

Maersk Property A/S

50 Esplanaden
DK-1263 Copenhagen K

CVR No. 36481196

Annual Report 2018

(1 January 2018 - 31 December 2018)
5th Financial Year

The annual report is presented and approved at the Company's
Annual General Meeting on 28 May 2019.

Anne Pindborg
(Chairman)

CONTENT

| | Page |
|---------------------------------|------|
| Company details | 3 |
| Management's report | 4 |
| Independent auditor's report | 5 |
| Management's statement | 8 |
| Significant accounting policies | 9 |
| Income statement | 11 |
| Balance sheet 31 December | 12 |
| Notes | 13 |

COMPANY DETAILS

The Company Maersk Property A/S
50 Esplanaden
DK-1263 Copenhagen K
Denmark

CVR No.: 36481196

Incorporated in: Copenhagen

Registration date: 30 December 2014

Accounting period: 1 January 2018 - 31 December 2018

Board of Directors Lars-Erik Brenøe (chairman)
Caroline Pontoppidan
Michael Villi Møller

Management Thomas Boye Dyregaard

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
44 Strandvejen
DK-2900 Hellerup
Denmark
CVR No. 33771231

Consolidated accounts The Company is included in the consolidated accounts of A.P. Møller Holding A/S, Copenhagen and A.P. Møller – Mærsk A/S, Copenhagen.

MANAGEMENT'S REPORT

Main Activity

The Company's main activity is holding, administration and rental, etc. of properties. All properties are leased out to A.P. Møller - Mærsk A/S.

Development in activities and financials

The profit for 2018 is as expected and considered satisfactorily.

The decrease in revenue was due to the sale of one building at the end of 2017, thus generating revenue for 2017, but not for current year. The significant increase in costs compared to 2017 is mainly due to renovation of roof and windows on one of the buildings, however, also general maintenance costs in accordance with rental contracts increased in 2018.

Increase in financial expenses was caused by unrealised exchange rate loss in USD on receivable in DKK.

Maintenance and renovation projects continue in 2019 with estimated costs slightly above this year's, while revenue is estimated remaining at same level as 2018.

Subsequent events

No subsequent events significantly influencing the financial year 2018 have taken place.

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Maersk Property A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Maersk Property A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional 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's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (continued)

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.

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 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 (continued)

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, 23 May 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33771231

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Jesper Randall Petersen
State Authorised Public Accountant
mne34352

MANAGEMENT'S STATEMENT

The Board of Directors and Management have today discussed and approved the annual report of Maersk Property A/S for the financial year 1 January - 31 December 2018.

The annual report for 2018 of Maersk Property A/S 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 and liabilities, financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Furthermore, in our opinion, the Management's report includes a fair review of the development in the Company's operations and financial conditions, the results for the year and financial position.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 23 May 2019

Management:

Thomas Boye Dyregaard

Board of Directors:

Lars-Erik Brenøe

Caroline Pontoppidan

Michael Villi Møller

SIGNIFICANT ACCOUNTING POLICIES

The annual report 2018 of Maersk Property A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable for class B companies with options of specific provisions from Danish Financial Statements Act for class C companies.

The accounting policies are unchanged compared to last year.

Recognition and measurement in general

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

Assets are recognised in the balance sheet when it is probable that future financial benefits will arrive at the Company and the value of the assets can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will leave the Company and the value of the liability can be reliably measured.

Assets and liabilities are initially recognised at cost price. Subsequent recognition is described below for each category.

Foreign currency translation

The Company uses USD as functional currency as well as presentation currency. Receivables, payables and other monetary items in foreign currency are translated to the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the time of recognition of receivables or payables are included in financial items in the income statement.

Income statement

Revenue

Revenue includes rental income in accordance with lease contracts for office buildings and manor house.

External costs

External costs include administration, building maintenance and refurbishment together with overhead costs, etc.

Gain on sale of property

Gain is calculated as difference between sales price less costs of selling and carrying value of the property at the time of the sale.

Financial income and expenses

Financial income and expenses include interests and unrealised as well as realised currency gains and losses.

ACCOUNTING POLICIES (CONTINUED)

Tax and deferred tax

The Company is jointly taxed with A.P. Møller Holding A/S' Danish subsidiaries. The actual company tax is allocated between the participating companies based on their taxable income.

Deferred tax is calculated based on the difference between carrying amount and tax value of assets and liabilities.

Balance sheet

Property, plant and equipment

Properties are measured at cost with deduction of accumulated depreciation, amortisation and impairment losses.

Depreciation on buildings is based on the estimated economic life, which is determined at 40 years. Installations' and fixed fittings' economic lifetime are determined at 3-10 years, depending on type. Further amortisation and write-downs are made when deemed necessary.

Receivables

Receivables are recognised at cost price corresponding to nominal value. Provisions for bad debt are made based on individual assessment.

Provisions

Provisions are recognised when the Company has a current legal constructive obligation. Provisions are recognised on the basis of best estimates.

Payables

Payables are recognised at amortised cost price corresponding to nominal value.

INCOME STATEMENT

Amounts in USD 1,000

| Note | | <u>2018</u> | <u>2017</u> |
|------|---|-------------------|---------------------|
| | Revenue | 11,523 | 11,935 |
| 1 | Other operating costs | <u>5,527</u> | <u>3,158</u> |
| | Profit before depreciation, amortisation and impairment losses, etc. | 5,996 | 8,777 |
| | Depreciation, amortisation and impairment losses | 3,733 | 3,827 |
| | Gain on sale of property | <u>-</u> | <u>8,068</u> |
| | Profit before financial items | 2,263 | 13,018 |
| 2 | Financial income | 259 | 272 |
| | Financial expenses | <u>620</u> | <u>4</u> |
| | Profit before tax | 1,902 | 13,286 |
| 3 | Tax | <u>1,201</u> | <u>3,780</u> |
| | Profit for the year | <u>701</u> | <u>9,506</u> |

BALANCE SHEET 31 DECEMBER

Amounts in USD 1,000

Assets

| Note | 2018 | 2017 |
|--|---------------|----------------|
| Land and buildings | 69,871 | 73,604 |
| 4 Property, plant and equipment | 69,871 | 73,604 |
| Deferred tax | 4,947 | 4,947 |
| Total non-current assets | 74,818 | 78,551 |
| Receivables from affiliated companies | 23,311 | 30,001 |
| Other receivables | 1 | 1 |
| Receivables | 23,312 | 30,002 |
| Total current assets | 23,312 | 30,002 |
| Assets | 98,130 | 108,553 |

Equity and liabilities

| Note | 2018 | 2017 |
|---|---------------|----------------|
| Share capital | 817 | 817 |
| Proposed dividend | - | 15,000 |
| Retained earnings | 89,261 | 88,560 |
| 5 Total equity | 90,078 | 104,377 |
| Trade payables | 22 | 7 |
| Payables to affiliated companies | 3,063 | 164 |
| Joint tax payables | 4,967 | 3,765 |
| Accrued expenses | - | 240 |
| Current liabilities | 8,052 | 4,176 |
| Total liabilities | 8,052 | 4,176 |
| Equity and liabilities | 98,130 | 108,553 |
| 7 Contingent liabilities | | |
| 8 Pledges and mortgages | | |
| 9 Ownership | | |
| 10 Significant accounting policies | | |

NOTES

Amounts in USD 1,000

Note

1 **Other external costs**

Neither Management nor the Board of Directors have received remuneration. The Company has no employees, as staff is employed by Rederiet A.P. Møller A/S.

| | <u>2018</u> | <u>2017</u> |
|---|--------------|----------------------|
| 2 Financial income | | |
| Hereof interest from affiliated companies | <u>257</u> | <u>148</u> |
| 3 Tax | | |
| Current tax on profit for the year | 1,240 | 3,765 |
| Adjustment of current tax for prior years | <u>-39</u> | <u>15</u> |
| Total tax expenses | <u>1,201</u> | <u>3,780</u> |
| 4 Property, plant and equipment | | |
| Cost | | Land and building |
| 1 January 2018 | | <u>84,811</u> |
| 31 December 2018 | | <u>84,811</u> |
| Depreciation and impairment losses | | |
| 1 January 2018 | | 11,207 |
| Depreciation for the year | | <u>3,733</u> |
| 31 December 2018 | | <u>14,940</u> |
| Carrying amount | | |
| 1 January 2018 | | <u>73,604</u> |
| 31 December 2018 | | <u>69,871</u> |

NOTES (CONTINUED)

Amounts in USD 1,000

5 Equity

| | Company capital | Proposed dividend | Retained earnings | Total |
|-------------------------|-----------------|-------------------|-------------------|---------------|
| 1 January 2018 | 817 | 15,000 | 88,560 | 104,377 |
| Dividend settled | - | -15,000 | - | -15,000 |
| Profit for the year | - | - | 701 | 701 |
| 31 December 2018 | 817 | - | 89,261 | 90,078 |

The company capital consists of 50,000 shares of nominal value DKK 100. No shares carry special rights.

| | 2018 | 2017 |
|------------------------|------------|--------------|
| 6 Appropriation | | |
| Proposed dividend | - | 15,000 |
| Retained earnings | 701 | -5,494 |
| | 701 | 9,506 |

7 Contingent liabilities

Maersk Property A/S is jointly taxed with other Danish companies in the A.P. Møller Holding A/S group. All companies participating in the joint taxation scheme are jointly and severally liable for taxes payable, etc. in Denmark.

8 Pledges and mortgages

There are no pledges or mortgages.

9 Ownership

A.P. Møller – Mærsk A/S, 50 Esplanaden, 1098 Copenhagen K has 100% ownership and holds all voting rights.

The Company is included in the consolidated financial statements of A.P. Møller Holding A/S, Copenhagen and A.P. Møller - Mærsk A/S, Copenhagen.

10 Significant accounting policies

Accounting policies are described on page 9-10.