financial instruments to reduce the impact of exchange rate fluctuations.

### **Safety**

During 2022, Maersk Supply Service Group continued to be affected by the COVID-19 pandemic. Despite this, 2022 signified another year with strong safety performance. No fatalities or life altering incidents were seen during Maersk Supply Service operations or projects in 2022. While Maersk Supply Service did endure three Lost Time Injuries (LTI) during 2022, the Total Recordable Case Frequency (TRCF) related to restricted work cases and medical treatment cases remained similar to 2021. The Frequency (TRCF) was sustained at a very low level both in terms of actual numbers and potential consequences, though 2022 reflecting a significant pickup in business activities.

Maersk Supply Service continue its journey of improving safety and looked at all high potential incidents during 2022 and all of them were carefully reviewed, the learning and experience shared with all vessels through incident storyboards or by other reports. Few programs, like workshop and other extensive trainings were also initiated during 2022 to improve further on safety.

## MANAGEMENT'S REVIEW (CONTINUED)

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### **Environmental performance**

Maersk Supply Service Group continued to see positive environmental developments during 2022.

During 2022, Maersk Supply Service launched project called ECO Offshore: a carbon-neutral operation using sustainable fuels, providing our customer with a green option. ECO offshore only uses International Sustainability & Carbon Certification (ISCC) approved Hydrotreated Vegetable Oil (HVO), a safe, sustainable second-generation biofuel that replaces conventional fossil fuels without causing harm or depletion to food sources and provides the same performance as conventional fuels.

Maersk Supply Service Group track the decarbonisation efforts via the Carbon Intensity Indicator. In 2022 the Carbon Intensity is 75.95 remained slightly lower than that of 2021 at 76.50. Overall, in 2022 Maersk Supply Service Group have reduced carbon intensity by 17.71% from 2018.

The positive trend is made possible through focus on behaviour optimisation in Maersk Supply Service throughout our operations and various technical upgrades. Maersk Supply Service will continue increasing decarbonisation initiatives with the addition of a battery pack, variable frequency drives and use of biofuel.

A new ISO 14001: Environmental Management and Compliance training was created and rolled out in Maersk Supply Service. The inhouse training is divided into 5 modules to facilitate and test the awareness of colleagues on various sub-topics. The improved e-training module takes into consideration certain legislative revisions and places intense focus on our obligations towards environmental protection.

### **Statutory report on corporate social responsibility cf. section 99a of the Danish Financial Statements Act**

Concerning compliance with section 99a of the Danish Financial Statements Act, reference is made to the parent company A.P. Møller - Mærsk A/S' (CVR number 22756214) separate sustainability report on the website: <https://www.maersk.com/about/sustainability/reports-and-resources>

### **Statutory report on share of underrepresented gender cf. section 99b of the Danish Financial Statements Act**

Maersk Supply Service has in 2022 (and in 2021) reached equal gender representation on its Board of Directors in accordance with section 99b of the Danish Financial Statements Act. The target is unchanged 40% female representation.

On the basis of the Diversity & Inclusion (D&I) strategy 2023, Maersk Supply Service continues the D&I journey into 2025 with focus on increasing senior female leadership onshore to 30% as well as increasing representation in Senior Management team with 2 females.

The main focus and activities have been around recruitment processes and employee systems, and consequently the numbers for female representation increased satisfactory during 2022.

**Statutory statement on data ethics in accordance with section 99d of the Danish Financial Statements Act**

Maersk Supply Service A/S is part of APMM Group and refers to the Group statement on data ethics in the 2022 Maersk Group (CVR number 22756214) Sustainability Report, on the website: <https://www.maersk.com/about/sustainability/reports-and-resources>

**Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty, apart from the above mentioned relating to impairment write downs, which are based on a number of assumptions and estimates.

**Unusual circumstances affecting recognition and measurement**

The financial position as at 31 December 2022 and the result for the financial year has not been affected by any unusual events apart from the impact from the impairment write downs as described above.

**Events after the balance sheet date**

Tax free contribution of USD 22.6 million has been made in March 2023.

In March 2023 it was announced that A.P. Møller-Mærsk had reached an agreement with A.P. Møller Holding, for an intended divestment of Maersk Supply Service Group. Until obtaining regulatory approvals and closing of the transaction, Maersk Supply Service will remain a subsidiary of A.P. Møller-Mærsk AS.

The current war in the Ukraine has impacted bunker cost but is not expected to materially impact profitability or the market value of the vessels. Management will continue to monitor developments and assess the impact on Maersk Supply Service A/S.

No other events have occurred after the reporting date of importance to the Annual Report.

## INCOME STATEMENT

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Amounts in USD 1,000

| Note |   | <u>2022</u>            | <u>2021</u>             |
|------|---|------------------------|-------------------------|
| 3    | Revenue                                   | 187,930                | 163,121                 |
|      | Other operating income                    | 19,724                 | 19,062                  |
|      | Other external expenses                   | <u>(123,056)</u>       | <u>(88,896)</u>         |
|      | <b>Gross profit/loss</b>                  | <b>84,598</b>          | <b>93,287</b>           |
| 4    | Staff costs                               | (79,402)               | (83,796)                |
| 5    | Depreciation, amortisation and Impairment | <u>(3,351)</u>         | <u>(214,250)</u>        |
|      | <b>Operating profit/loss</b>              | <b>1,845</b>           | <b>(204,759)</b>        |
| 6    | Other financial income                    | 1,627                  | 389                     |
|      | Dividends received                        | 2,576                  | 4,273                   |
| 7    | Impairment of subsidiaries                | (67,419)               | (81,711)                |
| 7    | Impairment of joint ventures              | (2,617)                | (3,916)                 |
| 7    | Value adjustment, Other investments       | (16,620)               | 9,836                   |
| 8    | Other financial expenses                  | <u>(4,799)</u>         | <u>(11,252)</u>         |
|      | <b>Profit/loss before tax</b>             | <b>(85,407)</b>        | <b>(287,140)</b>        |
| 9    | Tax                                       | <u>34,466</u>          | <u>(2,282)</u>          |
| 10   | <b>Profit/loss for the year</b>           | <b><u>(50,941)</u></b> | <b><u>(289,422)</u></b> |

## BALANCE SHEET 31 DECEMBER

Amounts in USD 1,000

| <b>Assets</b>                           | <b>2022</b>    | <b>2021</b>    |
|---|----------------|----------------|
| Note                                    |                |                |
| Software                                | 0              | 0              |
| <b>11 Intangible asset</b>              | <b>0</b>       | <b>0</b>       |
| Plant and machinery                     | 0              | 975            |
| Vessels                                 | 303,771        | 271,906        |
| Prepayments for vessels                 | 6,108          | 3,329          |
| <b>12 Vessels, plant and machinery</b>  | <b>309,879</b> | <b>276,210</b> |
| Investments in subsidiaries             | 267,323        | 165,472        |
| Investments in joint ventures           | 0              | 914            |
| Other investments                       | 14,565         | 32,314         |
| <b>13 Fixed asset investments</b>       | <b>281,888</b> | <b>198,700</b> |
| <b>Fixed Assets</b>                     | <b>591,767</b> | <b>474,910</b> |
| Raw materials and consumables           | 6,782          | 4,610          |
| Manufactured goods and goods for resale | 10,195         | 7,284          |
| <b>Inventories</b>                      | <b>16,977</b>  | <b>11,894</b>  |
| Trade receivables                       | 47,846         | 43,522         |
| Receivables from affiliated companies   | 110,726        | 55,490         |
| Other receivables                       | 2,746          | 1,710          |
| Income tax receivable                   | 1,873          | 1,846          |
| Prepayments                             | 1,232          | 1,913          |
| <b>Receivables</b>                      | <b>164,423</b> | <b>104,481</b> |
| <b>Cash</b>                             | <b>103</b>     | <b>500</b>     |
| <b>Current assets</b>                   | <b>181,503</b> | <b>116,875</b> |
| <b>Assets</b>                           | <b>773,270</b> | <b>591,785</b> |

## BALANCE SHEET 31 DECEMBER (continued)

Amounts in USD 1,000

### Equity and liabilities

|                                  | <u>2022</u>           | <u>2021</u>           |
|----------------------------------|-----------------------|-----------------------|
| 14                               |                       |                       |
| Share capital                    | 100,000               | 100,000               |
| Hedges                           | 765                   | (1,027)               |
| Retained earnings                | <u>559,510</u>        | <u>423,479</u>        |
|                                  | <b><u>660,275</u></b> | <b><u>522,452</u></b> |
| 15                               |                       |                       |
| Other provisions                 | <u>14,882</u>         | <u>9,834</u>          |
|                                  | <b><u>14,882</u></b>  | <b><u>9,834</u></b>   |
| 16                               |                       |                       |
| Trade payables                   | 43,329                | 31,015                |
| Payables to affiliated companies | 31,070                | 11,640                |
| Income tax payable               | 1,080                 | 2,637                 |
| Other payables                   | <u>22,634</u>         | <u>14,207</u>         |
|                                  | <b><u>98,113</u></b>  | <b><u>59,499</u></b>  |
|                                  | <b><u>98,113</u></b>  | <b><u>59,499</u></b>  |
|                                  | <b><u>773,270</u></b> | <b><u>591,785</u></b> |

- 1 Special items
- 2 Event after the balance sheet date
- 17 Financial instruments
- 18 Contingent liabilities
- 19 Contractual obligations
- 20 Related parties with controlling interest

## STATEMENT OF CHANGES IN EQUITY

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Amounts in USD 1,000

|                                  | Share capital  | Hedges     | Retained earnings | Total          |
|----------------------------------|----------------|------------|-------------------|----------------|
| 1 January 2022                   | 100,000        | (1,027)    | 423,479           | 522,452        |
| Tax free contribution            |                |            | 186,972           | 186,972        |
| Fair value adjustment of Hedging |                | 1,792      |                   | 1,792          |
| Profit for the year              |                |            | (50,941)          | (50,941)       |
| <b>31 December 22</b>            | <b>100,000</b> | <b>765</b> | <b>559,510</b>    | <b>660,275</b> |

## NOTES

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Note

### 1 **Special items**

Impairment reversals on Intangibles, vessels and plant and machinery in 2022 amounts to net USD 9,4 million (2021 write downs: USD 188 million (net)) and impairment on Investments in subsidiaries and joint ventures of USD 70 million (2021: USD 86 million), partly offset by received dividend of USD 2,6 million (2021: USD 4 million).

The fair market value estimates for vessels are highly uncertain as the second-hand market for offshore vessels has very few benchmark transactions for both modern and older vessels involving willing buyers / willing sellers.

The value in use calculations for the individual cash generating units are sensitive to the day rates expected to apply when contracts expire and to the risks of idle periods in the forecasts. In addition, the discount rate, growth rate and EBITDA margin in the terminal period are critical variables. The day rates in the short to medium term are expected to improve and management expects a gradual move towards more economically sustainable rates in the long-term. Due to the uncertain macroeconomics conditions, further impairment write downs may be recognised in the coming years. As some of the subsidiaries in the Maersk Supply Service Group also own vessels, further write downs on subsidiaries may also be recognised in the coming years.

Similarly, if the market recovers more than expected, reversals of impairment on vessels and subsidiaries may be recognised in the coming years.

### 2 **Event after the balance sheet date**

Tax free contribution of USD 22,6 million has been made in March 2023.

In March 2023 it was announced that A.P. Møller-Mærsk had reached an agreement with A.P. Møller Holding, for an intended divestment of Maersk Supply Service Group. Until obtaining regulatory approvals and closing of the transaction, Maersk Supply Service will remain a subsidiary of A.P. Møller-Mærsk AS.

The current war in the Ukraine has impacted bunker cost but is not expected to materially impact profitability or the market value of the vessels. Management will continue to monitor developments and assess the impact on Maersk Supply Service A/S.

No other events have occurred after the reporting date of importance to the Annual Report.

## NOTES (continued)

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Amounts in USD 1,000

|   | <u>2022</u>           | <u>2021</u>           |
|---|-----------------------|-----------------------|
| <b>3 Revenue</b>  |                       |                       |
| <b><i>By geographical market</i></b>  |                       |                       |
| Europe  | 35,426                | 53,983                |
| Asia and Pacific  | 46,186                | 23,678                |
| Africa  | 32,287                | 57,191                |
| North America   | 33,806                | 28,269                |
| South America   | 40,225                | 0                     |
|   | <u><b>187,930</b></u> | <u><b>163,121</b></u> |
| <b><i>By activity</i></b>   |                       |                       |
| Exports   | 187,930               | 163,121               |
|   | <u><b>187,930</b></u> | <u><b>163,121</b></u> |
| <p>The Company has the following branches:<br/>Maersk Supply Service AS – Norway Branch*<br/>Maersk Supply Service AS – Ivory Coast Branch*<br/>Maersk Supply Service AS – Australia Branch<br/>Maersk Supply Service AS – UK Branch<br/>Maersk Supply Service AS – Ghana Branch*<br/>Maersk Supply Service AS – Mexico Branch<br/>Maersk Supply Service AS – Guyana Branch</p> |                       |                       |
| <p><i>*no activity in 2022</i></p>  |                       |                       |
| <b>4 Staff costs</b>  |                       |                       |
| Wages and salaries  | 72,820                | 77,303                |
| Pension costs   | 4,730                 | 5,035                 |
| Other social security costs   | 1,810                 | 1,240                 |
| Other staff costs   | 42                    | 218                   |
|   | <u><b>79,402</b></u>  | <u><b>83,796</b></u>  |
| Average number of employees   | <u><b>929</b></u>     | <u><b>889</b></u>     |

Pursuant to section 98(b)(3) of the Danish Financial Statements Act, remuneration to Management has not been disclosed. No emoluments have been paid to the Board of Directors.

## NOTES (continued)

Amounts in USD 1,000

|   | <u>2022</u>            | <u>2021</u>             |
|---|------------------------|-------------------------|
| <b>5 Depreciation, amortisation and impairment losses</b>   |                        |                         |
| Amortisation of intangible assets   | 0                      | 2,099                   |
| Impairment losses on intangible asset   | 0                      | 4,214                   |
| Depreciation of vessels, plant and machinery  | 13,090                 | 24,518                  |
| Impairment on vessels, plant and machinery  | <u>(9,739)</u>         | <u>183,419</u>          |
|   | <b><u>3,351</u></b>    | <b><u>214,250</u></b>   |
| <b>6 Other financial income</b>   |                        |                         |
| Financial income arising from group enterprises   | 455                    | 16                      |
| Exchange rate adjustments   | <u>1,172</u>           | <u>373</u>              |
|   | <b><u>1,627</u></b>    | <b><u>389</u></b>       |
| <b>7 Impairment and value adjustment of financial assets</b>  |                        |                         |
| Impairment of financial assets comprises write down on Investments in subsidiaries and joint ventures, and value adjustment comprise write up to fair value of listed Equity Investments. |                        |                         |
| <b>8 Other financial expenses</b>   |                        |                         |
| Financial expenses from group enterprises   | 178                    | 10,965                  |
| Exchange rate adjustments   | 66                     | 53                      |
| Other financial expenses  | <u>4,555</u>           | <u>234</u>              |
|   | <b><u>4,799</u></b>    | <b><u>11,252</u></b>    |
| <b>9 Tax</b>  |                        |                         |
| Tax on current year taxable income  | 5,936                  | 1,236                   |
| Adjustments concerning previous years   | <u>(40,402)</u>        | <u>1,046</u>            |
|   | <b><u>(34,466)</u></b> | <b><u>2,282</u></b>     |
| <b>10 Proposed distribution of profit/loss</b>  |                        |                         |
| Retained earning  | (50,941)               | (289,422)               |
| Dividend  | <u>0</u>               | <u>0</u>                |
|   | <b><u>(50,941)</u></b> | <b><u>(289,422)</u></b> |

## NOTES (continued)

Amounts in USD 1,000

| 11 <b>Intangible assets</b>             | <b>Software</b>        |
|---|------------------------|
| Cost:                                   |                        |
| 1 January 2022                          | <u>30,118</u>          |
| <b>31 December 2022</b>                 | <b><u>30,118</u></b>   |
| Amortisation and impairment losses:     |                        |
| 1 January 2022                          | <u>(30,118)</u>        |
| <b>31 December 2022</b>                 | <b><u>(30,118)</u></b> |
| <b>Carrying amount 31 December 2022</b> | <b><u>0</u></b>        |

| 12 <b>Vessels, plant and machinery</b>  | <b>Plant and machinery</b> | <b>Vessels</b>            | <b>Prepayments for Vessels</b> |
|---|----------------------------|---------------------------|--------------------------------|
| Cost:                                   |                            |                           |                                |
| 1 January 2022                          | 7,345                      | 1,759,622                 | 3,329                          |
| Transfers                               | 0                          | 24,009                    | (24,009)                       |
| Additions                               | 0                          | 12,500                    | 26,788                         |
| Disposals                               | <u>(3,451)</u>             | <u>(152,673)</u>          | <u>0</u>                       |
| <b>31 December 2022</b>                 | <b><u>3,894</u></b>        | <b><u>1,643,458</u></b>   | <b><u>6,108</u></b>            |
| Depreciations and impairment losses:    |                            |                           |                                |
| 1 January 2022                          | (6,370)                    | (1,487,715)               | 0                              |
| Impairment losses for the year          | (0)                        | 9,739                     | 0                              |
| Reversed regarding disposal             | 2,500                      | 151,355                   | 0                              |
| Depreciation for the year               | <u>(24)</u>                | <u>(13,066)</u>           | <u>0</u>                       |
| <b>31 December 2022</b>                 | <b><u>(3,894)</u></b>      | <b><u>(1,339,687)</u></b> | <b><u>0</u></b>                |
| <b>Carrying amount 31 December 2022</b> | <b><u>0</u></b>            | <b><u>303,771</u></b>     | <b><u>6,108</u></b>            |

## NOTES (continued)

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Amounts in USD 1,000

| 13 <b>Fixed Assets Investments</b> | <b>Investm.<br/>in subs.</b> | <b>Investm. in<br/>joint vent.</b> | <b>Other<br/>investments</b> |
|------------------------------------|------------------------------|------------------------------------|------------------------------|
| Costs:                             |                              |                                    |                              |
| 1 January 2022                     | 1,019,932                    | 10,000                             | 22,478                       |
| Additions                          | 196,972                      | 0                                  | 0                            |
| Disposal                           | 0                            | (10,000)                           | (2,057)                      |
| <b>31 December 2022</b>            | <b><u>1,216,904</u></b>      | <b><u>0</u></b>                    | <b><u>20,421</u></b>         |
| Valuation of Equity investment:    |                              |                                    |                              |
| 1 January 2022                     | 0                            | 0                                  | 9,836                        |
| Valuation during the year          | 0                            | 0                                  | (16,620)                     |
| Disposal                           | 0                            | 0                                  | 928                          |
| Reversal of Capital contribution   | (26,000)                     |                                    |                              |
| <b>31 December 2022</b>            | <b><u>(26,000)</u></b>       | <b><u>0</u></b>                    | <b><u>(5,856)</u></b>        |
| Impairment losses:                 |                              |                                    |                              |
| 1 January 2022                     | (854,460)                    | (9,086)                            | 0                            |
| Impairment losses for the year     | (69,121)                     | (914)                              | 0                            |
| Disposal                           | 0                            | 10,000                             | 0                            |
| <b>31 December 2022</b>            | <b><u>(923,581)</u></b>      | <b><u>0</u></b>                    | <b><u>0</u></b>              |
| <b>Carrying amount</b>             |                              |                                    |                              |
| <b>31 December 2022</b>            | <b><u>267,323</u></b>        | <b><u>0</u></b>                    | <b><u>14,565</u></b>         |

## NOTES (continued)

|  | <b>Registered<br/>In</b> | <b>Corporate<br/>Form</b> | <b>Equity<br/>interest<br/>%</b> | <b>Equity<br/>USD<br/>1,000</b> | <b>Profit/loss<br/>USD<br/>1,000</b> |
|--|--------------------------|---------------------------|----------------------------------|---------------------------------|--------------------------------------|
| <i>Investment in subsidiaries comprise:</i>                        |                          |                           |                                  |                                 |                                      |
| Maersk Supply Service International A/S**                          | Denmark                  | A/S                       | 100%                             | 143,618                         | (67,101)                             |
| Maersk Supply Service Canada Ltd. ***                              | Canada                   | Ltd.                      | 100%                             | N/A                             | N/A                                  |
| Maersk Supply Service UK Ltd. *                                    | UK                       | Ltd.                      | 100%                             | 130,193                         | (33,709)                             |
| Maersk Supply Service Subsea UK Ltd. *                             | UK                       | Ltd.                      | 100%                             | 123,045                         | (18,677)                             |
| Maersk Crewing Australia Pty. *                                    | Australia                | Ltd.                      | 100%                             | (92)                            | (2)                                  |
| Maersk Supply Service Singapore Ltd. *                             | Singapore                | Ltd.                      | 100%                             | 108                             | 51                                   |
| Maersk Supply Service Philippines A/S **                           | Denmark                  | A/S                       | 100%                             | 652                             | 35                                   |
| Maersk Supply Service (Angola) S.A. *                              | Angola                   | S.A.                      | 49%                              | 557                             | 8,874                                |
| Maersk Supply Service Brazil Holdings A/S**                        | Denmark                  | A/S                       | 100%                             | (16,452)                        | (136)                                |
| Maersk Supply Service Apoio Maritimo Ltda. *                       | Brazil                   | Ltda.                     | 100%                             | 11,028                          | (6,940)                              |
| Maersk Supply Service America Latina Servicios Maritimos Ltda. *** | Brazil                   | Ltda.                     | 100%                             | N/A                             | N/A                                  |
| Maersk Supply Service Mexico Holdings S. de R. L. de C.V. ***      | Mexico                   | S.de R.L. de C.V.         | 100%                             | N/A                             | N/A                                  |
| Maersk Supply Service Mexico S.A. de C.V. ***                      | Mexico                   | SA de CV                  | 49%                              | N/A                             | N/A                                  |
| Maersk Supply Service Equatorial Guinea SAS***                     | Eq. Guinea               | S.A.S                     | 65%                              | N/A                             | N/A                                  |
| Maersk Supply Service West Africa A/S **                           | Denmark                  | A/S                       | 100%                             | 3,329                           | (283)                                |
| Maersk Supply Service Griffon Ghana Ltd. ***                       | Ghana                    | Ltd.                      | 90%                              | N/A                             | N/A                                  |
| Stillstrom A/S **  | Denmark                  | A/S                       | 100%                             | 9,345                           | (730)                                |
| Phoenix II **  | Denmark                  | A/S                       | 100%                             | 115,182                         | 3,169                                |

\* Annual Report 2021 (converted from local currency to USD, share capital and equity has been calculated using the exchange rates as of 31 December 2021, and the profit is calculated using the average exchange rate for 2021).

\*\* Annual Report 2022 (converted from local currency to USD, share capital and equity has been calculated using the exchange rates as of 31 December 2022, and the profit is calculated using the average exchange rate for 2022).

\*\*\* No published financial statements available.

### 14 Share capital

The share capital consists of 507,531 shares of a nominal value of DKK 1,000, equal to USD 100 million. No shares carry any special rights.

## NOTES (continued)

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### 15 **Other provisions**

Other provisions compromising litigations and disputes on taxes and duties.

Other provisions of USD 4 million (2021: USD 2 million) are expected to mature within one year (USD 3 million) and within 2-5 years (USD 1 million). Provisions are recognised based on specific estimates and amounts may vary, as these are uncertain.

Remaining Other provisions include tax provisions of USD 11 million (2021: USD 8 million) maturing within 2-5 years.

### 16 **Payables to affiliated companies**

Payable to affiliates only has normal business transactions, mainly payable to Maersk Oil Trading for Bunker purchase and Payable to subsidiaries.

### 17 **Financial instruments**

Forward exchange contracts:

The forward exchange contracts have been concluded to hedge future OPEX. The fair value of the forward exchange contracts amounts to a positive fair value of USD 0,8 million (2021: fair value of USD -1,0 million) at the balance sheet date. The Hedging amount as of 31-12-2022 was USD 20,8m (DKK 149,6m).

### 18 **Contingent liabilities**

The Company is subject to the Tonnage Tax scheme. The Company is not subject to deferred tax. However, tax may become payable on the sale of vessels or on withdrawal from the Tonnage Tax scheme.

## NOTES (continued)

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### 19 **Contractual obligations**

As of 31 December 2022, the Company has no contractual commitments.

### 20 **Related parties with controlling interest**

Majority shareholder: A.P. Møller - Mærsk A/S, Esplanaden 50, 1263 Copenhagen, Denmark.

Other related parties:

Companies affiliated with A.P. Møller - Mærsk A/S and A.P. Møller Holding A/S.

The Company's related parties include the members of the Board of Directors, Management and the key executives, as well as the related family members of these persons. Related parties also include companies in which the above-mentioned persons have a significant interest.

Transactions with related parties:

All transactions with related parties are made on markets terms.

Group relations:

Name and registered office of the Parent Company preparing Consolidated Financial Statements for the smallest group:

A.P. Møller - Mærsk A/S, Esplanaden 50, 1263 Copenhagen K, Denmark

The Company is also included in the Consolidated Financial Statements for A.P. Møller Holding A/S, Esplanaden 50, 1263 Copenhagen K, Denmark.

## ACCOUNTING POLICIES

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### **Reporting class**

This Annual Report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large enterprises).

The accounting policies applied to these financial statements are consistent with those applied last year and the Annual Report are presented in American dollars (USD). The exchange rate of USD to DKK was 6.967 at 31 December 2022 (2021: DKK 6.557).

No Consolidated Financial Statements have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The Annual Report of Maersk Supply Service A/S and its group enterprises are included in the Consolidated Financial Statements for A.P. Møller - Mærsk A/S, Denmark, CVR no. 22 75 62 14.

Pursuant to section 96(3) of the Danish Financial Statements Act, the Company has chosen not to disclose the fee to the Company's auditors appointed at the Annual General Meeting.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the Consolidated Financial Statements of A.P. Møller - Mærsk A/S.

### **Recognition and measurement in general**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial Statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## ACCOUNTING POLICIES (CONTINUED)

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### **Hedge accounting**

Changes in fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair value of derivative financial Instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## ACCOUNTING POLICIES (CONTINUED)

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### **Income statement**

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

#### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Company's primary activities, including gain on divestments of vessels.

#### **Other external expenses**

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for daily running costs, administration etc.

#### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

#### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relate to vessels, plant and machinery, and intangible assets for the financial year.

## ACCOUNTING POLICIES (CONTINUED)

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### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, receivables and transactions in foreign currencies.

### **Dividend received**

Dividends from subsidiaries are recognised at the time of receipt.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies.

### **Tax on profit/loss for the year**

The Company is included in the Tonnage Taxation Scheme. Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with other Danish companies in the A.P. Møller Holding A/S Group. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

### **Balance sheet**

#### **Intangible assets**

Software and development projects in progress are measured at cost price and are amortised from the time it is ready to be put into operation on straight-line basis over the useful life, max. 5 years.

#### **Vessels, plant and machinery**

Vessels, plant and machinery are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans for the financing of the manufacture of vessels, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the Income Statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Vessels 20 years  
Other 3-10 years

## ACCOUNTING POLICIES (CONTINUED)

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Estimated useful lives and residual values are reassessed annually.

Vessels, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in Subsidiaries**

Investments in subsidiaries are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

### **Investments in Joint Ventures**

Investments in Joint Ventures are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

### **Other investments**

Other investments comprising listed Equity Investments are measured at fair value. The value adjustment is recognized as Financials in the Income statement.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Income tax receivable or payable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### **Prepayments**

Prepayments include prepaid costs, including mainly prepaid insurances.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Other provisions**

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

## ACCOUNTING POLICIES (CONTINUED)

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### **Finance lease liabilities**

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and at the time of inception

of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the Income statement as a financial expense over the term of the leases.

### **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.