



# BLUE WATER SHIPPING A/S

ANNUAL REPORT 2019 | CVR NR: 40 51 66 11



**BLUE  
WATER  
SHIPPING**

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## Entity details

### ENTITY

Blue Water Shipping A/S  
Trafikhavnskaj 9  
6700 Esbjerg

CVR No: 40516611  
Registered in: Esbjerg  
Financial year: 01.01.2019 - 31.12.2019

Website: [www.bws.net](http://www.bws.net)  
E-mail: [esbjergj@bws.net](mailto:esbjergj@bws.net)

### BOARD OF DIRECTORS

Kurt Skov, chairman  
Niels Stie Kaalund  
Jørgen Meyer  
Anne Roed Skov  
Peter Damsboe  
Jesper Kristensen  
Torben Bjerre-Madsen

### EXECUTIVE BOARD

Søren Nørgaard Thomsen  
Dan Gregers Nissen  
Flemming Busch

### AUDITORS

Deloitte Statsautoriseret Revisionspartnerselskab  
Dokken 8  
Postboks 200  
6700 Esbjerg

The annual General Meeting adopted the annual report on 12.05.2020

### Chairman of the General Meeting

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Name: 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 Shipping A/S for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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, 12.05.2020

### EXECUTIVE BOARD

Søren Nørgaard Thomsen

Dan Gregers Nissen

Flemming Busch

### BOARD OF DIRECTORS

Kurt Skov  
Chairman

Niels Stie Kaalund

Jørgen Meyer

Anne Roed Skov

Peter Damsboe

Jesper Kristensen

Torben Bjerre-Madsen

## Independent auditor's report

### To the shareholders of Blue Water Shipping A/S

#### Opinion

We have audited the financial statements of Blue Water Shipping A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibilities for the financial for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## Independent auditor's report

### STATEMENT ON THE MANAGEMENT COMMENTARY

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Esbjerg, 12.05.2020

### Deloitte

Statsautoriseret Revisionspartnerselskab  
CVR nr. 33963556

Jørn Jepsen  
State Authorised Public Accountant  
Identification number (MNE) mne24824

Peder Rene Pedersen  
State Authorised Public Accountant  
Identification (MNE) mne 23334



# Port Service





## Management commentary

### PRIMARY ACTIVITIES

The Company's activities comprise international transport, freight forwarding and logistic services.

### DEVELOPMENT IN ACTIVITIES AND FINANCES

In 2019, we delivered on our purpose: to create solutions together with our customers. All based on our strong client focus, excellent business ability and our willingness to change and enhance the efficiency of our business.

In most of our divisions there was a stable growth in numbers of clients, and total volumes for Blue Water has increased accordingly.

This resulted in an increase in the level of activities in 2019, which became a good financial year for Blue Water with a record Net Profit of DKK 76 million - a very satisfying result. The main driver for the record result for 2019 is our Energy & Projects division. But there was also good performance in our Reefer Sea, Port Services, Wind and Marine Logistics divisions.

We delivered a sales growth of 15% - and the revenue grew from 4.4 billion DKK in 2018 to 5.1 billion DKK in 2019.

During 2019, a new corporate strategy was implemented – and the overall result for 2019 is also affected by improvement in business processes and streamlining of our operations.

### OUTLOOK

A major project that was secured a couple of years ago and currently under execution is impacting the result for 2020 positively.

On top of COVID-19 the current Oil price development can potential affect the 2020 result negatively.

The 2020 Q1 result is in line with our expectations before the COVID-19 outbreak and hence slightly better than Q1 last year. However, COVID-19, has resulted in a significant uncertainty in the full year estimate, thus we estimate a 2020 result between 30% to 70% of 2019.

## Management commentary

### NEW STRATEGIC WAYPOINTS

In recent years, Blue Water Group has grown significantly in size, and the ambition is further growth at the right pace. In 2019, the overall purpose, direction and values were finetuned. This included revised strategies for all Business Units in order to strengthen and develop Blue Water Group in the future.

Together we create solutions. That is the purpose of Blue Water Group. We work together – within Blue Water Group and with partners – to create value-adding solutions for our customers. And the direction is to be Best in Town.

Importantly, we must respect and live by our core values, as they are the guideline on how we behave and interact with colleagues, customers, partners and suppliers. Being part of Blue Water Group is being part of a strong team.



### BLUE WATER GROUP AT A GLANCE

Blue Water Group is a global transport and logistics company, headquartered in Denmark. Our key contribution is logistics services in modern supply chain management. At the heart of Blue Water Group is an organisation of professionals skilled to offer complete and tailor-made solutions to any shipping requirement anywhere in the world.

Since Blue Water Group was founded in 1972 by Kurt Skov, our ambition has been to provide customers with the best service and highest quality in the industry.

Today, Blue Water Group is represented with more than 60 offices worldwide. In every Blue Water office, we combine our strong global network with local expertise – thus adding value and providing our customers with services beyond transporting cargo in a safe and efficient way.

We operate in dedicated divisions: Energy & Projects, General Cargo Road, General Cargo Sea & Air, Reefer Sea, Reefer Road, Port Services and Marine Logistics.

## Management commentary

### FINANCIAL HIGHLIGHTS

	2019	2018	2017	2016	2015
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#### Key figures (DKK'000)

Revenue	5.117.656	4.447.761	4.350.528	4.197.515	4.206.938
Gross profit/loss	545.653	386.108	489.054	508.140	488.989
Operating profit/loss	96.724	(57.827)	(104.067)	(9.836)	(46.312)
Net financials	324	534	(7.995)	(3.543)	1.514
Net profit/loss for the year	75.820	(45.570)	(87.544)	(10.837)	(35.629)
Total assets	940.963	1.008.391	910.737	784.979	777.440
Investments in property, plant and equipment	2.209	12.076	23.573	14.534	10.426
Equity	256.794	180.974	180.544	180.088	190.925
Interest bearing debt, net	(192.437)	(93.242)	(173.794)	(140.467)	(136.181)

#### Ratios

Gross margin (%)	10,7	8,7	11,2	12,1	11,6
Financial gearing (%)	(0,7)	(0,5)	(1,0)	(0,8)	(0,7)
Return on equity (%)	34,6	(25,2)	(48,6)	(5,8)	(18,6)
Equity ratio (%)	27,3	17,9	19,8	22,9	24,6

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation Formula	Ratios reflect
<b>Gross Margin (%)</b>	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
<b>Financial gearing</b>	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The Entity's financial gearing.
<b>Return on equity (%)</b>	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
<b>Equity ratio (%)</b>	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	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.



# Reefer Sea



## 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 organisational 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

	What is the risk?	What is the impact?	What is the mitigating 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 liabilities</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 minimisation of defects before, during and after the execution of the transport assignments.

## Management commentary

	What is the risk?	What is the impact?	What is the mitigating action?
<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' 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' 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.

## Management commentary

	What is the risk?	What is the impact?	What is the mitigating action?
<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' 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.

## INTELLECTUAL CAPITAL RESOURCES

With reference to maintaining and strengthening its position among the leading providers of services within Blue Water Group's business areas, it is essential that Blue Water Group will continue to be able to attract and retain the most skilled and service-minded staff. Blue Water Group 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 programme.

## CORPORATE SOCIAL RESPONSIBILITY

### Statutory report on corporate social responsibility

Blue Water Group has finalised and initiated global implementation of Blue Water Group's official Code of Conduct, Blue Water Group's ethical guidelines in 2017. The internal implementation was launched by publishing of a common Code of Conduct including various communication materials and internal information meetings. The specification is available to stakeholders on the website where our Supplier Code of Conduct also is available: <https://Blue Water.net/en/about/policies>

Our Sustainability Report 2019 covers our policies, the global risks and our focus areas within Health, Safety, Security, Environment, Quality and CSR. The report can be found here:

<https://media-cdn.bws.net/-/media/Website/Files/Reports/Sustainability%20Report%202019.pdf?modified=20200416125235&la=da>

Blue Water Group engage in local society around the world and support the UN Sustainable Development Goals. We focus on creating actions within Quality Education (goal 4), Decent Work and Economic Growth (goal 8) as well as reducing our environmental footprint.

## Management commentary

Blue Water is certified in accordance with ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 and therefore focuses on continuous improvements on Health & Safety, Environment and Quality. Additionally, Blue Water Group was TRACE certified in 2017. TRACE certified companies are “pre-vetted” partners for multinational companies seeking to do business with suppliers, agents and consultants who share their commitment to commercial transparency.

### Statutory report on the underrepresented gender

A target for the underrepresented gender has been set for the board of directors.

When filing the 2017 annual report Blue Water Shipping A/S' board of directors consisted of four male members. It was the target at that time that the share of the underrepresented gender by 2020 would be 20 % of the members elected to the board of directors.

This target was achieved in May 2018, but as the board of directors in May 2019 was expanded by two members from five to seven members and both members were of the male gender the ratio of the underrepresented gender dropped below the 20 % target to approx. 14 %.

Due to the above it is still the target that the share of the underrepresented gender on the board of directors will be 20 %.

For the other levels of management, which includes members of the management board, managers of managers and leaders of employees, a policy has been adopted in 2017 aiming at increasing the number of the underrepresented gender before the end of 2020 to at least 20 %.

This target was achieved when filing the annual report for 2018 in May 2019 as 23 % of the other levels of management at that time were members of the underrepresented gender.

By the end of 2019, the target was still fulfilled, and the level of the underrepresented gender, at the filing of the annual report for 2019 in May 2020, is 22 %.

### 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.





# Wind Logistics



## Income statement for 2019

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Revenue	1	5.117.656	4.447.760
Cost of sales		(4.198.383)	(3.685.661)
Other external expenses		(373.620)	(375.991)
<b>Gross profit/loss</b>		<b>545.653</b>	<b>386.108</b>
Staff costs	2	(436.001)	(431.003)
Depreciation, amortisation and impairment losses	3	(12.928)	(12.932)
<b>Operating profit/loss</b>		<b>96.724</b>	<b>(57.827)</b>
Other financial income	4	3.741	3.880
Other financial expenses		(3.417)	(3.346)
<b>Profit/loss before tax</b>		<b>97.048</b>	<b>(57.293)</b>
Tax on profit/loss for the year	5	(21.228)	11.723
<b>Profit/loss for the year</b>	<b>6</b>	<b>75.820</b>	<b>(45.570)</b>

## Balance sheet at 31.12.2019

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Goodwill		1.232	4.976
<b>Intangible assets</b>	<b>7</b>	<b>1.232</b>	<b>4.976</b>
Other fixtures and fittings, tools and equipment		8.956	14.906
Leasehold improvements		19.505	21.087
<b>Property, plant and equipment</b>	<b>8</b>	<b>28.461</b>	<b>35.993</b>
Deposits		1.852	1.888
<b>Fixed asset investments</b>	<b>9</b>	<b>1.852</b>	<b>1.888</b>
<b>Fixed assets</b>		<b>31.545</b>	<b>42.857</b>
Trade receivables		599.647	632.684
Contract work in progress	10	40.790	25.064
Receivables from group enterprises		138.770	226.041
Deferred tax	11	22.440	41.192
Other receivables		6.230	4.445
Prepayments	12	8.489	10.938
<b>Receivables</b>		<b>816.366</b>	<b>940.364</b>
Other investments		201	176
<b>Other investments</b>		<b>201</b>	<b>176</b>
<b>Cash</b>		<b>92.851</b>	<b>24.995</b>
<b>Current assets</b>		<b>909.418</b>	<b>965.535</b>
<b>Assets</b>		<b>940.963</b>	<b>1.008.392</b>

## Balance sheet at 31.12.2019

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Contributed capital	13	50.000	50.000
Retained earnings		206.794	130.974
<b>Equity</b>		<b>256.794</b>	<b>180.974</b>
<hr/>			
Deposits		157	325
<b>Non-current liabilities other than provisions</b>		<b>157</b>	<b>325</b>
<hr/>			
Bank loans		3.013	67.079
Trade payables		575.572	660.821
Payables to group enterprises		29.019	26.469
Joint taxation contribution payable		8.038	0
Other payables		68.370	72.724
<b>Current liabilities other than provisions</b>		<b>684.012</b>	<b>827.093</b>
<hr/>			
<b>Liabilities other than provisions</b>		<b>684.169</b>	<b>827.418</b>
<hr/>			
<b>Equity and liabilities</b>		<b>940.963</b>	<b>1.008.392</b>
<hr/>			
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Mortgages and securities	17		
Related parties with controlling interest	18		
Transactions with related parties	19		
Group relations	20		

## Statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	50.000	130.974	180.974
Profit/loss for the year	0	75.820	75.820
<b>Equity end of year</b>	<b>50.000</b>	<b>206.794</b>	<b>256.794</b>



# Marine Logistics



## Cash flow statement 2019

	Notes	2019 DKK'000	2018 DKK'000
Operating profit/loss		96.724	(57.827)
Amortisation, depreciation and impairment losses		12.928	12.932
Working capital changes	14	18.193	(122.143)
<b>Cash flow from ordinary operating activities</b>		<b>127.845</b>	<b>(167.038)</b>
Financial income received		3.716	3.880
Financial income paid		(3.417)	(3.346)
Income taxes refunded/(paid)		5.562	4.412
<b>Cash flows from operating activities</b>		<b>133.706</b>	<b>(162.092)</b>
Acquisition etc. of intangible assets		0	(400)
Acquisition etc. of property, plant and equipment		(2.209)	(12.076)
Sale of property, plant and equipment		557	1.079
Acquisition of fixed asset investments		(1.180)	(492)
Sale of fixed asset investments		1.216	422
<b>Cash flows from investing activities</b>		<b>(1.616)</b>	<b>(11.467)</b>
Instalments on loans etc.		(168)	(80)
Cash increase of capital		0	46.000
<b>Cash flows from financing activities</b>		<b>(168)</b>	<b>45.920</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>131.922</b>	<b>(127.639)</b>
Cash and cash equivalents beginning of year		(42.084)	85.555
<b>Cash and cash equivalents end of year</b>		<b>89.838</b>	<b>(42.084)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		92.851	24.995
Short-term debt to banks		(3.013)	(67.079)
<b>Cash and cash equivalents end of year</b>		<b>89.838</b>	<b>(42.084)</b>

## Notes

	<b>2019</b>	<b>2018</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Revenue</b>		
Transport of industrial goods	2.937.471	2.955.658
Oil, energy and perishables	2.180.185	1.492.102
	<b>5.117.656</b>	<b>4.447.760</b>
<b>2. Staff costs</b>		
Wages and salaries	397.093	395.377
Pension costs	29.007	28.514
Other social security costs	9.901	7.112
	<b>436.001</b>	<b>431.003</b>
Average number of employees	<b>862</b>	<b>878</b>
<b>Remuneration of Management</b>		
Executive Board	4.783	2.538
Board of Directors	286	205
	<b>5.069</b>	<b>2.743</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	3.744	4.129
Depreciation of property, plant and equipment	9.643	9.174
Profit/loss from sale of intangible assets and property, plant and equipment	(459)	(371)
	<b>12.928</b>	<b>12.932</b>
<b>4. Other financial income</b>		
Financial income arising from group enterprises	3.582	1.546
Interest income	0	214
Fair value adjustment	25	0
Other financial income	134	2.120
	<b>3.741</b>	<b>3.880</b>



## Notes

	<b>2019</b>	<b>2018</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Tax on profit/loss for the year</b>		
Tax on current year taxable income	8.575	656
Change in deferred tax for the year	13.310	(12.379)
Adjustment concerning previous years	(657)	0
	<b>21.228</b>	<b>(11.723)</b>
<b>6. Proposed distribution of profit/loss</b>		
Retained earnings	75.820	(45.570)
	<b>75.820</b>	<b>(45.570)</b>
<b>7. Intangible assets</b>		<b>Goodwill</b>
		<b>DKK'000</b>
Cost beginning of year		101.717
<b>Cost end of year</b>		<b>101.717</b>
Amortisation and impairment losses beginning of year		(96.741)
Amortisation for the year		(3.744)
<b>Amortisation and impairment losses end of year</b>		<b>(100.485)</b>
<b>Carrying amount end of year</b>		<b>1.232</b>

## Notes

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold Improvements DKK'000
<b>8. Property, plant and equipment</b>		
Cost beginning of year	67.182	24.809
Additions	1.639	570
Disposals	(1.439)	0
<b>Cost end of year</b>	<b>67.382</b>	<b>25.379</b>
Depreciation and impairment losses beginning of the year	(52.276)	(3.722)
Depreciation for the year	(7.491)	(2.152)
Reversal regarding disposals	1.341	0
<b>Depreciation and impairment losses end of the year</b>	<b>(58.426)</b>	<b>(5.874)</b>
<b>Carrying amount end of year</b>	<b>8.956</b>	<b>19.505</b>

	Deposits DKK'000
<b>9. Fixed asset investments</b>	
Cost beginning of year	1.888
Additions	1.180
Disposals	(1.216)
<b>Cost end of year</b>	<b>1.852</b>
<b>Carrying amount end of year</b>	<b>1.852</b>

## 10. Contract work in progress

The amount comprises vendor's invoices not received and not yet invoiced but performed transactions.



# General Cargo Sea & Air



## Notes

	<b>2019</b>	<b>2018</b>
	DKK'000	DKK'000
<b>11. Deferred tax</b>		
Intangible assets	1.099	1.300
Property, plant and equipment	2.969	2.572
Liabilities other than provisions	(19)	0
Tax losses carried forward	18.391	37.320
	<b>22.440</b>	<b>41.192</b>

### Changes during the year

Beginning of year	41.192
Recognised in the income statement	(18.752)
<b>End of year</b>	<b>22.440</b>

The value of tax losses carried forward is recognized as deferred tax assets in the balance sheet, as the deficit is expected to be deducted over the next approx. 3 years. This expectation is primarily based on the significant positive impact on the Company's result as a consequence of major contracts related to the oil and energy sector.

### 12. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years

### 13. Contributed capital

	<b>Number</b>	<b>Par value DKK'000</b>	<b>Nominal Par value DKK'000</b>
Share capital	50.000.000	1	50.000
	<b>50.000.000</b>		<b>50.000</b>

## Notes

	<b>2019</b>	<b>2018</b>
	DKK'000	DKK'000
<b>14. Change in working capital</b>		
Increase/decrease in receivables	105.246	(160.527)
Increase/decrease in trade payables etc.	(87.053)	38.384
	<b>18.193</b>	<b>(122.143)</b>
<b>15. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>210.285</b>	<b>175.343</b>
Hereof liabilities under rental agreements or leases with group enterprises until expiry	<b>188.271</b>	<b>151.376</b>
<b>16. Contingent liabilities</b>		
Recourse and non-recourse guarantee commitments	162.831	120.343
<b>Contingent liabilities in total</b>	<b>162.831</b>	<b>120.343</b>
Recourse and non-recourse guarantee commitments	61.211	13.281
<b>Hereof contingent liabilities to group enterprises</b>	<b>61.211</b>	<b>13.281</b>



# Reefer Road



## Notes

### Lawsuits

The Company is involved in a few lawsuits. These lawsuits will in the opinion of the management not have material influence on the company's financial position.

The Entity participates in a Danish joint taxation arrangement in which Blue Water Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

The Company has entered into forward exchange rate contracts of USD 1,050k and AUD 1,000k. Unrealised net losses at 31 December 2019 amounts to DKK 85k.

### 17. Mortgages and securities

None

### 18. Related parties with controlling interest

The Company has registered the following shareholders to hold 100% of the voting share capital or the nominal value of the share capital:

Blue Water Holding A/S, Esbjerg, Denmark

### 19. Transactions with related parties

In the annual report only transactions with related parties, which have not been completed under normal circumstances, will be informed. There have been no such transactions.

### 20. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Blue Water Holding A/S, Esbjerg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Blue Water Holding A/S, Esbjerg



# Oil, Gas & Industrial Projects





## 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 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.

### 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 one 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.

## Accounting policies

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

### INCOME 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.

#### 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 write-downs 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

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

#### Other financial income

Other financial income comprises interest income payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### Tax on profit/loss for the year

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

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

### BALANCE SHEET

#### 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

Leasehold improvement, other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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:

*Other fixtures and fittings, tools and equipment* *3-10 years*  
*Leasehold improvement* *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.

## Accounting policies

### 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 selling price of the work carried out at the balance sheet date.

### Deferred tax

Deferred tax is recognized 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.

### Income 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

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date. Deposits under fixed assets are measured at amortised cost.

### Cash

Cash comprises cash in hand and bank deposits.

### 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.

## Accounting policies

### 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 cash and short-term securities with an insignificant price risk less shortterm bank loans.



# General Cargo Road

