

# APMH INVEST A/S ANNUAL REPORT 2020



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**Chairman** Morten Stakroge \_\_\_\_\_



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# FINANCIAL PERFORMANCE

The objective of APMH Invest A/S (APMH Invest) is to act as holding company for A.P. Møller Holding A/S' portfolio companies by investing in Danish and foreign assets including holding of shares in Danske Bank. The company's liquid funds may be invested in shares, bonds and other financial assets.

APMH Invest is the parent company of Maersk Drilling, KK Wind Solutions, Maersk Tankers, Maersk Product Tankers and A.P. Moller Capital and account for Danske Bank as an associated company. Furthermore, APMH Invest has a financial portfolio primarily with exposure to global equity markets.

In December 2020, APMH Invest 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.

## OUR PORTFOLIO COMPANIES

*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.

## PROFIT FOR THE YEAR

Net loss for the year after tax amounted to DKK 2,702m (Net gain DKK 3,584m), reflecting a decline of DKK 2.4bn in the share of profit from Danske Bank and impairment losses in Maersk Drilling. Furthermore, the result was negatively impacted by a decrease in the USD average exchange rate of 1.9% compared to last year (2019 positive impact of 5.6%), as Maersk Drilling, Maersk Tankers and Maersk Product Tankers report in USD.

Due to the out-break of COVID-19 in the beginning of 2020, we were not able to express any expectations for 2020 in Annual Report 2019.

The result for the year is proposed distributed with a loss of DKK 2,916m to net revaluation under the equity method and a profit of DKK 214m to retained earnings.

No dividend is proposed for 2020.

#### 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.

#### FINANCIAL OUTLOOK

APMH Invest 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 Danske Bank, Maersk Drilling, KK Wind Solutions, Maersk Tankers and Maersk Product Tankers 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 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.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

APMH Invest invests in and builds businesses with a positive impact on society, ‘nyttig virksomhed’ – as defined by our founder A.P. Møller.

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

As an international investment company with a broad range of investment activities, the company 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, Danske Bank, Maersk Drilling, KK Wind Solutions, Maersk Tankers, Maersk Product Tankers as well as A.P. Møller 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.

APMH Invest is part of A.P. Møller Holding’s statutory statement on CSR and the report is available on <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 three men and the present representation is considered appropriate. The Board has defined a target to maintain a share of the underrepresented gender on the Board to account for equal distribution of the shareholder-appointed Board members. The expectation is to fulfil the requirement by the end of 2023.

Amounts in DKKm	2020	2019	2018	2017	2016
Share of profit in subsidiaries	-3,733.5	209.5	-234.2	-283.9	0.0
Share of profit in associates	817.3	3,176.1	2,898.1	4,196.1	3,609.8
<b>Profit/loss from ordinary operating activities</b>	<b>-3,035.2</b>	<b>3,343.8</b>	<b>2,889.2</b>	<b>4,834.4</b>	<b>3,609.7</b>
Net financials	385.4	308.9	-58.4	17.6	-143.1
<b>Profit/loss before tax</b>	<b>-2,649.8</b>	<b>3,652.7</b>	<b>2,830.8</b>	<b>4,852.0</b>	<b>3,466.6</b>
Tax	-52.6	-69.2	23.1	-8.2	16.9
<b>Net profit/loss for the year</b>	<b>-2,702.4</b>	<b>3,583.5</b>	<b>2,853.9</b>	<b>4,843.8</b>	<b>3,483.5</b>
<b>Balance sheet total</b>	<b>51,195.6</b>	<b>50,176.8</b>	<b>34,095.8</b>	<b>37,043.6</b>	<b>30,970.9</b>
<b>Equity</b>	<b>51,090.0</b>	<b>50,110.5</b>	<b>34,091.7</b>	<b>31,962.2</b>	<b>27,773.9</b>
Return on equity after tax	-5.3%	8.5%	8.6%	16.2%	14.2%
Equity interest	99.8%	99.9%	100.0%	86.3%	89.7%

# 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 holdings and to support the companies in managing these risks in a changing environment.

Risk management reporting is an integrated part of our business processes, allowing the company 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.

## 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 development as well as current and emerging risks.

Risks related to our portfolio companies include business and financial risks associated with the operation 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 are appropriately provided to our Board of Directors.

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) 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) 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.



## INCOME STATEMENT FOR 1 JANUARY TO 31 DECEMBER

Note	Amounts in DKKm	2020	2019
1	Share of profit/loss in subsidiaries	-3,733.5	209.5
2	Share of profit in associates	817.3	3,176.1
3	Other external expenses	-119.5	-42.1
	Other income	0.5	0.3
	<b>Profit/loss before financial items</b>	<b>-3,035.2</b>	<b>3,343.8</b>
4	Other financial income	1,321.6	599.4
5	Other financial expenses	-936.2	-290.5
	<b>Profit/loss before tax</b>	<b>-2,649.8</b>	<b>3,652.7</b>
6	Tax on profit/loss for the year	-52.6	-69.2
7	<b>Net profit/loss for the year</b>	<b>-2,702.4</b>	<b>3,583.5</b>



## BALANCE SHEET AS OF 31 DECEMBER

Note	Amounts in DKKm	2020	2019
	<b>Fixed assets</b>		
1	Investments in subsidiaries	9,878.3	14,613.8
2	Investments in associates	33,041.6	32,247.9
	<b>Total fixed assets</b>	<b>42,919.9</b>	<b>46,861.7</b>
	<b>Current assets</b>		
8	Deferred tax	1.0	0.4
	Tax receivables	1.9	0.0
	Other receivables	1.0	2.5
	Prepayments	10.4	11.9
	<b>Total receivables</b>	<b>14.3</b>	<b>14.8</b>
	Securities	5,023.5	2,848.5
	Cash and bank balances	3,237.9	451.8
	<b>Total current assets</b>	<b>8,275.7</b>	<b>3,315.1</b>
	<b>Total assets</b>	<b>51,195.6</b>	<b>50,176.8</b>

Note	Amounts in DKKm	2020	2019
	<b>Equity</b>		
9	Share capital	1,000.0	1,000.0
	Reserve for net revaluation under the equity method	1,461.5	5,783.7
	Retained earnings	48,628.5	43,326.8
	<b>Total equity</b>	<b>51,090.0</b>	<b>50,110.5</b>
	<b>Short-term debt</b>		
	Trade payables	1.5	7.8
	Current tax payables	37.6	58.4
	Other payables	66.5	0.1
	<b>Total short-term debt</b>	<b>105.6</b>	<b>66.3</b>
	<b>Total liabilities</b>	<b>105.6</b>	<b>66.3</b>
	<b>Total equity and liabilities</b>	<b>51,195.6</b>	<b>50,176.8</b>

- 10 Related parties
- 11 Contingent liabilities
- 12 Guarantees and securities
- 13 Events after the balance sheet date
- 14 Accounting policies

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for net re- valuation under the equity method	Retained earnings	Total
<b>Equity as of 1 January 2019</b>	<b>1,000.0</b>	<b>4,124.7</b>	<b>28,967.0</b>	<b>34,091.7</b>
Net profit for the year	0.0	3,385.6	197.9	3,583.5
Dividend from subsidiaries	0.0	-315.9	315.9	0.0
Dividend from associates	0.0	-1,557.8	1,557.8	0.0
Group contribution	0.0	0.0	12,280.6	12,280.6
Other adjustments etc.	0.0	147.1	7.6	154.7
<b>Equity as of 31 December 2019</b>	<b>1,000.0</b>	<b>5,783.7</b>	<b>43,326.8</b>	<b>50,110.5</b>
Net profit/loss for the year	0.0	-2,916.2	213.8	-2,702.4
Dividend from subsidiaries	0.0	-557.8	557.8	0.0
Group contribution	0.0	0.0	4,569.5	4,569.5
Other adjustments etc.	0.0	-848.2	-39.4	-887.6
<b>Equity as of 31 December 2020</b>	<b>1,000.0</b>	<b>1,461.5</b>	<b>48,628.5</b>	<b>51,090.0</b>



## Note 1: Investments in subsidiaries

## INVESTMENTS IN SUBSIDIARIES

Amounts in DKKm	2020	2019
Cost as of 1 January	15,059.3	2,750.3
Additions	552.1	12,315.6
Disposals	-171.7	-6.6
<b>Cost as of 31 December</b>	<b>15,439.7</b>	<b>15,059.3</b>
Adjustment to carrying amount as of 1 January	-445.5	-352.9
Share of profit/loss for the year	-3,733.5	209.5
Dividend	-557.8	-315.9
Disposal	51.9	0.0
Other adjustments	-876.5	13.8
<b>Adjustment to carrying amount as of 31 December</b>	<b>-5,561.4</b>	<b>-445.5</b>
<b>Carrying amount as of 31 December</b>	<b>9,878.3</b>	<b>14,613.8</b>

Goodwill related to initial recognition of business acquisitions amounts to DKK 0,2bn in 2020 (DKK 1.1bn).

At the Annual General Meeting in A.P. Møller – Mærsk A/S on 2 April 2019, it was approved by A.P. Møller – Mærsk's shareholders to distribute the shares in Maersk Drilling. Following the distribution, the shares in Maersk Drilling were transferred from A.P. Møller Holding A/S to APMH Invest A/S. APMH Invest A/S is considered to hold a controlling interest in Maersk Drilling.

Following the demerger from A.P. Møller – Mærsk, Maersk Drilling is subject to a statutory demerger liability in the event that A.P. Møller – Mærsk A/S defaults on its obligations, The Drilling Company of 1972 A/S are liable for any obligations of A.P. Møller – Mærsk A/S existing at the date of publication of the demerger plan on 4 March 2019. Similarly, A.P. Møller – Mærsk A/S are liable for any obligations assigned to The Drilling Company of 1972 A/S existing at that date. The potential liability for Maersk Drilling is capped at a maximum amount equal to the net value of the assets and liabilities contributed as part of the demerger. The risk of the statutory liability materialising will generally persist for three years from the demerger date and potentially up to thirty years for unknown claims.

## COMPANY OVERVIEW AS AT 31 DECEMBER 2020

Subsidiary	Country of incorporation	Ownership share
The Drilling Company of 1972 A/S	Denmark	42%
Maersk Tankers A/S	Denmark	80%
Maersk Product Tankers A/S	Denmark	70%
A.P. Møller Capital P/S	Denmark	59%
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 V ApS	Denmark	100%
APMH Invest VI A/S	Denmark	100%
APMHI GP ApS	Denmark	100%
APMH Invest VIII ApS	Denmark	100%
APMH Invest IX ApS <sup>1</sup>	Denmark	97%
APMH Invest X P/S	Denmark	100%
APMH Invest XI ApS	Denmark	100%
Faerch Group Holding A/S	Denmark	100%
APMH Invest XIII ApS	Denmark	100%
APMH Invest XIV ApS	Denmark	100%
APMH Invest XV ApS	Denmark	100%

<sup>1</sup> The holding company of KK Wind Solutions Holding A/S

## Note 1: Investments in subsidiaries - continued

Subsidiary of The Drilling Company of 1972 A/S (Maersk Drilling)	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%
Maersk Drilling Nigeria Holdings Pte. Ltd.	Singapore	100%

Subsidiary of The Drilling Company of 1972 A/S (Maersk Drilling)	Country of incorporation	Ownership share
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.) <sup>1</sup>	Abu Dhabi	33%
Maersk Drilling JS-Services Lda Angola JV <sup>1</sup>	Angola	49%
Maersk Drilling Qatar W.L.L. <sup>1</sup>	Qatar	49%
Maersk Drilling Malaysia SDN <sup>1</sup>	Malaysia	49%
Maersk Rigworld Ghana Limited <sup>1</sup>	Ghana	65%
Maersk Drilling Nigeria JVCO Limited <sup>1</sup>	Nigeria	49%

<sup>1</sup> 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 agreement etc. are considered subsidiaries and consolidated without any non-controlling interest

Joint ventures of The Drilling Company of 1972 A/S (Maersk Drilling)	Country of incorporation	Ownership share
Maersk Decom A/S	Denmark	50%
PMD Viking Ghana Ltd	UK	50%

Note 1: Investments in and receivables from subsidiaries - continued

Subsidiary of Maersk Tankers	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%

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

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

Subsidiary of APMH Invest IX ApS	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%

RECEIVABLES FROM SUBSIDIARIES

Amounts in DKKm	2020	2019
Receivables as of 1 January	0.0	0.0
Additions	0.0	1,000.0
Disposals	0.0	-1,000.0
<b>Receivables as of 31 December</b>	<b>0.0</b>	<b>0.0</b>
Adjustment to carrying amount as of 1 January	0.0	0.0
Exchange rate adjustment	0.0	0.0
<b>Adjustment to carrying amount as of 31 December</b>	<b>0.0</b>	<b>0.0</b>
<b>Carrying amount as of 31 December</b>	<b>0.0</b>	<b>0.0</b>

## Note 2: Investments in associates

Amounts in DKKm	2020	2019
Acquisition cost as of 1 January	26,018.7	26,018.7
Additions	0.0	0.0
Disposals	0.0	0.0
<b>Cost as of 31 December</b>	<b>26,018.7</b>	<b>26,018.7</b>
Adjustment to carrying amount as of 1 January	6,229.2	4,477.6
Share of profit for the year	817.3	3,176.1
Dividend	0.0	-1,557.8
Other adjustments	-23.6	133.3
<b>Adjustment to carrying amount as of 31 December</b>	<b>7,022.9</b>	<b>6,229.2</b>
<b>Carrying amount as of 31 December</b>	<b>33,041.6</b>	<b>32,247.9</b>

  

Associate	Registered office	Owner- ship share <sup>1</sup>	Voting share
Danske Bank A/S	Copenhagen	21.6%	21.6%

<sup>1</sup> Percentage of total number of issued shares

As of 31 December 2020, the carrying amount of the shares in Danske Bank amounted to DKK 33bn (DKK 32.2bn) and the market value amounted to DKK 18.5bn (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.

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 remain 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.

## Note 3: Other external expenses

Amounts in DKKm	2020	2019
Wages and salaries	3,478.9	0.0
<b>Total</b>	<b>3,478.9</b>	<b>0.0</b>
Average number of employees	1.0	0.0

The Executive Board and Board of Directors have received remuneration, in total DKK 60.0m (DKK 44.9m) from A.P. Moller Holding, the shareholder of APMH Invest A/S.

With reference to section 96 (3) of the Danish Financial Statements Act, the fees to the auditor has not been disclosed.

#### Note 4: Other financial income

Amounts in DKKm	2020	2019
Interest income	2.9	16.8
Interest income and loan fees, affiliates	0.0	1.7
Dividends	135.1	12.7
Gains on securities	976.8	501.5
Exchange rate gains	204.7	64.4
Other financial income	2.1	2.3
<b>Total</b>	<b>1,321.6</b>	<b>599.4</b>

#### Note 5: Other financial expenses

Amounts in DKKm	2020	2019
Interest expenses	-11.9	-45.0
Losses on securities	-587.0	-189.1
Exchange rate losses	-335.6	-56.4
Other financial expenses	-2.6	0.0
<b>Total</b>	<b>-936.2</b>	<b>-290.5</b>

#### Note 6: Tax on profit for the year

Amounts in DKKm	2020	2019
Tax on profit for the year	-63.8	-60.1
Adjustment of tax concerning previous years	10.6	-6.6
Adjustment of deferred tax	0.6	-2.5
<b>Total</b>	<b>-52.6</b>	<b>-69.2</b>

#### Note 7: Distribution of net profit for the year

Amounts in DKKm	2020	2019
To net revaluation under the equity method	-2,916.2	3,385.6
Retained earnings	213.8	197.9
<b>Net profit for the year</b>	<b>-2,702.4</b>	<b>3,583.5</b>

#### Note 8: Deferred tax

Amounts in DKKm	2020	2019
Deferred tax as of 1 January	0.4	2.9
Adjustment of deferred tax for the year	0.6	-2.5
<b>Deferred tax as of 31 December</b>	<b>1.0</b>	<b>0.4</b>

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 assets to be utilised by APMH Invest A/S itself or by the group of jointly taxed companies within a few years.

#### Note 9: Share capital

Amounts in DKKm	
<b>Changes in share capital in the past 5 years</b>	
On formation, 5 February 2015	1.0
Cash capital increase, 7 April 2015	999.0
<b>Share capital as of 31 December 2020</b>	<b>1,000.0</b>

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

## Note 10: Related parties

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A.P. Møller Holding A/S holds 100% of the company's share capital.

Related parties exercising controlling interest on the company:

- A.P. Møller Holding A/S, Esplanaden 50, Copenhagen, Denmark
- A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal (A.P. Møller Fonden), Esplanaden 50, Copenhagen, Denmark

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

### CONSOLIDATED FINANCIAL STATEMENTS

APMH Invest A/S is included in the consolidated financial statements for A.P. Møller Holding A/S, Copenhagen, Denmark, Business Registration No 25 67 92 88. The consolidated financial statement of A.P. Møller Holding A/S can be obtained at [www.cvr.dk](http://www.cvr.dk).

## Note 11: Contingent liabilities and commitment

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

The company has capital commitments relating to investments in subsidiaries totaling DKK 575m (DKK 939m).

## Note 12: Guarantees and pledges

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A.P. Møller Holding A/S, the parent company of the A.P. Møller Group, has entered into an agreement to acquire Faerch Group A/S in a transaction valuing Faerch Group at approximately EUR 1.9bn (DKK 14.1bn). In connection with the agreement, APMH Invest A/S has issued an Equity Commitment Letter to Faerch Group Holding A/S, and thereby undertaken to ensure the funding of Faerch Group Holding A/S in an amount equal to the agreed purchase price and related locked box interest to be paid to the sellers of the Faerch Group on the transaction closing date.

## Note 13: Events after the balance sheet date

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In December 2020, A.P. Møller Holding signed an agreement to acquire Faerch Group. Faerch is the world's leading sustainable food packaging company as a pan-European manufacturer of sustainable food packaging solutions and the transaction values Faerch at approximately DKK 14.1bn (EUR 1.9bn). Closing of the acquisition took place 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: Significant accounting policies

The Financial Statements for 2020 for APMH Invest 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.

The Company apply the recognition and measurement methods of IFRS 15 Revenue from contracts with customers and IFRS 16 Leasing and follows the guidelines in IFRIC 23 for accounting for uncertain income tax positions within the Danish Financial Statements Act.

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.

With reference to section 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

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

The Financial Statements are presented in DKK million.

### FOREIGN CURRENCY TRANSLATION

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

### 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 gain on sale of fixed asset investments, etc.

#### Other financial items

Other financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Fair value adjustments on securities are recognised in the income statement under financial items.

#### Tax

Tax comprises an estimate of current and deferred income tax as well as adjustments to previous years of those.

Tax is recognised in the income statement to the extent it arises from items recognised in the income statement.

### BALANCE SHEET

#### Investment in subsidiaries and associates

Investment 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.

Goodwill is recognised as part of the investment and amortised over a maximum of 25 years.

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 entities.

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.

## Note 14: Accounting policies - continued

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Business combinations under common control are accounted for at carrying values using predecessor accounting i.e. pooling of interest 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.

### Receivables

Receivables in subsidiaries and other receivables are generally recognised at nominal value, substantially corresponding to amortised cost and impaired for expected losses. Impairment of receivables are based on the expected loss model as described in IFRS 9.

### Securities

All other equity instruments where APMH Invest 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 under financial items.

Fair value of shares, bonds, etc., are recognised on the trade date at fair value and are subsequently measured at market price as regards listed securities and at an estimated fair value as regards other equity investments.

### Prepayments

Prepayments include upfront fees, etc.

### Deferred tax

Deferred tax is provided for, based on the difference between the carrying amount and the tax base of assets and liabilities. Deferred tax is not recognised in respect of goodwill which cannot be deducted or amortised for tax purposes, or in respect of temporary differences which at the date of transaction do not affect either profit for the year or taxable income. Moreover, no provision is made for deferred tax on differences relating to investments in subsidiaries and associates to the extent that taxable distribution is not likely in the near future. Deferred tax assets are recognised solely to the extent that the tax asset is likely to be utilised within the near future.

### Cash

Cash comprises cash in bank deposits.

### Provisions

When the company has a present legal or constructive obligation from past events, 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.

### Liabilities

Financial debts and other financial liabilities are recognised initially at fair value net of transaction expenses. Subsequently, financial debts are measured at amortised cost, substantially corresponding to nominal value.

## OTHER AREAS

### Derivatives

Derivative financial instruments are recognised on the trade date and are measured at fair value calculated according to generally accepted valuation methods and based on relevant observable swap curves and exchange rates. Derivative financial instruments with a positive fair value are recognised in other receivables, whereas derivative financial instruments with a negative fair value are recognised in other payables.

## DEFINITIONS OF FINANCIAL RATIOS

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

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





# MANAGEMENT'S STATEMENT

Copenhagen, 18 March 2021

## Executive Board

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**Martin Nørkjær Larsen**

## Board of Directors

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**Robert Mærsk Uggla**  
Chairman

**Jan Thorsgaard Nielsen**

**Martin Nørkjær Larsen**

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

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

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the company and of the results of the company operations for 2020.

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

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

# INDEPENDENT AUDITOR'S REPORT

To the shareholder of APMH Invest 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 2020, and of the results of the company's operations for the financial year 1 January-31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of APMH Invest 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 ("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 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 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 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 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.

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