ALL THE WAY

Annual Report 2022

A.P. Møller - Mærsk A/S
Esplanaden 50, DK-1263 Copenhagen K/Registration no. 22756214

MAERSK

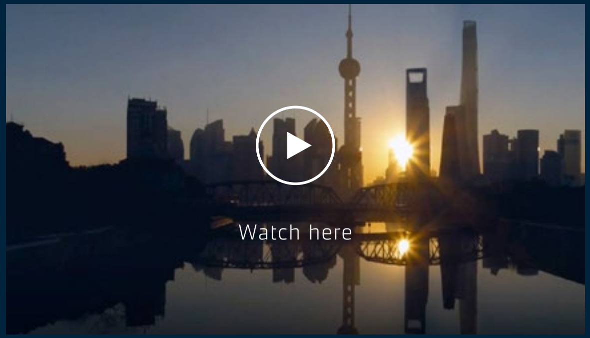
Our Purpose

Improving life for all by integrating the world

At A.P. Moller - Maersk, we strive to go all the way, every day, to deliver a more connected, flexible and sustainable future for global logistics.

We aspire to provide truly integrated logistics. Across oceans, ports, on land and in the air, we are combining our supply chain infrastructure with the power of our people and technology to drive end-to-end innovation that accelerates our customers' success.

A more integrated world improves quality of life and prosperity on all levels. It is our responsibility to ensure a more sustainable tomorrow for coming generations. We believe in an integrated world. One planet. Connected all the way.



By integrating, we improve the flow of food, goods and also data that sustain people, businesses and economies the world over. Enabling an exchange of values, culture and ideas.

Improving life for all is also about ensuring a sustainable future for our planet. Global trade is a major contributor to the climate crisis, and this is the decade of action. We strive to lead the decarbon-isation of end-to-end supply chains and to make a meaningful environmental impact in this decade.

With a dedicated team of 110,000+ employees, operating in more than 130 countries, we explore new frontiers and embrace new technologies because we see change as an opportunity.

No matter the challenge, we stay confident and resilient because our values are constant. By living our values, we inspire trust in our efforts to integrate the world and improve life for all.

— That's what gets us up in the morning.

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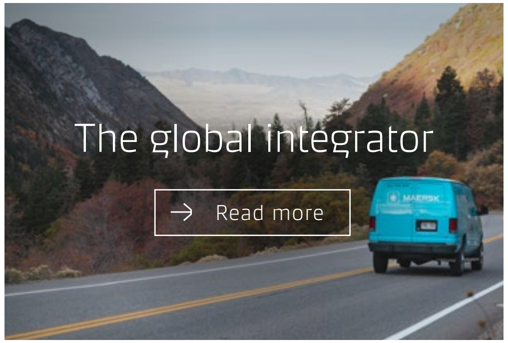

Reporting universe

To provide a comprehensive and transparent information to all stakeholders, A.P. Moller - Maersk publishes a suite of additional reports and supplementary information.

→ See page 142

That's what gets us up in the morning

Three deep dives into what we mean,
when we say, we are making a difference every day.

North Carolina, USA

Hidden heroes making a difference

Our time on this planet provides many opportunities to positively impact our surroundings and in Charlotte, North Carolina, Zeba Boughner and several colleagues have found ways to make a difference.

Read more

Copenhagen, Denmark

Committing to a green future

This is the decade of action if we are to succeed in ensuring a green future for our planet. 2022 was another year of floods and fires and stark warnings from experts that more action is needed.

Read more

Hong Kong, Asia

Connecting Asia – and the world

At the end of August 2022, A.P. Moller - Maersk completed the acquisition of LF Logistics, the Group's most consequential acquisition to date.

Read more

Executive summary

Copenhagen, Denmark

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Like the years preceding it, 2022 was a year of extraordinary events

The lingering pandemic, the war in Ukraine, the energy crisis in Europe and the ensuing economic downturn have impacted our way of life, financial markets and global supply chains.

These challenges, and those of the last several years, have underscored the fact that A.P. Moller - Maersk fulfils a deep purpose in the world — for society, our customers and our employees. To embed this societal contract in the heart of our business, we articulated and introduced a company purpose in 2022 to inspire and unify our global team.

Our Purpose, improving life for all by integrating the world, is the reason we strive to deliver a more connected, agile and sustainable future for global logistics. It's what gets our more than 110,000 colleagues up every morning.

Underlying our Purpose are our long-held values, and while our values remain constant, we refreshed and revitalised them in 2022 to ensure their continued relevance in the context of a changing world. One of the clearest examples of our values in action was in our response to the tragic war in Ukraine.

Values in action: Our response to the war in Ukraine

Keeping our colleagues safe has been our first priority in the conflict. We managed to evacuate all colleagues and their families who wanted to leave conflict zones in Ukraine – 148 people in total.

After deciding to leave the Russian market and divesting our operations and assets, we also did our upmost to take care of our Russian colleagues.

Finally, we have worked closely with UN partners and global humanitarian organisations to provide extensive aid and relief to millions of displaced people in Ukraine through our logistics bases in Poland and Romania. Our humanitarian efforts are evolving as the conflict continues.

Strong results and stronger customer partnerships

Our record 2022 results across ocean, logistics and terminals have been accentuated by extraordinary market conditions, supply chain disruptions and congestion. These multifaceted challenges have led many of our customers to rethink and redesign their supply chains – some for the first time in years.

Our transformation efforts to become the integrator of global logistics positioned us well to support our customers through these periods of volatility. As supply chain management moves up our customers' strategic agenda, A.P. Moller - Maersk has earned a seat at the table for more long-term planning focused on connected end-to-end solutions.

Our commitment to our customers has led to record-high NPS results in 2022, which is part of an ongoing story of continuous improvement since the start of the pandemic in Q1 2020. We have also seen a 21% organic revenue growth in logistics and customers who are affirming our strategy by growing their ocean business with us.

As we enter 2023, we are strongly positioned to solve our customers' current supply chain needs, as well as their future needs for even more resilient, transparent and climate-neutral supply chains.

Leading the digital transformation

Extensive parts of the logistics industry have fallen behind the technology revolution of the last decade. Our aim is to contribute with technology solutions that allow us to digitise, integrate and decarbonise global supply chains.

To achieve that, we are connecting physical assets with the digital world, leveraging the power of digital platforms, IoT and data. Our vision is to use this rich data set to provide end-to-end visibility across global supply chains that allow our customers to make the best possible decisions for their businesses. Specifically, we are striving to not only provide insights into our customers' supply chains, but also offer recommendations and actions for how supply chains can and should be optimised in the future.

However, to truly reshape our industry, we will need continued collaboration and standardisation across all parties involved throughout supply chains.

Making this the decade of climate action

In 2022, we accelerated the net zero emission targets to 2040 from 2050. We have also set ambitious targets for 2030 and have implemented decarbonisation plans for all our products.

This decade must be the decade of action if we are to avoid a climate catastrophe. The main challenge in decarbonising global shipping remains the availability of green energy and fuels in sufficient quantities at competitive prices.

To address that, A.P. Moller - Maersk ordered a new series of container ships with engines that will be powered by green methanol fuel. We also entered into strategic partnerships with nine companies in 2022 with the intent of sourcing at least 750,000 tonnes of green fuel per year by the end of 2025. We have also engaged in dialogues to explore opportunities for large-scale green fuel production in Spain and Egypt.

Thank you for the continued support

We are honoured to work alongside all our colleagues around the world. Their truly remarkable efforts have kept trade moving sustainably under very challenging conditions.

We would also like to thank the Board of Directors and the executive leadership team for the support and many contributions throughout the year. In particular, we express our gratitude to Søren Skou, who retired as CEO of A.P. Moller - Maersk in December 2022. During his tenure as CEO, Søren was instrumental in redefining A.P. Moller - Maersk as a customer-centric end-to-end logistics provider and a leader in sustainable transportation solutions. A thorough succession planning process ensured that the CEO role was transitioned successfully to Vincent Clerc by January 2023.

As we enter the new year, with a challenging macro outlook, we remain highly devoted to finding solutions for our customers. With increasingly complex and fragmented global supply chains, we continue to do our upmost to serve their needs. And we thank them for their trust in our services.

Robert Mærsk Uggla
Chair of A.P. Møller - Mærsk A/S

Vincent Clerc
CEO of A.P. Møller - Mærsk A/S

FINANCIALS AT A GLANCE

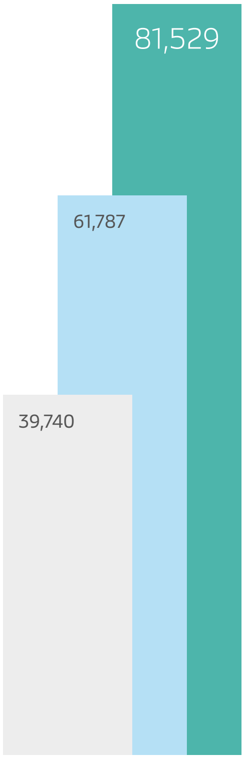
Delivering value for our stakeholders

Strong financial results even compared to 2021, that was also a year of records, with revenue up 32%, EBIT increased by 57%, and free cash flow increased by 64%. The exceptional market situation continued during the first part of the year; however, freight rates peaked as congestions eased and consumer demand declined. While the slow-down of the global economy will lead to a softer market in Ocean, A.P. Moller - Maersk will continue to pursue the growth opportunities within the Logistics business and in Terminals.

2022
2021
2020

in 2022

Increased by 32%



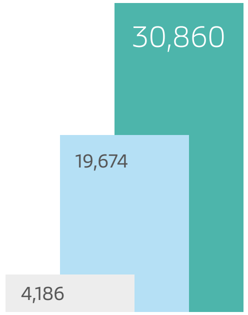
Revenue USD million

Revenue increased by USD 19.7bn, mainly driven by higher freight rates in Ocean, volume increases and acquisitions in Logistics & Services and increased storage income in Terminals.

▲ 32%

EBIT USD million

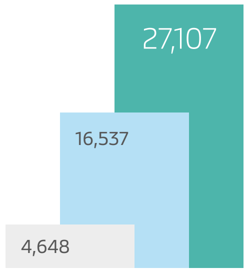
EBIT increased by USD 11.2bn, positively impacted by the increase in EBITDA of USD 12.8bn. In Ocean, EBIT increased by USD 11.2bn and in Logistics & Services by USD 191m, but decreased in Terminals by USD 341m due to the divestment of GPI in Russia.



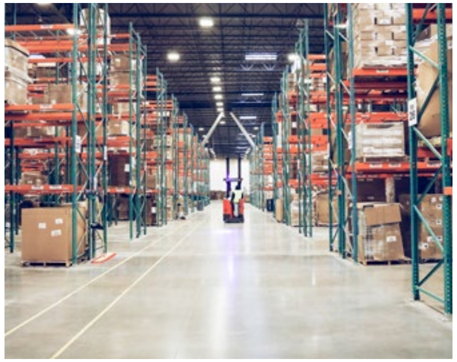
▲ 57%

Free cash flow USD million

Free cash flow increased by USD 10.6bn, positively impacted by the increase in cash flow from operating activities of USD 12.5bn, partly offset by the increase in gross CAPEX of USD 1.2bn and lease payments of USD 801m.



▲ 64%



Expanding logistics

Expanding A.P. Moller - Maersk's global footprint within the logistics space in especially North America and Asia with the integration of Pilot and adding 198 warehouses from the acquisition of LF Logistics and 45 new warehouses out of organic growth, in total 452 sites.

▲ 243 warehouses

60.4%
ROIC (LTM)

Driven by the increase in profit

For specifics on the financial performance
→ See page 37

Guidance for 2023 with the roadmap to 2025 and the ESG targets all the way to 2040
→ See pages 40-41

ESG AT A GLANCE

Making progress on ambitious sustainability targets

In 2022, A.P. Moller - Maersk defined the roadmaps and processes needed to fully integrate the ESG strategy into the business. This included substantial investments in the green transition, in people and in the partnerships and innovation that enable meaningful progress.

▲ +6

19 green methanol vessels on order

In 2022, A.P. Moller - Maersk ordered six large ocean-going vessels that can sail on green methanol, in addition to the thirteen vessels ordered the previous year. A.P. Moller - Maersk was the first shipowner to order green methanol-enabled vessels, sending a powerful signal to the industry that demand is there for green marine fuels and incentivising the scale-up of production capacity.

Carbon intensity negatively impacted

Despite a reduction in fuel consumption, emissions intensity in Ocean (EEOI) continues to be negatively impacted, with a 7% increase since 2020 due to continued global supply chain disruptions, port congestions and capacity constraints.

▲ 7%

Strategic green fuel partnerships

Nine strategic green fuel partnerships were confirmed in 2022, contributing to the planned portfolio of around 5 million tonnes of bio and e-methanol by 2030. Such partnerships are critical to scaling up new fuel production capacity as well as technology and business model innovation.

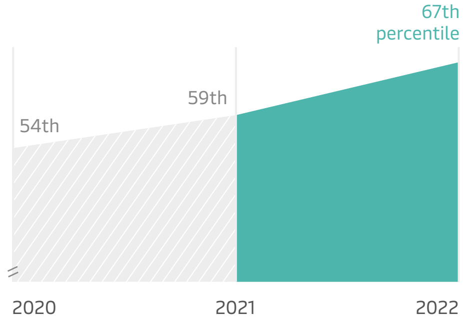
▲ +9

400+ electric trucks on order

The trucks, which will be the largest heavy-duty electric truck deployment to date, will be delivered between 2023-2025 for use by A.P. Moller - Maersk's North American warehousing, distribution and transportation business.

Engagement improved

Substantial 8 percentile point improvement year-on-year in employee engagement scores (from 59th to 67th percentile).



26%

Women in leadership

Progress on gender diversity in leadership

Since 2020, the share of women in leadership (Job Level 6+), which includes leaders, senior leaders and executives, has increased from 21% to 26% by 2022.

Code of Conduct

The A.P. Moller - Maersk Code of Conduct was updated to align with the ESG strategy. The Code of Conduct is the core governance document guiding employees on how to make decisions in line with the company's purpose, values and commitments to international standards.

Performance snapshots

A.P. Moller - Maersk is committed to its integrator, growth and decarbonisation strategy.

Continued momentum in Logistics & Services growth

REVENUE: USD 14.4bn ▲ 47%
EBIT: USD 814m ▲ 31%
M&A: Announced Pilot Freight Services, USA, and Martin Bencher, Denmark (see map)

Revenue increased by 47%, with an organic contribution of 21%, where 77% of the organic revenue growth came from top 200 customers, underlining the integrator strategy. The acquisition of LF Logistics closed in 2022 and further increased the warehousing footprint by adding 198 warehouses or 3.1m sqm. Further, Maersk Air Cargo was launched as the combination of the existing in-house operator, Star Air, and a controlled capacity of eight aircraft that will be progressively deployed and operated from H2 2022 and onwards up to 2024.

→ Read more

Record results in Terminals

REVENUE: USD 4.4bn ▲ 9%
TERMINALS' PORTFOLIO: Streamlined with USD 516m of investments to modernise and expand following the divestment of nine terminals (see map)

EBIT adjusted for the Russia exit reaching a record of USD 1.2bn, supported by the continued volume growth and higher storage revenue. Based on a combination of tariff increases and efficiencies, the impact of high global inflation has been mitigated.

→ Read more

The exceptional market situation generated record results

MARKET SITUATION: Consumer demand normalised over the course of the year, leading to inventory corrections and lower shipped volumes and freight rates but continued growth opportunities in Logistics & Services and Terminals → See page 26
DECADE OF CLIMATE ACTION: Net zero emission targets accelerated to 2040 from 2050 for the entire A.P. Moller - Maersk business and ambitious targets set for 2030 → See page 21

In a continued exceptional market, the high demand eventually started to normalise and freight rates peaked in Q3, which was the 16th quarter in a row with year-on-year earnings growth. The momentum, in bringing integrated logistics solutions by cross-selling Logistics products to existing Ocean customers, remained very strong. → See page 37

Historically high profitability in Ocean as market began to normalise

REVENUE: USD 64.3bn ▲ 33%
EBIT: USD 29.1bn ▲ 62%

While staying focused on finding solutions for Ocean customers, Ocean delivered the strongest result on record due to the high freight rates and strong demand, particularly in the first half of the year. Throughout 2022, Ocean continued to deliver on the strategic transformation, maintaining a stable level of long-term contracts. Ocean continued to improve on delivery performance over the year as congestion eased and strong contractual customer relationship was supportive of margins.

Volume split on long-haul trades

Average contract rate for 2022 was approx. 1,700 USD/FFE higher than in 2021.

→ Read more

Five-year summary

Income statement	2022	2021	2020	2019	2018[1]
Revenue	81,529	61,787	39,740	38,890	39,257
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	36,813	24,036	8,226	5,712	4,998
Depreciation, amortisation and impairment losses, net	6,186	4,944	4,541	4,287	4,756
Gain on sale of non-current assets, etc., net	101	96	202	71	166
Share of profit/loss in joint ventures and associated companies	132	486	299	229	1
Profit before financial items (EBIT)	30,860	19,674	4,186	1,725	409
Financial items, net	-629	-944	-879	-758	-766
Profit/loss before tax	30,231	18,730	3,307	967	-357
Tax	910	697	407	458	398
Profit/loss for the year – continuing operations	29,321	18,033	2,900	509	-755
Profit/loss for the year – discontinued operations[1]	-	-	-	-553	3,787
Profit/loss for the year	29,321	18,033	2,900	-44	3,032
A.P. Møller - Mærsk A/S' share	29,198	17,942	2,850	-84	2,985
Underlying profit/loss – continuing operations	29,703	18,170	2,960	546	-61
Balance sheet					
Total assets	93,680	72,271	56,117	55,399	62,690
Total equity	65,032	45,588	30,854	28,837	33,205
Invested capital	52,410	44,043	40,121	40,555	49,255
Net interest-bearing debt	-12,632	-1,530	9,232	11,662	14,953
Cash flow statement					
Cash flow from operating activities	34,476	22,022	7,828	5,919	4,442
Capital lease instalments – repayments of lease liabilities	3,080	2,279	1,710	1,291	1,484
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	4,163	2,976	1,322	2,035	3,219
Cash flow from financing activities	14,135	7,900	5,618	4,800	8,080
Free cash flow	27,107	16,537	4,648	2,340	-295

Amounts in USD million

Financial ratios[2]	2022	2021	2020	2019	2018[1]
Revenue growth	32.0%	55.5%	2.2%	-0.9%	25.9%
EBITDA margin	45.2%	38.9%	20.7%	14.7%	12.7%
EBIT margin	37.9%	31.8%	10.5%	4.4%	1.0%
Cash conversion	94%	92%	95%	104%	89%
Return on invested capital after tax – continuing operations (ROIC)	60.4%	45.3%	9.4%	3.1%	0.2%
Equity ratio	69.4%	63.1%	55.0%	52.1%	53.0%
Underlying ROIC	61.2%	45.7%	9.6%	3.2%	1.8%
Underlying EBITDA	36,843	24,036	8,324	5,790	5,076
Underlying EBITDA margin	45.2%	38.9%	20.9%	14.9%	12.9%
Underlying EBIT	31,244	19,808	4,231	1,761	1,078
Underlying EBIT margin	38.3%	32.1%	10.6%	4.5%	2.7%
Stock market ratios					
Earnings per share – continuing operations, USD	1,600	941	145	23	-37
Diluted earnings per share – continuing operations, USD	1,595	938	145	23	-37
Cash flow, operating activities per share, USD	1,889	1,155	399	288	214
Dividend per share, DKK	4,300	2,500	330	150	150
Dividend per share, USD	623	381	55	22	23
Share price (B share), end of year, DKK	15,620	23,450	13,595	9,608	8,184
Share price (B share), end of year, USD	2,242	3,576	2,246	1,439	1,255
Total market capitalisation, end of year, USDm	39,135	64,259	41,957	28,000	25,256
Environmental and social data					
Ocean: Reduction in carbon intensity (EEOI) by 2030 (2020 baseline)[2]	-7%	-6%	0%	-	-
Fatalities	9	4	1	5	7
Lost-time injury frequency (LTIf)	0.90	0.93	1.22	1.16	1.29
Women in leadership (% based on headcount)	26%	22%	21%	20%	19%

Definition of terms. → See page 141.

1 The Maersk Oil transaction was closed in March 2018, and Maersk Drilling was demerged in April 2019. Following the classification of these businesses as discontinued operations, they were presented separately on an aggregated level in the income statement, balance sheet and cash flow statement.

2 When launching the ESG strategy in 2022, a new and more ambitious target for 'Reduction in carbon intensity (Ocean) by 2030' (2020 baseline) was set. This KPI replaces the 'Relative CO_2 reduction (percentage vs. 2008 baseline)', which is a similar metric with a different baseline that the company has previously reported on. → See the 2022 Sustainability Report.

The global integrator

Utah, USA

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Integrating the world

As an integrated container logistics company, A.P. Moller - Maersk is working to connect and simplify our customers' supply chains. Every day, we facilitate and impact global trade by offering end-to-end logistics solutions across oceans, ports, air and on land. Our global network enables people in every corner of the world to trade with anyone, anywhere – ultimately creating opportunities for people and communities to thrive, and for businesses to grow.

Facilitate and impact

Customers worldwide, large and small	100,000+
Containers moved in the world by the Ocean fleet	~16%
Countries on all continents where we call on 500+ ports	130+
Net zero GHG emissions across our business	2040
Green methanol-enabled vessels on order	19

Changing with world trade, building on our heritage

Today's trade is global. Our customers have their headquarters in one part of the world, they source their products in another, and they sell their brands in all markets.

Even when A.P. Moller - Maersk was established nearly 120 years ago, shipping was a facilitator for international trade. We have changed with the world during those many years, adapting not only to customer requests, but also to the changes in technology.

The container was a low-tech innovation in the 1950s, as was the barcode in the 1970's. And electronic data processing evolved into high-tech information technology, becoming as important for world trade as the ships, the container cranes, the trucks and the warehouses.

Revolutions in shipping are rare, and they take a long time. On our journey, we have moved from steam to diesel, and now we are exploring new fuels to make our customers' supply chains more sustainable. The entrepreneurship of the early years is still part of us, and indeed, it is essential to adapt to the changes in global trade.

Read more

Peter Mærsk Møller
Based on more than 20 years of experience as a captain on sailing ships, Peter Mærsk Møller acquired a small steam ship in 1886, setting the direction for future generations of the family.

Arnold Peter Møller
Strongly supported by his father, A.P. Møller established today's A.P. Moller - Maersk in 1904. Leading the company until 1965, A.P. Møller took the initiative to enter liner shipping in 1928.

1928

The first sailings in Maersk Line, trading between the USA, Japan and the Philippines.

1956
First seaborne container transport.

Mærsk Mc-Kinney Møller
Inspired by his father's leadership, Mærsk Mc-Kinney Møller secured continued growth by focusing on vertical expansion within container shipping, energy production and transport of oil and gas.

1966

The first international shipment of a standard container, from the USA to Europe. Customers increasingly adapted to containers, replacing break-bulk and palletised cargoes.

1975

The containerisation of Maersk Line began with the USA-Asia service on 5 September 1975. Ten years later, all conventional lines had been containerised.

1977

Logistics became part of the Maersk offerings with Mercantile, a cargo consolidation service established in Taiwan, Singapore and Hong Kong.

1982
MCS (Maersk Communication Service), an internal email system, connected the Maersk Line offices around the world via our own MaerskNet.

1985
First dedicated Maersk rail service, linking Tacoma and Chicago in the USA.

1987

Today's Maersk Air Cargo made first flight as Star Air.

1990

Globalisation of trade increased dramatically following the fall of the Berlin Wall in 1989. Our customers became global, and so did we – expanding our reach from 40 countries in 1990 to more than 100 countries just ten years later.

1993

Maersk introduced its first customer-facing IT application for supply chain management.

2001

APM Terminals was established with terminal activities from Maersk's portfolio dating back to 1984 as well as terminals acquired with Sea-Land in 1999.

2006

EMMA MÆRSK joined the Maersk Line fleet. At the time, the capacity of 15,500 TEU made it the largest container vessel in the world.

Ane Mærsk Mc-Kinney Uggla
Having been a member of the boards of directors in both the owning Foundations and in A.P. Moller - Maersk since 1986, Ane Uggla succeeded her father as the Chair of the A.P. Moller Foundation in 2012.

2013

Efficiency of Scale + Energy Efficiency + Environmentally improved = Triple E. A new world record with a capacity of more than 18,000 TEU, the MÆRSK MC-KINNEY MØLLER was the first of 20 new container vessels to the Maersk Line fleet.

2016

A.P. Moller - Maersk was restructured to focus on its transport and logistics activities, which included a further transformation into a technology-driven business with a digital approach to shipping. Building on our industry legacy, we continue to build expertise within logistics and service, ocean shipping and terminal operations.

Robert Mærsk Uggla
CEO of A.P. Moller Holding and Chair of the Board of Directors in A.P. Moller - Maersk. Robert Mærsk Uggla joined the Group in 2004 and assumed the CEO post in A.P. Moller Holding in September 2016 and was elected Chair of A.P. Møller - Mærsk A/S in March 2022.

Our business and how we create value

A.P. Moller - Maersk is a purpose-driven company and always has been. Increasing complexity in global supply chains drives the need for integrated logistics. We aim to fulfil that need by sustainably and responsibly delivering better, simpler and more reliable outcomes for our customers – improving life for all by integrating the world.

Through the enablers of Technology, People and ESG, customer and operational and financial synergies are unleashed from the integrated businesses of Ocean, Logistics & Services and Terminals. → See pages 19-20

What we depend on

Relationships

Purposeful people and our culture
Our talented, diverse team of 110,000+ employees.

Our brand
For over a century, we have built partnerships with customers, enabling them to prosper by facilitating global trade.

Stakeholder relationships and partnerships
We rely on constructive relationships with customers, suppliers, peers and authorities to conduct our business and maintain supportive framework conditions.

Resources

Natural resources
Our business relies on natural resources such as steel for vessels and oil for fuel.

Assets and end-to-end delivery network
Our assets, supplier relationships and logistics expertise ensure resilient supply chains.

Financial capital
We have a strong balance sheet and are committed to remaining investment grade-rated.

Technology and data
Technology and data are key to connecting and simplifying supply chains.

Value created for

Our customers
We aspire to provide truly integrated logistics for 100,000+ customers' supply chains.

Our people
We keep our people safe and engaged while offering interesting career paths.

Society
We are going all the way in digitising, democratising and decarbonising the world's supply chains to enable sustainable trade.

Planet
Our industry is a significant contributor to global greenhouse gas emissions, and we are committed to realising net zero supply chains by 2040.

Our shareholders
In our transformation to become the global integrator of container logistics, we continue to innovate and grow shareholder value.

Strategy

2022 marked the fifth year of A.P. Moller - Maersk's transformation from a diversified conglomerate to be the global integrator of container logistics, connecting and simplifying customers' supply chains. Despite the highly dynamic market situation, progress throughout 2022 continued to be strong, with customers rewarding A.P. Moller - Maersk an increasing share of their logistics business. The strength of A.P. Moller - Maersk's strategy has carried the Group through two years of significant supply chain disruptions and positioned A.P. Moller - Maersk well to tackle the further challenges its customers and the industry will face in light of the shifting economic outlook.

Since the transformation was initiated in 2016, A.P. Moller - Maersk's strategy has been to offer integrated solutions for smooth and optimised cargo flows that can span across all steps of the supply chain and to create value for customers in the form of better supply chain outcomes, increased transparency and control as well as higher efficiencies. The value proposition of integrated logistics, available from a single trusted logistics partner, addresses an underserved need with tangible value for customers. The vision includes the combination of a broad product and service offering of **Logistics & Services** with a highly reliable and more differentiated **Ocean** transportation offering. Significant financial and operational synergies are realised between **Terminals** and **Ocean**, including leveraging the company's own Ocean volumes to optimise and de-risk terminal operations.

This strategy is underpinned by cutting edge **technology**, the Group's industry leading commitment to **ESG**, not least the Group's commitment to reach net zero carbon emissions by 2040 across A.P. Moller - Maersk's businesses, and the Group's highly capable **people**. The customer-centric mindset, a core element of the Group's strategy, has been substantiated by a strong double-digit percentage growth in cross-brand Net Promoter Score (NPS) at the end of 2022.

> The ability to put the customer first, help them navigate disruptions and absorb the inherent complexity of global logistics is a true differentiator.

Both the integrator vision and the value proposition have been validated by the substantial business growth experienced with customers, and the strategy's resilience has been proven through disruptions such as COVID-19 and changes in the operating environment. The ability to put the customer first, help them navigate disruptions, and absorb the inherent complexity of global logistics is a true differentiator. Just as A.P. Moller - Maersk's pivotal decision to embrace the container business in the 1970s unlocked decades of growth and made the company a leader in container logistics, A.P. Moller - Maersk's strategy to become a global integrator will open a new chapter in the history of A.P. Moller - Maersk and bring the Group to new horizons.

Technology

Today, the technology landscape in the industry is characterised by a high degree of fragmentation and lack of standards and data compatibility. This drives cost, operational friction, poor reliability, and limited visibility and control for customers. As part of A.P. Moller - Maersk's strategy, the company is building a world-class technology organisation, modernising and standardising its technology platforms, digitising assets and democratising data in an effort to make technology a distinctive and differentiating capability as well as to create customer value. Considerable progress has been made over the past year, including:

- Modernisation of legacy applications and building of new technology platforms, leading to significant improvements in metrics such as critical incidents, system availability and instant booking
- Process standardisation and product modularisation, leading to improved reliability in delivering on customer needs and achieving higher agility and efficiency
- Picking up pace in industrial automation and asset digitisation, with improvements in idle time, breakdown time, and labour productivity, as well as better planning and ability to respond to exceptions.

As part of a continued learning journey of staying focused on creating value for A.P. Moller - Maersk's customers, the company took the decision in 2022 to discontinue TradeLens, the open and neutral supply chain visibility and collaboration platform created as a joint venture between A.P. Moller - Maersk and IBM in 2018. While TradeLens was unable to secure the necessary traction, A.P. Moller - Maersk continues to be dedicated to a global supply chain digitalisation and collaboration agenda and will leverage the work done as a steppingstone to further push the agenda via different avenues.

With most of the foundational work that has characterised these first years of the transformation journey rapidly completing, the company is shifting more weight on efforts to build infrastructure and proprietary technology that will create direct value for customers. This includes providing to customers comprehensive visibility of their supply chain along with greater control. Data and AI-optimised solutions are key to this next phase of the transformation journey.

People

The people working at A.P. Moller - Maersk are essential to its transformation into the global integrator of container logistics. Delivering on the strategy requires building and rebalancing of skills and capabilities across the organisation – especially within logistics and technology – and of the company's DNA, while embedding a culture of customer centricity among thousands of colleagues, current and new.

In 2022, A.P. Moller - Maersk added more than 7,000 new colleagues, the majority into Technology and Logistics & Services teams. Another 14,300 colleagues joined as part of acquisitions, further adding to A.P. Moller - Maersk's capabilities through their successful integration into the Group's fold.

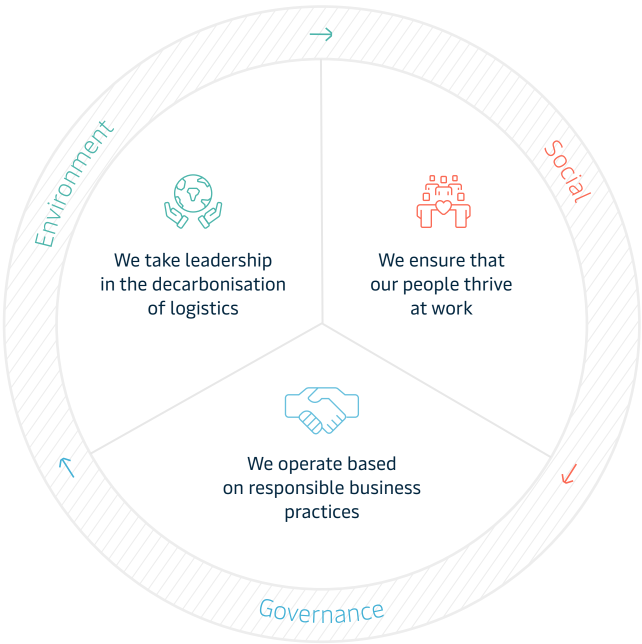
In order to secure and retain the needed talent, A.P. Moller - Maersk strives to become an employer of choice, offering employees exciting development opportunities and a company environment that values diversity of thought. The company has been building strategic capability academies on Technology and Integrated Supply Chains and has established a Senior Leader Welcome Program to accelerate the onboarding of new leaders and thus the integration of cultures and capabilities, to name a few examples of recent initiatives.

A.P. Moller - Maersk's strong commitment to create an engaging environment for all colleagues remains and steady progress can be seen in the employee engagement survey, with a score in the 67th percentile, up from 59th at the end of 2021. Diversity, equity and inclusion (DE&I) is a key priority for A.P. Moller - Maersk and core to the Group's People Strategy. Relevant and efficient policies have been established and designed for frontline and office-based colleagues to ensure the highest DE&I standards. They are embedded across the company and empower leaders with tools to drive and champion the DE&I agenda. Multiple supporting initiatives across the entire business have been launched. For further details, see the → 2022 Sustainability Report.

ESG

As a global leader in transport and logistics, A.P. Moller - Maersk takes the responsibility to customers, society and the environment very seriously. ESG is core to the purpose of the Group, an integral part of its business strategy, and a prerequisite for success as the Global Integrator. To demonstrate leadership, A.P. Moller - Maersk has committed to ambitious targets across the dimensions of environment, social and governance, including A.P. Moller - Maersk's industry-leading commitment to net zero carbon emissions across the business by 2040. There has been solid progress on the decarbonisation journey to date, including:

- A roadmap to the 2030 targets for decarbonisation established, including the technical pathway, required CAPEX and impact on OPEX, and commercial strategy for all products
- Rapidly growing demand for 'ECO Delivery', a low-carbon Ocean product for which customers pay a green premium, with volumes above 240,000 FFE, close to four times higher in 2022 than in the previous year; green product offerings will be developed across all transport modes in the coming years
- Memorandums of Understandings signed with nine fuel producers globally, laying the groundwork to secure ~5 million tonnes of bio and e-methanol by 2030
- Order for another six green methanol-powered container ships, bringing the total number of dual-fuel vessels on order to 19.



The progress on the broader ESG agenda and decarbonisation in particular meant that in 2022, A.P. Moller - Maersk was awarded an A-rating (leadership band) from CDP, and a Gold rating from EcoVadis. This rating is reserved for top 2% of companies within the industry based on their ESG score and is a testament to the Group's dedication to ESG.

Further details on the A.P. Moller - Maersk ESG agenda and progress can be found in the Sustainability highlights → See page 21.

Performing while transforming

With ever stronger enablers above, the key business segments in A.P. Moller - Maersk are more empowered than ever to perform while transforming through foreseeable and unforeseeable circumstances. 2022 was another year during which A.P. Moller - Maersk demonstrated such agility, solidifying its playbook for conducting business as the definition of normalcy evolves more rapidly and unexpectedly as ever. As much as A.P. Moller - Maersk continues to optimise for each business segment's operational and financial performance, it is also increasingly basing business decisions on the customer value a full A.P. Moller - Maersk network with its unmatched scale, connectivity and accessibility can bring.

Ocean

Building and strengthening strategic partnerships with customers is core to A.P. Moller - Maersk's strategy, and the Ocean business has consequently been rebalanced towards long-term contracts, stabilising at 70% of volumes for the year. Following years of congestions, reliability is improving again, and A.P. Moller - Maersk has delivered considerable progress in 2022, leading the industry in terms of schedule reliability.

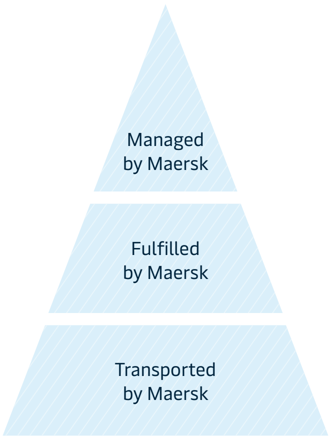
Reliability, visibility and resilience are critical requirements customers have for their supply chains – in the face of economic headwinds, geopolitical instability, and accelerating paradigm shifts in the logistics industry, these requirements will become ever more important, and A.P. Moller - Maersk is continuing its focus on providing better solutions to meet those needs.

As the Ocean market enters a new chapter characterised by a deteriorating supply-demand balance, managing operations is also a sharp focus for the business. This will require frequent and active adjustment of deployed capacity, while ensuring adequate and flexible access for customers to high-quality and reliable Ocean products. At the same time, A.P. Moller - Maersk will continue a disciplined approach to CAPEX, focusing on growing through efficiency and on replacement rather than growing capacity, keeping the fleet at around 4.1-4.3 million TEU.

A.P. Moller - Maersk continues to transform its offering in Ocean in order to provide its customers with differentiated, reliable and high-quality products and services based on individual needs. Doing this will enable customers to better navigate through the upcoming periods of shifting economic conditions and disruptions, while making the Ocean segment a more profitable and resilient business for A.P. Moller - Maersk.

Logistics & Services

What A.P. Moller - Maersk's integrator strategy means for the company's customers is best described through the 'by Maersk' service model value propositions:



With Managed by Maersk, integrated management solutions enable customers to control or outsource part or all their supply chain. Combining transport and fulfilment solutions with digital platforms, this service model gives end-to-end visibility, actionability and control.

Fulfilled by Maersk offer integrated fulfilment solutions to improve customer consolidation and storage down to order level. Whether e-commerce or cold storage, the solutions connect seamlessly to A.P. Moller - Maersk's transportation network, optimising inventory flow and precision to deliver individual orders precisely and on time.

Transported by Maersk offers integrated transportation solutions to facilitate supply chain control across transportation steps. The solutions are modular, providing customers end-to-end services with higher reliability, speed and accountability.

While A.P. Moller - Maersk is still on a journey to build and strengthen these value propositions, the Group has already experienced significant business growth with revenue in 'Transported By Maersk' up by 38%, 'Fulfilled By Maersk' up by 68%, 'Managed By Maersk' up by 48% vs. 2021, demonstrating their increasing relevance to customers. Furthermore, 77% of Logistics & Services organic revenue growth is coming from top 200 customers, demonstrating the strong synergies between Ocean and Logistics & Services.

Acquisitions have been critical to fill gaps in A.P. Moller - Maersk's ability to provide end-to-end offerings, securing critical know-how, assets and geographic coverage. In 2022, two new acquisitions were announced – Martin Bencher, a Danish-based project logistics business with premium capabilities in designing end-to-end project solutions, and ResQ, a Norwegian supplier of services and expertise in safety training and emergency preparedness – while several acquisitions closed, including Pilot, Senator and LF Logistics. Grindrod Intermodal Group, a proposed joint venture announced in November 2021, and Martin Bencher both closed in January 2023. The integration of LF Logistics – the largest acquisition within logistics – is on-track and has started delivering on financial and operational synergies. A.P. Moller - Maersk expects to continue making acquisitions in order to secure needed capabilities primarily within logistics.

Terminals

Terminals are an important part of the end-to-end container shipping supply chain and remain critical for the A.P. Moller - Maersk integrator strategy, enabling network stability while lowering cost to serve its customers. The Terminals segment continues to focus on delivering stable and attractive returns via the Safer, Better, Bigger strategy, while also enabling high-quality Ocean products.

Progress on the strategy has been strong, with Terminals delivering a record-high EBIT result. Adjusted for the divestment of Global Ports Investments in Russia, the 2022 EBIT was USD 1.2 billion, and ROIC was 12.3%.

Terminals continues to see evidence that the Safer, Better, Bigger strategy has further potential to improve underlying performance, while positioning the company to better navigate in an increasingly volatile environment. Despite headwinds, the terminal industry is forecasted to remain attractive and resilient returns are expected to continue.

> The resonance with customers of the integrator strategy and its high-quality integrated supply chain offerings has been very strong, proven by customers rewarding the company with an increasing share of their logistics business.

Momentum and resonance with the Integrator strategy

A.P. Moller - Maersk has accelerated its progress on the transformation journey, with strong momentum on building capabilities. The resonance with customers of the integrator strategy and its high-quality integrated supply chain offerings has been very strong, proven by customers rewarding the company with an increasing share of their logistics business and the experienced growth. A.P. Moller - Maersk's strategic positioning and expanding end-to-end value propositions are creating distinct offerings to meet customer needs as they redefine their supply chain for a less stable and more unpredictable world.

Sustainability highlights

2022 was a year of ongoing disruption to the world's supply chains, with unprecedented shocks from increasingly frequent and severe climate-related weather events and geopolitical tensions – most notably Russia's invasion of the Ukraine. A global shift from commitment to action on decarbonisation is underway, as consensus is growing that the global community is in an urgent climate crisis that demands an equally urgent response. At this critical but fragile inflection point, A.P. Moller - Maersk continued to make progress on its ambitious sustainability agenda.

In 2022, A.P. Moller - Maersk defined the roadmaps to drive meaningful progress on the ESG commitments announced in February, with the aim of fully integrating those activities across businesses and into decision making. The company's ESG strategy is an integral part of, and prerequisite for, the success of A.P. Moller - Maersk's Global Integrator strategy. Aggressive decarbonisation targets have been set for 2030 to ensure this critical decade is one of action.

A.P. Moller - Maersk's ESG aspirations are closely linked to the company's Purpose and Core Values, and collaboration with customers, partners and stakeholders at every level aspires to deliver more responsible and more sustainable supply chains, so that global trade makes a positive contribution to the environment and society.

A.P. Moller - Maersk ESG strategy

	Environment	Social			Governance		
Commitments	**We will take leadership in the decarbonisation of logistics**	**We will ensure that our people thrive at work by providing a safe and inspiring workplace**			**We operate based on responsible business practices**		
	We will deliver on our customer commitment to decarbonise their supply chains in time and our societal commitment to act and have impact in this decade	We create an engaging environment for all colleagues	We facilitate diversity of thought	We ensure everyone gets home safe by preventing fatal and life-altering incidents	We live our Code of Conduct	We procure sustainably	We protect and treat data with respect
Strategic targets *all targets are for end of year*	**2040:** • Net zero across the business • 100% green solutions to customers **2030:** • Aligned with the Science Based Targets initiative 1.5°C pathway • Industry-leading green customer offerings across the supply chain	**2025:** Employee Engagement Survey score in the top quartile of global norm	**2025:** >40% women in management and leadership >30% diverse nationality (non-OECD) of executives	**2023:** • 100% Learning Teams completed following High Potential incidents • Global Leadership (Top 1,200) upskilled in Maersk safety and security principles	**2023:** 100% of employees (in scope) trained in Maersk Code of Conduct	**2024:** 100% of suppliers (in scope) committed to the Supplier Code of Conduct	**2023:** 100% of employees (in scope) trained on data ethics
2022 performance highlights	• Share of ocean freight transported with green fuels: 2% • Carbon intensity (Ocean) increased by 7% compared to 2020 baseline • Reduction of emissions (scope 1 and 2) in Terminals 5.4% since 2021	• 67th percentile	• 33% women in management and leadership • 16% diverse nationality (non-OECD) of executives	• 83% Learning Teams completed following High Potential Incidents • Training in Maersk safety and security principles developed for roll-out in 2023	83%	96%	67%
Overview of all ESG categories	Climate change Environment and ecosystems (incl. ship recycling)	Employee relations and labour rights - Safety & security - Human capital Sustainable and inclusive trade - Diversity, equity and inclusion - Human rights			Business ethics - Governance - Responsible tax Sustainable procurement - Data ethics - Citizenship		

Three core ESG commitments

A.P. Moller - Maersk's ESG strategy highlights three core commitments, supported by targets:

- We will take leadership in the decarbonisation of logistics
- We will ensure that our people thrive at work by providing a safe and inspiring workplace
- We operate based on responsible business practices.

Around these three commitments, A.P. Moller - Maersk has defined 14 ESG categories covering all material impacts and risks. Each category is owned by an executive sponsor and anchored in relevant functions that drive implementation and performance. The company reports on the strategy, governance and performance across all the 14 categories in the annual Sustainability Report, supplemented by further details, TCFD and SASB index in an online ESG Factbook at → Maersk.com/sustainability. From 2023, ESG will be linked to executive remuneration (see box).

Decarbonisation | Safety | Diversity

- Scorecard based on performance in three categories with a three-year vesting period
- Represents 20% of Executive Leadership Team long-term incentive (LTI) compensation
- Effective from 2023 LTI programme

Environment

Climate change: taking decisive steps towards net zero by 2040

In 2022, every region in the world was impacted by powerful warning signs about the dangers of failing to address climate change. This included record heatwaves that made cities uninhabitable and threatened the food supplies of millions. It also included violent storms and widespread wildfires, as well as record drought and flooding.

A.P. Moller - Maersk is a key player in an industry responsible for 3.5 billion tonnes of annual greenhouse gas emissions. With an obligation to be part of the solution, the company is leading the decarbonisation of logistics with a commitment to support a green and just transition, based on respect for human rights, social dialogue, and stakeholder engagement.

In 2022, A.P. Moller - Maersk defined and clarified key milestones in its operations and customer offerings needed by 2030 to keep the journey towards this commitment on track. Activities are progressing at full speed but in different phases, as detailed in the sections covering the Ocean, Logistics & Services and Terminals businesses.

A critical part of A.P. Moller - Maersk's approach to decarbonising supply chains is providing customers with green solutions to help them reach their own targets. Today 70% of the company's top 200 customers have set ambitious greenhouse gas emission goals, including science-based targets – many of which are on aggressive timelines to reach climate neutrality by 2040 or even earlier.

2022 also saw promising developments in industry standards and regulation, which will improve visibility and the industry's ability to gather consistent, granular data to collaborate on shared emissions objectives. In December, the long-awaited Science Based Targets initiative (SBTi) guidance for maritime transport was launched. A.P. Moller - Maersk has long been committed to seek SBTi verification of targets aligned with a 1.5°C pathway and anticipates that this will be accomplished in 2023.

Supportive regulatory frameworks are critical to ensuring a level playing field that will help accelerate innovation and investment in the green transition. The EU and US governments showed strong climate leadership in 2022 through supporting measures for the EU Fit-for-55 package and the US Inflation Reduction Act to catalyse the green transition. Globally, the IMO finalised the adoption of two short-term emission-reducing measures which will be applied from 2023 – the Energy Efficiency Existing Ship Index and the Carbon Intensity Indicator – the first operational global regulation that will significantly curb vessel emissions.

A.P. Moller - Maersk supports local measures while continuing to advocate for global rules, including setting higher IMO ambitions for 2030 and 2050, with rigorous implementation. Ensuring that industry decarbonisation efforts include a well-to-wake (lifecycle) perspective and look beyond CO_2 to all greenhouse gasses is also critical to creating a level playing field. A.P. Moller - Maersk believes a market-based greenhouse gas price/carbon tax of at least USD 150/tonne is also required to accelerate the green transition and reward decarbonisation investments.

Ensuring a sustainable green transition

A.P. Moller - Maersk's approach to securing green fuels requires that all possible environmental and social impacts are fully understood over potential fuels' entire lifecycles. Net zero greenhouse gas emissions are only achieved when there is no net addition of greenhouse gasses associated with the fuel from raw material to end of life – e.g. the complete fuel supply chain is fully decarbonised.

To ensure consistent standards and a systematic approach, A.P. Moller - Maersk assesses the environmental impact of fuels in accordance with the ISO 14040-series standards for life cycle assessment. In addition to climate change, a broad range of environmental indicators are considered, including biodiversity, ecosystem services, resource and material depletion, human health and ecotoxicity, and air and water quality. Social aspects are assessed through a just transition lens that considers the impacts on people and communities in new fuel supply chains.

Full details on A.P. Moller - Maersk's approach to sustainable fuels and a just transition can be found in the 2022 Sustainability Report.

Green solutions for customers

To deliver on the 2030 and 2040 targets set for green offerings to customers, A.P. Moller - Maersk is developing products across its business segments. The first one in the market was Maersk ECO Delivery, an ocean transport customer offering that uses green fuels, instead of conventional fossil fuels. Since its 2019 introduction, demand for ECO Delivery Ocean has grown by more than three times, year-on-year. Of the 200 customers currently using the product, 35% are from emerging countries - affirming that decarbonisation is not only on the agenda of mature, wealthy economies. A.P. Moller - Maersk plans to develop and launch more ECO Delivery products across other business segments to ultimately enable end-to-end green solutions.

Visibility of greenhouse gas emissions across supply chains is critical to customers' carbon reduction efforts. A.P. Moller - Maersk has launched an Emissions Dashboard helping customers to simplify the often-complex challenge of consolidating emissions data across multiple carriers and transport modes.

Social

Human capital

A.P. Moller - Maersk's ability to attract, retain and develop talented colleagues at all levels is critical to delivering on the company's Purpose and Global Integrator vision. The People strategy was designed, in alignment with the company's Core Values, to create the right environment to engage and inspire employees to thrive.

During 2022, A.P. Moller - Maersk made significant progress in rolling out initiatives to support the priorities defined in the People Strategy. These included new talent attraction and onboarding programmes, a strong focus on leadership development, and a new talent management approach closely linked to new career building tools. For 2022, A.P. Moller - Maersk's score in the bi-annual Gallup global employee engagement survey – one of the most important People KPIs – saw an 8-point year-on-year improvement to the 67th percentile, up from 59th at the end of 2021.

Safety and security

In the area of safety and security, A.P. Moller - Maersk's commitment is to ensure that everyone gets home safe by preventing fatal and life-altering incidents. In 2022, the company did not live up to that commitment, and with deepest regret, nine people lost their lives while on active duty for A.P. Moller - Maersk.

These tragic events, and the increasing safety risk exposure, is connected to the transformation of A.P. Moller - Maersk into an integrated logistics operator, as the company enters more landside business areas and relies on an increasing number of new partners. Four fatalities involved truck drivers – one at a terminal and three in warehouses. In Warehouse and Distribution safety and security risk management, particular focus is therefore on separating people from machines including trucks, forklifts and cranes. Six of the nine fatalities involved third parties, which is leading the company to revisit the control of contractors who enter facilities. A.P. Moller - Maersk's duty of care extends to anyone supporting company operations.

In 2022, the company further took action to strengthen risk assessments, confirm that critical safeguards are in place and to accelerate the implementation of a new global HSSE Management Framework that covers Maersk's Ocean & Logistics and Terminals businesses. Globally, A.P. Moller - Maersk continues to focus on building capacity to fail safely, with the aim that if accidents or incidents occur, the safety culture, processes and mitigating actions will prevent them from doing significant harm. This includes targets for two leading indicators, the first around High Potential Incidents as predictors of where there is a heightened risk of fatal or life-altering accidents. By the end of 2023, all High Potential Incidents will trigger a frontline Learning Team assessment. The second is that by the end of 2023, Maersk's 1,200 top leaders will have gone through 'Lead with Care', a comprehensive training programme that forms the core of the company's approach to safety and security, where leaders are fully enabled and personally involved in creating safe workplaces.

Diversity, Equity & Inclusion (DE&I)

DE&I is core to creating the right environment for employees and integral to how A.P. Moller - Maersk attracts, retains and engages its talent. This is especially critical to the company's growth ambitions today as it competes for talent in a market driven by global socio-economic trends, including the post-pandemic 'great resignation'.

The right environment includes psychological safety, and in 2022 the company launched a new, global Anti-Discrimination, Harassment and Bullying Policy followed by mandatory training to strengthen its commitment to a Zero Tolerance Code of Conduct. Ending harassment at sea is a global, industry-wide issue which requires the support of all stakeholders. A.P. Moller - Maersk is working across the ecosystem with labour unions and maritime administrations and academies to address this issue and has also instituted a major cultural transformation programme and campaigns to increase openness to harassment issues and promote a speak-up culture.

Gender diversity is another DE&I priority. In 2022, the company made progress in leadership gender diversity by strengthening the pipeline of women leaders and engaging them for development earlier in their careers. A.P. Moller - Maersk has programmes for women at all levels to build leadership skills and around 800 participated in dedicated leader development and networking programmes during 2022. The company is also proactively addressing gender diversity attraction challenges in traditionally male-dominated work environments, including building a more gender-balanced workforce at sea, and in landside growth areas such as warehousing and trucking.

Employee reference networks are a key DE&I lever for A.P. Moller - Maersk, and many employees participate in groups such as Pride@Maersk and the Maersk Power Women's Network through campaigns around International Women's Day, Summer of Pride, Mental Health Month and International Day of Persons with Disabilities. These networks also create opportunities to partner with customers on activities based on shared values, such as the global journey of A.P. Moller - Maersk's Pride rainbow containers.

Governance

Business ethics

A.P. Moller - Maersk's commitment to business ethics is strongly linked to its Purpose and how the company promotes sustainable, responsible trade and a more equal society. In 2022, there were many challenges due to lingering pandemic congestion, large market changes and geopolitical tensions, all of which increase the risk of corruption. These risks include demands for facilitation payments from port, border and landside authorities and for concession requests while negotiating with government officials.

In 2022, A.P. Moller - Maersk made continued progress on its journey towards a best-in-industry compliance programme by 2025, with a focus on enhancing the effectiveness of compliance procedures, digitising controls and identifying risks. Annual compliance training is an important KPI for business ethics to raise awareness of risk areas and confirm understanding of Business Ethics Rules, as summarised in the A.P. Moller - Maersk Code of Conduct – the go-to reference for employees. In 2022, new trainings were launched based on insights from global and function risk assessments. The Code of Conduct was also relaunched in 2022 with a campaign to support a speak-up culture and encourage employees to use the whistleblower system, while reinforcing a zero-tolerance non-retaliation policy.

Data ethics

The rapid digitalisation of global supply chains, increased sharing of customer and partner data and growing scrutiny of corporate misuse or failure to protect data have significantly raised the importance of responsible data management.

A.P. Moller - Maersk's global integrator strategy revolves around the ability to offer customers differentiated value propositions from digitally-enabled products and services. The company is committed to demonstrating leadership in technical innovation and to do so with the highest data ethics standards. To avoid abuse and privacy infringement issues, and to safeguard the company from legal, business and reputational risks, it is vital to manage and control the storage and use of customer, partner and employee data ethically and proactively.

In 2022, A.P. Moller - Maersk launched a global training programme covering the four principles of its Data Ethics Policy (transparency, respect, security and innovation), and providing guidance on how to identify and mitigate the risk associated with data-driven innovations throughout the data lifecycle. The company is implementing data management procedures to ensure that risks from emerging topics such as Artificial Intelligence and Machine Learning are identified and mitigated early in this age of rapid technology change and development.

EU Taxonomy

In 2022, A.P. Moller - Maersk is reporting, for the first time, on the share of its activities that are 'taxonomy-aligned' as well as EU Taxonomy eligibility. Aligned activities are the share of Maersk's eligible activities that meet both the 'substantial contribution' and 'do no significant harm' criteria outlined in the EU Taxonomy Regulation - a classification system identifying environmentally sustainable economic activities. The results of the 2022 screening confirm that A.P. Moller - Maersk has significant opportunity to make a substantial contribution towards climate change mitigation, and that it is in its early stages of the journey to decarbonise its end-to-end value chain. In 2022, 3.4% of revenue, 7.1% of CAPEX and 10.1% of OPEX are reported as taxonomy-aligned, and 85.2% of revenue, 63.5% of Capex and 100% of Opex are taxonomy-eligible. For complete details, see the → A.P. Moller - Maersk 2022 Sustainability Report.

For full reporting on ESG strategy and performance, see the 2022 Sustainability Report.

→ Read more

Market insights

The economic outlook shifted during 2022. After a strong start to the year, new shocks weighed on economic activity and supply chains. High inflation, inventory build and a rebalancing towards spending on services reduced demand for goods bringing global trade back to pre-pandemic levels.

Economic activity and global trade slowed in 2022 after a strong rebound from the pandemic. A series of new shocks and market dynamics weighed on trade and supply chains. A large part of Russian and Ukrainian imports and exports were eliminated from the market; consumers began to normalise their spending on goods and shifted towards services, while inflation and higher interest rates eroded purchasing power; China's property market weakened, and lockdowns continued to impact activity; and inventory correction in Europe and the United States impacted the demand for ocean and airfreight services. Demand for road transportation remained better supported in the USA and Europe, and warehousing utilisation remained high throughout the year.

In 2023, economic and trade growth are expected to be weak. Demand for consumer goods is slowing, and the inventory correction is weighing on the near-term outlook. Geopolitics remain challenging, with some long-standing trade relationships being reconfigured. The result is an emerging fundamental reset in which some supply chains are increasingly shaped by political choice.

Mid-2022 marked a shift in the macroeconomic environment

Global economic activity made a strong recover in 2021 (6.0% y-o-y), but slowed to 3% in 2022 (Oxford Economics January 2023 estimate), as the rebound from the pandemic faded. Additionally, the war in Ukraine and lockdowns in China created new disruptions and strains during the year. Companies and consumers experienced levels of price inflation not seen since the 1970s, with headline consumer price inflation reaching 9% in the USA (June) and 10.6% in the Eurozone (October), and producer price inflation reaching above 40% in Europe. Many central banks increased interest rates to contain price inflation and slowing economic activity became evident in the second half of 2022 in most major economies. Central banks in China and Japan were an exception, maintaining an accommodative stance to support growth.

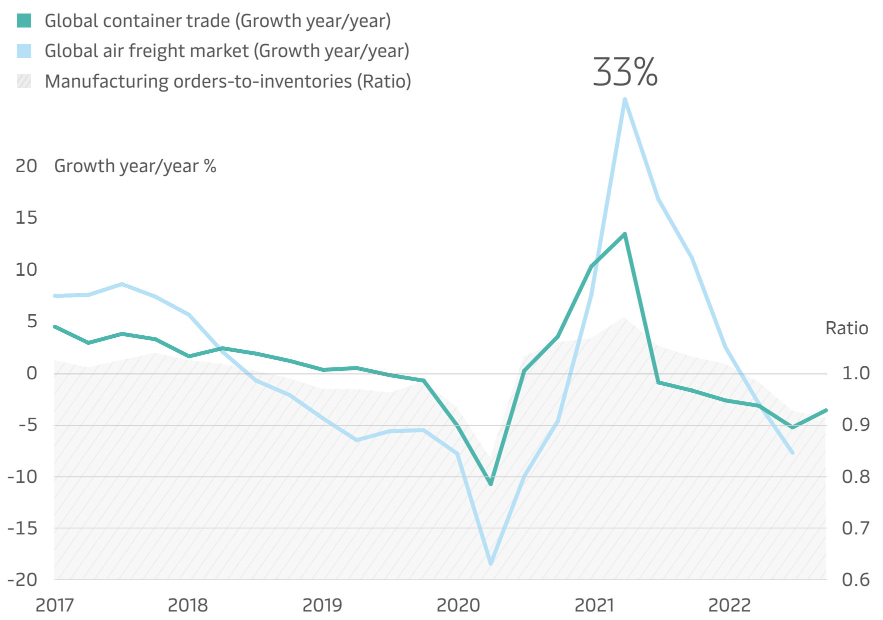
Solid labour markets and savings accumulated during the pandemic supported overall consumer demand despite these new headwinds. However, spending on goods began to slow during H2 2022 as the composition of spending shifted toward services, and the exceptionally strong demand for goods by consumers in the United States began to fade. Alongside, the inventory correction turned into a headwind in H2 2022. Inventories were run down during 2020-21, supporting trade activity as manufacturers and retailers struggled to meet a heavy order flow. With economic activity slowing and supply chain bottlenecks easing during 2022, businesses started to accumulate inventory resulting in a drag on trade activity (Figure 1).

Logistics markets began to normalise

Demand for logistics services followed the macroeconomic environment during 2022. Global container sea freight volumes declined by 4.3% in 2022, and by the third quarter they were below 2019 Q3 levels. Air cargo volumes (CTK) declined by 7.4% from January to November compared to 2021 (Figure 1) and were also below the levels seen over the same period of 2019. According to Drewry, port throughput volumes declined by 0.5% in 2022, weaker than the 7.1% in 2021. By contrast, vacancy rates for industrial and logistics warehousing remained low by historical standards (3.3% in the USA).

Figure 1

Inventories and trade



Sources: Maersk Strategic Insights, based on CTS, Piers, Seabury, IHS Markit.

Pressure on global supply chains eased during the year resulting in improved reliability for Ocean logistics. The share of the global container fleet absorbed by delays declined from almost 14% in January 2022 to 6.7% in October, according to Sea-Intelligence. Nonetheless, inland logistics remained challenged in some regions and ports because of several factors: ongoing truck driver and equipment shortages, redirected cargos bound for Russia, low water levels in parts of Europe, high inventory levels clogging-up ports and warehouses, industrial action, flooding in parts of Asia and lockdowns in China.

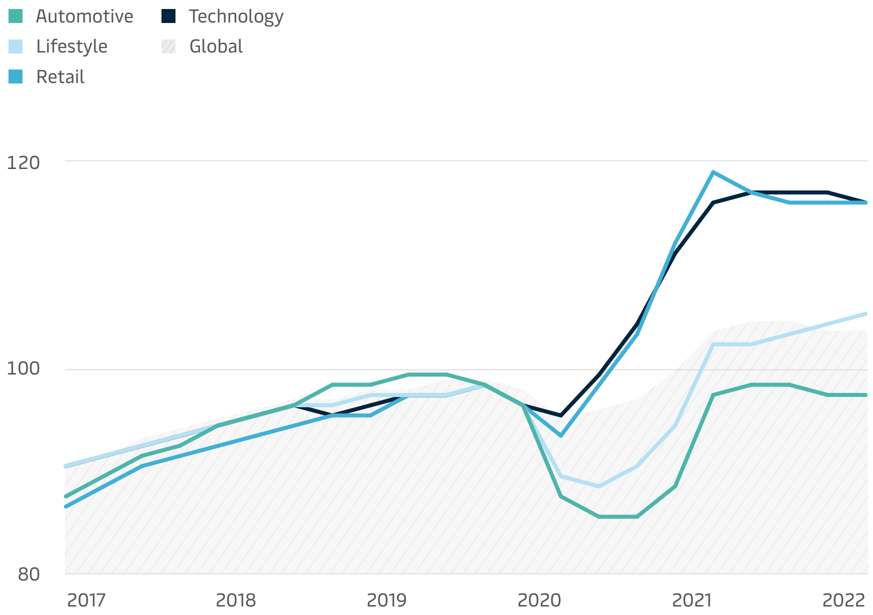
Demand developments were not uniform across customer verticals. The main shift occurred in retail and technology products where demand was exceptionally strong during the pandemic pushing container volumes well above their pre-pandemic trend (Figure 2). During 2022, consumers reduced their spending on these products and container volumes began to normalise. By contrast, other verticals such as lifestyle products did not experience the same overconsumption and container volumes progressed in line with the pre-pandemic trend. The automotive sector continued to be impacted by supply chain problems and a shortage of semiconductors, as well as consumer hesitancy, resulting in container volumes being well below trend. From a sales channel perspective, e-commerce penetration also began to normalise during 2022, underscoring the need for nimble omnichannel logistics solutions.

Container volumes contracted across most ocean routes in 2022 compared to 2021 (Figure 3). Volumes into and out of Europe weakened because of the Russian invasion of Ukraine that resulted in a direct loss of trade with Russia and in a deterioration of the European economic environment. Volumes into Far-East Asia deteriorated because of weak domestic demand and COVID-19 policy in China. North America import volumes also declined hand-in-hand with the economic slowdown, shifting consumer demand and the inventory correction. Yet, container volumes remained above 2019 levels in several regions, including Latin America, Oceania, intra-Asia and intra-America.

Figure 2

Container trade volumes, by vertical

Index (2019=100) 4QMA



Source: Maersk Strategic Insights estimates, based on CTS, Piers, Seabury.

Pricing varied across transport modes

The normalisation of demand was felt most keenly in the ocean freight rate market during H2 2022. The adjustment across other transport modes was more subdued reflecting differing demand and supply dynamics (Figure 4).

Spot ocean freight rates, as measured by the Shanghai Containerized Freight Index (SCFI), were on average 10% lower in 2022 compared to 2021, but still four times higher than 2019.

On the supply side of the ocean market, nominal capacity expanded by 4% in 2022 and the supply-demand balance deteriorated during the year. In H1 2022, supply side bottlenecks and the composition of demand led to a growing number of blank sailings and a fleet deployment increasingly skewed towards longer East-West trades relative to shorter intra-regional trades. This kept effective supply growth below head-haul demand growth, supporting ocean rates. Combined with weakening demand, the supply-demand balance deteriorated in H2 2022.

Looking forward to 2023, global demand for containers is expected to decline. On the supply side of the container market, growth is expected to be significant. According to Alphaliner 362 vessels with a nominal capacity of 2,482k TEU are scheduled for delivery in 2023. This corresponds to around 10% of the current nominal fleet. Although scrapping and measures taken to comply with incoming regulation from the International Maritime Organization will absorb some of the incoming capacity, the supply-demand balance is likely to deteriorate in 2023.

Lower demand for air cargo services and a return of capacity to the market reduced the pressure on airfreight rates during 2022. Compared with the first eleven months of 2021, airfreight capacity rose by 3.3% in 2022 as long-haul passenger flights resumed and expanded carrier freighter fleets came into operation (IATA). Rates remained in transition in H2 2022. As of September 2022, they were 9% below same period 2021, but global average spot rates were 103% higher than in September 2019 according to Xeneta. Continued rate normalisation during 2023 rests on the supply of belly capacity coming to the market and the degree of demand normalisation.

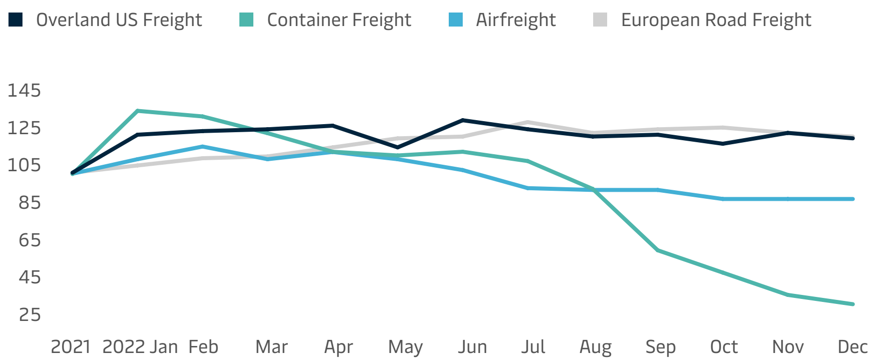
Figure 3

Container volume growth in 2022 (%)

Source: Maersk Strategic Insights
1 Data displayed on geographical regions exclude intra-regional trade
2 Actuals available until November 2022.
3 Figures reported refer to the last available 3-month moving average of market growth
4 Colours embed information on the current dynamics relative to the 2011-19 average.

Figure 4

Freight rates development in 2022 (Index, 2021 = 100)



Source: Maersk Strategic Insights, based on CASS Information system, Freightos, SCFI, Upply

Demand for logistic services remained strong during the year in the USA as backlogs from the consumption boom were processed. Higher levels of inventory resulted in increased demand for warehousing and storage space, keeping rates supported. In Europe, road freight rates remained high despite weakening economic activity thanks to a mix of factors such as elevated fuel costs and driver shortages. Yet across all modes, the mix of factors that drove rates higher during and after the pandemic started to unwind during 2022.

A disrupted market landscape

Despite the easing of COVID-related restrictions, the logistics industry and its customers face wide-ranging changes and disruption to the business landscape. Fundamental drivers of the logistics industry are becoming more challenging and the industry itself faces accelerating paradigm shifts driven by supply chain fragmentation, geopolitical instability

Figure 5

Disrupted landscape: A Polycrisis framework (illustrative)

and economic headwinds, straining established supply chains set-ups and logistics solutions (Figure 5).

Immediately ahead, global **economic growth** is expected to be weak in 2023, around 1.5%, with major economies going into recession. Consumer spending growth will slow further and the overconsumption of goods during the pandemic period risks a sharp correction in demand. China's economy is also struggling, adding to the business challenges posed by COVID-19. And many emerging markets are vulnerable, having entered this environment with high debt levels and key dependencies on energy and food imports. In this uncertain context, the global ocean container market growth is expected to be in the range of -2.5% to +0.5% in 2023.

Alongside, market-based trade policies are being challenged more forcefully than at any time in the past 60 years. Going forward, **geopolitical relationships** are set to remain tense, and some supply chains will be shaped more by political choice than by economics, and by the increasing impact of **climate change**. The totality of uncertainty facing customers' supply chains and logistics providers is significant and greater than any single risk factor would indicate by itself.

Other fundamental drivers of the logistics landscape are also changing. **Technology** is creating new demands and opportunities, channel shifts are accelerating, and the quest for resilience and ESG compliance are becoming paramount. As part of the response, supply chains are starting to be rewired through nearshoring and diversification of sourcing, and customers seek closer collaboration and long-term relationships to reduce undue complexity and shared responsibility for operating their supply chains.

RISK MANAGEMENT

Navigating risks

Risk management at A.P. Moller - Maersk is focused to support the strategic objectives in the medium term and ensure the longevity in the long term. A.P. Moller - Maersk's Enterprise Risk Management framework enables a consistent approach to identification, assessment, mitigation and monitoring of key risks. This allows a holistic and meaningful comparison of the risks faced and provides transparency of how they are managed across the company.

Identifying A.P. Moller - Maersk's risks

Using the enterprise risk management framework, all A.P. Moller - Maersk brands and functions identify risks that could affect their strategy and operations. In parallel, risks to the company's business objectives are identified through interviews with executives. Finally, emerging risks to the company's longer-term value drivers are identified through an externally facilitated workshop with executives. The risks identified are then consolidated into an enterprise-wide risk landscape and validated for relevance and significance by the Risk & Compliance Committee. After final consolidation, the risk landscape is reviewed by the Executive Leadership Team, who determines the key risks for the company and the emerging risks that warrant detailed analysis to understand their potential impact. These risks are then submitted to the Audit Committee and the Board of Directors.

Managing A.P. Moller - Maersk's risks

Each key risk is assigned an executive owner who is accountable for the management of the risk, including confirmation that adequate controls are in place and that the necessary action plans are implemented to bring or keep the key risk within risk appetite. To provide adequate oversight, key risk developments and mitigation progress are monitored and reported on throughout the year based on agreed metrics. Quarterly in-dept reviews of the status of the key risks and their mitigation are conducted in the management teams and various oversight fora such as the Risk & Compliance Committee. In addition, the Audit Committee conducts deep dive sessions with executive risk owners throughout the year on selected key risks. Figure 1 presents an overview of A.P. Moller - Maersk's process and governance structures, including the Risk & Compliance Committee and Audit Committee/ Board of Directors.

ERM road map 2022-2024

In 2022, a third-party maturity assessment of A.P. Moller - Maersk's Enterprise Risk Management capabilities was carried out. The assessment concludes that the company has a solid ERM program, which over the past few years has undergone steady and continuous improvement. To further strengthen the capabilities a road map of activities was established for the period 2022-2024 to:

1. Enhance the project risk management capabilities
2. Establish a risk appetite framework
3. Address uneven ERM maturity levels in brands and functions
4. Build system support for ERM.

Work on the above activities is either ongoing or completed.

Figure 1

Overview of governance structure

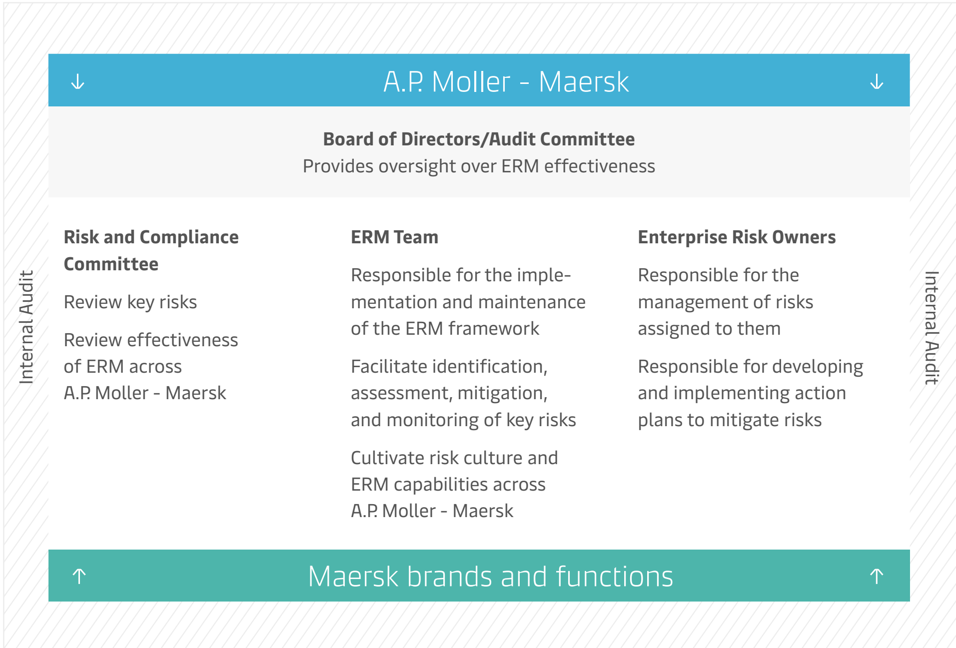


Figure 2

- Risk continuing from 2022
- New risk

Key risks to the 2023-2027 business plan

A.P. Moller - Maersk categorises risks into four different areas to provide the appropriate level of governance and oversight to effectively manage these risks.

Strategic

Risks associated with current and future business plans and strategies

1 **Ocean industry collapse**
Financial loss from Ocean freight rate collapse

2 **Geopolitical tension**
Escalation of geopolitical tensions and political uncertainty impacting future supply chain.

4 **Process standardisation & technology roadmap**
Failure or serious delay in the standardisation of E-2-E processes and execution of technology roadmap

8 **Decarbonisation**
Failure to decarbonise A.P. Moller - Maersk's end-to-end supply chain at a speed that meets investor and customer expectations

9 **Mergers and acquisitions integration**
Failure to integrate a major acquisition

Operational

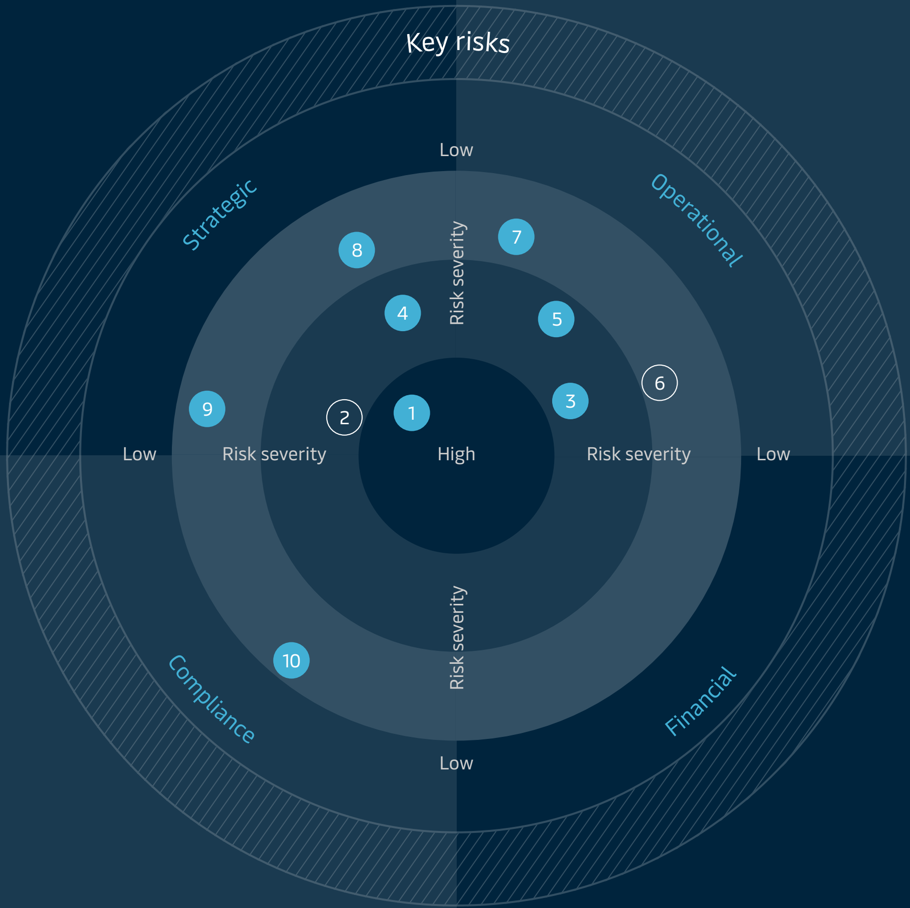
Risks associated with business activities and operations, procedures, people and systems

3 **Customer service level**
Inability to deliver a superior service level to customers

5 **Cyberattack**
External or internal attack resulting in service unavailability or data breach

6 **Rising cost in an inflationary environment**
Inflationary cost pressure or lack of product standardisation hampering long term profitability and scalability of business.

7 **Organisational capabilities**
Inability to attract and scale the right workforce matching business demand



Compliance

Risks associated with non-compliance with rules and/or policies

10 **Legal and regulatory compliance**
Being hit by a large compliance case

Financial

Risks associated with potential financial losses and/or insolvency

	1 Ocean industry collapse	2 NEW RISK Geopolitical tension	3 Customer service level	4 Process standardisation & technology roadmap
	Risk owner: Chief Product Officer, Ocean Year-on-year risk movement: Increased Risk category: Strategic	Risk owner: Chief Corporate Affairs Officer Year-on-year risk movement: New risk Risk category: Strategic	Risk owner: Chief Delivery Officer Year-on-year risk movement: Decreased Risk category: Operational	Risk owner: Head of Transformation Year-on-year risk movement: Stable Risk category: Strategic
What is this risk	Drop in demand due to the economic downturn and the geopolitical situation at a time where the global fleet capacity increases with planned new-buildings may lead to a rapid collapse in Ocean freight rates.	Escalation of geopolitical tension and political uncertainty may have a strong and immediate impact on the future supply chain, through disruptions in supply, demand, and logistics infrastructure, and eventually fragmentation of supply chains.	The success of A.P. Moller - Maersk's integrator strategy depends on customers' trust and confidence in A.P. Moller - Maersk to fulfil their end-to-end supply chain needs through superior and consistent service levels. A failure to do so would be a reputation risk and weaken the foundation of A.P. Moller - Maersk's integrator strategy.	Serious delay or failure to standardise core end-to-end business processes and execute the technology roadmap to achieve A.P. Moller - Maersk's growth vision as an end-to-end integrator of global logistics.
How we manage it	A.P. Moller - Maersk has limited levers to impact the overall demand for container shipping and cannot influence the market rates. With the continuing development of differentiated value propositions, agile adaption of network, slow steaming, focus on cost leadership and a long-term contracts portfolio, the company will all else equal continue to reduce the exposure.	A.P. Moller - Maersk monitors political developments and events which may impact status quo as well as measures taken by customers which may change their supply chain needs.	A.P. Moller - Maersk is transforming towards distinct end-to-end delivery promises. The company is improving the business processes and systems to support the delivery promises, with service levels being monitored to mitigate adverse developments.	A.P. Moller - Maersk has accelerated process standardisation and technology modernisation. To achieve the right customer and business outcomes, the company monitors progress and ensures adequate process governance and cross-functional collaboration.
Target tolerance	A.P. Moller - Maersk calculates with normalised freight rates, but the geopolitical environment and the development in the economic situation in Europe and the USA makes the industry very volatile.	A.P. Moller - Maersk aims to have plans available to adjust network and capacity to accommodate potential disruptions and changes in customer needs as well as enhancing security measures in areas with a potential security/safety exposure.	A.P. Moller - Maersk targets a high reliability, consistent performance of delivery promises to customers, and a high Net Promoter Score from customers.	A.P. Moller - Maersk targets operational excellence in addressing customers' end-to-end supply chain needs, through effective integration of business products, standardised processes and technology platforms.
Potential scenario	A severe contraction of Ocean industry due to rapid decrease in demand combined with new capacity causes freight rates to drop below break-even for a longer period.	Potential wide sanctions inhibiting trade in major markets, and in a worst case, military conflict leading to obstruction of major network routes.	Inefficient management of assets/network and bookings leading to rupture of customer promises.	Unsuccessful implementation of digitised and standardised supply chain solutions causes loss of digital competitive advantage and customer dissatisfaction.

	5 Cyberattack	6 NEW RISK Rising cost in an inflationary environment	7 Organisational capabilities	8 Decarbonisation
	Risk owner . . . Chief Technology & Information Officer Year-on-year risk movement . . . Stable Risk category . . . Operational	Risk owner . . . Chief Financial Officer Year-on-year risk movement . . . New risk Risk category . . . Operational	Risk owner . . . Chief People Officer Year-on-year risk movement . . . Stable Risk category . . . Operational	Risk owner . . . Chief Infrastructure Officer Year-on-year risk movement . . . Stable Risk category . . . Strategic
What is this risk	As A.P. Moller - Maersk becomes increasingly digitalised, more devices and control systems are connected online, resulting in a wider technology surface. This, compounded with ever-increasing external threat capabilities, puts more pressure on systems to be cyber threat resilient. A cyberattack could lead to severe operational disruption, data breaches and/or loss of customer trust.	Inflationary cost pressure, unexpected costs associated with M&A Integration, or lack of product standardisation, impacts A.P. Moller - Maersk's profitability.	A.P. Moller - Maersk's strategy to become a global integrator of container logistics requires the right capabilities. Inability to attract and retain skilled staff will impact the ambition to deliver a logistics-based, digitally transformed business model to support the integrator strategy.	Decarbonisation is a business necessity and a mission-critical factor. It is imperative for A.P. Moller - Maersk to decarbonise its end-to-end supply chain in a credible and transparent way and at a speed that meets customers, investors and society's expectations, and at the same time generates business value for A.P. Moller - Maersk and its customers.
How we manage it	A.P. Moller - Maersk continues to invest in cyber security to enhance its digital resilience, and strengthen its business continuity plans. The company continues to enhance its capabilities to control impact through appropriate preparedness and response procedures.	A.P. Moller - Maersk will drive efficiencies and productivity to reduce the cost base in general, mainly in terms of standardising and automating processes and products. Increase in costs due to inflation will to the extent possible be passed on to customers.	A.P. Moller - Maersk has acquired new and diverse capabilities and skillsets, especially for Logistics & Services and technology. The company has revitalised the Maersk values and continues to build competencies through functional and leadership programmes, targeted capability sourcing matching the business needs, and a strong employee value proposition.	A.P. Moller - Maersk has made progress on both the asset, products and supply side. The first methanol-powered vessel will be delivered in 2023, with 18 more vessels on order through 2024 to 2025. The supply of green fuel is ongoing through partnerships with green methanol suppliers. ECO delivery products are offered to Ocean customers and will be launched across Logistics during 2023. The company is establishing an emission platform in 2023 to support the ECO products, enable emissions target setting and reporting.
Target tolerance	A.P. Moller - Maersk aims to avoid material cyber-attacks through increased threat intelligence and response capabilities, and builds digital resilience with business segments, third parties and wider supply chains.	A.P. Moller - Maersk targets a low negative impact from the inflation in costs through a combination of reduction of the cost base and passing on the higher costs to customers.	A.P. Moller - Maersk targets to be an employer of choice, able to attract and retain qualified talent and skills that are highly engaged and committed to the company's values, goals and objectives.	A.P. Moller - Maersk targets achievement of its value-generating decarbonisation vision by innovating supply chain solutions and accelerating its decarbonisation initiatives to drive credibility towards the customers, investors and society.
Potential scenario	Increased direct or indirect attacks on A.P. Moller - Maersk's brands, third-party partners or parts of company's network due to digitisation, threat sophistication and/or vulnerabilities from newly acquired environments cause severe business disruption and loss of customer trust.	A competitive landscape with drop in rates as a result of price competition does not allow A.P. Moller - Maersk to get compensated for the effects of inflation by the customers.	A.P. Moller - Maersk's strategy execution is hampered by lack of adequate organisational capabilities essential to match business needs and rapid shifts in external business, technology and regulatory environment.	Uncertainty around the direction of future sustainable fuel market developments, unavailability of sufficient amounts of green fuel, and customers' reluctance to adopt sustainable supply chain solutions causes delay in realising A.P. Moller - Maersk's decarbonisation vision or failure to generate business value from it.

	9 Mergers and acquisitions integration	10 Legal and regulatory compliance
	Risk owner . . . Head of Transformation Year-on-year risk movement . . . Stable Risk category . . . Operational	Risk owner . . . Chief Corporate Affairs Officer Year-on-year risk movement . . . Stable Risk category . . . Strategic
What is this risk	A key driver to Logistics & Services growth is the expansion of product and people capabilities through M&As. Some of the acquisitions might be substantial, and if A.P. Moller - Maersk fails to integrate those, it may derail the execution of the integrator strategy.	The legal and regulatory landscape in which A.P. Moller - Maersk operates is complex, and the company could be subject to compliance cases in connection with violations of anti-corruption laws, anti-trust regulations, international sanctions and/or data privacy.
How we manage it	A.P. Moller - Maersk has a dedicated post-merger integration office equipped with experienced capabilities to assist the business in effectively managing M&A integrations. A comprehensive M&A integration framework has been implemented covering all commercial and functional aspects. The integration process is strongly linked to a structured M&A target identification, due diligence and synergy identification process.	A.P. Moller - Maersk has global and regional subject matter experts in each compliance area and a robust compliance programme designed to fulfil the global requirements. The company has implemented many initiatives to improve focus and emphasis on compliance training, awareness, processes and controls.
Target tolerance	A.P. Moller - Maersk aims to have adequate and experienced capabilities and effective processes to warrant that substantial M&As are integrated successfully and on time to realise the anticipated benefits as planned.	A.P. Moller - Maersk is committed to ensuring compliance with all applicable laws and regulations in all the countries where it operates.
Potential scenario	A failure to successfully integrate a major acquisition due to inadequate integration approach, lack of internal processes or capabilities, or cultural differences cause value destruction in the form of unrealised synergies.	A violation of compliance regulation causes severe reputational damage and substantial legal fines, damages and costs.

Changes to the key risks

The **Ocean Industry Collapse** risk has increased due to the current economic environment, negatively impacted by inflation and high energy prices, leading to decline in trade at a time with newbuildings increasing the supply side.

The **Customer Service level** risk has decreased assisted by the ease in global supply chain congestion along with progress on the programme to build delivery promises to customers.

Looking beyond the planning period

A.P. Moller - Maersk looks beyond the business planning horizon and assesses emerging risks in a 5-15 years' perspective. This is to spot threats or opportunities to the long-term value drivers in a timely manner. Emerging risks are established based on prevailing mega trends seen through different lenses (Figure 3). In 2021, two risks were selected for focus and further analysis. These risks were the physical impact of climate change and change in trade patterns. The planned analysis has been performed during 2022, and the outcome is described below.

1 Climate change

Climate change will increasingly impact global trade. There will be impact on infrastructure and transportation (**the operation side**) and changes to the patterns of economic activity and trade flow (**the demand side**).

The analysis of **the operation side** includes assessment of climate scenarios and their impact on the company's operations in relevant locations, i.e. the land-based assets. The risks are assessed for the portfolio of assets and for the individual assets. On average the asset portfolio is predicted to incur 30% higher costs for physical damage and business interruption compared to a baseline of 2022. This does not include the potential impact on the network. For individual assets identified to be high-risk assets, the company is conducting on site assessments by risk engineers of vulnerabilities to relevant climate hazards in the short, medium and long term and provide concrete and actionable recommendations.

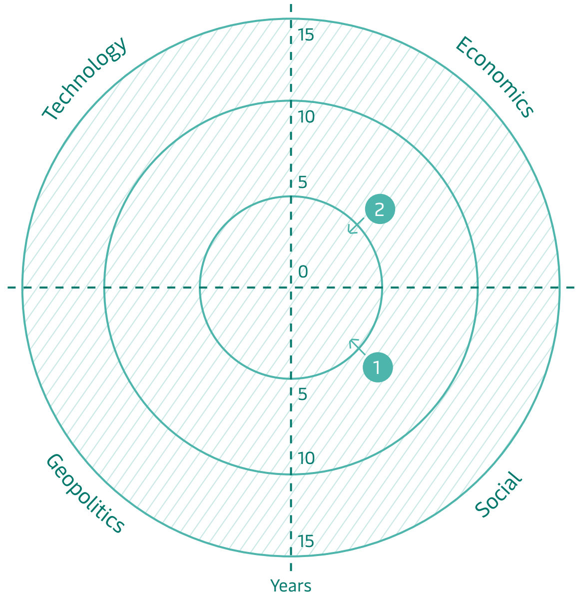
In respect of climate change impact on the future trade flows, the analysis focuses on understanding **the demand side**, It captures the influence of climate change on where things are made and who buys them. Different climate-economy scenarios have been modelled to determine how global trade and demand for container transport and logistics could be impacted by both a changing climate, the world's mitigation responses and the global economy's response. The findings are that irrespective of efforts to reduce global emissions, the global economy will be harmed in the medium or longer term depending on whether the scenario is a coordinated transition or a disorderly approach, and with a high degree of variation between regions.

2 Change in trade patterns

A.P. Moller - Maersk's business model is global and dependent on the global economy and international trade. Consequently, fundamental changes in trade patterns could expose the current business model to risk. The company is monitoring trends in the global environment leading to fragmentation in the key supply chains. Three main trends are contributing to such fragmentation, 1) The geopolitical competition and supply chain disruptions are increasing the interest in re- or near-shoring, 2) Rise in protective industrial policy is leading to government intervention in markets to prioritise local and regional production, 3) Prioritisation of ESG goals is increasing the regulation, impacting businesses and impacting consumer preferences which is expected to lead to avoidance of long-haul transportation and manufacturing closer to market. A study was undertaken to analyse the geopolitical risk. Three scenarios were built with a view on the short-term, medium-term and long-term impact on the supply chains and detailed analyses were done on verticals (customer product segments) that are globally important to trade and strategically important for A.P. Moller - Maersk. The analysis concluded, that on current policy settings the impact on container trade will be manageable. However, certain tail events will increase risks within the scenarios exponentially. These tail risks relate to the geopolitical situation as well as climate change.

Figure 3

Emerging risks in focus



1 Climate change

2 Change in trade patterns

Hidden heroes making a difference

Our time on this planet provides many opportunities to positively impact our surroundings and in Charlotte, North Carolina, Zeba Boughner and several colleagues have found ways to make a difference.

Hidden heroes
Green future
LF Logistics

Boughner, a 10-year veteran at A.P. Moller - Maersk, joined an engagement team in 2018 to be more involved in her local community. She hoped to inspire change, and after brainstorming various ideas, Boughner targeted the environment as the core of her efforts.

After successfully working on river clean-ups for a couple of years, interest grew and in 2021, a team was created enabling Boughner to expand her efforts. Through rounds of tree plantings and waste collection, Boughner and her allies have continued to support local non-profits. By walking an extra mile outside office hours, they have helped build awareness to the changes and the negative impact facing our environment. Furthermore, these efforts have helped push the necessary change to how societies treat our planet at a time with more extreme weather conditions and rising temperatures.

Boughner and her colleagues are great representatives of A.P. Moller - Maersk and a clear example of the added value of having a purpose in your work. The company formulated a purpose and revitalised its fundamental values in the early days of 2022, which has inspired employees to make a positive impact. More colleagues are joining initiatives like Boughner's engagement team, and at A.P. Moller - Maersk offices around the world, people are researching how to be more involved as local difference makers.

> By walking an extra mile outside office hours, they have helped build awareness to the changes and the negative impact facing our environment.

Having a purpose beyond growth on profits and meeting the expectations from surrounding stakeholders are major parts of the license to operate as a global company today. Operations at A.P. Moller - Maersk have always been deeply rooted in a set of core values. By clearly defining and updating them to reflect the world of today, A.P. Moller - Maersk is better prepared to meet the world of tomorrow.

In North Carolina, Zeba Boughner and her colleagues might be making a small difference if measured purely in the number of plastic bottles they prevent from ending up in our oceans. But the value of their efforts should not be underestimated. They are doing their part to take better care of the planet. They are embodying the spirit of the A.P. Moller - Maersk Purpose and improving life for all with each little action.

Performance

Contents

Port of Tanjung Pelepas, Malaysia

Financial review

A.P. Moller - Maersk continued to deliver all-time high results in Ocean, Logistics & Services and Terminals in 2022. Revenue increased by 32%, and EBITDA and EBIT increased by 53% and 57%, respectively. Profit was USD 29.3bn (USD 18.0bn) for 2022.

The exceptional market situation continued in 2022 with profitability driven by the substantially higher freight rates in Ocean, however, freight rates began to decline in the second part of Q3, due to weakening customer demand, coupled with markets beginning to normalise with fewer supply chain disruptions and progressive unwinding of congestion.

Due to the Russian invasion of Ukraine, A.P. Moller - Maersk decided to withdraw from doing business in Russia, and consequently recognised the corresponding value adjustments. The divestment of Terminal's participation in Global Ports Investments (GPI), Russia, was completed in 2022, while the divestment of Maersk Container Industry was discontinued following regulatory challenges.

The acquisitions of LF Logistics, Pilot Freight Services and Senator International were completed and the intended acquisition of Martin Bencher Group was announced. Further, A.P. Moller - Maersk strengthened its air freight offering by launching Maersk Air Cargo.

Highlights for the year

USD million

	Revenue		EBITDA		EBIT		CAPEX	
	2022	2021	2022	2021	2022	2021	2022	2021
Ocean	64,299	48,232	33,770	21,432	29,149	17,963	2,620	2,003
Logistics & Services	14,423	9,830	1,378	907	814	623	657	460
Terminals	4,371	4,000	1,535	1,455	832	1,173	516	304
Towage & Maritime Services	2,293	2,082	369	356	307	17	350	203
Unallocated activities, eliminations, etc.	-3,857	-2,357	-239	-114	-242	-102	20	6
A.P. Moller - Maersk consolidated	**81,529**	**61,787**	**36,813**	**24,036**	**30,860**	**19,674**	**4,163**	**2,976**

Unless otherwise stated, all figures in parenthesis refer to the corresponding figures for the same period prior year.

Financial and operational performance

Revenue increased by USD 19.7bn to USD 81.5bn (USD 61.8bn), with substantial increases in Ocean of USD 16.1bn, in Logistics & Services of USD 4.6bn and in Terminals of USD 371m. The increase in Ocean was driven by significantly higher loaded freight rates for the first three quarters. The increase in Logistics & Services was primarily due to significant volume growth both organically and inorganically, while the increase in Terminals was mainly driven by storage income in North America and continued higher volume.

EBITDA increased significantly to USD 36.8bn (USD 24.0bn). In Ocean, EBITDA increased by USD 12.3bn, driven by higher revenue due to higher freight rates, partly offset by lower volumes and higher costs from increased bunker prices, container handling and network. In Logistics & Services, the increase in EBITDA was USD 471m, led by the higher revenue, and in Terminals, EBITDA increased by USD 80m, positively impacted by higher storage income, volume increase and increase in tariffs.

Ocean, USDbn (2021: 21.4)	33.8	Logistics & Services, USDbn (2021: 907m)	1.4	Terminals, USDbn (2021: 1.5)	1.5

EBIT increased by USD 11.2bn to USD 30.9bn (USD 19.7bn), positively impacted by the improved EBITDA with a negative impact from the Russia/Ukraine situation of USD 511m. The EBIT margin increased to 37.9% (31.8%). The majority of the impact from the Russian invasion of Ukraine of USD 403m relates to Terminal's sale of the holding in Global Ports Investments as a result of the withdrawal of business in Russia.

Ocean, USDbn (2021: 18.0)	29.1	Logistics & Services, USDm (2021: 623)	814	Terminals, USDm (2021: 1,173)	832

Return on invested capital (ROIC), last twelve months, increased to 60.4% (45.3%), as earnings improved significantly.

Financial items, net, amounted to a net loss of USD 629m (net loss of USD 944m), positively impacted by higher interest income on loans and receivables.

Tax expense increased to USD 910m (USD 697m), primarily due to improved financial performance.

Net profit of USD 29.3bn (USD 18.0bn), with significant improvement in operating earnings.

The underlying net profit after financial items and tax was USD 29.7bn (USD 18.2bn), due to the improved operational performance.

Cash flow from operating activities was USD 34.5bn (USD 22.0bn), positively impacted by the increase in EBITDA to USD 36.8bn, offset by a negative change in net working capital of USD 1.8bn, leading to a cash conversion of 94% (92%).

Gross capital expenditure (CAPEX) was USD 4.2bn (USD 3.0bn), driven by significant investments across all segments.

Ocean USDm	2,620	Logistics & Services USDm	657	Terminals USDm	516

Free cash flow increased to USD 27.1bn (USD 16.5bn), positively impacted by higher cash flow from operating activities, partly offset by higher gross CAPEX and increased lease payments and financial payments. Total cash and bank balances, including term deposits and securities increased to USD 28.6bn (USD 16.9bn).

Capital structure, issue of bonds and credit rating

Net interest-bearing debt decreased to a net cash position of USD 12.6bn (a net cash position of USD 1.5bn at year-end 2021), as free cash flow of USD 27.1bn was partly used for share buy-backs of USD 2.8bn, dividends of USD 6.9bn and acquisition of companies of USD 4.8bn. Further, lease liabilities increased by USD 1.1bn, and excluding lease liabilities, the Group had a net cash position of USD 24.2bn (USD 12.1bn at year-end 2021).

Development in net interest bearing debt (NIBD)

USDbn

A.P. Moller - Maersk remains investment grade-rated and holds a Baa2 (positive outlook, updated from stable) from Moody's and a BBB+ (stable) rating from Standard & Poor's.

Total equity increased to USD 65.0bn (USD 45.6bn at year-end 2021), mainly driven by higher net profit of USD 29.3bn, partially offset by dividends payments and share repurchase resulting in an equity ratio of 69.4% (63.1% at year-end 2021).

The liquidity reserve increased to USD 33.3bn (USD 21.5bn at year-end 2021) and was composed of cash and bank balances (excluding restricted cash), term deposits and securities of USD 27.3bn (USD 15.5bn at year-end 2021) and undrawn revolving credit facilities of USD 6.0bn (USD 6.0bn at year-end 2021).

Dividend

The dividend for 2021 of USD 6.9bn declared at the Annual General Meeting on 15 March 2022 was paid on 18 March 2022.

The Board of Directors proposes a dividend to the shareholders for 2022 of DKK 4,300 per share of DKK 1,000 (DKK 2,500 per share of DKK 1,000) corresponding to 37.5% of underlying net result as per the company's dividend policy of distributing between 30-50% of the underlying net result to shareholders in dividend.

The proposed dividend payment represents a dividend yield of 27.5% (10.7%), based on the Maersk B share's closing price of DKK 15,620 as of 30 December 2022. Payment is expected to take place on 31 March 2023.

Proposed dividend 2023, DKK Per share of DKK 1,000	4,300	Ordinary dividend 2022, DKK Per share of DKK 1,000	2,500

Share buy-back

Based on the strong financial performance, in August 2022, the Board of Directors decided to raise the existing share buy-back programme by DKK 7.3bn from DKK 32bn to DKK 39.3bn (or around USD 2.5bn to USD 3.0bn per year). In addition, for the years 2024-2025, the Board of Directors decided to raise the share buy-back programme by USD 500m annually from around USD 2.5bn to USD 3.0bn.

During 2022, A.P. Moller - Maersk bought back 215,002 A shares and 904,856 B shares, worth DKK 20bn (around USD 2.8bn) including shares bought back for the long-term incentive plan. On 31 December 2022, A.P. Moller - Maersk owns a total of 201,717 A shares and 887,557 B shares as treasury shares, corresponding to 5.82% of the share capital.

The Annual General Meeting has authorised the Board of Directors to allow the company to acquire own shares to the extent that the nominal value of the company's total holding of own shares at no time exceeds 15% of the company's share capital.

Financial guidance and ESG targets

Financial guidance for 2023

Guidance is based on the expectation that inventory correction will be complete by the end of H1 leading to a more balanced demand environment, that 2023 global GDP growth remains muted, and that the global ocean container market will grow in a range of -2.5% to +0.5%. Ocean expects to grow in line with market. Without impacting financial guidance, an impairment and restructuring charge of USD 450m regarding A.P. Moller - Maersk's brands is expected in Q1 2023.

USDbn

EBITDA Underlying	8.0-11.0	EBIT Underlying	2.0-5.0	Free cash flow (FCF) at least	2.0
CAPEX guidance, maintained 2022-2023	9.0-10.0	CAPEX guidance 2023-2024	10.0-11.0		

Sensitivity guidance

Financial performance for A.P. Moller - Maersk for 2023 depends on several factors subject to uncertainties related to the given uncertain macroeconomic conditions, bunker fuel prices and freight rates. All else being equal, the sensitivities for 2023 for four key assumptions are listed below:

Factors	Change	Effect on EBIT (Full year 2023)
Container freight rate	+/- 100 USD/FFE	+/- USD 1.2bn
Container freight volume	+/- 100,000 FFE	+/- USD 0.1bn
Bunker price (net of expected BAF coverage)	+/- 100 USD/tonne	+/- USD 0.4bn
Foreign exchange rate (net of hedges)	+/- 10% change in USD	+/- USD 0.2bn

ESG commitments

A.P. Moller - Maersk's ESG strategy highlights three core commitments:

- ENVIRONMENT: take leadership in the decarbonisation of logistics
- SOCIAL: ensure that people thrive at work by providing a safe and inspiring workplace
- GOVERNANCE: operate based on responsible business practices

Each of the core ESG commitments are supported by a set of short, mid and long-term strategic targets, and A.P. Moller - Maersk has linked the executive remuneration to ESG performance as of 2023.

Climate change: The vision to deliver net zero by 2040
A climate emergency demands an emergency response, and A.P. Moller - Maersk has set bold and aggressive targets to decarbonise logistics. This matches what two thirds of the company's largest customers demand, as they themselves have set net zero or science-based targets including scope 3 emissions, which implies their supply chains must be decarbonised.

A.P. Moller - Maersk is committed to having its decarbonisation targets approved by the Science Based Targets initiative (SBTi). Since the long-awaited methodology for the maritime transport sector has now been launched in late 2022, the company will seek to submit targets for approval by the SBTi in 2023.

Forward-looking statements
The Annual Report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond A.P. Moller - Maersk's control, may cause the actual development and results to differ materially from expectations contained in the Annual Report.

ESG targets for 2023

SAFETY & SECURITY	SAFETY & SECURITY	BUSINESS ETHICS	DATA ETHICS
100%	100%	100%	100%
Learning Teams completed following a high potential incident	Global Leadership (top 1,200) upskilled in safety and security principles	Employees (in scope) trained in the Maersk Code of Conduct	Employees (in scope) trained on data ethics

ESG targets towards 2025

SUSTAINABLE PROCUREMENT, 2024

100%

Suppliers (in scope) committed to the Supplier Code of Conduct

Roadmap towards 2025

The mid-term financial targets were introduced at the Capital Markets Day in May 2021 and relate to the transformation towards becoming the integrator of container logistics.

Consolidated

The return on invested capital (ROIC) (last twelve months) was 60.4%, well above the target of above 7.5% every year under normalised conditions, and above 12% for the period 2021-2025, driven by the increase in profit.

ROIC (LTM) Target: >7.5%	60.4%

A.P. Moller - Maersk will prioritise the capital allocation to investments in the business, including acquisitions in Logistics & Services, repaying debt, paying dividends based on a pay-out ratio of 30-50% of underlying net profit and distributing excess cash to shareholders through share buy-backs and special dividends in that order.

The proposed dividend payment for 2022 represents a dividend yield of 27.5% and 37.5% of the net underlying profit.

A.P. Moller - Maersk's share buy-back programme, originally planned for USD 5.0bn over 2022-2023, has been progressively extended to USD 12.0bn over 2022-2025 or USD 3.0bn annually. Of the planned share buy-back of DKK 39.3bn (around USD 6bn) for the years 2022-2023, A.P. Moller - Maersk has bought back DKK 22.5bn (USD 3.2bn) as of year-end 2022.

Ocean

Ocean delivered an EBIT margin of 45.3% over the last twelve months, well above the target of 6% under normalised conditions. Total average operated fleet capacity is within the range of 4.1-4.3m TEU.

EBIT Margin Target: >6%	45.3%	Execute with the existing fleet size Target: 4.1-4.3 TEUm	4.3 TEUm

Logistics and Services

For Logistics & Services, organic growth of 21% over the last twelve months was above the target of 10%, and 77% of the organic growth related to top 200 customers was also above the target of 50%. Finally, the EBIT margin was 5.6% versus the target of above 6%, making Logistics & Services the strategic growth driver for the company. Adjusted for Russia and impairments, the EBIT margin would have been 6.1%. In addition to rapid organic growth, the expectation is to continue to make acquisitions, mainly of new capabilities and growth platforms, to expand the logistics business.

Organic growth Target: >10%	21%	Top 200 customers Target: 50%	77%	EBIT Target: >6%	5.6%

Terminals

The return on invested capital (ROIC) (LTM) was 7.6% for Terminals and lower than the expectation of above 9% towards 2025. Excluding the impact from Russia, ROIC (LTM) was 12.3%.

ROIC Target: >9%	7.6%

ESG targets towards 2025

DIVERSITY, EQUITY & INCLUSION	DIVERSITY, EQUITY & INCLUSION	HUMAN CAPITAL
> 40%	> 30%	> 75%
Women in management (Job Level 4+)	Diverse nationality of executives (Job Level 8-9)	Employee Engagement Survey (EES) percentile rank on global norms

ESG targets towards 2030 and 2040

CLIMATE CHANGE, 2030	CLIMATE CHANGE, 2040	CLIMATE CHANGE, 2040
1.5°C aligned	Net Zero	100%
SBTi-aligned business specific emissions targets Industry-leading green customer offerings across the supply chain	Net zero greenhouse gas emissions across all scopes and businesses	Green solutions to customers

Committing to a green future

This is the decade of action if we are to succeed in ensuring a green future for our planet.

Hidden heroes

Green future

LF Logistics

2022 was another year of floods and fires and strong warnings from experts that more action is needed. A.P. Moller - Maersk is committed to leading the decarbonisation of logistics in view of the overall industry being responsible for 3.5bn tonnes of annual greenhouse gas emissions.

In January 2022, A.P. Moller - Maersk updated its ambitious climate targets, including the objective to reach net zero emissions by 2040. By doing so, the company also addresses customer demand to help businesses across the globe in their efforts to cut emissions. The targets are driving business decisions every day.

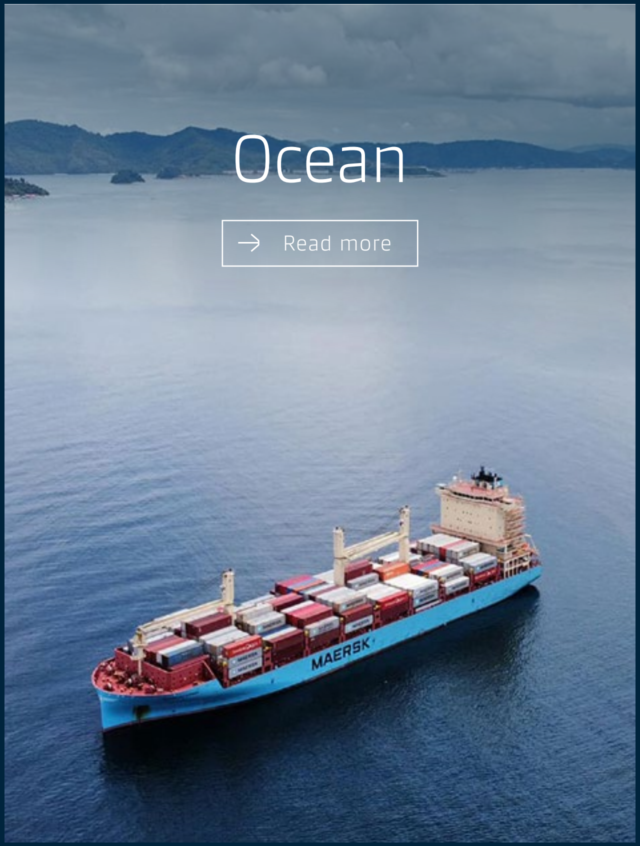
A.P. Moller - Maersk continued to invest to reach its ambitious targets. The company entered into nine green fuel partnerships in 2022, with the intention to source at least 750,000 tonnes of green fuel per year by 2025. In September, A.P. Moller - Maersk announced the purchase of six new green methanol-enabled vessels, adding to the 13 already in the order book. The first green methanol-enabled vessel will have its maiden journey in 2023.

A.P. Moller - Maersk is committed to leading the decarbonisation of logistics.

Governments, businesses and citizens must all work together to not only set targets and raise ambitions, but also to act accordingly to meet those ambitions. Urgency is needed for the world to turn the tide on climate change and meaningful progress is needed. With a war on European soil, high inflation in North America and Europe and economic turmoil hitting many economies, some might say it is not the time to invest in things like green fuels. But there will probably never be a convenient time to tackle a challenge of this magnitude. A.P. Moller - Maersk is focusing on implementing green solutions of today while continuing to innovate and develop tomorrow's solutions.

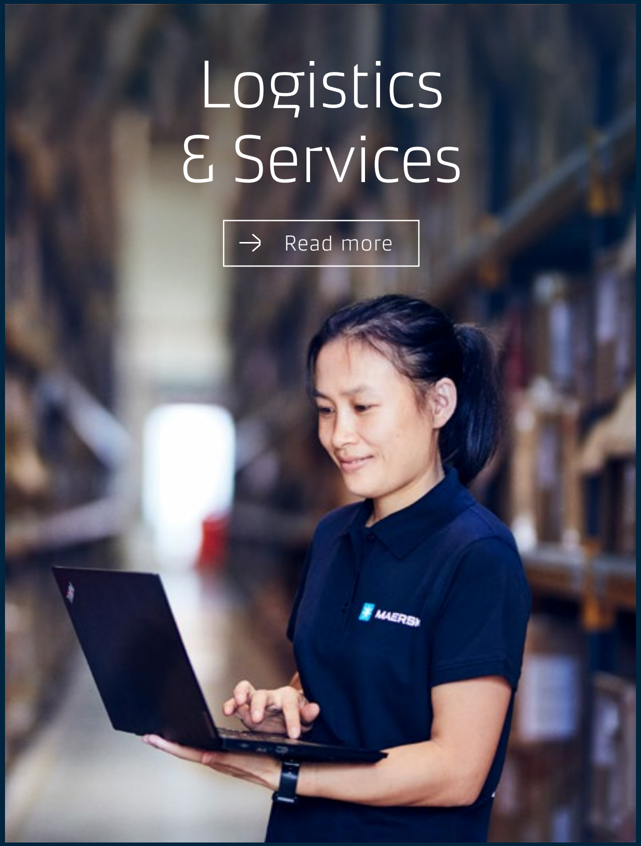
Taking care of today while preparing for tomorrow is a core value at A.P. Moller - Maersk, and when it comes to preparing for tomorrow, not many things are as relevant as dealing with the ongoing climate emergency. It is a business opportunity and a duty for a company as A.P. Moller - Maersk to lead the decarbonisation efforts in the industry. That's what gets us up in the morning.

Segment overview



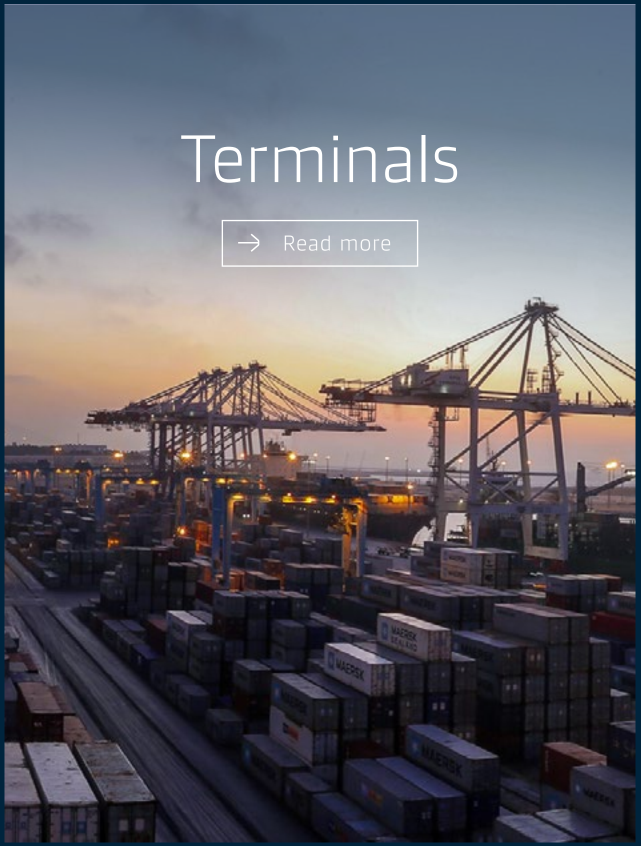
Revenue USDm 64,299 ▲33% | EBIT USDm 29,149 ▲62%

For Ocean, 2022 concluded the strongest year to date with a revenue of USD 64.3bn and an EBIT margin of 45.3%, driven by the high freight rates, which dropped in the second half as customer demand declined on the back of inventory correction.



Revenue USDm 14,423 ▲47% | EBIT USDm 814 ▲31%

Logistics & Services continues to show positive revenue growth across all products as a result of both inorganic and organic performance, the latter mainly from top 200 customers. Margins have experienced downward pressure driven primarily by lower volumes due to inventory correction.



Revenue USDm 4,371 ▲9% | EBIT USDm 832 ▼29%

Strong underlying performance with EBIT adjusted for the Russia exit reaching a record of USD 1.2bn, driven by high congestion-related storage income and continued volume growth. Inflationary pressure has been offset by tariff increases and efficiencies.

Ocean

Ocean profitability reached historically high levels during 2022, primarily driven by exceptionally high average freight rates. The operational and supply chain disruptions that impacted most of 2021 gradually abated over the year, as congestions and COVID-19-related restrictions eased. Subsequently, schedule reliability also improved during the second half of the year.

Nonetheless, the second half of 2022 started to see an impact of increasing inflation, inventory correction and risk of recession, resulting in declining consumer demand and, consequently, loaded volumes decreased by 8.9% over the year compared to 2021.

Average loaded freight rates for the year were exceptionally high and increased by 39% compared to 2021, mainly driven by contract rates. Freight rates started to decline towards the end of the year, largely driven by shipment rates. Unit cost at fixed bunker increased by 16%, largely due to higher network costs and container handling costs, primarily driven by higher slot charter costs and empty container costs. Utilisation decreased slightly to 89% in 2022, due to a decline in demand.

Schedule reliability on Ocean freight continued to improve in 2022 and despite challenging external factors, A.P. Moller - Maersk continues to implement contingency measures to keep reliability as high as possible.

A.P. Moller - Maersk has enriched its offering of new Value-Added Service with eight different possibilities to streamline, reduce costs and improve efficiency of customers' logistics.

The uptake of the digitalised product offerings continues to increase for Maersk Spot which reached 67% (47%) conversion across all brands, and for Maersk Twill which delivered over 321k FFE during 2022, equal to a 30% increase compared to 2021.

Sea in Kota Kinabalu, Malaysia

Line of business

At the heart of the integrator strategy, Ocean ensures that goods keep moving across the world, providing customers with a unique offering, combining flexibility and stability to manage and simplify their end-to-end supply chains.

While providing access to a competitive global network, Ocean offers resilient solutions and differentiated value propositions through its global network and digital products to fit the diverging customer needs and enhance long-term partnerships. Operating one of the largest container vessel fleets in the world, Ocean carries close to 12m FFE per annum serving over 500 ports worldwide.

Ocean highlights

USD million

	2022	2021
Freight revenue	56,499	42,374
Other revenue, including hubs	7,800	5,858
Revenue	**64,299**	**48,232**
Container handling costs	10,214	9,775
Bunker costs	8,077	5,369
Network costs, excluding bunker costs	7,516	7,189
Selling, General & Administration (SG&A) costs	2,947	2,795
Cost of goods sold and other operational costs	1,835	1,629
Total operating costs	**30,589**	**26,757**
Other income/costs, net	60	-43
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**33,770**	**21,432**
EBITDA margin	52.5%	44.4%
Profit before financial items (EBIT)	**29,149**	**17,963**
EBIT margin	45.3%	37.2%
Invested capital	32,368	30,529
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	2,620	2,003
Operational and financial metrics		
Loaded volumes (FFE in '000)	11,924	13,089
Loaded freight rate (USD per FFE)	4,628	3,318
Unit cost, fixed bunker (USD per FFE incl. VSA income)	2,444	2,102
Bunker price, average (USD per tonne)	763	484
Bunker consumption (tonne in '000)	10,579	11,090
Average operated fleet capacity (TEU in '000)	4,285	4,171
Fleet owned (end of year)	318	311
Fleet chartered (end of year)	389	427

Financial and operational performance

Revenue increased to USD 64.3bn (USD 48.2bn), supported by a significant increase in freight rates of 39% to 4,628 USD/FFE (3,318 USD/FFE), which was partially offset by a reduction in loaded volumes of 8.9% to 11,924k FFE (13,089k FFE) due to weakened demand.

EBITDA increased by USD 12.3bn to USD 33.8bn (USD 21.4bn) due to higher revenue, partly offset by higher bunker costs from increased bunker prices and higher operating costs, driven by general cost increases during 2022. The EBITDA margin increased by 8.1 percentage points to 52.5% (44.4%). Consequently, EBIT increased by USD 11.2bn to USD 29.1bn (USD 18.0bn).

Loaded volumes decreased by 8.9% to 11,924k FFE (13,089k FFE) due to weakening demand, in particular on cargo out of Asia-Europe and Transpacific markets on the East-West trades. North-South decreased on headhaul trades on West Coast South America, Central America, Asia and Europe trades. Intra-regional volumes decreased primarily on Intra Europe, in particular driven by the exit from Russia.

Loaded volumes

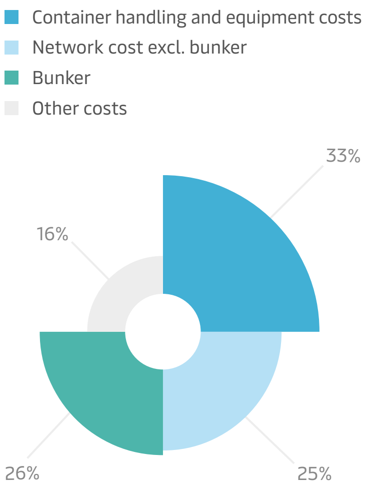
FFE ('000)	2022	2021	Change	Change %
East-West	5,483	6,151	-668	-10.9
North-South	3,763	3,975	-212	-5.3
Intra-regional	2,678	2,963	-285	-9.6
Total	**11,924**	**13,089**	**-1,165**	**-8.9**

Average freight rates

USD/FFE	2022	2021	Change	Change %
East-West	5,081	3,417	1,664	49
North-South	5,424	4,108	1,316	32
Intra-regional	2,771	2,128	643	30
Total	**4,628**	**3,318**	**1,310**	**39**

The **average loaded freight rate** increased by 39% to 4,628 USD/FFE (3,318 USD/FFE), primarily driven by contracts renewing at higher rates. On East-West trades, freight rates increased by 49% due to vessel and equipment shortages and operational bottlenecks across the supply chain. The main increases were observed on the Asia-Europe and West Central Asia headhaul trades. On North-South trades, the average freight rates increased by 32% driven by backhaul rate increases in East Coast and West Coast South America,

Cost split %



combined with higher headhaul rates. The average freight rate at fixed bunker increased by 32%, nonetheless, freight rates, in particular shipment or spot rates declined in the second half of 2022, driven by easing of congestions and weakening demand.

Total **operating costs** increased by 14% to USD 30.6bn (USD 26.8bn), impacted by higher bunker price and container handling costs from operational congestion and bottlenecks. Container handling costs increased by 4.5%, mainly due to higher container empty costs. Network costs excluding bunker costs increased by 4.5%, mainly due to increases on slot charter costs, partially offset by lower hub and transhipment costs. There was a positive impact from development in foreign exchange rates, and adjusting for this, the operating costs increased by 16.8%.

Bunker costs increased by 50% to USD 8.1bn (USD 5.4bn), with an increase in average bunker prices of 58% to 763 USD/tonne (484 USD/tonne), partially offset by a 4.6% decrease in bunker consumption. Bunker efficiency decreased by 1.2% to 41.9 g/TEU*NM (41.4 g/TEU*NM).

Unit cost at fixed bunker increased by 16% to 2,444 USD/FFE (2,102 USD/FFE) driven by higher time-charter equivalent costs, terminal storage costs, transportation costs of empty containers and slot charter costs, while negatively impacted by lower volumes. Adjusting for the positive impact of foreign exchange rates, unit cost at fixed bunker increased by 19%.

The average operated capacity of 4,285k TEU increased by 2.7%. The newbuilding programme had replacements of eighteen vessels and one feeder vessel capable of running on green fuels at the end of 2022. The fleet consisted of 318 owned and 389 chartered vessels, of which 302k TEU or 7.2% of the fleet were idle (41 vessels), mainly due to repairs.

Fleet overview

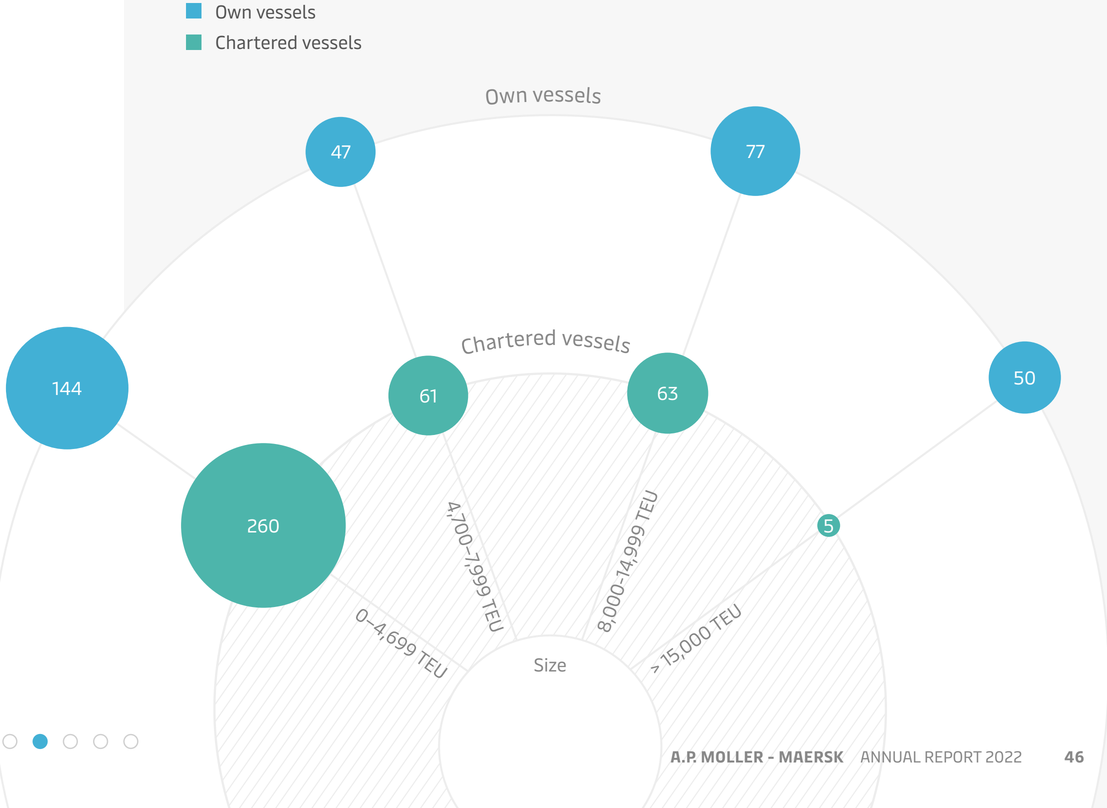
707 Vessels
4,221,000 TEU

Fleet capacity, year-end

'000 TEU

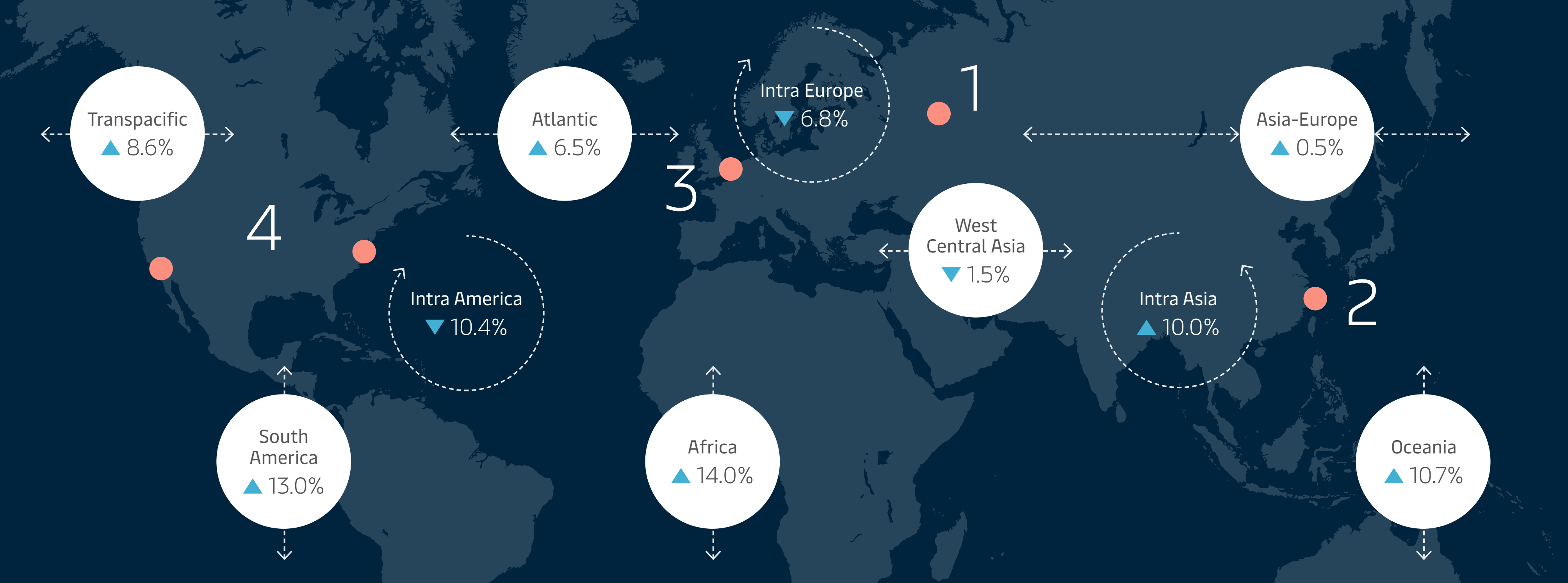
	2022	2021		2022	2021
Own container vessels			*Chartered container vessels*		
0–4,699	478	468	0–4,699	719	777
4,700–7,999	289	289	4,700–7,999	375	494
8,000–14,999	723	708	8,000–14,999	657	666
> 15,000	903	903	> 15,000	77	0
Total	**2,393**	**2,368**	**Total**	**1,828**	**1,937**

Number of vessels



Schedule reliability improvements

In light of challenging external factors, A.P. Moller - Maersk remained the most reliable carrier overall in the industry in 2022. Focus continued on keeping the goods flowing, leading to a continuous improvement of A.P. Moller - Maersk's global reliability quarter on quarter.



- % Schedule reliability compared to 2021
- ⇡ North-South
- --> East-West
- Intra-regional
- ● Incidents

1. Russia-Ukraine

March A.P. Moller - Maersk decided to withdraw completely from doing business in Russia and the process was initiated to divest all assets in Russia.

2. COVID-19 lockdowns

June To tackle the China lockdown, cargoes were diverted to neighbouring ports to avoid the congestion in Shanghai.

3. Labour strikes and low water levels

September Labour strikes in German ports and Felixstowe in the UK, as well as lower water levels on the River Rhine, coupled with inland operational bottlenecks led to low port productivity and long berth waiting times across North Europe terminals.

4. Congestion and schedule reliability

November The congestion situation eased globally with very few ports outside of North America experiencing increases in waiting time. North America still impacted by labour short-ages. A.P. Moller - Maersk achieved its highest schedule reliability since October 2020.

DECARBONISATION

Executing on the roadmap to decarbonise Ocean

A.P. Moller - Maersk's emissions from Ocean vessels under its financial control (Scope 1) and upstream and downstream emissions from ocean-related activities in its value chain (Scope 3) are the company's largest source of greenhouse gas emissions. There are two key levers to mitigating A.P. Moller - Maersk ocean-related emissions – improving fuel efficiency and transitioning to vessels operating on green fuels. Green is defined as fuels or energy that, compared to fossil fuels, have low (65-80% less) or very low (80-95% less) greenhouse gas emissions on a life cycle basis.

A.P. Moller - Maersk made substantial progress over the past decade in improving fuel efficiency, reducing emission intensity by close to 43% between 2008 and 2020. Despite a reduction in fuel consumption maintaining momentum on carbon intensity in 2022 proved challenging due to ongoing post-pandemic port congestion and capacity shortages which strained and slowed global supply chains.

In 2022, A.P. Moller - Maersk continued investing in its green fuel transition, ordering six additional dual-fuel vessels that can sail on green methanol. In total, A.P. Moller - Maersk now has 19 vessels on order, including one feeder vessel of 2,100 TEU capacity to be launched in 2023, and 18 large ocean going vessels of 16,000-17,200 TEU capacity scheduled for delivery in 2024 and 2025.

Securing the availability of green fuels at scale is the largest challenge to A.P. Moller - Maersk's decarbonisation ambitions. In 2022, nine strategic partnerships were announced with Memorandums of Understanding that lay the groundwork to securing around 5 million tonnes of green methanol by 2030. Such partnerships are critical to scaling up new fuels in terms of production capacity, technology and business model innovation.

See the A.P. Moller - Maersk 2022 Sustainability Report for more details, targets and performance data on Ocean decarbonisation progress.

Read more

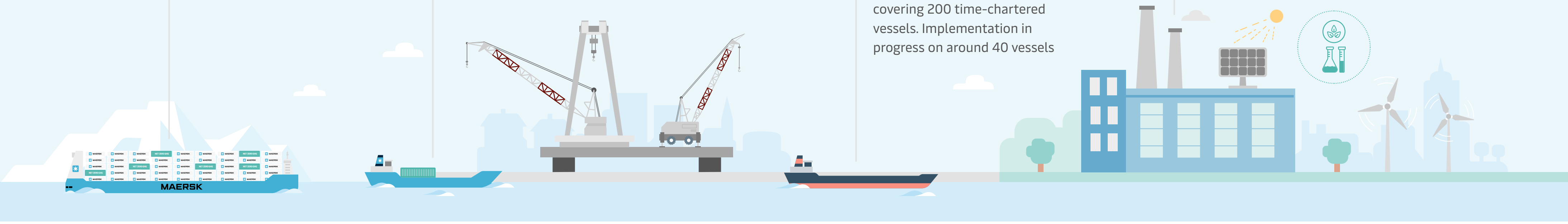
2022 highlights

Total of 19 vessels on order capable of running on green methanol, first delivery in 2023

Operational, machinery, and hydrodynamic retrofits in Maersk-owned vessels

Technical kick-off meetings covering 200 time-chartered vessels. Implementation in progress on around 40 vessels

Nine new strategic partnerships to secure green fuels, incentivising scale-up and availability across the world



Key initiatives 2022

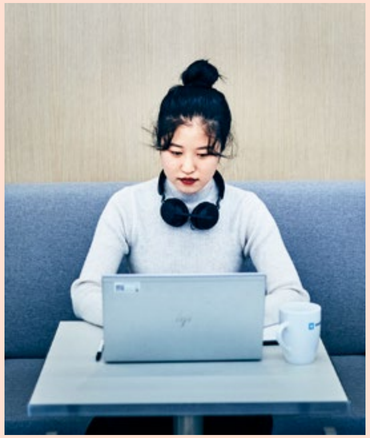
Focus in 2022 was to increase the quality of Ocean's products, improving the schedule reliability and preparing for a more stable operational environment. Steps were taken to remain agile with placing Ocean equipment, deploying the capacity in the most meaningful way, and offering more flexibility to Ocean customers where challenges would arise.

Expanding the offering of Maersk ECO delivery

A.P. Moller - Maersk's low emission ECO Delivery product is an Ocean transport customer offering that uses green biofuels, which reduces CO_2 emissions by more than 80%. This product provides direct carbon savings with the use of biofuel. Since its introduction in 2019, customer demand for Maersk ECO Delivery has grown, with volumes that tripled year-on-year.

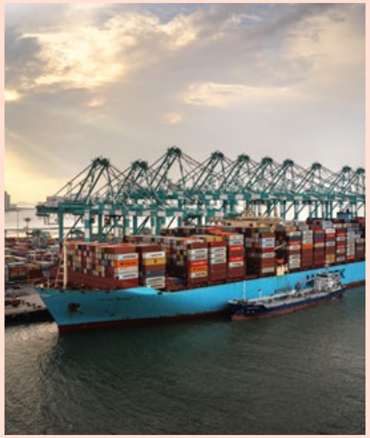
Normalisation of operations

Operational bottlenecks are resolving around the globe and consumer demand has declined significantly. This will in turn free up vessel space and improve equipment availability. However, the market remains incredibly volatile and such volatility demands robust planning to make the supply chains as resilient and flexible as possible.



Contract products

The contract product offering has been developed for customers to alleviate volatility of rates and integrate further their supply chains with a relevant offering such as the Value-Added-Services. Companies can go beyond the usual 12-month agreements and secure contracts that last for up to two to five years and be certain that the rates they pay will follow a market index. Time usually spent on re-negotiating contracts every year can be freed up for developing business, taking it to the next level and adding a competitive advantage in comparison to their competitors. Multi-year deals have continuously increased during 2022 and a total of 1.9m FFE have been signed by the end of the year.



Keeping flexible operations

During 2022, Ocean remained flexible in challenging environments, reflected by the response to record high waiting times at ports, when goods were successfully rerouted to other ports. Continuous improvements resulted in global reliability improving significantly compared to 2021 and is expected to improve further going forward.

Logistics & Services

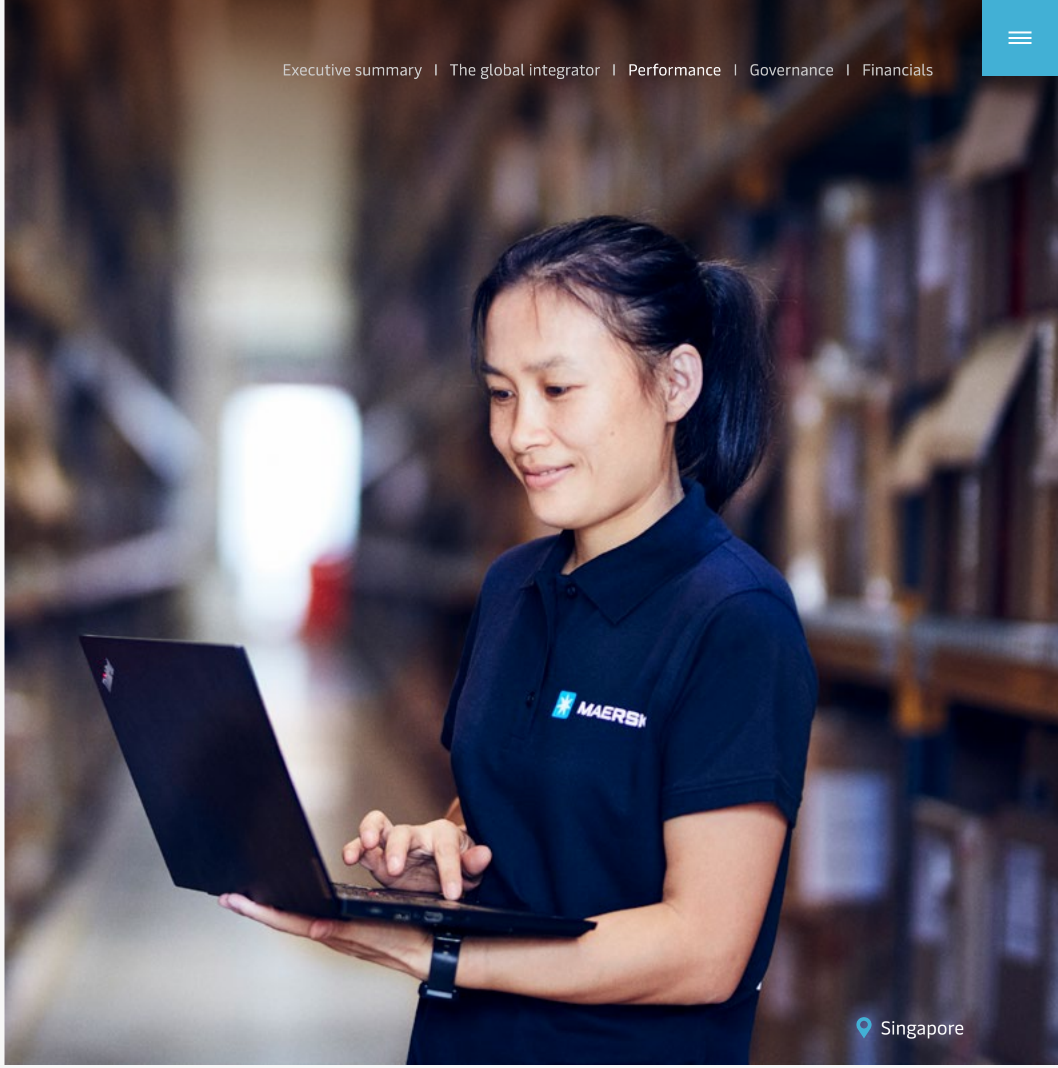
Logistics & Services continues to progress as a trusted end-to-end logistics partner to customers. The share of total logistics spend managed, fulfilled and transported by Maersk continues to increase steadily, changing customer relationships from transactional to a collaborative partnership and creating a long runway for future growth.

Logistics & Services reported strong revenue growth across all product families and EBIT performance in line with target. The combined focus on expanding and deepening product capabilities, growing footprint as well as rolling out new products, allowed to sustain and grow the integrator strategy keeping customers at the centre.

This growth is the result of both inorganic and organic performance. Inorganically, Logistics & Services integrated three key acquisitions announced in 2021 and earlier this year and reported for the last time inorganic figures for Visible SCM and B2C Europe in Q2 and Q3 2022, respectively. Organically, new customer wins and increased business with existing customers added to the overall positive performance. Notably, revenue from top 200 customers increased by USD 2.4bn and drove 77% of the organic revenue increase.

Towards the end of 2022, Logistics & Services experienced the effects of global economic slowdown as a result of lower demand in the USA and Europe as well as slow recovery in China post COVID-19. As these trends are expected to continue into 2023, measures are being put in place to drive technology advances, focus on customer wins and operational improvements as well as manage inflationary pressure.

- The acquisitions of Pilot Freight Services (Pilot), Senator International (Senator) and LF Logistics have been integrated and reported as part of the Logistics & Services financials.
- Including LF Logistics, the global warehousing footprint has more than doubled since 2021.
- Starting October 2022, Maersk Air Cargo commenced scheduled flights between USA and Korea.



Truly integrating logistics solutions

Logistics & Services is the core growth element of A.P. Moller - Maersk's integrator strategy. Logistics & Services seeks to fulfil more of the customers' needs at every step of their supply chain through the integrated logistics offerings enabled by digital platforms.

Managed by Maersk offers customs brokerage services, supply chain management and 4PL services and cold chain logistics.

Fulfilled by Maersk offers consolidation, deconsolidation and fulfilment warehousing as well as distribution services, depot operations and e-commerce logistics.

Transported by Maersk offers air forwarding, Less Than Container Load services, truck and rail transportation and cargo insurance.

Financial and operational performance

Revenue increased by 47% to USD 14.4bn (USD 9.8bn) due to organic growth with increased volumes on existing and new customers and inorganic through facilitator-type acquisitions.

Organic revenue contributed by 21% of the 47% increase in revenue. The increase in EBITA was USD 266m, of which USD 154m was organic. Visible SCM and B2C Europe were included in the organic growth figures from Q3 and Q4 2022 after being consolidated in August and October 2021, respectively. Inorganic revenue was USD 2.5bn with the biggest contribution from Pilot, Senator and LF Logistics. The inorganic EBITA was USD 112m.

Organic/inorganic

USD million

	2021	Organic	Inorganic	2022
Revenue	9,830	2,099	2,494	14,423
		21%	26%	
EBITA	678	154	112	944

For the Managed by Maersk services, revenue increased by 48% to USD 2.3bn (USD 1.6bn), driven by 12% increase in supply chain management volumes to 110,264k cbm (98,394k cbm) within lead logistics, as a result of organic growth and new business wins and improved rates. Further, customs services volumes were up by 15% to 5,559k declarations (4,850k declarations).

For the Fulfilled by Maersk services, revenue was up by 68% to USD 3.9bn (USD 2.3bn) driven by both organic growth from the opening of 45 new warehouses (858k sqm) indicating growing volumes and supply chain needs from customers, and inorganic growth from LF Logistics integration since September 2022. The integration of LF Logistics added 198 warehouses (3,149k sqm) to the warehousing portfolio.

For the Transported by Maersk services, revenue was up by 38% to USD 8.2bn (USD 5.9bn), driven by an increase in intermodal volumes of 0.8% to 4,526k FFE (4,491k FFE), mainly due to higher volume coming from ocean cargo, higher penetration ratio into existing Ocean customers, and higher rates as well as the integration of Pilot. Further, revenue growth in air was mainly inorganic from Senator, partly offset by demand slowdown and decrease in rates in China post COVID-19 recovery. Overall, air volumes were 29% higher compared to 2021 for a total of 211k tonnes, of which Senator added 89k tonnes.

Logistics & Services highlights

USD million

	2022	2021
Revenue	**14,423**	**9,830**
Direct costs (third party cost)	10,717	7,396
Gross profit	**3,706**	**2,434**
Direct operating expenses	1,482	967
Selling, General & Administration (SG&A) costs	846	560
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**1,378**	**907**
EBITDA margin	9.6%	9.2%
Profit after depreciation and impairment losses, before amortisations (EBITA)	**944**	**678**
EBITA margin	6.5%	6.9%
Profit before financial items (EBIT)	**814**	**623**
EBIT margin	5.6%	6.3%
Invested capital	9,858	3,130
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	657	460
Operational and financial metrics		
EBIT conversion (EBIT/gross profit - %)	22.0%	25.6%
Managed by Maersk revenue	2,343	1,578
Fulfilled by Maersk revenue	3,898	2,320
Transported by Maersk revenue	8,182	5,932
Supply chain management volumes (kcbm)	110,264	98,394
Intermodal volumes (kFFE)	4,526	4,491
Air freight volumes (tonne)	211,484	163,838[1]

1 2021 Air freight volumes have been restated to exclude pure terminal handling.

Gross profit increased by USD 1.3bn to USD 3.7bn (USD 2.4bn) with a margin of 26% (25%), driven by an increase in volumes in Lead Logistics and in the number of declarations handled in Customs Services under Managed by Maersk. Further through increased profitability in Contract Logistics facilities in North America under Fulfilled by Maersk, as well as growth and higher margins in Landside Transportation under Transported by Maersk.

EBITDA increased by USD 471m to USD 1.4bn (USD 907m) due to the higher revenue and operational excellence with an EBITDA margin of 9.6% (9.2%).

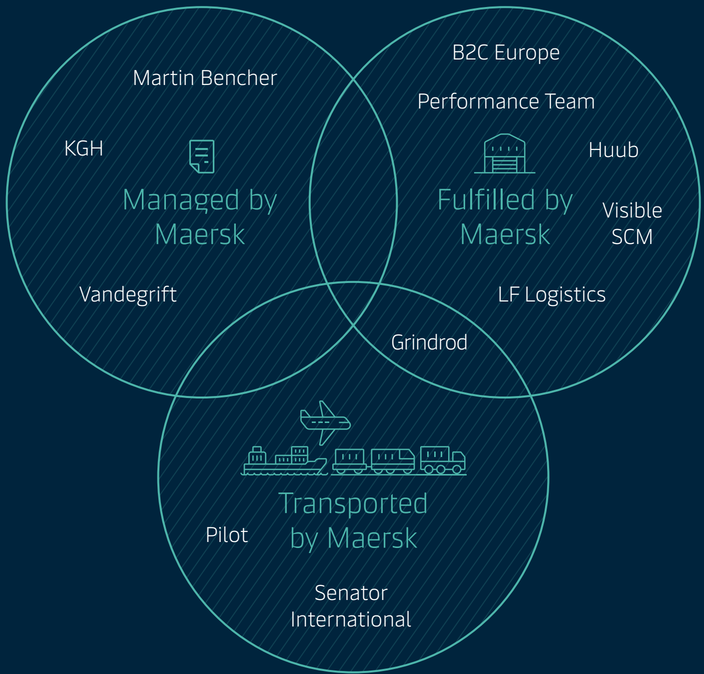
EBIT increased to USD 814m (USD 623m) while the EBIT margin was 5.6% (6.3%), and the EBIT conversion was 22.0% (25.6%). Adjusted for Russia and impairments, EBIT would have been USD 884m and the EBIT margin at 6.1%.

Merger & Acquisitions

The M&A road map progressed with further intended acquisitions announced in 2022, such as Martin Bencher Group, and others were financially fully integrated like Pilot, Senator and LF Logistics.

The acquisition of Pilot, a first, middle and last mile as well as border crossing solutions provider, specialising in the big and bulky freight segment will complement Performance Team and Visible SCM across several logistics flows to strengthen the logistics offering within transported by Maersk. The intended acquisition of Martin Bencher brings capabilities within non-containerised project logistics under Managed by Maersk.

Acquisitions in Logistics & Services – since 2019



Pilot

Founded in 1970 and headquartered in Glen Mills, Pennsylvania, USA, Pilot is a leading last mile and full mile solutions provider with 87 locations throughout North America, and offices in Spain and the Netherlands.

Number of employees: 2,600+

Rationale behind the acquisition:
Pilot will contribute towards completing Logistics & Services' customer value proposition through the ability to offer factory-to-couch logistics for big and bulky items through an asset light network-controlled model. Pilot's capabilities will complement or supplement Performance Team and Visible Supply Chain Management. Pilot operates a North American facilities-based transportation network of 92 stations and hubs through which freight is transported and distributed to end customers in a highly standardised operating model.

Financials:
The transaction was closed in May 2022 and financials have been included in the Logistics & Services reporting since May 2022.

Martin Bencher

Headquartered in Aarhus, Denmark, and founded in 1997, Martin Bencher offers premium capabilities within non-containerised project logistics for global clients. Martin Bencher has 31 offices across 23 countries.

Number of employees: 170+

Rationale behind the acquisition:
Martin Bencher's core capability is designing end-to-end project logistics solutions for global clients, and the company's competitive strengths include deep industry expertise, a solid track record, long-term stakeholder relationships as well as a highly skilled organisation. The acquisition of Martin Bencher Group will add further capabilities to the existing portfolio of project logistics solutions creating a new global product, Maersk Project Logistics, a solution-based product to be launched in 2023.

Financials:
The acquisition was completed in January 2023 and will be included in the financials for 2023.

Maersk Projects Logistics

Project Logistics is a specialised service offering within the global logistics industry that includes project solution design, special cargo transportation and project management services, including project planning, orchestration and sequencing of end-to-end shipments from suppliers to destination sites.

It requires strong managed transportation capabilities with technical specialist knowledge, including engineered transportation solutions to facilitate movement of oversized and overweight cargo, heavy lifts, road surveys as well as offload and assembly of equipment on project sites.

Project logistics is required across several industry segments, including renewable energy, industrial projects, pulp and paper, power generation, mining, automotive, aid and relief and government contracted logistics.

Project logistics is not new to A.P. Moller - Maersk, as the company already has niche competencies mainly in Europe and North America. However, in order to expand and scale the product, the intended acquisition of Martin Bencher Group was announced in August. When combined with the existing project logistics organisation, Martin Bencher will enable the Group to significantly accelerate its project logistics capabilities globally and develop an unparalleled integrated offering to serve existing and future customers, also within new industries.

DECARBONISATION

Strategic pilots for decarbonised logistics

In 2022, A.P. Moller - Maersk worked closely with customers and partners to understand the technically and commercially most promising decarbonisation technologies for the Logistics & Services businesses, including deep dives on technical and energy standards, testing solutions, and how to scale them. Scaling Logistics & Services products requires regional solutions and relies on local policy, capacity and infrastructure.

The insights from this process helped define a Logistics & Services decarbonisation roadmap and 2030 targets, with several strategic pilots underway. In 2022, A.P. Moller - Maersk was in the process of deploying 50 electric trucks in India as an agile solution for reducing logistics vehicle emissions in congested cities. In the USA, A.P. Moller - Maersk deployed 29 heavy-duty electric trucks with an additional 400+ trucks to be delivered by 2025.

A.P. Moller - Maersk also defined a roadmap for logistics facilities, which especially depends on local availability of renewable energy sources and infrastructure, regulatory support, and supplier willingness to engage. All newbuilt warehouses will aim to achieve LEED Platinum or BREEAM Excellent certification.

A.P. Moller - Maersk has set the high ambition of using 30% Sustainable Aviation Fuel (SAF) for customer air cargo by 2030. This is a challenging ambition, as SAF, the only practical air cargo decarbonisation option today, is very costly and limited in supply. The industry has a long product development cycle and is subject to extensive regulation. A.P. Moller - Maersk is relying on aviation industry leaders to continue working on breakthrough technologies, with appropriate regulatory support, to create new and commercially viable ways of decarbonising air cargo.

See the A.P. Moller - Maersk 2022 Sustainability Report for more details, targets and performance data on Logistics & Services decarbonisation progress.

Read more

2022 highlights

Electric vans for B2B middle mile distribution in India aiming to eventually cover 77% of all postal codes

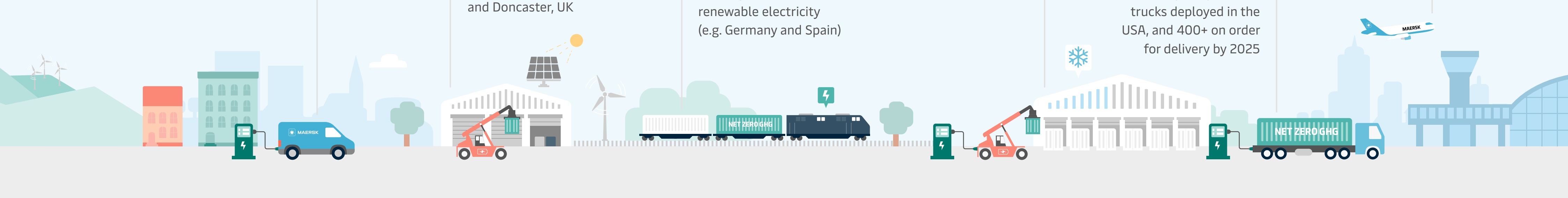
All new logistics buildings aim for LEED Platinum or BREEAM Excellent certification, like Taulov, Denmark, Sao Paulo, Brazil, and Doncaster, UK

Shifting electric rail to renewable electricity (e.g. Germany and Spain)

Switching to lower impact cold storage refrigerants like CO_2 and ammonia, in Hamilton, New Zealand

29 heavy-duty electric trucks deployed in the USA, and 400+ on order for delivery by 2025

Piloting SAF offer to customers in partnership with United Airlines and Air France KLM



Key initiatives 2022

Logistics & Services continues to strengthen its end-to-end logistics offering with increased dimensions, improved capabilities and flexibly to adapt to customers' needs at any step of their supply chain.

Transported by Maersk

The Less than Container Load (LCL) value proposition was enhanced by expanding the LCL network, with over 400 own direct consolidation lanes now open versus less than 200 in 2021 and enhanced on Maersk.com for instant price and booking. This own-controlled and operated consolidation model with fixed sailing schedules and loading priority will help safeguard the highest-level reliability for Logistics & Services' customers.

Similarly, A.P. Moller - Maersk continues the journey to become a leading player in air freight with own-controlled capacity and a vast global network of scheduled flights with the launch of Maersk Air Cargo in Q2, the cargo airline arm of A.P. Moller - Maersk. 31 October 2022 marks the commencement of transpacific operations with scheduled flights between USA and Korea.

Fulfilled by Maersk

With the acquisition of LF Logistics and with organic growth, the global warehousing footprint reached 7,104k sqm and 452 sites from 3,098k sqm and 209 sites in 2021. Notably, A.P. Moller - Maersk is expanding its offering as a preferred logistics partner for the Central European automotive industry and original equipment manufacturers (OEMs) with the opening of a 14k sqm warehouse specialised in handling batteries for electric cars, located in Teplice, northern part of Czech Republic.

Managed by Maersk

A.P. Moller - Maersk was named a Leader by Gartner in the 2022 Gartner Magic Quadrant for Third-Party Logistics, worldwide. This recognition is evidence to the journey of Logistics & Services towards creating end-to-end integrated logistics through solutions that are built to add resilience, agility and flexibility to customers' logistical networks.

IBM and A.P. Moller - Maersk announced the decision to withdraw the TradeLens offerings and discontinue the platform as full industry collaboration was not achieved.

Connecting Asia – and the world

At the end of August 2022, A.P. Moller - Maersk completed the acquisition of LF Logistics, the Group's most consequential acquisition to date.

Hidden heroes

Green future

LF Logistics

The acquisition took A.P. Moller - Maersk's logistics business to a revenue of USD 14.4bn in 2022 and increased the warehouse footprint to 6 million sqm across more than 452 warehouses. It is a significant milestone in A.P. Moller - Maersk's strategic ambition to connect and simplify its customers' global supply chains by offering truly integrated end-to-end logistics.

Today, most of A.P. Moller - Maersk's large customers see Asia Pacific as their key growth region. However, with a complex and diverse set of consumer markets in Asia, both Asian and Western firms have struggled to optimise their logistics costs, speed and reliability across the region.

LF Logistics, with its Asia-Pacific-wide footprint and industry-leading fulfilment capabilities, matches A.P. Moller - Maersk's strategic intent to support customers' end-to-end supply chain needs as a trusted partner in control of the assets. With this acquisition A.P. Moller - Maersk will have a very attractive omnichannel offering for its customers – all delivered by the same company, making it much easier for A.P. Moller - Maersk's customers to reach the Asian consumer, whether they're shopping online from a desktop or mobile device, or in a brick-and-mortar store.

This acquisition of LF Logistics will accelerate A.P. Moller - Maersk's promise of connecting Asia – and the world.

For consumers, it means unprecedented ease of access to goods, with products from each corner of the world becoming more available and accessible.

For A.P. Moller - Maersk's customers, it means having a reliable logistics partner that has in-depth operational expertise and a unique understanding of world markets and that can deliver the scale and flexibility required in their supply chain in response to changing business needs.

For employees at A.P. Moller - Maersk, it offers opportunities to collaborate and deepen their knowledge in all aspects of fulfilment as well as access to global opportunities for growth and career development.

A.P. Moller - Maersk has a substantial growth pipeline in front of it. To ensure that A.P. Moller - Maersk shapes the most optimal organisation to drive this growth, the Group invested in a six-month period of learning and discovery to integrate the best of both organisations – covering people, processes, product offerings and technology platforms.

Terminals

For Terminals, 2022 has been a record year with EBIT adjusted for the Russia exit reaching an all-time high of USD 1.2bn. Terminals demonstrated robust revenue growth, driven by tariff increases and higher storage revenue, despite a global market downturn in the latter part of the year.

Like-for-like volume, adjusting for exits, grew 1.1% in an otherwise shrinking market. While volumes on the US West Coast showed a material decline in Q4, the rest of Terminals' business continued mostly unaffected by concerns of weakening demand. Global congestion, and the resulting storage revenue, had a significant positive effect on Terminals' financials for the first three quarters of the year. In Q4, however, a swift return towards normalisation has been observed with the terminal complex in Los Angeles, USA, being fully decongested while some congestion remains in Elizabeth, USA, keeping Q4 storage income slightly elevated compared to 2020 levels.

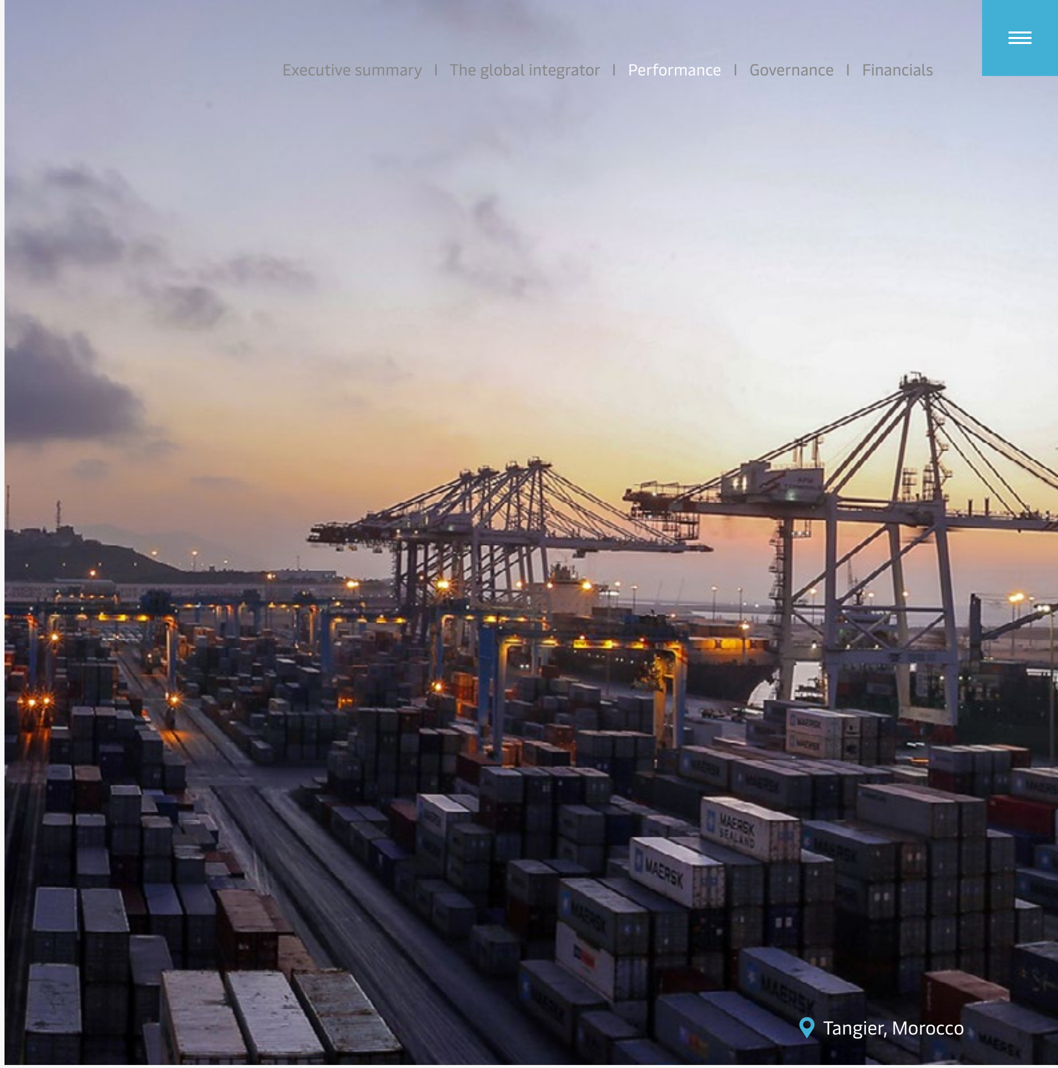
Rising inflation and high energy costs had a significant effect on both the overall economy and Terminals' costs, with like-for-like cost per move increasing by 10%. Results remained healthy as terminal tariffs increased per local CPI in most locations.

Investment levels increased as Terminals invested in its existing portfolio with a focus on growth, efficiency and automation. This includes over 180 pieces of electric or hybrid equipment. The new greenfield projects in Rijeka, Croatia, and Suape, Brazil, are progressing but not requiring significant capital yet. → See page 61

The terminal portfolio has been streamlined to focus on terminals fitting the strategic direction with divestments of Wilhelmshaven, Germany, Cartagena, Colombia, and Sogester in Angola. Further in line with the communicated intent to exit Russia, Global Ports Investments (GPI) has also been divested.

Efforts to ease congestion continued in 2022 with a focus on ensuring a fast, efficient and flexible gate experience. To ensure this, APM Terminals Elizabeth during the year updated its truck appointment systems and gate processes ensuring truck turn times below 55 minutes.

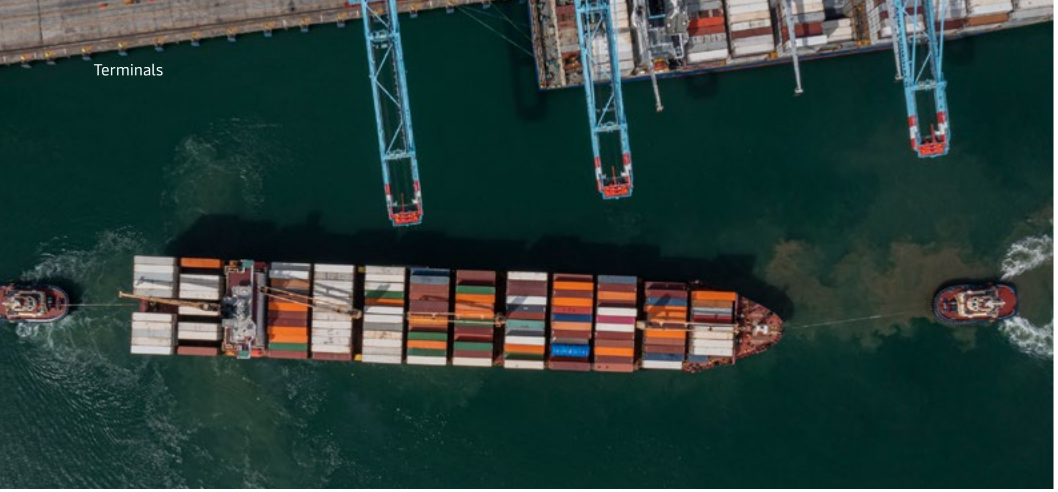
Terminals has made a significant number of investments in upgrading the existing portfolio ensuring with a focus on automation and modernisation.


Tangier, Morocco

59 terminals across 31 countries

Terminals consists of 59 gateway terminals across 31 countries. The terminals are operated either exclusively by Terminals under the APM Terminals brand or together with a joint venture partner. The performance of seven hub terminals also operated by Terminals is reported under the Ocean Segment.

Terminals is uniquely positioned to help both shipping line and landside customers, with 75%/25% of revenue, respectively, to grow their business and achieve better supply chain efficiency, flexibility and dependability. This position also generates strong financial and operational synergies between Terminals and Ocean. Accordingly, growth in the Terminals business is centred around strategic fit, value add, global footprint and expanding existing container terminals.



Terminals highlights

USD million

	2022	2021
Revenue	**4,371**	**4,000**
Concession fees	362	339
Labour cost (blue collar)	1,270	1,151
Other operational costs	638	559
Selling, General & Administration (SG&A) and other costs, etc.	566	496
Total operating costs	**2,836**	**2,545**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**1,535**	**1,455**
EBITDA margin	35.1%	36.4%
Profit before financial items (EBIT)	**832**	**1,173**
EBIT margin	19.0%	29.3%
Invested capital	7,593	8,289
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	516	304
Operational and financial metrics		
Terminal volumes – financially consolidated (moves, m)	12.8	12.8
Ocean segment	4.6	4.5
External customers	8.2	8.3
Terminal revenue per move – financially consolidated (USD)	341	312
Terminal cost per move – financially consolidated (USD)	263	242
Result from joint ventures and associated companies (USDm)	-46	297

Financial and operational performance

Revenue increased to USD 4.4bn (USD 4.0bn), driven by CPI-related tariff increases and higher storage revenue. Total volume was at par with last year, with like for like growth of 1.1% in a shrinking market, while utilisation improved to 78% (77%), mainly driven by higher volume in Asia and North America. Volume from the Ocean segment increased by 0.8% (2.7% like-for-like) and volume from external customers decreased by 0.7% (increased by 0.3% like-for-like).

Higher congestion-related storage income and mostly CPI-related tariff increases resulted in an increase of 9.3% in revenue per move to USD 341 (USD 312). Cost per move increased by 8.7% to USD 263 (USD 242) mainly driven by inflationary labour costs, costs related to legal cases and future exits, higher selling, general and administration costs and higher energy prices.

Adjusted for foreign exchange rates, volume mix effects and portfolio changes, revenue per move increased by 13% and cost per move increased by 10%.

With the increase in revenue per move being only partly offset by the increase in cost per move, EBITDA increased by USD 80m to USD 1.5bn (USD 1.5bn) with an EBITDA margin of 35.1% (36.4%).

Regional volume

Terminals

Million moves	2022	2021	Growth (%)
North America	3.3	3.2	1.6
Latin America	2.4	2.5	-5.4
Europe, Russia and the Baltics	2.6	2.6	-0.5
Asia	2.6	2.5	5.2
Africa and Middle East	1.9	2.0	-3.1
Total	**12.8**	**12.8**	**0.2**

EBIT decreased to USD 832m (USD 1.2bn) due to the impact of divesting GPI in Russia. EBIT adjusted for the divestment of GPI was USD 1.2bn, USD 62m higher than in 2021.

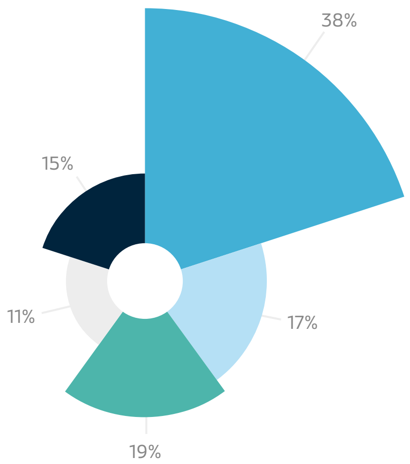
CAPEX increased to USD 516m (USD 304m), mainly driven by investments into growing and modernising existing terminals, highlighted by the terminal modernisation project in Los Angeles, USA, where 62 additional automated hybrid straddle carriers have been ordered in 2022.

ROIC (LTM) declined to 7.6% (10.9%) driven by the divestment of GPI. ROIC adjusted for the GPI divestment was 12.3%.

In North America, revenue increased driven by volume growth of 1.6% and a 10% increase in revenue per move, partly due to higher congestion-related storage revenue and partly due to CPI-related tariff increases. Cost per move increased by 4.1%, well below inflation, as CPI-driven increases in labour costs, operational costs and higher energy prices were partly offset by scale efficiencies from the higher volumes.

Cost split %

- Labour costs (blue collar)
- Selling, general and administration (SG&A) and other costs, etc.
- Other operational costs
- Concession fees
- Depreciation and amortisation



In Latin America, volume decreased by 5.4%, mainly due to Itajai, Brazil, where services were gradually being phased out as the concession was scheduled to end in 2022 (a transition contract was recently awarded, extending the concession to mid-2023) and the divestment of a terminal in Cartagena, Colombia. However, overall revenue improved driven by an increase in revenue per move of 18%, supported by higher tariffs and cargo mix, offset by higher cost per move of 19% driven by future exit costs and higher labour costs.

In Asia, volume increased by 5.2% driven by Yokohama, Japan, and Pipavav, India, driving up overall revenue despite a drop in revenue per move of 3.1%. Cost per move decreased by 12% mainly due to the negative impact from a cyclone observed in 2021.

In Europe, volume decreased by 0.5% as strong growth across the region was offset by the temporary volume loss from a terminal operating system upgrade in Valencia, Spain.

Total revenue increased due to higher storage income and CPI-related tariff increases, driving up revenue per move by 4.1%. Cost per move decreased by 0.5%, mainly driven by lower variable concession fees, lower operational cost offset by higher energy prices.

In Africa and Middle East, volume dropped by 3.1%, mainly due to lower volume in Onne, Nigeria, and Cotonou, Benin, due to increased competition, but overall revenue increased due to an 11% increase in revenue per move on the basis of higher storage income and CPI-related tariff increases. Cost per move increased by 21%, largely driven by exchange rate impacts in Luanda, Angola.

Results from joint ventures and associated companies

The share of profit in joint ventures and associated companies decreased to a loss of USD 46m (profit of USD 297m), mainly due to the divestment of GPI. Adjusted for the divestments, share of profit in joint ventures and associated companies was USD 304m, with the remaining part of the GPI impact reported under gains on sale of non-current assets, etc., net.

Terminals' investment cycle

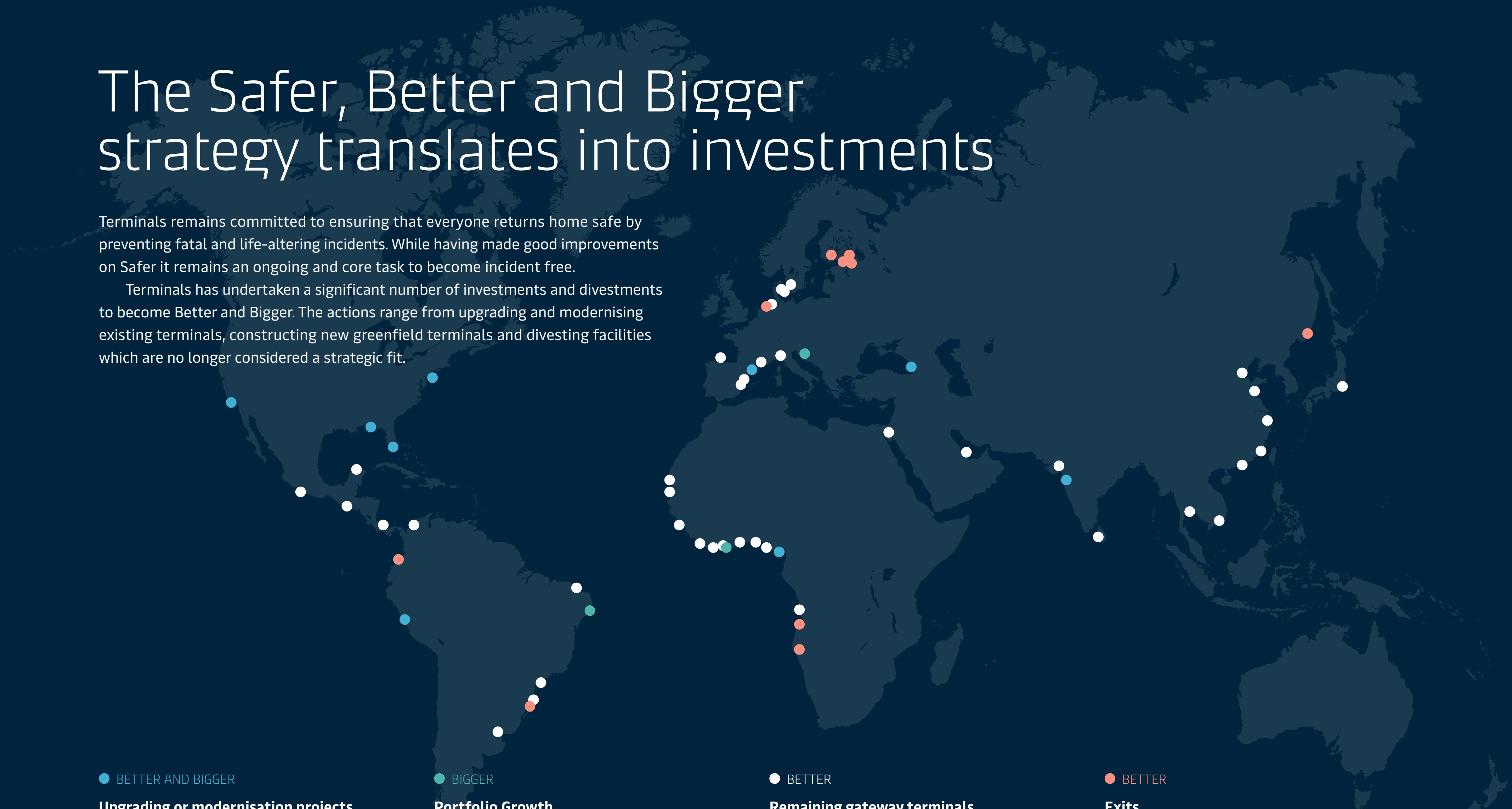
The vast majority of terminals are governed by a time-limited concession agreement, with the current average remaining concession length being 18 years. When or if the concession expires, the facility is given back to the relevant authority or new concession holder. Investment levels often follow either a pre-agreed expansion plan in the concession agreement or a concession extension to ensure that there is a match between investment timeline and concession duration. Over the past four years, Terminals has been able to obtain 90% of the targeted long-term concession extensions (one unsuccessful).

Average remaining concession length in years

The Safer, Better and Bigger strategy translates into investments

Terminals remains committed to ensuring that everyone returns home safe by preventing fatal and life-altering incidents. While having made good improvements on Safer it remains an ongoing and core task to become incident free.

Terminals has undertaken a significant number of investments and divestments to become Better and Bigger. The actions range from upgrading and modernising existing terminals, constructing new greenfield terminals and divesting facilities which are no longer considered a strategic fit.



BETTER AND BIGGER

Upgrading or modernisation projects
The focus of investments for Terminals in 2022 has been growing and modernising existing terminals. These investments generally pay off faster than new terminal projects. In 2022 and 2023, significant investments and upgrades are being made into nine existing terminals, highlighted by Los Angeles, USA, where additional 62 automated hybrid straddle carriers were ordered in 2022.

BIGGER

Portfolio Growth
Terminals aim to grow the portfolio selectively, with a priority for locations offering synergies with Ocean. In 2022, a new terminal opened in Abidjan, Côte d'Ivoire, while preparation for construction of a terminal in Rijeka, Croatia, is ongoing. In Suape, Brazil, an area of the port has been acquired with an intention of building a new terminal.

BETTER

Remaining gateway terminals
Other terminals where investments are at a relatively smaller scale and typically focused on replacements and improving service levels are Monrovia, Liberia, or smaller-scale pilots for new equipment like in Aarhus, Denmark.

BETTER

Exits
The portfolio is continuously being reviewed to make sure that Terminals is the best owner for each asset. As a result, Terminals has not pursued a long-term extension for the concession for Itajai, Brazil, and has divested the terminals in Cartagena, Colombia, and Wilhelmshaven, Germany, and Sogester in Angola. Finally, following the decision to exit Russia, GPI was also divested.

DECARBONISATION

The pathway to decarbonising Terminals

Terminals' pathway to decarbonisation is based on the increased use of renewable energy in owned and operated terminals, including a commitment to reach net zero across all scopes by 2040. This includes a switch to renewable electricity, direct electrification, battery electric mobile equipment, and from fossil to green fuels whenever possible. As a significant share of Terminals' emissions come from purchased electricity, a near-term priority is switching to renewable electricity from on-site or offsite sources. In 2022, Terminals switched to purchasing renewable electricity from local utilities for seven terminals in Europe and one in the USA, and commissioned a 1MW onsite solar plant in Pipapav, India.

Terminals also purchased over 180 pieces of electric or hybrid container handling equipment in 2022. Although the business is taking a global approach to adopting electric equipment, this is challenging with almost 4,000 pieces of equipment in 40 different locations – each with different infrastructure, regulations and concession context. Therefore, local terminal end-to-end roadmaps are being developed, taking advantage of existing products where available and partnering with suppliers to pilot new solutions for locations with less mature options.

To avoid locking into carbon-based solutions by replacing diesel equipment with new diesel equipment, Terminals is also extending asset lifetimes whenever possible until electric alternatives are available – while prioritising safety and customer commitments.

See the A.P. Moller - Maersk 2022 Sustainability Report for greater details, targets and performance data on Terminals' decarbonisation progress.

Read more

2022 highlights

Container volume transported by rail via APM Terminals Gothenburg grew by 13% in 2022, a new high

Hybridisation of two Rubber Tyre Gantry Cranes in Gateway Terminals India, contributing to > 50% of fuel and emission savings

180+ electric or hybrid container handling equipment ordered in 2022

APM Terminals Pipavav, India, 1 MW rooftop solar at the terminal

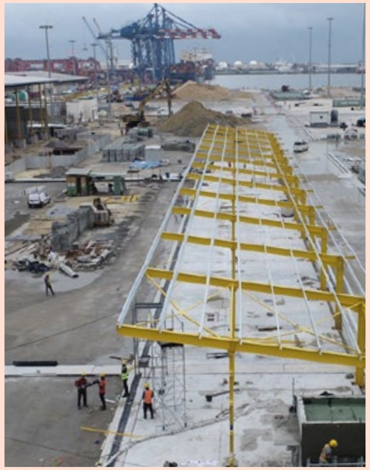
Key initiatives 2022

Terminals has made significant progress towards becoming the best-in-class operator, upgrading the current portfolio and entering into new locations.

Automation, digitisation and IT

As a part of the automation and digitisation programmes almost 2,500 assets are now digitally connected, up from 2,000 by end 2021. This solution enables terminals to monitor and visualise asset performance in real time, detect operational exceptions as they occur, and provide standardised tools and processes to respond to these.

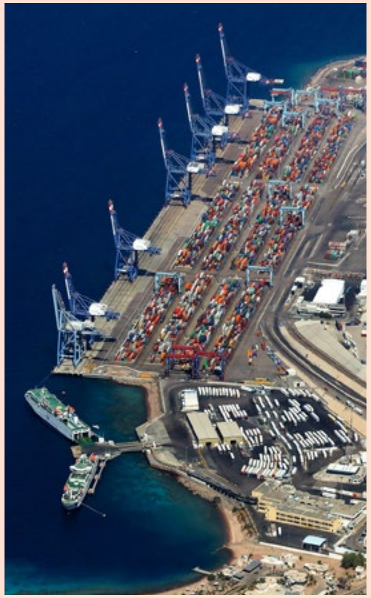
Further, a new IFS10 ERP system along with standardised working processes have been rolled out in 86% of eligible terminals, with the remaining expected to go live in 2023. As a part of the implementation, underlying finance, procurement, asset maintenance and inventory management are being aligned across operated terminals.



Major construction work

The new terminal in Abidjan, Côte d'Ivoire, opened in November 2022, after a successful test call in October. The terminal will have a capacity to handle 1.5m TEUs a year, and also features automated gates and an online truck appointment system.

The new terminal project in Rijeka, Croatia, is progressing as planned and in Onne, Nigeria, the last phase of the terminal upgrade is being finalised. In Mumbai, India, work continues to upgrade the berth with equipment delivery planned for Q1 2023 increasing the capacity from 2.0m TEU to 2.2m TEU, enabling Terminals to better serve the growing Indian demand.

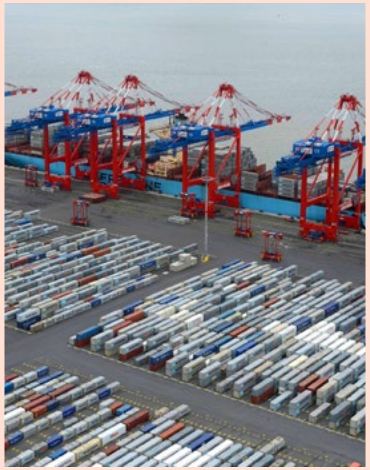


Growth plans

Terminals won the auction for the acquisition of an area in the Port of Suape, Brazil, with plans to develop and operate a container and general cargo terminal. This confirms a strong focus on Brazil as one of the key Latin American markets, where the company has already made significant investments in the past years.

Further, APM Terminals Mobile signed an agreement with the Alabama State Port Authority, USA, to add 32 acres to the current 134-acre container terminal yard. The first stage of this significant investment is expected to be completed in 2023 and the final stage in 2025. This represents the third expansion in the last six years as USA importers expand to meet regional consumer demand and tap into rail services to the Midwest US market.

In Jordan, Terminals and the Aqaba Development Cooperation have signed a Memorandum of Understanding for a 15-year extension of their partnership in the Aqaba Container Terminal (ACT).



Divestments

Following the announcement of A.P. Moller - Maersk's commitment to discontinue activities in Russia earlier in 2022, Terminals has divested its entire 30.75% shareholding in Global Ports Investments (GPI) to Terminals' long-standing joint venture partner Delo Group that already owned 30.75% of the shares. The transaction includes an ability for Terminals to re-enter the partnership with Delo in the future.

Further, Terminals closed the transaction with Hapag-Lloyd which purchased Terminals' 30% shareholding of the Container Terminal Wilhelmshaven (CTW), Germany, in May, and a sale of a 51% stake in the Cartagena Container Terminal, Colombia, was executed in Q1 2022. A 51% share of Sociedade Gestora de Terminais, S.A. in Angola was divested by the end of Q4.

Towage & Maritime Services

Revenue was USD 2.3bn (USD 2.1bn) with an EBITDA of USD 369m (USD 356m) and an EBIT of USD 307m (USD 17m). A.P. Moller - Maersk's divestment of Maersk Container Industry was discontinued following regulatory challenges.

Towage & Maritime Services highlights

USD million

	2022	2021
Revenue	**2,293**	**2,082**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**369**	**356**
EBITDA margin	16.1%	17.1%
Profit before financial items (EBIT)	**307**	**17**
EBIT margin	13.4%	0.8%
Invested capital	2,794	2,216
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	350	203
Operational and financial metrics		
Number of operational tug jobs (harbour towage) ('000)	146	138

Towage

Financial and operational performance

Revenue increased to USD 774m (USD 740m), and adjusted for foreign exchange rate effects, the increase was 12% or USD 88m. Revenue for harbour towage increased by USD 31m driven by increased volumes of 6.1% across all regions and tariffs in Europe, Australia and Americas. Terminal towage revenue increased by USD 3m, primarily impacted by an increase in the Asia, Middle East and Africa region due to tariff adjustments and three additional tugs in Egypt.

EBITDA increased to USD 229m (USD 220m), mainly due to increased revenue, partly offset by increased bunker costs and negative foreign exchange rate development. EBIT decreased to USD 116m (USD 121m), mainly driven by the withdrawal from operations in Russia in Q1 and lower gain on sale of vessels, partly offset by decreased depreciation.

As a consequence of industrial actions being organised by the employee unions in Australia, Svitzer Australia Pty Ltd gave notice of lockout to maritime unions and crew covered by the National Towage Enterprise Agreement (2016) during November. The Fair work commission tribunal in Australia decided to suspend all industrial actions for six months.

Key initiatives in 2022

To support Svitzer's and A.P. Moller - Maersk's ambition on decarbonisation, EcoTow was launched with initial offering in the UK.

Svitzer signed new contracts in Australia, India and Oman while renewing contracts in Qatar and extending the existing contract in Egypt.

Maritime Services

Maersk Supply Service reported a 30% increase in revenue to USD 390m (USD 301m), reflecting increased project activity, improved utilisation of time charter fleet and higher day rates. EBITDA increased to USD 25m (USD 16m), mainly driven by improved time charter activity and project revenue. EBIT increased to positive USD 16m (negative USD 324m), mainly driven by improved EBITDA, while 2021 was impacted by impairment losses resulting from a strategic review of the fleet and the compatibility towards the green transition.

For **Maersk Container Industry**, revenue was USD 499m (USD 690m) with 37% related to third-party customers. EBITDA decreased to USD 54m (USD 69m), and EBIT was USD 22m (USD 78m), both driven by a lower market demand and impacted by the reclassification of Maersk Container Industry from assets held for sale.

Key initiatives in 2022

Maersk Supply Service signed a newbuild contract for a pioneering wind installation vessel (WIV) with delivery expected in 2025 and was awarded a contract for the Empire Wind Park for installation of wind turbines and Preferred Supplier Agreement for the Beacon Wind Park in the USA. The first contract is expected to start in 2025/26.

Quarterly summary

	2022				2021			
Income statement	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	17,820	22,767	21,650	19,292	18,506	16,612	14,230	12,439
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	6,540	10,862	10,327	9,084	7,990	6,943	5,064	4,039
Depreciation, amortisation and impairment losses, net	1,612	1,649	1,418	1,507	1,626	1,206	1,087	1,025
Gain on sale of non-current assets, etc., net	33	4	37	27	50	27	12	7
Share of profit/loss in joint ventures and associated companies	161	260	42	-331	220	95	95	76
Profit before financial items (EBIT)	5,122	9,477	8,988	7,273	6,634	5,859	4,084	3,097
Financial items, net	171	-303	-203	-294	-343	-185	-186	-230
Profit before tax	5,293	9,174	8,785	6,979	6,291	5,674	3,898	2,867
Tax	312	263	164	171	182	213	152	150
Profit for the period	4,981	8,911	8,621	6,808	6,109	5,461	3,746	2,717
A.P. Møller - Mærsk A/S' share	4,950	8,879	8,593	6,776	6,094	5,438	3,713	2,697
Underlying profit	4,863	8,818	8,553	7,469	6,278	5,448	3,732	2,712
Balance sheet								
Total assets	93,680	89,058	80,426	73,031	72,271	65,394	60,040	56,734
Total equity	65,032	60,231	52,586	44,940	45,588	39,771	35,282	31,905
Invested capital	52,410	53,386	49,195	45,167	44,043	42,876	41,481	39,829
Net interest-bearing debt	-12,632	-6,855	-3,356	-689	-1,530	3,123	6,216	7,746

	2022				2021			
Cash flow statement	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities	8,200	9,444	8,611	8,221	7,880	6,572	4,137	3,433
Capital lease instalments – repayments of lease liabilities	861	811	762	646	586	611	453	629
Gross capital expenditure, excl. acquisitions and divestments (CAPEX)	895	906	1,008	1,354	1,585	610	452	329
Cash flow from financing activities	-1,601	-1,968	-3,046	-7,520	-1,370	-1,853	-2,143	-2,534
Free cash flow	6,462	7,787	6,844	6,014	5,637	5,298	3,230	2,372
Financial ratios								
Revenue growth	-3.7%	37.1%	52.1%	55.1%	64.4%	67.5%	58.2%	30.0%
EBITDA margin	36.7%	47.7%	47.7%	47.1%	43.2%	41.8%	35.6%	32.5%
EBIT margin	28.7%	41.6%	41.5%	37.7%	35.8%	35.3%	28.7%	24.9%
Cash conversion	125%	87%	83%	90%	99%	95%	82%	85%
Return on invested capital after tax (ROIC) (last twelve months)	60.4%	66.6%	62.5%	53.6%	45.3%	34.5%	23.7%	15.7%
Equity ratio	69.4%	67.6%	65.4%	61.5%	63.1%	60.8%	58.8%	56.2%
Underlying ROIC	61.2%	68.1%	64.2%	55.4%	45.7%	34.5%	24.0%	15.9%
Underlying EBITDA	6,517	10,851	10,289	9,186	7,990	6,943	5,064	4,039
Underlying EBITDA margin	36.6%	47.7%	47.5%	47.6%	43.2%	41.8%	35.6%	32.5%
Underlying EBIT	5,002	9,381	8,924	7,937	6,804	5,842	4,070	3,092
Underlying EBIT margin	28.1%	41.2%	41.2%	41.1%	36.8%	35.2%	28.6%	24.9%
Stock market ratios								
Earnings per share, USD	278	488	466	364	324	287	194	139
Diluted earnings per share, USD	277	487	464	363	323	287	193	139
Cash flow from operating activities per share, USD	461	519	467	442	414	348	215	178
Share price (B share), end of period, DKK	15,620	13,865	16,555	20,370	23,450	17,385	18,025	14,735
Share price (B share), end of period, USD	2,242	1,817	2,313	3,040	3,576	2,707	2,883	2,324
Total market capitalisation, end of period, USDm	39,135	32,099	42,108	55,662	64,259	49,637	54,076	43,243

Definition of terms. → See page 141.

Amounts in USD million

Governance

Delhi, India

Contents

Shareholder information

Over the course of 2022, the share price declined from the peak seen at the beginning of the year following the normalisation in the Ocean business. Share price performance was broadly aligned with global peers, and the share price itself remains well above the historic average as a result of progress on the strategic transformation, the commitment to shareholder returns and a robust balance sheet.

The Maersk B share price decreased by 33% to DKK 15,620 from its closing price at the end of 2021 of DKK 23,450. Including reinvestment of the dividend paid in March 2022, the total shareholder return over the year was negative 26%. However, since the strategic review of 2016, the total shareholder return has been 168% or 16% annualised per year.

The Board of Directors proposes a dividend to the shareholders of 4,300 per share of DKK 1,000 (DKK 2,500 per share of DKK 1,000).

The share price ended the year 33% lower than last year, implying a total shareholder return of negative 26% for 2022. The Board of Directors in A.P. Møller - Mærsk A/S proposes a dividend of DKK 4,300 per share based on a pay-out ratio of 37.5%, corresponding to a dividend yield of 27.5%, which in combination with the previously announced share buy-back programme of USD 3bn for 2023, will bring the total cash distribution to around USD 14bn for 2023 or around 35.5% of the market cap as per end of 2022.

Share price development

The Maersk B share price decreased by 33% to DKK 15,620 from its closing price at the end of 2021 of DKK 23,450. By comparison, the benchmark indices MSCI Europe Transportation and OMXC25 decreased by 30% and 13%, respectively. The Maersk B share price reached its highest price of DKK 24,800 on 13 January 2022, and its lowest price of DKK 13,250 on 29 September 2022. The total market value of A.P. Møller - Mærsk A/S was USD 39.1bn or DKK 273bn at the end of 2022. The correction of the share price followed the ongoing normalisation of the Ocean business in the second half of the year and the deterioration of the global economic outlook.

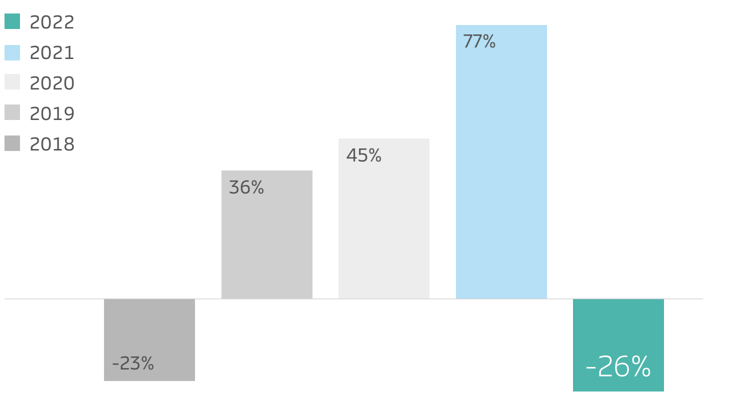
Share capital

A.P. Møller - Mærsk A/S' shares are listed on Nasdaq Copenhagen and are divided into two classes: A shares with voting rights and B shares without voting rights. Each DKK 1,000 A share entitles the holder to two votes.

On 25 May 2022, the cancellation of 133,779 A-shares and 535,076 B-shares was completed, corresponding to 3.45% of the total share capital in A.P. Møller - Mærsk A/S before the cancellation of shares.

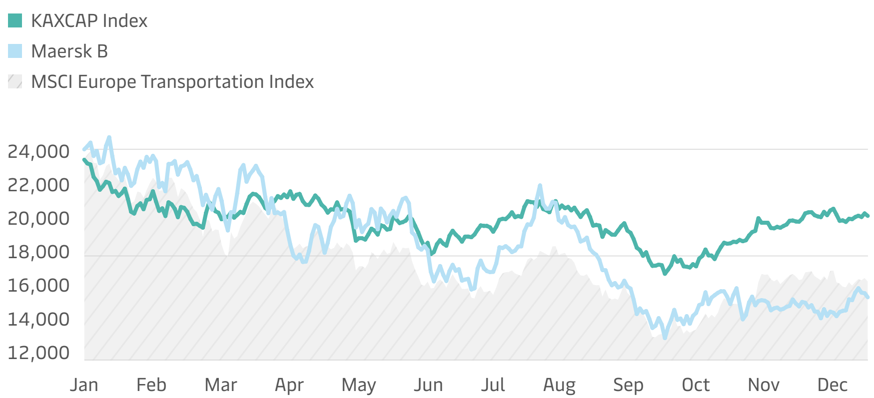
The A.P. Møller - Mærsk A/S share capital amounts to nominally DKK 18,707,161 divided between 10,334,436 A shares of nominally DKK 1,000 and 8,372,725 B shares of nominally DKK 1,000.

Total shareholder return



Comparing the development in the total shareholder returns since the strategic review was announced back in 2016, the total shareholder return has been 168% or 16% annualised per year.

Share price development



Source: S&P Cap IQ; data rebased from the Maersk B share price at the end of December 2022.

Ownership

The total number of registered shareholders increased by 12,000 to around 89,000 during 2022. Shareholders with more than 5% of share capital or votes held 57.9% of the share capital, while the 20 largest institutional shareholders together owned around 13.6% of the total share capital and around 32.4% adjusted for the free-float. Danish retail investor holdings were on par with 2021 at around 10.3% of the total share capital.

Treasury shares

The A.P. Møller - Mærsk A/S holding of treasury shares comprised 5.82% of the share capital at the end of 2022, cf. note 4.1 in the consolidated financial statements, a total of 201,717 A shares and 887,557 B shares.

Dividend

The dividend policy is an annual pay-out ratio of 30-50% of underlying net result adjusted for gains, impairments and restructurings to be implemented from the financial year 2022.

Distribution to shareholders of excess cash will take place through dividends potentially combined with share buy-backs, and the annual pay-out ratio and distribution will be decided from an evaluation of the outlook, cash flow, capital expenditures for organic CAPEX and merger & acquisition transactions, and target of having an investment grade rating.

The Board of Directors proposes a dividend to the shareholders of DKK 4,300 per share of DKK 1,000 (DKK 2,500 per share of DKK 1,000). The proposed dividend payment represents a dividend yield of 27.5% (10.7%) and 37.5% of the net underlying profit, based on the Maersk B share's closing price of DKK 15,620 as of 30 December 2022. Payment is expected to take place on 31 March 2023.

Capital allocation

The capital allocation strategy ensures that A.P. Moller - Maersk has sufficient financial flexibility to meet the strategic growth objectives while maximising return to A.P. Moller - Maersk's shareholders.

For 2022-2023, the expectation for the accumulated CAPEX is unchanged at USD 9.0-10.0bn, driven by continued investment in the integrator strategy, with a focus on growth, automation and decarbonisation.

A.P. Moller - Maersk is committed to shareholder returns starting with the USD 12bn share buy-back programme until 2025 and its dividend policy, see above.

The A.P. Moller - Maersk share

Key figures	2022	2021	2020	2019	2018
Year-end share price (DKK, B share)[1]	15,620	23,450	13,595	9,608	8,184
Share price range (DKK, B share)[1]	7,830	11,330	9,081	3,410	4,005
Market capitalisation at year-end (USDbn, A and B share)[1]	39.1	64.3	42	28.0	25.3
Earnings per share – continuing operations (USD)	1,600	941	145	-4	152
Dividend per share (DKK, A and B share)[2]	4,300	2,500	330	150	150
Dividend yield (B share)	27.5%	10.7%	2.4%	1.6%	1.8%
Total dividends (USDm)	10,894	7,117	1,092	468	479
Share buy-back programme (DKKbn)[3,4]	19.8	12.3	5.4	5.3	-
Share buy-back programme (USDm)[4]	2,785	1,956	806	791	-

1 For 2018, data has not been adjusted for the demerger of Maersk Drilling.
2 Proposed dividend for the year.
3 Actual payments on a cash basis.
4 Includes the shares bought back for the long-term incentive programmes.

Shareholders with more than 5% of share capital or votes

Shareholders according to section 55 of the Danish Companies Act	Share capital	Votes
A.P. Møller Holding A/S, Copenhagen, Denmark[1]	41.51%	51.45%
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, Copenhagen, Denmark[2]	9.83%	13.65%
Den A.P. Møllerske Støttefond, Copenhagen, Denmark	3.46%	6.23%
A.P. Møller - Mærsk A/S (treasury shares)	5.82%	0.98%

1 A.P. Møller Holding A/S has committed to participate in the company's share buy-back programme by selling both A and B shares relative to their total ownership and voting rights in the company. Before cancellation of the company's treasury shares (which is subject to approval at the annual general meeting and intended to take place in June 2023), A.P. Møller Holding A/S holds 39.27% of the share capital and 50.45% of the votes of the company.
2 A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond has committed to participate in the company's share buy-back programme by selling B shares relative to their total ownership in the company. Before cancellation of the company's treasury shares (which is subject to approval at the annual general meeting and intended to take place in June 2023), A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond holds 9.30% of the share capital of the company.

Funding strategy

A.P. Moller - Maersk's focus is on long-term debt in order to minimise the ongoing refinancing risk and secure a solid capital structure over the business cycle. A.P. Moller - Maersk aims at having a diversified debt portfolio, based on funding from debt capital markets, commercial bank debt, export credit agencies and from multilateral agencies.

The target is to have an average maturity of the debt portfolio (excluding the impact of leases) between four to five years, and that the total amount of debt maturing (excluding the impact of leases) in a single 12-month rolling period should not exceed USD 3bn within the next three years.

Share buy-back

Based on the strong financial performance, in August 2022, the Board of Directors decided to raise the existing share buy-back programme by DKK 7.3bn from DKK 32bn to DKK 39.3bn (or around USD 5bn to USD 6bn). In addition, for the years 2024-2025, the Board of Directors decided to raise the share buy-back programme by USD 500m annually from around USD 2.5bn to USD 3.0bn.

This increased the total share buy-back programme from USD 10bn to USD 12bn to be carried out in several phases during 2022 to 2025.

Of the planned share buy-back of DKK 39.3bn (around USD 6bn) for the years 2022-2023, A.P. Moller - Maersk has bought back DKK 22.5bn (USD 3.2bn) as of the year-end 2022.

The decision to increase the share buy-back programme was supported by the strong earnings and free cash flow generation seen in 2022.

The share buy-back is carried out with the purpose to adjust the capital structure of A.P. Moller - Maersk. At the Annual General Meeting in 2023, it will be proposed that shares which are not used for hedging purposes for the long-term incentive programmes are to be cancelled.

No shares may be bought back at a price exceeding the higher of i) share price of latest independent trade and ii) the highest current independent bid at NASDAQ Copenhagen at the time of trading.

The maximum number of A and B shares that may be purchased on each trading day may not exceed 25% of the average daily trading volume of A and B shares, respectively, on NASDAQ Copenhagen or other regulated markets, on which the purchase is carried out, over the last 20 trading days prior to the date of purchase.

A and B shares will be acquired in a 20/80 split reflecting the current trading volumes of the two share classes.

The company will fulfil its reporting obligations by announcing no later than every seventh trading day the purchases made under the share buy-back programme.

The company is entitled to suspend or stop the programme at any time subject to an announcement to NASDAQ Copenhagen.

Financial calendar

28 MARCH	Annual General Meeting
04 MAY	Interim Report Q1 2023
04 AUGUST	Interim Report Q2 2023
03 NOVEMBER	Interim Report Q3 2023

Annual General Meeting

The Annual General Meeting will be held on 28 March 2023 as a virtual event.

Investor Relations

Investor Relations works to ensure that both domestic and international investors are kept updated on the latest corporate developments. With the global re-opening following the COVID-19 pandemic, the Investor Relations team re-commenced international travel for investor conferences and meetings. In 2022, the Executive Board and Investor Relations team conducted more than 290 meetings with the participation of more than 1,300 investors and analysts across Europe, Asia and North America.

A.P. Moller - Maersk is covered by just over 20 sell-side analysts, predominantly from international investment banks, who regularly publish research and sector reports. Financial reports, investor presentations, share and bond information, are available at
→ investor.maersk.com

Corporate governance

Corporate governance is important for A.P. Møller - Mærsk A/S in line with the company's values. A.P. Møller - Mærsk A/S is continuously developing its corporate governance in response to the strategic development, goals, and activities as well as to the external environment and input from stakeholders.

The five core values **Constant Care, Humbleness, Uprightness, Our Employees,** and **Our Name** remain pillars for the way A.P. Møller - Mærsk A/S conducts its business. Engrained in the company for more than a century, these corporate values are continuously being promoted throughout the global organisation and serve as guiding principles for employees and leaders.

The governance structure supports close coordination between the Board of Directors, the Executive Board and leaders across the organisation. The structure promotes the objectives of:

- Early identification of opportunities, challenges and risks
- Efficient processes for informed decision-making
- Continuous learning
- Proactive planning and agile execution
- Sound controls, checks and balances and compliance
- Clear allocation of authorities and responsibilities
- Safe operations
- A strong sustainable approach to ESG.

The formal basis for the corporate governance of A.P. Møller - Mærsk A/S consists of:

- The Articles of Association.
- Rules of procedure applicable to the Board of Directors and the Executive Board as well as procedures specific to each of the Board committees. See further → investor.maersk.com/corporate-governance
- Policies and principles on health and safety, legal compliance, working culture, data ethics, tax and other key areas within corporate governance and good corporate citizenship. Read more about our policies on → www.maersk.com/about
- The internal governance framework (COMMIT) stipulates more detailed policies, rules, instructions and guidelines applicable to all Group entities and employees. Among others, the framework covers enterprise risk management, responsible procurement, anti-corruption, legal compliance, etc. and is continuously updated.
- The Maersk whistleblower system enables employees and other stakeholders in more than 130 countries to report wrongdoings. Further information on whistleblower reports is available in the Sustainability Report and on → secure.ethicspoint.eu/domain/media/en/gui/102833/index.html

To organise and conduct Board meetings in the most relevant and efficient manner, the Board has established an Annual Wheel in cooperation with the Executive Board. The Annual Wheel outlines the main themes and topics for each ordinary Board meeting and areas for reporting to the Board as well as matters for deliberation or approval by the Board. The Annual Wheel ensures that all relevant topics are covered during the year, e.g. strategy, people and capabilities, ESG, transformation progress, and compliance and risk.

Board evaluation

During 2022 an externally facilitated Board evaluation process was conducted, among others covering; an assessment of Board capabilities relative to those best supporting the company's strategy. All members of the Board of Directors participated in the evaluation and provided input via interviews. The results were discussed in plenary sessions by the Board of Directors and agreed improvements will be implemented.

Main conclusions and outcomes of the Board evaluation

The Board evaluation confirmed the alignment on the top strategic issues and continued focus on priorities and transparency.

The results and conclusions from the annual Board evaluation form the basis for the Nomination Committee's considerations and continued search for future candidates to the Board of Directors.

Board composition

Based on the strategy to move from a conglomerate to a focused transportation and logistics company in 2016, the Board initiated a process to define the Board composition of the future. As part of the Board evaluation 2018, key competencies and areas of experience and expertise required on the Board were identified to be: shipping, transport and logistics, IT/digital/technology and e-commerce, business transformation, innovation and entrepreneurship, asset heavy industries, finance and accounting, risk management, global leadership, and board service in stock listed companies.

In 2022, the new ESG strategy was launched highlighting ESG and decarbonisation as a strategic imperative for Maersk. Clear governance and oversight with the Board were established as part of the strategy and as such additional key competencies were added to the criteria for assessing the Board competencies. The key competencies are: ESG and climate change.

The composition of the current Board reflects these key competencies. The Nomination Committee is also applying these criteria when searching for new Board candidates. In 2022, Marika Fredriksson was elected, bringing finance and accounting and asset heavy industries competencies to the Board.

Diversity

When assessing the composition of the Board, the Nomination Committee also considers diversity and setting of the target for the underrepresented gender on the Board of Directors in accordance with section 139c of the Danish Companies Act. In 2019, the Board of Directors re-adopted the target for the underrepresented gender on the Board of Directors: Three female Board members elected by the Annual General Meeting, if the Board consists of less than 12 members, and four female Board members elected by the Annual General Meeting if the Board consists of 12 or more members. The target has to be met by end 2023. As the Board today consists of eight members of which three are female the target is currently met. The Board will continuously assess whether the target set in 2019 is still ambitious. The company keeps focus on driving diversity both on managerial levels and on the Board.

Further information on diversity can be found in the company's Sustainability Report.

Recommendations for corporate governance

As a Danish listed company, A.P. Møller - Mærsk A/S must comply with or explain deviations from the 'Recommendations for Corporate Governance' implemented by Nasdaq Copenhagen in the Rules for issuers of shares and section 107b of the Danish Financial Statements Act.

The Board of Directors has prepared a statement on corporate governance for the financial year 2022. This statement includes a description of the company's approach to the recommendations in the 'Recommendations for Corporate Governance'. Reporting on compliance with the Corporate Governance recommendations can be found on

→ investor.maersk.com/corporate-governance

ESG governance

The company has adopted policies and strategies for responsible business practices and sustainability, covering material environment, social and governance factors, to support its business strategy and deliver value for customers, investors and broader society in line with the recommendations of the UN Global Compact, which the company joined in 2009. The company publishes an annual Sustainability Report which, together with the polices and strategies, can be found on the company's website.

The Board of Directors monitors sustainability and ESG in the company, including approving the ESG strategy and annual reporting.

Main elements of the company's internal control and risk management systems

The company's risk management and internal controls in connection with its financial reporting are planned to reduce the risk of errors and omissions in the financial reporting.

Control environment

The Board of Directors, the Audit Committee and the Executive Board regularly assess material risks and internal controls in connection with the company's financial reporting process. The Audit Committee has a supervisory responsibility and reports to the entire Board of Directors. The responsibility for the everyday maintenance of an efficient control environment in connection with the financial reporting rests with the Executive Board.

Based on the applicable rules and regulations, the Board of Directors and the Executive Board prepare and approve the general policies, procedures and controls in significant areas in connection with the company's financial reporting.

The starting point is clear chains of command, authorisation and certification procedures, and segregation of duties as well as adequate accounting and consolidation systems, including validation controls.

In addition, the company has set up policies, manuals and procedures within relevant areas in connection with its financial reporting. The policies, manuals and procedures are updated on an ongoing basis.

Risk assessment and management

At least once a year, as part of the risk assessment, the Board of Directors, the Audit Committee and the Executive Board undertake a general identification and assessment of risks in connection with the financial reporting, including the risk of fraud, and consider measures to be implemented to reduce or eliminate such risks.

Decisions on measures to reduce or eliminate risks are based on an assessment of materiality and probability of errors and omissions.

Control activities

Specific control activities have been defined and implemented for each significant brand and business unit.

Information and communication

The Board of Directors is overall responsible for the company having information and reporting systems in place to ensure that its financial reporting is in conformity with rules and regulations. For this purpose, the company has set out detailed requirements in policies, manuals, and procedures and a global consolidation system with related reporting instructions has been implemented. Also, risk and control catalogues have been established and collated for all significant brands and business units as well as for corporate functions.

Monitoring

The monitoring of risk management and control systems in connection with financial reporting takes the form of ongoing assessments and control at different levels within the company. Any weaknesses, control failures and violations of the applicable policies, manuals, and procedures or other material deviations are communicated upwards in the organisation in accordance with relevant policies and instructions. Any weaknesses, omissions and violations are reported to the Executive Board. The Board of Directors and Audit Committee receive reports from the Executive Board and from Group Internal Audit on the compliance with the guidelines, etc., as well as on the weaknesses, omissions and violations of the policies, procedures and internal controls found.

If there are weaknesses identified in the internal control environment, they are reported in management letters to the Executive Board.

Governance structure

Shareholders and Annual General Meetings

The Annual General Meeting is the supreme governing body of A.P. Møller - Mærsk A/S. The shareholders exercise their rights at the Annual General Meeting, e.g. in relation to electing the Board members and the auditors of the company, approving the annual reports and dividends, deciding on the Articles of Association and on proposals submitted by shareholders or the Board. The company has two share classes: A shares carrying voting rights and B shares without voting rights. A and B shares carry equal economic rights and are traded publicly at NASDAQ Copenhagen.

Board of Directors

A.P. Møller - Mærsk A/S has a management structure consisting of the Board of Directors and the Executive Board. There is no overlap between members of the Board of Directors and members of the Executive Board. By inviting business leaders, functional leaders and relevant experts to participate in parts of its meetings, the Board of Directors and its committees interact with representatives from various parts of the organisation as well as external specialists.

The Board of Directors lays down the general business and management principles and ensures the proper organisation and governance of the company. Furthermore, the Board of Directors decides the strategy and the risk policies and supervises the execution of the strategy as well as the performance of the company and its management. The Board of Directors appoints members of the Executive Board.

According to the company's Articles of Association the Board of Directors shall consist of four to 13 members elected by the Annual General Meeting. The Board members are elected for a two-year term. There are Board members up for election every year to

Framework for corporate governance

Shareholders

Board of Directors

Chairmanship

Audit Committee

Group Internal Audit

Nomination Committee

Remuneration Committee

Transformation & Innovation Committee

Executive Board

Organisation

ensure continuity in the work of the Board of Directors. Board members are eligible for re-election.

At the Annual General Meeting on 15 March 2022, Jim Hagemann Snabe, Ane Uggla, Blythe Masters and Jacob Andersen Sterling stepped down from the Board of Directors, and the Annual General Meeting elected Marika Fredriksson and Julija Voitiekute as new members. The Board of Directors consists of eight members, all elected by the General Meeting. Four of the members of the Board of Directors are independent.

The Board of Directors plans seven to nine ordinary meetings per year. Further information on the members of the Board of Directors, committees as well as the Board members' participation in Board and committee meetings, is available on the company's webpage and below.

The Board of Directors has established the following committees:

Audit Committee

The Audit Committee currently consists of four Board members appointed by and among the Board members. The Committee reports to the Board of Directors. The tasks of the Audit Committee include the review of accounting, auditing, risk and control matters, which are dealt with at meetings with the external auditors, the CFO, Head of Group Finance, the heads of the accounting and internal audit functions. Furthermore, the Committee is tasked with reviewing material on related parties' transactions. The majority of the members are independent. The Committee plans six to seven ordinary meetings per year.

Nomination Committee
The Nomination Committee currently consists of two Board members of which one is the Chair of the Board. The members are elected by and among the Board members, and the Board appoints the chair of the Committee. The Nomination Committee assists the Board by establishing an overview of the competencies required and represented on the Board, and reviews the structure, size, composition, succession planning and diversity of the Board of Directors. The Committee also reviews the application of the independence criteria, initiates recruitment and evaluates candidates for election to the Board of Directors at the Annual General Meeting. The Committee meets on a regular basis.

Remuneration Committee
The Remuneration Committee currently consists of three Board members, including the Chair of the Board. The Remuneration Committee makes proposals to the Board of Directors for the remuneration of the Board of Directors and members of the Executive Board. Furthermore, the Committee makes proposals to the Board, e.g. about incentive schemes, reporting and disclosure of remuneration, and the remuneration policy. The Remuneration Committee ensures that the remuneration policy and practices as well as incentive programmes support the strategy of A.P. Møller - Mærsk A/S and create value for the shareholders. The majority of the members are independent. The Committee plans four meetings per year.

Transformation & Innovation Committee
The Transformation & Innovation Committee currently consists of three Board members appointed by and among the Board members. The Committee is established with the purpose of supporting the transformation of the company as well as the development of the company's overall strategic direction and innovation agenda. The majority of the members are independent. The Committee plans four meetings per year.

Rules of procedure
The Rules of procedure for the Audit Committee, Nomination Committee, Remuneration Committee and Transformation & Innovation Committee are available on the company's webpage.

Group Internal Audit
Group Internal Audit provides assurance to the Board of Directors and the Audit Committee and acts independently of the Executive Board. Group Internal Audit's focus is to review the effectiveness of internal controls, procedures and systems to prevent and detect irregularities. The Head of Group Internal Audit reports to the Chair of the Board of Directors and to the Audit Committee.

Overview of committee members and attendance rate for 2022

	Board of Directors	Chairmanship	Audit Committee	Nomination Committee	Remuneration Committee	Transformation & Innovation Committee
Robert Mærsk Uggla[1]	12/12 (Chair)	10/12		8/8 (Chair)	6/6	4/5
Marc Engel[1]	12/12 (Vice Chair)	10/12		8/8	5/6 (Chair)	5/5 (Chair)
Bernard L. Bot	12/12		7/7			
Amparo Moraleda	12/12		7/7		6/6	5/5
Arne Karlsson	12/12		7/7 (Chair)			
Thomas Lindegaard Madsen	12/12					
Marika Fredriksson[1]	9/12		6/7			
Julija Voitiekute[1]	9/12					
Ane Mærsk Mc-Kinney Uggla[2]	3/12	2/12		0/8		
Jim Hagemann Snabe[2]	3/12	2/12	1/7	0/8	1/6	1/5
Jacob A. Sterling[2]	3/12					
Blythe Masters[2]	3/12					1/5
Overall attendance rate	100%	100%	100%	100%	100%	100%

1 Joined Committee/Board/Chairmanship in March 2022
2 Stepped down in March 2022

The Executive Board

The Executive Board is appointed by the Board of Directors to carry out the day-to-day management of the company in accordance with the directions provided by the Board of Directors. The tasks include but are not limited to:

- Develop the business and submit strategy proposals to the Board of Directors for decision
- Implement the strategy for the company and execute on investments and divestments
- Develop the organisational structure of the company and allocate resources
- Prepare internal and external financial reporting
- Monitor and plan capital resources and liquidity
- Establish and implement internal policies and procedures for relevant topics such as accounting, finance, IT, etc.
- Enterprise risk management.

As of 1 January 2022, the Executive Board of A.P. Møller - Mærsk A/S consisted of Søren Skou (CEO), Patrick Jany (CFO), Vincent Clerc (CEO of Ocean & Logistics), Morten H. Engelstoft (CEO of APM Terminals), Henriette Thygesen (CEO Strategic Brands) and Navneet Kapoor (CITO).

On 1 July 2022, Morten H. Engelstoft retired as Executive Board member and left the Group. On 12 December 2022, it was announced that Søren Skou would step down as CEO and be replaced by Vincent Clerc effective 1 January 2023.

Further information about the members of the Executive Board, including photos and occupations, can be found on the company's webpage.

Matters handled by the Board of Directors during 2022 (including but not limited to):

- Nomination of Marika Fredriksson and Julija Voitiekute as Board members for the election to the Board at the Annual General Meeting 2022
- Approval of the Annual Report 2021 and the 2022 Interim Reports as well as review of monthly and quarterly financial reporting and forecasting
- Approval of an updated Remuneration Policy 2022.
- Approval of the Remuneration Report 2021 for the Board of Directors and Executive Board
- Strategy and business plan review, target setting and budget approval
- Follow-up on M&A activities to ensure growth of Logistics & Services
- Monitoring the company's financial policy, credit rating, debt levels, and capital structure, including decision on dividend policy and share-buy-back programme
- Monitoring the implementation of the technology strategy and cyber security standards
- Monitoring the transformation and reorganisation of the company to become the 'Global integrator of container logistics'
- Conduction of Board evaluation
- Appointment of Vincent Clerc as new CEO.

Matters handled by the Board Committees during 2022 (including but not limited to):

Audit Committee

- Monitoring the financial and non-financial reporting process, including accounting estimates and risks, accounting policies and reporting process integrity
- Review of annual and interim financial reports
- Review of the company's Directors and Officers Insurance
- Monitoring the effectiveness of internal control systems, fraud risks and fraud prevention.
- Discussion of key audit matters, monitor the services, audit plans, reports, independence of external auditors and recommend statutory auditor for election, including conducting the mandatory audit tender process
- Monitoring the Group Internal Audit function, its independence, scope and performance, resources and reporting, and the resolution of audit findings
- Overseeing the company's enterprise risk management framework and processes as well as review key enterprise risks and related mitigation plans
- Meeting with the Head of Group Internal Audit, CFO, Head of Group Finance, Head of Accounting and Tax, other functional leaders and external auditors.

Nomination Committee

- Review and assessment of the composition, succession planning, competencies, and diversity of the Board of Directors as a part of the Board evaluation
- Identifying candidates (Marika Fredriksson and Julija Voitiekute) for membership of the Board of Directors
- Assessment of independence criteria of the Board members.

Remuneration Committee

- Review and definition of benchmarks for executive remuneration
- Review, monitoring and proposal to the Board of the scorecards and remuneration packages of the Executive Board for 2022 and 2023
- Review and proposal of a new Remuneration Policy
- Preparation of the Remuneration Report 2021
- Preparation for the appointment and remuneration of new management team per 1 January 2023
- Proposal of fees for the members of the Board of Directors.

Transformation & Innovation Committee

- Supporting the development of the transformation and technology agenda by overseeing progress and prioritisation of the Process and IT standardisation efforts and other processes of strategic importance
- Acting as a sparring partner for the Executive Board within innovation, consolidation, growth and new projects.

Remuneration

The remuneration of the Executive Board members for the financial year 2022 reflects a year in which A.P. Moller - Maersk delivered record-breaking financial results and made a strong progress towards its strategic transformation. The remuneration to the members of the Board of Directors reflects changes to the composition of the Board of Directors.

A.P. Moller - Maersk has made the choice to take an active part in enabling the global shipping industry to deliver on the Paris Agreement and for A.P. Moller - Maersk to achieve its 2040 net zero target. Underlining the importance of delivering on this commitment, the company is from 2023 introducing an Environmental, Social and Governance (ESG) measure in the long-term incentive plan. The company will ensure to fully align and integrate the right ESG targets to deliver on its commitments.

The following sections set out key elements of the Remuneration Policy ('Policy'), and the total remuneration awarded to the members of the Board of Directors and the Executive Board for 2022.

Remuneration policy at a glance

The Policy supports the business needs by enabling an appropriate total remuneration package that has a clear link to business strategy and aligns with shareholder interests.

The objectives of the Policy are to:

- *Ensure appropriate total remuneration*: The remuneration design and decisions are guided by market practice, reflected in the remuneration components offered and the total remuneration value provided.
- *Link to business strategy*: The Policy supports the business plan and the need for executive leaders to focus on delivering an ongoing progress to achieve the company's strategic goals, reflected in a combination of short- and long-term incentive components.
- *Align with shareholder interest*: The Policy is designed to support the delivery of strong financial and operational results over time, which ultimately grow shareholder value.

The current Policy applies to members of the Executive Board and the Board of Directors and was adopted at the company's Annual General Meeting in 2022.

Board of Directors

The members of the Board of Directors receive a fixed annual fee which is differentiated based on the role:

- Ordinary Board members receive a fixed amount, and the Chair and Vice Chair receives fixed multiples thereof.

Board of Directors members serving on the Board committees or performing ad hoc work beyond the normal responsibilities receive an additional fee. This does not apply to the Chair where the fixed annual fee is all inclusive.

Executive Board

The remuneration of the Executive Board members consists of a fixed base salary, which is inclusive of company pension contribution and car, short-term incentive as well as long-term incentive components.

The remuneration structure is intended to drive a 'reward for performance' culture by aligning individual reward to company performance and shareholder value creation. The individual remuneration level is set and reviewed based on peer companies of similar size and complexity to ensure they remain comparable and fit for the business.

Total remuneration 2022

The table shows the total remuneration awarded to members of the Board of Directors and the Executive Board in aggregate from 2018 to 2022, as set out in note 2.2 of the consolidated financial statements.

Further information regarding the share-based payments is detailed in note 5.2 of the consolidated financial statements as calculated under IFRS 2.

This is different in both reporting and methodology in the company's Remuneration Report 2022, which is available at the company's website on: → investor.maersk.com/remuneration

2018–2022 Remuneration

Remuneration awarded (USD million)	2022	2021	2020	2019	2018
Board of Directors					
Fixed annual fee	2	3	3	3	3
Total	**2**	**3**	**3**	**3**	**3**
Executive Board					
Fixed base salary	8	9	8	10	10
Short-term cash incentive	6	8	6	5	5
Long-term share-based incentives[1]	8	3	2	1	1
Remuneration in connection with redundancy, resignations and release from duty to work	8	-	-	6	4
Total	**30**	**20**	**16**	**22**	**20**

1 During 2022, it was announced that Morten H. Engelstoft would leave A.P. Moller - Maersk effective end June 2022 and Søren Skou effective end December 2022. In accordance with the terms and conditions of the restricted share plan and the stock option plan, any remaining expenses related to previous years' plans are accelerated and recognised in 2022 for plans that are kept, and previously recognised expenses are reversed for cancelled plans. This has resulted in an increase in the long-term share-based incentives remuneration in 2022.

Board of Directors

Robert Mærsk Uggla

Chair, Chair of the Nomination Committee, member of the Transformation & Innovation Committee, and member of the Remuneration Committee.

Not considered independent due to the position as CEO of A.P. Møller Holding A/S.

Swedish nationality. Male. Born 1978. Joined the Board in 2014. Current election period: 2022-2024.

Other management duties, etc.
- A.P. Moller Capital P/S (Chair)
- Maersk Tankers A/S[1] (Chair)
- Agata ApS (CEO)
- Estemco XII ApS (CEO)
- IMD (Director of the foundation board)
- International Business Leaders' Advisory Council, IBLAC (member)
- Board positions in a number of controlled subsidiaries of A.P. Møller Holding A/S.

Education
- MSc in Business Administration, Stockholm School of Economics, including studies at Università Commerciale Luigi Bocconi
- Executive education at The Wharton School, Stanford Business School, Harvard Business School, and IMD

Qualifications
Leadership experience within investments, transportation and infrastructure-related activities.

Marc Engel

Vice Chair, Chair of the Transformation & Innovation Committee, Chair of the Remuneration Committee and member of the Nomination Committee.

Considered independent.

Dutch nationality. Male. Born 1966. Joined the Board in 2019. Current election period: 2021-2023.

Other management duties, etc.
- Unilabs SA (Chair of Supervisory Board)
- ACT commodities (Supervisory Board Member)
- Zero 100 (Advisory Board Member)

Education
- MSc in Applied Physics, University of Groningen, the Netherlands

Qualifications
International experience in general management, sustainability, procurement and supply chain. Insight from a customer's per-spective in both shipping and broader logistics space.

Bernard L. Bot

Member of the Audit Committee.
CFO, Kingfisher Plc.[1]

Considered independent.

Dutch nationality. Male. Born 1966. Joined the Board in 2019. Current election period: 2021-2023.

Other management duties, etc.
- None

Education
- MSc in Economics, Erasmus University, Rotterdam, the Netherlands
- MBA, University of Chicago Booth School of Business, Chicago, USA

Qualifications
Experience within the transport and logistics sector and listed companies. Technical financial skills, knowledge of global business-to-business technology and customer markets.

Marika Fredriksson

Member of the Audit Committee.

Considered independent.

Swedish nationality. Female. Born 1963. Joined the Board in 2022. Current election period: 2022-2024.

Other management duties, etc.
- AB Industrivärden[1] (Board member)
- Sandvik AB[1] (Board member)
- Emagine Consulting (Chair)
- Axcel (Advisory Board member)
- Ecolean AB (Board member)
- Saxo Bank A/S (Board member)

Education
- Master's degree from the Swedish School of Economics, Helsinki, Finland

Qualifications
International experience as CFO and member of the board of directors of listed companies within construction.

1 Listed company

Board of Directors

Arne Karlsson

Chair of the Audit Committee.

Not considered independent due to being member of the board for minimum 12 years.

Swedish nationality. Male. Born 1958. Joined the Board in 2010. Current election period: 2021-2023.

Other management duties, etc.
- Ecolean (Chair)
- Einar Mattsson (Chair)
- FAPM Fastighets AB (Chair)
- Fastighets AB[1] Stadshus (Chair)
- KANA I Ramundberget AB[1] (Chair)
- Ramisverket AB (Deputy Board member)
- ROL AB[1] (Chair)
- TAK Advisory Ltd (Chair)
- Swedish Securities Council (Board member)
- Advisory Board for The ESS (European Spallation Source) (member)
- Origover AB (Board member)

Education
- Bachelor in Business and Economics, Stockholm School of Economics

Qualifications
Experience as CEO and board member of private equity and industrial companies and with managing and developing a diverse portfolio of businesses operating in different markets.

Thomas Lindegaard Madsen

Captain, Maersk Line.

Not considered independent due to employment in A.P. Moller - Maersk.

Danish nationality. Male. Born 1972. Joined the Board in 2018. Current election period: 2022-2024.

Other management duties, etc.
- None

Education
- Graduated Master, Svendborg Navigations Skole

Qualifications
Captain in Maersk Line since 2011 and Chief Officer in Maersk Line from 2004-2011. Technical, maritime and operational knowledge relevant to the shipping activities in A.P. Moller - Maersk.

Amparo Moraleda

Member of the Audit Committee, the Remuneration Committee and the Transformation & Innovation Committee.

Considered independent.

Spanish nationality. Female. Born 1964. Joined the Board in 2021. Current election period: 2021-2023.

Other management duties, etc.
- Caixabank[1] (Board member)
- Airbus SE[1] (Board member)
- Vodafone Group[1] (Board member)

Education
- Industrial Engineer, ICAI, Universidad Pontificia de Comillas
- Advance Management programme (PDG), IESE Business School, Universidad de Navarra

Qualifications
Board experience from international listed technology, chemical, aerospace, transportation, automotive and innovation companies and from the financial sector. Management experience from global, listed IT and electric utility companies. Digital transformation and strategy experience.

Julija Voitiekute

Senior Decarbonisation integration manager, A.P. Møller - Mærsk A/S.

Not considered independent due to employment in A.P. Moller - Maersk.

Lithuanian nationality. Female. Born 1981. Joined the Board in 2022. Current election period: 2022-2024.

Other management duties, etc.
- Innovation committee of Danish Shipping (member)

Education
- Master's degree in International Strategy, Copenhagen Business School
- Bachelor in Finance and Banking, St. Petersburg University of Economics and Finance

Qualifications
Knowledge in ship operation, technical management, future trends and innovation relevant to the company.

1 Listed company

Executive Leadership Team

From the left, standing: Aymeric Chandavoine, Navneet Kapoor, Katharina Poehlmann, Keith Svendsen, Vincent Clerc, Henriette Hallberg Thygesen, Rotem Hershko, Susana Elvira, Narin Phol, Ditlev Blicher
From the left, seated: Johan Sigsgaard, Silvia Ding, Karsten Kildahl, Caroline Pontoppidan, Patrick Jany, Rabab Boulos

Executive Leadership Team

A.P. Moller - Maersk announced a new organisational structure and a new Executive Leadership Team effective 1 February 2023 following the appointment of Vincent Clerc as CEO of A.P. Moller - Maersk effective 1 January 2023.

This team includes leaders with a long tenure within A.P. Moller - Maersk, and leaders with experience from outside the company, bringing increased diversity of thought, age, gender and nationality.

The new organisational structure is shaped around 15 roles and areas of responsibility. The Executive Leadership Team will jointly own the execution of A.P. Moller - Maersk's Integrator strategy and is composed to create strong alignment across the enterprise as well as clear ownership and accountability for key aspects of the next phase of A.P. Moller - Maersk's strategy.

The Executive Leadership Team's responsibilities

Vincent Clerc[1], Chief Executive Officer

Strategy & Transformation
Silvia Ding, Head of Transformation
Katharina Poehlmann, Head of Strategy

Corporate functions
Susana Elvira, Chief People Officer
Patrick Jany[1], Chief Financial Officer
Navneet Kapoor, Chief Technology & Information Officer
Caroline Pontoppidan, Chief Corporate Affairs Officer

Running the business
Ditlev Blicher, President Asia Pacific
Aymeric Chandavoine, President Europe
Karsten Kildahl, CCO & LAM, AFR & WCA
Narin Phol, President North America
Keith Svendsen, CEO APM Terminals
Henriette Hallberg Thygesen[1], Chief Delivery Officer

Innovation & Acceleration
Rabab Boulos, Chief Infrastructure Officer
Rotem Hershko, Chief Product Officer – Logistics & Services
Johan Sigsgaard, Chief Product Officer – Ocean

1 Executive Board

Executive Board CVs

Vincent Clerc

Registered as CEO, A.P. Møller - Mærsk A/S

Chief Executive Officer (CEO) since January 2023.

Swiss nationality. Male. Born 1972.
Joined the Executive Leadership Team in 2017.
Joined A.P. Moller - Maersk in 1998.

Other management duties, etc.
- None

Education
- Bachelor in Political Science, Lausanne, Switzerland
- MBA, Columbia Business School, New York, and London Business School

Qualifications
Vincent has held various roles in North America and Copenhagen. In December 2015, Vincent was appointed Chief Commercial Officer in Maersk Line before being appointed as member of the Executive Board as Chief Commercial Officer of A.P. Moller - Maersk in 2017. In December 2019, Vincent Clerc was appointed CEO of Ocean & Logistics at A.P. Moller - Maersk.

Patrick Jany

Registered as CFO, A.P. Møller - Mærsk A/S

Chief Financial Officer since May 2020.

German nationality. Male. Born 1968.
Joined the Executive Leadership Team in 2020.
Joined A.P. Moller - Maersk in 2020.

Other management duties, etc.
- Comet AG, Switzerland (Board member)

Education
- Master in Business Administration, Finance, ESCP (École Supérieure de Commerce de Paris)

Qualifications
Before joining A.P. Moller - Maersk, Patrick was CFO and member of the Executive Committee in Clariant AG, Switzerland. Prior to his role as CFO, Patrick held several leadership positions within finance, general management and corporate development in Clariant in Germany, Mexico, Singapore, Indonesia and Spain.

Henriette Hallberg Thygesen

Registered as CDO, A.P. Møller - Mærsk A/S

Chief Delivery Officer since February 2023

Danish nationality. Female. Born 1971.
Joined the Executive Leadership Team in 2020.
Joined A.P. Moller - Maersk in 1994.

Other management duties, etc.
- SAS AB (Board member)

Education
- Maersk International Shipping Education (M.I.S.E.)
- Master of Science (cand.merc.mat.), Copenhagen Business School
- PhD in Applied Mathematics, Copenhagen Business School
- Executive MBA (honours), Columbia University, New York, and London Business School

Qualifications
Henriette has held various positions in Spain, China, Hong Kong, USA and Denmark for Maersk Tankers, Maersk Oil, Maersk Logistics/Damco and as CEO of Svitzer since 2016. In December 2020, Henriette was appointed CEO of Fleet & Strategic Brands.

Financials

Contents

Seoul, South Korea

Consolidated financial statements

Contents

Consolidated income statement

Note		2022	2021
2.1	Revenue	81,529	61,787
2.2	Operating costs	44,882	37,748
	Other income	319	166
	Other costs	153	169
2.1	**Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)**	**36,813**	**24,036**
2.3, 3.1, 3.2, 3.3	Depreciation, amortisation and impairment losses, net	6,186	4,944
2.4, 2.5	Gains on sale of non-current assets, etc., net	101	96
2.5	Share of profit/loss in joint ventures and associated companies	132	486
	Profit/loss before financial items (EBIT)	**30,860**	**19,674**
4.4	Financial income	1,088	552
4.4	Financial expenses	1,717	1,496
	Profit before tax	**30,231**	**18,730**
5.1	Tax	910	697
	Profit for the year	**29,321**	**18,033**
	Of which:		
	Non-controlling interests	123	91
	A.P. Møller - Mærsk A/S' share	**29,198**	**17,942**
4.1	**Earnings per share, USD**	**1,600**	**941**
4.1	**Diluted earnings per share, USD**	**1,595**	**938**

Consolidated statement of comprehensive income

Note		2022	2021
	Profit for the year	**29,321**	**18,033**
	Translation from functional currency to presentation currency:		
	Translation impact arising during the year	-551	-364
	Reclassified to income statement, gain on sale of non-current assets, etc., net	53	23
4.5	Cash flow hedges:		
	Value adjustment of hedges for the year	-36	-80
	Reclassified to income statement		
	– revenue	7	-15
	– operating costs	127	-40
	– financial expenses	17	24
	Reclassified to non-current assets	-	2
5.1	Tax on other comprehensive income	-10	-7
	Share of other comprehensive income of joint ventures and associated companies, net of tax	6	-5
	Total items that have been or may be reclassified subsequently to the income statement	**-387**	**-462**
4.6	Other equity investments (FVOCI), fair value adjustments for the year	54	143
4.3	Actuarial gains/losses on defined benefit plans, etc.	36	-23
5.1	Tax on other comprehensive income	30	7
	Total items that will not be reclassified to the income statement	**120**	**127**
	Other comprehensive income, net of tax	**-267**	**-335**
	Total comprehensive income for the year	**29,054**	**17,698**
	Of which:		
	Non-controlling interests	92	87
	A.P. Møller - Mærsk A/S' share	**28,962**	**17,611**

Amounts in USD million

Consolidated balance sheet at 31 December

	Assets		
Note		2022	2021
3.1	**Intangible assets**	**10,785**	**5,769**
3.2	**Property, plant and equipment**	**28,194**	**27,303**
3.3	**Right-of-use assets**	**10,967**	**9,906**
	Investments in joint ventures	772	1,304
	Investments in associated companies	1,246	1,117
4.6	Other equity investments	377	318
4.5	Derivatives	10	33
4.3	Pensions, net assets	134	148
	Loan receivables	25	12
	Other receivables	708	203
	Financial non-current assets, etc.	**3,272**	**3,135**
5.1	**Deferred tax**	**399**	**356**
	Total non-current assets	**53,617**	**46,469**
	Inventories	**1,604**	**1,457**
4.5	Trade receivables	6,971	5,403
	Tax receivables	231	221
4.5	Derivatives	198	40
3.5	Loan receivables	17,652	5,131
	Other receivables	1,094	774
	Prepayments	1,245	542
	Receivables, etc.	**27,391**	**12,111**
	Securities, etc.	**942**	**3**
	Cash and bank balances	**10,057**	**11,832**
3.6	**Assets held for sale or distribution**	**69**	**399**
	Total current assets	**40,063**	**25,802**
	Total assets	**93,680**	**72,271**

	Equity and liabilities		
Note		2022	2021
4.1	Share capital	3,392	3,513
	Reserves	60,599	40,995
	Equity attributable to A.P. Møller - Mærsk A/S	**63,991**	**44,508**
	Non-controlling interests	1,041	1,080
	Total equity	**65,032**	**45,588**
4.2	**Lease liabilities, non-current**	**8,582**	**8,153**
4.2	**Borrowings, non-current**	**3,774**	**4,315**
4.3	Pensions and similar obligations	191	215
3.7	Provisions	842	692
4.5	Derivatives	495	217
5.1	Deferred tax	883	520
	Tax payables	410	324
	Other payables	150	154
	Other non-current liabilities	**2,971**	**2,122**
	Total non-current liabilities	**15,327**	**14,590**
4.2	**Lease liabilities, current**	**3,032**	**2,398**
4.2	**Borrowings, current**	**255**	**469**
3.7	Provisions	777	779
	Trade payables	6,804	6,241
	Tax payables	569	424
4.5	Derivatives	77	95
	Other payables	1,696	1,333
	Deferred income	102	110
	Other current liabilities	**10,025**	**8,982**
3.6	**Liabilities associated with assets held for sale or distribution**	**9**	**244**
	Total current liabilities	**13,321**	**12,093**
	Total liabilities	**28,648**	**26,683**
	Total equity and liabilities	**93,680**	**72,271**

Amounts in USD million

Consolidated cash flow statement

Note		2022	2021
	Profit before financial items	30,860	19,674
2.3, 3.1, 3.2, 3.3	Depreciation, amortisation and impairment losses, net	6,186	4,944
2.4, 2.5	Gain on sale of non-current assets, etc., net	-101	-96
	Share of profit/loss in joint ventures and associated companies	-132	-486
5.5	Change in working capital	-1,808	-1,610
	Change in provisions and pension obligations, etc.	162	115
	Other non-cash items	110	63
	Cash flow from operating activities before tax	35,277	22,604
	Taxes paid	-801	-582
	Cash flow from operating activities	**34,476**	**22,022**
5.5	Purchase of intangible assets and property, plant and equipment	-4,163	-2,976
	Sale of intangible assets and property, plant and equipment	303	205
3.4	Acquisition of subsidiaries and activities	-4,774	-815
	Sale of subsidiaries and activities	2	3
	Acquisition of joint ventures and associated companies	-46	-79
	Sale of joint ventures and associated companies	219	-4
	Dividends received	327	282
	Sale of other equity investments	31	8
3.5	Other financial investments, net	-12,580	-4,964
	Purchase/sale of securities, trading portfolio	-938	-2
	Cash flow from investing activities	**-21,619**	**-8,342**
4.2	Repayment of borrowings	-800	-2,497
4.2	Repayments of lease liabilities	-3,080	-2,279
4.2, 4.4	Proceeds from borrowings	83	563
	Purchase of treasury shares	-2,738	-1,956
	Financial income received	233	57
	Financial expenses paid	-471	-315
4.2, 4.4	Financial expenses paid on lease liabilities	-518	-459
	Sale of treasury shares	31	22
	Dividends distributed	-6,847	-1,017
	Dividends distributed to non-controlling interests	-78	-91
	Sale of non-controlling interests	1	1
	Acquisition of non-controlling interest	-	-3
	Other equity transactions	49	74
	Cash flow from financing activities	**-14,135**	**-7,900**
	Net cash flow for the year	**-1,278**	**5,780**

Note		2022	2021
	Cash and cash equivalents 1 January	11,565	5,864
	Currency translation effect on cash and cash equivalents	-249	-79
	Cash and cash equivalents 31 December	10,038	11,565
	Of which classified as assets held for sale	-1	-28
	Cash and cash equivalents 31 December	**10,037**	**11,537**
	Cash and cash equivalents		
	Cash and bank balances	10,057	11,832
	Overdrafts	20	295
	Cash and cash equivalents 31 December	**10,037**	**11,537**

Cash and bank balances include USD 1.4bn (USD 1.3bn) relating to cash and bank balances in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

Amounts in USD million

Consolidated statement of changes in equity

Note		A.P. Møller - Mærsk A/S							
Note		Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total	Non-controlling interests	Total equity
	Equity 1 January 2021	3,632	-432	-6	-42	26,698	29,850	1,004	30,854
	Other comprehensive income, net of tax	-	-335	144	-118	-22	-331	-4	-335
	Profit for the year	-	-	-	-	17,942	17,942	91	18,033
	Total comprehensive income for the year	**-**	**-335**	**144**	**-118**	**17,920**	**17,611**	**87**	**17,698**
	Dividends to shareholders	-	-	-	-	-1,017	-1,017	-96	-1,113
5.2	Value of share-based payments	-	-	-	-	17	17	-	17
	Acquisition of non-controlling interests	-	-	-	-	-19	-19	16	-3
	Sale of non-controlling interests	-	-	-	-	1	1	-	1
4.1	Purchase of treasury shares	-	-	-	-	-1,956	-1,956	-	-1,956
4.1	Sale of treasury shares	-	-	-	-	22	22	-	22
4.1	Capital increases and decreases	-119	-	-	-	119	-	69	69
4.6	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-3	-	3	-	-	-
	Other equity movements	-	-	-	-	-1	-1	-	-1
	Total transactions with shareholders	**-119**	**-**	**-3**	**-**	**-2,831**	**-2,953**	**-11**	**-2,964**
	Equity 31 December 2021	**3,513**	**-767**	**135**	**-160**	**41,787**	**44,508**	**1,080**	**45,588**
	2022								
	Other comprehensive income, net of tax	-	-465	90	103	36	-236	-31	-267
	Profit for the year	-	-	-	-	29,198	29,198	123	29,321
	Total comprehensive income for the year	**-**	**-465**	**90**	**103**	**29,234**	**28,962**	**92**	**29,054**
	Dividends to shareholders	-	-	-	-	-6,845	-6,845	-80	-6,925
5.2	Value of share-based payments	-	-	-	-	26	26	-	26
	Sale of non-controlling interests	-	-	-	-	1	1	-1	-
	Sale of subsidiaries	-	-	-	-	-	-	-67	-67
4.1	Purchase of treasury shares	-	-	-	-	-2,785	-2,785	-	-2,785
4.1	Sale of treasury shares	-	-	-	-	31	31	-	31
4.1	Capital increases and decreases	-121	-	-	-	121	-	17	17
4.6	Transfer of gain/loss on disposal of equity investments to retained earnings	-	-	-13	-	13	-	-	-
	Transfer of cash flow hedge reserve to non-current assets	-	-	-	30	-	30	-	30
	Other equity movements	-	-	-	-	63	63	-	63
	Total transactions with shareholders	**-121**	**-**	**-13**	**30**	**-9,375**	**-9,479**	**-131**	**-9,610**
	Equity 31 December 2022	**3,392**	**-1,232**	**212**	**-27**	**61,646**	**63,991**	**1,041**	**65,032**

Amounts in USD million

India

Notes

1.
Basis of preparation

This section sets out general accounting policies for the Group that relate to the financial statements as a whole. Where an accounting policy is generally applicable to a specific note to the financial statements, the policy is described within that note. In addition, this section describes the significant accounting estimates and judgements that management has identified as having a potentially material impact on the Group's consolidated financial statements. Reference is made to the specific note in the financial statements which is impacted by the significant accounting estimates and judgements.

Further, details are provided on the new accounting pronouncements that the Group will adopt in future years and the Group's current view of the impact such pronouncements will have on the financial reporting.

→

Note 1.1 § General accounting policies

Basis of preparation
The consolidated financial statements for 2022 for A.P. Moller - Maersk have been prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for listed companies.

The consolidated financial statements of A.P. Moller - Maersk are included in the consolidated financial statements of A.P. Møller Holding A/S.

The accounting policies are consistent with those applied in the consolidated financial statements for 2021, except for the changes to accounting standards that were effective from 1 January 2022 and were endorsed by the EU. The changes have not had a material impact on the financial statements.

ESEF/iXBRL reporting
A.P. Møller - Mærsk A/S is required to prepare and file the annual report in the European Single Electronic Format (ESEF), and the annual report for 2022 is therefore prepared in the XHTML format that can be displayed in a standard browser. The primary statements and the notes to the consolidated financial statements are tagged using inline eXtensible Business Reporting Language (iXBRL). The iXBRL tags comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation. Where a financial statement line item or note is not defined in the ESEF taxonomy, an extension to the taxonomy has been created. Extensions are anchored to elements in the ESEF taxonomy, except for extensions which are subtotals.

The Annual Report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with certain technical files, all included in a file named APMM-2022-12-31-en.zip.

Change in reportable segments
As part of the refinement of A.P. Moller - Maersk's segment structure, changes to the segment structure were made with effect from 1 January 2022. The changes involve moving the Svitzer activity from Terminals & Towage to Manufacturing & Others. In addition, the Manufacturing & Others segment has been renamed Towage & Maritime Services, while the Terminals & Towage segment has been renamed Terminals. Comparison figures for Note 2.1 Segment information have been restated as if the change had been implemented in 2021. The reportable segments are disclosed below.

The allocation of business activities into segments reflects A.P. Moller - Maersk's character as an integrated container logistics business and is in line with the internal management reporting.

The reportable segments are as follows:

Ocean	Global container shipping activities, including strategic transhipment hubs and sale of bunker oil
Logistics & Services	Integrated transportation, fulfilment and management solutions, including landside and air transportation as well as warehousing and supply chain management offerings
Terminals	Gateway terminal activities
Towage & Maritime Services	Towage and related marine activities, production of reefer containers, providing offshore supply service and trading and other businesses

Consolidation
The consolidated financial statements comprise the parent company A.P. Møller - Mærsk A/S, its subsidiaries and proportionate shares in joint arrangements classified as joint operations.

Subsidiaries are entities controlled by A.P. Møller - Mærsk A/S. Control is based on the power to direct the relevant activities of an entity and the exposure, or right, to variable returns arising from it. In that connection, relevant activities are those that significantly affect the investee's returns. Control is usually achieved by directly or indirectly owning or in other ways controlling more than 50% of the voting rights or by other rights, such as agreements on management control.

Joint arrangements are entities in which A.P. Moller - Maersk, according to contractual agreements with one or more other parties, has joint control.

Amounts in USD million

Note 1.1 § General accounting policies – continued

The arrangements are classified as joint ventures, if the contracting parties' rights are limited to net assets in the separate legal entities, and as joint operations, if the parties have direct and unlimited rights to the assets and obligations for the liabilities of the arrangement.

Entities in which A.P. Moller - Maersk exercises a significant but non-controlling influence are considered associated companies. A significant influence is usually achieved by directly or indirectly owning or controlling 20-50% of the voting rights. Agreements and other circumstances are considered when assessing the degree of influence.

Consolidation is performed by summarising the financial statements of the parent company and its subsidiaries in accordance with A.P. Moller - Maersk's accounting policies. Intra-group income and expenses, shareholdings, dividends, intra-group balances and gains on intra-group transactions are eliminated. Unrealised gains on transactions with associated companies and joint arrangements are eliminated in proportion to A.P. Moller - Maersk's ownership share. Unrealised losses are eliminated in the same way unless they indicate impairment.

Non-controlling interests' share of profit/loss for the year and of equity in subsidiaries is included as part of A.P. Moller - Maersk's profit and equity respectively but shown as separate items.

Foreign currency translation
The consolidated financial statements are presented in USD, the functional currency of the parent company and the Group. In the translation to the presentation currency for subsidiaries, associates, or joint arrangements with functional currencies other than USD, the total comprehensive income is translated into USD at average exchange rates, and the balance sheet is translated at the exchange rates as at the balance sheet date. Exchange rate differences arising from such translations are recognised directly in other comprehensive income and in a separate reserve of equity.

The functional currency varies from business area to business area. For A.P. Moller - Maersk's principal shipping activities, the functional currency is typically USD. This means, among other things, that the carrying amounts of property, plant and equipment and intangible assets and, hence, depreciation and amortisation, are maintained in USD from the date of acquisition. For other activities, including container terminal activities and land-based logistics activities, the functional currency is generally the local currency of the country in which such activities are performed, unless circumstances suggest a different currency is appropriate.

Transactions in currencies other than the functional currency are translated at the exchange rate prevailing at the date of the transaction. Monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rate as at the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income or expenses.

Share of profit/loss in associated companies and joint ventures is recognised net of tax and corrected for the share of unrealised intra-group gains and losses. The item also comprises any impairment losses for such investments and their reversal.

Statement of comprehensive income
Other comprehensive income consists of gains and losses not recognised in the income statement, including exchange rate adjustments arising from the translation from functional currency to presentation currency, fair value adjustments of other equity investments (at FVOCI), cash flow hedges, forward points and currency basis spread as well as actuarial gains/losses on defined benefit plans, etc. A.P. Moller - Maersk's share of other comprehensive income in associated companies and joint ventures is also included.

On disposal or discontinuation of an entity, A.P. Moller - Maersk's share of the accumulated exchange rate adjustment relating to the relevant entity with a functional currency other than USD, is reclassified to the income statement. Accumulated value adjustments of equity instruments classified as equity instruments at fair value through other comprehensive income will remain in equity upon disposal.

Other comprehensive income includes current and deferred income tax to the extent that the items recognised in other comprehensive income are taxable or deductible.

Balance sheet
Investments in associated companies and joint ventures are recognised as A.P. Moller - Maersk's share of the equity value inclusive of goodwill less any impairment losses. Goodwill is an integral part of the value of associated companies and joint ventures and is therefore subject to an impairment test together with the investment. Impairment losses are reversed to the extent the original value is considered recoverable.

Equity instruments, etc., including shares, bonds and similar securities, are recognised on the trading date at fair value, and subsequently measured at the quoted market price for listed securities and at estimated fair value for non-listed securities. Fair value adjustments from equity investments at fair value through other comprehensive income (FVOCI) remain in equity upon disposal. Dividends are recognised in the income statement.

Inventories mainly consist of bunker, spare parts not qualifying for property, plant and equipment, and other consumables. Inventories are measured at the lower of cost and net realisable value, primarily according to the FIFO method. The cost of finished goods and work in progress includes direct and indirect production costs.

Loans and receivables are initially recognised at fair value, plus any direct transaction costs, and subsequently measured at amortised cost using the effective interest method. For loans and other receivables, write-downs are made for expected losses based on specific individual or group assessments. For trade receivables, the loss allowance is measured by the simplified approach according to IFRS 9, applying a provision matrix to calculate the expected lifetime losses. The provision matrix includes an impairment for non-due receivables.

Climate-related risks
When preparing the consolidated financial statements, management considers climate-related risks, where these could potentially impact reported amounts materially. The areas in which A.P. Moller - Maersk has assessed climate-related risks at the end of 2022 are included within the individual notes outlined below:

Note 3.2 – Property, plant and equipment

New financial reporting requirements
A.P. Moller - Maersk has not yet adopted the following accounting standards and requirements:

IFRS 17 – Insurance contracts: An analysis of the impact has been made and it has been assessed that the standard will not have a significant impact on recognition and measurement of the Group.

Other changes to IFRS are not expected to have any significant impact on recognition and measurement.

Note 1.2 ⓘ Significant accounting estimates and judgements

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

In its assumption setting, management deals with various aspects of uncertainty. One aspect of uncertainty is the assessment of control over investments classified as associates, joint ventures and subsidiaries, where the assessment forms the basis for classification. Another aspect is measurement uncertainty, where management makes assumptions that derive the value of recognised assets and liabilities. These assumptions concern the timing and amount of future cash flows as well as the risks inherent in these.

In certain areas, the outcome of business plans, including ongoing negotiations with external parties to execute those plans or the outcome of negotiations to settle claims that are raised against A.P. Moller - Maersk, 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.

The areas and their related impact in which A.P. Moller - Maersk is particularly exposed to material uncertainty over the carrying amounts as at the end of 2022 are included within the individual notes as outlined below:

Note	Key accounting estimates and judgements	Estimate / Judgement	Impact
Note 2.2	Vessel sharing agreements (cost-sharing arrangements) estimates	Estimate	● ○ ○
Note 3.1	Determination of cash-generating units and impairment testing inputs	Judgement	● ● ○
Note 3.1	Impairment testing key assumptions	Estimate	● ● ●
Note 3.2	Useful life and residual value estimates	Estimate	● ○ ○
Note 3.7	Provisions for legal disputes assumptions	Estimate	● ● ○
Note 5.1	Recognition and measurement of deferred tax asset and uncertain tax positions	Estimate	● ● ○
Note 5.5	Operations in countries with limited access to repatriating surplus cash assumptions	Judgement	● ○ ○

Level of potential impact to the consolidated financial statements:

● ○ ○ Low
● ● ○ Medium
● ● ● High

Amounts in USD million

2. Operating profit

The Group's businesses are managed from the perspective of the operating segments, and selected financial data is presented in this section on this basis.

Further, detailed below are the key amounts recognised when arriving at the Group's operating profit.

→

Note 2.1 Segment information

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimina-tions	Consol-idated total
2022							
External revenue	61,497	14,710	3,323	1,894	105	-	81,529
Inter-segment revenue	2,802	-287	1,048	399	26	-3,988	-
Total revenue	**64,299**	**14,423**	**4,371**	**2,293**	**131**	**-3,988**	**81,529**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**33,770**	**1,378**	**1,535**	**369**	**-207**	**-32**	**36,813**
Depreciation and amortisation	4,762	517	515	179	6	-19	5,960
Profit before financial items (EBIT)	**29,149**	**814**	**832**	**307**	**-229**	**-13**	**30,860**
Key metrics:							
Invested capital	32,368	9,858	7,593	2,794	-145	-58	52,410
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	2,620	657	516	350	35	-15	4,163

Reference is made to the income statement for a reconciliation from EBIT to profit. The segment assets, segment liabilities and the sum of invested capital per segment can be reconciled to the assets and liabilities as per the balance sheet.

	Assets	Liabilities	Invested capital
2022			
Segment invested capital	**65,406**	**12,793**	**52,613**
Unallocated items	883	1,028	
Eliminations	-1,408	-1,350	
Consolidated invested capital	**64,881**	**12,471**	**52,410**
Add back:			
Cash and bank balances	10,057	-	
Interest-bearing receivables (current and non-current)	17,690	-	
Securities, etc.	942	-	
Lease liabilities and borrowings (current and non-current)	-	15,643	
Fair value of derivatives[1]	-	520	
Other	110	14	
Consolidated balance sheet at 31 December	**93,680**	**28,648**	

1 Relates to the fair value of derivatives that hedge net interest-bearing debt, including interest rate and cross currency swaps.

	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Unallo-cated items	Elimina-tions	Consol-idated total
2021							
External revenue	47,212	9,782	2,927	1,790	76	-	61,787
Inter-segment revenue	1,020	48	1,073	292	18	-2,451	-
Total revenue	**48,232**	**9,830**	**4,000**	**2,082**	**94**	**-2,451**	**61,787**
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**21,432**	**907**	**1,455**	**356**	**-101**	**-13**	**24,036**
Depreciation and amortisation	3,570	297	532	204	6	-17	4,592
Profit before financial items (EBIT)	**17,963**	**623**	**1,173**	**17**	**-106**	**4**	**19,674**
Key metrics:							
Invested capital	30,529	3,130	8,289	2,216	-76	-45	44,043
Gross capital expenditures, excl. acquisitions and divestments (CAPEX)	2,003	460	304	203	20	-14	2,976

	Assets	Liabilities	Invested capital
2021			
Segment invested capital	**55,447**	**11,283**	**44,164**
Unallocated items	874	950	
Eliminations	-1,142	-1,097	
Consolidated invested capital	**55,179**	**11,136**	**44,043**
Add back:			
Cash and bank balances	11,832	-	
Interest-bearing receivables (current and non-current)	5,162	-	
Securities, etc.	3	-	
Lease liabilities and borrowings (current and non-current)		15,335	
Fair value of derivatives[1]	-	195	
Other	95	17	
Consolidated balance sheet at 31 December	**72,271**	**26,683**	

1 Relates to the fair value of derivatives that hedge net interest-bearing debt, including interest rate and cross currency swaps.

The segment disclosures provided above reflect the information which the Executive Board receives monthly in its capacity as 'chief operating decision maker' as defined in IFRS 8. The allocation of resources and the segment performance are evaluated based on revenue and profitability measured on earnings before interest and taxes (EBIT).

Amounts in USD million

Note 2.1 Segment information – continued

A.P. Moller - Maersk has organised segments in 'Ocean', 'Logistics & Services', 'Terminals' and 'Towage & Maritime Services'. The Ocean segment with the activities of Maersk Liner Business (Maersk Line and Sealand – A Maersk Company) together with the Hamburg Süd brands (Hamburg Süd and Aliança) as well as strategic transhipment hubs under the APM Terminals brand. Inland activities related to Maersk Liner Business are included in the Logistics & Services segment. The Logistics & Services segment includes the activities from Managed by Maersk, Fulfilled by Maersk, and Transported by Maersk. The Terminals segment includes gateway terminals, involving landside activities such as port activities where the customers are mainly the carriers. The Towage & Maritime Services segment includes towage services under the Svitzer brand, Maersk Container Industry, Maersk Supply Service and others.

	Types of revenue	2022	2021
Ocean	Freight revenue	56,499	42,374
	Other revenue, including hubs	7,800	5,858
Logistics & Services	Managed by Maersk	2,343	1,578
	Fulfilled by Maersk	3,898	2,320
	Transported by Maersk	8,182	5,932
Terminals	Terminal services	4,371	4,000
Towage and Maritime Service	Towage services	774	740
	Sale of containers and spare parts	499	690
	Offshore supply services	390	301
	Other shipping activities	282	269
	Other services	348	82
Unallocated activities and eliminations		**-3,857**	**-2,357**
Total revenue		**81,529**	**61,787**
Hereof recognised over time		**78,722**	**58,062**
Hereof recognised at a point in time		**6,664**	**6,082**

	2022	2021
Revenue from contracts with customers	80,179	60,632
Revenue from other sources		
Vessel-sharing and slot charter income	1,229	1,060
Lease income	14	19
Others	107	76
Total revenue	**81,529**	**61,787**

Set out above is the reconciliation of the revenue from contracts with customers to the amounts disclosed as total revenue.

Contract balances	2022	2021
Trade receivables from revenue from contracts with customers	6,508	5,305
Accrued income – contract asset	263	-
Accrued income – contract liability	-	92
Deferred income – contract liability	45	45

Accrued income included in trade receivables in the balance sheet constitutes contract assets comprising unbilled amounts to customers representing the Group's right to consideration for the services transferred to date. Any amount previously recognised as accrued income is reclassified to trade receivables at the time it is invoiced to the customer. Deferred income is recognised in the income statement within 12 months.

Under the payment terms generally applicable to the Group's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

Part of the deferred income presented in the balance sheet constitutes contract liabilities which represent advance payments and billings in excess of revenue recognised.

There were no significant changes in accrued income and deferred income during the reporting period.

Loss allowance disclosed in note 4.5 relates to receivables arising from contracts with customers.

	External revenue		Non-current assets[1]	
Geographical split	2022	2021	2022	2021
Denmark	1,002	588	22,031	21,441
Australia	1,984	1,485	400	348
Brazil	2,574	1,953	240	215
China and Hong Kong	3,564	3,382	5,429	2,237
Costa Rica	429	381	832	863
Germany	2,607	1,604	618	310
India	1,827	1,431	618	658
Mexico	2,301	1,610	491	500
Morocco	492	421	1,439	1,467
Netherlands	2,944	2,032	1,219	1,149
Russia[2]	470	1,528	2	71
Singapore	794	468	5,070	4,576
Spain	1,981	1,353	1,040	1,103
UK	3,247	2,670	449	402
USA	19,885	13,743	6,254	3,788
Other	35,428	27,138	3,814	3,850
Total	**81,529**	**61,787**	**49,946**	**42,978**

1 Comprise intangible assets and property, plant and equipment and right-of-use assets, excluding financial non-current assets relating to continuing operations.
2 For details on the decrease in the non-current assets balance in Russia, reference is made to note 2.5 Russia/Ukraine impact.

Geographical information
Revenue for the shipping activities is based on the port of discharge for all ships operated by the Group, including leased ships on time charter agreements. Revenue for leasing out the vessels on time charter agreement, where the Group acts as a lessor, is based on the customer location. For non-current assets (e.g. terminals), which cannot be easily moved, geographical location is where the assets are located. For all other assets, geographical location is based on the legal ownership. These assets consist mainly of ships and containers registered in China, Denmark, Singapore and the USA.

Amounts in USD million

Note 2.1 Segment information – continued

Accounting policies

Segment information
The allocation of business activities into segments reflects A.P. Moller - Maersk's character as an integrated container logistics business and is in line with the internal management reporting. The reportable segments are as follows:

Ocean	Global container shipping activities, including strategic transhipment hubs and sale of bunker oil
Logistics & Services	Integrated transportation, fulfilment and management solutions, including landside and air transportation as well as warehousing and supply chain management offerings
Terminals	Gateway terminal activities
Towage & Maritime Services	Towage and related marine activities, production of reefer containers, providing offshore supply service and trading and other businesses

Operating segments have not been aggregated. The reportable segments comprise:

Ocean
Ocean activities
Activities under Maersk Line, Hamburg Süd, Sealand – A Maersk company, and Aliança with ocean container freight being the main revenue stream. Ocean container freight is defined as the cost-per-weight measure of transporting goods on board a container vessel across the ocean, including demurrage and detention, terminal handling, documentation services, container services as well as container storage.

Hub activities
Activities under the APM Terminals brand-generating revenue by providing port services only in major transhipment ports such as Maasvlakte-II, Algeciras, Tangier, Tangier-Med II, Port Said, and joint ventures in Salalah and Tanjung Pelepas. The respective terminals are included under the Ocean segment, as the primary purpose of those ports is to provide transhipment services to A.P. Moller - Maersk's Ocean business, whereas third-party volumes sold in those locations are considered secondary.

Maersk Oil Trading
Sourcing marine fuels for A.P. Moller - Maersk's fleet and third-party customers, in addition to operating a fuel infrastructure in key bunker ports.

Logistics & Services
Managed by Maersk
Service the supply chain with Lead Logistics (Supply Chain Management and 4PL), Cold Chain logistics and Custom Services, enabling customers to control or outsource part of or all their supply chain.

Fulfilled by Maersk
Activities such as Contract Logistics (Warehousing, Distribution and Depot) and e-commerce supporting integrated fulfilment solutions, to improve customer consolidation.

Transported by Maersk
Integrated transportation solutions supported by Landside Transportation (Intermodal and Intercontinental Rail), Value Protect, Air & Less Than Container Load (LCL), Full Container Load (FCL) and Maersk Air Cargo, to facilitate supply chain control across A.P. Moller - Maersk.

Terminals
Terminals activities
Activities in ports fully or partially controlled by the APM Terminals brand, with the main revenue stream being port activities not considered a hub activity as described above.

Towage & Maritime Services
Towage activities
Activities under the Svitzer brand, a provider of offshore towage, salvage and marine services.

Maersk Container Industry
Manufacturer that produces reefer containers.

Maersk Supply Service
Provides marine services and integrated solutions to the energy sector worldwide with a large fleet of anchor handling tug supply vessels and subsea support vessels.

Other businesses
Consists of Maersk Growth, Maersk Training and other services to the maritime industry.

Unallocated items
The reportable segments do not comprise Group-related costs in A.P. Moller - Maersk's corporate functions. These functions are reported as unallocated items.

Revenue between segments is limited, except for the Terminals segment, where a large part of the services is delivered to the Ocean segment as well as the sale of containers from Maersk Container Industry to the Ocean segment.

Income statement
Revenue for all businesses is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods and services.

Revenue from shipping activities is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages at the balance sheet date. Invoiced revenue related to an estimated proportion of remaining voyage time and activities at the destination port is deferred. Percentage of completion is calculated as the number of days of a voyage as a percentage of the total number of days a voyage is estimated to last. Detention and demurrage fees are recognised over time up until the time of the customer's late return or pick-up of containers.

Revenue from terminal operations and towing activities is recognised upon completion of the service. In container terminals operated under certain restrictive terms of pricing and service, etc., the value of tangible assets constructed on behalf of the concession grantor is recognised as revenue during the construction.

Revenue from most freight forwarding activities is recognised over time.

Revenue from the sale of goods is recognised upon the transfer of control to the buyer.

No significant element of financing is deemed present as sales are made with a credit term of 20-45 days, which is consistent with market practice. Revenue from sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Note 2.2 Operating costs

	2022	2021
Costs of goods sold	1,849	1,750
Bunker costs	8,041	5,378
Terminal costs	6,958	6,995
Intermodal costs	4,532	3,988
Port costs	2,188	2,183
Rent and lease costs	1,539	1,617
Staff costs	7,087	6,132
Other	12,688	9,705
Total operating costs	**44,882**	**37,748**
Remuneration of employees		
Wages and salaries	6,237	5,415
Severance payments	97	30
Pension costs, defined benefit plans	35	21
Pension costs, defined contribution plans	256	231
Other social security costs	513	437
Total remuneration	**7,138**	**6,134**
Of which:		
Recognised in the cost of assets	8	1
Included in restructuring costs	43	1
Expensed as staff costs	**7,087**	**6,132**
Average number of employees	104,260	85,375

Customary agreements have been entered into with employees regarding compensation in connection with resignation with consideration for local legislation and collective agreements.

For information about share-based payments, reference is made to note 5.2.

Fees and remuneration to Executive Board and other key management personnel	2022	2021
Fixed base salary	8	9
Short-term cash incentive	6	8
Long-term share-based incentives[1]	8	3
Remuneration in connection with redundancy, resignation and release from duty to work	8	-
Total remuneration to Executive Board and other key management personnel	**30**	**20**

1 During 2022, it was announced that Morten H. Engelstoft would leave A.P. Moller - Maersk effective end June 2022 and Søren Skou effective end December 2022. In accordance with the terms and conditions of the restricted share plan and the stock option plan, any remaining expenses related to previous years plans are accelerated and recognised in 2022 for plans that are kept, and previously recognised expenses are reversed for cancelled plans. This has resulted in an increase in the long-term share-based incentives remuneration in 2022.

Contract of employment for the Executive Board contains terms customary in Danish listed companies, including termination notice and competition clauses. In connection with a possible takeover offer, neither the Executive Board nor the Board of Directors will receive special remuneration. Fees and remuneration do not include pension. Key management comprises of the Executive Board, Board of Directors, and other key management personnel.

Total fees paid to other key management personnel during the year was USD 1.9m (USD 1.5m), comprising short-term employee benefits of USD 1.8m (USD 1.4m) and long-term share-based incentives of USD 0.1m (USD 0.1m). The Board of Directors has received fees of USD 2m (USD 3m).

For disclosure of remuneration to the Executive Board of the parent company, refer to note 2.1 of the parent company financial statements.

Fees to the statutory auditors	2022	2021
Statutory audit	15	14
Other assurance services	-	1
Tax and VAT advisory services	1	1
Other services	3	3
Total fees	**19**	**19**

Fees other than the statutory audit of the financial statements provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to A.P. Moller - Maersk mainly consist of financial due diligence and transaction advice, accounting advisory services, tax advice, and other advisory accounting and tax services.

Significant accounting estimates

Vessel-sharing agreements (cost-sharing arrangements)
Vessel-sharing agreements in shipping require that some vessels are committed towards specific service routes. The committed vessel's capacity is then shared with one or more container shipping providers in proportion to each party's contribution to the joint service. In practice, it is not always possible to provide tonnage precisely as agreed in the sharing arrangements, therefore financial settlement often takes place on basis of relative capacity over/under-utilised on a monthly or other mutually agreed cycle. At A.P. Moller - Maersk, these capacity adjustments are settled as close to actual costs incurred as possible based on market rates applicable at that time.

Note 2.3 Depreciation, amortisation and impairment losses, net

	2022	2021
Total depreciation	5,595	4,315
Total amortisation	365	277
Total impairment, net	226	352
Depreciation, amortisation and impairment losses, net	**6,186**	**4,944**

Depreciation is primarily related to property, plant, and equipment of USD 2.5bn (USD 2.3bn) and to right-of-use assets of USD 3.1bn (USD 2.0bn). Amortisation of USD 365m (USD 277m) is related to intangible assets. Total net impairments are primarily due to property, plant and equipment of USD 139m (USD 320m), intangible assets of USD 68m (USD 26m) and tugboats impaired as a result of the wind down of operations in Russia of USD 18m (USD 0m). Refer to note 2.5 Russia/Ukraine impact, note 3.1 Intangible assets and note 3.2 Property, plant and equipment.

Amounts in USD million

Note 2.4 Gains on sale of non-current assets, etc., net

	2022	2021
Gains	204	128
Losses	103	32
Gains on sale of non-current assets, etc., net	**101**	**96**

Gains in 2022 are primarily related to the sale of containers of USD 127m (USD 75m) and the sale of vessels of USD 56m (USD 48m). Losses in 2022 are primarily related to the sale of containers of USD 25m (USD 20m) and the wind down of operations in Russia. For more information on the Russia/Ukraine impact, refer to note 2.5 Russia/Ukraine impact.

Note 2.5 Russia/Ukraine impact

Due to the Russian invasion of Ukraine on 24 February 2022, A.P. Moller - Maersk decided to withdraw from doing business in Russia. Since the decision was made in Q1 2022, A.P. Moller - Maersk has continued the process of winding down operations in Russia with the intent to ultimately leave the country.

As a result, the recoverable amounts of assets in Russia and Ukraine were reassessed, impairment losses were recognised, and provisions were made to cover costs relating to the withdrawal from operations. The income statement in 2022 was negatively impacted by USD 511m.

In Terminals, A.P. Moller - Maersk divested its minority stake of 30.75% of Global Ports Investments (GPI). The divestment led to a total impairment loss of USD 403m, including the related recycling of translation reserve loss and other related impairments. Of this, USD 350m is recognised as share of profit/loss from joint ventures and associated companies in the income statement and USD 53m is recognised as gains on sale of non-current assets, etc., net. In Ocean, A.P. Moller - Maersk terminated all cargo operations in Russian ports. This negatively impacted the income statement by USD 41m, mainly due to impairments of containers and receivables. In Logistics & Services, two warehouses have been fully impaired, and all services to and from Russia and Belarus have been suspended. The total negative impact in Logistics & Services was USD 49m. Svitzer has a single operation in Russia providing towage services. Svitzer has taken steps to divest its operations including four tugs. All assets have been impaired with a negative impact to the income statement of USD 18m.

Except for the divestment of GPI, the impacts have been classified as non-cash items in the cash flow statement.

The details of the income statement impact are as follows:

Operating segment	**Impacted area**	12M 2022
Ocean	Net impairments of containers, net write-down of receivables, provisions	-41
Logistics & Services	Net impairments of warehouses, net write-down of receivables, provisions	-49
Terminals	Net impairments of investment in joint venture, including recycling of translation reserve loss	-403
Towage & Maritime Services	Impairments of tugboats	-18
Total income statement impact		**-511**

Amounts in USD million

3. Invested capital

Invested capital is primarily made up of intangible assets, property, plant and equipment and right-of-use assets. The intangible assets mainly consist of goodwill, terminal and concession rights and customer relationships. Goodwill arises when the Group acquires a business and pays a higher amount than the fair value of its net assets, primarily due to the synergies the Group expect to create. Goodwill is not amortised, but is subject to annual impairment reviews.

For further details refer to 'Significant accounting estimates and judgements' within note 3.1 to the consolidated financial statements.

→

Note 3.1 Intangible assets

	Goodwill	Terminal and service concession rights	Customer relationships	Other incl. IT software	Total
Cost					
1 January 2022	1,928	3,132	1,579	1,205	7,844
Additions	-	25	-	324	349
Acquired in business combinations[1]	3,667	-	1,474	213	5,354
Disposals	-	-	-	352	352
Transfers	-	-4	-	4	-
Transfers, assets held for sale	-	-104	-	1	-103
Exchange rate adjustments	-41	-64	-10	-24	-139
31 December 2022	**5,554**	**2,985**	**3,043**	**1,371**	**12,953**
Amortisation and impairment losses					
1 January 2022	367	794	324	590	2,075
Amortisation	-	110	147	108	365
Impairment losses[4]	-	15	21	32	68
Disposals	-	-	-	221	221
Transfers	-	-3	-	3	-
Transfers, assets held for sale	-	-79	-	1	-78
Exchange rate adjustments	-18	-13	-1	-9	-41
31 December 2022	**349**	**824**[2]	**491**	**504**[3]	**2,168**
Carrying amount:					
31 December 2022	**5,205**	**2,161**[2]	**2,552**	**867**[3]	**10,785**

1 Acquisition of LF Logistics, Pilot, Senator and ResQ (2021: Visible Supply Chain Management, B2C Europe, and HUUB).
2 Of which USD 38m (USD 28m) is under development. USD 34m (USD 29m) is related to terminal rights with indefinite useful life in Poti Sea Port Corp. The impairment test is based on the estimated fair value according to business plans. An average discount rate of 9.91% (9.95%) p.a. after tax has been applied in the calculations. Furthermore, the developments in volumes and rates are significant parameters. Service concession rights with a carrying amount of USD 70m (USD 79m) have restricted title.
3 Of which USD 141m (USD 197m) is related to ongoing development of software.
4 Impairment losses on intangible assets primarily consist of USD 15m (USD 14m) on terminal and service concession rights in Terminals, USD 21m (USD 0m) on partnerships in Logistics & Services and USD 28m (USD 8m) on other rights within Ocean.

	Goodwill	Terminal and service concession rights	Customer relationships	Other incl. IT software	Total
Cost					
1 January 2021	1,422	3,215	1,441	977	7,055
Additions	-	-21	-	245	224
Acquired in business combinations[1]	621	-	153	68	842
Disposals	76	1	-	37	114
Transfers, assets held for sale	-	-5	-	-11	-16
Exchange rate adjustments	-39	-56	-15	-37	-147
31 December 2021	**1,928**	**3,132**	**1,579**	**1,205**	**7,844**
Amortisation and impairment losses					
1 January 2021	454	685	227	544	1,910
Amortisation	-	113	98	66	277
Impairment losses[4]	-	14	-	14	28
Reversal of impairment losses	-	-	-	2	2
Disposals	76	-	-	-	76
Transfers, assets held for sale	-	-5	-	-9	-14
Exchange rate adjustments	-11	-13	-1	-23	-48
31 December 2021	**367**	**794**[2]	**324**	**590**[3]	**2,075**
Carrying amount:					
31 December 2021	**1,561**	**2,338**[2]	**1,255**	**615**[3]	**5,769**

		Goodwill carrying amount	
Operating segment	**Cash-generating unit**	2022	2021
Ocean	Ocean	316	316
Logistics & Services	Logistics & Services	4,582	943
Terminals	Multiple terminals	248	248
Towage & Maritime Services	Towage - Port Towage Amsterdam and Others	58	53
Other		1	1
Total		**5,205**	**1,561**

Amounts in USD million

Note 3.1 Intangible assets – continued

Significant accounting estimates and judgements

Significant accounting judgements
Determination of cash-generating units
Judgement is applied in the determination of cash-generating units of which goodwill is allocated to impairment testing and in the selection of methodologies and assumptions applied in impairment tests.

The determination of cash-generating units differs based on the business area. Ocean operates its fleet of container vessels and hub terminals in an integrated network. Consequently, the Ocean activities are tested for impairment as a single cash-generating unit.

Logistics & Services, including intermodal activities, is considered one cash-generating unit as a result of the continued integration within the business. Management views the Logistics & Services products as an integrated network, with the activities tested for impairment as a single cash-generating unit.

In Terminals, each terminal is considered an individual cash-generating unit for impairment tests, except when the capacity is managed as a portfolio.

Towage & Maritime Services includes towage activities made up of two separate cash-generating units as well as several individual businesses which are each considered one cash-generating unit.

Significant accounting estimates
Impairment - assessment inputs
The recoverable amount of each cash-generating unit is determined based on the higher of its value in use or fair value less costs to sell. The estimated value in use is calculated using certain key assumptions for the expected future cash flows and applied discount factor. Current market values for vessels, etc., are estimated using acknowledged brokers.

Projected cash flow models are used when fair value is not obtainable or when fair value is deemed lower than value in use.

The cash flow projections are based on financial budgets and business plans approved by management. In nature, these projections are subject to judgement and estimates that are uncertain, though based on experience and external sources where available. Centralised processes and involvement of corporate functions ensure that indices and data sources are selected consistently while observing differences in risks and other circumstances.

The discount rates applied reflect the time value of money as well as the specific risks related to the underlying cash flows, i.e., project and/or country-specific risk premium. The discount rate also takes into consideration development in sustainable technologies. Further, any uncertainties reflecting past performance and possible variations in the amount or timing of the projected cash flows are generally reflected in the discount rates.

Impairment - key assumptions applied
The outcome of impairment tests is subject to estimates of the future development of freight rates and volumes, oil prices and the discount rates applied.

Management determines the key assumptions for each impairment test by considering past experience as well as market analysis and future expectations based on supply and demand trends. The future development in freight rates is an uncertain and significant factor impacting the Ocean segment in particular, whose financial results are directly affected by fluctuations in container freight rates. Freight rates are expected to be influenced by regional and global economic environments, trade patterns, and by industry-specific trends in respect of capacity supply and demand.

As the market has started on its path to normalisation, shipment and contract rates have begun to see a decline in 2022 and are expected to continue to decline, until part way through 2023. The overall volume growth outlook is flat in 2023 and is expected to increase from 2024 onwards.

The future development in the oil price is also an uncertain and significant factor impacting accounting estimates across A.P. Moller - Maersk, either directly or indirectly. Ocean is directly impacted by the bunker oil price, where the competitive landscape determines the extent to which the development is reflected in the freight rates charged to the customer. Bunker consumption is expected to reduce compared to 2022, driven by fleet outsourcing and efficiency improvements.

Terminals under APM Terminals located in oil-producing countries, e.g., Nigeria and Brazil, are indirectly impacted by the development in oil prices and the consequences for the respective countries' economies, which not only affects volumes handled in the terminals, but also foreign exchange rates. Continued economic deterioration and a lack of cash repatriation opportunities in certain oil-producing countries could also put pressure on the carrying amounts of individual terminals.

The key sensitivities impacting Terminals include container moves, revenue and cost per move, and local port rates, all of which are impacted by the local economic outlook and competition, as well as concession right extensions and the discount rate applied.

Inflation is also expected to have a higher impact across of A.P. Moller - Maersk in 2023 than in 2022 and in prior years.

Impairment – results of impairment assessments
In Ocean, the cash flow projection is based on forecasts as per Q3 2022, covering five-year business plans for 2023-27. Management has applied an assumption of growth in volumes based on a calculated terminal value with growth equal to the expected economic growth of 2.5% (2.0%) p.a., based on pressure on freight rates, and continued cost efficiency. A pre-tax discount rate of 9.2% (7.2%) p.a. has been applied. The impairment test showed headroom between the value in use and the carrying amount. Management is of the opinion that the assumptions applied are sustainable.

The most significant goodwill amount relates to the Logistics & Services segment, where the impairment test is based on the estimated value in use from five-year business plans for 2022-27, where the volume and margin growth assumptions, which are regionally specific, reflect the current market expectations for the relevant period. The applied terminal growth is 2% (2%). A discount rate of 8.4% (6.8%) p.a. pre-tax or 8.2% (6.6%) p.a. after tax has been applied. The impairment test showed headroom from the value in use to the carrying amount.

In Terminals, management assesses indicators of impairment including decreasing volumes and based on these indicators, estimates the recoverable amounts of the individual terminals whereby impairment indicators exist. Management also tests for impairment of the CGUs to which goodwill or indefinite life intangible assets are allocated.

The cash flow projections for each terminal cover the concession period and extension options deemed likely to be exercised. The growth rates assumed reflect current market expectations for the relevant period, and the discount rates applied are between 7.2% and 13.0% (5.9% and 10.6%) p.a. after tax.

In addition, during Q1 2022, as a result of A.P. Moller - Maersk's decision to withdraw from doing business in Russia, Terminals recognised impairment of USD 485m on its minority stake in Global Ports Investments (GPI). During Q3 2022, APM Terminals sold its holding in GPI, resulting in the reversal of previously recognised impairment losses of USD 135m. Net impairment losses recognised on GPI during 2022 are USD 350m. For further details, reference is made to note 2.5 Russia/Ukraine impact.

The impairment tests considered fair value less cost of disposal compared to the carrying amount, and resulted in net impairment of USD 350m on GPI as well as impairment losses on assets of an immaterial amount in two terminals in 2022 (impairment losses of an immaterial amount in three terminals were recognised in 2021).

Note 3.1 Intangible assets – continued

§ Accounting policy

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of the assets. Goodwill has an indefinite useful life. For container terminals operated under certain restrictive price and service conditions, etc., concessional rights to collect usage charges are included under intangible assets. The cost includes the present value of minimum payments under concession agreements and the cost of property, plant, and equipment constructed on behalf of the grantor of a concession. The rights are amortised from the commencement of operations over the concession period. The concession period ranges from 10 to 34 years, with an average of 17 years.

Intangible assets regarding acquired customer relationships and technology are amortised over a useful life of 10-22 years and 5-10 years, respectively. Internally developed IT software is amortised over a useful life of 5 years.

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit exceeds the higher of the estimated value in use and fair value less costs of disposal. Goodwill is attributed to cash-generating units on acquisition and impaired before other assets.

Intangible assets and property, plant and equipment are tested for impairment if there is an indication of impairment. However, annual impairment tests are carried out for goodwill and other intangible assets with indefinite useful lives as well as intangible assets that are not yet in use. Impairment losses are included in depreciation, amortisation and impairment, net, in the income statement.

Note 3.2 Property, plant and equipment

	Ships, aircraft, containers, etc.	Production facilities and equipment, etc.	Construction work in progress and payment on account	Total
Cost				
1 January 2022	47,804	7,946	1,177	56,927
Additions from acquired companies	1	200	9	210
Additions	1,507	169	1,965	3,641
Disposals	1,075	124	-	1,199
Transfers	531	322	-853	-
Transfers, assets held for sale	-51	-54	16	-89
Reclassification from/to right-of-use assets	84	-8	-3	73
Exchange rate adjustment	-102	-242	-15	-359
31 December 2022	**48,699**	**8,209**	**2,296**	**59,204**
Depreciation and impairment losses				
1 January 2022	25,890	3,734	-	29,624
Depreciation	2,064	453	-	2,517
Impairment losses	17	112	10	139
Disposals	950	102	1	1,053
Transfers, assets held for sale	-33	-63	-1	-97
Reclassification from/to right-of-use assets	35	-7	-	28
Exchange rate adjustments	-57	-88	-3	-148
31 December 2022	**26,966**	**4,039**	**5**	**31,010**
Carrying amount:				
31 December 2022	**21,733**	**4,170**	**2,291**	**28,194**

Ships, buildings, etc. with carrying amount of USD 0.8bn (USD 0.9bn) have been pledged as security for loans of USD 0.5bn (USD 0.5bn).

Amounts in USD million

Note 3.2 Property, plant and equipment – continued

	Ships, aircraft, containers, etc.	Production facilities and equipment, etc.	Construction work in progress and payment on account	Total
Cost				
1 January 2021	44,917	8,031	377	53,325
Additions from acquired companies	1	29	-	30
Additions	1,837	129	1,318	3,284
Disposals	713	76	5	794
Transfers	198	285	-483	-
Transfers, assets held for sale	-7	-204	-16	-227
Reclassification from/to right-of-use assets	1,658	16	-	1,674
Exchange rate adjustment	-87	-264	-14	-365
31 December 2021	**47,804**	**7,946**	**1,177**	**56,927**
Depreciation and impairment losses				
1 January 2021	23,239	3,602	3	26,844
Depreciation	1,892	445	-	2,337
Impairment losses	308	39	-	347
Reversal of impairment losses	14	13	-	27
Disposals	612	68	3	683
Transfers, assets held for sale	-7	-166	-	-173
Reclassification from/to right-of-use assets	1,116	-	-	1,116
Exchange rate adjustments	-32	-105	-	-137
31 December 2021	**25,890**	**3,734**	**-**	**29,624**
Carrying amount:				
31 December 2021	**21,914**	**4,212**	**1,177**	**27,303**

Impairment tests of tangible assets and impairment losses recognised are specified as follows:

		Impairment losses		Reversal of impairment losses	
Operating segment	Cash-generating unit	2022	2021	2022	2021
Ocean	Ocean	14	-	-	-
Logistics & Services	Logistics & Services	46	-	-	-
Terminals	Various terminals	58	36	-	-
Towage & Maritime Services	Towage	1	-	-	-
	Maersk Supply Service	-	308	-	14
	Maersk Container Industry	17	-	-	13
	Others	3	3	-	-
Total		**139**	**347**	**-**	**27**

Impairment analysis
For more information on impairment tests, reference is made to note 3.1 Intangible assets.

Significant accounting estimates

Useful life and residual values
Useful lives are estimated based on experience. When there is an indication of a change in an asset's useful life, management revises the estimates for individual assets or groups of assets with similar characteristics due to factors such as quality of maintenance and repair, technical development, or environmental requirements. Management has also considered the impact of decarbonisation and climate-related risks on useful lives of existing assets. Such risks include new climate-related legislation restricting the use of certain assets, new technology demanded by climate-related legislation, and the increase in restoration costs for terminal sites due to new and/or more comprehensive policies.

Residual values of vessels are difficult to estimate given their long useful lives, the uncertainty of future economic conditions, and the uncertainty of future steel prices, which is considered the main determinant of the residual value. Generally, 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.

Accounting policy

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 life at an estimated residual value. The useful lives of new assets are typically as follows:

Ships, etc.	20-25 years
Containers, etc.	15 years
Buildings	10-50 years
Terminal infrastructure	10-30 years or concession period, if shorter
Warehouses and related infrastructure	5-25 years, or lease term, if shorter
Aircraft and related components	3-30 years
Plant and machinery, cranes and other terminal equipment	5-25 years
Other operating equipment, fixtures, etc.	3-7 years

Estimated useful lives and residual values are reassessed on a regular basis.

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

The cost of assets constructed by A.P. Moller - Maersk includes directly attributable expenses. For assets with a long construction period, borrowing costs during the construction period from specific as well as general borrowings are attributed to cost. In addition, the cost includes the net present value of estimated costs of removal and restoration.

Amounts in USD million

Note 3.3 Right-of-use assets

	Ships, containers, etc.	Concession agreements	Real estate and other leases	Total
Right-of-use assets				
1 January 2022	6,136	2,550	1,220	9,906
Additions	3,093	157	960	4,210
Additions from acquired companies	-	-	570	570
Disposals	307	-	129	436
Depreciation	2,532	184	362	3,078
Transfers, owned assets, etc.	-45	-	-	-45
Exchange rate adjustments	-1	-112	-47	-160
31 December 2022	**6,344**	**2,411**	**2,212**	**10,967**
1 January 2021	4,102	3,066	1,155	8,323
Additions	4,290	54	378	4,722
Additions from acquired companies	-	-	72	72
Disposals	195	240	61	496
Depreciation	1,519	195	264	1,978
Impairment losses	-	3	1	4
Transfers, assets held for sale	-	-6	-2	-8
Transfers, owned assets, etc.	-540	-	-19	-559
Exchange rate adjustments	-2	-126	-38	-166
31 December 2021	**6,136**	**2,550**	**1,220**	**9,906**

Amounts recognised in profit and loss	2022	2021
Depreciation on right-of-use assets	3,078	1,982
Interest expenses (included in finance costs)	518	459
Expenses relating to service elements of leases	976	895
Expenses relating to short-term leases	248	433
Expenses relating to variable lease payments	292	270
Expenses relating to leases of low-value assets	23	22
Total recognised in operating costs	**1,539**	**1,620**

As part of the Group's activities, customary leasing agreements are entered, especially regarding the chartering of vessels and leasing of containers and other equipment. In some cases, the leasing agreements comprise purchase options exercisable by the Group and options for extending the lease term. The Group also enters into arrangements that provide the right-to-use some existing infrastructure or land as required to carry out the terminal business.

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases. At the end of 2022, the expected residual values were reviewed if these reflect the actual residual values achieved on comparable assets and expectations about future prices. At 31 December 2022, USD 226m (USD 226m) is expected to be payable and is included in the measurement of the lease liabilities.

Leases to which A.P. Moller - Maersk is committed but for which lease term has not yet commenced have an undiscounted value of USD 1.6bn (USD 2.7bn). They comprise approx. 31 contracts commencing in 2023 to 2024.

Certain terminal concession agreements contain variable payment terms that are linked to future performance, i.e., number of containers handled. Such payments are recognised in the income statement in the period in which the condition that triggers those payments occurs.

Lease liabilities are disclosed in notes 4.2 and 4.5.

§ Accounting policy

Right-of-use assets are mainly leased vessels, containers, concessions arrangements and real estate property. Lease contracts for vessels and containers are typically made for fixed periods of about five years, but may have extension options as described together with lease liabilities. Concession arrangements and real estate contracts are negotiated on an individual basis and contain a wide range of terms and conditions.

Leases are recognised as a right-of-use asset with a corresponding lease liability at the date on which the leased asset is available for use. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Amounts in USD million

Note 3.4 Acquisition/sale of subsidiaries and activities

Acquisitions during 2022

	LF Logistics	Pilot	Senator	Other	Total 2022
Fair value at time of acquisition					
Intangible assets	807	650	223	7	1,687
Property, plant and equipment	533	185	48	14	780
Financial assets	110	4	6	-	120
Deferred tax assets	5	-	-	-	5
Current assets	436	271	398	6	1,111
Provisions	18	4	-	-	22
Liabilities	793	1,207	316	24	2,340
Net assets acquired	**1,080**	**-101**	**359**	**3**	**1,341**
A.P. Møller - Mærsk A/S' share	**1,080**	**-101**	**359**	**3**	**1,341**
Goodwill	2,291	1,145	225	6	3,667
Purchase price	**3,371**	**1,044**	**584**	**9**	**5,008**
Contingent consideration assumed	-60	-	-	-	-60
Contingent consideration paid	-	19	-	-	19
Change in payables on purchase price, etc.	-24	8	-	-	-16
Cash and bank balances assumed	-126	-9	-40	-2	-177
Cash flow used for acquisition of subsidiaries and activities	**3,161**	**1,062**	**544**	**7**	**4,774**

LF Logistics Holdings Limited (Logistics & Services)

On 22 December 2021, the Group signed an agreement to acquire 100% of the shares in LF Logistics Holdings Limited, a leading omnichannel fulfilment contract logistics company in Asia Pacific. The acquisition was completed end of August 2022. The acquisition will further strengthen A.P. Moller - Maersk's capabilities as an integrated container logistics company, offering global end-to-end supply chain solutions to its customers. The total purchase price is USD 3.4bn, including the fair value of contingent consideration of USD 60m, of which is contingent upon LF Logistics' future financial performance for the years 2023-24 and has a maximum payment value of USD 160m. Of the consideration paid, USD 2.3bn is related to goodwill while USD 807m is related to intangible assets, mainly customer relationships. USD 179m is related to trade receivables and USD 362m is related to RoU assets. Liabilities are mainly related to trade payables and lease liabilities. Goodwill is mainly attributable to commercial and operational future expected synergies, driven by cross-selling and improved productivity. Acquired goodwill is not allowable for tax purposes.

From the acquisition date to 31 December 2022, LF Logistics contributed with a revenue of USD 360m and an insignificant net profit. Had the acquisition occurred on 1 January 2022, the impact on the Group's revenue would have been USD 1.0bn. The net profit impact to the Group would have been USD 42m, including amortisation of intangibles recognised in the acquisition. Acquisition-related costs of USD 12m was recognised as operating costs in the income statement of the Logistics & Services segment in 2021, and in operating cash flow in the statement of cash flow in 2022.

The accounting for the business combination is considered provisional at 31 December 2022, as valuation of intangible assets is not yet finalised.

Pilot Freight Services (Logistics & Services)

On 5 February 2022, the Group signed an agreement to acquire 100% of the shares in Pilot Freight Services, a US-based first, middle, and last mile cross-border solutions provider. The acquisition was completed in early May 2022. Pilot has specialised in the big and bulky freight segment in North America. Pilot Freight Services will add specific new services within the fast-growing big and bulky e-commerce segment to the Group, thus increasing cross-selling opportunities. The total acquisition value is USD 1.6bn of which USD 597m is related to the settlement of debt presented as cash flow from financing in the cash flow statement. Of the consideration paid, USD 1.1bn is related to goodwill while USD 650m is related to intangible assets, mainly customer relationships. USD 235m is related to trade receivables and USD 174m is related to RoU assets. Liabilities are mainly related to trade payables, lease liabilities and debt settled as part of the transaction. Goodwill is mainly attributable to commercial and operational future expected synergies, driven from cross-selling, network optimisations and improved productivity. Goodwill of USD 96m related to the acquisition is expected to be deductible for tax purposes.

From the acquisition date to 31 December 2022, Pilot Freight Services contributed with a revenue of USD 987m and an insignificant net profit. Had the acquisition occurred on 1 January 2022, the impact on the Group's revenue would have been USD 1.5bn. The net profit impact to the Group would have been insignificant. Acquisition-related costs of USD 15m are recognised as operating costs in the income statement of the Logistics & Services segment in 2021 and 2022, and in operating cash flow in the statement of cash flow in 2022.

The accounting for the business combination is considered provisional at 31 December 2022, as valuation of intangible assets is not yet finalised.

Senator International (Logistics & Services)

On 2 November 2021, the Group signed an agreement to acquire 100% of the shares in Senator International, a well-renowned German air-based freight carrier company. The acquisition was completed in early June 2022. Senator International will contribute with offerings within air freight out of Europe into the USA and Asia, and thereby add strong capabilities and geographical reach to the integrator vision. The total purchase price is USD 584m. Of the consideration paid, USD 225m is related to goodwill while USD 223m is related to intangible assets, mainly customer relationships. USD 220m is related to trade receivables and the rest is mainly related to other receivables. Liabilities are mainly related to accrued expenses and deferred tax. Goodwill is mainly attributable to commercial and operational future expected synergies, driven from cross-selling, network optimisations and improved productivity. Acquired goodwill is not allowable for tax purposes.

From the acquisition date to 31 December 2022, Senator International contributed with a revenue of USD 787m and a net profit of USD 40m. Had the acquisition occurred on 1 January 2022, the impact on the Group's revenue would have been USD 1.6bn and a net profit of USD 105m, including amortisation of intangibles recognised in the acquisition. Acquisition-related costs of USD 9m were recognised as operating costs in the income statement of the Logistics & Services segment in 2021, and in operating cash flow in the statement of cash flow in 2022.

The accounting for the business combination is considered provisional at 31 December 2022, as valuation of intangible assets is not yet finalised.

Other

ResQ (Towage & Maritime Services)

On 17 June 2022, it was announced that the Group had signed an agreement to acquire 100% of the shares in ResQ, a Norwegian supplier of services with expertise in safety training and emergency preparedness. The acquisition was completed in July 2022. The total purchase price is USD 6m.

The accounting for the business combination is considered provisional at 31 December 2022, as valuation of intangible assets is not yet finalised.

Amounts in USD million

Note 3.4 Acquisition/sale of subsidiaries and activities – continued

Acquisitions after the balance sheet date

Grindrod Intermodal Group (Logistics & Services)

On 15 November 2021, it was announced that the Group will partner with Grindrod Intermodal Group to merge the logistics activities of the Grindrod Intermodal business and the ocean activities of the Ocean Africa Container Lines (OACL) with the current Maersk Logistics & Services products in South Africa. The Grindrod Group is a well-known and trusted partner in South Africa that offers a range of logistics and service offerings. The Group will have a controlling interest of 51%. The purchase price is USD 34m. The acquisition was closed on 2 January 2023 and will operate as Grindrod Logistics.

Martin Bencher Group (Logistics & Services)

On 5 August 2022, it was announced that the Group intends to acquire 100% of the shares in Martin Bencher Group, a Denmark-based project logistics company with premium competencies within non-containerised project logistics. The acquisition of Martin Bencher Group will add to the existing project logistics services already available at Maersk, with a specialised service offering the combination of solution design, special cargo transportation, and project management services. It will build on existing infrastructures and know-how across the existing Project Logistics vertical in Sales & Marketing, Ocean, and L&S Special Project Logistics (SPL). The purchase price is USD 57m. The acquisition was closed on 2 January 2023.

Acquisitions during 2021

	Visible	B2C Europe	HUUB	Other	Total 2021
Fair value at time of acquisition					
Intangible assets	182	29	10	-	221
Property, plant and equipment	87	11	-	4	102
Financial assets	1	2	-	-	3
Current assets	71	19	1	-	91
Liabilities	92	44	1	12	149
Net assets acquired	**249**	**17**	**10**	**-8**	**268**
A.P. Møller - Mærsk A/S' share	**249**	**17**	**10**	**-8**	**268**
Goodwill	553	60	-	8	621
Purchase price	**802**	**77**	**10**	**-**	**889**
Contingent consideration assumed	-64				-64
Contingent consideration paid	-	-	-	10	10
Cash and bank balances assumed	-20	-1	-	3	-18
Other adjustments	-	-	-	-2	-2
Cash flow used for acquisition of subsidiaries and activities	**718**	**76**	**10**	**11**	**815**

Visible Supply Chain Management (Logistics & Services)

On 2 August 2021, the Group acquired 100% of the shares in Visible Supply Chain Management, an e-commerce logistics provider based in North America focusing on e-fulfilment, parcel delivery services and freight management. Visible Supply Chain Management contributes with strong e-commerce capabilities and further strengthens the business-to-consumer part of the business. The total purchase price was USD 802m, including a contingent consideration valued at USD 64m. The contingent consideration was made up of a fixed number of A.P. Moller - Maersk B shares. Of the purchase price allocation, USD 553m related to goodwill while USD 182m related to intangible assets, mainly customer relationships, software, and technology. USD 59m related to RoU assets. Liabilities mainly related to lease liabilities. Goodwill is mainly attributable to expected future synergies from leveraging the acquired technology software, network optimisations and improved productivity.

From the acquisition date to 31 December 2021, Visible Supply Chain Management contributed with a revenue of USD 205m and an insignificant net profit. Had the acquisition occurred on 1 January 2021, the impact on the Group's revenue would have been USD 504m. The net profit impact to the Group would have been insignificant.

Acquisition-related costs of USD 10m were recognised as operating costs in the income statement of the Logistics & Services segment, and in operating cash flow in the statement of cash flow in 2021.

B2C Europe (Logistics & Services)

On 1 October 2021, the Group acquired 100% of the shares in B2C Europe, an e-commerce logistics provider headquartered in the Netherlands, specialising in cross-border parcel delivery services. B2C Europe contributes with strong e-commerce capabilities and further strengthens the business-to-consumer part of our business. The total purchase price was USD 77m. Of the purchase price allocation, USD 60m related to goodwill while USD 29m related to intangible assets, mainly customer relationships and technology. Goodwill is mainly attributable to expected future synergies from integration and scale-up of technology.

From the acquisition date to 31 December 2021, B2C Europe contributed with a revenue of USD 35m and an insignificant net profit. Had the acquisition occurred on 1 January 2021, the impact on the Group's revenue would have been USD 136m. The net profit impact to the Group would have been insignificant.

Acquisition-related costs of USD 2m were recognised as operating costs in the income statement of the Logistics & Services segment, and in operating cash flow in the statement of cash flow in 2021.

HUUB (Logistics & Services)

On 1 September 2021, the Group acquired 100% of the shares in HUUB, a Portuguese cloud-based logistics start-up specialised in technology solutions for B2C warehousing for the fashion industry. HUUB contributes to strengthening A.P. Moller - Maersk's technology capabilities, bringing the best attributes of a modern entrepreneurial agile workplace. The acquisition was accounted for as an asset deal. The total acquisition price was USD 10m.

Other

In addition to the above acquisitions, there was another small acquisition in Logistics & Services and therefore the cash outflow related to acquisitions in 2021 was USD 815m.

Sales during the year 2022

In 2022, Terminals completed the sale of the 30.75% minority stake in Global Ports Investments in Russia for USD 135m. The transaction includes an ability for Terminals to re-enter the partnership in the future. There were no other material sales in 2022.

Sales during the year 2021

No material external sales were performed during 2021.

Amounts in USD million

Note 3.4 Acquisition/sale of subsidiaries and activities – continued

§ Accounting policy

Acquisition/sale of subsidiaries and activities
Upon acquisition of new entities, the acquired assets, liabilities and contingent liabilities are measured at fair value at the date when control was achieved using the acquisition method. Identifiable intangible assets are recognised if they arise from a contractual right or can otherwise be separately identified. The difference between the fair value of the acquisition cost and the fair value of acquired identifiable net assets is recognised as goodwill. Contingent consideration is measured at fair value and any subsequent changes to contingent consideration are recognised as financial income or financial expense in the income statement. If contingent consideration is settled by issuing a predetermined number of shares, the contingent consideration is classified as equity and is subsequently not remeasured at fair value. Transaction costs are recognised as operating costs as they are incurred.

When A.P. Moller - Maersk ceases to have control of a subsidiary, the value of any retained investment is re-measured at fair value, and the value adjustment is recognised in the income statement as a gain/loss on the sale of non-current assets. The difference between sales proceeds and the carrying amount of the subsidiary is recognised in the income statement including fair value of contingent consideration at the time of sale. Contingent consideration is re-measured at fair value with changes recognised in the income statement. The effect of the purchase and sale of non-controlling interests without changes in control is included directly in equity.

Note 3.5 Term deposits

Loan receivables, current, amount to USD 17.7bn (USD 5.1bn) and consist primarily of term deposits with a maturity of more than three months, amounting to USD 17.6bn (USD 5.0bn). For details on the assessment of the loss allowance on term deposits, reference is made to note 4.5 Financial instruments and risks.

Note 3.6 Assets held for sale or distribution

	2022	2021
Balance sheet items comprise:		
Intangible assets	-	41
Property, plant and equipment and right-of-use assets	13	106
Deferred tax assets	1	-
Other assets	51	55
Non-current assets	**65**	**202**
Current assets	4	197
Assets held for sale or distribution	**69**	**399**
Provisions	1	13
Deferred tax liabilities	-	11
Other liabilities	8	220
Liabilities associated with assets held for sale or distribution	**9**	**244**

Assets held for sale in 2022 relate to two terminals within Terminals.

Assets held for sale in 2021 largely relate to Maersk Container Industry within Towage & Maritime Services and three terminals within Terminals. On 25 August 2022, the divestment of Maersk Container Industry was discontinued following regulatory challenges. As a result, assets and liabilities of Maersk Container Industry were reclassified out of assets held for sale during 2022.

§ Accounting policy

Assets held for sale are recognised when the carrying amount of an individual non-current asset, or disposal group of assets, and will be recovered principally through a sales transaction rather than through continued use. Assets are classified as held for sale when activities to carry out a sale have been initiated, when the activities are available for immediate sale in their present condition, and when the activities are expected to be disposed of within 12 months. Liabilities directly associated with assets held for sale are presented separately from other liabilities.

Assets held for sale are measured at the lower of carrying amount immediately before classification as held for sale and fair value less costs to sell. Impairment tests are performed immediately before classification as held for sale. Non-current assets are not depreciated or amortised while classified as held for sale. Measurement of deferred tax and financial assets and liabilities is unchanged.

When an asset or a disposal group has been classified as held for sale or distribution, but the requirements are no longer met, the assets and related liabilities ceases to be classified as held for sale. The cessation of the classification as held for sale will be reflected in the period in which the change of circumstances has occurred. Comparative figures are not restated, and any adjustments to the carrying value of assets and liabilities previously classified as held for sale are recognised in the period in which the circumstances have changed.

Amounts in USD million

Note 3.7 Provisions

	Restructuring	Legal disputes, etc.	Other	Total
1 January 2022	59	1,063	349	1,471
Provision made	62	545	195	802
Amount used	39	187	144	370
Amount reversed	12	222	64	298
Additions from acquired companies	-	4	17	21
Transfers	-	2	-2	-
Transfers, assets held for sale	-	-	30	30
Exchange rate adjustments	-2	-23	-12	-37
31 December 2022	**68**	**1,182**	**369**	**1,619**
Of which:				
Classified as non-current	16	635	191	842
Classified as current	52	547	178	777
Non-current provisions expected to be realised after more than five years	-	42	23	65

Restructuring includes provisions for decided and publicly announced restructurings. Legal disputes, etc. include, among other things, indirect tax and duty disputes. Other primarily includes provisions for warranties, and onerous contracts.

Reversals of provisions primarily relate to legal disputes and contractual disagreements, which are recognised in the income statement under operating costs and tax.

Significant accounting estimates

Provisions for legal disputes
Management's estimate of the provisions for legal disputes, including disputes regarding taxes and duties, is based on the knowledge available on the substance of the cases and a legal assessment of these. The resolution of legal disputes through either negotiations or litigation can take several years to be reached and the outcomes are subject to considerable uncertainty.

Accounting policy

Provisions are recognised when A.P. Moller - Maersk has a present legal or constructive obligation from past events. The item includes, among other things, legal disputes, provisions for onerous contracts and unfavourable contracts acquired as part of a business combination.

Provisions are recognised based on best estimates and are discounted where the time element is significant and where the time of settlement is reasonably determinable.

Amounts in USD million

4. Capital and financing

The Company has continued its commitment to distribute value to its shareholders through both dividends and the buy-back of shares throughout 2022. This section provides details on the movement within the Group's share capital, including the shares bought-back and cancelled during the year. The movements within borrowings and lease liabilities provide insights into the development in the Group's net interest bearing debt.

This section also includes details on the treasury management and financial risk management objectives and policies, as well as the exposure and sensitivity of the Group to credit, liquidity, interest and foreign exchange risk, and the policies in place to monitor and manage these risks.

Note 4.1 Share capital and earnings per share

Development in the number of shares:	A shares of		B shares of		Nominal value	
	DKK 1,000	DKK 500	DKK 1,000	DKK 500	DKK million	USD million
1 January 2021	10,599,293	216	9,432,463	166	20,032	3,632
Cancellation	131,186	-	524,745	-	656	119
31 December 2021	**10,468,107**	**216**	**8,907,718**	**166**	**19,376**	**3,513**
1 January 2022	10,468,107	216	8,907,718	166	19,376	3,513
Conversion	1	-2	3	-6	-	-
Cancellations	133,779	-	535,076	-	669	121
31 December 2022	**10,334,329**	**214**	**8,372,645**	**160**	**18,707**	**3,392**

All shares are fully issued and paid up. One A share of DKK 1,000 holds two votes. B shares have no voting rights.

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 15 March 2022, the shareholders decided on the cancellation of treasury shares, whereby the share capital would be decreased. On 25 May 2022, the Company's share capital was reduced from nominally DKK 19,376,016,000 by nominally DKK 668,855,000 in total, divided into 133,779 A shares and 535,076 B shares of DKK 1,000 to nominally DKK 18,707,161,000.

The reduction in the share capital has been recorded by applying the historical rate of exchange of USD/DKK 5.5153.

Development in the holding of treasury shares:	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
Treasury shares	2022	2021	2022	2021	2022	2021
A shares						
1 January	120,494	119,176	121	119	0.62%	0.59%
Addition	215,002	132,504	215	133	1.15%	0.68%
Cancellations	133,779	131,186	134	131	0.69%	0.65%
31 December	**201,717**	**120,494**	**202**	**121**	**1.08%**	**0.62%**
B shares						
1 January	549,587	505,281	550	505	2.84%	2.52%
Additions	904,856	586,476	905	587	4.83%	3.03%
Cancellations	535,076	524,745	535	525	2.76%	2.62%
Disposals	31,810	17,425	32	17	0.17%	0.09%
31 December	**887,557**	**549,587**	**888**	**550**	**4.74%**	**2.84%**

The share buy-back programme is carried out with the purpose to adjust the capital structure of the company. Shares which are not used for hedging purposes for the long-term incentive programmes will be proposed cancelled at the Annual General Meetings.

Disposals of treasury shares are related to the share option plan and the restricted shares plan.

From 1 January 2022 to 31 December 2022, A.P. Moller - Maersk bought back as treasury shares 110,689 A shares, with a nominal value of DKK 111m, and 336,597 B shares, with a nominal value of DKK 337m, from A.P. Møller Holding A/S, and 99,927 B shares, with a nominal value of DKK 100m from A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, both of which are considered related parties. The share buy-back is carried out with the purpose to adjust the capital structure of the Company. Shares which are not used for hedging purposes for the long-term incentive programmes will be proposed cancelled at the Annual General Meetings.

Capital management

The capital structure is managed for the Group in accordance with the financial policy, as approved by the Board of Directors.

Capital is managed to meet the objective of a solid capital structure over the business cycle and to maintain a liquidity profile in line with an investment grade credit rating. A.P. Moller - Maersk remains investment grade-rated and holds a Baa2 (positive outlook) rating from Moody's and a BBB+ (stable) rating from Standard & Poor's. The equity share of total equity and liabilities is 69% (63%) at the end of 2022. Share buy-backs of maximum 15% of the share capital can be decided by the Board of Directors, and dividends paid out are to be between 30-50% of the underlying profit in accordance with the company's dividend policy.

The basis for calculating earnings per share is the following:

A.P. Møller - Mærsk A/S' share of:	2022	2021
Profit for the period	**29,198**	**17,942**

	2022	2021
Issued shares 1 January	19,376,016	20,031,947
Average number of treasury shares	720,802	555,742
Average number of cancelled shares	404,978	406,138
Average number of shares (basic)	**18,250,236**	**19,070,067**
Dilutive effect of outstanding restricted shares and share options	57,522	60,248
Average number of shares (diluted)	**18,307,758**	**19,130,315**
Basic earnings per share (USD)	**1,600**	**941**
Diluted earnings per share (USD)	**1,595**	**938**

Note 4.1 Share capital and earnings per share – continued

Dividends

The dividend of DKK 2,500 per share of DKK 1,000 was paid on 18 March 2022 – a total of DKK 46.3bn equivalent to USD 6.9bn, excluding treasury shares (dividend of DKK 330 per share of DKK 1,000 paid – total of DKK 6.4bn, equivalent to USD 1.0bn).

The Board of Directors proposes a dividend to the shareholders of DKK 4,300 per share of DKK 1,000 – a total of around DKK 75.2bn, equivalent to around USD 10.9bn (DKK 2,500 per share of DKK 1,000 – total of DKK 46.3bn equivalent to USD 6.9bn). Payment of dividends is expected to take place on 31 March 2023. Payment of dividends to shareholders does not trigger taxes to A.P. Moller - Maersk.

§ Accounting policy

Earnings per share is calculated as A.P. Møller - Mærsk A/S' share of the profit for the year divided by the average number of shares outstanding (of DKK 1,000 each), excluding A.P. Moller - Maersk's holding of treasury shares. Diluted earnings per share are adjusted for the dilutive effect of the average number of share options outstanding issued by the parent company.

Equity includes total comprehensive income for the year comprising the profit for the year and other comprehensive income. Proceeds on the purchase and sale of treasury shares and dividend from such shares are recognised in equity.

The translation reserve is comprised of A.P. Moller - Maersk's share of accumulated exchange rate differences arising on translation from functional currency into presentation currency. The reserve for other equity investments is comprised of accumulated changes in the fair value of equity investments (at FVOCI), net of tax. Reserves for hedges includes the accumulated fair value of derivatives qualifying for cash flow hedge accounting, net of tax, as well as forward points and currency basis spread.

Note 4.2 Borrowings and lease liability reconciliation

	Net debt as at 31 December	Cash flows	Non-cash changes					Net debt as at 31 December
	2021		Additions	Disposals	Transfers, assets held for sale	Foreign exchange movements	Other[1]	2022
Bank and other credit institutions	1,443	-999	612	-	-13	10	-	1,053
Issued bonds[2]	3,341	-	-	-	-	-177	-188	2,976
Total borrowings	**4,784**	**-999**[3]	**612**	**-**	**-13**	**- 167**	**-188**	**4,029**
Borrowings:								
Classified as non-current	4,315							3,774
Classified as current	469							255
Leases:								
Lease liabilities	10,551	-3,090	4,776	-433	-13	-173	-4	11,614
Total leases	**10,551**	**-3,090**[4]	**4,776**[5]	**-433**	**-13**	**-173**	**-4**	**11,614**
Leases:								
Classified as non-current	8,153							8,582
Classified as current	2,398							3,032
Total borrowings and leases	**15,335**	**-4,089**	**5,388**	**-433**	**-26**	**-340**	**-192**	**15,643**
Derivatives hedge of borrowings, net	**194**	**14**	**-**	**-**	**-**	**188**	**136**	**532**

1 Other includes fair value changes and amortisation of fees.
2 Of total issued bonds as at 31 December 2022, USD 552m are green bonds used to finance acquisitions of green methanol vessels.
3 Total cash flow from borrowings of USD 999m is comprised of repayments of USD 800m, proceeds of USD 83m and decrease in cash overdrafts of USD 282m, which excludes additions from business acquired during 2022.
4 Total cash outflow impact from leases for 2022 was USD 5.1bn, of which USD 1.5bn relates to other lease expenses and USD 518m to interest expense as disclosed separately in note 3.3 and netted by incentives received before the commencement date for certain leases.
5 Additions include USD 571m of lease liabilities from businesses acquired during 2022.

The maturity analysis of lease liabilities is disclosed in note 4.5.

Amounts in USD million

Note 4.2 Borrowings and lease liability reconciliation – continued

	Net debt as at 31 December	Cash flows	Non-cash changes				Net debt as at 31 December
	2020		Additions	Disposals	Foreign exchange move-ments	Other[1]	2021
Bank and other credit institutions	2,802	-1,364	9	-	-4	-	1,443
Issued bonds[2]	3,824	-298	-	-	-95	-90	3,341
Total borrowings	**6,626**	**-1,662**[3]	**9**	**-**	**-99**	**-90**	**4,784**
Borrowings:							
Classified as non-current	5,868						4,315
Classified as current	758						469
Leases:							
Lease liabilities	8,747	-2,279[4]	4,789[5]	-513	-192	-1	10,551
Total leases	**8,747**	**-2,279**	**4,789**	**-513**	**-192**	**-1**	**10,551**
Leases:							
Classified as non-current	7,356						8,153
Classified as current	1,391						2,398
Total borrowings and leases	**15,373**	**-3,941**	**4,798**	**-513**	**-291**	**-91**	**15,335**
Derivatives hedge of borrowings, net	**36**	**4**	**-**	**-**	**95**	**59**	**194**

1 Other includes fair value changes and amortisation of fees.
2 Of total issued bonds as at 31 December 2021, USD 452m are green bonds used to finance acquisitions of green methanol vessels.
3 Total cash outflow from borrowings of USD 1.7bn is comprised of repayments of USD 2.5bn, proceeds of USD 563m and increase in cash overdrafts of USD 272m, which excludes additions from business acquired during 2021.
4 Total cash outflow impact from leases for 2021 was USD 4.4bn, of which USD 1.6bn relates to other lease expenses and USD 459m to interest expense as disclosed separately in note 3.3.
5 Additions include USD 72m lease liabilities from businesses acquired during 2021.

The maturity analysis of lease liabilities is disclosed in note 4.5.

§ Accounting policy

Financial liabilities are initially recognised at fair value less transaction costs. Subsequently, the financial liabilities are measured at amortised cost using the effective interest method, whereby transaction costs and any premium or discount are recognised as financial expenses over the term of the liabilities. Fixed interest loans subject to fair value hedge accounting are measured at amortised cost with an adjustment for the fair value of the hedged interest component.

Lease liabilities are measured at the present value of the lease payments over the lease term, at the interest rate implicit in the lease, or at A.P. Moller - Maersk's incremental borrowing rate (IBR). A.P. Moller - Maersk's IBR reflects the Group's credit risk, leased amount, and contract duration, as well as the nature and quality of the asset's security and economic environment in which the leased assets operate. To determine the IBR, where possible, A.P. Moller - Maersk uses recent third-party financing received by the individual lessee as a starting point, with adjustments to reflect changes in financing conditions since that financing was received. Where such financing is not available, A.P. Moller - Maersk uses a build-up approach that starts with a risk- free interest rate adjusted by credit risk and specific risks faced by the lessee such as asset type, geographical risks, etc.

Subsequently, the lease liability is measured at amortised cost with each lease payment allocated between the repayment of the liability and financing cost. The finance cost is charged to the income statement over the lease period, using the IBR that was used to discount the lease payments.

The following lease payments are included in the net present value:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit/loss.

Extension and termination options in lease contracts are included in contracts, where it is reasonably certain that A.P. Moller - Maersk will exercise the options. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended or not terminated. Most of the extension and termination options held are exercisable only by A.P. Moller - Maersk and not by the respective lessor. This assessment is reviewed if a significant event or a significant change in circumstances occurs, which affects this assessment, and which is within the control of the lessee. Where A.P. Moller - Maersk will probably exercise specific purchase options, those options are included in the measurement of the lease liability with corresponding right-of-use asset depreciated over the asset's useful life rather than lease term.

Amounts in USD million

Note 4.3 Pensions and similar obligations

	UK 2022	Other 2022	Total 2022	UK 2021	Other 2021	Total 2021
Specification of net liability						
Present value of funded plans	1,396	374	1,770	2,233	505	2,738
Fair value of plan assets	-1,583	-301	-1,884	-2,452	-406	-2,858
Net liability of funded plans	-187	73	-114	-219	99	-120
Present value of unfunded plans	-	105	105	-	105	105
Impact of minimum funding requirement/asset ceiling	66	-	66	81	1	82
Net liability 31 December	**-121**	**178**	**57**	**-138**	**205**	**67**
Of which:						
Pensions, net assets			134			148
Pensions and similar obligations			191			215

Significant financial assumptions	UK 2022	Total 2022	UK 2021	Total 2021
Discount rate	4.8%	4.7%	2.0%	2.1%
Inflation rate	3.5%	3.3%	3.5%	3.3%

As employer, the Group participates in pension plans according to normal practice in the countries in which the Group operates. Generally, the pension plans within the Group are defined contribution plans, where contributions are recognised in the income statement on an accrual basis. A number of entities have defined benefit plans, in which retirement benefits are based on length of service and salary level. To a limited extent, these defined benefit plans also include payment of medical expenses, etc.

In 2023, the Group expects to pay contributions totalling USD 25m (USD 36m) to funded defined benefit plans.

The majority of the Group's defined benefit liabilities are 74% in the UK and 13% in the USA. All of the plans in the UK and the majority of the plans in the USA are funded. Although all of the UK plans are now closed to new entrants, active members in the two largest plans continue to accrue new benefits. The smaller UK plans are all closed to new accruals, although a salary link remains in some of the plans.

Overall, the plans have an average duration of 12 years, and approximately 62% of the obligation is in respect of pensioner members.

As well as being subject to the risks of falling interest rates, which would increase the obligation, poor asset returns and pensioners living longer than anticipated, the Group is also subject to the risk of higher-than-expected inflation. This is because many pension benefits, particularly in the UK plans, increase in line with inflation although some minimum and maximum limits apply.

	31 December			
Life expectancy	2022	2042	2021	2041
65-year-old male in the UK	22.0	23.5	21.9	23.3
65-year-old female in the UK	24.3	25.8	24.2	25.5

The sensitivity of the liabilities and pension costs to the key assumptions are as follows:

Sensitivities for key assumptions in the UK Factors	'Change in liability'	Increase 2022	Decrease 2022
Discount rate	Increase/(decrease) by 25 basis points	-43	45
Inflation rate	Increase/(decrease) by 25 basis points	24	-20
Life expectancy	Increase/(decrease) by one year	63	-62

Specification of plan assets	UK 2022	Other 2022	Total 2022	UK 2021	Other 2021	Total 2021
Insurance contracts	1,172	54	1,226	1,829	68	1,897
Shares	52	15	67	81	100	181
Government bonds	130	37	167	203	117	320
Corporate bonds	53	176	229	199	100	299
Real estate	8	6	14	9	7	16
Other assets	168	13	181	131	14	145
Fair value 31 December	**1,583**	**301**	**1,884**	**2,452**	**406**	**2,858**

Rates of life expectancy reflect the most recent mortality investigations, and in line with market practice an allowance is made for future improvements in life expectancy. The Group assumes that future improvements will be in line with the latest projections of 1.25% for all UK plans.

The liabilities are calculated using assumptions that are the Group's best estimate of future experience bearing in mind the requirements of IAS 19.

The Group's plans are funded in accordance with applicable local legislation. In the UK, each plan has a Trustee Board that is required to act in the best interests of plan members. Every three years, a formal valuation of the plan's liabilities is carried out using a prudent basis, and if the plan is in deficit, the Trustees agree with the Group or the sponsoring employer on a plan for recovering that deficit.

Around 85% of the UK liabilities are now covered by insurance policies. Therefore, movement in the liabilities due to change in assumptions would equally impact the assets value related to the buy-in policies, resulting in a reduced movement in the overall balance sheet position.

Amounts in USD million

Note 4.3 Pensions and similar obligations – continued

No contributions to the UK plans are expected for 2023 (no contributions to the UK plans were expected for 2022). In most of the UK plans, any surplus remaining after the last member dies may be returned to the Group. However, the Merchant Navy Ratings Pension Fund (MNRPF), and the Merchant Navy Officers Pension Fund (MNOPF) contributions paid by the Group are not refundable in any circumstance and the balance sheet liability reflects an adjustment for any agreed deficit recovery contributions in excess of deficit determined using the Group's assumptions. In 2022 an adjustment of USD 3m (USD 3m) was applied in this respect.

Other than the insurance contracts and a small proportion of other holdings, the plan assets held by the Group are quoted investments.

Change in net liability	Present value of obligations	Fair value of plan assets	Adjust-ments	Net liability	Of which: UK
1 January 2022	**2,843**	**2,858**	**82**	**67**	**-138**
Current service cost, administration cost etc.	23	-11	-	34	8
Calculated interest expense/income	53	53	1	1	-2
Recognised in the income statement in 2022	**76**	**42**	**1**	**35**	**6**
Actuarial gains/losses from changes in financial and demographic assumptions, etc.	-666	-638	-	-28	4
Adjustment for unrecognised asset due to asset ceiling	-	-	-8	-8	-8
Recognised in other comprehensive income in 2022	**-666**	**- 638**	**-8**	**-36**	**-4**
Contributions from the Group and employees	-	3	-	-3	-
Benefit payments	-132	-119	-	-13	-
Effect of business combinations and disposals	3	-	-	3	-
Exchange rate adjustments	-249	-262	-9	4	15
31 December 2022	**1,875**	**1,884**	**66**	**57**	**-121**

Change in net liability	Present value of obligations	Fair value of plan assets	Adjust-ments	Net liability	Of which: UK
1 January 2021	**3,099**	**3,107**	**80**	**72**	**-185**
Current service cost, administration cost etc.	9	-12	-	21	10
Calculated interest expense/income	50	51	1	-	-3
Recognised in the income statement in 2021	**59**	**39**	**1**	**21**	**7**
Actuarial gains/losses from changes in financial and demographic assumptions, etc.	-128	-	-	-128	-120
Return on plan assets, exclusive calculated interest income	-	-150	-	150	165
Adjustment for unrecognised asset due to asset ceiling	-	-	1	1	1
Recognised in other comprehensive income in 2021	**-128**	**-150**	**1**	**23**	**46**
Contributions from the Group and employees	-	11	-	-11	-6
Benefit payments	-146	-136	-	-10	-
Effect of business combinations and disposals	-14	5	-	-19	-
Exchange rate adjustments	-27	-18	-	-9	-
31 December 2021	**2,843**	**2,858**	**82**	**67**	**-138**

Amounts in USD million

Note 4.3 Pensions and similar obligations – continued

Multi-employer plans

Under collective agreements, certain entities in the Group participate together with other employers in defined benefit pension plans as well as welfare/medical plans (multi-employer plans). In general, the contributions to the schemes are based on man hours worked or cargo tonnage handled, or a combination hereof.

For the defined benefit pension plans, the Group has joint and several liabilities to fund total obligations. While the welfare/medical plans are by nature contribution plans funded on a pay-as-you-go basis. In 2022, the Group's contributions to the pension and welfare/medical plans are estimated at USD 124m (USD 97m) and USD 371m (USD 320m), respectively. The contributions to be paid in 2023 are estimated at USD 125m (USD 97m) for the pension plans and USD 374m (USD 335m) for the welfare/medical plans.

No reliable basis exists for allocation of the schemes' obligations and plan assets to individual employer participants. For the pension plans where the Group has an interest and there is a deficit, the net obligations for all employer's amount to USD 19m (USD 97m). This net obligation is based on the most recent available financial data from the plan's trustees, calculated in accordance with the rules for such actuarial calculation in US GAAP. The deficit in some of the schemes may necessitate increased contributions in the future. Welfare/medical plans are pay-as-you-go and form a part of the Group's US collective bargaining agreements. They cover a limited part of employees' medical costs as occurred.

§ Accounting policy

Pension obligations are the net liabilities of defined benefit obligations and the dedicated assets adjusted for the effect of minimum funding and asset ceiling requirements. Plans with a funding surplus are presented as net assets on the balance sheet. The defined benefit obligations are measured at the present value of expected future payments to be made in respect of services provided by employees up to the balance sheet date. Plan assets are measured at fair value. The pension cost charged to the income statement consists of calculated amounts for vested benefits and interest in addition to settlement of gains or losses, etc. Interest on plan assets is calculated with the same rates as used for discounting the obligations. Actuarial gains/losses are recognised in other comprehensive income.

Pension plans where A.P. Moller - Maersk, as part of collective bargaining agreements, participates together with other enterprises – so called multi-employer plans – are treated as other pension plans in the financial statements. Defined benefit multi-employer plans, where sufficient information to apply defined benefit accounting is not available, are treated as defined contribution plans.

Note 4.4 Financial income and expenses

	2022	2021
Interest expenses on liabilities[1,4]	815	813
Borrowing costs capitalised on assets[2]	49	5
Interest income on loans and receivables	436	52
Fair value adjustment transferred from equity hedge reserve (loss)	33	37
Net interest expenses	**363**	**793**
Exchange rate gains on bank balances, borrowings and working capital	596	385
Exchange rate losses on bank balances, borrowings and working capital	586	374
Net foreign exchange gains/losses	**10**	**11**
Fair value gains from derivatives	54	102
Fair value losses from derivatives	319	251
Net fair value gains/losses	**-265**	**-149**
Dividends received from securities[3]	-	1
Gains on payable contingent consideration	-	3
Impairment losses on financial assets	13	26
Reversal of impairment losses on financial assets	2	9
Financial expenses, net	**629**	**944**
Of which:		
Financial income	1,088	552
Financial expenses	1,717	1,496

1 Of which USD 518m (USD 459m) relates to interest expense on lease liabilities.
2 The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.6% (3.3%).
3 Of which USD 0m (USD 1m) pertains to shares held at the end of the year and USD 0m (USD 0m) pertains to shares sold during the year.
4 Of which USD 0m (USD 37m) relates to expense from prepayment of issued bonds.

For an analysis of gains and losses from derivatives, reference is made to note 4.5.

Amounts in USD million

Note 4.5 Financial instruments and risks

The gain/losses of the derivatives are recognised as follows:	2022	2021
Hedging foreign exchange risk on revenue	-7	15
Hedging foreign exchange risk on operating costs	-127	40
Hedging interest rate risk	-33	-37
Hedging foreign exchange risk on the cost of non-current assets	-30	-2
Total effective hedging	**-197**	**16**
Ineffectiveness recognised in financial expenses	16	13
Total reclassified from equity reserve for hedges	**-181**	**29**
Derivatives accounted for as held for trading:		
Currency derivatives recognised directly in financial income/expenses	-276	-164
Interest rate derivatives recognised directly in financial income/expenses	-196	-92
Oil prices and freight rate derivatives recognised directly in other income/costs	-150	-165
Net gains/losses recognised directly in the income statement	**-622**	**-421**
Total	**-803**	**-392**

The Group's derivatives are presented at fair value in the balance sheet.

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

- Market risks, i.e., currency risk, interest rate risk and oil price 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.

Risk management is carried out by a central finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close cooperation with the Group's entities.

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. The sensitivity analyses in the currency risk and interest rate risk sections relate to the position of financial instruments at 31 December 2022.

The sensitivity analyses for currency risk and interest rate risk have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place at 31 December 2022. Furthermore, it is assumed that the exchange rate and 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 profit and equity of a reasonably possible change in exchange rates and interest rates.

Hedges comprise primarily currency derivatives and interest rate derivatives, which are further described in the following sections.

Currency risk

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

The main purpose of hedging the Group's currency risk is to hedge the USD value of the Group's net cash flow and reduce fluctuations in the Group's profit. The Group uses various financial derivatives, including forwards, option contracts and cross-currency swaps, to hedge these risks. The key aspects of the currency hedging policy are:

- Net cash flows in other significant currencies than USD are hedged using a layered model with a 12-months horizon
- Significant capital commitments or divestments in other currencies than USD are hedged
- Most non-USD debt is hedged, however, depending on the asset-liability match and the currency of the generated cash flow.

Currency derivatives hedge future revenue, operating costs and investments/divestments, and are recognised on an ongoing basis in the income statement and the cost of property, plant and equipment, respectively. There is not any proxy hedging for the currency risk hedging, and therefore the economic relationship between the hedged exposure and the hedge is high. Effectiveness is assessed using the critical terms match approach according to IFRS 9.

Hedges of future revenue and operating costs matures within a year (matures within a year). Hedges of investments matures within a year (matures within a year).

For hedges related to operating cash flows and investments, a gain of USD 94m in 2022 (loss of USD 150m) is recognised in other comprehensive income, and the cash flow hedge reserve amounts to a gain of USD 53m at 31 December (loss of USD 41m). For hedges where the cost of hedging is applied, the forward points are recognised in other comprehensive income and transferred with the effective hedge when the hedged transaction occurs. The cost of hedging reserve amounts to USD 0m (USD 0m). There was no ineffectiveness in 2022 (no ineffectiveness).

Besides the designated cash flow hedges in the table, the Group uses derivatives to hedge currency exposures that do not qualify for hedge accounting. These derivatives are classified as fair value through profit or loss. The average FX hedge rates for swaps in cash flow hedge were EUR/USD 1.18 (1.18), GBP/USD 1.52 (1.52), USD/NOK 8.25 (8.25) and USD/SEK 8.88 (8.88). The average FX hedge rates for swaps in combined fair value hedge were EUR/USD 1.24 (1.24), GBP/USD 1.52 (1.52), USD/NOK 8.25 (8.25), and USD/JPY 119.39 (119.39).

Amounts in USD million

Note 4.5 Financial instruments and risks – continued

Hedge of operating cash flows and investments in foreign currencies	Fair value, asset	Fair value, liability	Nominal amount of derivative	Average hedge rate
Main currencies hedged				
2022				
EUR	24	5	749	EUR/USD 1.05
DKK	14	3	312	USD/DKK 7.08
HKD	1	-	210	USD/HKD 7.81
Other currencies	35	15	1,056	N/A
Total	**74**	**23**		**-**
2021				
EUR	5	25	876	EUR/USD 1.20
DKK	-	10	282	USD/DKK 6.32
HKD	-	1	179	USD/HKD 7.78
Other currencies	10	20	849	N/A
Total	**15**	**56**		

Derivatives recognised at fair value in the balance sheet	2022	2021
Non-current receivables	10	33
Current receivables	198	40
Non-current liabilities	495	217
Current liabilities	77	95
Assets, net	**-364**	**-239**

	Fair value	
Recognised at fair value through profit and loss	2022	2021
Currency derivatives	86	-14
Total	**86**	**-14**

The Group's sensitivity to an increase in the USD exchange rate of 10% against all other significant currencies to which the Group is exposed is estimated to have the following impact.

The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date and are thus not an expression of the Group's total currency risk.

	Profit before tax		Equity before tax	
Currency sensitivity for financial instruments	2022	2021	2022	2021
EUR	30	-108	-38	-141
CNY	34	-88	27	-88
DKK	-221	-25	-249	-51
Other	-133	-154	-224	-208
Total	**-290**	**-375**	**-484**	**-488**

Amounts in USD million

Note 4.5 Financial instruments and risks – continued

Interest rate risk

Interest rate hedging of borrowings	Fair value, asset	Fair value, liability	Nominal amount of derivative	Maturity 0-1 year	Maturity 2-5 years	Maturity 5- years	Gain/loss on hedged item	Gain/loss on hedging instru-ment	Average hedge rate
2022									
Combined fair value hedge, hedge of borrowings									
EUR	-	127	486	-	401	85	35	-54	6.2%
GBP	-	29	84	-	84	-	4	-7	6.8%
JPY	-	12	95	-	95	-	-	-3	6.1%
NOK	-	64	223	-	223	-	17	-22	6.8%
Fair value hedge, hedge of borrowings									
USD	-	73	900	-	500	400	75	-73	6.7%
Cash flow hedge, hedge of borrowings									
EUR	-	145	934	-	400	534	-	-56	3.2%
GBP	-	77	277	-	277	-	-	-5	4.6%
NOK	-	5	26	26	-	-	-	-	3.3%
SEK	-	11	61	-	61	-	-	-	1.7%
USD	11	-	391	150	200	41	-	12	2.7%
Total	**11**	**543**	**3,477**	**176**	**2,241**	**1,060**	**131**	**-208**	
2021									
Combined fair value hedge, hedge of borrowings									
EUR	2	31	516	-	425	91	-33	16	1.8%
GBP	-	11	95	-	95	-	-3	1	2.5%
JPY	3	-	109	-	109	-	-2	-2	1.7%
NOK	-	27	250	-	250	-	5	-11	2.5%
Fair value hedge, hedge of borrowings									
USD	30	-	900	-	500	400	-29	30	2.2%
Cash flow hedge, hedge of borrowings									
EUR	-	69	992	-	425	567	-	-35	3.2%
GBP	-	49	311	-	311	-	-	-11	4.6%
NOK	-	2	29	-	29	-	-	-1	3.3%
SEK	-	-	74	-	74	-	-	-	0.0%
USD	2	42	948	-	230	718	-	-39	2.3%
Total	**37**	**231**	**4,224**	**-**	**2,448**	**1,776**	**-62**	**-52**	

The Group has most of its debt denominated in USD, but part of the debt (e.g., issued bonds) is in other currencies such as EUR, GBP, NOK, and JPY. The Group strives to maintain a combination of fixed and floating interest rates on its net debt, reflecting expectations and risks.

The hedging of interest rate risk is governed by a range of gross debt paying fixed interest. The level at 31 December is 43% (41%) excluding IFRS 16 leases.

A general increase in interest rates by one percentage point is estimated, all else being equal, to affect profit before tax and equity, excluding tax effect, positively by approx. USD 215m (positively by USD 152m) and positively by approx. USD 199m (positively by USD 146m), respectively.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The hedging of the interest rate risk is done by cross-currency swaps and interest rate swaps. The hedging is a mix of fair value hedging, combined fair value hedging and cash flow hedging.

The hedges are expected to be highly effective due to the nature of the economic relationship between the exposure and the hedge. The source of ineffectiveness is the credit risk of the hedging instruments. For hedges where the cost of hedging is applied, the change in basis spread is recognised in other comprehensive income and is a time effect during the lifetime of the swap and at maturity amounts to 0. If the hedged transaction is prepaid, the change in basis spread will be recognised in profit or loss as ineffectiveness. The cost of hedging reserve amounts to a gain of USD 15m (gain of USD 6m).

Amounts in USD million

Note 4.5 Financial instruments and risks – continued

Borrowings and lease liabilities by interest rate levels inclusive of interest rate swaps	Carrying amount	Next interest rate fixing 0-1 year	1-5 years	5- years
2022				
0-3%	1,095	202	120	773
3-6%	12,117	3,607	5,214	3,296
6%-	2,431	1,918	231	282
Total	**15,643**	**5,727**	**5,565**	**4,351**
Of which:				
Bearing fixed interest	13,400			
Bearing floating interest	2,243			
2021				
0-3%	3,510	2,531	-29	1,008
3-6%	11,124	2,306	5,426	3,392
6%-	701	71	239	391
Total	**15,335**	**4,908**	**5,636**	**4,791**
Of which:				
Bearing fixed interest	12,908			
Bearing floating interest	2,427			

Oil price risk

	Quantity, million metric tonnes	Average trade price per metric tonne	Average duration	Fair value	Maturity 0-3 months	4-12 months
2022						
Oil swaps	**-1**		**0-1 year**	**25**	**20**	**5**
Buy	10	517		-132	-135	3
Sell	-11	512		157	155	2
Oil futures	**-**		**0-1 year**	**5**	**5**	**-**
Buy	1	739		-2	-3	1
Sell	-1	749		7	8	-1
Total	**-1**			**30**	**25**	**5**
2021						
Oil swaps	**-1**		**0-1 year**	**10**	**11**	**-1**
Buy	9	563		165	161	4
Sell	-10	492		-155	-150	-5
Oil futures	**-**		**0-1 year**	**-**	**-1**	**1**
Buy	1	564		11	10	1
Sell	-1	480		-11	-11	-
Total	**-1**			**10**	**10**	**-**

The majority of the Group's trading of commodity products is related to inventory stocks of crude oil and bunker oil, as the products are bought in larger quantities and stored for processing and re-sale. The oil price risk arising from these oil price exposures is mitigated by entering into commodity derivative agreements. The overall exposure limit is set in the Group's risk policy, defining a maximum net open position for the Group. On 31 December 2022, the Group has entered into oil derivative positions shown in the table.

Amounts in USD million

Note 4.5 Financial instruments and risks – continued

Credit risk

Maturity analysis of trade receivables	2022	2021
Receivables not due	5,220	4,090
Less than 90 days overdue	1,660	1,285
91 – 365 days overdue	264	133
More than 1 year overdue	92	100
Receivables, gross	7,236	5,608
Provision for bad debt	265	205
Carrying amount	**6,971**	**5,403**

The loss allowance provision for trade receivables as at 31 December 2022 reconciles to the opening loss allowance as follows:

Change in provision for bad debt	2022	2021
1 January	205	170
Provision made	331	196
Amount used	105	81
Amount reversed	165	81
Acquired in business combinations	13	-
Transfers, assets held for sale	-13	-1
Exchange rate adjustments and others	-1	2
31 December	**265**	**205**

Trade receivables
The Group has exposure to financial and commercial counterparties, but has no particular concentration of customers or suppliers. To minimise the credit risk, financial vetting is undertaken for all major customers and financial institutions, adequate security is required for commercial counterparties, and credit limits are set for financial institutions and key commercial counterparties.

The Group applies the simplified approach to providing the expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In accordance with IFRS 9, non-due trade receivables have also been considered for impairment.

Approximately 31% (44%) of the provision for bad debt is related to trade receivables overdue by more than one year.

Other financial assets at amortised cost
Other financial assets at amortised cost comprise loans receivable, finance lease receivables and other receivables. These financial assets are considered to have low credit risk, and thus the impairment provision calculated based on 12 months of expected losses is considered immaterial. The financial assets are considered to be low risk when they have a low risk of default, and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial institutions
Deposits and bank balances are primarily held in relationship banks with a credit rating of at least A-. No individual counter-party exposure is above 10%. A.P. Moller - Maersk has ISDA agreements for trading of derivatives, under which the Group has a right to net settlement in the event of certain credit events. This results in the credit risk being limited to the net position per counterparty.

Liquidity risk

Net interest-bearing debt and liquidity reserve	2022	2021
Borrowings	15,643	15,335
Net interest-bearing debt (net cash position)	-12,632	-1,530
Cash and bank balances	10,057	11,832
Restricted cash	-1,358	-1,319
Term deposits not included in cash and cash balances	17,615	5,025
Securities	942	3
Undrawn revolving credit facilities > 12 months	6,000	6,000
Liquidity reserve[1]	**33,256**	**21,541**

1 Liquidity reserve is defined as undrawn committed revolving facilities with more than one year to expiry, securities, term deposits not included in cash and bank balances and cash and bank balances, excluding securities and balances in countries with exchange control or other restrictions.

For information about cash and bank balances in countries with exchange control or other restrictions, please see text to the consolidated cash flow statement.

Based on the liquidity reserve, loans for the financing of specific assets, the maturity of outstanding loans, and the current investment profile, the Group's financial resources are deemed satisfactory.

The average term to maturity of loan facilities in the Group was about five years (about six years) at 31 December 2022.

Amounts in USD million

Note 4.5 Financial instruments and risks – continued

Maturities of liabilities and commitments	Carrying amount	Cash flows including interest 0-1 year	1-5 years	5- years	Total
2022					
Bank and other credit institutions	1,053	293	493	550	1,336
Lease liabilities	11,614	3,479	6,467	4,239	14,185
– hereof interest		448	1,010	1,113	2,571
Issued bonds	2,976	113	2,141	1,130	3,384
Trade payables	6,804	6,804	-	-	6,804
Other payables	1,846	1,696	129	21	1,846
Non-derivative financial liabilities	**24,293**	**12,385**	**9,230**	**5,940**	**27,555**
Derivatives	572	77	356	139	572
Total recognised in balance sheet	**24,856**	**12,462**	**9,586**	**6,079**	**28,127**
Capital commitments		1,313	3,007	705	5,025
Total		**13,775**	**12,593**	**6,784**	**33,152**
2021					
Bank and other credit institutions	1,443	505	484	652	1,641
Lease liabilities	10,551	2,797	6,100	4,222	13,119
– hereof interest		399	974	1,195	2,568
Issued bonds	3,341	91	2,510	1,258	3,859
Trade payables	6,241	6,241	-	-	6,241
Other payables	1,487	1,333	141	13	1,487
Non-derivative financial liabilities	**23,063**	**10,967**	**9,235**	**6,145**	**26,347**
Derivatives	312	95	181	36	312
Total recognised in balance sheet	**23,375**	**11,062**	**9,416**	**6,181**	**26,659**
Capital commitments		1,097	1,691	495	3,283
Total		**12,159**	**11,107**	**6,676**	**29,942**

It is of great importance for the Group to maintain a financial reserve to cover the Group's obligations and investment opportunities and to provide the capital necessary to offset changes in the Group's liquidity due to changes in the cash flow from operating activities.

The flexibility of the financial reserve is subject to ongoing prioritisation and optimisation, among other things by focusing on the release of capital and following up on the development in working capital.

§ Accounting policy

Derivative financial instruments are recognised on the trading date and measured at fair value using generally acknowledged valuation techniques based on relevant observable swap curves and exchange rates.

The effective portion of changes in the value of derivative financial instruments designated to hedge highly probable future transactions is recognised in other comprehensive income until the hedged transactions are realised. At that time, the accumulated gains/losses are transferred to the items under which the hedged transactions are recognised. The effective portion of changes in the value of derivative financial instruments used to hedge the value of recognised financial assets and liabilities is recognised in the income statement together with changes in the fair value of the hedged assets or liabilities that can be attributed to the hedging relationship. Currency basis spread and forward points are considered a cost of hedging and deferred in equity.

The ineffective portion of hedge transactions and changes in the fair values of derivative financial instruments, which do not qualify for hedge accounting, are recognised in the income statement as financial income or expenses for interest and currency-based instruments, and as other income/costs for oil price hedges and forward freight agreements.

Amounts in USD million

Note 4.6 Financial instruments by category

	Carrying amount		Fair value[3]	
	2022	2021	2022	2021
Carried at amortised cost				
Loan receivables	17,677	5,143	17,618	
Lease receivables	13	19		
Other interest-bearing receivables and deposits	106	63		
Trade receivables	6,971	5,403		
Other receivables (non-interest-bearing)	1,680	891		
Securities	942	-		
Cash and bank balances	10,057	11,832		
Financial assets at amortised cost	**37,446**	**23,351**		
Derivatives	**208**	**73**		
Carried at fair value through profit/loss				
Other receivables (non-interest-bearing)[1]	3	4		
Securities	-	3		
Financial assets at fair value through profit or loss	**3**	**7**		
Carried at fair value through other comprehensive income				
Equity investments (FVOCI)[2]	377	318		
Financial assets at fair value through OCI	**377**	**318**		
Total financial assets	**38,034**	**23,749**		
Carried at amortised cost				
Bank and other credit institutions	1,053	1,443	1,054	1,442
Lease liabilities	11,614	10,551		
Issued bonds	2,976	3,341	2,855	3,537
Trade payables	6,804	6,241		
Other payables	1,716	1,377		
Financial liabilities at amortised cost	**24,163**	**22,953**		
Derivatives	**572**	**312**		
Carried at fair value				
Other payables	130	110		
Financial liabilities at fair value	**130**	**110**		
Total financial liabilities	**24,865**	**23,375**		

1 Relates to contingent considerations receivable.
2 Designated at initial recognition in accordance with IFRS 9.
3 Where no fair value is stated, the amount equals carrying amount.

Movement during the year in level 3	Other equity investments (FVOCI)	Other receivables	Total financial assets	Other payables	Total financial liabilities
Carrying amount 1 January 2022	263	3	266	110	110
Additions	36	-	36	84	84
Disposals	28	-	28	63	63
Gains/losses recognised in the income statement	-	-	-	-2	-2
Gains/losses recognised in other comprehensive income	71	-	71	-	-
Exchange rate adjustments, etc.	-	-	-	1	1
Carrying amount 31 December 2022	**342**	**3**	**345**	**130**	**130**
Carrying amount 1 January 2021	89	3	92	58	58
Additions	62	-	62	63	63
Gains/losses recognised in other comprehensive income	130	-	130	-	-
Transfers to level 1	-18		-18		
Exchange rate adjustments, etc.	-	-	-	-11	-11
Carrying amount 31 December 2021	**263**	**3**	**266**	**110**	**110**

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) and
Level 3 — Inputs for the asset or liability that are not based on observable market data.

Fair value of listed securities is within level 1 of the fair value hierarchy. Non-listed shares and other securities are within level 3 of the fair value hierarchy.

Fair value of derivatives is mainly within level 2 of the fair value hierarchy and is calculated based on observable market data as of the end of the reporting period. A minor amount of crude oil price derivatives is within level 1 of the fair value hierarchy.

Fair value of level 3 assets and liabilities is primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Group's profit or equity significantly.

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.

Fair value of listed issued bonds is within level 1 of the fair value hierarchy. Fair value of the remaining borrowing items is within level 2 of the fair value hierarchy and is calculated based on discounted future cash flows.

Other equity investments (FVOCI)
The Group has investments in equity shares of both listed and non-listed companies. The Group holds non-controlling interests (between 0.1% and 15%) in these companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

Amounts in USD million

5. Other disclosures

Global shipping activity is subject to various tax regimes, including tonnage tax which calculates corporate income tax based on the net tonnage of the fleet. These regimes apply to the vast majority of A.P. Moller - Maersk's activities and result in a stable annual tax liability.

Given that the liability to tonnage tax is not impacted by financial profits, and is payable even in loss-making years, the effective tax rate can fluctuate significantly.

Further, disclosures are given on other statutory information not directly related to the operating activities of the Group.

Note 5.1 Tax and deferred tax

	2022	2021
Tax recognised in the income statement		
Current tax on profits for the year	782	582
Adjustment for current tax of prior periods	44	93
Utilisation of previously unrecognised deferred tax assets	-23	-6
Total current tax	**803**	**669**
Origination and reversal of temporary differences	-143	-58
Adjustment for deferred tax of prior periods	49	10
Adjustment attributable to changes in tax rates and laws	-	-5
Recognition of previously unrecognised deferred tax assets	-	-79
Reassessment of recoverability of deferred tax assets, net	1	22
Total deferred tax	**-93**	**-110**
Total income tax	**710**	**559**
Tonnage and freight tax	200	138
Total tax expense	**910**	**697**
Tax reconciliation		
Profit/loss before tax	30,231	18,730
Profit/loss subject to Danish and foreign tonnage taxation, etc.	-28,999	-17,578
Share of profit/loss in joint ventures	192	-162
Share of profit/loss in associated companies	-324	-324
Profit/loss before tax, adjusted	**1,100**	**666**
Tax using the Danish corporation tax rate (22%)	242	147
Tax rate deviations in foreign jurisdictions	31	55
Non-taxable income	-21	-41
Non-deductible expenses	171	153
Adjustment to previous years' taxes	94	103
Effect of changed tax rate	-	-5
Change in recoverability of deferred tax assets	-22	-63
Deferred tax asset not recognised	29	42
Other differences, net	186	168
Total income tax	**710**	**559**
Effective tax rate	3.0%	3.7%
Tax recognised in other comprehensive income and equity	**-20**	**-**
Of which:		
Current tax	-26	9
Deferred tax	6	-9

Amounts in USD million

Note 5.1 Tax and deferred tax – continued

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net liabilities	
	2022	2021	2022	2021	2022	2021
Intangible assets	44	54	453	232	409	178
Property, plant and equipment	51	46	314	310	263	264
Provisions, etc.	248	155	173	55	-75	-100
Tax loss carry-forwards	103	134	-	-	-103	-134
Other	119	92	106	48	-13	-44
Total	**565**	**481**	**1,046**	**645**	**481**	**164**
Offsets	-166	-125	-163	-125	3	-
Total	**399**	**356**	**883**	**520**	**484**	**164**

Change in deferred tax, net, during the year	2022	2021
1 January	**164**	**276**
Intangible assets	39	-49
Property, plant and equipment	21	22
Provisions, etc.	-146	-37
Tax loss carry-forwards	27	-51
Other	-34	5
Recognised in the income statement	**-93**	**-110**
Transfer to held for sale	-14	1
Other including business combinations	427	-3
31 December	**484**	**164**

Unrecognised deferred tax assets	2022	2021
Deductible temporary differences	125	140
Tax loss carry-forwards	782	770
Unused tax credits	11	10
Total	**918**	**920**

The unrecognised deferred tax assets have no significant time limitations. There are no substantial unrecognised tax liabilities on investments in subsidiaries, associated companies and joint ventures.

Taxation of activities
As a global integrator of container logistics, A.P. Moller - Maersk generates profits from ocean, air or land-based activities. The land-based activities, which are subject to normal corporate income tax, include terminals, logistics, services and shipping agencies through which the Group operate one of the world's most comprehensive port and integrated logistics service networks. The logistics products include transportation, warehousing and distribution including cold storage, customs services and supply chain management services. This expanding land-based activity has prompted the establishment and acquisition of entities in numerous countries.

On the ocean, A.P. Moller - Maersk moves over 26m TEUs every year and operates 700+ vessels delivering cargo to every corner of the globe, including dry cargo commodities, refrigerated cargo and dangerous cargo. This ocean activity, which represents the vast majority of the Group's current revenues, may be subject to special shipping tax rules, including tonnage and freight taxes.

Significant accounting estimates

Deferred tax assets
Judgement has been applied with respect to A.P. Moller - Maersk's ability to utilise deferred tax assets. Management considers the likelihood of utilisation based on the latest business plans and the recent financial performances of the individual entities. Net deferred tax assets recognised in entities having recognised an accounting loss in either the current or preceding period amount to USD 163m (USD 124m). These assets mainly relate to the tax value of the difference between the accounting value and the fair market value of the bond debt as well as to unused tax losses or deductible temporary differences generated during the construction of terminals, where taxable profits have been generated either in the current period or are expected to be generated within the foreseeable future.

Uncertain tax positions
A.P. Moller - Maersk is engaged in a number of disputes with tax authorities of varying scope. Appropriate provisions and recognition of uncertain tax positions have been made where the probability of the tax position being upheld in individual cases is considered less than 50%. Claims for which the probability of A.P. Moller - Maersk's tax position being upheld is assessed by management to be at least 50%, are not provided for. Such risks are instead evaluated on a portfolio basis by geographical area and country risk. Provisions and uncertain tax liabilities are recognised when the aggregated probability of the tax position being upheld is considered less than 50%.

Accounting policy

Tax comprises an estimate of current and deferred income tax as well as adjustments to previous years taxes. Income tax is tax on taxable profits, and consists of corporation tax, withholding tax of dividends, etc. In addition, tax comprises tonnage tax. Tonnage tax is classified as tax when creditable in, or paid in lieu of, income tax. Tax is recognised in the income statement to the extent that it arises from items recognised in the income statement, including tax on gains on intra-group transactions that have been eliminated in the consolidation.

Deferred tax is calculated on temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax is not recognised for differences on the initial recognition of assets or liabilities, where at the time of the transaction neither accounting nor taxable profit/loss is affected, unless the differences arise in a business combination. In addition, no deferred tax is recognised for undistributed earnings in subsidiaries, when A.P. Moller - Maersk controls the timing of dividends. No taxable dividends are currently expected. A deferred tax asset is recognised to the extent that it is probable that it can be utilised within a foreseeable future.

Amounts in USD million

Note 5.2 Share-based payments

	Members of the Executive Board[1]	Other key management personnel and employees[4]	Total	Total fair value [1,2]
Outstanding restricted shares	No.	No.	No.	USD million
1 January 2022	5,268	16,618	21,886	
Granted	1,289	5,431	6,720	17
Exercised and vested[3]	-	4,458	4,458	
Forfeited	-	338	338	
Outstanding 31 December 2022	**6,557**	**17,253**	**23,810**	
1 January 2021	3,493	14,198	17,691	
Granted	1,775	6,107	7,882	19
Exercised and vested[3]	-	3,542	3,542	
Forfeited	-	134	134	
Cancelled	-	11	11	
Outstanding 31 December 2021	**5,268**	**16,618**	**21,886**	

1 The fair value per RSU is equal to the volume weighted average share price on the date of grant i.e., 1 April 2022 (1 April 2021), adjusted for expected dividends during the vesting period. The fair value per RSU is 17,466 DKK (14,793 DKK) for Employees and 15,763 DKK (14,793 DKK) for Members of the Executive Board and other key management personnel.
2 Total fair value is at the time of grant.
3 The weighted average share price at the settlement date was DKK 20,372 (DKK 14,793).
4 Restricted shares granted to other key management personnel during the year was 115 (154) and outstanding at year-end was 403 (428).

Restricted shares plan

Restricted shares are awarded to certain key employees and members of the Executive Board annually. Each restricted share granted is a right to receive an existing B share of nominal DKK 1,000 in A.P. Møller - Mærsk A/S.

Transfer of restricted shares is contingent upon the employee still being employed and not being under notice of termination, and takes place when three years have passed from the date of grant. For members of the Executive Board and other key management personnel, the vesting period is five years.

The members of the Executive Board, other key management personnel and employees are not entitled to any dividends during the vesting period. Special conditions apply regarding illness, death and resignation as well as changes in the company's capital structure, etc. A part of A.P. Møller - Mærsk A/S' treasury B shares will be used to meet the company's obligations in connection with the restricted shares plan.

The recognised remuneration expense related to the restricted shares plan is USD 15m (USD 9m).

The average remaining contractual life for the outstanding restricted shares as per 31 December 2022 is 1.6 years (1.8 years).

	Members of the Executive Board	Other key management personnel and employees[2]	Total	Average exercise price	Total fair value
Outstanding share options	No.	No.	No.	DKK	USD million
1 January 2022	24,930	77,831	102,761	9,873	
Granted	4,677	15,481	20,158	25,096	9
Exercised[1]	8,866	18,486	27,352	7,998	
Forfeited	1,141	1,390	2,531	19,818	
Outstanding 31 December 2022	**19,600**	**73,436**	**93,036**	**13,452**	
Exercisable 31 December 2022	**-**	**7,071**	**7,071**	**8,637**	
1 January 2021	20,540	67,890	88,430	8,670	
Granted	7,323	20,891	28,214	13,754	17
Exercised	2,933	10,950	13,883	9,988	
Outstanding 31 December 2021	**24,930**	**77,831**	**102,761**	**9,873**	
Exercisable 31 December 2021	**3,496**	**4,080**	**7,576**	**9,941**	

1 The weighted average share price at the dates of exercise of share options exercised in 2022 was DKK 19,833 (DKK 16,490).
2 Share options granted to other key management personnel during the year was 570 (828) and outstanding at year-end was 2,243 (2,378).

Share options plan

In addition to the restricted shares plan, A.P. Moller - Maersk has a share option plan for members of the Executive Board and other key employees. Each share option granted is a call option to buy an existing B share of nominal DKK 1,000 in A.P. Møller - Mærsk A/S.

The share options are granted at an exercise price corresponding to 110% of the average of the market price on the first five trading days following the release of A.P. Møller - Mærsk A/S' most recent Annual Report. Exercise of the share options is contingent upon the option holder still being employed at the time of vesting, which takes place when three years have passed from the date of grant. The share options can then be exercised when at least three years and no more than six years (seven years for share options granted to employees not members of the Executive Board) have passed from the date of grant. Special conditions apply regarding illness, death, and resignation as well as changes in the company's capital structure, etc.

The share options can only be settled in shares. A part of A.P. Møller - Mærsk A/S' holding of treasury B shares will be used to meet the company's obligations in respect of the share option plan.

The recognised remuneration expense related to the share option plan is USD 11m (USD 8m).

The average remaining contractual life for the outstanding stock options as per 31 December 2022 is 4.6 years (4.8 years), and the range of exercise prices for the outstanding stock options as per 31 December 2022 is DKK 7,605 to DKK 25,096 (DKK 7,605 to DKK 13,754).

Note 5.2 Share-based payments – continued

The following principal assumptions are used in the valuation:

	Share options granted to members of the Executive Board and other key management personnel		Share options granted to employees	
Outstanding share options	2022	2021	2022	2021
Share price, volume weighted average at the date of grant, 1 April, DKK	20,372	14,793	20,372	14,793
Share price, five days volume weighted average after publication of Annual Report, DKK	22,814	12,503	22,814	12,503
Exercise price, DKK	25,096	13,754	25,096	13,754
Expected volatility (based on historic volatility)	33%	33%	33%	33%
Expected term (years)	5	5	5.75	5.75
Expected dividend yield	5.0%	2.2%	5.0%	2.2%
Risk-free interest rate	0.31%	-0.47%	0.35%	-0.43%
Fair value per option at grant date, DKK	2,859	3,670	3,082	3,837

The fair value of the options granted is based on the Black-Scholes option pricing model using the assumptions in the table above.

§ Accounting policy

Equity-settled restricted shares and share options awarded to members of the executive board and to employees of A.P. Moller - Maersk as part of A.P. Moller - Maersk's long-term incentive programme are recognised as remuneration expense over the vesting period as per the estimated fair value at the grant date and result in a corresponding adjustment to equity.

At the end of each reporting period, A.P. Moller - Maersk revises its estimated number of awards that are expected to vest based on the non-market vesting conditions and service conditions. Any impact of the revision is recognised in the income statement with a corresponding adjustment to equity.

Note 5.3 Commitments

The future charter and operating lease payments are:

Lease commitments	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Total
2022					
Within one year	53	41	12	2	108
Total	**53**	**41**	**12**	**2**	**108**
2021					
Within one year	101	4	13	4	122
Total	**101**	**4**	**13**	**4**	**122**

Capital commitments	Ocean	Logistics & Services	Terminals	Towage & Maritime Services	Total
2022					
Capital commitments relating to the acquisition of non-current assets	3,036	140	414	505	4,095
Commitments towards concession grantors	-	-	930	-	930
Total capital commitments	**3,036**	**140**	**1,344**	**505**	**5,025**
2021					
Capital commitments relating to the acquisition of non-current assets	1,753	89	183	87	2,112
Commitments towards concession grantors	208	-	963	-	1,171
Total capital commitments	**1,961**	**89**	**1,146**	**87**	**3,283**

Short-term and low-value leases

As part of the Group's activities, customary agreements are entered into regarding charter and operating leases of ships, containers, port facilities, etc.

The increase in capital commitments is primarily related to new vessel contracts entered into during 2022.

USD 5.0bn (USD 3.3bn) relates to investments, mainly within the Ocean and Terminals segments.

Commitments related to the newbuilding programme for container vessels are USD 2.7bn (USD 1.1bn), USD 389m (USD 0m) for other vessels related to vertical installers, USD 110m (USD 77m) for tugboats and USD 89m (USD 89m) for aircraft.

Amounts in USD million

Note 5.3 Commitments – continued

Newbuilding programme at 31 December 2022	2023	2024	2025	2026	Total
Container vessels	1	8	10	-	19
Aircraft	-	-	2	-	2
Tugboats	21	2	-		23
Other vessels	-	-	1	-	1
Total	**22**	**10**	**13**	**-**	**45**

Capital commitments relating to the newbuilding programme at 31 December 2022	2023	2024	2025	2026	Total
Container vessels	414	1,091	1,159	-	2,664
Aircraft	-	-	89	-	89
Tugboats	107	3	-		110
Other vessels	22	-	367	-	389
Total	**543**	**1,094**	**1,615**	**-**	**3,252**

Note 5.4 Contingent liabilities

Except for customary agreements within the Group's activities, no material agreements have been entered into that will take effect, change, or expire upon changes of the control over the company.

Custom bonds of USD 472m (USD 490m) have been provided to various port authorities in India.

Maersk Line and APM Terminals have entered into agreements with terminals and port authorities, etc., containing volume commitments, including an extra payment in case minimum volumes are not met.

The Group is involved in several legal cases, tax and other disputes. Some of these involve significant amounts and are subject to considerable uncertainty. Management continuously assesses the risks associated with the cases and disputes, and their likely outcome. It is the opinion of management that, apart from items recognised in the financial statements, the outcome of these cases and disputes are not probable or cannot be reliably estimated in terms of amount or timing. The Group does not expect these to have a material impact on the consolidated financial statements.

Tax may crystallise on repatriation of dividends. Through participation in a joint taxation scheme with A.P. Møller Holding A/S, the Danish companies are jointly and severally liable for taxes payable, etc., in Denmark.

As part of the divestment of Mærsk Olie & Gas A/S (MOGAS) to Total S.A. in 2018, A.P. Møller - Mærsk A/S has assumed a secondary liability related to the decommissioning of the offshore facilities in Denmark by issuance of a declaration. A.P. Møller - Mærsk A/S assesses the risk of economic outflows because of this secondary liability as very remote.

Note 5.5 Cash flow specifications

	2022	2021
Change in working capital		
Trade receivables	-1,018	-1,909
Other working capital movements	-731	346
Exchange rate adjustment of working capital	-59	-47
Total	**-1,808**	**-1,610**
Purchase of intangible assets and property, plant and equipment		
Additions[1]	-8,205	-8,240
Of which right-of-use assets	4,210	4,722
Of which borrowing costs capitalised on assets	49	5
Change in payables to suppliers regarding purchase of assets, etc.	-217	537
Total	**-4,163**	**-2,976**

1 Additions to intangible assets of USD 349m (USD 224m), property, plant and equipment of USD 3.6bn (USD 3.3bn), right-of-use assets of USD 4.2bn (USD 4.7bn) and assets held for sale of USD 5m (USD 10m).

Significant accounting judgements

Operations in countries with limited access to repatriating surplus cash
A.P. Moller - Maersk operates worldwide and, in this respect, has operations in countries where the ability to repatriate surplus cash is complicated and time consuming. In these countries, management makes judgements as to whether these cash positions can be recognised as cash or cash equivalents.

Accounting policy

Cash flow from operating activities includes all cash transactions other than cash flows arising from investing and financing activities such as investments and divestments, received dividends, principal payments of loans, instalments on lease liabilities, paid and received financial items and equity transactions. Capitalisation of borrowing costs is considered as a non-cash item, and the actual payments of these borrowing costs are included in cash flow from financing.

Cash and cash equivalents comprise cash and bank balances net of bank overdrafts where overdraft facilities form an integral part of A.P. Moller - Maersk's cash management.

Amounts in USD million

Note 5.6 Related parties

	Controlling parties		Associated companies		Joint ventures		Management[1]	
	2022	2021	2022	2021	2022	2021	2022	2021
Income statement								
Revenue	4	10	52	25	186	197	-	-
Operating costs	38	27	550	598	593	667	14[2]	12[2]
Remuneration to management	-	-	-	-	-	-	34	25
Financial income	45	37	-	-	-	-	-	-
Other	-	-	-	-	2	2	-	-
Assets								
Other receivables, non-current	-	3	-	-	27	32	-	-
Trade receivables	1	2	35	31	11	20	-	-
Other receivables, current	380	145	9	38	16	14	-	-
Cash and bank balances	730	721	-	-	-	-	-	-
Liabilities								
Bank and other credit institutions, etc., current	-	-	-	-	44	23	-	-
Trade payables	-	-	62	71	82	88	2	2
Other	45	16	-	-	3	19	-	-
Shares bought back	1,332[3]	738[3]	-	-	-	-	-	-
Capital increase	-	-	31	49	1	33	-	-
Dividends earned	-	-	191	152	137	134	-	-
Dividends distributed	3,613[4]	554[4]	-	-	-	-	-	-

1 The Board of Directors and the Executive Board in A.P. Møller - Mærsk A/S, A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and their close relatives (including undertakings under their control). Trade receivables and payables include customary business-related accounts regarding shipping activities.
2 Includes commission and commercial receivables to Maersk Broker K/S from chartering as well as the purchase and sale of ships.
3 Includes shares bought back from A.P. Møller Holding A/S (2022 and 2021) and A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond (the Foundation) (2022).
4 Includes dividends paid to A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond (the Foundation) and Den A.P. Møllerske Støttefond.

Joint usage agreement with A.P. Møller Holding A/S

With the objective of further strengthening the value of the brands, in 2018 A.P. Møller - Mærsk A/S entered into a joint usage agreement with A.P. Møller Holding A/S regarding the use of commonly used trademarks which historically have benefited both A.P. Møller - Mærsk A/S and A.P. Møller Holding A/S. A.P. Møller Holding A/S is the controlling shareholder of A.P. Møller - Mærsk A/S and is wholly owned by A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal. The joint usage agreement establishes a framework and a branding strategy for the commonly used trademarks and a joint brand board, where the parties can cooperate regarding the use of these trademarks.

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.

Share buy-back programme

According to a separate agreement, A.P. Møller Holding A/S and A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond (the Foundation) participate on a pro rata basis to the shares purchased in the company's share buy-back programme. A.P. Møller Holding A/S participates in selling A and B shares and A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond (the Foundation) participates in selling B shares.

Note 5.7 Subsequent events

On 2 January 2023, the acquisitions of Martin Bencher Group and Grindrod Intermodal Group were closed. Reference is made to note 3.4 Acquisition/sale of subsidiaries and activites.

A.P. Moller - Maersk announced a new organisational structure and a new Executive Leadership Team effective from 1 February 2023 following the appointment of Vincent Clerc as CEO of A.P. Moller - Maersk effective from 1 January 2023.

On 27 January 2023 it was announced to move towards a singular and unified Maersk brand.

Amounts in USD million

Company overview

A.P. Moller - Maersk comprises more than 830 companies of which the largest are listed below. The Danish Financial Statements Act section 97a, par. 4 has been applied in the company overview. A more comprehensive list of companies is available at:
→ investor.maersk.com/financial-reports

Subsidiaries

Company	Country of incorporation	Owned share
A.P. Moller Singapore Pte. Ltd.	Singapore	100%
Aliança Navegação e Logística Ltda.	Brazil	100%
APM Terminals Algeciras S.A.	Spain	100%
APM Terminals Apapa Ltd.	Nigeria	94%
APM Terminals B.V.	Netherlands	100%
APM Terminals Barcelona S.L.U.	Spain	100%
APM Terminals Callao S.A.	Peru	64%
APM Terminals China Co. Ltd.	Hong Kong	100%
APM Terminals Elizabeth, LLC	United States	100%
APM Terminals Espagna Holding SL	Spain	100%
APM Terminals Gothenburg AB	Sweden	100%
APM Terminals Lazaro Cardenas S.A. de C.V.	Mexico	100%
APM Terminals Maasvlakte II B.V.	Netherlands	100%
APM Terminals Management S.L.	Spain	100%
APM Terminals Management B.V.	Netherlands	100%
APM Terminals MedPort Tangier S.A.	Morocco	80%
APM Terminals Mobile, LLC	United States	100%
APM Terminals Moin S.A.	Costa Rica	100%
APM Terminals North America Inc.	United States	100%
APM Terminals Pacific LLC	United States	90%
APM Terminals Valencia S.A.	Spain	75%
Aqaba Container Terminal Company (Pvt) Co.	Jordan	50%

1 Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft A/S & Co KG and Hamburg Süd A/S & Co KG, Hamburg, are in accordance with paragraph 264b HGB (German commercial code) exempt from preparing, auditing and disclosing statutory financial statements as well as a management report in accordance with the German commercial law.

Subsidiaries

Company	Country of incorporation	Owned share
Damco China Ltd.	China	100%
Damco Denmark A/S	Denmark	100%
Damco Distribution Canada Inc.	Canada	100%
Damco Distribution Services Inc.	United States	100%
Damco Germany GmbH	Germany	100%
Damco Hong Kong Ltd.	Hong Kong	100%
Damco India Pvt. Ltd.	India	100%
Damco Logistics Mexico S.A. de C.V.	Mexico	100%
Damco Netherlands B.V.	Netherlands	100%
Damco Poland Sp. z o.o.	Poland	100%
Damco Spain S.L.	Spain	100%
Frey P/S	Denmark	100%
Gateway Terminals India Pvt. Ltd.	India	74%
Gujarat Pipavav Port Ltd.	India	44%
Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft A/S & Co KG[1]	Germany	100%
Hamburg Süd A/S & Co KG[1]	Germany	100%
LF Logistics (China) Co., Ltd.	China	100%
LF Logistics (Hong Kong) Limited	Hong Kong	100%
LF Logistics Holdings Limited	Bermuda	100%
LF Logistics Management Limited	Hong Kong	100%
Maersk A/S	Denmark	100%
Maersk Agency U.S.A. Inc.	United States	100%
Maersk Air Cargo A/S	Denmark	100%
Maersk Container Industry A/S	Denmark	100%
Maersk Container Industry Qingdao Ltd.	China	100%
Maersk Denizcilik A.S.	Turkey	100%
Maersk Global Service Centres (India) Pvt. Ltd.	India	100%
Maersk Holding B.V.	Netherlands	100%
Maersk Insurance A/S	Denmark	100%
Maersk Line Agency Holding A/S	Denmark	100%
Maersk Line, Limited	United States	100%
Maersk Logistics & Services Australia Pty Ltd	Australia	100%
Maersk Logistics & Services International A/S	Denmark	100%
Maersk Logistics & Services Japan K.K.	Japan	100%
Maersk Logistics & Services Peru S.A.	Peru	100%
Maersk Logistics & Services USA Inc	United States	100%

Subsidiaries

Company	Country of incorporation	Owned share
Maersk Logistics & Services Vietnam Company Limited	Vietnam	100%
Maersk Logistics and Services UK LTD	United Kingdom	100%
Maersk Oil Trading and Investments A/S	Denmark	100%
Maersk Oil Trading Inc.	United States	100%
Maersk Oil Trading Panama S.A.	Panama	100%
Maersk Oil Trading Singapore Pte. Ltd.	Singapore	100%
Maersk Oil Trading Spain, S.L	Spain	100%
Maersk Shipping Hong Kong Ltd.	Hong Kong	100%
Maersk Supply Service A/S	Denmark	100%
Maersk Supply Service Apoio Maritimo Ltda.	Brazil	100%
Maersk Supply Service International A/S	Denmark	100%
Maersk Supply Service UK Ltd.	United Kingdom	100%
Maersk Warehousing & Distribution Services USA LLC	United States	100%
Mainstreet 1878 (Pty) Ltd	South Africa	100%
New Times International Transport Service Co. Ltd.	China	100%
Pilot Air Freight, LLC	United States	100%
Pilot Customs Brokerage Services, LLC	United States	100%
Pilot Truck Brokerage, LLC	United States	100%
Sealand Europe A/S	Denmark	100%
Sealand Maersk Asia Pte. Ltd.	Singapore	100%
Senator International Freight Forwarding LLC Florida	United States	100%
Senator International Spedition GmbH[1]	Germany	100%
St. Petri Shipping ApS & Co KG[2]	Germany	100%
Suez Canal Container Terminal SAE	Egypt	55%
Svitzer A/S	Denmark	100%
Svitzer Australia Pty Ltd	Australia	100%
Svitzer Europe Holding B.V.	Netherlands	100%
Svitzer Marine Ltd.	United Kingdom	100%
Terminal 4 S.A.	Argentina	100%
Visible Supply Chain Management LLC	United States	100%

1 Senator International Spedition GmbH, Hamburg, is in accordance with paragraph 264 Abs.3 HGB (German commercial code) exempt from preparing, auditing and disclosing statutory financial statements as well as a management report in accordance with the German commercial law.

2 St. Petri Shipping ApS & Co KG, Hamburg, is in accordance with paragraph 264b HGB (German commercial code) exempt from preparing, auditing and disclosing statutory financial statements as well as a management report in accordance with the German commercial law.

Associated companies

Company	Country of incorporation	Owned share
Abidjan Terminal SA	Côte d'Ivoire	49%
Brigantine Services Ltd.	Hong Kong	30%
Conakry Terminal S.A.	Guinea	25%
Congo Terminal SA	Congo	15%
Guangzhou South China Oceangate Container Terminal Co. Ltd.	China	20%
Höegh Autoliners Holdings AS	Norway	26%
Itapoa Terminais Portuarios S.A.	Brazil	30%
Kanoo Terminal Services Ltd.	Saudi Arabia	50%
Meridian Port Services Ltd.	Ghana	35%
Pelabuhan Tanjung Pelepas Sdn. Bhd.	Malaysia	30%
Qingdao Qianwan United Container Terminal Co. Ltd.	China	10%
Salalah Port Services Company SAOG	Oman	30%
South Asia Gateway Pvt. Ltd.	Sri Lanka	33%
Tianjin Port Alliance International Container Terminal Co. Ltd.	China	20%

Joint ventures

Company	Country of incorporation	Owned share
Blue Dragon Logistics Co. Ltd.	China	50%
Brasil Terminal Portuario S.A.	Brazil	50%
Cai Mep International Terminal Co. Ltd.	Vietnam	49%
Caucedo Marine Service S.A. (DR Branch)	Dominican Republic	50%
Cote D'Ivoire Terminal SA	Côte d'Ivoire	49%
LCB Container Terminal 1 Ltd.	Thailand	35%
LCMT Company Ltd.	Thailand	32%
Nakilat Svitzerwijsmuller Company W.L.L.	Qatar	30%
North Sea Terminal Bremerhaven Gmbh and Co KG	Germany	50%
Qingdao New Qianwan Container Terminal Co. Ltd.	China	19%
Qingdao Qianwan Container Terminal Co. Ltd.	China	20%
Shanghai East Container Terminal Co. Ltd.	China	49%
Smart International Logistics Company Ltd.	China	49%
South Florida Container Terminal LLC	United States	49%
Svitzer Caribbean Dominicana, S.A.S	Dominican Republic	50%
Xiamen Songyu Container Terminal Co. Ltd.	China	25%

Parent company financial statements

Contents

Income statement

Note		2022	2021
	Revenue	26	18
2.1	Operating costs	322	118
	Other income	85	-
	Profit/loss before depreciation, amortisation and impairment losses, etc.	**-211**	**-100**
	Depreciation, amortisation and impairment losses, net	3	-
	Gain/loss on sale of companies, non-current assets and liquidation, etc., net	23	47
3.1	Share of profit/loss in joint ventures and associated companies	200	132
	Profit before financial items	**9**	**79**
4.3	Dividends	29	332
4.3	Financial income	891	1,709
4.3	Financial expenses	1,073	994
	Profit/loss before tax	**-144**	**1,126**
5.1	Tax	-72	94
	Profit/loss for the year	**-72**	**1,032**

Statement of comprehensive income

Note		2022	2021
	Profit for the year	**-72**	**1,032**
4.4	Cash flow hedges:		
	Value adjustment of hedges for the year	-29	-14
	Reclassified to income statement	25	5
5.1	Tax on other comprehensive income	1	-7
	Total items that have been or may be reclassified subsequently to the income statement	**-3**	**-16**
4.5	Other equity investments (FVOCI), fair value adjustments for the year	2	-
	Total items that will not be reclassified to the income statement	**2**	**-**
	Other comprehensive income/loss, net of tax	**-1**	**-16**
	Total comprehensive income/loss for the year	**-73**	**1,016**

Amounts in USD million

Balance sheet at 31 December

Note	Assets	2022	2021
	Intangible assets	**3**	**0**
3.1	Investments in subsidiaries	25,774	19,240
3.1	Investments in associated companies	332	133
	Other equity investments	4	1
4.5	Interest bearing receivables from subsidiaries, etc.	2,818	2,320
4.4	Derivatives	18	34
	Financial non-current assets, etc.	**28,946**	**21,728**
5.2	Deferred tax	13	-
	Total non-current assets	**28,962**	**21,728**
	Trade receivables	8	7
4.5	Interest bearing receivables from subsidiaries, etc.	1,814	2,530
4.4	Derivatives	198	92
3.2	Loan receivables	17,615	5,025
	Other receivables	273	74
	Other receivables from subsidiaries, etc.	208	135
	Prepayments	-	16
	Receivables, etc.	**20,116**	**7,879**
4.5	**Securities**	**942**	**-**
	Cash and bank balances	**8,082**	**10,154**
3.3	**Assets held for sale**	**-**	**353**
	Total current assets	**29,140**	**18,386**
	Total assets	**58,102**	**40,114**

Note	Equity and liabilities	2022	2021
4.1	Share capital	3,392	3,513
	Reserves	9,150	18,689
	Total equity	**12,542**	**22,202**
4.2	**Borrowings, non-current**	**3,635**	**4,165**
	Provisions	53	33
4.4	Derivatives	495	214
5.2	Deferred tax	-	42
	Other non-current liabilities	**548**	**289**
	Total non-current liabilities	**4,183**	**4,454**
4.2	**Borrowings, current**	**116**	**313**
4.2	**Interest-bearing debt to subsidiaries, etc.**	**40,692**	**12,739**
	Trade payables	64	45
	Tax payables	54	17
4.4	Derivatives	171	115
	Other payables	244	147
	Other payables to subsidiaries, etc.	-	76
	Deferred income	36	7
	Other current liabilities	**569**	**407**
	Total current liabilities	**41,377**	**13,458**
	Total liabilities	**45,560**	**17,912**
	Total equity and liabilities	**58,102**	**40,114**

Amounts in USD million

Cash flow statement

Note		2022	2021
	Profit/loss before financial items	9	79
3.1	Depreciation, amortisation and impairment losses, net	-197	-132
	Gain/loss on sale of companies and non-current assets, etc., net	-23	-47
5.5	Change in working capital	39	129
	Change in provisions, etc.	20	-10
	Other non-cash items	12	17
	Cash flow from operating activities before tax	-140	36
	Taxes paid	50	115
	Cash flow from operating activities	**-190**	**-79**
	Purchase of intangible assets	-3	-
	Capital increases in subsidiaries and activities	-3,579	-370
	Dividends received	9	-
	Other financial investments, paid	-27,425	-5,375
	Other financial investments, received	13,882	364
	Movements in interest-bearing loans to/from subsidiaries, etc., net[1]	25,628	15,091
	Cash flow from investing activities	**8,512**	**9,710**
	Repayment of borrowings	-98	-2,377
	Proceeds from borrowings	-	553
	Purchase of own shares	-2,738	-1,956
	Financial income received	565	763
	Financial expenses paid	-1,028	-224
	Sale of own shares	31	22
	Dividends distributed	-6,847	-1,017
	Other equity transactions	-	7
	Cash flow from financing activities	**-10,115**	**-4,229**
	Net cash flow for the year	**-1,793**	**5,402**
	Cash and cash equivalents 1 January	9,889	4,488
	Currency translation effect on cash and cash equivalents	-14	-1
	Cash and cash equivalents 31 December	**8,082**	**9,889**
	Cash and cash equivalents		
	Cash and bank balances	8,082	10,154
	Overdrafts	-	265
	Cash and cash equivalents 31 December	**8,082**	**9,889**

1 Movements in interest-bearing loans to/from subsidiaries, etc., net has been changed from Cash flows from financing activities to Cash flow from investing activities. Comparative figures have been restated.

Statement of changes in equity

Note		Share capital	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total equity
	Equity 1 January 2021	3,632	-	-53	20,553	24,132
	Other comprehensive income, net of tax	-	-	-16	-	-16
	Profit for the year	-	-	-	1,032	1,032
	Total comprehensive income for the year	**-**	**-**	**-16**	**1,032**	**1,016**
	Dividends to shareholders	-	-	-	-1,017	-1,017
5.3	Value of share-based payments	-	-	-	5	5
4.1	Purchase of treasury shares	-	-	-	-1,956	-1,956
4.1	Sale of treasury shares	-	-	-	22	22
4.1	Capital increases and decreases	-119	-	-	119	-
	Total transactions with shareholders	**-119**	**-**	**-**	**-2,827**	**-2,946**
	Equity 31 December 2021	**3,513**	**-**	**-69**	**18,758**	**22,202**
	2022					
	Other comprehensive income, net of tax	-	2	-3	-	-1
	Profit for the year	-	-	-	-72	-72
	Total comprehensive income for the year	**-**	**2**	**-3**	**-72**	**-73**
	Dividends to shareholders	-	-	-	-6,845	-6,845
5.3	Value of share-based payments	-	-	-	12	12
4.1	Purchase of treasury shares	-	-	-	-2,785	-2,785
4.1	Sale of treasury shares	-	-	-	31	31
4.1	Capital increases and decreases	-121	-	-	121	-
	Total transactions with shareholders	**-121**	**-**	**-**	**-9,466**	**-9,587**
	Equity 31 December 2022	**3,392**	**2**	**-72**	**9,220**	**12,542**

Amounts in USD million

Notes

Note 1.1 § General accounting policies

The financial statements for 2022 for A.P. Møller - Mærsk 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 additional Danish disclosure requirements for listed companies.

The accounting policies are consistent with those applied in the consolidated financial statements for 2022, except for the changes to accounting standards that were effective from 1 January 2022 and were endorsed by the EU. These changes have not had a material impact on the financial statements.

The accounting policies are furthermore consistent with the accounting policies for the Group's financial statements with the following exceptions:

- Shares in subsidiaries and associated companies are measured at cost or a lower recoverable amount
- Dividends from subsidiaries and associated companies are recognised as income at the time of declaration unless considered a return of capital in subsidiary
- No segment information is disclosed
- Value of granted share options, restricted shares, and performance shares to employees in subsidiaries is expensed directly in the relevant subsidiary. At the time of the grant, the subsidiary settles the amount with A.P. Møller - Mærsk A/S and the counter posting is made in equity. At the time of exercising, the proceeds are included in the company's equity.

New financial reporting requirements

A.P. Moller - Maersk A/S has not yet adopted the following accounting standards and requirements:

IFRS 17 - Insurance contracts: An analysis of the impact has been made and it has been assessed that the standard will not have a significant impact on recognition and measurement of the Group.

Other changes to IFRS are not expected to have any significant impact on recognition and measurement.

Note 1.2 ! Significant accounting estimates and judgements

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

Estimates that are material to the company's financial reporting are made on the determination of impairment of financial non-current assets, including subsidiaries and associated companies. Reference is made to notes 3.1 and 4.3.

Management assesses impairment indicators for investments in subsidiaries and associated companies and in general determines the recoverable amounts consistent with the assumptions described in note 3.2 of the consolidated financial statements.

Note 2.1 Operating costs

	2022	2021
Rent and lease costs	19	16
Staff costs reimbursed to Rederiet A.P. Møller A/S[1]	192	147
Other, including recharging of operating costs, net[2]	111	-45
Total operating costs	**322**	**118**
Average number of employees directly employed by the company	5	3

1 Wages and salaries USD 163m (USD 120m) and pension plan contributions USD 29m (USD 27m). Staff costs included in integration and restructuring costs amount to USD 1m (USD 1m). For information about share-based payments, reference is made to note 5.3.
2 In 2021, other operating costs were positively impacted by USD 10m reversal of other provisions.

The company's share of fees and remuneration to the Executive Board	2022	2021
Fixed base salary	7	6
Short-term cash incentive	6	5
Long-term share-based incentive plans[1]	7	2
Remuneration in connection with redundancy, resignation and release from duty to work	8	-
Total remuneration to the Executive Board	**28**	**13**

1 During 2022, it was announced that Morten Engelstoft would leave the company effective end June 2022 and Søren Skou effective end December 2022. In accordance with the terms and conditions of the restricted share plan and the stock option plan, any remaining expenses related to previous years' plans are accelerated and recognised in 2022 for plans that are kept and previously recognised expenses are reversed for cancelled plans. This has resulted in an increase in the long-term share-based incentives remuneration in 2022.

Contract of employment for the Executive Board contains terms customary in Danish listed companies, including termination notice and competition clauses. In connection with a possible takeover offer, neither the Executive Board nor the Board of Directors will receive special remuneration. Fees and remuneration do not include pension.

The Board of Directors has received fees of USD 2m (USD 3m).

Fees to the statutory auditors	2022	2021
Statutory audit	2	2
Other services	1	1
Total fees	**3**	**3**

Fees for services other than statutory audit of the financial statements provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab to A.P. Moller - Maersk A/S mainly consist of financial due diligence and transaction advice, accounting advisory services, tax advice, and other advisory accounting and tax services.

Note 3.1 Investments in subsidiaries and associated companies

	Investments in subsidiaries	Investments in associated companies
Cost		
1 January 2022	23,235	815
Additions[1]	6,204	-
Disposals	72	5
Transfer from assets held for sale	353	-
31 December 2022	**29,720**	**810**
Impairment losses		
1 January 2022	3,995	682
Disposals	49	-
Reversal of impairment losses[4]	-	204
31 December 2022	**3,946**	**478**
Carrying amount:		
31 December 2022	**25,774**	**332**
Cost		
1 January 2021	22,145	815
Additions[2]	1,490	-
Disposals	47	-
Transfer to assets held for sale	353	-
31 December 2021	**23,235**	**815**
Impairment losses		
1 January 2021	4,322	814
Impairment losses[3]	525	-
Reversal of impairment losses [5]	852	132
31 December 2021	**3,995**	**682**
Carrying amount:		
31 December 2021	**19,240**	**133**

1 Capital increases are mainly in Maersk Logistics & Services International A/S USD 5.5bn, Maersk Aviation Holding A/S USD 0.3bn, Maersk Supply Service A/S USD 0.2bn and Maersk A/S USD 0.1bn.
2 Capital increases were mainly in Maersk Logistics & Services International A/S USD 0.7bn, Maersk Supply Service A/S USD 0.4bn and Maersk Holding B.V. USD 0.4bn.
3 Impairment losses are recognised when the carrying amount exceeds the recoverable amount as explained in notes 1.1, 1.2 and 4.3, mainly related to impairment of Maersk Supply Services A/S.
4 Reversal of impairment losses mainly relates to Höegh Autoliners Holdings AS, which is listed on Euronext Growth Oslo. The reversal is included in the line share of profit/loss in joint ventures and associated companies in the income statement.
5 Reversal of impairment losses mainly related to Maersk Container Industry A/S being classified as held for sale in 2021, Maersk Logistics & Services International A/S due to improved results, and Höegh Autoliners Holdings AS, which was listed on Euronext Growth Oslo in 2021.

Reference is made to pages 121-122 for a list of significant subsidiaries and associated companies.

Amounts in USD million

Note 3.2 Term deposits

Loan receivables, current, amount to USD 17.6bn (USD 5.0bn) and consist primarily of term deposits with a maturity of more than three months. For details on the assessment of the loss allowance on term deposits, reference is made to note 4.4 Financial instruments and risks.

Note 3.3 Assets held for sale

Assets held for sale in 2021 relate to Maersk Container Industry. On 25 August 2022, the divestment of Maersk Container Industry was discontinued following regulatory challenges. As a result, the investments in subsidiaries relating to Maersk Container Industry were reclassified out of assets held for sale during 2022, and USD 85m was received in break fee compensation, recognised as other income.

Note 4.1 Share capital

Shareholder disclosure subject to section 104 of the Danish Financial Statements Act:

	Share capital	Votes
A.P. Møller Holding A/S, Copenhagen, Denmark[1]	41.51%	51.45%
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, Copenhagen, Denmark[2]	9.83%	13.65%
Den A.P. Møllerske Støttefond, Copenhagen, Denmark	3.46%	6.23%
A.P. Møller Mærsk A/S (treasury shares), Copenhagen, Denmark	5.82%	0.98%

1 A.P. Møller Holding A/S has committed to particating in the company's share buy-back programme by selling both A and B shares relative to their total ownership and voting rights in the company. Before cancellation of the company's treasury shares (subject to approval at the annual general meeting and intended to take place in June of 2023), A.P. Møller Holding A/S holds 39.27% of the share capital and 50.45% of the votes of the company.
2 A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond has committed to participate in the company's share buy-back programme by selling B shares relative to their total ownership in the company. Before cancellation of the company's treasury shares (which is subject to approval at the annual general meeting and intended to take place in June of 2023), A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond holds 9.30% of the share capital of the company.

Note 4.1 in the consolidated financial statements includes all additional share capital disclosures including the development in the number of shares and in the holding of treasury shares.

Dividends
The dividend of DKK 2,500 per share of DKK 1,000 was paid on 18 March 2022 – a total of DKK 46.3bn equivalent to USD 6.9bn, excluding treasury shares (dividend of DKK 330 per share of DKK 1,000 paid – total of DKK 6.4bn, equivalent to USD 1.0bn). The Board of Directors proposes a dividend to the shareholders of DKK 4,300 per share of DKK 1,000 (DKK 2,000 in ordinary dividend and DKK 2,300 in extraordinary dividend per share of DKK 1,000) – a total of around DKK 75.2bn, equivalent to around USD 10.9bn (2021: DKK 2,500 per share of DKK 1,000 – total of DKK 46.3bn equivalent to USD 6.9bn). Payment of dividends is expected to take place on 31 March 2023. Payment of dividends to shareholders does not trigger taxes to A.P. Moller - Maersk. As of 8 February 2023, there are sufficient free reserves in the Parent company to cover the proposed dividend following extraordinary dividends received from subsidiaries after the balance sheet date.

Note 4.2 Borrowings and net debt reconciliation

	Net debt as at 31 December	Cash flow	Other changes		Net debt as at 31 December
	2021		Foreign exchange movements	Other[1]	2022
Bank and other credit institutions	1,137	-362			775
Issued bonds	3,341	-	-177	-188	2,976
Subsidiaries, etc., net	7,889	25,628	-63	2,606	36,060
Total borrowings, net	**12,367**	**25,266**[2]	**-240**	**2,418**	**39,811**
Derivatives hedge of borrowings, net	**154**	**-**	**178**	**200**	**532**
Borrowings classification:					
Classified as non-current	4,165				3,635
Classified as current	13,052				40,808

1 Non-cash dividends, capital increases, fair value adjustments, etc.
2 Total cash flow from borrowings amounts to USD 25bn (USD 13bn), cash overdrafts to USD 264m (USD 262m) and cash flow from related hedges to USD 0m (USD 0m).

	Net debt as at 31 December	Cash flow	Other changes		Net debt as at 31 December
	2020		Foreign exchange movements	Other[1]	2021
Bank and other credit institutions	2,401	-1,264			1,137
Issued bonds	3,824	-298	-95	-90	3,341
Subsidiaries, etc., net	-8,075	15,095	77	792	7,889
Total borrowings, net	**-1,846**	**13,529**[2]	**-18**	**702**	**12,367**
Derivatives hedge of borrowings, net	**-36**	**4**	**95**	**91**	**154**
Borrowings classification:					
Classified as non-current	5,644				4,165
Classified as current	9,676				13,052

Amounts in USD million

Note 4.3 Financial income and expenses

	2022	2021
Interest expenses on liabilities[5]	698	214
Interest income on loans and receivables	615	722
Fair value adjustment transferred from equity hedge reserve (loss)	25	4
Net interest income	**-108**	**504**
Exchange rate gains on bank balances, borrowings and working capital	240	104
Exchange rate losses on bank balances, borrowings and working capital	51	112
Net foreign exchange gains/losses	**189**	**-8**
Fair value gains from derivatives	36	8
Fair value losses from derivatives	243	139
Net fair value gains/losses	**-207**	**-131**
Dividends received from subsidiaries, associated companies and joint ventures, net[1]	29	332
Total dividend income	**29**	**332**
Reversal of impairment losses, investments in subsidiaries and associated companies[2]	-	852
Impairment losses, investments in subsidiaries and associated companies[3]	-	525
Reversal of write-down of loans[4]	-	23
Write-down of loan receivables from subsidiaries	56	-
Financial income/expenses, net	**-153**	**1,047**
Of which:		
Dividends	29	332
Financial income	891	1,709
Financial expenses	1,073	994

1 Mainly relates to the dividend from A.P. Moller Finance S.A. and Höegh Autoliners Holdings AS (in 2021 Maersk Container Industry A/S, Maersk FPSO's A/S, Maersk Holding B.V. and Star Air A/S).
2 In 2021 the reversal of impairment losses mainly related to the planned sale of Maersk Container Industry A/S, which has since been reclassified out of assets held for sale during 2022, and Höegh Autoliners Holdings AS, which was listed on Euronext Growth Oslo in 2021.
3 In 2021, the impairment losses related to Maersk Supply Service A/S.
4 Reversal of write-down of loan concerns Maersk Supply Service A/S.
5 Of which USD 0m (USD 37m) relates to expense of prepayment of issued bonds.

Reference is made to note 4.4 for an analysis of gains and losses from derivatives.

Note 4.4 Financial instruments and risks

	2022	2021
Non-current receivables	18	34
Current receivables	198	92
Non-current liabilities	495	214
Current liabilities	171	115
Assets/liabilities, net	**-450**	**-203**

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

Risk management is carried out by a central finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close cooperation with the company's entities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the company's profit or the value of its holdings of financial instruments. The sensitivity analyses in the currency risk and interest rate risk sections relate to the position of financial instruments at 31 December 2022.

The sensitivity analyses for currency risk and interest rate risk have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place at 31 December 2022. Furthermore, it is assumed that the exchange rate and 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 profit and equity of a reasonably possible change in exchange rates and interest rates.

Amounts in USD million

Note 4.4 Financial instruments and risks – continued

	2022	2021
Hedging interest rate risk	-25	-5
Total effective hedging	**-25**	**-5**
Ineffectiveness recognised in financial expenses	-	-
Total reclassified from equity reserve for hedges	**-25**	**-5**
Derivatives accounted for as held for trading		
Currency derivatives recognised directly in financial income/expenses	-256	-154
Interest rate derivatives recognised directly in financial income/expenses	-142	-71
Net gains/losses recognised directly in the income statement	**-398**	**-225**
Total	**-423**	**-230**

Hedges comprise primarily currency derivatives and interest rate derivatives, which are further described in the following sections.

	Fair value	
Recognised at fair value through profit and loss	2022	2021
Currency derivatives	73	-12
Interest derivatives	9	-37
Total	**82**	**-49**

Currency risk

The company's currency risk arises primarily from its treasury activities where financing is obtained and provided in a wide range of currencies other than USD such as EUR, GBP and NOK.

The main purpose of hedging the company's currency risk is to hedge the USD value of the company's net cash flow and reduce fluctuations in the company's profit. The company uses various financial derivatives, including forwards, option contracts and cross-currency swaps, 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-months horizon
- Significant capital commitments or divestments in other currencies than USD are hedged
- Most non-USD debt is hedged, however, depending on the asset-liability match and the currency of the generated cash flow.

	Profit before tax		Equity before tax	
	2022	2021	2022	2021
DKK	-233	-65	-233	-65
EUR	91	-15	91	-15
Other currencies	18	-25	18	-25
Total	**-124**	**-105**	**-124**	**-105**

The company enters into derivatives to hedge currency exposures that do not qualify for hedge accounting. These derivatives are classified as fair value through profit or loss.

An increase in the USD exchange rate of 10% against all other significant currencies to which the company is exposed is presented in the table.

Amounts in USD million

Note 4.4 Financial instruments and risks – continued

	Fair value, asset	Fair value, liability	Nominal amount of derivative	Maturity 0-1 years	2-4 years	5- years	Gain/loss on hedged item	Gain/loss on hedging instru-ment	Average hedge rate
2022									
Combined fair value hedge, hedge of borrowings									
EUR	-	127	486	-	401	85	35	-54	6.2%
GBP	-	29	84	-	84	-	4	-7	6.8%
JPY	-	12	95	-	95	-	-	-3	6.1%
NOK	-	64	223	-	223	-	17	-22	6.8%
Fair value hedge, hedge of borrowings									
USD	-	73	900	-	500	400	75	-73	6.7%
Cash flow hedge, hedge of borrowings									
EUR	-	145	934	-	400	534	-	-56	3.2%
GBP	-	77	277	-	277	-	-	-5	4.6%
NOK	-	5	26	26	-	-	-	-	3.3%
Total	**-**	**532**	**3,025**	**26**	**1,980**	**1,019**	**131**	**-220**	
2021									
Combined fair value hedge, hedge of borrowings									
EUR	2	31	516	-	425	91	-33	16	1.8%
GBP	-	11	95	-	95	-	-3	1	2.5%
JPY	3	-	109	-	109	-	-2	-2	1.7%
NOK	-	27	250	-	250	-	5	-11	2.5%
Fair value hedge, hedge of borrowings									
USD	30	-	900	-	500	400	-29	30	2.2%
Cash flow hedge, hedge of borrowings									
EUR	-	69	992	-	425	567	-	-35	3.2%
GBP	-	49	311	-	311	-	-	-11	4.6%
NOK	-	2	29	-	29	-	-	-1	3.3%
Total	**35**	**189**	**3,202**	**-**	**2,144**	**1,058**	**-62**	**-13**	

The average FX hedge rates for swaps in combined fair value hedge were EUR/USD 1.24 (1.24), GBP/USD 1.52 (1.52), USD/NOK 8.25 (8.25), and USD/JPY 119.39 (119.39).

The average FX hedge rates for swaps in cash flow hedge were EUR/USD 1.18 (1.18), GBP/USD 1.52 (1.52), USD/NOK 8.25 (8.25) and USD/SEK 8.88 (8.88).

The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date and are thus not an expression of the company's total currency risk.

Interest rate risk

The company has most of its debt denominated in USD, but part of the debt (e.g., issued bonds) is in other currencies such as EUR, NOK, GBP and JPY. The company 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 range of gross debt paying fixed interest. The level at 31 December is 43% (42%) excluding IFRS 16 leases.

A general increase in interest rates by one percentage point is estimated, all thing else being equal, to affect profit before tax and equity, excluding tax effect, negatively by approx. USD 163m and negatively by approx. USD 185m, respectively (positively by approx. USD 91m and positively by approx. USD 48m, respectively).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The hedging of the interest rate risk is done by cross-currency swaps and interest rate swaps. The hedging is a mix of fair value hedging, combined fair value hedging and cash flow hedging.

The hedges are expected to be highly effective due to the nature of the economic relationship between the exposure and the hedge. The source of ineffectiveness is the credit risk of the hedging instruments. For hedges where the cost of hedging is applied, the change in basis spread is recognised in other comprehensive income and is a time effect during the lifetime of the swap and at maturity amounts to 0. If the hedged transaction is prepaid, the change in basis spread will be recognised in profit or loss as ineffectiveness. The cost of hedging reserve amounts to a gain of USD 15m (USD 6m).

Borrowings and interest-bearing debt to subsidiaries by interest rate levels inclusive of interest rate swaps	Carrying amount	Next interest rate fixing 0-1 year	2-4 years	5- years
2022				
0-3%	2,790	2,264	-	526
3-6%	39,932	39,033	659	240
6%-	1,721	1,721	-	-
Total	**44,443**	**43,018**	**659**	**766**
Of which:				
Bearing fixed interest	1,637			
Bearing floating interest	42,806			
2021				
0-3%	15,668	15,071	-170	767
3-6%	1,549	8	1,166	375
Total	**17,217**	**15,079**	**996**	**1,142**
Of which:				
Bearing fixed interest	2,138			
Bearing floating interest	15,079			

Amounts in USD million

Note 4.4 Financial instruments and risks – continued

Credit risk
The company has substantial exposure to financial and commercial counterparties but has no particular concentration of customers or suppliers. To minimise the credit risk, financial vetting is undertaken for all major customers and financial institutions, adequate security is required for commercial counterparties, and credit limits are set for financial institutions and key commercial counterparties.

Financial assets at amortised cost
Financial assets at amortised cost comprise loan receivables, lease receivables, and other receivables. These are all considered to have low credit risk and thus the impairment provision calculated based on 12 months of expected losses is considered immaterial. The financial assets are considered to be low risk when they have low risk of default, and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other financial assets at amortised cost include loans to subsidiaries. As of 31 December 2022, the loans amount to USD 4.6bn (USD 4.9bn) and are considered to have a low credit risk, thus the impairment provision to be recognised during the period is limited to 12 months of expected losses. The credit risk has not increased significantly since the initial recognition and is considered low based on the investment grade credit rating for the Group and consequently the financial strength of the major subsidiaries within the Group.

Financial institutions
Deposits and bank balances are primarily held in relationship banks with a credit rating of at least A-. No individual exposure is above 10%. A.P. Moller - Maersk has ISDA agreements for trading of derivatives, under which the Group has a right to net settlement in the event of certain credit events. This results in the credit risk being limited to the net position per counterparty.

Liquidity risk
It is of great importance for the company to maintain a financial reserve to cover the company's obligations and investment opportunities and to provide the capital necessary to offset changes in the company's liquidity due to changes in the cash flow from operating activities.

The flexibility of the financial reserve is subject to ongoing prioritisation and optimisation, among other things by focusing on the release of capital and following up on the development in working capital.

Net interest-bearing debt and liquidity	2022	2021
Borrowings	44,443	17,217
Net interest-bearing debt	13,691	-2,621
Cash and bank balances	8,082	10,154
Term deposits not included in cash and cash balances	17,615	5,025
Securities	942	-
Undrawn revolving credit facilities > 12 months	6,000	6,000
Liquidity reserve[1]	**32,639**	**21,179**

1 Liquidity reserve is defined as undrawn committed revolving facilities with more than one year to expiry, securities, term deposits not included in cash and bank balances and cash and bank balances, excluding securities and balances in countries with exchange control or other restrictions.

For information about cash and bank balances in countries with exchange control or other restrictions, please see text to the consolidated cash flow statement.

Based on the liquidity reserve, loans for the financing of specific assets, the maturity of outstanding loans, and the current investment profile, the Group's financial resources are deemed satisfactory.

The average term to maturity of loan facilities in the Group was about five years (about six years) at 31 December 2022.

Maturities of liabilities and commitments	Carrying amount	Cash flows including interest			
		0-1 year	2-4 years	5- years	Total
2022					
Bank and other credit institutions	775	134	328	551	1,013
Issued bonds	2,976	113	2,142	1,130	3,385
Interest-bearing loans from subsidiaries, etc.	40,692	40,710	-	-	40,710
Trade payables	64	64	-	-	64
Other payables	244	244	-	-	244
Other payables to subsidiaries, etc.	-	-	-	-	-
Non-derivative financial liabilities	**44,751**	**41,265**	**2,470**	**1,681**	**45,416**
Derivatives	666	171	356	139	666
Total recognised in balance sheet	**45,417**	**41,436**	**2,826**	**1,820**	**46,082**
Total		**41,436**	**2,826**	**1,820**	**46,082**
2021					
Bank and other credit institutions	1,137	329	321	652	1,302
Issued bonds	3,341	91	2,510	1,258	3,859
Interest-bearing loans from subsidiaries, etc.	12,739	12,741	-	-	12,741
Trade payables	45	45	-	-	45
Other payables	147	147	-	-	147
Other payables to subsidiaries, etc.	76	76	-	-	76
Non-derivative financial liabilities	**17,485**	**13,429**	**2,831**	**1,910**	**18,170**
Derivatives	329	115	177	37	329
Total recognised in balance sheet	**17,814**	**13,544**	**3,008**	**1,947**	**18,499**
Total		**13,544**	**3,008**	**1,947**	**18,499**

Amounts in USD million

Note 4.5 Financial instruments by category

	Carrying amount		Fair value[2]	
	2022	2021	2022	2021
Carried at amortised cost				
Interest-bearing receivables from subsidiaries, etc.	4,632	4,850	4,633	4,855
Lease receivables	-	3		
Loan receivables	17,615	5,025	17,585	
Total interest-bearing receivables	**22,247**	**9,878**		
Trade receivables	8	7		
Other receivables (non-interest-bearing)	273	71		
Other receivables from subsidiaries, etc.	208	135		
Securities	942	-		
Cash and bank balances	8,082	10,154		
Financial assets at amortised cost	**31,760**	**20,245**		
Derivatives	216	126		
Equity investments (FVOCI)[1]	4	1		
Other financial assets	**220**	**127**		
Total financial assets	**31,980**	**20,372**		
Carried at amortised cost				
Bank and other credit institutions	775	1,137	817	1,137
Issued bonds	2,976	3,341	2,855	3,537
Interest-bearing loans from subsidiaries, etc.	40,692	12,739		
Total borrowings	**44,443**	**17,217**		
Trade payables	64	45		
Other payables	244	147		
Other payables to subsidiaries and associated companies, etc.	-	76		
Financial liabilities at amortised cost	**44,751**	**17,485**		
Carried at fair value				
Derivatives	666	329		
Financial liabilities at fair value	**666**	**329**		
Total financial liabilities	**45,417**	**17,814**		

1 The company holds only minor equity investments at fair value through other comprehensive income (FVOCI).
2 Where no fair value is stated, the amount equals carrying amount.

	Non-listed shares	Total financial assets
Movement during the year in level 3	Equity investments (FVOCI)	
Carrying amount 1 January 2021	1	1
Carrying amount 31 December 2021	**1**	**1**
Additions	1	1
Gains/losses recognised in other comprehensive income	2	2
Carrying amount 31 December 2022	**4**	**4**

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 listed shares falls within level 1 of the fair value hierarchy. Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

Fair value of derivatives falls mainly 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.

Fair value of level 3 assets and liabilities is primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the company's profit or equity significantly.

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.

Fair value of listed issued bonds is within level 1 of the fair value hierarchy. Fair value of the remaining borrowing items is within level 2 of the fair value hierarchy and is calculated on the basis of discounted interests and instalments.

Amounts in USD million

Note 5.1 Tax

	2022	2021
Tax recognised in the income statement		
Current tax on profit for the year	-6	66
Adjustment for current tax of prior periods	-9	31
Withholding taxes	-3	3
Total current tax	**-18**	**100**
Origination and reversal of temporary differences	-54	-14
Adjustment for deferred tax of prior periods	-	8
Total deferred tax	**-54**	**-6**
Total tax expense (income)	**-72**	**94**
Tax reconciliation:		
Profit/loss before tax	-144	1,126
Tax using the Danish corporation tax rate (22%)	-32	247
Non-deductible expenses	-27	16
Gains/losses related to shares, dividends, etc.	-1	-198
Adjustment to previous years' taxes	-9	38
Other differences, net	-3	-10
Total income tax	**-72**	**94**
Tax recognised in other comprehensive income and equity	**1**	**-7**
Of which:		
Current tax	1	-7

Note 5.2 Deferred tax

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net amount	
	2022	2021	2022	2021	2022	2021
Property, plant and equipment	3	2		-	-3	-2
Provisions, etc.	3	3		-	-3	-3
Liabilities, etc.	11	-		43	-11	43
Other		-	4	3	4	3
Total	**17**	**5**	**4**	**46**	**-13**	**41**
Offsets	-4	-5	-4	-5	-	-
Total	**13**	**-**	**-**	**41**	**-13**	**41**

Change in deferred tax, net during the year	2022	2021
1 January	41	48
Recognised in the income statement	-54	-6
Exchange rate adjustments	-	-1
31 December	**-13**	**41**

There are no unrecognised deferred tax assets.

There are no material unrecognised tax liabilities on investments in subsidiaries, associated companies and joint ventures.

Note 5.3 Share-based payments

The recognised remuneration expense related to the restricted shares plan is USD 7m (USD 2m).
The recognised remuneration expense related to the share options plan is USD 5m (USD 3m).
For all other disclosures related to share-based payments, refer to note 5.2 in the consolidated financial statements.

Note 5.4 Contingent liabilities

As part of the divestment of Mærsk Olie og Gas A/S (MOGAS) to Total S.A. in 2018, the company has assumed a secondary liability related to the decommissioning of the offshore facilities in Denmark by issuance of a declaration. The company assesses the risk of economic outflows due to this secondary liability as very remote.

Guarantees amount to USD 0.3bn (USD 0.3bn). Thereof, USD 0.3bn (USD 0.3bn) is related to subsidiaries. The guarantees are not expected to be realised, but they can mature within one year.

Except for customary agreements within the company's activities, no material agreements have been entered into that will take effect, change or expire upon changes of the control over the company.

The company is involved in a number of legal disputes. The company is also involved in tax disputes in certain countries. Some of these involve significant amounts and are subject to considerable uncertainty.

Tax may crystallise on repatriation of dividends. Through participation in joint taxation scheme with A.P. Møller Holding A/S, the company is jointly and severally liable for taxes payable, etc. in Denmark.

Note 5.5 Cash flow specifications

	2022	2021
Change in working capital		
Trade receivables	-1	-4
Other receivables and prepayments	-183	186
Trade payables and other payables, etc.	250	-38
Exchange rate adjustment of working capital	-27	-15
Total	**39**	**129**

Amounts in USD million

Note 5.6 Related parties

	Controlling parties		Subsidiaries		Associated companies		Joint ventures		Management[1]	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Continuing operations										
Income statement										
Revenue	-	-	29	18	-	-	-	-	-	-
Operating costs	1	-	14	13	-	-	-	-	-	-
Remuneration to management	-	-	-	-	-	-	-	-	30	16
Dividends	-	-	20	332	9	-	-	-	-	-
Financial income	62	37	357	819	-	-	-	-	-	-
Financial expenses	-	-	533	96	-	-	-	-	-	-
Assets										
Interest-bearing receivables, non-current	-	-	2,818	2,320	-	-	-	-	-	-
Derivatives, non-current	-	-	11	-	-	-	-	-	-	-
Other receivables, non-current	-	3	-	-	-	-	-	-	-	-
Trade receivables	-	-	161	135	-	-	-	-	-	-
Interest-bearing receivables, current	-	-	1,814	2,530	-	-	4	1	-	-
Derivatives, current	-	-	35	62	-	-	-	-	-	-
Other receivables, current	380	140	27	26	-	-	1	-	-	-
Cash and bank balances	632	661	-	-	-	-	-	-	-	-
Liabilities										
Interest-bearing debt, current	-	-	40,692	12,739	-	-	43	-	-	-
Trade payables	-	-	36	39	-	-	-	-	-	-
Derivatives, current	-	15	98	20	-	-	-	-	-	-
Other liabilities, current	-	1	19	18	-	-	-	-	-	-
Sale of companies, property, plant and equipment	-	-	72	94	5	-	-	-	-	-
Capital increases and purchase of shares	-	-	6,204	1,490	-	-	-	-	-	-
Shares bought back	1,332[2]	738[2]	-	-	-	-	-	-	-	-
Dividends distributed	3,614[3]	554[3]	-	-	-	-	-	-	-	-

1 The Board of Directors and the Executive Board in A.P. Møller - Mærsk A/S, A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and their close relatives (including undertakings under their control). Trade receivables and payables include customary business-related accounts regarding shipping activities.
2 Includes shares bought back from A.P. Møller Holding A/S (2022 and 2021) and A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond (2022).
3 Includes dividends paid to A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond and Den A.P. Møllerske Støttefond.

Joint usage agreement with A.P. Møller Holding A/S
With the objective of further strengthening the value of the brands, A.P. Møller - Mærsk A/S entered into a joint usage agreement with A.P. Møller Holding A/S in 2018 regarding the use of commonly used trademarks which historically have benefited both A.P. Møller - Mærsk A/S and A.P. Møller Holding A/S. A.P. Møller Holding A/S is the controlling shareholder of A.P. Møller - Mærsk A/S and is wholly owned by A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal. The joint usage agreement establishes a framework and a branding strategy for the commonly used trademarks and a joint brand board, where the parties can cooperate regarding the use of these trademarks.

Share buy-back programme
According to separate agreement, A.P. Møller Holding A/S and A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond participate on a pro rata basis to the shares purchased in the company's share buy-back programme. A.P. Møller Holding A/S participates in selling A and B shares and A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond participates in selling B shares.

Controlling party
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.

Note 5.7 Pledges

Vessels and containers, etc., owned by subsidiaries with a carrying amount of USD 0.7bn (USD 0.7bn) have been pledged as security for loans of USD 0.3bn (USD 0.3bn).

Amounts in USD million

Management's statement

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of A.P. Møller - Mærsk A/S for 2022.

The Annual Report for 2022 of A.P. Møller - Mærsk A/S has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act, and in our opinion gives a true and fair view of A.P. Moller - Maersk's and the company's assets and liabilities and financial position at 31 December 2022 and of the results of A.P. Moller - Maersk's and the company's operations and cash flows for the financial year 2022.

In our opinion, the Management review includes a fair review of the development in A.P. Moller - Maersk's and the company's operations and financial conditions, the results for the year, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that A.P. Moller - Maersk and the company face.

In our opinion, the Annual Report of A.P. Møller - Mærsk A/S for the financial year 1 January to 31 December 2022, identified as with the file name APMM-2022-12-31-en.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be approved at the Annual General Meeting on 28 March 2023.

Copenhagen, 8 February 2023

Executive Board

Vincent Clerc
CEO

Patrick Jany
CFO

Henriette Hallberg Thygesen

Board of Directors

Robert Mærsk Uggla
Chair

Marc Engel
Vice Chair

Bernard L. Bot

Marika Fredriksson

Arne Karlsson

Thomas Lindegaard Madsen

Amparo Moraleda

Julija Voitiekute

Independent Auditor's Reports

To the shareholders of A.P. Møller - Mærsk A/S.

Report on the audit of the financial statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements (pages 79 to 136) give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2022 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 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of A.P. Møller - Mærsk A/S for the financial year 1 January to 31 December 2022 comprise income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including summary of significant accounting policies for the Group as well as for the Parent Company. Collectively referred to as the "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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of A.P. Møller - Mærsk A/S on 12 April 2012 for the financial year 2012. We have been reelected annually by shareholder resolution for a total period of uninterrupted engagement of 11 years including the financial year 2022. We were re-appointed following a tendering procedure at the General Meeting on 15 March 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter

Recognition of revenue is complex due to the volume of transactions and the variety of different revenue streams within the segments.

We focused on this area due to the significance of amounts involved and because recognition of revenue involves accounting policy decisions, and judgements made by Management originating from different customer behavior, market conditions, terms and nature of services in the various segments.

Further, the volume of transactions and extent of different revenue streams involves internal controls, various IT applications and Management's monitoring hereof, to ensure correct revenue recognition, which are complex and introduce an inherent risk to the revenue recognition process.

Reference is made to note 2.1 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

Our audit procedures included considering the appropriateness of the revenue recognition accounting policies and assessing compliance with applicable accounting standards.

We tested relevant IT applications and IT dependencies supporting revenue recognition as well as relevant internal controls and Management's monitoring hereof. For the relevant internal controls, we updated our understanding and assessed whether they were designed and implemented to effectively address the risk of errors in the revenue recognised in the Financial Statements.

We applied data analytics on selected revenue streams in order to identify and test transactions outside the ordinary transaction flow and performed substantive procedures over invoicing and relevant contracts in order to assess the accounting treatment and principles applied, and tested journal entries on revenue. Further, we tested timing to ensure that the revenue is recognised in the correct financial year. Finally, we assessed the adequacy of disclosures provided by Management in the Financial Statements.

Statement on the Management review

Management is responsible for Management Review (pages 5 to 77 and 142).

Our opinion on the Financial Statements does not cover Management 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 Review and, in doing so, consider whether Management Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management 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 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 International Financial Reporting 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 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 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 Group's and the Parent 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 and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of A.P. Møller - Mærsk A/S for the financial year 1 January to 31 December 2022 with the filename APMM-2022-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements including notes.

In our opinion, the annual report of A.P. Møller - Mærsk A/S for the financial year 1 January to 31 December 2022 with the file name APMM-2022-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 8 February 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Mogens Nørgaard Mogensen
State Authorised Public Accountant
mne21404

Lars Baungaard
State Authorised Public Accountant
mne23331

Definition of terms

Technical terms, abbreviations and definitions of key figures and financial ratios.

A

Alphaliner
Alphaliner is a worldwide provider of container shipping data and analyses.

A.P. Moller - Maersk
A.P. Moller - Maersk is referred to as the consolidated group of companies and A.P. Møller - Mærsk A/S as the parent company.

B

Backhaul
The direction of the trade route that has the lowest volumes, whereas the opposite direction is referred to as headhaul.

C

CAPEX
Cash payments for intangible assets and property, plant and equipment, excluding acquisitions and divestments.

Cash conversion
Cash flow from operating activities to EBITDA ratio.

Cash flow from operating activities per share
A.P. Moller - Maersk's operating cash flow from continuing operations divided by the number of shares of DKK 1,000 each, excluding A.P. Moller - Maersk's holding of own shares.

Cost base
EBIT costs including VSA income and hub income and adjustments for restructuring costs, the result from associated companies and gains/losses.

D

Discontinued operations
Discontinued operations are a major line of business (disposal group) that is either held for sale or has been sold in previous periods.

The disposal group is reported separately in a single line in the income statement and cash flow statement.

Comparison figures are restated. In the balance sheet assets and liabilities are classified and disclosed separately on an aggregate level as assets held for sale and liabilities associated with assets held for sale. In the balance sheet comparison figures are not restated.

E

EBIT
Earnings Before Interest and Taxes.

EBITA
Earnings Before Interest, Taxes and Amortisation.

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation.

Equity ratio
Calculated as equity divided by total assets.

F

Fatalities
The headcount number of accidents leading to the death of the employee.

FFE
Forty Foot container Equivalent unit.

Free cash flow
Cash flow from operating activities, purchase/sale of intangible assets and property, plant and equipment, dividends received, repayments of lease liabilities, financial payments and financial expenses paid on lease liabilities.

G

Gross profit
The sum of revenue, less variable costs and loss on debtors.

H

Headhaul
The direction of the trade route that has the highest volume, whereas the return direction is referred to as backhaul.

I

Invested capital
Segment operating assets less segment operating liabilities, including investments and deferred taxes related to the operation.

K

kcbm
The freight volume of the shipment for domestic and international freight. Cubic metre (CBM) measurement is calculated by multiplying the width, height and length together of the shipment.

L

Loaded volumes
Loaded volumes refer to the number of FFEs loaded on a shipment which is loaded on first load at vessel departure time excluding displaced FFEs.

Lost-Time Injury frequency (LTIf)
Measures the number of lost-time injuries per million exposure hours. Lost-time injuries are the sum of fatalities, permanent total disability, permanent partial disability and lost workday cases.

N

Net interest-bearing debt (NIBD)
Equals interest-bearing debt, including lease liabilities, fair value of derivatives hedging the underlying debt, less cash and bank balances as well as other interest-bearing assets.

O

Ocean, loaded freight rate (USD per FFE)
Average freight rate per FFE for all the A.P. Moller - Maersk containers loaded in the period in either Maersk Line or Hamburg Süd vessels or third parties (excluding intermodal). Hamburg Süd is not excluding intermodal.

Ocean, reduction in carbon intensity (EEOI)
Ocean: Reduction in carbon intensity (EEOI) by 2030 (2020 baseline) covers container vessels under A.P. Moller - Maersk's operation. Carbon intensity reduction is reported on using the EEOI (Energy Efficiency Operational Indicator) methodology. EEOI is defined by the International Maritime Organization in MEPC.1/Circ.684 and is calculated as CO_2 emission per cargo tonne nautical mile (gCO_2/(tonne cargo X nm).

Ocean, unit cost, fixed bunker
(USD per FFE incl. VSA income) Cost per FFE assuming a bunker price at USD 200/tonne excluding intermodal but including hubs and time charter income. Hamburg Süd is not excluding intermodal.

R

Return on equity after tax
Calculated as the profit/loss for the year divided by the average equity.

Return on invested capital after tax (ROIC)
Profit/loss before financial items for the year (EBIT) less tax on EBIT divided by the average invested capital, last twelve months.

T

Towage, number of operational tug jobs (harbour towage) ('000)
Tug jobs on which Svitzer performs the physical job, including jobs where Svitzer has the commercial contract with the customer as well as jobs that Svitzer receives from the competitor through over-flow or other agreements.

TEU
Twenty-foot container Equivalent Unit.

Time charter
Hire of a vessel for a specified period.

Total market capitalisation
Total number of shares – excluding A.P. Møller - Mærsk A/S' holding of own shares – multiplied by the end-of-year price quoted by Nasdaq Copenhagen.

U

Underlying EBITDA
Underlying EBITDA is earnings before interest, taxes, depreciation and amortisation adjusted for restructuring and integration costs.

Underlying EBIT
Underlying EBIT is operating profit before interest and taxes adjusted for restructuring and integration costs, net gains/losses from sale of non-current – assets and net impairment losses.

Underlying profit/loss
Underlying profit/loss is profit/loss for the year from continuing operations adjusted for net gains/losses from sale of non-current assets, etc., and net impairment losses as well as transaction, restructuring and integration costs related to major transactions. The adjustments are net of tax and include A.P. Moller - Maersk's share of mentioned items in joint ventures and associated companies.

V

VSA
A vessel sharing agreement is usually reached between various partners within a shipping consortium who agree to operate a liner service along a specified route using a specified number of vessels.

W

Women in leadership
The percentage of women referenced as Senior Managers, Leaders, Senior Leaders, and Executives, compared to total headcount of the same levels.

123

4PL
A 4PL is a fourth-party logistics provider managing resources, technology, infrastructure as well as external 3PLs to design, build and provide supply chain solutions for businesses.

Part of Management review

Reporting universe

A.P. Moller - Maersk provides a suite of additional reports and supplementary information for 2022 to provide a comprehensive and transparent information to all stakeholders, which can be downloaded here:

→ Download

Find and follow

The website contains links to a PDF of the Annual Report for A.P. Moller - Maersk as well as the XHTML version submitted to the Danish Financial Supervisory Authority → investor.maersk.com/financial-reports.

Annual Report
The Annual Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act and provides a detailed disclosure of the company's performance, strategy, corporate governance and financial results.

Sustainability Report
The independently assured Sustainability Report represents A.P. Moller - Maersk's statutory statement on corporate social responsibility, gender composition of management, data ethics and diversity in accordance with sections 99a, b, d and 107d of the Danish Financial Statements Act, and A.P. Moller - Maersk's compliance with the EU Taxonomy disclosure requirements.

The Sustainability Report and additional information on how A.P. Moller - Maersk manages sustainability and ESG issues and explains implementation, progress and relevant commitments and frameworks can be found on the Sustainability website at: → maersk.com/sustainability

An overview of Environmental, Social and Governance (ESG) performance data, including Sustainability Accounting Standards Board (SASB) and Task force on Climate-Related Financial Disclosures (TCFD) indices, is available in the ESG Factbook.

A.P. Moller - Maersk's first ESG Investor Day in November with the presentation and the webcast on how the company will lead in the decarbonisation of logistics, can be found on: → investor.maersk.com

Remuneration report and policy
The remuneration report provides a full overview of the remuneration outcome of the Board of Directors and the Executive Board of A.P. Møller - Mærsk A/S.

The remuneration policy outlines the principles of remuneration design, the total remuneration by components and how each component supports the achievement of the strategy, long-term interest and sustainability of the company. Both the report and the policy are available at: → investor.maersk.com/remuneration

Corporate governance statement
The statutory corporate governance statement for A.P. Møller - Mærsk A/S forms part of the Management review of the Annual Report and includes the status of compliance with the 'Recommendations for Corporate Governance' issued by the Danish Committee on Corporate Governance December 2020 and implemented by Nasdaq Copenhagen.

Colophon

Board of Directors, A.P. Møller - Mærsk A/S
Robert Mærsk Uggla, Chair
Marc Engel, Vice Chair
Bernard L. Bot
Marika Fredriksson
Arne Karlsson
Thomas Lindegaard Madsen
Amparo Moraleda
Julija Voitiekute

Executive Board, A.P. Møller - Mærsk A/S
Vincent Clerc, Chief Executive Officer (CEO)
Patrick Jany, Chief Financial Officer (CFO)
Henriette Hallberg Thygesen

Editors
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Henrik Jensen
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Sarah Spray

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e-Types

Cover photo
Hong Kong Container Terminal no. 9
Martin Lee

Produced in Denmark 2023

Audit Committee
Arne Karlsson, Chair
Bernard L. Bot
Marika Fredriksson
Amparo Moraleda

Remuneration Committee
Marc Engel, Chair
Amparo Moraleda
Robert Mærsk Uggla

Nomination Committee
Robert Mærsk Uggla, Chair
Marc Engel

Transformation & Innovation Committee
Marc Engel, Chair
Amparo Moraleda
Robert Mærsk Uggla

Auditor
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