AARHUS HAVN
PORT OF AARHUS

ANNUAL REPORT 2021

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ANNUAL REPORT 2021

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Layout: Søren Bo Grafisk

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SOLID RETURNS ON A STORMY MARKET

2021 was the year when international supply chains broke down, with the carefully planned logistics at hundreds of locations across the world being replaced by accumulations of goods and delays at ports and terminals. Resulting in end users not having their goods for brief or extended periods of time.

We felt these swells from the world's oceans here in Aarhus but, by taking swift action, we managed to apply and get approval for stacking containers higher than previously. We also utilised a number of small pockets around the port to store containers in for the very first time. We also benefitted year-round from arrivals that were not significantly delayed, and also managed to service ships so that they could sail out of Aarhus without any discernible delays.

Despite these international challenges, the Port of Aarhus managed to increase its handling of containers by no less than 15% – a new Danish record, with 718,000 containers (TEUs) passing through our quays in 2021. But it wasn't just container handling that rose, as we also increased our turnover in all areas of business for the first time in several years. The total volume of goods handled rose by 888,000 tonnes of cargo to give us a round total of 10 m tonnes of goods – the equivalent of the port handling more than 1,000 tonnes of cargo every hour of every day, all year round.

This rise in the volume of goods handled and the consistently high demand for premises in the port resulted in total turnover of DKK 288 m, and profit from port operations (EBIT) of DKK 75 m, compared to DKK 71 m the previous year. Our net profit is satisfactory, and we are seeing solid earnings from port operations. At year-end 2021, equity totalled DKK 2,145 m, which equates to a solvency ratio of 74%.

In 2021, we took a big-picture approach to sustainability, working not just to limit our own CO_2 footprint (Scope 1 and 2), but also taking an interest in how sustainable our suppliers are – or could be (Scope 3). We therefore want to take responsibility beyond our own operations, and are willing to enter into environmental partnerships with suppliers if this might lead to an overall reduction in the CO_2 footprint.

In many ways, 2021 was a year that saw significant contributions to securing the future of the Port of Aarhus and retaining its position as Denmark's largest commercial port – largest in terms of turnover, though certainly not in size.

After several decades of local debate and explicit demands for a new Marselis Tunnel that can connect the Port of Aarhus to the E45, a broad majority in the Danish Parliament came to our rescue and approved funding of DKK 2.1 bn for the tunnel which will benefit both the businesses in the port and the residents of Aarhus. The Port of Aarhus and Aarhus Municipality will also be contributing DKK 600 m. This enormous level of funding is a clear acknowledgement of the significance of the Port of Aarhus as the port of Denmark – now and in the future.

As part of this resolution, Infrastrukturplan 2035, parliament also voted to expand several sections of the E45 motorway in East Jutland, which will improve access to and from the Port of Aarhus in the coming years.

But perhaps most importantly of all, years of work spent conducting environmental impact assessments for the impending port expansion have now come to an end. The environmental impact assessment was reviewed by the Aarhus City Council who resolved to hold a public consultation on the matter in 2022 together with a new urban management plan for the new port area – Yderhavnen.

Port of Aarhus
March 2022

APPROVALS AND REPORTS

MANAGEMENT'S APPROVAL OF THE ANNUAL REPORT

On 8 March 2022, the CEO and Board of Directors reviewed and approved the annual report for the Port of Aarhus for the financial year 1 January – 31 December 2021.

The annual report is submitted in accordance with the Danish Annual Financial Statements Act (Årsregnskabsloven).

It is our opinion that the annual financial statement provides a true and fair picture of the assets, liabilities and financial situation of the Port of Aarhus as at 31 December 2021, and of the net result of the activities and cashflows of the Port of Aarhus for the financial year 1 January – 31 December 2021.

It is also our opinion that the management report contains a true and fair account of the development of the activities and financial circumstances of the Port of Aarhus, the net profit for the year, and the financial situation of the Port of Aarhus.

CEO:
Thomas Haber Borch

Board of Directors:
Jacob Bundsgaard
Bünyamin Simsek
Jan Ravn Christensen
Agneta Björkman
Ole Thomsen
Lars Fournais
Michael Svane
Line Markert
Tom Linneberg

APPROVALS AND REPORTS

THE INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE PORT OF AARHUS

CONCLUSION

We have audited the annual financial statement for the Port of Aarhus for the financial year 1 January – 31 December 2021. The annual financial statement comprises the P/L account, balance sheet, equity statement, cashflow statement, notes, and applied accounting policies. The annual financial statement was prepared in accordance with the Danish Annual Financial Statements Act (Årsregnskabsloven).

It is our opinion that the annual financial statement provides a true and fair picture of the assets, liabilities and financial situation of the Port of Aarhus as at 31 December 2021, and of the net result of the company's activities and cashflows for the financial year 1 January – 31 December 2021 in accordance with the Annual Financial Statements Act.

BASIS FOR CONCLUSION

We conducted our audit in accordance with international auditing standards and additional requirements that apply in Denmark. Our responsibility according to these standards and requirements is described in more detail in the "Auditor's responsibility for the audit of the annual financial statements" section of the auditor's report. We are independent from the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and other ethical requirements that apply in Denmark, and we have also fulfilled our other ethical duties with respect to these requirements and the IESBA Code. It is our opinion that the audit evidence obtained is sufficient and appropriate to form a basis for our conclusion.

MANAGEMENT'S RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENT

The Management is responsible for preparing an annual financial statement which provides a true and fair picture in accordance with the Annual Financial Statements Act. The Management is also responsible for conducting such internal reviews as the Management considers necessary for preparing an annual financial statement free from material misstatement, whether caused by fraud or error.

When preparing the annual financial statement, it is the Management's responsibility to assess the company's ability to continue operations, to disclose circumstances relating to the going concern, and to prepare the annual financial statement on the basis of the accounting principle of the going concern, unless the Management intends to liquidate the company or cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our aim is to establish, to a high degree of certainty, that the annual financial statement as a whole is free from material misstatement, whether caused by fraud or error, and to issue an auditor's report with a conclusion. A high degree of certainty is a high level of certainty, but it does not constitute a guarantee that an audit that is conducted in accordance with the international audit standards and other requirements applicable in Denmark will always identify material misstatements where such exist. Misstatements may arise as the result of fraud or error, and can be considered material if it may be reasonably expected that such, individually or as a whole, influence the financial decisions which users of the financial statement make on the basis of the annual financial statement.

As part of an audit conducted in accordance with international audit standards and other requirements applicable in Denmark, we perform qualified assessments and maintain professional scepticism throughout the audit.

Furthermore:

- We identify and assess the risk of material misstatement in the annual financial statement, whether caused by fraud of error, devise and conduct audit procedures in reaction to these risks, and obtain audit evidence that is sufficient and appropriate to form a basis for our conclusion. The risk of not identifying material misstatements is higher for misstatements caused by fraud than for misstatements caused by error since fraud may involve conspiracy, falsification of documents, deliberate omissions, deception, or the overriding of internal controls.

- We obtain an understanding of those internal controls that are relevant for the audit in order to devise audit procedures that are appropriate for the circumstances, but not in order to express any opinion on the effectiveness of the company's internal controls.

- We give an opinion on whether the accounting policies applied by the Management are appropriate, and whether the accounting estimates and associated information prepared by the Management are reasonable.

- We conclude whether the Management's preparation of the annual financial statements based on the accounting principle of the going concern is

appropriate, and whether, based on the audit evidence obtained, there is any significant uncertainty regarding circumstances or situations that may create significant doubt as to the company's ability to continue operations. If we conclude that there is significant uncertainty, we shall draw attention to the relevant information in the annual financial statement in our auditor's report or, if such information is not sufficient, modify our conclusion. Our conclusion is based on the audit evidence obtained up until the date of our auditor's report. However, future circumstances or events may result in the company no longer being able to continue operations.

- We give an opinion on the overall presentation, structure and content of the annual financial statements, including the notes, and on whether the annual financial statement reflects the underlying transactions and circumstances in such a way that it provides a true and fair picture of such.

We communicate with Senior Management on issues such as the planned scope and timing of the audit, and significant audit observations, including any significant flaws in internal controls which we identify during the audit.

STATEMENT ON THE MANAGEMENT REPORT

The Management is responsible for the Management Report.
Our conclusion concerning the annual financial statement does not apply to the Management Report or the Sustainability Report, and we do not express any type of conclusion with certainty regarding the Management Report and Sustainability Report.

As part of our audit of the annual financial statement, it is our responsibility to read the Management Report and Sustainability Report, and in this regard to reflect on whether the Management Report and Sustainability Report are significantly inconsistent with the annual financial statement or the knowledge we have acquired during our audit, or whether these may in any way be considered to contain material misstatements.

It is also our responsibility to reflect on whether the Management Report and Sustainability Report contain the information required according to the Annual Financial Statements Act.

Based on the work we have carried out, it is our opinion that the Management Report is consistent with the annual financial statement and has been prepared in accordance with the requirements of the Annual Financial Statements Act. We have not identified any material misstatements in the Management Report.

Aarhus, 8 March 2022
BDO Statsautoriseret Revisionsaktieselskab
CVR no. 20222670

Peter Damsted Rasmussen
Certified auditor

Søren Peter Nielsen
Certified auditor

COMPANY DETAILS

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VISION

The Port of Aarhus' vision is to create the port of the future together with the business community.

MISSION

The Port of Aarhus' mission is to ensure that Aarhus always has future-ready port infrastructure and services that meet customers' needs effectively.

DANISH PORTS ACT AND EU PORTS REGULATION

The Port of Aarhus is subject to Danish Act no. 457 of 23 May 2012 and the Danish Executive Order on provisions for application of EU Regulation 2017/352 on the provision of port services and common rules on the financial transparency of ports.

PUBLIC AUTONOMOUS PORT

The City Council of Aarhus has elected to organise the Port of Aarhus as a public autonomous port in accordance with the Ports Act.

THE MANAGING BODY OF THE PORT

The Port of Aarhus is managed on behalf of the City Council by a managing body comprised of 3 city council members, 5 industry stakeholders, and a member elected by the workers.
The managing body of the port protects the interests of the port according to the guidelines in the Ports Act.

Until 31 December 2025, the managing body of the port is:

Mayor Jacob Bundsgaard, Chair
CEO Agneta Björkman, Deputy Chair
City Council Member Bünyamin Simsek
City Council Member Jan Ravn Christensen
CEO Ole Thomsen
Chair/Member of the Managing Body Lars Fournais
Advisor and Member of the Managing Body Michael Svane
Solicitor/Partner Line Markert
Pilot Tom Linneberg

PORT DIRECTOR

Day to day, the port is managed by the Port Director who is accountable to the Port Management Body.

THE MANAGEMENT GROUP

CEO/Port Director Thomas Haber Borch
CFO and Deputy CEO Henrik Munch Jensen
COO Anne Zachariassen
CCO Carsten Kruse

EMPLOYEES

At the end of 2021, the Port of Aarhus had 103 employees (2020: 100):

19 CEO, managers and staff
5 Finance
7 Customer Coordination Centre
11 Infrastructure
31 Maritime Operations
11 Maintenance
19 Port Service

Overall, several thousand people work in the port area across some 150 companies. A study from the University of Southern Denmark indicates that the total of activities in the port area is equivalent to around 10,000 jobs.

REPORTING

KEY ACTIVITIES AT THE PORT OF AARHUS

The Port of Aarhus' main task is to establish and operate the port infrastructure for handling goods, and to sell/hire and carry out ship-related services.

EUROPEAN TRANSPORT NETWORK

The Port of Aarhus is part of the European transport network. The Port of Aarhus is one of only two ports in Denmark assigned to the classified EU Core Network.

LEGAL FRAMEWORK

The Port of Aarhus is governed by the Danish Ports Act which allows ports to carry out income-generating business. Some of our activities are also regulated by the EU Ports Regulation. This Regulation governs the provision of port services and financial transparency for ports, and also allows the Port of Aarhus to set minimum regulations for providers of port services. However, we have not yet applied this provision.

The Danish Civil Aviation and Railway Authority has ruled that the EU Ports Regulation gives the Port of Aarhus an unconditional right to carry out towing, mooring, and bunkering (incl. shore power) activities, and to receive ship waste.

DEVELOPMENT OF ACTIVITIES AND FINANCIAL CIRCUMSTANCES

GOODS HANDLED

The volume of goods handled rose by 888,000 tonnes (10%) to 10,136,000 tonnes, broken down as follows:

1,000 tonnes	2021	2020
Container routes	5,489	4,856
Ro-ro	400	337
Bulk cargo	2,915	2,805
Tank ships	1,332	1,250
Total	10,136	9,248

The Port of Aarhus expanded its position as Denmark's largest container port, and solidified its position as the country's largest public bulk cargo port and Western Denmark's largest passenger ferry port.

CONTAINER HANDLING

Containers are shipped by sea on a fixed network of routes operated by 15 shipping companies which call directly at the port. In 2021, 718,000 TEUs were moved using the port's cranes, compared to 623,000 TEUs in 2020.

PASSENGER FERRIES AND CRUISE SHIPS

In 2021, Molslinjen A/S conveyed a total of 1.2 m passenger cars and 2.9 m passengers between Aarhus and Odden.

Due to the coronavirus pandemic, all cruise ship arrivals were cancelled, except for a minor call at the port before Christmas.

NEW FACILITIES

DKK 63 m was invested in new materials and facilities.

NET PROFIT

The profit for the year from port operations (EBIT) is DKK 75 m. In the annual financial statement for 2020, the expectation was that profit form port operations (EBIT) would reach DKK 55 - 65 m. This positive surprise is due to a new record in container handling. This profit will be used for consolidation and thus no dividends will be paid out.

EXPECTED DEVELOPMENT

In 2022, we expect to see profit from port operations (EBIT) of around DKK 59 - 69 m.

BALANCE SHEET

The port's net receivables rose by DKK 67 m to DKK 310 m. Net receivables comprise securities holdings, cash equivalents, and other current assets to the amount of DKK 437 m, less debts and other amounts owed to the amount of DKK 127 m.

Equity rose by DKK 113 to DKK 2,145 m. Overall, the balance sheet total of DKK 2,893 m produces a solvency ratio of 74%.

At year-end, the port's cash equivalents totalled DKK 359 m, of which DKK 344 m in securities.

DISPOSAL OF COMPANY PROFITS

The Danish Parliament has resolved to improve access to the port via a tunnel under Marselis Boulevard. The project is being partially funded by a disposal of DKK 350 m from our accumulated surplus (equity), and is reserved in the annual financial statement as a deferred liability. The ultimate scope and timing has not yet been determined as the national infrastructure plan states that this requires a contribution of DKK 600 m from Aarhus Municipality/Port of Aarhus.

FINANCIAL RISKS

Risks resulting from losses on securities are covered by spreading fund managers and asset types. There is a limit on the number of the most risky assets, such as shares.

BASIC FIGURES

Port of Aarhus DKK 1,000	2021	2020	2019	2018	2017
P/L ACCOUNT					
Total income	287,854	261,180	268,341	278,573	271,548
Costs	213,070	190,414	204,623	205,545	199,052
Net profit from port operations (EBIT)	74,784	70,767	63,719	73,028	72,496
Profit from sale of capital assets	474	232,286	584	5,890	2,467
Financial net income	21,278	8,239	19,736	-6,633	10,606
Profit	96,536	311,291	84,039	72,285	85,569
BALANCE SHEET					
Equity	2,145,281	2,032,375	1,741,815	1,682,086	1,619,993
Balance sheet total	2,892,561	2,835,804	2,453,809	2,404,376	2,362,308
NET ASSETS					
Net assets, opening balance	214,241	247,617	257,949	239,128	279,853
Change during year	95,975	-33,376	-10,332	18,821	-40,725
Net assets, closing balance	310,217	214,241	247,617	257,949	239,128
LIQUIDITY					
Liquidity, opening balance	295,688	178,823	259,349	280,352	352,320
Cashflow from operations	143,866	216,380	91,883	122,365	145,007
Cashflow to investments (tangible capital assets)	-61,618	-160,036	-146,137	-102,025	-175,583
Cashflow from financing	-19,405	60,521	-26,272	-41,343	-41,392
Liquidity, closing balance	358,531	295,688	178,823	259,349	280,352

KEY FIGURES

Port of Aarhus %	2021	2020	2019	2018	2017
SOLVENCY: Equity, closing balance as % of assets (closing balance)	74.2	71.7	71.0	70.0	68.6
RATE OF RETURN: Net profit from port operations as % of assets (closing balance)	2.6	2.5	2.6	3.0	3.1
ROI (RETURN ON INVESTMENT): Net profit from port operations as % of capital assets (opening balance)	3.0	3.3	3.1	3.6	3.8
RETURN ON EQUITY: Annual profit as % of avg. equity	4.6	16.5	4.9	4.4	5.3
PROFITABILITY: Net profit from port operations as % of turnover	26.0	27.1	23.7	26.2	26.7
GROSS MARGIN: Gross profit as % of turnover	79.4	79.8	77.1	77.6	76.0
AMORTISATION AMOUNT: Amortisations as % of tangible capital assets (opening balance)	2.9	2.9	3.1	3.2	3.2

2021 – A YEAR OF RESOLUTIONS

A number of key decisions that were taken in 2021 will undoubtedly help to secure the future of the Port of Aarhus, and thus also the company's position as the port of Denmark.

EXPANDING

The Port of Aarhus has applied for planning permission to expand the port. In this regard, we have had an environmental impact assessment prepared which, after several years of work, was completed in 2021 before being sent to Aarhus Municipality. Last year, the City Council of Aarhus resolved to hold a public consultation on the environmental impact assessment in 2022. The Council will then give a final opinion on the expansion of the port based on this consultation.

MARSELIS TUNNEL

There has been a spotlight on the need for a Marselis Tunnel in Aarhus for more than two decades, and for the vast majority of that period the tunnel was envisioned as a public project. However, in light of an infrastructure plan that gained approval from a large majority in the Danish Parliament, it was decided that the state will finance the majority of the project, specifically DKK 2.1 bn, whilst Aarhus Municipality and the Port of Aarhus will contribute a combined total of DKK 600 m.

The Marselis Tunnel will connect the Port of Aarhus to the E45 and will be subject to an environmental impact assessment over the next two years. The Marselis Tunnel is expected to be operational by around 2030. The tunnel will result in fewer queues and a better flow of traffic, as well as fewer CO_2 emissions on Marselis Boulevard. It will also relieve the strain on the road to the benefit of its residents and pedestrians, cyclists and passenger traffic.

EXPANDING THE E45

The infrastructure resolution adopted by a large majority in the Danish Parliament also includes a decision on expanding multiple sections of the E45 motorway in East Jutland – including to the north and south of Aarhus.

This will be a major boon for customers of the Port of Aarhus who have been calling for an expansion like this for several years as the number of cars and HGVs has risen, leading to queues and increasing transport times, especially at rush hour.

SHORE POWER FACILITY

Back in the autumn, the Board of the Port of Aarhus resolved to invest in a shore power facility for cruise ships. This will reduce pollution in the city, and at the same time make it more attractive for cruise ships that have converted to shore power to call in at the Port of Aarhus.

From the 2023 season onwards, cruise ships will be able to call at the Port of Aarhus, connect to shore power and keep their engines running on electricity while the ship is docked in the Port. This will eliminate pollution from ships while they are stationed in Aarhus.

Building the shore power facility will cost the Port of Aarhus DKK 46 m. The City Council of Aarhus and the EU have approved project funding of DKK 8 m and DKK 9.2 m respectively. The facility that the Port of Aarhus will be getting will comply with the international standard, ensuring that cruise ships that call at Aarhus can connect to the system. That is to say, this standard ensures that cruise ships and ports across the globe are adapted to be compatible. The standard also defines the capacity of the system which will be 16 MVA (megavolt amperes). This means that both bigger and smaller vessels alike will be able to connect to the facility, provided they can receive shore power.

NEW CONTAINER HEIGHTS

A huge increase in goods handled, combined with a distinct lack of space in the port, meant that over the summer Aarhus Municipality resolved to divert from its urban management plan and grant the Port of Aarhus permission to stack containers seven high, as opposed to the previous maximum height of five containers.

As we approached mid-November, we set a Danish record for container terminals as container (TEU) number 623,890 passed through our quay. This also absolutely smashed our own personal record, and the 15% growth we saw in 2021 all came from the volumes handled from this point forward.

NEW MOBILE CRANE

A new and sustainable 420-tonne mobile crane arrived in the Port of Aarhus in 2021. A mobile hybrid crane, it can run on both electric and diesel and we expect it to use electric for approx. 90% of its operating hours.

The crane can be used with a hugely varied range of accessories and will therefore be used for a long list of cargo types. It also has a height and jib that will allow it to serve the very largest bulk ships that call at the Port of Aarhus. The mobile crane will primarily operate at the Omni Terminal, though it may be moved to the Multi Terminal during peak periods.

The Skærvevej, Bahreinvej, Oliehavnsvej and Colombovej roadways between the Omni Terminal and Multi Terminal have also been upgraded for the same reason, making it possible to drive the approx. 14 metre-wide crane on the roadways between the terminals.

NEW TUGBOAT

The decision to invest in a new tug was taken last year, and in 2021 the Port of Aarhus' new tugboat sailed into port where it was christened "Hermes" as a nod to sustainability.

Hermes is far more sustainable than previous tugs thanks to its ability to reduce fuel consumption and thereby lower its CO_2 footprint depending on the weight it is towing. Equipped with innovative technology, it can operate both propeller shafts using just one engine, giving it full manoeuvrability. For a tug that will operate as a ship assist vessel, it can take advantage of this feature for a significant proportion of its operating time. It is estimated that the solution will save at least 25% fuel. And in the long term, we expect it to be possible to convert Hermes to a carbon-neutral fuel.

2021 – ON THE PATH TO AN ENVIRONMENTALLY-FRIENDLY FUTURE

TAKING OUR RESPONSIBILITY BEYOND OUR OWN FOUR WALLS

In 2021, we took a big-picture approach to sustainability, working not just to limit our own CO_2 footprint (Scope 1 and 2), but also focusing on how sustainable our suppliers are – or could be (Scope 3). We therefore want to take responsibility beyond our own operations, and are willing to enter into environmental partnerships with suppliers if this might lead to an overall reduction in the CO_2 footprint.

Work on our Scope 3 contributions has already given us valuable insights into what initiatives we need to take to achieve the biggest CO_2 reductions.

We are prepared to reward suppliers who can deliver more sustainable solutions than others in the context of tenders for major construction works or procurements. In return, we have no intention of setting concrete, non-negotiable requirements for suppliers, preferring instead to enter into dialogue and collaborate so that we can develop sustainable products and solutions together based on our combined knowledge and experience.

ENVIRONMENTAL PARTNERSHIPS AND COLLABORATIONS

We are one of the first ports in the world to commit to the ambitious objective of keeping the rise in global temperatures to below 1.5 degrees. We took this step upon joining the Science Based Targets initiative (SBTi), a collaboration between the Carbon Disclosure Project, the World Resources Institute, the World Wide Fund for Nature and UN Global Compact. This collaboration is aimed at promoting ambitious climate initiatives in the private sector by mobilising businesses to voluntarily set goals to reduce their environmental impact in line with the latest recommendations from climate researchers on the UN's Intergovernmental Panel on Climate Change (IPCC). As part of the SBTi, companies can commit to an objective of keeping the increase in global warming to below 2 degrees, or the more ambitious objective of keeping temperature rises below 1.5 degrees, which the Port of Aarhus has opted for.

We continue to be part of the "Getting to Zero Coalition", a strong, international alliance of over 150 stakeholders from the energy, infrastructure, finance and maritime sectors, backed up by governments and IGOs. The Coalition's hugely ambitious goal is to have a commercially viable, ocean-going, zero-emission vessel powered by zero-emission fuels operational by 2030. The Port of Aarhus is on the working group for sustainable fuels of the future.

Our sustainability network, consisting of the companies that operate in the port area, remains active and highly effective. The Port of Aarhus facilitates the network in line with our goal of creating a more sustainable port area together. In this network, we share resources, knowledge and experience on climate change mitigation, creating the foundation for new, green business models.

INVESTING IN SUSTAINABILITY

We made three major investments in sustainable materials in 2021. We swapped out an old tugboat for a newer vessel which is the first in the world capable of towing on just one engine, even though it is equipped with two. This will save significant volumes of fuel when carrying out operations that don't require full traction power.

We have also procured a hybrid mobile crane that can run on both electricity and diesel. The crane is fitted with a "Hybrid Energy Recovery System" which stores the energy generated when lowering the boom in order to save energy. This stored energy is used for lifting the boom. The crane is expected to run on electricity for approx. 90% of its operating time.

Finally, we resolved to invest in a shore power facility for cruise ships. The facility will reduce pollution significantly, and at the same time make it attractive for cruise ships that have converted to shore power to call in at the Port of Aarhus.

BIODIVERSITY ON LAND AND BELOW WATER

A section of water along Østhavnsvej covering more than 5,000 square metres, plus a large area just outside the Port Centre and three more areas on the route to the Port of Aarhus' ferry terminal have been converted into a wild ocean and a hilly coastal environment in order to increase biodiversity at the port.

In addition to improving conditions for birds and insects, and thereby increasing biodiversity in the current port, these areas will also provide new insights into what can grow and survive in a port environment. These insights will also be applied when the Port of Aarhus expands further.

But biodiversity is about variety in all aspects of nature – including below the water. The Port of Aarhus has a particular focus on UN SDG 14 "Life below water" and, in collaboration with Aarhus University and French company Ecocean, has launched trial initiatives aimed at protecting juvenile fish in the port basin.

The first step was to place a number of lattice cages (biohuts) at four different locations around the harbour basins. These baskets, or nurseries, function similarly to bird houses, but contain empty oyster shells and material obtained from coconuts. Algae and seaweed then grows on these baskets, attracting fish, crabs, larvae etc. The nurseries are constructed in such a way that fish can swim inside them in order to take shelter from predatory fish or cormorants, for example. This is somewhat similar to how fish hide themselves amongst the rocks on reefs.

The idea is to use the results from this trial project when the Port of Aarhus begins its upcoming expansion.

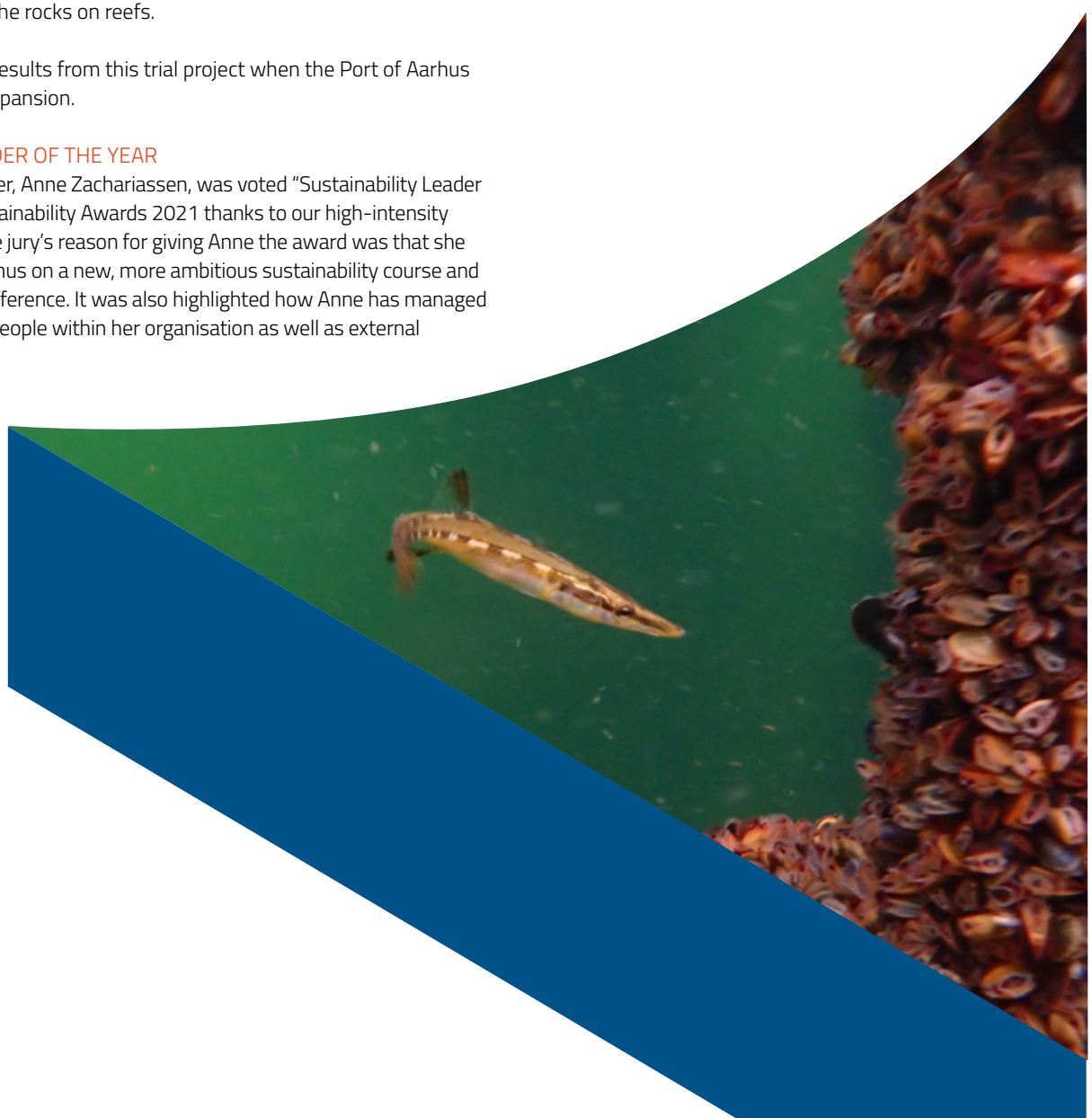
SUSTAINABILITY LEADER OF THE YEAR

Our Operations Manager, Anne Zachariassen, was voted "Sustainability Leader of the Year" at the Sustainability Awards 2021 thanks to our high-intensity sustainability work. The jury's reason for giving Anne the award was that she had set the Port of Aarhus on a new, more ambitious sustainability course and had made a tangible difference. It was also highlighted how Anne has managed to engage and inspire people within her organisation as well as external stakeholders.

OUR OBJECTIVE

Above are the efforts we have undertaken in 2021, a step on the road towards becoming the most sustainable port in the Baltic Sea, and carbon-neutral by 2030. They represent objectives we set two years ago that we are continuing to pursue.

Read our sustainability report 2021 here.



ANNUAL FINANCIAL STATEMENT

P/L ACCOUNT

Port of Aarhus Note		2021 DKK 1,000	2020 DKK 1,000
	Net turnover	279,256	252,822
	Other operating income	8,598	8,358
	Total income	287,854	261,180
	Operating costs	40,811	35,891
	Other external operating costs	18,577	16,781
	Gross profit	228,466	208,508
1.	Staff costs	74,798	68,047
	Other operating costs	6,241	6,885
	EBITDA	147,427	133,576
	Amortisations	72,643	62,810
	EBIT	74,784	70,767
	Profit from sale of capital assets	474	232,286
	Net income before accounting for financial items	75,258	303,052
	Financial revenue	23,028	21,625
	Financial costs	1,750	13,386
	Financial net income	21,278	8,239
	Net profit for the year	96,536	311,291
	Proposal for disposal of company profits		
	Net profit carry-forward	96,536	311,291

ANNUAL FINANCIAL STATEMENT

ASSETS BALANCE SHEET

Port of Aarhus Note		2021 DKK 1,000	2020 DKK 1,000
BALANCE SHEET	ASSETS		
2.	Tangible capital assets		
	Port facilities and buildings	1,957,567	1,968,732
	Property, plant and equipment	461,482	398,832
	Assets under construction	36,021	98,056
	Total tangible capital assets	2,455,070	2,465,620
	Current assets		
	Trade receivables	50,384	38,961
	Receivables with affiliated companies	0	0
3.	Other receivables	25,055	35,406
	Accruals	3,522	128
	Total receivables	78,960	74,496
	Securities	344,488	247,303
	Liquid holdings	14,042	48,385
	Total current assets	437,491	370,184
	TOTAL ASSETS	2,892,561	2,835,804

ANNUAL FINANCIAL STATEMENT

LIABILITIES BALANCE SHEET

Port of Aarhus Note		2021 DKK 1,000	2020 DKK 1,000
BALANCE SHEET	LIABILITIES		
	Equity		
	Net profit carry-forward	2,145,281	2,032,375
4.	Deferred liabilities		
	Reserve for civil servant pensions	274,006	301,488
	Reserve for contribution to improving access to port	346,000	346,000
	Total deferred liabilities	620,006	647,488
5.	Long-term debts		
	Banks and financial institutions	67,677	68,571
	Other debt	0	7,399
	Total long-term debts	67,677	75,971
	Short-term debts		
	Current portion of long-term debts	0	1,083
	Banks and financial institutions	3,528	1,975
	Trade payables	17,927	34,054
	Debts with affiliated companies	0	0
	Other debt	35,739	38,169
	Accruals	2,403	4,690
	Total short-term debts	59,597	79,971
	Total debt	127,274	155,942
	TOTAL LIABILITIES	2,892,561	2,835,804
6.	Contractual liabilities and contingencies etc.		
7.	Securities and collateral		
8.	Related parties		

EQUITY STATEMENT

Port of Aarhus	2021	2020
Note	DKK 1,000	DKK 1,000
Net profit carry-forward 1/1	2,032,375	1,741,815
Adjustment to pension reserve		
Actuarial gains for the year from reserves	16.370	-20.731
Net adjustment of hedging instrument for the year	0	0
Net profit for the year	96,536	311,291
Net profit carry-forward 31/12	2,145,281	2,032,375
Equity 31/12	2,145,281	2,032,375

ANNUAL FINANCIAL STATEMENT

CASHFLOW STATEMENT

Port of Aarhus Note		2021 DKK 1,000	2020 DKK 1,000
	Net profit for the year	96,536	311,291
9	Adjustments	67,269	-177,527
	Change in operating capital	-24,839	78,366
	Net interest	4,900	4,251
	Operating activity	143,866	216,380
	Purchases of tangible capital assets	-62,994	-421,173
	Sales of tangible capital assets	1,375	261,138
	Investment activity	-61,618	-160,036
	Repayments of long-term debts	-8,294	71,875
	Payouts from pension reserve	-11,111	-11,354
	Financing activity	-19,405	60,521
	Cashflow for the year	62,842	116,866
	Cash equivalents, opening balance	295,688	178,823
	Cash equivalents, closing balance	358,531	295,688
	The cashflow statement cannot be derived directly from the other components of the annual financial statement.		

NOTES

Port of Aarhus Note		2021 DKK 1,000	2020 DKK 1,000
1.	Staff costs		
	Wages and salaries	62,613	58,700
	Pension costs	9,010	8,730
	Other costs for social security etc.	3,175	617
	Total	74,798	68,047
	Wages, compensation and pensions etc. for the management and the management body for 2021 totalled DKK 2,212,227 (2020: DKK 1,813.371)		
	The average number of employees for 2021 was 101 (2020: 99)		

2.	Tangible capital assets	Port facilities and buildings	Operating materials and equipment	Assets under construction	Total
	Purchase price 31/12/2020	2,497,459	739,481	98,056	3,334,996
	Inflow for the year	29,877	16,249	16,868	62,994
	Carry-forward	5,184	73,720	-78,904	0
	Outflow for the year	-1,238	-2,721	0	-3,959
	Purchase price 31/12	2,531,282	826,729	36,021	3,394,031
	Amortisations 1/1	-528,727	-340,649	0	-869,376
	Amortisations for the year	-45,404	-27,239	0	-72,643
	Amortisations of divested assets	416	2,641	0	3,057
	Amortisations 31/12	-573,714	-365,247	0	-938,961
	Book value 31/12	1,957,567	461,482	36,021	2,455,070
	Written off over	20-100 years	5-50 years		
	Financial leased assets				71,205

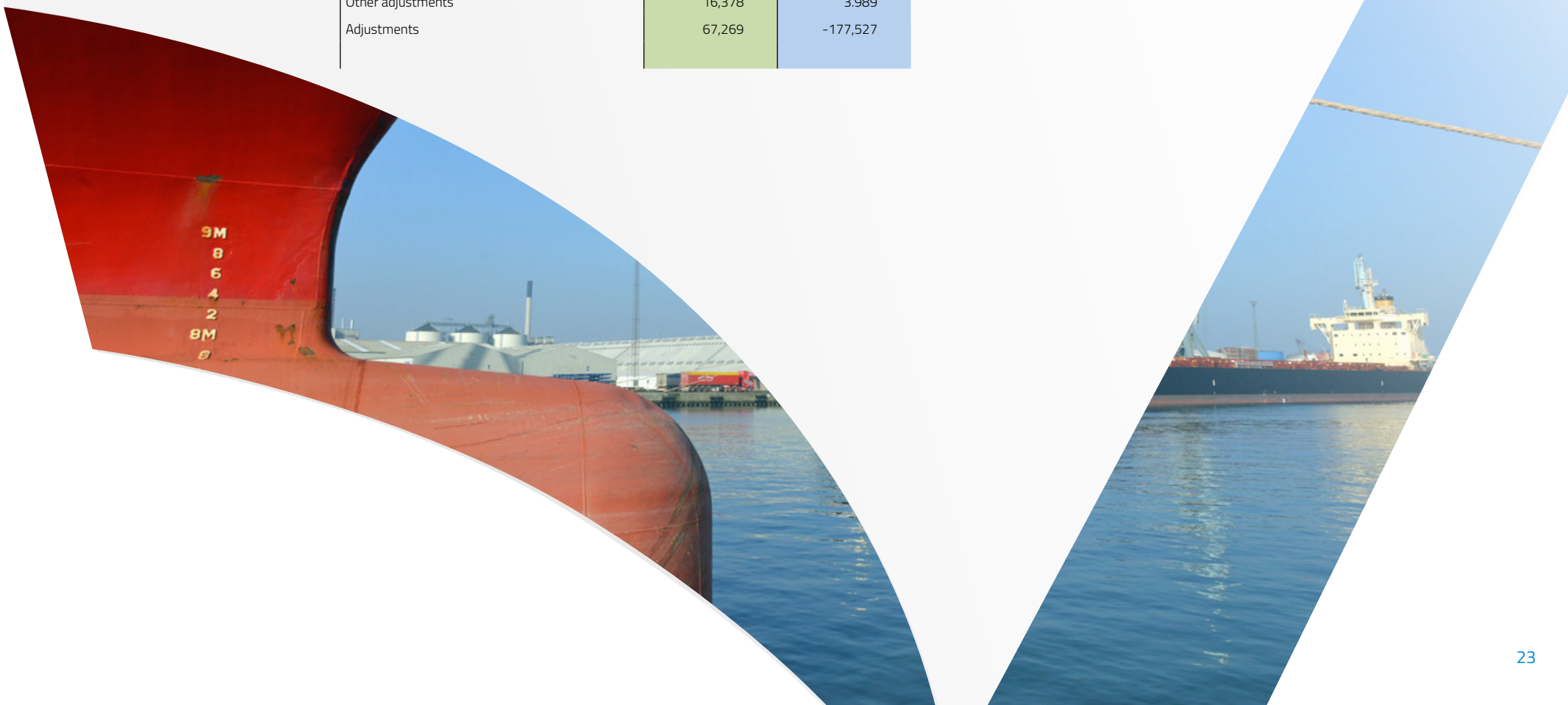
NOTES

Port of Aarhus Note		2021 DKK 1,000	2020 DKK 1,000
3.	Other receivables		
	Other receivables due in more than 1 year	20,558	21,942
4.	Deferred liabilities		
	Current civil servant employees	82,101	86,184
	Current civil servant pensioners and early pensions	191,905	215,304
	Contribution to improving access to port	346,000	346,000
	Total	620,006	647,488
5.	Debts		
	All debts are due within 11 years of the balance sheet date		
6.	Contractual liabilities and contingencies etc.		
	Contingent liabilities		
	The Port of Aarhus has current liabilities regarding the re-establishment of infrastructure in connection with a re-organisation of the use of the port area		

Operational leasing in DKK 1,000	1 year	2-5 years	>5 years
Cars	140	171	0
Mobile phones	150	164	0
Total:	290	335	0

7.	Securities and collateral		
	The Port of Aarhus has no securities and collateral		

Port of Aarhus Note		2021 DKK 1,000	2020 DKK 1,000
8.	Related parties The Port of Aarhus' related parties include Aarhus Municipality which owns the Port of Aarhus		
9.	Cashflow statement - adjustments		
	Other financial net income	-21,278	-8,239
	Amortisations of capital assets	72,643	62,810
	Advances from divestment of capital assets	-474	-232,286
	Change in other deferred liabilities	0	-3,801
	Other adjustments	16,378	3.989
	Adjustments	67,269	-177,527



ANNUAL FINANCIAL STATEMENT

APPLIED ACCOUNTING POLICIES

The Port of Aarhus is subject to the Danish Annual Financial Statements Act (Årsregnskabsloven) according to the Danish Ports and Harbours Act (Trafikhavneloven). The annual report for the Port of Aarhus for 2021 is thus presented in accordance with the provisions of the Annual Financial Statement Act for a medium-sized Class C enterprise. The annual financial statement is presented according to the same accounting policies as the previous year.

P/L ACCOUNT

NET TURNOVER

Net turnover comprises charges from port infrastructure, the leasing of areas and buildings, and the sale of services. Net turnover is measured exclusive of VAT, duties and discounts related to the turnover. Contractual lease income is reported according to its due date.

OTHER OPERATING INCOME

Other operating income contains line items that are secondary in nature with respect to the company's activities.

OPERATING COSTS

Operating costs comprise costs for administration, premises, marketing and hospitality, and operating and maintaining port facilities, buildings and materials.

OTHER EXTERNAL OPERATING COSTS

Other external operating costs comprise costs for line items under "Other operating income".

STAFF COSTS

Staff costs comprise salaries and wages, incl. holiday pay and pension contributions, plus other costs for social security etc. for the employees of the Port of Aarhus.

OTHER OPERATING COSTS

Other operating costs contain line items that are secondary in nature with respect to the company's activities.

FINANCIAL REVENUE AND COSTS

Financial revenue and costs contain interest and increases/decreases in the value of securities.

ANNUAL FINANCIAL STATEMENT

BALANCE SHEET

TANGIBLE CAPITAL ASSETS

Port facilities and materials are measured at cost price less accumulated amortisations and depreciations. The basis for amortisation is the cost price less any anticipated residual value after the end of the useful life.

The cost price comprises the purchase price and prices directly associated with the purchase until such time as the asset is ready for use. For self-constructed assets, the cost price comprises direct and indirect costs for materials, components, sub-contractors and salaries.

The cost price for a whole asset is divided into separate components, each of which is amortised separately if each individual component has a different useful life.

Repairs and major maintenance works are recorded as costs in the financial year. Purchases of minor operating materials, including cars, IT etc. are recorded as costs in the year of purchase.

These assets are amortised linearly over the economic operating life of the asset. Amortisations begin upon commissioning.

	Lifetime	Residual value
Port facilities and buildings	20-100 years	0%
Property, plant and equipment	5-50 years	0%

No amortisations have been performed for land.

Gains and losses from divestment of tangible capital assets are accounted for as the difference between the sales price, less sales costs, and the book value at the time of the sale. Gains and losses are posted as a separate item in the P/L account.

LEASING CONTRACTS

Leasing contracts regarding tangible capital assets where the company bears all material risks and benefits associated with the title (financial leasing, cf. IAS 17) are posted to the balance sheet as assets. These assets are measured when first posted to the balance sheet at cost price, calculated as the fair value or (if lower) the present value of future leasing services. When calculating the present value, the internal interest, or alternatively the company's interest rate, is used as the discount factor. Financially leased assets are subsequently treated the same as the company's other equivalent tangible capital assets.

The remaining capitalised lease liability is posted to the balance sheet as a debt, and the interest portion of the leasing service is posted to the P/L account over the term of the contract.

All other leasing contracts are treated as operational leasing. Services relating to operational leasing and other lease agreements are posted to the P/L account over the term of the contract. The company's total liabilities concerning operational leasing and lease agreements are reported under contingencies etc.

IMPAIRMENT OF CAPITAL ASSETS

The book value of tangible capital assets is appraised every year for indications of impairment - beyond what is expressed under amortisation. If there are indications of impairment, an impairment test is conducted for each asset or group of assets individually. The recoverable amount is depreciated if this is lower than the book value.
The highest of the net sales price or net present value is applied as the recoverable amount. The net present value is accounted for as the present value of the expected net cashflows from the use of the asset or group of assets.

RECEIVABLES

Receivables are measured at amortised cost price.
Depreciation is performed in order to cover losses where it is considered that there is an objective indication that a receivable or portfolio of receivables has been impaired. If there exists an objective indication that an individual receivable has been impaired, depreciation is performed at the individual level.

ACCRUALS

Accruals, reported under current assets, comprise costs incurred regarding the following financial year.

SECURITIES

Securities, reported under current assets, are measured at fair value on the balance sheet date, equivalent to their share price. Both realised and non-realised gains and losses are included in the P/L account under financial revenue and costs.

ANNUAL FINANCIAL STATEMENT

EQUITY
Equity indicates the profit accrued over the years, and the adjustment of pension reserves.

DEFERRED LIABILITIES
Deferred liabilities comprise reserves for civil servant pensions and the contribution to improving access to the port.
Deferred liabilities are reported when the company has a legal or actual liability as a result of a previous circumstance, and it is likely that settling this liability will involve using the company's financial resources.
Deferred liabilities are measured at net realisable value or fair value where fulfilment of the liability is expected to take place a long time in the future.
Pension reserves are accounted for as the capitalised value of future pension payouts to future and existing civil servant pensioners as at 31 December, less incoming payments from future civil servant pensioners.
The reserves are calculated based on estimated average lifetimes, time of retirement, and interest.
The reserve for contribution to improving access to the port is expected to be paid out as DKK 196 m at the start of the works, and DKK 150 upon commissioning.

DEBTS
Debts are measured at net realisation value.

ACCRUALS, LIABILITIES
Accruals posted under liabilities comprise payments received concerning income in the following years.

TAX
In accordance with the applicable law, the Port of Aarhus is not liable to pay tax, hence no tax is charged on the net profit for the year.

CASHFLOW STATEMENT
The cashflow statement indicates the Port of Aarhus' cashflow, divided into operating, investment and financing activity for the year, changes in cash equivalents for the year, and the company's cash equivalents at the start and end of the year.

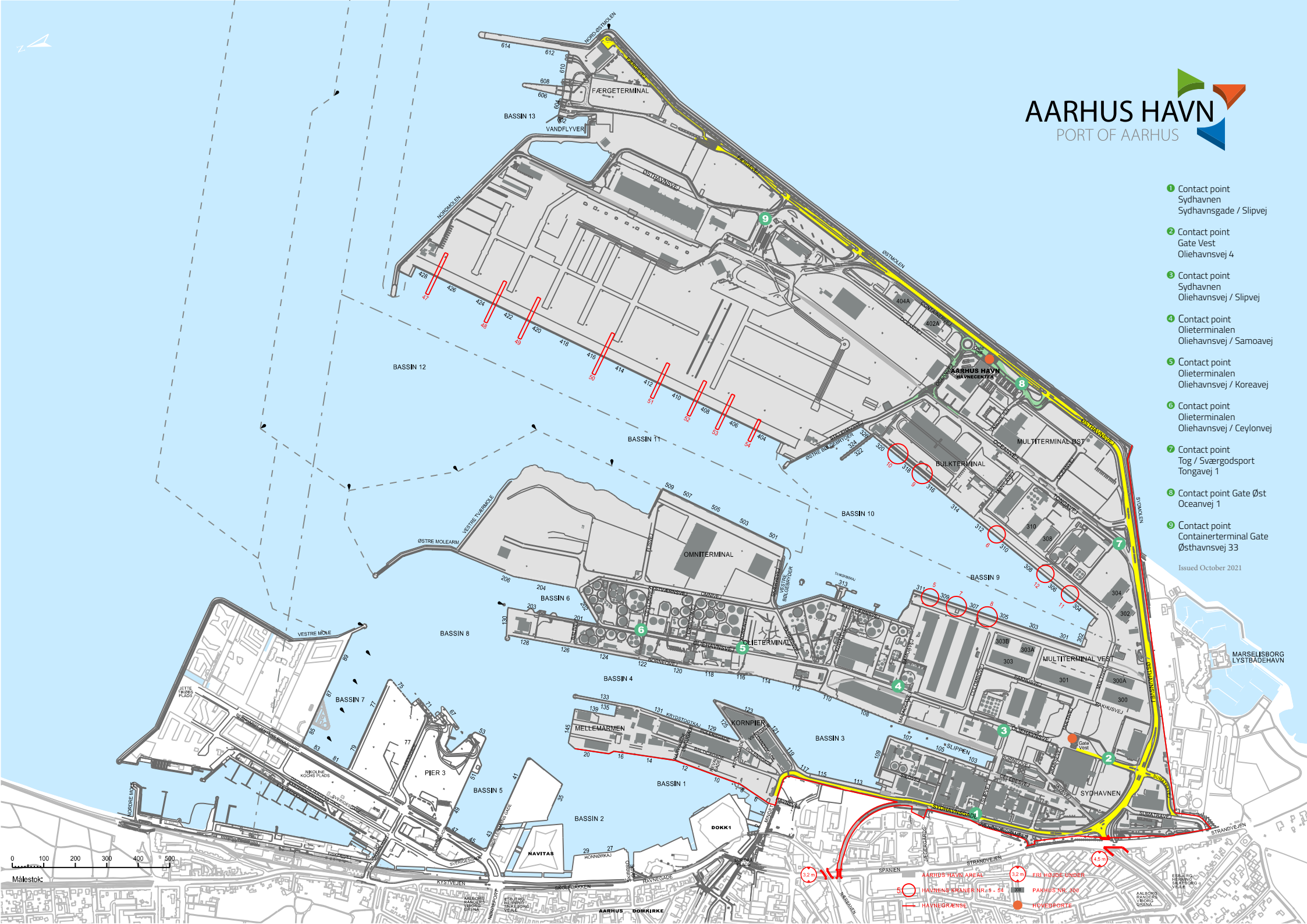
Cashflows from operating activities are accounted for as net profit for the year, adjusted for non-cash operating items and change in operating capital.

Cashflows from investment activity comprise payments connected to the purchase and sales of tangible capital assets.

Cashflows from financing activities comprise changes in the volume or composition of the Port of Aarhus' equity, and costs associated with the same, as well as the taking out of loans, repayments on interest-bearing debts, and payments of dividends.

Cash equivalents comprise liquid holdings and securities which can be converted into liquid holdings without hindrance and which are only at an insignificant risk of changes in value.

KEY FIGURES
Key figures are prepared in accordance with Finansforeningen/CFA Society Denmark's "Recommendations and Key Figures 2015" ("Anbefalinger og Nøgletal 2015").


AARHUS HAVN
PORT OF AARHUS
1 Contact point
Sydhavnen
Sydhavnsgade / Slipvej
2 Contact point
Gate Vest
Oliehavnsvej 4
3 Contact point
Sydhavnen
Oliehavnsvej / Slipvej
4 Contact point
Olieterminalen
Oliehavnsvej / Samoavej
5 Contact point
Olieterminalen
Oliehavnsvej / Koreavej
6 Contact point
Olieterminalen
Oliehavnsvej / Ceylonvej
7 Contact point
Tog / Sværgodsport
Tongavej 1
8 Contact point Gate Øst
Oceanvej 1
9 Contact point
Containerterminal Gate
Østhavnsvej 33
Issued October 2021
FÆRGETERMINAL
BASSIN 13
VANDFLYVER
BASSIN 12
BASSIN 11
BASSIN 10
BASSIN 9
BASSIN 8
BASSIN 7
BASSIN 6
BASSIN 5
BASSIN 4
BASSIN 3
BASSIN 2
BASSIN 1
OMNITERMINAL
OLIETERMINAL
MULTITERMINAL ØST
BULKTERMINAL
MULTITERMINAL VEST
SYDHAVNEN
MELLEMARMEN
KORNPIER
PIER 3
NAVITAS
DOKK1
AARHUS HAVN HAVNECENTER
MARSELISBORG LYSTBADEHAVN
ØSTHAVNSVEJ
SYDHAVNSGADE
STRANDVEJEN
SYDMOLEN
ØSTMOLEN
NORDMOLEN
VESTRE MOLE
ØSTRE MOLEARM
VESTRE TVÆRMOLE
KYSTVEJEN
SKOLEBAKKEN
HAVNEGADE
AARHUS DOMKIRKE
SPANIEN
Gate Vest
Gate Øst
AARHUS HAVN AREAL
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