

**BLUE WATER  
SHIPPING  
TOGETHER  
WE CREATE  
SOLUTIONS**

**Annual Report 2022**

**Blue Water Holding A/S | CVR NO. 30584066**

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## Entity details

### Entity

Blue Water Holding A/S  
Trafikhavnskaj 9  
6700 Esbjerg

**CVR NO.:** 30584066  
**Registered in:** Esbjerg  
**Financial year:** 01.01.2022 - 31.12.2022

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

### Board of Directors

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

### Executive Board

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

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Dokken 8  
6700 Esbjerg

The annual General Meeting adopted the Annual Report on 21.03.2023.

### Chairman of the General Meeting

Jørgen Dencker Wisborg, Deputy Chairman

## 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 01.01.2022 - 31.12.2022.

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 parents financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows 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

**Dan Gregers Nissen**  
COO

**Thomas Bek**  
COO

**Flemming Busch**  
CFO

### Board of Directors

**Kurt Skov**  
Chairman

**Jørgen Dencker Wisborg**  
Deputy Chairman

**Jørgen Mayer**  
Deputy Chairman

**Anne Roed Skov**

**Niels Stie Kaalund**

**Merete Søby**

**Robert Steen Kledal**

# 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 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, 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 31.12.2022, and of the results of their operations and the consolidated cash flows 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 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 parent financial statements

Management is responsible for the preparation of consolidated financial statements and 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 consolidated financial statements and 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 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.

## Statement on the Management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 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, 21.03.2023

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR-No. 33963556

### **Jørn Jepsen**

*State Authorised Public Accountant*  
*Identification number (MNE) mne24824*

### **Peder Rene Pedersen**

*State Authorised Public Accountant*  
*Identification number (MNE) mne23334*







## Management commentary

### Primary activities

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

### Development in activities and finances

In 2022, the transport and logistic market continued to be volatile, starting with significant capacity constraints leading to historically high freight rates and hence making operation in the market challenging for both clients and transport and logistic companies. Then in the later part of 2022, the constraints decreased, and the rates plunged as fast and significantly as they went up. In the second half of 2022, the majority of the world went into a period of economic slowdown and insecurity driven by the energy crisis and inflation rates reaching levels not seen in recent years. This, combined with a normalised demand for goods, led to a decline in transport volumes within General Cargo.

Despite the challenging circumstances, Blue Water continued our strong customer focus and ability to create solutions to satisfy our customers' needs, with a main focus to deliver to our promises. This is exactly the Blue Water purpose: Together, we create solutions.

Financially, 2022 was not a satisfactory year for Blue Water. The Profit before tax is DKK 83 million – which despite the volatile and very challenging year, is below our expectations for the Group. The positive drivers for the 2022 result are our General Road, General Cargo Sea & Air and Reefer Sea business units, but offset negatively by our Port Services Business Unit. The disappointing result in the Port Services is driven by one specific joint venture which also is the main reason for the high tax on profit.

Blue Water continue to be deeply concerned about Russia's military actions in Ukraine. We continuously follow the situation and assess how the increasing sanctions impact our activities and ability to service our customers. Blue Water ceased activities in Russia during 2022.

### Profit/loss for the year in relation to expected developments

Considering the many market and world events with highs and lows which have affected most of the business year, Blue Water performed well, with exception of the joint venture in the Port Services Business Unit.

Overall, the Profit before tax was expected to be around DKK 100 million

### Outlook

In general, the results for 2023 will be positively affected by an increase in the activity level in the Energy, Ports and Projects. For General Cargo Road, General Cargo Sea & Air and Reefer Logistics, we expect a more challenging year than 2022. We expect the 2023 result to be higher than 2022, driven mainly by the successful implementation of our new offices in amongst others Australia, Guyana and Turkey.

Overall, the Profit before tax in 2023 is expected to be above DKK 100 million, with a positive cash flow.

## **Blue Water in brief**

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

Our skilled people offer complete and tailor-made 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 ever-changing 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.

# Management commentary

## Financial Highlights

KEY FIGURES (DKK '000)	2022	2021	2020	2019	2018
Revenue	9.259.190	6.736.986	5.779.745	6.413.353	5.573.014
Gross profit/loss	1.226.205	1.029.641	1.117.926	1.113.342	859.953
EBITDA	181.401	185.302	240.180	251.618	53.572
Operating profit/loss	151.308	154.152	223.647	215.142	28.890
Net financials	(41.802)	(15.622)	(23.441)	(18.840)	(24.188)
Profit/loss for the year	49.974	104.521	145.142	145.574	2.401
Balance sheet total	2.470.489	1.985.169	1.716.198	1.735.952	1.750.275
Investments in property, plant and equipment	85.172	23.106	17.690	10.773	38.733
Equity	645.632	568.554	466.343	331.705	194.444
Equity excl. minority interests	642.907	565.396	463.751	328.874	191.864
Net Interest – bearing debt	344.722	3.980	(40.077)	181.729	288.989
Cash flows from operating activities	(193.263)	27.196	238.267	122.819	17.933
Cash flows from investing activities	(81.618)	(32.820)	3.312	(10.193)	(19.388)
Cash flows from financing activities	139.804	(57.513)	(144.938)	(13.896)	(19.804)

RATIOS	2022	2021	2020	2019	2018
Gross margin (%)	13,24	15,28	19,34	17,36	15,43
Net margin (%)	0,54	1,55	2,51	2,27	0,04
Financial gearing (%)	0,53	0,01	(0,09)	0,55	1,49
Return on equity (%)	13,60	20,30	36,36	55,34	1,24
Equity ratio (%)	26,02	28,48	27,02	18,94	10,96

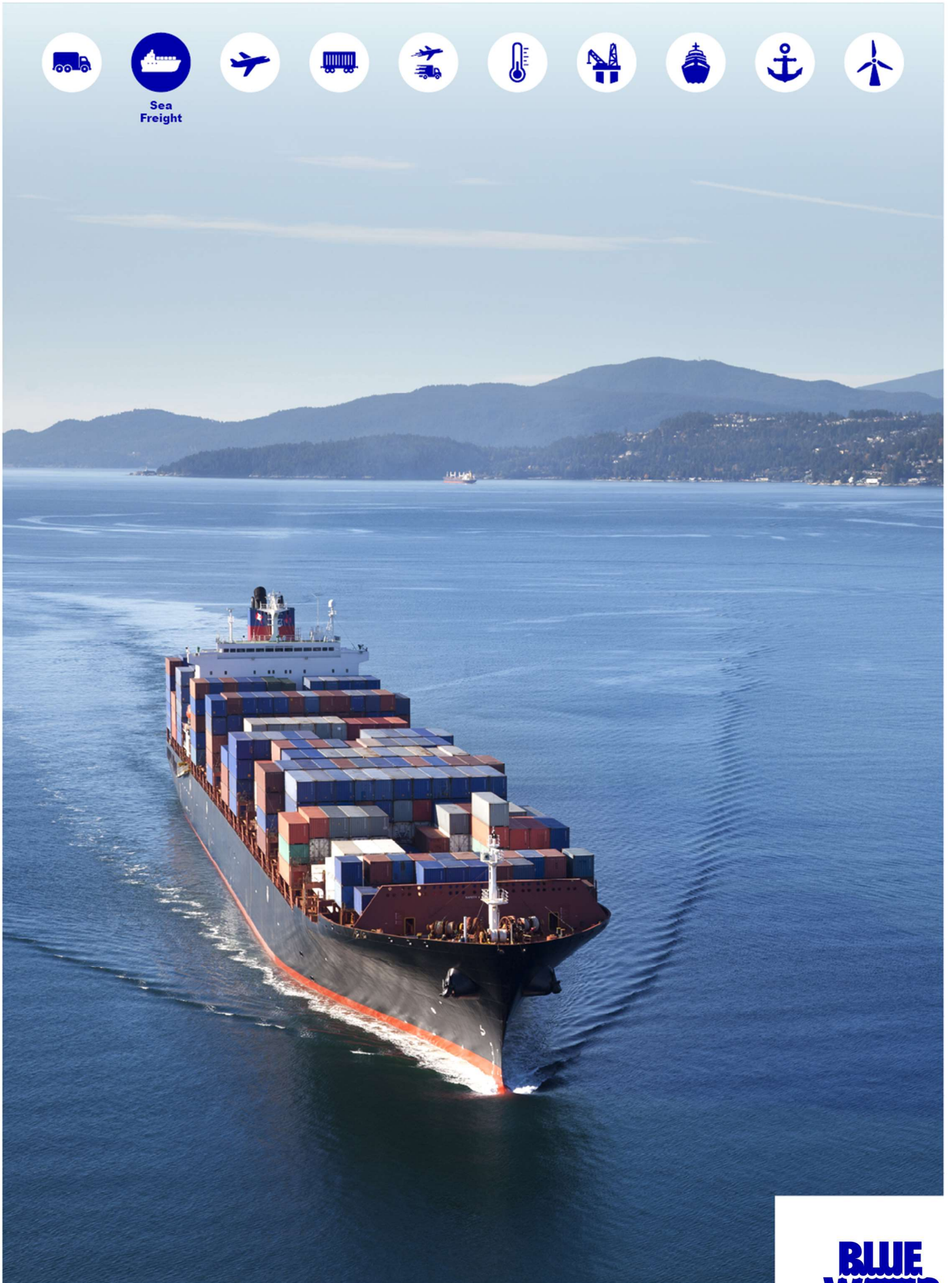
Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

RATIOS	CALCULATION FORMULA	RATIOS REFLECT
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	
Financial gearing (%)	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The Entity's financial gearing.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity

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.



Sea  
Freight



# Management commentary

## 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 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.

## Particular risks

	THE RISK?	THE IMPACT?	THE MITIGATION ACTION?
<b>Economic development</b>	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 market where we operate.	Domestic and Global recession decrease trade and hence 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.
<b>Contractual development</b>	Blue Water may be held liable if damages on goods or 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 from subcontractors and in this connection minimization of defects before, during and after the execution of the transport assignments.
<b>IT security breaches</b>	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's 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 and intrusion detection and prevention systems have been implemented. Internal audits of IT security controls are conducted to detect and mitigate any breaches.
<b>Currency impact and tax disputes</b>	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's 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.
<b>Credit risks and Cash flow</b>	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.





## Knowledge resources

With reference to maintaining and strengthening our position among the leading providers of services 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 the 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.

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

### Statutory report on ESG and sustainability

Blue Water is continuously working to understand our environmental and societal impact as well as the challenges around us to ensure that our business conduct and operations are steered towards relevant material issues and an economy that benefits life on the planet. As we move forward in searching for, integrating, and acting on solutions for positive impact, we aspire to be transparent and inviting about our ongoing efforts, results and plans for ESG and sustainability.

In our Sustainability Report 2022 (<https://blue-water-shipping.euwest01.umbraco.io/media/5onhcrba/sustainability-report-2022.pdf>), we present the tangible results of our commitment to sustainability throughout the Blue Water Group. Among many achievements in 2022, we have calculated our first scope 3 emissions, made progress in health and safety and continuously upgraded our governance practices and structures. We have increased our services in renewables, and we have engaged further in the shipment of carbon for storage purposes.

We are continuously focusing on integrated approach to sustainability efforts and reporting through cross-functional alignment and implementation, demonstrating our belief that sustainability is an integrated 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.

### Material ESG issues

In the period of 2022-2023, we have practiced and initiated the process of conducting an overall and formalised materiality assessment focusing on material issues for internal and external stakeholders. These are presented in our Sustainability Report 2022.

### Preparing for future reporting requirements

Currently, we are preparing to meet future regulatory requirements on sustainability. As result, we foresee that our sustainability reports will also change in both scope and content in the years to come ensuring stronger alignment to international reporting frameworks and standards.

It is expected that from the financial year 2025, new reporting requirements will be introduced for larger companies throughout the member states of the EU. The new reporting requirement, the Corporate Sustainability Reporting Directive (CSRD) and the underlying reporting standards, European Sustainability Reporting Standards (ESRS), will apply to Blue Water. Therefore, we are deeply focused on preparing for the new reporting frameworks and scope for sustainability reporting, and throughout 2023 we will begin the processes of establishing proper reporting capacity and principles to adhere to the regulations to come.



Essentially, we will prepare the conducting of a double materiality assessment examining sustainability matters that are simultaneously 1) financially material in influencing our business value and outlook for our company, and 2) material to people, planet and the market in the world around us. A focus that is directly linked to our company vision and strategy for sustainability and responsibility.

### **Policies**

Our engagement to sustainability 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 2022 and at below link.

<http://www.bws.net/about/policies>

## **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 director unless there already is 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 7 persons of which 5 persons are of the male gender and 2 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. The board of directors therefore has not set up new targets for ratio of males to females on the board of directors.

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. The targets and polices for Blue Water Shipping is presented in our Sustainability Report 2022 under Diversity, equality and inclusion.

## Statutory report on data ethics policy

At Blue Water, we process large amounts of data for and about customers and employees daily. Thus, we have a great responsibility in ensuring 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:

- › Risk management to identify and evaluate the potential risks to sensitive data and help determine which security measures are needed
- › Access controls to help prevent unauthorised access and data breaches
- › Firewalls to help prevent unauthorised access to our network by monitoring and controlling incoming and outgoing network traffic.

In addition, we regularly update software and back up data to protect against known security vulnerabilities and ensure that data can be recovered in the event of a data loss or disaster.

## 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.

## Consolidated income statement for 2022

All numbers in DKK '000

	Note	2022	2021
Revenue	1	9.259.190	6.736.986
Cost of sales		(7.510.873)	(5.294.158)
Other external expenses	2	(522.112)	(413.187)
<b>Gross profit/loss</b>		<b>1.226.205</b>	<b>1.029.641</b>
Staff costs	3	(1.042.876)	(844.339)
Depreciation, amortisation and impairment losses	4	(32.021)	(31.150)
<b>Operating profit/loss</b>		<b>151.308</b>	<b>154.152</b>
Income from investments in associates		(26.013)	2.385
Income from other fixed assets investments		352	2.921
Other financial income		6.862	2.398
Other financial expenses		(49.016)	(20.941)
<b>Profit/loss before tax</b>		<b>83.493</b>	<b>140.915</b>
Tax on profit/loss for the year	5	(33.519)	(36.394)
<b>Profit/loss for the year</b>	6	<b>49.974</b>	<b>104.521</b>

## Consolidated balance sheet 31.12.2022

All numbers in DKK '000

	Note	2022	2021
Goodwill		32.728	20.577
<b>Intangible assets</b>	7	<b>32.728</b>	<b>20.577</b>
Land and buildings		444.228	398.666
Other fixtures and fittings, tools and equipment		38.820	28.050
Leasehold improvements		15.753	17.052
<b>Property, plant and equipment</b>	8	<b>498.801</b>	<b>443.768</b>
Investments in associates		56.010	22.266
Other investments		15.540	15.219
Deposits		13.375	11.067
<b>Financial assets</b>	9	<b>84.925</b>	<b>48.552</b>
<b>Fixed assets</b>		<b>616.454</b>	<b>512.897</b>
Trade receivables		1.322.915	1.006.830
Contract work in progress		174.886	53.462
Other receivables		122.211	55.945
Prepayments	10	47.494	32.867
<b>Receivables</b>		<b>1.667.506</b>	<b>1.149.104</b>
Other investments		62	1.624
<b>Investments</b>		<b>62</b>	<b>1.624</b>
<b>Cash</b>		<b>186.467</b>	<b>321.544</b>
<b>Current assets</b>		<b>1.854.035</b>	<b>1.472.272</b>
<b>Assets</b>		<b>2.470.489</b>	<b>1.985.169</b>

## Consolidated balance sheet 31.12.2022

All numbers in DKK '000

	Note	2022	2021
Contributed capital	11	50.000	50.000
Reserve for fair value adjustments of hedging instruments		45.575	12.755
Retained earnings		532.332	487.641
Proposed dividend		15.000	15.000
<b>Equity belonging to Parent's shareholders</b>		<b>642.907</b>	<b>565.396</b>
Equity belonging to minority interest		2.725	3.158
<b>Equity</b>		<b>645.632</b>	<b>568.554</b>
Deferred tax	12	17.651	17.575
Other provisions	13	44.442	0
<b>Provisions</b>		<b>62.093</b>	<b>17.575</b>
Mortgage debts		281.418	279.575
Lease liabilities		9.781	6.838
Deposits		7.678	7.229
Other payables		1.394	43.708
<b>Non-current liabilities other than provisions</b>	14	<b>300.271</b>	<b>337.350</b>
Current portion of non-current liabilities other than provisions	14	21.403	19.638
Bank loans		196.205	835
Trade payables		1.076.169	876.627
Income tax payable		26.514	25.476
Other payables	15	126.385	124.272
Deferred income	16	15.817	14.842
<b>Current liabilities other than provisions</b>		<b>1.462.493</b>	<b>1.061.690</b>
<b>Liabilities other than provisions</b>		<b>1.762.764</b>	<b>1.399.040</b>
<b>Equity and liabilities</b>		<b>2.470.489</b>	<b>1.985.169</b>
Unrecognised rental and lease commitments	18		
Contingent liabilities	19		
Assets charged and collateral	20		
Subsidiaries	21		





## Consolidated statement of changes in equity for 2022

All numbers in DKK '000

	<i>Contributed capital</i>	<i>Reserve for fair value adjustments of hedging instruments</i>	<i>Retained earnings</i>
Equity beginning of year	50.000	12.755	487.641
Increase of capital	0	0	0
Ordinary dividend paid	0	0	0
Exchange rate adjustments	0	0	9.065
Fair value adjustments of hedging instruments	0	32.820	0
Profit/loss for the year	0	0	35.626
<b>Equity end of year</b>	<b>50.000</b>	<b>45.575</b>	<b>532.332</b>

	<i>Proposed dividend for the financial year</i>	<i>Equity belonging to parent's shareholders</i>	<i>Equity belonging to minority interests</i>
Equity beginning of year	15.000	565.396	3.158
Increase of capital	0	0	571
Ordinary dividend paid	(15.000)	(15.000)	(405)
Exchange rate adjustments	0	9.065	53
Fair value adjustments of hedging instruments	0	32.820	0
Profit/loss for the year	15.000	50.626	(652)
<b>Equity end of year</b>	<b>15.000</b>	<b>642.907</b>	<b>2.725</b>

	<b>Total</b>
Equity beginning of year	568.554
Effect of mergers and business combinations	571
Ordinary dividend paid	(15.405)
Exchange rate adjustments	9.118
Fair value adjustments of hedging instruments	32.820
Profit/loss for the year	49.974
<b>Equity end of year</b>	<b>645.632</b>



## Consolidated cash flow statements for 2022

All numbers in DKK '000

	Note	2022	2021
Operating profit/loss		151.308	154.152
Amortisation, depreciation and impairment losses		32.020	31.149
Working capital changes	16	(301.983)	(116.030)
<b>Cash flow from ordinary operating activities</b>		<b>118.655</b>	<b>69.271</b>
Financial income received		6.861	2.998
Financial expenses paid		(49.014)	(20.493)
Taxes refunded/(paid)		(32.455)	(24.580)
<b>Cash flows from operating activities</b>		<b>(193.263)</b>	<b>27.196</b>
Acquisition etc. of property, plant and equipment		(85.172)	(23.106)
Sale of property, plant and equipment		1.551	608
Acquisition of fixed asset investments		(6.746)	(11.736)
Sale of fixed asset investment		3.847	4.324
Acquisition of enterprises		(28.028)	(13.801)
Dividends received		110	68
Equity movements		32.820	10.823
<b>Cash flows from investing activities</b>		<b>(81.618)</b>	<b>(32.820)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(274.881)</b>	<b>(5.624)</b>
Repayments of loans etc.		155.192	(33.315)
Capital increase		17	0
Dividend paid		(15.405)	(20.056)
Change in short-term debt to banks		0	(4.142)
<b>Cash flows from financing activities</b>		<b>139.804</b>	<b>(57.513)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(135.077)</b>	<b>(63.137)</b>
Cash and cash equivalents beginning of year		321.544	384.681
<b>Cash and cash equivalents end of year</b>		<b>186.467</b>	<b>321.544</b>
Cash and cash equivalents at year-end are composed of:			
Cash		186.467	321.544
<b>Cash and cash equivalents end of year</b>		<b>186.467</b>	<b>321.544</b>



Road  
Transport



# Notes to consolidated financial statements

All numbers in DKK '000

Note	2022	2021
<b>1 Revenue</b>		
<b>Business area overview</b>		
General Cargo	4.495.595	3.389.111
Oil & energy	2.302.961	1.636.223
Reefer	2.432.149	1.675.797
Rental of commercial properties	28.485	35.855
	<b>9.259.190</b>	<b>6.736.986</b>
<b>Geographical overview</b>		
EMEA	7.154.206	5.975.286
Americas	632.748	347.485
APAC	1.472.236	414.215
	<b>9.259.190</b>	<b>6.736.986</b>
<b>2 Fee to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	994	834
Tax services	547	120
Other services	1.551	23.326
	<b>3.092</b>	<b>24.280</b>
<b>3 Staff costs</b>		
Wages and salaries	960.812	776.161
Pension costs	54.506	49.005
Other social security costs	27.558	19.173
	<b>1.042.876</b>	<b>844.339</b>
Average number of full-time employees	<b>1.884</b>	1.701
<b>Remuneration of Management</b>		
Executive Board	15.326	16.383
Board of Directors	2.500	1.478
	<b>17.826</b>	<b>17.861</b>

<b>4</b>	<b>Depreciation, amortisation and impairment losses</b>		
	Amortisation of intangible assets	2.695	1.690
	Depreciation of property, plant and equipment	29.760	29.971
	Profit/loss from sale of intangible assets and property, plant and equipment	(434)	(511)
		<b>32.021</b>	<b>31.150</b>
<b>5</b>	<b>Tax on profit/loss for the year</b>		
	Current tax	30.318	31.258
	Change in deferred tax	(14.963)	5.136
	Adjustment concerning previous years	1.618	0
	Refund in joint taxation arrangement	16.546	0
		<b>33.519</b>	<b>36.394</b>

## Notes to consolidated financial statements

All numbers in DKK '000

Note		2022	2021	
<b>6</b>	<b>Proposed distribution of profit/loss</b>			
	Ordinary dividend for the financial year	15.000	15.000	
	Retained earnings	35.626	88.826	
	Minority interest's share of profit/loss	(652)	695	
		<b>49.974</b>	<b>104.521</b>	
<b>7</b>	<b>Intangible assets</b>		<i>Goodwill</i>	
	Cost beginning of year		26.061	
	Additions		14.846	
	<b>Cost end of year</b>		<b>40.907</b>	
	Amortisation and impairment losses beginning of year		(5.484)	
	Amortisation for the year		(2.695)	
	<b>Amortisation and impairment losses end of year</b>		<b>(8.179)</b>	
	<b>Carrying amount end of year</b>		<b>32.728</b>	
<b>8</b>	<b>Property, plant and equipment</b>			
		<i>Land and buildings</i>	<i>Other fixtures and fittings, tools and equipment</i>	<i>Leasehold improvements</i>
	Cost beginning of year	592.031	134.104	30.848
	Exchange rate adjustments	0	1.482	85
	Additions	62.106	21.578	1.488
	Disposals	0	(2.750)	(972)
	<b>Cost end of year</b>	<b>654.137</b>	<b>154.414</b>	<b>31.449</b>
	Depreciation and impairment losses beginning of the year	(193.365)	(106.054)	(13.796)
	Exchange rate adjustments	0	(769)	(59)
	Depreciation for the year	(16.544)	(10.475)	(2.741)
	Depreciation and impairment losses on assets disposed of	0	0	900
	Reversal regarding disposals	0	1.704	0
	<b>Depreciation and impairment losses end of the year</b>	<b>(209.909)</b>	<b>(115.594)</b>	<b>(15.696)</b>
	<b>Carrying amount end of year</b>	<b>444.228</b>	<b>38.820</b>	<b>15.753</b>

## Notes to consolidated financial statements

All numbers in DKK '000

Note

<b>9 Financial assets</b>	<i>Investments in Associates</i>	<i>Other investments</i>	<i>Deposits</i>
Cost beginning of year	9.608	27.687	11.067
Exchange rate adjustments	0	0	85
Additions	15.420	0	4.508
Disposals	0	(31)	(2.285)
<b>Cost end of year</b>	<b>25.028</b>	<b>27.656</b>	<b>13.375</b>
Revaluations beginning of year	12.658	0	0
Exchange rate adjustments	5	0	0
Share of profit/loss for the year	18.429	0	0
Dividend	(110)	0	0
<b>Revaluations end of year</b>	<b>30.982</b>	<b>0</b>	<b>0</b>
Impairment losses beginning of year	0	(12.468)	0
Impairment losses for the year	0	352	0
<b>Impairment losses end of year</b>	<b>0</b>	<b>(12.116)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>56.010</b>	<b>15.540</b>	<b>13.375</b>

### Associates

	<i>Registered in</i>	<i>Equity interest %</i>
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
Transbroker LLC	Baku, Azerbaijan	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
BWS Aduanas S.L.	Barcelona, Spain	25.0
DanWind Blue Water A/S	Esbjerg, Denmark	50.0
Falcon Logistics Inc.	Georgetown, Guyana	49.0







## Notes to consolidated financial statements

All numbers in DKK '000

Note

### 10 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

<b>11 Contributed capital</b>	<i>Number</i>	<i>Par value</i>	<i>Nominal value</i>
Class A – shares	37.500.000	1	37.500
Class B – shares	12.500.000	1	12.500
	<b>50.000.000</b>		<b>50.000</b>

	<b>2022</b>	<b>2021</b>
<b>12 Deferred tax</b>		
Intangible assets	843	771
Property, plant and equipment	16.856	15.882
Receivables	473	493
Liabilities other than provisions	(261)	1.041
Tax losses carried forward	(260)	(612)
<b>Deferred tax</b>	<b>17.651</b>	<b>17.575</b>
<b>Changes during the year</b>		
Beginning of year	17.575	9.386
Recognised in the income statement	(9.183)	5.136
Recognised directly in equity	9.259	3.053
<b>End of year</b>	<b>17.651</b>	<b>17.575</b>

### 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 0k will fall due within 12 months.

## Notes to consolidated financial statements

All numbers in DKK '000

Note	Due within 12 months 2022	Due within 12 months 2021	Due after more than 12 months 2022	Outstanding after 5 years 2022
<b>14 Non-current liabilities other than provisions</b>				
Mortgage debts	19.031	19.638	281.418	209.995
Lease liabilities	2.372	0	9.781	0
Deposits	0	0	7.678	7.678
Other payables	0	0	1.394	1.378
	<b>21.403</b>	<b>19.638</b>	<b>300.271</b>	<b>219.051</b>
<b>15 Other payables</b>				
<p>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 26 June 2035, the interest rate swap with an interest rate of 1.47% relating to DKK 30m expires on 28 December 2035.</p>				
<b>16 Deferred income</b>				
<p>Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.</p>				
<b>17 Change in working capital</b>			<b>2022</b>	<b>2021</b>
Increase/decrease in receivables			(505.741)	(315.826)
Increase/decrease in trade payables etc.			203.758	199.796
			<b>(301.983)</b>	<b>(116.030)</b>
<b>18 Unrecognised rental and lease commitments</b>				
Total liabilities under rental or lease agreements until maturity			603.552	193.793
<b>19 Contingent liabilities</b>				
Recourse and non-recourse guarantee commitments			111.172	106.282
Contingent liabilities in total			<b>111.172</b>	<b>106.282</b>

### 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 consolidated financial statements

*Note*

### **20 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 10,950k on properties.

The carrying amount of mortgaged properties is DKK 434.959k.

The Group is liable for mortgage in partnership with DKK 1.197k.

### **Collateral provided for associates**

The Group has guaranteed the associates' debt with Jyske Bank. The maximum limit of the guarantee is DKK 50.000k. Bank loans of associates amount to DKK 49.722k.

## Notes to consolidated financial statements

Note

<b>21 Subsidiaries</b>	<i>Registered in</i>	<i>Corporate form</i>	<i>Equity interest %</i>
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.	75.0
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
Blue Water Shipping LLC	Moscow, Russia	LLC	100.0
Blue Water Shipping Trinidad 6 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, Turkiye	A.S.	60.0
Blue Water Brazil SA	Rio de Janeiro, Brazil	SA	100.0



Rail  
Transport



## Parent income statement for 2022

All numbers in DKK '000

	Note	2022	2021
Other external expenses		(184)	(178)
<b>Operating profit/loss</b>		<b>(184)</b>	<b>(178)</b>
Income from investments in group enterprises		93.705	106.047
Income from investments in associates		(44.442)	0
Other financial income	1	14.387	3.458
Other financial expenses	2	(12.387)	(6.317)
<b>Profit/loss from before tax</b>		<b>51.079</b>	<b>103.010</b>
Tax on profit/loss for the year	3	(453)	816
<b>Profit/loss for the year</b>	4	<b>50.626</b>	<b>103.826</b>

## Parent balance sheet at 31.12.2022

All numbers in DKK '000

	Note	2022	2021
Investments in group enterprises		567.460	471.869
<b>Financial assets</b>	5	<b>567.460</b>	<b>471.869</b>
<b>Fixed assets</b>		<b>567.460</b>	<b>471.869</b>
Receivables from group enterprises		117.076	133.000
Deferred tax	6	0	914
Tax receivable		2.829	1.336
<b>Receivables</b>		<b>119.905</b>	<b>135.250</b>
Cash		0	740
<b>Current assets</b>		<b>119.905</b>	<b>135.990</b>
<b>Assets</b>		<b>687.365</b>	<b>607.859</b>



## Parent balance sheet at 31.12.2022

All numbers in DKK '000

	Note	2022	2021
Contributed capital		50.000	50.000
Reserve for net revaluation according to the equity method		278.817	192.292
Retained earnings		299.091	308.104
Proposed dividend for the financial year		15.000	15.000
<b>Equity</b>		<b>642.908</b>	<b>565.396</b>
Other provisions		44.442	0
<b>Provisions</b>	7	<b>44.442</b>	<b>0</b>
Bank loans		0	42.448
Other payables		15	15
<b>Current liabilities other than provisions</b>		<b>15</b>	<b>42.463</b>
<b>Liabilities other than provisions</b>		<b>15</b>	<b>42.463</b>
<b>Equity and liabilities</b>		<b>687.365</b>	<b>607.859</b>
Contingent liabilities	8		
Assets charged and collateral	9		
Related parties with controlling interest	10		
Transactions with related parties	11		

## Parent statement of changes in equity for 2022

All numbers in DKK '000

	<i>Contributed capital</i>	<i>Reserve for net revaluation to the equity method</i>	<i>Retained earnings</i>	<i>Proposed dividend for the year</i>	<i>Total</i>
Equity beginning of year	50.000	192.292	308.104	15.000	565.396
Ordinary dividend paid	0	0	0	(15.000)	(15.000)
Exchange rate adjustments	0	9.066	0	0	9.066
Other entries on equity	0	32.820	0	0	32.820
Profit/loss for the year	0	44.639	(9.013)	15.000	50.626
<b>Equity end of year</b>	<b>50.000</b>	<b>278.817</b>	<b>299.091</b>	<b>15.000</b>	<b>642.908</b>



Renewables



# Notes to parent financial statements

All numbers in DKK '000

Note	2022	2021
<b>1 Other financial income</b>		
Financial income from group enterprises	13.682	2.922
Other interest income	629	536
Exchange rate adjustments	76	0
	<b>14.387</b>	<b>3.458</b>
<b>2 Other financial expenses</b>		
Financial expenses from group enterprises	2.544	3.870
Other interest expenses	8.926	2.372
Exchange rate adjustments	0	17
Other financial expenses	917	58
	<b>12.387</b>	<b>6.317</b>
<b>3 Tax on profit/loss for the year</b>		
Change in deferred tax	914	0
Adjustment concerning previous years	53	(168)
Refund in joint taxation arrangement	(514)	(648)
	<b>453</b>	<b>(816)</b>
<b>4 Proposed distribution of profit/loss</b>		
Ordinary dividend for the financial year	15.000	15.000
Retained earnings	35.626	88.826
	<b>50.626</b>	<b>103.826</b>
<b>5 Financial assets</b>		
		<i>Investments in group enterprises</i>
Cost beginning of year		279.577
Exchange rate adjustments		9.066
<b>Cost end of year</b>		<b>288.643</b>
Revaluations beginning of year		192.292
Adjustments on equity		32.820
Share of profit/loss for the year		93.705
Dividend		(40.000)
<b>Revaluations end of year</b>		<b>278.817</b>
<b>Carrying amount end of year</b>		<b>567.460</b>

## Notes to parent financial statements

All numbers in DKK '000

Note	2022	2021
<b>6 Deferred tax</b>		
Tax losses carried forward	0	914
<b>Deferred tax</b>	<b>0</b>	<b>914</b>
<b>Changes during the year</b>		
Beginning of year	914	1.465
Recognised in the income statement	(914)	(551)
<b>End of year</b>	<b>0</b>	<b>914</b>

### 7 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 0k will fall due within 12 months.

### 8 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.

### 9 Assets charged and collateral

The Entity has provided security for bank commitments in group affiliated companies. Bank commitment is DKK 254,300k. as of 31.12.2022.

The Entity has guaranteed the associates' debt with Jyske Bank. The maximum limit of the guarantee is DKK 50,000k. Bank loans of associates amount to DKK 49,722k.

The Entity has provided security for charter agreements in group affiliated companies. Charter commitment is DKK 349.630k as of 31.12.2022.

Bank commitments in group affiliated companies. Bank commitment is DKK 254,300k. as of 31.12.2022.

### 10 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.

### 11 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.





Air  
Freight



# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent 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.

## 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.

## 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.

## 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.



Oil, Gas  
& Projects





## **Income statement**

### **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 the service is delivered.

### **Logistics services**

Logistic services consist of freight logistics, transportation of goods by road and other forms of transportation. Logistic 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 cruiseliners 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.

### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### **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.

### **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, and gains and losses from the sale of intangible assets and property, plant and equipment.

### Income from investments in group enterprises

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

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 fixed asset investments

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.

### 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 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 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 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

### Goodwill

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.

### Property, plant and equipment

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:

Buildings	3-50 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-10 years

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.

### 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 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.

### Receivables

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

### Contract work in progress

Contract work in progress is measured at the cost incurred at the balance sheet date.

### Deferred tax

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

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

### Tax payable or receivable

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

### Prepayments

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

### Other investments (current assets)

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.

### Cash

Cash comprises cash in hand and bank deposits.

### 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.

### Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

### Other Provisions

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.



**Lease 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.

**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.

**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.