

Svitzer Salvage Holding A/S

c/o Svitzer A/S
Esplanaden 50
DK-1263 Copenhagen K

Annual Report
1 January - 31 December 2022

CVR 36719206

The Annual Report was presented and adopted at the
Annual General Meeting of the Company on 20. June 2023



Jacob Ulrik
Chairman of the Annual General Meeting

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Management Review

Svitzer Group is the leading towage operator with activities within both Harbour and Terminal towage and with a fleet of 359 vessels (2021: 364) in more than 100 ports across 32 countries. Additional 25 vessels (2021: 14) are on order with delivery in 2023. Svitzer's customers are ship owners and operators within all shipping segments as well as national and international Oil & Gas companies.

Svitzer Salvage Holding A/S is a 100% owned subsidiary of the Svitzer Group's parent company, Svitzer A/S, and its main activity relate to investments in subsidiaries within Harbour and Terminal towage industry.

2022 in review

The positive result in 2022 was due to dividends received from subsidiaries, plus net income of financial items, reflecting the capital structure of the entity and the holding company and head office nature of its activities, partly off-set by a write-down of receivable balances related to Ardent Holding Ltd, plus foreign currency exchange losses.

Sustainability and gender composition of management

The lost time incidents frequency ("LTIF") for 2022 for Svitzer Group was 1.7 per one million exposure hours which was an increase compared to 1.2 for 2021. Despite the recognition in Svitzer of the effect of the actions taken in prior years to improve safety, bringing significant benefits, the number of LTI cases have increased more than the exposure hours. Continued focus on the safety culture and monitoring results of initiatives via the launched initiative, Safety Differently, is expected to further realise benefits in 2023 onwards.

Environment

In 2022 the primary measure for CO2 emissions (fuel consumption) for Svitzer Group was down to index 87 (2021: 100) with a higher level of activity (Operational tug jobs, Index 2022:106 compared to 2021:100). Environmental efficiency is one of the core operational elements and is measured on an annual basis.

Statement of under-represented gender in accordance with section 99(b) of the Danish Financial Statement Act

The Board of Directors consist of 3 males and 0 females; Thus, the gender split is not considered to be balanced and is expected to be improved in the future.

Statement of corporate social responsibility in accordance with section 99(a) of the Danish Financial Statement Act

Please refer to the separate and independently assured Sustainability Report for 2022 of the parent company which provides detailed information of the A.P. Møller - Maersk Group's sustainability performance and sustainability strategy. The report is available on: <https://www.maersk.com/about/sustainability/reports>

Statement regarding data ethics in accordance with section 99(d) of the Danish Financial Statement Act

To comply with the Danish Financial Statements, Act section 99d, A.P. Møller - Mærsk A/S (CVR-no 22756214) has, among other initiatives, established a set of principles that are incorporated into workflows and processes throughout the A.P. Møller - Mærsk Group. Propriety, dedication, and innovation are examples of values that contributes towards compliance, with the data ethics principles, both internally and externally.

For our statement, of data ethics, we refer to A.P. Møller – Maersk Group (CVR-no 22756214): (<https://www.maersk.com/sustainability/our-priorities/governance/data-ethics>).

EXPECTATIONS FOR 2023

The outlook for 2023 is subject to the uncertainties related to the current situation in Europe, sanctions imposed and increasing fuel prices and crew costs.

Management expects the full-year 2023 result before financial items to be at level with 2022.

Risks

Under normal conditions, the main risks for Svitzer Salvage Holding A/S are fluctuations in foreign exchange rates, interest rates and the operational performance of investments in subsidiaries and affiliates. Svitzer Salvage Holding A/S has investments in subsidiaries and is therefore indirectly subject to the risks related to the overall development in the world economy, number of ship calls, number of tug operators in particular ports, development in fuel prices and fluctuations in foreign exchange rates which will have an impact on subsidiaries' activities and results.

Five Year Summary

	2022	2021	2020	2019	2018
	USD ('000)	USD ('000)	USD ('000)	USD ('000)	USD ('000)
Gross profit	-128	-369	-6,470	-155	-15
Profit before financial items (EBIT)	-128	-369	-6,470	-155	15
Financial income and financial expenses	11,853	17,000	-4,646	18	-11,254
Profit before tax	11,725	16,631	-11,116	-137	-11,239
Tax	-449	1,648	1,123	20	5
Profit for the year	11,276	18,279	-9,993	-117	-11,234
Total assets	255,753	268,676	228,154	29,903	30
Total equity	255,673	244,397	226,118	-116	1

Statement of the Board of Directors and Management

The Board of Directors and the Management have today considered and adopted the annual report of Svitzer Salvage Holding A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual report gives a true and fair view of the assets and liabilities, financial position at 31 December 2022 of the Company and of the results of the Company's operations for 2022.

We recommend that the annual report be adopted at the Annual General Meeting.

Copenhagen, 20. June 2023

Executive Management



Knud Winkler

Board of Directors

Kasper Friis Nilaus

Kasper Friis Nilaus
Chairman



Knud Winkler



Jacob Sune Ulrik

Independent Auditor's Report

To the Shareholders of Svitzer Salvage 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 2022, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Svitzer Salvage 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 ("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.

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.

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, 20. June 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31


Kristian Pedersen
State Authorised Public Accountant
Mne35412


Claus Carlsson
State Authorised Public Accountant
Mne29461

Income Statement

	Note	2022	2021
		USD ('000)	USD ('000)
Gross profit/loss		<u>-128</u>	<u>-369</u>
Loss before financial items		<u>-128</u>	<u>-369</u>
Dividends received from subsidiaries		18.797	32.936
Financial income	1	141	144
Impairment of financial assets	2	-3.868	-13.816
Financial costs	2	<u>-3.217</u>	<u>-2.264</u>
Profit before tax		<u>11.725</u>	<u>16.631</u>
Tax on profit/loss for the year	3	<u>-449</u>	<u>1.648</u>
Profit for the year	4	<u>11.276</u>	<u>18.279</u>

Balance Sheet at 31 December

Assets

	Note	2022	2021
		USD ('000)	USD ('000)
Investments in subsidiaries	5	220.613	222.609
Investments in associated companies	5	0	0
Financial non-current assets		220.613	222.609
Total non-current assets		220.613	222.609
Loans and other receivables		2.577	5.746
Receivables from group enterprises		31.270	38.568
Tax receivables		1.293	1.754
Other receivables		0	0
Receivables		35.140	46.067
Current assets		35.140	46.067
Total assets		255.753	268.676

Balance Sheet at 31 December

Equity and liabilities

	Note	2022	2021
		USD ('000)	USD ('000)
Share capital	6	71	71
Retained earnings		<u>255.602</u>	<u>244.326</u>
Equity		<u>255.673</u>	<u>244.397</u>
Deferred tax		<u>0</u>	<u>0</u>
Trade payables		15	69
Payables to group enterprises		0	24.194
Other payables		<u>65</u>	<u>16</u>
Short-term liabilities		<u>80</u>	<u>24.279</u>
Liabilities		<u>80</u>	<u>24.279</u>
Total equity and liabilities		<u>255.753</u>	<u>268.676</u>

Statement of Changes in Equity

	Share capital	Retain earnings	Total equity
	USD ('000)	USD ('000)	USD ('000)
Equity 1 January 2022	71	244.326	244.397
Profit/loss for the year	0	11.276	11.276
Equity 31 December 2022	71	255.602	255.673

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Notes to the Financial Statements

	2022	2021
	USD ('000)	USD ('000)
1 Financial income		
Interest Income	141	49
Exchange rate adjustments	0	95
	<u>141</u>	<u>144</u>
2 Financial expenses		
Interest expense	-1	-9
Interest paid to group enterprises	-281	-334
Impairment of financial assets	-3.868	-13.816
Exchange rate adjustments	-2.935	-1.921
	<u>-7.085</u>	<u>-16.080</u>
3 Tax on profit/loss for the year		
Current tax for the year	114	1.742
Prior year tax adjustments	-563	-94
	<u>-449</u>	<u>1.648</u>
4 Appropriation of profit/loss		
Distribution of Dividends	0	0
Retained Earnings	11.276	18.279
	<u>11.276</u>	<u>18.279</u>

Notes to the Financial Statements

	2022	2021
	USD ('000)	USD ('000)
5 Investments in subsidiaries		
Cost at 1 January	229,109	158,162
Addition	1,204	36,557
Transfers	0	34,390
Cost at 31 December	230,313	229,109
Value adjustment at 1 January	-6,500	0
Impairment	-3,200	-6,500
Transfers	0	0
Value adjustment at 31 December	-9,700	-6,500
Carrying amount at 31 December	220,613	222,609
5 Investments in associated companies		
Cost at 1 January	0	34,390
Addition	0	0
Transfers	0	-34,390
Cost at 31 December	0	0
Value adjustment at 1 January	0	0
Impairment	0	0
Transfers	0	0
Value adjustment at 31 December	0	0
Carrying amount at 31 December	0	0

Name	Country of incorporation	Owner-ship	Profit for the period (2022)		Equity
			USD ('000)	USD ('000)	USD ('000)
SVITZER Netherlands B.V.	The Netherlands	100%	2,833	5,447	5,447
SVITZER Faroe Islands P/F	Faroe Islands	100%	5,707	41,140	41,140
SVITZER Sverige AB	Sweden	100%	816	6,566	6,566
EM.Z. SVITZER A/S	Denmark	100%	11,438	99,878	99,878
Port Towage Amsterdam B.V.	The Netherlands	100%	1,797	2,442	2,442
Svitzer Contracting Pty Limited	Australia	100%	N/A	N/A	N/A

Only subsidiaries of direct ownership have been disclosed. All subsidiaries are consolidated in the A.P. Moller-Maersk Group's annual report for 2022.

Profit/loss for the period and equity are disclosed as per latest official statements in accordance with the requirements in the Danish Financial Statement Act. Not Available ('N/A') indicates that no official statements are required to be prepared.

Notes to the Financial Statements

6 Share capital

The share capital consists of 500 shares of a nominal value of DKK 1,000. No shares carry any special rights. The fully issued and paid in share capital, DKK 500 thousand, has been translated to USD 71 thousand using the registration date exchange rate of DKK 708.06 to 1 USD (as per 13 April 2015).

There have been no changes in the share capital since inception.

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Svitzer A/S is jointly taxed with the Danish companies in the A.P. Møller - Mærsk Group and A.P. Møller Holding A/S. The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income.

8 Related parties and ownership

Controlling interest

Svitzer A/S has the controlling influence through 100% ownership.

Other related parties

All companies in the A.P. Møller - Mærsk Group as well as A.P. Møller Holding A/S are considered as related parties.

Consolidated financial statements

The financial statements of the company are included in both the consolidated financial statements of A.P. Møller – Mærsk A/S and A.P. Møller Holding A/S, which are available at the companies' registered office address, Esplanaden 50, DK-1263 Copenhagen K. Further, the consolidated financial statements of A.P. Møller – Mærsk A/S can be downloaded from the website www.maersk.com.

Notes to the Financial Statements

9 Accounting policies

Basis of preparation

The financial statements of Svitzer Salvage Holding A/S for 2022 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C (Medium).

In accordance with the Danish Financial Statements Act section 112, the Company does not prepare consolidated financial statements as the Company and its subsidiaries are part of the consolidated financial statements prepared for A.P. Møller – Mærsk, incorporated in Denmark under registration no. 22756214, and available at the companies' registered office address, Esplanaden 50, DK-1263 Copenhagen K. Further, the consolidated financial statements of A.P. Møller – Mærsk A/S can be downloaded from the website www.maersk.com.

Also, in accordance with section 86, par. 4 of the Danish Financial Statements Act, the Company does not prepare a cash flow statement, as the Company and its subsidiaries are included in the consolidated cash flow statements of A.P. Møller – Mærsk Group.

With reference to section 966(3) of the Danish Financial Statements Act and to note for fees to the statutory auditors included in the consolidated financial statements of A.P. Møller – Mærsk A/S, the Company has decided not to disclose the fees to statutory auditors.

There has not been made any changes to the accounting policies applied.

Financial Statements for 2022 are presented in USD. Exchange rate applied 31 December 2022 is 6.97 (31 December 2021: 6.56).

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

Accounting policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

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

Income Statement

Gross loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the annual report.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments and adjustments of investments.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the Danish entities within the A.P. Møller - Maersk Group as well as A. P. Møller Holding A/S. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost or a lower value in use. Dividends from subsidiaries are recognised as income at the time of declaration. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Investments in associated companies

Investments in associated companies are measured at cost or a lower value in use. Dividends from subsidiaries are recognised as income at the time of declaration. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Notes to the Financial Statements

Accounting policies (continued)

Receivables

Receivables and receivables from group enterprises are measured in the balance sheet at the lower of amortised cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to become current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payment and repayment under the on-account taxation scheme are recognized in the income statement in financial income and expenses.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Company Details

The Company:	Svitzer Salvage Holding A/S c/o Svitzer A/S Esplanaden 50 DK-1263 Copenhagen K Telephone: +45 39 19 39 19 CVR No: 36 71 92 06
Registered office:	Copenhagen
Financial year:	1 January – 31 December
Main activity:	Investment in subsidiaries within Harbour and Terminal towage industry
Board of Directors:	Kasper Friis Nilaus, Chairman Knud Winkler Jacob Sune Ulrik
Management:	Knud Winkler
Auditors:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup