

COPENHAGEN MALMÖ PORT ANNUAL REPORT 2018



2018 IN BRIEF

Astoria is the first ship to arrive at the new cruise quay in Visby. It marks the start of the 2018 cruise season. A total of 550 passengers arrived early in the morning, and many of them chose to proceed onward by bus to discover Gotland. The quay was officially inaugurated April 29 with AIDAdiva visiting.

The beginning of the consultation phase regarding CMP's new container terminal and cruise terminal in Ydre Nordhavn. An environmental impact report will be prepared in order to obtain the authorities' permit for the project.

CMP reports that the company handled 15.5 million tonnes of freight in 2017. The turnover amounted to SEK 839 million. Operating income was SEK 78 million and the operating margin was 9.3 per cent. CMP also received 849,000 cruise passengers, an increase of almost 16 per cent.

The capacity in Norra Hamnen in Malmö is being expanded from one to two cranes. The large container crane will subsequently be accompanied by a mobile crane located alongside one of the quays.

Mercedes-Benz Försäljnings AB is establishing a base in the port area in Malmö and is thereby strengthening its collaboration with CMP.

CMP now offers bunkering of Liquefied Natural Gas (LNG). First off was the vessel Ireland, which unloaded cement.

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

CMP welcomes Stema Shipping. The new tenant will use 16,000 square metres at the Prøvestenen bulk terminal in Copenhagen. The volumes that will be handled in the areas include shards that are used for construction and infrastructure projects.

The High & Heavy segment is increasing at CMP. The flow is accelerating, which means that CMP is handling between five and ten dumpers, wheel loaders and other heavy vehicles per week in Malmö.

CMP welcomes this year's first cruise ship to Malmö. There is a total of nine arrivals during the season, putting Malmö on the cruise map again.

The cruise ship Queen Elizabeth arrives in Visby for the first time. Queen Elizabeth is 294 metres long, accommodates 2,092 passengers, and belongs to the Cunard Line shipping company.

During the Almedalen Week – when politicians, businesses, municipalities and media all gather for a few intensive days in Visby on Gotland – CMP organises a seminar focusing on how more freight can be moved from road to sea.

Structural elements from one of the cranes at Amager Power Station are delivered to CMP in Copenhagen. Crane 10 at Amager Power Station is then dismantled and scrapped by the CMP Logistics Department.

The cruise season concluded in Visby. The new cruise quay received 74 cruise arrivals and about 74,000 passengers in 2018.

CMP participates in the "Logistics & Transport" trade fair in Gothenburg, marketing Malmö Industrial Park together with Skanska, Catena and Malmö stad.

Refuse-derived fuel boosts Malmö's container volumes. The containers are unloaded at CMP for onward transport to Sysav's waste-to-energy plant, where the waste is converted into electricity and heat.

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

For the first time, CMP is publishing a sustainability report. Sustainability perspectives have long been a natural part of our operations and they are always part of the debate, in the industry and in society in general.

Groundworks are underway at the future container terminal in Copenhagen. The terminal substantially strengthens CMP's role as the leading player in freight handling in the Copenhagen region and throughout Eastern Denmark.

Record number of Christmas cruises. There are nine arrivals, with the main attraction being the Christmas markets in Copenhagen which cruise passengers combine with shopping in the city centre.

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KEY FIGURES 2018

NET SALES, MSEK	908 (839)	PROFIT MARGIN, %	9 (7)
PROFIT AFTER FINANCIAL ITEMS, MSEK	86 (57)	EQUITY RATIO, %	17 (13)
NET PROFIT, MSEK	47 (26)	RETURN ON EQUITY (AVERAGE), %	27 (21)
EQUITY (ADJUSTED), MSEK	198 (151)	NET SALES PER EMPLOYEE, MSEK	2.6 (2.4)
BALANCE SHEET TOTAL, MSEK	1,185 (1,141)	NUMBER OF EMPLOYEES	356 (347)
OPERATING MARGIN, %	12 (9)	RETURN ON OPERATING CAPITAL (AVERAGE) ROOC, %	15 (11)

CMP MANIFESTO:

WE CONNECT SEA WITH SHORE AND CREATE GROWTH AND PROSPERITY FOR ALL

As the sun rises on the shores of Malmö, we are here, ready to welcome you on solid ground. As it sets behind the skyline of Copenhagen, we are still here. We're the first to greet you when land is in sight and the last to see you safely off to sea again.

We are CMP. More than 400 Swedish and Danish team players with salt water running through our veins and with proud souls because we make a difference every day. To the community and to the wheels that keep society going. And to the Denmark and Sweden of today, we stand united in developing.

We are CMP. We connect sea with shore and create growth and prosperity for all. It takes will power and strength in every woman and man. And this we have. That is why we work at the docks. From hardhat to laptop. From strong arms and an eye for details, to quick-witted minds who see a bigger picture and who understand what it takes to find a safe haven in modern times. Together we have the courage to find new ways and to do whatever it takes to solve the task, securing the path to the future. We strive to improve – every day. With outmost respect for both society and environment.

We are CMP. The gateway to the Baltics and the Baltic Sea. The doorway to Denmark and Sweden. So, set sail with us. We know where you're coming from and where you are going. And we will make sure that you get there – safe and on time.

We do that better than most. In a healthy work environment, together we ensure the shortest distance between dock and office.

Always greeting you with a smile and a firm handshake, when you dock in Copenhagen or Malmö.

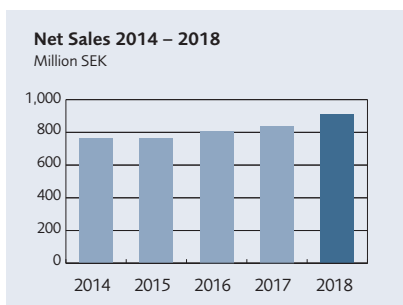


**A SAFE
HAVEN.
A SEA OF
OPPORTUNITIES.**





Barbara Scheel Agersnap, CEO



CEO STATEMENT:

THE PORT OF TOMORROW

2018 was a year with quite a bit of turmoil when looking at global trade and logistics. However, Copenhagen Malmö Port delivered a strong performance.

2018 was a year with quite a bit of turmoil when looking at global trade and logistics. However, Copenhagen Malmö Port delivered a strong performance.

CMP's turnover increased by over eight per cent from SEK 839 million in 2017 to SEK 908 million. The operating income improved by SEK 32 million to SEK 110 million, which created an operating margin of 12.2 per cent compared to 9.3 per cent the previous year. The net profit of the year amounted to SEK 46.7 million compared to SEK 26.3 million in 2017, an increase of more than 40 per cent.

Over the year, CMP processed 15.1 million tonnes of goods compared to 15.5 million tonnes in 2017. Only the oil volume decreased slightly. The cruise segment once again broke its own record and contributed strongly to the increased turnover, which was partly a result of the newly launched operations in Visby, Gotland.

In 2017 we decided on the current strategy of Commercial Excellence. Investigating our business in a new light has been a rewarding and inspiring process, and I am proud to conclude that all business segments have increased margins during the year. A clear focus on commercial excellence has sparked new in-

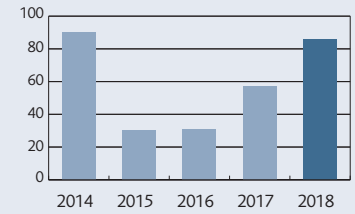
sights, which in turn have translated into better performance.

In 2019 we are continuing to work along these lines, finding new ways to respond to our customers' behaviour and making sure we deliver on exact promises whilst continually improving operations.

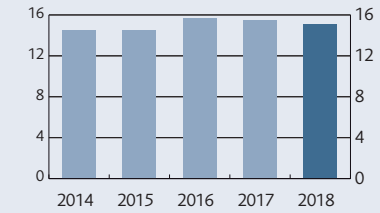
We find inspiration in relevant data and trends, and one of the conversations taking place here and now is how the port is constantly transforming. The port has been a meeting place for hundreds of years; a positive connection point between land and sea, facilitating import and export, a catalyst for growth. And as such it is



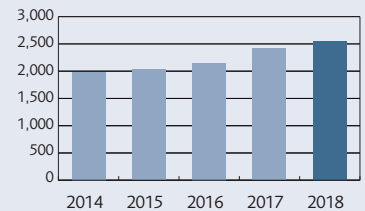
Profit after Financial Items 2014 – 2018
Million SEK



Cargo Volumes 2014 – 2018
Million of tonnes



Net Sales per Employee 2014 – 2018
Thousand SEK



INCREASE IN TURNOVER

+8%

OPERATING MARGIN

+12%

CARGO, MILLION TONNES

15,1



also a meeting place for people, goods, and cultures. CMP will continue to play this role – as the promoter for development in the Øresund region and beyond. As the doorway to Sweden and Denmark, and as the gateway to the Baltic Sea.

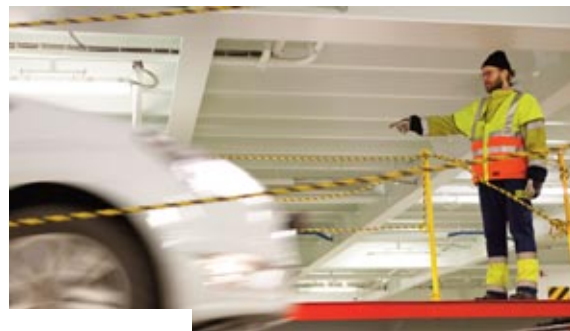
The role of the future port will thus still be as a trade facilitator and integrator. CMP will remain part of the multiple supply chains and ecosystems as trade and society around us develops. We are stepping up our work with innovation, and as an essential element, we are also seeking new partnerships and business models. Everyone from hard hat to laptop is involved in this process of developing the port of tomorrow, which remains a safe haven whilst offering a sea of opportunities at the same time.

CMPs values are Respect, Ambition and Community. And it is the total value of these promises that are the foundation for the discussions on how to create the port of tomorrow.

Committing to the future also means working in a sustainable way; the goal as well as the road to getting there is equally important to us. We believe that only by acting in a responsible manner can we create, sustain and develop our company and community.

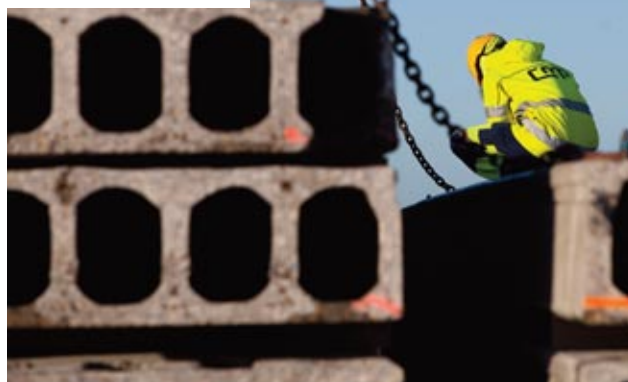
Barbara Scheel Agersnap
CEO Copenhagen Malmö Port AB

A SAFE HAVEN. A SEA OF OPPORTUNITIES.



MISSION

**WE CONNECT SEA WITH
SHORE AND CREATE GROWTH
AND PROSPERITY FOR ALL**



BUSINESS CONCEPT, MISSION AND VALUES

Business concept that provides solutions

CMP offers port, terminal and transport solutions. The word "solution" is central for us, as it suggests that our service and our logistics services must always make life easier for customers and collaborative partners. This means that we contribute to their ability to manage their transportation in a simpler, more efficient and more competitive way.

At the same time, offering solutions entails helping customers to meet new challenges in the transport market, not to mention the fact that we are fast and skilful at resolving everyday problems in our logistics management. To achieve this, we are innovative, enterprising and excellent at adapting our services to various needs and meet new logistic patterns.

Being solution-oriented is, moreover, the key to us acting in a business-like manner and ensuring that CMP is commercially successful – now and in the future. Our correctly formulated offers ensure that land and premises provide us with rental income, the quay port revenue, and all other operations provide a handling revenue.

Our business concept also includes the fact that CMP's work makes a difference for our industry, gets the wheels of society spinning, and enables our region to develop. We are a catalyst for growth. We are associated with innovation and good business acumen, and are a very important link in the transport chain that is sustainably developing the modern nations of Sweden and Denmark.

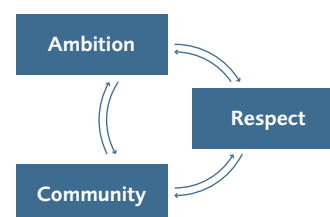
Mission – this is how we contribute

We connect sea with shore and create growth and prosperity for all

This mission describes concisely and concretely the justification for our existence and the purpose CMP has. It is crucial that the mission is clear to all employees, in order to ensure implementation of the ambitious business and development goals that CMP has set for itself.

Values – guiding principles

CMP's culture is driven by its employees and by a good working climate, where everybody thrives and feels that they support our values. On an everyday basis, the values function as guiding principles for how we treat each other, customers, suppliers and other business partners. They should also make it easier to make the right decision in different situations, contribute to increased effectiveness and enable us to achieve our objectives. The values must also consequently be simple to relate to and, in addition, capture the essence of CMP's operations and culture. Our values are:



CMP – A FULL SERVICE PORT

CMP operates the terminals in Copenhagen and Malmö and act as a transport hub in the Øresund region and as the gateway to the Baltic Sea. We are a large port of both importation and exportation, that ensures the supply of goods via international traffic. Different type of goods are unloaded, stored and re-loaded onto ships, trains or lorries for onward transport to their final destinations. Also, CMP is a large cruise port, welcoming passengers to our terminals in Copenhagen, Malmö and Visby.

A port for all types of goods

CMP is a full-service port in the Øresund region, which is one of the world's busiest sounds. We receive all types of goods and have a tailor-made infrastructure for all types of ships, such as RoRo and container services, car imports and liquid/dry bulk. The full service capacity means that we handle everything from consumer goods, petroleum products, chemicals and grain to scrap metal, building materials, wood pellets and raw materials for industry. The breadth of the operation is a strength which enables us to adapt to a wide range of customer requirements, but also contributes to making CMP less sensitive to economic shifts.

We also host a cruise operation which encompasses three different destinations – Copenhagen, which is Northern Europe's

leading cruise destination, Malmö and Visby, where a new terminal was inaugurated during 2018. A ferry line departs from Copenhagen with regular freight and passenger services to Oslo, and a RoRo ferry departs from Malmö connecting our logistics flows to the European continent via Travemünde.

Logistics hub in a dynamic conurbation

We have a strategic location between Sweden and Denmark as well as at the heart of Northern Europe's most dynamic conurbation, boosting about four million consumers. The location has contributed to the fact that today CMP is a logistics hub for companies which handle goods with a final destination throughout the Baltic region. Added to this is the service and the intermodal logistics solutions we

offer, which means that goods is simple to load between ship, lorry and rail at our terminals. The surrounding infrastructure for road and rail traffic is also well developed, making our facilities highly accessible.

Being a logistics hub opens up new opportunities for us to grow as increasing numbers of companies want to streamline their logistics management and concentrate their distribution on regional hubs. Besides an attractive location and extensive logistics services, CMP also benefits from the fact that we have access to new areas of land in connection with the terminals. Land is in short supply for many port operators: however, our access to areas in Copenhagen and Malmö means that we can simply make space for new establishments or offer our existing customers opportunities for expansion.



Five year overview	2014	2015	2016	2017	2018
Net sales, MSEK	763	762	812	839	908
Profit after financial items, MSEK	90	30	31	57	86
Net profit, MSEK	90	39	6	26	47
Equity (adjusted), MSEK	416	164	99	151	198
Balance sheet total, MSEK	632	636	1,038	1,141	1,185
Profit margin, %	12	4	4	7	9
Equity ratio, %	66	26	10	13	17
Return on equity (average), %	22	22	10	21	27
Net sales per employee, MSEK	2.0	2.0	2.2	2.4	2.6
Number of employees	384	376	377	347	356
Return on Operating Capital (average) ROOC, %	31	12	10	11	15



BUSINESS SEGMENTS

Cars

In Malmö, we operate Scandinavia's largest terminal for new cars. A large number of car makes are handled via this logistics hub with its trimodal transport solutions. The vehicles are unloaded, stored and in some cases inspected and adjusted (PDI/PPO) before onward transportation to end customers throughout Scandinavia, the Baltic States and Russia. The terminal is a central hub for the entire Baltic region, with a range of Vehicle Holding Centres, shipping companies and hauliers together creating the best logistics solutions. "High & Heavy" handles heavier vehicles – buses, lorries, trucks and construction machinery. Our competitive advantages are our specialisation, technology, flexibility and the areas that are needed to handle heavy vehicles effectively.

Container

The container operation in CMP functions as an import and export port for both Copenhagen and Malmö and its regions, supplying

the markets with consumer products and other goods. The terminals in Copenhagen are served by the world's largest container lines and connect to all major international ports. In Malmö the container operation is linked to Norra Hamnen, where, besides large areas and flexible handling, we also offer trimodal transport solutions. Global shipping companies are represented here too.

Cruise

Our cruise operation encompasses three destinations – Copenhagen, Malmö and Visby, with Copenhagen currently as Northern Europe's major destination. The successes for the cruise operation in Copenhagen are linked to the port's geographic location, its proximity to shopping streets and sights, as well as to Copenhagen Airport. Moreover, CMP has gradually invested in its own facilities and also improved service and information. Malmö is a complementary destination to Copenhagen, while Visby represents diversification through

offering an attractive destination in the Baltic Sea.

Dry Bulk

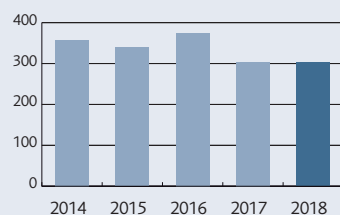
CMP is the hub for an extensive dry bulk operation, with many of the products primarily intended for the markets in Copenhagen and Malmö. The terminals handle items such as stone, gravel and other filling material, as well as cement, salt, sugar, grain, coal and pellets. We also export substantial volumes of scrap. The strengths within dry bulk are the strategic location, access to large areas for storage and other handling, as well as the comprehensive logistics solutions in connection to our facilities.

Ferries

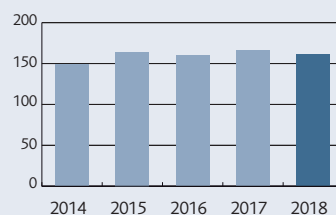
Passenger traffic comprises daily ferry services between Denmark and Norway and also between Sweden and Germany. On board the passengers are offered a wide range of food, beverages, entertainments and shopping, as

Cars 2014 – 2018

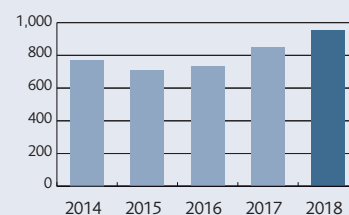
Thousand

**Containers 2014 – 2018**

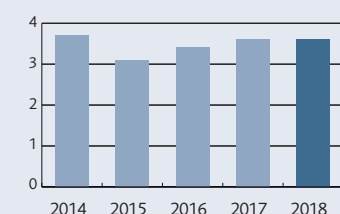
Thousand TEUs

**Cruise Ships, Passengers 2014 – 2018**

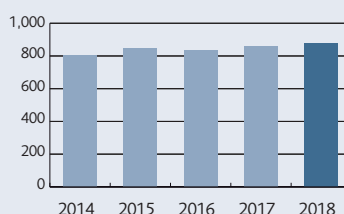
Thousand

**Dry Bulk 2014 – 2018**

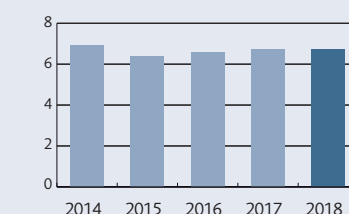
Million of tonnes

**Ferries 2014 – 2018**

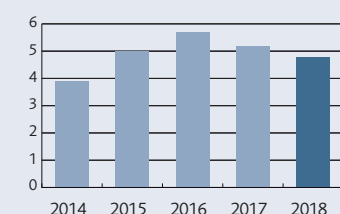
Thousand

**General Cargo 2014 – 2018**

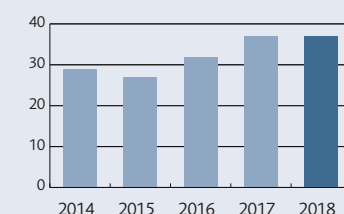
Million of tonnes

**Liquid Bulk 2014 – 2018**

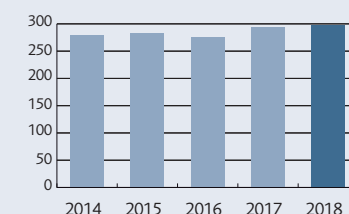
Million of tonnes

**Railway 2014 – 2018**

Thousand of units

**RoRo 2014 – 2018**

Thousand of units



well as conference facilities. The ferries are regularly upgraded and the service extended, which has contributed to an increase in passenger numbers on both routes.

General cargo

Within general cargo we function as a logistics hub for storage and onward distribution of many different types of freight, including steel products, paper products such as paper material and recycled paper, prefabricated- and concrete panels, house modules as well as project loads comprising freight that is often bulky and that has to be unloaded and stored at short notice. This makes flexibility one of our main strengths within general cargo, along with know-how, technological solutions and access to large areas of land. This operation also offers storage space in warehouses and storehouses.

Liquid Bulk

Our liquid bulk terminals are the hub in the handling of bunkering oil, along with petrol, diesel, oil and chemicals which are consumed in the local markets in the Øresund region. In

addition, CMP's facility in Copenhagen supplies Copenhagen Airport with aviation fuel. We have modern terminals and technological solutions as well as access to large areas which provide the customers with room to expand. Our comprehensive safety- and environmental-consciousness means that we now offer fossil-free freight handling in parts of the operation.

Property

CMP has an extensive rental business in Copenhagen and Malmö which includes offices, stores, warehouses and land. Attractive areas and premises – which furthermore are adapted according to the customers' needs – are available in direct connection to terminals and the transport network of which CMP is a part.

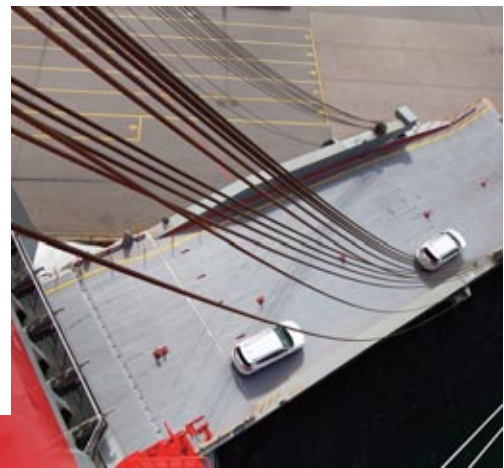
Railway

Railway is targeted at intermodal logistics flows. The freight is moved between rail, road and sea, with CMP offering flexible technology solutions and experienced employees. The operation is linked to Malmö, and includes

both the combi terminal in Norra Hamnen and the cars and logistics operations in Frihamnen. Well-developed rail solutions mean that CMP functions as a hub for cars, scrap, paper products and more. A collaboration also offers the customers a shuttle service between Malmö and the European continent.

RoRo

The RoRo services in Norra Hamnen comprise import and export of freight between Sweden and the continent along with expansive passenger traffic. The frequency of services, flexibility and short lead times are also important competitive advantages. The traffic comprises daily departures with multiple ships between Malmö and Travemünde. The terminal in Norra Hamnen has a rail link and is located in close connection to the motorway system around Malmö, providing a high level of accessibility for road traffic.



INNOVATIVE INTEGRATION CREATING THE PORT OF THE FUTURE

A port is usually seen as a hub for movement and reloading of freight. Now factors such as digitalisation, new patterns of trade and consumption and more stringent environmental requirements are contributing to challenging the traditional picture. It means that CMP needs to think innovatively in order to meet the future.

Logistics management is affected by on-going digitalisation, new global patterns of trade and consumption, infrastructure investments, development of cities and more stringent environmental requirements.

The changes are also giving rise to questions surrounding the future of ports – what freight flows will be like, what services will be offered, how areas and facilities will be used, as well as which customers and other business partners a port can conceivably work with.

Well positioned operation

CMP runs port operations in one of Northern Europe's most dynamic regions and in direct connection to two cities in a region which is continually growing and developing. Besides the strategic location, there are modern facil-

ities for all kinds of freight, areas which facilitate continued expansion as well as direct access to surrounding road and rail networks. CMP has a long-term owner and is part of a strong business network with customers, suppliers and other business partners which together open up for exciting opportunities.

CMP – an integrator

Our position – geographically and via the business networks of which we are a part – means that CMP can function as an integrator for wide-ranging future development. This means we are sensitive, proactive, think along different lines and are skilled at linking together different actors to create new types of collaborations and business opportunities – collaborations that are innovative and do not just ben-

efit the port, but also the cities in which we are located. CMP has the resources, the know-how and the interest in being such an integrator, ensuring that the port can be a strong and vibrant hub for a range of operations in the future.

The route towards the port of the future

Along with the role as integrator, there are numerous initiatives, insights and activities which characterise the work of shaping the port of the future. These include, for example, insights regarding the customers' and their long-term needs, where we monitor how both production and logistics patterns are changing. This applies to the customers we have today, but equally to those which might be our customers tomorrow. Changes in the logistics



chain can pave the way for new services and offers and enable CMP to play a partially different role in this chain.

It is equally important to work innovatively and make adaptations in CMP's own operations based on changes. One of the ways in which we tackle this is through our internal innovation groups. Each group represents a creative force which picks up and tests new ideas. The innovation groups thus support a cultural change in the organisation which stimulates new thinking and a proactive way of working – between our business segments as well.

Digital drive and urban development

The logistics chain is being digitalised. This is affecting the flows of freight in relation to everything from lead times to information sharing, but also in that traditional roles are changing or disappearing. CMP is a part of this development which creates opportunities, particularly as there is great technological maturity among our employees. It means that technological know-how can be channelled onward in a way which boosts us as an organ-

isation, for example in terms of new work procedures, technical equipment etc.

We must simultaneously have a broad perspective and feel that we are contributing to an urban and regional development in the Øresund region, rather than developing a port in isolation. In this context we work in dialogue with representatives for all three cities where we have operations, but without diminishing the business acumen and commercial sensibility that is important for us.

Balance between business and environment

Our basis is that new collaborations will change the picture of the operations that occur in the port. Areas that are currently used for storage of freight might be used more for manufacturing and processing in the future. The phasing out of fossil fuels is also affecting a business such as ours. A large proportion of CMP's infrastructure is designed for oil products, however, in the long-term it will need to be adapted for renewable types of energy.

If we are going to be a credible integrator which participates in far-sighted urban development, the sustainability perspective is self-evident. At the same time, we always apply business considerations to all ventures, initiatives and investments and regard the balance between business activities and the environment as a given condition on the journey towards the port of the future.



COPENHAGEN:

DENMARK'S MOST MODERN CONTAINER TERMINAL IS NOW UNDER DEVELOPMENT

Denmark's most modern container terminal is currently under development in Copenhagen with the focus on effective and sustainable solutions. The terminal strengthens CMP's role as leading actor within freight handling in the capital region and throughout Eastern Denmark.

CONTAINER TOTAL 2018, TEUs

161,000

The groundworks that are in progress in Ydre Nordhavn in Copenhagen are a reminder that the future container terminal will be in place in a few years time. It involves investments in new technology and modern logistics solutions in an area that covers 450,000 square metres.

Modern solutions

Modern logistics solutions mean that the new facility will be largely automated, which will deliver more effective flows with faster, smoother handling throughout the logistics chain. The investment and the high technological level also signal that CMP is a secure and long-term partner for our container customers – via a fa-

cility where hauliers and shipping companies are offered higher availability than is the case today.

CMP has long been supplying Copenhagen and Eastern Denmark with containerised cargo and plays a key role in the flow of goods to shops and businesses in the capital region. In this role CMP is part of a large transport network, which links the Danish container operation to all major international ports. This will simultaneously make the geographic location and connection to the world's largest container lines a major competitive advantage.

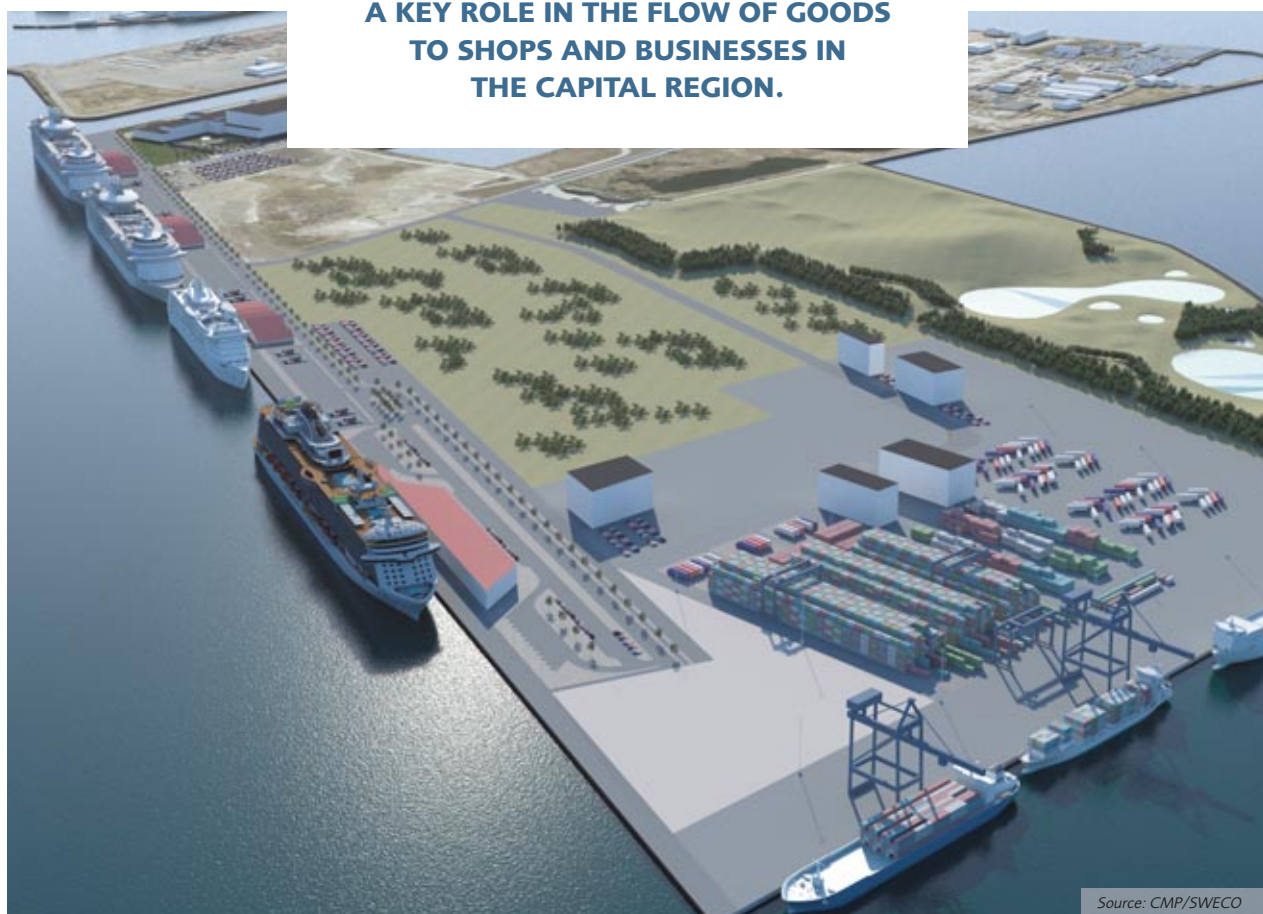
Meet future expansion

The new container terminal will be 85,000 square metres in size and have a depth of water of 12.5 metres. This is 2.5 metres deeper than today's facility and will ensure that tomorrow's feeder ships can also be handled at the terminal. The technological solutions will also ensure future potential for expansion and mean that the terminal can grow in line with volume developments in the market.

The technology will simultaneously enable increased productivity compared with today and contribute to more stable flows. The higher degree of automation will moreover enhance safety in relation to handling and provide a better working environment.

Sustainability is important in the on-going planning. Cranes, machinery and vehicles will be powered by renewable fuels. The sustainability aspects are also included at all times in the choice of energy solutions for heating, materials and technologies in construction of the terminal. An additional environmental benefit is that Ydre Nordhavn is located farther out towards the sea. It shortens turnaround times compared with today and reduces the degree of noise and emissions in the districts close to the port area.

The focus during 2018 has been on the authorities' environmental assessment of the project as a whole – an extensive task which is expected to be completed during the first half of 2019. The new terminal is estimated to be operational during 2021.



An early illustration of the new terminals. Red marked area is development area.



MALMÖ:

HUB FOR EFFECTIVE LOGISTICS MANAGEMENT

Its strategic location and range of services makes Malmö a hub for freight handling to and from all of Northern Europe. The breadth of the operation enables CMP to offer specialist expertise in many areas and also combine technology and service to meet customer requirements correctly.

Each year CMP receives around 8,000 ships. We are a full-service port handling everything from liquid bulk and dry bulk to containers, RoRo and general cargo as well as passenger traffic and cruises. Furthermore, many car manufacturers have chosen to make Malmö a hub for their distribution in Northern Europe. This has simultaneously made CMP the largest hub for cars in Scandinavia. No other port operator in the Øresund region has this breadth. The fact that we are a part of this attractive region is creating major opportunities for the future as the volume of freight through Skåne's ports is expected to increase by 70 – 90 per cent by 2030.

A logistics hub

The geographic location, the breadth of the operation, the modern facilities and the well developed infrastructure have made CMP a logistics hub for many types of freight. We offer trimodal solutions which link together different modes of transport at the terminals. This enables freight to be moved quickly and efficiently between sea, rail and road. In addition, the facilities are located in direct connection to both motorways and the main rail line, facilitating onward distribution and enabling end customers throughout the Nordic region to be reached within 24 hours.

In distinction from many other port operators, CMP has access to large areas of land that can be extended in the future. It means that we can expand the business in line with the cus-

tomers' increasing need for larger areas for re-loading, storage or other services.

Developing service and facilities

The breadth of the operation means that our employees have specialist expertise in numerous areas. It makes handling both efficient and secure. We are also good at adapting to the customers' changing needs. This adaptation is becoming more important as roles and areas of responsibility in the logistics chain change, through ever faster digitalisation among other things, which means that we too are systematising and automating more and more of our processes.

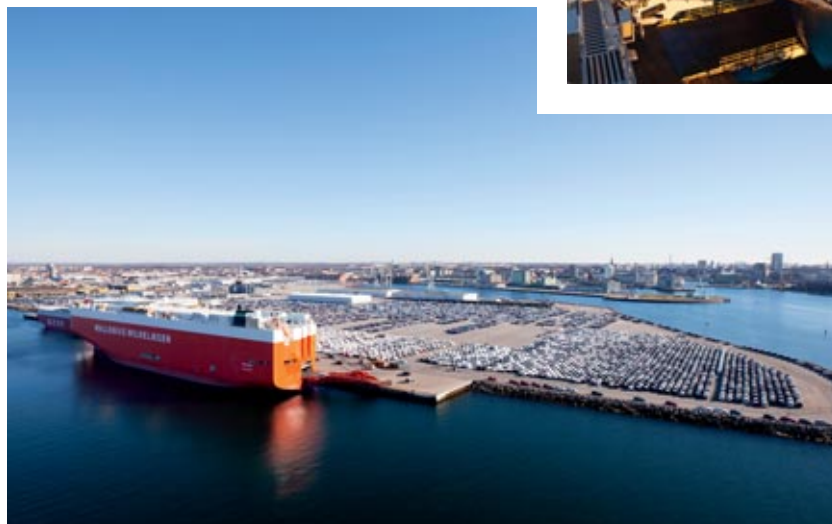
Understanding where the crucial decisions about freight flows are made – and meeting



the right decision-makers with the right service – is thus becoming a major competitive advantage. The changes in the logistics chain can simultaneously pave the way for us to modify CMP's range of services and, for example, offer new types of overall solutions where we have a more coordinatory role.

Nearby industrial park

The establishment of Malmö Industrial Park is contributing to strengthen CMP's operations. This new area offers centrally located industrial sites for companies within manufacturing, e-commerce, processing and transport. The focus is on operations which can increase the volume of freight through the quays at CMP's terminals. Our RoRo, rail and container operations are located in direct connection to the area, enabling direct shipments to and from CMP. Many of the industrial sites are now reserved, but there remains a good supply of areas. When Malmö Industrial Park is fully developed in 2030, it will comprise about 900,000 square metres and make a major contribution to Malmö as a more attractive logistics location.



New opportunities for growth

The full-service operation creates a balance in our handling and reduces dependence on individual types of freight or sectors. Many of the areas in which CMP operates simultaneously offer exciting opportunities for growth, for example, dry bulk where changes in the energy market are expected to increase interest in wood-chips and other forms of biomass. The high level of activity in the local construction sector is also creating opportunities. More stringent emissions regulations are expected to affect the handling of marine fuel and other products within liquid bulk, which might have a positive impact on our volumes. In addition to this, there are changes in the vehicles market which are creating opportunities where CMP in the long-term can develop new services in the distribution chain all the way to the end customer.



MALMÖ IS BACK ON THE CRUISE MAP

During 2018 Malmö received cruise ships again. This concerned nine arrivals with a total of 13,000 passengers, which puts the city back on the cruise map after a short break. It is the Spanish shipping company, Pullmantur, which has made Malmö a turnaround port, where passengers start or finish their cruise.

Malmö is currently aimed at small and medium-sized ships. When the traffic started to increase a few years ago, CMP and Malmö stad built a new terminal in Frihamnen. It is used for checking in and out as well as for tourist information. It is only a short distance to the city centre, which means the passengers has walking distance to shops, cafés and restaurants.

New environmental investment

Cruise traffic will continue to grow in 2019 with the number of arrivals increasing to 13. During the year, CMP and Malmö stad will also start developing the capacity to deal with the ships' black and grey water. Previously, this water was pumped over in tankers and removed for purification. After the reconstruction, the black and grey water will be pumped directly into the municipal sewage system at the cruise terminal. It will provide simpler handling and lower environmental impact in that the tankers will completely disappear. The new system will be operational for the 2020 cruise season – when the number of arrivals in Malmö will increase to 14.



Photo: Sören Mård

AIDAdiva in Visby for the inauguration on April 29 2018.

VISBY – NEW CRUISE DESTINATION

The opening of the cruise quay in Visby 2018 means that CMP is offering three destinations. It strengthens our cruise product and means that we now have package solutions as well. At the same time, the cruise quay in Visby has increased the flows of tourists on Gotland. The number of passengers during the inaugural year increased by 80 per cent, compared with the year before.

CRUISE PASSENGERS VISBY 2018

74,000

CRUISE CALLS VISBY 2018

74

The new cruise quay was inaugurated in April, with the event attracting 3,000 visitors and 200 invited guests to Visby. A cruise ship, AIDAdiva, was also at the quay, giving the event just the right setting.

Visby can now receive the larger ships which dominate international cruise traffic. The large ships also entail an increase in gross tonnage, which exerts a positive impact on CMP's earn-

ing capacity. The quay is capable of receiving two ships that are 300 metres or longer. Furthermore, CMP is able to simultaneously receive smaller ships in its inner port area. The expanded capacity already made a major difference in 2018, with Visby receiving 74 arrivals with about 74,000 passengers.

More visitors to Gotland

The expanded cruise traffic is an initiative which encompasses a large number of actors, and where the joint objective is to bring more visitors to Gotland. It includes the participation of Region Gotland and the port of Visby, plus shops, restaurants, cafés and the rest of the tourism industry on the island. Positive experiences sum up the 2018 season. The shipping companies are highly appreciative of the new destination, which now has one of the world's most modern cruise quays – a facility

where it is easy to moor and which has generous parking areas for the buses which receive the passengers as they come ashore. Things have also worked out well logistically and technically, with staff from the Port of Visby providing the service on behalf of CMP – meeting the ships on arrival, managing waste, fresh water, and much more.

The trend is positive

In 2019, the number of arrivals is increasing to 97 and the number of passengers to about 110,000. Moreover, an additional shipping company will start using Visby during the year. There will also be some changes for the 2019 season, which will further improve accessibility to the buses in the terminal area. The positive trend will also continue in 2020, as 96 arrivals are scheduled so far.

SHARP INCREASE IN CRUISE TOURISM

Of all the cruise tourists who visited Visby 2018, Germans were the largest group, followed by passengers from the UK, Finland, Sweden and the US. Surveys that have been conducted show that the average cruise passenger spent EUR 47 during their stay on Gotland – primarily on shopping, meals or sightseeing.

Revenues and jobs

The passengers spend between six and eight hours on Gotland, with the majority shopping, eating or visiting sights in Visby. About a third of the visitors participate in sightseeing tours, including a journey to Fårö on the northern part of the island. Cruise tourism thus provides both revenues and jobs for the tourist industry.

"We have examples of cafés which have sold 1,200 cups of coffee and destinations that have sold 800 tickets to cruise passengers", observes Susanne Samuelsson, marketer at the Gotland Excursion company, which arranges guides and guided tours.



July 27 was the most intensive day for cruises in 2018, with CMP simultaneously receiving four arrivals with about 3,000 passengers.

More guides in 2019

A number of the shops in Visby also decided to open early so that they could welcome the cruise passengers, who often come into the city centre as early as 7:30 in the morning.

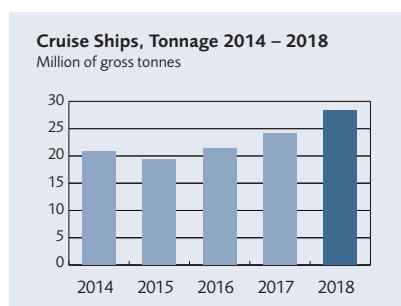
"We have kept the shops informed of all arrivals – when the ships are going to dock and which nationalities are on board. This has made it easier to adapt the reception", says

Magnus Olsson, director of the Centre Association in Visby.

A major training initiative is under way for 2019 to prepare more guides to meet the increasing flows of tourists. It means that an additional 60 or so guides were ready when the cruise season started.

"WE HAVE KEPT THE SHOPS INFORMED OF ALL ARRIVALS – WHEN THE SHIPS ARE GOING TO DOCK AND WHICH NATIONALITIES ARE ON BOARD."

CRUISE SEASON IN TOTAL 2018



DID YOU KNOW:

Our cruise operations encompass three destinations – Copenhagen, Malmö and Visby, with Copenhagen currently as Northern Europe's major destination. The number of ship and passenger arrivals has increased substantially in successive years, and has contributed to the fact that we are continuing to make investments in these operations. The successes are also linked to the port's geographic location in Copenhagen and its proximity to shopping streets and sights, as well as to the airports in Copenhagen and Malmö. Furthermore, we have been continually developing cruise operations by improving the infrastructure, service and information. Malmö is a complementary destination to Copenhagen, whilst Visby represents diversification by offering an attractive destination to visit in the Baltic Sea.

BOARD OF DIRECTORS



Birgit Aagaard-Svendsen
Chairman of the Board
Board member since 2018



Ilmar Reepalu
Deputy Chairman of the Board
Board member since 2013



Olof Andersson
Board member since 2013



Anja Sonesson
Board member since 2015



Anders Peterson
Board member since 2017



Søren Jespersen
Board member since 2017



Jonas Bjørn Jensen
Board member since 2018



Mads Lebech
Board member since 2012



Johnny Isager Høvring
Board member since 2017
Employee representative



Florentina Berisha
Board member since 2018
Employee representative



Karsten Jensen
Board member since 2017
Employee representative



Gert-Inge Johansson
Board member since 2016
Employee representative

MANAGEMENT



Barbara Scheel Agersnap
CEO & Deputy CFO



Brian Kristensen
COO Bulk, Cruise/Ferries & North Harbour



Povl Dolleris Røjkjær Ungar
COO Cars, Container & General Cargo



Pia From Jeppesen
CHRO



Anna Luterkort
Head of Property & Legal



Ulrika Prytz Rugfelt
PR & Corporate Communications Manager

CORPORATE GOVERNANCE REPORT

CMP is a private Swedish limited company with a Danish subsidiary. Its corporate governance is primarily based on the Swedish Companies Act and the Annual Accounts Act, but also on other relevant laws and regulations. CMP is not formally covered by the Swedish code for corporate governance.

However, the ambition is to apply the code as far as possible and also where this is deemed to create value. The aim of this corporate governance report is to highlight to shareholders, customers and other stakeholders how the business is administered. CMP's conviction is that, among other things, good corporate governance creates conditions for clear allocation of responsibility between the different corporate bodies, which increases efficiency and reduces risks.

Annual General Meeting

The AGM is CMP's highest decision-making body and the forum where shareholders can have an influence over the company. Each shareholder is entitled to take part in and exercise the right to vote at the annual meeting of shareholders. A shareholder who is not able to personally attend the meeting can exercise his or her right through a representative. The duties of the AGM are regulated in the Companies Act. Among other things, voting at the AGM determines the composition of the Board of Directors, changes in the articles of association and other matters. Each share represents one vote. Decisions taken at the AGM are made in accordance with the provisions of the Companies Act regarding the size of the majority. The directors and the auditors – along with representatives for the executive management – are normally present to answer questions and provide information.

The Board of Directors

The Board of Directors has ultimate responsibility for how the business is run and must administer the company's affairs in the interests of the company and all shareholders. The Board of Directors' duties include appointing

and dismissing the CEO, producing guidelines for the CEO's work and making decisions in all questions that are deemed to be of material importance for the company's operations. The Board of Directors continually evaluates the company's financial position and also ensures that access to capital meets the business's requirements over time. In accordance with the articles of association, CMP's Board consists of twelve ordinary members, eight of which are appointed at the AGM. The trade-union organisations in Malmö are entitled to appoint another two ordinary members and two deputy members. The employees in Copenhagen also have this right. The Chairman and Deputy Chairman of the Board of Directors are appointed by the two largest owners – By & Havn I/S and Malmö stad, as long as they each own more than 20 per cent of the total number of shares. The chairmanship alternates between By & Havn I/S and Malmö stad. The Chairman is elected for a period of two years. The company's CEO, normally participate in board meetings. If necessary other leading company officials also participate. The main task of the Board of Directors is to be responsible for the company's organisation and the administration of its affairs. The work is governed by the Companies Act and by the rules of procedure for CMP's Board of Directors. The work of the Board of Directors follows a set agenda, with the aim of meeting the Board's requirement for information. The agenda is drawn up in accordance with the rules of procedure set by the Board of Directors. This is done every year at the first board meeting held after the AGM. Among other things, the rules of procedure set out how often the Board of Directors should meet and the allocation of work and responsibility be-

tween the Board, the Chairman, Deputy Chairman and CEO. The Board of Directors monitors the business through the work it undertakes, via monthly reporting and through regular contacts between board meetings. This follow-up enables decisions to be taken on overall, long-term strategies and goals. The follow-up also ensures adoption of annual accounts and budgets, and decisions surrounding major investments and other business-related matters. CMP's Board of Directors perform an annual evaluation of their work.

Remuneration issues

The Chairman and Deputy Chairman present the annual remuneration principles for the Board of Directors. The Chairman and Deputy Chairman are also responsible for preparation of issues concerning remuneration principles, remuneration and other terms of employment for the CEO and – if there is one – the Deputy CEO, as well as for submission of proposals to the AGM.

Auditing issues

CMP's Board as a whole participates and makes decisions concerning the company's audit. The company's auditors give an account of observations and conclusions from the annual audit.

CEO, executive management

CMP's CEO leads the business in accordance with the instructions that the Board of Directors has adopted, as well as according to relevant laws and statutes. The CEO is responsible that the Board of Directors receives information and necessary data on which to base decisions and that the Board of Directors' deci-

sions are implemented. The CEO has principal responsibility for the operational management of the company. The company's operations are divided into two Commercial areas. The company has a management team consisting of seven ordinary members including CEO and the Deputy CEO. Besides the CEO and the Deputy CEO, the management team consists of the head of each Commercial area, Property & Legal, HR and PR & Communication.

External audit

According to CMP's articles of association, an authorised public accountant and a deputy must be selected. The nomination of auditors and selection of remuneration principles take place at each ordinary AGM. The responsible auditor in CMP reviews the company's annual report and accounts, as well as the Board of Directors' and CEO's administration. The auditor participates in the Board of Directors' annual accounts meeting and reports on his audit. The chairman or auditor presents the auditor's report at the AGM and describes the audit work and observations made.

Internal control

According to the Swedish Companies Act, CMP's Board is responsible for the internal control. The company's financial reporting complies with the laws and rules that apply for companies of this type and local rules in the respective country where operations are conducted. A satisfactory internal control in respect of financial reporting has the aim, among other things, of providing reasonable certainty in the reporting, among which the annual report has major importance.

The control environment

CMP's Board has overall responsibility for establishing an effective system for internal control, both with regard to the financial reporting and for the business in general. The operational responsibility for maintaining effective internal control is delegated to the CEO, who in turn delegates function-specific responsibility to managers at different levels in the company. Controlling documents – for example, the Board of Directors' rules of procedure and instruction for the CEO – ensure a clear allocation of responsibility. Within CMP there is an overall set of rules and regulations in relation to authorization and powers. These authorization instructions regulate responsibility and powers for transactions between Board of Directors, CEO and other persons in the company.

CMP's internal business system – M/S Progress, along with the quality and environmental management systems – contain process descriptions, job instructions and job descriptions.

Risk assessment

The work in respect of material risks in the financial reporting comprises both identification of risks, as well as surveying and assessing them.

Control activities

The aim of the risk management is to quantify and reduce, or alternatively eliminate, risks that have been identified in the financial reporting. The risk management is built into the company's processes. Different control activities are used to evaluate and limit risks, and also to ensure that the risks to which CMP is exposed are dealt with according to set guidelines and instructions. CMP has a reporting system based on monthly, quarterly and annual reporting. Analyses of the reporting are conducted at overall level, with profitability,

capital tied up and key ratios in focus. Follow-up is performed in relation to the budget, the most recent forecast and selected key ratios. Monthly reports are always submitted to the Board of Directors. The regulations in respect of authorization and powers ensure a clear decision process for more extensive decisions, for example, major investments and contracts etc.

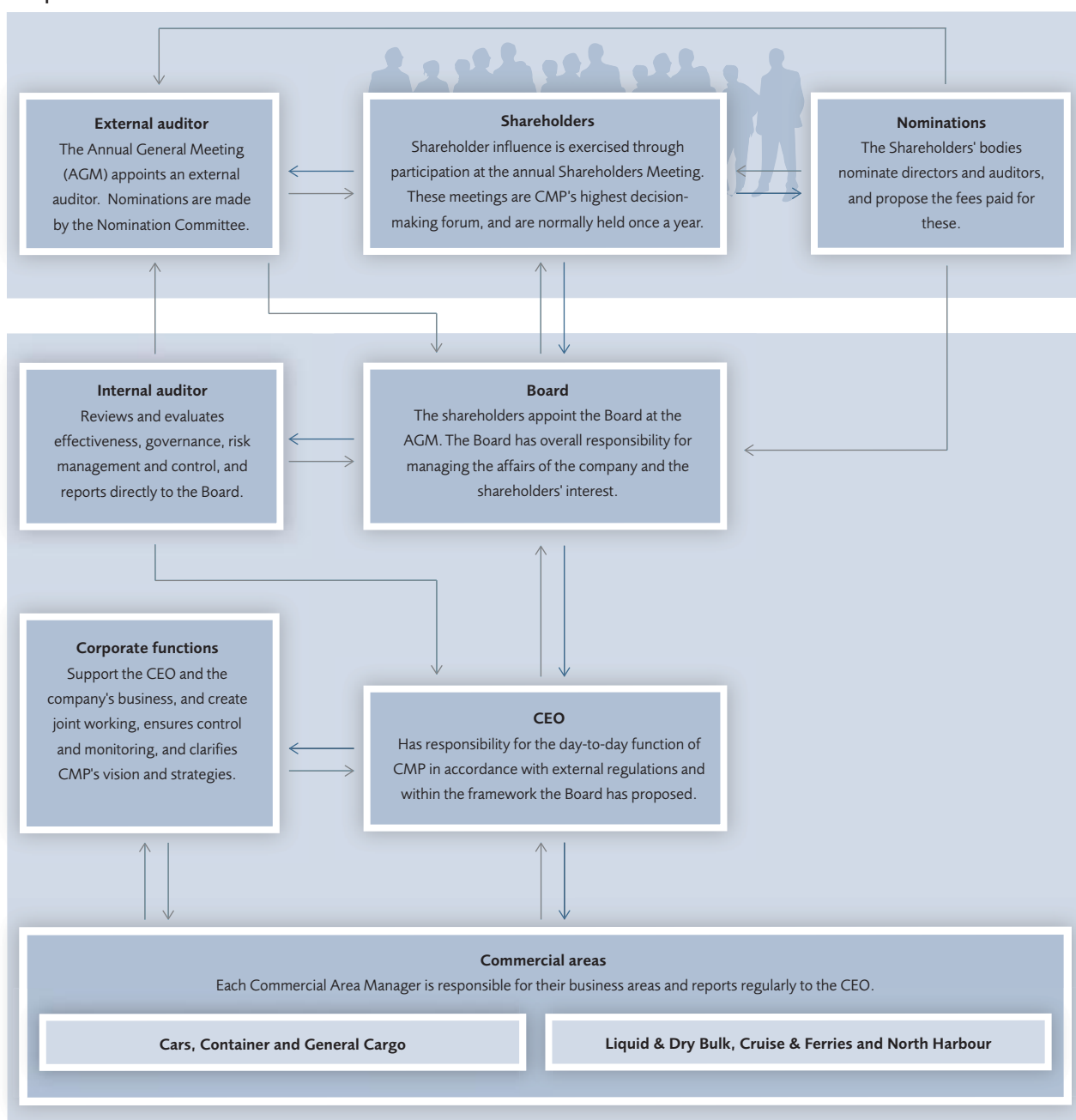
Financial reporting

CMP has internal information and communication routes with the aim of promoting correct financial reporting. Internal guidelines and manuals that affect the financial reporting are evaluated on a continuous basis. The Board of Directors receives monthly reports concerning the operation's financial development with analyses and comments on the development compared with budget, forecast and the previous year. The external auditor reports back to the Board of Directors every year after the year-end audit. CEO and CFO keep the Board of Directors regularly informed concerning the company's financial position, development and any potential risk areas. Press releases, financial information etc. are published on CMP's website. The external financial reporting is based on external and internal controlling documents.

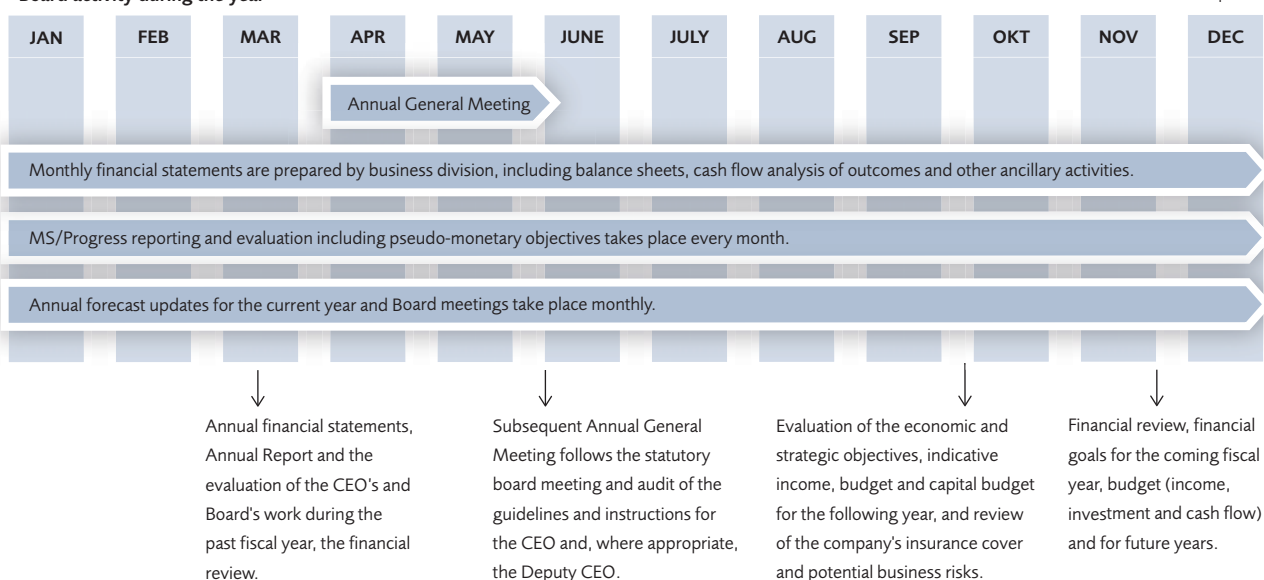
Follow-up

Follow-up to ensure the effectiveness of the internal controls with respect to the financial reporting is dealt with by the Board of Directors, CEO, the management as well as by the company's various units. The follow-up includes analyses of monthly and quarterly reports, which are compared with budgets and forecasts. CMP does not have a specific function for internal auditing. The Board of Directors' assessment is that there are no special circumstances in the business or other conditions that justify establishing such a function.

Corporate Governance



Board activity during the year



Translation of official report:

SUSTAINABILITY REPORT



The sustainability report has been prepared in accordance with the regulations in the Annual Accounts Act, chapters 6 and 7, and also reviewed by an external auditor. On signing the annual report and consolidated accounts, the Board of Directors of Copenhagen Malmö Port AB has also approved the sustainability report.

About the sustainability report

This is Copenhagen Malmö Port AB's (CMP) second sustainability report and relates to the 2018 financial year. The sustainability report encompasses the parent company Copenhagen Malmö Port AB (Corp ID no. 556027-4077) and all entities that are consolidated in CMP's Group accounts for the same period. The sustainability report has been prepared in accordance with the regulations in the Annual Accounts Act, chapters 6 and 7.

In preparing the sustainability report, guidance has been obtained from the Global Reporting Initiative's (GRI) guidelines for sustainability reporting (GRI Standards), however, CMP does not claim that it has fully applied the guidelines.

On signing the annual report and consolidated accounts, the Board of Directors of Copenhagen Malmö Port AB has also approved the sustainability report.

Significant sustainability risks

Prior to the preparation of last year's sustainability report, workshops were conducted with the management team and interviews with a selection of stakeholders in order to identify and prioritise the most significant sustainability risks (sustainability issues) for CMP in its

own operations and in the value chain. Based on this materiality analysis, CMP's risk management and ongoing work to limit the impact of the operations in the specified areas are described below, along with the results achieved.

Area	Sustainability risks
Environment	<ul style="list-style-type: none">• Energy usage• Emissions to air, water and soil• Waste management
Social conditions	<ul style="list-style-type: none">• Impact on society• Safety• Emergency preparedness
Employees	<ul style="list-style-type: none">• Diversity• Health and safety• Employees' rights
Anti-corruption	<ul style="list-style-type: none">• Business ethics
Human rights	<ul style="list-style-type: none">• Supplier evaluation



ENVIRONMENT

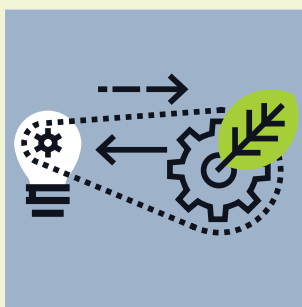
MANAGEMENT

CMP's operations have both a direct and an indirect environmental impact, which in many cases are closely linked – the port operation has an environmental impact in itself as do the ships which arrive at the port and the shipments in and out of the port area. CMP's responsibility applies primarily to the direct impact, however, together with customers, suppliers and other stakeholders, CMP also works to limit the indirect impact.

Environmental management within CMP is governed by the company's environmental policy (which can be found at cmpport.com), visions and objectives. Environmental management principally concerns issues of air, soil and water quality as well as the cycle of energy and waste. The parameters are defined by the legislation in Sweden and Denmark, as well in directives and permits from Swedish and Danish authorities. An ISO-certified (ISO 9001 and 14001) management system and clear process maps are in place to ensure that the everyday work is performed in accordance with risk assessed procedures and instructions.

CMP has formulated six long-term objectives regarding the direct environmental impact (see table) and we set out our activities during the year to achieve these objectives.

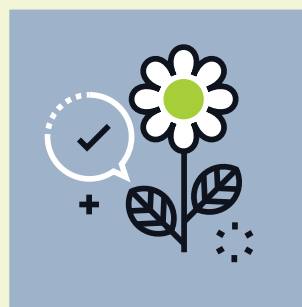
Area	Objectives
Energy	We will reduce our electricity consumption and our heating requirements by an average of 2% per year through efficiency solutions. At the same time, we will increase the proportion of internally generated renewable energy by an average of 5% per annum.
Air	We will be CO ₂ -neutral by 2025 through changing to fossil-free fuels and fossil-free sources of energy for electricity and heating. The indoor air in our premises will be of good quality and there must be no risk of toxic substances in connection with demolition work.
Water	We will contribute to achieving and ensuring a good biological and chemical status in the classified bodies of water that CMP affects.
Soil	Spillage on permeable areas will be minimised.
Waste	We will follow the so-called waste staircase. Waste generated by CMP will be cut by an average of 4% per annum and the degree of recycling will be 50% (excluding hazardous waste) by 2020. For waste generated by ships, combustible and unsorted waste will be reduced by an average of 2% per annum.
Climate	CMP will develop a clear picture of how the port is affected by changes in the climate. The role of the port in such a situation must be clear.



Energy

Vision objectives: We are energy-efficient. We use the latest technology.

Long-term objectives: We will reduce consumption of electricity (not as fuel) and reduce our heating requirement by an average of 2% per annum through increased efficiency. At the same time, we will increase the proportion of internally generated renewable energy by an average of 5% per annum.



Land

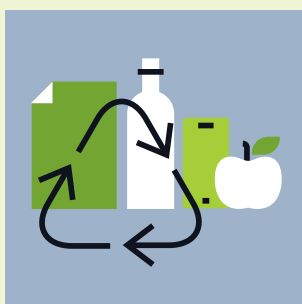
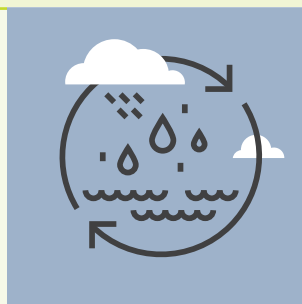
Vision objectives: We have soil which fulfils the regulations for industrial land.

Long-term objectives: Spillage on permeable areas will be minimised.

Water

Vision objectives: We have water in the port with good status.

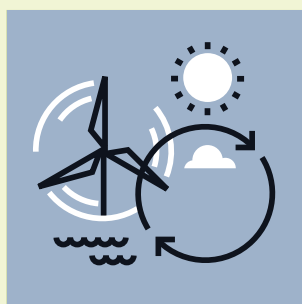
Long-term objectives: We will contribute to achieving and ensuring a good ecological and chemical status in the classified bodies of water that the company affects.



Materials flow

Vision objectives: We close the circle. All waste can be re-used or recycled.

Long-term objectives: We will follow the so-called waste staircase. Waste generated by CMP will be reduced by an average of 4% per annum and the degree of recycling will be 50% (excl. hazardous waste) by 2020. Of the waste generated by ships, the fractions of combustible and unsorted waste will be reduced by an average of 2% per annum.



Air

Vision objectives: We are CO₂ neutral.

Long-term objectives: We will be CO₂ neutral by 2025 through changing to fossil-free fuels and fossil-free sources of energy for heating and electricity. The indoor air in our premises will be of good quality and there will be no risk of releasing toxic substances in connection with demolition work.

Climate adaptation

Vision objectives: We can deal with the consequences of climate change.

Long-term objectives: CMP will establish a clear picture of how the port is affected by climate change. The port's role in such a situation will be clear.

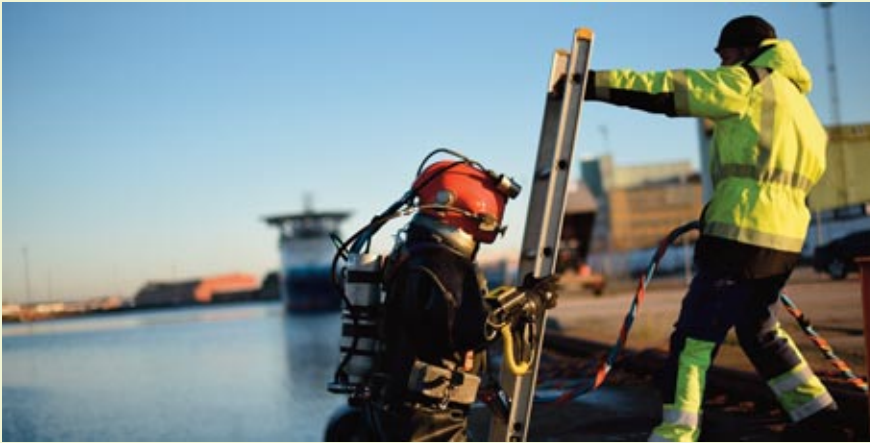


Objectives for our indirect environmental impact:

Food consumption

Vision objectives: We will not impair the conditions for others to have a satisfactory environment.

Long-term objectives: The proportion of organic foodstuffs purchased will be 40% in 2020 in order to reduce eutrophication and use of pesticides.



ACTIVITIES

Our most important environmental initiatives in 2018 principally include the following:

- **Noise classification** – conclusion of the Neptunes project, which entailed CMP and some 15 other ports – including Cork, Rotterdam and Vancouver – coming together to produce a uniform methodology for measurement and classification of noise from ships. This is a major environmental issue and focuses on noise that arises via engines, pumps, fans and ventilation systems when ships are in port. CMP has carried out its own noise measurements on board cruise ships in Copenhagen. The results will benefit the industry as a whole and might, for example, become a part of the Environmental Ship Index (ESI) – an international standard for environmental classification of ships.
- **Improved risk analyses** – work on developing the process maps in the ISO 14001 management system continued during the year. The maps are aids which ensure that the work is performed in the same way and with the same efficiency, regardless of who does it. They also facilitate opportunities to conduct risk assessments in the operation, put in the right preventive measures and set priorities, for example, for initiatives which produce the greatest customer benefit. In the coming year, CMP will also link the process maps to existing and new key ratios, facilitating measurement and follow-up.
- **More effective deviation management** – digitalisation has continued in this respect and means that today employees can report deviations with a link to environment, work environment and quality via their mobile phones. The result is that there is a greater likelihood of reports being made, which is positive as deviation management is an important part of the work to prevent risks. Systems have also been improved. All notifications received are automatically passed on to the responsible manager who investigates and decides on any actions that might be required.
- **Environmental permit for container terminal** – the plan is for CMP's new container terminal in Copenhagen to be operational in 2021. An application for an environmental permit was submitted to the authorities during the year, as well as an application for security classification of this strategically important facility. The environmental permit also includes the new cruise terminal that CMP is going to construct in Ydre Nordhavn. Decisions from the authorities concerned are expected during the first half of 2019.
- **New environmental manager** – an environmental manager has been employed in the Danish operations. Having environmental managers in both of CMP's native countries will enable the environmental management to be performed more proactively throughout the business. At the same time it facilitates contacts with authorities and other stakeholders in the respective country.
- **Air measurement at cruise quay** – air measurements have been performed in Copenhagen in the area surrounding the Langelinie cruise quay. The results showed that the average values for the concentrations of nitric oxides and ultrafine particles measured were at the same level as in a one-way street in the Vesterbro district in Copenhagen.
- **Contribute to urban development** – new areas of offices and housing will be developed in Malmö during the next three years in close proximity to the port. During the year CMP has contributed noise assessments that will be used in the continuing planning process.
- **Environmental improvements** – examples of initiatives which improve the environment are the new buckets which were installed in bulk handling and which substantially reduce spillage of, for example, salt and grain when loading and unloading. The introduction of electric or hybrid cars is continuing – including in the bulk operation – and is making the internal vehicle fleet increasingly less dependent on fossil fuels. CMP is also examining the potential to use so-called environmental diesel (HVO) in all machines. Waste management has been rationalised in Copenhagen. Separation at source has been developed and compressing the waste on site at the recycling stations has enabled the number of transports to be substantially reduced.



RESULTS

We note the following results in relation to our objectives:

- **Energy**

Electricity consumption has increased somewhat during the year from 8.26 GWh to 8.44 GWh, partly due to the installation of new electrical equipment to replace diesel, including new mobile cranes in Malmö. Energy use for heating increased from 3.4 GWh to 3.9 GWh. The energy efficiency target for 2018 has consequently not been fully achieved. CMP is working to expand its own generation of renewable energy and together with actors including E.ON and Malmö stad it has applied for funding for a solar energy project at Vin-nova.

- **Air**

All electricity purchased is renewable according to agreements with CMP's electricity supplier and the conditions to also switch to completely fossil-free heating are

being examined. The continued transition from older diesel vehicles to modern leased electric vehicles and a revised policy for the purchase of utility cars and company cars has contributed to a reduction in diesel use of 16% from about 687 m³ in 2017 to 579 m³ in 2018. This also entails significantly lower emissions of carbon dioxide and in this respect CMP is one step closer to its target of being CO₂-neutral by 2025.

- **Water/land**

The installation of better loading and unloading equipment for bulk goods and petroleum products has contributed to significantly less risk of spillage and no significant spills were recorded in water or on land during 2018.

- **Waste**

The expanded opportunities for separation at source mean that increasing amounts of waste have been sorted cor-

rectly and have thus also been recycled during the year. A total of approximately 5,900 tonnes of waste were collected from ships and their own operations during the year and approximately 66% went to recycling, just over 33% to energy recovery and less than 1% to landfill.

- **Climate**

Work on CMP's climate adaptation strategy has continued during 2018 in consultation with the municipalities in Malmö and Copenhagen. The intention is to investigate what tangible effects climate change might have on the port, and also to consider, among other things, how cities are preparing for rising sea levels.



SOCIAL CONDITIONS

MANAGEMENT

CMP's role gives it a significant influence on business and society in Malmö and Copenhagen as well as surrounding regions. Port operations are an important part of the infrastructure, which in turn creates conditions for economic growth and jobs through the delivery of freight and cruise services. This will also include a responsibility to limit any burdens that the business causes for people and the environment.

In view of this, it is of course important that CMP has reliable and effective procedures to keep the port running, avoid accidents and ensure the safety and security of persons working in or coming into contact with its operations, as well as the freight handled. CMP has a contingency plan that includes the protection of port facilities against possible terrorist threats, but also to prevent ports being used for the export of terrorists or their weapons.

ACTIVITIES AND RESULTS

It is CMP's conviction that overall the business has a positive impact on society with, for example, the cruise operation contributing an estimated 2,000 jobs in Copenhagen, including through the money that the cruise guests spend during their time in the city.

The buildings in both Malmö and Copenhagen have gradually come closer to the ports as the cities have grown and CMP's facilities are now relatively centrally located in attractive locations for continued urban development. This means that expectations and requirements for CMP have changed over time as new offices and homes are built in the immediate vicinity of the port operations.

There has been a clear focus on management of CMP's social impact during the year. Numerous activities have revolved around different investigations and licencing issues in connection with, for example, the phasing out of areas that are no longer in use and the

movement of operations to new areas allocated to CMP to make room for the growing cities. As mentioned above in the environment section, CMP has, for example, been assisting in noise investigations that are the basis for planning new districts in Malmö and Copenhagen.



EMPLOYEES

MANAGEMENT

The health and safety of staff is obviously an important sustainability issue. The work in the port involves some heavy lifting and there are risks of injury in some operations. CMP surveys these risks on an ongoing basis and has a zero vision for work related injuries associated with handling freight. In the long term, this means that no employees will be injured in their work at CMP. The systematic health and safety work is part of CMP's integrated management system.

CMP is a workplace where employees' rights are protected and everyone should feel welcome regardless of age, gender, ethnic or other background or personal qualities. CMP has an explicit "senior policy" with the aim of utilising the skills of older (over age 58) employees and consolidating their right to development and qualified tasks during their final years at CMP.

CMP also has a training and development policy that covers all employees. The current and future training and development needs of em-

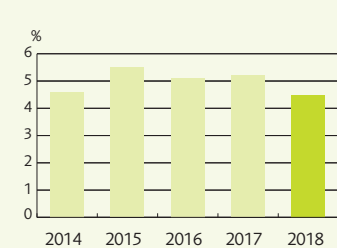
ployees are surveyed, revised and agreed on an ongoing basis, but at least once a year in connection with appraisals.

ACTIVITIES AND RESULTS

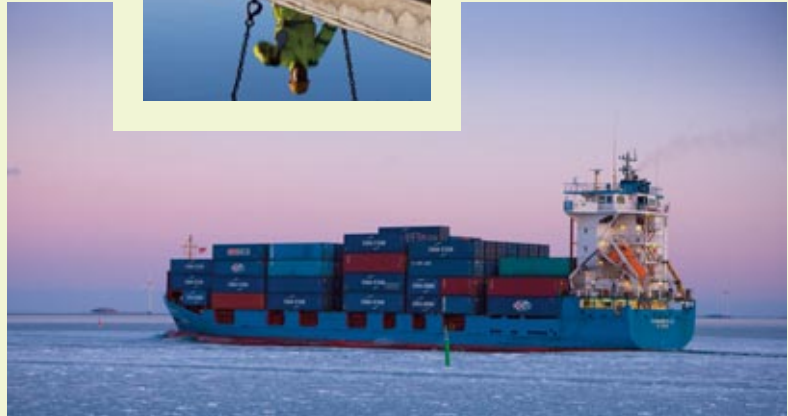
CMP has continued to highlight health and safety in the workplace during the year and has sought to raise awareness about the risks of injury that may arise in various operations in the port. This is a continuous process which can lead to CMP approaching its zero vision target in the long run. The number of incidents resulting in injuries was 13 in 2018, which is slightly lower than last year when 14 incidents were recorded. Sick leave in Denmark was about 4.9%, with the majority long-term absences related to private causes rather than injuries in the workplace. In Sweden, sick leave was about 4.3% and mainly short-term absence.

CMP conducts a multi-faceted business and the nature of the work varies between the different operational areas and locations, which

Absence due to Illness 2014 – 2018



is also reflected in the composition of the staff. Especially in Copenhagen, a significant proportion (about 22% compared to 9% in Malmö) of employees are over 60 years old and have been active within CMP for many years. In Malmö, the labour force is instead relatively young, with around 36% aged below 40 (compared to 17% in Copenhagen). CMP's management team is equal in terms of gender, with 57% (4 out of 7) women, however, in the company as a whole women only represent 17% of the employees.



OBJECTIVES AT ALL LEVELS

CMP is now taking the next step in its process of setting objectives. It entails the production of personal, relevant and everyday objectives for white-collar employees and supervisors which are linked to individual efforts.

Personal objectives establish clearer ownership surrounding what CMP aims to achieve within the areas of Results, Innovation, Culture/Leadership and Commercial Excellence. The objectives thus become more tangible and simpler to relate to.

M/S Progress – common tool

Objectives were previously set at company and department level via M/S Progress, a tool for follow-up and communication which has always made these objectives visible for all employees. The entire objectives process has been gradually developed over the years. For example, in 2018 the work at department level was linked to spe-

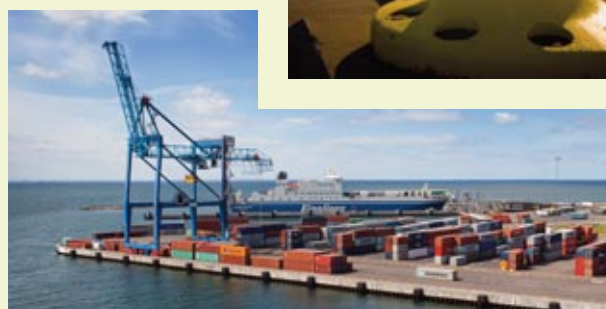
cific workshops, which provided inspiration and enhanced precision.

Another step in the development was taken at the Dialogue Meetings in autumn 2018, when all employees were able to contribute ideas surrounding what needed to be done in order to pave the way for both departmental objectives and personal objectives – a step which simultaneously linked together the process, from company level via the departments and to each individual. In addition, some fifty managers were brought together immediately after the turn of the year in what is called the Leadership Forum. The departmental objectives for 2019 were formulated at this meeting, and they have also influenced the personal objectives.

Clarity and relevance

Personal objectives are produced for one year at a time and they are tangibly linked to

individual efforts. There are many benefits. Understanding of why the objectives are relevant is increasing throughout the organisation, at the same time as everybody obtains a better grasp of how they personally contribute to the operational objectives. This understanding and clarity enables greater involvement and contributes to achievement of the objectives. Each employee reviews his or her objectives with their immediate manager. Follow-up takes place on an on-going basis throughout the year so that the objectives are kept relevant. As a company, CMP can also use this structured process of setting objectives to focus on important areas. In addition, during 2019 all managers must set at least one objective for how to develop their leadership and their employees.



ANTI-CORRUPTION

MANAGEMENT

CMP has zero tolerance of all forms of bribery and corruption, and this is clearly set out in the code of conduct that is communicated to all employees. Countering corruption includes training employees, eliminating situations where bribes can be given or received, and creating opportunities for both employees and outsiders to report irregularities.

ACTIVITIES AND RESULTS

The work to embed CMP's values has continued in 2018. Personal goals linked to the values and their own work inputs have been introduced for all white collar workers and supervisors. This creates clearer ownership surrounding what CMP stands for and helps prevent dubious business practices.

An internal incident reporting system has been in place for some time, to which all employees have access and through which all forms of observations, including corrupt or unethical behaviour, can be reported. There have been no reports of corruption or deficient business ethics during the year.



HUMAN RIGHTS

MANAGEMENT

CMP believes that the risk of human rights violations is relatively limited in its own operations, however, we are continuously engaged in ensuring that employees' rights are maintained. CMP must be a safe and welcoming workplace where all employees are treated with respect in line with our values and code of conduct. CMP naturally expects that suppliers and partners will also respect basic human rights and meet the expectations set out in the code of conduct.

ACTIVITIES AND RESULTS

Some activities and results in relation to respect for human rights have been presented in the staff section as well as other sections. In addition, the work to strengthen the evaluation of suppliers with regard to sustainability criteria has proceeded during 2018 and CMP has clearly expressed an expectation that suppliers should respect human rights in their operations.

Besides taking human rights into account in our own operations and in procurement of suppliers, CMP endeavours to promote human rights in the partnerships and collaborations in which we are involved – refer to the website for more information about our participation in international co-operation organisations.

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Copenhagen Malmö Port AB (CMP) hereby submit their annual report and consolidated accounts for the financial year January – December 2018.

Ownership structure, scope and type of business operations

CMP's shares and voting rights are distributed among 19 shareholders (20). Udviklingsselskabet By & Havn in/S, Malmö stad and Förvaltnings AB Norra Vallgatan together represent 91.9 per cent of the total number of shares and votes. During 2018 the number of owners has been reduced by one minor shareholder. Otherwise, there have been no changes in ownership.

Largest shareholders 31 December 2018

Shareholder	No. of shares	% share
Udviklingsselskabet By & Havn I/S (Danish reg.no. 30823702)	1,800,000	50.0%
Malmö stadskontor, Malmö stad (Swedish reg.no. 212000-1124)	989,100	27.5%
Förvaltnings AB Norra Vallgatan (Swedish reg.no. 556669-0383)	517,800	14.4%
Other shareholders	293,100	8.1%
Total	3,600,000	100.0%

Note. The equity and voting shares are identical.

The parent company is a Swedish limited company (Corp ID no. 556027-4077) with associated Danish branch (Corp ID no. 25 99 60 11). Besides the parent company and branch, there are the subsidiaries, Copenhagen Malmö Port Norra Hamnen AB (Corp ID no. 559061-3963) and Copenhagen Malmö Port Cruise Visby AB (Corp ID no. 559143-4468), where the parent company owns 100%.

Geographically, operations are conducted in the port areas in Copenhagen, Malmö and Visby. Operations in Visby solely comprise cruise traffic. Operations within CMP are divided into four business areas – Cruise & Ferry, Liquid Bulk & Dry Bulk, Cars, Container & General Cargo, and North Harbour.

All business areas apart from North Harbour have operations in both Malmö and Copenhagen. North Harbour only has operations in Malmö. The only business segment in Visby is Cruise. CMP utilises fixed facilities such as quays, shipping lanes and buildings by agreement with Malmö stad, Udviklingsselskabet By & Havn in/S and Region Gotland. CMP pays annual concession fees for this. These fees are based both on a similar arrangement to site-leasehold, as is the case with older facilities, and – on completion – on investments made in new facilities, which are initially financed by the relevant land owner. The current lease contract with the port owners runs until 2035 (Copenhagen and Malmö) and 2038 with an exit option in 2028 for Visby. Each port owner guarantees CMP at least the book value – or balance of financing rent – of investments which cannot be moved in the event that the

lease contracts are not renewed. The guarantee applies for the respective facility provided that the port owner approves the fixed investments that CMP makes and has made. At the end of 2018 there was no investment as described above which was not guaranteed.

Business concept

CMP's business concept is to sell port, terminal and transport solutions and to function via its strategic geographic location as logistics hub for the Baltic region as a whole. Put simply, the operation is based on CMP matching areas and activities where land and premises provide a rental income, the quay a port revenue and all other handling a handling revenue. However, it should be noted that the handling revenue is principally burdened with personnel costs and other operating costs, as well as with concession fees for the area on which the work is performed. CMP helps to keep the wheels of society rolling and is a part of the transport chain which is contributing to developing and modernising Denmark and Sweden. CMP's various solutions connect sea with shore and create growth and prosperity for all.

Significant events during the financial year

Planning continued for the move of the container operation in Copenhagen to Ydre Nordhavn (Outer Northern Harbour), which is located about one kilometre from the present terminal. The reason for the move is the on-going urban development in Copenhagen. The plan is for CMP's new container terminal to be operational in 2021.

Planning for the construction of an additional cruise terminal in Copenhagen also continued. The terminal is being constructed to meet the increasing demand with more arrivals and ever larger ships. The plan is for the terminal to be completed for the 2021 season.

During April the first cruise ship arrived in Visby at CMP's newly constructed jetty. The operation is a good complement to the cruise operation in Malmö, but primarily to the cruise operation in Copenhagen as the destination can now be offered as a package solution. During 2018 the port in Visby received 74 cruise arrivals.

Development of operations, position and profits (Group)

(SEK 1,000)	2016	2017	2018
Net sales	812,136	839,451	908,429
Operating income	43,172	77,874	110,358
Profit/loss after financial deductions	31,282	56,676	86,026
Balance sheet total	1,038,457	1,141,047	1,184,728
Equity/assets ratio ¹⁾	9.5%	13.2%	16.7%
Return on Equity ²⁾	4.6%	21.1%	26.8%
Average number of employees	377	347	356

1) Adjusted Equity/Balance sheet total. Adjusted Equity refers to Equity + untaxed reserves with deduction for deferred tax liability.

2) Profit for the year/Average adjusted equity.

Sales and profits

CMP's turnover in 2018 amounted to SEK 908.4 million (839.5), which was an increase of SEK 68.9 million compared with the previous year. Excluding exchange rate effects of SEK 34.6 million, the increase in turnover was SEK 34.3 million, which represents an increase of 4.1 per cent.

The rising sales – excl. exchange rate effects – is principally explained by increased volumes within Cruise & Ferry. Turnover in this business area increased by SEK 15.7 million or 7.6%. The increase is largely explained by more arrivals and larger ships with more passengers, but above all by the new cruise operation in Visby. The business areas of Cars, Containers & General Cargo, Liquid and Dry Bulk and North Harbour also increased. The increase in these areas was approximately the same in absolute SEK millions, – i.e. between SEK 6 and 9 million excluding exchange rate effects. The increases are equivalent to a change of between 2.6 and 7.0%. The explanation for the turnover increases is the relatively benign economic situation, but also the fact that the operation has been successful in utilising existing business opportunities.

In total, CMP handled 15.1 million tonnes of freight through the quays in 2018 (15.5), which is a decrease of 0.4 million tonnes or three per cent compared with 2017.

The operating profit for 2018 was SEK 110.4 million (77.9). This produced an operating margin of 12.2% (9.3) and an improved operating profit of SEK 32.5 million compared with 2017. The outcome was affected by the exchange rate effect of SEK 7.3 million, which meant that the operating profit – excluding exchange rate effects – increased by SEK 25.2 million compared with 2017. The explanation for the increased profit is the increase in turnover and the contribution margin to which this increase gave rise, however, the work the business put into focusing on costs and margins has also had a major impact.

Profit after financial items amounted to SEK 86.0 million (56.7). This was an improvement of SEK 29.3 million compared with 2017. Tax on profit for the year amounted to SEK -39.4 (-30.4) million. The company has chosen not to report any deferred income taxes recoverable on loss carry-forward, as it is currently impossible that the amount can be utilised within the prescribed period. This also explains the relatively high tax in relation to profit after financial items.

Profit for the year amounted to SEK 46.7 million (26.3), which was an increase of SEK 20.4 million.

Cash flow and Liquidity

CMP's cash flow from operating activities amounted to SEK 129.8 (103.7) million. The principle reasons for the increase in cash flow from operating activities compared with 2017 of SEK 26.1 million were that:

- operating profit increased by SEK 32.5 million to SEK 110.4 million (77.9).
- income tax paid increased by SEK 12.2 million to SEK 39.8 million (27.6).
- working capital increased by SEK 13.9 million, which can be compared with 2017 when it increased by SEK 17.6 million – a difference in cash flow of SEK 3.6 million.

Investment activities produced an outflow of cash of SEK 82.5 million (37.0) of which the year's investments – besides investments in tangible assets – also included acquisition of financial assets. These fixed assets correspond to a deposit made to Region Gotland in connection with leasing the cruise terminal in Visby.

No dividend was paid during the year (0.0).

Cash flow for the year totalled SEK 8.5 million (34.8). Cash flow for the year produced cash and cash equivalents at the end of the year of SEK 176.4 (167.9) million.

Balance sheet

There has been relatively little change in the consolidated balance sheet during 2018. The balance sheet total increased by SEK 43.7 million or 3.8 % to SEK 1,184.7 million (1,141.0). On the assets side, it is principally Tangible assets that have decreased by SEK 25 million through depreciation in investments and Other long-term receivables have increased, which is explained by a deposit to Region Gotland of just over SEK 50 million.

On the liabilities side, Equity has increased to SEK 197.6 million (151.0) and Long-term liabilities to SEK 708.7 million (708.0).

These changes mean that the equity/assets ratio increased from 13.2 to 16.7 per cent.

The parent company

Copenhagen Malmö Port AB is the parent company for the CMP group and is based in Malmö with a branch in Copenhagen. As mentioned previously, the operation in North Harbour in Malmö was hived off in 2016 and placed in the subsidiary Copenhagen Malmö Port Norra Hamnen AB. Copenhagen Malmö Port Cruise Visby AB was formed in connection with CMP establishing the cruise operation in Visby, and it includes all of CMP's operations in Visby. Otherwise, all business operations are conducted in the parent company. The bulk of the comments for the group above therefore also relate to the parent company. Turnover in the parent company during 2018 was SEK 864.5 million (812.2).

A group contribution of SEK 27.0 million has been provided to the subsidiary, CMP Norra Hamnen AB.

The parent company had 309 (302) full-time employees during 2018. The annual report is ratified at the AGM on 15 May 2019.

Copenhagen Malmö Port AB, 5 year summary

(SEK 1,000)	2014 ¹⁾	2015	2016	2017	2018
Net turnover	762,690	762,122	807,442	812,212	864,516
Operating income	89,517	29,122	46,816	87,198	117,224
Profit/loss after financial deductions	90,263	29,965	47,816	43,494	107,227
Balance sheet total	631,766	636,003	603,678	672,640	751,491
Equity/assets ratio ²⁾	65.9%	25.7%	19.6%	20.1%	23.4%
Return on Equity ³⁾	21.7%	14.2%	16.3%	Neg.	25.9%
Average number of employees	384	376	337	302	309

Significant events after the year-end accounts

No significant events have occurred after the year-end accounts.

Outlook

The company views the future positively. This positive outlook is based on CMP's geographic location, the company's purpose-built facilities and the established commercial networks. These success factors have given CMP a strong position in a number of business segments and markets.

Significant risks and uncertainties

All business operations are associated with risks. Risks managed correctly can open up fresh opportunities and increase value creation, while risks that are badly managed can result in damage and losses. The ability to identify, evaluate and manage risks is an important part of the governance and control of CMP's operations. The ambition is to achieve the business's goals through properly assessed risk-taking, where certain risks can be reduced or entirely avoided.

CMP's risks are managed and followed up systematically, including via a follow-up of the economic monthly outcomes at business segment and departmental level. The ongoing management also entails CMP analysing, expanding and improving the systems, methods and processes used in order to reduce risks. Examples of this are the annual strategy seminars with the Board of Directors, as well as forecasts, budget processes and continuous audits of internal processes and procedures.

The business is exposed to a number of strategic and operational risks. The strategic risks are linked to CMP focusing its operations on areas that might not be in demand in the future, or investing incorrectly and jeopardising competitiveness. CMP tries to reduce these risks through broadly-based, recurrent business analyses, through continually developing the organisation and the employees, as well as through strategy discussions with the Board of Directors and other actors who provide a broader future perspective.

The management of strategic risks is focused on doing the right things. The operational risk management, on the other hand, is more about performing a particular task correctly. Operational risks are therefore focused more on processes, assets and people.

Market risks

CMP's business operations are exposed to market risks, including cyclical fluctuations and changed patterns of demand which can affect demand for the company's services. CMP's operations are wide-ranging and directed at many different sectors and customers. This reduces the risk that a deterioration in demand can affect significant parts of the business. The breadth of the operation also means that the effects and risks of major seasonal variations – which for example characterise the cruise industry – are diminished.

Price risk

The price risk means that the market price of CMP's services could fall, and have a negative effect on the business. This risk is managed through CMP's services being substantially linked to contracts that extend at least one year forward in time. For long-term contractual relationships in respect of leasing quays and warehouses etc., the contracts are index-linked.

Price risks for products and services that CMP purchases primarily pertain to market risks, currency risks and interest rate risks. CMP is indirectly exposed to interest rate risks in its lease contracts via annual indexation of its concession fees. The interest on which the financing rent is based which runs for investments made changes every three to five years. During 2018, the leases (fee plus financing rent) accounted for an annual cost of some SEK 200 million.

The leases for properties that CMP uses are regulated via concession agreements. This minimises the risk of the lessor deciding to use properties for other purposes. The contracts run for five year periods and with a 20 year period of notice before the respective five year period expires. Fixed assets that are owned by CMP – and which have a longer economic service life than 20 - 25 years – are normally guaranteed by the land owner at book value at the end of the contract term.

1) As of January 1, 2014, the company applies BFAR 2012: 1 Annual Report and Consolidated Financial Statements ("K3"). The comparative year 2013 has been recalculated in accordance with K3. Correction of error: In the multi-year review, amounts are reported as an effect of correction of errors by retroactive application. The amounts for 2014-2014 have not been recalculated.

2) Adjusted Equity/Balance sheet total. Adjusted equity refers to equity + untaxed reserves with deduction for deferred tax liability.

3) Profit for the year/Average adjusted equity.

IT risks

Disruptions or faults in critical systems can affect CMP's services and financial follow-up. The risk management in this area is based on CMP minimising the number of systems, using standardised systems with no adaptations and purchasing services from companies with effective systems and a high level of quality and expertise. Analyses of risks such as cyber risks and other types of hacking are performed regularly both internally and by external experts.

Personal injuries and damage to assets

CMP's business is exposed to personal injuries and damage to assets. An example of damage to assets is if a ship was to collide with a quay or other equipment, leading to injuries to persons and/or assets and a stop in operations. CMP follows up these risks on a continuous basis, develops procedures and improves technical equipment and expertise in order to prevent accidents.

CMP has some exposure to substances that are harmful to the environment, for example, oil and chemicals. Systematic environmental and quality management – with clear processes, risk analyses, preventive measures and a contingency plan – means that this risk is deemed to be limited. The same goes for the risk of terror attacks or similar events, where according to international regulations CMP must comply with ISPS (The International Ship and Port Facility Security Code).

Financial risks

CMP currently has relatively minor interest-bearing loans, but is exposed in an equivalent way to interest rates, currency and liquidity, primarily through long lease contracts with port owners in the respective ports. CMP tries to limit this exposure through signing long lease contracts with its customers. The customer contracts thus counterbalance CMP's own exposure as far as possible.

The currency risks are primarily linked to the risk that the Danish krona will develop negatively relative to the Swedish krona. Just over half of CMP's turnover is in Danish kroner. The risk is limited to the profit margin as the bulk of the costs for what is invoiced in Danish kroner are in the same currency.

Other significant risks are the risk of bad debt losses due to insolvency. CMP performs credit checks of customers on a continuous basis, and tries to limit outstanding accounts receivable through adapting the terms of payment. CMP often requires bank guarantees or equivalent from customers for the long lease contracts, which further limits the risks of bad debt losses. Moreover, the risks inherent in long lease contracts are limited as quays and buildings can often be used in other ways than those detailed in the actual contract.

The insurance risk means that the insurance policies that CMP has taken out do not provide protection against different types of damage. CMP has a single insurance policy, with the objective of covering as large a proportion of potential risks as possible at a reasonable cost. There are risks of downtime. CMP always tries to have alternative technology and equipment available. This limits the effects of a breakdown or other incidents that can result in long periods of downtime.

Environment and quality

CMP has a permit to conduct environmentally hazardous operations. This permit presupposes that CMP and the company's tenants and customers meet their undertakings. CMP continuously evaluates operations and analyses relevant risks in order to comply with the requirements and conditions in the environmental permit. The international standards ISO 14001:2015 and the management system for quality ISO 9001:2015 are used to ensure the work is performed systematically. A recertification was undertaken during 2018 to extend CMP's integrated certificate for environment and quality a further three years. A new recertification of the ISO standard will be undertaken during 2021.

Environmental legislation stipulates that port operations in Sweden have a permit. CMP received its environmental permit for port operations in Malmö in 2008. Some of the facilities and land areas where CMP currently conducts operations have been polluted by past activities. The environmental conditions that apply to the period before 2001, when CMP's operations started, are the responsibility of the respective port owners.

Investments

Investments in buildings, machinery and equipment during the year amounted to SEK 31.0 (36.8) million. The investments primarily related to mechanical equipment. Besides investments on its own account, investments are also made by the respective land owner, which pays via a lease fee.

Proposed distribution of profits

The following funds are at the disposal of the Annual General Meeting:

Retained profits, SEK 1,000	-10,111
Profit for the year, SEK 1,000	40,300
Total, SEK 1,000	30,189

The Board of Directors and CEO propose the following:

To be carried forward, SEK 1,000	30,189
Total, SEK 1,000	30,189

CMP's dividend policy stipulates that 25 per cent of the free equity is distributed to its shareholders in cases where the equity/assets ratio exceeds 40 per cent and it is judged that the company's general financial strength so allows.

The Board and the Chief Executive Officer propose that no dividend is made on this occasion, motivated partly by the fact that the equity/assets ratio does not reach the dividend policy limit of 40 per cent, but also to secure the financial strength in relation to the major investments which the company is facing in the coming years.

For more information about the company's results and financial position for 2018 and 2017, see the following income statement and balance sheet and additional disclosures.

CONSOLIDATED INCOME STATEMENT

(SEK 1,000)	Note	2018-01-01 – 2018-12-31	2017-01-01 – 2017-12-31
Net turnover	3	908,429	839,451
Expenditure for goods sold	10	-731 799	-705,946
Gross profit		176,630	133,505
Sales costs		-25,012	-25,079
Administrative costs		-34,769	-36,967
Other operating income	5	75,333	86,652
Other operating expenses	6	-81,824	-80,237
Operating income	7, 8, 9	110,358	77,874
Interest and other similar income		1,181	894
Interest expenses and similar items	11	-25,513	-22,092
Profit after financial items		86,026	56,676
Tax on profits of the year	12	-39,350	-30,357
Profit for the year		46,676	26,319

CONSOLIDATED BALANCE SHEET

(SEK 1,000)	Note	2018-12-31	2017-12-31
ASSETS			
FIXED ASSETS			
Tangible fixed assets	13		
Buildings and land		525,172	516,398
Plant and other technical equipment		161,644	172,699
Inventory, tools, fixtures and fittings		77,008	88,851
Construction in progress and advances		19,948	30,299
		783,772	808,247
Financial assets			
Deferred taxes recoverable	14	34,354	30,336
Other long-term receivables		50,357	0
		84,711	30,336
TOTAL FIXED ASSETS		868,483	838,583
CURRENT ASSETS			
Current receivables			
Accounts receivables		60,914	73,183
Other receivables	17	13,082	5,482
Current income taxes recoverable		7,994	11,812
Prepayments and accrued income	18	57,830	44,080
		139,820	134,557
Cash and bank balances	24	176,425	167,907
TOTAL CURRENT ASSETS		316,245	302,464
TOTAL ASSETS		1,184,728	1,141,047

(SEK 1,000)	Note	2018-12-31	2017-12-31
EQUITY AND LIABILITIES			
EQUITY			
Share capital		100,000	100,000
Other contributed capital		20,388	20,388
Other equity including profit for the year		77,239	30,563
		197,627	150,951
TOTAL EQUITY		197,627	150,951
APPROPRIATIONS			
Other appropriations	20	28,373	27,078
Deferred tax liability	14	7,054	7,260
		35,427	34,338
LONG-TERM LIABILITIES			
Liability financial leasing	21	421,820	441,932
Other long-term liabilities	22	286,903	266,034
		708,723	707,966
CURRENT LIABILITIES			
Trade payables		53,931	42,533
Liability financial leasing	21	31,718	24,569
Other liabilities		9,168	8,669
Accrued expenses and deferred income	23	148,134	172,021
		242,951	247,792
TOTAL EQUITY AND LIABILITIES		1,184,728	1,141,047

THE GROUP'S CHANGES IN CONSOLIDATED EQUITY

Equity (SEK 1,000)	Share capital	Other contributed capital	Other reserves	Retained profits	Total equity
Opening balance as of 1 January 2018	100,000	20,388	25,740	4,823	150,951
Revaluation reserve			-730	730	0
Profit for the period				46,676	46,676
Total changes in value	0	0	-730	47,606	46,676
Closing balance as of 31 December 2018	100,000	20,388	25,010	52,229	197,627

The parent company's share capital comprises 3,600,000 shares with a quota value of SEK 27.78 per share.

THE GROUP'S CASH FLOW STATEMENT

(SEK 1,000)	Note	2018-12-31	2017-12-31
Operating activities			
Operating income		110,358	77,874
Adjustment for non-cash items:			
Depreciation and impairment of property, plant and equipment		47,414	72,918
Interest received		1,181	894
Interest paid		-25,513	-22,092
Provisions		1,295	736
Adjustment for linear distribution of rental costs		20,857	19,103
Capital gain on property, plant and equipment		833	-590
		183,425	148,843
Income tax paid		-39,756	-27,566
Cash flow from operating activities before changes in working capital		143,669	121,277
Change in receivables		-9,081	-6,556
Change in current liabilities		-4,839	-11,020
Cash flow from operating activities		129,749	103,701
Investing activities			
Acquisition of property, plant and equipment		-32,165	-37,594
Sale of equipment		44	590
Acquisition financial fixed assets		-50,357	0
Cash flow from investing activities		-82,478	-37,004
Financing activities			
Amortization of long-term liabilities including financial leasing		-38,630	-31,892
Regulation in loans taken out		-123	0
Cash flow from financing activities		-38,753	-31,892
Cash flow for the year		8,518	34,805
Cash and cash equivalents at beginning of year		167,907	133,102
Cash and cash equivalents at end of year		176,425	167,907

THE PARENT COMPANY'S INCOME STATEMENT

(SEK 1,000)	Note	2018-01-01 – 2018-12-31	2017-01-01 – 2017-12-31
Net turnover	3	864,516	812,212
Expenditure for goods sold	10	-686,346	-671,146
Gross profit		178,170	141,066
Sales costs		-22,773	-23,000
Administrative costs		-32,646	-35,099
Other operating income	5	75,528	83,653
Other operating expenses	6	-81,055	-79,422
Operating income	7, 8, 9	117,224	87,198
Impairment of financial assets	15	0	-37,000
Interest and other similar income		3,885	3,720
Interest expenses and similar items	11	-13,882	-10,424
Profit after financial items		107,227	43,494
Reserves	19	-27,030	-22,900
Tax on profits of the year	12	-39,897	-29,035
Profit for the year		40,300	-8,441

THE PARENT COMPANY'S BALANCE SHEET

(SEK 1,000)	Note	2018-12-31	2017-12-31
ASSETS			
FIXED ASSETS			
Tangible fixed assets	13		
Buildings and land		144,562	122,248
Plant and other technical equipment		61,043	64,392
Inventory, tools, fixtures and fittings		76,218	88,237
Construction in progress and advances		19,951	30,299
		301,774	305,176
Financial assets			
Participations in group companies	15	3,100	3,050
Receivables from group companies	16	111,650	56,650
Deferred taxes recoverable	14	30,583	27,112
		145,333	86,812
TOTAL FIXED ASSETS		447,107	391,988
CURRENT ASSETS			
Current receivables			
Accounts receivables		59,305	64,110
Receivables from group companies		11,884	2,252
Other receivables	17	10,382	5,482
Current income taxes recoverable		7,494	11,311
Prepayments and accrued income	18	54,524	40,436
		143,589	123,591
Cash and bank balances	24	160,795	157,061
TOTAL CURRENT ASSETS		304,384	280,652
TOTAL ASSETS		751,491	672,640

(SEK 1,000)	Note	2018-12-31	2017-12-31
EQUITY AND LIABILITIES			
RESTRICTED EQUITY			
Share capital		100,000	100,000
Statutory reserve		20,388	20,388
Revaluation reserve		25,010	25,740
		145,398	146,128
NON-RESTRICTED EQUITY			
Retained earnings		-10,111	-2,400
Profit for the year		40,300	-8,441
		30,189	-10,841
TOTAL EQUITY		175,587	135,287
APPROPRIATIONS			
Other appropriations	20	28,373	27,078
Deferred tax liability	14	7,054	7,260
		35,427	34,338
LONG-TERM LIABILITIES			
Other long-term liabilities	22	286,903	266,034
		286,903	266,034
CURRENT LIABILITIES			
Trade payables		51,740	41,098
Liabilities to group companies		51,118	22,975
Other liabilities		8,772	6,566
Accrued expenses and deferred income	23	141,944	166,342
		253,574	236,981
TOTAL EQUITY AND LIABILITIES		751,491	672,640

CHANGES IN THE PARENT COMPANY'S EQUITY

Equity (SEK 1,000)	Share capital	Statutory reserve	Revaluation reserve	Non-restricted equity	Total equity
Opening balance as of 1 January 2018	100,000	20,388	25,740	-10,841	135,287
Revaluation reserve			-730	730	0
Profit for the period				40,300	40,300
Closing balance	100,000	20,388	25,010	30,189	175,587

The parent company's share capital comprises 3,600,000 shares with a quota value of SEK 27.78 per share.

THE PARENT COMPANY'S CASH FLOW STATEMENT

(SEK 1,000)	2018-12-31	2017-12-31
Operating activities		
Operating income	117,224	87,198
Adjustment for non-cash items:		
Depreciation and impairment of property, plant and equipment	30,086	35,321
Interest received	3,885	3,720
Interest paid	-13,882	-10,424
Provisions	1,295	736
Adjustment for linear distribution of rental costs	20,869	19,103
Capital gain on property, plant and equipment	833	-590
	160,310	135,064
Income tax paid	-39,756	-27,354
Cash flow from operating activities before changes in working capital	120,554	107,710
Change in receivables	-23,815	-12,884
Change in current liabilities	-10,437	-7,068
Cash flow from operating activities	86,302	87,758
Investing activities		
Acquisition of subsidiaries	-50	0
Change in financial fixed assets	-51,530	0
Acquisition of property, plant and equipment	-31,032	-36,789
Sale of equipment	44	590
Cash flow from investing activities	-82,568	-36,199
Cash flow for the year	3,734	51,559
Cash and cash equivalents at beginning of year	157,061	105,502
Cash and cash equivalents at end of year	160,795	157,061

ADDITIONAL DISCLOSURES

Note 1 General information

Copenhagen Malmö Port AB with corporate identity number 556027-4077 is a limited company registered in Sweden with its headquarters in Malmö. The address of the head office is Terminalgatan 18, SE 201 25 Malmö.

The parent company owns 100% of the subsidiary Copenhagen Malmö Port Norra Hamnen AB, Corp. ID no. 559061-3963, also with headquarters in Malmö, as well as the subsidiary Copenhagen Malmö Port Cruise Visby AB, Corp. ID no. 559143-4468, and registered office on Gotland. The parent company also consists of the Danish branch, Copenhagen Malmö Port, Filial af Copenhagen Malmö Port AB, Sverige with Corp. ID no. 25 99 60 11 and registered office in Copenhagen, Denmark.

Note 2 Accounting principles

The company applies the Swedish Annual Accounts Act (1995:1554) and the general advice of the Swedish Annual Accounting Standards Board BFNAR 2012:1 Annual Accounts and Consolidated Accounts ("K3").

The same accounting and valuation principles are applied in the parent company as in the group, apart from the cases indicated in italics below.

Consolidated accounts

The consolidated accounts comprise the parent company Copenhagen Malmö Port AB and the companies over which the parent company directly or indirectly has a controlling influence (subsidiaries). Controlling influence entails an entitlement to structure another company's financial and operational strategies with the aim of obtaining financial benefits. In assessing whether controlling influence exists, the holding of financial instruments which are potentially qualified to vote should be taken into account as well as financial instruments which can be utilised or converted to equity instruments qualified to vote without delay. Consideration should also be taken to whether the company is able to control operations through an agent. Controlling influence normally exists when the parent company directly or indirectly has shares which represent more than 50% of the votes.

Leasing

All the parent company's lease contracts in which the company is lessee are reported as operational leasing (rental agreement), regardless of whether the agreement is financial or operational.

Revenues

Revenues are reported at the fair value of the compensation received or will be received, with deduction for value added tax, discounts, returns and similar.

Sales of services

Revenues from sales of services on current account are reported as revenues in the period the work is performed and materials are supplied or consumed.

Tangible fixed assets

Fixed assets are reported at acquisition value after deduction for accumulated depreciation and any write-downs.

The acquisition value consists of the purchase price, expenditure that is directly attributable to the acquisition in order to bring it to the location and in the condition to be used. Additional expenses are only included in the asset or reported as a separate asset when it is likely that future economic advantages that are associated with the item will accrue to the company and that the acquisition value for it can be measured reliably. All other costs for repairs and maintenance, as well as additional expenditure, are reported in the income statement in the period when they arise.

When there is deemed to be a material difference in use of a tangible asset's significant components, the asset is divided into these components.

Depreciation of tangible fixed assets is booked in such a way that the asset's acquisition value, potentially reduced by the estimated residual value at the end of its economic life, is written off lineally over its estimated economic life. If an asset has been divided up into different components, the respective component is written off separately over its economic life. Depreciation commences when the tangible fixed asset can be put into use. The economic life of tangible fixed assets is set at:

Buildings:

Framework	100 years
Additional structure/interior walls	50 years
Heating, ventilation, sanitation and electricity	40 years
Ventilation	20 years
Facade and Roof	40 years
Transport (lifts)	25 years
Cranes	25-30 years
Building equipment and installations	10-20 years
Work machinery	7-10 years
Vehicles and other equipment	5 years
Computers	3-5 years

Capital allowances other than depreciation according to plan are regarded as accelerated depreciation arrangements which constitute an untaxed reserve.

Assessed economic life and depreciation methods are reviewed if there are indications that expected use has changed substantially compared with the estimate on the previous balance sheet date. When the company changes its assessment of economic life, it also reviews the asset's residual value, if any. The effect of these changes is reported prospectively.

Buildings have no assessed value.

Removal from the balance sheet

The reported value for a tangible asset is removed from the balance sheet in connection with disposal or sale, or when no future economic benefits are expected from use or disposal/sale of the asset or the component. The profit or loss that arises when a tangible fixed asset or a component is removed from the balance sheet is the difference between that which is potentially received after deduction for direct sales expenses, and the asset's reported value. The capital gain or capital loss that arises when a tangible fixed asset or a component is removed from the balance sheet is reported in the income statement as other operating income and other operating expense.

Lease contracts

A financial lease contract is an agreement according to which the economic risks and benefits that are associated with ownership of an asset are transferred in all essentials from the lessor to the lessee. Other lease contracts are classified as operational lease contracts.

If rent payments do not coincide with linear accounting and it is assessed that rent that is to be paid includes a financing component, rent arrears are reported at discounted value.

The group as lessee

Assets which are held according to financial lease contracts are reported as fixed assets in the group's balance sheet at actual value at the start of the lease period or at the current value of the minimum leasing fees if this is lower. The liability that the lessee has in relation to the lessor is reported in the balance sheet under the headings Long-term liabilities and Short-term liabilities respectively, with the subheading Liability financial leasing. The lease payments are distributed between interest and amortization of the liability. The interest is distributed over the term of the lease so that each accounting period is charged with an amount equivalent to a fixed interest rate on the liability recorded during the respective period. Interest charges are reported directly in the income statement unless they are directly attributable to acquisition of an asset which of necessity takes a significant period to make ready for the intended use or sale, and the capitalization principle is applied.

Lease contracts where the economic benefits and risks which are attributable to the leased item in all essentials remain with the lessor, are

classified as operational leasing. Payments, including an initial increased rent, according to these contracts are accounted as a cost lineally over the lease period, or alternatively based on the economic benefit over the leasing period.

Financial instruments

Financial instruments are reported in accordance with the rules in K3, Chapter 11, which means that valuation is based on acquisition value. Financial instruments reported in the balance sheet include accounts receivable and other receivables, accounts payable and borrowings.

The instruments are reported in the balance sheet when the company becomes a party to the contractual provisions.

Financial assets are removed from the balance sheet when the right to receive the cash flow from the instrument have expired or been transferred and the group has substantially transferred all risks and rewards of ownership.

Financial liabilities are removed from the balance sheet when the commitments have been regulated or ceased in some other way.

Accounts receivable and other receivables

Receivables are reported as current assets with the exception of items with a due date more than 12 months after the balance sheet date, which are classified as fixed assets. Receivables are recognised at the amount that is expected to be paid after deductions for individually assessed doubtful debts. Receivables that are interest-free or which bear interest which deviates from the market rate and have a duration in excess of 12 months, are reported at a discounted present value and the change in value over time is reported as interest income in the income statement.

Borrowings and accounts payable

Borrowings are reported initially at acquisition value after deduction for transaction costs (accrued acquisition value). If the amount reported differs from the amount that is to be repaid on maturity, the difference is periodised as an interest expense over the term of the loan using the instrument's effective rate of interest. The amount reported thus corresponds with the amount to be repaid.

Current accounts payable are reported at acquisition value.

Offsetting off financial receivable and financial liability

A financial asset and a financial liability are only offset and reported at a net amount in the balance sheet when there is a legal right of set-off and when regulation with a net amount is intended to take place or when there is an intention to simultaneously dispose of the asset and settle the liability.

Impairment test of financial liability

On every balance sheet date, the company assesses whether there is any indication of impairment in any of the financial fixed assets. Im-

impairment takes place if the depreciation is judged to be permanent. Impairment is reported in the income statement item, Profit/loss from other securities and receivables forming part of the fixed assets. Impairment is tested individually for shares and participations and other individual financial fixed assets that are significant. Examples of indications of impairment are negative economic circumstances or adverse changes in industry conditions in companies whose shares CMP AB has invested in. Impairment for assets valued at accrued acquisition value are measured as the difference between the asset's carrying amount and the present value of the management's best estimate of the future cash flows discounted at the financial asset's original effective interest rate. For assets with floating interest rate, the current rate on the balance sheet date is used as discount rate.

For the purpose of impairment testing for the securities portfolio with interest rate instruments, an effective interest rate for the portfolio is established correspondingly to that used for discounting. If impairment of shares takes place, the impairment loss is established as the difference between the carrying amount and the highest of fair value with deduction for selling expenses and the present value of the future cash flows (which are based on the management's best estimate).

Remuneration to employees

Remuneration to employees in the form of salaries, bonuses, paid holiday, paid sick leave etc., as well as pensions, are reported as they are accrued. With regard to pensions and other post-employment remuneration, they are classified as defined contribution or defined benefit pension plans. The company only has defined contribution pension plans.

Provisions

Provisions are reported when the company has an existing obligation (legal or informal) as a result of an incident that has occurred, it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision is reviewed each balance sheet date and adjusted so that it reflects the best estimate of the amount required to settle the existing obligation on the balance sheet date, taking into account risks and uncertainties associated with the obligation. When a provision is calculated by estimating the payments that are expected to be required to settle the obligation, the reported value corresponds to the current value of these payments.

Tax

Total tax is comprised of current tax and deferred tax. Taxes are reported in the income statement, apart from when underlying transaction is accounted directly against equity, when pertinent tax effects are reported in equity.

Current tax

Current tax refers to income tax for the present financial year as well as

the part of the previous financial year's income tax that has not yet been reported. Current tax is calculated on the basis of the tax rate that applies on the balance sheet date.

Deferred tax

Deferred tax is income tax which relates to future financial years as a result of previous events. Accounting takes place according to the balance sheet method. This means that deferred tax liabilities and deferred income taxes recoverable on temporary differences which arise between, respectively, booked and fiscal values for assets and liabilities as well as for other fiscal deductions or deficits.

Deferred income taxes recoverable are reported net against deferred tax liabilities only if they can be paid with a net amount. Deferred tax is calculated on the basis of the tax rate approved on the balance sheet date. Effects of changes to the applicable tax rates are taken up as income in the period in which the change was legally prescribed. Deferred income taxes recoverable are reduced to the extent that it is unlikely that the underlying income taxes recoverable will be realised within the foreseeable future. Deferred income taxes recoverable are reported as financial assets and deferred tax liability as provision.

Receivables and liabilities

Receivables are recognised at the amounts expected to be received. Receivables and liabilities in foreign currencies have been converted into Swedish kronor at closing-date exchange rates.

The difference between cost and the value at the closing date has been recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents are constituted solely by bank balances.

Foreign branch

The branch's income statement and balance sheet have been converted in accordance with the monetary/non-monetary method.

Monetary items in foreign currency are converted at the rate on the balance sheet date.

Non-monetary items are recognised at the rate per day for the business event (date of acquisition)

Cash flow statement

The cash flow statement shows changes in the company's liquid funds during the financial year. The cash flow statement has been prepared according to the indirect method. The cash flow reported solely comprises transactions that entailed payments received or made.

Important estimates and assessments

Estimates and assessments are evaluated continuously and are based on historical experience and other factors, including expectations of future events regarded as reasonable under prevailing circumstances.

Reserve for bad debts

The company continually makes an individual assessment of accounts receivable to assess and determine the need for a reserve where full payment is not anticipated.

Need for restoration of land

The company and the company's customers sometimes conduct operations that can entail a risk that restoration of land etc. will be required. In most customer agreements, the customer is responsible for this, however, the company continuously assesses and evaluates the need to make provisions for restoration costs.

Classification of leasing

The company pays large concession fees for the areas where operations are conducted, as well as for the buildings etc. included. The company classifies the concession fees on an ongoing basis regarding whether they are to be considered as financial or operational leasing. Where the classification is financial, the installation or area is reported in the balance sheet as an asset.

Valuation of own assets

The company has a small number of assets which have a depreciation period longer than the company's Concession agreement with the owners of the area. The company therefore continuously evaluates depreciation rate and asset value.

Note 3 Net sales

(SEK 1,000)	Group		Parent Company	
	2018	2017	2018	2017
Terminal income	677,311	615,332	582,758	534,698
Rental income	154,730	152,148	153,261	150,777
Other income	76,388	71,971	128,497	126,737
Total	908,429	839,451	864,516	812,212

Sales per geographic market

(SEK 1,000)	Group		Parent Company	
	2018	2017	2018	2017
Sweden	349,997	325,550	306,083	298,310
Denmark	558,432	513,901	558,433	513,902
Total	908,429	839,451	864,516	812,212

Note 4 Information about purchases and sales within the same group

(SEK 1,000)	Parent Company	
	2017	2016
Purchases	0%	0%
Sales	7%	7%

Note 5 Other operating income

(SEK 1,000)	Group		Parent Company	
	2018	2017	2018	2017
Exchange rate regulation	64,790	71,344	64,985	68,345
Capital gain/loss on sale	294	590	294	590
Other	10,249	14,718	10,249	14,718
Total	75,333	86,652	75,528	83,653

Note 6 Other operating expenses

(SEK 1,000)	Group		Parent Company	
	2018	2017	2018	2017
Exchange rate regulation	68,841	71,521	68,819	71,385
Property tax	5,677	5,328	5,677	5,328
Self-insurance costs	2,245	-29	1,508	-579
Capital gain/loss on sale	881	0	881	0
Other	4,180	3,417	4,170	3,288
Total	81,824	80,237	81,055	79,422

Note 7 Fees to auditors

(SEK 1,000)	Group		Parent Company	
	2018	2017	2018	2017
PwC				
Audit assignment	874	872	694	502
Auditing services in addition to the audit assignment	96	730	96	245
Tax consultancy	258	575	258	525
Other services	107	501	107	501
Total	1,335	2,679	1,155	1,774

Audit assignments include reviewing the annual report and accounts, as well as administration by the Board of Directors and the CEO. Auditing services in addition to audit assignments refers to other tasks that it is incumbent on the company's auditor to perform, as well as consultancy or other assistance as a result of observations in connection with such inspection. Tax consultancy is reported separately. Everything else is included in other services.

Note 8 Number of employees, salaries and remuneration for employees and the Board

Average number of employees		Group		Parent Company	
		2018	2017	2018	2017
Malmö					
Men		133	125	89	83
Women		32	29	29	26
Total		165	154	118	109
Copenhagen					
Men		164	167	164	167
Women		27	26	27	26
Total		191	193	191	193
Total		356	347	309	302

Note 8 Number of employees, salaries and remuneration for employees and the Board, continued

Personnel expenses (SEK 1,000)	Group		Parent Company	
	2018	2017	2018	2017
Board of Directors and CEO				
Salaries and other remuneration	9,617	8,843	8,451	7,723
of which Bonuses	490	0	490	0
Social-security contributions,	3,590	2,945	2,733	2,130
of which pension costs and obligations	2,266	1,566	1,604	1,103
Other employees				
Salaries and other remuneration	220,242	224,300	202,196	204,609
of which Bonuses	774	0	773	0
Social-security contributions,	48,192	50,192	40,601	42,139
of which pension costs and obligations	19,693	23,843	18,781	21,618

Agreements on severance pay in the amount of one year's salary have been concluded with the CEO and for the Deputy CEO.

Female representation on the Board and in management	Board of Directors	CEO and other senior executives
Proportion of men in the group	75%	56%

Note 9 Operational leasing

The company has lease expenses for cars, machinery and equipment. Total lease payments in 2018 were SEK 11 515 000.
(The nominal values are given in the note below.)

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Maturity				
Within one year	10,503	13,150	8,225	10,350
Later than one year but within five years	15,112	30,507	29,464	39,779
Later than five years	0	0	34,589	39,462
Total	25,615	43,657	72,278	89,591

The company has leasing costs for leases

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Maturity				
Within one year	145,119	155,652	227,328	222,802
Later than one year but within five years	682,200	720,897	1,016,374	1,004,208
Later than five years	2,414,096	2,839,166	3,244,757	3,592,380
Total	3,241,415	3,715,715	4,488,459	4,819,390

The parent company as lessee

The parent company has a lease contract with Malmö stad on which the subsidiary, Copenhagen Malmö Port Norra Hamnen AB conducts its operations. The relevant area consists of quays, land, railway tracks and buildings consisting of office premises and workshop. The parent company sublets the area to the subsidiary in a lease contract which extends until 2035. The contract is drawn up in such a way that the fee consists primarily of a fixed component.

Note 10 Depreciation and impairment of tangible fixed assets

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Cost of goods sold	-73,383	-72,918	-33,556	-35,321
Total	-73,383	-72,918	-33,556	-35,321

Note 11 Interest charges and similar expenses

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Interest in respect of financial leasing	11,622	11,568	0	0
Other	13,891	10,524	13,882	10,424
Total	25,513	22,092	13,882	10,424

Note 12 Tax

(SEK 1,000)	Group		Parent Company	
	2018	2017	2018	2017
Current tax	-43,574	-29,772	-43,574	-29,772
Deferred tax	4,224	-585	3,677	737
Tax on profit for the year	-39,350	-30,357	-39,897	-29,035

Reconciliation of tax expense for the year:

Reported profit before tax	86,026	56,676	80,197	20,594
Tax calculated with tax rate of 22 %	-18,926	-12,469	-17,643	-4,531
Tax effect of non deductible expenses	-1,317	-1,035	-1,286	-954
Tax effect of non-taxable income	2	2	0	2
Adjustment from booked to fiscal depreciation of building	-328	-376	-301	-349
Effect of foreign tax	-17,182	-14,505	-17,182	-14,505
Difference in exchange rate on foreign tax	-1,716	-584	-1,716	-584
Utilization of previously non-capitalized losses carried forward	2,051	0	0	0
Tax effect of impairment of shares in subsidiary	0	0	0	-8,140
Tax attributable to previous year	-4,493	0	-4,493	0
Other adjustments	2,558	-1,391	2,724	26
Total	-39,350	-30,357	-39,897	-29,035
Reported tax expense for the year	-39,350	-30,357	-39,897	-29,035

Note 13 Tangible fixed assets

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Buildings and land				
Opening acquisition value	161,671	128,387	159,259	125,975
Acquisitions for the year	0	33,000	0	33,000
Reclassifications	28,746	284	28,746	284
Sales/disposals	0	0	0	0
Closing accumulated acquisition value	190,417	161,671	188,005	159,259
Opening depreciation	-37,633	-31,521	-37,011	-31,019
Depreciation for the year	-6,553	-6,112	-6,432	-5,992
Sales/disposals	0	0	0	0
Closing accumulated depreciation	-44,186	-37,633	-43,443	-37,011

(SEK 1,000)	Group	
	2018-12-31	2017-12-31
Buildings and Land attributable to financial leasing		
Opening acquisition value	509,688	510,830
Procurement regulation	3,435	5,875
Acquisitions for the year	14,237	0
Sales/disposals	0	-7,017
Closing accumulated acquisition value	527,360	509,688
Opening depreciation	-117,328	-84,317
Procurement regulation	-1,030	-1,458
Depreciation for the year	-30,061	-31,553
Closing accumulated depreciation	-148,419	-117,328
Closing residual value according to plan	378,941	392,360

Depreciation of financial lease contracts takes place over the term of the lease, normally 5-35 years.

For more information regarding lease contracts, see note 21 Financial leasing.

(SEK 1,000)	Group	
	2018-12-31	2017-12-31
Machinery assignable to financial leasing		
Opening acquisition value	60,212	0
Acquisitions for the year	1,629	60,212
Closing accumulated acquisition value	61,841	60,212
Opening depreciation	-774	0
Depreciation for the year	-4,407	-774
Closing accumulated depreciation	-5,181	-774
Closing residual value according to plan	56,660	59,438

Note 13 *Tangible fixed assets, continued*

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Plant and other technical equipment				
Opening acquisition value	320,014	327,189	235,476	242,651
Reclassifications	9,448	5,186	9,448	5,186
Sales/disposals	-2,489	-12,361	-2,489	-12,361
Closing accumulated acquisition value	326,973	320,014	242,435	235,476
Opening impairment	-11,170	-11,170	-11,170	-11,170
Impairment charge for the year	0	0	0	0
Impairment at end of year	-11,170	-11,170	-11,170	-11,170
Opening depreciation	-195,583	-187,763	-159,914	-157,038
Sales/disposals	2,489	12,361	2,489	12,361
Depreciation for the year	-17,725	-20,181	-12,797	-15,237
Closing accumulated depreciation	-210,819	-195,583	-170,222	-159,914
Closing residual value according to plan	104,984	113,261	61,043	64,392

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Inventory, tools, fixtures and fittings				
Opening acquisition value	185,054	173,371	183,549	172,671
Reclassifications	3,675	11,933	3,189	11,128
Sales/disposals	-4,318	-250	-4,318	-250
Closing accumulated acquisition value	184,411	185,054	182,420	183,549
Opening depreciation	-96,203	-82,155	-95,312	-81,470
Sales/disposals	3,437	250	3,437	250
Depreciation for the year	-14,637	-14,298	-14,327	-14,092
Closing accumulated depreciation	-107,403	-96,203	-106,202	-95,312
Closing residual value according to plan	77,008	88,851	76,218	88,237

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Construction in progress and advances				
Opening balance	30,299	10,108	30,299	10,108
Expenditure for the year	31,519	37,594	31,033	36,789
Reclassifications during the year	-41,870	-17,403	-41,381	-16,598
Closing balance	19,948	30,299	19,951	30,299

Note 14 Deferred tax**Deferred taxes recoverable**

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Deferred tax in respect of financial leasing	3,770	3,223	0	0
Deferred tax in respect of temporary difference in lease contract	30,584	27,113	30,583	27,112
	34,354	30,336	30,583	27,112

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Opening deferred taxes recoverable	30,336	30,920	27,112	26,375
Appropriations for the year	4,018	1,575	3,471	737
Reversal for the year	0	-2,159	0	0
Closing deferred taxes recoverable	34,354	30,336	30,583	27,112

Tax rate for calculation of deferred tax amounts to 21.4 per cent and 20.6 per cent respectively. The deferred tax asset is not recognised on the carry-forward amount for settlement of foreign tax as at present it is not likely that the amount can be utilised within the prescribed period.

Deferred tax on lease contracts arises as a temporary difference for the cost, as it does not become deductible until the date of payment, see note 22.

Deferred tax liability

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Deferred tax in respect of appreciation of property	7,054	7,260	7,054	7,260
	7,054	7,260	7,054	7,260

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Opening deferred taxes recoverable	7,260	0	7,260	0
Appropriations for the year	0	7,260	0	7,260
Reversal for the year	-206	0	-206	0
Closing deferred taxes recoverable	7,054	7,260	7,054	7,260

Note 15 Participations in group companies

(SEK 1,000)	Parent Company	
	2018-12-31	2017-12-31
Opening acquisition value	40,050	40,050
Investment subsidiaries	50	0
Closing accumulated acquisition value	40,100	40,050
Opening impairment	-37,000	0
Impairment charge for the year	0	-37,000
Closing accumulated	-37,000	-37,000
Closing reported value	3,100	3,050

Note 15 Participations in group companies, continued

The company's holding of participations in group companies

The company's name	Share of equity	Share of voting power	Number of participations	Booked value 2018-12-31
Copenhagen Malmö Port Norra Hamnen AB	100%	100%	100,000	3,050
Copenhagen Malmö Port Cruise Visby AB	100%	100%	50,000	50
Total				3,100

The company's name	Corp. ID no.	Registered office
Copenhagen Malmö Port Norra Hamnen AB	559061-3963	Malmö
Copenhagen Malmö Port Cruise Visby AB	559143-4468	Gotland

Note 16 Receivables from group companies

(SEK 1,000)	Parent Company	
	2018-12-31	2017-12-31
Opening acquisition value	56,650	56,650
Additional receivables	55,000	0
Closing accumulated acquisition value	111,650	56,650
Closing reported value	111,650	56,650

Note 17 Other receivables

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Insurance compensation	727	660	727	660
Fees	9,942	0	7,312	0
Other	2,413	4,822	2,343	4,822
	13,082	5,482	10,382	5,482

Note 18 Prepayments and accrued income

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Accrued terminal income etc.	27,028	19,013	23,752	15,422
Prepaid rents	23,969	19,792	23,971	19,792
Other	6,833	5,275	6,801	5,222
	57,830	44,080	54,524	40,436

Note 19 Appropriations

(SEK 1,000)	Parent Company	
	2018-12-31	2017-12-31
Appropriations		
Group contribution provided	27,030	22,900
Total appropriations	27,030	22,900

Note 20 Provisions

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Opening appropriation	27,078	26,342	27,078	26,342
Appropriations for the year	206	0	206	0
Rate adjustment for the year	1,089	736	1,089	736
Closing value other appropriations	28,373	27,078	28,373	27,078

Appropriations correspond to the compensation the company received from a previous customer related to future environmental requirements for restoration of land in connection with the customer relocating. The obligations are based on thorough studies of the environmental requirements for restoration of land.

The customer has made a one off payment to CMP corresponding to the obligation. The compensation and appropriation has had no impact on the operating profit during the financial year.

Note 21 Financial leasing**Financial lease contracts - lessee**

The Group has entered into financial leasing agreements for buildings and land and machinery. The leasing agreements are non-cancellable and the leasing periods vary between 5-35 years. The year's costs relating to depreciation and interest in the Group amounted to SEK 46.1 million and in the parent company to SEK 0 million. At the end of the lease term, the Group has no opportunity to acquire the leased assets according to the conditions stated in the leasing agreements. The maturity dates for the financial lease debt are explained below:

(SEK 1,000)	Group	
	2018-12-31	2017-12-31
Maturity		
Within one year	31,718	24,569
Later than one year but within five years	150,519	124,514
Later than five years	271,301	317,418
	453,538	466,501
Long-term part	421,820	441,932
Short-term part	31,718	24,569
	453,538	466,501

A financial lease contract is a lease contract according to which the economic risks and benefits that are associated with ownership of an asset are transferred in all essentials from the lessor to the lessee. Our assessment is also that the leased asset is of such a specific character that only the lessee can use the asset without essential changes being made.

Note 21 Financial leasing, continued

Information about reported values in respect of tangible assets which are held through financial lease contracts is available in note 13.

The CMP Group has a number of significant contracts that are very important in enabling CMP to conduct its operations. These are the concession agreements that the CMP AB Group has with its two largest landowners, which are also major owners of CMP. These are By & Havn and Malmö stad. The contracts cover almost all areas in which CMP conducts its operations in Malmö. The fees for the concession agreements are deemed to be market-based and the current contracts apply for the period 2011 to 2035. The Group largely books the concession agreements evenly throughout the term of the agreement, while the landowners have incrementally increased the annual invoicing from the start of 2011 by almost SEK 10 million per year in accordance with the concession agreements. According to the agreements, they will do this until 2023 and subsequently invoice the same amount until 2035 where only an index linked amount for inflation will be added.

Note 22 Other long-term liabilities

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Long-term liabilities due for payment more than five years after the balance sheet date:				
Other liabilities	286,903	266,034	286,903	266,034
Total long-term liabilities	286,903	266,034	286,903	266,034

Note 23 Prepayments and accrued income

(SEK 1,000)	Group		Parent Company	
	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Accrued expenses and deferred income				
Accrued salaries, holiday pay and social-security contributions	59,074	55,421	54,214	50,740
Estimated payroll tax	1,645	1,905	1,645	1,645
Accrued discounts	2,495	25,470	2,462	25,470
Pre-paid basic rent reduction	5,867	22,068	5,867	22,068
Accrued rental costs	41,289	48,000	41,289	48,000
Other	37,764	19,157	36,467	18,419
Total accrued expenses and deferred income	148,134	172,021	141,944	166,342

Note 24 Overdraft facility

The company has a credit facility of SEK 30,000 thousand with SEB Bank. The overdraft facility was not utilised at the closing date.

Note 25 Allocation of profits**Proposed allocation of profits**

(SEK 1,000)	2018-12-31
The Board of Directors proposes that funds available	
Retained earnings	-10,111
Profit for the year	40,300
	30,189
are allocated so that	
to be carried forward	30,189
	30,189

The parent company's share capital comprises 3,600,000 shares with a quota value of SEK 27.78 per share.

Note 26 Pledged assets

(SEK 1,000)	Group	
	2018-12-31	2017-12-31
Assets held with financial leasing	435,601	451,798

Note 27 Events after the balance sheet date

No events of a significant character have occurred after the end of the financial year.

Copenhagen, 26 March 2019

Birgit Aagaard-Svendsen
Chairman

Ilmar Reepalu
Deputy Chairman

Olof Andersson

Jonas Bjørn Jensen

Søren Jespersen

Mads Lebech

Anders Peterson

Anja Sonesson

Johnny Isager Høvring
Employee representative

Gert-Inge Johansson
Employee representative

Karsten Jensen
Employee representative

Florentina Berisha
Employee representative

Barbara Scheel Agersnap
Chief Executive Officer

Our auditor's report was submitted on 26 March 2019

PricewaterhouseCoopers AB

Mats Åkerlund
Authorised Public Accountant

AUDITOR'S REPORT

Unofficial translation
Referring to pages 35-62

To the general meeting of the shareholders of Copenhagen Malmö Port AB, corporate identity number 556027-4077

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Copenhagen Malmö Port AB for the year 2018 except for the statutory sustainability report on pages 10-15.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 10-15. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisorsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Copenhagen Malmö Port AB for the year 2018 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisorsansvar. This description is part of the auditor's report.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 10-15, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Malmö 26 March 2019
PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

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