

List of Signatures

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MMMCZCS Annual report 2022.pdf

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Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping

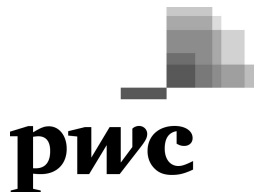
Bredgade 6, DK-1260 Copenhagen K

Annual Report for 1 January - 31 December 2022

CVR No 41 80 50 56

The Annual Report was
presented and adopted at
the Board meeting on 27/4
2023

Søren Skou
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping ("the Foundation") for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Foundation and of the results of the Foundation's operations for the financial year 1 January - 31 December 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

Copenhagen, 27 April 2023

Executive Board

Bo Vincent Cerup-Simonsen
CEO

Board of Directors

Søren Skou
Chair

Connie Hedegaard Koksbang
Vice Chair

Asgeir Johan Sørensen

Guy St. John Platten

Claus Michael Valentin
Hemmingsen



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Independent Auditor's Report

To Management of Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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



Independent Auditor's Report

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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



Independent Auditor's Report

Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 27 April 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Wraae Holm
statsautoriseret revisor
mne30141

Allan Wøhlk Høgh
statsautoriseret revisor
mne34528



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Foundation Information

The Foundation

Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping
Bredgade 6
DK-1260 Copenhagen K
Website: www.zerocarbonshipping.com

CVR No: 41 80 50 56

Financial period: 1 January - 31 December 2022

Incorporated: 29 October 2020

Financial year: 3rd financial year

Municipality of reg. office: Copenhagen K

Board of Directors

Søren Skou, Chair
Connie Hedegaard Koksbang
Asgeir Johan Sørensen
Guy St. John Platten
Claus Michael Valentin Hemmingsen

Executive Board

Bo Vincent Cerup-Simonsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Bankers

Danske Bank



Management's Review

Primary activities

The primary purpose of the foundation is to establish and operate a not-for-profit, independent, global research- and development center that contributes to the decarbonization of the global maritime industry. With partners, the Center facilitates the development and implementation of new solutions, regulation, and business models across the maritime ecosystem to accelerate the transition towards a zero-carbon future for shipping. The Center offers an independent, cross-disciplinary collaboration platform across the energy and maritime value chains including private and public stakeholders, academia, and NGOs.

During 2022 the Center has grown significantly in size and by the end of the year, the Center employs 56 full time employees (2021: 29) who works together with 45 experts seconded in from partner companies equivalent to 22 FTEs in 2022 (2021: 7) – all supported 9 student assistants (2021: 9). Aiming to act as a significant driver of the transition, the Center's work across this highly diverse and international team and is structured in four programs that each address a transition gap:

- elevating energy efficiencies
- maturing sustainable scalable alternative fuel pathways
- securing a level playing field and business readiness and
- initiating the transition through green shipping corridors

Through the applied R&D work in these programs, the high-quality modeling and analyses, and significant stakeholder engagement efforts across the ecosystem, the Center has built a strong brand and reputation as a central player in decarbonization of shipping and credible and trusted source of information.

A very tangible example of the value adding activities from Center side are the 16 publications published in 2022 that all reflect new knowledge and insights from Center projects and subject matter experts. These publications include technical project reports, position papers and “How-to” blueprints for initiating green corridors – all aiming at informing and inspiring key maritime stakeholders to take responsibility and act. As the Center's flagship publication, the Maritime Decarbonization Strategy was launched in December 2022 providing clear assessment of the transition progress and spurring urgent and relevant industry and regulatory action in the decade ahead.

In accordance with the Center's main purpose all publications and other products are made publicly available on the Center website providing easy access to highly specialized research results and in-depth knowledge, play books and news.

During 2022 the partner portfolio has been extended with 6 new Strategic Partners (2022: 24, 2021: 18), 6 Knowledge Partners (2022: 13, 2021: 7) and the formalized network with Mission Ambassadors (2022: 32, 2021: 9). The close connection and strong relationship between Center and its partners were cemented when the Center could finally formally celebrate its inauguration with a large and very successful in-person event in May. The 2022 Partner Satisfaction Survey confirms that partners experience high value from their partnership with the Center, supporting their decisions related to decarbonization and ESG strategy, providing in-depth knowledge and the opportunity to create a greater



impact on the transition from even closer collaboration. The Partner Satisfaction Survey showed a 100% favorable score on 'Overall Satisfaction' (19 out of 24 partners responded).

Financial review

By end of 2022, 24 strategic partners (2021: 18) have committed to the Center, each supporting the fulfillment of the Center's purposes and mission by joining efforts and making contributions to the Centers operations and activities.

For 2022 being the third financial year the Foundation has recognized a negative result of TDKK 7,657 (2021: negative TDKK 8,897), which was expected.

The result for the year is transferred to retained earnings under the equity after a change has been made of TDKK NIL (2021: TDKK NIL) to the reserve for distribution. Hereafter, the total retained earnings under the equity amounted to TDKK 3,174 on 31 December 2022 (2021: TDKK 10,831).

The Foundation was established in 2020 by A.P.Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal with a contribution of TDKK 50,000 of which TDKK 1,000 was allocated to fund capital and TDKK 49,000 to retained earnings. To secure the future financial conditions of the established Foundation a framework agreement was made with the A.P. Møller Fonden in 2020 for additional donations of TDKK 350,000 and in 2022 this has been increased with an additional donation of TDKK 320,000, where the total expected donation will be TDKK 720,000. The Foundation called TDKK 40,000 in 2021 and TDKK 50,000 in 2022.

The Center will continue its growth via increase in partner contributions (in kind) and ongoing maturation of the Center and because of this, a slight increase in cost and distributions is expected in 2023.

Policy for distributions

The primary purpose of the Foundation is to operate a not-for-profit, independent, global research- and development center contributing to research, innovation and development of technologies and solutions aiming at lowering and eventually eliminating greenhouse gas emissions from the global shipping industry.

The Center facilitates a neutral and open platform to stimulate cross-disciplinary collaboration across the energy- and maritime value chains accelerating the development of zero carbon technologies and -fuels to decarbonize the global shipping industry. The foundation's research will be translated into viable commercial solutions and may influence industry standards.

As a means of achieving this purpose, the foundation can fund projects in the Foundation's own organization or by external parties and give donations in any form e.g., by giving loans, provide guarantees or collateral, making capital contributions against issuance of shares and by providing start-



ups or researchers access to the foundation's test facilities.

The profits of the Foundation are allocated at the discretion of the Board of Directors and are used in connection with the Foundation's own activities and to maintain and develop its activities on a long-term basis. Available funds are distributed as grants to support the objectives of the Foundation.

No distributions were made in 2022 (2021: nil).

Review of Foundation governance

The Foundation complies with the recommendations on foundation governance in accordance with section 77a of the Danish Financial Statements. The Foundation follows all the recommendations on Foundation Government with the exemption of point 2.5.2 and 3.1.2.

"2.5.2 It is recommended that an age limit for members of the board of directors be set."

The Foundation has not introduced an age limit as the board is composed based on competences in accordance with the Foundation statutes.

"3.1.2 It is recommended that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation..."

In respect of the privacy of the individual board members and the Executive Board, the Foundation has chosen not to disclose the individual remuneration but shows it collectively in the notes.

The statutory statement is available on the Foundations website and can be accessed via the following link: <https://www.zerocarbonshipping.com/foundation-governance/>



Board of Directors

Name	Søren Skou	Connie Hedegaard	Claus V. Hemmningsen	Guy St. John Platten	Asgeir Johan Sørensen
Position	Chair	Vice Chair	Member	Member	Member
Gender and Born	Male - 1964	Female - 1960	Male - 1962	Male - 1964	Male - 1964
Appointed	29 October 2020	29 October 2020	29 October 2020	29 October 2020	29 October 2020
Reelection	N/A	N/A	N/A	N/A	N/A
Current election period expires	April 2023	April 2023	April 2024	April 2023	April 2022
Appointed by	Founder	Founder	Founder	The International Chamber of Shipping	Norwegian University of Science and Technology, Trondheim, Norway
Special competences	International shipping, Fund and business management	International and domestic executive policy making, board, environment and climate	International shipping, energy, Fund and Business management	International shipping, policy making	Electro-technical sciences Marine technology Offshore technology Marine hydrodynamics Control technology Marine cybernetics
Other positions	Former CEO at A. P. Møller – Maersk - joining Maersk in 1983. Member of Executive Board in Maersk Line since 2007. Vice chair of Nokia OY. Director in Mithel Invest ApS.	Former Minister of Environment to Denmark and European Commissioner for Climate Action. Chair of the Board for the EU Commissions Mission Board on Adaptation to Climate Change. Chair of the Board for Denmark's green think tank CONCITO. Chair of OECD's Round Table for Sustainable Development. Chair of Board for the KR Fonden. Member of Board of the Sustainability Council of Volkswagen. Member of Board of Danfoss. Member of Board of BBVA. Member of Board Cadeler. Member of Board Kirkbi Holding.	Chair of DFDS A/S, HusCompagniet A/S and Innargi A/S. Board member in A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Den A.P. Møllerske Støttefond, Det Forenede Dampskibs-Selskabs Jubilæumsfond, Noble Corporation PLC, Bacher A/S and Global Maritime Forum Fonden. Managing Director in CVH Consulting ApS.	Secretary General of International Chamber of Shipping (ICS). Prior positions include Chief Executive of the United Kingdom Chamber of Shipping, Chief Executive of Caledonian Maritime Assets (CMAL) Ltd., Director of Marine Operations for the Northern Lighthouse Board. Mr. Platten is a master mariner.	Professor at Norwegian University of Science and Technology, key scientist and Director of the Centre for Autonomous Marine Operations and Systems (NTNU AMOS). Industrial experience from MARINTEK, ABB Group and Marine Cybernetics. Co-established the Marine Cybernetics Laboratory (MC-Lab) and the Applied Underwater Robotics Laboratory (AUR-Lab) at NTNU. Owner and Chairperson of MARE Invest AS. Member of Academic Committee Anker Scholarships. Shareholder and board member in SESx Marine Technologies AS. Co-founder, shareholder, and board member in Zeabuz AS, Ecotone AS. Co- founder and shareholder in Eelume AS.
Independent member	Yes	Yes	No	Yes	Yes



Income Statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit/loss		44.114.342	26.851.519
Staff expenses	1	-51.801.184	-35.333.153
Profit/loss before financial income and expenses		-7.686.842	-8.481.634
Financial income		159.334	0
Financial expenses		-129.690	-415.139
Profit/loss for the year		-7.657.198	-8.896.773

Distribution of profit

Proposed distribution of profit

Distributions		0	0
Retained earnings		-7.657.198	-8.896.773
		-7.657.198	-8.896.773



Balance Sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Deposits		0	1.800.000
Fixed asset investments		0	1.800.000
Fixed assets		0	1.800.000
Trade receivables		5.923.827	2.624.480
Other receivables		2.660.170	6.849.708
Prepayments		2.295.396	1.403.246
Receivables		10.879.393	10.877.434
Cash at bank and in hand		29.708.364	28.420.316
Currents assets		40.587.757	39.297.750
Assets		40.587.757	41.097.750



Balance Sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Fund capital		1.000.000	1.000.000
Reserve for distributions		15.000.000	15.000.000
Retained earnings		3.174.179	10.831.377
Equity		19.174.179	26.831.377
Other provisions		2.003.331	0
Provisions		2.003.331	0
Credit institutions		164.484	37.132
Prepayments received from customers		8.510.968	3.180.936
Payables for services		842.918	1.700.150
Other payables		9.891.877	9.348.155
Short-term debt		19.410.247	14.266.373
Debt		19.410.247	14.266.373
Liabilities and equity		40.587.757	41.097.750
Contingent assets, liabilities and other financial obligations	2		
Related parties	3		
Accounting Policies	4		



Statement of Changes in Equity

	Fund capital	Reserve for distributions	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1.000.000	15.000.000	10.831.377	26.831.377
Net profit/loss for the year	0	0	-7.657.198	-7.657.198
Equity at 31 December	1.000.000	15.000.000	3.174.179	19.174.179



Notes to the Financial Statements

	2022	2021
	DKK	DKK
1 Staff expenses		
Wages and salaries	47.853.469	32.955.626
Pensions	3.828.992	2.320.280
Other social security expenses	118.723	57.247
	51.801.184	35.333.153
Including remuneration to the Executive Board of: Executive Board and Board of Directors	3.884.112	4.653.214
	3.884.112	4.653.214
Average number of employees	47	25

2 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Lease within 1 year	3.970.800	3.763.800
Lease between 1 and 5 years	0	3.672.000

Lease obligations under operating leases relates to rent of properties. Total future lease payments: 3.970.800 DKK.

3 Related parties

Transactions

Transactions during the year with related parties concerns remuneration to the Executive Board and the Board of Directors. There have been no further transactions with the Board of Directors and the Executive Board or other related parties.



Notes to the Financial Statements

4 Accounting Policies

The Annual Report of Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Recognition and measurement

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

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

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

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

Income Statement

Revenue

Revenue is measured at the value of the consideration received and is recognised exclusive of VAT and net of discounts relating to sales. Fees from partners for access to the Foundations network is recognized as revenue at the rate of completion.

Revenue furthermore consists of in-kind contributions from partners as full-time employees or facilities made available for the Foundation. This income is recognised as revenue upon receipt of the contributions.

Other external expenses

Other external expenses comprise external consulting assistance, maintenance of office, advertising, rent etc.

Other external expenses also include research and development costs that do not qualify for capitalisa-



Notes to the Financial Statements

4 Accounting Policies (continued)

tion.

Gross profit/loss

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Other operating income

Other operating income consists of donations received. The donations are recognised with the share that has been received during the financial year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Balance Sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Other provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Foundation has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.



Notes to the Financial Statements

4 Accounting Policies (continued)

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Distributions

Distributions paid out

Distributions that have been adopted and paid out in accordance with the purpose of the Foundation at the balance sheet date are deducted from equity in connection with distribution of profit.

Distributions not yet paid out

Distributions that have been adopted in accordance with the purpose of the Foundation at the balance sheet date and have been announced to the recipients, but have not yet been paid out at the balance sheet date, are deducted equity in connection with distribution of profit and recognised as debt.

Reserve for distributions

At the meeting of the Board of Directors at which the Annual Report is adopted, the Board of Directors lays down a distribution framework in respect of the amount expected to be distributed. This amount is transferred from distributable reserves to the distribution framework. Concurrently with being announced to the recipients, the distribution amounts are paid out, or they are transferred to debt or, in rare cases, to provisions relating to distributions.

