

APMH INVEST A/S ANNUAL REPORT 2019



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Date 20 April 2020
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A handwritten signature in blue ink, appearing to read "Morten Stakroge", positioned above a horizontal line.



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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' investments 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.

DANSKE BANK

Danske Bank is a Nordic focused universal bank with four core Nordic markets - Denmark, Norway, Sweden and Finland - that are addressed via its four customers focused business units: Banking Denmark, Banking Nordic, Corporate and Institutions and Wealth Management.

A.P. Møller has been involved in Danske Bank since 1928. At the end of 2019, APMH Invest held just above 20% of the shares in Danske Bank. APMH Invest continues to see the importance and value of a leading Nordic bank with a strong presence in Denmark.

2019 proved to be yet a challenging year with difficult financial markets, interest rates declining further, a slight worsening of the macroeconomic environment and strong competition in all markets. Furthermore, the industry saw further regulatory and compliance related requirements that impacted the performance.

The AML case continued to be a focus point for Danske Bank in 2019, and the bank has embarked on a multi-year enhancement programme, designed to materially upgrade systems and controls

related to money laundering and financial crime. The bank has over the past couple of years increased costs by more than DKK 2bn in AML programmes and compliance related activities (including the AML case) and will continue to invest in these activities.

The total income in 2019 was DKK 45bn (DKK 44bn) and expenses were DKK 28bn (DKK 25bn). Net profit amounted to DKK 15.1bn, in line with 2018. The result was impacted by an increase in operating expenses, mainly related to higher costs for compliance and AML related activities as well as an increase in loan impairment. The result was further positively impacted by a number of positive one-off items. The underlying business was impacted by the continued margin pressure and increased funding costs.

MAERSK DRILLING

The Drilling Company of 1972 A/S (Maersk Drilling) was successfully listed as a stand-alone entity in April 2019 with A.P. Møller Holding as the largest shareholder holding 41.62% of the shares. Subsequently, the shares were contributed to APMH Invest.

Therefore, 2019 marks a new era for Maersk Drilling as this is the first year as a stand-alone company.

Since its inception in 1972 as part of A.P. Møller - Maersk, Maersk Drilling has been on the forefront of developing high-end rigs and providing high-efficiency drilling services to oil and gas companies around the world.

Maersk Drilling owns and operates 22 mobile offshore drilling units specialising in harsh environment and deep-water operations.

The separation process has not impacted the operational performance, and in 2019 Maersk Drilling continued delivering on the commercial and operational parameters increasing utilisation to 77% (69%) and maintaining a high financial uptime of 98.9% (99.1%). The result for 2019 was a loss of USD 113m (profit of USD 0.9bn, impairment reversal of USD 0.8bn).

MAERSK TANKERS

Maersk Tankers dates back to 1928 and was established as an independent services business in 2017, following the spin-off of Maersk Product Tankers as the vessel owning entity. Since then, focus has been on developing a leading commercial manager in the product tanker segment, using digital tools to grow and improve profitability. During the year, Maersk Tankers has successfully transformed itself from being a loss-making business to a profitable one.

Maersk Tankers increased its vessels under management to 189 compared to 166 at the beginning of the year primarily driven by 25 third party vessels (net) entering the fleet partly from new and existing owners, as well as a new strategic partnerships with Cargill.

Maersk Tankers reported a profit for the year of USD 17.3m (loss of USD 14.2m), as the cost base was reduced following the carve out, and momentum in the business picked up, supported by good market conditions.

MAERSK PRODUCT TANKERS

Maersk Product Tankers, established in 2017 as a joint venture between APMH Invest and Mitsui & Co., is a leading company in the product tanker industry and owns one of the largest fleets in the industry with more than 80 vessels in the LR2, MR, Handy and intermediate segments.

The product tanker market improved across all segments in 2019 and Maersk Product Tankers delivered an improved financial result, solid safety performance and continued to reduce its CO₂ emissions.

Maersk Product Tankers reported improved financial results with revenue increasing to USD 728m (USD 647m) and net profit of USD 92m (net loss of USD 33m). The result was positively impacted by an average day rate for the fleet of USD 14.6k/day (USD 12k/day) and an improved average daily running cost.

KK WIND SOLUTIONS

For decades, KK Wind Solutions has developed innovative and reliable electro-mechanical solutions for wind turbines. The company serves approximately 50% of the largest original equipment manufacturer (OEMs) globally and has operations spread across Asia, Europe and the US. In September 2019, KK Wind Solutions was acquired by APMH Invest.

Revenue for the year was DKK 2.3bn (DKK 1.6bn) representing a 40% organic growth with a positive contribution from all business units.

A.P. MOLLER CAPITAL

A.P. Moller Capital was established in 2017 with APMH Invest as the largest shareholder with the purpose of managing stand-alone capital funds. A.P. Moller Capital is headquartered in Denmark and is regulated by the Danish Financial Supervisory Authority (FSA).

A.P. Moller Capital has reached financial close on its first fund, the Africa Infrastructure Fund I (AIF), with a total commitment of USD 992m. The fund aims to build/acquire and operate infrastructure opportunities in Africa, targeting projects mainly within transportation and energy such as rail, roads, ports and warehousing as well as power plants, transmission, pipelines and distribution.

AIF committed its first investment during 2019. AIF acquired 90% of Impala Energy Holdings (Impala) which holds comprehensive experience and capabilities within the capital power projects. The remaining 10% ownership share is held by Pegasus Capital LLC. Impala's core strategy is to deliver clean and reliable power to both the commercial and industrial power markets in Nigeria and potentially other countries.

Amounts in DKKm	2019	2018	2017	2016	5 Feb to 31 Dec 2015
Share of profit in subsidiaries	209.5	- 234.2	-283.9	0.0	0.0
Share of profit in associates	3,176.1	2,898.1	4,196.1	3,609.8	1,502.1
Profit from ordinary operating activities	3,343.8	2,889.2	4,834.4	3,609.7	1,502.0
Net financials	308.9	- 58.4	17.6	- 143.1	- 202.8
Profit before tax	3,652.7	2,830.8	4,852.0	3,466.6	1,299.2
Tax	- 69.2	23.1	-8.2	16.9	47.4
Net profit for the year	3,583.5	2,853.9	4,843.8	3,483.5	1,346.6
Balance sheet total	50,176.8	34,095.8	37,043.6	30,970.9	30,180.3
Equity	50,110.5	34,091.7	31,962.2	27,773.9	21,202.5
Return on equity after tax	8.5%	8.6%	16.2%	14.2%	7.0%
Equity interest	99.9%	100.0%	86.3%	89.7%	70.3%

In Q4 2019, AIF signed an agreement to acquire 100% of the shares in a thermal power plant in Kenya. The investment is subject to the usual condition precedents and approvals and expected to close in Q1 2020.

PROFIT FOR THE YEAR

Net profit for the year after tax amounted to DKK 3,584m (DKK 2,854m) which was in line with our expectations. The profit is mainly ascribed to our share of profit in Danske Bank.

The profit for the year is proposed distributed with DKK 3,386m to net revaluation under the equity method and DKK 198m to retained earnings. No dividend is proposed for 2019.

FINANCIAL OUTLOOK

APMH Invest's portfolio is generally exposed to the global economic activity levels. Hence, our outlook for 2020 is subject to significant uncertainties and will be impacted by the current outbreak of COVID-19, which is expected to have an impact on our holdings and has lowered the visibility of our 2020 performance significantly. Furthermore, our shipping activities are exposed to the implementation of new low sulphur regulations (IMO 2020), impacting the bunker fuel prices and freight rates, which further increases the uncertainties in the guidance.

Our financial performance is closely linked to the development of the commercial activities in our main holdings Danske Bank, Maersk Drilling, Maersk Tankers, Maersk Product Tankers and KK Wind Solutions as well as the development in the global financial markets. In March 2020, Danske Bank suspended its financial guidance for 2020 because of the current situation with high uncertainties related to macroeconomic prospects as well as the measures being taken by governments to contain the outbreak.

As a consequence of the significant uncertainties and lack of visibility related to our group and businesses at the time of presenting this Financial Statements, we are not able to make a relevant and reliable statement of the financial effect and impact on future reporting periods and therefore we cannot express any expectations for 2020 either.

CSR & RISK MANAGEMENT

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

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

As an international investment company with a broad range of investment activities, APMH Invest has a significant influence on society. We acknowledge the responsibilities that this entails and strive to ensure that we are recognised as a trustworthy group of companies.

The Board of Directors of each of our large investments, Danske Bank, Maersk Tankers, Maersk Product Tankers, Maersk Drilling, KK Wind Solutions as well as A.P. Møller Capital, define their own specific CSR policies and Code 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 operates.

APMH Invest is part of A.P. Møller Holding’s statutory statement on CSR and the report is available on <https://www.apmoller.com/wp-content/uploads/2020/03/APMoller-Holding-CSR-Report-2019.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 2022.

RISK MANAGEMENT

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

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

Our holdings

Risks related to our holdings include business and financial risks associated with the operation and performance of our holdings. Management of such risks is effectively anchored with the Board of Directors in each of the individual holdings. Each entity has defined and implemented their own risk management framework, managing specific defined risks. As owners, we monitor business performance in the holdings closely, and reports on business and risk-related issues are appropriately provided to our Board of Directors.

Financial investments

APMH Invest has a financial portfolio primarily with exposure to global equity markets managed by our own internal 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 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 large investments 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 portfolio investments 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	2019	2018
1	Share of profit in subsidiaries	209.5	- 234.2
2	Share of profit in associates	3,176.1	2,898.1
3	Other external expenses	- 42.1	- 7.3
4	Other income	0.3	232.6
	Profit before financial items	3,343.8	2,889.2
5	Other financial income	599.4	219.5
6	Other financial expenses	- 290.5	- 277.9
	Profit before tax	3,652.7	2,830.8
7	Tax on profit for the year	- 69.2	23.1
8	Net profit for the year	3,583.5	2,853.9

BALANCE SHEET AS OF 31 DECEMBER

Note	Amounts in DKKm	2019	2018
	Fixed assets		
1	Investments in subsidiaries	14,613.8	2,397.4
1	Receivables from subsidiaries	0.0	0.0
2	Investments in associates	32,247.9	30,496.3
	Total fixed assets	46,861.7	32,893.7
	Current assets		
9	Deferred tax assets	0.4	2.9
	Tax receivables	0.0	2.5
	Other receivables	2.5	0.0
	Prepayments	11.9	27.6
	Total receivables	14.8	33.0
	Securities	2,848.5	991.6
	Cash and bank balances	451.8	177.5
	Total current assets	3,315.1	1,202.1
	Total assets	50,176.8	34,095.8

Note	Amounts in DKKm	2019	2018
	Equity		
10	Share capital	1,000.0	1,000.0
	Reserve for net revaluation under the equity method	5,783.7	4,124.7
	Retained earnings	43,326.8	28,967.0
	Total equity	50,110.5	34,091.7
	Short-term debt		
	Trade payables	7.8	2.6
	Current tax payables	58.4	0.0
	Other payables	0.1	1.5
	Total short-term debt	66.3	4.1
	Total liabilities	66.3	4.1
	Total equity and liabilities	50,176.8	34,095.8

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

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for net re- valuation under the equity method	Retained earnings	Total
Equity as of 31 December 2017	1,000.0	4,118.8	26,843.4	31,962.2
Impact due to implementation of new accounting standards	0.0	- 346.2	0.0	- 346.2
Adjusted equity as of 1 January 2018	1,000.0	3,772.6	26,843.4	31,616.0
Net profit for the year	0.0	2,663.9	190.0	2,853.9
Dividend from associates	0.0	- 1,873.7	1,873.7	0.0
Other adjustments etc	0.0	- 376.9	59.9	-317.0
Equity as of 31 December 2018	1,000.0	4,185.9	28,967.0	34,152.9
Impact due to implementation of new accounting standards	0.0	- 61.2	0.0	- 61.2
Adjusted equity as of 1 January 2019	1,000.0	4,124.7	28,967.0	34,091.7
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
Equity as of 31 December 2019	1,000.0	5,783.7	43,326.8	50,110.5

Note 1: Investments in and receivables from subsidiaries

INVESTMENTS IN SUBSIDIARIES

Amounts in DKKm	2019	2018
Cost as of 1 January	2,750.3	3,702.1
Additions	12,315.6	35.0
Disposals	- 6.6	- 986.8
Cost as of 31 December	15,059.3	2,750.3
Adjustment to carrying amount as of 1 January	- 352.9	- 269.0
Share of profit for the year	209.5	- 234.2
Dividend	- 315.9	0.0
Disposal	0.0	35.8
Other adjustments	13.8	114.5
Adjustment to carrying amount as of 31 December	- 445.5	- 352.9
Carrying amount as of 31 December	14,613.8	2,397.4

Goodwill related to initial recognition of business acquisitions amounts to DKK 1.1bn in 2019 (DKK 0.0bn).

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. A single share class structure for Maersk Drilling has been established and distributed on a pro-rata basis based on the nominal value of the shares in A.P. Møller - Mærsk A/S. 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.

Maersk Drilling was separately listed on Nasdaq Copenhagen and first day of trading was 4 April 2019. A.P. Møller Holding A/S and APMH Invest A/S have agreed to a 360 day lockup of its shareholding in Maersk Drilling, subject to certain customary exemptions.

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 2019

Subsidiary	Country of incorporation	Ownership share
The Drilling Company of 1972 A/S	Denmark	42%
Maersk Tankers A/S	Denmark	100%
Maersk Product Tankers A/S	Denmark	70%
KK Wind Solutions Holding A/S	Denmark	100%
A.P. Møller Capital P/S	Denmark	51%
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 ApS	Denmark	100%
APMH Invest VII ApS	Denmark	100%
APMH Invest VIII A/S	Denmark	100%

Subsidiary of The Drilling Company of 1972 A/S (Maersk Drilling)	Country of incorporation	Ownership share
Maersk Drilling Holding A/S	Denmark	100%
Maersk Drilling A/S	Denmark	100%
Maersk Drilling Services A/S	Denmark	100%
Maersk Drilling UK Limited	UK	100%
Maersk Drilling (UAE) FZE	United Arab Emirates	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%

Note 1: Investments in and receivables from subsidiaries - continued

Subsidiary of The Drilling Company of 1972 A/S (Maersk Drilling)	Country of incorporation	Ownership share
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 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%
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%

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

¹ Certain entities in which Maersk Drilling has an ownership share of less than 100%, but holds the full right to govern and receive dividends through shareholder agreement etc. are considered subsidiaries and consolidated with-out 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 Holland BV	Holland	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%

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 KK Wind Solutions Holding	Country of incorporation	Ownership share
KKWSH ApS	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.	Denmark	100%
KK Wind Solutions Service A/S	Denmark	100%
KK Wind Solutions Service Holding US Inc.	Denmark	100%
KK Wind Solutions Service US Inc.	Denmark	100%
KK Wind Solutions Polska Sp. Z.o.o	Denmark	100%
KK-GROUP A/S	Denmark	100%

RECEIVABLES FROM SUBSIDIARIES

Amounts in DKKm	2019	2018
Receivables as of 1 January	0.0	2,258.0
Additions	1,000.0	0.0
Disposals	- 1,000.0	- 2,258.0
Receivables as of 31 December	0.0	0.0
Adjustment to carrying amount as of 1 January	0.0	- 48.3
Exchange rate adjustment	0.0	48.3
Adjustment to carrying amount as of 31 December	0.0	0.0
Carrying amount as of 31 December	0.0	0.0

Note 2: Investments in associates

Amounts in DKKm	2019	2018
Acquisition cost as of 1 January	26,018.7	26,600.0
Additions	0.0	0.0
Disposals	0.0	- 581.3
Cost as of 31 December	26,018.7	26,018.7
Adjustment to carrying amount as of 1 January	4,477.6	4,387.8
Impact due to implementation of new accounting standards	0.0	- 61.2
Share of profit for the year	3,176.1	2,898.1
Dividend	- 1,557.8	- 1,873.7
Other adjustments	133.3	- 873.4
Adjustment to carrying amount as of 31 December	6,229.2	4,477.6
Carrying amount as of 31 December	32,247.9	30,496.3

Associate	Registered office	Owner-ship share ¹	Voting share
Danske Bank A/S	Copenhagen	21.3%	21.3%

¹ Percentage of total number of issued shares

As of 31 December 2019, the carrying amount of the shares in Danske Bank amounted to DKK 32.2bn (DKK 30.6bn) and the market value amounted to DKK 19.8bn (DKK 23.6bn). An impairment test has been prepared and supports that there is no impairment as of 31 December 2019.

Danske Bank remains in dialogue with various authorities regarding the terminated non-resident portfolio at Danske Bank's Estonian branch, which was active between 2007 and 2015. This includes criminal and regulatory investigations by authorities in Estonia, Denmark, France and the US. Danske Bank continues to cooperate with all authorities.

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

In November 2018, Danske Bank was preliminarily charged by the Danish State Prosecutor for Serious Economic and international Crime ("SØIK") with violating the Danish AML Act on four counts all relating to the Estonian branch in the period from 1 February 2007 to the end of January 2016.

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

Danske Bank is reporting to, responding to and cooperating with various authorities, including the U.S. Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC), relating to Danske Bank's Estonian branch.

The overall timing of completion and the outcome of the investigations by, and subsequent discussions with, the authorities are uncertain. It is not yet possible to reliably estimate the timing, form of resolution, or amount of potential settlement or fines, if any, 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 totalling DKK 10bn to ensure adequate capital coverage of the increased compliance and reputational risks in relation to the Estonian AML matter.

On 9 January 2019, an action was filed in the United States District Court for the Southern District of New York by an alleged holder of Danske Bank's American Depositary Receipts, representing its ordinary shares, against Danske Bank and certain of its officers and former officers and/or directors. The complaint alleges that the defendants violated Section 10(b) and Sections 20(a) of the Securities Exchange Act of 1934 by, among other things, making false and misleading statements and/or failing to disclose adverse information regarding Danske Bank's business and operations in relation to AML matters relating to Danske Bank's Estonian branch and related matters. The complaint seeks unspecified damages on behalf of a putative class of purchasers of Danske Bank's America Depositary Receipts between 9 January 2014 and 29 April 2019. Danske Bank intends to defend against these claims. The timing of the completion of the lawsuit and the outcome are uncertain.

Note 2: Investments in associates - continued

On 3 March 2019, a court case was initiated against Danske Bank for approval of a class action lead by a newly formed association with the aim to represent former and current shareholders in a liability action relating to the Estonian AML matter. On 14 March 2019 (168), October 2019 (64) and in January 2020 (9), 241 separate cases were initiated against Danske Bank with a total claim amount of approximately DKK 1.3bn. These court actions filed with the Copenhagen City Court relate to alleged violations in Danske Bank's branch in Estonia of the rules on prevention of money laundering and alleged failure to timely inform the market of such violations. 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

Apart from the Executive Board, APMH Invest A/S has not had any employees in 2019 and 2018.

The Executive Board and Board of Directors have received remuneration, in total DKK 44.9m (DKK 21.2m) 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 income

Amounts in DKKm	2019	2018
Gain on sale of fixed asset investments	0.0	232.4
Other income	0.3	0.2
Total	0.3	232.6

Note 5: Other financial income

Amounts in DKKm	2019	2018
Interest income	16.8	4.6
Interest income and loan fees, affiliates	1.7	35.9
Dividends	12.7	4.2
Gain on securities	501.5	26.4
Exchange rate adjustments	64.4	147.1
Other financial income	2.3	1.3
Total	599.4	219.5

Note 6: Other financial expenses

Amounts in DKKm	2019	2018
Interest expenses	- 42.8	- 71.1
Loss on securities	- 189.1	- 140.6
Exchange rate adjustments	- 56.4	- 66.2
Total	- 288.3	- 277.9

Note 7: Tax on profit for the year

Amounts in DKKm	2019	2018
Tax on profit for the year	60.1	1.6
Adjustment of tax concerning previous years	6.6	19.9
Adjustment of deferred tax	2.5	1.6
Total	69.2	23.1

Note 8: Distribution of net profit for the year

Amounts in DKKm	2019	2018
To net revaluation under the equity method	3,385.6	2,663.9
Retained earnings	197.9	190.0
Net profit for the year	3,583.5	2,853.9

Note 9: Deferred tax asset

Amounts in DKKm	2019	2018
Deferred tax asset as of 1 January	2.9	1.3
Adjustment of deferred tax for the year	- 2.5	1.6
Deferred tax asset as of 31 December	0.4	2.9

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

Note 10: Share capital

Amounts in DKKm	
Changes in share capital in the past 5 years	
On formation, 5 February 2015	1.0
Cash capital increase, 7 April 2015	999.0
Share capital as of 31 December 2019	1,000.0

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

Note 11: Related parties

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.

Note 12: Contingent liabilities and commitment

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 totalling DKK 939m (DKK 956m).

Note 13: Guarantees and pledges

APMH Invest A/S has undertaken an irrevocable parent company guarantee for certain obligations of its subsidiary Maersk Tankers A/S. The parent company guarantee is given in favour of Maersk Product Tankers A/S. With the guarantee, APMH Invest A/S has undertaken to be jointly and severally liable, as co-principal debtor, to Maersk Product Tankers A/S, for the obligations of Maersk Tankers A/S in relation to certain assets and liabilities contributed by Maersk Tankers A/S to Maersk Product Tankers A/S.

Note 14: Events after the balance sheet date

The global outbreak of the Coronavirus (COVID-19) is leading to significant uncertainties and lack of visibility related to A.P. Moller Holding Group and our businesses. The COVID-19 is a non-adjusting event after the reporting period. Therefore, amounts recognised in the financial statements shall not be adjusted based on this event. However, due to the material negative impact of the pandemic on financial markets, oil prices, global transport operations, business-critical supply chains, etc., future economic decision to be made on the basis of the financial statements should carefully take all subsequent facts and circumstances into consideration. Due to the very difficult situation with significant uncertainties and lack of visibility at the time of presenting this Financial Statements, management is not able to make any relevant and reliable estimate of the financial effect of the event and the impact to future reporting periods. Such effect could potential have a material impact.

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 15: Significant accounting policies

The Financial Statements for 2018 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.

A few adjustments have been made to the presentation form and designations in view of the nature of the company. The adjustments have no effect on either profit or equity.

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 except for the below mentioned changes regarding recognition of leases, uncertain tax positions and health and accident insurance.

The Financial Statements are presented in DKK million.

CHANGE IN ACCOUNTING POLICIES

Effective 1 January 2019, the company applied the new reporting standard on Leases, IFRS 16. The change will affect share of profit in subsidiaries and associated companies as APMH Invest A/S has not concluded any leases.

All leases are recognised as right-of-use assets with corresponding lease liabilities at the date on which the leased asset is available for use.

Each lease payment is allocated between a reduction of the liability and an interest expense. The interest expense is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The company transitioned to IFRS 16 in accordance with the modified retrospective approach, therefore previous period comparative figures are not adjusted in the financial statements. Additionally, the IAS 17 definition of a lease and its related interpretations have been retained.

The change in accounting policies due to leases had no change on the equity of APMH Invest A/S as well as on total assets and total liabilities.

The company follows the guidelines in IFRIC 23 for accounting for uncertain income tax positions and the implementation of the interpretation standard has not resulted in a significant change to the measurement of recognised uncertain tax positions.

The company has voluntarily changed its accounting policy for calculating the provision for health and accident insurance contracts with a risk coverage period of no longer than one year. Retrospective application is impracticable without the use of hindsight and due to the lack of data. The cumulative impact is recognised as a reduction in shareholders' equity as of 1 January 2019 of DKK 61.2m. The impact on net profit for 2019 is insignificant.

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.

Note 15: Accounting policies - continued

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. 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.

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.

Note 15: Accounting policies - continued

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

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 2019.

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 2019 of the company and of the results of the company operations for 2019.

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.

Copenhagen, 15 April 2020

Executive Board

Martin Nørkjær Larsen

Board of Directors

Robert Mærsk Uggla
Chairman

Jan Thorsgaard Nielsen

Martin Nørkjær Larsen

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 2019, and of the results of the company's operations for the financial year 1 January-31 December 2019 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 2019, 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, 15 April 2020

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

