A.P. MØLLER HOLDING A/S ANNUAL REPORT 2020

A.P. MØLLER

Esplanaden 50
DK - 1263 Copenhagen K

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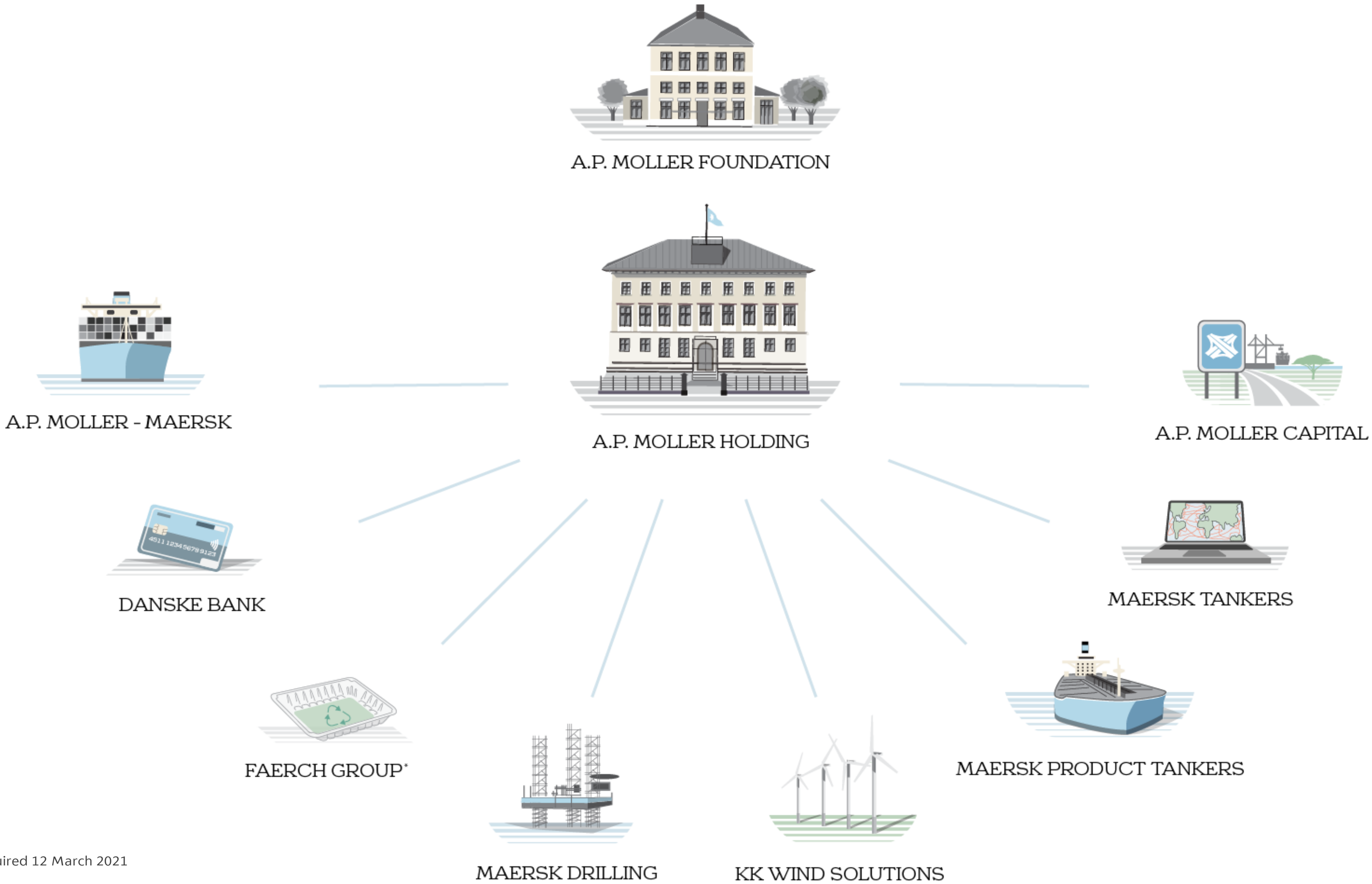
CVR 25 67 92 88

Date 25 March 2021
Chairman Lars-Erik Brenøe

A.P. MOLLER HOLDING AT A GLANCE



* Acquired 12 March 2021

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The Annual Report of A.P. Møller Holding A/S (hereafter referred to as A.P. Moller Holding), includes the financial statements of A.P. Møller - Mærsk A/S (A.P. Moller - Maersk), Danske Bank A/S (Danske Bank), The Drilling Company of 1972 A/S (Maersk Drilling), Maersk Tankers A/S (Maersk Tankers), Maersk Product Tankers A/S (Maersk Product Tankers), KK Wind Solutions Holding A/S (KK Wind Solutions), and A.P. Møller Capital P/S (A.P. Moller Capital) as well as the financial statements of A.P. Moller Holding's investment companies. A.P. Moller Holding is the parent company of the A.P. Moller Group (the Group) which includes all the above mentioned companies. The term A.P. Moller Holding group (the group) is used in the Annual Report for controlled and consolidated companies.

The 2019 comparative figures are stated in brackets.

A.P. Møller Holding A/S
Esplanaden 19 • DK-1263 Copenhagen K • Registration number: 25 67 92 88 • www.apmoller.com

Photos: P. 6 Torben Eskerod, P. 12 A.P. Moller - Maersk, Danske Bank, Faerch Group, Maersk Drilling, P. 13 KK Wind Solutions, Maersk Tankers, Getty Images, P. 14 KK Wind Solutions, P. 93 Shutterstock, COBE

MANAGEMENT REVIEW

LETTER FROM THE CEO

ROBERT M. UGGLA
CEO

2020 has been a tumultuous and difficult year. While the Group has so far weathered the storm, coming out stronger financially, the pandemic has hit our colleagues, our business partners and our local communities hard. Lives and livelihoods have been lost due to the virus.

For our shipping and energy related activities it has been one of the most volatile years in our Group's long history, with some truly extraordinary rate developments experienced across several segments. The year also became an inflection point and catalyst for some of the broader global mega themes, not least acceleration of the digital economy, a more complex global supply chain, as well as the green energy transition, underpinning several of our Group's recent portfolio shifts and investments.

As a Group, in 2020, we recorded a consolidated revenue of DKK 277.0bn (USD 42.3bn), EBITDA of DKK 57.4bn (USD 8.8bn), and equity of DKK 249.2bn (USD 41.2bn). A.P. Moller Holding, the Group's parent company remains debt free with a cash inflow of DKK 4.4bn (USD 0.7bn). The net asset value of A.P. Moller Holding's portfolio grew 21.5% driven by A.P. Moller - Maersk, which enjoyed historically high freight rates and strong momentum across its activities, and by the positive development of our privately held holdings, with Maersk Drilling and Danske Bank having adverse impact on the portfolio value.

WEATHERING THE STORM

At the time of writing the CEO letter for our 2019 annual report, we were looking into what, at the time, felt like an abyss of adversity and uncertainty. By mid March, global trade was in reverse and the capital markets were in a free fall, with growing concerns that the pandemic would turn into a serious credit crisis. The difficult situation was exacerbated by having many colleagues working remotely.

The author and historian Yuval Noah Harari recently wrote about the criticality of supply chains, by referring to the saying that any civilisation is just three meals away from barbarism. To feed our societies, it is not enough to produce the food, you will also have to transport it, often thousands of kilometers.

Our Group's portfolio companies have demonstrated remarkable team efforts and resilience during the pandemic. Colleagues at sea, in ports, in warehouses, in factories and in many other locations have been in the eye of the storm. They have contributed to keeping the world's wheels turning by providing essential services to society. Our portfolio companies have also provided other forms of support to our local communities. Notably, A.P. Moller Holding, in collaboration with the A.P. Moller Foundation and A.P. Moller - Maersk, initiated the Maersk Bridge, to source, procure and transport critical personal protective equipment (PPE) to healthcare workers.

Some of the greatest challenges during the pandemic have been related to our seafarers' work conditions. Over the last year, seafarers have had to take far longer shifts onboard, due to travel restrictions, closed borders and the constant change of local regulations and requirements. Seafarers around the world have been held up on vessels for many months, resulting in physical and mental exhaustion.

In addition, seafarers have been hard hit by some governments' inability to provide support to the merchant fleet, when it has been involved in rescue operations at sea, e.g. the crew of Maersk Etienne was isolated with 27 migrants for more than a month in the Mediterranean Sea. As a Group, we are concerned about these developments, noting the critical role seafarers and shipping companies play to safeguard the delivery of critical goods, including food, energies and medical equipment, to our communities around the world.

INVESTING IN THE FUTURE: CIRCULARITY

When A.P. Moller Holding instigated the restructuring of A.P. Moller - Maersk in 2016, the objective was twofold: Firstly, to provide support as owners to the restructuring and transformation of the Maersk activities, which is well underway. Secondly, to acquire and develop new activities. In the last two years, A.P. Moller Holding has built a talented team of investment professionals, who have worked relentlessly during 2020 to pursue our Group's portfolio renewal, including committing approximately DKK 8bn of equity to acquire the Faerch Group.

Our investment strategy is a function of the A.P. Moller Foundation's charter of acquiring and developing 'nyttig virksomhed' (companies having a positive impact on society) in a few identified verticals, underpinned by certain themes. In this respect, we have for some time reviewed opportunities to invest in the circular economy.

The invention of the steam engine kick-started the industrial revolution, which transformed our ability of mass production, based on the perceived infinite access to materials and energy. This 'linear economy' of take-make-waste, i.e. take resources from the ground to make products later ending up as waste, has reached its limit from an environmental point of view. As a result, we expect societies and consumers to increasingly demand from producers that they use materials offering true circularity, i.e. material being used and re-used for the same purpose, in an endless number of manufacturing cycles.

A.P. Moller Holding would like to accelerate the investments and development of such circular system of waste. We see great opportunities in changing the use of plastics from being a linear product to a circular product. Plastics have unique characteristics for a range of applications, such as preserving shelf life and durability of food products. These are critical characteristics to reduce food waste. However, plastic, if not recycled, becomes a problem for society, as it typically ends up in nature, landfills or incinerators. The Faerch Group, as the pan European leader of circular food packaging solutions, has demonstrated that it offers a compelling, sustainable solution, by developing food packaging products with a high degree of post-consumer recycled content. We look forward to working with Faerch Group's highly talented team to expand their technology and offerings into new product categories and markets.

ACCELERATING OUR ENERGY TRANSITION

Another macro theme pursued by A.P. Moller Holding and our portfolio companies is the green energy transition. The Group has pursued a number of encouraging initiatives and investments to reduce emissions and accelerate the use of green energy. For example, KK Wind Solutions has continued its successful expansion of power electronics with the acquisition of Gram & Juhl, a global leader in conditional monitoring of wind turbines.

Similarly, our shipping, logistics and offshore related activities have taken several steps to decarbonise their footprint, including initial steps to replace hydrocarbon-based fuels with green fuels, e.g. A.P. Moller - Maersk recently announced that it intends to operate the world's first carbon neutral liner vessel by 2023.

An exciting example of a 2020 initiative to reduce emissions is the start-up ZeroNorth, incubated by and spun off as an independent company from Maersk Tankers. ZeroNorth provides an AI based software solution to operators of tramp ships to help them with voyage optimisation, which reduces the vessels' emissions by minimising fuel consumption. The response from the industry has been overwhelming. At the time of writing this letter, 1,500 vessels have signed up to ZeroNorth's software as a service (SaaS), after a year in operation (85% of those vessels are controlled by third parties outside our Group).

> Over the last year, seafarers have had to take far longer shifts onboard, due to travel restrictions, closed borders and the constant change of local regulations and requirements.

The ZeroNorth team aims to reduce the tramp shipping industry's emissions by close to 10 million metric tonnes annually within the next few years (this equals approximately 1/3 of Denmark's total annual emissions), although the potential may be vastly bigger, once greener fuels become available.

Ultimately, the success of the energy transition in shipping hinges on many stakeholders' ability to collaborate and find common solutions. Therefore, in June 2020, the A.P. Moller Foundation donated DKK 400m to set up the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping to develop green fuel types and related technologies, attracting partners from across the shipping, equipment and energy industries, while also collaborating with academia and authorities. The Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping is an open source, non-profit, independent research center aiming to find practical and sustainable energy solutions that will benefit the entire shipping industry.

LOOKING AHEAD

The pandemic has also accelerated other changes that have been under way for some time. Apart from the energy transition, digital engagement is higher than ever. E-commerce penetration over the last six months has amounted to expectations for the next 10 years, which is having a profound impact on supply chains. Our portfolio companies' ability to embrace these digital opportunities is decisive for their long-term success. We are seeing a number of encouraging initiatives with significant long-term potential, such as A.P. Moller - Maersk's Twill, an online shipping service for small and medium-sized businesses, experiencing a 13 fold year-over-year growth in 2020.

Despite the protectionist political sentiment in some countries, we expect trade to continue to grow. The Regional Comprehensive Economic Partnership signed in 2020, covering around 30% of the global population and GDP, is estimated to increase trade by up to 10% amongst its members by 2030. However, we acknowledge that trade is also becoming increasingly complex, as evidenced by Brexit and the China-US trade conflict, further exacerbated by recent congestion of shipments and deficit of containers caused by the pandemic. In this challenging environment, a company like A.P. Moller - Maersk, which combines a global network with strong local logistics offerings and customs solutions, is well positioned to provide vital support to companies holding an international supplier and customer base.

Some matters have not changed in our Group's well over 100 year old history. A core building block and success factor remains human capital and talent. We are highly encouraged to see the positive development of our portfolio companies' management teams as well as the hiring of several new Directors to our portfolio Boards. While our legal structure has evolved from being a conglomerate into a Group of independent and focused companies with a network of Boards and executive teams holding deep domain expertise, we all remain guided by the same Maersk values. As the Chairman of A.P. Moller Holding has expressed many times: 'The values are constant in a complex and changing world'.

I am highly impressed by what has been accomplished across our Group, on shore and at sea, during a very difficult 2020. As CEO, I extend my sincere thanks to all colleagues in A.P. Moller Holding and our Group's portfolio companies for the extraordinary team efforts and achievements.

I wish you and your families fair winds for the coming year.

We expect societies and consumers to increasingly demand from producers that they use materials offering true circularity.


A·P·MØLLER

FIVE-YEAR SUMMARY

Amounts in DKKm	2020	2019	2018	2017	2016
INCOME STATEMENT					
Revenue	276,958	275,032	262,613	220,930	207,171
Share of profit in associated companies	2,016	3,944	2,201	4,863	502
Profit/loss before financial items (EBIT)	19,115	15,187	10,325	- 5,276	- 9,318
Financial items, net	- 6,674	- 5,281	- 2,891	- 4,290	- 4,003
Profit/loss for the year	9,987	6,577	22,464	- 2,991	- 11,051
A.P. Møller Holding A/S' share of profit/loss	**4,737**	**4,772**	**10,942**	**1,388**	**- 1,349**
Average number of employees	88,191	88,006	86,113	82,306	83,737
BALANCE SHEET					
Total assets as of 31 December	421,819	462,222	413,113	435,298	464,366
Equity as of 31 December	249,202	262,940	255,758	229,502	256,376
CASH FLOW STATEMENT					
Cash flow from operating activities	55,177	43,846	24,795	25,011	11,715
Purchase of property, plant and equipment	- 9,957	- 16,037	- 19,857	- 38,927	- 15,818
FINANCIAL RATIOS					
Proposed dividend to the A.P. Moller Foundation	600	400	500	500	500
Return on equity	3.9%	2.5%	9.3%	- 1.2%	- 4.2%
Equity ratio	59.1%	56.9%	61.9%	52.7%	55.2%

The five-year key figures are based on the consolidation for A.P. Moller Holding group and have been adjusted for discontinued operations (Maersk Oil).

IFRS 16 Leases have been applied from 1 January 2019 in accordance with the modified retrospective approach. Therefore, comparative figures from previous periods (2016-2018), are not adjusted.

HIGHLIGHTS

A.P. Moller - Maersk accelerated its transformation during 2020 to become a global integrator of container logistics by completing a number of M&A transactions in the non-ocean segments. The digital product platform offerings (e.g. Maersk Spot and Twill) experienced significant growth.

Danske Bank has continued to progress on the strategy ‘Better Bank 2023’ with a number of initiatives including a reorganisation to reduce complexity and to ensure a better and more digital customer experience.

Maersk Drilling and the offshore drilling industry were negatively impacted by COVID-19 and subsequent Brent oil price drop, leading to early termination of contracts and reduced activity across the industry. Maersk Drilling continues to build strong customer relationships through their “Smarter Drilling for Better Value” strategy.

Maersk Tankers now operates more than 230 vessels and continues to build its product offering. During 2020, Maersk Tankers spun off ZeroNorth, a company aiming at reducing the tramp shipping industry’s CO2 emissions, while optimising earnings for the vessel owners. To date, ZeroNorth has attracted 1,500 vessels to its platform.

For Maersk Product Tankers the year has been impacted by significant volatility in time charter rates. Maersk Product Tankers continued its active asset management strategy and reached agreement with Asian buyers to divest part of its fleet.

KK Wind Solutions, the global leader in the wind turbine supply industry, showed solid operational performance throughout the year delivering above 10% revenue growth benefiting from the continued green energy transition.

In December 2020, A.P. Moller Holding signed an agreement to acquire Faerch Group, a global leader in sustainable and circular packaging for the food industry. The acquisition was completed in March 2021.

FINANCIAL PERFORMANCE

A.P. Moller Holding delivered a consolidated result of DKK 10.0bn (DKK 6.6bn) and a return on equity of 3.9% (2.5%). We benefited from cash inflow of DKK 4.2bn and saw an increase in net asset value of DKK 25.1bn to DKK 141.7bn.

A.P. Moller Holding is the parent company of the fully consolidated activities of A.P. Moller - Maersk, Maersk Drilling, KK Wind Solutions, Maersk Tankers, Maersk Product Tankers, A.P. Moller Capital and the financial activities of A.P. Moller Holding and accounts for its share of Danske Bank's results. A.P. Moller Holding delivered a consolidated revenue of DKK 277.0bn, a net result of DKK 10.0bn and consolidated equity of DKK 249.2bn. Operating profit and earnings increased compared to 2019, reflecting improvements in the underlying performance mainly in A.P. Moller - Maersk, Maersk Tankers and Maersk Product Tankers, partly reduced by lower activity and impairment in Maersk Drilling.

A.P. Moller Holding recorded a cash inflow from its holdings of DKK 4.2bn and committed DKK 14.1bn to the acquisition of Faerch Group. The cash flow from investment activities ended at DKK 3.8m when adjusting for the activity in the financial investment portfolio.

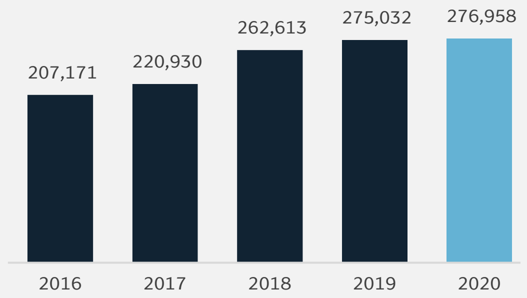
Net asset values increased by 21.5% mainly driven by the surge in A.P. Moller - Maersk's share price of 35%. Danske Bank's share price declined 7%, and Maersk Drilling's share price declined 56%. Overall, the privately owned portfolio companies developed positively throughout the year. The drop in total assets and consolidated equity, despite positive earnings is a reflection of the lower USD exchange rate (declined by 10%).

In December 2020, A.P. Moller Holding signed an agreement to acquire Faerch Group, the world's leading sustainable food packaging company. Closing of the acquisition took place on 12 March 2021.

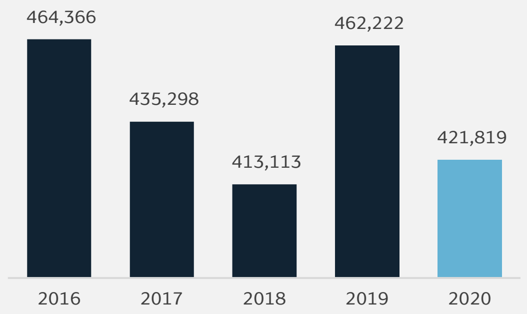
OPERATING ACTIVITIES

Revenue for 2020 grew slightly (0.7%) to DKK 277.0bn (DKK 275.0bn). Growth in A.P. Moller - Maersk , Maersk Tankers and KK Wind Solutions was offset by a revenue decline in Maersk Drilling and Maersk Product Tankers. The revenue was positively impacted by increased container freight rates and continuing growth in the wind industry, where KK Wind Solutions is successfully diversifying the customer base. The revenue was negatively impacted by a decline in the USD exchange rate

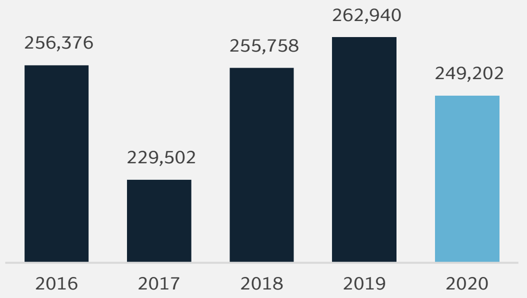
REVENUE* (DKKm)



TOTAL ASSETS* (DKKm)



CONSOLIDATED EQUITY (DKKm)



*) IFRS 16 Leases have been implemented from 1 January 2019

compared to 2019. Revenue growth in local currency was approx. 3%.

TOTAL COSTS

Operating costs declined with 5% during 2020, led by lower costs from agile capacity deployment and lower bunker costs in mainly A.P. Moller - Maersk. Also Maersk Tankers, Maersk Product Tankers and KK Wind Solutions managed to reduce their cost bases.

A.P. Moller Holding's administrative costs have increased as we continue to add resources and capabilities within the organisation. In 2020, we have hired 6 new employees, mainly to strengthen our investment efforts further. At the end of 2020, the organisation counted 43 employees, up from 37 the year before.

EBITDA

Our operational profit increased to DKK 57.4bn from DKK 42.2bn in 2019 and reflects improved earnings especially in A.P. Moller - Maersk's Ocean segment, led by increased freight rates and lower costs. Maersk Tankers and KK Wind Solutions further contribute to the earnings improvements.

EBIT

EBIT increased to DKK 19.1bn from DKK 15.2bn in 2019, reflecting the improved profitability in our portfolio companies. EBIT was negatively impacted by impairment losses of DKK 10.3bn in Maersk Drilling and by a decline in share of profit from associated companies of DKK 2.0bn.

FINANCIAL EXPENSES

Net financial expenses increased with DKK 1.4bn to DKK 6.7bn reflecting the exchange rate volatility partly set off by lower interest expenses and net fair value gains from the financial portfolio.

TAX

Tax for the year amounted to DKK 2.5bn compared to DKK 3.3bn in 2019. The corporate tax rate is affected by the allocation of net profit before tax between tonnage tax and other activities.

PROFIT FOR THE YEAR

Profit for the year increased to DKK 10.0bn from DKK 6.6bn in 2019, reflecting the improved profitability across the group.

A.P. Moller Holding's share of the profit ended at DKK 4.7bn compared to DKK 4.8bn in 2019. The share of profit was negatively impacted by a decline of DKK 2.2bn in the share of profit from Danske Bank and the impairment losses in Maersk Drilling.

Overall, the result was negatively impacted by a decrease in the USD average exchange rate of 1.9% compared to last year as A.P. Moller - Maersk, Maersk Drilling, Maersk Tankers and Maersk Product Tankers report in USD.

Due to the outbreak of COVID-19 in the beginning of 2020, we were not able to express any expectations for 2020 in our Annual Report 2019. The result reflects that most of our portfolio companies have managed the uncertainties associated with the COVID-19 pandemic well.

FINANCIAL DEVELOPMENT IN OUR PORTFOLIO COMPANIES

A.P. Moller - Maersk reported a net profit of DKK 19.0bn (DKK 3.3bn) primarily due to improved earnings in Ocean. Cash flow from operating activities was up 32%, mainly due to improved earnings and cash conversion of 95%. The capital discipline continued in 2020 and free cash flow amounted to DKK 30.1bn. During 2020, A.P. Moller - Maersk completed the acquisition of Performance Team and KGH Customs Services. Both logistics companies will support A.P. Moller - Maersk in enhancing its capabilities as an integrated container logistics company, offering end-to-end supply chain solutions to its customers. A.P. Moller - Maersk completed the first part of its share buyback programme in July 2020 and initiated the second phase in November 2020, expecting to buy back additional DKK 10bn over 15 months. A.P. Moller - Maersk proposed a dividend of DKK 330 per share equivalent to 35% of its net profit in line with its dividend policy.

Danske Bank reported a net profit of DKK 4.6bn (DKK 15.1bn) negatively impacted by loan impairment charges of DKK 7bn, reflecting expected credit losses due to the COVID-19 pandemic, higher costs as a result of planned costs for the Better Bank transformation as well as costs for ongoing compliance remediation and the Estonia case. However, the underlying business saw increased volumes, but was negatively impacted by the continued margin pressure and increased funding costs. The underlying trends in the core banking business were solid and progress on the transformation continues. Danske Bank remains well capitalised with a CET1 capital ratio of 18.3% (17.3%) versus the regulatory CET1 requirement of 13.2% implying an additional capital buffer of around DKK 40bn. Danske Bank proposed a dividend of DKK 2 per share equivalent to 38% pay-out ratio, slightly below its targeted policy.

Maersk Drilling reported a net loss of DKK 10.8bn (DKK 0.8bn), primarily due to impairment losses as the COVID-19 pandemic led to an unprecedented decline in oil price. Consequently, offshore drilling rig contracts were suspended or terminated, projects postponed, and tenders cancelled. Maersk Drilling continued its historically strong operational performance with a financial uptime of 98.9% in line with previous years and a strong safety performance reporting its lowest incident frequency in five years.

KK Wind Solutions continued to show strong organic growth and announced the acquisition of Gram & Juhl in September 2020, adding a broader digital product offering and enhancing the capabilities within condition monitoring, sensors and cloud-based services.

Maersk Product Tankers reported a net profit of DKK 1.1bn (DKK 0.6bn) primarily due to slightly higher rates, lower daily running costs and administration expenses as well as sales gains related to vessel divestments. Maersk Product Tankers proposed a dividend of USD 150m (approx. DKK 1bn).

Maersk Tankers reported a net profit of DKK 124m (DKK 115m). Vessels under management grew more than 20% to 234 vessels, primarily due to strong growth in third party managed vessels. ZeroNorth was established as a truly digital platform company focused on optimising fuel efficiency and cutting emissions for vessel owners in the tramp shipping industry. To date, ZeroNorth has attracted 1,500 vessels to its platform. Maersk Tankers proposed a dividend of USD 10m (approx. DKK 62m).

A.P. Moller Capital has, during 2020, announced a number of acquisitions including the investment in a ports and logistics platform in West Africa, a thermal power plant in Kenya and a grain terminal operator in Morocco.

EQUITY

As of 31 December 2020, total equity amounted to DKK 249bn (DKK 263bn) reflecting a decline of 5.2%. The decline was mainly the result of the distribution of net profit for the year as well as exchange rate adjustments as the USD exchange rate has dropped 10% compared to 31 December 2019. The return on equity amounted to 3.9% (2.5%) and the equity ratio to 59.1% (56.9%). A.P. Moller Holding's share of the equity declined to DKK 129bn (DKK 133bn), also impacted by the lower USD exchange rate.

DIVIDEND

Based on the financial result for 2020, the Board of Directors proposes a dividend of DKK 600m to A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal (A.P. Moller Foundation). During 2020, a dividend of DKK 400m was paid.

INVESTMENT ACTIVITY

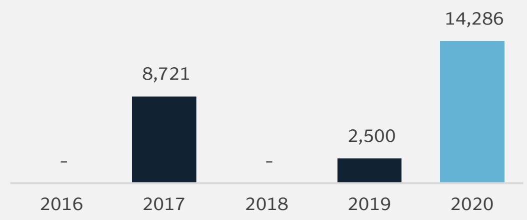
In December 2020, we announced a minority investment in Green Hydrogen Systems and committed DKK 14.1bn for the acquisition of Faerch Group. Both investments are closely linked to our key investment themes 'resource efficiency and circular economy'.

In 2020, we have continued to invest into maturing our geothermal incubation project.

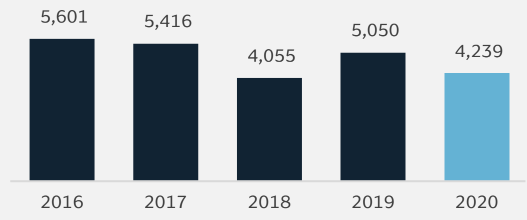
Cash flow used for investing activities was mainly impacted by the investment in Green Hydrogen Systems and activity in our financial investment portfolio as closing of the acquisition in Faerch Group took place in March 2021. The total capital inflow from dividends, share buy-back programmes and disposal of shares was DKK 4.2bn (DKK 5.1bn) negatively impacted by the suspension of dividends from Danske Bank based on the FSA's recommendation to the Danish banking sector.

Amounts in DKKm	2020	2019	2018	2017	2016
KEY FIGURES: A.P. Moller Holding's investment activities					
Cash flow from operating activities	- 263	- 172	- 47	2,886	1,523
Cash flow used for investing activities inflow	4,361	5,099	7,146	5,452	5,601
Cash flow used for investing activities outflow	- 577	- 4,959	- 1,397	- 5,873	0
Cash flow from financing activities	- 403	- 477	- 5,334	1,304	- 2,858
Net asset value (market value)	141,708	116,605	98,085	135,857	134,229
Average number of employees	36	28	21	12	3

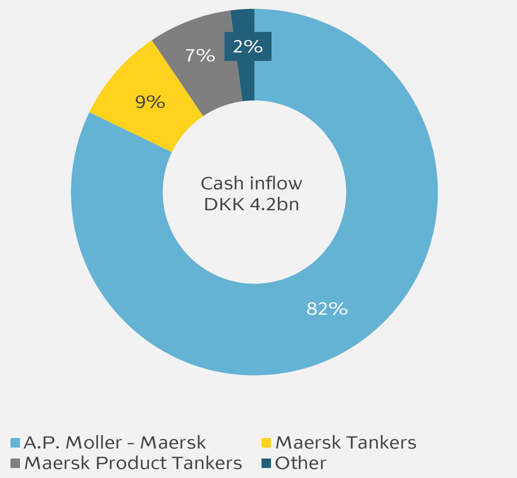
INVESTMENT COMMITMENTS (DKKm)



CASH INFLOW (DIVIDENDS AND SHARE BUY-BACK) (DKKm)



DISTRIBUTION OF CASH INFLOW



NET ASSET VALUE

End 2020, the net asset value increased to DKK 141.7bn corresponding to 21.5%. The improvement in the share price of A.P. Moller - Maersk reflects the strong results and positive market momentum going into 2021.

The value of the Danske Bank shares continued to decline during 2020 mainly due to the uncertainty around the COVID-19 impact on the underlying economy. Maersk Drilling's share price has seen a 56% decline as a result of lower activity levels in the drilling segment. However, the underlying share price development remains volatile.

The net asset value is a volatile measurement, not least over a shorter period, given the portfolio's significant exposure to a few main holdings. The net asset value calculation is based on different valuation methods. A.P. Moller - Maersk, Danske Bank and Maersk Drilling are assessed using their share prices at Nasdaq Copenhagen while the privately held companies are based on recognised valuation methods, and the financial investment portfolio is based on market capitalisation (primarily quoted prices).

The market value of A.P. Moller - Maersk and Danske Bank corresponds to 87% (83% in 2019) of the total net asset value as of 31 December 2020. The change is mainly due to the drop in the share price of Maersk Drilling, however positively impacted by the development in our financial portfolio and privately held companies. Over time, we expect that A.P. Moller - Maersk's and Danske Bank's relative share of our portfolio will decrease.

In 2021 post closing, we expect Faerch Group to account for approx. 7% of net asset value, all things being equal.

FINANCIAL OUTLOOK

A.P. Moller Holding's portfolio is generally exposed to the global economic activity levels, hence the outlook for our financial performance in 2021 is subject to significant uncertainties.

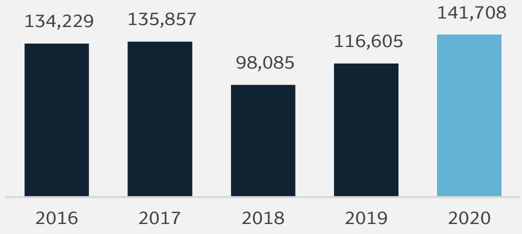
Our performance mainly depends on the development of the commercial activities in A.P. Moller - Maersk , Danske Bank, Maersk Drilling, Maersk Tankers, Maersk Product Tankers and KK Wind Solutions as well as the development of the financial markets. Furthermore, the acquisition of Faerch Group will impact our financial performance in 2021.

Based on our portfolio companies' guidance, we expect the result for 2021 to be above the result for 2020.

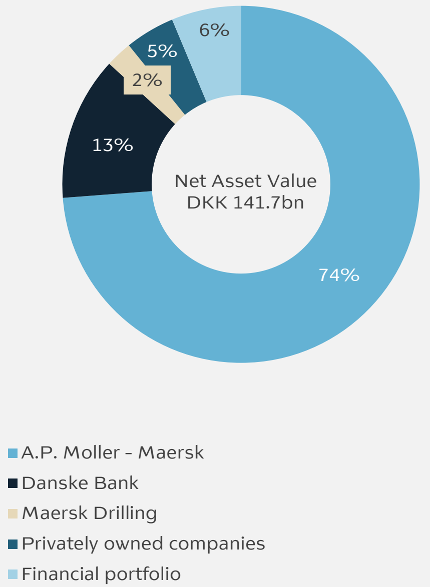
This statement is based on the current expectations for the financial markets and are by nature subject to a number of uncertainties as well as a high degree of uncertainty related to the continued impact from COVID-19 on the economic growth and global demand patterns that could cause actual results and performance to differ materially from the expectations.

Faerch Group will be fully consolidated into the A.P. Moller Group following the completion of the acquisition in March 2021.

NET ASSET VALUE (DKKm)



DISTRIBUTION OF NET ASSET VALUE



A.P. Moller - Maersk

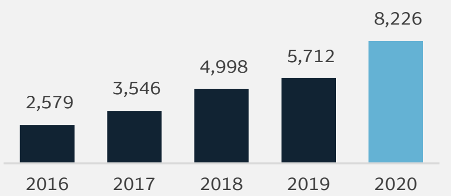
A.P. MOLLER - MAERSK is an integrated transport and logistics company founded by A.P. Møller in 1904. A.P. Moller - Maersk is a global leader in container shipping and ports and includes multiple brands.

CEO: Søren Skou
CFO: Patrick Jany

Representatives:
- Ane M.M. Uggla (Vice Chairman)
- Robert M. Uggla

Key figures:
- Market cap: USD 42.0bn (31 December 2020)
- Ownership: 41.51% / 51.45% voting share

EBITDA
(USDm) Continuing business



Danske Bank

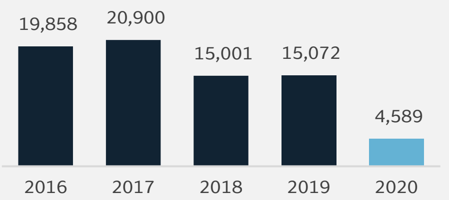
DANSKE BANK is a Nordic universal bank founded in 1871. Danske Bank has business within personal, business, institutional customer segments and other financial services. The universal model provides a strong, diversified platform delivering synergies across the four core Nordic markets: Denmark, Norway, Sweden and Finland.

CEO: Chris Vogelzang
CFO: Stephan Engels

Representatives:
- Jan T. Nielsen (Vice Chairman)
- Lars-Erik Brenøe

Key figures:
- Market cap: DKK 85.9bn (31 December 2020)
- Ownership: 21.26%

NET PROFIT
(DKKm)



Faerch Group

FAERCH GROUP* is the world's leading sustainable food packaging company. Faerch Group has pioneered and is today the global leader of fully circular packaging solutions, with its products made from 100% post-consumer recycled content and recyclable to new food grade products.

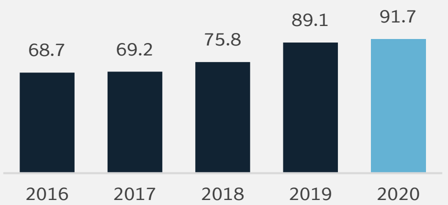
**) Acquisition completed 12 March 2021*

CEO: Lars G. Hansen
CFO: Tom Sand-Kristensen

Representatives:
- Henrik Poulsen (Chairman)
- Jan T. Nielsen

Key figures:
- Transaction value: EUR 1.9bn

EBITDA
(EURm)



Maersk Drilling

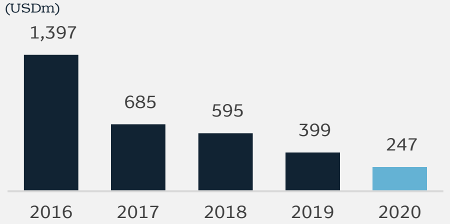
MAERSK DRILLING was established in 1972 as a part of A.P. Moller - Maersk and obtained a standalone public listing in April 2019. In its 49 years of history, Maersk Drilling has been at the forefront of developing high-end rigs and providing high efficiency drilling services to oil and gas companies around the world.

CEO: Jørn Madsen
CFO: Christine Morris

Representatives:
- Claus V. Hemmingsen (Chairman)
- Robert M. Uggla (Vice Chairman)
- Martin N. Larsen

Key figures:
- Market cap: USD 1.3bn (31 December 2020)
- Ownership: 41.6%

EBITDA
(USDm)



KK Wind Solutions

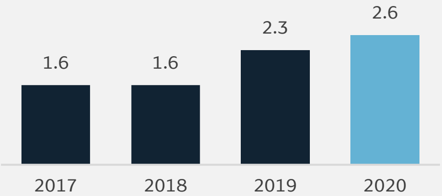
KK WIND SOLUTIONS is a leading global supplier of power electronic system solutions for the wind turbine industry. KK Wind Solutions built the world's first electrical control system for wind turbines and is today a power electronics integrator offering a wide range of products and services to wind turbines and parks.

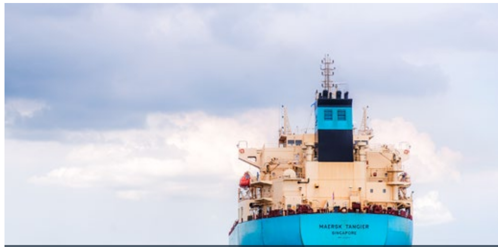
CEO: Chlinton A. Nielsen
CFO: Søren B. Just

Representatives:
- Jan T. Nielsen (Chairman)
- Simon K. Ibsen

Key figures:
- Revenue growth: above 10%

REVENUE
(DKKbn)





Maersk Product Tankers

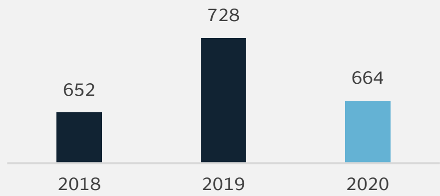
MAERSK PRODUCT TANKERS is an asset company with more than 70 vessels owned or under long-term bareboat charter. The vessels are operated by 2,700 seafarers and deliver refined oil products to more than 650 ports around the world.

CEO: Christian M. Ingerslev
CFO: Morten M. Christensen

Representatives:
- Robert M. Uggla (Chairman)
- Martin N. Larsen
- Maria Pejter

Key figures:
- Net profit: USD 161m

REVENUE
(USDm)



Maersk Tankers

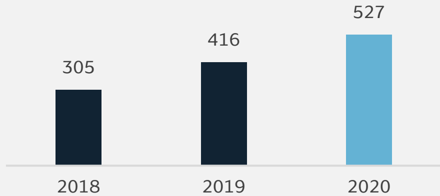
MAERSK TANKERS facilitates the trade of energy to meet the world's needs by pioneering shipping solutions. The company offers a competitive commercial platform, enabled by digitisation, and operates one of the world's largest fleets of vessels, including more than 230 vessels under management.

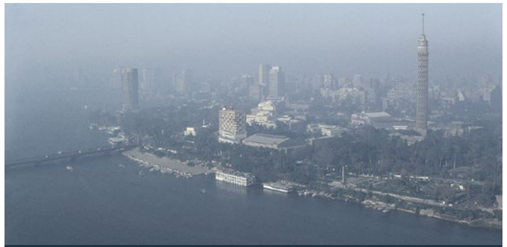
CEO: Christian M. Ingerslev
CFO: Morten M. Christensen

Representatives:
- Robert M. Uggla (Chairman)
- Martin N. Larsen
- Maria Pejter

Key figures:
- Net profit: USD 19m

REVENUE
(USDm)





A.P. Moller Capital

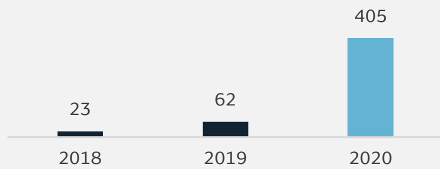
A.P. MOLLER CAPITAL is a fund manager focussing on infrastructure investments that combine attractive risk adjusted returns with a positive social impact.

Managing Partner: Kim Fejfer
CFO: Jeppe N. Jensen

Representatives:
- Robert M. Uggla (Chairman)
- Martin N. Larsen
- Jan T. Nielsen

Key figures:
- Capital commitment: USD 992m

DRAWN CAPITAL (ACCUMULATED)
(USDm)




Vestas

RISK MANAGEMENT

Our risk management setup is closely related to our investment strategy and allows us to safeguard the longevity of our portfolio companies by understanding the inherent risks associated with each of our portfolio companies and by supporting the companies in managing these risks in a changing environment.

Risk management reporting is an integrated part of our business processes, allowing A.P. Moller Holding to respond appropriately to the changing environments our businesses are operating in. The Board of Directors receives portfolio performance reports including risk management measures on a regular basis throughout the year.

During 2020, we have continued to grow the organisation and have built operational capabilities within the organisation. Being an investor focusing on capital risk, we continuously develop our risk framework and we have embedded controls and operational risk mitigation processes in our critical daily operations. We have a constant focus on good governance and we have implemented procedures to continuously assess and ensure that we follow market standards and developments. Further, in line with the purpose of the A.P. Moller Foundation, and to ensure the long-term viability and longevity of A.P. Moller - Maersk, our portfolio companies are structured as visualised on page 74.

OUR PORTFOLIO COMPANIES

Having a long-term ownership horizon, our ambition for each investment is defined in a clear ownership strategy, considering sector specific market parameters and developments as well as current and emerging risks.

Risks related to our portfolio companies include business and financial risks associated with operations and performance. Management of such risks is effectively anchored with the Board of Directors in each of the portfolio companies. Each entity has defined and implemented their own risk management framework, managing specific, defined risks. As owners, we monitor business performance in the portfolio companies closely as part of our ownership aspiration. We report on business- and risk-related issues to our Board of Directors as appropriate.

Our investment team is focusing on large and long-term investments and brings valuable global investment expertise. As we evaluate investment opportunities, the investments will undergo committees and investment gates where thorough risk analysis, due diligence and mitigation are natural parts of the investment evaluation process. Our risk management framework allows us to critically evaluate such risks and where risks/rewards are not deemed attractive and in line with our values as well as our financial and strategic beliefs, investments will not be committed.

As our investments are expected to have a long-term ownership horizon, we focus on the inherent risks related to such investments. At all times, it is part of our strategic beliefs to invest in and build businesses that have a positive impact on society. Hence, we strive to ensure that all our partners acknowledge our values and share our commitment to conduct business in an ethical, legal, and socially responsible manner.

FINANCIAL INVESTMENTS

A.P. Moller Holding has a financial portfolio primarily with exposure to global equity markets managed by our own investment team. The overall objective of the portfolio is i) to create economic value in line with our values ii) to ensure a part of our financial portfolio remains highly liquid, acting as a buffer in order for the company to be flexible and able to react as needed in relation to our portfolio companies or to significant changes in our cash flows and iii) to deliver performance in line with a fixed benchmark.

The Board of Directors approves the investment policy and defines the acceptable risk limits including a variety of risk management factors such as single line limits, currency exposures and asset class weights. These, in combination with internal investment principles, guide the financial investments on a daily basis. We manage the market, credit, liquidity, and currency risks related to our financial portfolio by limiting maximum exposure to individual asset classes and underlying assets. The guidelines are reviewed regularly to ensure they reflect the market situation, and our financial situation at any given time.

CORPORATE SOCIAL RESPONSIBILITY

A.P. Moller Holding invests in and builds businesses with a positive impact on society, 'nyttig virksomhed' – as defined by our founder A.P. Møller.

'Nyttig virksomhed' is a key element in our investment strategy, and we are open to reconsider our ownership of a business, if its business model does not have a positive impact on society. Hence, social responsibility is integrated into our purpose and is core to everything we do.

We have implemented policies and systems to secure a solid basis for our future activities as an engaged investment company. We focus highly on mitigating the risks of being abused for money laundering or financing of terrorism by third parties that A.P. Moller Holding engages with. This is especially relevant in relation to our investments, where we conduct proper and adequate due diligence measures on relevant counterparties such as advisors, co-investors, etc.

An example is our Anti-Bribery and Anti-Corruption Policy which illustrates our zero tolerance towards fraud and bribery. This is one of the cornerstones in our overall framework for how to exercise due care to prevent bribery and corruption internally as well as in relation to third parties acting on behalf of A.P. Moller Holding. The policy gives the overall guidelines in relation to procedures to be followed when investing and when interacting with other business relationships, e.g. government officials, in relation to gifts and hospitality, etc.

STATUTORY REPORT CF. SECTION 99A OF THE DANISH FINANCIAL STATEMENTS ACT

As an international investment company with a broad range of investment activities, A.P. Moller Holding has a significant influence on society. We acknowledge the responsibilities that this entails and make an effort to ensure that we are recognised as a trustworthy group of companies.

The Board of Directors of each of our portfolio companies, A.P. Moller - Maersk, Danske Bank, Faerch Group, Maersk Drilling, KK Wind Solutions, Maersk Tankers, Maersk Product Tankers as well as A.P. Moller Capital, define their own specific CSR policies and Codes of Conduct. We are represented on each board, and these representatives ensure that CSR policies, including human rights, climate change and environmental impact, are enforced. Policies are adapted to meet the circumstances in which each of the affiliates operate.

SUSTAINABILITY INITIATIVES ACROSS THE GROUP IN 2020

Our sustainability focus is deeply rooted in our heritage and purpose: 'having a positive impact on society'. In 2020, a number of significant initiatives were launched within the Group.

MAERSK BRIDGE

Maersk Bridge was an air bridge and supply chain operation set up to secure the delivery of PPE to healthcare workers to help reduce the risk of transmission of COVID-19 in hospitals.

MÆRSK MC-KINNEY MØLLER CENTER FOR ZERO CARBON SHIPPING

Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping was set up by the A.P. Moller Foundation and a group of leading industry players to develop new net-zero fuel types and technologies.

ZERONORTH

ZeroNorth was founded by Maersk Tankers to reduce tramp shipping's CO2 emissions and support the industry's drive towards a more sustainable development.

THE OCEAN CLEANUP

Maersk Supply Service extended their partnership with The Ocean Cleanup, which aims to clean the oceans from plastic.

FAERCH GROUP

Faerch Group was acquired in March 2021 and is the market leader of sustainable food packaging products as well as solutions that maximise re-use of plastic and minimise food waste.

For A.P. Moller Holding's statutory statement on CSR in accordance with section 99a of The Danish Financial Statements Act, please refer to: https://apmoller.com/wp-content/uploads/2021/03/AP-Moller-Holding-CSR-Report-2020.pdf.

STATUTORY REPORT CF. SECTION 99B OF THE DANISH FINANCIAL STATEMENTS ACT

The Board of Directors counts two women and three men. This constitutes gender balance in accordance with the guidelines issued by The Danish Business Authority in March 2016.

A.P. Moller Holding has not set a consolidated target for the under-represented gender across its portfolio companies, but has ensured that all subsidiaries which fall under the requirements as reporting class large C or D have set targets for their supreme management body individually. Furthermore, our subsidiaries report on their individual targets in their annual reports, as well as for their individual policies concerning gender balance at other management levels, if applicable.

WE ARE GUIDED BY OUR FIVE CORE VALUES

CONSTANT CARE

Take care of today, actively prepare for tomorrow

HUMBLENESS

Listen, learn, share, give space to others

OUR NAME

The sum of our Values, passionately striving higher

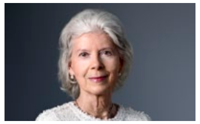
UPRIGHTNESS

Our word is our bond

OUR EMPLOYEES

The right environment for the right people

BOARD OF DIRECTORS



ANE M.M. UGGLA
CHAIRMAN

Chairman, the Board of Directors
- A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal
- Den A.P. Møllerske Støttefond

Member of the Board of Directors
- A.P. Møller - Mærsk A/S (Vice Chairman)

Other management duties
Estemco III ApS (CEO)
Timer ApS (CEO)

CLAUS V. HEMMINGSEN
DIRECTOR

Chairman, the Board of Directors
- The Drilling Company of 1972 A/S
- DFDS A/S
- HusCompagniet Holding A/S
- HusCompagniet A/S

Member of the Board of Directors
- A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal
- Den A.P. Møllerske Støttefond
- Det Forenede Dampskibsselskabs Jubilæumsfond
- Fonden Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping
- Global Maritime Forum Fonden
- Bacher Work Wear A/S (and Board member in a number of controlled entities)

Other management duties
CVH Consulting ApS (CEO)

DIANE GREENE
DIRECTOR

Chairman, the Board of Directors
- Massachusetts Institute of Technology

Member of the Board of Directors
- Stripe Inc.
- Wix.com Ltd.

JAN LESCHLY
DIRECTOR

Chairman, the Board of Directors
- Care Capital, LLC

Member of the Board of Directors
- Universal Tennis Ranking LLC
- The Leschly Tennis Foundation

Other management duties
Adjunct Professor at Copenhagen Business School

LARS-ERIK BRENØE
DIRECTOR

Chairman, the Board of Directors
- Navigare Capital Partners A/S
- Maersk Property A/S

Member of the Board of Directors
- Danske Bank A/S
- The Danish Committee on Foundation Governance (DI) (Vice Chairman)
- The Confederation of Danish Industry (Member of the Central Board)
- A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal
- A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond
- LINDØ port of Odense A/S
- Maersk Broker A/S (Vice Chairman)
- Maersk Broker K/S (and Chairman of six affiliated undertakings)
- Maersk Training A/S

EXECUTIVE BOARD

ROBERT M. UGGLA
CHIEF EXECUTIVE OFFICER

Robert M. Uggla, MSc in Business Administration, joined A.P. Moller - Maersk in 2004 and has held various roles, most recently as CEO for Svitzer A/S.

Other management duties, etc.
- A.P. Møller Capital P/S (Chairman)
- Maersk Tankers A/S (Chairman)
- Maersk Product Tankers A/S (Chairman)
- A.P. Møller - Mærsk A/S (Board member)
- The Drilling Company of 1972 A/S (Vice Chairman)
- ZeroNorth A/S (Board member)
- Foundation Board of IMD (Board member)
- Agata ApS (CEO, including CEO in a number of controlled entities)
- Estemco XII ApS (CEO)
- International Business Leaders' Advisory Council in Shanghai (Member)

Robert M. Uggla is appointed to the Board of Directors in a number of entities controlled by A.P. Møller Holding A/S

JAN T. NIELSEN
CHIEF INVESTMENT OFFICER

Jan T. Nielsen, MSc in Economics, has extensive experience in private equity and investment banking from his role as Senior Managing Director at Blackstone Private Equity, Hong Kong.

Other management duties, etc.
- KK Wind Solutions Holding A/S (Chairman)
- Danske Bank A/S (Vice Chairman)
- A.P. Møller Capital P/S (Board member)
- LEGO A/S (Board member)
- Thorsgaard Holding ApS (CEO)

Jan T. Nielsen is appointed to the Board of Directors in a number of entities controlled by A.P. Møller Holding A/S

MARTIN N. LARSEN
CHIEF FINANCIAL OFFICER

Martin N. Larsen, MSc in Economics & Finance, joined A.P. Moller - Maersk in 2003 and has held several roles, most recently as VP, Head of Financial Planning & Analysis.

Other management duties, etc.
- A.P. Møller Capital P/S (Board member)
- Maersk Tankers A/S (Board member)
- Maersk Product Tankers A/S (Board member)
- The Drilling Company of 1972 A/S (Board member)
- Navigare Capital Partners A/S (Board member)
- Assuranceforeningen SKULD (Gjensidig) (Board member)
- MVKH ApS (CEO)

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

FINANCIALS

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT FOR 1 JANUARY TO 31 DECEMBER

Note	Amounts in DKKm	2020	2019
1	Revenue	276,958	275,032
2, 13	Operating costs	- 221,567	- 232,587
	Other income	1,991	4,285
	Other costs	- 4	- 4,537
	Profit before depreciation, amortisation and impairment losses, etc.	**57,378**	**42,193**
6, 7, 8	Depreciation, amortisation and impairment losses, net	- 42,480	- 32,156
3	Gain on sale of non-current assets, etc., net	1,383	572
	Share of profit/loss in joint ventures	818	634
	Share of profit/loss in associated companies	2,016	3,944
	Profit/loss before financial items	**19,115**	**15,187**
4	Financial income	7,164	4,584
4	Financial expenses	- 13,838	- 9,865
	Profit/loss before tax	**12,441**	**9,906**
5	Tax	- 2,454	- 3,329
	Profit/loss for the year	**9,987**	**6,577**
	Of which:		
14	Non-controlling interests	5,250	1,805
	A.P. Møller Holding A/S' share of profit for the year	**4,737**	**4,772**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	Amounts in DKKm	2020	2019
	Profit/loss for the year	**9,987**	**6,577**
	Translation to functional currency		
	Translation impact arising during the year	1,271	- 538
	Reclassified to income statement, gain on sale of non-current assets, etc., net	419	40
	Cash flow hedges		
19	Value adjustment of hedges for the year	42	- 1,135
19	Reclassified to income statement	220	820
19	Reclassified to cost of property, plant and equipment	- 98	13
5	Tax on other comprehensive income	63	87
9	Share of other comprehensive income of joint ventures and associated companies, net of tax	33	- 7
	Total items that have been or may be reclassified subsequently to the income statement	**1,950**	**- 720**
18	Other equity investments (FVOCI), fair value adjustments for the year	13	1,100
16	Actuarial gains/losses on defined benefit plans, etc.	- 1,355	608
	Translation from functional currency to presentation currency	- 20,489	5,218
5	Tax on other comprehensive income	- 33	67
9	Share of other comprehensive income of joint ventures and associated companies, net of tax	- 49	136
	Total items that will not be reclassified to the income statement	**- 21,913**	**7,129**
	Other comprehensive income, net of tax	**- 19,963**	**6,409**
	Total comprehensive income for the year	**- 9,976**	**12,986**
	Of which:		
14	Non-controlling interests	- 6,706	5,440
	A.P. Møller Holding A/S' share	**- 3,270**	**7,546**

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER

Note	Amounts in DKKm	2020	2019
6	**Intangible assets**	**33,858**	**30,724**
7	**Property, plant and equipment**	**185,486**	**223,338**
8	**Right-of-use assets**	**50,967**	**57,062**
9	Investments in joint ventures	7,623	8,025
9	Investments in associated companies	40,759	40,430
	Other equity investments	996	651
19	Derivatives	1,628	1,075
16	Pensions, net assets	1,362	2,731
	Loans receivable	823	1,068
	Other receivables	1,961	2,137
	Financial non-current assets, etc.	**55,152**	**56,117**
10	**Deferred tax**	**1,528**	**1,604**
	Total non-current assets	**326,991**	**368,845**
	Inventories	**6,803**	**10,060**
18	Trade receivables	24,197	26,700
	Tax receivables	1,345	1,063
19	Derivatives	1,907	294
	Loans receivable	1,041	1,791
	Other receivables	6,215	6,268
	Prepayments	3,377	3,860
	Receivables, etc.	**38,082**	**39,976**
	Securities	**5,099**	**5,169**
	Cash and bank balances	**42,770**	**36,467**
11	**Assets held for sale**	**2,074**	**1,705**
	Total current assets	**94,828**	**93,377**
	Total assets	**421,819**	**462,222**

Note	Amounts in DKKm	2020	2019
12	Share capital	2,000	2,000
	Reserves	126,597	130,804
	Proposed dividend	600	250
	Equity attributable to A.P. Møller Holding A/S	**129,197**	**133,054**
14	Non-controlling interests	120,005	129,886
	Total equity	**249,202**	**262,940**
15	**Borrowings, non-current**	**46,007**	**64,212**
15	**Lease liabilities, non-current**	**45,309**	**49,123**
16	Pensions and similar obligations	1,798	1,816
17	Provisions	3,465	4,292
19	Derivatives	2,082	2,431
10	Deferred tax	3,409	2,944
	Tax payable, non-current	1,434	2,236
	Other payables	694	341
	Other non-current liabilities	**12,882**	**14,060**
	Total non-current liabilities	**104,198**	**127,395**
15	**Borrowings, current**	**7,528**	**6,432**
15	**Lease liabilities, current**	**8,912**	**8,787**
17	Provisions	4,569	3,201
	Trade payables	33,376	39,697
	Tax payables	2,021	2,394
19	Derivatives	1,444	622
	Other payables	8,740	8,824
	Deferred income	1,278	1,429
	Other current liabilities	**51,428**	**56,167**
11	**Liabilities associated with assets held for sale**	**551**	**501**
	Total current liabilities	**68,419**	**71,887**
	Total liabilities	**172,617**	**199,282**
	Total equity and liabilities	**421,819**	**462,222**

CONSOLIDATED CASH FLOW STATEMENT

Note	Amounts in DKKm	2020	2019
	Profit/loss before financial items	19,115	15,187
6, 7, 8	Depreciation, amortisation and impairment losses, net	42,480	32,156
3	Gain on sale of non-current assets, etc., net	- 1,383	- 572
9	Share of profit/loss in joint ventures	- 818	- 634
9	Share of profit/loss in associated companies	- 2,016	- 3,944
23	Change in working capital	- 985	3,691
	Change in provisions and pension obligations, etc.	1,074	384
	Other non-cash items	660	1,112
	Cash flow from operating activities before tax	**58,127**	**47,380**
	Taxes paid	- 2,950	- 3,534
	Cash flow from operating activities	**55,177**	**43,846**
23	Purchase of intangible assets and property, plant and equipment	- 11,321	- 17,450
	Sale of intangible assets and property, plant and equipment	4,709	2,052
24	Acquisition of subsidiaries and activities	- 3,022	- 2,048
	Sale of subsidiaries and activities	456	- 267
	Sale of associated companies	- 79	307
	Dividends received	1,360	3,597
	Sale of other financial investments[1]	- 274	16,254
	Purchase/sale of securities, trading portfolio	118	- 3,339
	Cash flow used for investing activities	**- 8,053**	**- 894**
	Repayment of borrowings	- 23,263	- 19,221
	Repayment of leases	- 11,435	- 8,787
	Proceeds from borrowings	9,753	9,582
	Purchase of own shares	- 3,087	- 3,079
	Financial income received	707	740
	Financial expenses paid	- 3,347	- 3,222
	Financial expenses paid on lease liabilities	- 3,067	- 3,189
	Dividends distributed	- 400	- 500
	Dividends distributed to non-controlling interests	- 2,365	- 2,340
	Sales of treasury shares	196	0
	Acquisition of non-controlling interests	- 95	- 7
	Sale of non-controlling interests	13	0
	Other equity transactions	249	114
	Cash flow from financing activities	**- 36,141**	**- 29,909**
	Net cash flow for the year	**10,983**	**13,043**

Amounts in DKKm	2020	2019
Cash and cash equivalents as of 1 January	36,392	22,916
Currency translation effect on cash and cash equivalents	- 4,602	433
Net cash flow for the year	10,983	13,043
Cash and cash equivalents as of 31 December	**42,773**	**36,392**
Of which classified as assets held for sale	- 124	0
Cash and cash equivalents as of 31 December	**42,649**	**36,392**
Cash and bank balances	42,770	36,467
Overdrafts	- 121	- 75
Cash and cash equivalents as of 31 December	**42,649**	**36,392**

[1] In 2019, the group sold 46.27 million Total S.A. shares, generating a cash flow of DKK 17.3bn

Cash and bank balances include DKK 6.1bn (DKK 6.1bn) relating to cash and bank balances in countries with exchange rate control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in DKKm	Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
Equity as of 1 January 2019	**2,000**	**- 1,672**	**- 548**	**- 308**	**126,093**	**500**	**126,065**	**129,693**	**255,758**
Other comprehensive income, net of tax	0	- 251	489	- 113	2,649	0	2,774	3,635	6,409
Profit/loss for the year	0	0	0	0	4,522	250	4,772	1,805	6,577
Total comprehensive income for the year	**0**	**- 251**	**489**	**- 113**	**7,171**	**250**	**7,546**	**5,440**	**12,986**
Dividends to shareholders	0	0	0	0	0	- 500	- 500	- 2,340	- 2,840
Value of share-based payment	0	0	0	0	36	0	36	51	87
Purchase of own shares	0	0	0	0	0	0	0	- 3,080	- 3,080
Capital increases and decreases	0	0	0	0	0	0	0	74	74
Transfer of loss on disposal of equity investments at FVOCI to retained earnings	0	0	50	0	- 50	0	0	0	0
Other equity movements	0	0	0	0	- 93	0	- 93	48	- 45
Total transactions with shareholders	**0**	**0**	**50**	**0**	**- 107**	**- 500**	**- 557**	**- 5,247**	**- 5,804**
Equity as of 31 December 2019	**2,000**	**- 1,923**	**- 9**	**- 421**	**133,157**	**250**	**133,054**	**129,886**	**262,940**
2020									
Other comprehensive income, net of tax	0	829	4	112	- 8,952	0	- 8,007	- 11,956	- 19,963
Profit/loss for the year	0	0	0	0	4,137	600	4,737	5,250	9,987
Total comprehensive income for the year	**0**	**829**	**4**	**112**	**- 4,815**	**600**	**- 3,270**	**- 6,706**	**- 9,976**
Dividends to shareholders	0	0	0	0	- 150	- 250	- 400	- 2,365	- 2,765
Value of share-based payment	0	0	0	0	35	0	35	50	85
Sale of own shares	0	0	0	0	82	0	82	115	197
Purchase of own shares	0	0	0	0	- 259	0	- 259	- 3,100	- 3,359
Acquisition of non-controlling interests	0	0	0	0	0	0	0	1,923	1,923
Sale to non-controlling interests	0	0	0	0	38	0	38	210	248
Capital increases and decreases	0	0	0	0	0	0	0	59	59
Transfer of loss on disposal of equity investments at FVOCI to retained earnings	0	0	- 8	0	8	0	0	0	0
Change in non-controlling interests	0	0	0	0	0	0	0	- 75	- 75
Liability (put option)	0	0	0	0	- 78	0	- 78	0	- 78
Other equity movements	0	0	0	0	- 5	0	- 5	8	3
Total transactions with shareholders	**0**	**0**	**- 8**	**0**	**- 329**	**- 250**	**- 587**	**- 3,175**	**- 3,762**
Equity as of 31 December 2020	**2,000**	**- 1,094**	**- 13**	**- 309**	**128,013**	**600**	**129,197**	**120,005**	**249,202**

Notes to consolidated financial statements

Note 1: Revenue

TYPES OF REVENUE

Amounts in DKKm	2020	2019
A.P. Moller - Maersk	259,795	259,104
Maersk Drilling	7,164	8,130
Maersk Tankers	3,078	2,273
Maersk Product Tankers	4,341	4,853
KK Wind Solutions[1]	2,580	672
Total	**276,958**	**275,032**

[1] In 2019, KK Wind Solutions was consolidated from the date of acquisition

CONTRACTS WITH CUSTOMERS

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

Amounts in DKKm	2020	2019
Revenue from contracts with customers	267,324	262,995
Revenue from other sources		
Vessel sharing and slot charter income	6,079	7,923
Lease income	2,951	3,735
Others	604	379
Total	**276,958**	**275,032**

CONTRACT BALANCES

Amounts in DKKm	2020	2019
Trade receivables	22,815	22,853
Accrued income - contract assets	722	819
Accrued income - contract liabilities	902	0
Deferred income - contract liabilities	844	687

Accrued income included in trade receivables in the balance sheet constitutes contract assets comprising unbilled amounts, including mobilisation and demobilisation costs 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 the recognised revenue.

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

Impairment losses disclosed in note 18 relate to receivables arising from contracts with customers.

PERFORMANCE OBLIGATIONS

Amounts in DKKm	2020	2019
Within one year	4,833	5,479
Between one and five years	1,618	3,087
After five years	152	100
Total	**6,603**	**8,666**

Note 2: Operating costs

Amounts in DKKm	2020	2019
Cost of goods sold	11,421	7,136
Bunker costs	26,051	32,318
Terminal costs	42,040	45,185
Intermodal costs	24,203	27,684
Port costs	14,703	16,043
Rent and lease costs	9,132	10,788
Staff costs	37,406	36,138
Other costs	56,611	57,295
Total operating costs	**221,567**	**232,587**
Remuneration of employees		
Wages and salaries	32,817	31,058
Severance payments	1,139	814
Pension costs, defined benefit plans	206	227
Pension costs, defined contribution plans	1,496	2,038
Other social security costs	2,686	2,793
Total remuneration	**38,344**	**36,930**
Of which:		
Recognised in the cost of assets	- 153	- 178
Included in other costs	- 785	- 614
Expensed as staff costs	**37,406**	**36,138**
Average number of employees	**88,191**	**88,006**

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

Please refer to note 13 for information about share-based payment.

FEES AND REMUNERATION TO THE EXECUTIVE BOARD AND BOARD OF DIRECTORS

Amounts in DKKm	2020	2019
Executive Board		
Fixed base salary	13	13
Short-term cash incentive	13	13
Long-term incentive, grant value	8	8
Annual board fees from listed subsidiaries	3	3
Remuneration to the Executive Board before fair value adjustments	**37**	**37**
Fair value adjustments of long-term incentive, including of previous years' grants	23	8
Total remuneration to the Executive Board, including fair value adjustments	60	45
Board of Directors		
Annual fees, including board fees from subsidiaries	5	4
Total fee to the Board of Directors	**5**	**4**
Fees and remuneration to the Board of Directors and Executive Board	**65**	**49**

The group has introduced a cash-settled incentive plan to members of the Executive Board and grants have been awarded on a yearly basis since 2017. The incentive plan provides an annual bonus and long-term incentive programmes, which are determined by the development in the value creation of the underlying investments. The main part of the long-term incentive programmes are capped.

FEES TO STATUTORY AUDITORS

PricewaterhouseCoopers including network firms

Amounts in DKKm	2020	2019
Statutory audit	101	96
Other assurance services	7	13
Tax and VAT advisory services	7	8
Other services	15	22
Total fees	**130**	**139**

Note 3: Gain on sale of non-current assets, etc., net

Amounts in DKKm	2020	2019
Gains	1,996	953
Losses	- 613	- 381
Gain on sale of non-current assets, etc., net	**1,383**	**572**

Gains primarily related to the sale of containers and vessels.

Note 4: Financial income and expenses

Amounts in DKKm	2020	2019
Interest expenses on liabilities	- 3,108	- 4,204
Of which borrowing costs capitalised on assets[1]	61	170
Interest expenses on lease liabilities	- 3,098	- 3,195
Interest income on loans and receivables	469	719
Fair value adjustment transferred from equity hedge reserve (loss)	- 301	- 207
Net interest expenses	**- 5,977**	**- 6,717**
Exchange rate gains on bank balances, borrowings and working capital	3,108	2,312
Exchange rate losses on bank balances, borrowings and working capital	- 5,035	- 1,873
Net foreign exchange gains/losses	**- 1,927**	**439**
Fair value gains from derivatives	2,263	653
Fair value losses from derivatives	- 1,191	- 273
Fair value gains from securities	1,099	782
Fair value losses from securities	- 995	- 336
Fair value gains on issued bonds	1	5
Fair value losses on issued bonds	- 1	- 1
Net fair value gains/losses	**1,176**	**830**
Dividends received from securities	224	113
Impairment losses on financial non-current receivables	- 216	- 13
Reversal of write-downs of loans and other non-current receivables	46	67
Financial expenses, net[2]	**- 6,674**	**- 5,281**
Of which:		
Financial income	7,164	4,584
Financial expenses	- 13,838	- 9,865

[1] The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.1% (5.2%)
[2] Of which DKK 216m (DKK 80m) relates to a loss on the prepayment of issued bonds

Please refer to note 19 for an analysis of gains and losses from derivatives.

Note 5: Tax

Amounts in DKKm	2020	2019
Tax recognised in the income statement		
Current tax on profits for the year	2,236	2,699
Adjustment for current tax of prior periods	- 343	177
Utilisation of previously unrecognised deferred tax assets	- 85	- 40
Total current tax	**1,808**	**2,836**
Origination and reversal of temporary differences	- 353	- 119
Adjustment for deferred tax of prior periods	143	- 68
Adjustment attributable to changes in tax rates and laws	- 20	- 20
Recognition of previous unrecognised deferred tax assets	- 46	- 28
Reassessment of recoverability of deferred tax assets, net	301	187
Total deferred tax	**25**	**- 48**
Total income tax	**1,833**	**2,788**
Tonnage and freight tax	621	541
Total tax expenses	**2,454**	**3,329**

Amounts in DKKm	2020	2019
Tax reconciliation		
Profit/loss before tax	12,441	9,906
Profit/loss subject to Danish and foreign tonnage taxation, etc.	- 15,842	- 3,771
Internal gain/loss on sale of assets	7	0
Share of profit/loss in joint ventures	- 818	- 634
Share of profit/loss in associated companies	- 2,016	- 3,944
Profit/loss before tax, adjusted	**- 6,228**	**1,557**
Tax using the Danish corporation tax rate (22%)	- 1,370	343
Tax rate deviations in foreign jurisdictions	- 626	- 162
Non-taxable income	- 1,797	- 500
Non-deductible expenses	4,875	1,843
Adjustment to previous years' taxes	- 200	109
Effect of changed tax rate	- 20	- 20
Change in recoverability of deferred tax assets	170	119
Deferred tax assets not recognised	349	911
Other differences, net	452	145
Total income tax	**1,833**	**2,788**
Tax recognised in other comprehensive income and equity	**30**	**153**
Of which:		
Current tax	56	193
Deferred tax	- 26	- 40

Note 6: Intangible assets

Amounts in DKKm	Goodwill	Concession rights[2]	Customer relations and brand names	Other intangible assets[3]	Total
Cost					
As of 1 January 2019	6,776	19,420	8,289	3,584	38,069
Addition	0	289	0	832	1,121
Acquired in business combinations[1]	1,281	0	1,294	131	2,706
Disposal	0	0	0	- 20	- 20
Transfer, assets held for sale	- 27	- 149	- 443	553	- 66
Exchange rate adjustment	154	301	178	80	713
As of 31 December 2019	**8,184**	**19,861**	**9,318**	**5,160**	**42,523**
Addition	0	150	0	1,413	1,563
Acquired in business combinations[1]	2,197	1,570	1,780	727	6,274
Disposal	0	0	0	- 7	- 7
Transfer	0	- 46	20	14	- 12
Transfer, assets held for sale	0	- 373	0	- 26	- 399
Exchange rate adjustment	- 492	- 1,705	- 864	- 448	- 3,509
As of 31 December 2020	**9,889**	**19,457**	**10,254**	**6,833**	**46,433**
Amortisation and impairment losses					
As of 1 January 2019	2,569	3,248	1,004	2,967	9,788
Amortisation	0	667	623	300	1,590
Impairment losses	233	40	0	40	313
Disposal	0	0	0	- 20	- 20
Transfer, assets held for sale	- 27	- 113	- 313	405	- 48
Exchange rate adjustment	49	30	17	80	176
As of 31 December 2019	**2,824**	**3,872**	**1,331**	**3,772**	**11,799**
Amortisation	0	739	738	334	1,811
Impairment losses	0	85	0	0	85
Disposal	0	0	0	- 7	- 7
Transfer	0	- 26	0	0	- 26
Transfer, assets held for sale	0	- 118	0	0	- 118
Exchange rate adjustment	- 76	- 402	- 165	- 326	- 969
As of 31 December 2020	**2,748**	**4,150**	**1,904**	**3,773**	**12,575**
Carrying amount:					
As of 31 December 2019	**5,360**	**15,989**	**7,987**	**1,388**	**30,724**
As of 31 December 2020	**7,141**	**15,307**	**8,350**	**3,060**	**33,858**

[1] Acquired in business combinations, please refer to note 24

[2] Of which DKK 133m (DKK 634m) is under development. DKK 163m (DKK 207m) is related to terminal rights with indefinite useful life. The impairment test is based on the estimated fair value according to business plans. An average discount rate of 11.8% (11.7%) 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 DKK 521m (DKK 494m) have restricted title

[3] Of which DKK 1,223m (DKK 487m) is related to ongoing development of software and DKK 117m (DKK 43m) to other ongoing development projects

Note 6: Intangible assets – continued

IMPAIRMENT ANALYSIS

The recoverable amount of each cash generating unit (CGU) is determined on the basis of the higher of its value in use or fair value less cost to sell. The value in use is calculated using certain key assumptions for the expected future cash flows and applied discount factor.

The cash flow projections are based on financial budgets and business plans approved by management. In nature, these projections are subject to judgments and estimates that are uncertain, though based on experience and external sources where available. 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 premiums. 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.

Discount rates used in impairment tests of intangible assets and impairment losses recognised are specified as follows:

	Applied discount rate p.a. after tax		Impairment losses	
Amounts in DKKm	2020	2019	2020	2019
Goodwill				
Ocean	7.0%	7.7%		
Terminals & Towage	6.2%-12.7%	5.9%-13%		40
Logistics & Services	7.2%	8.7%		193
KK Wind Solutions	12.3%			
Terminal and service concession rights				
Terminals & Towage	6.2%-12.7%	5.9%-13%	85	40
Other rights				
Terminals & Towage	6.2%-12.7%	5.9%-13%		20
Logistics & Services	7.2%	8.7%		20
Total			85	313

GOODWILL IMPAIRMENT TEST

The carrying amount of goodwill has been allocated to the following operating cash generating units based on the management structure.

Cash generating unit	Carrying amount	
Amounts in DKKm	2020	2019
Ocean	1,913	2,110
Logistics & Services	2,118	481
Terminals & Towage (Multiple terminals)	1,822	1,656
KK Wind Solutions	1,282	1,108
Other	6	5
Total	**7,141**	**5,360**

The impairment test for the Ocean segment is based on the estimated value in use from five-year business plans and a calculated terminal value with growth equal to the expected economic growth of 2% p.a. in both 2020 and 2019. A discount rate of 7.0% (7.7%) has been applied.

The impairment test for the Logistics & Services segment is based on the estimated value in use from five-year business plans where the volume and margin growth assumptions reflect current market expectations for the relevant period. A discount rate of 7.2% (8.7%) has been applied.

The key assumptions for Terminals & Towage's value calculations are container moves, revenue and cost per move and discount rates. The cash flow projections cover the concession period and extension options where deemed likely that they will be exercised. The growth rates assumed reflect current market expectations for the relevant period.

The impairment test for KK Wind Solutions is based on the estimated value in use from five-year business plans and a calculated terminal value with growth equal to the expected economic growth of 2% p.a. A discount rate of 12.3% has been applied.

Note 7: Property, plant and equipment

Amounts in DKKm	Ships, containers, etc.	Production facilities and equipment, etc.	Rigs	Construction work in progress and payment on account	Total
Cost					
As of 1 January 2019	310,397	43,405	68,851	10,087	432,740
Transfer of IAS 17 finance leases	20,823	1,109	- 1,030	1,304	22,206
Addition	3,612	627	0	11,798	16,037
Acquired in business combinations[1]	0	110	0	9	119
Disposal	- 7,040	- 852	- 3,335	- 74	- 11,301
Transfer	9,008	6,556	1,107	- 15,990	681
Transfer, assets held for sale	- 1,295	- 2,354	- 1,554	0	- 5,203
Reclassification from/to right-of-use assets	- 27,805	- 920	0	0	- 28,725
Exchange rate adjustment	7,815	607	1,606	167	10,195
As of 31 December 2019	**315,515**	**48,288**	**65,645**	**7,301**	**436,749**
Addition	2,195	1,095	0	6,667	9,957
Acquired in business combinations[1]	0	1,822	0	20	1,842
Disposal	- 12,038	- 1,285	- 412	- 169	- 13,904
Transfer	3,817	3,987	1,381	- 9,385	- 200
Transfer, assets held for sale	- 2,410	- 373	0	26	- 2,757
Reclassification from/to right-of-use assets	5,189	491	0	- 33	5,647
Exchange rate adjustment	- 28,992	- 3,973	- 6,205	- 482	- 39,652
As of 31 December 2020	**283,276**	**50,052**	**60,409**	**3,945**	**397,682**

[1] Acquired in business combinations, please refer to note 24

During 2020, grants of DKK 85m have been set off against non-current assets (DKK 0m).

Amounts in DKKm	Ships, containers, etc.	Production facilities and equipment, etc.	Rigs	Construction work in progress and payment on account	Total
Depreciation and impairment losses					
As of 1 January 2019	136,079	21,855	37,746	378	196,058
Transfer of IAS 17 finance leases	15,349	378	- 241	1,109	16,595
Depreciation	16,105	2,550	2,361	0	21,016
Impairment losses	504	233	227	0	964
Reversal of impairment losses	- 440	- 353	0	- 73	- 866
Disposal	- 5,665	- 803	- 3,335	- 13	- 9,816
Transfer	1,362	227	0	- 1,342	247
Transfer, assets held for sale	- 866	- 1,867	- 1,300	0	- 4,033
Reclassification from/to right-of-use assets	- 11,505	- 200	0	0	- 11,705
Exchange rate adjustment	3,727	302	888	34	4,951
As of 31 December 2019	**154,650**	**22,322**	**36,346**	**93**	**213,411**
Depreciation	15,673	2,913	1,688	0	20,274
Impairment losses	550	222	10,338	0	11,110
Reversal of impairment losses	- 716	- 7	0	0	- 723
Disposal	- 9,673	- 924	- 412	0	- 11,009
Transfer	19	- 253	0	- 19	- 253
Transfer, assets held for sale	- 1,546	- 177	0	0	- 1,723
Reclassification from/to right-of-use assets	2,074	- 7	0	0	2,067
Exchange rate adjustment	- 14,737	- 1,938	- 4,268	- 15	- 20,958
As of 31 December 2020	**146,294**	**22,151**	**43,692**	**59**	**212,196**
Carrying amount:					
As of 31 December 2019	160,865	25,966	29,299	7,208	223,338
As of 31 December 2020	136,982	27,901	16,717	3,886	185,486

Note 7: Property, plant and equipment – continued

IMPAIRMENT ANALYSIS

Please refer to note 6 and note 28 for information on impairment tests.

In the cash generating units, the tests gave rise to impairment losses and reversals.

Amounts in DKKm	Impair-ment losses	Reversal of impair-ment losses	Applied discount rate p.a. after tax	Recove-rable amount
2020				
Terminals	222	7	6.0%	
Towage	33			42
Jack-up rigs[1]	4,803		10.0%	12,002
Floaters[2]	5,536		10.0%	7,378
Supply vessels	504			2,185
Tanker vessels	12	539	8.0%	
Container manufacturing facilities	0			2,373
Others	0	177		
Total	**11,110**	**723**		
2019				
Towage	107		13.0%	427
Jack-up rigs[3]	227		10.0%	254
Supply vessels[4]	207			
Tanker vessels	197	440	8.0%	694
Container manufacturing facilities	0	340		
Others	226	86		
Total	**964**	**866**		

[1] Jack-up rigs are covering six cash generating units operating in the North Sea
[2] Floaters are covering three cash generating units operating globally
[3] Impairment loss of DKK 227m relates to the impairment losses recognised on assets held for sale
[4] Impairment loss of DKK 207m relates to the impairment losses recognised on newbuildings in the previous years (onerous contracts) and reflected as impairment upon delivery in 2019

Impairment losses on rigs 2020

The recoverable amounts for jack-up rigs and floaters are based on the higher of its value in use or fair value less cost to sell. Given the continued illiquidity of the secondary market for offshore rigs with no supportable price indications, value in use calculations have been applied in the impairment test.

The value in use is calculated based on cash flow projections in financial budgets and business plans for the coming 5 years as approved by management. For the period after the 5-year forecast period an expected inflation rate of 2.5% p.a. is applied. In nature, these cash flow projections are subject to judgments and estimates that are uncertain, though based on experience and external sources where available. The discount rate applied in the value in use calculation is 10.0% p.a. after tax, which is unchanged from the latest impairment testing done in 2018. The discount rate applied reflects the time value of money, as well as the sector specific risks related to the underlying cash flows. 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, except where specific assumptions relating to future utilisation of the assets are applied. The useful lives and residual value of the assets are aligned with the accounting policies applied as set out in note 27.

The value in use calculations for the individual cash generating units are particularly sensitive to the day rates expected to apply when contracts expire and to the risks of idle periods in the forecasts. In addition, the discount rate, growth rate and EBITDA margin after the budget period are critical variables. The sensitivity analysis shows that the impairment losses in 2020 would have been:

- DKK -7.1bn (USD -1.2bn) and DKK -11.7bn (USD –1.9bn) with a -/+ 1 percentage point change in the discount rate, keeping all other assumptions unchanged
- DKK -8.3bn (USD -1.4bn) and DKK -10.7bn (USD -1.8bn) with a -/+ 1 percentage point change in the growth rate after the 5-year forecast period, keeping all other assumptions unchanged
- DKK -4.6bn (USD -0.8bn) and DKK -13.7bn (USD -2.3bn) with a -/+ 5 percentage point change in EBITDA margin after the 5-year forecast period, keeping all other assumptions unchanged
- DKK -6.9bn (USD -1.1bn) and DKK -12.3bn (USD -2.0bn) with a -/+ 5 percentage point change in utilisation after the 5-year forecast period, keeping all other assumptions unchanged

Impairment reversal 2020

Reversal of impairments in 2020 includes vessels sold during the year, DKK 539m.

Impairment reversal 2019

Reversal of impairments in 2019 includes vessels sold during the year and reversal due to sale and leaseback transactions, DKK 440m.

Note 7: Property, plant and equipment – continued

OPERATING LEASES AS LESSOR

Property, plant and equipment include assets which are leased out as part of the group's activities. The amounts below comprise the calculated future minimum lease payments for the assets and exclude the estimated service elements, which are presented in note 1. Jointly the two elements amount to the group's revenue backlog.

Amounts in DKKm	2020	2019
Within one year	2,141	3,307
Between one and five years	2,012	4,100
After five years	242	360
Total	**4,395**	**7,767**

PLEDGES

Property, plant and equipment with a carrying amount of DKK 28.6bn (DKK 50.4bn) have been pledged as security for loans of DKK 15.1bn (DKK 20.8bn).

Note 8: Right-of-use assets

Amounts in DKKm	Ships, containers, etc.	Concession agreements	Real estate and other leases	Total
Right-of-use assets				
As of 1 January 2019	20,790	15,332	5,158	41,280
Transfer from provisions	- 23	0	0	- 23
Transfer from IAS 17 finance leases	16,300	0	720	17,020
Additions	3,543	5,202	1,453	10,198
Acquired in business combinations[1]	0	0	130	130
Disposal	- 2,141	- 13	- 120	- 2,274
Depreciation cost	- 6,872	- 1,254	- 1,291	- 9,417
Transfer, assets held for sale	- 26	- 387	- 7	- 420
Transfer to owned assets, etc.	- 393	- 7	- 33	- 433
Exchange rate adjustment	503	381	117	1,001
As of 31 December 2019	**31,681**	**19,254**	**6,127**	**57,062**
Additions	7,096	1,570	1,888	10,554
Acquired in business combinations[1]	0	0	2,048	2,048
Disposal	- 1,107	- 13	- 301	- 1,421
Depreciation cost	- 6,779	- 1,237	- 1,496	- 9,512
Transfer, assets held for sale	0	- 33	- 13	- 46
Transfer to owned assets, etc.	- 3,115	7	- 472	- 3,580
Exchange rate adjustment	- 2,658	- 991	- 489	- 4,138
As of 31 December 2020	**25,118**	**18,557**	**7,292**	**50,967**

[1] Acquired in business combinations, please refer to note 24

As part the group's activities, customary leasing agreements are entered into, especially regarding the chartering of vessels, leasing of containers and other equipment, and real estate. In some cases, 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 2020, the expected residual values were reviewed to reflect the actual residual values achieved on comparable assets and expectations about future prices. As of 31 December 2020, DKK 2.1bn (DKK 3.3bn) is expected to be payable and is included in the measurement of lease liabilities.

Note 8: Right-of-use assets – continued

Leases to which the group is committed, but for which the lease term has not yet commenced have an undiscounted value of DKK 3.4bn (DKK 3.2bn). They comprise 64 contracts commencing in 2021 and 2022.

Certain terminal concession agreements contain variable payment terms that are linked to future performance, i.e. number of containers handled, or depend on an index, or a combination hereof. 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 note 15 and note 20.

Amount recognised in profit and loss

Amounts in DKKm	2020	2019
Depreciation cost on right-of-use assets	9,512	9,417
Interest expenses (included in financial expenses)	3,098	3,195
Expenses relating to service elements of leases	5,228	5,742
Expenses relating to short-term leases	2,596	3,532
Expenses relating to variable lease payments	1,197	1,347
Expenses relating to lease of low-value assets	150	173
Income from sublease of right-of-use assets	- 28	- 10
Total recognised in operating costs	**9,143**	**10,784**

Total cash outflow for leases

Amounts in DKKm	2020	2019
Other lease expenses	8,506	10,004
Interest expenses	3,098	3,195
Repayment of leases	11,435	8,787
Total cash outflow for leases	**23,039**	**21,986**

Note 9: Investments in joint ventures and associated companies

Investments in joint ventures

Amounts in DKKm	2020	2019
A.P. Møller Holding A/S' share of:		
Profit for the year	818	634
Comprehensive income	33	- 7

Investments in associated companies

Amounts in DKKm	2020	2019
A.P. Møller Holding A/S' share of:		
Profit for the year	2,016	3,944
Comprehensive income	- 49	136

Summarised financial information for individual associates, material for the group:

The associated company Danske Bank A/S (100%)

Amounts in DKKm	2020	2019
Total income	136,741	154,227
Operating costs, depreciations, financials, tax, etc.	- 132,152	- 139,155
Profit for the year	**4,589**	**15,072**
Comprehensive income	- 230	639
Comprehensive income, total	**4,359**	**15,711**
Non-current assets	2,689,586	2,588,338
Current assets	1,419,645	1,172,711
Non-current liabilities	- 3,089,271	- 2,736,326
Current liabilities	- 851,281	- 854,216
Total assets, net	**168,679**	**170,507**
Cash and bank balances	**320,702**	**99,035**

Note 9: Investments in joint ventures, etc. – continued

Share of the associated company Danske Bank A/S:

Amounts in DKKm	2020	2019
A.P. Møller Holding A/S' share of:		
Profit for the year	858	3,037
Comprehensive income	- 49	135
Dividends received during the year	0	1,558
A.P. Møller Holding A/S' share of:		
Ownership interest	34,039	33,210
Goodwill	964	964
Carrying amount	**35,003**	**34,174**

A.P. Møller Holding A/S' share of Danske Bank A/S' market value at 31 December 2020 amounted to DKK 18.4bn (DKK 19.8bn).

Danske Bank remains in dialogue with various authorities regarding the terminated non-resident portfolio at Danske Bank's Estonian branch. This includes criminal and regulatory investigations by authorities in Estonia, Denmark, France and the United States. Danske Bank continues to cooperate with all authorities.

Danske Bank is reporting to, responding to and cooperating with various authorities, including SØIK, the U.S. Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC), relating to the Estonian branch. The overall timing of the authorities' investigations remains unknown and is not within Danske Bank's control. It is not yet possible to reliably estimate the timing, form of resolution or amount of potential settlement or fines, which could be material.

Based on orders from the Danish FSA, Danske Bank's solvency need has been increased in 2018 by a Pillar II add-on in total DKK 10bn to ensure adequate capital coverage of the increased compliance and reputational risks in relation to the Estonian AML matter.

A number of court actions have been initiated against Danske Bank. Danske Bank intends to defend itself against these claims. The timing of completion of any such lawsuits (pending or threatening) and their outcome are uncertain.

Please refer to note 28.

Note 10: Deferred tax

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net liabilities	
Amounts in DKKm	2020	2019	2020	2019	2020	2019
Intangible assets	197	210	1,917	1,629	1,720	1,419
Property, plant and equipment	474	412	1,945	1,717	1,471	1,305
Provisions, etc.	804	769	392	280	- 412	- 489
Tax loss carryforward	530	870	0	0	- 530	- 870
Other	564	316	196	291	- 368	- 25
Total	**2,569**	**2,577**	**4,450**	**3,917**	**1,881**	**1,340**
Offsets	- 1,041	- 973	- 1,041	- 973	0	0
Total	**1,528**	**1,604**	**3,409**	**2,944**	**1,881**	**1,340**

Change in deferred tax, net during the year

Amounts in DKKm	2020	2019
As of 1 January	1,340	1,015
Intangible assets	358	- 120
Property, plant and equipment	- 390	- 20
Provisions, etc.	34	200
Tax loss carryforward	262	217
Other	- 239	- 325
Recognised in the income statement	**25**	**- 48**
Other, including business combinations	684	343
Exchange rate adjustments	- 168	30
As of 31 December	**1,881**	**1,340**

Unrecognised deferred tax assets

Amounts in DKKm	2020	2019
Deductible temporary differences	781	942
Tax loss carryforward	5,255	5,305
Unused tax credit	60	87
Total	**6,096**	**6,334**

Note 10: Deferred tax – continued

The unrecognised deferred tax assets have no significant time limitations. There are no substantial unrecognised tax liabilities on investments in subsidiaries, associated companies or joint ventures.

Deferred taxes are subject to uncertainties due to tax disputes in certain countries. Please refer to note 28.

Note 11: Discontinued operations and assets held for sale

Amounts in DKKm	2020	2019
Balance sheet items comprise		
Intangible assets	236	47
Property, plant and equipment	569	1,155
Other assets	327	0
Non-current assets	**1,132**	**1,202**
Current assets	942	503
Assets held for sale	**2,074**	**1,705**
Provisions	0	7
Deferred tax liabilities	79	7
Other liabilities	472	487
Liabilities associated with assets held for sale	**551**	**501**

As of 31 December 2020, assets held for sale largely related to terminal assets reported as held for sale. One terminal was transferred to assets held for sale in 2019, and an impairment of DKK 406m has been made against the asset in 2020, being the difference between carrying value and fair value less cost to sell.

As of 31 December 2019, assets held for sale related to one terminal, one jack-up rig and a number of vessels.

Note 12: Share capital

The share capital comprises 2,000 shares of DKK 1m.

Development in the number of shares and par value:

	Shares	DKKm
As of 31 December 2019	2,000	2,000
As of 31 December 2020	2,000	2,000

All shares are fully issued and paid up. No shares hold special rights.

Note 13: Share-based payment

A.P. MØLLER - MÆRSK A/S (APMM)

Restricted shares plan

Outstanding restricted shares	Members of APMM Executive Board No.	APMM employees No.	Total No.	Total fair value[1] DKKm
Outstanding as of 1 January 2019	1,002	12,786	13,788	
Granted	1,310	4,319	5,629	47
Granted in connection with the Maersk Drilling demerger	294	1,286	1,580	
Exercised	0	- 4,756	- 4,756	
Forfeited	- 739	- 1,700	- 2,439	
Outstanding as of 31 December 2019	**1,867**	**11,935**	**13,802**	
Granted	1,626	6,165	7,791	46
Exercised	0	- 3,777	- 3,777	
Forfeited	0	- 125	- 125	
Outstanding as of 31 December 2020	**3,493**	**14,198**	**17,691**	

[1] At the time of grant

The restricted shares plan was introduced in 2013 and grants have been awarded to employees on a yearly basis since 2013. Beginning in 2018, grants have also been awarded to members of APMM's Executive Board.

Note 13: Share-based payment – continued

The 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 time of granting. For members of APMM's Executive Board the vesting period is five years.

The members of APMM's Executive Board as well as other employees are not entitled to any dividends during the vesting period. Special conditions apply regarding illness, death and resignation as well as changes in APMM's capital structure, etc. A part of APMM's holding of own B shares will be used to meet APMM's obligations in connection with the restricted shares plan.

The fair value of restricted shares (APMM B shares) granted to 96 (92) employees and five (five) members of APMM's Executive Board was DKK 46m (DKK 47m) at the time of grant.

The fair value per restricted share at the time of grant is DKK 5,975 (DKK 8,668), which is equal to the volume-weighted average share price on the date of grant, i.e. 1 April 2020.

The payroll expense related to the restricted shares plan is DKK 39m (DKK 35m).

On 1 April 2020, the restricted shares originally granted in 2017 were settled with the employees. The weighted average share price on that date was DKK 5,975. The average remaining contractual life for the restricted shares as per 31 December 2020 is 1.8 years (1.7 years).

Share option plans

Outstanding share options	Members of APMM Executive Board No.	APMM employees No.	Total No.	Average exercise price[1] DKK
Outstanding as of 1 January 2019	9,985	36,707	46,692	10,006
Granted	7,894	22,444	30,338	7,622
Forfeited	- 6,080	- 3,125	- 9,205	- 9,141
Outstanding as of 31 December 2019	**11,799**	**56,026**	**67,825**	**9,057**
Exercisable as of 31 December 2019	**0**	**18,435**	**18,435**	**10,630**
Granted	8,741	31,383	40,124	8,639
Exercised	0	- 18,446	- 18,446	- 9,968
Forfeited	0	- 1,073	- 1,073	- 9,636
Outstanding as of 31 December 2020	**20,540**	**67,890**	**88,430**	**8,670**
Exercisable as of 31 December 2020	**2,347**	**32,474**	**34,821**	**10,187**

[1] Average exercise prices were reduced following the demerger of Maersk Drilling

In addition to the plan described above, APMM has share option plans for members of APMM's Executive Board and other employees. Each share option granted is a call option to buy an existing B share of nominal DKK 1,000 in APMM.

The share options are granted at an exercise price corresponding to 110% of the average market price on the first five trading days following the release of A.P. Møller - Mærsk A/S' Annual Report. Exercise of the share options is contingent upon the option holder still being employed at the time of exercise. The share options can be exercised when at least three years and no more than six years (seven years for share options granted to employees who are not members of APMM's Executive Board) have passed from the time of grant. Special conditions apply regarding illness, death and resignation as well as changes in APMM's capital structure, etc.

The share options can only be settled in shares. A part of APMM's holding of own B shares will be used to meet APMM's obligations in respect of the share option plans.

The fair value of awards granted to five (five) members of APMM's Executive Board and 89 (75) employees was DKK 26m (DKK 60m) at the time of grant.

Note 13: Share-based payment – continued

The payroll expense related to the share option plan is DKK 33m (DKK 33m).

The weighted average price at the dates of exercise of share options was DKK 12,389. No share options were exercised during 2019.

The average remaining contractual life as per 31 December 2020 is 5.1 years (5.2 years) and the exercise price for outstanding share options was DKK 8,670 (DKK 9,057).

The following principal assumptions are used in the valuation:

	Share options granted to members of APMM Executive Board		Share options granted to employees not members of APMM Executive Board	
	2020	2019	2020	2019
Share price, volume weighted average at the date of grant, 1 April, DKK	5,975	8,668	5,975	8,668
Share price, five days volume weighted average after publication of Annual Report, DKK	7,854	8,682	7,854	8,682
Exercise price, DKK	8,639	9,550	8,639	9,550
Exercise price following the demerger of Maersk Drilling, 2 April 2019, DKK	N/A	7,670	N/A	7,605
Expected volatility (based on historic volatility)	31%	32%	31%	32%
Expected term (years)	5.00	5.00	5.75	5.75
Expected dividend per share, DKK	150	150	150	150
Risk free interest rate	-0.66%	-0.36%	-0.63%	-0.28%

The fair value per option granted to members of APMM's Executive Board is calculated at DKK 625 (DKK 1,782) at the time of grant, based on Black & Scholes' option pricing model. The fair value per option granted to employees who are not members of APMM's Executive Board is calculated at DKK 697 (DKK 1,914) at the time of grant based on the same option pricing model.

THE DRILLING COMPANY OF 1972 A/S (MAERSK DRILLING / MD)

Restricted share units (RSUs)

Following the listing on 4 April 2019, Maersk Drilling implemented a long-term incentive programme (the LTI) and a one-time transition grant was awarded to certain employees. Maersk Drilling believes that providing remuneration in the form of shares to appropriate levels of management, promotes sustainable long-term value creation and ensures alignment of interest with its shareholders.

Under the LTI and transition grant the Executive Management, key employees and certain other employees in Maersk Drilling will receive a number of RSUs. The vesting period for the RSUs is three years from the date of grant. Except for RSUs granted as part of the exchange grant, Maersk Drilling's Executive Management will not be able to sell any shares vesting until the total period from grant (inclusive of the vesting period) which is five years, i.e. a holding period of two years in addition to the three-year vesting period. Maersk Drilling's Executive Management and other key management personnel are also subject to a share ownership requirement of twice the annual LTI grant level applicable.

The transfer of restricted shares is contingent on the participants still being employed and not being under notice of termination and generally takes place when three years have passed from the time of grant. The participants are not entitled to any dividend during the vesting period. Special conditions apply regarding illness, death and resignation as well as changes in capital structure, etc.

In 2020, 90,120 RSUs have been granted under the LTI. In 2019, 48,188 RSUs were granted under the LTI and 94,515 RSUs were granted under a one-time transition grant, inclusive of 20,803 RSUs that represent an exchange grant for forfeited unvested restricted shares and options in A.P. Møller - Mærsk A/S (see section "The A.P. Moller - Maersk Group's Restricted Shares Plan").

Note 13: Share-based payment – continued

Outstanding restricted shares	MD key management personnel No.	MD other employees No.	Total No.	Total fair value[1] DKKm
Outstanding as of 1 January 2019	0	0	0	
Granted	116,599	26,104	142,703	73
Forfeited/cancelled	- 10,772	- 1,618	- 12,390	
Transfer between categories	- 22,844	22,844	0	
Outstanding as of 31 December 2019	**82,983**	**47,330**	**130,313**	
Granted	38,973	51,147	90,120	13
Vested	- 1,836	0	- 1,836	
Forfeited/cancelled	- 27,709	- 14,095	- 41,804	
Outstanding as of 31 December 2020	**92,411**	**84,382**	**176,793**	

[1] At the time of grant

The fair value of restricted shares granted to four (eight) key management personnel and to 38 (33) other employees was DKK 13m (DKK 73m) at the time of the grant. Total expenses recognised in the income statement in 2020 for granted restricted shares were at a cost of DKK 13m (DKK 13m).

The average fair value per restricted share at the time of grant was DKK 134 (DKK 510), which is equal to the average closing price on the day of the grant.

The average remaining contractual life for the restricted shares as per 31 December 2020 was 1.7 years (2.3 years).

The A.P. Moller - Maersk Group's Restricted Shares Plan

In previous years, certain executives and employees in Maersk Drilling participated in A.P. Moller - Maersk Group's incentive programmes. APMM's restricted shares plan was introduced in 2013 and grants had since 2013 been awarded to employees on a yearly basis. Transfer of the restricted shares was contingent on the employee still being employed and not being under notice of termination and took place when three years had passed from the time of grant.

To ensure that Maersk Drilling Executive Management, other key executives and certain other employees in Maersk Drilling had an equity interest in Maersk Drilling from the date of the demerger, they were required to forfeit all unvested APMM shares and share options as of 1 January 2019. The individuals instead received restricted share units in Maersk Drilling (the 'exchange grant'). A total of 1,138 restricted share units (B-shares in APMM) were converted to restricted share units in The Drilling Company of 1972 A/S of a corresponding value. 981 of these related to key management personnel and 157 related to other employees.

MAERSK TANKERS A/S (MT)

Cash-settled incentive plan

Cash-settled performance shares plan Outstanding awards	MT employees No.	Total fair value[1] DKKm	Carrying amount of liabilities DKKm
Outstanding as of 1 January 2019	6		18
Granted		10	7
Exercised			- 4
Adjustment			11
Outstanding as of 31 December 2019	**6**		**32**
Granted		4	4
Exercised	- 1		- 2
Adjustment			1
Outstanding as of 31 December 2020	**5**		**35**

[1] At the time of grant

Note 13: Share-based payment – continued

In 2018, Maersk Tankers A/S introduced a performance shares plan to Maersk Tankers' Executive Management. To participate in the shares plan, the Executive Management member is required to invest the same amount as the granted awards as a loan to Maersk Tankers. The programme was modified in 2020, and there is no longer a requirement for management to co-invest.

The Executive Management member is entitled to a new grant every year based on approval by Maersk Tankers' Board of Directors. The actual cash settlement of the shares plan is dependent on the development of a synthetic share price for the sister company, Maersk Product Tankers A/S, and the Executive Management member still being employed at the date of settlement. The Executive Management member is entitled to a pro rata share upon termination before the shares plan expires.

The fair value of awards granted to five (six) Maersk Tankers' Executive Management members was DKK 4m (DKK 10m) at the time of grant. The total value of the awards recognised in the income statement is DKK 7m (DKK 13m).

The average remaining contractual life for the cash-settled incentive plan is 1.5 years (2.25 years) as of 31 December 2020.

OTHER SHARE-BASED PAYMENT PROGRAMMES

The group has introduced a number of cash-settled share-based payment programmes in its non-listed portfolio companies. The programmes are for key employees and some Board of Directors in the respective companies. Certain programmes include a co-investment programme, however due to service conditions, they are defined as share-based payment programmes. The value of the programmes depends on, among other things, the development of the value creation in the portfolio companies. The value is not material for the group as of 31 December 2020.

Note 14: Non-controlling interests

The group's subsidiaries with significant non-controlling interests include:

Amounts in DKKm	Registered office	Non-controlling interests	Percentage of votes
A.P. Møller - Mærsk A/S	Copenhagen	58.5	48.6
The Drilling Company of 1972 A/S	Lyngby-Taarbæk	58.4	58.4

Summarised financial information for each subsidiary with non-controlling interests that are material to the group:

	A.P. Møller - Mærsk A/S[1]		The Drilling Company of 1972 A/S	
Amounts in DKKm	2020	2019	2020	2019
Statement of comprehensive income				
Revenue	260,027	259,371	7,171	8,150
Profit (loss) for the year	18,975	- 293	- 10,816	- 754
Total comprehensive income	1,082	927	- 12,353	- 907
Profit (loss) for the year attributable to non-controlling interests	11,221	2,046	- 6,288	- 440
Balance sheet				
Non-current assets	262,559	291,735	18,865	32,051
Current assets, including assets classified as held for sale	77,083	78,109	3,644	4,780
Non-current liabilities	92,051	111,669	7,257	8,973
Current liabilities, including liabilities classified as held for sale	60,851	177,328	3,044	3,291
Equity	186,741	192,516	12,208	24,568
Carrying amount of non-controlling interests of equity	111,621	114,444	7,098	14,343
Cash flow statement				
Cash flow from operating activities	51,220	39,476	1,747	2,801
Cash flow from investing activities	- 6,700	5,829	- 981	- 2,021
Cash flow from financing activities	- 36,760	- 32,013	- 1,335	- 1,200
Cash flow from discontinued operations	0	- 2,481	0	0
Net cash flow for the year	7,760	10,811	- 569	- 420
Dividends paid to the non-controlling interests during the year	- 2,365	- 2,340	0	0

[1] Including Maersk Drilling up to the distribution of shares in April 2019

Note 15: Borrowings and net debt reconciliation

Amounts in DKKm	Net debt as of 31 December 2019	Cash flows[1]	Non-cash changes: Additions[2]	Non-cash changes: Disposals	Non-cash changes: Foreign exchange movements	Non-cash changes: Other[3]	Net debt as of 31 December 2020
Borrowings:							
Bank and other credit institutions	38,465	- 5,305	633	- 8	- 3,440	46	30,391
Issued bonds	32,179	- 8,205	0	0	- 1,535	705	23,144
Total borrowings	**70,644**	**- 13,510**	**633**	**- 8**	**- 4,975**	**751**	**53,535**
Classified as non-current	64,212						46,007
Classified as current	6,432						7,528
Leases:							
Lease liabilities	57,910	- 11,435	13,793	- 1,483	- 4,182	- 382	54,221
Total leases	**57,910**	**- 11,435**	**13,793**	**- 1,483**	**- 4,182**	**- 382**	**54,221**
Classified as non-current	49,123						45,309
Classified as current	8,787						8,912
Total borrowings and leases	**128,554**	**- 24,945**	**14,426**	**- 1,491**	**- 9,157**	**369**	**107,756**
Derivatives hedge of borrowings, net	**1,148**	**177**	**0**	**0**	**- 1,038**	**126**	**413**

[1] Total cash flow from borrowings amounts to DKK 13.5bn and cash flow from related hedges to DKK 0.2bn, in total DKK 13.7bn
[2] Including business combinations
[3] Other includes fair value changes and amortisation of fees

Amounts in DKKm	Net debt as of 31 December 2018	Cash flows	Non-cash changes: Additions, net[1]	Non-cash changes: IFRS 16 adoption	Non-cash changes: Foreign exchange movements	Non-cash changes: Other[2]	Net debt as of 31 December 2019
Borrowings:							
Bank and other credit institutions	42,584	- 6,018	759	0	964	176	38,465
Issued bonds	35,037	- 3,621	0	0	454	309	32,179
Total borrowings	**77,621**	**- 9,639**	**759**	**0**	**1,418**	**485**	**70,644**
Classified as non-current	65,980						64,212
Classified as current	11,641						6,432
Leases:							
Lease liabilities	14,749	- 8,787	9,607	41,280	1,199	- 138	57,910
Total leases	**14,749**	**- 8,787**	**9,607**	**41,280**	**1,199**	**- 138**	**57,910**
Classified as non-current	12,117						49,123
Classified as current	2,632						8,787
Total borrowings and leases	**92,370**	**- 18,426**	**10,366**	**41,280**	**2,617**	**347**	**128,554**
Derivatives hedge of borrowings, net	**1,145**	**- 560**	**0**	**0**	**405**	**158**	**1,148**

[1] Including business combinations
[2] Other includes fair value changes and amortisation of fees

The maturity analysis of lease liabilities is disclosed in note 18.

Note 16: Pensions and similar obligations

As an employer, the group participates in pension plans according to normal practice in the countries in which it 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.

Pension and medical plans which, as part of collective bargaining agreements, have been entered into with other enterprises (known as multi-employer plans) are treated as other pension plans. Such defined benefit plans are treated as defined contribution plans, when sufficient information for calculating the individual enterprise's share of the obligation is not available.

In 2021, the group expects to pay contributions totalling DKK 97m to funded defined benefit plans (DKK 180m in 2020).

Amounts in DKKm	UK 2020	Other 2020	Total 2020	UK 2019	Other 2019	Total 2019
Specification of net liability						
Present value of funded plans	14,689	3,123	17,812	15,008	3,311	18,319
Fair value of plan assets	- 16,287	- 2,518	- 18,805	- 17,959	- 2,630	- 20,589
Net liability of funded plans	**- 1,598**	**605**	**- 993**	**- 2,951**	**681**	**- 2,270**
Present value of unfunded plans	0	944	944	0	921	921
Impact of minimum funding requirement/ asset ceiling	478	7	485	434	0	434
Net liability as of 31 December	**- 1,120**	**1,556**	**436**	**- 2,517**	**1,602**	**- 915**
Of which:						
Pensions, net assets			1,362			2,731
Pensions and similar obligations			- 1,798			- 1,816

The majority of the group's defined benefit liabilities are in the UK, 78% and the US, 12%. All of the plans in the UK and the majority of the plans in the US 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 15 years and approx. 56% 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).

Significant financial assumptions	UK 2020	Total 2020	UK 2019	Total 2019
Discount rate	1.6%	1.7%	1.9%	1.9%
Inflation rate	3.2%	3.0%	3.1%	3.1%

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.

			31 December	
Life expectancy	2020	2040	2019	2039
65 year old male in the UK	22	23	22	23

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 interest 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.

In 2020, the trustees of one of the UK plans, Maersk Retirement Benefit Scheme (MRBS), entered into an insurance contract to provide further security for all future benefit payments and annual increases, which members are entitled to under the scheme. Following this MRBS buy-in transaction, over 70% 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.

Note 16: Pensions and similar obligations – continued

The expected contributions to the UK plans for 2021 are DKK 67m (DKK 154m in 2020) of which DKK 55m (DKK 134m in 2020) is deficit recovery contributions. 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 2020, an adjustment of DKK 18m (DKK 13m) was applied in this respect.

The sensitivity of the liabilities and pension cost to the key assumptions are as follows:

Sensitivities to key assumptions in the UK Factors	"Change in liability"	Increase 2020	Decrease 2020
Discount rate	Increase/(decrease) by 25 basis points	- 611	642
Inflation rate	Increase/(decrease) by 25 basis points	369	357
Life expectancy	Increase/(decrease) by one year	487	- 823

Other than the insurance contracts and a small proportion of other holdings, the plan assets held by the group are quoted investments.

Specification of plan assets Amounts in DKKm	UK 2020	Other 2020	Total 2020	UK 2019	Other 2019	Total 2019
Shares	466	829	1,295	1,195	875	2,070
Government bonds	2,294	648	2,942	9,366	661	10,027
Corporate bonds	2,003	521	2,524	4,353	527	4,880
Real estate	61	24	85	60	27	87
Other assets	11,463	496	11,959	2,984	501	3,485
Fair value as of 31 December	**16,287**	**2,518**	**18,805**	**17,958**	**2,591**	**20,549**

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 2020, the group's contributions to the pension and welfare/medical plans are estimated at DKK 595m (DKK 554m) and DKK 1,812m (DKK 1,969m), respectively. The contributions to be paid in 2021 are estimated at DKK 557m for the pension plans and DKK 1,689m 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 employers amount to DKK 1.8bn (DKK 4.7bn). 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 calculations 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 bargain agreements. They cover a limited part of employees' medical costs as occurred.

Note 16: Pensions and similar obligations – continued

Change in net liability

Amounts in DKKm	Present value of obliga-tions	Fair value of plan assets	Adjust-ments	Net liability	Of which: UK
Net liability as of 1 January 2020	19,200	20,549	434	- 915	- 2,517
Current service cost, administration cost etc.	170	- 39	0	209	60
Calculated interest expense/income	360	380	0	- 20	- 46
Recognised in the income statement in 2020	**530**	**341**	**0**	**189**	**14**
Actuarial gains/losses from changes in financial and demographic assumptions, etc.	1,178	0	0	1,178	968
Return on plan assets, exclusive calculated interest income	0	- 98	0	98	327
Adjustment for unrecognised asset due to asset ceiling	0	0	72	72	59
Adjustment for minimum funding requirement	0	0	7	7	7
Recognised in other comprehensive income in 2020	**1,178**	**- 98**	**79**	**1,355**	**1,361**
Contributions from the group and employees	0	137	0	- 137	- 105
Benefit payments	- 910	- 831	0	- 79	0
Settlements	0	0	0	0	0
Internal transfer	0	0	0	0	0
Effect of business combinations and disposals	7	0	0	7	0
Exchange rate adjustment	- 1,249	- 1,292	- 27	16	127
Net liability as of 31 December 2020	**18,756**	**18,806**	**486**	**436**	**- 1,120**

Change in net liability

Amounts in DKKm	Present value of obliga-tions	Fair value of plan assets	Adjust-ments	Net liability	Of which: UK
Net liability as of 1 January 2019	16,928	17,496	396	- 177	- 1,573
Current service cost, administration cost etc.	200	- 33	0	233	60
Calculated interest expense/income	487	514	0	- 27	- 47
Recognised in the income statement in 2019	**687**	**481**	**0**	**206**	**13**
Actuarial gains/losses from changes in financial and demographic assumptions, etc.	1,747	0	0	1,747	1,380
Return on plan assets, exclusive calculated interest income	0	2,348	0	- 2,348	- 2,068
Adjustment for unrecognised asset due to asset ceiling	0	0	- 7	- 7	- 7
Recognised in other comprehensive income in 2019	**1,747**	**2,348**	**- 7**	**- 608**	**- 695**
Contributions from the group and employees	0	180	0	- 180	- 147
Benefit payments	- 940	- 867	0	- 73	0
Settlements	- 33	- 33	0	0	0
Internal transfer	- 7	0	7	0	0
Effect of business combinations and disposals	- 73	- 73	0	0	0
Exchange rate adjustment	891	1,017	38	- 83	- 115
Net liability as of 31 December 2019	**19,200**	**20,549**	**434**	**- 915**	**- 2,517**

Note 17: Provisions

Amounts in DKKm	Restruc-turing	Legal dis-putes, etc.	Other	Total
As of 1 January 2020	794	4,165	2,534	7,493
Provision made	1,145	3,306	1,315	5,766
Amount used	- 733	- 942	- 329	- 2,004
Amount reversed	- 327	- 1,139	- 956	- 2,422
Addition from business combinations	0	20	67	87
Exchange rate adjustment	- 50	- 567	- 269	- 886
As of 31 December 2020	**829**	**4,843**	**2,362**	**8,034**
Of which:				
Classified as non-current	12	2,427	1,026	3,465
Classified as current	817	2,416	1,336	4,569
Non-current provisions expected to be realised after more than five years		345	61	406

Restructuring includes provisions for decided and publicly announced restructurings. Legal disputes, etc. include among other things indirect tax and duty disputes.

Other includes provisions for warranties and risk under certain self-insurance programmes.

The provisions are subject to considerable uncertainty. Please refer to note 28.

Reversals of provisions primarily relate to legal disputes and contractual disagreements, which are recognised in the income statement under operating costs and tax.

Note 18: Financial risks

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

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

The group's risk management programmes focus on the unpredictability of financial markets and seek 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 most effectively managed de-centrally. Consequently, management of risks related to our portfolio companies is effectively anchored with the Board of Directors in each of the portfolio companies. A.P. Moller Holding monitors business performance in the portfolio companies closely as part of our ownership aspiration.

MARKET RISK

Market risk is the risk, that changes in market prices, such as foreign exchange rates, interest rates, and share prices, will affect the group's profit or the value of its holdings of financial instruments. The sensitivity analyses in the currency risk and interest risk sections below relate to the position of financial instruments as of 31 December 2020.

The sensitivity analyses for currency risk, interest rate risk and share price 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 2020. Furthermore, it is assumed that the exchange rate and interest rate sensitivities have a symmetrical impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The sensitivity analyses disclosed under currency risk show the effect on profit or loss and equity of a reasonable possible change in exchange rates and interest rates.

Note 18: Financial risks – continued

CURRENCY RISK

The group's currency risk relates to the fact that while income from shipping and oil-related activities is denominated mainly in USD, the related expenses are incurred in both USD and a wide range of other currencies such as CAD, CNY, DKK, EUR, HKD, NOK, and SGD. As the net income is primarily in USD, this is also the primary financing currency. Income and expenses from the group's 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 as follows:

- Net cash flows in other significant currencies than USD are hedged using a layered model with a 12-month horizon
- Significant capital commitments or divestments in currencies other 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 when the hedged exposure occurs in the income statement or the cost of property, plant and equipment, respectively.

There is no proxy hedging for the currency risk hedging, and therefore the economic relationship between the hedged exposure and the hedge is high. Effectiveness is measured with the critical terms match approach according to IFRS 9.

Hedges of future revenue and operating costs mature within a year. There are no hedges of investments at the end of 2020 (2019: Mature within a year).

For hedges related to operating cash flows and investments, a gain of DKK 622m in 2020 (gain of DKK 320m) is recognised in other comprehensive income, and the cash flow hedge reserve amounts to a gain of DKK 713m as of 31 December 2020 (gain of DKK 93m). 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 DKK 0m (DKK 0m). Ineffectiveness related to hedge of acquisition amounts to a gain of DKK 20m (DKK 0m).

Hedge of operating cash flow and investment in foreign currencies

Amounts in DKKm	Fair value, asset	Fair value, liability	Nominal amount of derivative	Average hedge rate
Main currencies hedged				
2020				
- DKK	116	6	2,101	6.37
- EUR	228	6	4,182	1.17
- HKD	0	0	161	7.76
Other currencies	389	15	7,553	N/A
Total	**733**	**27**		
2019				
- DKK	7	34	2,521	6.55
- EUR	20	48	4,405	1.14
- HKD	0	0	1,102	7.82
Other currencies	189	47	7,524	N/A
Total	**216**	**129**		

Besides the designated cash flow hedges in the table above, the group 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. Please refer to note 19.

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:

Currency sensitivity for financial instruments	Profit before tax		Equity before tax	
Amounts in DKKm	2020	2019	2020	2019
- CNY	- 249	100	- 661	- 287
- EUR	98	353	52	293
Other currencies	575	640	- 164	- 213
Total	**424**	**1,093**	**- 773**	**- 207**

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.

Note 18: Financial risks – continued

INTEREST RATE RISK

Interest rate hedging of borrowings[1]

Amounts in DKKm	Fair value, asset	Fair value, liability	Nominal amount of derivative	Maturity 0-1 year	Maturity 2-4 years	Maturity 5- years	Gain/loss on hedged items	Gain/loss on hedging instrument	Average hedge rate
2020									
Combined fair value hedge, hedge of borrowings									
- EUR	272	0	3,383	0	0	3,383	- 396	266	1.8%
- GBP	0	42	575	0	575	0	- 48	30	2.5%
- JPY	103	0	732	0	732	0	- 18	- 12	1.8%
- NOK	0	67	1,549	0	0	1,549	- 30	- 12	2.5%
Fair value hedge, hedge of borrowings									
-USD	484	393	12,111	0	9,690	2,421	- 478	484	3.1%
Cash flow hedge, hedge of borrowings									
- EUR	0	212	2,790	0	0	2,790	0	- 206	4.2%
- GBP	0	297	1,894	0	1,894	0	0	- 67	4.6%
- NOK	0	24	490	308	182	0	0	- 6	2.4%
- USD	938	1,374	11,530	4,237	4,115	3,178	0	- 412	2.1%
Total	**1,797**	**2,409**	**35,054**	**4,545**	**17,188**	**13,321**	**- 970**	**65**	
2019									
Combined fair value hedge, hedge of borrowings									
- EUR	113	234	4,894	0	1,496	3,398	- 314	154	3.5%
- GBP	0	93	614	0	0	614	- 33	13	4.2%
- JPY	67	73	1,375	614	0	761	- 20	- 20	3.6%
- NOK	0	227	1,669	0	0	1,669	67	- 120	4.2%
Fair value hedge, hedge of borrowings									
- USD	93	274	14,407	0	8,398	6,009	- 60	93	4.0%
Cash flow hedge, hedge of borrowings									
- EUR	154	401	5,788	0	2,984	2,804	0	- 113	3.9%
- GBP	0	347	2,016	0	0	2,016	0	- 7	4.6%
- NOK	0	180	2,277	0	2,277	0	0	- 27	3.5%
- USD	547	654	7,891	0	4,873	3,018	0	- 80	2.4%
Total	**974**	**2,483**	**40,931**	**614**	**20,028**	**20,289**	**- 360**	**- 107**	

[1] Currency element of the cross-currency swaps is not designated into the hedge relationship and is recognised in financial items

Note 18: Financial risks – continued

The group has most of its debt denominated in DKK and USD, but part of the debt (e.g. issued bonds) is in other currencies such as EUR, NOK, GBP 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 the interest rate risk is governed by a duration range and is primarily obtained using interest rate swaps. The duration of the group's debt portfolio is between 1.5 and 2.1 years (2.0 and 2.2 years) excluding IFRS 16 leases.

A general increase in interest rates by one percentage point is estimated, all other things being equal, to affect profit before tax and equity, excluding the tax effect, positively by approximately DKK 202m and DKK 346m, respectively (positively by approximately DKK 27m and DKK 154m, respectively).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The hedging of interest rate risks 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.

Due to buy-back of issued bonds in 2020, ineffectiveness from cash flow hedges is recognised in the income statement with a loss of DKK 79m (loss of DKK 27m).

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 the 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 DKK 39m (DKK 40m).

Interest rate hedging of borrowings (currency element of cross-currency swaps is not designated into the hedge relationship and is recognised in financial items).

Borrowings by interest rate levels inclusive of interest rate swaps

		Next interest rate fixing		
Amounts in DKKm	Carrying amount	0-1 year	1-5 years	5- years
2020				
0-3%	35,788	31,618	1,680	2,490
3-6%	66,438	5,923	33,552	26,963
6%-	5,530	709	1,515	3,306
Total	**107,756**	**38,250**	**36,747**	**32,759**
Of which:				
Bearing fixed interest	79,243			
Bearing floating interest	28,513			
2019				
0-3%	13,365	8,965	1,128	3,272
3-6%	108,961	37,954	40,869	30,138
6%-	6,228	708	1,691	3,829
Total	**128,554**	**47,627**	**43,688**	**37,239**
Of which:				
Bearing fixed interest	87,951			
Bearing floating interest	40,603			

Note 18: Financial risks – continued

OIL PRICE RISK

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 large quantities and stored for processing and resale. The oil price risk arising from these oil price exposures is mitigated by entering into commodity derivative agreements. The overall risk limit is set in the risk policy, defining a maximum net open position. The sensitivity of the net open position is calculated daily on a one day Value-at-Risk (VaR) with a confidence level of 95% and 255 days of historical observations. The VaR limit is DKK 36m, and position as of 31 December 2020 of DKK 18m (DKK 20m). Due to the use of portfolio hedging, the group does not use hedge accounting for these hedges. All gains and losses regarding these hedges are recognised in other income or other costs on a net basis, due to the nature of the hedging model.

Commodity hedges		Maturity		
Amounts in DKKm	Fair value	0-1 year	2-4 years	5- years
2020				
Commodity swaps	- 79	- 79		
Commodity futures	- 115	- 115		
Commodity options	67		67	
Total	**- 127**	**- 194**	**67**	**0**
2019				
Commodity swaps	- 80	- 80		
Commodity futures	- 87	- 87		
Commodity options	0			
Total	**- 167**	**- 167**	**0**	**0**

CREDIT RISK

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 impaired.

Approx. 90% (68%) of the provision for bad debt is related to trade receivables overdue by more than one year.

Maturity analysis of trade receivables

Amounts in DKKm	2020	2019
Receivables not due	16,034	18,671
Less than 90 days overdue	7,198	7,352
91-365 days overdue	1,066	1,133
More than 1 year overdue	949	1,030
Receivables, gross	**25,247**	**28,186**
Provision for bad debt	- 1,050	- 1,486
Carrying amount as of 31 December	**24,197**	**26,700**

The loss allowance provision for trade receivables as of 31 December 2020 reconciles to the opening loss allowance as follows:

Change in provision for bad debt

Amounts in DKKm	2020	2019
Provision as of 1 January	1,486	1,798
Provision made	1,557	1,469
Amount used	- 1,047	- 1,003
Amount reversed	- 837	- 835
Transfer, assets held for sale	0	21
Exchange rate adjustment	- 109	36
Provision as of 31 December	**1,050**	**1,486**

Note 18: Financial risks – continued

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 a low credit risk, and thus the impairment provision calculated basis of 12 months 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.

LIQUIDITY RISK

Liquidity profile and capital structure are managed de-centrally. The equity share of total equity and liabilities was 59.1% as of 31 December 2020 (56.9%).

Amounts in DKKm	2020	2019
Borrowings	107,756	128,554
Net interest-bearing debt	62,714	90,003
Liquidity reserve[1]	86,526	84,191

[1] Liquidity reserve is defined as undrawn committed revolving facilities with more than one year to expiry, securities 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, 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, revenue back-log, 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 between three and five years (between four and five years as of 31 December 2019).

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 release of capital and following up on the development in working capital and revenue back-log.

Note 19: Derivatives

Derivatives are presented at fair value in the balance sheet.

Amounts in DKKm	2020	2019
Non-current receivables	1,628	1,075
Current receivables	1,907	294
Non-current liabilities	- 2,082	- 2,431
Current liabilities	- 1,444	- 622
Liabilities, net	**9**	**- 1,684**

Hedges comprise primarily currency derivatives, interest rate derivatives and oil price hedges, which are further described in note 18. The gains/losses of the derivatives are recognised as follows:

Amounts in DKKm	2020	2019
Hedging foreign exchange risk on revenue	33	- 33
Hedging foreign exchange risk on operating costs	107	- 547
Hedging interest rate risk	- 301	- 207
Hedging foreign exchange risk on the cost of non-current assets	98	- 14
Hedging foreign exchange risk on discontinued operations	0	- 6
Total effective hedging	**- 63**	**- 807**
Ineffectiveness recognised in financial expenses	- 59	- 27
Total reclassified from equity reserve for hedges	**- 122**	**- 834**
Derivatives accounted for as held for trading		
Currency derivatives recognised directly in financial income/expenses	1,296	373
Interest rate derivatives recognised directly in financial income/expenses	700	300
Oil prices and freight rate derivatives recognised directly in other income/costs	1,394	- 427
Net gains/losses recognised directly in the income statement	**3,390**	**246**
Total	**3,268**	**- 588**

Note 19: Derivatives – continued

Value adjustment of cash flow hedges recognised in other comprehensive income are specified as follows:

Amounts in DKKm	2020	2019
Value adjustment of hedges for the year	**42**	**- 1,135**
Reclassified to income statement:		
- revenue	- 33	33
- operating costs	- 107	547
- financial expenses	360	233
- discontinued operations	0	7
Total reclassified to income statement	**220**	**820**
Reclassified to non-current assets	**- 98**	**13**

Besides the designated cash flow hedges, the group enters into derivatives to hedge currency exposures that do not qualify for hedge accounting. These derivatives are classified as fair value through profit and loss.

Amounts in DKKm	2020	2019
Currency derivatives	- 12	- 186
Interest derivatives	54	87
Total	**42**	**- 99**

Note 20: Financial instruments by category

Amounts in DKKm	Carrying amount 2020	Fair value[3] 2020	Carrying amount 2019	Fair value[3] 2019
Carried at amortised cost				
Loans receivable	1,864	1,897	2,859	2,664
Lease receivables	822		49	
Other interest-bearing receivables and deposits	522	522	414	414
Trade receivables	24,197		26,700	
Other receivables (non-interest-bearing)	6,814		7,916	
Cash and bank balances	42,770		36,467	
Financial assets at amortised cost	**76,989**		**74,405**	
Derivatives	**3,535**	**3,535**	**1,369**	**1,369**
Carried at fair value through profit/loss				
Other receivables (non-interest bearing)[1]	18	18	27	27
Bonds	0		44	44
Shares	5,440	5,440	5,248	5,248
Other securities	6	6	7	7
Financial assets at fair value through profit/loss	**5,464**	**5,464**	**5,326**	**5,326**
Carried at fair value through other comprehensive income				
Other equity investments (FVOCI)[2]	649	649	521	521
Financial assets at fair value through OCI	**649**	**649**	**521**	**521**
Total financial assets	**86,637**		**81,621**	

[1] Relates to contingent consideration receivables
[2] Designated at initial recognition in accordance with IFRS 9
[3] Where no fair value is stated, the amount equals carrying amount

Note 20: Financial instruments by category – continued

Amounts in DKKm	Carrying amount 2020	Fair value[1] 2020	Carrying amount 2019	Fair value[1] 2019
Carried at amortised cost				
Bank and other credit institutions	30,391		38,465	32,172
Lease liabilities	54,221		57,910	
Issued bonds	23,144		32,179	33,647
Trade payables	33,376		39,697	
Other payables	9,090		9,158	
Financial liabilities at amortised cost	**150,222**		**177,409**	
Derivatives	**3,526**	**3,526**	**3,053**	**3,053**
Carried at fair value				
Other payables	351	351	7	7
Financial liabilities at fair value	**351**	**351**	**7**	**7**
Total financial liabilities	**154,099**		**180,469**	

[1] Where no fair value is stated, the amount equals carrying amount

EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

In 2019, the shares in Total S.A., received from the sale of Maersk Oil, were sold.

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. However, where a market price was available, 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.

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 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 reasonable possible change in the discount rate is not estimated to affect the group's profit or equity significantly.

Note 20: Financial instruments by category – continued

Financial assets and liabilities measured at fair value

Amounts in DKKm	Level 1	Level 2	Level 3
Financial assets			
Derivatives	0	3,535	0
Securities	5,159	0	936
Loan receivables	0	0	130
Financial assets at fair value as of 31 December 2020	**5,159**	**3,535**	**1,066**
Financial liabilities			
Derivatives	0	3,526	0
Other payables	0	0	351
Financial liabilities at fair value as of 31 December 2020	**0**	**3,526**	**351**

Financial assets and liabilities measured at fair value

Amounts in DKKm	Level 1	Level 2	Level 3
Financial assets			
Derivatives	0	1,369	0
Securities	5,303	0	517
Loan receivables	0	0	20
Financial assets at fair value as of 31 December 2019	**5,303**	**1,369**	**537**
Financial liabilities			
Derivatives	0	3,053	0
Other payables	0	0	7
Financial liabilities at fair value as of 31 December 2019	**0**	**3,053**	**7**

Movement during the year in level 3

Amounts in DKKm	Other equity invest-ments (FVOCI)	Other equity invest-ments	Other re-ceivables	Total financial assets
Carrying amount as of 1 January 2019	235	22	26	283
Addition	253	62	0	315
Disposal	0	- 23	- 7	- 30
Gains/losses recognised in the income statement	- 20	0	0	- 20
Exchange rate adjustment, etc.	- 6	1	1	- 4
Carrying amount as of 31 December 2019	**462**	**62**	**20**	**544**
Addition	209	386	112	707
Disposal	- 26	0	0	- 26
Gains/losses recognised in the income statement	0	- 36	0	- 36
Gains/losses recognised in other comprehensive income	13	0	0	13
Exchange rate adjustment, etc.	- 108	- 26	- 2	- 136
Carrying amount as of 31 December 2020	**550**	**386**	**130**	**1,066**

Movement during the year in level 3

Amounts in DKKm	Other payables	Total financial liabilities
Carrying amount as of 1 January 2019	0	0
Addition	7	7
Carrying amount as of 31 December 2019	**7**	**7**
Addition	360	360
Gains/losses recognised in other comprehensive income	20	20
Exchange rate adjustment, etc.	- 36	- 36
Carrying amount as of 31 December 2020	**351**	**351**

Note 20: Financial instruments by category – continued

Maturities of liabilities and commitments		Cash flows including interest			
Amounts in DKKm	Carrying amount	0-1 year	1-5 years	5- years	Total
2020					
Bank and other credit institutions	30,391	6,191	17,668	9,802	33,661
Finance lease liabilities	54,221	11,458	29,945	32,552	73,955
Issued bonds	23,144	2,790	12,758	11,554	27,102
Trade payables	33,376	33,376	0	0	33,376
Other payables	9,441	8,895	473	73	9,441
Non-derivative financial liabilities	**150,573**	**62,710**	**60,844**	**53,981**	**177,535**
Derivatives	3,526	1,447	1,134	948	3,529
Total recognised in balance sheet	**154,099**	**64,157**	**61,978**	**54,929**	**181,064**
Operating lease commitments		1,109	0	0	1,109
Capital commitments		4,758	5,227	3,137	13,122
Total		**70,024**	**67,205**	**58,066**	**195,295**
2019					
Bank and other credit institutions	38,465	5,986	26,997	10,977	43,960
Finance lease liabilities	57,910	11,764	34,037	35,680	81,481
Issued bonds	32,179	2,864	15,321	19,367	37,552
Trade payables	39,697	39,697	0	0	39,697
Other payables	9,165	8,920	214	80	9,214
Non-derivative financial liabilities	**177,416**	**69,231**	**76,569**	**66,104**	**211,904**
Derivatives	3,053	619	887	1,544	3,050
Total recognised in balance sheet	**180,469**	**69,850**	**77,456**	**67,648**	**214,954**
Operating lease commitments		1,537	0	0	1,537
Capital commitments		6,197	5,546	4,279	16,022
Total		**77,584**	**83,002**	**71,927**	**232,513**

Note 21: Commitments

OPERATING LEASE COMMITMENTS

As part of the group's activities, customary agreements are entered into regarding charter and operating leases of ships, containers, port facilities, etc. From 1 January 2019, the group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see note 8 for further information.

The future charter and operating lease payments are:

Amounts in DKKm	2020	2019	Total
Within one year	1,109	1,537	2,646
Total	**1,109**	**1,537**	**2,646**

CAPITAL COMMITMENTS

The group has the following capital commitments:

Amounts in DKKm	2020	2019
Capital commitments relating to acquisition of non-current assets	5,508	8,131
Commitments towards concession grantors	7,614	7,891
Total capital commitments	**13,122**	**16,022**

The decrease in capital commitments is primarily related to contractual payments during 2020.

The capital commitments will be financed by cash flow from operating activities as well as existing and new loan facilities.

			No.
Newbuilding programme as of 31 December 2020	2021	2022	Total
Vessels	11	3	14
Total	**11**	**3**	**14**

			DKKm
Capital commitments relating to the newbuilding programme as of 31 December 2020	2021	2022	Total
Vessels	1,292	644	1,936
Total	**1,292**	**644**	**1,936**

Note 22: 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 change of control of the company.

In addition to the pledges set out in note 7, certain bank accounts and shares in subsidiaries being owners of collateral rigs and certain intra-group charterers in respect of the collateral rigs are pledged as security for term loans and credit facilities with a carrying amount as of 31 December 2020 of DKK 7.6bn (DKK 9.2bn). In certain circumstances, earnings in respect of drilling contracts for the collateral rigs will be assigned in favour of the lenders under the loan agreements.

Custom bonds of DKK 3.0bn (DKK 3.2bn) have been provided to various port authorities in India.

The group has entered into certain 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 a number of legal cases, tax and other disputes. Some of these involve significant amounts and are subject to considerable uncertainty. Please refer to note 28. 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.

SECONDARY DECOMMISSIONING LIABILITY

As part of the divestment of Mærsk Olie & Gas A/S to Total S.A., 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 due to this secondary liability as very remote.

Note 23: Cash flow specifications

Amounts in DKKm	2020	2019
Change in working capital		
Inventories	54	- 50
Trade receivables	89	1,643
Other receivables and prepayments	- 301	- 129
Trade payables and other payables	- 545	2,231
Exchange rate adjustment of working capital	- 282	- 4
Total	**- 985**	**3,691**
Purchase of intangible assets and property, plant and equipment		
Addition	- 21,432	- 68,981
Of which right-of-use assets, etc.	10,015	53,282
Of which borrowing costs capitalised on assets	61	170
Change in trade payables regarding purchase of assets	35	- 1,921
Total	**- 11,321**	**- 17,450**
Financial investments		
Addition, joint ventures	- 7	- 27
Addition, receivables	- 147	76
Payments regarding receivables	- 345	- 196
Addition, other equity investments	- 338	- 40
Disposal, other equity investments	563	16,441
Total	**- 274**	**16,254**

Other non-cash items related primarily to the adjustment of provisions for bad debt regarding trade receivables.

Note 24: Acquisition/sale of subsidiaries and activities

ACQUISITIONS DURING 2020

Cash flow used for acquisitions in 2020

Amounts in DKKm	Perfor-mance Team	KGH	Pipavav	Other	Total
Fair value at time of acquisition					
Intangible assets	1,258	1,053	1,570	196	4,077
Property, plant and equipment	164	13	1,655	10	1,842
Right-of-use assets	1,970	46	32	0	2,048
Financial assets	13	7	314	2	336
Deferred tax assets	0	20	0	0	20
Current assets	321	327	799	800	2,247
Provisions	- 13	- 52	- 20	- 2	- 87
Liabilities	- 2,261	- 1,021	- 817	- 729	- 4,828
Net assets acquired	**1,452**	**393**	**3,533**	**277**	**5,655**
Non-controlling interests	0	0	- 2,015	0	- 2,015
A.P. Møller Holding A/S' share	**1,452**	**393**	**1,518**	**277**	**3,640**
Goodwill	622	1,125	0	450	2,197
Gain on business acquisition	0	0	- 301	0	- 301
Purchase price	**2,074**	**1,518**	**1,217**	**727**	**5,536**
Contingent consideration	- 65	- 288	0	- 85	- 438
Derecognition of associate company	0	0	- 1,191	0	- 1,191
Cash and bank balances assumed	13	- 105	- 602	- 191	- 885
Cash flow used for acquisition of subsidiaries and activities	**2,022**	**1,125**	**- 576**	**451**	**3,022**

For the year 2020, the total acquisition costs for the acquisitions recognised in the income statement amounted to DKK 118m.

Performance Team LLC

On 1 April 2020, the group acquired 100% of the shares in Performance Team LLC, a US-based warehousing and distribution company, to further strengthen its capabilities as an integrated container logistics company, offering end-to-end supply chain solutions to its customers.

Taking control of Performance Team LLC has positioned A.P. Moller – Maersk among North America’s leading warehouse and distribution providers for customers and accelerates the company’s regional logistics and services model.

The total enterprise value of DKK 4.1bn consisted of a total purchase price of DKK 2.1bn on a cash and debt-free basis and acquired lease liabilities of around DKK 2.0bn. The purchase price mainly relates to fixed assets and the customer list. The lease liabilities have been adjusted in accordance with IFRS 16.

The goodwill of DKK 0.6bn is attributable to workforce and commercial/operational synergies between Performance Team LLC and A.P. Moller - Maersk and is deductible for tax purposes.

From the acquisition date to 31 December 2020, Performance Team LLC contributed with a revenue of DKK 2.6bn and a minor contribution to net profit.

If the acquisition had occurred on 1 January 2020, the impact on the group’s revenue would have been DKK 3.4bn. The net profit contributed to the group would have been minor.

The accounting for the business combination is considered provisional as of 31 December 2020 due to certain contingencies, indemnities, etc.

Dovana Holdings AB (KGH Customs Service Group)

On 1 September 2020, the group acquired 100% of the shares in Dovana Holding AB, KGH Customs Services, a leading Sweden-based specialist in trade and customs services management in Europe, further enhancing its capabilities as an integrated container logistics company, offering end-to-end supply chain solutions to its global customers.

The total enterprise value of DKK 1.9bn consisted of a total purchase price of DKK 1.9bn on a cash and debt-free basis and acquired lease liabilities of around DKK 39m.

Out of the purchase price of DKK 1.9bn, debt of DKK 0.7bn has been deducted, and discounted maximum earn-out of DKK 0.3bn has been added to arrive at the DKK 1.5bn in aggregate purchase consideration as reported.

Note 24: Acquisition/sale of subsidiaries and activities – continued

The goodwill of DKK 1.1bn is mainly attributable to the synergies between KGH Customs Services and A.P. Moller – Maersk.

From the acquisition date to 31 December 2020, KGH Customs Services contributed positively to the results. If the acquisition had occurred on 1 January 2020, the impact on the group's revenue would have been DKK 0.6bn.

The accounting for the business combination is considered provisional as of 31 December 2020 due to certain contingencies, indemnities, etc.

Gujarat Pipavav Port Ltd

The group had a stake of 43.01% in Gujarat Pipavav Port Ltd (GPPL) and treated the entity as an associated company. On 9 June 2020, the group obtained the majority of seats on the Board of Directors of GPPL, thereby obtaining control of the entity.

The acquisition consists of net assts of DKK 3.5bn at fair value of which DKK 1.6bn is terminal rights and a non-controlling interest of DKK 2.0bn, offset by the derecognition of associate company of DKK 1.2bn. A gain of DKK 0.3bn was recognised for disposing GPPL as an associate, and the cumulative translation reserve loss of DKK 0.4bn related to the associate was also recycled to profit/loss. Liquid funds acquired amounted to DKK 0.6bn. On the date of acquisition, the fair value of the net assets acquired exceeded the listed share price, therefore, the transaction has been reported as a bargain purchase. The gain from the bargain purchase has been reported at DKK 0.3bn.

From the acquisition date to 31 December 2020, the Pipavav terminal contributed positively to the results with a revenue of DKK 0.4bn. If the acquisition had occurred on 1 January 2020, the impact on the group's revenue would have been DKK 0.6bn.

The accounting for the business combination is considered provisional as of 31 December 2020.

Other acquisitions

On 1 October 2020, the group acquired 100% of the shares in Gram og Juhl A/S, a leading global supplier of monitoring and diagnostic solutions for the wind turbine industry.

The purchase price for the shares was DKK 0.4bn. From the purchase price, cash in the acquired company and discounted maximum earn-out, in total DKK 0.1bn, have been deducted to arrive at the DKK 0.3bn of cash flow used for the acquisition.

The goodwill of DKK 0.2bn is mainly attributable to the synergies between Gram & Juhl and KK Wind Solutions.

From the acquisition date to 31 December 2020, Gram & Juhl contributed positively to the results. If the acquisition had occurred on 1 January 2020, the impact on the group's revenue would have been DKK 100m.

In addition to the above acquisition, there has been a small acquisition in Terminals & Towage.

Acquisition after 31 December 2020

On 12 March 2021, the group acquired 100% of the shares/all voting shares in Faerch Group. Faerch Group is the world's leading sustainable food packaging company as a pan-European manufacturer of sustainable food packaging solutions. The transaction values Faerch Group at approximately DKK 14.1bn (EUR 1.9bn).

By acquiring Faerch Group, A.P. Moller Group contributes to the critical societal development of a circular system of waste, with the same material being used and re-used in an endless number of manufacturing cycles. Faerch Group has demonstrated that it offers a compelling, sustainable solution, by developing food packaging products with a high degree of post-consumer recycled content.

As of 31 December 2020, the acquisition of Faerch Group was subject to approval by the relevant competition authorities and completion of Faerch Group's recently announced acquisition of the Sirap food packaging business in Italy, Poland and Spain.

The acquisition is considered a business combination in accordance with IFRS 3, Business Combinations. Due to the timing of the closing of the acquisition, the initial accounting for the business combination is incomplete at the time of issuing the financial statements for 2020 for A.P. Moller Holding.

Note 24: Acquisition/sale of subsidiaries and activities – continued

ACQUISITIONS DURING 2019

Cash flow used for acquisitions in 2019

Amounts in DKKm	KK Wind Solutions	Other	Total
Fair value at time of acquisition			
Intangible assets[1]	1,258	167	1,425
Property, plant and equipment	119	0	119
Right-of-use assets	130	0	130
Financial assets	1	0	1
Current assets[2]	944	173	1,117
Provisions	- 48	0	- 48
Liabilities[3]	- 1,743	- 133	- 1,876
Net assets acquired	**661**	**207**	**868**
Non-controlling interests	0	0	0
A.P. Møller Holding A/S' share	**661**	**207**	**868**
Goodwill	1,108	173	1,281
Purchase price	**1,769**	**380**	**2,149**
Contingent consideration	- 8	0	- 8
Cash and bank balances assumed	0	- 93	- 93
Cash flow used for acquisition of subsidiaries and activities	**1,761**	**287**	**2,048**

[1] Intangible assets consist mainly of customer relations and order backlog
[2] Current assets consist mainly of inventories and trade receivables
[3] Liabilities consist mainly of borrowings, lease liabilities, deferred tax and trade payables

KK Wind Solutions

KK Wind Solutions is a leading global supplier of power electronics solutions to the wind turbine industry. The date of acquisition for accounting purposes is 4 September 2019. Goodwill is made of other intangible assets not separable from the business and expected future results. Goodwill is not deductible for tax purposes.

From the acquisition date to 31 December 2019, KK Wind Solutions contributed with a revenue of DKK 672m, while the result was immaterial. If the acquisition had occurred on 1 January 2019, the impact on A.P. Moller Holding group's revenue would have been DKK 2.3bn, while the result would have increased by DKK 0.1bn.

For 2019, the acquisition costs amounted to DKK 33m.

Other acquisitions during 2019

No other acquisitions of subsidiaries or activities, significant to the group, were completed in 2019.

SALES DURING 2020 AND 2019

No material sales were performed during 2020 and 2019, respectively. However, a smaller amount of shares has been disposed in our privately held portfolio companies.

Note 25: Related parties

Amounts in DKKm	Associated companies 2020	Associated companies 2019	Joint ventures 2020	Joint ventures 2019	Management[1] 2020	Management[1] 2019
Income statement						
Revenue	190	233	595	760	0	0
Operating costs[2]	3,435	3,495	3,815	3,668	46	53
Remuneration to Executive Board and Board of Directors	0	0	0	0	65	49
Financial income	66	148	0	0	0	0
Financial expenses	35	117	0	0	0	0
Other costs	0	0	0	0	0	0
Other income	4	7	7	0	0	0
Assets						
Other receivables, non-current	0	0	914	828	0	0
Other receivables, current	266	180	163	0	0	0
Trade receivables	157	387	85	267	0	0
Cash and bank balances	8,989	6,453	0	0	0	0
Liabilities						
Guarantees etc.	262	435	0	0	0	0
Issued bank guarantees	227	288	0	0	0	0
Credit institutions including loan commitments	3,408	5,987	0	0	0	0
Trade payables	399	474	521	501	0	7
Other payables	0	388	0	0	0	0
Equity						
Capital increase	0	0	419	0	0	0
Sale to non-controlling interests	0	0	0	0	168	0
Dividends	521	2,172	609	1,041	0	0

1 The Board of Directors and the Executive Board in A.P. Møller Holding A/S and their close relatives (including undertakings under their significant influence). Trade receivables and payables include customary business related accounts in connection with shipping activities
2 Operating costs regarding management include commission and commercial receivables to Maersk Broker K/S from chartering as well as purchase and sale of ships

Dividends distributed to A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal are not included.

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Denmark is the parent company and the ultimate owner.

Note 26: Events after the balance sheet date

In December 2020, A.P. Moller Holding signed an agreement to acquire Faerch Group. Faerch Group is the world's leading sustainable food packaging company as a pan-European manufacturer of sustainable food packaging solutions and the transaction values Faerch Group at approximately DKK 14.1bn (EUR 1.9bn). Closing of the acquisition took place on 12 March 2021. The acquisition is considered a business combination in accordance with IFRS 3, Business Combinations.

No other events of importance to the Annual Report have occurred during the period from the balance sheet date until the presentation of the financial statements.

Note 27: Significant accounting policies

BASIS OF PREPARATION

The consolidated financial statements for 2020 for A.P. Møller Holding 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 large enterprises in class C. The consolidated financial statements are also in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

The accounting policies are consistent with those applied in the consolidated financial statements for 2019 except for the changes to the accounting standards that were effective from 1 January 2020 and were endorsed by the EU:

- Definition of Material (amendments to IAS 1 and IAS 8)
- Definition of Business Combinations (amendments to IFRS 3)

A.P. Moller Holding follows the guidelines in the above amendments, and the implementation did not change the accounting policies.

Note 27: Significant accounting policies – continued

CONSOLIDATION

The consolidated financial statements comprise the parent company A.P. Moller Holding, its subsidiaries and proportionate shares in joint arrangements classified as joint operations.

Subsidiaries are entities controlled by A.P. Moller Holding. 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 Holding, according to contractual agreements with one or more other parties, has joint control. The arrangements are classified as joint ventures, if the contracting parties' rights are limited to net assets in 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 Holding 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.

Certain entities in which the group has an ownership share of less than 100% but holds the full right to govern and receive dividends through shareholder agreements etc. are considered subsidiaries and consolidated without any non-controlling interest.

Consolidation is performed by summarising the financial statements of the parent company and its subsidiaries, including the proportionate share of joint operations, part-owned vessels and pool arrangements, which have been prepared in accordance with A.P. Moller Holding'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 Holding'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 Holding's profit and equity respectively but shown as separate items.

FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are presented in DKK. The functional currency of the parent company is USD. In the translation to the presentation currency for the parent, subsidiaries, associates or joint arrangements with functional currencies other than DKK, the total comprehensive income is translated into DKK at average exchange rates and the balance sheet is translated at the exchange rates as per 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 (translation to the functional currency).

The functional currency varies from business area to business area. For A.P. Møller Holding A/S and its subsidiaries' principal shipping and drilling 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 container 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 by the balance sheet date are translated at the exchange rate as per the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income or financial expenses.

INCOME STATEMENT

Revenue

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. Number of days of a voyage, as a percentage of the total number of days a voyage is estimated to last, is considered as a close approximation of percentage of completion.

Note 27: Significant accounting policies – continued

Detention and demurrage fees are recognised over time until the time of customers' late return or pick-up of containers. Retrospective volume rebates provided to certain customers which give rise to variable considerations, are based on the expected value method and allocated to ocean freight revenue.

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 drilling activities typically comprises fixed amounts for each day the rig is under contract differentiated by the activities undertaken ('day rate revenue') and other revenue components such as lump sum payments for rig mobilisation and demobilisation and payments for investments in equipment or rig upgrades required to meet the operational needs of the drilling campaign, both of which are amortised over the contract period; bonuses linked to performance in terms of time, efficiency or drilling outcome measures such as reservoir targeting; or payments for third-party services to be delivered to the customer.

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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Operating costs

Operating costs comprise costs incurred in generating revenue for the year, including costs for crew, costs for raw materials and consumables, repair and maintenance, and administrative costs.

Share of profit/loss in associated companies and joint ventures

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.

Financial income and financial expenses

Financial income and financial expenses comprise interest income and expenses, including the interest element of lease payments related to leases capitalised under IFRS 16, foreign exchange gains and losses, realised and unrealised gains and losses on financial instruments, bank fees and amortisation of transaction costs related to borrowings.

Financial income and financial expenses are recognised in the income statement on an accrual basis.

Tax

Tax comprises an estimate of current and deferred income tax as well as adjustments to previous years of those. 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 it arises from items recognised in the income statement, including tax of gains on intra-group transactions that have been eliminated in the consolidation.

Current tax liabilities and receivables are recognised in the balance sheet at the amounts calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and for taxes paid on account.

STATEMENT OF COMPREHENSIVE INCOME

Other comprehensive income consists of income and costs 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. The group's share of other comprehensive income in associated companies and joint ventures is also included.

On disposal or discontinuation of an entity, the group's share of the accumulated exchange rate adjustment relating to the relevant entity compared to the functional currency 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.

Note 27: Significant accounting policies – continued

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

BALANCE SHEET

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. Intangible assets regarding acquired customer relationships and brand names are amortised over a useful life of up to 15 and 20 years, respectively. IT software is amortised over a useful life of 3-5 years. Estimated useful lives and residual values are reassessed on a regular basis.

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 a grantor of a concession. The rights are amortised from the commencement of operations over the concession period.

Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the useful lives at an estimated residual value. The useful lives of assets are typically as follows:

Ships, etc.	20-25 years
Containers, etc.	12 years
Buildings	10-75 years
Terminal infrastructure	10-20 years or concession period, if shorter
Plant and machinery, cranes and other terminal equipment	3-20 years
Rigs and drilling equipment	5-25 years (residual value 0-30%)
Other operating equipment, fixtures, etc.	3-10 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 lives of the individual components differ. Dry-docking costs are recognised in the carrying amount of ships when incurred and depreciated over the period until the next dry-docking.

The cost of assets constructed by the group 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 the cost of the asset. In addition, the cost includes the net present value of estimated costs of removal and restoration.

Grants received from governments or similar institutions are recognised when there is reasonable certainty that they will be received. Grants for capital expenditures are offset against the cost of the assets to which the grants relate.

Right-of-use assets

The group mainly leases vessels, containers, concession agreements, 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 below. Concession arrangements and real estate contracts are negotiated on an individual basis and contain a wide range of terms and conditions.

Lease contracts, under which the group is the lessee, are capitalised using an incremental borrowing rate and recognised in the balance sheet as right-of-use assets and corresponding lease liabilities. The right-of-use assets are generally depreciated over the lease term. Lease payments are split into an interest element presented under financial expenses and amortisation of the lease liability. Both elements are included under cash flow from financing activities in the cash flow statement.

Lease contracts with a term shorter than 12 months or for which the underlying asset are of low value are not capitalised but expensed straight-line over the lease term.

Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use by the group. 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.

Impairment of intangible assets and property, plant and equipment

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.

Note 27: Significant accounting policies – continued

Assets held for sale
Assets are held for sale, when the carrying amount of an individual non-current asset, or disposal groups, will be recovered principally through a sale transaction rather than through continuing use. Assets are classified as held for sale, when activities to carry out a sale have been initiated, 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, and 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.

Investment in associated companies and joint ventures
Investments in associated companies and joint ventures are recognised at the group'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 as a whole. Impairment losses are reversed to the extent the original value is considered recoverable.

Other financial investments
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 are classified in the following measurement categories:
- Through other comprehensive income, or
- Through the income statement

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
Inventories mainly consist of bunker, containers (manufacturing), spare parts not qualifying as property, plant and equipment and other consumables. Inventories are measured at cost including indirect production cost, and primarily the FIFO method has been applied. The cost of finished goods and work in progress includes direct and indirect production costs.

Loans and receivables
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-down is made for anticipated losses based on specific individual or group assessments. For trade receivables, the loss allowance is measured in accordance with IFRS 9, applying a provision matrix to calculate the minimum impairment. The provision matrix includes an impairment for non-due receivables.

Prepayments
Prepayments comprise upfront fees, consumables and prepaid costs including mobilisation and start-up costs that are considered costs to fulfil contracts under IFRS 15 (contract assets). For contract assets, any need for loss provisions are estimated using the simplified approach under IFRS 9.

Equity
Equity includes total comprehensive income for the year comprising the profit/loss for the year and other comprehensive income. Proceeds on the purchase and sale of own shares and dividends from such shares are recognised in equity.

The translation reserve comprises A.P. Møller Holding A/S' share of accumulated exchange rate differences arising on translation to the functional currency. Differences arising from translation to the presentation currency are recognised in other comprehensive income and will not be reclassified to the income statement. The reserve for other equity investments comprises accumulated changes in the fair value of equity investments (at FVOCI), net of tax. Reserve 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. The reserve is transferred to the income statement when the hedge transaction is settled.

Share-based payments
Equity settled restricted shares and share options allocated to executive employees as part of the group's long-term incentive programmes are recognised as staff costs over the vesting period at estimated fair value at the grant date and a corresponding adjustment in equity.

Cash settled performance awards allocated to employees as part of the group's long-term incentive programmes are recognised as staff costs over the vesting period and a corresponding adjustment in other payables.

Note 27: Significant accounting policies – continued

At the end of each reporting period, the group revises its estimates of the 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 or other payables.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation from past events. The item includes, among others, legal disputes, provision for onerous contracts, unfavourable contracts acquired as part of a business combination as well as provisions for incurred, but not yet reported, incidents under certain insurance programmes, primarily in the US. 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.

Reversals of provisions primarily relate to settlement of contractual disagreements, which are recognised in the income statement under operating costs.

Defined benefit plans

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 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 the group, 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. For defined benefit multi-employer plans where sufficient information to apply defined benefit accounting is not available, the plans are treated as defined contribution plans.

Deferred tax

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 Holding controls the timing of dividends, and 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.

Financial liabilities

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. Liabilities in respect of finance leases are measured at the interest rate implicit in the lease, if practicable to determine, or else at the group's incremental borrowing rate.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments over the lease term, discounted by using the incremental borrowing rate.

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 which 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 or loss.

Note 27: Significant accounting policies – continued

If extension and termination options in lease contracts are included, A.P. Moller Holding will probably exercise those 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 Holding and not by the respective lessor.

The assessment is reviewed if a significant event or a significant change in circumstances occurs, which affects this assessment and is within the control of the lessee. Where A.P. Moller Holding will probably exercise specific purchase options, those options are included in the measurement of the lease liability with the corresponding right-of-use asset depreciated over the asset's useful life rather than lease term.

Lease payments are discounted at the implicit interest rate, to the extent this can be determined, otherwise discounted using incremental borrowing rates (IBRs). The applied IBR reflects the group's credit risk, leased amount and contract duration; 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 Holding uses recent third-party financing conditions since the financing was received. Where such financing is not available, A.P. Moller Holding 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, 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.

OTHER AREAS

Derivative financial instruments

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 hedge 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.

Cash flow statement

Cash flow from operating activities includes all cash transactions other than cash flows arising from investments and divestments, received dividends, principal payments of loans, instalments on finance lease liabilities, paid and received financial items and equity transactions. Capitalisation of borrowing costs is considered non-cash items, 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 the group's cash management.

Note 27: Significant accounting policies – continued

Business combinations and disposal of subsidiaries

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 the 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 other income or other costs in the income statement. Transaction costs are recognised as operating costs as they are incurred.

When the group 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 gain (or 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 the 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.

Discontinued operations and assets held for sale

Discontinued operations represent a separate major line of business disposed of or in preparation for sale. The results of discontinued operations are presented separately in the income statement, and the cash flows from discontinued operations are presented separately in the cash flow statement with restatement of comparative figures.

Assets held for sale and associated liabilities from discontinued operations are presented as separate items in the balance sheet with no restatement of comparative figures. Elimination between continuing and discontinued operations are presented to reflect continuing operations as post-separation, which entails elimination of interest, borrowings, dividends and capital increases.

Assets and liabilities from discontinued operations and assets held for sale except financial assets, etc., are measured at the lower of carrying amount immediately before classification as held for sale and fair value less cost to sell, and impairment tests are performed immediately before classification as held for sale. Non-current assets held for sale are not depreciated.

NEW FINANCIAL REPORTING REQUIREMENTS IN 2021 OR LATER

A.P. Moller Holding has not yet adopted the following standards/requirements:

- IFRS 17 – Insurance contracts

IFRS 17 is effective from 1 January 2021, but there is some uncertainty as to its EU endorsement date.

In respect to IFRS 17, an analysis of the impact is being assessed and is expected to be concluded in due course, ahead of the implementation date.

Other published changes to IFRS, that are not mandatory for the 31 December 2020 reporting period, are not expected to have any significant impact on recognition and measurement.

DEFINITIONS OF FINANCIAL RATIOS

Return on equity after tax is calculated as profit for the year after tax in proportion to average equity for the year.

Equity interest is calculated as equity end of year in proportion to balance sheet total end of year.

Note 28: Significant accounting estimates and judgments

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

In certain areas, the outcome of business plans, including ongoing negotiations with external parties to execute those plans or to settle claims that are raised against the group, is highly uncertain. Therefore, assumptions may change, or the outcome may differ in the coming years, which could require a material upward or downward adjustment to the carrying amounts of assets and liabilities. This note includes the areas in which A.P. Moller Holding is particularly exposed to a material adjustment of the carrying amounts as at the end of 2020.

SIGNIFICANT ACCOUNTING JUDGMENTS

Determination of cash-generating units

Judgment is applied in the definition of cash-generating units and in the selection of methodologies and assumptions for impairment tests.

The determination of cash-generating units differs for various business areas.

Ocean operated 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. In addition, the intermodal activities reported under Logistics & Services are included in the Ocean cash-generating unit for impairment testing to apply consistency between the asset base and related cash flows. In Logistics & Services, apart from intermodal, each main product is defined as a cash-generating unit. In gateway terminals, each terminal is considered individually in impairment tests, except when the capacity is managed as a portfolio. Towage groups vessels according to type, size, etc. in accordance with the structure governing management's ongoing follow-up. Projected cash flow models are used when fair value is not obtainable or when fair value is deemed lower than value in use. External data is used to the extent possible, and centralised processes, involving corporate functions, ensure that indices or data sources are selected consistently while observing differences in risks and other circumstances. Current market values for vessels, etc. are estimated using acknowledged brokers.

Rigs with similar functionality and operating environment are considered as cash generating units due to largely interdependent cash flows.

Product tanker vessels with similar functionality (LR2, MR, Intermediate and Handy) and operating environment are considered as cash generating units.

KK Wind Solutions is considered as one cash generating unit.

Operations in countries with limited access to repatriating surplus cash

A.P. Moller Holding group operates worldwide, and in this respect, has operations in countries where access to repatriating surplus cash is limited. In these countries, management makes judgments as to whether these cash positions can be recognised as cash or cash equivalents.

SIGNIFICANT ACCOUNTING ESTIMATES

Aspects of uncertainty

In its assumption setting, management deals with different aspects of uncertainty. One aspect of uncertainty is whether an asset or liability exists where the assessment forms the basis for recognition or derecognition decisions, including assessment of control. Another aspect is the measurement uncertainty, where management makes assumptions about the value of the assets and liabilities. These assumptions concern the timing and amount of future cash flows and the risks inherent in these.

Impairment tests

The outcome of impairment tests is subject to estimates in financial budgets and business plans, the development of container freight rates, volumes, oil and bunker prices, and discount rates.

The future development in container freight rates is an uncertain and significant factor impacting especially A.P. Moller - Maersk's Ocean activities, whose financial results are directly affected by the fluctuation in container freight rates. Freight rates are influenced by the global economic environment and trade patterns, as well as industry specific trends in respect of supply and demand. The long-term economic consequences of COVID-19 are still unknown and could cause a shift in freight rates or volumes.

The future development in the oil price is an uncertain and significant factor impacting accounting estimates across A.P. Moller Holding group, either directly or indirectly.

Note 28: Significant accounting estimates and judgments – continued

Ocean and Maersk Product Tankers are directly impacted by the price of bunker oil, where the competitive landscape determines the extent to which the development is reflected in the freight rates charged to the customer. APM Terminals is indirectly impacted by the oil price as terminals located in oil-producing countries, e.g. Nigeria, Angola, Egypt, Russia and Brazil, are indirectly impacted by the development in oil prices and the consequences on the countries' economies, which not only affect volume handled in the terminals, but also exchange rates.

During 2020, the oil and gas market has been hit by simultaneous demand and supply shocks. Measures to contain the spread of COVID-19 have led to an unprecedented decline in demand for oil and gas, and initial intervention by OPEC+ member states struggled to balance the market. As a result, Brent oil prices dropped from pre-COVID levels of USD 50-70 to USD 20-40 per barrel. Since then, Brent oil prices have stabilised at levels around USD 40-50 per barrel, and at the end of 2020, the one-year forward coverage in the December 2020 Brent prices climbed above USD 50 per barrel, the highest level since March 2020.

The decline in oil prices has driven reductions in spending budgets by upstream oil and gas companies and consequently many exploration and development projects were postponed, offshore rig tenders were cancelled, and existing drilling contracts were suspended or terminated – resulting in reduced demand for offshore drilling rigs. The decline in utilisation and forward coverage exerted pressure on day rates across most rig segments, though the market for high-specification harsh environment rigs proved more resilient with a healthier demand and supply balance and only a limited impact on day rates.

Based on bilateral dialogues with oil and gas companies, Maersk Drilling expects the demand pipeline in its key markets to further build in 2021, partly due to projects originally scheduled for execution in 2020 being postponed to 2021. The future capital expenditures targeted for offshore, and thereby the future actual demand for offshore drilling rigs, are subject to several factors, particularly the development in the global oil and gas markets. The demand for oil and gas is dependent on public health, the impact of vaccines, and the policy responses to COVID-19, and the supply side of the oil markets will depend on the associated policy responses of OPEC+ and the influence of US shale.

Following the revised market outlook with lower expectations regarding utilisation and day rates for the coming years, a net impairment loss of DKK 10.3bn was recognised related to jack-up rigs and floaters, respectively.

Current market values for vessels, rigs etc. are estimated using acknowledged brokers. Given the continued illiquidity of the secondary market for offshore rigs with no supportable price indications, value in use calculations have been applied in the impairment tests for rigs.

The group carries goodwill of DKK 7,141m (DKK 5,360m) and intangible assets with indefinite lives of DKK 163m (DKK 207m). The majority of other non-current assets are amortised over their useful economic lives. Management assesses impairment indicators across this asset base. Judgment is applied in the definition of cash generating units and in the selection of methodologies and assumptions for impairment tests.

Projected cash flow models are used when fair value is not obtainable or when fair value is deemed lower than value in use. External data is used to the extent possible and centralised processes, involving corporate functions, ensure that indexes or data sources are selected consistently while observing differences in risks and other circumstances.

The fair value estimates, using the market approach, are highly uncertain due to the character of the assets and few transactions. The value in use calculations for the individual cash generating units carried out in 2018 are sensitive to the assumptions applied and to the risks of idle periods in the forecasts. In addition, the discount rate, growth rate and EBITDA margin after the budget period are critical variables.

In Ocean, the cash flow projection is based on forecasts as per Q3 2020, covering plans for 2021-2025. Management has applied an assumption of growth in volumes, pressure on freight rates and continued cost efficiency. The impairment test continues to show headroom from value in use to the carrying amount. Management is of the opinion that the assumptions applied are sustainable.

Note 28: Significant accounting estimates and judgments – continued

In Terminals & Towage, management assesses impairment triggers, and based on these estimates, recoverable amounts on the individual terminals. For Terminals' interest in Global Port Investments, being the share of equity and significant intangible assets acquired, management assesses the recoverable amount of its interest on an ongoing basis. Uncertain variables in the estimate are the economic outlook, local competition, effect on volumes, operating expenses and discount rates. The carrying amount of the investment may not be sustainable in the next few years, if markets develop significantly adversely compared to current expectations. Estimates of recoverable amounts were also prepared for other terminals where decreasing volumes triggered impairment tests. Key sensitivities are: expected volumes, local port rates, concession right extensions as well as discount rates. The impairment tests showed headroom from value in use calculations compared to carrying amount for all terminals in continued use. Therefore, no impairment was recognised in 2020 (DKK 0m in 2019) related to terminals in markets with challenging commercial conditions. For assets held for sale, DKK 0.4bn was recognised in impairments. Continued economic deterioration and lack of cash repatriation opportunities in certain oil producing countries can potentially put further pressure on carrying amounts of individual terminals.

Please refer to notes 6 and 7 for information about impairment losses, recoverable amounts and discount rates.

INVESTMENTS IN ASSOCIATED COMPANIES

As of 31 December 2020, the carrying amount of the shares in Danske Bank amounted to DKK 35.0bn (DKK 34.2bn), including group goodwill of DKK 1.0bn and the market value amounted to DKK 18.4bn (DKK 19.8bn). An impairment test has been prepared and supports that there is no impairment as of 31 December 2020.

Danske Bank remains in dialogue with various authorities regarding the terminated non-resident portfolio at Danske Bank's Estonian branch. This includes criminal and regulatory investigations by authorities in Estonia, Denmark, France and the United States. Danske Bank continues to cooperate with all authorities.

In 2018, the Estonian Office of the Prosecutor General opened a criminal investigation into former employees of the Estonian branch.

In November 2018, Danske Bank was preliminarily charged by the Danish State Prosecutor for Serious Economic and International Crime (SØIK) with violating the Danish AML Act on four counts, all relating to the Estonian branch in the period from 1 February 2007 to the end of January 2016. In October 2020, SØIK added violation of Section 71 of the Danish Financial Business Act for governance and control failures in the period from 1 February 2006 to the end of 2017 to the preliminary charges.

In February 2019, Danske Bank was placed under formal investigation by an investigating judge of the Tribunal de Grande Instance de Paris in the context of an on-going French criminal investigation and on the grounds of money laundering suspicions relating to certain transactions in the terminated portfolio of non-resident customers of Danske Bank's Estonian branch, amounting to around DKK 160m and performed between 2007 and 2014. Danske Bank has posted bail in the amount of DKK 80m.

In December 2020, Danske Bank was informed by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) that it had decided to close its investigation of Danske Bank in relation to the Estonia case with no action. OFAC is the U.S. authority responsible for civil enforcement of U.S. sanctions. The decision does not preclude OFAC from taking future enforcement action should new or additional information warrant renewed attention.

Danske Bank is reporting to, responding to, and cooperating with various authorities, including SØIK, the U.S. Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC), relating to their Estonian branch. The internal investigation work that Danske Bank had planned to complete during 2020 has been finalised and Danske Bank has reported the findings to relevant authorities. Danske Bank continues to fully cooperate and will provide the authorities with further information if and when requested. The overall timing of the authorities' investigations remains unknown and is not within Danske Bank's control. It is not yet possible to reliably estimate the timing, form of resolution or amount of potential settlement or fines, which could be material.

Based on orders from the Danish FSA, Danske Bank's solvency need has been increased in 2018 by a Pillar II add-on in total DKK 10bn to ensure adequate capital coverage of the increased compliance and reputational risks in relation to the Estonian AML matter.

Note 28: Significant accounting estimates and judgments – continued

On 9 January 2019, an action was filed in the United States District Court for the Southern District of New York by an alleged holder of Danske Bank's American Depositary Receipts, representing its ordinary shares, against Danske Bank and certain of its officers and former officers and/or directors. The complaint alleges that the defendants violated Section 10(b) and Sections 20(a) of the Securities Exchange Act of 1934 by, among other things, making false and misleading statements and/or failing to disclose adverse information regarding Danske Bank's business and operations in relation to AML matters relating to Danske Banks's Estonian branch and related matters. The complaint seeks unspecified damages on behalf of a putative class of purchasers of Danske Bank's American Depositary Receipts between 9 January 2014 and 29 April 2019. On 24 August 2020, the Court granted the motion and dismissed all claims against Danske Bank on three independent grounds. On 23 September 2020, the plaintiffs filed an appeal of this ruling to the Second Circuit. Danske Bank intends to oppose that appeal, and a decision is expected in the Second Half of 2021. Danske Bank intends to defend itself against these claims. The timing of the completion of the lawsuit and the outcome are uncertain.

On 3 March 2019, a court case was initiated against Danske Bank for approval of a class action lead by a newly formed association with the aim to represent former and current shareholders in a liability action relating to the Estonian AML matter. On 21 January 2021, the court dismissed the case because it did not fulfil the criteria for being approved as a class action. Danske Bank expects that the association will seek to appeal the dismissal. The appeal, if any, would not be decided until late 2021 at the earliest. In March 2019 (153), October 2019 (60), January 2020 (9), March 2020 (38) and December 2019 (63) and on 4 September 2020 (30), two separate claims were filed by 93 investors against Danske Bank with a total claim amount of approximately DKK 1.7bn. On 2 September 2020, 20 separate claims were filed by 20 investors against Danske Bank with a total claim amount of approximately DKK 1.1bn. On 18 September 2020, one case was filed by 201 investors with a total claim value of approximately DKK 2.1bn. On 18 September 2020, one case was filed against Danske Bank (and the bank's former CEO, Thomas F. Borgen) by two investors with a total claim amount of DKK 10m. These court actions relate to alleged violations in Danske Bank's branch in Estonia of the rules on prevention of money laundering and/or alleged failure to timely inform the market of such violations (and in one claim, also market manipulation). 209 of the 315 cases filed in the period from march 2019 to September 2020 have been referred to the Eastern High Court. The remaining 106 cases are currently stayed before the Copenhagen City Court. Danske Bank intends to defend itself against these claims. The timing of completion of any such lawsuits (pending or threatening) and their outcome are uncertain.

On 20 February 2020, Danske Bank received a procedural notification in a case initiated against Thomas F. Borgen by 74 institutional investors, and funded by the litigation funder Deminor Recovery Services. The total claim amount is approximately DKK 2.7bn. Under Danish law, the purpose of procedural notification is to make a formal reservation of rights to bring a potential claim against the notified party in the future.

PROVISIONS FOR PENSION AND OTHER EMPLOYEE BENEFITS

For defined benefit schemes, management makes assumptions about future remuneration and pension changes, employee attrition rates, life expectancy, inflation and discount rates. When setting those assumptions, management takes advice from the actuaries performing the valuation. The inflation and discount rates are determined centrally for the major plans on a country-by-country basis. All other assumptions are determined on a plan-by-plan basis. Please refer to note 16 for information about key assumptions and the sensitivity of the liability to changes in these assumptions.

Plan assets are measured at fair value by fund administrators.

PROVISIONS FOR LEGAL CASES, DISPUTES, UNCERTAIN TAX POSITIONS, ETC.

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

The group 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 the group'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 where the aggregated probability of the tax position being upheld is considered less than 50%.

Note 28: Significant accounting estimates and judgments – continued

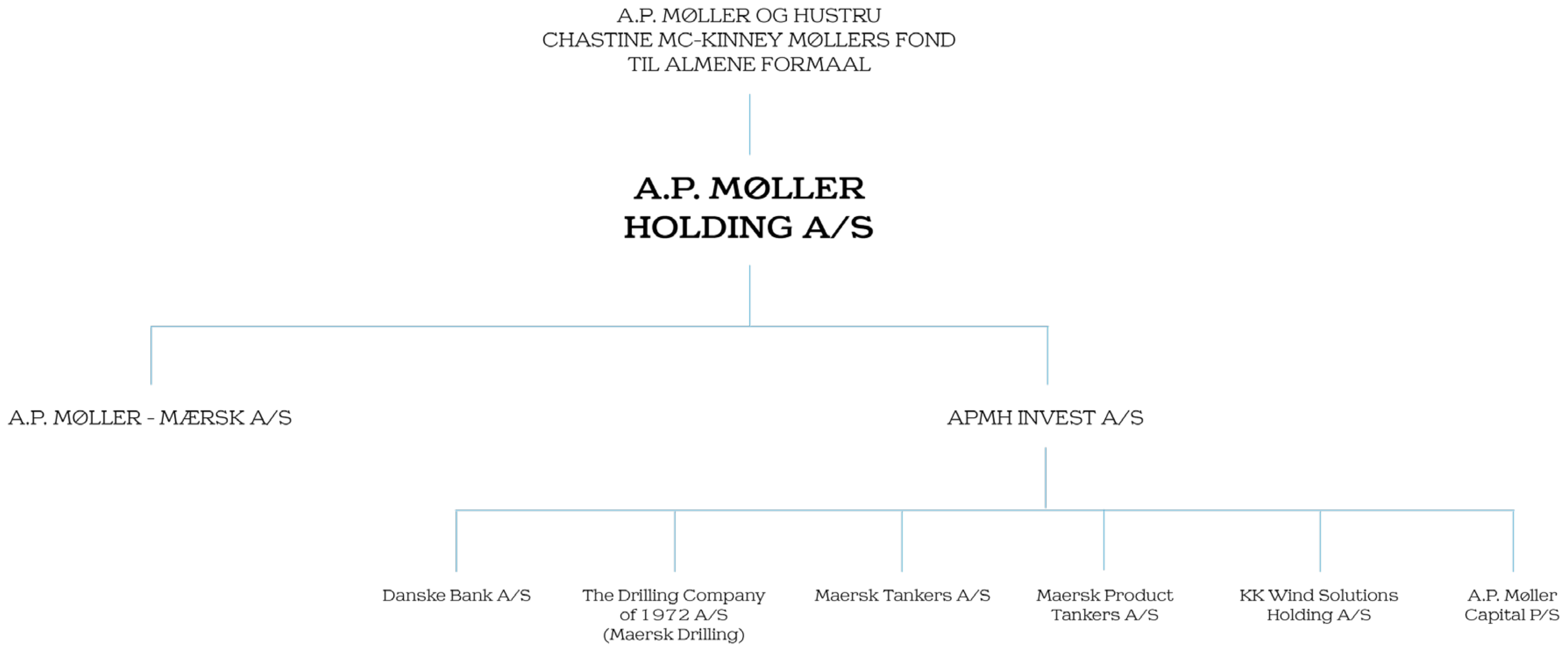
DEFERRED TAX ASSETS

Judgment has been applied in the measurement of deferred tax assets with respect to the group's ability to utilise the assets. Management considers the likelihood of utilisation based on the latest business plans and recent financial performances of the individual entities. Net deferred tax assets recognised in entities having suffered an accounting loss in either the current or preceding period amounting to DKK 0.5bn (DKK 0.6bn), excluding entities participating in joint taxation schemes. These assets mainly relate to unused tax losses or deductible temporary differences generated, during construction of terminals, where taxable profits have been generated either in the current period or are expected within a foreseeable future.

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 the basis of relative capacity over/under utilised on a monthly or other mutually agreed cycle. At the group, these capacity adjustments are settled as close to actual costs incurred as possible, based on market rates applicable at that time.

Note 29: Company overview



Note 29: Company overview – continued

A.P. Moller Holding group of companies comprises more than 900 companies.

COMPANIES OWNED BY A.P. MØLLER HOLDING A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
A.P. Møller - Mærsk A/S[1]	Denmark	41.5%
APMH Invest A/S	Denmark	100%

[1] Voting rights 51.45%

MAJOR COMPANIES OF A.P. MØLLER - MÆRSK A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
A.P. Moller Finance SA	Switzerland	100%
A.P. Moller Singapore Pte. Ltd.	Singapore	100%
Addicks & Kreye Container Service GmbH & Co. KG	Germany	51%
Aliança Navegação e Logística Ltda.	Brazil	100%
APM Terminals - Aarhus A/S	Denmark	100%
APM Terminals Algeciras S.A.	Spain	100%
APM Terminals Apapa Ltd.	Nigeria	94%
APM Terminals B.V.	Netherlands	100%
APM Terminals Bahrain B.S.C.	Bahrain	64%
APM Terminals Callao S.A.	Peru	64%
APM Terminals China Co. Ltd.	Hong Kong	100%
APM Terminals Elizabeth, LLC	USA	100%
APM Terminals Gothenburg AB	Sweden	100%
APM Terminals India Pvt. Ltd.	India	100%
APM Terminals Inland Services S.A.	Peru	100%
APM Terminals North America B.V.	Netherlands	100%
APM Terminals Pacific LLC	USA	90%
APM Terminals Rotterdam B.V.	Netherlands	100%
APM Terminals Tangier SA	Morocco	90%
Aqaba Container Terminal Company Ltd.	Jordan	50%
Bermutine Transport Corporation Ltd.	Bermuda	100%
Coman SA	Benin	100%
Container Operators S.A.	Chile	100%
Damco (UAE) FZE	United Arab Emirates	100%

Subsidiary	Country of incorporation	Ownership share
Damco A/S	Denmark	100%
Damco Australia Pty. Ltd.	Australia	100%
Damco Belgium NV	Belgium	100%
Damco China Ltd.	China	100%
Damco Distribution Services Inc.	USA	100%
Damco France SAS	France	100%
Damco India Pvt. Ltd.	India	100%
Damco International A/S	Denmark	100%
Damco Logistics Uganda Ltd.	Uganda	100%
Damco Sweden AB	Sweden	100%
Damco USA Inc.	USA	100%
Farrell Lines Inc.	USA	100%
Gateway Terminals India Pvt. Ltd.	India	74%
Gujarat Pipavav Port Ltd.	India	44%
Hambürg Sudamerikanische Dampfschifffahrts-Gesell-schaft A/S and Co KG	Germany	100%
Lilypond Container Depot Nigeria Ltd.	Nigeria	100%
Maersk (China) Shipping Company Ltd.	China	100%
Maersk A/S	Denmark	100%
Maersk Agency U.S.A. Inc.	USA	100%
Maersk B.V.	Netherlands	100%
Maersk Bangladesh Ltd.	Bangladesh	100%
Maersk Container Industry A/S	Denmark	100%
Maersk Container Industry Qingdao Ltd.	China	100%
Maersk Denizcilik A.Ş.	Turkey	100%
Maersk Egypt For Maritime Transport SAE	Egypt	100%
Maersk FPSOs A/S	Denmark	100%
Maersk Gabon SA	Gabon	100%
Maersk Global Service Centres (Chengdu) Ltd.	China	100%
Maersk Global Service Centres (India) Pvt. Ltd.	India	100%
Maersk Holding B.V.	Netherlands	100%
Maersk Hong Kong Ltd.	Hong Kong	100%
Maersk Inc.	USA	100%
Maersk Inter Holding B.V.	Netherlands	100%
Maersk Line Agency Holding A/S	Denmark	100%
Maersk Line UK Ltd.	UK	100%
Maersk Line, Limited	USA	100%
Maersk Logistics Warehousing China Company Ltd.	Hong Kong	100%
Maersk Oil Trading and Investments A/S	Denmark	100%

Note 29: Company overview – continued

Subsidiary	Country of incorporation	Ownership share
Maersk Oil Trading Inc.	USA	100%
Maersk Shipping Hong Kong Ltd.	Hong Kong	100%
Maersk Supply Service (Angola) Lda.	Angola	49%
Maersk Supply Service A/S	Denmark	100%
Maersk Supply Service Canada Ltd.	Canada	100%
Maersk Supply Service International A/S	Denmark	100%
Maersk Supply Service UK Ltd.	UK	100%
Maersk Vietnam Ltd.	Vietnam	100%
New Times International Transport Service Co. Ltd.	China	100%
Poti Sea Port Corporation	Georgia	100%
PT Damco Indonesia	Indonesia	98%
Rederiaktieselskabet Kuling	Denmark	100%
Rederiet A.P. Møller A/S	Denmark	100%
Safmarine (Pty) Ltd.	South Africa	100%
Safmarine MPV NV	Belgium	100%
Sealand Europe A/S	Denmark	100%
Sealand Maersk Asia Pte. Ltd.	Singapore	100%
Sogester - Sociedade Gestora De Terminals S.A.	Angola	51%
Suez Canal Container Terminal SAE	Egypt	55%
Svitzer A/S	Denmark	100%
Svitzer Australia Pty Ltd	Australia	100%
Svitzer Marine Ltd.	UK	100%
Terminal 4 S.A.	Argentina	100%
West Africa Container Terminal BVI Ltd.	British Virgin Island	100%
West Africa Container Terminal Nigeria Ltd.	Nigeria	100%

Associate	Country of incorporation	Ownership share
Abidjan Terminal SA	Côte d'Ivoire	49%
Brigantine International Holdings Ltd.	Hong Kong	30%
Brigantine Services Ltd.	Hong Kong	30%
Congo Terminal Holding SAS	France	30%
Congo Terminal SA	Republic of the Congo	15%
Cosco Ports (Nansha) Ltd.	British Virgin Islands	34%
Guangzhou South China Oceangate Container Terminal Co. Ltd.	China	20%
Höegh Autoliners Holdings AS	Norway	39%
Meridian Port Services Ltd.	Ghana	35%
Pelabuhan Tanjung Pelepas Sdn. Bhd.	Malaysia	30%
Salalah Port Services Company SAOG	Oman	30%
Shanghai Tie Yang Multimodal Transportation Co. Ltd.	China	29%
South Asia Gateway Pvt. Ltd.	Sri Lanka	33%
Tianjin Port Alliance International Container Terminal Co. Ltd.	China	20%

Joint ventures	Country of incorporation	Ownership share
Anchor Storage Ltd.	Bermuda	51%
Brasil Terminal Portuario S.A.	Brazil	50%
Cai Mep International Terminal Co. Ltd.	Vietnam	49%
Douala International Terminal SA	Cameroon	44%
Eurogate Container Terminal Wilhelmhaven Beteiligungs-gesellschaft GmbH	Germany	30%
First Container Terminal ZAO	Russia	31%
Global Ports Investments PLC	Cyprus	31%
North Sea Terminal Bremerhaven Verwaltungsgesellschaft GmbH	Germany	50%
Petrolesport OAO	Russia	31%
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	USA	49%
Vostochnaya Stevedore Company OOO	Russia	31%
Xiamen Songyu Container Terminal Co. Ltd.	China	25%

Note 29: Company overview – continued

COMPANIES OF APMH INVEST A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
The Drilling Company of 1972 A/S[1]	Denmark	41.6%
Maersk Tankers A/S	Denmark	80%
Maersk Product Tankers A/S	Denmark	70%
A.P. Møller Capital P/S	Denmark	58.9%
AIF I Sponsor Invest K/S	Denmark	100%
A.P. Møller Capital GP ApS	Denmark	100%
Africa Infrastructure Fund I GP ApS	Denmark	100%
APMH Invest IV A/S	Denmark	100%
APMH Invest VI ApS	Denmark	100%
APMHI GP ApS	Denmark	100%
APMH Invest IX ApS[2]	Denmark	96.5%
APMH Invest X P/S	Denmark	100%
APMH Invest XI ApS	Denmark	100%

[1] APMH Invest A/S is considered to hold a controlling interest in The Drilling Company of 1972 A/S
[2] The holding company of KK Wind Solutions Holding A/S

Associate	Country of incorporation	Ownership share
Danske Bank A/S	Denmark	21.3%

COMPANIES OF THE DRILLING COMPANY OF 1972 A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
Maersk Drilling A/S	Denmark	100%
Maersk Drilling Services A/S	Denmark	100%
Maersk Drilling UK Limited	UK	100%
Maersk Drilling International A/S	Denmark	100%
Maersk Offshore Crew Management (Guernsey) Ltd.	Guernsey	100%
Maersk Drilling Deepwater A/S	Denmark	100%
Maersk Drilling Services LLC	Azerbaijan	100%
Maersk Drilling Labuan Ltd	Malaysia	100%
Maersk Inspirer Operations AS	Norway	100%
Maersk Reacher Operations AS	Norway	100%
Maersk Intrepid Operations AS	Norway	100%
Maersk Integrator Operations AS	Norway	100%
Maersk Drilling Norge AS	Norway	100%
Maersk Invincible Norge A/S	Denmark	100%
Maersk Intrepid Norge A/S	Denmark	100%
Maersk Interceptor Norge A/S	Denmark	100%
Maersk Integrator Norge A/S	Denmark	100%
Mærsk Innovator Norge A/S	Denmark	100%
Mærsk Inspirer Norge A/S	Denmark	100%
Maersk Reacher Norge A/S	Denmark	100%
Mærsk Gallant Norge A/S	Denmark	100%
Maersk Drilling DS A/S	Denmark	100%
Maersk Drilling Americas A/S	Denmark	100%
Maersk Drilling USA Inc	USA	100%
Maersk Viking LLC	USA	100%
Maersk Drilling Brasil Servicos de Perfuracao Maritmos Ltda	Brazil	100%
Maersk Drilling do Brasil Serviços de Petróleo Ltd	Brazil	100%
Maersk Drilling Mexico S.A. de C.V.	Mexico	100%
Maersk Drilling Services S.A. de C.V.	Mexico	100%
Maersk Drilling Australia Pty Ltd.	Australia	100%
Maersk Drilling Holdings Singapore Pte Ltd.	Singapore	100%
Maersk Highlander UK Ltd	UK	100%
Maersk Drillship I Singapore Pte.Ltd.	Singapore	100%
Maersk Drillship II Singapore Pte.Ltd.	Singapore	100%
Maersk Drillship III Singapore Pte Ltd.	Singapore	100%
Maersk Drillship IV Singapore Pte Ltd.	Singapore	100%

Note 29: Company overview – continued

Subsidiary	Country of incorporation	Ownership share
Maersk Drilling Nigeria Holdings Pte. Ltd.	Singapore	100%
Maersk Drilling Nigeria Operations Limited	Nigeria	100%
Maersk Drilling Services Singapore Pte. Ltd.	Singapore	100%
Maersk Drilling Deepwater Egypt LLC	Egypt	100%
Maersk Drilling North Sea A/S	Denmark	100%
Maersk Drilling Poland sp. z o.o (8 April 2019)	Poland	100%
Maersk Drilling Netherlands BV	Netherlands	100%
Maersk Drilling India Private Limited	India	100%
MD Viking Company Limited	Myanmar	100%
Maersk Drilling Abu Dhabi Ltd. (W.L.L.)[1]	Abu Dhabi	33%
Maersk JS-Services Lda Angola JV[1]	Angola	49%
Maersk Drilling Qatar W.L.L[1]	Qatar	49%
Maersk Drilling Malaysia SDN [1]	Malaysia	49%
Maersk Rigworld Ghana Limited[1]	Ghana	65%
Maersk Drilling Nigeria JVCO Limited[1]	Nigeria	49%

[1] Certain entities in which Maersk Drilling has an ownership share of less than 100% but holds the full right to govern and receive dividends through shareholder agreements etc. are considered subsidiaries and consolidated without any non-controlling interest

Joint ventures	Country of incorporation	Ownership share
Maersk Decom A/S[1]	Denmark	50%
PMD Viking Ghana Ltd	UK	50%

[1] Maersk Decom A/S is owned jointly with A.P. Moller - Maersk. Ownership share amounts to 100% in total

COMPANIES OF MAERSK TANKERS A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
Brostrom AB	Sweden	100%
Brostrom General Partner A/S	Denmark	100%
Brostrom K/S	Denmark	100%
Handytankers General Partner A/S	Denmark	100%
Handytankers K/S	Denmark	100%
Maersk Tankers Afra General Partner A/S	Denmark	100%
Maersk Tankers Afra K/S	Denmark	100%
Maersk Tankers India Pvt. Ltd.	India	100%
Maersk Tankers LR2 General Partner A/S	Denmark	100%
Maersk Tankers LR2 K/S	Denmark	100%
Maersk Tankers MR General Partner A/S	Denmark	100%
Maersk Tankers MR K/S	Denmark	100%
Maersk Tankers Romania SRL	Romania	100%
Maersk Tankers US Inc.	USA	100%
Maersk Tankers US Personnel Inc.	USA	100%
OPSA Operadora Portuaria	Venezuela	100%
ZeroNorth A/S	Denmark	78.3%

Joint ventures	Country of incorporation	Ownership share
Long Range 2 A/S	Denmark	50%
LR 2 Management K/S	Denmark	50%

Note 29: Company overview – continued

COMPANIES OF MAERSK PRODUCT TANKERS A/S ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
Maersk Tankers Singapore Pte Ltd	Singapore	100%
Maersk Tankers UK Ltd.	UK	100%

COMPANIES OF APMH INVEST IX APS ARE LISTED BELOW

Subsidiary	Country of incorporation	Ownership share
KK Wind Solutions Holding A/S	Denmark	98.3%
KKWSH ApS	Denmark	100%
KK-GROUP A/S	Denmark	100%
KK Wind Solutions A/S	Denmark	100%
KK-ELECTRONIC DENMARK ApS	Denmark	100%
KK Wind Solutions International ApS	Denmark	100%
KK Wind Solutions India Pvt. Ltd.	India	100%
KK Wind Solutions Service A/S	Denmark	100%
KK Wind Solutions Service Holding US Inc.	USA	100%
KK Wind Solutions Service US Inc.	USA	100%
KK Wind Solutions Polska Sp. Z.o.o	Poland	100%
KK Wind Solutions Taiwan Co. Ltd.	Taiwan	100%
Gram og Juhl A/S	Denmark	100%
Gram og Juhl GmbH	Germany	100%
Gram og Juhl North America Inc.	USA	100%

Parent company financial statements

INCOME STATEMENT

Note	Amounts in DKKm	2020	2019
1	Share of profit in subsidiaries	4,926.2	5,021.6
2	Staff costs	-110.5	-92.3
	Other external expenses	-37.9	-37.1
3	Depreciation	-3.7	-0.8
	Other income	109.2	11.8
	Profit before financial items	**4,883.3**	**4,903.2**
4	Other financial income	427.1	436.6
5	Other financial expenses	-848.7	-228.7
	Profit before tax	**4,461.7**	**5,111.1**
6	Tax on profit for the year	64.6	-23.8
7	**Net profit for the year**	**4,526.3**	**5,087.3**

BALANCE SHEET AS OF 31 DECEMBER

Note	Amounts in DKKm	2020	2019
	Non-current assets		
3	Property	232.0	227.5
	Equipment	4.3	4.1
1	Investments in subsidiaries	125,446.0	127,599.7
	Total non-current assets	**125,682.3**	**127,831.3**
	Current assets		
	Receivables from affiliates	0.1	8.2
8	Deferred tax	24.1	15.4
	Tax receivables	142.1	43.4
	Other receivables	42.4	17.5
	Total receivables	**208.7**	**84.5**
	Securities	**0,0**	**2,307.1**
	Cash and bank balances	**753.5**	**428.0**
	Total current assets	**962.2**	**2,819.6**
	Total assets	**126,644.5**	**130,650.9**

Note	Amounts in DKKm	2020	2019
	Equity		
9	Share capital	2,000.0	2,000.0
	Reserve for net revaluation under the equity method	11,012.9	15,244.4
	Retained earnings etc	112,919.0	113,076.1
	Proposed dividend	600.0	250.0
	Total equity	**126,531.9**	**130,570.5**
	Long-term debt		
	Other payables	72.6	0,0
	Total Long-term debt	**72.6**	**0,0**
	Short-term debt		
	Debt to banks	0.6	0.2
	Payables to affiliates	0.1	1.4
	Trade payables	7.3	13.4
	Other payables	32.0	65.4
	Total short-term debt	**40.0**	**80.4**
	Total liabilities	**112.6**	**80.4**
	Total equity and liabilities	**126,644.5**	**130,650.9**

10 Related parties
11 Commitments
12 Contingent liabilities
13 Events after the balance sheet date
14 Accounting policies

STATEMENT OF CHANGES IN EQUITY

Amounts in DKKm	Share capital	Reserve for net revaluation under the equity method	Retained earnings etc.	Proposed dividend	Total
Equity as of 1 January 2019	2,000.0	9,067.4	112,151.4	500.0	123,718.8
Dividend paid for the year	0.0	0.0	0.0	-500.0	-500.0
Net profit/loss for the year	0.0	5,021.6	-184.3	250.0	5,087.3
Dividend from subsidiaries	0.0	-1,296.3	1,296.3	0.0	0.0
Other adjustments[1]	0.0	2,451.7	-187.3	0.0	2,264.4
Equity as of 31 December 2019	**2,000.0**	**15,244.4**	**113,076.1**	**250.0**	**130,570.5**
Dividend paid for the year	0.0	0.0	0.0	-250.0	-250.0
Extraordinary dividend paid for the year	0.0	0.0	-150.0	0.0	-150.0
Net profit/loss for the year	0.0	4,926.2	-999.9	600.0	4,526.3
Dividend from subsidiaries	0.0	-1,240.0	1,240.0	0.0	0.0
Other adjustments[1]	0.0	-7,917.7	-247.2	0.0	-8,164.9
Equity as of 31 December 2020	**2,000.0**	**11,012.9**	**112,919.0**	**600.0**	**126,531.9**

[1] Other adjustments primarily comprise exchange rate adjustments

Notes to parent company financial statements

Note 1: Investments in subsidiaries

Amounts in DKKm	2020	2019
Cost as of 1 January	112,355.3	112,913.3
Additions	4,569.5	1,800.0
Disposals	-2,491.7	-2,358.0
Cost as of 31 December	**114,433.1**	**112,355.3**
Adjustment to carrying amount as of 1 January	15,244.4	9,068.0
Share of profit for the year	4,926.2	5,021.6
Dividend	-1,240.0	-1,296.3
Disposals	-236.6	-139.3
Other adjustments incl. exchange rate adjustments	-7,681.1	2,590.4
Adjustment to carrying amount as of 31 December	**11,012.9**	**15,244.4**
Carrying amount as of 31 December	125,446.0	127,599.7

COMPANY OVERVIEW AS AT 31 DECEMBER 2020

Subsidiary	Country of incorporation	Ownership share[1]	Voting share
A.P. Møller - Mærsk A/S	Denmark	41.51%	51.45%
APMH Invest A/S	Denmark	100.00%	100.00%

[1] Percentage of total number of issued shares. The ownership share has been adjusted for A.P. Moller – Maersk's (APMM) holding of own shares as of 31 December 2020 due to APMM's ongoing share buy-back programme. Without the adjustment, the ownership share amounts to 40.3%. Cancellation of APMM's own shares will be completed at a general meeting

Please refer to the company overview for A.P. Moller Holding group of companies as stated in note 29, which is an integrated part of this note.

Note 2: Staff costs

Amounts in DKKm	2020	2019
Wages and salaries	108.3	90.3
Pensions	2.0	1.8
Other social security costs	0.2	0.2
Total	**110.5**	**92.3**
Average number of employees	36	28
Executive Board		
Fixed base salary	12.6	13.0
Short-term cash incentive	12.9	12.9
Long-term incentive, grant value	8.4	8.2
Remuneration to the Executive Board before fair value adjustments	**33.9**	**34.1**
Fair value adjustments of long-term incentive, including of previous years' grants	23.0	7.8
Total remuneration to the Executive Board, including fair value adjustments	56.9	41.9
Remuneration to the Board of Directors	1.2	0.8

The group has introduced a cash-settled incentive plan to members of the Executive Board and grants have been awarded on a yearly basis since 2017. The incentive plan provides an annual bonus and long-term incentive programmes, which are determined by the development in the value creation of the underlying investments. The main part of the long-term incentive programmes is capped.

Note 3: Property

Amounts in DKKm	2020	2019
Cost as of 1 January	228.3	140.7
Additions	8.2	87.6
Disposals	0.0	0.0
Cost as of 31 December	**236.5**	**228.3**
Depreciation as of 1 January	-0.8	0.0
Depreciation for the year	-3.7	-0.8
Depreciation as of 31 December	**-4.5**	**-0.8**
Carrying amount as of 31 December	**232.0**	**227.5**

Property was acquired in 2017 and was under reconstruction until October 2019.

Note 4: Other financial income

Amounts in DKKm	2020	2019
Interest income	5.7	33.2
Dividends	81.9	13.7
Exchange rate gains	221.0	104.0
Gains on securities	118.5	285.7
Total	**427.1**	**436.6**

Note 5: Other financial expenses

Amounts in DKKm	2020	2019
Interest expenses	1.8	1.4
Exchange rate losses	383.5	78.9
Losses on securities	463.4	148.4
Total	**848.7**	**228.7**

Note 6: Tax on profit for the year

Amounts in DKKm	2020	2019
Tax on profit for the year	-56.5	31.3
Adjustment of tax concerning previous years	0.5	5.5
Adjustment of deferred tax	-8.6	-13.0
Total	**-64.6**	**23.8**

Note 7: Distribution of net profit for the year

Amounts in DKKm	2020	2019
Extraordinary dividend paid for the year	150.0	0.0
Proposed dividend	600.0	250.0
Reserve for net revaluation under the equity method	4,926.2	5,021.6
Retained earnings	-1,149.9	-184.3
Net profit for the year	**4,526.3**	**5,087.3**

Note 8: Deferred tax

Amounts in DKKm	2020	2019
Deferred tax asset as of 1 January	15.4	2.4
Adjustment of deferred tax for the year	8.7	13.0
Deferred tax asset as of 31 December	**24.1**	**15.4**

Deferred tax is calculated based on the difference between the carrying amount and the tax base of assets and liabilities. Management expects the deferred tax asset to be utilised by the company itself or by the group of jointly taxed companies within a few years.

Note 9: Share capital

Amounts in DKKm

Changes in share capital in the past 5 years	
Share capital as of 1 January 2015	1,000.0
Capital increase through non-cash contribution at 2 March 2015	1,000.0
Share capital as of 31 December 2020	**2,000.0**

The share capital consists of 2,000 shares with a nominal value of DKK 1m.

Note 10: Related parties

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal (A.P. Moller Foundation) holds 100% of the company's capital.

Related parties exercising controlling interest in the company:

- A.P. Moller Foundation, Esplanaden 50, Copenhagen, Denmark

The company has not entered into any transactions with related parties that were not on an arm's length basis.

Note 11: Commitments

As part of the company's activities, lease agreements are entered into regarding lease of office equipment and cars. The total amount of lease commitments regarding short term and low value asset leases as of 31 December 2020 amounts to DKK 1.8m (DKK 1.0m). During 2020, the company had low-value leases amounting to DKK 0.5m (DKK 0.4m).

Note 12: Contingent liabilities

The company is included in national joint taxation with other Danish companies in the A.P. Moller Holding group. The company is jointly and severally liable for the payment of taxes and withholding tax.

Note 13: Events after the balance sheet date

In December 2020, A.P. Møller Holding A/S signed an agreement to acquire Faerch Group. Faerch Group is the world's leading sustainable food packaging company as a pan-European manufacturer of sustainable food packaging solutions and the transaction values Faerch Group at approximately DKK 14.1bn (EUR 1.9bn). Closing of the acquisition took place on 12 March 2021. The acquisition is considered a business combination in accordance with IFRS 3, Business Combinations.

No other events of importance to the Annual Report have occurred during the period from the balance sheet date until the presentation of the financial statements.

Note 14: Accounting policies

The Financial Statements for 2020 for A.P. Møller Holding A/S have been prepared on a going concern basis and in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the company.

With reference to section 96(3) of the Danish Financial Statements Act, the company has not presented fees to statutory auditors.

Compared to the accounting policies described for A.P. Møller Holding A/S as stated in note 27 to the consolidated financial statements, the company's accounting policies differ mainly in the following areas:

- Shares in subsidiaries are measured under the equity method. The share of profit/loss after tax in the subsidiaries, is recognised as a separate line item in the income statement. Goodwill and other intangible assets with indefinite useful lives are recognised as part of the investment and amortised over a maximum of 25 years
- Dividends from subsidiaries are recognised as a receivable at the time of declaration
- All equity instruments where A.P. Møller Holding A/S does not have either control, joint control or significant influence is measured at fair value and the fair value adjustment is recognised in the income statement. Therefore equity instruments classified at fair value through other comprehensive income in the consolidated financial statement are recognised in the income statement

The Financial Statements have been prepared under the same accounting policies as last year.

The Financial Statements are presented in DKK million.

INCOME STATEMENT

Share of profit/loss in subsidiaries and associated companies

Share of profit/loss in subsidiaries and associated companies is recognised net of tax and corrected for the share of unrealised intra-group gains and losses. The line item also includes amortisation and impairment of goodwill recognised as part of the equity investment.

Expenses

Other external expenses comprise expenses for administration, office supplies, etc.

Other income

Other income comprises service fees.

BALANCE SHEET

Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for under the equity method and the equity method is used as a consolidation method. The investments are initially recognised at cost and adjusted thereafter to recognise the company's share of the post-acquisition profits or losses of the investee, and the company's share of movements in equity of the investee. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the company. Dividends received or receivable from subsidiaries and associates are recognised as a reduction in the carrying amount of the investment.

When the company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the company and its subsidiaries are eliminated in full. Unrealised gains on transactions between the company and its associates are eliminated to the extent of the group's interest in these entities.

Business combinations under common control are accounted for at carrying values using predecessor accounting i.e. pooling of interests when the entity acquired has been under control of another member of the same group company before the acquisition. A difference between the carrying value and the consideration paid are recognised directly in equity.

REPORTS

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of A.P. Møller Holding A/S for the financial year 1 January – 31 December 2020.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the parent company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the parent company Financial Statements give a true and fair view of the financial position at 31 December 2020 of the group and the parent company and of the results of the group and parent company operations and consolidated cash flows for the financial year 1 January – 31 December 2020.

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

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

Copenhagen, 18 March 2021

Executive Board

Robert Maersk Uggla
CEO

Jan Thorsgaard Nielsen
CIO

Martin Nørkjær Larsen
CFO

Board of Directors

Ane Mærsk Mc-Kinney Uggla
Chairman

Claus V. Hemmingsen

Diane Green

Jan Leschly

Lars-Erik Brenøe

INDEPENDENT AUDITOR'S REPORT

To the shareholder of A.P. Møller Holding A/S

OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the group's financial position as of 31 December 2020 and of the results of the group's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the parent company Financial Statements give a true and fair view of the parent company's financial position as of 31 December 2020 and of the results of the parent company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the parent company Financial Statements of A.P. Møller Holding A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the group and the parent company, as well as statement of comprehensive income and cash flow statement for the group ('financial statements').

BASIS FOR OPINION

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

STATEMENT ON MANAGEMENT REVIEW

Management is responsible for Management Review.

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 during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Review provides the information required under 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 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 the preparation of the parent company 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional 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 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 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 and the parent company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 18 March 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Mogens Nørgaard Mogensen
State Authorised Public Accountant
MNE-number 21404

Thomas Wraae Holm
State Authorised Public Accountant
MNE-number 30141

OWNED BY THE A.P. MOLLER FOUNDATION

The A.P. Moller Foundation was established in 1953 by A.P. Møller, with the support of his children, to safeguard the long-term viability of the Group and control by the Mærsk family. Over the years, the Foundation has donated proceeds to a number of social, cultural and educational projects.

As in previous years, the A.P. Moller Foundation contributed to a variety of projects in 2020. In fact, the number of applications and donations did not seem to be significantly affected by the COVID-19 pandemic.

Two projects call for special attention: The Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping and The Opera Park.

The Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping was launched in June by the A.P. Moller Foundation and a group of leading industry players with the purpose of developing new net-zero fuel types and technologies.

The Opera Park is located next to the Opera in Copenhagen and will revitalise the area with a beautiful green oasis on the surface and improve the means of access and parking underground. It is expected to be inaugurated in 2023.

Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping

The Opera Park