

TITAN Storage Solutions A/S

Litauen Alle 9, 2630 Taastrup

CVR no. 41 02 47 63

**Annual report for the period
1 January to 31 December 2021**

Adopted at the annual general meeting on 19 April
2022



Juliana Ingstrup
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of TITAN Storage Solutions 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 consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2021 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Høje Taastrup, 19 April 2022

Executive board



John Layland Barker

Supervisory board



Carsten Nygaard Knudsen
chairman



Kim Gulstad



Andreas Færk



John Layland Barker



Lars Priemé

Independent auditor's report

To the shareholder of TITAN Storage Solutions A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of TITAN Storage Solutions A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2021 and of the results of the group and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

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 consolidated financial statements and parent company " section of our report. We are independent of the group 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 IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 the consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company 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 group's and the parent 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 consolidated financial statements and parent company 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 group's and the parent 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 consolidated financial statements and parent company 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 group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are responsible for our audit opinion.

Independent auditor's report

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.

Statement on management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company 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, we conclude that management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 19 April 2022

Mazars
Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

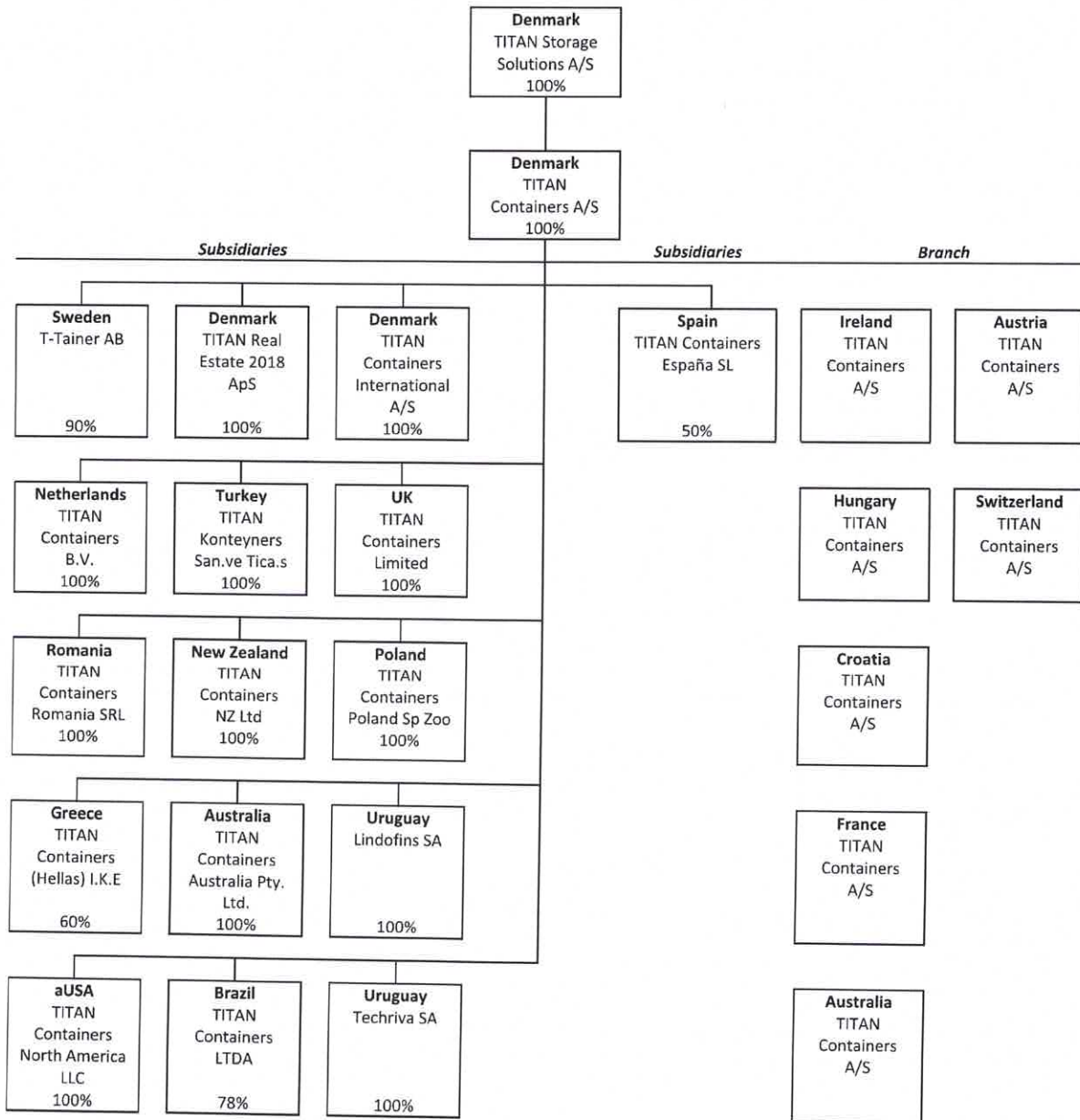

Pia Lund Lillebæk
statsautoriseret revisor
MNE no. mne30257


Dennis Herholdt Rasmussen
statsautoriseret revisor
MNE no. mne43413

Company details

The company	TITAN Storage Solutions A/S Litauen Alle 9 2630 Taastrup
	Website: www.titancontainers.com
	CVR no.: 41 02 47 63
	Reporting period: 1 January - 31 December 2021
	Incorporated: 19 December 2019
	Domicile: Høje Taastrup
Supervisory board	Carsten Nygaard Knudsen, chairman Andreas Færk Lars Priemé Kim Gulstad John Layland Barker
Executive board	John Layland Barker
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2. tv. 2100 København

Group chart



Financial highlights

Seen over a 3-year period, the development of the Company may be described by means of the following financial highlights:

	Group		
	2021	2020	2019
	TDKK	TDKK	TDKK
Key figures			
Revenue	711.357	535.018	21.601
Gross profit	337.593	222.569	8.086
Profit/loss before net financials	179.362	96.802	3.287
Net financials	-30.790	-26.564	-796
Profit/loss for the year	110.120	48.808	1.482
Balance sheet			
Balance sheet total	2.092.264	1.493.495	1.258.755
Investment in property, plant and equipment	640.211	236.597	0
Equity	594.557	492.663	452.412
Financial ratios			
Gross margin	47,5%	41,6%	37,4%
EBIT margin	25,2%	18,1%	15,2%
Return on assets	10,0%	7,0%	0,5%
Solvency ratio	28,4%	33,0%	35,9%
Return on equity	20,3%	10,3%	0,7%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see summary of significant accounting policies under section "Financial Highlights".

Management's review

Business review

TITAN Group has become perhaps the largest privately owned company supplying shipping and storage containers for a vast multitude of applications. TITAN Group's initial goal was to pass on the advantages of high volume by providing end-users with top quality containers and services always by competitive prices. Today TITAN Group maintain the same targets, operates six brands, and can offer worldwide services with a network that is possibly the best in the marketplace. The emphasis of the business has always been on storage applications. Aside from gaining logistic advantage, TITAN Group is generally not involved in the international container-shipping sector.

TITAN Group owns and operates a fleet of ISO shipping and storage containers, purpose built refrigerated storage containers and DNV offshore containers for international and domestic rentals.

Furthermore, TITAN Group presently operates 61 self-storage sites located in 10 countries, 20 container depots with container handling equipment in 10 countries and 24 container lorries in 6 countries.

Through the Group's own and subsidiary offices in 18 countries, TITAN offers these containers and services to customers for domestic, offshore, and international hire. TITAN is also actively engaged in the purchase and sale of new and used containers and in the supply of related services to a wide range of customers.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The group's financial position at 31 December 2021 and the results of its operations and cash flows for the financial year ended 31 December 2021 are not affected by any unusual matters.

Financial review

Revenue for the year amounted to DKK 711 million compared to DKK 535 million last year. Profit after tax was DKK 110 million compared to DKK 48,8 million last year. The development must be compared with the fact that in the annual report for 2020, the Group expected an increase in revenue, based on our expectations of the uncertainty that the CV-19 pandemic could cause. Despite the pandemic, the Group has managed to achieve revenue increase better than expected.

Management considers this year's result satisfactory.

Management's review

The second year of the Covid-19 pandemic had an overall positive impact on the Group's business levels and trading results. Disruption to the hospitality sector with postponed, cancelled or simply smaller events was less severe than in 2020 but had a negative impact on performance. New business opportunities from 2020, including higher levels of internet shopping, pharmaceutical logistics and community related applications continued largely unchanged during 2021. The Group also benefitted with additional business demands related to the release and roll-out of covid vaccines.

The Group continued to protect its HR resources with a greater level of working from home and workplace hygiene/social distancing than legislation required in many countries. The Group largely avoided team covid infections until late in the year. The massive wave of infections that started late Q3 and continued through Q4 and into 2022 has seen many our team testing positive but mostly with mild infections. More than 90% of the workforce were double-vaccinated and subsequently with the third booster promptly as their age group became eligible. We have a small number of un-vaccinated some of whom have recently been infected creating a natural immune defence.

During 2021 the international shipping and logistics sector suffered from massive shortages of containers and shipping capacity. Operating conditions in Q3 and Q4 were extremely challenging for all cargo interested parties.

There were four noticeable impacts on the Group.

The massive shortage of containers, particularly in Asia, gave rise to massive increases in both new and used containers. New container prices more than doubled over a matter of a few weeks and used prices in some instances were almost 200% higher than at the start of the year. The Group benefitted from this market opportunity with very increased rental revenues supplying containers for export packing from particularly China.

Further, the Group benefitted from the globally higher container values and margins when selling containers.

The Group were largely successful in maintaining supply to existing renewable energy customers and gained a new customer in this segment because of simply being able to supply containers where and when they were required.

With too much cargo chasing too little shipping space sea freight rates increased dramatically. Some routes the rate increased by a multiple of 5 and almost all other routes by the multiple of 3. Whilst the lack of space delayed shipping new ArcticStores to markets in Q3 and Q4 there were no serious incidents of the Group struggling to meet rental demands and commitments in a timely manner.

It is anticipated that the shipping and logistics sector will continue to adjust and will slowly move into a more normal and stable market condition during 2022.

Financing

The Groups loans with the main banks has to be re-negotiated by latest 31 December 2022 as the loan are expiring on 31 December 2022. According to Danish GAAP these loans is therefore classified as short-term debt. The banks have confirmed the intention to extend the loans beyond 31 December 2022. This is based on the Group's satisfactorily realized earnings, capital and cash flow conditions. For 2022 the banks have already extended the lines for the Group's new investments in 2022 according to the budget and we therefore believe that the loan will be extended with another 2-3 years.

Management's review

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the group's financial position.

Expected development of the company, including specific prerequisites and uncertainties

In 2022, the Group's total revenue is expected to increase at least by 10 % because of continued investment in new containers. The growth in rental income is expected to increase with a higher percentage than sales revenue.

The Group expects to continue to have positive cash flow in 2022.

Foreign branches

As to the financial year in question, TITAN Group had branch offices in Ireland, Austria, Hungary, France, Switzerland, Croatia, and Australia.

Profit/(loss) for the year relative to the expectations most recently expressed

TITAN Group's operating performance in 2021 was 110 million DKK. All brands responded well to the market conditions in 2021.

Performance across all product lines was strong with newer markets starting to make a more noticeable contribution to TITAN's total performance.

Risk conditions

General business risks

The Group's principal operating risks are linked to the ability to be strongly positioned in the markets where the Group is present. In addition, it is essential for the Group to constantly be at the forefront of technological developments in the Group's areas of activity.

Financial risks

As a result of its operations, investments and financing, the Group is exposed to changes in exchange rates and interest rates. It is the Group's policy not to engage in active speculation on financial risks. Thus, the Group's financial management is solely aimed at managing financial risks which stems from ordinary business decisions.

Management's review

Currency risks

The Group's subsidiaries and branches are not immediately affected by exchange rate fluctuations, as both income and expenses are settled in local currency. Activities carried out by Danish companies are affected by exchange rate changes, as revenue is primarily generated in foreign currency, while some costs, including wages, are paid in Danish kroner.

The Group is also affected by changes in exchange rates, as the foreign affiliates' profit at the end of the year is converted into Danish kroner based on average prices. The Group does not use hedging in a systematic manner but monitor the currency fluctuations and consider hedging if necessary.

Credit risks

The group's credit risks relate to primary financial assets. The maximum credit risk associated with financial assets corresponds to the carrying amounts recognized in the balance sheet.

The Group does not have significant credit risks associated with individual customers or business partners. The Group's policy on assumed credit risk means that all major customers and other business partners are assessed on an ongoing basis. In 2021 the total loss on debtors including provisions for losses amounted to 0.4% of the Group's revenue.

Statutory corporate social responsibility report and Policies on the underrepresented gender

Corporate social responsibility is an integral part of the business strategy for TITAN Group. The Group strives to act responsibly in relation to customers, employees, business partners and the outside world. TITAN Group has for 2021 prepare a separate CSR report which can be found on the company's website by following this link:

<https://titancontainers.com/gl/about-us/csr-report>

Statement of policy for data ethics

The Group processes large amounts of data every day. We are very aware of both the security and ethical risks in this. We have several policies and procedures that describe how we process and deal with data that is made available to us. These policies and procedures are reviewed on an ongoing basis and updated as necessary.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Revenue	1	711.357	535.018	0	0
Other operating income		60	366	0	0
Expenses for raw materials and consumables		-297.103	-249.964	0	0
Other external costs		-76.721	-62.851	-96	-408
Gross profit		337.593	222.569	-96	-408
Staff costs	2	-91.439	-76.060	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-66.792	-49.707	0	0
Profit/loss before net financials		179.362	96.802	-96	-408
Income from investments in subsidiaries		0	0	109.639	49.600
Financial income	3	1.615	5.127	0	0
Financial costs	4	-32.405	-31.691	0	0
Profit/loss before tax		148.572	70.238	109.543	49.192
Tax on profit/loss for the year		-38.452	-21.430	0	0
Profit/loss for the year		110.120	48.808	109.543	49.192
Distribution of profit	5				

Balance sheet 31 December

Note	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Assets				
Goodwill	168.210	181.760	0	0
Software	1.952	1.583	0	0
Intangible assets	170.162	183.343	0	0
Land and buildings	72.636	31.302	0	0
Plant and machinery	1.437.025	847.670	0	0
Other fixtures and fittings, tools and equipment	49.752	20.059	0	0
Right-of-use assets	93.785	127.582	0	0
Tangible assets	1.653.198	1.026.613	0	0
Investments in subsidiaries	0	0	590.203	492.564
Deposits	242	728	0	0
Fixed asset investments	242	728	590.203	492.564
Total non-current assets	1.823.602	1.210.684	590.203	492.564
Finished goods and goods for resale	76.912	115.695	0	0
Stocks	76.912	115.695	0	0
Trade receivables	135.652	102.835	0	0
Other receivables	6.924	2.262	0	0
Prepayments	27.564	27.850	0	0
Receivables	170.140	132.947	0	0
Cash at bank and in hand	21.610	34.169	4	5
Total current assets	268.662	282.811	4	5
Total assets	2.092.264	1.493.495	590.207	492.569

Balance sheet 31 December

Note	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Equity and liabilities				
Share capital	1.000	1.000	1.000	1.000
Reserve for net revaluation under the equity method	0	0	128.536	30.897
Retained earnings	566.317	478.959	435.013	448.109
Proposed dividend for the year	25.000	12.000	25.000	12.000
Non-controlling interests	2.240	704	0	0
Equity	594.557	492.663	589.549	492.006
Provision for deferred tax	75.379	79.041	0	0
Total provisions	75.379	79.041	0	0
Banks	9.239	704.334	0	0
Lease obligations	38.667	49.606	0	0
Total non-current liabilities	47.906	753.940	0	0
Short-term part of long-term debt	21.078	25.848	0	0
Banks	1.095.275	4.166	0	0
Trade payables	197.355	112.405	644	151
Payables to subsidiaries	0	0	14	412
Corporation tax	36.961	2.608	0	0
Other payables	23.533	22.505	0	0
Deferred income	220	319	0	0
Total current liabilities	1.374.422	167.851	658	563
Total liabilities	1.422.328	921.791	658	563
Total equity and liabilities	2.092.264	1.493.495	590.207	492.569
Rent and lease liabilities	15			
Contingent liabilities	16			
Mortgages and collateral	17			
Related parties and ownership structure	18			
Fee to auditors appointed at the general meeting	19			

Statement of changes in equity

Group

	Share capital	Retained earnings	Proposed dividend for the year	Non-controlling interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1.000	478.959	12.000	704	492.663
Net effect from adjustment of fundamental error	0	-471	0	9	-462
Adjusted equity at 1 January	1.000	478.488	12.000	713	492.201
Ordinary dividend paid	0	0	-12.000	0	-12.000
Exchange adjustment, foreign	0	3.286	0	950	4.236
Net profit/loss for the year	0	84.543	25.000	577	110.120
Equity at 31 December	1.000	566.317	25.000	2.240	594.557

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1.000	30.897	448.109	12.000	492.006
Ordinary dividend paid	0	0	0	-12.000	-12.000
Net profit/loss for the year	0	109.639	-25.096	25.000	109.543
Distributed dividends from investments in subsidiaries	0	-12.000	12.000	0	0
Equity at 31 December	1.000	128.536	435.013	25.000	589.549

Cash flow statement 1 January - 31 December

Note	Group	
	2021	2020
	TDKK	TDKK
Net profit/loss for the year	110.120	48.808
Adjustments	68.126	43.048
Change in working capital	83.038	11.284
Cash flows from operating activities before financial income and expenses	261.284	103.140
Financial income	-1.615	-5.127
Financial expenses	393	8.710
Cash flows from operating activities	260.062	106.723
Purchase of intangible assets	-716	-5.156
Purchase of property, plant and equipment	-640.211	-236.597
Fixed asset investments made etc	0	-312
Cash flows from investing activities	-640.927	-242.065
Change in debt	412.317	191.610
Interest expenses	-32.011	-22.981
Dividend paid	-12.000	-11.000
Other adjustments	0	-326
Cash flows from financing activities	368.306	157.303
Change in cash and cash equivalents	-12.559	21.961
Current asset investments	34.169	12.208
Cash and cash equivalents	34.169	12.208
Cash and cash equivalents	21.610	34.169
Analysis of cash and cash equivalents:		
Cash at bank and in hand	21.610	34.169
Cash and cash equivalents	21.610	34.169

Notes

1 Information on segments

Activities - primary segment

t.kr.	<u>Rental</u>	<u>Sales</u>	<u>Service</u>	<u>Group total</u>
Revenue	374.187	214.209	122.961	711.357

Geographical - secondary segment

	<u>Denmark</u>	<u>EEC</u>	<u>Outside EEC</u>	<u>Group total</u>
Revenue	65.419	268.899	377.039	711.357

<u>Group</u>		<u>Parent company</u>	
<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
TDKK	TDKK	TDKK	TDKK

2 Staff costs

Wages and salaries	81.794	71.179	0	0
Pensions	1.598	1.486	0	0
Other social security costs	8.047	3.395	0	0
	<u>91.439</u>	<u>76.060</u>	<u>0</u>	<u>0</u>

Including remuneration to the executive board:

Executive Board	6.621	5.229	0	0
	<u>6.621</u>	<u>5.229</u>	<u>0</u>	<u>0</u>

Average number of employees

	<u>185</u>	<u>161</u>	<u>0</u>	<u>0</u>
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Notes

	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
3 Financial income				
Other financial income	1.615	1.010	0	0
Exchange adjustments	0	4.117	0	0
	1.615	5.127	0	0

	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
4 Financial costs				
Other financial costs	32.011	25.214	0	0
Exchange loss	393	6.481	0	0
	32.404	31.695	0	0

	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
5 Distribution of profit				
Proposed dividend for the year	25.000	12.000	25.000	12.000
Reserve for net revaluation under the equity method	0	0	109.639	49.600
Negative reserve not recognized beginning	0	0	0	-10.036
Retained earnings	84.543	37.192	-25.096	-2.372
	109.543	49.192	109.543	49.192
Non-controlling interests	577	-384	0	0
	110.120	48.808	109.543	49.192

Notes

6 Intangible assets

Group

	Goodwill	Software	Total
	TDKK	TDKK	TDKK
Cost at 1 January	196.626	2.081	198.707
Exchange adjustment	123	0	123
Additions for the year	0	716	716
Cost at 31 December	<u>196.749</u>	<u>2.797</u>	<u>199.546</u>
Impairment losses and amortisation at 1 January	14.866	498	15.364
Exchange adjustment	8	0	8
Depreciation for the year	13.665	347	14.012
Impairment losses and amortisation at 31 December	<u>28.539</u>	<u>845</u>	<u>29.384</u>
Carrying amount at 31 December	<u>168.210</u>	<u>1.952</u>	<u>170.162</u>

7 Tangible assets

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Right-of-use assets
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	32.897	862.694	22.527	121.647
Exchange adjustment	187	15.376	935	7.574
Additions for the year	42.871	247.137	38.499	6.204
Disposals for the year	0	-81.861	-4.003	-2.974
Transfers for the year	0	440.790	-324	-40.658
Cost at 31 December	<u>75.955</u>	<u>1.484.136</u>	<u>57.634</u>	<u>91.793</u>
Impairment losses and depreciation at 1 January	1.595	15.024	2.468	-5.935
Exchange adjustment	0	1.558	582	1.128
Transfers for the year	0	7.615	0	-7.615
Depreciation for the year	1.724	27.595	8.386	11.290
Reversal of impairment and depreciation of sold assets	0	-4.681	-3.554	-860
Impairment losses and depreciation at 31 December	<u>3.319</u>	<u>47.111</u>	<u>7.882</u>	<u>-1.992</u>
Carrying amount at 31 December	<u>72.636</u>	<u>1.437.025</u>	<u>49.752</u>	<u>93.785</u>

Notes

	<u>Parent company</u>	
	2021	2020
	TDKK	TDKK
8 Investments in subsidiaries		
Cost at 1 January	461.667	461.667
Cost at 31 December	461.667	461.667
Revaluations at 1 January	30.897	-10.036
Net profit/loss for the year	116.323	56.284
Received dividend	-12.000	-11.000
Transfers for the year	0	2.333
Amortisation of goodwill	-6.684	-6.684
Revaluations at 31 December	128.536	30.897
Carrying amount at 31 December	590.203	492.564

Group

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
TITAN Containers A/S	Denmark	100%

9 Fixed asset investments**Group**

	<u>Deposits</u>
	TDKK
Cost at 1 January	728
Disposals for the year	-486
Cost at 31 December	242
Carrying amount at 31 December	242

Notes

10 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

11 Equity

The share capital consists of 1.000 shares of a nominal value of DKK 1.000. No shares carry any special rights.

	Group		Parent company	
	2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
12 Provision for deferred tax				
Provision for deferred tax at 1 January	79.041	59.225	0	0
Deferred tax recognised in income statement	-3.662	16.019	0	0
Provision for deferred tax at 31 December	75.379	75.244	0	0
	75.862	79.041	0	0

13 Long term debt

Group	Debt at 1 January	Debt at 31 December	Instalment next year	Debt outstanding after 5 years
	TDKK	TDKK	TDKK	TDKK
Banks	704.499	9.750	511	6.880
Lease obligations	75.289	59.234	20.567	517
	779.788	68.984	21.078	7.397

14 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years.

Notes

	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
15 Rent and lease liabilities				
Operating lease liabilities.				
Total future lease payments:				
Within 1 year	24.805	17.392	0	0
Between 1 and 5 years	76.910	53.649	0	0
After 5 years	28.103	14.879	0	0
	129.818	85.920	0	0

16 Contingent liabilities

Contingent liabilities related to group enterprises

The company is jointly taxed with its ultimate parent company, Barker Holding ApS (management company), and jointly and severally liable with other jointly taxed entities of payment of income taxes for income year 2021 onwards as well as for payment of withholding taxes on dividends, interest and royalties which fall due for payment.

17 Mortgages and collateral

The Group has issued mortgage deed of TDKK 10,600 which gives pledge in the Group's land and property. The mortgage deeds are deposited as security for credit institute engagement.

The Group has issued chattel mortgage deed of total TDKK 75,890 which gives pledge in the Company's operating equipment, which accountable value at 31 December 2021 amounts to TDKK 1.437.025.

As security for credit institute engagement TDKK 370,000 pledges are given in the business at the date of the presentation of the Financial Statements.

The Company is surely debtor for the engagement for TITAN Sales & Management Holding ApS and TITAN Konteyners San. ve Ticaret, Turkey

TITAN Containers Ltd

As collateral for current account with foreign credit institute, £ 200,972 security is placed in property and other property, plant and equipment.

TITAN Containers International ApS

As security for credit institute engagement TDKK 230,000 pledges are given in the business at the date of the presentation of the Financial Statements.

Notes

18 Related parties and ownership structure

Controlling interest

The share capital is owned 70 % by:

Barker Holding ApS

Litauen Alle 9, Høje Taastrup

Transactions

With reference to section 98c(3) of the Danish Financial statement Act, transactions with related parties have been conducted between the company and its fully owned subsidiaries and parent company.

Group		Parent company		
2021	2020	2021	2020	
TDKK	TDKK	TDKK	TDKK	
Audit fee	677	510	32	10
Tax advisory services	61	65	1	5
Non-audit services	624	302	46	33
	1.362	877	79	48

19 Fee to auditors appointed at the general meeting

Mazars:

Audit fee

Tax advisory services

Non-audit services

Accounting policies

The annual report of TITAN Storage Solutions A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large class C entities.

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

The annual report for 2021 is presented in TDKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Recognition and measurement of business combinations

Recently acquired entities are recognised in the financial statements from the date of acquisition. Sold entities are recognised in the financial statements until the date of disposal. Comparative figures are not restated in respect of recently acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the time when the company actually gains control over the acquiree.

The acquisition method is applied to the acquisition of new entities where the company gains control over the acquiree. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or emanate from a contractual right. Deferred tax on the revaluations made is recognised.

Positive differences (goodwill) between, on the one side, the purchase consideration, the value of non-controlling interests in the acquiree and the fair value of any previously acquired investments and, on the other side, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under 'Intangible assets'. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of its useful life.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

On acquisition, goodwill is ascribed to / classed with the cash-generating unit, which subsequently forms a basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are translated on initial recognition into the foreign entity's functional currency using the exchange rate at the date of the transaction.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is conditional upon future events or the fulfilment of agreed conditions, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of conditional purchase consideration are recognised in the income statement.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

Accounting policies

Consolidated financial statements

The consolidated financial statements comprise the parent company TITAN Storage Solutions A/S and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered participating interests or associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Minority interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The minority interests' proportionate share of subsidiaries' profit/loss and equity is presented separately under appropriation of profit and in a main item under equity.

Accounting policies

Income statement

Segment information

Information is provided on business segments and geographical markets. The segment information is provided in consideration of the group's accounting policies, risks and management control.

Revenue

Revenue from lease and sale is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is recognised exclusive of VAT and other indirect taxes and less sales discounts.

Cost of sales

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment 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 that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the parent company's income statement after full elimination of intra-group profits/losses.

Accounting policies

Tax on profit/loss for the year

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed to be 5-25 years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

Software and development of IT are measured at cost less accumulated amortisation and impairment losses. Software are amortised on a straight-line basis over the expected life time however maximally 3 years.

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Land and property	30 years	0 %
Operating equipment	28 years	30 %
Other fixtures and fittings, tools and equipment	3-10 years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Accounting policies

Leases

The company has chosen IAS 17 as the interpretation for the classification and recognition of leasing contracts.

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Investments in subsidiaries, associates and participating interests

Investments in subsidiaries, associates and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries, associates and participating interests are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of TITAN Storage Solutions A/S is adopted are not taken to the net revaluation reserve.

Acquirees are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

Accounting policies

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Receivables

Receivables are measured at amortised cost, which usually correspond to nominal value. Bad debts are written down to net realisable value.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries, participating interests and associates relative to the cost.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and 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.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Foreign subsidiaries, associates and participating interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under 'Equity' in the consolidated financial statements.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to the fair value reserve under 'Equity'. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Accounting policies

Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

With reference to section 86(4) of the Danish Financial statement Act, no cashflow statement has been prepared for the parent company. The entity's cash flow are part of the consolidated cash flow statement.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Accounting policies

Financial highlights

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Profit/loss for analysis purposes} \times 100}{\text{Average equity}}$