

APM Terminals - Aarhus A/S


Østhavnsvej 43
8000 Aarhus C

CVR no. 32 65 83 93

Annual report 2018

The annual report was presented and approved at
the Company's annual general meeting on

8 May 2019


Igor Wladimir van den Essen
chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of APM Terminals - Aarhus A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.


We recommend that the annual report be approved at the annual general meeting.

Aarhus, 8 May 2019
Executive Board:



Steen Davidsen

Board of Directors:



Igor Wladimir van den
Essen
Chairman



Catharina Maria Otten



Begum Unlüsoy



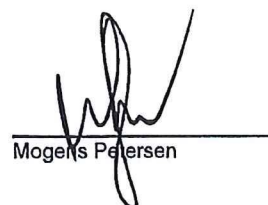
Tom Jørgen Damsgaard
Stephensen



Kasper Østergaard
Rasmussen



Jakob Højen



Mogens Petersen

Independent auditor's report

To the shareholders of APM Terminals - Aarhus A/S

Opinion

We have audited the financial statements of APM Terminals - Aarhus A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Management's responsibility for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, 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 Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

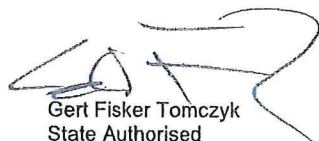
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 8 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31



Gert Fisker Tomczyk
State Authorised
Public Accountant
mne9777



Rune Kjeldsen
State Authorised
Public Accountant
mne34160

APM Terminals - Aarhus A/S
Annual report 2018
CVR no. 32 65 83 93

Management's review

Company details

APM Terminals - Aarhus A/S
Østhavnsvej 43
8000 Aarhus C

CVR no.: 32 65 83 93
Registered office: Aarhus
Financial year: 1 January – 31 December

Board of Directors

Igor Wladimir van den Essen, Chairman
Catharina Maria Otten
Begum Unlüsoy
Tom Jørgen Damgaard Stephensen
Kasper Østergaard Rasmussen
Jakob Højen
Mogens Petersen

Executive Board

Steen Davidsen

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
8000 Aarhus C

Management's review

Financial highlights

DKKkm	2018	2017	2016	2015	2014
Key figures					
Revenue	433	425	392	350	325
Gross profit	282	279	259	239	218
Ordinary operating profit	87	78	73	60	51
Profit for the year	65	42	57	45	38
Assets and liabilities					
Fixed assets	77	85	101	101	117
Current assets	153	135	130	109	123
Total assets	229	220	231	210	239
Equity	150	147	162	150	168
Current liabilities other than provisions	80	73	69	59	64
Investment in property, plant and equipment	7	5	22	5	2
Ratios					
Gross margin	65.0%	65.7%	66.2%	68.2%	67.0%
Operating margin	20.1%	18.4%	18.8%	17.2%	15.7%
Current ratio	191.4%	184.8%	186.9%	183.5%	192.9%
Solvency ratio	65.3%	66.8%	69.9%	71.6%	70.1%
Average number of full-time employees					
Average number of full-time employees	289	299	281	257	250

The financial ratios have been calculated as follows:

Gross margin
$$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$$

Operating margin
$$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

Current ratio
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Solvency ratio
$$\frac{\text{Equity} \times 100}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

Principal activities

The principal activities of APM Terminals - Aarhus A/S comprise container handling at the Port of Aarhus related to the transportation of containers via ship, truck and train. As related business, the activity also comprises repair and storage of containers.

Development in activities and financial position

Profit for the year

Revenue grew by 2 % from DKK 425.0 million in 2017 to DKK 433.0 million in 2018. Increase in revenue is related to higher volume in both container handled on vessel, truck, and train.

Profit before tax has increased by 14 % or DKK 10.6 million, mainly due to the 2 % revenue growth which has outweighed the 4 % increase in costs.

Management considers the profit for 2018 as satisfactory. The company has managed to grow revenue and profit in our principal activities while still focusing on activities that generates value for our customers.

The Company proposes the profit for the year to be distributed as dividend.

Investments

APM Terminals – Aarhus A/S has made higher investments in 2018 compared to 2017. Investments has increased from DKK 4.5 million in 2017 to DKK 7.0 million in 2018. The investments have primarily been in new welfare building and smaller equipment.

Capital resources

APM Terminals - Aarhus A/S is financially sound. The equity is DKK 149.7 million at 31 December 2018 (2017: DKK 146.7 million) corresponding to solvency ratio of 65,3 % (2017: 66,8 %).

The company's current assets totaled DKK 152.5 million at the end of the financial year. Of the amounts owed by group enterprises, DKK 85.6 million is deposited in the cash pool scheme. The increase in inventories, cash and receivables from the group has been significantly higher than the increase in short-term liabilities, and increased the current ratio to 191.4 % (2017: 184.8 %).

Outlook

Management expects that growth in its principal activities will only be marginal, since we continuously face competition within our activities both in Aarhus and from other ports in Denmark.

In 2019 we expect the revenue to increase marginally compared to 2018, since market share is expected to be close to the same, and the markets is only expected to grow marginally due to economic growth.

We expect a profit at same level in 2019 compared to 2018.

Management's review

Operating review

Risks

Operating risks

The most significant operational risk of the Company relates to the activity level of trade in Scandinavia as well as the Danish export to Asia. The risk moreover depends on the level of this trade being handled through the Port of Aarhus.

Further, there lies a potential risk of the mainliner not calling Aarhus. Most containers will probably be transported out of Aarhus by feeder to a port with a mainliner call; but expectation is, that some volume will be lost for Aarhus if we cannot offer a mainliner call.

Financial risks

Because of the Company's high solvency ratio and substantial cash generation and the fact that all external loans are paid out, changes in the interest level poses close to no risk to the Company. The Company is not exposed to foreign exchange risks as all major settlements are made in DKK and is not exposed to any major risks regarding one particular external customer or cooperative partner. Company policy in respect of credit risks implies that all major customers and other co-operators are credit rated on an ongoing basis.

Environmental matters

APM Terminals – Aarhus A/S is environmentally conscious and is engaged in reducing environmental impact from its operations on an ongoing basis.

In 2014 the Company succeeded in obtaining approval of EIA (Environmental Impact Assessment). The Company regularly assesses the environmental impact from the Company's operations. Operations are directly interconnected with the environmental impact, as two significant cost categories are energy consumption, including electricity and fuel consumption (primarily diesel).

We have high focus on the environmental issues when buying or leasing new equipment; both in case of pollution and noise.

Corporate social responsibility

According to section 99a (6) of the Danish Financial Statements Act, the Company does not make any disclosures on corporate social responsibility. We refer to the parent company, A.P. Møller – Mærsk A/S' separate report on sustainability at its webpage:

<https://www.maersk.com/about/sustainability>

Management's review

Operating review

Gender diversity in management

The Company is encompassed by section 99b of the Danish Financial Statements Act, regarding gender diversity in management.

At the Board Meeting in A.P. Møller – Mærsk A/S on 21st February 2013 a group policy was adopted with the aim to increase the share of the under-represented gender in the company's other management levels. Link to policy:

<https://www.maersk.com/en/about/sustainability/responsible-business-practices/diversity-and-inclusion>

In accordance with this policy APM Terminals – Aarhus A/S has focus on gender diversity with regards to relevant management positions and key positions in general. Currently the Board consists of 4 members elected at the annual general assembly of whom 2 are women and 2 are male. Additionally, the board consists of 3 employee representatives. 4 out of 8 members of the senior management team are women. Consequently, the target for gender diversity has been met. Thereby equal representation has been obtained for both the Board of Directors and for other managerial levels

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2018	2017
Revenue	2	433,045	424,989
Other operating income		0	50
Other external costs		<u>-151,496</u>	<u>-145,913</u>
Gross profit		281,549	279,126
Staff costs	3	-179,554	-181,303
Depreciation, amortisation and impairment		<u>-14,754</u>	<u>-19,707</u>
Ordinary operating profit		87,241	78,116
Other operating costs		<u>-165</u>	<u>-1,353</u>
Operating profit		87,076	76,763
Financial income	4	23	291
Financial expenses	5	<u>-73</u>	<u>-584</u>
Profit before tax		87,026	76,470
Tax on profit for the year	6	<u>-22,336</u>	<u>-34,666</u>
Profit for the year	7	<u><u>64,690</u></u>	<u><u>41,804</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2018	2017
ASSETS			
Fixed assets			
Intangible assets	8		
Terminal rights		1,448	1,565
Goodwill		14,144	16,265
Software		386	1,113
		<u>15,978</u>	<u>18,943</u>
Property, plant and equipment	9		
Land and buildings		34,718	32,707
Property, plant and equipment in progress		411	2,422
Plant and machinery		21,563	26,509
Fixtures and fittings, tools and equipment		4,158	4,258
		<u>60,850</u>	<u>65,896</u>
Total fixed assets		<u>76,828</u>	<u>84,839</u>
Current assets			
Inventories			
Raw materials and consumables		6,827	6,297
Receivables			
Trade receivables		33,710	35,812
Receivables from group entities		105,032	84,029
Other receivables		4,398	2,427
Prepayments	10	2,534	6,317
		<u>145,674</u>	<u>128,585</u>
Cash at bank and in hand		0	44
Total current assets		<u>152,501</u>	<u>134,926</u>
TOTAL ASSETS		<u><u>229,329</u></u>	<u><u>219,765</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	<u>2018</u>	<u>2017</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital	11	7,500	7,500
Retained earnings		77,476	77,476
Proposed dividends		64,690	61,804
Total equity		<u>149,666</u>	<u>146,780</u>
Liabilities			
Current liabilities			
Trade payables		16,487	14,614
Payables to group entities		970	2,994
Joint taxation contribution		22,336	21,526
Other payables		39,870	33,851
		<u>79,663</u>	<u>72,985</u>
Total liabilities		<u>79,663</u>	<u>72,985</u>
TOTAL EQUITY AND LIABILITIES		<u><u>229,329</u></u>	<u><u>219,765</u></u>

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2018	7,500	77,476	61,804	146,780
Ordinary dividends paid	0	0	-61,804	-61,804
Transferred over the profit appropriation	0	0	64,690	64,690
Equity at 31 December 2018	7,500	77,476	64,690	149,666

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of APM Terminals - Aarhus A/S for 2018 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, Copenhagen, Denmark, CVR no. 22 75 62 14.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income is recognised in revenue when delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are included in revenue.

Other operating income

Other operating income comprises items secondary to the activities of the entity.

Other external costs

Other external costs comprise costs incurred in generating revenue for the year, including costs of raw materials and consumables, lease of port space and administrative expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other operating costs

Other operating costs comprise items secondary to the activities of the entity.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Corporation tax is expensed as estimated tax on the taxable income for the year. APM Terminals - Aarhus A/S is jointly taxed with A.P. Møller Holding A/S and other Danish companies within the A.P. Møller Holding Group. Current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses).

Balance sheet

Intangible assets

Goodwill, terminal rights and software are measured at cost less accumulated amortisation and impairment losses. Goodwill, terminal rights and software are amortised on a straight-line basis over the remaining life of the intangible asset. The expected useful lives are as follows:

Goodwill	15 years
Terminal rights	18 years
Software	3 years

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the shorter of the lease period or the estimated useful life. The estimated useful lives are as follows:

Buildings	5-20 years
Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	3-7 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Consumables are measured at cost, comprising purchase price plus delivery costs.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Segment information

Segment information is provided on business segments. The segment information is in line with the Company's accounting policies, risks and internal financial management.

2 Segment information

Activities – primary segment

DKK'000	Handling of containers	Repair of containers	Total
2018			
Revenue	351,475	81,570	433,045

3 Staff costs

DKK'000	2018	2017
Wages and salaries	164,072	165,970
Pensions	13,479	13,348
Other social security costs	2,003	1,985
	<u>179,554</u>	<u>181,303</u>
Average number of full-time employees	<u>289</u>	<u>299</u>

Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b (3)(ii) of the Danish Financial Statement Act. The members of the Board of Directors did not receive any emoluments or any other kind of remuneration for their work.

4 Financial income

Interest income from group entities	20	0
Exchange gains	<u>3</u>	<u>291</u>
	<u>23</u>	<u>291</u>

5 Financial expenses

Other financial costs	28	3
Exchange losses	<u>45</u>	<u>581</u>
	<u>73</u>	<u>584</u>

Financial statements 1 January – 31 December

Notes

DKK'000	2018	2017		
6 Tax on profit for the year				
Current tax for the year	22,336	21,547		
Adjustment of deferred tax concerning previous years	0	13,119		
	<u>22,336</u>	<u>34,666</u>		
7 Proposed profit appropriation				
Proposed dividends for the year	64,690	61,804		
Retained earnings	0	-20,000		
	<u>64,690</u>	<u>41,804</u>		
8 Intangible assets				
DKK'000	Terminal rights	Goodwill	Software	Total
Cost at 1 January 2018	2,120	31,819	10,548	44,487
Disposals	0	0	-3,172	-3,172
Cost at 31 December 2018	<u>2,120</u>	<u>31,819</u>	<u>7,376</u>	<u>41,315</u>
Amortisation and impairment losses at 1 January 2018	-555	-15,554	-9,435	-25,544
Amortisation for the year	-117	-2,121	-727	-2,965
Reversed amortisation and impairment losses on assets sold	0	0	3,172	3,172
Amortisation and impairment losses at 31 December 2018	<u>-672</u>	<u>-17,675</u>	<u>-6,990</u>	<u>-25,337</u>
Carrying amount at 31 December 2018	<u>1,448</u>	<u>14,144</u>	<u>386</u>	<u>15,978</u>

Financial statements 1 January – 31 December

Notes

9 Property, plant and equipment

DKK'000	Land and buildings	Property, plant and equipment in progress	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2018	90,862	2,422	118,357	21,904	233,545
Additions	0	6,922	0	0	6,922
Transferred	7,072	-8,933	121	1,740	0
Disposals	-370	0	-337	-686	-1,393
Cost at 31 December 2018	97,564	411	118,141	22,958	239,074
Depreciation and impairment losses at 1 January 2018	-58,155	0	-91,848	-17,646	-167,649
Depreciations for the year	-4,881	0	-5,069	-1,839	-11,789
Reversed depreciation and impairment losses on assets sold	190	0	339	685	1,214
Depreciation and impairment losses at 31 December 2018	-62,846	0	-96,578	-18,800	-178,224
Carrying amount at 31 December 2018	34,718	411	21,563	4,158	60,850

10 Prepayments

Prepayments comprise prepayments for property tax, insurance, rent, IT and administration costs.

11 Contributed capital

The contributed capital consists of:

A shares, 1 share of nom. DKK 7,500,000.

All shares rank equally.

12 Fees to auditor appointed at the general meeting

Pursuant to the section 96(3) of the Danish Financial Statements Act, fees paid to the Company's auditor appointed at the annual general meeting have not been disclosed.

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13 Deferred tax

DKK'000	2018	2017
Deferred tax asset 1 January	0	13,119
Deferred tax adjustment	0	-13,119
Deferred tax asset 31 December	<u>0</u>	<u>0</u>

The Company has a deferred tax asset of DKK 20.0 million (2017: DKK 17.3 million) that is not recognized in the balance sheet because of uncertainty about the Company's ability to use the asset.

14 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with all other Danish companies in the A.P. Møller Holding A/S group. As a consolidated entity, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax and withholding tax on dividends, interest and royalties within the jointly taxed companies.

DKK'000	2018	2017
Operating lease obligations		
Within 1 year	20,117	18,545
Within 2-5 years	45,699	39,835
After 5 years	<u>2,985</u>	<u>519</u>
	<u>68,801</u>	<u>58,899</u>

15 Related party disclosures

APM Terminals - Aarhus A/S related parties comprise the following:

Control

APM Terminals B.V., Turfmarkt 107, 2511 DP, The Hague, the Netherlands

APM Terminals B.V. holds the majority of the contributed capital in the Company.

APM Terminals - Aarhus A/S is part of the consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, 1263 København K and A.P. Møller Holding A/S, Esplanaden 50, 1263 København K, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of A.P. Møller - Mærsk A/S and the consolidated financial statements of A.P. Møller Holding A/S can be obtained by contacting the companies at the above addresses.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c (7) of the Danish Financial Statement Act. No such transactions have taken place in 2017 or 2018.

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16 Events after the balance sheet date

Subsequent to 31 December 2018 there have been no further events with any significant effect on the financial statements beyond what has been recognized and disclosed in the annual report.