

APM Terminals - Aarhus A/S

Østhavnsvej 43
8000 Aarhus C

CVR no. 32 65 83 93

Annual report 2017

The annual report was presented and approved at the
Company's annual general meeting on

24 May 2018

Leendert Arie Huisman
chairman

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Statement by the Board of Directors and the Executive Board

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

The annual report 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, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Aarhus, 24 May 2018
Executive Board:

Steen Davidsen

Board of Directors:

Leendert Arie Huisman
Chairman

Begum Unlüsoy

Catharina Maria Otten

Jan Damgaard Sørensen

Tom Jørgen Damgaard
Stephensen

Dan Iversen Dall

Kasper Østergaard
Rasmussen

Independent Auditor's Report

To the Shareholder of APM Terminals – Aarhus 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 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.

We have audited the Financial Statements of APM Terminals – Aarhus A/S for the financial year 1 January - 31 December 2017, 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.

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 skepticism 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.

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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.

Aarhus, 24 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Gert Fisker Tomczyk
State Authorised Public Accountant
mne9777

Rune Kjeldsen
State Authorised Public Accountant
mne34160

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Management's review

Company details

APM Terminals - Aarhus A/S
Østhavnsvej 43
8000 Aarhus C

CVR no.: 32 65 83 93
Registered office: Aarhus
Financial year: 1 January – 31 December

Board of Directors

Leendert Arie Huisman, Chairman
Begum Unlüsoy
Catharina Maria Otten
Jan Damgaard Sørensen
Tom Jørgen Damgaard Stephensen
Dan Iversen Dall
Kasper Østergaard Rasmussen

Executive Board

Steen Davidsen

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
8000 Aarhus C

Management's review

Financial highlights

DKKm	2017	2016	2015	2014	2013
Key figures					
Revenue	425	392	350	325	296
Gross profit	279	259	239	218	196
Ordinary operating profit	78	73	60	51	38
Profit for the year	42	57	45	38	27
Assets and liabilities					
Fixed assets	85	101	101	117	133
Current assets	135	130	109	123	109
Total assets	220	231	210	239	242
Equity	147	162	150	168	157
Current liabilities other than provisions	73	69	59	64	61
Investment in property, plant and equipment	5	22	5	2	10
Ratios					
Gross margin	65.7%	66.2%	68.2%	67.0%	66.3%
Operating margin	18.4%	18.8%	17.2%	15.7%	12.8%
Current ratio	184.8%	186.9%	183.5%	192.9%	179.6%
Solvency ratio	66.8%	69.9%	71.6%	70.1%	65.0%
Average number of full-time employees					
Average number of full-time employees	299	281	257	250	240

The financial ratios have been calculated as follows:

Gross margin
$$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$$

Operating margin
$$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

Current ratio
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Solvency ratio
$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

Principal activities

The principal activities of APM Terminals - Aarhus A/S comprise container handling at the Port of Aarhus related to the transportation of containers via ship, truck and train. As related business, the activity also comprises repair and storage of containers.

Development in activities and financial position

Profit for the year

Revenue grew by 9 % from DKK 391.6 million in 2016 to DKK 424.9 million in 2017. Increase in revenue is related to higher volume in both container handled on vessel, truck, train and in container repair shop. Further we have been able to adjust rates towards customers and revenue stream from container weighing has had full effect in 2017.

Profit before tax has increased by 4 % or DKK 2.9 million mainly due to revenue growth which has contributed more to the increase in profit than the 10 % increase in costs. Write down of deferred tax asset has had negative impact, which caused a decrease in profit for year from DKK 56.8 million in 2016 to DKK 41.8 million in 2017.

The Company proposes the profit for the year to be distributed as dividend.

Management considers the profit for 2017 as satisfactory. The company has managed to grow revenue and profit in our principal activities while still focusing on activities that generates value for our customers. We have seen strong volumes on quay activities in 2017.

Investments

APM Terminals – Aarhus A/S has not made significant investments in 2017 compared to 2016. Investments have decreased from DKK 22.2 million in 2016 to DKK 4.5 million in 2017. Biggest investments were in additional equipment to accommodate growth.

Capital resources

APM Terminals - Aarhus A/S is financially sound. The solvency ratio is 66.8% (2016: 69.9%) corresponding to equity at 31 December 2017 of DKK 146.7 million (2016: DKK 161.7 million).

The company's current assets totaled DKK 134.9 million at the end of the financial year. Of the amounts owed by group enterprises, DKK 45.5 million is deposited in the cash pool scheme.

Outlook

Management expects that growth in its principal activities only will be marginal, since we continuously face competition within our activities both in Aarhus and from other ports in Denmark, but at the same time the growth in world economy will increase containers handled. We expect revenue to be at a slightly higher level in 2018 compared to 2017, since market share is expected to be the same, but the market is expected to grow due to economic growth.

With a constant focus on optimizing the business, we expect a slightly increased profit in 2018 vs. 2017.

Management's review

Operating review

Risks

Operating risks

The most significant operational risk of the Company relates to the activity level of trade in Scandinavia as well as the Danish export to Asia. The risk moreover depends on the level of this trade being handled through the Port of Aarhus.

Further, there lies a potential risk of the mainliner not calling Aarhus. Most containers will probably be transported out of Aarhus by feeder to a port with a mainliner call; but expectation is, that some volume will be lost for Aarhus if we cannot offer a mainliner call.

Financial risks

Because of the Company's high solvency ratio and substantial cash generation and the fact that all external loans are paid out, changes in the interest level poses close to no risk to the Company. The Company is not exposed to foreign exchange risks as all major settlements are made in DKK and is not exposed to any major risks regarding one particular customer or cooperative partner. Company policy in respect of credit risks implies that all major customers and other co-operators are credit rated on an ongoing basis.

Environmental matters

APM Terminals – Aarhus A/S is environmentally conscious and is engaged in reducing environmental impact from its operations on an ongoing basis.

In 2014 the Company succeeded in obtaining approval of EIA (Environmental Impact Assessment). The Company regularly assesses the environmental impact from the Company's operations. Operations are directly interconnected with the environmental impact, as two significant cost categories are energy consumption, including electricity and fuel consumption (primarily diesel).

We have high focus on the environmental issues when buying new equipment; both in case of pollution and noise.

Corporate social responsibility

According to section 99a (6) of the Danish Financial Statements Act, the Company does not make any disclosures on corporate social responsibility. We refer to the parent company, A.P. Møller – Mærsk A/S' separate report on sustainability at its webpage:

<http://www.maersk.com/en/the-maersk-group/sustainability>

Management's review

Operating review

Gender diversity in management

The Company is encompassed by section 99b of the Danish Financial Statements Act, regarding gender diversity in management.

At the Board Meeting in A.P. Møller – Mærsk A/S on 21st February 2013 a group policy was adopted with the aim to increase the share of the under-represented gender in the company's other management levels (link to policy: www.maersk.com/business/sustainability/sustainability-reports-and-publications/reports).

In accordance with this policy APM Terminals – Aarhus A/S has focus on gender diversity with regards to relevant management positions and key positions in general. Currently the Board consists of 4 members elected at the annual general assembly of whom 2 are women and 2 are male. Additionally, the board consists of 3 employee representatives. 3 out of 7 members of the senior management team are women. Consequently, the target for gender diversity has been met. Thereby equal representation has been obtained for both the Board of Directors and for other managerial levels.

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Income statement

DKK'000	Note	2017	2016
Revenue	2	424,989	391,640
Other operating income		50	2
Other external costs		<u>-145,913</u>	<u>-132,548</u>
Gross profit		279,126	259,094
Staff costs	3	-181,303	-164,179
Depreciation, amortisation and impairment		<u>-19,707</u>	<u>-21,450</u>
Ordinary operating profit		78,116	73,465
Other operating costs		<u>-1,353</u>	<u>0</u>
Operating profit		76,763	73,465
Financial income	4	291	204
Financial expenses	5	<u>-584</u>	<u>-77</u>
Profit before tax		76,470	73,592
Tax on profit for the year	6	<u>-34,666</u>	<u>-16,826</u>
Profit for the year	7	<u><u>41,804</u></u>	<u><u>56,766</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Intangible assets	8		
Terminal rights		1,565	1,683
Goodwill		16,265	18,386
Software		1,113	2,073
		<u>18,943</u>	<u>22,142</u>
Property, plant and equipment	9		
Land and buildings		32,707	38,489
Property, plant and equipment in progress		2,422	778
Plant and machinery		26,509	33,802
Fixtures and fittings, tools and equipment		4,258	6,096
		<u>65,896</u>	<u>79,165</u>
Total fixed assets		<u>84,839</u>	<u>101,307</u>
Current assets			
Inventories			
Raw materials and consumables		6,297	7,726
		<u>6,297</u>	<u>7,726</u>
Receivables			
Trade receivables		35,812	32,268
Receivables from group entities		84,029	70,621
Other receivables		2,427	2,587
Deferred tax asset	10	0	13,119
Prepayments		6,317	3,306
		<u>128,585</u>	<u>121,901</u>
Cash at bank and in hand		<u>44</u>	<u>56</u>
Total current assets		<u>134,926</u>	<u>129,683</u>
TOTAL ASSETS		<u>219,765</u>	<u>230,990</u>

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Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Contributed capital	11	7,500	7,500
Proposed dividends for the financial year		61,804	56,766
Retained earnings		<u>77,476</u>	<u>97,476</u>
Total equity		<u>146,780</u>	<u>161,742</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		14,614	13,066
Payables to group entities		2,994	2,528
Joint taxation contribution		21,526	20,916
Other payables		<u>33,851</u>	<u>32,738</u>
		<u>72,985</u>	<u>69,248</u>
Total liabilities other than provisions		<u>72,985</u>	<u>69,248</u>
TOTAL EQUITY AND LIABILITIES		<u><u>219,765</u></u>	<u><u>230,990</u></u>

Financial statements 1 January – 31 December

Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2017	7,500	97,476	56,766	161,742
Ordinary dividends paid	0	0	-56,766	-56,766
Transferred over the profit appropriation	0	-20,000	61,804	41,804
Equity at 31 December 2017	7,500	77,476	61,804	146,780

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of APM Terminals - Aarhus A/S for 2017 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, Copenhagen, Denmark, CVR no. 22 75 62 14.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income is recognised in revenue when delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are included in revenue.

Other operating income

Other operating income comprises items secondary to the activities of the entity.

Other external costs

Other external costs comprise costs incurred in generating revenue for the year, including costs of raw materials and consumables, lease of port space and administrative expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Other operating costs

Other operating costs comprise items secondary to the activities of the entity.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Corporation tax is expensed as estimated tax on the taxable income for the year. APM Terminals - Aarhus A/S is jointly taxed with A.P. Møller Holding A/S and other Danish companies within the A.P. Møller Holding Group. Current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses).

Balance sheet

Intangible assets

Goodwill, terminal rights and software are measured at cost less accumulated amortisation and impairment losses. Goodwill, terminal rights and software are amortised on a straight-line basis over the remaining life of the intangible asset. The expected useful lives are as follows:

Goodwill	15 years
Terminal rights	18 years
Software	3 years

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the shorter of the lease period or the estimated useful life. The estimated useful lives are as follows:

Buildings	5-20 years
Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	3-7 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Liabilities other than provisions

Other liabilities are measured at net realisable value.

Segment information

Segment information is provided on business segments. The segment information is in line with the Company's accounting policies, risks and internal financial management.

Financial statements 1 January – 31 December

Notes

2 Segment information

Activities – primary segment

DKK'000	Handling of containers	Repair of containers	Total
2017			
Revenue	341,508	83,481	424,989
2016			
Revenue	308,699	82,941	391,640

3 Staff costs

DKK'000	2017	2016
Wages and salaries	165,970	150,121
Pensions	13,348	12,135
Other social security costs	1,985	1,923
	181,303	164,179
Average number of full-time employees	299	281

Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b (3)(ii) of the Danish Financial Statement Act. The members of the Board of Directors did not receive any emoluments or any other kind of remuneration for their work.

4 Financial income

Exchange gains	291	204
	291	204

5 Financial expenses

Other financial costs	3	44
Exchange losses	581	33
	584	77

Financial statements 1 January – 31 December

Notes

DKK'000	2017	2016		
6 Tax on profit for the year				
Current tax for the year	21,547	20,916		
Adjustment of deferred tax concerning previous years	13,119	-4,090		
	<u>34,666</u>	<u>16,826</u>		
7 Proposed profit appropriation				
Proposed dividends for the year	61,804	56,766		
Retained earnings	-20,000	0		
	<u>41,804</u>	<u>56,766</u>		
8 Intangible assets				
DKK'000	Terminal rights	Goodwill	Software	Total
Cost at 1 January 2017	2,120	31,819	10,499	44,438
Additions for the year	0	0	49	49
Cost at 31 December 2017	<u>2,120</u>	<u>31,819</u>	<u>10,548</u>	<u>44,487</u>
Amortisation and impairment losses at 1 January 2017	-437	-13,433	-8,426	-22,296
Amortisation for the year	-118	-2,121	-1,009	-3,248
Amortisation and impairment losses at 31 December 2017	<u>-555</u>	<u>-15,554</u>	<u>-9,435</u>	<u>-25,544</u>
Carrying amount at 31 December 2017	<u>1,565</u>	<u>16,265</u>	<u>1,113</u>	<u>18,943</u>

Financial statements 1 January – 31 December

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9 Property, plant and equipment

DKK'000	Land and buildings	Property, plant and equipment in progress	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2017	92,283	778	116,407	24,584	234,052
Additions for the year	0	4,543	0	0	4,543
Disposals for the year	-1,421	0	-253	-3,376	-5,050
Transfers for the year	0	-2,899	2,203	696	0
Cost at 31 December 2017	90,862	2,422	118,357	21,904	233,545
Depreciation and impairment losses at 1 January 2017	-53,794	0	-82,605	-18,488	-154,887
Depreciation for the year	-4,937	0	-9,496	-2,026	-16,459
Reversed depreciation and impairment losses on assets sold	576	0	253	2,868	3,697
Depreciation and impairment losses at 31 December 2017	-58,155	0	-91,848	-17,646	-167,649
Carrying amount at 31 December 2017	32,707	2,422	26,509	4,258	65,896

10 Deferred tax

DKK'000	2017	2016
Deferred tax at 1 January	13,119	9,029
Deferred tax adjustment for the year in the income statement	-13,119	4,090
	0	13,119
Provisions for deferred tax relate to:		
Intangible assets	0	-120
Property, plant and equipment	0	13,218
Provisions	0	21
	0	13,119

The Company has a deferred tax asset of DKK 17.3 million that is not recognized in the balance sheet because of uncertainty about the Company's ability to use the asset.

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Notes

11 Contributed capital

The contributed capital consists of:

A shares, 1 share of nom. DKK 7,500,000.

All shares rank equally.

12 Fees to auditor appointed at the general meeting

Pursuant to the section 96(3) of the Danish Financial Statements Act, fees paid to the Company's auditor appointed at the annual general meeting have not been disclosed.

13 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has a restoration and renovation liability of the facilities towards the landlord. The amount is unknown but it is not expected to have significant impact on the Company's financial position.

DKK'000	2017	2016
Operating lease obligations		
Within 1 year	18,545	17,614
Within 2-5 years	39,835	39,733
After 5 years	519	2,568
	<u>58,899</u>	<u>59,915</u>

14 Related party disclosures

APM Terminals - Aarhus A/S related parties comprise the following

Control

APM Terminals B.V., Turfmarkt 107, 2511 DP, The Hague, the Netherlands

APM Terminals B.V. holds the majority of the contributed capital in the Company.

APM Terminals - Aarhus A/S is part of the consolidated financial statements of A.P. Møller - Mærsk A/S, Esplanaden 50, 1263 København K and A.P. Møller Holding A/S, Esplanaden 50, 1263 København K, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of A.P. Møller - Mærsk A/S and the consolidated financial statements of A.P. Møller Holding A/S can be obtained by contacting the companies at the above addresses.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c (7) of the Danish Financial Statement Act. No such transactions have taken place in 2016 or 2017.