ANNUAL REPORT 2023

Blue Water Holding A/S
Trafikhavnskaj 9, 6700 Esbjerg
CVR no. 30 58 40 66
Financial year: 01.01.2023 - 31.12.2023

Together we create solutions

Table of Contents

Entity details

ENTITY

Blue Water Holding A/S
Trafikhavnskaj 9
6700 Esbjerg

CVR no.:	30 58 40 66
Established:	11 May 2007
Registered in:	Esbjerg
Financial year:	01.01.2023 - 31.12.2023

Phone:	+45 7913 4144
E-mail:	esbjerg@bws.net
Web:	www.bws.net

Board of Directors

Jørgen Dencker Wisborg, Chairman
Jørgen Meyer, Deputy Chairman
Anne Roed Skov, Deputy Chairman
Kurt Skov
Niels Stie Kaalund
Merete Søby

Executive Board

Søren Nørgaard Thomsen, CEO
Flemming Busch, CFO
Dan Gregers Nissen, COO
Thomas Bek, COO

Auditors

BDO Statsautoriseret revisionsaktieselskab
Dokken 8
6700 Esbjerg

The annual General Meeting adopted the Annual Report on 19 March 2024.

Chairman of the General Meeting

Niels Stie Kaalund

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 Holding A/S for the financial year 01.01.2023 - 31.12.2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated financial statements and the Parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the Consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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, 19 March 2024

Executive Board

Søren Nørgaard Thomsen
CEO

Flemming Busch
CFO

Dan Gregers Nissen
COO

Thomas Bek
COO

Board of Directors

Jørgen Dencker Wisborg
Chairman

Jørgen Meyer
Deputy Chairman

Anne Roed Skov
Deputy Chairman

Kurt Skov
Member

Niels Stie Kaalund
Member

Merete Søby
Member

Independent Auditor's Report

To the shareholders of Blue Water Holding A/S

Opinion

We have audited the Consolidated financial statements and the Parent financial statements of Blue Water Holding A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the Consolidated cash flow statement. The Consolidated financial statements and the Parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated financial statements and the Parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023, and of the results of their operations and the Consolidated cash flows for the financial year 01.01.2023- 31.12.2023 in accordance with the Danish Financial Statements Act.

Independent auditor's report

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 the Parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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 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 responsibility for the Consolidated financial statements and the Parent financial statements

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

In preparing the Consolidated financial statements and the Parent financial statements, Management is responsible for assessing the Group's and 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 Consolidated financial statements and the Parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the Consolidated financial statements and the Parent financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements and the Parent 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 the Parent 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 the Parent 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 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 Consolidated financial statements and the Parent 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 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 Consolidated financial statements and the Parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements and the Parent financial statements, including the disclosures in the notes, and whether the Consolidated financial statements and the Parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the Management commentary
Management is responsible for the Management Commentary

Our opinion on the Consolidated financial statements and the Parent financial statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements and the Parent financial statements of the Company, our responsibility is to read the Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated financial statements and the Parent financial statements of the Company 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 the Management Commentary is in accordance with the Consolidated financial statements and the Parent 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, 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


ncnielsen
BLUE WATER SHIPPING
BLUE WATER SHIPPING
ncnielsen
cn 152 330TH

Financial Highlights of the Group

KEY FIGURES (DKK '000)	2023	2022	2021	2020	2019
INCOME STATEMENT					
Revenue	8,959,734	9,259,190	6,736,986	5,779,745	6,413,353
Gross profit/loss	1,453,168	1,226,639	1,026,641	1,117,926	1,113,342
EBITDA	234,238	183,329	185,302	240,180	251,618
Operating profit/loss	187,768	151,308	154,152	223,647	215,142
Net financials	(40,287)	(41,798)	(15,622)	(23,441)	(18,840)
Profit/loss for the year	106,281	49,978	104,521	145,142	145,574
BALANCE SHEET					
Balance sheet total	2,580,585	2,470,490	1,985,169	1,716,198	1,735,952
Equity	730,866	645,632	568,554	466,343	331,705
Equity excl. minority interests	722,425	642,908	565,396	463,751	328,874
CASH FLOWS					
Cash flows from operating activities	(28,604)	(193,263)	27,196	238,267	122,819
Cash flows from investing activities	(65,097)	(81,618)	(32,820)	3,312	(10,193)
Cash flows from financing activities	190,947	139,804	(57,513)	(144,938)	(13,896)
Investments in property, plant and equipment	(40,193)	(85,172)	(23,106)	(17,690)	(10,773)

KEY RATIOS	2023	2022	2021	2020	2019
Gross margin (%)	16.2	13.2	15.2	19.3	17.4
Net margin (%)	1.1	0.5	1.6	2.5	2.3
Financial gearing (%)	0.6	0.5	0.0	(0.1)	0.6
Return on equity (%)	15.4	8.2	20.2	36.4	55.3
Equity ratio (%)	28.1	26.0	28.5	27.0	18.9
Equity ratio (after net cash/bank debt) (%)	31.6	28.3	28.7	27.3	20.6

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin	Equity ratio (after net cash/bank debt)	Equity ratio
Gross profit x 100 Revenue	Equity (ex. minorities), at year-end x 100 Total assets (after net cash/bank debt), at year-end	Equity (ex. minorities), at year-end x 100 Total assets, at year-end

Return on equity	Net margin	Financial gearing
Profit/loss for the year x 100 Average equity	Profit/loss for the year x 100 Revenue	Net interest-bearing debt Equity

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

Management commentary

Primary activities

The Group's activities comprise of international transport, freight forwarding and logistical services. The Parent's activity is to invest in shares and other securities.

Development in activities and finances

The general transport and logistics market started with high uncertainty in 2023, a spillover effect from the significant capacity constraints in 2022 combined with high inflation and rising interest rates. Yet, delivering solutions to our customers in challenging conditions has always been in the DNA of Blue Water; our People always aspire to the best customer-centric solution, and they truly did in 2023.

The macroeconomic effect and transport market conditions returning to historically normal levels impacted trade volumes significantly worldwide. Despite the geopolitical conflicts, general freight volumes improved in the latter part of 2023, but demand never reached the level of 2022. The Energy, Ports & Projects Division was not impacted in the same way as the Transport & Logistics Division (general freight) by the economic uncertainties and regional conflicts as customer projects have a long horizon, and our People strive and excel in complex conditions.

On the EBITDA level, 2023 was a financial record for Blue Water, as the EBIT result surpassed DKK 200 million – with all Business Units contributing to the results.

Profit/loss for year in relation to expected development

The revenue growth, specifically within the Energy, Ports & Projects division, has resulted in abnormally high growth in our working capital, which together with the increase in interest rates lead to higher interest costs in 2023.

The Profit before tax is DKK 147 million – which is satisfactory taking the cost for capital into account, and above our expectations which was DKK 100 million. Blue Water did realise a minor negative cash flow from our operation.

Blue Water in brief

Blue Water is a global transport and logistics company headquartered in Denmark.

Our skilled people offer complete and tailored solutions to any shipping and transport requirement worldwide. Blue Water's ambition has always been to provide the industry with the best customer service and the highest quality.

Responsibility is deeply rooted in our core values. We focus on being a constructive and trusted partner and co-player in an everchanging and challenging global market where responsibility is vital to success.

Today, we are represented with more than 70 offices worldwide. In every Blue Water office, we combine our strong global network with local expertise – thereby adding value and providing our clients with services beyond transporting cargo in a safe and efficient way.

We operate in these dedicated business units: General Cargo Road, General Cargo Sea & Air, Reefer Logistics, Marine Logistics, North Atlantic and the division: Energy, Ports & Projects.

Risk Management

In order to continue a sustainable business with a global presence, we must expect and adjust to the constant dynamics in the markets and develop new business opportunities. It is key for us to manage the associated risks in a systematic and model-based approach to secure and create value from the short to the long term.

Executive Management and the Board of Directors review a risk report with our biggest risks bi-annually. This report is based on a bottom-up exercise with inclusion of management teams in all organizational areas and includes risks that could cause significant disruptions to the business over a three-year horizon. Below is a more detailed overview of our key risks.

Knowledge resources

With reference to maintaining and strengthening our position among the leading service providers within Blue Water's business areas, it is essential that Blue Water and Group will continue to be able to attract and retain the most skilled and service-minded staff. Blue Water strongly focuses on being an attractive workplace and on further developing staff's competences.
This is done through the ongoing execution of transport assignments, goal-oriented courses and education as well as through a talent development program called Blue Water Academy

Outlook

The results for 2024 will - as in 2023 - be positively affected by an increase in the activity level in the Energy, Ports and & Projects Division.

We expect the 2024 result to be higher than 2023, positively affected by the ongoing, successful implementation of our newer offices in, e.g. Australia, Guyana, China and Türkiye.

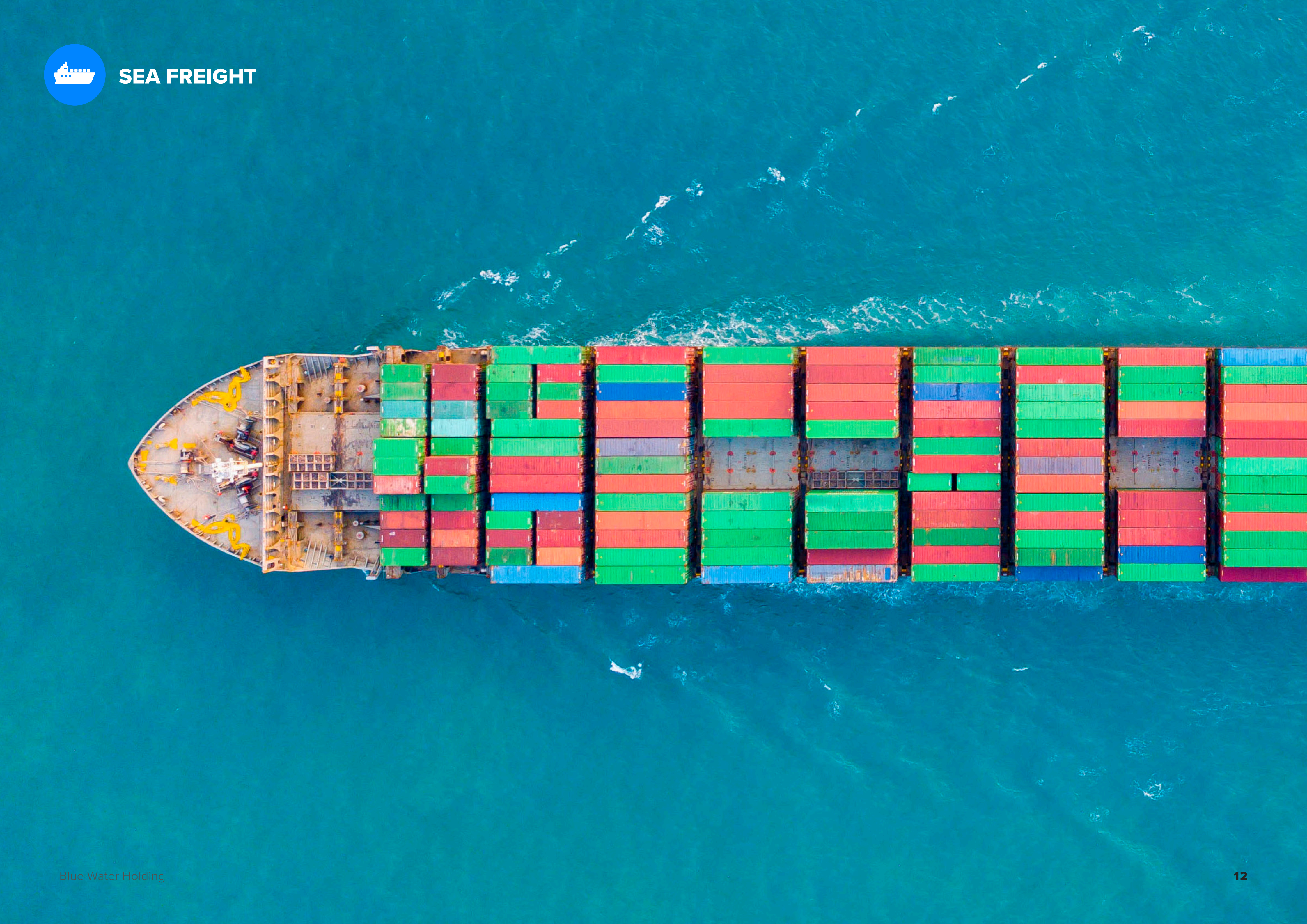
Overall, the Profit before tax in 2024 is expected to be between DKK 150 - 170 million. Cash flow is expected to be positive between DKK 20 - 40 million.

We note that the impact of current, and new, geopolitical, financial, economic and general market situations could affect our activities and our ability to service our customers in 2024.

Management commentary

Particular risks	THE RISK?	THE IMPACT?	THE MITIGATION ACTION?
Economic development	Due to its large global presence, Blue Water is dependent on the domestic and global economies and development. The business is influenced by the total market volume available for transport in each product segment throughout the markets where we operate.	Domestic and global recession decrease trade and the need for transport and logistics solutions resulting in lower revenue.	The business model is asset-light, ensuring an operational flexibility, which facilitates adjustments of operating expenses to the overall level of activity. In addition, the business activities are spread globally and on the different client segments, which minimises local impact on corporate level.
Contractual liabilities	Blue Water may be held liable for damages on goods if disputes occur.	Claims, lawsuits and reputational damages.	The risk will be covered through contractual relationships with clients and subcontractors, through determination of maximum compensation for major transport projects and via our insurance policy. In addition, Blue Water has high focus on delivery of the agreed quality to clients on subcontractors and in this connection there is a minimization of defects before, during and after the execution of the transport assignments.
IT security breaches	Disruption to IT systems, such as virus attacks and breaches of data security, may happen where reliable IT systems and infrastructure are critical for our ability to operate effectively.	Customers' or other individuals' privacy could be compromised if confidential information was disclosed and breaches of IT security could have a severe impact on Blue Water' ability to maintain operations and hence on its financial situation.	IT security technologies and controls are in place to help prevent intruders from causing damage to systems and gaining access to critical data and systems. Continuity plans are in place in the event of non-availability of IT systems. Awareness campaigns, access controls as well as an intrusion detection and prevention systems have been implemented. Internal audits of IT security controls are conducted to detect and mitigate any breaches.
Currency impact and tax disputes	Exchange rate fluctuations, disputes with tax authorities and changes to tax legislation are external factors. Blue Water's foreign exchange risk is most significant in USD, while the EUR exchange rate risk is regarded as low due to Denmark's fixed rate policy towards EUR.	Blue Water' cash flow, statement of comprehensive income and balance sheet can be impacted significantly by currency fluctuations. Changes to tax legislation or loss of major tax cases could result in significant tax adjustments and fines and could lead to a higher-than-expected tax level for Blue Water.	Trade with subsidiary companies outside Europe is primarily in USD or currencies dependent on the US currency. Blue Water regularly evaluates hedging of its positions in USD and currencies dependent on the US currency. Applicable taxes are paid in jurisdictions where the business activity generates profits, and transfer pricing are frequently controlled in a structured manner.
Credit risks and Cash flow	Loss on debtors due to clients becoming insolvent is a risk. Blue Water handles a large volume of clients of all sizes in many different segments, and hence insolvency is likely and prevalent. In the project-based divisions, large outlays are a part of business, and this puts pressure on the positive cash flow in periods during the year.	Loss on debtors has a potential impact on Blue Water's financial results and cash flow. Large Cash flow fluctuations can result in high interest costs due to usage of bank facilities.	Blue Water has a strict credit policy, which includes credit insurance insofar as possible and ensures that potential losses are handled before becoming considerable. As part of Blue Water's policy, capital procurement and placement of excess liquidity are controlled at group level insofar as is appropriate. Furthermore, Blue Water has liquidity measures in the shape of excess liquidity and credits, which must be available to Blue Water at any time.

SEA FREIGHT



Management commentary

ESG (Environment, Social, Governance) and sustainability in Blue Water

Statutory report on ESG and sustainability

The Sustainability Report 2023 forms part of the Management's Commentary of the Blue Water Holding Annual Report 2023 and covers statutory reporting on corporate social responsibility, environmental reporting, management gender composition and diversity policies as defined by sections §99a, §99b and §99d of the Danish Financial Statements Act.

We are continuously focusing on an integrated approach to sustainability efforts and reporting through cross-functional alignment and implementation, demonstrating our belief that sustainability is an integral part of what makes us a responsible business.

To ensure alignment and integration, we have established a cross functional sustainability team, reporting directly to Executive Management Board, represented by the Chief Compliance Officer. This team works closely with local management and Business Units, as well as Group Functions, to drive sustainability initiatives and embed practices into our daily operations. The team is also responsible for inviting stakeholders to our yearly recurring double-materiality assessment as part of our overall strategy process.

Material ESG issues identified through double materiality assessment

In 2023 we have practiced and initiated the process of conducting an overall and formalised double materiality assessment.

Management commentary

Methodology: To identify our material topics for 2023, we employed a workshop-based approach with internal stakeholders with engaging sessions. Additionally, we carried out a gap analysis and applied industry benchmarking as well as internal analysis. This process ensured a holistic view, capturing internal priorities, expertise and viewpoints.

We have a three-year plan to evolve our Double Materiality Assessment into a foundation for our strategic direction:

2023: First Double Materiality Assessment with internal stakeholders.
2024: Qualification of assessment with climate risk and opportunity assessment and additional involvement of external stakeholders.
2024/25: Design of programmes to fully address material topics.

For more details on material topics see our Sustainability Report 2023, page 10.

Preparing for future sustainability reporting requirements

From the financial year 2025, new sustainability reporting requirements will be introduced for larger companies throughout the member states of the EU. The new requirement, the Corporate Sustainability Reporting Directive (CSRD) and the underlying reporting standards, European Sustainability Reporting Standards (ESRS), will apply to Blue Water.

We have in 2023 begun the process establishing proper sustainability reporting capacity and are focused on preparing for the new reporting frameworks and scope.

For more details on CSRD Reporting see our Sustainability Report 2023, page 10.

Policies

Our engagement to a sustainable and responsible business conduct is reflected in our global policy frameworks, i.e., Global Environmental Policy, Global Quality Policy, Global Health and Safety Policy, Global Tax Policy, and Global Privacy Policy.

Further information can be found in our Sustainability Report 2023, page 36, 37 and on the website by clicking here.

Statutory report on the underrepresented gender

Pursuant to article 139C of the Danish Companies Act the board of directors of Blue Water Holding A/S is under an obligation to set out targets for the underrepresented gender's representation on the Board of Directors unless there is already an equal representation of genders on the board of directors.

At this point in time the board of directors of Blue Water Holding A/S comprises of six persons of which four persons are of the male gender and two persons are of the female gender. According to guidelines published by the Danish Business Authority (Erhvervsstyrelsen) such gender distribution is considered as an equal gender representation.

As Blue Water Holding A/S employs less than 50 people, Blue Water Holding A/S is not obliged to establish targets and policies to increase the representation of the underrepresented gender on other levels of management, cf. article 139C, section 7 of the Danish Company Act. Due to this exemption the board of directors of Blue Water Holding A/S has decided not to establish targets and policies to increase the representation of the underrepresented gender on other levels of management.

For more details on diversity, equality and inclusion see our Sustainability Report 2023, page 22.

Report of data ethics

In Blue Water we process large amounts of data for and about customers and employees daily. We are obligated to ensure data ethics and security to protect sensitive information, comply with regulations, maintain customer trust, protect business assets, and respect ethical considerations.

We have implemented a variety of measures for data security and ethics such as:

- Global risk management to identify and evaluate the potential risks towards data. This helps us determine, which security measures are needed.
- Maturing our access controls to help prevent unauthorised access and data breaches.
- Introducing further IT security measures to protect any company asset possible, including introducing a Security Operational Centre.

For more details on data ethics policy see our Sustainability Report 2023, page 33.


B2C2
B2D3
B2E4
UNION RUBY
BREMEN

Consolidated income statement for 2023

All numbers in DKK '000

	Note	2023	2022
Revenue	1	8,959,734	9,259,190
Cost of sales		(7,026,279)	(7,576,028)
Other operating income		13,565	434
Other external expenses	2	(493,852)	(456,957)
Gross profit/loss		**1,453,168**	**1,226,639**
Staff costs	3	(1,218,930)	(1,042,876)
Depreciation, amortisation and impairment losses for tangible and intangible assets	4	(46,470)	(32,455)
Operating profit/loss		**187,768**	**151,308**
Income from investments in associates		11,481	(26,013)
Income from other fixed investments		1,579	352
Other financial income		13,574	6.862
Other financial expenses		(66,921)	(49,012)
Profit/loss before tax		**147,481**	**83,497**
Tax on profit/loss for the year	5	**(41,200)**	**(33,519)**
Profit/loss for the year	6	**106,281**	**49,978**

Consolidated balance sheet 31.12.2023

All numbers in DKK '000

	Note	2023	2022
Goodwill		33,630	32,728
Intangible assets	7	**33,630**	**32,728**
Land and buildings		428,887	444,228
Other plant, fixtures and equipment		59,280	38,820
Leasehold improvements		13,244	15,754
Property, plant and equipment	8	**501,411**	**498,802**
Investments in associates		69,796	56,010
Other investments		17,046	15,540
Rent deposit and other receivables		20,662	13,375
Financial non-current assets	9	**107,504**	**84,925**
Non-current assets		**642,545**	**616,455**
Trade receivables		1,255,289	1,322,914
Contract work in progress		186,906	174,887
Receivables from associated enterprises		57,221	0
Other receivables		97,905	122,211
Prepayments	10	55,651	47,494
Receivables		**1,652,972**	**1,667,506**
Other securities and equity investments		1,355	62
Current investments		**1,355**	**62**
Cash and cash equivalents		**283,713**	**186,467**
Current assets		**1,938,040**	**1,854,035**
Assets		**2,580,585**	**2,470,490**

Consolidated balance sheet 31.12.2023

All numbers in DKK '000

	Note	2023	2022
Contributed capital	*11*	50,000	50,000
Fair value reserve for hedge accounting		45,575	45,575
Retained earnings		611,398	532,332
Proposed dividend		20,000	15,000
Minority shareholders		3,893	2,725
Equity		**730,866**	**645,632**
Provisions for deferred tax	*12*	11,758	17,651
Other provisions	*13*	0	44,442
Provisions		**11,758**	**62,093**
Mortgage debt		267,955	281,418
Lease liabilities		13,464	9,781
Other payables		7,300	1,394
Deposits		7,648	7,678
Non-current liabilities	*14*	**296,367**	**300,271**

Consolidated balance sheet 31.12.2023

All numbers in DKK '000

	Note	2023	2022
Current portion of non-current liabilities other than provisions	14	17,929	21,403
Bank debt		409,017	196,205
Trade payables		935,425	1,076,169
Debt to associated enterprises		12,535	0
Income tax payable		15,355	26,514
Other payables	15	132,789	126,386
Deferred income	16	18,544	15,817
Current liabilities		**1,541,594**	**1,462,494**
Liabilities		**1,837,961**	**1,762,765**
Equity and liabilities		**2,580,585**	**2,470,490**

	Note
Fee to statutory auditor	2
Contingent liabilities	17
Assets charged and collateral	18
Subsidiaries	19


BLUE
WATER
GREENLAND

Consolidated statement of changes in equity for 2023

All numbers in DKK '000

	Contributed capital	*Fair value reserve for hedge accounting*	*Retained earnings*	*Proposed dividend*	*Minority shareholders*	**Total**
Equity beginning of year	50,000	45,575	532,332	15,000	2,725	645,632
Proposed profit allocation, see note 6			86,043	20,000	238	106,281
Transactions with owners						
Dividend paid				(15,000)	(450)	(15,450)
Additions/disposals relating to equity by mergers and aquisitions					620	620
Other legal bindings						
Foreign exchange adjustments			(6,978)			(6,978)
Other adjustments to equity value			1			1
Other adjustments					39	39
Change fair value reserves						
Value adjustments in the year					721	721
Equity at end of year	**50,000**	**45,575**	**611,398**	**20,000**	**3,893**	**730,866**

Consolidated cash flow statements for 2023

All numbers in DKK '000

	2023	2022
Operating profit/loss	187,768	151,308
Depreciation and amortisation, reversed	46,470	32,020
Adjustment of other financial income	13,574	6,861
Adjustment of other financial expenses	(66,921)	(49,014)
Corporation tax paid	(58,252)	(32,455)
Change in receivables (ex tax)	12,278	(505,741)
Change in other provisions	(44,442)	0
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	(119,079)	203,758
Cash flows from operating activity	**(28,604)**	**(193,263)**
Purchase of intangible assets	(9,788)	0
Purchase of property, plant and equipment	(40,193)	(85,172)
Sale of property, plant and equipment	0	1,551
Purchase of financial assets	(10,601)	(34,774)
Sale of financial assets	0	3,847
Dividends received	1,082	110
Equity movements	(5,597)	32,820
Cash flows from investing activity	**(65,097)**	**(81,618)**

Consolidated cash flow statements for 2023

All numbers in DKK '000

	2023	2022
Capital increase	0	17
Repayments of loans etc	206,397	155,192
Dividends paid in the financial year	(15,450)	(15,405)
Cash flows from financing activities	**190,947**	**139,804**
Change in cash and cash equivalents	**97,246**	**(135,077)**
Cash and cash equivalents beginning of year	186,467	321,544
Cash and cash equivalents end of year	**283,713**	**186,467**
Cash and cash equivalents at year-end are composed of:		
Cash and cash equivalents	283,713	186,467
Cash and cash equivalents end of year	**283,713**	**186,467**


BLUE WATER
TIPE 606030 5
KRONE
BLUE WATER SHIPPING
ncnielsen

Notes to the Consolidated financial statements

All numbers in DKK '000

Note		2023	2022
1	**Revenue**		
	Revenue	8,959,734	9,259,190
		8,959,734	**9,259,190**
	Business area overview		
	General Cargo	3,482,807	4,495,595
	Oil & Energy	3,432,232	2,302,961
	Reefer	2,014,219	2,432,149
	Rental of commercial properties	30,476	28,485
		8,959,734	**9,259,190**
	Geographical overview		
	EMEA	6,390,867	7,154,206
	Americas	739,776	632,748
	APAC	1,829,091	1,472,236
		8,959,734	**9,259,190**
2	**Fee to statutory auditor**		
	Statutory audit	953	994
	Tax consultancy	1,073	547
	Other services	3,185	1,551
		5,211	**3,092**

Notes to the Consolidated financial statements

All numbers in DKK '000

Note		2023	2022
3	**Staff costs**		
	Wages and salaries	1,120,662	960,812
	Pensions	59,594	54,506
	Social security costs	38,674	27,558
		1,218,930	**1,042,876**
	Number of full-time employees	**2,411**	**1,884**
	Remuneration of Management		
	Executive Board	21,055	15,326
	Board of Directors	2,400	2,500
		23,455	**17,826**
4	**Depreciation, amortisation and impairment losses for tangible and intangible assets**		
	Goodwill	8,886	2,695
	Leasehold improvements	3,205	2,741
	Land and buildings	18,829	16,544
	Other plants, tools and equipment	15,550	10,475
		46,470	**32,455**

Notes to the Consolidated financial statements

All numbers in DKK '000

Note		2023	2022
5	**Tax on profit/loss for the year**		
	Calculated tax on taxable income of the year	36,706	46,864
	Adjustment of tax in previous years	(420)	1,618
	Adjustment of deferred tax	4,914	(14,963)
		41,200	**33,519**
6	**Proposed distribution of profit**		
	Proposed dividend for the year	20,000	15,000
	Retained earnings	86,043	35,630
	Minority shareholder's profit/loss for the year	238	(652)
		106,281	**49,978**

		Goodwill
7	**Intangible assets**	
	Cost beginning of year	40,907
	Additions	9,788
	Cost end of year	**50,695**
	Amortisation beginning of year	8,179
	Amortisation for the year	8,886
	Amortisation end of year	**17,065**
	Carrying amount end of year	**33,630**


BLUE
WATER
WWW.BWS.DK

All numbers in DKK ‘000

Notes to the Consolidated financial statements

Note		Land and buildings	Other fixtures & fittings, tools and equipment	Leasehold improvements
8	**Property, plant and equipment**			
	Cost beginning of year	654,137	154,414	31,449
	Exchange adjustments at closing rate	0	(790)	26
	Additions	3,488	38,343	0
	Disposals	(38)	(9,514)	(1,127)
	Cost end of year	**657,587**	**182,453**	**30,348**
	Depreciation and impairment losses beginning of year	209,909	115,594	15,696
	Exchange adjustment	0	(529)	42
	Transferred	0	0	(721)
	Reversal of depreciation of assets disposed of	(38)	(7,442)	(1,118)
	Depreciation for the year	18,829	15,550	3,205
	Depreciation and impairment losses end of year	**228,700**	**123,173**	**17,104**
	Carrying amount end of year	**428,887**	**59,280**	**13,244**
	Finance lease assets	0	5,232	0

Notes to the Consolidated financial statements

All numbers in DKK '000

Note		*Investments in Associates*	*Other investments*	*Rent deposits and other receivables*
9	**Financial non-current assets**			
	Cost beginning of year	25,028	27,656	13,375
	Exchange adjustments at closing rate	0	0	(159)
	Additions	0	0	14,834
	Disposals	(200)	0	(7,388)
	Cost end of year	**24,828**	**27.656**	**20,662**
	Revaluation beginning of year	30,982	0	0
	Exchange adjustment	49	0	0
	Dividend	(1,082)	0	0
	Profit/loss for the year	14,819	0	0
	Reversal of disposals	200	0	0
	Revaluations end of year	**44,968**	**0**	**0**
	Impairment losses and amortisation of goodwill beginning of year	0	12,116	0
	Impairment losses for the year	0	(1,506)	0
	Impairment losses and amortisation of goodwill end of year	**0**	**10,610**	**0**
	Carrying amount end of year	**69,796**	**17,046**	**20,662**

Associates	*Registered in*	*Equity interest (%)*
Kartoffelpakhuset I/S	Esbjerg, Denmark	50.0
Esbjerg Marine Service K/S	Esbjerg, Denmark	31.7
Team Esbjerg Elitehåndbold A/S	Esbjerg, Denmark	33.3
Blue Water Shipping Guyana Inc.	Georgetown, Guyana	49.0
Komplementarselskabet Esbjerg Marine Service ApS	Esbjerg, Denmark	33.3
Esbjerg Tubular Services ApS	Esbjerg, Denmark	50.0
Blue Water BREB GmbH	Cuxhaven, Germany	50.0
Blue Water Shipping Aduanas S.L.	Barcelona, Spain	25.0

RENEWABLES

All numbers in DKK ‘000

Notes to the Consolidated financial statements

Note

10 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

Note		2023	2022
11	**Share Capital**		
	Allocation of share capital		
	Class A - shares, 37,500,000 unit in the denomination of 1 DKK	37,500	37,500
	Class B - shares, 12,500,000 unit in the denomination of 1 DKK	12,500	12,500
		50,000	**50,000**
12	**Provision for deferred tax**		
	Deferred tax		
	Intangible assets	860	843
	Property, plant and equipment	18,488	16,856
	Receivables	590	473
	Liabilities other than provisions	(261)	(261)
	Tax losses carried forward	(7,919)	(260)
	Deferred tax	**11,758**	**17,651**
	Changes during the year		
	Beginning of year	17,651	17,575
	Recognised in the income statement	(4,750)	(9,183)
	Recognised directly in equity	(1,143)	9,259
	Provision for deferred tax end of year	**11,758**	**17,651**

13 Other provisions

The provisions for investments in associates equal negative equity value in associated company, where the company has a legal obligation to cover liability. It is expected that DKK 0t will fall due within 12 months.

All numbers in DKK '000

Note		31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
14	**Long-term liabilities**				
	Debt to mortgage credit institution	284,220	16,265	193,979	300,449
	Lease liabilities	15,128	1,664	453	12,153
	Other non-current liabilities	7,300	0	7,300	1,394
	Deposits	7,648	0	7,648	7,678
		314,296	**17,929**	**209,380**	**321,674**

15 Other payables

The Company has entered into interest rate swap contracts at the balance sheet date relating to loans of DKK170m. Unrealised net losses on these contracts at 31 December 2023 of DKK 7,300t are recognised under longterm liabilities, other payables and taken directly to equity by DKK 4,619t as well as deferred tax by DKK 1,303t. 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.

16 Deferred income

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

		2023	**2022**
17	**Contingent liabilities**		
	Lease liabilities (operating leases), the payment is due	714,759	603,552
	Recourse and non-recourse guarantee commitments	133,557	111,172
		848,316	**714,724**

Notes to the Consolidated financial statements

All numbers in DKK '000

Note

18 **Assets charged and collateral**

Mortgage debt is secured by way of mortgage on properties.

Bank debt is secured by way of a mortgage registered to the owners of nominal DKK 10,950t on properties.

The carrying amount of mortgaged properties is DKK 418,578t.

The Group is liable for mortgage in partnership with DKK 928t.

Lawsuits

The Group is involved in a few lawsuits. These lawsuits will in the opinion of the managements not have material influence on the Group´s financial position.

Notes to the Consolidated financial statements

All numbers in DKK '000

Note		*Registered in*	*Corporate form*	*Equity interest (%)*
19	**Subsidiaries**			
	Blue Water Shipping A/S	Esbjerg, Denmark	A/S	100.0
	Blue Water Property A/S	Esbjerg, Denmark	A/S	100.0
	Blue Water International A/S	Esbjerg, Denmark	A/S	100.0
	Blue Water Shipping SARL	Lorient, France	SARL	100.0
	Blue Water Shipping US Inc.	New Jersey, USA	Inc.	100.0
	Blue Water Shipping do Brazil Ltda	São Paulo, Brazil	Ltda	99.0
	BWCNH ApS	Esbjerg, Denmark	ApS	100.0
	Blue Water Shipping OY	Helsinki, Finland	OY	100.0
	Blue Water Shipping AS	Oslo, Norway	AS	100.0
	P/F Blue Water Shipping	Tórshavn, Faroe Islands	P/F	100.0
	Blue Water Shipping AB	Göteborg, Sweden	AB	100.0
	Blue Water Stevedoring A/S	Esbjerg, Denmark	A/S	100.0
	Blue Water Greenland A/S	Sermersooq, Greenland	A/S	100.0
	Blue Water Logistics UK Ltd.	Manchester, United Kingdom	Ltd.	100.0
	Blue Water Shipping B.V.	Amsterdam, Netherlands	B.V.	100.0
	Blue Water Shipping ehf.	Reykjavik, Iceland	ehf.	100.0
	Blue Water Transport PTY Ltd.	Sydney, Australia	Ltd.	100.0
	Blue Water Logistics A/S	Aarhus, Denmark	A/S	100.0
	Blue Water Shipping España S.A.	Barcelona, Spain	S.A.	80.0
	Blue Water Shipping UK Ltd.	Manchester, United Kingdom	Ltd.	100.0
	Blue Water Shipping Ireland Ltd.	Dublin, Ireland	Ltd.	100.0
	Blue Water Shipping Poland SP.Z.O.O	Warszawa, Poland	SP.Z.O.O	100.0
	Blue Water Shipping Portugal, Unipessoal Lda.	Lisbon, Portugal	Lda.	100.0
	Blue Water International FZCO	Dubai, United Arab Emirates	FZCO	100.0
	Blue Water international Ltd.	Ho Chi Minh, Vietnam	Ltd.	100.0

Notes to the Consolidated financial statements

Note		Registered in	Corporate form	Equity interest (%)
19	**Subsidiaries**			
	Blue Water Shipping LLC	Moscow, Russia	LLC	100.0
	Blue Water Shipping Trinidad & Tobago Ltd.	Trinidad & Tobago	Ltd.	100.0
	Blue Water Shipping Inc.	Guyana	Inc.	100.0
	Blue Water Shipping Germany GmbH	Hamburg, Germany	GmbH	100.0
	Blue Water Shipping Italia S.R.L	Milan, Italy	S.R.L	100.0
	Freightway International 2020 Ltd.	Newfoundland, Canada	Ltd.	100.0
	Blue Water Thyborøn A/S	Thyborøn, Denmark	A/S	70.0
	Blue Water Middle East A/S	Esbjerg, Denmark	A/S	100.0
	Blue Water Shipping L.L.C	Tbilisi, Georgia	L.L.C	100.0
	Blue Water Shipping Singapore Pte Ltd.	Singapore	Pte Ltd.	100.0
	Blue Water int. Sdn. Bnd	Subang Jaya, Malaysia	Sdn. Bnd	100.0
	Blue Water Shipping China Ltd.	Shanghai, China	Ltd.	100.0
	Blue Water Shipping Kazakhstan LLP	Aktau, Kazakhstan	LLP	100.0
	Blue Water Shipping Caspian Ltd.	Baku, Azerbaijan	Ltd.	99.0
	Blue Ocean Company for Shipping & Marine Services Ltd.	Basrah, Iraq	Ltd.	100.0
	Blue Water Shipping Lojistik A.S.	Istanbul, Turkie	A.S.	99.0
	Blue Water Brazil SA	Rio de Janeiro, Brazil	SA	100.0
	Blue Water Energy Services A/S	Esbjerg, Denmark	A/S	100.0
	Blue Water Shipping Chile SpA	Chile	SpA	100.0
	Blue Water Shipping (PNG) Limited	Papua New Guinea	Limited	100.0
	Transbroker LLC	Baku, Azerbaijan	LLC	99.0

RAIL TRANSPORT

Parent income statement for 2023

All numbers in DKK '000

	Note	2023	2022
Other external expenses		(189)	(184)
Gross profit/loss		**(189)**	**(184)**
Income from investments in group enterprises		110,637	93,705
Income from investments in associates		(5,288)	(44,442)
Other financial income	1	38,207	14,387
Other financial expenses	2	(37,060)	(12,387)
Profit/loss before tax		**106,307**	**51,079**
Tax on profit/loss for the year	3	**(264)**	**(453)**
Profit/loss for the year	4	**106,043**	**50,626**

Parent balance sheet at 31.12.2023

All numbers in DKK '000

	Note	2023	2022
Investments in group enterprises		656,120	567,460
Financial non-current assets	5	**656,120**	**567,460**
Non-current assets		**656,120**	**567,460**
Receivables from group enterprise		457,903	313,976
Other receivables		9	0
Corporation tax receivable		6,200	2,829
Receivables		**464,112**	**316,805**
Current assets		**464,112**	**316,805**
Assets		**1,120,232**	**884,265**

Parent balance sheet at 31.12.2023

All numbers in DKK '000

	Note	2023	2022
Contributed capital		50,000	50,000
Reserve for net revaluation under the equity method		369,836	278,817
Retained earnings		287,137	299,091
Proposed dividend		20,000	15,000
Equity		**726,973**	**642,908**
Other provisions		0	44,442
Provisions	*6*	**0**	**44,442**
Bank debt		393,259	196,900
Other liabilities		0	15
Current liabilities		**393,259**	**196,915**
Liabilities		**393,259**	**196,915**
Equity and liabilities		**1,120,232**	**884,265**

	Note
Contingent liabilities	*7*
Assets charged and collateral	*8*
Related parties with controlling interest	*9*
Transactions with related parties	*10*

Parent statement of changes in equity for 2023

All numbers in DKK '000

	Share capital	*Reserve for net revaluation to the equity method*	*Retained earnings*	*Proposed dividend for the year*	*Total*
Equity beginning of year	50,000	278,817	299,091	15,000	642,908
Proposed profit allocation		97,997	(11,954)	20,000	106,043
Transactions with owners					
Dividend paid				(15,000)	(15,000)
Other legal bindings					
Foreign exchange adjustments		(6,978)			(6,978)
Equity end of year	**50,000**	**369,836**	**287,137**	**20,000**	**726,973**

COURIER TRANSPORT

Notes to the Parent financial statements

All numbers in DKK '000

Note		2023	2022
1	**Other financial income**		
	Financial income from group enterprises	35,113	13,682
	Other interest income	3,094	705
		38,207	**14,387**
2	**Other financial expenses**		
	Financial expenses from group enterprises	7,650	2,544
	Other interest expenses	29,410	9,843
		37,060	**12,387**
3	**Tax on profit/loss for the year**		
	Calculated tax on taxable income of the year	264	(514)
	Adjustment of tax in previous years	0	53
	Adjustment of deferred tax	0	914
		264	**453**
4	**Proposed distribution of profit**		
	Proposed dividend for the year	20,000	15,000
	Allocation to reserve for net revaluation under the equity method	97,997	44,639
	Retained earnings	(11,954)	(9,013)
		106,043	**50,626**

		Investments in group enterprises
5	**Financial non-current assets**	
	Cost beginning of year	288,643
	Exchange adjustments at closing rate	(2,359)
	Cost end of year	**286,284**
	Revaluation beginning of year	278,817
	Dividend	(15,000)
	Profit/loss for the year	110,638
	Equity movements	(4,619)
	Revaluations end of year	**369,836**
	Carrying amount end of year	**656,120**

Notes to the Parent financial statements

6 Provision for investments in associates

The provisions for investments in associates equal negative equity value in associated company, where the company has a legal obligation to cover liability.
It is expected that DKK 0t will fall due within 12 months.

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

8 Assets charged and collateral

The Entity has provided security for bank commitments in group affiliated companies. Bank commitment is DKK 381,950t as of 31.12.2023.

The Entity has provided security for charter agreements in group affiliated companies. Charter commitment is DKK 407,899t as of 31.12.2023.

The Entity has provided security for lease obligations in group affiliated companies. Lease obligation is DKK 7.662t as of 31.12.2023.

9 Related parties with controlling interest

The Company has registered the following shareholders to hold 75% of the voting share capital or the nominal value of the share capital:

Blue Water Fonden, Esbjerg, Denmark.

10 Related parties

Transactions with related parties

The Parent has granted a subsidy of DKK 49,730K in the financial year. The subsidy was granted to a group enterprise to cover a loss on receivable from group enterprises of DKK 49,730K.

Exept for this transaction the Parent did not carry out any material transactions that were not concluded on market conditions.

According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions


CMP
CRUISE
BLUE
WATER
SHIPPING

Accounting policies

The Annual Report of Blue Water Holding A/S for 2023 has been presented in accordance with the Reg provisions of the Financial Statements Act for Danishlarge-size enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated financial statements

The Consolidated financial statements comprise the Parent and the Group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The Consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The Consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the Consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in Group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the Consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the Consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.
Newly acquired or established enterprises within the Group are recognised in the Consolidated financial statements from the date of takeover or establishment. Sold or wound-up enterprises are recognised in the Consolidated income statement up to the time of handover. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

The takeover date is the date on which the Group gains actual control over the acquired enterprise.

Accounting policies

Acquired enterprises within the Group are recognised in the Consolidated financial statements according to the combination method, the combination being regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities taken over.

Positive and negative differences between the acquisition value and the carrying amounts of taken over and identified assets and liabilities are recognised in equity upon acquisition.

Transaction costs, incurred in connection with acquisition of businesses, are recognised in the income statement in the year when costs are incurred.

Minority interests
The accounting items of the subsidiaries are recognised in full in the Consolidated financial statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

Income statement

Net revenue
Revenue from the sale is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting profit of a forwarding job is booked as income at the time when the transport of the shipment in question starts.

Revenue is recognized at the time when service is delivered.

Logistics services
Logistic services consist of freight logistics, transportation of goods by road and other forms of transportation. Logistics services are characterised by short delivery time as most transports are completed within days. Revenue is recognised at the time when the goods is delivered to the customer or to another logistics supplier.

Stevedore services
Stevedore services consists of loading and unloading, stowage, lashing & securing of cargo on board vessels as well as handling of interim storage of goods in transport. Most stevedore services are completed within a day. Revenue from stevedore services is recognised when the service in question starts.

Sea services
Sea services consist of services related to sea freight. Sea services are delivered within several days and typically delivered when the goods arrive in the port of arrival.

Agency services
Agency services consist of facilitating services on behalf of customers from external suppliers. Revenue from agency services is recognised when the facilitated services has been provided and accepted by the customer.

Revenue from other activities
Other activities primarily consist of rental of commercial properties, servicing cruseliners entering ports and environment & recycling activities. Revenue from other activities is recognised either over time or at a point in time depending the specific service.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost.

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.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

Income from investments in subsidiaries and associates
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

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

Income from other securities
Income from other fixed asset investments comprises gains in the form of interest, dividends, etc. on fixed asset investments which are not investments in group enterprises or associates.

Accounting policies

Financial income and expenses

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital 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 comprise interest expenses, including interest expenses on payables to group enterprises, net capital 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

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 Parent is jointly taxed with all of its 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

Intangible fixed assets

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area.

Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis

Goodwill	5-10 years

Goodwill is written down to the lower of recoverable amount and carrying amount.

Tangible fixed assets

Land and buildings, plant and machinery, other fixtures and fittings, tools and equipment as well as leasehold improvements 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	30-50 years	0 %
Other plant, fixtures and equipment	3-10 years	0 %
Leasehold improvements	5-10 years	0 %

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Lease contracts

Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments.

The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

Financial non-current assets

Investments in group enterprises

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

Investments in group enterprises 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

Accounting policies

value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

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 these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted equity instruments measured at cost. Unlisted equity instruments are written down to any lower net realisable value. Deposits under fixed assets are measured at amortised.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

Accounting policies

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

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

Contract work in progress
Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress. The stage of completion is determined based on an assessment of the work performed, usually calculated as the relation between the costs incurred and the total expected costs for the contract in question.

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

Securities and investments
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted equity instruments measured at cost. Unlisted equity instruments are written down to any lower net realisable value. Deposits under fixed assets are measured at amortised.

Other provisions for liabilities
Other provisions comprise provisions for investments in associates.
Other provision are recognised and measured as the best estimate of the expense required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

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.

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 Parent 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.

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.

Liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

AIR FREIGHT

Accounting policies

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

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.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise bank deposits.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.