

Damco (Brazil) Holding A/S

Esplanaden 50, 1263 København K

CVR no. 32 76 21 07

Annual report 2016

Approved at the annual general meeting of shareholders on 31 May 2017

Chairman:



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Damco (Brazil) Holding A/S for the financial year 1 January - 31 December 2016.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

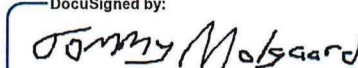
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 May 2017
Executive Board:

DocuSigned by:

.....97C108DAD344453.....
Jesper Cyril Jørgensen

Board of Directors:

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Tommy Bro Mølgaard
Chairman

DocuSigned by:

.....97C108DAD344453.....
Jesper Cyril Jørgensen

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Steffen Therkel Steensbæk

Independent auditor's report

To the shareholder of Damco (Brazil) Holding 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 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Damco (Brazil) Holding A/S for the financial year 1 January - 31 December 2016, 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 the Management's review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover the 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.

Independent auditor's report

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 over-ride 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 31 May 2017
PRICEWATERHOUSECOOPERS
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31



Rune Kjeldsen
State Authorised Public Accountant

Management's review

Company details

Name	Damco (Brazil) Holding A/S
Address, Postal code, City	Esplanaden 50, 1263 København K
CVR no.	32 76 21 07
Established	21 January 2010
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Tommy Bro Mølgaard, Chairman Jesper Cyril Jørgensen Steffen Therkel Steensbæk
Executive Board	Jesper Cyril Jørgensen
Auditors	PRICEWATERHOUSECOOPERS Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

Management's review

Management commentary

Business review

The company has no activity besides acting as a holding company.
The company owns Damco Brazil Ltda, which operates logistics business in Brazil.

Financial review

The income statement for 2016 shows a loss of DKK 18,818 thousand against DKK 21 thousand last year, and the balance sheet at 31 December 2016 shows equity of DKK 392 thousand. During the financial year 2016 has been no operational activity of the company. The company has no employees. Management and Board have not received any remuneration. Except for the impairment of investments, the result is in this context as expected. The result for 2017 is expected to be in line with 2016 figures disregarding impairment.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2016	2015
	Gross margin	-19	-26
	Write-down on investments	-18,800	0
2	Financial expenses	-1	-1
	Profit/loss before tax	-18,820	-27
3	Tax for the year	2	6
	Profit/loss for the year	<u>-18,818</u>	<u>-21</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>-18,818</u>	<u>-21</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2016	2015
	ASSETS		
	Non-current assets		
4	Financial assets		
	Investments in subsidiaries	0	18,800
		0	18,800
	Total non-current assets	0	18,800
	Current assets		
	Receivables		
	Receivables from group enterprises	421	422
	Joint taxation contribution receivable	10	8
		431	430
	Total Current assets	431	430
	TOTAL ASSETS	431	19,230

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500	500
	Retained earnings	-108	18,710
	Total equity	<u>392</u>	<u>19,210</u>
	Current liabilities		
	Trade payables	6	20
	Payables to group enterprises	33	0
	Total current liabilities	<u>39</u>	<u>20</u>
	Total liabilities	<u>39</u>	<u>20</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>431</u></u>	<u><u>19,230</u></u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2016	500	18,710	19,210
Transfer, see "Appropriation of loss"	0	-18,818	-18,818
Equity at 31 December 2016	500	-108	392

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Damco (Brazil) Holding A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The consolidated financial statement are reflected for the higher ranking parent company A.P. Møller - Mærsk A/S, CVR-no. 22 75 62 14, Copenhagen.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross margin

The items operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

External expenses

Other external expenses include expenses relating administration.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as exchange rate gains and losses.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

For subsidiaries and other equity investments acquired from other companies, the ultimate parent company A.P. Møller - Mærsk A/S has a controlling influence, the difference between the consideration paid and the fair value is recognized directly in equity.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	2016	2015
2 Financial expenses		
Other interest expenses	1	1
	<u>1</u>	<u>1</u>
3 Tax for the year		
Estimated tax charge for the year	-2	-6
	<u>-2</u>	<u>-6</u>

4 Investments

DKK'000	Investments in subsidiaries
Cost at 1 January 2016	18,800
Cost at 31 December 2016	18,800
Value adjustments at 1 January 2016	0
Impairment losses	-18,800
Value adjustments at 31 December 2016	-18,800
Carrying amount at 31 December 2016	<u>0</u>

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Damco Brazil Ltda.	Brazil	99.9 %	27,418	-1,086

5 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with all other Danish companies in the A.P. Møller - Mærsk Group. As a consolidated entity, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax and withholding tax on dividends, interest and royalties within the jointly taxed companies.

The company has no further contractual obligations and contingencies etc.

6 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
A.P. Møller - Mærsk A/S	Copenhagen	www.maersk.com
A.P. Møller Holding A/S	Copenhagen	www.maersk.com