



2023 Annual Report

The report was presented and approved at the Annual General Meeting



Anette Ryde, Chairman of the meeting
Copenhagen 25 March 2024

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CONTENTS

Management review.....	3
Management review.....	4
Energy value chain.....	6
Key figures and financial ratios.....	7
Sustainability.....	9
Financial statements.....	12
Reports.....	46
Statement of the Board of Directors and the Executive Management.....	47
Independent auditor's report.....	48
Additional information.....	50
Board of Directors.....	51
Executive Management.....	53

MANAGEMENT REVIEW

MANAGEMENT REVIEW

Maersk Product Tankers is a significant player in the product tanker industry, owning 44 vessels which carry refined energy products worldwide for customers. The company is owned by A.P. Møller Holding A/S and Mitsui & Co., Ltd. and is headquartered in Copenhagen, Denmark.

The company's fleet strategy has vessel safety, reliability and efficiency at its core to service customers and optimise value for owners.

Maersk Tankers is responsible for the commercial and corporate management of the Maersk Product Tankers fleet, while Synergy Group is responsible for the fleet's technical management. The three parties work together to ensure that the vessels are deployed and operated optimally to boost environmental and economic performance.

FINANCIAL HIGHLIGHTS

Maersk Product Tankers delivered strong results in 2023 with revenue of USD 639.9 million (USD 708.3 million), a result before tax of USD 250.4 million (USD 266.5 million) and a positive free cash flow of USD 351.9 million (USD 440.0 million). The results were positively impacted by high spot market rates and have been supported by gains from the sale of vessels.

MARKET

2023 was an exceptional year for product tankers. Average earnings in 2023 exceeded 2022's already historic levels and asset prices continued to climb. The start of 2023 was marked by the Russian oil sanctions deadlines that added to ton-mile demand – re-routing Russian crude to China and India and clean products to South America. The lift in ton-miles was significant and finally enough to get tanker demand to hold meaningfully above pre-COVID levels. The outsized earnings in 2023, much like in 2022, were primarily caused by strong arbs (regional oil price differentials) caused by massive disruptions to an oil market with limited slack (inventory cushion). Earnings moved down during the year with growing US oil production taking pressure off the need for wide arbs to redistribute the marginal barrel. The end of 2023 was marked by added disruptions – first, the Panama Canal restrictions, and, subsequently, conflicts in the Red Sea. These disruptions provide additional support to tanker earnings.

ACTIVITIES DURING THE YEAR

In a market with continued high activity in the sale and purchase of vessels caused by increased tanker demand and surging asset prices, we sold seven vessels of older tonnage at attractive prices. We delivered six vessels during the year and expect to deliver the last vessel in early 2024. By year end, the fleet totalled 44 vessels compared to 50 vessels in 2022.

ENERGY EFFICIENCIES

Together with Maersk Tankers' green tech business Njord, we continued to invest in energy-saving technologies to boost the environmental and economic performance of our fleet.

Over the last few years, Maersk Product Tankers has applied 20 different technologies and 300 installations across the fleet to make it more efficient. In 2023 alone, we applied 5 different technologies and conducted close to 40 different installations. All technologies are focused on fuel savings which will translate to lower CO2

emissions, contributing to environmental sustainability. While exact savings depend on factors like route, weather and operating conditions, the combined effect of all technologies are expected to achieve fuel consumption reductions of up to 10%.

VLACS

In December 2023, MPT entered into a contract for 4 VLACs to be built at Hyundai Samho Heavy Industries in Korea to be delivered from late 2026.

SAFETY

It has been saddening to see how geopolitical events – most recently the conflicts in the Red Sea – put seafarers and vessels in danger. The safety of our people, cargo and assets is our utmost priority. To protect their safety, we are monitoring the geopolitical situation closely, and take cautionary measures when and where needed.

OUTLOOK

In 2024, geopolitical events will remain a key driver for the market and visibility is limited. We expect markets to remain above average but subject to considerable volatility that could impact market levels in either direction. The underlying fundamental picture continues to improve with demand growth for tankers outpacing supply growth, supporting a longer-term positive outlook for product tankers. We expect the EBIT for Maersk Product Tankers in 2024 to be between USD 150m and USD 250m.

RISKS

Freight Rates

Maersk Product Tankers is exposed to fluctuations in global freight rates, bunker prices and vessel prices. Vessels are largely exposed in the spot market, but coverage is applied selectively if deemed attractive. Currently, 11% of vessel days in 2024 have been covered through time-charters.

Currency and Interest rates

Maersk Product Tankers' income is mainly in USD, whereas spending is spread across several currencies, including USD. It is Maersk Product Tankers' policy to hedge at least 50% of the currency effect of non-USD denominated operating costs for the next 12 months and hedge at least 80% of the currency effects of committed financial and investment cash flows. As of 31 December 2023, Maersk Product Tankers had 55% (55% in 2022) of the exchange rate risk of its full year 2024 spend hedged through the use of FX hedges.

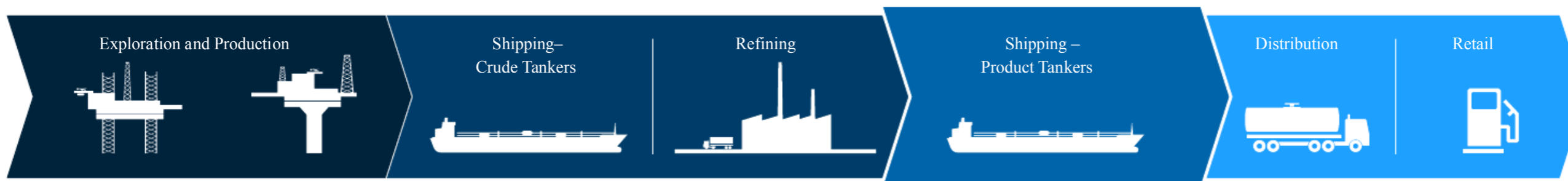
Maersk Product Tankers' primary financing currency is USD. On June 30, 2023, LIBOR ceased to exist, and the company's LIBOR-based financings were transitioned to SOFR. As SOFR is a floating interest rate (as is LIBOR), the company is exposed to changes in interest rates. It is Maersk Product Tankers' policy to have at least 50% of its total debt on a fixed interest rate-equivalent basis, either through outright fixed-rate financing or by hedging floating-rate financing. As of 31 December 2023, 58% (85%) of Maersk Product Tankers' total debt was, by nature or through the use of swaps, fixed rate. The change of the fixed rate ratio from 85% in 2022 to 58% is due to the refinancing of a term loan where the related interest rate swap was terminated.

Counterparties

Maersk Product Tankers has exposure to financial and commercial counterparties through pools where ships are operated. The pools themselves provide diversification, but also manages those exposures through the use of credit risk frameworks. To manage credit risks, a limit structure and vetting process has been put in place for all counterparties to avoid concentrations of credit exposure on particular counterparties or risk tranches.

ENERGY VALUE CHAIN

Of the world’s seaborne transportation, 8% is carried out by product tanker vessels (Clarksons). Companies operating in the industry carry energy products from refineries to distribution points determined by customers who are mainly energy majors and trading houses.



VESSEL SEGMENTS IN MAERSK PRODUCT TANKERS’ FLEET (2023)



INTERMEDIATE
15-20,000 dwt

Trading area: Northwest
Europe, Asia
Products: Clean, dirty



HANDY
25-42,000 dwt

Trading area: Global
Products: Clean, dirty, chemicals, vegetable oils



MR
45-55,000 dwt

Trading area: Global
Products: Clean, dirty, vegetable oils

PRODUCTS

Clean Petroleum Products (CPP) , e.g. gasoline, diesel, naphtha and jet fuel, mainly used in transportation, industrial and chemical industries

Dirty Petroleum Products (DPP) , e.g. fuel oil and crude oil, mainly used for refining or industrial purpose, incl. transportation

Vegetable and other edible oils , e.g. sunflower oil, mainly used in the food industry



KEY FIGURES AND FINANCIAL RATIOS

Amounts in USD million

Income statement	2023	2022	2021	2020	2019
Revenue	639.9	708.3	433.0	663.6	727.7
Profit before depreciation and impairment losses (EBITDA)	308.1	324.4	69.5	210.8	202.9
Depreciation and amortisation	-74.0	-88.7	-100.1	-105.2	-114.0
Impairment reversals and losses	6.7	20.9	10.1	80.4	36.4
Gain/loss on sale of non-current assets, etc., net	32.1	40.4	11.6	11.8	6.7
Profit/loss before financial items (EBIT)	272.9	297.0	-8.9	197.8	132.0
Financial items, net	-22.5	-30.5	-49.7	-39.0	-40.7
Profit/loss before tax	250.4	266.5	-58.6	158.8	91.3
Tax	10.9	1.9	12.5	1.9	1.0
Profit/loss for the year	261.3	268.4	-46.1	160.7	92.3

Balance sheet

Total assets	987.8	996.9	1,148.8	1,486.9	1,527.5
Total equity	441.2	484.2	353.4	626.5	543.1
Net investments in property, plant and equipment	-60.5	-96.6	-266.5	-204.1	-253.9

Cash flow statement

Cash flow from operating activities	316.7	245.0	29.1	192.4	158.3
Cash flow used for investing activities	35.2	195.0	277.4	-9.2	-169.4
Free cash flow	351.9	440.0	306.5	183.2	-11.1

Financial ratios

Profit margin	48.2%	45.8%	16.0%	31.8%	27.9%
Equity ratio	44.7%	48.6%	30.8%	42.1%	35.6%
Return on equity	56.5%	64.1%	-9.4%	27.5%	18.3%

Please see definitions in Note 18 of the consolidated financial statements.



SUSTAINABILITY

The shipping industry plays a critical role in providing the world with a reliable supply of energy. It is an efficient and dependable mode of transportation that enables people and economies to thrive.

The industry, by its very nature, is global with multiple stakeholders in its supply chain. Its impact on people and the planet comes with a responsibility to consider and promote the integration of economic, social and environmental activities into core business practices.

Maersk Product Tankers' business model is focused on the ownership of tanker vessels and the safe, reliable transportation of energy products globally through the partnership with Maersk Tankers as commercial and corporate manager and Synergy Group as technical manager.

As values-led companies, Maersk Tankers and Maersk Product Tankers are committed to the United Nations Global Compact (UNGC) principles on human rights, labour, anti-corruption, and the environment. The health and safety of employees, as well as the safety of vessels and cargoes, continue to be of the highest priority. Both Maersk Tankers and Synergy Group are members of various partnerships that are actively seeking to ensure safe and sustainable shipping. This includes being a committed United Nations Global Compact signatory and member of Getting to Zero Coalition, the Maritime Anti-Corruption Network, and the Singapore Shipping Association.

Maersk Product Tankers depends and relies on the policies, actions and results of Maersk Tankers and Synergy Group. However, this does not diminish the importance of sustainability to Maersk Product Tankers. The various sustainability areas – climate, social and employee responsibility, human rights and anti-corruption – are in

the following addressed with references to policies, ongoing work and results within both Maersk Product Tankers and the partner organisations.

CLIMATE

Addressing climate change remains a priority for Maersk Product Tankers. As a significant player in global trade and a contributor to worldwide CO₂ emissions, the shipping industry faces a continuous challenge to decarbonise and evolve sustainably.

This year, we have maintained our robust commitment to reducing emissions and enhancing operational efficiency. In 2023, Maersk Product Tankers' fleet emissions have shown a notable decrease, now 31% lower than in 2008 (29.8 % in 2022), as measured on the Energy Efficiency Operational Indicator (EEOI). The EEOI is an industry-wide measure of CO₂ emissions per unit of cargo, expressed as g/tonne-mile.

This result was achieved by trading the vessels as part of Maersk Tankers' large-scale set-up, a change in the fleet composition due to the sale of older vessels, and by investing further in the fuel efficiency of our vessels.

In our pursuit to cut emissions, we ensure our vessels maintain their fuel efficiency and optimise performance. As part of this, a total of 13 vessels dry docked in 2023. Based on the vessels' voyage profile, premium hull coatings were applied to further enhance hull performance and improve fuel efficiency.

The collaboration between Maersk Product Tankers and its partners, including Njord, has been instrumental in driving fuel efficiency performance and sharing technical expertise. Together, we have

applied 20 different technologies and 300 installations across the fleet, significantly enhancing efficiency.

Additionally, our use of the ZeroNorth digital platform across our entire fleet has been crucial in ensuring vessels sail at optimal speeds, further cutting fuel consumption.

Through Maersk Tankers, we are also committed to transparency in reporting our vessels' emissions, adhering to the Sea Cargo Charter's guidelines. This transparency is vital for demonstrating our progress and commitment to stakeholders.

SAFETY

Protecting the safety and welfare of our seafarers remains our top priority. In 2023, three cases of personal injury were recorded on board MPT vessels, compared to four cases recorded in the previous year 2022. In 2023 we had a Total Recorded Case Frequency (TRCF) of 0.37 and a Lost Time Incident Frequency (LTIF) of 0.25.

Two significant events in 2023 were a Lost Time Incident (LTI) due to a severe head injury of a crew member while working onboard; and the tragic occurrence of a missing crew member at sea. In both cases Maersk Product Tankers, along with our technical managers have provided full support to the family members of the crew members, in accordance with the company Core Values. Lessons learnt from safety incidents are thoroughly analysed and shared within the Maersk Product Tankers fleet.

There were no overboard spills during the year and we have been working closely with our Technical Managers, to strengthen our zero-harm commitment to the environment.



The marine industry is evolving and to keep up with the changing risk profile of the tanker industry, an updated SIRE programme (SIRE 2.0) is expected to be launched later in 2024. One of the main areas how SIRE 2.0 will incorporate human factors is how physical, psychological and social factors affect human interaction with equipment, processes, and other people. Our technical managers have been focusing on training personnel onboard and ashore in preparing for SIRE 2.0 inspections.

We retain our steadfast commitment to safety, and we keep our ambition of running zero-incident operations.

RESPONSIBLE BUSINESS

Conducting business in a responsible manner is imperative for Maersk Product Tankers. We remain steadfast in our commitment to eliminating corruption and ensuring compliance to sanctions, and laws and regulations, as well as safeguarding human rights.

To ensure the fleet is trading in compliance with sanctions, we are working with Maersk Tankers' sanctions team of legal experts. They are monitoring geopolitical developments, so we can respond quickly when sanctions are introduced or changed. The industry has seen 12 new sanctions packages introduced by the EU (the latest in January 2024) in the wake of Russia's invasion of Ukraine. To ensure compliance in our operations, the team is following procedures and using screening tools. In 2023, as a result of the work, the fleet traded in compliance with these complex sanctions landscape.

We are taking measures to eliminate corruption, which undermines social and economic development in society and destabilises business. We take a zero-tolerance stand on corruption of any kind. Maersk Tankers is a member of the Maritime Anti-Corruption Network (MACN); the company works with anti-corruption organisations; its code of conduct for third parties references its stance and expectations on anti-corruption and bribery; and its employees undertake mandatory anti-corruption training. Synergy

Group has continued to ensure robust enforcement of its strict anti-corruption policy, including zero-tolerance to facilitation payments.

As a company that operates globally, we have a large network of suppliers. We work with our strategic partners to ensure suppliers conduct business responsibly in accordance with international and own company standards. Maersk Tankers has, for example, in its Third-Party Code of Conduct set out minimum requirements for the Maersk Tankers business and all direct counterparties, including but not limited to customers, partners, suppliers, and all parties acting on behalf of Maersk Tankers in connection with vessels managed by Maersk Tankers. Maersk Tankers require that all counterparties operate in accordance with responsible business principles detailed in the Code of Conduct and in full compliance with all applicable laws and regulations. The Code of Conduct deals with business ethics, health and safety, environment, working conditions and employment practices, including human rights, and diversity, equity and inclusion.

Maersk Tankers progressed the work in 2023. Contracts with strategic suppliers include a reference to the Third Party Code of Conduct or to the suppliers' own equivalent if this is, as a minimum, on a par with the company's standards. Together with Maersk Tankers and Synergy Group, we will continue the work to make our supply chain more sustainable, which includes asking suppliers to meet social and environmental requirements and ensuring procurement contracts reflect environmental concerns.

Maersk Product Tankers has nominated Synergy Denmark (part of Synergy Group) as the ISM (International Safety Management) manager for MPT fleet. In line with their responsibility to fulfil the safety management requirements of the ISM code, they also pay attention to the areas of risks and responsibility in ensuring human rights of seafarers as part of everyday business. Risks identified are addressed by ensuring compliance with the Maritime Labour Convention and standards included in their policies related code of conduct and contractual obligations.

We have an unwavering commitment to sustainability and in close collaboration with our partner organisations we will continue to work to create a positive impact for society and the planet.

You can read about Maersk Tankers' sustainability work at: <https://maersktankers.com/strategy/sustainability>

DIVERSITY, EQUITY AND INCLUSION

We are committed to diversity, equity, and inclusion and believe in the value it brings as a catalyst for innovation which the shipping industry needs in finding new solutions to complex challenges such as climate change.

The dedicated work of Maersk Tankers, our commercial and corporate manager as well as strategic partner, in this area over the years is and has been important to us.

In accordance with the guidelines from the Danish Business Authority, there is equal representation in the Board of Directors and other management levels of Maersk Product Tankers.

Management Level	Number of members	Share of under-represented gender
Board of directors	4 (share of underrepresented gender is 1 out of 4)	25%
Other management levels	3 (share of underrepresented gender is 1 out of 3)	33%



DATA ETHICS

Most of Maersk Product Tankers' data is being stored by Maersk Tankers, and we rely on the company's data ethics to safeguard our business.

Data ethics is an area that has been developed in Maersk Tankers through introducing processes, raising awareness and training throughout the organisation. One example is the IT awareness programme rolled out to the company's all employees.

Data ethics principles aim to ensure that data is handled in a correct and responsible way. Maersk Tankers continually monitors and updates its data ethics policy and guidelines to protect individuals' privacy, and to safeguard the company from legal, business, and reputational risk.



FINANCIAL STATEMENTS

Consolidated financial statements | Parent company financial statements | Management's statement
| Independent auditor's report



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement | Consolidated statement of comprehensive income
| Consolidated balance sheet at 31 December | Consolidated cash flow statement
| Consolidated statement of changes in equity | Notes to the consolidated financial statements



FINANCIAL STATEMENTS
CONTENTS

Consolidated financial statements.....	13
Consolidated income statement for 1 January to 31 December	14
Consolidated statement of comprehensive income	14
Consolidated balance sheet at 31 December	15
Consolidated cash flow statement	16
Consolidated statement of changes in equity	16

Notes to consolidated financial statements.....	17
Note 1: Operating costs	18
Note 2: Gain on sale of non-current assets, etc., net.....	18
Note 3: Financial income and expenses	18
Note 4: Tax	19
Note 5: Property, plant and equipment incl. impairment	19
Note 6: Leases	20
Note 7: Assets held for sale and assets sold during the year	21
Note 8: Borrowings	21
Note 9: Net debt.....	22
Note 10: Provisions.....	23
Note 11: Financial instruments by category	23
Note 12: Financial risks, etc.	24
Note 13: Commitments	26
Note 14: Cash flow specifications	26
Note 15: Derivatives	27
Note 16: Related parties	28
Note 17: Contract balances.....	28
Note 18: Significant accounting policies	28
Note 19: Significant accounting estimates and judgements.....	30
Note 20: Contingent assets, liabilities and pledges.....	33
Note 21: Events after the balance sheet date.....	33
Note 22: Company overview	33



CONSOLIDATED INCOME STATEMENT FOR 1 JANUARY TO 31 DECEMBER

Note	Amounts in USD thousands	2023	2022
	Revenue	639,880	708,289
1	Operating costs	- 332,989	-385,594
	Other income	2,424	5,135
	Other costs	- 1,207	-3,418
	Profit before depreciation and impairment losses (EBITDA)	308,108	324,412
2	Gain on sale of non-current assets, etc., net	32,140	40,440
5,6	Depreciation, impairment losses and impairment reversals, net	- 67,317	-67,807
	Profit before financial items (EBIT)	272,931	297,045
3	Financial income	9,471	3,198
3	Financial expenses	- 31,988	-33,779
	Profit before tax	250,414	266,464
4	Tax	10,894	1,936
	Profit for the year	261,308	268,400

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	Amounts in USD thousands	2023	2022
	Profit for the year	261,308	268,400
	Cash flow hedges		
	Value adjustment of hedges for the year	-496	8,938
	Reclassified to income statement:		
	- vessel operating costs	-247	310
	- financial expenses	-3,519	3,129
	Tax on other comprehensive income	0	0
	Total items that have been or may be reclassified subsequently	-4,262	12,377
	Other comprehensive income, net of tax	-4,262	12,377
	Total comprehensive income for the year	257,046	280,777



CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

Note	Amounts in USD thousands	2023	2022
5	Property, plant and equipment	649,297	697,269
6	Right-of-use asset	610	0
15	Derivatives	568	2,623
	Total non-current assets	650,475	699,892
	Inventories	17,905	17,598
	Trade receivables	86,347	99,152
	Tax receivables	12,004	2,378
9	Loan receivables	988	1,334
	Other receivables	26,297	54,993
	Prepayments	5,386	5,338
	Other current assets	131,022	163,195
	Cash and cash equivalents	182,943	116,233
7	Assets held for sale	5,478	0
	Total current assets	337,348	297,026
	Total assets	987,823	996,918

Note	Amounts in USD thousands	2023	2022
	Share capital	1,590	1,590
	Retained earnings	439,511	303,203
	Reserves for hedging	143	4,405
	Dividend proposed for the year	0	175,000
	Total equity	441,244	484,198
8	Borrowings, non-current	381,246	380,706
	Total non-current liabilities	381,246	380,706
8	Borrowings, current	49,781	34,748
10	Provisions	783	1,243
	Trade payables	69,084	36,378
	Tax payables	1,505	1,149
	Other payables	33,511	48,702
15	Derivatives	3,218	2,805
	Deferred income	7,451	6,989
	Other current liabilities	115,552	97,266
	Total current liabilities	165,333	132,014
	Total liabilities	546,579	512,720
	Total equity and liabilities	987,823	996,918

CONSOLIDATED CASH FLOW STATEMENT

Note	Amounts in USD thousands	2023	2022
	Profit before financial items (EBIT)	272,931	297,045
	Depreciation, impairment	67,317	67,807
2	Gain on sale of non-current assets	-32,140	-40,440
	Profit before depreciation and impairment losses (EBITDA)	308,108	324,412
14	Change in working capital	31,691	-52,640
	Change in provisions	-460	-845
	Other non-cash items	302	856
	Cash generated from operations before financial items and tax	339,641	271,783
	Interest received	3,962	1,951
	Interest paid	-28,564	-35,918
	Tax received	1,624	7,172
	Net cash from operating activities	316,663	244,988
14	Purchase of vessels	-60,546	-96,633
	Change in deposits and trade payables for purchase of vessels	25,600	-39,932
	Proceeds from disposal	67,977	280,124
	Change in loan receivables	2,166	51,490
	Net cash from investing activities	35,197	195,049
	Dividend distributed	-300,000	-150,000
	Proceeds from new borrowings	180,000	113,000
	Repayment of borrowings	-165,150	-371,530
	Net cash from financing activities	-285,150	-408,530
	Net cash flow for the year	66,710	31,507
	Liquid funds at beginning of period	116,233	84,726
	Exchange gain on Liquid funds	0	0
	Liquid funds at end of period	182,943	116,233

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in USD thousands	Share capital	Reserve for hedges	Retained Earnings	Dividend Proposed	Total equity
Equity 1 January 2022	1,590	-7,972	359,803	0	353,421
Profit for the year	0	0	93,400	175,000	268,400
Other comprehensive income, net of tax	0	12,377	0	0	12,377
Total comprehensive income for the year	0	12,377	93,400	175,000	280,777
Extraordinary dividends to shareholders	0	0	-150,000	0	-150,000
Total transactions with shareholders	0	0	-150,000	0	-150,000
Equity 31 December 2022	1,590	4,405	303,203	175,000	484,198
2023					
Profit for the year	0	0	261,308	0	261,308
Other comprehensive income, net of tax	0	-4,262	0	0	-4,262
Total comprehensive income for the year	0	-4,262	261,308	0	257,046
Dividends paid to shareholders	0	0	0	-175,000	-175,000
Extraordinary dividends to shareholders	0	0	-125,000	0	-125,000
Total transactions with shareholders	0	0	-125,000	-175,000	-300,000
Equity 31 December 2023	1,590	143	439,511	0	441,244

The share capital consists of 10 million shares with a nominal value of DKK 1 per share. The shares are divided into two share classes; A (nominal value DKK 2.5m) and B (nominal value DKK 7.5m) with A shares carrying three votes and B shares carrying one vote in voting power.



NOTES TO CONSOLIDATED FINANCIAL STATEMENT



Note 1: Operating costs

Amounts in USD thousands	2023	2022
Bunker costs	332,989	385,594
Voyage costs		
Vessel operating costs		
Port costs		
Staff costs		
Management fees		
Rent and lease costs		
Other operating costs		
Total operating costs	332,989	385,594
Remuneration of employees		
Wages and salaries	5,164	4,331
Other Benefits		
Social Security Contributions		
Total remuneration	5,164	4,331
Average number of employees*	2.1	2.5

*The remuneration of the employees are recharged to Maersk Tankers A/S and corporate management fees are paid in return.

The remuneration of Executive Management of USD 1.5m (USD 2.6m) in salaries and any incentive plans are included in the management fees paid to Maersk Tankers A/S.

The Board of Directors have received fees of USD 0 (USD 0m).

Fees to PricewaterhouseCoopers

Amounts in USD thousands	2023	2022
Statutory audit	160	158
Other assurance engagements		
Tax advisory services		
Other Services		
Total fees	160	158

Note 2: Gain on sale of non-current assets, etc., net

Amounts in USD thousands	2023	2022
Gain on sale of vessels		
Gain on termination of leases		
Gain on sale of non-current assets, etc., net	32,140	40,440

Note 3: Financial income and expenses

Amounts in USD thousands	2023	2022
Interest expenses on liabilities	-22,612	-29,360
Of which borrowing costs capitalised on assets		
Interest income on loans and receivables		
Fair value adjustment transferred from equity hedge reserve gain/(loss)		
Net interest expenses	-22,612	-29,360
Net foreign exchange gains/losses	95	-1,221
Financial expenses, net	-22,517	-30,581
Financial income		
Financial expenses		

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 5.50%.

The fair value adjustment transferred from equity hedge reserve (loss) of USD -1,221 triggered by the unwinding of interest rate swaps for borrowings terminated by following the hypothetical derivative method.

This gave rise to a USD 1,221k and USD 1,221k respectively in addition to USD 22,612k and USD 29,360k of financial expenses reclassified to income statement.

For an analysis of gains and losses from derivatives, reference is made to note 15.



Notes to the financial statements

	Vessels	Land and buildings	Total
Lease liabilities are recognised in the balance sheet as follows			
2022			
Non-current	0	0	0
Current	0	0	0
2023			
Non-current	0	618	618
Current	0	0	0
Recognised in the profit and loss statement as follows:			
2022			
Interest expense relating to lease liability	0	0	0
2023			
Interest expense relating to lease liability	0	0	0
Recognised in the cash flow statement as follows:			
2022			
Acquisitions of lease liabilities	-5,628	-154	-5,782
Disposals of lease liabilities	0	0	0
Change in fair value of lease liabilities	0	-120	-120
2023			
Acquisitions of lease liabilities	0	0	0
Disposals of lease liabilities	0	0	0
Change in fair value of lease liabilities	0	0	0

Note 7: Assets held for sale and assets sold during the year

During the year 2023, the Group sold seven vessels. This have led to a reversal of impairment of USD 6.7m. As at end of 2023, the Group had one vessel presented as Asset Held for Sale, contributing to the amount of USD 5.5m.

During the year 2022, the Group sold thirteen vessels. This have led to a reversal of impairment of USD 10.1m. All thirteen vessels were delivered to the new owners during the period. Consequently, there were no vessels classified as Asset Held for Sale at the end of 2022.

Note 8: Borrowings

Amounts in USD thousands	Borrowings	Leases	Total
Bank and other credit institutions	415,454	0	415,454
Lease liabilities	0	618	618
Total	415,454	618	416,072
Fair value of derivatives hedge of borrowings, net			
	2,793	0	2,793
Amounts in USD thousands			
Cost	415,454	0	415,454
Acquisitions of leases	0	618	618
Disposal of leases	0	-618	-618
Cashflows	-415,454	-618	-416,072
31 December 2022	415,454	0	415,454
Acquisitions of leases	0	618	618
Cashflows	0	-618	-618
31 December 2023	430,409	618	431,027

Reference is made to Liquidity risk in Note 12 of the consolidated financial statements for covenants related to borrowings.

Note 9: Net Debt

Amounts in USD thousands	2023	2022
Borrowings	247,096	297,887
Loan receivables*	-	-
Cash and cash equivalents	-	-
Net debt	247,096	297,887

*Loan receivables are related to sale of vessels

Note 10: Provisions

Amounts in USD thousands	2023	2022
Provision made	783	1,243
Amount used	-	-
Amount reversed	-	-
31 December	783	1,243
Classified as non-current	-	-
Classified as current	783	1,243

The majority of the provisions are to cover commercial claims and are expected to be settled within one year.

Note 11: Financial Instruments by Category

Amounts in USD thousands	Carrying amount	Fair Value	Carrying amount	Fair Value
Carried at amortized cost				
Loan receivables	988	988	1,334	1,334
Total interest-bearing receivables	988	988	1,334	1,334
Trade receivables	-	-	-	-
Other receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Financial assets at amortized costs	296,575	-	271,712	-
Carried at fair value				
Derivatives	-	-	-	-
Total financial assets	296,575	988	271,712	1,334
Carried at amortized costs				
Borrowings	-	-	-	-
Lease liabilities	-	-	-	-
Trade payables	-	-	-	-
Other payables	-	-	-	-
Financial liabilities at amortized costs	533,621	-	500,534	-
Carried at fair value				
Derivatives	-	-	-	-
Total financial liabilities	533,621	-	500,534	-

Financial instruments measured at fair value

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

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

Fair value of derivatives is within level 2 of the fair value hierarchy and is calculated on the basis of observable market data as of the end of the reporting period.

Note 11: Financial instruments by category continued

Financial instruments carried at amortised cost

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

Note 12: Financial risks, etc.

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

- Market risks, i.e. currency risk and interest rate risk
- Credit risk
- Liquidity risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's profit or the value of its holdings of financial instruments.

Currency risk

The Group's currency risk relates to the fact that while income from shipping activities is denominated mainly in USD, the related expenses are incurred in both USD and a wide range of other currencies such as DKK, EUR and SGD. As the net income is in USD, this is also the primary financing currency.

The main purpose of hedging the Group's currency risk is to mitigate the impact of changes in the USD value of the Group's net cash flow and hence reduce associated volatility in the Group's profit. The Group uses forwards to hedge these risks. The key aspects of the currency hedging policy are as follows:

- Net cash flows in other significant currencies than USD are hedged using a layered model with a 12-month horizon.
- Commercial and financial exposures such as investments, divestments and debt in currencies other than USD are hedged according to the financial policy.

The sensitivity analyses for currency risk have been prepared on the basis that the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place on 31 December 2023. Furthermore, it is assumed that the exchange rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates. The sensitivity analyses show the effect on both pre-tax profit and equity that would result from a reasonably possible change in exchange rates.

An increase in the USD exchange rate of 10% against all other significant currencies to which the Group is exposed is estimated to have an impact of USD 0.3m (USD 0.3m) on the Group's profit and loss and an adverse impact of USD 1.0m (USD 1.4m) on the other comprehensive income.

Interest rate risk

The Group has all its debt denominated in USD.

The Group strives to maintain a combination of fixed and floating interest rates on its net debt, reflecting expectations and risks. The hedging of the interest rate risk is governed by a minimum level of fixed rate debt obtained through the use of interest rate swaps. As of 31 December 2023, 58% (85%) of the Group's total debt was, by nature or through the use of swaps, fixed rate.

The sensitivity analyses for interest rate risk have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt remain unchanged from hedge designations in place on 31 December 2023. Furthermore, it is assumed that the interest rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates. The sensitivity analyses show the effect on both pre-tax profit and equity that would result from a reasonably possible change in interest rates.

An increase in interest rates by one percentage point is estimated to increase profit for the year by USD 0.03m and increase other comprehensive income by USD 0 (2022: increase profit for the year by USD 0.8m and increase other comprehensive income by USD 1.4m). This analysis is based on borrowings and cash at 31 December, and assumes that all other variables remain constant. A one percentage point decrease in interest rates would have a corresponding inverse effect.

Note 15: Derivatives

Hedges consists of currency derivatives and interest rate derivatives. Foreign exchange forwards contracts are used to hedge the currency risk related to recognised and unrecognised transactions.

Interest rate swaps are used to hedge interest rate exposure on borrowings.

Amounts in USD thousands	0000	0000
Non-current receivables	-0000	-00000
Current receivables	0	0
Non-current liabilities	0	0
Current liabilities	00000	00000
00000000000000000000	00000	000

Hedge of operating cash flows in foreign currencies

Currency derivatives hedge future operating costs and are recognised on an ongoing basis in the income statement. The maturity of the hedges is within a year.

For hedges related to operating cash flows -USD 0.1m (0.7m) is recognised in other comprehensive income and USD 0.1m (0.2m) is in the cash flow hedge reserve in equity at 31 December 2023.

Amounts in USD thousands	0000	0000
Hedging foreign exchange risk on operating costs	000	-000
Hedging interest rate risk	00000	00000
Total effective hedging	00000	000
Ineffectiveness recognised in financial expenses	-00000	-00000
Total reclassified from equity reserve for hedges	00000	-00000

Hedge of borrowings

Interest rate swaps are used to swap variable interest payments on term loans to fixed interest payments. All interest rate swaps are designated as cash flow hedges.

The notional amount of interest rate swaps at 31 December 2023 amounts to USD 0 (121.1m). At 31 December 2022, they are all denominated in USD and the average fixed rate of the interest rate swaps is 2.78%.

For cash flow hedges related to borrowings -USD 4.2m (11.7m) is recognised in other comprehensive income and USD 0 (4.2m) is in the cash flow hedges reserve in equity at 31 December 2023.

The hedge ratio are 1:1 for all hedging relationships.

The fair value of derivatives held at the balance sheet date can be allocated by type as follows:

Amounts in USD thousands	Nominal amount of			Nominal amount of		
	asset	liability	derivative	asset	liability	derivative
Interest rate swaps						
- cash flow hedges	000	0000	0	00000	0000	000000
- fair value hedges	0	0	0	0	0	0
Total	568	3,361	0	2,623	3,025	121,097
Hedge of cash flows and investments in foreign currencies						
Main currencies hedged						
- EUR	00	0	00000	00	00	00000
- DKK	00	0	00000	000	00	00000
Other currencies	00	0	00000	00	00	00000
Total	143	0	12,820	220	0	14,448

For information about risk management strategy, currencies, maturities, etc. reference is made to note 12.



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

In certain areas, the outcome of business plans, including ongoing negotiations with external parties to execute those plans or to settle claims that are raised against Maersk Product Tankers, is highly uncertain. Therefore, assumptions may change, or the outcome may differ in the coming years, which could require a material upward or downward adjustment to the carrying amounts of assets and liabilities. This note includes the areas in which Maersk Product Tankers is particularly exposed to a material adjustment of the carrying amounts as at the end of 2023.

GENERAL

Freight rates

The future development in the freight rates is an uncertain and significant factor impacting Maersk Product Tankers where financial results are directly affected by the fluctuation in the freight rates, which also has a direct impact on the net realizable value of the vessels owned by the Group. Freight rates are influenced by the global economic environment and trade patterns, as well as industry specific trends in respect of supply and demand of capacity.

Oil prices

The future development in the oil price is uncertain and impacting accounting estimates and financial results. Maersk Product Tankers is directly impacted by the price of bunker oil, where the competitive landscape determines the extent to which the development is reflected in the freight rates charged to the customer.

Vessel values

The vessel values including new-buildings and second-hand vessels, are exposed to the volatility in the industry and global economy, which among others includes global freight rates, newbuilding costs, emission regulations and steel prices.

PROPERTY, PLANT AND EQUIPMENT

Impairment considerations

Impairment tests of property, plant and equipment are carried out for cash generating units with indications of impairment losses or reversals. No indicators of a need for additional impairments or reversal of impairment have been identified as of 31 December 2023 as the longer term expectations have not changed significantly.

The recoverable amount is determined as the higher of fair value less cost to sell (based on broker valuations) and value-in use. The calculations are sensitive to expected future market rates in addition to the discount rate.

Depreciation and residual values

Useful lives are estimated based on past experience. Management decides from time to time to revise the estimates for individual assets or groups of assets with similar characteristics due to factors such as quality of maintenance and repair, technical development and environmental requirements.

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

Provisions for commercial claims, legal disputes, etc.

Management's estimate of the provisions in connection with commercial claims, legal disputes, including disputes on taxes and duties, is based on the knowledge available on the actual substance of the cases and a legal assessment of these. The resolution of legal disputes, through either negotiations or litigation, can take years to complete and the outcome is subject to considerable uncertainty.

Maersk Product Tankers is engaged in disputes of varying scope. Appropriate provisions have been made where the probability of payment in individual cases is considered more likely than not.



PARENT COMPANY FINANCIAL STATEMENTS

[Parent income statement](#) | [Parent statement of comprehensive income](#) | [Parent balance sheet at 31 December](#) | [Parent cash flow statement](#) | [Parent statement of changes in equity](#) | [Notes to the parent financial statements](#)



PARENT COMPANY FINANCIAL STATEMENTS

CONTENTS

Parent company financial statements34

Parent Income statement	36
Parent statement of comprehensive income.....	36
Parent Balance sheet at 31 December.....	37
Parent cash flow statement.....	38
Parent statement of changes in equity	38

Notes to parent company financial statements39

Parent Note 1: Operating costs.....	40
Parent Note 2: Financial income and expenses	40
Parent Note 3: Tax	40
Parent Note 4: Property, plant & equipment.....	41
Parent Note 5: Leases	41
Parent Note 6: Investment in subsidiaries	42
Parent Note 7: Borrowings	42
Parent Note 8: Financial instruments by category	43
Parent Note 9: Financial risks	43
Parent Note 10: Cash flow specifications	44
Parent Note 11: Derivatives.....	45
Parent Note 12: Related parties.....	45
Parent Note 13: Contract balances	45
Parent Note 14: Accounting policies	45



PARENT BALANCE SHEET AT 31 DECEMBER

Note	Amounts in USD thousands	2022	2021
	Right of use asset	763,861	888,643
	Investments in subsidiaries		
	Derivatives		
	Total non-current assets	763,861	888,643
	Inventories	9,414	7,985
	Trade receivables		
	Tax receivables		
	Other receivables		
	Prepayments		
	Other current assets	80,453	97,771
	Cash and cash equivalents	129,361	47,747
	Total current assets	219,228	153,503
	Total assets	983,089	1,042,146

Note	Amounts in USD thousands	2022	2021
	Share capital		
	Retained Earnings		
	Reserves for hedging		
	Proposed dividend		
	Total equity	441,244	484,198
	Derivatives-current		
	Total non-current liabilities	380,862	380,706
	Borrowings, current	107,778	129,747
	Provisions		
	Trade payables		
	Derivatives		
	Tax payables		
	Other payables		
	Deferred income		
	Other current liabilities	53,205	47,495
	Total current liabilities	160,983	177,242
	Total liabilities	541,845	557,948
	Total equity and liabilities	983,089	1,042,146



NOTES TO PARENT COMPANY FINANCIAL STATEMENT

Parent Note 1: Operating costs

Maersk Product Tankers A/S has not had employees in 2023 or 2022, as Maersk Tankers A/S is responsible for the commercial and corporate management. For remuneration of the Board of Directors and Executive Management reference is made to note 1 in the consolidated financial statements.

Parent Note 2: Financial income and expenses

Amounts in USD thousands	2023	2022
Interest expenses on liabilities	- 00000	- 00000
Interest income on loans and receivables	00000	00000
Fair value adjustment transferred from equity hedge reserve gain/(loss)	00000	00000
Net interest expenses	- 29,415	- 33,929
Exchange rate gain/loss	00	- 00000
Net foreign exchange gain/loss	49	- 1,303
Financial expenses, net	- 29,366	- 35,232
Financial income	00000	00000
Financial expenses	- 00000	- 00000

Parent Note 3: Tax

Amounts in USD thousands	2023	2022
Tax recognised in the income statement		
Current tax on profits for the year	00000	00000
Adjustment for current tax of prior periods	00000	00
Total current income tax	11,457	2,395
Total income tax	00000	00000
Tonnage and freight tax	- 0000	- 0000
Total tax income	11,200	2,122
Tax reconciliation		
Profit/loss before tax	000000	000000
Profit/loss subject to Danish and foreign tonnage	- 000000	- 000000
Profit/loss before tax, adjusted	94,686	142,724
Profit/loss excluding subsidiaries	000000	000000
Use of previously unrecognised net financial expenses in joint taxation	00000	00
Adjustment to previous years' taxes	- 0000	00
Loss not expected to be utilised	00	- 00000
Total income tax	11,200	2,122

Shipping activities are taxed on the basis of the net tonnage (tonnage tax). Furthermore, Maersk Product Tankers A/S is part of a joint taxation with A.P. Møller Holding A/S and its Danish subsidiaries regarding general tax regulations for net financial items and other activities.

Amounts in USD thousands	2023	2022
Tax loss carry forward	00000	00000
Total	43,176	88,152

The tax value of the loss carry forward is USD 9.5m (USD 19.4m). The unrecognised deferred tax assets have no significant time limitations and relates to tax loss not expected to be utilised.

Parent Note 4: Property, plant & equipment

Amounts in USD thousands	Vessels	Assets under construction	Total
Cost			
1 January 2022	504,066	417	504,483
Addition	120,916	1,902	122,818
Disposal	-162,327	0	-162,327
Transfer, assets held for sale	18,041	0	18,041
Transfer	2,016	-2,016	0
31 December 2022	482,712	303	483,015
Addition			
Disposal	-138,594	0	-138,594
Transfer	3,435	-3,435	0
31 December 2023	361,467	222	361,689
Depreciation and impairment losses			
1 January 2022	334,855	0	334,855
Depreciation	32,962	0	32,962
Reversal of impairment	-2,946	0	-2,946
Disposal	-110,310	0	-110,310
Transfer, assets held for sale	12,499	0	12,499
31 December 2022	267,060	0	267,060
Depreciation			
Reversal of impairment	-6,064	0	-6,064
Disposal	-111,927	0	-111,927
31 December 2023	177,424	0	177,424
Carrying amount:			
31 December 2022	215,652	303	215,955
31 December 2023	184,043	222	184,265

The value-in-use showed values on level with carrying amount. Furthermore, no significant changes or improvements in the service condition of the vessels have been identified since the recognised impairments.

Parent Note 5: Leases

Amounts in USD thousands	Vessels	Total
Recognition of right -of-use asset on initial application		
1 January 2022	369,910	369,910
Disposal	-110,179	-110,179
Depreciation	-16,480	-16,480
31 December 2022	243,251	243,251
Depreciation		
31 December 2023	228,104	228,104
Net Carrying amount		
31 December 2022	243,251	243,251
31 December 2023	228,104	228,104
Lease liabilities		
1 January 2022	375,539	375,539
Disposal	-107,734	-107,734
Interest expense	-271	-271
Lease payments	-7,610	-7,610
31 December 2022	259,924	259,924
Lease payments		
31 December 2023	251,816	251,816
Lease liabilities are recognised in the balance sheet as follows		
Non-current liabilities, presented in borrowings, non-current	243,154	251,816
Current liabilities, presented in borrowings, current	8,662	8,108
	251,816	259,924
Recognised in the profit and loss statement as follows:		
Interest expense relating to lease liability	-16,431	-17,455
	-16,431	-17,455
Recognised in the cash flow statement as follows:		
Interest elements of lease payments, presented in "interest paid"	-16,431	-17,455
Principal elements of lease payments, presented in "repayment of borrowings"	-8,108	-7,610
	-24,539	-25,065

Parent Note 6: Investment in subsidiaries

Amounts in USD thousands	2023	2022
Cost as of 1 January	608,494	758,494
Share capital addition	58	0
Share capital reduction	- 200,000	- 150,000
Cost as of 31 December	408,552	608,494
Adjustment to carrying amount as of 1 January	-181,680	-359,636
Share of profit for the period	124,052	177,956
Adjustment to carrying amount as of 31 December	-57,628	-181,680
Carrying amount as of 31 December	350,924	426,814

Subsidiaries

Amounts in USD thousands					
Name	Domicile	Capital	Equity	Profit	Ownership Interest
Maersk Tankers Singapore Pte. Ltd.	Singapore	310,000	350,866	124,052	100.0%
Ammonia Carriers A/S	Denmark	58	58	0	100.0%

Parent Note 7: Borrowings

Amounts in USD thousands	2023	2022
Bank and other credit institutions	178,568	155,516
Lease liabilities	251,816	259,924
Loans from subsidiaries	58,256	95,013
Total	488,640	510,453
Of which:		
Classified as non-current	380,862	380,706
Classified as current	107,778	129,747
Derivatives hedge of borrowings, net	2,793	401

Amounts in USD thousands	Bank and other credit institutions	Leases	Loans from subsidiaries	Total
Cost				
1 January 2022	292,663	375,539	55	668,257
Cashflows	- 247,291	-7,610	94,958	- 159,943
Change in interest	-2,856	-271	0	-3,127
Addition	113,000	0	0	113,000
Disposal	0	-107,734	0	-107,734
31 December 2022	155,516	259,924	95,013	510,453
Cashflows	22,588	-8,108	-36,757	-22,277
Change in interest	464	0	0	464
31 December 2023	178,568	251,816	58,256	488,640

Parent Note 8: Financial instruments by category

Amounts in USD thousands	Carrying amount	Fair Value	Carrying amount	Fair Value
	2023	2023	2022	2022
Carried at amortized cost				
Trade receivables	48,670		59,935	
Other receivables	16,927		32,333	
Cash and cash equivalents	129,361		47,747	
Financial assets at amortized costs	194,958		140,015	
Carried at fair value				
Derivatives	568	568	2,623	2,623
Total financial assets	195,526		142,638	
Carried at amortized costs				
Borrowings	236,824	236,824	250,529	250,529
Lease liabilities	251,816		259,924	
Trade payables	20,970		13,876	
Other payables	23,631		26,132	
Financial liabilities at amortized costs	533,241		550,461	
Carried at fair value				
Derivatives	3,218	3,218	2,805	2,805
Total financial liabilities	536,459		553,266	

Financial instruments measured at fair value

Fair value of derivatives is within level 2 of the fair value hierarchy and is calculated on the basis of observable market data as of the end of the reporting period.

Financial instruments carried at amortised cost

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

Parent Note 9: Financial risks

Maturities of liabilities and commitments	Carrying amount	Cash flows including interest			
		0-1 year	1-5 years	5+ years	Total
Amounts in USD thousands					
2023					
Borrowings	236,824	109,022	137,708	0	246,730
Lease liabilities	251,816	24,606	289,932	0	314,538
Trade payables	20,970	20,970	0	0	20,970
Other payables	23,631	23,631	0	0	23,631
Non-derivative financial liabilities	533,241	178,229	427,640	0	605,869
Derivatives, payables (excluding interest)	3,218	3,218	0	0	3,218
Total recognised in balance sheet	536,459	181,447	427,640	0	609,087
2022					
Borrowings	250,529	132,207	144,903	0	277,110
Lease liabilities	259,924	24,539	98,223	216,315	339,077
Trade payables	13,876	13,876	0	0	13,876
Other payables	26,132	26,132	0	0	26,132
Non-derivative financial liabilities	550,461	196,754	243,126	216,315	656,195
Derivatives, payables (excluding interest)	2,805	2,805	0	0	2,805
Total recognised in balance sheet	553,266	199,559	243,126	216,315	659,000

For description of financial risks, a reference is made to note 12 in the consolidated financial statements.

Maturity analysis of trade receivables

	2023	2022
Receivables not due	36,557	41,246
Less than 90 days overdue	11,568	15,431
More than 90 days overdue	3,108	4,227
Receivables, gross	51,233	60,904
Expected credit loss	-2,563	-969
Carrying amount	48,670	59,935

Approx. 92.6% (3.4%) of the expected credit loss is related to trade receivables overdue by more than one year.

Parent Note 10: Cash flow specifications

Amounts in USD thousands	2023	2022
Inventories	- 1,429	- 793
Trade receivables	9,671	- 30,196
Other receivables and prepayments	14,136	- 30,952
Trade payables and other payables	6,100	18,146
Exchange rate adjustment of working capital	42	- 1,235
Change in working capital Total	28,520	- 45,030
Additions	- 17,268	- 122,818
Purchase of property, plant and equipment Total	- 17,268	- 122,818

Parent Note 11: Derivatives

Hedges consists of currency derivatives and interest rate derivatives. Foreign exchange forwards contracts are used to hedge the currency risk related to recognised and unrecognised transactions. Interest rate swaps are used to hedge interest rate exposure on borrowings.

Amounts in USD thousands	2023	2022
Non-current receivables	-568	-2,623
Current receivables	0	0
Non-current liabilities	0	0
Current liabilities	3,218	2,805
Liabilities, net	2,650	182

Hedge of operating cash flows in foreign currencies

Currency derivatives hedge future operating costs and are recognised on an ongoing basis in the income statement. The maturity of the hedges is within a year.

For hedges related to operating cash flows -USD 0.1m (0.7m) is recognised in other comprehensive income and USD 0.1m (0.2m) is in the cash flow hedge reserve in equity at 31 December 2023.

Amounts in USD thousands	2023	2022
Hedging foreign exchange risk on operating costs	247	-310
Hedging interest rate risk	5,313	1,225
Total effective hedging	5,560	915
Ineffectiveness recognised in financial expenses	-1,794	-4,354
Total reclassified from equity reserve for hedges	3,766	-3,439

Hedge of borrowings

Interest rate swaps are used to swap variable interest payments on term loans to fixed interest payments. All interest rate swaps are designated as cash flow hedges.

The notional amount of interest rate swaps at 31 December 2023 amounts to USD 0 (121.1m). At 31 December 2022, they are all denominated in USD and the average fixed rate of the interest rate swaps is 2.78%.

For cash flow hedges related to borrowings -USD 4.2m (11.7m) is recognised in other comprehensive income and USD 0 (4.2m) is in the cash flow hedges reserve in equity at 31 December 2023.

The hedge ratio are 1:1 for all hedging relationships.

The fair value of derivatives held at the balance sheet date can be allocated by type as follows:

Amounts in USD thousands	Fair value, asset 2023	Fair value, liability 2023	Nominal amount of derivative 2023	Fair value, asset 2022	Fair value, liability 2022	Nominal amount of derivative 2022
Interest rate swaps						
- cash flow hedges	568	3,361	0	2,623	3,025	121,097
- fair value hedges	0	0	0	0	0	0
Total	568	3,361	0	2,623	3,025	121,097
Hedge of cash flows and investments in foreign currencies						
Main currencies hedged						
- EUR	59	0	5,600	42	0	5,050
- DKK	53	0	5,100	115	0	6,848
Other currencies	31	0	2,120	63	0	2,550
Total	143	0	12,820	220	0	14,448

Parent Note 12: Related parties

Amounts in USD thousands	2023	2022
Income statement		
Revenue	0	0
Operating costs	-14,664	-15,534
Financial expenses	-5,230	-3,855
Assets		
Trade receivables	1,457	9,281
Other receivables	1,232	11,800
Tax receivables	3,121	2,378
Liabilities		
Loans from subsidiaries	58,256	95,013
Trade payables	2,956	1,386
Other payables	1,998	1,228
Tax payables	530	273

A.P. Møller Holding A/S, Copenhagen, Denmark has control over the Company and prepares consolidated financial statements. A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal is the ultimate owner. Other related parties include A.P. Møller Holding A/S, and all its subsidiaries and affiliates.

Parent Note 13: Contract balances

Amounts in USD thousands	2023	2022
Trade receivables from contracts with customers	29,911	31,384
Accrued income -contract asset	19,299	28,429
Deferred income -contract liability	4,656	3,989

Reference is made to note 17 of the consolidated financial statements for more details on the balances.

Parent Note 14: Accounting policies
General Accounting Policies

The financial statements for 2023 for Maersk Product Tankers A/S have been prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act. The accounting policies of the Company are consistent with those applied in the Group's financial statements 2023 (note 18 in the consolidated financial statements) with the following exception:

Investments in Subsidiaries

Investments in subsidiaries are measured as per the equity method. The initial investment is recognised at cost and adjusted thereafter to recognise the share of profits, losses and other adjustments. The Management assesses impairment for investment in subsidiaries and determines the amount generally consistent with the assumptions stated in Note 19 Significant accounting policies in the consolidated financial statements.



REPORTS

STATEMENT OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The Board of Directors and Executive management have today considered and adopted the Annual Report of Maersk Product Tankers A/S for the financial year 1 January – 31 December 2023.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Copenhagen, 12 March 2024

Executive Management

Tina Revsbech
CEO

Morten Mosegaard Christensen
CFO

Claus Grønborg
CIO

Board of Directors

Martin Nørkjær Larsen
Chairman

Ta kuya Shirai

Birgitte Schou

Erik Bergöö

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Maersk Product Tankers A/S

OPINION

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Maersk Product Tankers A/S for the financial year 1 January - 31 December 2023, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("financial statements").

Basis for opinion

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

Statement on Management'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 Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 12 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Thomas Wraae Holm
State Authorised Public Accountant
mne 30141

Henrik Ødegaard
State Authorised Public Accountant
mne 31489



ADDITIONAL INFORMATION

BOARD OF DIRECTORS

The Board of Directors appoints Executive Management and sets out its responsibilities and conditions, which includes the day-to-day management of the company and implementation of strategy.



MARTIN N. LARSEN
Chair of the Board of Directors

Gender	Male
Joined the board	2017

Martin N. Larsen, MSc in Economics & Finance and Executive MBA, CFO at A.P. Møller Holding A/S. Past experience includes several finance roles in A.P. Møller - Mærsk A/S.

Chair, Board of Directors
Navigare Capital Partners A/S
Maersk Supply Service Holding ApS

Member of the Board of Directors:
Assuranceforeningen SKULD (Gjensidige) (Vice Chair); Maersk Tankers A/S

Other management duties:
MVKH ApS (CEO)

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



BIRGITTE SCHOU
Member of the Board of Directors

Gender	Female
Joined the board	2022

Birgitte Schou, MSc in Business Administration & Auditing, Head of Accounting & Tax at A.P. Møller Holding A/S. State Authorised Public Accountant and formerly Partner in a leading global audit firm.

Member of the Board of Directors:
DISfonden ; Operaparkfonden

Birgitte Schou is appointed to the Board of Directors in a number of entities fully owned by A.P. Møller Holding A/S.



TAKUYA SHIRAI
Member of the Board of Directors

Gender	Male
Joined the board	2023

Takuya Shirai is Operating Officer at Mitsui & Co., LTD.'s Mobility Business Unit II. He has worked at the company for more than three decades and has held various leadership positions, including general manager at the company's shipping arm and deputy general manager of the strategy department. He holds a Bachelor's degree in Architecture and Architectural Engineering from Kyoto University, Japan, and a leadership education from Stanford University Graduate School of Business, U.S.

Member of the board of directors:
Orient Marine Co., Ltd.
Mitsui Bussan Aerospace Co., Ltd.



ERIK BERGOO
Member of the Board of Directors

Gender	Male
Joined the board	2024

Erik Bergoo, MSc in Industrial Engineering & Management, Head of Shipping and Offshore Portfolio at A.P. Møller Holding A/S. Previously held various roles in global financial markets in Scandinavia, UK and Singapore.

Erik Bergoo is appointed to the Board of Directors in a number of entities fully owned by A.P. Møller Holding A/S.



EXECUTIVE MANAGEMENT



TINA REVSBECH, CHIEF EXECUTIVE OFFICER

Gender	Female
Joined the executive management	2024

Tina Revsbech has been appointed Chief Executive Officer of Maersk Product Tankers in 2024 and Chief Executive Officer of Maersk Tankers since September 2023. She has more than three decades of industry experience. Previously, Tina has worked as Executive Vice President at Fednav Limited, CEO at BW Tankers and Senior Vice President at Torm. Earlier in her career, Tina spent 15 years at Maersk Tankers, where she held positions as Head of Chartering and Head of Maersk Tankers for Americas and Singapore, respectively.

Other management duties:
Maersk Tankers A/S (CEO)



MORTEN M. CHRISTENSEN, CHIEF FINANCIAL OFFICE

Gender	Male
Joined the executive management	2018

Morten M. Christensen's responsibilities include finance, strategy, legal and technology. He has more than a decade of experience in the financial sector. This includes executive positions at Danske Bank, including interim Chief Financial Officer, Chief of Staff and Head of Group Finance. He holds a Master of Mathematics and Economics and a PhD in Finance from the University of Southern Denmark.

Other management duties:
Maersk Tankers A/S (CFO)



CLAUS GRØNBORG, CHIEF INVESTMENT OFFICER

Gender	Male
Joined the executive management	2017

Claus Grønberg is responsible for the company's commercial activities in his role as Chief Investment Officer at Maersk Product Tankers and Maersk Tankers. In this position, Grønberg is spearheading business development and new investments, with a particular focus on solutions that help shipowners boost earnings and cut the industry's carbon emissions. Until Tina Revsbech took over in 2024, he served as CEO of Maersk Product Tankers. Previously, he held executive positions, including Chief Commercial Officer, at Maersk Tankers. He has a Bachelor's degree in Chinese from Beijing Language and Culture University and an Executive MBA from Columbia Business School/London Business School.

Member of the Board of Directors:
ITOPF Limited

Other management duties:
Maersk Tankers A/S (CIO)

COLOPHON

Board of Directors

Martin Nørkjær Larsen, Chairman

Birgitte Schou

Takuya Shirai

Erik Bergoo

Executive Management

Tina Revsbech, CEO

Morten Mosegaard Christensen, CFO

Claus Grønberg, CIO

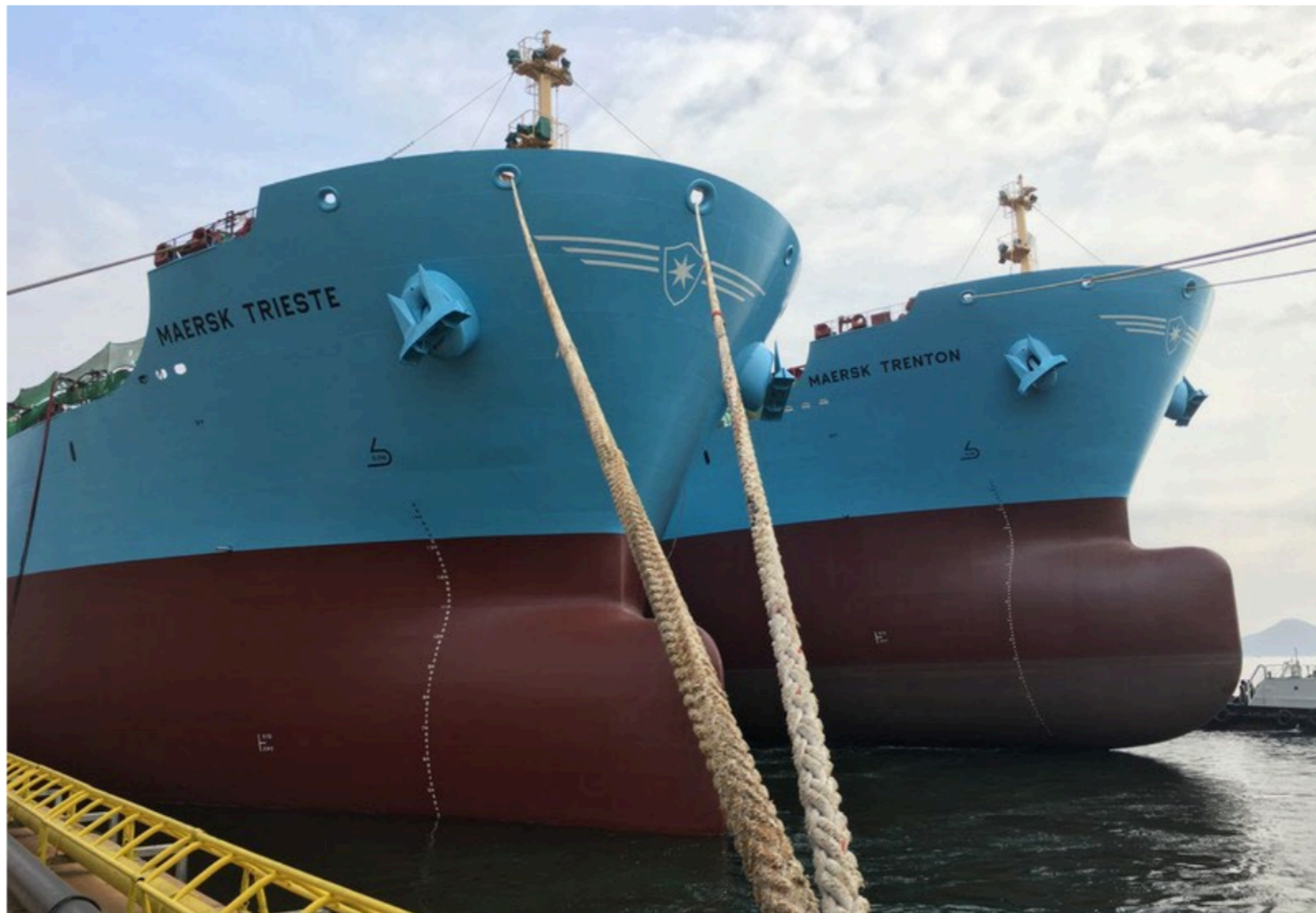
Auditor

PricewaterhouseCoopers

Statsautoriseret

Revisionspartnerselskab

Produced in Denmark 202 4



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