

**Blue Water Property A/S
Central Business Registration No
26919657
Trafikhavnskaj 9
6700 Esbjerg**

Annual report 2015

The Annual General Meeting adopted the annual report on 18.05.2016

Chairman of the General Meeting

Name: Niels Kaalund

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Entity details

Entity

Blue Water Property A/S
Trafikhavnskaj 9
6700 Esbjerg

Central Business Registration No: 26919657

Registered in: Esbjerg

Financial year: 01.01.2015 - 31.12.2015

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Board of Directors

Kurt Skov, chairman

Niels Kaalund

Jørgen Meyer

Preben Møller Nielsen

Executive Board

Allan Vahlun Junge Pedersen, managing director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Frodesgade 125

Postboks 200

6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Blue Water Property A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 17.05.2016

Executive Board

Allan Vahlun Junge Pedersen
managing director

Board of Directors

Kurt Skov
chairman

Niels Kaalund

Jørgen Meyer

Preben Møller Nielsen

Independent auditor's reports

To the owners of Blue Water Property A/S

Report on the financial statements

We have audited the financial statements of Blue Water Property A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Esbjerg, 17.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Jørn Jepsen
State Authorised Public Accountant

Peder R. Pedersen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company owns, rents out and administers real property.

Development in activities and finances

The Company's income statement for the financial year 2015 shows a profit of DKK 11.212k, and the balance sheet at 31 December 2015 shows a balance sheet total of DKK 429.487k and equity of DKK 38.015k.

Equity in 2015 is positively affected by fair value adjustments of interest rate swap contracts of DKK 7.2m. At 31 December 2015 equity is negatively affected by fair value adjustments of interest rate swap contracts of DKK 44.5m.

In 2015, the Company has acquired two properties in the Port of Aarhus worth DKK 46m. Both properties are fully let.

Furthermore, the Company has invested DKK 71m in the building of a new freight terminal at Taulov that is expected to be completed by mid-2016. The new freight terminal is fully let from 1 September 2016.

The performance development of the Company's other letting activities has been positive.

A positive development in the Company's profit is expected for the coming year.

Outlook

Management expects the high occupancy rate to continue and to see a profit for 2016. The Company is expected to have positive cash flow in 2016.

Events after the balance sheet date

To this date no events have occurred after the balance sheet date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the parent company and all its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings 5-40 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue		42.534	39.776
Other external expenses		<u>(7.336)</u>	<u>(7.379)</u>
Gross profit/loss		35.198	32.397
Depreciation, amortisation and impairment losses		<u>(9.587)</u>	<u>(9.567)</u>
Operating profit/loss		25.611	22.830
Income from investments in associates		(85)	306
Other financial income	1	1.028	1.688
Other financial expenses	2	<u>(11.730)</u>	<u>(9.585)</u>
Profit/loss from ordinary activities before tax		14.824	15.239
Tax on profit/loss from ordinary activities		<u>(3.612)</u>	<u>(3.545)</u>
Profit/loss for the year		<u>11.212</u>	<u>11.694</u>
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		(85)	57
Retained earnings		<u>11.297</u>	<u>11.637</u>
		<u>11.212</u>	<u>11.694</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Land and buildings		311.214	265.443
Property, plant and equipment in progress		71.185	0
Property, plant and equipment	3	<u>382.399</u>	<u>265.443</u>
Investments in associates		4.989	5.074
Fixed asset investments	4	<u>4.989</u>	<u>5.074</u>
Fixed assets		<u>387.388</u>	<u>270.517</u>
Trade receivables		9.345	4.520
Receivables from group enterprises		4.986	671
Other short-term receivables		5.588	1.479
Income tax receivable		0	5.035
Prepayments		2.041	1.810
Receivables		<u>21.960</u>	<u>13.515</u>
Cash		<u>20.139</u>	<u>61.372</u>
Current assets		<u>42.099</u>	<u>74.887</u>
Assets		<u><u>429.487</u></u>	<u><u>345.404</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	5	5.000	5.000
Reserve for net revaluation according to the equity method		1.057	1.142
Retained earnings		31.958	13.427
Equity		<u>38.015</u>	<u>19.569</u>
Provisions for deferred tax		10.390	10.046
Provisions		<u>10.390</u>	<u>10.046</u>
Mortgage debts		280.096	233.728
Other payables		62.728	65.643
Non-current liabilities other than provisions	6	<u>342.824</u>	<u>299.371</u>
Current portion of long-term liabilities other than provisions	6	10.347	5.979
Trade payables		17.717	4.667
Income tax payable		5.055	0
Other payables		2.365	2.727
Deferred income		2.774	3.045
Current liabilities other than provisions		<u>38.258</u>	<u>16.418</u>
Liabilities other than provisions		<u>381.082</u>	<u>315.789</u>
Equity and liabilities		<u><u>429.487</u></u>	<u><u>345.404</u></u>
Contingent liabilities	7		
Assets charged and collateral	8		
Consolidation	9		

Statement of changes in equity for 2015

	Contri- buted capi- tal DKK'000	Reserve for net revalu- ation ac- cording to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	5.000	1.142	13.427	19.569
Other adjustments	0	0	7.234	7.234
Profit/loss for the year	0	(85)	11.297	11.212
Equity end of year	5.000	1.057	31.958	38.015

Notes

	2015 DKK'000	2014 DKK'000
1. Other financial income		
Financial income arising from group enterprises	0	315
Interest income	938	1.373
Other financial income	90	0
	1.028	1.688
	2015 DKK'000	2014 DKK'000
2. Other financial expenses		
Interest expenses	10.161	9.489
Other financial expenses	1.569	96
	11.730	9.585
	Land and buildings DKK'000	Property, plant and equipment in progress DKK'000
3. Property, plant and equipment		
Cost beginning of year	359.682	0
Addition through merger and business combinations	40.000	0
Additions	16.156	71.185
Disposals	(798)	0
Cost end of year	415.040	71.185
Depreciation and impairment losses beginning of the year	(94.239)	0
Depreciation for the year	(9.587)	0
Depreciation and impairment losses end of the year	(103.826)	0
Carrying amount end of year	311.214	71.185

Notes

	Investments in associates DKK'000
4. Fixed asset investments	
Cost beginning of year	3.932
Cost end of year	3.932
Revaluations beginning of year	1.142
Share of profit/loss after tax	(85)
Revaluations end of year	1.057
Carrying amount end of year	4.989

	Registered in	Corporate form	Equity interest %
Associates:			
Euroterminal - Blue Water/ Frigoscandia ApS	Kolding	ApS	50,00

	Registered in	Corporate form
Investments in partnerships and limited partnerships include:		
Kartoffelpakhuset I/S	Esbjerg	I/S

	Number	Par value DKK	Nominal value DKK'000
5. Contributed capital			
Share capital	5.000.000	1,00	5.000
	5.000.000		5.000

Notes

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Changes in contributed capital					
Contributed capital beginning of year	5.000	5.000	5.000	500	500
Increase of capital	0	0	0	4.500	0
Contributed capital end of year	5.000	5.000	5.000	5.000	500

	Instalments within 12 months 2014 DKK'000	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2015 DKK'000	Outstanding after 5 years 2015 DKK'000
6. Long-term liabilities other than provisions				
Mortgage debts	5.979	10.347	280.096	239.459
Other payables	0	0	62.728	62.728
	5.979	10.347	342.824	302.187

Financial instruments

The Company has entered into interest rate swap contracts at the balance sheet date relating to loans of DKK 274m. Unrealised net losses on these contracts at 31 December 2015 of DKK 57.092k are recognised under long-term liabilities, other payables and taken directly to equity by DKK 44.532k as well as deferred tax by DKK 12.560k. The interest rate swap with an interest rate of 3.76% relating to DKK 100m expires on 31 March 2021, the interest rate swap with an interest rate of 3.95% relating to DKK 100m expires on 29 March 2041, the interest rate swap with an interest rate of 2.05% relating to DKK 40m expires on 26 June 2035, the interest rate swap with an interest rate of 3.50% relating to DKK 24m expires on 30 December 2026, and the interest rate swap with an interest rate of 4,85% relating to DKK 10m expires on 29 December 2023.

Notes

	2015	2014
	DKK'000	DKK'000
7. Contingent liabilities		
Recourse and non-recourse guarantee commitments	7.300	7.300
Contingent liabilities	7.300	7.300
Recourse guarantee commitments towards Parent and fellow subsidiaries	0	0
Contingent liabilities related to Parent and fellow subsidiaries	0	0

Recourse guarantee commitment for parent company's mortgage, which at the end of the financial year is DKK 0k.

The company is liable for mortgage in partnership with DKK 3.173k.

The Company participates in a Danish joint taxation arrangement in which Blue Water Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Expert opinion and appraisal

In connection with the construction of a building, the contractor has filed a claim for a total additional payment of approx DKK 4.8m. Acceptance of this claim was refused because the Company has made a counterclaim for compensation for construction faults.

8. Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

Own as well as group enterprises' bank debt is secured by way of a mortgage registered to the owners of nominal DKK 10.950k on the properties.

The carrying amount of mortgaged properties amounts to DKK 382.399k.

Notes

9. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Blue Water Holding A/S, Esbjerg