

Rederiet A.P. Møller A/S
50 Esplanaden
DK-1263 Copenhagen K
Registration No. 37 04 81 19
Annual Report 2018

The annual report has been presented and approved

At the Annual General Meeting on 29 May 2019

DocuSigned by:

Anne Pindborg

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Chairman

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Company Information

The company	Rederiet A.P. Møller A/S Esplanaden 50 DK-1263 Copenhagen K
	Phone: 33 63 33 63 CVR no.: 37 04 81 19
	Founded: 22 June 1970 Domicile: Copenhagen Year: 1 January – 31 December
Board of directors	Ulf Hahne mann (chairman) Anne Pindborg Karina Tewes Thomas Lindegaard Madsen Jacob Sterling
Management	Anne Pindborg
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

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Financial Highlights

Amounts in DKK 1,000

	2018	2017	2016	2015	2014
Administration fee	450	400	654	400	420
Profit before financial items	88	36	361	34	75
Financial items, net	-84	163	-254	33	90
Net profit for the year	3	155	83	51	129
Total assets	598,383	608,150	1,147,487	1,279,105	1,249,151
Equity	87,880	87,877	87,722	87,639	87,588

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Management's Review

Main activities

During 2018, the Company employed in average 3,139 employees (2017: 7,151 employees). The employees have been engaged with shipping as well as general administration for A.P. Møller - Maersk companies. The decline in the number of employees, compared to average 2017, reflects a transfer of employees from Rederiet A.P. Møller A/S to other companies of Maersk in addition to the divestment and separation of energy related business activities.

Development during the financial year

The result for 2018 is at level with expectations.

Corporate social responsibility

The annual report does not contain a CSR report. Reference is made to the A.P. Møller - Maersk sustainability report published on the website:

<https://www.maersk.com/business/sustainability/sustainability-reports-and-publications>

Diversity

In March of 2013 the board of directors decided to establish the Company's objectives for diversity among the board members elected by the shareholders at the general meeting with regards to the underrepresented gender.

It is the opinion of the board of directors that its members be elected based on their overall competences and at the same time it recognises the benefits of a widely combined board in terms of global experience, culture and gender.

On this background, the board has set up an objective to increase the proportion of the underrepresented gender on the board to reach at least 33% of the board members elected by the shareholders at the general meeting within four years.

As at 31 December 2018, two of the board members are females. The objective with regards to gender equality has thus been reached.

At the board meeting in A.P. Møller - Mærsk A/S on 21 February 2013 a policy was adopted for the entire Group to increase the proportion of the underrepresented gender on other leadership levels of the Company.

Based on this policy, Rederiet A.P. Møller A/S has initiated an inquiry of how the Company can attract competent women to relevant management positions. Besides, this is a focus area in relation to identification of successors to key positions.

Expectations

For 2019 a minor positive result is expected.

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Statement of the Board of Directors and Management

The board of directors and the management have today discussed and approved the annual report of Reberiet A.P. Møller A/S for the financial year 1 January – 31 December 2018.

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

In our opinion, the financial statements provide a fair view of the company's financial position at 31 December 2018 and the result of the company's activities for the financial year 1 January – 31 December 2018.

It is our opinion that management's review includes a true and fair account of the matters addressed in the review.

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

Copenhagen, 28 May 2019

Management


Anne Pindborg

Board of directors

 Thomas Lindegaard Madsen	 Ulf Hahnemann (chairman)	 Anne Pindborg
	 Karina Tewes	 Jacob Sterling

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Independent Auditor's Report

To the shareholders of Rederiet A.P. Møller A/S

Opinion

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

We have audited the Financial Statements of Rederiet A.P. Møller A/S for the financial year 1 January - 31 December 2018, 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's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statements

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

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.

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Independent Auditor's Report**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, 28 May 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. : 33 77 12 31


Søren Ørjan Jensen
State Authorised Public Accountant
mne33226


Kristian Pedersen
State Authorised Public Accountant
mne35412

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Income Statement

Amounts in DKK 1,000

Note

	2018	2017
Administration fee	450	400
2 Salary costs and pension contribution etc.	2,220,113	5,491,579
Reimbursement of administration, staffing etc.	2,220,113	5,491,579
Administration expenses	362	364
Profit before financial items	88	36
3 Financial income	0	287
3 Financial expenses	84	124
Profit before tax	4	199
4 Tax	1	44
Profit for the year	3	155
Appropriation:		
1 Retained earnings	3	155
	3	155

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Balance Sheet at 31 December

Amounts in DKK 1,000

	2018	2017
Assets		
5		
Receivables from affiliated companies	598,383	606,527
Other receivables	0	1,623
Total current assets	598,383	608,150
Total assets	598,383	608,150
Equity and liabilities		
Share capital	10,000	10,000
Retained earnings	77,880	77,877
6		
Total equity	87,880	87,877
Tax payables	45	44
7		
Other payables	510,458	469,412
Payables to affiliated companies	0	50,817
Total current liabilities	510,503	520,273
Total equity and liabilities	598,383	608,150
8		
Related parties		
9		
Subsequent events		
10		
Contingent liabilities		

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Statement of Changes in Equity

Amounts in DKK 1,000

Equity	Share capital	Retained earnings	Total
Equity 1 January 2018	10,000	77,877	87,877
Result for the year	0	3	3
Equity 31 December 2018	10,000	77,880	87,880

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Notes to the Financial Statements for 2018

Accounting policies

The annual report for Rederiet A.P. Møller A/S has been presented in accordance with the Danish Financial Statements Act regarding large reporting class C. The financial statements are adapted to the Company's activity and are presented in DKK.

In accordance to the Danish financial statements act §86.4, no cash flow statement is prepared.

The accounting policies applied remain unchanged from last year.

Recognition and measurement

Revenue is recognized in the income statement as earned including value adjustments of financial assets and liabilities. All expenses are also recognized in the income statement including depreciation and impairments.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the assets will flow to the Company and the value of the asset can be measured reliably.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described below for each item.

Foreign exchange translation

Transactions in foreign currency is translated at the transaction date's exchange rate. Any foreign exchange differences from such translation, that occurs between the transaction day's exchange rate and the exchange rate on the payment date, are recognised on the income statement as a financial item.

Receivables, payables and other monetary items in foreign currencies that are not settled at the balance sheet date, are translated at the exchange rate at the balance sheet date. The difference between the exchange rate on the balance sheet date and the time of recognition of receivables or payables are included in financial items in the income statement.

Income statement

Administration fee

Revenue comprises of administration fee and is recognized if delivery and transfer of risk took place before end of year. Revenue is recognized exclusive of VAT.

Salary, pension contribution etc.

Salaries, pension contributions etc. comprise expenses that have incurred during the year for the employees, including the regulation regarding wage related liabilities.

Financial items

Financial items comprise interests. Financial income and expenses are recognised at the amounts relating to the financial year.

Notes to the Financial Statements for 2018

Tax

Tax for the year comprises the amount expected to be received for the financial year. The Company is jointly taxed with the other companies within the A.P. Møller Holding Group.

Balance sheet

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. Write-down is made for anticipated losses to the net realisable value.

Equity

Dividends expected to be paid during the year, are shown as a separate equity item.

Financial liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

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Notes to the Financial Statements for 2018

Amounts in DKK 1,000

1 Appropriation	2018	2017
Profit for the year	3	155
Appropriation:		
Retained earnings	<u>3</u>	<u>155</u>

2 Salary, pension contribution etc.	2018	2017
Salary costs	2,041,342	5,005,210
Pension contribution	173,892	473,089
ATP contribution	4,879	13,280
Total	<u>2,220,113</u>	<u>5,491,579</u>

Average number of employees	3,139	7,151
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There is no remuneration paid to the management.

3 Financial income and expenses	2018	2017
Interest expenses to related companies	39	124
Exchange rate gains/losses on working capital	-45	287
Total financial income and expenses	<u>-84</u>	<u>163</u>

4 Income tax for the year	2018	2017
Income tax for the year	1	44
Total income tax for the year	<u>1</u>	<u>44</u>

5 Receivables from affiliated companies
Receivables are related mainly to recharges of payroll and holiday pay accruals in addition to a cash deposit held with A.P. Møller - Mærsk A/S.

6 Equity
The share capital of DKK 10m is divided into 19 shares of DKK 500,000, 4 shares of DKK 100,000 and 10 shares of DKK 10,000. No shares carry any special rights.

7 Other payables
Other payables primarily consist of staff related payables, such as holiday allowance.

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Notes to the Financial Statements for 2018

8 Related parties

Controlling interest through shareholdings: A.P. Møller - Mærsk A/S, Esplanaden 50, DK-1098 Copenhagen K.
Internal trade with related companies and management consists mainly of administration of wages and remuneration and are subject to arm's length conditions.

Rederiet A.P. Møller A/S is included in the consolidated accounts of A.P. Møller - Maersk, Esplanaden 50, DK-1098 Copenhagen K

9 Subsequent events

None.

10 Contingent liabilities

Through participation in joint taxation scheme with A.P. Møller Holding A/S, the company is jointly and severally liable for taxes payable, etc. in Denmark.