

Maersk Shipping K/S

Esplanen 50, 1263 København K

(CVR. No. 40 09 33 89)

Annual Report for 13-12-2018 to 31-12-2019

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29 May 2020.

Jacob Ramsgaard Nielsen
Chairman

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Maersk Shipping K/S Company details

Name	Maersk Shipping K/S
Address, zip code, city	Esplanaden 50, 1263 København K
CVR no.	40 09 33 89
Established	13 December 2018
Financial Year	1 January – 31 December First year 13 December 2018 - 31 December 2019
Executive Board	Casper Munch
Board of Directors	Caroline Sundorph Pontoppidan (chairman) Casper Munch Anne Pindborg
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Maersk Shipping K/S Management's Statement

The Executive Board and the board of Directors have today considered and adopted the Annual Report of Maersk Shipping KS for the financial year 13 December 2018 - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give true and fair view of the financial position at 31 December 2019 and of the results of the company operations for 13 December 2018 to 31 December 2019.

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

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

Copenhagen, 29 May 2020.

Executive Board

Casper Munch

Board of Directors

Caroline Sundorph Pontoppidan
Chairman

Casper Munch

Anne Pindborg

Maersk Shipping K/S Independent Auditor's Report

To the Shareholders of Maersk Shipping KS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019, and of the results of the Company's operations for the financial year 13 December 2018 to 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Shipping K/S for the financial year 13 December 2018 to 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. ("Financial Statements").

Basis for Opinion

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

Emphasis of matter

We refer to note 1 in the Financial Statements, from which it appears that the Financial Statements are not prepared on a going concern basis, and that recognition, measurement and presentation are made with due consideration to this. Our opinion has not been modified in respect of this matter.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern taking into account the expected liquidation, disclosing, as applicable, matters related to going concern and using appropriate accounting policies taking into account the expected liquidation.

Maersk Shipping K/S Independent Auditor's Report

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 by management and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the significant accounting policies 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 taking into account the expected liquidation. 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 achieves fair presentation.

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 May 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Jacob Brinch
State Authorised Public Accountant
mne35447

Maersk Shipping K/S Management's Review

Principal activities and financial matters

The purpose of the company is to operate shipping, chartering and similar activities, other transport, trade and service and industrial activities at domestic and abroad, investment in fixed assets and financing, and other related activities.

Development in activities, financial affairs and other matters

Profit after tax is negative with USD -116.9 million. The result is considered not satisfactory. It is management's expectation to sell the owned vessels and liquidate the company straight after the sale to Maersk A/S. Further we draw attention to note 1 of the annual report, which states that the company is expected to enter into an solvent liquidation, the annual report is therefore not prepared on a going concern basis.

Significant events during the year

No significant events during the year has impacted the annual report.

Events after the balance sheet date

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

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

Maersk Shipping K/S

Significant accounting policies

The Annual Report of Maersk Shipping K/S has been prepared in accordance with the provisions under the Danish Financial Statements Act applying to enterprises of Reporting Class - B.

The annual report is not prepared on a going concern basis and that recognition, measurement and presentation are taken into account for that matter.

Since the group's significant classes of transactions are performed in USD, the Company's management has decided to prepare the annual report in USD.

The company is included in the consolidated financial statements of A.P. Møller - Mærsk A/S, Copenhagen, and A.P. Møller Holding A/S, Copenhagen. The consolidated financial statements are available at <http://investor.maersk.com>

Recognition and measurement in general

Assets are recognised in the balance when it is probable that future financial benefits will flow to the Company and the value of the assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future financial benefits will leave the Company and the value of the liabilities can be reliably measured. Assets and liabilities are measured at cost price at initial recognition. Subsequently, assets and liabilities are measured as described below for each item.

Income is recognised in the income statement when earned. Furthermore, costs that are necessary for obtaining the income are recognised.

Foreign currency translation

Transactions in other currency than the functional currency are translated at the exchange rate on the date of the transaction. Monetary items in foreign currency that are not settled on the balance sheet date are translated at exchange rate on the balance sheet date. Foreign exchange rate gains and loss are included in the income statement as financial items. The functional and presentation currency is USD.

Income statement

Gross profit

Gross profit includes revenue from vessels chartering and similar activities minus costs associated with providing its services.

Other external costs

Other external costs include cost for administration etc.

Tax and deferred tax

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

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

Deferred tax are recognised by all temporary differences between the accounting and taxable values of assets and liabilities. Deferred tax assets are recognised to the extent expected to be realised.

Balance Sheet

Property, plant and equipment are valued at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the useful lives at an estimated residual value. The useful lives of new assets are typically as follows:

Ships, etc. 20-25 years

The cost of an asset is divided into separate components, which are depreciated separately if the useful lives of the individual components differ. Dry-docking costs are recognised in the carrying amount of ships when incurred and depreciated over the period until the next dry-docking.

Maersk Shipping K/S

Significant accounting policies

Cash and group receivables

Receivables are measured at amortised cost equal to nominal value.

Write-down is made for bad debt losses when there is objective evidence that a receivable has been impaired.

If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

For the purpose of presentation in the statement, cash and cash equivalents include deposits on demand which are subject to an insignificant risk of change in value.

Equity

Proposed dividends are recognised as a liability at the time of adoption at the General Meeting. The expected dividends payment for the year is shown as a separate item under Equity.

Liabilities

Other liabilities are measured at amortised cost equal to nominal value.

Maersk Shipping K/S
Income Statement 13 December 2018 - 31 December 2019

Amount in USD 1,000

Income Statement, 13 December 2018 - 31 December 2019

Gross profit	<u>5,814</u>
2 Other external expenses	<u>(8)</u>
Result before depreciation, interest and tax	5,806
Depreciation, amortisation and impairment losses, net	<u>(122,689)</u>
Profit/loss before tax	(116,883)
Income Tax	<u>-</u>
Net profit/loss for the year	<u>(116,883)</u>
 Distribution of profits	
Retained earnings	<u>(116,883)</u>
Distribution total	<u>(116,883)</u>

Maersk Shipping K/S
Balance Sheet 31 December 2019

Amount in USD 1,000

	<u>2019</u>
Assets	
3 Property, plant & equipment	36,059
Total Fixed Assets	<u>36,059</u>
Receivables from Group Companies	5,814
Total Current Assets	<u>5,814</u>
Total Assets	<u>41,873</u>
Liabilities and Equity	
Share Capital	15
Retained Earnings	41,850
4 Total Equity	<u>41,865</u>
Other payables	8
Total Liabilities	<u>8</u>
Total Liabilities and Equity	<u>41,873</u>
5 Contingent Liabilities	
6 Related parties	
7 Subsequent events	

Maersk Shipping K/S

Notes to the financial statements

Amount in USD 1,000

1 Going Concern

The company's primary activity is to own three vessels. The vessels are expected to be sold during 2020, and the company will enter into solvent liquidation straight after the sale. The liquidation will be a solvent liquidation.

As a consequence of the expected liquidation, the company's annual report is not prepared in accordance with going concern principles, and that measurement, recognition and preparation are taken into account.

2 Other External Expenses

The Company has no employees in 2018 - 2019. No remuneration or salaries have been paid to the Board of Directors or the Management.

3 Tangible assets

Cost Price	2019
13 December 2018	0
Additions	158,747
31 December 2019	158,747
Impairment and depreciations	
13 December 2018	0
Impairment	112,121
Depreciations	10,567
31 December 2019	122,688
Book Value 31 December 2019	36,059

4 Equity	Share capital	Retained earnings	Total
Opening balance	15	158,733	158,748
Net Profit/Loss of the year	0	(116,883)	(116,883)
31 December 2019	15	41,850	41,865

Share Capital

The company's capital is set at nominally DKK 100,000. The capital is fully subscribed and paid up at the time of its formation. The entire capital is subscribed by the limited partnership at a rate of 10,370.9723 by cash payment of a total of DKK 1,037,097,228, equivalent to USD 158,747,471 using the National Bank's rate 6.533 as on 18th December 2018.

5 Contingent liability

The Company has no contingent liabilities.

6 Related parties

Maersk Shipping K/S consist of A.P. Møller-Mærsk A/S, Esplanaden 50, 1263 København K., cvr-nr. 22 75 62 14 as complementary and Maersk Line A/S, Esplanaden 50, 1263 København K., cvr-nr. 32 34 57 94 as commanditist.

There is no disclosure of transactions with related parties as it is the assessment that all transactions are done on arms-length terms.

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

7 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company. At this time, it is not possible to calculate the size of the negative COVID-19 impact. No other significant events have occurred after the balance sheet date up through the date of this report which would influence the evaluation of this annual report.