

## Maersk Decom A/S

Lyngby Hovedgade 85  
2800 Kgs. Lyngby  
CVR No. 39644053

### Annual report 2020

The Annual General Meeting adopted the  
annual report on 29.04.2021



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**Benjamin-Hugh Sutherland Critchley**  
Chairman of the General Meeting



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# Company details

## Company

Maersk Decom A/S  
Lyngby Hovedgade 85  
2800 Kgs. Lyngby

CVR No.: 39644053  
Date of foundation: 14.06.2018  
Registered office: Lyngby-Taarbæk  
Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Jørn Peter Madsen, Chairman  
Steen Strøm Karstensen  
Carsten Gram Haagensen  
Morten Kelstrup

## Executive Board

Lars Banke

## Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup  
CVR No.: 33771231



# Management's Statement

The Board of Directors and the Executive Board have today considered and approved the annual report of Maersk Decom A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 29.04.2021

## Executive Board

Lars Banke

## Board of Directors

Jørn Peter Madsen, Chairman

Steen Strøm Karstensen

Carsten Gram Haagensen

Morten Kelstrup

# Independent auditor's report

## To the shareholders of Maersk Decom 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 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Decom A/S for the financial year 1 January - 31 December 2020, which comprise the 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 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 of 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 of 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, for disclosing, as applicable, matters related to going concern, and for 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 content of the financial statements, including the disclosures in the notes, 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, 29.04.2021

**PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab**

CVR No. 33771231

**Martin Lunden**

State Authorised Public Accountant

Identification No (MNE) mne32209



# Management's Review

## Primary activities

Maersk Decom is a stand-alone Joint Venture, owned by Maersk Supply Service A/S and Maersk Drilling A/S, providing bundled full-scope decommissioning solutions for the offshore oil & gas industry.

## Development in activities and finances

The Income Statement of the Company for 2020 shows a loss of USD 3.8 million and at 31 December 2020 the balance sheet of the Company shows an equity of USD 3.5 million. The reason for the loss in 2020 is because the Company is still in development phase and therefore has a substantial amount of start-up costs.

## Covid-19 pandemic

The impact of COVID-19 global pandemic has been evolving since late 2019 with significant impact on the global economy.

Management has considered the consequences of COVID-19 given the information available at 31 December 2020 and determined that they do not create a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern over the next 12 months. A declining demand for services associated with oil and gas field decommissioning due to general economical uncertainty, is offset by increased number of un-economic fields ceasing production to oil price volatility.

## Capital Resources

On 18 December 2020, Maersk Decom A/S's budget for 2021 was approved at a meeting of its board of directors, who represent Maersk Decom A/S's owners, Maersk Drilling A/S and Maersk Supply Service A/S. The approved budget for 2021 provides for financial support from Maersk Decom A/S's owners for the period until the date of publishing the annual report for 2021, that will ensure Maersk Decom A/S is able to settle its obligation as they fall due.

## Events after the balance sheet date

No significant events materially affecting the assessment of the annual report have occurred after the balance sheet date.



# Income statement for 2020

	Notes	2020 USD'000	2019 USD'000
<b>Gross profit/loss</b>		<b>(4,453)</b>	<b>(5,196)</b>
Other financial income	2	152	69
Other financial expenses	3	(9)	(40)
<b>Profit/loss before tax</b>		<b>(4,310)</b>	<b>(5,167)</b>
Tax on profit/loss for the year	4	492	876
<b>Profit/loss for the year</b>		<b>(3,818)</b>	<b>(4,291)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(3,818)	(4,291)
<b>Proposed distribution of profit and loss</b>		<b>(3,818)</b>	<b>(4,291)</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 USD'000	2019 USD'000
Investments in group enterprises		59	0
<b>Financial assets</b>	5	<b>59</b>	<b>0</b>
<b>Fixed assets</b>		<b>59</b>	<b>0</b>
Receivables from group enterprises		317	0
Other receivables		638	379
Income tax receivable		670	886
<b>Receivables</b>		<b>1,625</b>	<b>1,265</b>
<b>Cash</b>		<b>3,128</b>	<b>5,437</b>
<b>Current assets</b>		<b>4,753</b>	<b>6,702</b>
<b>Assets</b>		<b>4,812</b>	<b>6,702</b>

**Equity and liabilities**

	Notes	2020 USD'000	2019 USD'000
Contributed capital		77	77
Retained earnings		3,494	5,312
<b>Equity</b>		<b>3,571</b>	<b>5,389</b>
Trade payables		172	66
Payables to group enterprises		451	652
Other payables		618	595
<b>Current liabilities</b>		<b>1,241</b>	<b>1,313</b>
<b>Liabilities</b>		<b>1,241</b>	<b>1,313</b>
<b>Equity and liabilities</b>		<b>4,812</b>	<b>6,702</b>

Capital Resources	1
Contingent liabilities	6
Related parties with controlling interest	7

# Statement of changes in equity for 2020

	<b>Contributed capital USD'000</b>	<b>Retained earnings USD'000</b>	<b>Total USD'000</b>
Equity beginning of year	77	5,312	5,389
Tax free contribution from shareholder	0	2,000	2,000
Profit/loss for the year	0	(3,818)	(3,818)
<b>Equity end of year</b>	<b>77</b>	<b>3,494</b>	<b>3,571</b>

# Notes

## 1 Capital Resources

On 18 December 2020, Maersk Decom A/S's budget for 2021 was approved at a meeting of its board of directors, who represent Maersk Decom A/S's owners, Maersk Drilling A/S and Maersk Supply Service A/S. The approved budget for 2021 provides for financial support from Maersk Decom A/S's owners for the period until the date of publishing the annual report for 2021, that will ensure Maersk Decom A/S is able to settle its obligation as they fall due.

## 2 Other financial income

	2020 USD'000	2019 USD'000
Other interest income	11	56
Exchange rate adjustments	141	13
	<b>152</b>	<b>69</b>

## 3 Other financial expenses

	2020 USD'000	2019 USD'000
Other interest expenses	5	2
Exchange rate adjustments	4	38
	<b>9</b>	<b>40</b>

## 4 Tax on profit/loss for the year

	2020 USD'000	2019 USD'000
Current tax	(670)	(886)
Adjustment concerning previous years	178	10
	<b>(492)</b>	<b>(876)</b>

## 5 Financial assets

	Investments in group enterprises USD'000
Additions	59
<b>Cost end of year</b>	<b>59</b>
<b>Carrying amount end of year</b>	<b>59</b>

## 6 Contingent liabilities

The Company participates in a Danish joint taxation arrangement where A.P. Møller Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint arrangement is evident from the administration company's financial statement.

There are no other security or contingent liabilities at 31 December 2020.

The Company, being the parent company of Maersk Decom Mauritania A/S, have informed that they will support Maersk Decom Mauritania A/S to the extent necessary to finance operating activities and to settle its financial obligations as they fall due until the date of the publishing of the annual report of Maersk Decom Mauritania A/S for 2021.

## 7 Related parties with controlling interest

The Company is a stand-alone joint venture, owned by Maersk Supply Service A/S (50%) and Maersk Drilling A/S (50%). The ultimate controlling parent of the company is A.P. Møller Holding A/S, Esplanaden 50, 1263 Copenhagen K, Denmark, at the end of 2020.

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 significant interest.

Transactions:

During the financial year, related party transactions have been conducted on an arm's length basis.

Consolidated annual accounts:

The Company is included in the consolidated annual accounts of the immediate parent A.P. Møller – Mærsk A/S, Esplanaden 50, 1263 Copenhagen K and the ultimate controlling parent A.P. Møller Holding A/S, Esplanaden 50, 1263 Copenhagen K.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The annual accounts are presented in American Dollars (USD). The exchange rate of USD to DKK was 6.092 at 31 December 2020.

Accounting policies are consistent with those applied in previous years.

## Consolidated Financial Statements

No consolidated Financial Statements have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual report of Maersk Decom 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.

## Recognition and measurement

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.

## 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.

## Income statement

### Gross profit or loss

With reference to section 32 of the Danish Financial Statement Act, gross profit/loss is calculated as a summary of revenue, cost of sales and other external expenses.

**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.

**Other external expenses**

Other external expenses comprise costs of administration etc.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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

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 group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

**Balance sheet****Investments in group enterprises**

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

**Receivables**

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

**Income tax payable or receivable**

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.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other financial liabilities**

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



# Verification

Transaction 09222115557446020556

## Document

### Maersk Decom - Annual Report 2020

Main document

16 pages

Initiated on 2021-04-29 12:18:38 CEST (+0200) by Maersk Decom (MD)

Finalised on 2021-05-04 16:01:40 CEST (+0200)

## Initiator

### Maersk Decom (MD)

Maersk Decom A/S

Company reg. no. 39644053

stine.krarup@maerskdecom.com

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## Signing parties

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Maersk Decom A/S

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The name returned by Danish NemID was "Lars Banke"  
Signed 2021-04-29 12:23:50 CEST (+0200)

### Jørn Peter Madsen (JPM)

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**NEM ID**

The name returned by Danish NemID was "Jørn Peter Madsen"  
Signed 2021-04-29 13:22:40 CEST (+0200)

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The name returned by Danish NemID was "Steen Strøm Karstensen"  
Signed 2021-04-29 13:30:45 CEST (+0200)

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**NEM ID**

The name returned by Danish NemID was "Carsten Gram Haagensen"  
Signed 2021-04-29 13:57:50 CEST (+0200)

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### Martin Lunden (ML)

PricewaterhouseCoopers Statsautoriseret

Revisionspartnerselskab

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# Verification

Transaction 09222115557446020556

*The name returned by Danish NemID was "Morten  
Kelstrup"  
Signed 2021-05-04 12:32:21 CEST (+0200)*

## NEM ID

*The name returned by Danish NemID was "Martin  
Lunden"  
Signed 2021-05-04 16:01:40 CEST (+0200)*

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