

MAERSK CONTAINER INDUSTRY A/S

Bjerndrupvej 47, Almstrup Mark, 6360 Tinglev

ANNUAL REPORT 2021

The Annual Report 2021 was adopted at the Annual General Meeting
24th May 2022

Shirley Souza
Chairperson of the Meeting

Registration No. 13 82 37 74

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Key figures	6
Operating review	7
Financial statements 1 January – 31 December	10
Income statement	10
Balance sheet	11
Equity	14
Notes	15

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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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, 24 May 2022

Executive Board:

Søren Leth Johannsen
CEO

Board of Directors:

Sean Stanley Fitzgerald

Chairman

Anne Pindborg

Barnaby Michael John Hampson

Brian Hinrichsen

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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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, 24 May 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33771231

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Jesper Bo Winther
State Authorised Public Accountant
mne26864

Management's review

Company details

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

Telephone: +45 7364 3400
Website: www.mcicontainers.com
CVR no.: 13 82 37 74
Established: 08.01.1990
Registered office: Denmark

Board of Directors

Sean Stanley Fitzgerald
Anne Pindborg
Barnaby Michael John Hampson
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 24 May 2022.

Management's review

Financial highlights

Key figures

DKK million	2021	2020	2019	2018	2017
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Income statement					
Revenue	4,169	3,781	3,890	6,113	6,710
Ordinary operating profit/loss	336	281	299	45	129
Profit/loss from financial income and expense	-1	-54	-75	-1,037	25
Profit/loss for the year	237	174	156	-929	105

Balance sheet					
Total assets	1,109	1,688	1,664	1,386	2,449
Investment in property, plant and equipment	1	1	0	1	0
Equity	171	839	664	181	710

Financial ratios					
Operating margin	8.1%	7.4%	7.7%	0.7%	1.9%
Gross margin	10.5%	9.8%	10.2%	2.3%	3.5%
Current ratio	151.6%	245.0%	171.0%	136.3%	86.8%
Solvency ratio	15.4%	49.7%	39.9%	13.1%	29.0%

Average number of employees	104	100	96	97	96
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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. Further, MCI was, via subsidiary, the owner of the reefer container factory in Chile which ceased operations in June, 2018 and the site was sold in April, 2020. MCI's dry container factory in Dongguan ceased operations in January, 2019 and the site was sold in November 2020. MCI continues to use the groups manufacturing site for reefers in Qingdao, China.

Development in activities and financial position

The total market demand for marine reefers was much higher than the previous year ~190,000 vs. 2020 of ~142,000 units, an increase of ~34% YoY. Against this market growth, MCI total market share reduced significantly due to capacity constraints. The volume of units sold to 3rd party customers remained relatively static, but the market share dropped due to the high level of market demand growth.

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. High market pricing allowed MCI's sales to increase from DKK 3.9Bn in 2020 to 4.2Bn.

The net result for MCI increased to DKK 237m in 2021 compared to DKK 175m in 2020. The result was in line with expectations and represents the continuing MCI business (reefer containers and reefer container services).

Outlook

It is our expectation that reefer volumes will reduce to around 150.000 units in 2022, although the number is expected to continue to grow 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 be flat or reducing during 2022 but this is due to the evolution in raw material costs and will not therefore result in improved

margins. Generally, the ocean container manufacturing market for reefer containers remains characterised by oversupply, and MCI expects this to continue for the near future.

Apart from building on MCI Star Cool technology's acclaimed leadership in Energy Savings, Controlled Atmosphere and refrigerant flexibility, a new revenue stream in selling connectivity hardware and related services, branded as 'Sekstant' is planned in the coming years. In 2021 Several Reefer containers have become operational with the Sekstant system.

MCI reefer volumes and margins are expected to remain stable in 2022, despite the anticipated fall in market demand, meaning a comparable 2022 result for the continuing part of the business.

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. Exchange risks associated with investments in subsidiaries abroad are generally not covered as the company believes that a continuous hedging of such long-term investments will not be optimal based on a comprehensive risk and cost consideration.

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.

Environmental matters

Maersk Container Industry A/S considers CSR to be an important part of our business. As to efforts made in 2021, 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

Maersk Container Industry A/S considers Data ethics to be an important part of our business. We refer to the parent company, A.P. Møller-Mærsk A/S' reporting on Data ethics (<https://www.maersk.com/sustainability/our-priorities/governance/data-ethics>) A.P. Møller-Mærsk A/S' registration number is 2275 6214.

Goals and policies for the under-represented gender

In March 2013 the Board adopted targets for the diversity of the company's shareholder-appointed board members with respect to the under-represented gender.

The Board believes that its members should be elected on the basis of their combined qualifications and at the same time recognises the advantages of a board comprising a wide range of backgrounds such as global experience, style, culture and gender.

Since 30 November 2019 one of the shareholder-appointed Board members is a woman. Consequently, the 33% target for gender diversity has been met.

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 2019. The policy provides details of our targets and actions to increase gender diversity and is available on the Maersk website <https://www.maersk.com/careers/maersk-culture/diversity>.

To support our ambitions of increasing the number of women in management levels the following actions have been taken and continued in 2021:

- To increase the number of women being recruited into MCI there is a target of no less than 40% of one gender to be hired for our job levels up to senior manager level (JL5). During talent reviews which take place for our senior job levels across the company, we measure all data by gender to allow us to assess the diversity of the talent pool.
- To support the retention of our employees 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 decision making. Our employees and leaders also take part in the annual diversity and inclusion week across Maersk where we highlight female role models, panel sessions and focused on gender stereotypes and the impact they can have on the future generation.
- Progress for the above actions is measured across APMM Denmark but in the future we plan to measure these by entity within Denmark to allow for more accurate assessment of progress.

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	2021	2020
Revenue	2	4,168,781	3,781,420
Changes in inventories of finished goods		-42,246	33,579
Other operating income		25,360	503
		4,151,895	3,815,502
Raw materials and consumables		-3,617,659	-3,339,114
Other external costs		-97,458	-107,342
Gross profit/loss		436,778	369,046
Staff costs	3	-97,233	-84,076
Depreciation, amortisation and impairment losses	7+8	-1,889	-2,074
Other operating costs		-1,817	-1,678
Result before financial income and expenses		335,839	281,218
Financial income	4	13,160	1,920
Financial expenses	4	-14,446	-60,057
Impairment investment		0	4,008
Result before tax		334,553	227,089
Tax on profit for the year	5	-97,603	-53,155
Result for the year	6	236,950	173,934

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	723,606	0
Proposed dividend for the year	0	181,572
Retained earnings	-486,656	-7,638
	236,950	173,934

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	7		
Land and buildings and installations		8,223	9,812
Rolling stock, IT, etc,		986	879
		<u>9,209</u>	<u>10,691</u>
Investments			
Investments in group enterprises	8	0	53,688
		<u>0</u>	<u>53,688</u>
Total non-current assets		<u>9,209</u>	<u>64,379</u>
Inventories			
Finished goods and goods for resale		99,878	142,124
		<u>99,878</u>	<u>142,124</u>
Receivables			
Trade receivables		84,617	598,092
Amounts owed by group enterprises		851,646	851,217
Deferred tax asset	9	6,822	8,792
Other receivables		57,118	23,120
		<u>1,000,203</u>	<u>1,481,221</u>
Cash at bank and in hand		28	32
Total current assets		<u>1,100,109</u>	<u>1,623,377</u>
TOTAL ASSETS		<u>1,109,318</u>	<u>1,687,756</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Share capital	10	102,000	102,000
Proposed dividend		0	181.572
Retained earnings		68,507	555.163
Total equity		170,507	838,735
Non-current liabilities			
Warranties	11	213,367	186,507
Total non-current liabilities		213,367	186,507
Liabilities other than non-current liabilities			
Current liabilities			
Warranties	11	53,342	46,627
Trade payables		61,950	49,170
Payables to group enterprises		372,879	383,194
Payable joint taxation		76,222	47,360
Other payables		161,051	136,163
Current liabilities		725,444	662,514
TOTAL EQUITY AND LIABILITIES		1,109,318	1,687,756
Accounting policies	1		
Contingent liabilities and collateral	12		
Related parties	13		
Subsequent events	14		

Financial statements 1 January – 31 December

Equity

2021

DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2021	102,000	555,163	181,572	838,735
Profit for the year	0	236,950	0	236,950
Extraordinary dividend paid	0	-723,606		-723,606
Ordinary dividend paid	0	0	-181,572	-181,572
Equity at 31 December 2021	102,000	68,507	0	170,507

2020

DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2020	102,000	562,801	0	664,801
Profit for the year	0	173,934	0	173,934
Proposed dividends	0	-181,572	181,572	0
Equity at 31 December 2020	102,000	555,163	181,572	838,735

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Maersk Container Industry A/S for 2021 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.

In accordance with section 112 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statement as this is included in the consolidated 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.

Financial statements 1 January – 31 December

Notes

Costs

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

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

Intangible assets

Intangible assets comprise large and long-term development projects.

Development project, 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 detected, and where the intention is to produce, market or use the project, is recognized as intangible fixed assets, if there is sufficient assurance that the capital value of future earnings can cover production, sales and administration costs as well as the actual development costs.

Financial statements 1 January – 31 December

Notes

Development projects that do not meet the criteria for recognition in the balance sheet are recognized as expenses in the income statement as the costs incurred.

Development projects that are capitalised are measured at cost less accumulated depreciation and impairment. An equal amount after tax is recognized in “Reserves for development projects” under equity. The reserve is reduced with depreciations. Depreciation is commenced when the development project is finalised. Cost includes direct cost pertaining to the development of development projects. Completed development projects, including software, are amortised on a straight-line basis over 3 years. Licenses are measured at cost less accumulated amortisation and impairment. Licenses are amortised on a straight-line basis over 3 years.

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.

Investments

Investments comprise investments in subsidiaries and are measured at cost. Where cost exceeds net realisable value, a write-down is made to this lower value.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities 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.

Financial statements 1 January – 31 December

Notes

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.

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.

Prepayments

Prepayments comprise prepaid expenses of freight, subscriptions and rebate.

Cash and cash equivalents

Cash comprises cash balances and bankbalances.

Reserve for development costs

Reserve for development costs includes recognized development costs. The reserve can not be used for dividends or coverage of losses. The reserve is reduced or dissolved if the recognized development costs are depreciated or deducted from the company's operations. This is done by transfer directly to equity reserves.

Financial statements 1 January – 31 December

Notes

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 the parent company, A.P. Møller-Mærsk A/S. 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.

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.

Financial statements 1 January – 31 December

Notes

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 are given on activities and geographic markets. The segment information are 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 29% and export 71% (2020: 3% to Denmark and 97% for export).

Financial statements 1 January – 31 December

Notes

DKK'000

	2021	2020
3 Staff costs		
Wages and salaries	89,218	76,582
Pensions	6,535	6,213
Other social security costs	1,480	1,281
	<u>97,233</u>	<u>84,076</u>
Average number of employees	<u>104</u>	<u>100</u>

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 325 thousand. (2020: DKK 1,716 thousand).

Financial expenses include interest expense to group enterprises of DKK 499 thousand. (2020: DKK 0 thousand).

5 Tax recognised in the income statement

Current tax on profits for the year	-76,222	-55,623
Adjustments for deferred tax for the year	-1,971	-1,975
Tax on foreign dividends	-14,282	0
Adjustments for current tax of prior periods	-5,128	-6,230
Adjustments for deferred tax of prior periods	<u>0</u>	<u>10,673</u>
	<u>-97,603</u>	<u>-53,155</u>

Financial statements 1 January – 31 December

Notes

DKK'000

6 Proposed profit distribution

	2021	2020
Extraordinary dividend paid	723,606	0
Retained earnings	-486,686	-7,638
Proposed dividends	0	181,572
	<u>236,950</u>	<u>173,934</u>

7 Property, plant and equipment

DKK'000	Land and buildings and installations	Rolling stock, IT, etc.	Total
Cost at 1 January 2021	82,928	12,270	95,198
Additions	0	756	756
Disposals	0	-744	-744
Cost at 31 December 2021	<u>82,928</u>	<u>12,282</u>	<u>95,210</u>
Depreciation and impairment losses at 1 January 2021	73,116	11,391	84,507
Depreciation	1,589	377	1,966
Depreciation on disposals	0	-472	-472
Depreciation and impairment losses at 31 December 2021	<u>74,705</u>	<u>11,296</u>	<u>86,001</u>
Carrying amount at 31 December 2021	<u>8,223</u>	<u>986</u>	<u>9,209</u>

Financial statements 1 January – 31 December

Notes

8 Investments

DKK'000	Investments in group enterprises
Cost at 1 January 2021	1,168,612
Disposal	-1,168,612
Cost at 31 December 2021	0
Value adjustments at 1 January 2021	-1,114,924
Impairment on disposal	1,114,924
Value adjustments at 31 December 2021	0
Carrying amount at 31 December 2021	0

Name	Registered office	Share capital '000	Voting rights and ownership	Net result '000	Equity '000
Subsidiaries					
Maersk Container Industry San Antonio SpA	Chile	USD 0	100%	USD 0	USD 0

Financial statements 1 January – 31 December

Notes

9 Deferred tax asset

DKK'000	2021
	<hr/>
Deferred tax at 1 January 2021	8,792
Deferred tax recognised in the income statement	-1,970
	<hr/>
Deferred tax at 31 December 2021	6,822
	<hr/>
Deferred tax relates to:	
Tangible assets	6,822
	<hr/>
	6,822
	<hr/>

10 Equity

DKK'000	2021	2020
	<hr/>	<hr/>
Share capital		
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
	<hr/>	<hr/>
Share capital 31 December	102,000	102,000
	<hr/>	<hr/>

Changes in share capital during the past five years are specified as follows:

DKK'000	2021	2020	2019	2018	2017
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 January	102,000	102,000	102,000	102,000	101,000
Cash capital increase	0	0	0	0	1,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	102,000	102,000	102,000	102,000	102,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Financial statements 1 January – 31 December

Notes

DKK'000

	2021	2020
11 Warranties		
Warranties at 1 January	233,135	231,835
Warranty provisions for the year	131,224	98,510
Warranty provisions used	-97,650	-97,210
Warranties at 31 December	266,709	233,135

The provisions are expected to be activated as follows:

0-1 year	53,342	46,627
1-8 years	213,367	186,508
Warranty provisions at 31 December	266,709	233,135

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

12 Contingent liabilities and collateral

The Company has entered into operating leases totalling DKK 189 thousand, of which DKK 139 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:

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

14 Subsequent events

In 2022 the Covid 19 pandemic has resulted in several lock-downs imposed by the Chinese government. MCI's Qingdao factory has also been under lock-down, but only to an extent that allowed MCI to plan the required procurement of reefers. The lock-downs also caused some disruption in the global supply chains but this has not affected MCI.

The current war in Ukraine has not had any effect since MCI only has few customers in the effected countries.