

**MAERSK CONTAINER INDUSTRY A/S**

Bjerndrupvej 47, Almstrup Mark, 6360 Tinglev

**ANNUAL REPORT 2023**

The Annual Report 2023 was adopted at the Annual General Meeting  
17th April 2024

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Jacob Ramsgaard Nielsen  
Chairperson of the Meeting

Registration No. 13 82 37 74

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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Maersk Container Industry A/S for the financial year 1 January – 31 December 2023.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

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

Copenhagen, 17 April 2024

Executive Board:

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Søren Leth Johannsen  
CEO

Board of Directors:

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Peter Wikström

Chair

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Anne Pindborg

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Barnaby Michael John Hampson

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Jacob Ramsgaard Nielsen

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Brian Hinrichsen

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Mette Pagaard Christensen

## Independent auditor's report

To the shareholder of Maersk Container Industry A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Container Industry A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

### Management's responsibility for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditors' responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent auditors' report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 17 April 2024

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No. 33771231

Kristian Pedersen  
State Authorised Public Accountant  
mne35412

Jeff Boye Ibsen  
State Authorised Public Accountant  
mne49859

## **Management's review**

### **Company details**

Maersk Container Industry A/S  
Bjerndrupvej 47  
Almstrup Mark  
6360 Tinglev

Telephone: +45 7364 3400  
Website: [www.mcicontainers.com](http://www.mcicontainers.com)  
CVR no.: 13 82 37 74  
Established: 08.01.1990  
Registered office: Denmark

### **Board of Directors**

Peter Wikström, Chair  
Anne Pindborg  
Barnaby Michael John Hampson  
Jacob Ramsgaard Nielsen  
Brian Hinrichsen  
Mette Pagaard Christensen

### **Executive Board**

Søren Leth Johannsen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

### **Annual general meeting**

The annual general meeting is to be held on 17 April 2024.

## Management's review

### Financial highlights

#### Key figures

DKK million	2023	2022	2021	2020	2019
<b>Income statement</b>					
Revenue	3,446	3,528	4,169	3,781	3,890
Ordinary operating profit/loss	128	234	336	281	299
Profit/loss from financial income and expense	21	17	-1	-54	-75
Profit/loss for the year	111	210	237	174	156
<b>Balance sheet</b>					
Total assets	1,126	1,165	1,109	1,688	1,664
Investment in property, plant and equipment	1	1	1	1	0
Equity	350	380	171	839	664
<b>Financial ratios</b>					
Operating margin	3.7%	6.6%	8.1%	7.4%	7.7%
Gross margin	6.6%	9.2%	10.5%	9.8%	10.2%
Current ratio	186.1%	196.0%	151.6%	245.0%	171.0%
Solvency ratio	31.1%	32.6%	15.4%	49.7%	39.9%
<b>Average number of employees</b>					
	111	109	104	100	96

## Management's review

### Operating review

#### Principal activities of the company

Maersk Container Industry A/S (MCI) is a fully owned subsidiary of A.P. Møller-Mærsk A/S (<http://www.maersk.com>) that since 2019 has exclusively been a trading company for reefer and spare parts for reefer containers and the Danish affiliate of the MCI Group (<http://www.mcicontainers.com>), one of the global leaders in container manufacturing within reefer containers and reefer machines. MCI comprises of the MCI Group's headquarters based in Copenhagen and Tinglev, Denmark which includes global sales and marketing, R&D and test centre, technical and administrative support functions as well as a global service centre. MCI uses the groups manufacturing site for reefers in Qingdao, China.

#### Development in activities and financial position

The total market demand for marine reefers dropped for a second successive year from ~135,000 in 2022 to ~110,000 units, a decrease of ~19% YoY. Revenue was negatively impacted by this market drop although MCI's total market share improved in 2023 mainly due to strong ordering from our key customers. An improved market standing after CIMC's proposed acquisition was cancelled in August 2022 has also seen a more general rebound in our market share.

In early 2019, MCI announced the exit from the dry container business and closure of MCI's Dongguan factory. This has allowed MCI to focus its resources on the more profitable marine reefer segment and achieve improved financial resilience. Continued production volume and usage of factory capacity at a medium-to-low level has resulted in MCI sales remaining relatively static at DKK 3.4Bn (compared to DKK 3.5Bn in 2022).

The net result for MCI decreased from DKK 210m in 2022 to DKK 111m in 2023. The result was below expectations due to the low sales volumes but represents a reasonable performance from MCI's continuing business – reefer containers and reefer container services.

#### Outlook

It is our expectation that reefer volumes will increase to around 135.000 units in 2024, although this number is expected to continue to grow in the longer term due to increasing global demand for fresh products and other commodities. In addition, the conversion from aging reefer bulk vessel fleet to reefer containers is expected to continue over the coming years impacting demand positively for reefers.

Further to this demand outlook, it is expected the reefer box pricing will remain flat during 2024 due to stability in raw material costs and FX rates, so that higher volumes should result in stronger margins. Generally, the ocean container manufacturing market for reefer containers remains characterised by oversupply, and MCI expects this to continue for the near future.



MCI reefer volumes are expected to increase in 2024 in line with the market growth rate but with a steady market share. Although the margin rate will likely remain static, the anticipated improvement in market demand, should mean an improved 2024 result in DKK terms (rather than %) for the continuing part of the business.

### **Development activities**

MCI operates a Research & Development Center located in Tinglev inclusive the most advanced laboratory facility dedicated for reefer containers in the industry. The R&D Center is responsible for development of new products and functions often with focus on reducing energy consumption and the environmental footprint in general while at the same time ensuring high performing cooling capacity and preserving the commodities under stable conditions. Also ensuring high durability and reliability of the MCI reefer is a very important task for R&D Center, as reefers most often are operating remotely from any efficient service facility.

As remotely surveillance and regulation of the reefer performance has become increasingly important, MCI has announced connectivity as an area of strategic importance which have lead to significant investments within soft- and hardware capabilities in terms of headcount, competences and laboratory facility.

### **Risks and uncertainties**

#### **Operational risk**

With manufacturing consolidated in one location, MCI does face some risk if there is an event impacting Qingdao/China vs. the rest of the industry.

#### **Market risk**

Maersk Container Industry operates in a market, that is significantly affected by the shipping industry and their financial strength. The underlining demand drivers for reefer transportation remains stable, but fluctuations are expected to continue.

#### **Currency risks**

Activities abroad cause earnings, cash flows and equity to be affected by the exchange rate developments, mainly USD. There are no speculative currency deposits.

#### **Liquidity risk**

The company is no longer dependent on having long-term financing, but MCIT is part the Maersk Group cash pool with the availability of credits.

### **Corporate Responsibility - §99a**

Maersk Container Industry A/S considers CSR to be an important part of our business. As to efforts made in 2023, we refer to the parent company, A.P. Møller-Mærsk A/S' sustainability report (<https://www.maersk.com/business/sustainability>). A.P. Møller-Mærsk A/S' registration number is 2275 6214.

## **Data ethics**

### **Data Ethics Policy**

In line with Maersk's Global Integrator vision, Data is central to Maersk Containers Industry, where technology simplifies and connects global cold chains and unlocks new ways of creating value for our customers. The use of data will only increase in the future, while associated technologies will become more sophisticated.

Launched in 2024, our Data Ethics Policy defines how we collect, store, and use data responsibly across our organisation. It sets out four principles of transparency, security, respect and innovation, to guide all MCI employees when working with data. Oversight for data ethics is anchored in MCI's Senior Management Team.

### **Why it matters**

Responsibly managing data from stakeholders, including customers, is a critical issue in today's societies where the undue influence and abuse of data are growing. MCI is increasingly reliant on data as a key enabler in more digitally integrated offerings. We manage and control the storage and use of data ethically and proactively, to avoid abuse and privacy infringement. We must continually safeguard our position from legal, business and reputational risks.

### **Ambition**

We demonstrate leadership in our ability to ethically manage and use data, with customers trusting that we use their data appropriately, and do not abuse or lose their trust. We prepare MCI for a future with high ethical standards for data as a differentiator for our products, customers and support to our employees.

### **Policy Guidelines**

In MCI, we use, and process data based on the principles of Transparency, Respect, Security, and Innovation with the overall purpose of creating value for our customers, employees, society, and investors, while protecting their data. Through cross functionally anchored governance, we ensure technologies and data are used to innovate and further optimise our products, services, sustainability initiatives and operations, while being compliant to regulations and adhering to high ethical standards, in line with Maersk Core Values.

### **Transparency**

Demonstrating transparency in key aspects of data creation, collection and handling is a core feature. Transparency means our customers, business partners and employees know what data is collected, shared and how it is used by MCI, but also that we only collect what is necessary for the purpose. Customers, business partners and employees can trust that we monitor and adjust our internal processes to keep transparency.

### **Respect**

As a trusted partner, we continuously monitor and ensure that data is handled in a transparent manner with due respect for the choices and fundamental interests of our customers, business partners, and employees. We integrate internal controls and train our people in high ethical standards to be applied when handling data in MCI and when using our systems.

## Security

We apply the MCI security policies when handling data to ensure both compliance with applicable laws and practices, and security of data for our customers, business partners and employees. We will ensure that our systems operate securely and make use of modern technology that can be trusted.

## Innovation

In MCI, we are committed to bring innovative solutions to our customers, business partners and employees, and equally to use innovation to positively impact the global sustainability challenges through operational optimisations in our products, services and fuelling new industry norms to redefine the impact of globally integrated cold chain services. Our use of data is foundational and at the very core of further advancing these innovation ambitions for the benefit of global society.

## Goals and policies for the under-represented gender

In accordance with A.P. Møller - Mærsk Board policy, MCI aims to attract qualified women to relevant management positions, but they are under-represented today. The topic of gender equality is prioritised in management discussions within MCI and this is a focus area when identifying candidates to key positions. The Company is committed to fostering an environment which is equally open and attractive to all.

The Maersk gender diversity and inclusion policy was revised in 2023. The policy provides details of our actions to increase gender diversity and is available on the Maersk website <https://www.maersk.com/careers/maersk-culture/diversity>.

	2023	2024	2025	2026	2027
<b>Board of directors</b>					
GM elected members	3				
Underrepresented gender in pct	33				
Target in pct	33	33	33	33	33
Fulfillment of target in year	2023	2024	2025	2026	2027
<b>Other management levels</b>					
Management members	24				
Underrepresented gender in pct	8				
Target in pct	25		25		30
Fulfillment of target in year	2023	2024	2025	2026	2027

Due to the size of the board 33% is set as target for underrepresented genders. One of the shareholder-appointed Board members is a woman. MCI considers the target of 33% as met, and gender equality to be realized as of 2023.

MCI operates in a traditionally male dominated industry and with a primary growth in STEM roles, -current gender distribution in the organization is 23% female/77% male. MCI is targeting gender representation in managerial roles to match the gender distribution in the organization. At the same time the is ambitions to increase the overall of percentage of female employees.

The target for other management levels was set to 25% for 2023. This target was too ambitious and did not adequately consider the low overall ratio of women in the organization. Unfortunately, this target was not realistic and was not meet.

To support our ambitions of increasing the number of women in management levels the following actions have been taken in 2023 to increase the number of female candidates in internal and external pipeline.

- To increase the number of women being recruited into MCI there is a target of no less than 25% of one gender to be hired for manager positions. This is supported by systematic targeting of external female candidates for open roles and during talent reviews which take place for our senior job levels across the company.
- To support the retention of managers and especially women we introduced a global maternity leave policy in 2016 which enables women to return to work on a flexible hours basis, subject to criteria. The purpose of the policy is to increase the retention of women post maternity leave.
- Across the company we have implemented training to help reduce the gender and other stereotype bias in decision making. The training is available to all employees across our company with the aim to reduce any potential gender stereotype bias in appointing managers.
- Females employees who are considered to have management potential have been identified in order to support them with training and mentoring so that their potential can be fulfilled.
- Targeted Programs (Internally and Externally). Our women's development programs provide women's talent with tools and support in career planning, personal development, sustainable performance, and leadership. In 2023, we have focused activities to support Women in STEM and Women in Leadership. We will continue to invest in existing and new programs based on identified needs highlighted by our annual Inclusion Survey and measures.

#### **Events after the balance sheet date**

There have been no significant or noteworthy events subsequent to the balance sheet date.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2023	2022
Revenue	2	3,446,030	3,527,707
Changes in inventories of finished goods		-21,460	41,466
Other operating income		210	8,801
		<u>3,424,780</u>	<u>3,577,974</u>
Raw materials and consumables		-3,086,096	-3,164,468
Other external costs		-112,616	-88,775
<b>Gross profit/loss</b>		<u>226,068</u>	<u>324,731</u>
Staff costs	3	-92,877	-87,443
Depreciation, amortisation and impairment losses	8	-1,971	-1,827
Other operating costs		-2,786	-1,917
<b>Result before financial income and expenses</b>		<u>128,434</u>	<u>233,544</u>
Financial income	4	21,414	16,566
		<u>149,848</u>	<u>250,110</u>
<b>Result before tax</b>		<u>149,848</u>	<u>250,110</u>
Tax on profit for the year	5	-38,830	-40,376
<b>Result for the year</b>	6	<u>111,018</u>	<u>209,734</u>

### Distribution of profit

#### Proposed distribution of profit

Proposed dividend of the year		0	141,539
Retained earnings		111,018	68,195
		<u>111,018</u>	<u>209,734</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>	7		
Development projects		26,853	0
		<u>26,853</u>	<u>0</u>
<b>Property, plant and equipment</b>	8		
Land and buildings and installations		5,698	6,635
Machinery, vehicles, IT, etc,		1,233	1,304
		<u>6,931</u>	<u>7,939</u>
<b>Total non-current assets</b>		<u>33,784</u>	<u>7,939</u>
<b>Inventories</b>			
Finished goods and goods for resale		78,418	141,344
		<u>78,418</u>	<u>141,344</u>
<b>Receivables</b>			
Trade receivables		528,805	39,405
Amounts owed by group enterprises		456,010	945,331
Deferred tax asset	9	2,559	8,077
Other receivables		26,662	23,617
		<u>1,014,036</u>	<u>1,016,430</u>
<b>Cash at bank and in hand</b>		<u>24</u>	<u>23</u>
<b>Total current assets</b>		<u>1,092,478</u>	<u>1,157,797</u>
<b>TOTAL ASSETS</b>		<u>1,126,263</u>	<u>1,165,736</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	102,000	102,000
Proposed dividend		0	141,539
Reserve for capitalized development costs		20,945	0
Retained earnings		226,775	136,702
<b>Total equity</b>		<b>349,720</b>	<b>380,241</b>
<b>Non-current liabilities</b>			
Warranties	11	189,641	194,579
<b>Total non-current liabilities</b>		<b>189,641</b>	<b>194,579</b>
<b>Current liabilities</b>			
Warranties	11	47,410	48,645
Trade payables		70,319	78,696
Payables to group enterprises		367,759	344,176
Payable joint taxation		26,964	49,585
Other payables		74,450	69,815
<b>Current liabilities</b>		<b>586,902</b>	<b>590,917</b>
<b>Total liabilities</b>		<b>776,543</b>	<b>785,496</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,126,263</b>	<b>1,165,736</b>
<b>Accounting policies</b>	1		
<b>Contingent liabilities and collateral</b>	12		
<b>Related parties</b>	13		
<b>Subsequent events</b>	14		

## Financial statements 1 January – 31 December

### Equity

#### 2023

DKK'000	Share capital	Retained earnings	Reserve developm. cost	Proposed dividend	Total
Equity at 1 January 2023	102,000	136,702	0	141,539	380,241
Profit for the year	0	111,018	0	0	111,018
Reserve for development costs	0	-20,945	20,945	0	0
Paid dividend	0	0	0	-141,539	-141,539
Equity at 31 December 2023	102,000	226,775	20,945	0	349,720

#### 2022

DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2022	102,000	68,507	0	170,507
Profit for the year	0	209,734	0	209,734
Proposed dividend	0	-141,539	141,539	0
Equity at 31 December 2022	102,000	136,702	141,539	380,241



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Maersk Container Industry A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies applied by the company are consistent with those of last year.

#### Applied exemption clauses in the Danish Financial Statements Act

In accordance with section 86(4) of the Danish Financial Statements Act, Maersk Container Industry A/S has not prepared a cash flow statement as this is included in the consolidated cash flow statement of the parent company, A.P. Møller-Mærsk A/S.

In accordance with section 96(3) of the Danish Financial Statements Act, the Company has not disclosed fees to the auditors appointed at the annual general meeting, as this is included in the financial statement of A.P. Møller-Mærsk A/S.

#### Foreign currency translation

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

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

#### Income statement

##### Revenue

Revenue from the sale of containers and reefer machines is recognised in the income statement when delivery and transfer of risk to the buyer have taken place.

##### Costs

Costs comprise direct and indirect costs for raw materials and consumables to generate revenue for the year.

## Financial statements 1 January – 31 December

### Notes

#### Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

#### Other operating costs

Other operating costs comprise items secondary to the activities of the Company, including losses on the disposal of intangible assets and property, plant and equipment.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies.

#### Tax on profit/loss for the year

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

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery, and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	50 years
Fixtures and fittings, other plant and equipment	3-10 years

Land is not depreciated.

Fixtures and fittings, other plant and equipment of less than DKK 50 thousand a unit as well as current assets are expensed in the year of acquisition.

The economic life and scrap value of all property, plant and equipment are re-evaluated every year.

## **Financial statements 1 January – 31 December**

### **Notes**

#### **Development projects**

Development projects that are clearly defined and identifiable, where the technical utilization rate, sufficient resources and a potential future market or development opportunity in the company can be verified and where the intention is to market or use the project, are recognized as intangible assets. This applies if there is sufficient evidence that the value in use of future earnings can cover the expenses involved. Development projects that do not meet the criteria for recognition in the balance sheet are recognized as expenses in the profit and loss account as incurred. Capitalized development projects include expenses for external suppliers, salaries and other expenses that are directly attributable to the company's development activities. Capitalized development projects are measured at the lower of cost, less accumulated amortization and impairment losses, and the recoverable amount.

On completion of the development work, development projects are amortized on a straight-line basis over the period in which the work is expected to generate economic benefits. The amortization period is two to ten years.

#### **Impairment of non-current assets**

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

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

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

#### **Inventories**

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

Finished goods and goods for resale comprise the cost of raw materials, consumables, direct wages and salaries and indirect production overheads.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

## **Financial statements 1 January – 31 December**

### **Notes**

#### **Receivables**

Receivables are measured at amortised cost.

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

#### **Cash and cash equivalents**

Cash comprises cash balances and bankbalances.

#### **Dividends**

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### **Corporation tax and deferred tax**

Maersk Container Industry A/S is jointly taxed with other Danish companies in the A.P. Møller-Mærsk Holding A/S Group. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses).

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

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

Deferred tax assets are recognised at the expected value of their utilisation within the foreseeable future, that is expected to be utilised within the joint-taxation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

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

## Financial statements 1 January – 31 December

### Notes

#### Provisions

Provisions comprise anticipated costs related to warranties. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at estimated net realisable value and are by nature subject to uncertainty.

Warranties comprise obligations to make good any defects within the warranty period. Provisions for warranties are measured and recognised based on past experience.

#### Liabilities other than provision

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Other liabilities are measured at net realisable value.

#### Segment information

Information is given on geographic markets. The segment information is in accordance with the company's accounting policies, risks and internal financial management.

#### Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$

## 2 Segment information

### Primary segment

The sale of containers, reefer units and spare parts accounts for the Company's revenue.

Geographically, revenue is broken down by sale to Denmark 33% and export 67% (2022: 57% to Denmark and 43% for export).

## Financial statements 1 January – 31 December

### Notes

DKK'000	2023	2022
<b>3 Staff costs</b>		
Wages and salaries	82,645	77,982
Pensions	7,236	6,878
Other social security costs	2,996	2,583
	92,877	87,443
Average number of employees	111	109

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financials Statements Act.

#### 4 Financial income and expenses

Financial income includes interest income from group enterprises of DKK 14,895 thousand. (2022: DKK 9,177 thousand).

DKK'000	2023	2022
<b>5 Tax recognised in the income statement</b>		
Current tax on profits for the year	-26,964	-49,585
Adjustments for deferred tax for the year	-5,981	1,256
Adjustments for current tax of prior periods	-6,347	7,953
Adjustments for deferred tax prior periods	462	0
	-38,830	-40,376

## Financial statements 1 January – 31 December

### Notes

DKK'000	2023	2022
<b>6 Proposed profit distribution</b>		
Retained earnings	111,018	68,195
Proposed dividend	0	141,539
	111,018	209,734
<b>7 Intangible assets</b>		
	Develop- ment projects in progress	Total
DKK'000		
Cost at 1 January 2023	0	0
Additions	26,853	26,853
Disposals	0	0
Cost at 31 December 2023	26,853	26,853
<b>Carrying amount at 31 December 2023</b>	<b>26,853</b>	<b>26,853</b>

Software has in the recent years become the main differentiator within the reefer industry and, MCI has therefore decided to develop a new controller platform (11120339 Integrator) with integrated connectivity (11120461 Cloud Implementation) to replace the 20 years old platform, also to gain 100% control over the IPR which not was the case for the old platform.

To defend the position as marked leader on energy efficiency, MCI has decided to develop frequency controlled fans (11120238 Fan FC) and change to permanent magnet motor in the compressor (11120402 PM Compressor) which altogether will increase the energy efficiency by 40%.

All 4 projects constitutes Star Cool 2.0 and the foundation for the next generation of MCI reefers to be completed and launched in 2026.

## Financial statements 1 January – 31 December

### Notes

#### 8 Property, plant and equipment

DKK'000	Land and buildings and installations	Machinery vehicles, IT, etc.	Total
Cost at 1 January 2023	82,928	12,582	95,510
Additions	671	326	997
Disposals	0	-90	-90
Cost at 31 December 2023	83,599	12,818	96,417
Depreciation and impairment losses at 1 January 2023	76,293	11,278	87,571
Depreciation	1,608	397	2,005
Depreciation on disposals	0	-90	-90
Depreciation and impairment losses at 31 December 2023	77,901	11,585	89,486
<b>Carrying amount at 31 December 2023</b>	<b>5,698</b>	<b>1,233</b>	<b>6,931</b>

#### 9 Deferred tax asset

DKK'000	2023
Deferred tax at 1 January 2023	8,077
Deferred tax recognised in the income statement	-5,518
<b>Deferred tax at 31 December 2023</b>	<b>2,559</b>
Deferred tax relates to:	
Tangible assets	2,372
Current assets	187
	<b>2,559</b>



## Financial statements 1 January – 31 December

### Notes

#### 10 Equity

DKK'000	2023	2022
<b>Share capital</b>		
Two shares of DKK 36,000 thousand	72,000	72,000
One share of DKK 25,000 thousand	25,000	25,000
One share of DKK 3,000 thousand	3,000	3,000
Thousand shares of DKK 1 thousand	1,000	1,000
Thousand shares of DKK 1 thousand	1,000	1,000
<b>Share capital 31 December</b>	<b>102,000</b>	<b>102,000</b>

There have been no changes to the share capital in the past five years.

DKK'000	2023	2022
<b>11 Warranties</b>		
Warranties at 1 January	243,224	266,709
Warranty provisions for the year	147,035	58,836
Warranty provisions used	-141,099	-111,884
Exchange rate adjustment on warranty provision	-12,109	29,563
<b>Warranties at 31 December</b>	<b>237,051</b>	<b>243,224</b>

The provisions are expected to be activated as follows:

0-1 year	47,410	48,645
1-8 years	189,641	194,579
<b>Warranty provisions at 31 December</b>	<b>237,051</b>	<b>243,224</b>

Warranty commitments comprise commitments typically relating to 5-year warranty for containers.

## **Financial statements 1 January – 31 December**

### **Notes**

#### **12 Contingent liabilities and collateral**

The Company has entered into operating leases totalling DKK 384 thousand, of which DKK 199 thousand is due for payment next year.

Maersk Container Industry is jointly taxed with other Danish companies in the A.P. Møller - Mærsk A/S Group and ultimately A.P. Møller Holding A/S. As a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish withholding taxes on dividends, interest and royalties.

## Financial statements 1 January – 31 December

### Notes

#### 13 Related parties

##### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. In the financial year, no transactions took place with related parties, that were not performed on an arm's length basis.

##### Control and Ownership

A.P. Møller-Mærsk A/S, Esplanaden 50, DK-1263 Copenhagen K owns all the shares in the Company. The consolidated financial statements of A.P. Møller-Mærsk A/S may be obtained from the same address.

##### Consolidated Financial Statements

The Company is included in the Group Annual Reports of these Parent Companies:

Name: _____	Place of registered office: _____
A.P. Møller-Mærsk A/S	Copenhagen K, Denmark
A.P. Møller Holding A/S	Copenhagen K, Denmark

#### 14 Subsequent events

The has not been any significant, unexpected events in the time since year-end 2023.