

APM Terminals A/S

50 Esplanaden
1263 Copenhagen K, Denmark

(CVR-No. 29937788)

Annual Report 2017

As adopted by the Company at the Annual General Meeting
on 15/5 2018.

Anne Pindborg
Chairman of meeting

APM Terminals A/S

Contents

Directors' Report and Management's Statement	Page 2
Independent Practitioner's Report on the Financial Statements	Page 3
Accounting Policies	Page 5
Income Statement	Page 6
Balance Sheet	Page 7
Notes	Page 8

APM Terminals A/S

Directors' Report and Management's Statement

Directors' Report

Profit for the year turned out as expected and is considered satisfactory. The Company owns shares in one subsidiary in Kaliningrad, Russia. No other activities have been performed.

Profit for 2018 is expected to be around same level as this year, depending primarily on the interest income on the Company's loan receivable and development in the subsidiary.

No subsequent events significantly influencing the financial year 2017 have taken place.

Management's Statement

The Board of Directors and Management have today discussed and approved the annual report of APM Terminals A/S for the financial year 1 January - 31 December 2017.

The annual report of APM Terminals A/S has been prepared in accordance with the Danish Financial Statements Act. In our opinion the financial statements give a true and fair view of the Company's assets and liabilities, financial position at 31 December 2017 and of the results of the Company's operations for the financial year 2017.

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

Copenhagen, 4 May 2018.

Management

Katrine Zacho

Board of Directors

Anne Pindborg
Chairman

Susanne Marston

Katrine Zacho

APM Terminals A/S

Independent Practitioner's Report on the Financial Statements

To the shareholders of APM Terminals A/S

We have performed an extended review of the Financial Statements of APM Terminals A/S for the financial year 1 January – 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Practitioner's responsibility

Our responsibility is to express a conclusion on the Financial Statements. We conducted our extended review in accordance with the Danish Business Authority's assurance standard for small enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared under the Danish Financial Statements Act.

This requires that we comply with the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics and that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Conclusion

Based on the extended review, in our opinion the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

APM Terminals A/S
Independent Practitioner's Report on the Financial Statements

Statement on Director's Report

Management is responsible for Director's Report.

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

In connection with our extended review of the financial statements, our responsibility is to read Director's Report and, in doing so, consider whether Director's Report is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether Director's Report provides the information required under the Danish Financials Statements Act.

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

Copenhagen, 4 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR-No. 33771231

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Kristian Pedersen
State Authorised Public Accountant
mne35412

APM Terminals A/S

Accounting Policies

The Annual Report 2017 of APM Terminals A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applicable for class B companies.

The Company's functional as well as presentation currency is USD.

The accounting policies are unchanged compared to last year.

In accordance with §112 of the Danish Financial Statements Act, no consolidated accounts have been presented as APM Terminals A/S and subsidiary are included in the consolidated A.P. Møller - Mærsk A/S accounts.

The DKK/USD exchange rate 31 December 2017 was 620.67 (31 December 2016: 705.50).

Foreign Currency Translation

Transactions in currencies other than the functional currency are translated to the exchange rate on the date of transaction. Foreign exchange gains/losses are included in the income statement as financial income and expenses.

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

Financial Items

Financial items include interest and exchange gains/losses on transactions in other currencies than USD.

Tax on profit for the year

The Company is jointly taxed with A.P. Møller Holding A/S.

Taxes include the amount expected to be paid for the year together with adjustments for deferred tax.

Financial Non-Current Assets

Shares in subsidiary are measured at cost price or a lower value in use.

Receivables

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

Payables

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

APM Terminals A/S Income Statement

Amounts in USD 1,000

Note	2017	2016
1 Operating costs	7	9
Result before financial items	-7	-9
4 Impairment losses	20	100
2 Financial income	4,279	2,577
Financial expenses	8	0
Profit before tax	4,244	2,468
3 Tax	1,059	539
Profit for the year	3,185	1,929
Appropriation:		
Retained earnings	3,185	1,929
	3,185	1,929

APM Terminals A/S
Balance Sheet at 31 December

Amounts in USD 1,000

<i>Note</i>	2017	2016
<i>Assets</i>		
4 Investment in subsidiary	1,350	1,370
Total financial non-current assets	1,350	1,370
Receivable from affiliated company	269,377	265,714
Total current assets	269,377	265,714
TOTAL ASSETS	270,727	267,084
 <i>Equity and liabilities</i>		
Share capital	16,817	16,817
Retained earnings	252,869	249,684
5 Total equity	269,686	266,501
Trade payables, etc.	4	5
Payable to affiliated company	1,037	578
Total current liabilities	1,041	583
TOTAL EQUITY AND LIABILITIES	270,727	267,084
6 Contingent liabilities and pledges		

APM Terminals A/S
Notes to the financial statements

Amounts in USD 1,000

1 Operating costs

The Company has no employees (2016: 0 employees). No remuneration has been paid to the Management or to the Board of Directors (2016: USD 0).

2 Financial income

Of which USD 4.3m (2016: USD 2.6m) concerning affiliated company.

3 Tax on profit for the year

The Company is jointly taxed with A.P. Møller Holding A/S

	2017	2016
Current tax	1,000	537
Adjustment for previous years	59	2
	<u>1,059</u>	<u>539</u>

There is no deferred tax.

4 Investment in subsidiary

<u>Company name and country of incorporation</u>	<u>Owned share</u>	<u>Equity</u>	<u>Result 2017</u>
Baltic Container Gate CJSC, Russia	80%	1,698	-116

Cost price

	<u>Subsidiary</u>
1 January 2017	18,120
31 December 2017	<u>18,120</u>

Impairment losses

1 January 2017	16,750
Impairment loss	<u>20</u>
31 December 2017	<u>16,770</u>
Carrying amount 31 December 2016	<u>1,370</u>
Carrying amount 31 December 2017	<u>1,350</u>

APM Terminals A/S

Notes to the financial statements

Amounts in USD 1,000

5 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
1 January 2017	16,817	249,684	266,501
Profit for the year	<u>0</u>	<u>3,185</u>	<u>3,185</u>
31 December 2017	<u>16,817</u>	<u>252,869</u>	<u>269,686</u>

Share capital

The share capital DKK 100,000,000 (USD 16,817,000) is divided into one share of DKK 100,000,000.

Shareholder disclosure subject to the Danish Company Act § 55:

Maersk A/S, Copenhagen holds 100% of the share capital.

The Company's financials are included in the consolidated accounts of A.P. Møller Holding A/S, Copenhagen and A.P. Møller - Mærsk A/S, Copenhagen.

6 Contingent liabilities and pledges

The Company is jointly taxed with other Danish companies in the A.P. Møller Holding A/S group. The Company is together with the other companies in joint taxation scheme jointly and severally liable for taxes payable, etc. in Denmark.

The Company has no other contingent liabilities or pledges.