



Blue Water Property A/S

Trafikhavnskaj 9
6700 Esbjerg
CVR No. 26919657

Annual report 2022

The Annual General Meeting adopted the
annual report on 21.03.2023

Niels Stie Kaalund

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022	8
Balance sheet at 31.12.2022	9
Statement of changes in equity for 2022	11
Notes	12
Accounting policies	16

Entity details

Entity

Blue Water Property A/S

Trafikhavnskaj 9

6700 Esbjerg

Business Registration No.: 26919657

Registered office: Esbjerg

Financial year: 01.01.2022 - 31.12.2022

Phone number: (+45) 79134144

URL: www.bws.dk

E-mail: bwsebj@bws.dk

Board of Directors

Kurt Skov, chairman

Jørgen Meyer, vice chairman

Jørgen Dencker Wisborg, vice chairman

Niels Stie Kaalund

Anne Roed Skov

Merete Søby

Robert Steen Kledal

Executive Board

Søren Nørgaard Thomsen, CEO

Allan Vahlun Junge Pedersen

Flemming Busch

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6700 Esbjerg

Statement by Management

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 21.03.2023

Executive Board

Søren Nørgaard Thomsen
CEO

Allan Vahlun Junge Pedersen

Flemming Busch

Board of Directors

Kurt Skov
chairman

Jørgen Meyer
vice chairman

Jørgen Dencker Wisborg
vice chairman

Niels Stie Kaalund

Anne Roed Skov

Merete Søby

Robert Steen Kledal

Independent auditor's report

To the shareholders of Blue Water Property A/S

Opinion

We have audited the financial statements of Blue Water Property A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the management commentary.

Esbjerg, 21.03.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jørn Jepsen

State Authorised Public Accountant
Identification No (MNE) mne24824

Peder Rene Pedersen

State Authorised Public Accountant
Identification No (MNE) mne23334

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 2022 shows a profit of DKK 17,429k, and the balance sheet at 31.12.2022 shows a balance sheet total of DKK 490,402k and equity of DKK 122,108k.

Equity in 2022 is positive affected by fair value adjustments of interest rate swap contracts of DKK 32,8m. At 31.12.2021 equity is negatively affected by fair value adjustments of interest rate swap contracts of total DKK 1,1m.

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

Outlook

Management expects the high occupancy rate to continue and a profit similar to 2022.

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.

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.

Income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Gross profit/loss		45,452	47,189
Depreciation, amortisation and impairment losses	1	(16,411)	(16,709)
Operating profit/loss		29,041	30,480
Income from investments in associates		87	(6)
Other financial income	2	432	853
Other financial expenses	3	(7,219)	(7,430)
Profit/loss before tax		22,341	23,897
Tax on profit/loss for the year	4	(4,912)	(5,193)
Profit/loss for the year		17,429	18,704
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		15,000	0
Retained earnings		2,429	18,704
Proposed distribution of profit and loss		17,429	18,704

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Land and buildings		431,386	389,493
Property, plant and equipment in progress		3,573	7,825
Property, plant and equipment	5	434,959	397,318
Investments in associates		122	35
Financial assets	6	122	35
Fixed assets		435,081	397,353
Trade receivables		8,168	7,655
Receivables from group enterprises		43,864	82,188
Other receivables		559	702
Prepayments		2,730	2,696
Receivables		55,321	93,241
Current assets		55,321	93,241
Assets		490,402	490,594

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital	7	5,000	5,000
Reserve for fair value adjustments of hedging instruments		45,581	12,753
Reserve for net revaluation according to the equity method		63	0
Retained earnings		56,464	54,098
Proposed dividend		15,000	15,000
Equity		122,108	86,851
Deferred tax		20,025	18,951
Provisions		20,025	18,951
Mortgage debt		283,570	279,577
Other payables	8	8,347	50,460
Non-current liabilities other than provisions	9	291,917	330,037
Current portion of non-current liabilities other than provisions	9	16,878	18,498
Trade payables		7,211	11,032
Joint taxation contribution payable		13,097	7,112
Other payables		3,355	3,271
Deferred income		15,811	14,842
Current liabilities other than provisions		56,352	54,755
Liabilities other than provisions		348,269	384,792
Equity and liabilities		490,402	490,594
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		
Transactions with related parties	13		
Group relations	14		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	5,000	12,753	0	54,098	15,000
Ordinary dividend paid	0	0	0	0	(15,000)
Fair value adjustments of hedging instruments	0	32,828	0	0	0
Profit/loss for the year	0	0	63	2,366	15,000
Equity end of year	5,000	45,581	63	56,464	15,000

	Total DKK'000
Equity beginning of year	86,851
Ordinary dividend paid	(15,000)
Fair value adjustments of hedging instruments	32,828
Profit/loss for the year	17,429
Equity end of year	122,108

Notes

1 Depreciation, amortisation and impairment losses

	2022 DKK'000	2021 DKK'000
Depreciation of property, plant and equipment	16,411	16,709
	16,411	16,709

2 Other financial income

	2022 DKK'000	2021 DKK'000
Financial income from group enterprises	432	846
Other interest income	0	7
	432	853

3 Other financial expenses

	2022 DKK'000	2021 DKK'000
Financial expenses from group enterprises	0	2
Other interest expenses	6,817	7,224
Other financial expenses	402	204
	7,219	7,430

4 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Change in deferred tax	(8,185)	(1,919)
Refund in joint taxation arrangement	13,097	7,112
	4,912	5,193

5 Property, plant and equipment

	Land and buildings DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	580,725	7,825
Transfers	6,379	(6,379)
Additions	51,925	2,127
Cost end of year	639,029	3,573
Depreciation and impairment losses beginning of year	(191,232)	0
Depreciation for the year	(16,411)	0
Depreciation and impairment losses end of year	(207,643)	0
Carrying amount end of year	431,386	3,573

6 Financial assets

	Investments in associates DKK'000
Cost beginning of year	59
Cost end of year	59
Revaluations beginning of year	(24)
Share of profit/loss for the year	87
Revaluations end of year	63
Carrying amount end of year	122

Investments in associates	Registered in	Corporate form
Kartoffelpakhuset I/S	Esbjerg	I/S

7 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Share capital	5,000,000	0,001	5,000
	5,000,000		5,000

8 Other payables

	2022 DKK'000	2021 DKK'000
Derivative financial instruments	1,378	43,463
Other costs payable	6,969	6,997
	8,347	50,460

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 2022 of DKK 1,378k are recognised under long-term liabilities, other payables and taken directly to equity by DKK 32,828k as well as deferred tax by DKK 9,259k. 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.

9 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due within 12 months 2021 DKK'000	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Mortgage debt	16,878	18,498	283,570	209,995
Other payables	0	0	8,347	8,347
	16,878	18,498	291,917	218,342

10 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Liabilities under rental or lease agreements until maturity in total	58,226	60,256

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.

11 Contingent liabilities

The entity has provided security for bank commitments in group affiliated companies. Bank commitment is DKK 247.822k as of 31.12.2022.

The company is liable for mortgage in partnership with DKK 1,197k.

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.

12 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 434,959k.

13 Transactions with related parties

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.

14 Group relations

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 from the sale 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 writedowns of receivables recognised in current assets.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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 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.

Tax on profit/loss for the year

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 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).

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
	Years	%
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.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

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

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.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred income

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