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

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

Niels Stie Kaalund

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 40 51 66 11

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Financial Highlights.....	7
Management Commentary.....	8-13
Financial Statements 1 January - 31 December	
Income Statement.....	14
Balance Sheet.....	15-16
Equity.....	17
Cash Flow Statement.....	18
Notes.....	19-24
Accounting Policies.....	25-31

COMPANY DETAILS

Company	Blue Water Shipping A/S Trafikhavnskaj 9 6700 Esbjerg Telephone: +45 79 13 41 44 Website: www.bws.net E-mail: esbjerg@bws.net CVR No.: 40 51 66 11 Established: 8 September 1982 Municipality: Esbjerg Financial Year: 1 January - 31 December
Board of Directors	Jørgen Dencker Wisborg, chairman Anne Roed Skov, vice-chairman Jørgen Meyer, vice-chairman Kurt Skov Niels Stie Kaalund Merete Søby
Executive Board	Søren Nørgaard Thomsen Dan Gregers Nissen Thomas Bek Flemming Busch
Auditor	BDO Statsautoriseret revisionsaktieselskab Dokken 8 6700 Esbjerg

MANAGEMENT'S STATEMENT

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

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

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

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

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

Esbjerg, 19 March 2024

Executive Board

Søren Nørgaard Thomsen
CEO

Dan Gregers Nissen
COO

Thomas Bek
COO

Flemming Busch
CFO

Board of Directors

Jørgen Dencker Wisborg
Chairman

Anne Roed Skov
Vice-chairman

Jørgen Meyer
Vice-chairman

Kurt Skov

Niels Stie Kaalund

Merete Søby

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Blue Water Shipping A/S

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITOR'S REPORT

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

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

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Esbjerg, 19 March 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jørn Jepsen
State Authorised Public Accountant
MNE no. mne24824

Peder Rene Pedersen
State Authorised Public Accountant
MNE no. mne23334

FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Net revenue.....	5,838,063	6,719,064	5,490,427	4,616,134	5,117,656
Gross profit/loss.....	586,986	545,352	468,771	548,897	545,653
Operating profit/loss before depreciation and amortisation (EBITDA)...	25,161	39,642	44,231	117,418	109,652
Operating profit/loss of main activities...	16,965	32,926	36,892	108,933	96,724
Financial income and expenses, net.....	-23,472	-16,850	-2,975	-1,178	324
Profit/loss for the year.....	80,774	69,583	86,912	134,791	133,237
Balance sheet					
Total assets.....	1,552,575	1,527,757	1,341,642	1,115,703	1,094,646
Equity.....	516,658	438,243	384,600	340,685	256,794
Net interest-bearing debt.....	-5,995	-20,378	-216,143	-232,555	-192,437
Invested capital.....	17,235	10,105	7,689	3,324	2,209
Cash flows					
Investment in property, plant and equipment.....	-17,235	-10,105	-7,689	-3,324	-2,209
Key ratios					
Gross margin (%).....	10.1	8.1	8.5	11.9	10.7
Equity ratio (%).....	33.3	28.7	28.7	30.5	23.5
Return on equity (%).....	16.9	16.9	24.0	45.1	60.9
Financial gearing (%).....	0.0	-5.0	-56.0	-68.0	-75.0

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

Net interest-bearing debt:	$\frac{\text{Interest-bearing liabilities} - \text{interest-bearing assets} - \text{cash and cash equivalents}}{\text{Total assets}}$
Gross margin (%):	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Equity ratio (%):	$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity (%):	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Financial gearing (%)	$\frac{\text{Net interest-bearing debt} \times 100}{\text{Equity}}$

MANAGEMENT COMMENTARY

Principal activities

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

Development in activities and financial and economic position

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

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

Profit/loss for the year compared to the expected development

The growth, specifically within the Energy, Ports & Projects division, has during the year led to a growth in our working capital. End of year the working capital was reduced, and Blue Water did realise a minor positive cash flow from operations.

The development of the working capital during the year, together with the increase in interest rates, lead to higher interest costs in 2023.

The Profit before tax is DKK 81 million and below our expectations which was DKK 90 million.

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.

Risk Management

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

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

MANAGEMENT COMMENTARY

Risk Management (continued)

Particular risks

	THE RISK?	THE IMPACT?	THE MITIGATION ACTION?
Economic development	Due to its large global presence, Blue Water is dependent on the domestic and global economies and development. The business is influenced by the total market volume available for transport in each product segment throughout the 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.
Contractual liabilities	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.
IT security breaches	Disruption to IT systems, such as virus attacks and breaches of data security, may happen where reliable IT systems and infrastructure are critical for our ability to operate effectively.	Customers' or other individuals' privacy could be compromised if confidential information was disclosed and breaches of IT security could have a severe impact on Blue Water' ability to maintain operations and hence on its financial situation.	IT security technologies and controls are in place to help prevent intruders from causing damage to systems and gaining access to critical data and systems. Continuity plans are in place in the event of non-availability of IT systems. Awareness campaigns, access controls and intrusion detection and prevention systems have been implemented. Internal audits of IT security controls are conducted to detect and mitigate any breaches.
Currency impact and	Exchange rate fluctuations, disputes with tax authorities and changes	Blue Water' cash flow, statement of comprehensive income and	Trade with subsidiary companies outside Europe is primarily in USD or currencies dependent

MANAGEMENT COMMENTARY

Risk Management (continued)

<p>tax disputes</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>Credit risks and Cash flow</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>

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

Outlook

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

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

Overall, the Profit before tax in 2024 is expected to be between DKK 130 - 150 million. Cash flow is expected to be positive between DKK 0 - 20 million.

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

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

Statutory report on ESG and sustainability

The Sustainability Report 2023 (<https://bws.kontainer.com/cdn/xZfgM2/sustainability-report-2023.pdf>) forms part of Management's Commentary of the Blue Water Holding Annual Report 2023 and covers statutory reporting on corporate social responsibility, environmental reporting, management gender composition and diversity policies as defined by sections §99a, §99b and §99d of the Danish Financial Statements Act.

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

MANAGEMENT COMMENTARY

ESG (Environment, Social, Governance) and sustainability in Blue Water (continued)
integral part of what makes us a responsible business.

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

Material ESG issues identified through double materiality assessment

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

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

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

2023: First Double Materiality Assessment with internal stakeholders.

2024: Qualification of assessment with climate risk and opportunity assessment and additional involvement of external stakeholders.

2024/2025: Design of programmes to fully address material topics.

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

Preparing for future sustainability reporting requirements

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

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

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

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 2023, page 36, 37 and on the website by clicking [here](#).

MANAGEMENT COMMENTARY

Statutory report on the underrepresented gender

Reporting on Diversity at management levels in accordance with section 99b of the Danish Financial Statements Act.

The main objective of our Group Diversity Policy is to:

- Attract and retain highly skilled talent with unique functional capabilities.
- Secure a globally diverse workforce will support our ambition of building a company that can deliver strong business solutions for customers all around the world.
- Create an inclusive culture, where each employee's uniqueness is recognized and accepted, is a pre-condition for thriving and being able to perform at ones best.
- No employee should feel discriminated due to gender, race, colour, religion, political belief, sexual orientation, national origin, social origin, age or disability.

Our initiatives in 2023 deriving from the Group Diversity Policy have been multifaceted, including:

- **Leadership Development and Training:** Focused on equipping underrepresented groups with the skills for leadership roles, supporting gender balance and multifunctional competencies development.
- **Recruitment and Succession Planning:** Enhanced to ensure a fair representation of our diverse global workforce, targeting gender, age, and cultural diversity.
- **Fostering an Inclusive Culture:** Through our in-house Academy and other platforms, we've worked to recognize and accept each employee's uniqueness, directly supporting our belief that diversity is crucial to staying competitive in the global market.
- **Updated Code of Conduct:** Updated Code of Conduct with an emphasis on zero tolerance towards e.g. inhumane treatment of workers, sexual exploitation, discrimination and harassment.
- **Launch of Compliance Portal and enhanced Grievance Mechanism:** As part of our additional initiatives to strengthen our business ethics and level of compliance, we have made sure that every compliance programme as a minimum consists of: A) Policies and instructions, ensuring regulations and guidance on each compliance area, B) Training and information targeted relevant employees, customers and other stakeholders in question, C) Assurance and controls, ensuring appropriate measures are put in to place to meet liability and credibility concerns.
- **Launch of Ethics Committee:** The Ethics Committee's overall purpose is to outline and ensure global business ethics is aligned with the Code of Conduct creating a sustainable future for our company, employees, customers, and stakeholders.

The detailed gender distribution for 2023 compared to 2022 across different levels of management is as follows:

Board of Directors: We maintained a stable representation of women at 33%, with two female and four male members. This is an improvement from the previous year, where the percentage of women was 29%. Our target was 30 / 70 in 2025 and was achieved in 2023. Our new and more ambitious target is 40 / 60 in 2028.

Executive Management (E1 - E6): The representation of women remained at 10%, with three female members out of a total of 29. The number of male members increased from 24 to 26, indicating a slight shift in the gender balance. Our target is 20 / 80 in 2025. We find the percentage of under-represented gender too low and recognise that the progress towards a more balanced distribution is moving too slowly. During 2024, we will therefore work on further immediate measures to address this.

Our commitment to enhancing gender diversity is ongoing, and we recognize the need for continued effort to achieve our targets.

MANAGEMENT COMMENTARY***Statutory report on the underrepresented gender (continued)***

Gender distribution within Management

2023

Number of members of the supreme management body.....	6
Under-represented gender, share in % of the supreme management body.....	33%
Number of people at other management levels.....	29
Under-represented gender, share in % at other management levels.....	10%

Report of data ethics

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

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

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

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

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK '000	2022 DKK '000
NET REVENUE	1	5,838,063	6,719,064
Cost of sales.....		-4,762,845	-5,734,684
Other operating income.....		13,233	0
Other external expenses.....	3	-501,465	-439,028
GROSS PROFIT/LOSS		586,986	545,352
Staff costs.....	2	-561,825	-505,710
Depreciation, amortisation and impairment losses.....	4	-8,196	-6,716
OPERATING PROFIT/LOSS		16,965	32,926
Income from investments in group enterprises.....		87,055	58,347
Other financial income.....	5	6,053	1,689
Other financial expenses.....	6	-29,525	-18,539
PROFIT/LOSS BEFORE TAX		80,548	74,423
Tax on profit/loss for the year.....	7	226	-4,840
PROFIT/LOSS FOR THE YEAR	8	80,774	69,583

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK '000	2022 DKK '000
Goodwill.....		0	300
Intangible assets.....	9	0	300
Other plant, fixtures and equipment.....		24,320	13,653
Leasehold improvements.....		10,885	13,253
Property, plant and equipment.....	10	35,205	26,906
Investments in group enterprises.....		358,321	273,625
Deposits.....		7,380	2,644
Financial non-current assets.....	11	365,701	276,269
NON-CURRENT ASSETS.....		400,906	303,475
Trade receivables.....		783,738	870,779
Contract work in progress.....	12	19,097	55,861
Receivables from group enterprises.....		262,852	220,356
Receivables from associated enterprises.....		2,771	0
Deferred tax.....	13	3,081	3,721
Other receivables.....		45,894	35,035
Joint tax contribution receivable.....		1,593	0
Prepayments.....	14	31,910	30,239
Receivables.....		1,150,936	1,215,991
Other securities and equity investments.....		50	50
Current investments.....		50	50
Cash and cash equivalents.....		683	8,241
CURRENT ASSETS.....		1,151,669	1,224,282
ASSETS.....		1,552,575	1,527,757

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK '000	2022 DKK '000
Contributed Capital.....	15	50,000	50,000
Reserve for net revaluation according to the equity method.....		207,112	120,057
Retained earnings.....		239,546	268,186
Proposed dividend.....		20,000	0
EQUITY.....		516,658	438,243
Lease liabilities.....		3,722	0
Deposits.....		477	525
Non-current liabilities.....	16	4,199	525
Lease liabilities.....		1,467	0
Trade payables.....		649,683	819,266
Payables to group enterprises.....		306,340	216,395
Payables to associated enterprises.....		12,535	0
Joint taxation contribution payable.....		0	4,186
Other payables.....		61,693	49,142
Current liabilities.....		1,031,718	1,088,989
LIABILITIES.....		1,035,917	1,089,514
EQUITY AND LIABILITIES.....		1,552,575	1,527,757
 Contingencies etc.	 17		
Charges and securities	18		
Related parties	19		
Information on significant uncertainties at recognition and measurement/going concern	20		
Fee to statutory auditor	3		

EQUITY

	Share capital DKK '000	Reserve for net revaluation according to the equity method DKK '000	Retained earnings DKK '000	Proposed dividend	Total DKK '000
Equity at 1 January 2023.....	50,000	120,057	268,186	0	438,243
Proposed profit allocation, see note 8....		89,414	-28,640	20,000	80,774
Other legal bindings					
Foreign exchange adjustments.....		-2,359			-2,359
Equity at 31 December 2023.....	50,000	207,112	239,546	20,000	516,658

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2023	2022
	DKK '000	DKK '000
Operating profit/loss.....	16,965	32,926
Depreciation and amortisation, reversed.....	8,196	6,716
Reversed realization gains.....	-233	0
Adjustment of other financial income.....	6,053	2,446
Tax on profit/loss, reversed.....	-4,913	0
Corporation tax paid.....	0	-4,470
Change in receivables (ex tax).....	66,008	-111,655
Unrealised exchange rate adjustments.....	-11,956	-7,271
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-54,552	131,593
CASH FLOWS FROM OPERATING ACTIVITY.....	8,097	38,245
Purchase of property, plant and equipment.....	-17,235	-9,131
Sale of property, plant and equipment.....	1,175	18
Purchase of financial assets.....	-4,757	-872
Sale of financial assets.....	21	784
CASH FLOWS FROM INVESTING ACTIVITY.....	-20,796	-9,201
Instalments on loans.....	5,983	0
Lease payments.....	-794	0
Repayments of loans etc.	-48	280
Dividends paid in the financial year.....	0	-25,000
CASH FLOWS FROM FINANCING ACTIVITY.....	5,141	-24,720
CHANGE IN CASH AND CASH EQUIVALENTS.....	-7,558	4,324
Cash and cash equivalents at 1. januar.....	8,241	3,917
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	683	8,241
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	683	8,241
CASH AND CASH EQUIVALENTS.....	683	8,241

NOTES

	2023 DKK '000	2022 DKK '000	Note
Net revenue			1
Revenue.....	5,838,063	6,719,064	
Segment details (activities)			
General Cargo.....	2,948,651	4,158,982	
Oil & energy.....	1,388,297	777,397	
Reefer.....	1,501,115	1,782,685	
	5,838,063	6,719,064	
<p>The company has not provided geographical segment information in the notes, as it is the management's assessment of activities only linked to transport owned by Blue Water Shipping A/S in Denmark. Our business in Denmark is based on transactions in our global network rather than in individual countries or regions.</p>			
Staff costs			2
Number of full time employees	935	867	
Wages and salaries.....	516,220	464,837	
Pensions.....	35,529	31,760	
Social security costs.....	10,076	9,113	
	561,825	505,710	
Remuneration of Executive Board.....	7,369	5,364	
Remuneration of Board of Directors.....	491	511	
	7,860	5,875	
Fee to statutory auditor			3
<p>The Company has chosen not to provide information on fees to the company's auditor elected by the general meeting in accordance with Danish Financial Statements Act section 96, subsection 3, as this information appears in Blue Water Holding A/S' consolidated accounts, in which the Company is included.</p>			
Depreciation, amortisation and impairment losses			4
Goodwill.....	300	299	
Other plants, tools and equipment.....	7,896	6,417	
	8,196	6,716	
Other financial income			5
Financial income from group enterprises.....	5,688	1,490	
Other financial income.....	365	199	
	6,053	1,689	

NOTES

	2023 DKK '000	2022 DKK '000	Note
Other financial expenses			6
Financial expenses to group enterprises.....	13,626	4,754	
Other financial expenses.....	15,899	13,785	
	29,525	18,539	
Tax on profit/loss for the year			7
Current tax.....	-870	5,023	
Adjustment of tax in previous years.....	4	2	
Change in deferred tax.....	640	-185	
	-226	4,840	
Proposed distribution of profit			8
Proposed dividend for the year.....	20,000	0	
Allocation to reserve for net revaluation under the equity method.....	89,414	42,313	
Retained earnings.....	-28,640	27,270	
	80,774	69,583	

NOTES

			Note
Intangible assets			9
		Goodwill	
Cost at 1 January 2023.....		2,498	
Cost at 31 December 2023.....		2,498	
Amortisation at 1 January 2023.....		2,198	
Amortisation for the year.....		300	
Amortisation at 31 December 2023.....		2,498	
Carrying amount at 31 December 2023.....		0	
Property, plant and equipment			10
	Other plant, fixtures and equipment	Leasehold improvements	
Cost at 1 January 2023.....	85,977	25,512	
Additions.....	17,235	0	
Disposals.....	-6,292	-411	
Cost at 31 December 2023.....	96,920	25,101	
Depreciation and impairment losses at 1 January 2023.....	72,324	12,259	
Reversal of depreciation of assets disposed of.....	-5,252	-411	
Depreciation for the year.....	5,528	2,368	
Depreciation and impairment losses at 31 December 2023....	72,600	14,216	
Carrying amount at 31 December 2023.....	24,320	10,885	
Finance lease assets.....	5,232		
Financial non-current assets			11
	Investments in subsidiaries	Rent deposit and other receivables	
Cost at 1 January 2023.....	153,568	2,644	
Exchange rate adjustments.....	-2,359	0	
Additions.....	0	4,757	
Disposals.....	0	-21	
Cost at 31 December 2023.....	151,209	7,380	
Revaluation at 1 January 2023.....	120,057	0	
Share of profit/loss for the year.....	87,055	0	
Revaluation at 31 December 2023.....	207,112	0	
Carrying amount at 31 December 2023.....	358,321	7,380	

NOTES

			Note
Fixed asset investments (continued)			11
Investments in group enterprises			
Name and domicil	Ownership		
Blue Water International A/S, Esbjerg (Denmark).....	100 %		
	2023	2022	
	DKK '000	DKK '000	
Contract work in progress			12
Cost of work in progress.....	19,097	55,861	
Contract work in progress, net.....	19,097	55,861	
The amount comprises vendor's invoices not received and not yet invoiced but performed transactions.			
Deferred tax assets			13
Deffered tax:			
Intangible assets.....	13	200	
Property, plant and equipment.....	3,068	3,521	
	3,081	3,721	
Deferred tax, beginning of year.....	3,721	3,536	
Deferred tax of the year, income statement.....	-640	185	
Deferred tax assets 31 December 2023.....	3,081	3,721	
The Company's deferred tax asset is a result of temporary differences between the carrying amount and tax-based value of property, plant and equipment. Based on budgets, the Company's management expects the tax asset to be reduced in line with depreciation of fixed assets.			
Prepayments			14
Prepayments comprise incurred costs relating to subsequent financial years.			
Share Capital			15
Allocation of share capital:			
Shar Capital, 50,000,000 unit in the denomination of 1 DKK.....	50,000	50,000	
	50,000	50,000	

NOTES

				Note
Long-term liabilities				16
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Lease liabilities.....	5,189	1,467	453	0
Deposits.....	477	0	0	525
	5,666	1,467	453	525

Contingencies etc. **17**

Unrecognised rental and lease commitments

	2023	2022
	DKK '000	DKK '000
Lease liabilities (operating leases):		
Liabilities under rental or lease agreements until maturity in total.....	205,514	222,796
Liabilities under rental agreements or leases with group enterprises until expiry.....	150,609	160,500
 Contingent liabilities		
Recourse and non-recourse guarantee commitments.....	45,452	70,756
	45,452	70,756

Lawsuits

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

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other danish group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Blue Water Holding A/S, which serves as management Company for the joint taxation.

Charges and securities

The entity has provided surety for bank commitments in group enterprises. Bank commitment is DKK 362,794k as of 31.12.2023.

The Entity has provided security for lease commitments in group group enterprises. Lease commitment is DKK 17,998k of 31.12.2023.

NOTES**Note****Related parties****19**

The Company's related parties include:

Blue Water Holding A/S, Esbjerg (parent company)

Blue Water Fonden, Esbjerg (ultimate parent)

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.

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

Information on significant uncertainties at recognition and measurement/going concern**20**

A group enterprise has recognised receivables totaling mDKK 26,9 from companies that are or have been owned by a former business partner. As a result of a disagreement with the former business partner, there is a significant uncertainty primarily related to the valuation of the receivables from a foreign company which, after restructuring, has been sold to a third party by the former business partner's group. Hereafter it has not been possible to obtain information on the placement of the funds.

As a result of the uncertainty, the receivables have been recognised at mDKK 10,2. Information is being collected and it is expected that legal actions will be taken to collect the claim.

ACCOUNTING POLICIES

Reporting class

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

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

Consolidated Financial Statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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 affected 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.

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.

ACCOUNTING POLICIES

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 transport of the shipment in question starts.

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.

The company has not provided geographical segment information in the notes, as it is the management's assessment of activities only linked to transport owned by Blue Water Shipping A/S in Denmark. Our business in Denmark is based on transactions in our global network rather than in individual countries or regions.

Other operating income

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

Cost of sales

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

ACCOUNTING POLICIES

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.

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

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

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.

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.

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.

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).

ACCOUNTING POLICIES

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:

	Useful life
Other plant, fixtures 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.

Lease contracts

Lease contracts relating to tangible fixed assets

for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company’s loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group’s and the Company’s other similar tangible fixed assets.

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

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.

ACCOUNTING POLICIES

Impairment of fixed assets

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

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

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

Receivables

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

Contract work in progress

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

Prepayments

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

Other investments (current assets)

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.

Dividend

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

Deferred tax

Deferred tax is 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 recognized in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

ACCOUNTING POLICIES

Joint taxation contributions payable or receivable

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

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 short term bank loans.