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Dokken 8
DK-6700 Esbjerg
CVR no. 20 22 26 70

BLUE WATER PROPERTY A/S
TRAFIKHAVNSKAJ 9, 6700 ESBJERG
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 19 March 2024**

Niels Stie Kaalund

CVR NO. 26 91 96 57

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COMPANY DETAILS

Company	Blue Water Property A/S Trafikhavnskaj 9 6700 Esbjerg
	Telephone: (+45) 79134144 Website: www.bws.dk E-mail: bwsebj@bws.dk
	CVR No.: 26 91 96 57 Municipality: Esbjerg Financial Year: 1 January - 31 December
Board of Directors	Jørgen Dencker Wisborg, chairman Jørgen Meyer, vice-chairman Anne Roed Skov, vice-chairman Kurt Skov Niels Stie Kaalund Merete Søby
Executive Board	Søren Nørgaard Thomsen Allan Vahlun Junge Pedersen Flemming Busch
Auditor	BDO Statsautoriseret revisionsaktieselskab Dokken 8 6700 Esbjerg

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Blue Water Property A/S for the financial year 1 January - 31 December 2023.

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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Esbjerg, 19 March 2024

Executive Board

Søren Nørgaard Thomsen

Allan Vahlun Junge Pedersen

Flemming Busch

Board of Directors

Jørgen Dencker Wisborg
Chairman

Jørgen Meyer
Vice-chairman

Anne Roed Skov
Vice-chairman

Kurt Skov

Niels Stie Kaalund

Merete Søby

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Blue Water Property A/S

Opinion

We have audited the Financial Statements of Blue Water Property A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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:

- 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.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 of Management Commentary.

Esbjerg, 19 March 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jørn Jepsen
State Authorised Public Accountant
MNE no. mne24824

Peder Rene Pedersen
State Authorised Public Accountant
MNE no. mne23334

MANAGEMENT COMMENTARY

Principal activities

The Company owns, rents out and administers real property.

Development in activities and financial and economic position

The Company's income statement for the financial year 2023 shows a profit of DKK 20,056k, and the balance sheet at 31.12.2023 shows a balance sheet total of DKK 493,389k and equity of DKK 122,545k.

Equity in 2023 is negatively affected by fair value adjustments of interest rate swap contracts of DKK 4,6m. At 31.12.2023 equity is positively affected by fair value adjustments of interest rate swap contracts of total DKK 40,9m.

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

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report

Use of financial instruments

Cash Flow

As part of the Company's policy, capital procurement and placement of excess liquidity are controlled at group level insofar as is appropriate. Furthermore, the Company has liquidity measures in the shape of excess liquidity and credits, which is available to the company at any time.

Outlook

Management expects the high occupancy rate to continue and a profit similar to 2023.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK '000	2022 DKK '000
GROSS PROFIT/LOSS		54,001	45,452
Depreciation, amortisation and impairment losses.....	1	-18,443	-16,411
OPERATING PROFIT/LOSS		35,558	29,041
Income from investments in associates.....		-48	87
Other financial income.....	2	732	432
Other financial expenses.....	3	-10,527	-7,219
PROFIT/LOSS BEFORE TAX		25,715	22,341
Tax on profit/loss for the year.....	4	-5,659	-4,912
PROFIT/LOSS FOR THE YEAR		20,056	17,429
PROPOSED DISTRIBUTION OF PROFIT AND LOSS			
Ordinary dividend for the financial year.....		20,000	15,000
Allocation to reserve for net revaluation under the equity method.....		-48	63
Retained earnings.....		104	2,366
PROPOSED DISTRIBUTION OF PROFIT AND LOSS		20,056	17,429

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK '000	2022 DKK '000
Land and buildings.....		418,578	431,386
Tangible fixed assets in progress and prepayments for tangible fixed assets.....		0	3,573
Property, plant and equipment.....	5	418,578	434,959
Investments in associates.....		74	122
Financial non-current assets.....	6	74	122
NON-CURRENT ASSETS.....		418,652	435,081
Trade receivables.....		9,713	8,168
Receivables from group enterprises.....		61,819	43,864
Other receivables.....		59	559
Prepayments.....		3,146	2,730
Receivables.....		74,737	55,321
CURRENT ASSETS.....		74,737	55,321
ASSETS.....		493,389	490,402

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK '000	2022 DKK '000
Contributed Capital.....	7	5,000	5,000
Reserve for net revaluation according to the equity method.....		15	63
Reserve for fair value adjustments of hedging instruments.....		40,962	45,581
Retained earnings.....		56,568	56,464
Proposed dividend.....		20,000	15,000
EQUITY.....		122,545	122,108
Deferred tax.....		20,897	20,025
PROVISIONS.....		20,897	20,025
Mortgage debt.....		267,955	283,570
Derivative financial instruments.....	8	7,300	1,378
Other payables.....		6,969	6,969
Non-current liabilities.....	9	282,224	291,917
Current portion of non-current liabilities other than provision...		16,265	16,878
Trade payables.....		5,114	7,211
Debt to group enterprises.....		23,383	0
Joint tax contribution payable.....		3,483	13,097
Other payables.....		3,348	3,355
Deferred income.....		16,130	15,811
Current liabilities.....		67,723	56,352
LIABILITIES.....		349,947	348,269
EQUITY AND LIABILITIES.....		493,389	490,402
Contingencies etc.	10		
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EQUITY

	Share capital DKK '000	Reserve for net revaluati- on according to the equity method DKK '000	Fair value reserve for hedge accounting DKK '000	Retained earnings DKK '000	Proposed dividend DKK '000	Total DKK '000
Equity at 1 January 2023.....	5,000	63	45,581	56,464	15,000	122,108
Proposed profit allocation...		-48		104	20,000	20,056
Transactions with owners						
Dividend paid					-15,000	-15,000
Change fair value reserves						
Value adjustments in the year.....			-4,619			-4,619
Equity at 31 December 2023.....	5,000	15	40,962	56,568	20,000	122,545

NOTES

	2023 DKK '000	2022 DKK '000	Note
Depreciation, amortisation and impairment losses			1
Other plants, tools and equipment.....	18,443	16,411	
	18,443	16,411	
Other financial income			2
Financial income from group enterprises.....	424	432	
Other interest income.....	308	0	
	732	432	
Other financial expenses			3
Other financial expenses.....	10,527	7,219	
	10,527	7,219	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	4,786	13,097	
Adjustment of tax in previous years.....	1	0	
Change in deferred tax.....	872	-8,185	
	5,659	4,912	
Property, plant and equipment			5
	Land and buildings	Tangible fixed assets in progress and prepayments for tangible fixed assets	
Cost at 1 January 2023.....	639,029	3,573	
Transferred.....	3,573	-3,573	
Additions.....	2,062	0	
Disposals.....	-38	0	
Cost at 31 December 2023.....	644,626	0	
Depreciation and impairment losses at 1 January 2023.....	207,643		
Reversal of depreciation of assets disposed of.....	-38		
Depreciation for the year.....	18,443		
Depreciation and impairment losses at 31 December 2023....	226,048		
Carrying amount at 31 December 2023.....	418,578	0	

NOTES

		Note
Financial non-current assets		6
	Investments in associates	
Cost at 1 January 2023.....	59	
Cost at 31 December 2023.....	59	
Revaluation at 1 January 2023.....	63	
Share of profit/loss for the year.....	-48	
Revaluation at 31 December 2023.....	15	
Carrying amount at 31 December 2023.....	74	

Investments in associates

Name and domicil	Ownership
Kartoffelpakhuset I/S, Esbjerg.....	50 %

	2023 DKK '000	2022 DKK '000	
Share Capital			7
Allocation of share capital:			
Share capital, 5,000,000 unit in the denomination of 1 DKK.....	5,000	5,000	
	5,000	5,000	

Derivative financial instruments

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The Company has entered into interest rate swap contracts at the balance sheet date relating to loans of DKK 170m. Unrealised net losses on these contracts at 31 December 2023 of DKK 7,300k are recognised under long term liabilities, other payables and taken directly to equity by DKK 4,619k as well as deferred tax by DKK 1,303k. 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 29 June 2035, the interest rate swap with an interest rate of 1.47% relating to DKK 30m expires on 28 December 2035.

NOTES

	Note																				
Long-term liabilities	9																				
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 15%;">31/12 2023 total liabilities</th> <th style="text-align: right; width: 15%;">Repayment next year</th> <th style="text-align: right; width: 10%;">Debt outstanding after 5 years</th> </tr> </thead> <tbody> <tr> <td>Mortgage debt.....</td> <td style="text-align: right;">284,220</td> <td style="text-align: right;">16,265</td> <td style="text-align: right;">193,979</td> </tr> <tr> <td>Derivative financial instruments.....</td> <td style="text-align: right;">7,300</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Other payables.....</td> <td style="text-align: right;">6,969</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right;">298,489</td> <td style="text-align: right;">16,265</td> <td style="text-align: right;">193,979</td> </tr> </tbody> </table>		31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	Mortgage debt.....	284,220	16,265	193,979	Derivative financial instruments.....	7,300	0	0	Other payables.....	6,969	0	0		298,489	16,265	193,979	
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years																		
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Contingencies etc.	10																				
Contingent liabilities																					
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Unrecognised rental and lease commitments: Liabilities under rental or lease agreements until maturity in total.....	52,922	58,226																			
<p>Liabilities under rental relates to port area. The area is subleased to an external party. Besides this the company has entered into several lease agreements related to other port areas where notice of termination is 6 months.</p> <p>Contingent liabilities The entity has provided security for bank commitments in group affiliated companies. Bank commitment is DKK 375,842k as of 31.12.2023.</p> <p>The company is liable for mortgage in partnership with DKK 928k.</p> <p>Joint liabilities The Entity participates in a Danish joint taxation arrangement where Blue Water Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.</p>																					
Assets charged and collateral	11																				
<p>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.</p> <p>The carrying amount of mortgaged properties amounts to DKK 418,578k.</p>																					
Transactions with related parties	12																				
<p>In the annual report only transactions with related parties, which have not been completed under normal circumstances, will be informed. There have been no such transactions.</p>																					

NOTES**Note****Group relations****13**

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

Blue Water Holding A/S, Esbjerg

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

Blue Water Holding A/S, Esbjerg

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 a few provisions for reporting class C.

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

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

INCOME STATEMENT

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue 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.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of intra-group 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, net capital or exchange gains on securities, payables and transactions in foreign currencies, 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, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

ACCOUNTING POLICIES

Tax on profit/loss for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

The Entity is jointly taxed with all Danish group enterprises. 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).

ACCOUNTING POLICIES

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.

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:

	Useful life	Residual value
Buildings.....	5-50 years	0 %

Estimated useful lives and residual values are reassessed annually.

Items of property 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 unrealised pro rata intra-group 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.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

Receivables

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

Prepayments

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

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

ACCOUNTING POLICIES

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

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

Deferred Income

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