

COPENHAGEN MALMÖ PORT ANNUAL REPORT 2016





Copenhagen

- Containers
- RoRo
- Cars/PDI
- Combi
- Liquid bulk
- Dry bulk
- Passengers
- Break bulk
- Veterinarian
- Customs

Modified distance between port sections.
The actual distance between Copenhagen and
Malmö is approx. 14 nautical miles or 26 km.
Not for navigational purpose.



2016 IN BRIEF

Works starts on the new cruise quay in Visby. The quay will be completed in spring 2018.

The Chinese company BYD supplies further electric buses for the Swedish market. The buses are unloaded at CMP's vehicle terminal.

First arrival from SCA Logistics, which has made CMP a hub in its transport network.

Customer reception is improved through new procedures which expand the taxi service for cruise passengers in Copenhagen.

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

Increasing interest in the daily freight shuttle that CMP and Green Cargo have established together.

CMP wins an award for "Best Turnaround Port Operations" at the Seatrade Cruise Global trade fair in the USA.

The South Korean car manufacturer, Ssang-Yong, commences collaboration with CMP. About 1,000 cars are handled at CMP in 2016.

25 June 2016 is the busiest day ever for cruises in the history of CMP.

Decision to invest in a new container terminal in Nordhavn, Copenhagen.

CMP holds seminars together with Region Gotland during "politicians' week" in Almedalen.

The subsidiary, CMP Norra Hamnen AB, is set up with responsibility for RoRo, Combi and Container operations in Malmö.

CMP focuses on return loads together with GreenCargo in order to optimise loading capacity at the car terminal.

MV Greenland - the first dry bulk ship to be powered by liquefied natural gas – visits CMP.

CMP increases its turnover in 2016 by 6.6% to SEK 812.1 million and freight volumes by 5.5% to 15.7 million tonnes.

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

CMP starts to issue VGM (Verified Gross Mass) certificates for container customers in Copenhagen.

The Oiltanking company expands its operations at CMP through establishment at the former Shell terminal on Prøvestenen.

The effective new logistics system, PICTOS, is introduced in CMP's container operation in Copenhagen.

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SUMMARY 2016

■ Net sales, MSEK	812 (762)
■ Profit after financial items, MSEK	31 (30)
■ Net profit, MSEK	6 (39)
■ Equity (adjusted), MSEK	99 (164)
■ Balance sheet total, MSEK	1,038 (636)
■ Net margin, %	4 (4)
■ Solidity, %	10 (26)
■ Return on Equity (average), %	24 (10)
■ Net sales per employee, TSEK	2,154 (2,027)
■ Number of employees	377 (376)
■ Return on Operating Capital (average) ROOC, %	19 (20)

CEO STATEMENT:

"CONTINUED STRONG DEVELOPMENT FOR CMP"

CMP's focus on increased freight volumes is continuing to produce an excellent return. It is with pride that I can state that our volumes grew by 5 per cent during 2016, at the same time as turnover increased by 6.6 per cent. In total almost 16 million tonnes of freight. This means that we are once again approaching the levels we saw before the financial crisis. We have simultaneously continued to improve productivity, which is shown by the fact that sales and freight handled per employee has increased.

To sum up, we have achieved the volume and profit targets for the year. However, a change in accounting has had a significant effect on, among other things, adjusted equity and operating profit. This effect is presented in more detail in the directors' report.

The fact that our underlying profit is nevertheless strong is linked to a number of initiatives that were implemented in recent years. We have increased the focus on sales throughout the organisation in various ways. More time and resources is now being put into sales and canvassing, which is making a difference. In a situation where more freight is handled per employee, more frequent follow-ups are made of key indicators in the management and development tool, M/S Progress. Reasons that this is being done include supporting employees in their work. In this context, I would also like to highlight the continuing low level of injuries. We have a zero vision for our occupational health and safety activities, as well as for damage to goods, and results in these areas for 2016 are excellent.

The picture also includes the fact that CMP has been able to absorb major costs during the year. It is primarily costs for leases and investments that have increased relatively sharply. I view the fact that, despite this, we have delivered an attractive

set of results as a further show of strength from the entire company.

The business segments that have developed best are liquid and dry bulk along with car handling. Even in 2015 we received numerous new customer enquiries within bulk. CMP's large capacity on both sides of Öresund is a major competitive advantage, and one which has contributed to many of these enquiries resulting in new business in 2016. The growth in our car handling is a reflection of the development in the private car market, where sales have increased substantially and in several cases broken new records.

In parallel with the excellent economic development, the year has been characterised by a number of major events and strategic decisions, which will contribute to strengthening CMP in the long-term. Work started in February on the new cruise terminal in Visby, and has proceeded according to plan throughout the year. The terminal in Visby will be opened in spring 2018, enabling CMP to market three attractive cruise destinations. This will strengthen our offer in this expansive part of the tourist industry. However, we are already increasing growth in this area during 2017 via the cruise operation in Copenhagen. The number of arrivals is increasing during the season and we will even reach an "all time high" of about 850,000 in terms of cruise passengers.

During the year the operation in Norra Hamnen in Malmö was transferred to an individual subsidiary. We have not been satisfied with the development of these segments and feel that conversion into a company will generate new opportunities. The changes have already led to an improved focus on costs and in the next stage will also contribute to more new business and better earnings in the business segments affected.

During the autumn our board of directors took the formal decision to establish a new container terminal in Ydre Nordhavn in Copenhagen. Urban development in this part of the Danish capital means that our current container terminal is moving. I am proud that our owners are choosing to take this important initiative, which will have a major impact on CMP's long-term competitiveness. The new terminal will be operational no later than 2021.



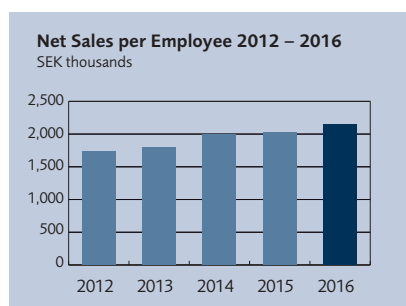
Johan Röstin
CEO until June 2017

We have also instigated new initiatives in Malmö to optimise our port and terminal areas. A land exchange with Malmö City has given us access to an attractive new terminal in direct connection with other facilities. The new terminal is about 130,000 square metres and adapted for all types of transport.

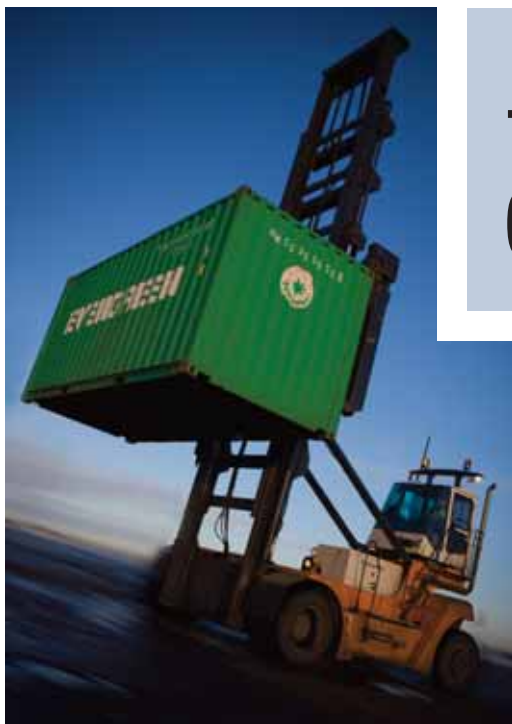
CMP has also advanced its positions in the area of the environment. New environmental objectives were adopted during the year. They confirm our focus on sustainable transport solutions and on a logistics operation which encourages "green" solutions throughout the entire transport chain. At the same time, work is proceeding on industrial symbiosis. The aim is that CMP – together with other actors in and around the port area – will to a greater degree share and re-use resources in a way which produces both economic and environmental benefits, primarily within the areas of energy, waste and logistics.

To conclude, I would like to thank all employees for their fantastic efforts during 2016. I am proud that CMP is a more sales-driven and customer-oriented organisation than was previously the case. It means that the company can focus with confidence on new business and volume growth in the coming years too.

Johan Röstin
CEO until June 2017



Barbara Scheel Agersnap is since June 21 2017 acting CEO. She replaces Johan Röstin who leaves CMP for a new position elsewhere.



15
700
000

tonnes of cargo



BUSINESS CONCEPT:

WE CREATE PORT, TERMINAL AND TRANSPORT SOLUTIONS ACROSS NORTHERN EUROPE

Our business concept highlights the fact that we are good at creating and delivering – in our internal development activities as well as in our work with external parties. In this creative process we are responsive, innovative and resolute.

We stress that CMP offers solutions, rather than services. The solutions we offer are broad and comprehensive, creating added values for our customers and partners. Our solutions also include

new forms of collaboration, ideally in the form of alliances and partnerships, where we challenge ingrained ways of doing things and existing industrial structures.

We also emphasise that CMP's market comprises all of Northern Europe. Countries and markets around the Baltic Sea are the focal point for our efforts to realise future growth and development goals.

CMP's solutions include new forms of collaboration, ideally in the form of partnerships



Markets around the Baltic Sea are the focal point for our efforts to realise future growth.

VISION:

BRIDGING – EXPANDING – LEADING

The three key words of our vision show that CMP welcomes new partnerships, that our focus is on growth and development, that we have a readiness to change, and are innovative and future-oriented.

Bridging. Few regions have seen such a positive effect from the building of a bridge as Öresund. CMP has therefore made bridging a guiding principle in its vision. It signals that we are looking to establish new types of collaboration and partnerships with interesting customers and business partners.

Expanding. CMP has made significant investments in new production facilities in Copenhagen and Malmö. This emphasises that the ambition to grow is one of our key goals for the future. Our aim is to grow organically and establish a presence in new markets, but also to capture market shares in those markets and segments where we already operate.

Leading. In order to grow and develop, we are innovative and open to new initiatives and solutions. We are a port operator at the forefront of developments, which continually develops its organisation, services and technical solutions while securing long-term sustainable enterprise.



CMP is a port operator at the forefront of developments, which continually develops its services and technical solutions.

SERVICES:

CMP – A FULL SERVICE PORT

Copenhagen Malmö Port AB (CMP) is Scandinavia's largest port operator, with terminals in Copenhagen and Malmö. The strategic location in Öresund between Sweden and Denmark gives us access to two national markets. Furthermore, our location at the gateway to the Baltic region means that we also function as a logistics hub for other countries in the Baltic region with some 100 million consumers.

CMP is a full-service port which offers efficient transport and logistics services. Our service is based partly on our own offerings, and partly in partnership with other suppliers and business partners. Through our extensive network of contacts, we can rapidly meet customer requirements and provide the services required. We tailor solutions and connect services in order to provide an efficient flow of goods.

We offer a wide range of logistics services for cruise ships, ferries, RoRo and container traffic, car import, multi-modal transport, as well as liquid and dry bulk. These services include off-loading, warehousing, loading and further distribution of consumer goods, transit oil, grain, scrap metal, building materials, raw materials for industry and new cars etc. CMP leads the field in terms of intermodal logistics solutions, with freight from ships, trains and trucks handled in one place. Freight handling is therefore connected together in a way that facilitates speed and cost effectiveness and diminishes environmental impact.

- wide range of our own transport and logistics services
- well developed intermodal and trimodal transport solutions

- large capacity at the terminals
- high quality technical infrastructure
- access to a broad contact network of external specialists
- the ability to connect various services into a holistic solution which simplifies matters for customers

Bridging – a full service port

CMP is a full-service port. We receive all types of freight and have a tailor-made infrastructure for all types of ships, for example, RoRo and container services, car imports, liquid and dry bulk. Copenhagen and Malmö handle everything from consumer goods, petroleum products, chemicals and grain to scrap metal, building materials, wood pellets and input goods for industry.

We offer intermodal logistics solutions, where freight is reloaded between sea, road and rail. CMP has extensive cruise traffic via Copenhagen, Northern Europe's leading cruise destination. Ferry lines with regular passenger services from Copenhagen and Malmö also operate between destinations including Oslo and Travemünde.

The broad, well-diversified operation makes CMP less sensitive to fluctuations in the economy. It also makes us a flexible port operator, which can easily adapt technology, infrastructure and staff expertise to different customer requirements.

Expanding – Core Port

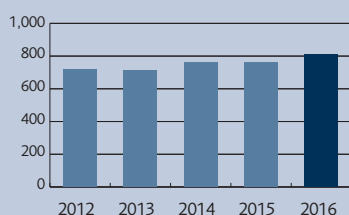
EU has designated CMP's terminals in Copenhagen and Malmö as Core Ports. This means that they are of particularly major importance in the initiatives that will be made in the future to improve the transport network in Europe. It is easier for a Core Port to obtain EU support for investments and development projects, for example, for interlinking rail and road communications or other initiatives that contribute to increasing freight capacity. CMP's development and expansion is facilitated by the fact that we have access to new areas of land adjacent to existing terminals in Copenhagen and Malmö.

Leading – a hub

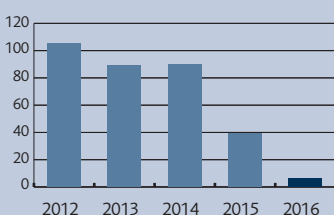
CMP is a hub for companies that have made Malmö a transshipment point for freight with final destinations in the Baltic States, Russia and other parts of Northern Europe. We are also a hub for intermediate storage of oil in the transit traffic between Russia and markets including the USA. Copenhagen is a hub for cruise traffic in Northern Europe.

The long-term importance of the hub is being strengthened. Global companies within everything from manufacturing to e-commerce want to concentrate their distribution at regional hubs. This will open up new growth opportunities for those port companies that have a strategic location and offer a broad service.

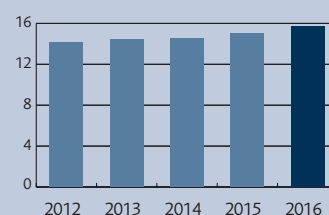
Net Sales 2012 – 2016
SEK millions



Net Profit 2012 – 2016
SEK millions



Cargo Volumes 2012 – 2016
Millions of tonnes





Five year overview

	2012 ⁽¹⁾	2013 ⁽¹⁾	2014 ⁽¹⁾	2015	2016
Net sales, MSEK	720	715	763	762	812
Profit after financial items, MSEK	105	89	90	30	31
Net profit, MSEK	83	91	90	39	6
Equity (adjusted), MSEK	394	413	416	164	99
Balance sheet total, MSEK	532	549	632	636	1,038
Net margin, %	15	12	12	4	4
Solidity, %	74	76	66	26	10
Profit equity ratio % ⁽²⁾	25	22	22	10	24
Net sales per employee, TSEK	1,736	1,788	1,987	2,027	2,154
Number of employees	415	400	384	376	377
Return on Operating Capital (average) ROOC, %	33	27	32	20	19



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

(2) Profit before Tax (PBT)/Average adjusted equity

BARBARA SCHEEL AGERSNAP, DEPUTY CEO AND ACTING CEO FROM JUNE 2017:

"CREATING NEW BUSINESS AND VOLUMES TO DRIVE OUR GROWTH"

What is business development for CMP?

Geographically, CMP is located at a nodal point, which on the one hand gives us access to the local markets in and around Copenhagen (Sealand) and Malmö (Skåne), and on the other to the regional market in the Baltic region. Our ambitions are directed towards both of these markets.

We are focused on creating new business and volumes to drive our growth. The major potential is not necessarily in chasing market shares, but rather in establishing offerings that can attract new customers and lead to more business with existing customers.

What were you most pleased about during 2016?

There is a lot of activity in our region at present, and CMP is actively involved in exploiting many of the business opportunities that are emerging. Developments in a number of business segments have been positive, and it is especially exciting to see the increasing activity in the bulk segments.

How do you work practically?

Through advancing our current positions in a balanced way. We make improvements in the short-term, i.e. in the everyday operation, while also adapting to more long-term changes – not least based on how customers' businesses evolve. It is important to understand the relevant industrial changes that might be outside CMP's own sphere

of operations, but which affect the actors in the logistics and value chain of which we are a part. This is a process that is often full of challenges, but which is also super interesting.

In which areas has CMP been successful in the development work so far?

The cruise operation in Copenhagen and the car handling operation in Malmö come to mind. The cruise business in Copenhagen has developed successfully. The volumes have risen at the same time as we have been praised for our quality and high level of service. Our car handling business is the largest in Scandinavia and the leader in terms of quality, which shows how ambitiously CMP has worked over the years. In both of these cases, we have been able to derive benefit from the potential to strengthen our positions.

In addition, CMP's geographical location has enabled the development of a successful hub concept, which means that freight arrives at our terminals in Copenhagen and Malmö by ship. Once there, it is reloaded and proceeds onward - by train, lorry or smaller ships - to its final destination throughout Northern Europe, primarily Scandinavia and the Baltics. This concept gives our customers advantages in their freight handling, and it also contributes to increased sustainability as the freight is transported as far as possible by ship, which has a comparatively low environmental impact

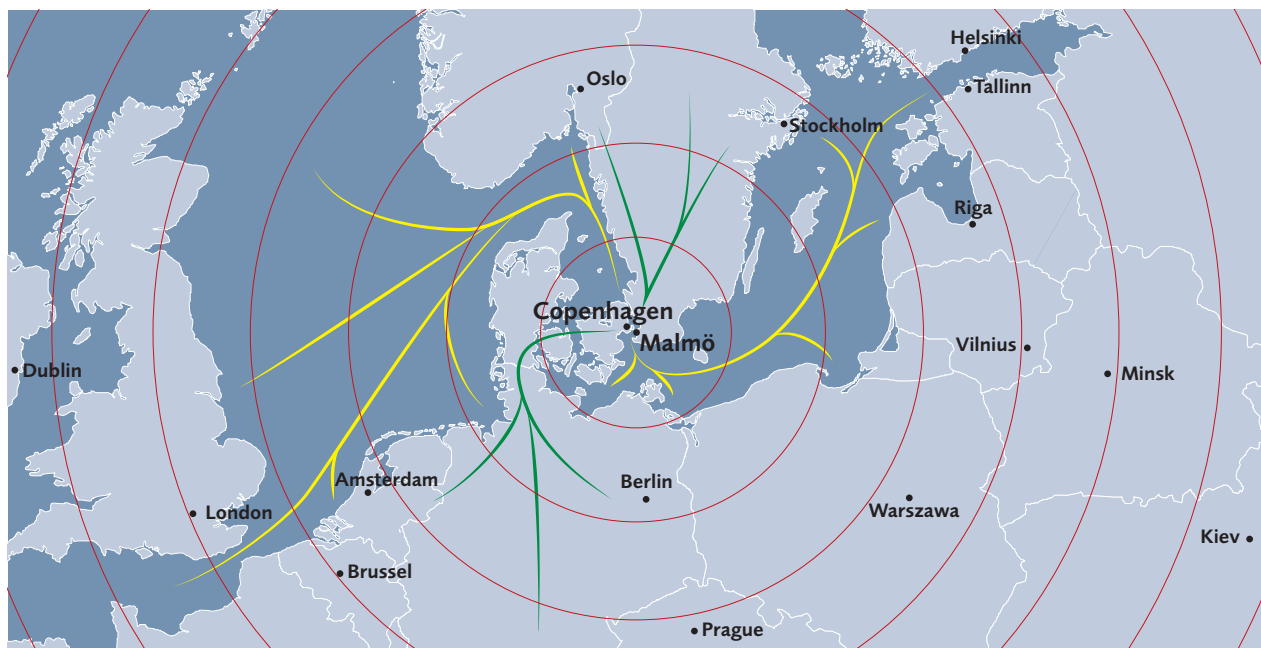


Barbara Scheel Agersnap
Deputy CEO and acting CEO from June 2017

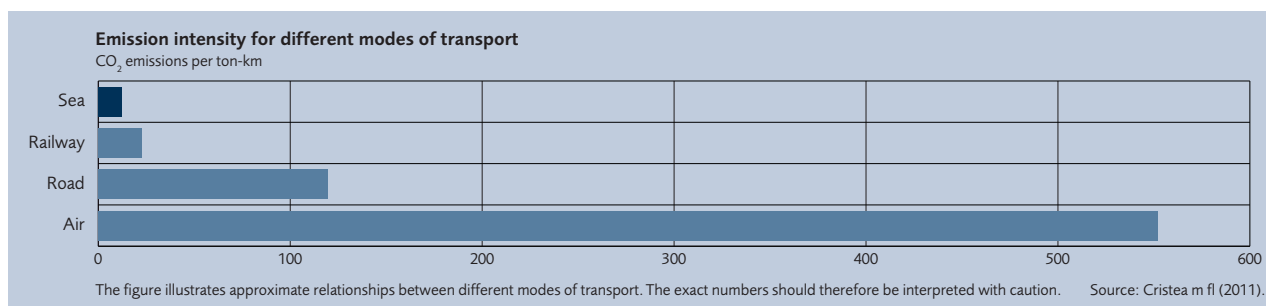
What are "intelligent solutions" in the development work?

They are services that make us more effective, but which above all give the customers added benefits. Intelligent solutions can also mean that we develop collaborations with other actors, which handle the customer's product throughout the logistic chain. Together with these companies, it is possible to develop solutions that are more comprehensive for the customer. Historically, there has been quite a lot of "silo-optimisation", with each transport company mainly considering its own role in a product's chain. At CMP we would like to rethink this approach and develop better overall services, through a wider collaboration.





Logistics hub with economic and environmental benefits. The strategic location in Öresund makes CMP a logistics hub for freight with a final destination throughout Northern Europe. The access to flexible logistics solutions – where freight is simply moved between sea, rail and road – gives the customers economic and practical benefits. At the same time, the location in Öresund creates environmental benefits. It means that the sea is utilised as a transport route to as great an extent as possible, which reduces the environmental burden.



POVL DOLLERIS RØJKJÆR UNGAR, COO BUSINESS AREA PORT & TERMINAL OPERATIONS:

"COMPETITIVENESS VIA SERVICE, QUALITY AND EXPERTISE"

Summarise the development in your business area in 2016 – what "stands out"?

The conversion of the operation in Norra Hamnen in Malmö into an independent subsidiary company has been a major project during the year, with the business segments Container Malmö, RoRo and Combi being separated out and moved into an individual subsidiary. In addition, we have put a lot of work into further developing the operation within Cars, partly by broadening sales to include more makes of cars, partly through internal processes which make handling even more efficient. To sum up, I feel that we have enjoyed a positive development within large parts of P&TO. Volumes within Cars in Malmö have increased substantially, Container in Copenhagen is delivering solid results and the logistics operation in Copenhagen also achieved an excellent result in 2016.

What were you most pleased about?

Besides the excellent developments in several segments that have been mentioned, we have broadened our offering in Copenhagen so that we now issue VGM certificates, which stands for Verified Gross Mass. New rules stipulate that the weight of a container must be verified before being loaded on board. Our offering is focused on those companies which ship containers, and the information about the verified weight can now be purchased via CMP's website. We have also implemented a new terminal operating system for the container business called PIC. It was a major challenge, but the implementation went really well and means that we now collect all information about shipments/loads and make it accessible for all parties in the transport chain. This links our processes and those of the customers together more effectively.

How would you describe the market development in general – are there any specific trends which affect your customers?

The clearest trend concerns the handling of new cars where volumes continued to increase. CMP handled a total of 375,000 cars during 2016. This is an increase over the previous year, when we handled 339,000 cars. In previous years the construction of the Metro system in Copenhagen has

given us relatively large volumes within logistics management. The so-called Circle Line will soon be finished and the project is about to embark on the next phase, which is the expansion in the Southern Harbour area. We are following developments to see how CMP can also benefit in coming years from the demand for storage areas and logistics management in the next stage of this major infrastructure project.

Are there any new collaborations or business you would like to highlight for 2016?

There were no major changes in the container operation. We basically work with the same customers as in previous years. The Metro construction has given us some additional volumes within logistics management in 2016 as well. Completion of the Circle Line means that drilling machines and other heavy equipment has been returned to us for storage and handling. We have also established collaborations with new customers in the car handling operation. We also benefited from the fact that an additional customer chose to make CMP in Malmö the hub for its operations.

What are CMP's major competitive advantages within your business area?

Quality is one of our principal strengths in relation to the car business, with CMP currently providing the best quality in Northern Europe. There is very little damage in the operation, and we simultaneously offer a high level of delivery precision and service. In the logistics operation we have access to large areas which open up opportunities for customers. The strengths also include our service and the expertise of our employees. Within containers too, the employees' high level of expertise is a strong competitive advantage, along with the large network of customers and collaborative partners to which CMP has access.

What were the most important initiatives/ investments during the year?

Alongside the introduction of VGM and PIC, I would like to emphasise the decision in principle regarding a new container terminal, which CMP's board of directors instituted during the autumn.



Povl Dolleris Røjkjær Ungar
COO Port & Terminal Operations

The ongoing urban development in Copenhagen also affects the port area and means that our current terminal is going to have to be moved. The decision that was taken entails the establishment of a new container operation in Nordhavn in connection with our current cruise terminal. The new facility is estimated to be operational no later than during 2021. The initiative confirms that we are a stable, long-term partner to customers and business partners within Containers for the entire eastern part of Denmark.

What are you focusing on during 2017?

The development in the car operation is important for us. We will continue to work to attract more operators and increase the volume in this business segment. We will also put further work into strengthening the positions for the logistics operation in both Malmö and Copenhagen. In terms of the container operation in Copenhagen, the implementation of PIC is moving into the next phase, which will give us access to a bigger support system. It paves the way for more operational efficiencies, enabling us to optimise our processes even more. Obviously the planning and design of the new terminal is also commencing now. This planning includes automating the terminal to a greater extent, which will mean an increased level of service in relation to our customers and better utilisation of areas.



0,003%
of all handled cars were damaged



Port & Terminal Operations consists of four distinct areas of freight: Cars, Containers, Logistics/Break bulk and Railway.

CMP operates Scandinavia's largest logistics hub for new cars. 14 makes of car are currently handled via this hub, which is ultramodern and offers trimodal transport solutions.

Within Container, CMP is a large port of importation, supplying the markets in both Copenhagen and Malmö with consumer products and other goods. The terminal in Copenhagen is used by the world's four to five largest container companies.

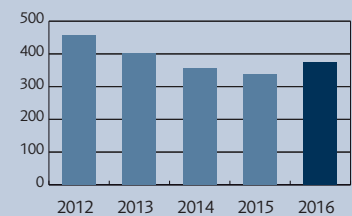
Logistics/Break bulk consists mainly of unloading and loading of building components and paper and steel products

Railway handles intermodal flows of freight that are moved between road, rail and sea. The well-developed rail solutions mean that CMP functions as a hub for cars, scrap and paper products etc.

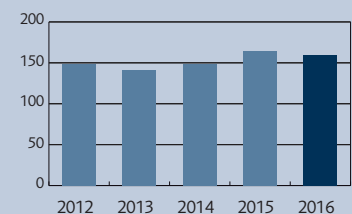


375
thousand handled new cars,
160
thousand TEUs and
6,6
million tonnes of General cargo

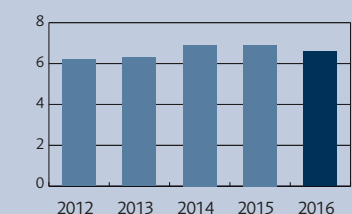
New Cars 2012 – 2016
Thousands



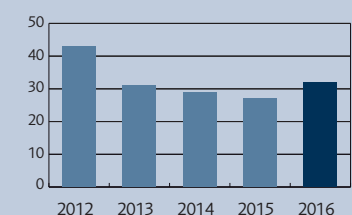
Containers 2012 – 2016
Thousand TEUs



Break Bulk/Logistics 2012 – 2016
Millions of tonnes



Railway 2012 – 2016
Thousands of units



BRIAN KRISTENSEN, COO BUSINESS AREA LIQUID, DRY BULK & PROPERTY:

"INCREASED VOLUMES WITHIN BOTH LIQUID AND DRY BULK"

Summarise the development in your business area in 2016 – what "stands out"?

We had excellent volume development in the dry bulk operation in Malmö, including in the handling of scrap and unrefined sugar. At the same time, we have been able to optimise timetabling and staffing, which had made us more efficient and lowered overheads. Within liquid bulk, import volumes within bunker oil on Prøvestenen in Copenhagen have remained high. Aviation fuel handling also increased and volumes within transit oil increased somewhat at the end of the year. All in all this means that Liquid & Dry Bulk is delivering very good results. And the excellent development in 2016 is primarily due to the fact that we have increased the volumes from our existing customers.

A large land exchange deal was implemented with Malmö City within Property. It gave us access to a new terminal area, comprising around 130,000 square metres. It is located in direct connection to our other facilities and in the next stage will be further developed for port operations and offered to new tenants. It is a large area with fantastic potential for logistics operations.

The exchange deal also clarifies the strategy within Property, which can be summarised with the words "develop or divest". It means that we will develop areas for which CMP has long-term use in its port operations. On the other hand, areas that we assess as having no benefit will be divested.

What were you most pleased about?

That the new dry bulk facility was completed in Malmö. It is just under 11,000 square metres in size, and as planned our customer moved its business in in November. Another positive thing is that we rented out the so-called Shell terminal on Prøvestenen, which has not been in operation for the last five or six years. Within Property we signed an agreement with the Coast Guard, which means that Malmö will be a hub in their operations.

How would you describe the market development in general – are there any specific trends which affect your customers?

A consolidation is under way in parts of the bulk market, with smaller companies being bought up

and merged into larger units. As a result, these new companies are handling larger volumes. It increases the need for large and strategically located terminals. That's what we can offer. For CMP's part, we are also endeavouring to establish long-term collaborations with customers. Furthermore, we are open to different types of partnership, where we can share investment expenditure or make other, joint initiatives from which both parties derive long-term benefit.

Are there any new collaborations or business you would like to highlight for 2016?

A new asphalt plant was also opened during 2016. The asphalt is made from recovered material. In the long-term the aim is for the company to have its raw materials delivered by sea directly to the plant. Within Property we have expanded the collaboration with Malmö City relating to the letting of Malmö Industrial Park, which is a part of Norra Hamnen.

What are CMP's major competitive advantages within your business area?

The competitive advantages differ partly depending on which part of the operation we are talking about. In Copenhagen, CMP provides sites and infrastructure for companies which operate their own bulk operations. In Malmö, on the other hand, we have our own bulk business handling scrap, sugar and many other products.

The depth of water for vessels at the facilities in both Copenhagen and Malmö is a joint competitive advantage. Another strength is the geographical location. We are located at the heart of the Öresund region and our facilities are close to the markets in both Denmark and Sweden, where the majority of products within liquid and dry bulk are used.

A strength in Malmö is that we have access to large areas of land where new customers can establish themselves or existing customers can expand their operations. In this context we also benefit from the fact that road and rail connections are well developed, providing good accessibility to the port.



Brian Kristensen
COO Liquid, Dry Bulk & Property

What were the most important initiatives/ investments during the year?

Among other things, we took the decision to invest in two new cranes in the dry bulk operation in Swede Harbour in Malmö. We are thereby increasing the capacity in this operation, but are also obtaining more flexible handling as we are focusing on mobile cranes. We have upgraded the pipe system for water and drainage in the new dry bulk terminals on Prøvestenen, as well as invested in the lighting technology. At the same time, a number of the quays have been given a new surface layer of concrete.

What are you focusing on during 2017?

The development of the new terminal area in Malmö is in focus. It is called terminal 3 and 4 and the aim is to find collaborations with companies that want to rent all or parts of this logistics facility.

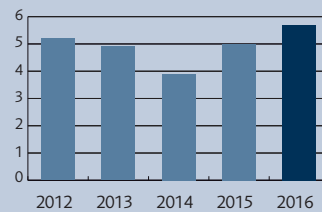
We are also engaged in talks with a potential new dry bulk customer in Malmö, which is interested in renting about 35,000 square metres from CMP. We would also like this agreement to be concluded during the year. On Prøvestenen we are setting our sights on letting the remaining plots at the new dry bulk terminal. Here too it involves about 35,000 square metres.



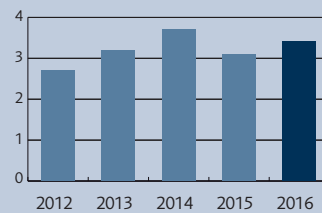
A new dry bulk facility of
11,000
 square meters was established



Liquid Bulk 2012 – 2016
 Millions of tonnes



Dry Bulk 2012 – 2016
 Millions of tonnes



The products within dry bulk are primarily intended for the markets in Copenhagen and Malmö. In Copenhagen the major products are stone, gravel and other filler material. Scrap is a predominant product in Malmö, and CMP is still the largest port for scrap in the Öresund region. Besides these products, the dry bulk operation also includes cement, salt, sugar, grain, coal and pellets.

CMP's strategic location in Öresund has made the liquid bulk terminal a hub in the handling of bunkering oil. CMP is also a hub for intermediate storage of this oil in the transit traffic between Russia and countries including the USA. CMP also handles petrol, diesel, oil and chemicals that are used in the local markets in Copenhagen and Malmö.



ARNT MØLLER PEDERSEN, COO BUSINESS AREA CRUISE & FERRIES:

"GROWTH IN A FAST-GROWING SECTOR"

Summarise the development in your business area in 2016 – what "stands out"?

First of all, we can observe that the cruise industry is breaking records when it comes to building new ships. It is at an "all time high" and entails 70 new cruise ships being put into operation in the coming years. The rate is relatively high, with 11 – 13 new ships entering the market every year. At the same time, CMP has reversed the negative trend in cruises. The number of arrivals and passengers in Copenhagen is now increasing again. We too are affected by the rate of new building which means that the capacity in the sector is increasing.

What were you most pleased about?

That we have been able to retain the high level of quality in our operation. We enjoy excellent collaborative relationships with our partners and receive high scores in the quality surveys that are conducted. The surveys are based on a five point scale and our service has received an average score of 4.9 for a number of years in succession. Moreover, over the years CMP has received some twenty industry awards for our cruise operations.

How would you describe the market development in general – are there any specific trends which affect your customers?

As said, the cruise market has declined in recent years, but that trend has now been broken. As the new ships take more passengers, capacity is now increasing throughout the sector as a whole. Another trend is that the cruise market in Asia is on the increase. More ships and cruise terminals are being built in these markets and increasing numbers of shipping companies are establishing themselves in the region. We are also noting this in that the number of Asian passengers is increasing, primarily Chinese cruise passengers who are now starting to look for new destinations outside their home countries.

Are there any new collaborations or business you would like to highlight for 2016?

We do not have any collaborations with new shipping companies, but on the other hand we did increase the number of arrivals from existing ship-

ping companies. The number of arrivals rose to 311, 309 of which were in Copenhagen and two in Malmö. There were 730,000 passengers. During the year we also had 15 arrivals from cruise ships which can take 4,000 passengers. The number of passengers using the ferry services between Copenhagen and Oslo has also increased. The shipping company DFDS has modernised and upgraded its ships in recent years and work is continuously underway to further develop this service.

What are CMP's major competitive advantages within your business area?

Copenhagen's strategic location is a major benefit, and it has made us one of the largest cruise destinations in Northern Europe. We are situated at a junction with good access northwards into Scandinavia, as well as into the Baltic Sea. Copenhagen is also an open, accessible city with numerous popular destinations and with a centre at a convenient distance from the cruise terminals. Moreover, it is close to an international airport, which is also a major competitive advantage for cruise tourism. Last but not least, we have the capacity to handle large ships. This is of great importance as the proportion of such ships is increasing. As said, during 2016 we had 15 arrivals of large cruise ships. During 2017 we will be receiving 55 arrivals of ships that take more than 4,000 passengers.

What are the most important initiatives/ investments during the year?

The ongoing work on the cruise terminal in Visby is an initiative that gives us more room to manoeuvre in the market. CMP can now start to market three destinations instead of two. Visby is a strategic cruise destination located between Copenhagen, Stockholm and St. Petersburg and therefore contributes to developing our offering. Moreover, it will be an ultramodern facility which can receive waste water from the visiting ships, which is also a benefit. We have also conducted a technical enquiry concerning the cruise traffic in Malmö. The aim was to investigate whether we can receive large ships in the future. The results show that this is the case and it means that from 2018 Malmö will be able to receive 300 metre long cruise ships. Another future initiative involves



Arnt Møller Pedersen
COO Cruise & Ferries

Copenhagen, where we are examining the long-term prospects of building an additional cruise terminal. It can encompass about 10,000 square metres, which is almost three times larger than the present terminal buildings on Ocean Quay. The draught at a new terminal will also be expanded to 12 metres. The fact that the capacity needs to be expanded is again linked to the fact that the cruise ships are getting bigger and taking increasing numbers of passengers. We have to adapt our operation to this.

What are you focusing on during 2017?

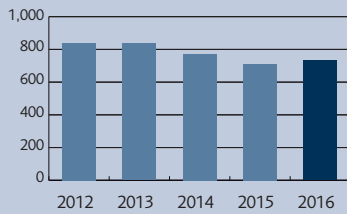
It will be a record year for us with an "all time high" in terms of numbers of passengers, which will be about 850,000. We have 322 arrivals, 152 of which are turnarounds, where the passengers either start or end their trip in Copenhagen. Of the 72 ships that are visiting, eight are new. The ordinary season commences in mid-April and concludes in October. In addition, we have four cruises scheduled during the Christmas holidays. As mentioned, at the same time the number of ships which take more than 4,000 passengers is multiplying. And the cruise terminal in Visby will be completed at the end of the year. The first arrival at the new terminal will be in April 2018. For this season we already have at least 60 arrivals scheduled, which entails 70,000 passengers.



Copenhagen is Northern Europe's leading cruise destination. The number of cruise passengers in Copenhagen amounted to 730,000 in 2016, which is an increase of 3%.

Passenger traffic comprises daily ferry services between Denmark and Norway and also between Sweden and Germany. In 2016 this traffic decreased to 824,000 passengers.

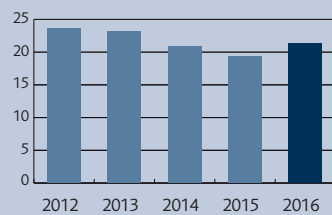
Cruise Ships, Passengers 2012 – 2016
Thousands



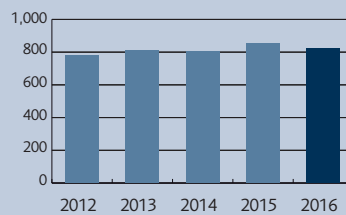
**730
000**
Cruise Passengers from
311
Cruise Ship calls



Cruise Ships, Tonnage 2012 – 2016
Millions of gross tonnes



Passenger Traffic 2012 – 2016
Thousands



Quality surveys gives CMP
4,9
points out of five



JOHAN ULLENBY, MANAGING DIRECTOR, CMP NORRA HAMNEN AB:

"TAILORED FLOWS AND FLEXIBLE HANDLING"

Summarise the development in your business area in 2016 – what "stands out"?

The decision was taken fairly early in the year to convert the operation in Norra Hamnen into an independent subsidiary company. In the early part of 2016, much of the work therefore concerned technical issues, business plans and agreements with a link to the conversion, but also with the consequences of the planned sale of the operation. These were the initiatives that laid the basis for the completely new company which officially started operating on 1 September – CMP Norra Hamnen AB.

What were you most pleased about?

That we have been able to work so quickly on the establishment of the new operation and that we have put all the parts together effectively, i.e. packaged and set up everything and got it to work. From the outset we set our sights on establishing a small operationally effective company. And I also think that we have been able to realise that ambition.

Since the business formally commenced operations in September, we have had to take overall responsibility and that has been stimulating. We have been able to work on changes and improvements in a business which is now a bit smaller and therefore more focused. It means that we can see the results of decisions and actions more quickly, which is always stimulating.

How would you describe the market development in general – are there any specific trends which affect your customers?

Competition within the RoRo operation has stiffened because, among other factors, more trailer freight is now transported by direct train between Scandinavia and the continent. Our container operation has weakened marginally compared with the last few years. However, combi-traffic by rail from Malmö has grown and in this context it is both RoRo and container volumes that have contributed to the increase in train services during 2016.

Are there any new collaborations or business you would like to highlight for 2016?

Combi-traffic is the area which increased most and where we have had most discussions about new deals. It concerns existing customers as well as completely new customers and flows – both train operators and end customers. Rail will grow in the future and it is noticeable throughout the sector that there is an especially great interest surrounding precisely this form of transport. In this context, the discussions on a kilometre tax in relation to road traffic can also contribute to rail coming more into focus. At the same time, the development of train services is based on there being base flows and that it is possible to obtain benefits by providing a shuttle service for freight. As is well known, rail is at its most competitive with long shipments and fixed flows.

What are CMP's major competitive advantages within your business area?

We can tailor the flows for customers and are generally flexible as we are staffed from early morning through to almost midnight. It means that we have longer opening hours than most other terminals and if the need arises we can simply scale up and extend the hours even further. In addition I would like to emphasise quality. We have a shiny new terminal, competent staff, a low level of damage, high security and are also an ISPS classified area (Ship & Port facility Security code). We feel this is clear added value. Within combi-traffic we are also competing with the nearby Malmö Freight yard, however, our claim here is that we offer both higher capacity and flexibility.

The infrastructure around our terminals also maintains a high class, for example, road traffic via the Spillepengen road junction in Malmö. The new investments which are being made will further improve accessibility in the future.



Johan Ullenby
Managing Director, CMP Norra Hamnen AB

What were the most important initiatives/ investments during the year?

Here I would like to emphasise Malmö Industrial Park, which is another competitive advantage for us. A lot has happened in the area in 2016. The infrastructure has been developed and the first logistics property – Skanska's kubiklager – will be opened in the area in mid 2017.

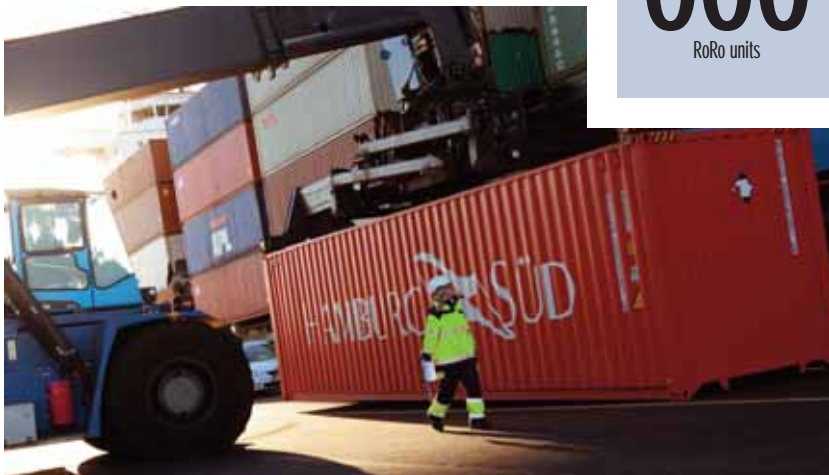
Norra Hamnen is located in direct connection to the industrial park, which means that we can serve a whole palette of services to the client companies which establish themselves in the area – for example, container, ferry or train services. Being so close enables us to offer a fast, simple and good value service, where we don't even need to use the public road system when handling the freight.

What are you focusing on during 2017?

We are focusing on increasing sales, particularly within container and combi traffic in Norra Hamnen. At the same time, we will continue to refine our work processes and develop even more efficient solutions together with customers and collaborative partners.

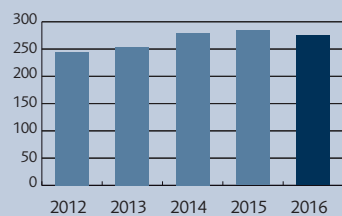


275
000
RoRo units



CMP Norra Hamnen AB is a subsidiary of CMP and was set up in 2016. The company is responsible for the Container, Combi and RoRo operations in Norra Hamnen in Malmö.

RoRo 2012 – 2016
Thousands of units



PIA FROM JEPPESEN, CHRO HUMAN RESOURCES:

"MAJOR FOCUS ON SHARED VALUES"

What are the main objectives for CMP's work within human resources?

Human resources must support the business and ensure that CMP is a flexible and competitive company. We do this through helping to optimise recruitment and other processes, developing employees, leadership and shared values, as well as ensuring that CMP has a good work environment. The task of involving employees and creating dialogue makes us a service function, which in many respects functions as "the oil in the machinery".

Which area are you focusing on in particular?

We support managers and staff in personnel issues, in connection with changes of various kinds and in ensuring that they have the right tool to manage these processes. In recent years we have also put a lot of work into issues concerning well-being and relationships, e.g. through discussing what well-being is and how each individual can contribute to enhancing well-being and developing their relationships with colleagues. Another ambition is to work on the breadth in the organisation and involve more employees in our change processes, including through putting together broad, interdisciplinary groups of employees which are focused on developing action plans with the starting point in the results of the CMP Barometer employee survey.

What are you most pleased about when it comes to 2016?

That it was possible to implement a smooth corporate conversion process in Norra Hamnen. In terms of both communication and cooperation, I feel that we were very successful in the creation of CMP's subsidiary. The work has involved negotiations with numerous different actors. Dialogue and good collaboration with these actors made the implementation successful – not least in terms of how the process was structured, the access to information etc. These are experiences from which we will derive benefit when other major change processes are implemented in the future.

You do a lot of work on culture and values – why is it important?

Our shared values are fundamental to motivate everybody who works at CMP, but they also influence how we act and make decisions. The rapid changes in everyday life also presuppose that we can act quickly and not need to control everything at all levels in the company. So it is important that everybody is aware of and identifies with CMP's values and that they focus on and work on the basis of the same fundamental values. We can then work more effectively as a company as we are speaking the same "language". It is therefore important for Human Resources and all other departments to make the values sufficiently clear and easy to assimilate. It presupposes that we use the values in everything we do so that they are applied at all times and are visible. Succeeding in this includes supporting communication internally, but also conducting workshops and similar activities which help to embed the values. These are long-term initiatives which we are engaged in on an ongoing basis.

Which "tools" do you use in the regular HR work?

Our communication, management and development tool, M/S Progress, is a foundation stone in the practical work. This tool ensures that we have a thread running through the strategic issues which the senior management has formulated and which are then further processed out to the respective department in the organisation via precisely M/S Progress. Each department then produces its own action plans for the areas that are pertinent. Another tool is the CMP Barometer, which contributes to enabling us to focus on the right things and make optimisations and adaptations in selected areas.

The performance appraisal is a further important tool. It is closely linked with the process managed via M/S Progress, but focuses on the individual's role in the issues that are discussed. The performance appraisal is thus the final step in a process, which starts with the management setting a strategic agenda. This agenda is subsequently converted into action plans which will ultimately affect goals and ambitions at the level of the individual.



Pia From Jeppesen
CHRO

What are you focusing on during 2017?

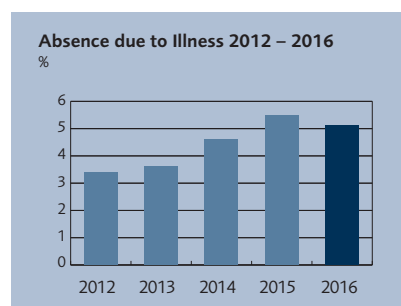
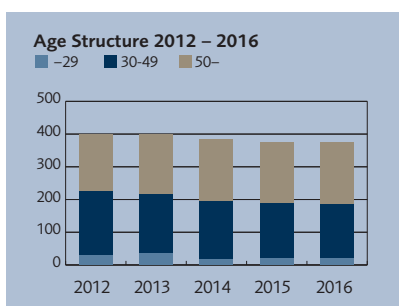
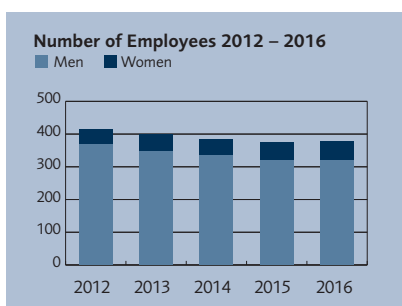
We will be putting a lot of work into our values in order to support their uptake within CMP. As previously, we will do this as a part of the ongoing management training at all levels in the company. We currently have forty or so managers and leaders in the company and the focus is on offering tailored development initiatives for the respective managerial level. We base it on a practically oriented development programme adapted to specific situations and which is simple to implement in individual contexts. We can thus help our managers to become even better at managing challenges and changes in the future.

As mentioned, we will also develop the work on our employee survey, the "CMP Barometer", and work more actively with action plans, which are based on the results in the survey. We perceive major potential in broadly composed working groups, which compile the results and produce proposals and action plans which are communicated and embedded in the company.

We also conduct a review of our intranet to optimise both structure and communication. Part of this work also includes completing our QA-system, which is an effective tool to optimise our processes and make ongoing improvements and which hopefully increases our efficiency and productivity.



Human Resources supports managers and employees in change processes



PETRA KÖNIG, ENVIRONMENTAL MANAGER:

"ATTRACT MORE FREIGHT TO SHIPPING AND PROFILE CMP AS A COMPANY"

What is the objective of the environmental work?

The aim is to manage and develop the port operation with as little environmental impact as possible. By leading the way and showing that we are "green" and have effective environmental management, we can attract more freight to both shipping in general and to CMP as a company. This is also done bearing in mind the fact that maritime transportation is still the most environmentally friendly option. Our environmental management is thus based in both a local and a global perspective, which taken together contribute to the entire supplier chain being as green as possible.

Which environmental areas do you focus on?

We work on a broad front, and are focused on six environmental aspects where our efforts can make a difference. These areas are energy, air, water, land, waste and climate adaptation. Last year we produced long-term objectives for each area. The objectives address what CMP will achieve as a company over the next ten years and are based on various key ratios.

In addition, during the autumn we produced short-term objectives which describe how each department will contribute to realising the overall objectives. This task is based on action plans where we specify in detail what is to be achieved in the coming year, e.g. how many vehicles must be replaced for us to meet the emissions targets.

Environmental management during 2016?

Among other things, we have conducted energy surveys in Copenhagen and Malmö. The results will subsequently be used in the action programme for energy efficiencies which will be produced in 2017 and which will give us clearer objectives and action plans in this area. In terms of waste, we have expanded source separation. It means that we now sort in more fractions, but also that certain parts of the waste are refined and sold on. In other areas we are following our ordinary procedures, including continuous measurement of the air quality. In order to reduce emissions, CMP has previously chosen to move to leasing work machines instead of purchasing them. This delivers economic and environmental benefits. Leasing gives us access to newer technology and vehicles which make less noise and emit less emissions.

What were you most pleased about during 2016?

That we took the decision regarding the new environmental objectives, which broaden the view of environmental management. I think that this also gives our employees a greater understanding of what our environmental impact looks like as well as how everybody can be involved and make a contribution. There are now also more people who are aware of this and questioning how things are going. It shows that the environment is no longer an isolated subject, but something which is a part of daily life.

At the same time, I am pleased that we have come further in the introduction of CMP's new quality and environmental management system. This will also continue in 2017, but we have now produced all the so-called process maps – which show how we should proceed – and that feels really good.

How do you work with industrial symbiosis?

We have advanced the collaboration surrounding industrial symbiosis. This symbiosis entails companies and organisations cooperating in ways which are beneficial for the environment and which deliver economic benefits, e.g. through utilising each other's resources or sharing different services. We are part of a network surrounding symbiosis from which we can also benefit in other contexts. It includes representatives for Malmö City, a number of companies in the port area as well as researchers and other specialists. The collaboration is exciting as it opens up new opportunities surrounding what we offer customers in the future, including in areas such as logistics, waste and energy. A decision has also been taken recently that Malmö City will institute a specific function for industrial symbiosis. It feels important for a company like CMP to be involved in this work, especially as we are now entering a phase with many new establishments in the port area and the nearby Malmö Industrial Park.

What tools and aids do you have in the environmental management?

CMP's joint development and communication tool, M/S Progress, is an important aid. It is used by all departments and it now also brings together short-term objectives and action plans in relation to environmental management. This has not previously



Petra König
Environmental Manager

been included in M/S Progress, but a major step has now been taken in that the environment also been elevated into the development work together with objectives pertaining to economy, customers etc.

Another aid is the environmental management system which constitutes the backbone in all activities. Now that we are talking about tools, I would also like to emphasise digitalisation. Previously the documentation was located in folders, but today digitalisation has improved accessibility in so many ways. In the long-term our employees will have templates and instructions with them in their smartphones and tablets. It means that the information will be available out in the operation. The same applies to the management system, where we will receive automatic messages regarding updates etc. which will help to keep the information fresh.

What are you focusing on during 2017?

Among other things, we will have the final parts of our processes in place in the environmental management system. As I mentioned, we will also proceed further with the action programme surrounding energy efficiencies, which applies to electricity and gas consumption as well as diesel consumption. The survey enables us to monitor where the major consumption is located and thus make changes in the right places in order to make savings over time.

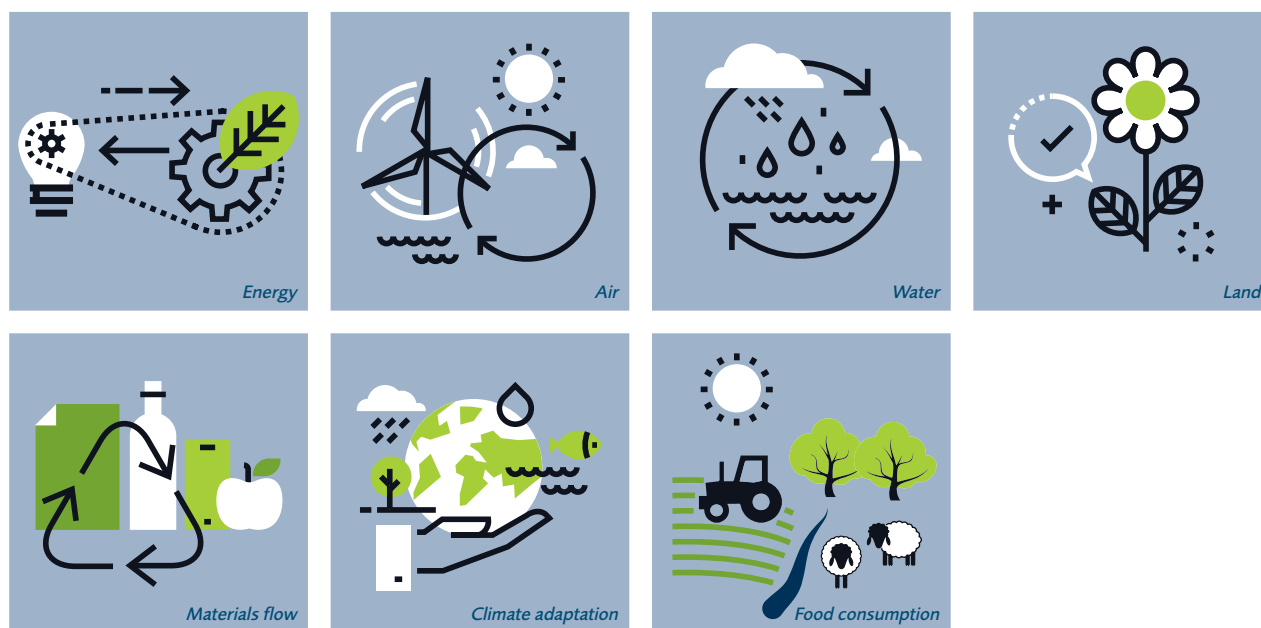


100%
green energy



ENVIRONMENTAL OBJECTIVES:

WE ARE TAKING RESPONSIBILITY FOR OUR ENVIRONMENT



Copenhagen Malmö Port has established the below long-term environmental objectives. The objectives relate to our own operations, not those of our tenants or collaborative partners, even though we welcome everybody to subscribe to our ambitions and actions.

Objectives for our direct environmental impact:

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.

Start year 2017.

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.

Water

Vision objectives: We have water in the port with a 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.

Land

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

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

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.

Start year 2017.

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 a change in the climate. 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.

WORK ENVIRONMENT:

A ZERO VISION CHARACTERISES THE OCCUPATIONAL HEALTH AND SAFETY ACTIVITIES

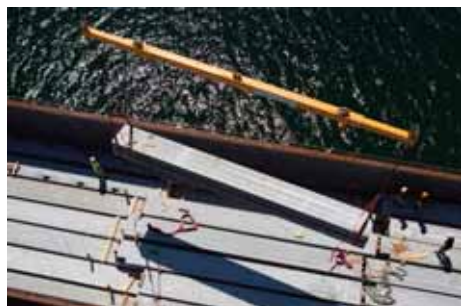
CMP handled 15.7 million tonnes of freight during 2016. CMP has a zero vision for occupational injuries in relation to this handling. This means that in the long-term, no employees will be injured at their workplace. In recent years the number of occupational injuries has also steadily decreased – from 17 in 2013 to 9 in 2016. A contributory reason for this is CMP's preventive work using risk assessments, which means that increasing numbers of risks in the work environment are detected and dealt with.

The risk assessments enable work processes and procedures to be surveyed systematically. This work has progressed during 2016 and included targeting the changes in the operation which can create new risks, for example new business and customer collaborations which affect how freight is handled on a daily basis.

More training

CMP has continued its targeted training initiatives during the year. All supervisors and first line managers – about 15 individuals – have now completed the same type of health and safety training. New regulations will be introduced during 2017 which will also contribute to managers being trained in systematic health and safety work at more levels in the company.

Implementation of CMP's quality and environmental management system will also be completed during 2017, which will simplify the health and safety work. The new digital system is integrated with CMP's intranet and furthermore simpler to use and update.



CMP's preventive work means that increasing numbers of risks in the work environment are detected and dealt with.

FUTURE DEVELOPMENT 1:

SIGHTS SET ON A NEW CONTAINER TERMINAL

In a few years it will be in place in Nordhavn in Copenhagen – CMP's new, ultramodern container terminal. The decision was taken in 2016 to move the container operation. The background is the urban development taking place in Copenhagen, which means that homes, offices, schools and much more are today already being built in the port area.

"Since the decision was taken, we have started to analyse the prerequisites for the new terminal. It entails addressing the needs in the short and long terms, and it is a task where we are also cooperating with customers, collaborative partners and other external experts", says Povl Dolleris Røjkjær Ungar, COO, Port & Terminal Operations within CMP.

An operational methodology has been produced describing how the container operation will be conducted in the future. It is focused on optimising the flows of freight and maintaining productiv-

ity, whilst also getting a grip on environmental issues, technical solutions and what the integration with customers will look like.

"A clear trend in the container industry is that the handling is becoming increasingly automated. It is therefore a development that we have to take into consideration when our new terminal is planned", emphasises Jacob Fogh, Terminal Manager at the container terminal in Copenhagen.

Increased automation will enable an increased degree of service in relation to the customers and better utilisation of the areas. The nautical conditions are also really good in Nordhavn, including depth of water and a smooth approach. It means that CMP will be able to receive even bigger ships in the future.

"The major investment which is starting now also signals that CMP is a secure and long-term partner for our customers. We now have a chance to cre-

ate an ultramodern facility, where we can raise the level of service even higher in relation to hauliers and shipping companies. We will be the obvious choice of container terminal in Eastern Denmark", says Povl Dolleris Røjkjær Ungar.

"The urban development also means that the infrastructure throughout the area will be even more advanced in the long-term. These are initiatives which will also benefit CMP's new container operation and our other logistics management", Jacob Fogh says.

The new container terminal is estimated to be operational no later than during 2021.



The new container terminal in Copenhagen is estimated to be operational no later than during 2021.

FUTURE DEVELOPMENT 2:

NEW CRUISE QUAY AND TERMINAL WILL GROW VISBY'S CRUISE TOURISM

The number of cruise passengers will multiply and enable tourism throughout Gotland to grow even more. There are major expectations for the new cruise terminal in Visby. It will be inaugurated in spring 2018 and will enable CMP to market three different destinations in the future.

Work got underway on the new cruise terminal in winter 2016. Since then there has been intense activity – both on the actual construction project and in preparing Visby and the rest of Gotland for the forthcoming cruise tourism.

"The cruise traffic is expected to increase international tourism on Gotland", says Stefan Persson, Enterprise Manager for Region Gotland. "We have previously received about 50,000 cruise passengers per season. We are expecting the new terminal to increase that number to 150,000 within ten years."

He emphasises that the cruise traffic will also contribute to the growth of other tourism on Gotland. For experience shows that 10 - 20% of passengers subsequently return to a cruise destination as "ordinary" tourists.

The medieval city of Visby also opens up new opportunities for CMP. From the start of 2018, three destinations will be marketed to shipping companies and other collaborative partners – Copenhagen, Malmö and Visby.

"It concerns location, location, location – in other words, that Visby has an attractive geographic position and is located at the right distance to suit cruise tourism in the Baltic", says Arnt Møller Pedersen, COO, Cruise & Ferries within CMP. "Today many cruise ships already call at Gotland and the capacity development that we currently underway will produce entirely new opportunities for us."

He also reports that CMP has already scheduled at least 60 arrivals with 70,000 passengers for the 2018 season. Together with partners including Region Gotland and local companies, CMP has formed a network, which is now working to create the best possible conditions for cruise tourism on the island.

Construction of the cruise quay has been underway since early 2016. It has involved dredging work, landfill and construction of the quay's new land area of about 12,000 square metres, founda-

tions and location of concrete foundation for footbridge and quay etc.

"We have dredged about 130,000 cubic metres to reach the right depth of water of 11 metres", reports Harald Grøttvik, project manager for the cruise quay. 80,000 tonnes of granite is also being put in place to form a breakwater around the land area of the quay.

Two large cruise ships can dock simultaneously at the new cruise quay. The actual jetty is 360 metres long and there will be room for up to 30 buses inside the quay area. A terminal building is also being built within the land area, with facilities including tourist information and toilets, space for customs and border police, as well as for service staff and crews.

"The environmental issues are also important in this project", Harald Grøttvik emphasises. Facilities to handle the ships' waste water are therefore being built within the land area. This water is then conveyed onward to the sewage works in Visby.

The first cruise ship will arrive at the new terminal in April 2018.



The quay deck, a concrete structure in 19 parts, was hoisted into place in April 2017.

CORPORATE SOCIAL RESPONSIBILITY:

A SAFER, MORE SECURE LIFE AT SEA

The blue ocean is the guiding principle in CMP's Corporate Social Responsibility (CSR) efforts. The aim is to make life at sea both more secure and safe, in part through active environmental management, in part via different social initiatives.

CMP's CSR work is based on the company-wide policy and has the aim of:

- A cleaner marine environment and a cleaner environment in the ports.
- A safer life at sea, in the ports and by the shore.
- Education and training to assist those working at sea or in shipping-related activities

Four focus areas

The policy encompasses CMP's employees, but also customers, owners, collaborative partners and the surrounding society. It focuses on four areas:

- Environment
- Safety
- Training/Research/Skills
- Corporate social responsibility.

The work is coordinated via an internal project team. CSR issues are also addressed at departmental meetings as well as via M/S Progress, CMP's overall communication, governance and development tool. Dialogue Meetings are also held each year, with the participation of all staff. CSR work is also addressed at these meetings, and employees can contribute ideas for suitable activities.

Support for organisations

CMP already supports and collaborates with a number of organisations in Sweden and Denmark. They all have operations which in one way or another have links to the blue sea, including:

- the World Maritime University
- the Merchant Marine's Welfare Board in Denmark
- the Swedish Seamen's Church (Swedish Church Abroad).

CMP also makes financial contributions to a number of environmental projects and offers services, including free wifi for crews on ships that dock at CMP's terminals.



The CSR work encompasses environmental aspects, but also social considerations that develop and make life at sea safer and more secure.

MANAGEMENT



Johan Röstin
CEO until June 2017



Barbara Scheel Agersnap
Deputy CEO and acting CEO from
June 2017



Jonas Arkestad
CFO



Povl Dolleris Røjkær Ungar
COO Port & Terminal Operations



Brian Kristensen
COO Liquid, Dry Bulk & Property



Arnt Møller Pedersen
COO Cruise & Ferries



Ulrika Prytz Rugfelt
PR & Corporate Communications
Manager



Pia From Jeppesen
CHRO

BOARD OF DIRECTORS



Ilmar Reepalu
Chairman of the Board.
Board member since 2013.



Mads Lebech
Deputy Chairman of the Board.
Board member since 2012.



Olof Andersson
Board member since 2013.



Anja Sonesson
Board member since 2015.



Carsten Koch
Board member since 2013.



Åke Svensson
Board member since 2001.



Michael Soetman
Board member since 2008.



Lars Weiss
Board member since 2011.



Roger Persson
Board member since 2015.
Employee representative.



Søren A. Nyegaard
Board member since 2001.
Employee representative.



Jacob Fogh
Board member since 2013.
Employee representative.



Gert-Inge Johansson
Board member since 2016.
Employee representative.

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 City Council, as long as they each own more than 20% of the total number of shares. The chairmanship alternates between By & Havn I/S and Malmö City Council. The Chairman is elected for a period of two years. The company's CEO, deputy CEO and CFO 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 between 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.

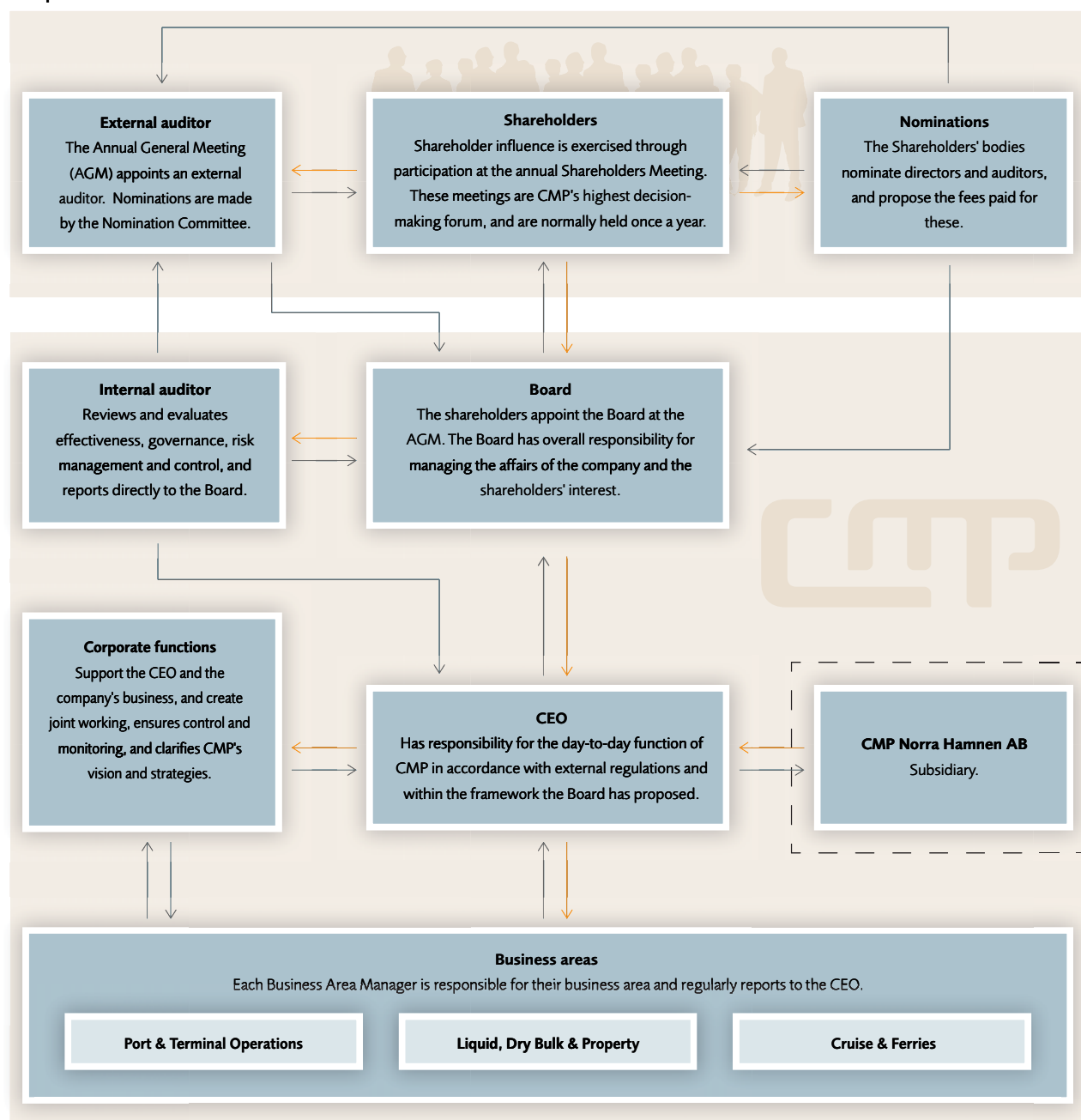
CEO, executive management

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' decisions are implemented. The CEO has principal responsibility for the operational management of the company. The company's operations are divided into three business areas. The company has a management team consisting of eight ordinary members including the CEO and the Deputy CEO. Besides the CEO and Deputy CEO, the management team consists of the head of each business area and the technical service and administration, PR & Communication, HR and strategic development functions.

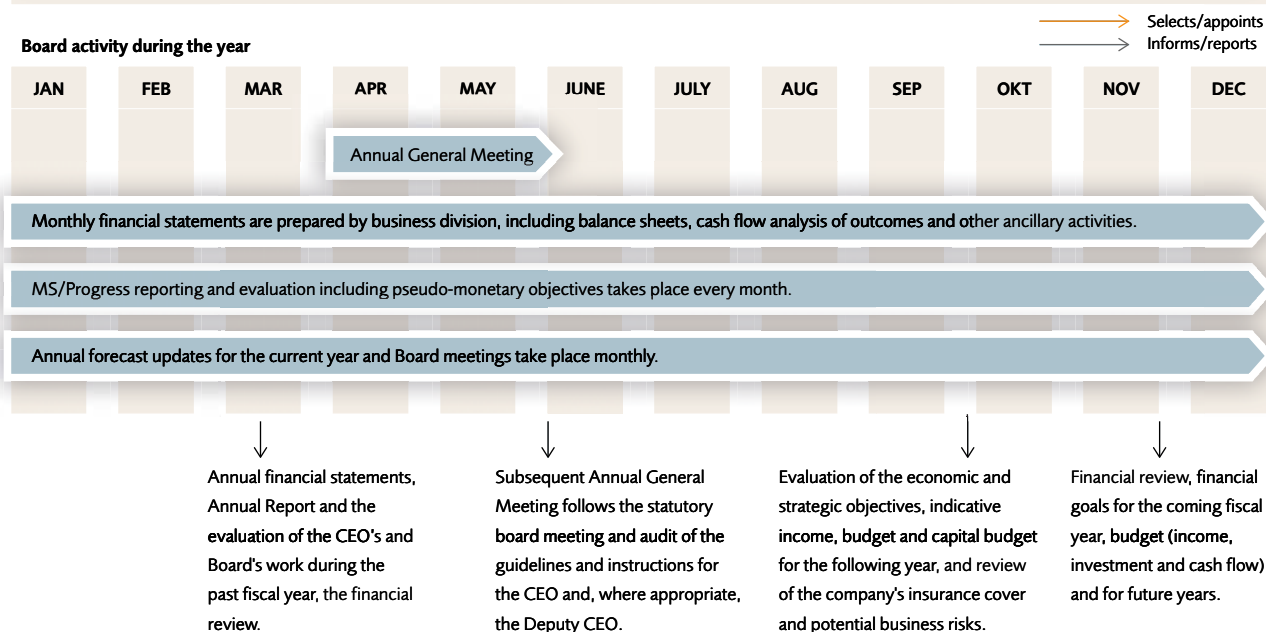
External audit

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

Corporate Governance



Board activity during the year





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 controls. 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.



Translation of official report:

GROUP REPORT

2016-01-01 – 2016-12-31

COPENHAGEN MALMÖ PORT AB (ORG.NR. 556027-4077)

Translation of official report:

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Copenhagen Malmö Port AB (CMP) hereby submit their annual report and consolidated financial statements for the financial year January – December 2016. Amounts in brackets refer to 2015. The group was established during 2016. In accordance with the group's accounting principles, there are consequently no comparative figures. The parent company's figures are shown in brackets for information purposes.

Ownership structure, scope and type of business operations

CMP's shares and voting rights are distributed among 21 shareholders. Udviklingsselskabet By & Havn I/S, Malmö City Council and Förvaltnings AB Norra Vallgatan together represent just under 92% of the total number of shares and votes. There have been no changes in ownership during 2016.

Largest shareholders 31 December 2016

Shareholder	No. of shares	% share
Udviklingsselskabet By & Havn I/S (Danish reg.no. 30823702)	1,800,000	50.0%
Malmö City Offices, City of Malmö (reg.no. 212000-1124)	989,100	27.5%
Förvaltnings AB Norra Vallgatan (reg.no. 556669-0383)	517,500	14.4%
Other shareholders	293,400	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. SE 25 99 60 11). Besides the parent company and branch, there is now also the subsidiary, Copenhagen Malmö Port Norra Hamnen AB (Corp ID no. 559061-3963).

Geographically, operations are conducted in the port areas in Copenhagen and Malmö. During 2018 operations will also include the port area in Visby on Gotland, where a cruise terminal is currently under construction. Operations are divided into four business areas – Cruise & Ferries; Liquid Bulk, Dry Bulk and Property; Port & Terminal Operations, as well as CMP Norra Hamnen (North Harbour). Norra Hamnen consists of Container, Combi and RoRo operations, which were placed in a subsidiary in 2016.

All business areas apart from CMP Norra Hamnen have operations in both Malmö and Copenhagen. CMP Norra Hamnen only has operations in Malmö. CMP utilises fixed facilities such as quays, shipping lanes and buildings by agreement with Malmö City Council and Udviklingsselskabet By & Havn I/S respectively. CMP pays annual concession fees for this. These fees are based

in part on older facilities, in part – on completion – on investments made in new facilities. The current concession agreement with the port owners expires in 2035. During 2017 the agreements will be extended to 2040 unless a party cancels them before the end of the period of notice. The contracts also regulate the conditions for moving specified terminals to new geographic areas during the contract period. Each port owner guarantees CMP at least the book value of investments which cannot be moved if the leases 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.

Business concept

CMP's business concept is to sell port, terminal and transport solutions and it reads: "We create port, terminal and transport solutions across Northern Europe". The business concept emphasises that CMP is good at creation, development and renewal – in both its internal work and in its contacts with external actors. In terms of this creation, CMP is characterised by sensitivity and the capacity to innovate and make rapid decisions. In addition, it is emphasised that CMP offers solutions, rather than services. The solutions must be wide-ranging and create clear added value for customers and business partners. The solutions also include new forms of collaboration, ideally in the form of alliances and partnerships, where CMP challenges ingrained ways of doing things and traditional industrial structures. The business concept also clarifies that CMP's market comprises Northern Europe. Countries and markets around the Baltic Sea will be the focus of future growth and development.

Significant events during the financial year

The subsidiary CMP Norra Hamnen AB (Corp ID no. 559061-3963) was set up in September. At the same time, operations in Norra Hamnen in Malmö were moved to the new organisation. The establishment reflects CMP's ambition for an external operator to acquire and take over management of the business. The establishment of the subsidiary also contributes to increasing the focus and transparency in this part of CMP's operations. Even as a part of the CMP group, the subsidiary is deemed to have substantial prospects of improving its yield. The establishment of CMP Norra Hamnen AB made CMP a group, which has had effects, among other things, on accounting.

The decision was taken to move the container operation in Copenhagen to Ydre Nordhavn, which is located about one kilometre from the current terminal. A new facility is under construction in Ydre Nordhavn to be operational no later than 2021.

Work started in February on the cruise terminal which Region Gotland is building in Visby. On completion, CMP will take over operation of the facility, which will start to receive cruise traffic in spring 2018.

CMP has chosen to correct errors through retroactive application in relation

to reporting of certain lease contracts. Retroactive application means that the comparative year of 2015 has been recalculated for the parent company. The correction has had a significant impact on equity, accrued expenses, long-term liabilities, deferred tax assets and cost-of-sale items in the parent company. The correction has had an impact on the company's total equity capital for a total of SEK -194.3 million.

Development of operations, position and profits (group)

(SEK '000)	2015	2016
Net turnover	762,122	812,136
Operating income	29,122	43,172
Profit/loss after financial deductions	29,965	31,282
Balance sheet total ⁽¹⁾	636,003	1,038,456
Equity/assets ratio ⁽²⁾	25.7%	9.5%
Return on equity ⁽³⁾	14.2%	4.6%
Average number of employees	376	377

Sales and profits

CMP's turnover in 2016 amounted to SEK 812.1 million (762.1), which was SEK 50.0 million or 6.6 % higher than the previous year. If currency exchange fluctuations of SEK 6.3 million are deducted, then turnover increased by SEK 43.7 million, which is equivalent to 5.7%.

The rise in sales – besides exchange rate fluctuations – are explained by the fact that the majority of business segments displayed increases. The segments which displayed the highest growth in absolute figures were Bulk, Oil and New Cars. The change within bulk is linked to increased handling of building materials – principally gravel and stone – and also to increased storage capacity and storage activity. The growth within Oil is principally due to larger bunkering volumes in Copenhagen and Malmö, where the new SECA directive contributed to the increase. The oil price trend during 2016 has produced increased volumes within transit oil which – together with aviation fuel for Kastrup – meant that the total volumes in the business segment grew. The increased volumes of cars is linked to a growing demand in the markets for private cars in the Nordic region and in Russia. Several car manufacturers have also implemented model change programmes, and CMP has simultane-

ously gained new business that has increased its own market shares. In total, CMP handled 15.7 million tonnes of freight in 2016. This is a volume increase of 5.0 per cent, which also explains a large proportion of the economic increase in turnover.

The operating profit for 2016 was SEK 43.2 million (29.1). This produced an operating margin of 5.3% (3.8) and an improved operating profit of SEK 14.1 million compared with 2015. The outcome is affected by the exchange rate effect of SEK 1.4 million. The outcome is also affected by the transition to consolidated accounts, which means that SEK 12.0 million of the expenses from Cost for Goods Sold is moved down to interest expenses. This is due to certain lease contracts being classified as financial leasing. In addition, the outcome is explained by the fact that the business was able to absorb a number of additional costs during 2016. In total the additional costs are estimated to amount to about SEK 17 million, which are not attributable to volume increases or inflation. The additional costs included project expenses of about SEK 10 million in relation to the following three projects:

- subletting of the operations in the CMP Norra Hamnen business area,
- move of the Container operation in Copenhagen,
- analysis of the cruise operation's future capacity to handle large cruise ships.

The fact that CMP was able to absorb both additional expenses and other normal cost increases is primarily down to the volume increases mentioned, a better mix of service and continuous work to make more efficiencies.

The difference in net interest income/expense is down to the increased interest expense which is attributable to reporting financial leasing in the consolidated accounts during 2016. Financial leasing entails a proportion of the lease expenses being reported in net interest income/expense instead of under cost of Goods Sold, which produces an effect 2016 of SEK -12.0 million.

Profit after financial items amounted to SEK 31.3 million (30.0). This was a change of SEK 1.3 million compared with 2015. Tax on profit for the year amounted to SEK -25.3 (-25.9) million. Profit for the year after tax amounted to SEK 5.9 million. There were 377 full-time employees in the group during 2016 (376).

Cash flow and Liquidity

CMP's cash flow from operating activities amounted to SEK 74.3 (57.0) million. The principle reasons for the change in cash flow compared with 2015 were that tax paid increased by SEK 12.6 million.

(1) In accordance with the group's accounting principles, there are no comparative figures to present for the group. The comparative figures are reported for information purposes in the form of the parent company's figures. The effect of other accounting principles in the group compared with legal entity are described in the group's report of changes in equity.

(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.

Investing activities produced an outflow of cash of SEK -36.1 (-36.0) million. Dividends of SEK 68.9 (66.1) million were dispersed. Thereafter cash flow for the year amounted to SEK -22.7 (-9.5) million. Cash flow for the year produced cash and cash equivalents at the end of the year of SEK 133.1 (155.8) million.

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. During September 2016 the operation in Norra Hamnen in Malmö was hived off and placed in the subsidiary, CMP Norra Hamnen AB. Otherwise, all business operations are conducted in the parent company. This means that the bulk of the comments refer to the parent company. Turnover in the parent company during 2016 was SEK 807.4 (762.1) million. Profit for the year amounted to SEK 23.4 (39.0) million. The parent company had 337 (376) full-time employees during 2016. The difference between the years is attributable to employees who moved over to the subsidiary, CMP Norra Hamnen AB.

The annual report is determined at the Annual General Meeting on 21 June 2017.

(SEK '000)	2012 ⁽³⁾	2013 ⁽³⁾	2014 ⁽³⁾	2015	2016
Net turnover	720,465	715,363	762,690	762,122	807,442
Operating income	101,706	86,874	89,517	29,122	46,816
Profit/loss after financial deductions	104,654	88,616	90,263	29,965	47,816
Balance sheet total	531,962	549,304	631,766	636,003	603,678
Equity/assets ratio ⁽¹⁾	73.1%	75.9%	65.9%	25.7%	19.6%
Return on equity ⁽²⁾	24.9%	22.1%	21.7%	14.2%	16.3%
Average number of employees	415	400	384	376	337

(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.

(3) From 1 January 2014 the company applies BFNAR 2012:1 Annual report and consolidated financial statements ("K3"). The comparative year of 2013 has been converted in accordance with K3. Conversion of previous years has not taken place.

Correction of error: In the multiannual review, amounts are reported as an effect of correction of errors by retroactive application. The amounts for 2012-2014 have not been recalculated.

Significant events after the year-end accounts

On May 19, 2017, CMP's CEO, Johan Röstin, announced to the Board that after eight years, he decided to leave CMP. The reason for this is that he has accepted an offer for a new challenge outside the company.

Outlook

The company views the future positively, despite stiff competition and an economic situation that remains hesitant. 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, establishing the conditions for a favourable development in coming years.

The lease contract for the bulk of the land where CMP conducts its operations is expected to be extended during 2017. The extension presupposes that the respective port owners do not choose to terminate the contract. If the agreement is not terminated, it is extended automatically for a period of five years at a time – from 2035 until 2040. During 2016 CMP decided to move the container operation in Copenhagen to Ydre Nordhavn, which is located adjacent to CMP's cruise terminal in Copenhagen.

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 monthly 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 focussing 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, ongoing 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 focussed 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 CMP's services. CMP's operations are wide-ranging and directed at many different sectors and customers. This reduces the risk of a deterioration in demand affecting 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 within CMP.

Price risk

The price risk means that the market price of CMP's services could fall, and have a negative effect on the business. For example, this risk is managed through the fact that CMP's services are 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. The leasing services proportion of CMP's total income is just under 50%.

Price risks for products and services that CMP purchases primarily pertain to market risks, currency risks and interest rate risks. To a limited extent CMP is indirectly exposed to interest rate risks in its lease contracts via the annual indexation. Otherwise, the lease contracts run with fixed interest which in some cases is recalculated every three years with a limited interest rate risk. During 2016 the leases accounted for an annual cost of SEK 187.5 (166) million.

The leases for properties and sites that CMP uses are regulated. This minimises the risk of property and site owners deciding to use areas of land and properties for other purposes. The contracts are extended every five years by a further five years. This means that they are always valid for 20 - 25 years ahead. 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.

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.

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 a stop in operations and injuries to persons and damage to property. CMP follows up these risks on a continuous basis, develops its procedures and improves technical equipment and expertise in order to prevent accidents.

Environmental risk

CMP has an environmental permit. This permit presupposes that CMP and the company's tenants and customers perform their undertakings. CMP continuously evaluates its operations and analyses relevant risks in order to comply with the requirements and conditions in the environmental permit.

CMP has some exposure to substances that are harmful to the environment, for example, oil and chemicals. Through its own environmental policy, extensive safety procedures and continuous monitoring of its facilities, 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 does not currently have any 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. About half of CMP's turnover is in Danish kronor. The risk is limited to the profit margin as the bulk of the costs for what is invoiced in Danish kronor 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 by the fact that quays and buildings can often be used in other ways than 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. 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 a long period of downtime.

Environment and quality

CMP engages with environmental issues on a continuous basis, in part through the company's environmental policy and in part via its own environmental management system. The ISO 14001:2004 international standard has been used for a number of years to ensure systematic environmental management. A recertification was undertaken during 2015 to extend CMP's certificate for a further three years. Port operations in Sweden are obliged to have a permit according to environmental legislation. CMP received its environmental permit for port operations in Malmö in 2008. Some of the facilities and land areas where CMP currently conducts business 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. CMP also has a certified quality management system in accordance with ISO 9001:2008. A recertification was also conducted in 2015 for this, which means that the certificate is valid for a further three years.

Investments

Investments in buildings, machinery and equipment during the year were SEK 36.1 (36.0) million. The investments primarily related to buildings and land. Besides investments on its own account, investments are also made by the respective land owner, which pays via a lease fee. During 2016 investments by land owners amounted to SEK 42.2 (20) million.

Employees

The average number of employees in the group in 2016 was 377 (376), which is a increase of 0.3 % compared with the year before. Out of the total number of employees, 15% were women (15). Short-term sick leave was 2.4 % (2.8 %) and long-term sick leave 2.7 % (2.6 %).

Proposed distribution of profits

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

Retained profits, SEK '000s	-25,751
Profit for the year, SEK '000s	23,351
Total, SEK '000s	-2,400

The Board of Directors and CEO propose the following:

To be carried forward, SEK '000s	2,400
Total, SEK '000s	2,400

In recent years, CMP has distributed 25 percent of the free equity to its shareholders. The Board and the Managing Director propose this time that no dividend is made. The proposed level is motivated partly by the fact that CMP should take into account the major investments the company faces and reported in this management report, and that the equity does not reach the dividend policy limit of 40%.

For the company's earnings and position for 2016 and 2015, refer to the following income statement and balance sheet and supplementary information.

CONSOLIDATED INCOME STATEMENT

(SEK '000)	Note	2016	2015 ⁽¹⁾
Net turnover	3	812,136	762,122
Expenditure for goods sold		-682,878	-657,761
Gross profit		129,258	104,361
Sales costs		-25,365	-25,876
Administrative costs		-42,683	-39,606
Other operating income	4	72,444	38,987
Other operating expenses	5	-90,482	-48,744
Operating income	6, 7, 8	43,172	29,122
Interest and other similar income		249	1,123
Interest expenses and similar items	9	-12,139	-280
Profit after financial items		31,282	29,965
Reserves	17	0	35,000
Tax on profits for the year	10	-25,339	-25,929
Profit for the year		5,943	39,036

(1) No comparative figures have been reported for the group for 2015 in accordance with the group's accounting principles.
Amounts in the income statement for 2015 refer to the parent company's figures, which are presented for information purposes.

CONSOLIDATED BALANCE SHEET

December 31 (SEK '000)	Note	2016	2015 ⁽¹⁾
ASSETS			
FIXED ASSETS			
Tangible fixed assets	11		
Buildings and land		523,379	92,977
Plant and other technical equipment		128,256	143,723
Inventory, tools, fixtures and fittings		91,216	82,763
Construction in progress and advances		10,108	9,779
		752,959	329,242
Financial assets			
Deferred taxes recoverable	12	30,920	22,701
		30,920	22,701
TOTAL FIXED ASSETS		783,879	351,943
CURRENT ASSETS			
Current receivables			
Accounts receivables		65,880	53,115
Other receivables	15	3,838	12,673
Current income taxes recoverable		5,287	366
Prepayments and accrued income	16	46,470	62,123
		121,475	128,277
Cash and bank balances	22	133,102	155,783
TOTAL CURRENT ASSETS		254,577	284,060
TOTAL ASSETS		1,038,456	636,003

(1) No comparative figures have been reported for the group for 2015 in accordance with the group's accounting principles.
Amounts in the income statement for 2015 refer to the parent company's figures, which are presented for information purposes.

December 31 (SEK '000)

Note

2016

2015 ⁽¹⁾

EQUITY AND LIABILITIES

EQUITY

Share capital

100,000

100,000

Other equity including profit for the year

-1,108

63,577

98,892

163,577

TOTAL EQUITY

98,892

163,577

UNTAXED RESERVES

17

0

4,912

APPROPRIATIONS

18

26,342

25,059

LONG-TERM LIABILITIES

Liability financial leasing

19

416,212

0

Other long-term liabilities

20

238,199

206,711

654,411

206,711

CURRENT LIABILITIES

Trade payables

42,506

37,547

Liability financial leasing

19

24,129

0

Other liabilities

7,183

17,288

Accrued expenses and deferred income

21

184,993

180,908

258,811

235,744

TOTAL EQUITY AND LIABILITIES

1,038,456

636,003

(1) No comparative figures have been reported for the group for 2015 in accordance with the group's accounting principles.
Amounts in the income statement for 2015 refer to the parent company's figures, which are presented for information purposes.

THE GROUP'S CHANGES IN CONSOLIDATED EQUITY

Equity (SEK '000)	Share capital	Other reserves	Retained profits	Total equity
The parent company's closing balance as of 31 December 2015	100,000	20,388	43,189	163,577
Equity portion of untaxed reserves			3,831	3,831
Effect of reporting financial leasing			-5,519	-5,519
Opening balance as of 1 January 2016	100,000	20,388	41,501	161,889
Profit for the period			5,943	5,943
Total changes in value	100,000	20,388	47,444	167,832
Transactions with owners:				
Dividend 19.15 per share			-68,940	-68,940
Total transaction with shareholders			-68,940	-68,940
Closing balance as of 31 December 2016	100,000	20,388	-21,496	98,892

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

THE GROUP'S CASH FLOW STATEMENT

(SEK 1,000)

	2016	2015
Operating activities		
Profit after financial items	31,282	29,965
Adjustment for non-cash items:		
Depreciation and impairment of property, plant and equipment	67,609	38,742
Provisions	1,283	25,059
Other adjustments	-363	0
Capital gain on property, plant and equipment	663	-884
	100,474	92,882
Income tax paid	-36,811	-24,222
Cash flow from operating activities before changes in working capital	63,663	68,660
Change in receivables	11,725	1,824
Change in current liabilities	-1,061	-13,461
Cash flow from operating activities	74,327	57,023
Investing activities		
Acquisition of property, plant and equipment	-37,359	-41,635
Sale of equipment	1,290	5,635
Cash flow from investing activities	-36,069	-36,000
Financing activities		
Change in long-term liabilities	8,001	35,584
Dividend	-68,940	-66,132
Cash flow from financing activities	-60,939	-30,548
Cash flow for the year	-22,681	-9,525
Cash and cash equivalents at beginning of year	155,783	165,308
Cash and cash equivalents at end of year	133,102	155,783

THE PARENT COMPANY'S INCOME STATEMENT

(SEK '000)	Note	2016	2015
Net turnover	3	807,442	762,122
Expenditure for goods sold		-679,525	-657,761
Gross profit		127,917	104,361
Sales costs		-24,722	-25,876
Administrative costs		-41,693	-39,606
Other operating income	4	72,444	38,987
Other operating expenses	5	-87,130	-48,744
Operating income	6, 7, 8	46,816	29,122
Interest and other similar income		1,110	1,123
Interest expenses and similar items	9	-110	-280
Profit after financial items		47,816	29,965
Reserves	17	4,912	35,000
Tax on profits for the year	10	-29,377	-25,929
Profit for the year		23,351	39,036

THE PARENT COMPANY'S BALANCE SHEET

December 31 (SEK '000)	Note	2016	2015
ASSETS			
FIXED ASSETS			
Tangible fixed assets	11		
Buildings and land		94,956	92,977
Plant and other technical equipment		74,443	143,723
Inventory, tools, fixtures and fittings		91,201	82,763
Construction in progress and advances		10,108	9,779
		270,708	329,242
Financial assets			
Participations in group companies	13	40 050	0
Receivables from group companies	14	56 650	0
Deferred taxes recoverable	12	26,375	22,701
		123,075	22,701
TOTAL FIXED ASSETS		393,783	351,943
CURRENT ASSETS			
Current receivables			
Accounts receivables		63,354	53,115
Other receivables	15	2,001	12,673
Current income taxes recoverable		4,997	366
Prepayments and accrued income	16	34,041	62,123
		104,393	128,277
Cash and bank balances	22	105,502	155,783
TOTAL CURRENT ASSETS		209,895	284,060
TOTAL ASSETS		603,678	636,003

December 31 (SEK '000)	Note	2016	2015 ⁽¹⁾
EQUITY AND LIABILITIES			
RESTRICTED EQUITY			
Share capital		100,000	100,000
Statutory reserve		20,388	20,388
		120,388	120,388
NON-RESTRICTED EQUITY			
Retained earnings		-25,751	4,153
Profit for the year		23,351	39,036
		-2,400	43,189
TOTAL EQUITY		117,988	163,577
UNTAXED RESERVES	17	0	4,912
APPROPRIATIONS	18	26,342	25,059
LONG-TERM LIABILITIES			
Other long-term liabilities	20	238,199	206,711
		238,199	206,711
CURRENT LIABILITIES			
Trade payables		40,356	37,547
Liabilities to group companies	19	283	0
Other liabilities		5,547	17,289
Accrued expenses and deferred income	21	174,963	180,908
		221,149	235,744
TOTAL EQUITY AND LIABILITIES		603,678	636,003

CHANGES IN THE PARENT COMPANY'S EQUITY

Equity (SEK '000)	Share capital	Statutory reserve	Non-restricted equity	Total equity
Opening balance as of 1 January 2015 according to balance sheet adopted	100,000	20,388	264,572	384,960
Correction of errors ⁽¹⁾			-194,287	-194,287
Adjusted opening balance as of 1 January 2015	100,000	20,388	70,285	190,673
Dividend to shareholders			-66,132	-66,132
Profit/loss for the year			39,036	39,036
Closing balance as of 31 December 2016	100,000	20,388	43,189	163,577
Opening balance as of 1 January 2016	100,000	20,388	43,189	163,577
Dividend to shareholders			-68,940	-68,940
Profit for the period			23,351	23,351
Total changes in value	100,000	20,388	-2,400	117,988

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

(1) The adjustment refers to the effect of correction of errors, as conversion to a linear method, alternative economic benefits regarding the accounting of certain leases that previously had a different cost-management model. Correction of errors has been made by retroactive application, which means an effect on the opening equity per 1 January 2015, -194,287. Retroactive application has affected the income statement for 2015 by -41,893 before tax impact, which is reported under cost of goods sold.

In connection with a correction of errors in the annual accounts for 2016, a translation was also made for the parent company of the comparative year 2015 in order to achieve relevant comparability using the same principles as for 2016. A recalculation of the comparative year 2015 shows – when the correction is included – a lower equity for 2015 and that the dividend paid in 2016 does not fully cover equity and that part of the restricted equity has been used. This is a consequence of retroactive application of correction made. These circumstances were not known to the Annual General Meeting or the Board when a dividend decision was taken in 2016. The company estimates that the company's and the Group's equity will grow and more than fill out the portion of the restricted equity that has been distributed. The company also estimates that liquidity and profitability remain unchanged.

THE PARENT COMPANY'S CASH FLOW STATEMENT

(SEK 1,000)	2016	2015
Operating activities		
Profit after financial items	47,816	29,965
Adjustment for non-cash items:		
Depreciation and impairment of property, plant and equipment	36,475	38,742
Provisions	1,283	25,059
Other adjustments	-349	0
Capital gain on property, plant and equipment	663	-884
	85,888	92,882
Income tax paid	-36,519	-24,222
Cash flow from operating activities before changes in working capital	49,369	68,660
Change in receivables	28,515	1,824
Change in current liabilities	-14,594	-13,462
Cash flow from operating activities	63,290	57,022
Investing activities		
Acquisition of subsidiaries	-40,050	0
Acquisition of property, plant and equipment	-37,359	-41,635
Sale of equipment	1,290	5,635
Cash flow from investing activities	-76,119	-36,000
Financing activities		
Change in long-term liabilities	31,488	35,585
Dividend	-68,940	-66,132
Cash flow from financing activities	37,452	-30,547
Cash flow for the year	-50,281	-9,525
Cash and cash equivalents at beginning of year	155,783	165,308
Cash and cash equivalents at end of year	105,502	155,783

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.

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 BFAR 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 in the cases indicated in italics below.

Lease payments

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

Correction of error

The company has chosen to correct an error by retroactive application for the accounting of certain leases. The correction has had a significant impact on the opening balance for 2015-01-01. The effect is presented under the respective report or note.

Income

Revenue is reported at the fair value of the consideration received or will be obtained, less VAT, rebates, returns and similar deductions.

Sales of services

Revenue from the sale of services on a current account is reported as income during the period of work and material is delivered 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
Structural additions/dry wall	50 years
Plumbing and electricity	40 years
Ventilation	20 years
Facade and roof	40 years
Transportation (lifts)	25 years
Cranes	25-30 years
Building equipment and installations	10-20 years
Work machines	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.

The buildings do not have a taxable 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.

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.

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 associ-

ated 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 comprises 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 are translated into Swedish kronor at the closing rate. The difference between the acquisition cost and the balance sheet date has been recognised in income.

Liquid assets

Liquid assets consist solely of bank deposits.

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 insecure accounts receivable

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	
	2016	2015	2016	2015
Terminal income	606,336	571,437	582,502	571,437
Rental income	166,913	155,539	166,860	155,539
Other income	38,887	35,146	58,080	35,146
Total	812,136	762,122	807,442	762,122

Note 4 Other operating income

(SEK 1,000)	Group		Parent Company	
	2016	2015	2016	2015
Exchange rate regulation	68,993	34,314	68,993	34,314
Capital gain/loss on sale	1,290	2,513	1,290	2,513
Other	2,161	2,160	2,161	2,160
Total	72,444	38,987	72,444	38,987

Note 5 Other operating expenses

	Group		Parent Company	
(SEK 1,000)	2016	2015	2016	2015
Exchange rate regulation	75,087	35,062	71,774	35,062
Property tax	5,229	3,966	5,229	3,966
Self-insurance costs	5,070	3,358	5,036	3,358
Capital gain/loss on sale	1,953	1,632	1,953	1,632
Other	3,143	4,726	3,138	4,726
Total	90,482	48,744	87,130	48,744

Note 6 Fee to auditors

	Group		Parent Company	
(SEK 1,000)	2016	2015	2016	2015
PwC				
Audit assignment	325	0	325	0
Auditing services in addition to the audit assignment	0	0	0	0
Tax consultancy	70	0	70	0
Other services	0	0	0	0
Total	395	0	395	0
 (SEK 1,000)	 2016	 2015	 2016	 2015
Deloitte				
Audit assignment	125	550	0	550
Auditing services in addition to the audit assignment	72	23	72	23
Tax consultancy	256	208	211	208
Total	453	781	283	781
 Total fees to auditors	 848	 781	 678	 781

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 7 **Number of employees, salaries and remuneration for employees and the Board**

Average number of employees	Group		Parent Company	
	2016	2015	2016	2015
Malmö				
Men	158	157	119	157
Women	28	28	27	28
	186	185	146	185
Copenhagen				
Men	162	162	162	162
Women	29	29	29	29
	191	191	191	191
Total	377	376	337	376

Staff costs (SEK 1,000)	Group		Parent Company	
	2016	2015	2016	2015
Board of Directors and CEO				
Salaries and other remuneration,	7,817	6,303	7,447	6,303
of which bonuses	501	0	501	0
Social-security contributions,	3,505	2,811	3,231	2,811
of which pension costs and obligations	1,915	1,522	1,758	1,522
Other employees				
Salaries and other remuneration,	210,467	208,388	204,789	208,388
of which bonuses	0	0	0	0
Social-security contributions,	47,561	47,314	45,381	47,314
of which pension costs and obligations	20,786	19,731	19,966	19,731

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

Female representation on the Board and in management	Board of Directors	CEO and other senior executives
Proportion of men in group	92%	86%

Note 8 Operational leasing

The company has lease expenses for cars, machinery and equipment. Total lease payments in 2016 were 8,992.

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Maturity				
Within one year	6,128	7,033	4,750	7,033
Later than one year but within five years	13,706	15,763	8,502	15,763
Later than five years	0	0	0	0
Total	19,834	22,796	13,252	22,796
(SEK 1,000)	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Maturity				
Within one year	132,372	180,465	195,818	180,465
Later than one year but within five years	675,072	897,610	954,370	897,610
Later than five years	2,904,813	3,953,118	3,700,541	3,953,118
Total	3,712,257	5,031,193	4,850,729	5,031,118

Note 9 Interest charges and similar expenses

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Interest in respect of financial leasing	12,029	0	0	0
Other	110	280	110	280
Total	12,139	280	110	280

Note 10 Tax

(SEK 1,000)	Group		Parent Company	
	2016	2015	2016	2015
Current tax	-31,889	-29,474	-31,889	-29,474
Deferred tax	6,550	3,545	2,512	3,545
Tax on profits for the year	-25,339	-25,929	-29,377	-25,929

Reconciliation of tax expense for the year:

Reported profit before tax	31,282	29,965	47,816	29,965
Tax calculated with tax rate of 22%	-6,882	-6,592	-10,520	-6,592
Tax effect of non-deductible expenses	-7,100	-8,106	-7,100	-8,106
Tax effect of non-taxable income	4	11	4	11
Adjustment from reported to fiscal depreciation on buildings	-279	-218	-279	-218
Effect of foreign tax	-9,997	-3,766	-9,997	-3,766
Difference in exchange rate on foreign tax	-356	754	-356	754
Tax effect of untaxed reserves	0	-7,700	0	-7,700
Other adjustments	-729	-1,409	-1,129	-1,409
Total	-25,339	-27,929	-29,377	-27,027
Adjustments reported this years in relation to last year's taxes payable	0	1,098	0	1,098
Reported tax expense for the year	-25,339	-25,929	-29,377	-25,929

Note 11 Tangible fixed assets

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Buildings and land				
Cost at beginning of year	119,337	90,364	119,337	90,364
Reclassifications	9,050	28,973	9,050	28,973
Sales/disposals	0	0	-2,412	0
Cost at end of year	128,387	119,337	125,975	119,337
Depreciation at beginning of year	-26,360	-22,632	-26,360	-22,632
Depreciation charge for the year	-5,161	-3,728	-5,121	-3,728
Sales/disposals	0	0	462	0
Depreciation at end of year	-31,521	-26,360	-31,019	-26,360
Planned residual value at end of year	96,866	92,977	94,956	92,977

(SEK 1,000)	Group	
	2016.12.31	
Buildings and Land attributable to financial leasing		
Cost at beginning of year	486,227	
Acquisitions for the year	24,603	
Cost at end of year	510,830	
Depreciation at beginning of year	-54,815	
Depreciation charge for the year	-29,502	
Depreciation at end of year	-84,317	
Planned residual value at end of year	426,513	

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 16 Financial leasing.

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Plant and other technical equipment				
Cost at beginning of year	348,846	364,678	348,846	364,678
Reclassifications	4,148	7,945	3,882	7,945
Sales/disposals	-25,805	-23,777	-110,077	-23,777
Cost at end of year	327,189	348,846	242,651	348,846
Impairment at beginning of year	-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
Depreciation at beginning of year	-193,953	-194,122	-193,953	-194,122
Sales/disposals	25,671	20,655	54,749	20,655
Depreciation charge for the year	-19,481	-20,486	-17,834	-20,486
Depreciation at end of year	-187,763	-193,953	-157,038	-193,953
Planned residual value at the end of year	128,256	143,723	74,443	143,723

ADDITIONAL DISCLOSURES, CONTINUED

Note 11 Tangible fixed assets, continued

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Inventory, tools, fixtures and fittings				
Cost at beginning of year	178,665	166,089	178,665	166,089
Reclassifications	23,836	17,199	24,102	17,199
Sales/disposals	-29,130	-4,623	-30,096	-4,623
Cost at end of year	173,371	178,665	172,671	178,665
Depreciation at beginning of year	-95,902	-84,364	-95,902	-84,364
Sales/disposals	27,310	2,991	27,953	2,991
Depreciation charge for the year	-13,563	-14,529	-13,521	-14,529
Depreciation at end of year	-82,155	-95,902	-81,470	-95,902
Planned residual value at end of year	91,216	82,763	91,201	82,763

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Construction in progress and advances				
Opening balance	9,779	22,261	9,779	22,261
Expenditure for the year	37,363	41,635	37,363	41,635
Reclassifications during the year	-37,034	-54,117	-37,034	-54,117
Foreign exchange adjustment	–	–	–	–
Closing balance	10,108	9,779	10,108	9,779

Note 12 Deferred taxes recoverable

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Deferred tax in relation to financial leasing	2,386	0	0	0
Deferred tax relating to temporary difference in leases	23,863	22,701	26,375	22,701
Deferred tax on loss carry-forward	2,159	0	0	0
	28,408	22,701	26,375	22,701

The tax rate for calculating deferred tax amounts to 22 percent. The carry-forward amount for the settlement of foreign tax is not reported as a deferred tax asset, as it is currently unlikely that the amount can be utilized within the stipulated time.

Deferred tax on rental contract refers to correction of errors, see Note 20, where there is a temporary difference for the cost, as it will not be deductible until the date of payment.

Note 13 Participations in group companies

(SEK 1,000)	Parent Company	
	2016.12.31	2015.12.31
Cost at beginning of year	0	0
Investment subsidiaries	40,050	0
Cost at end of year	40,050	0
Closing reported value	40,050	0

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 2016.12.31
Copenhagen Malmö Port Norra Hamnen AB	100%	100%	100,000	40,050

The company's name	Corp. ID no.	Headquarters
Copenhagen Malmö Port Norra Hamnen AB	559061-3963	Malmö

Note 14 Receivables from group companies

(SEK 1,000)	Parent Company	
	2016.12.31	2015.12.31
Cost at beginning of year	0	0
Additional receivables	56,650	0
Cost at end of year	56,650	0
Closing reported value	56,650	0

Note 15 Other receivables

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Insurance compensation	711	10,327	711	10,327
Other	3,126	2,346	1,290	2,346
	3,837	12,673	2,001	12,673

Note 16 Prepayments and accrued income

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Accrued terminal income etc.	22,218	14,334	11,642	14,334
Repayments Lease fees	0	7,500	0	7,500
Prepaid rents	18,369	20,700	18,369	27,200
Other	5,883	19,589	4,030	13,089
	46,470	62,123	34,041	62,123

Note 17 Appropriations and untaxed reserves

(SEK 1,000)	Parent Company	
	2016.12.31	2015.12.31
Reserves		
Difference between scheduled depreciation and permissible depreciation for tax purposes	-4,912	-35,000
Total appropriations	-4,912	-35,000
Accumulated accelerated depreciation	0	4,912
Total untaxed reserves	0	4,912

Note 18 Appropriations

(SEK 1,000)	Parent Company	
	2016.12.31	2015.12.31
Appropriations for the year	26,342	25,059
Closing value other appropriations	26,342	25,059

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 19 Financial leasing**Financial lease contracts – lessee**

The group has entered into financial lease contracts in respect of buildings & land. The lease contracts are non-terminable and the lease periods vary between 5-35 years. The year's costs with regard to depreciation and interest amount to SEK 41.4 million in the group and SEK 0 million in the parent company. The terms of the lease contract do not give the group the option to acquire the leased assets at the end of the lease period. The due dates for the financial leasing liabilities are clarified below.

(SEK 1,000)	Group
	2016.12.31
Maturity	
Within one year	24,129
Later than one year but within five years	114,570
Later than five years	301,642
	440,341
Long-term part	416,212
Short-term part	24,129
	440,341

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.

Information about reported values in respect of tangible assets which are held through financial lease contracts is available in note 11.

Note 20 Other long-term liabilities

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Long-term liabilities due later than five years after the balance sheet date				
Other liabilities	238,199	206,711	238,199	206,711
Total other long-term liabilities	238,199	206,711	238,199	206,711

In connection with correction of errors, a retroactive application was made, which means that CMP reports an other long-term debt as of 1 January 2015, approximately 170 MSEK. The debt relates to the rental costs which have a different flow of payments than the expense, which means that long-term debt on lease contracts is recorded in the balance sheet and will expire until 2035 in accordance with the payment plan.

Note 21 Prepayments and accrued income

(SEK 1,000)	Group		Parent Company	
	2016.12.31	2015.12.31	2016.12.31	2015.12.31
Accrued expenses and deferred income				
Accrued salaries, holiday pay and social-security contributions	55,762	52,930	48,010	52,930
Estimated payroll tax	1,999	2,144	1,896	2,144
Accrued discounts	21,841	15,476	21,821	15,476
Prepaid Basic rent reduction 2015-2019	37,359	50,320	37,359	50,320
Accrued rental costs	50,028	48,624	50,028	48,624
Other	18,004	11,414	15,849	11,414
Total accrued expenses and deferred income	184,993	180,908	174,963	180,908

Accrued rental costs mainly affect the effect of correcting errors when conversion has been made to linear method alternative economic benefits regarding the accounting of certain leases which previously had a different cost management model. Correction of errors has been made by retroactive application, which means an effect on the opening equity per 1 January 2015, totaling -194,287. Retroactive application has affected the income statement for 2015 by a total of -41,893 before tax impact, which is reported under cost of goods sold.

Balance sheet items in the Parent Company affected by correction of errors amount to the following amounts for 1 January 2015:

Parent Company	
(SEK 1,000)	2015.01.01
Equity	194,287
Deferred tax asset	19,156
Long-term liabilities	171,127
Accrued expenses and prepaid income	42,195

Note 22 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 23 Allocation of profits**Proposed dividend**

(SEK 1,000) 2016.12.31

The Board of Directors proposes that funds available

Retained earnings -25,871

Profit for the year 23,351

-2,400

are allocated so that

to be carried forward -2,400

-2,400

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

Note 24 Events after the balance sheet date

On May 19, 2017, CMP's CEO, Mr. Johan Röstin, announced to the Board that after eight years, he decided to leave CMP. The reason for this is that he has accepted an offer for a new challenge outside the company.

Malmö, May 30, 2017

Ilmar Reepalu
Chairman

Mads Lebech
Deputy Chairman

Olof Andersson

Carsten Koch

Michael Soetmann

Anja Sonesson

Åke Svensson

Lars Weiss

Jacob Fogh
Employee representative

Gert-Inge Johansson
Employee representative

Søren Nyegaard
Employee representative

Roger Persson
Employee representative

Johan Röstin
Chief Executive Officer

My auditor's report was presented on June 2, 2017

PricewaterhouseCoopers AB

Mats Åkerlund

Authorized Public Accountant

AUDITOR'S REPORT

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 2016.

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 as of 31 December 2016 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. 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.

Other Information

The audit of the annual accounts for financial year 2015 was executed by another auditor who presented an Auditor's Report dated 15 March 2016 with a standard opinion in the Report on the annual accounts.

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 and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. 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 intends 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 The Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. 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 2016 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss be treated 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 fulfil 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 The Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is part of the auditor's report.

Observation

The Company, as a result of an accounting error which, amongst other places, was described on pages 3 and 19 of the annual accounts, reported as at balance sheet date 31 December 2015, non-restricted equity in an amount in excess of SEK 233 million. Based on the amount understood to be available for distribution according to the annual accounts for financial year 2015, the Board of Directors proposed that the annual meeting of shareholders resolve on a dividend of SEK 69 million. The meeting of shareholders adopted this proposal as a resolution and the Board subsequently executed this decision. With regard to the correction which took place in the annual bookclosing 2016 of the company's accounts, it can be concluded that after the afore-mentioned dividend, there was insufficient coverage of the company's restricted equity in an amount of SEK 26 million which circumstance is not in accordance with Chapter 17, § 3 of the Swedish Companies Act. It is our assessment that this unintentional breach of regulations has not resulted in any damage to the company.

Malmö, 2 June 2017

PricewaterhouseCoopers AB

Mats Åkerlund

Authorised Public Accountant



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