

Maersk Logistics & Services International A/S
Annual Report 2021

Maersk Logistics and Services International A/S

Esplanaden 50, 1263 Copenhagen K

CVR no. 31 47 66 58

Annual report 2021

Approved at the Company's annual general meeting on 24 June 2022

Chairman of the meeting:

DocuSigned by:

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Casper Munch

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Maersk Logistics & Services International A/S for the financial year 1 January - 31 December 2021

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 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 June 2022

Executive Board:

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Amyrie Marie Marie Chandavoine
Amyrie Marie Marie Chandavoine
Director

Board of Directors:

DocuSigned by:
Vincent Clerc
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Vincent Clerc
Chairman

DocuSigned by:
Jakob Wegge-Larsen
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Jakob Wegge-Larsen

DocuSigned by:
Henriette Hallberg Thygesen
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Henriette Hallberg Thygesen

DocuSigned by:
Anne Pindborg
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Anne Pindborg

Independent auditor's report

To the shareholder of Maersk Logistics & Services International 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 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 Logistics & Services International 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical 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 the 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 responsibilities for the financial statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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:

Independent auditor's report

- 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 true and fair view.

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

Copenhagen, 24 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31

DocuSigned by:



Søren Øyan Jensen

State Authorised Public Accountant

mne33226

DocuSigned by:



Henrik Trangen Kristensen

State Authorised Public Accountant

mne23333

Management's review

Company Details

Name	Maersk Logistics & Services International A/S
Address, Postal Code, City	Esplanaden 50, 1263 Copenhagen K
CVR No.	31 47 66 58
Established	29 May 2008
Registered Office	Copenhagen
Financial Year	1 January – 31 December
Website	www.maersk.com
Telephone	+45 33 47 66 58
Board of Directors	Vincent Clerc, Chairman Henriette Hallberg Thygesen Anne Pindborg Jakob Wegge-Larsen
Executive Board	Aymeric Pierre Marie Chandovoine
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

Management's review**Financial Highlights**

USD'000	2021	2020	2019	2018	2017
Key figures					
Revenue	486,374	54,048	38,096	36,346	32,807
Gross margin	83,989	10,102	630	211	901
Operating prof it/loss	69,793	9,833	-4	-372	155
Net financials	-695,103	13,612	-56,937	16,813	-4,515
Profit/loss before tax	-625,310	23,445	-56,941	16,442	-4,360
Profit/loss for the year	-664,376	27,733	-58,715	16,768	-4,940
Fixed assets	1,357,928	1,246,026	1,061,819	992,734	980,806
Non-fixed assets	950,332	209,020	213,764	207,100	227,689
Total assets	2,308,260	1,455,046	1,275,583	1,199,834	1,208,495
Share capital	19,444	19,444	19,444	19,444	19,444
Equity	1,005,691	976,883	753,655	712,370	695,602
Provisions	0	81	736	736	796
Current liabilities other than provisions	1,302,569	478,082	517,824	386,728	412,097
Financial ratios					
Operating margin	14.3%	18.2%	0.0%	-1.0%	0.5%
Current ratio	73.0%	43.7%	41.3%	53.6%	55.3%
Equity ratio	43.6%	67.1%	59.5%	59.4%	57.6%
Return on equity	-67.0%	3.2%	-8.0%	2.4%	-0.7%
Average number of employees	0	2	2	3	4

For terms and definitions of financial ratios, please see the accounting policies.

Management's review

Business review

The Company serve as the parent legal entity of the global logistics activities.

Financial review

In 2021, the Company's revenue amounted to USD 486,374 thousand against USD 54,048 thousand last year. The income statement for 2021 shows a loss of 664,376 thousand against profit of 27,733 thousand last year, and the balance sheet at 31 December 2021 shows equity of USD 1,005,691 thousand. In the annual report for 2020, Management expected a net result adjusted for impairment adjustment at the same level in 2021 as for 2020. However, due to the transfer of HQ and enhanced role of MLSI A/S, the results are not directly comparable to previous year, though the management considers the Company's financial performance in the year satisfactory.

Effective January 2021, due to undergoing transformation of A.P. Møller - Maersk from a diversified conglomerate to a focused and integrated global logistics company, the role of the Head Quarters and principal of Global L&S network has been moved from Maersk Logistics & Services International BV, The Netherlands to Maersk Logistics & Services International A/S, Denmark.

The role of the principal is to act as the entrepreneur of the global network, which conducts the logistics business on the international as well as the national market. The Company has entered Network Fee Agreements with each of the foreign companies that are part of the L&S Global Network. The ultimate entrepreneurial risk of the Global Network lies with the principal.

During the year 2021, the impairment in MLSI A/S was USD 745 million, majorly contributed by Maersk Logistics & International B.V for USD 721 million. This is mainly due to the transfer of Logistics and Services HQ from MLSI B.V to MLSI A/S. As the Value in Use of MLSI BV was dependent on the network income, its role as the Headquarters seized to exist going forward triggering the impairment.

Statutory CSR report

The Company has not made a separate CSR report, as the parent company A.P. Møller Mærsk A/S has done so for the entire Group. The report is rendered in the parent company's sustainability report and may be downloaded from <https://www.maersk.com/sustainability/reports-and-resources>

Account of the gender composition of Management

In April 2013, the board adopted objectives for the diversity of the Company's board members appointed at the general meeting with respect to the underrepresented gender. The Board believes that its members should be elected based on 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.

On the basis of this ambition, the board has defined an objective to increase the share of the underrepresented gender in the Board to account for at least 40% of the Board members appointed at the general meeting within the year 2022 and the board had achieved 40% during the year 2018. The gender composition remains unchanged in 2021. Hence the gender diversity is met as per the Danish Financial Statements Act.

A.P. Møller Mærsk A/S has set global targets for 2021 to monitor on, progress on representation of gender and nationality in management. These include gender recruitment targets, balanced with always hiring the best persons for the job.

(Link to policy <https://www.maersk.com/en/about/sustainability/responsible-business-practices/diversity-and-inclusion>).

As there are less than 50 employees in Maersk Logistics & Services International A/S no policy to increase the number of under-represented gender in Other management levels have been implemented

Management's review

Maersk's data ethics policy

The responsible use of data is a critical enabler for the group business model. In line with regulatory requirements of Section 99d of the Danish Financial Statements Act (Årsregnskabsloven).

A.P. Moller – Maersk A/S established data ethics policy in 2021, with accompanying governance measures. Please refer to Annual report of A.P. Moller – Maersk A/S registered with CVR 22756214 for statement of data ethics:

<https://investor.maersk.com/static-files/b4df47ef-3977-412b-8e3c-bc2f02bb4a5f>

Foreign exchange risks

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central finance department under policies approved by the APMM Board of Directors. The finance department identifies, evaluates and hedges financial risks in close cooperation with the Group's entities

Outlook

The Company operates (through its global network) in the logistics market, strictly linked to the global economy. It is expected that global growth in 2022 will remain strong, though it is highly uncertain if goods consumption will continue to drive demand for logistics services.

Based on the positive marked developments management foresees, that the net result in 2022 will be improved by 5% to 10% in comparison to 2021 (excluding impairment impact)

Tax Free Contribution

In 2021, the company received a tax-free contribution of USD 692,267,00 in kind from its parent company A.P. Møller - Mærsk A/S.

Financial Statements 1 January – 31 December**Income Statement**

Note	USD '000	2021	2020
3	Revenue	486,374	54,048
	Other External expenses	-402,385	-43,946
	Gross margin	83,989	10,102
4	Staff Cost	0	-269
	Amortization	-14,196	0
	Profit/loss before net financials	69,793	9,833
	Income from Investment from Group Enterprises	-740,424	51,279
5	Financial Income	51,945	14,110
6	Financial expenses	-6,624	-51,776
	Profit/loss before tax	-625,310	23,446
7	Tax for the year	-39,066	4,287
	Profit/loss for the year	-664,376	27,733

Financial statements 1 January - 31 December

Note	USD '000	2021	2020
	ASSETS		
	Software	33,571	0
	Acquired trademarks	37,125	0
	Development Projects in Progress	10,073	0
8	Intangible Assets	80,769	0
9	Investments in subsidiaries	1,276,901	1,245,768
	Other investments	258	258
	Fixed Assets Investments	1,277,159	1,246,026
	Fixed Assets	1,357,928	1,246,026
	Receivables from group enterprises	947,917	202,735
10	Deferred Tax Assets	64	64
	Joint Taxation Contribution Receivable	0	5,979
	Other Receivables	2,350	242
	Receivables	950,332	209,020
	Current Assets	950,332	209,020
	ASSETS	2,308,260	1,455,046

Financial statements 1 January - 31 December**Balance Sheet**

Note	USD '000	2021	2020
11	Share capital	19,444	19,444
	Reserve for Hedging	917	0
	Retained earnings	985,330	957,439
	Equity	1,005,691	976,883
12	Other Provisions	0	81
	Provisions	0	81
	Payables to Group Enterprises	1,239,418	478,050
	Joint Tax Contribution Payable	31,022	0
	Other Payables	32,129	32
	Short-term debt	1,302,569	478,082
	Debt	1,302,569	478,082
	Liabilities and Equity	2,308,260	1,455,046

- 1 Accounting policies
- 2 Events After Balance Sheet date
- 13 Contractual obligations and contingencies, etc.
- 14 Derivative Financial Instrument
- 15 Related parties
- 16 Fee to the auditors appointed by the Company in the general meeting

Financial statements 1 January - 31 December

Statement of changes in equity

Note	USD '000	Share capital	Reserve for Hedging	Retained earnings	Total
	Equity at 1 January 2020	19,444	0	734,211	753,655
	Tax free contribution	0	0	195,495	195,495
15	Transfer through appropriation of profit/loss	0	0	27,733	27,733
	Equity at 1 January 2021	19,444	0	957,439	976,883
	Tax free contribution	0	0	692,267	692,267
	Fair value adjustment of hedging transactions, end of year	0	917	0	917
	Transfer through appropriation of profit/loss	0	0	-664,376	-664,376
	Equity at 31 December 2021	19,444	917	985,330	1,005,691

Financial statements 1 January - 31 December

Notes to the financial statements

1. Accounting policies

The annual report of Maersk Logistics & Services International A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting Class C entities.

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

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

Omission of cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company A.P. Møller Mærsk A/S, CVR-No. 22 75 62 14, Copenhagen.

Reporting currency

The income and costs of the Company and its subsidiaries are mainly in USD and based on this Management concludes that USD is the Company's functional and reporting currency. The annual report is presented in USD in accordance with section 16(2) of the Danish Financial Statements Act. At 31 December 2021, the exchange rate was 655.74 DKK/USD (2020: 605.24 DKK/USD). The average rate in 2021 was 628.87 DKK/USD (2020: 654.32 DKK/USD).

Foreign currency translation

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

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

Income statement

Revenue

Income comprises of Network Transportation Income as Maersk Logistics & Services International A/S became the network header for the L&S (Logistics & Services) segment in 2021. Income also comprises of the management fees income charged to Inland Services entities as Maersk Logistics & Services International A/S became the Headquarters of Inland Services in 2020.

Other external expenses

Other external expenses comprise of Network Transportation Charges as Maersk Logistics & Services became the network header of L&S entities in 2021. It also includes Operational accruals, Insurances, IT and other allocated costs in Maersk Logistics & Services International A/S due to HQ operations shifting from Netherlands to Denmark.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Company's employees, as well as other social security contributions etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

Income from investments in subsidiaries

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

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

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss making Danish entities in proportion to their taxable income (full absorption).

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

Balance sheet

Intangible Assets

Cost directly attributable to development of software are considered for capitalisation, except general and administration cost. Intangible assets are capitalised once it is ready for use and amortised over the useful life of the asset. Entity considers economic life of the IT software as its useful life for amortisation. Intangible assets are carried at cost less accumulated amortisation and impairment losses.

Amortization is provided on intangible assets to write off the cost, less any estimated residual value, over their expected useful economic life. The amortization expenses on intangible assets is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible asset. As per APMM accounting policy, the amortization period for Intangible assets is 5 years for assets capitalized from 2021 and until 2020, it was for 3 years.

Investments in subsidiaries

Investments in subsidiaries and other investments are measured at cost or lower recoverable value (the higher of the estimated value in use and fair value less cost of disposal).

Impairment of fixed assets

The carrying amount of investments in subsidiaries is assessed for impairment on an annual basis. Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairments are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial statements 1 January - 31 December

Notes to the financial statements

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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

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

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

Cash

Cash comprise cash and short-term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability respectively.

Financial Statements 1 January – 31 December**Notes to the Financial Statements****1 Accounting Policies (Continued)**

Deferred tax is measured according to the rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets recognised at the expected value of their utilisation; either as a set-off against tax on future income or as set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

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

Other liabilities are measured at net realisable value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

The financial ratios stated under “Financial highlights” have been calculated as follows:

Operating margin	$\frac{\text{Operating profit (EBIT)} * 100}{\text{Revenue}}$
Current Ratio	$\frac{\text{Current Assets} * 100}{\text{Current liabilities}}$
Equity Ratio	$\frac{\text{Equity Year-end} * 100}{\text{Total equity and liabilities, year-end}}$
Return on Equity	$\frac{\text{Profit/Loss for the year after tax} * 100}{\text{Average equity}}$

Financial Statements 1 January – 31 December**Notes to the Financial Statements****2 Events after the Balance Sheet date***Impact of Russia's invasion of Ukraine*

A.P. Moller - Maersk respects and supports all governmental sanctions put in place following Russia's invasion of Ukraine. Maersk also has decided mid-March 2022 to start orderly wind down of operations and divestment of assets in Russia. This will lead to gradual slow- down of activities during next few months and ultimately withdrawal from doing business in Russia. There is no impact on the numbers for 2021, however there might be potential impact in 2022 which is uncertain as of now.

3 Segment Information

No difference in segment as all revenues are generated through Transfer Pricing agreements.

Types of Revenue (USD '000)	2021	2020
Network Transportation Income	465,650	0
Management Fees	14,071	12,170
Salaries I/C Recharges	6,391	0
Agency Rebates	262	0
Cost Plus Income	0	41,879
	<u>486,374</u>	<u>54,048</u>

Geographical Split

Regions (USD '000)	2021	2020
Africa	11,778	0
Asia Pacific	12,554	0
Europe	349,554	54,048
Latin America	23,233	0
North America	60,220	0
West & Central Asia	29,035	0
	<u>486,374</u>	<u>54,048</u>

	USD'000	2021	2020
4 Staff Costs			
Wages/Salaries		0	195
Pensions		0	74
Other staff benefits		0	0
		<u>0</u>	<u>269</u>
Average number of full-time employees		0	2

By reference to section 98b(3)(ii), of the Danish Financial Statements Act remuneration to Management is not disclosed.

The Company has no direct employees, as all the employees working with the Company's activities are employed by Rederiet A.P. Moller A/S or Other group entities.

For comparability to other entities, it has been decided to disclose staff related costs and the number of employees working with the Company's activities.

Financial Statements 1 January - 31 December**Notes to the Financial Statements**

5	Financial income		
	Interest receivable, group entities	9,222	14,110
	Exchange gain	38,402	0
	Other financial income	4,321	0
		<u>51,945</u>	<u>14,110</u>
6	Financial expenses		
	Interest expenses, group entities	6,601	13,728
	Other interest expenses	2	12
	Other financial expenses	21	2,052
	Exchange loss	0	35,984
		<u>6,624</u>	<u>51,776</u>
7	Tax for the year		
	Estimated tax charge for the year	33,870	-5,248;
	Tax adjustments, prior years	5,196	875
	Deferred Tax for the year	0	86
		<u>39,066</u>	<u>-4,287</u>

8 Intangible Assets

Group (USD '000)	Software	Acquired trademarks	Development Projects in Progress	Total
Cost at 1 January 2021	0	7,510,173	0	7,510,173
Net Effect from Mergers & Acquisition	0		0	0
Additions for the year	44,392,826	40,500,000	10,072,605	94,965,431
Transfers for the year	0	0	0	0
Cost at 31 December 2021	<u>44,392,826</u>	<u>48,010,173</u>	<u>10,072,605</u>	<u>102,475,604</u>
Impairment Losses and Amortization at 1 January 2021	0	-7,510,173	0	-7,510,173
Impairment losses for the year	0		0	0
Amortization for the year	-10,821,345	-3,375,000	0	-14,196,345
Impairment Losses and Amortization at 31 December	<u>-10,821,345</u>	<u>-10,885,173</u>	<u>0</u>	<u>-21,706,518</u>
Carrying Amount at 31 December 2021	<u><u>33,571,481</u></u>	<u><u>37,125,000</u></u>	<u><u>10,072,605</u></u>	<u><u>80,769,086</u></u>

Development Projects in Progress relate to The New Supply Chain Platform (NSCP) program that will drive and embed the strategic improvement of Maersk's capabilities for Supply Chain Management (SCM). The expected Project go-live date for NSCP is in 2023 post which cost will be capitalized and moved from Asset under Construction to Intangible Asset account.

Financial Statements 1 January - 31 December**Notes to the Financial Statements**

9 Investments	Investment in	Other	Total
USD'000	subsidiaries	Investments	
Cost at 1 January 2020	1,389,028	258	1,389,286
Additions	781,302	0	781,302
Disposals	-28,605	0	-28,605
Cost at 31 December 2021	<u>2,141,725</u>	<u>258</u>	<u>2,141,983</u>
Value adjustments at 1 January 2021	-143,260	0	-143,260
Disposals	24,192	0	24,192
Revaluations for the year	-745,756	0	-745,756
Value adjustments at 31 January 2021	<u>-864,824</u>	<u>0</u>	<u>-864,824</u>
Carrying amount at 31 December 2021	<u><u>1,276,901</u></u>	<u><u>258</u></u>	<u><u>1,277,159</u></u>

Name	Domicile	Interest	Equity USD '000	Profit/Loss USD '000
Subsidiaries				
Damco China Limited	China	100%	55,150	1,466
Damco (UAE) FZE	UAE	100%	5,809	40
Damco (Angola) Transitarios E agente De Navegação, Lda	Angola	90%	-2,399	334
Damco Argentina S.A.	Argentina	95%	61	13
Damco Australia Pty. Ltd.	Australia	100%	26,883	265
APM Global Logistics Bangladesh Ltd.	Bangladesh	95%	3,424	242
Damco Logistics Bulgaria EOOD	Bulgaria	100%	-	-
Damco Belarus	Belarus	99%	3,666	3,335
Damco Switzerland GMBH	Switzerland	100%	1,941	5
Damco Colombia Ltda.	Colombia	100%	101	7
Damco Czech Republic, S.R.O.	Czech	100%	8,761	500
Damco Germany GmbH	Germany	100%	6,018	672
Damco Denmark A/S	Denmark	100%	4,321	230
Damco A/S	Denmark	100%	4,693	-
Damco Egypt Ltd.	Egypt	99%	1,710	76
Damco Spain, S.L.	Spain	100%	4,381	166
Damco France S.A.S.	France	100%	7,627	250
Damco UK Limited	UK	100%	12,981	-10,019
DAMCO HONG KONG LIMITED	Hong Kong	100%	65,412	-377
Maersk Logistics Honduras, S.A.	Honduras	100%	-303	-5
Damco D.O.O.	Croatia	100%	569	10
Damco Hungary KFT	Hungary	100%	145	20
P.T. Maersk Indonesia	Indonesia	99%	3,856	7
Damco Logistics Ireland Limited	Ireland	100%	3,640	199
Damco Logistics Israel Ltd.	Israel	100%	802	70
Damco International A/S Jordan LLC	Jordan	100%	-940	-337
Damco Logistics Kenya Limited	Kenya	100%	1,460	352
Damco Logistics Korea Limited	Korea	100%	388	42
Maersk Maroc S.A.	Morocco	100%	3,666	3,342

Financial Statements 1 January - 31 December**Notes to Financial Statements****9 Investments (Continued)**

Name	Domicile	Interest	Equity USD '000	Profit/Loss USD '000
Subsidiaries				
Damco Logistics Mali S.A.	Mali	100%	443	136
Damco Logistics Myanmar Limited	Myanmar	100%	553	163
Damco Logistics (Mauritius) Limited	Mauritius	100%	2,960	39
Damco Logistics Mexico S.A. de C.V.	Mexico	100%	7,042	5,169
DL Multiservicios SA de CV	Mexico	98%	281	2
Damco Logistics Services Sdn. Bhd.	Malaysia	100%	474	-5
Damco Logistics Malaysia Sdn. Bhd.	Malaysia	100%	2,510	756
Maersk Logistics Nicaragua, S.A.	Nicaragua	100%	165	3
Damco Netherlands B.V.	Netherlands	100%	15,814	953
Damco International B.V.	Netherlands	100%	93,873	14,551
Damco New Zealand Limited	New Zealand	100%	1,284	108
Damco Panama S.A.	Panama	100%	-401	18
Damco Latin America Sem, S.A.	Panama	100%	414	155
Damco Peru S.A.	Peru	100%	1,012	88
Damco Philippines, Inc.	Philippines	100%	1,115	301
Damco Pakistan (Private) Limited	Pakistan	100%	227	522
Damco Poland Sp. z o.o.	Poland	100%	8,343	400
Damco Logistics Portugal, Lda.	Portugal	100%	5,025	497
Damco Romania S.r.L.	Romania	100%	-177	-
Damco Rus LLC	Russia	99%	7,161	5,410
Damco Sweden AB	Sweden	100%	3,250	149
Damco Logistics Singapore Pte. Ltd.	Singapore	100%	2,984	239
Damco Logistika D.O.O.	Slovenia	100%	557	21
Damco Slovakia, S.R.O.	Slovakia	100%	113	7
Damco Logistics (Thailand) CO. Ltd.	Thailand	100%	4,618	1,179
Damco Transport CO., Ltd.	Thailand	100%	62	-12
Damco Uluslararası Tasimacılık ve Lojistik A.S.	Turkey	99%	399	123
Damco Taiwan Co., Ltd.	Taiwan	100%	1,844	352
Damco Tanzania Limited	Tanzania	99%	-1,344	0
DAMCO Eastern Europe ApS	Denmark	100%	87	-18
Damco Ukraine Ltd.	Ukraine	100%	-1,432	-1,411
Damco Logistics Uganda Ltd.	Uganda	100%	-1,303	-41
Damco USA Inc.	USA	100%	907,502	-5,395
APM Global Logistics Uruguay S.A.	Uruguay	100%	19	-6
Damco Zambia Limited	Zambia	99%	-550	52
Maersk Logistics & Services Brasil Ltda.	Brazil	100%	4,866	1,095
Damco Chile S.A	Chile	100%	-475	-192
Maersk Container Industry San Antonio SpA	Chile	100%	4,667	-3
B2C Europe Holding B.V.	Netherlands	100%	76,609	-974

Financial Statements 1 January - 31 December**Notes to Financial Statements**

USD'000	2021	2020
10 Deferred tax assets		
Deferred tax at 1 January	-64	-150
Movement during the year	0	86
Deferred tax at 31 December	-64	-64
Deferred tax relates to :		
Provisions	-64	-64
	-64	-64

The company expects to utilize the tax asset with the next tax years

DKK'000	2021	2020
11 Share Capital		
Analysis of the Share Capital:		
103000 shares of DKK 1000 nominal value each	103,000	103,000
	103,000	103,000

USD '000	2021	2020
12 Other Provisions		
Opening Balance 1 January	81	736
Provisions utilized in the year	-81	-655
Other Provisions at 31 December	0	81

13 Contractual obligations and contingencies, etc.**Contingent Asset**

Contingent Asset represent a Tax receivable of \$859,148, receivable from India related to the Tax Deducted at Source towards Centre Charges paid by Damco India in FY 2011-12 and FY 2012-13.

Other contingent liabilities

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

Financial Statements 1 January - 31 December**Notes to Financial Statements****14 Derivative Financial Instruments**

Derivative financial instruments contracts in the form of forward exchange contracts. At the Balance Sheet date, the fair value of the derivative financial instrument amount to:

USD'000	2021	2020
Other receivables	917	0

The hedging relates to the funding for the acquisition of Project Senator.

15 Related Parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the Parent Company's consolidated financial statements</u>
A.P Møller Holding A/S	Esplanaden 50, 1263 Copenhagen K	www.maersk.com
A.P Møller Mærsk A/S	Esplanaden 50, 1263 Copenhagen K	www.maersk.com

Related Party transactions

All transactions with related parties are carried through on normal market terms

Ownership

The following shareholders are registered in the Company's register of shareholders as holding - minimum 5% of the votes or minimum 5% of the share capital

<u>Name</u>	<u>Domicile</u>
A.P Møller Mærsk A/S	Esplanaden 50, 1263 Copenhagen K

- 16** Fee to the auditors appointed by the Company in general meeting
Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements A.P. Møller Holding A/S.

USD '000	2021	2020
17 Appropriation of Profit/Loss		
Recommended appropriation of Profit/Loss		
Retained earnings/accumulated Loss	-664,376	27,733
	<u>-664,376</u>	<u>27,733</u>