WRIST SHIP SUPPLY A/S

ANNUAL REPORT 2022

As approved at the
Annual General Meeting on 8 May 2023

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Chairman of the meeting

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MANAGEMENT COMMENTARY

A STRONG FINANCIAL RESULT IN AN EXCEPTIONAL YEAR

2022 was an exceptional year from a global perspective – and in Wrist. We posted a strong financial result while supporting our customers in a highly volatile and inflationary market. We expanded our Ship Supply business to Panama, securing a foothold at one of the world's most important maritime crossroads, and developed new digital solutions that are imperative to our customers in the streamlining of their supply chains and their digital transformation.

The war in Ukraine, energy crisis, and financial instability highly impacted our operations and business with our customers in 2022. The shipping and ship supply industries were impacted by port congestion, freight rate volatility, and extremely high crude oil prices, impacting commodity prices. Despite these challenges, we managed to significantly increase business volume in Wrist, raising revenue and the underlying operating profit to record levels.

During 2022, we pursued the innovation of digital and integrated solutions to resonate with our customers' need for efficient and resilient supply chains. In acquiring Centralam Pánama, we continued our ambitious M&A strategy in order to serve our customers in new strategic hubs, thereby fueling both organic growth and acquisitions, while reinforcing our global promise.

Increased revenue and operating profit at record high levels

Our consolidated revenue for 2022 totalled DKK 5.4bn, up 21% from 2021. Gross profit increased to DKK 1,510m from DKK 1,199m in 2021, resulting in a rise in the gross profit ratio to 28% compared to 26.9% in 2021. The 26% increase in gross profit was mainly driven by improved sales volume, some inflationary impact on commodity prices, M&A, and exchange rate fluctuations.

Operating profit (EBITA) arrived at DKK 240.9m, compared to DKK 155.5m in the previous year. A like-for-like comparison of EBITA for 2021 and 2022 revealed an increase of 54.9% or DKK 85.4m, as the result of strategic adjustments, operational optimization, optimized sourcing, and sales strategies, as well as some level of exchange rate fluctuations.

The Group's equity stood at DKK 1,066m at the end of 2022, up DKK 135m compared to 2021.

Taking our partnerships to a new level

We took our global partnerships to a new level, reinforcing customer dialogs and negotiations with our global supplier network, to limit the inflationary impact on our customers' supply chains. We reinforced our executive management, appointing Peder Winther, CEO Ship Supply, reporting to Group CEO, Jens Holger Nielsen, with the intent to strategically leverage all parts of the organization and businesses to ensure customer-centricity. We continued our momentum in the strategic development of Procurement, Sales, Master Data, IT, and Operations to resonate with our customers' demand for cost-efficient, compelling solutions and streamlined purchasing processes. We want to make sure we have the ability to help our customers navigate new potential disruptions and complex conditions in the years to come.

Digital transformation

The ship supply industry has not been at the forefront of the digital transformation, however, in 2021 and 2022, we launched substantial new digital solutions, with the aim of providing our customers with end-to-end transparency and strong data insights into their supply chains and ordering and maintenance processes.

In our Ship Supply business, the first catalog was designed for the digital marketplace, Source2Sea, launched in 2021. Within Maritime Services (Garrets), we launched Gateway, a digital end-to-end ordering and inventory management platform, to provide our customers with a fast, easy, and transparent ordering process. In Marine Logistics, we continued the development of our new market leading digital platform, introducing a new CO2 emission calculator. We started an Artificial Intelligence (AI) project to reduce our tender turnaround time. Furthermore, eSourcing was introduced to create market transparency and optimize the way we work with our suppliers.

Outlook for 2023

In Q2 2023, we will launch our new Group strategy, Connect 2026. The strategy centers around accelerating our leadership position even further through M&A roll-up, offering integrated and synergetic solutions, and leading the digital evolution of the wider marine supply industry.

In 2022, we set our first ESG targets for sustainable business and partnerships to meet the expectations of our customers, employees, and society. Our main objective is decarbonizing our business, and to address this, we have onboarded a Head of Environment, Social & Governance with the intent to accelerate the transition.

As we are moving into macroeconomically uncertain waters and thereby new, uncertain business conditions for our customers, we are committed to accelerating our digital and sustainable transformation to resonate with our customers' need for resilient supply chains.

Anders Skipper, Group CFO: "We are moving into macroeconomically uncertain waters, but we have a strong market position and therefore anticipate both organic growth and new acquisitions. For 2023, we expect total sales to grow organically to around DKK 5.7bn and an increase in operating profit (EBITA) to DKK 300m-320m. We are, in the first quarter of 2023, on track to deliver this ambition".

WRIST AT A GLANCE

About us

Wrist is the world's leading ship and offshore supplier of marine provisions and stores with a market share of approximately 12%. We are the only stores and provisions marine supplier with a global network of supply operations. We also offer services within owners' goods and spare parts logistics and distribution combining with provision and stores deliveries to vessels.

Wrist is leading the digital transformation of the marine supply industry, and with our Source2Sea digital marketplace, we are far ahead of the industry. All year round, we offer 24/7 global online sourcing and logistics providing data transparency, automation, and convenience to customers.

We continuously work on reducing our own climate impact while at the same time proactively addressing our customers' growing demand and need for responsible solutions and services.

From more than 30 locations worldwide in all major shipping locations, 1,800 Wrist employees take pride in making it easy for our customers to order and receive marine supplies and services.

wrist.com

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK'000 and ratios	2022	2021	2020	2019	2018
Net sales	5,389,028	4,457,695	4,369,787	4,657,974	4,276,499
Gross Profit	1,510,046	1,198,661	1,191,355	1,232,330	1,114,987
Operating profit (EBITA)	240,934	155,512	142,190	162,401	179,482
Earnings before interest and tax (EBIT)	196,457	122,813	98,893	122,493	149,957
Profit from financial items	-59,301	-48,785	-78,046	-76,112	-52,887
Net profit	112,854	57,918	16,913	38,787	68,868
Inventories	370,335	304,053	237,721	254,471	241,400
Trade receivables	933,786	812,568	659,736	799,041	787,370
Total assets	3,131,997	2,776,182	2,583,048	2,768,880	2,356,589
Equity	1,066,436	931,790	827,322	863,048	812,809
Invested capital including goodwill	1,866,005	1,581,828	1,451,286	1,627,946	1,278,558
Net interest-bearing debt (NIBD)	830,374	698,068	666,276	814,112	409,273
Cash flow from operating activities (CFFO)	193,493	79,467	248,158	148,144	229,972
Cash flow from investing activities (CFFI)	-118,186	-74,035	-36,868	-59,137	-225,276
Investments excl. business acquisition (CAPEX)	-93,902	-75,996	-37,690	-28,791	-33,186
Acquisition of property, plant and equipment	-36,667	-9,413	-10,304	-19,674	-12,500
Number of employees, average	1,517	1,397	1,467	1,472	1,361
Performance ratios (%)					
Gross margin	28.0	26.9	27.3	26.5	26.1
Operating margin (EBITA)	4.5	3.5	3.3	3.5	4.2
Return on invested capital	14.0	10.3	9.2	11.2	14.6
Return on equity	11.3	6.6	2.0	4.6	10.2

In 2019, IFRS 16 leases were implemented from 1 January 2019 without restating comparative figures for 2018.

Definitions of financial highlights and key ratios

Financial highlights are defined and calculated in accordance with the latest version of the recommendations and ratios issued by the Danish Finance Society.

Ratios		Calculation formula	Ratios reflect
Gross margin (%)	=	Gross profit x 100 / Net sales	The enterprise's operating gearing
Operating margin (EBITA) (%)	=	EBITA x 100 / Net sales	The enterprise's operating profitability
Return on invested capital (%)	=	EBITA x 100 / Average invested capital incl goodwill	The return generated by the enterprise on investors' funds
Return on equity (%)	=	Profit/(loss) for the year Excl minority interests x 100 / Average equity excluding non-controlling interests	The enterprise's return on capital invested in the enterprise by the owners

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortization of intangible assets including goodwill and less other provisions. Accumulated impairment losses on goodwill are not added.

Net interest-bearing debt is defined as interest-bearing liabilities, net of interest-bearing assets and cash.

THE NEXT LEVEL OF SHIP SUPPLY

In 2022, we saw significant growth in the Ship Supply business, which was the result of a well-implemented and carefully executed operational improvement program enhancing our performance and digital transformation across the business – all led by our dedicated people.

Inflation remained an economic market condition throughout 2022. Where cost increases could not be avoided, these unfortunately had to be passed on to customers. However, several initiatives were taken to limit and mitigate the inflationary impact on our customers and to create transparency:

- Strong negotiations with suppliers to maintain the best possible price and cost levels whilst also trying to create win-win for our competent suppliers
- Close customer dialog and planning of supplies
- Market and business updates based on substantial own research were distributed to our customers every second month we have received significant recognition for this from our customers
- Launch of the 'Think differently' campaign, encouraging customers to opt for alternative provisions
- Monthly procurement summits to keep our commercial organization well informed about the inflationary impact and market trends

Significant growth reinforced by extended sales force

In 2022, we saw a significant revenue growth of 32% among our key account customers, and 37% growth within contracted business. This clearly demonstrates the mutual benefit of fixed agreements and long-term partnerships. The significant growth combined with a new strategic 5-year road map called for a reinforcement of our executive and senior commercial management team, aiming to lead the Ship Supply business to the next level. Peder Winther, CEO Ship Supply, was onboarded in October.

Core business up for a digital transformation

Our Ship Supply business delivered the first catalog of 11,500 items to the Source2Sea digital marketplace. "This is a great achievement performed by an agile and collaborating Ship Supply business supported by a strong Operational Excellence program," says Peder Winther, CEO Ship Supply.

Jens Panum Have, Vice President, Process Excellence, explains: "Ship Supply is on a transformational journey towards a digitalized way of doing business. This requires globally aligned processes and adjustments, and we are thrilled to see how different change management initiatives have already been well received in the business."

Artificial Intelligence and eSourcing

Items that are ordered by our customers outside our global assortment range have so far been handled semi-automatically by our specialized code cracking team. To streamline this process, we have initiated a new pilot project, fueled by Artificial Intelligence (AI) with the aim to more quickly select products for our customers and thus reduce our tender turnaround time.

The launch of eSourcing reaffirms our digital approach within Procurement. An eRFQ system and an eAuction system were introduced, aiming to boost financial results and create market transparency and efficiency in the way we work with our global suppliers.

Newbuilding deliveries boosted by strong entrepreneurship

With more than 200 newbuilding deliveries in China alone during 2022, we are proud to say that newbuilding service is one of our core competencies, and our branches in Guangzhou and Shanghai continue to excel in newbuilding service in 2023.

Strengthened market position in North America

Wrist North America created new growth opportunities in 2022, especially within cruise vessels – a customer segment that historically has not accounted for a large part of our business.

In August 2022, Wrist began the construction of a combined Distribution and Fulfillment Center in Houston, which we expect to be up and running in April 2023. The new facility will expand our existing 68,000 sq. ft. operation to 165,900 sq. ft. Sustainable solutions are incorporated into the framework of the new facility, also improving the local work environment.

Mike Liantonio, CEO of Wrist Ship Supply North America, explains: "Our new Houston facility will function as a National Distribution Center and the primary supplier of critical goods for all of Wrist North America."

Acquisition in Panama reinforces global promise

The integration of Centralam Pánama in Wrist, was completed very successfully. With this acquisition we expanded our global operational, commercial, and procurement network and secured a foothold at a strategically important maritime hub, to the benefit of our global customers.

2022 highlights

- Contracted business up 37%
- Artificial Intelligence and eSourcing
- Development of our position in North America

GARRETS (MARITIME SERVICES)

THE YEAR OF TRANSFORMATION

2022 was focused on turning a downtrend in revenue into an uptrend with increasing revenue. New digital solutions and Go-To-Market strategies were launched, and a new senior management team was brought on board with the aim of boosting customer services and organic growth. During the year, we succeeded in stabilizing revenue and we now again see growth.

During 2022, we welcomed many new customers, and extensive initiatives were launched to strengthen our Maritime Services business and to advance the digital transformation.

In response to high food inflation, we undertook a systematic review of customer budget rates, analyzed alternative supplies, and agreed changes to budget rates across all customers. The process of regularly reviewing rates with customers will continue throughout 2023 due to the volatile environment. We also worked with key suppliers to limit price increases to protect the food on the plate for crews as much as possible.

Launch of Gateway

In order to assist the rejuvenation of our revenue growth, we launched a cutting-edge digital platform, Gateway, to support the digitalization of our customers' business. Gateway is a digital end-to-end ordering and inventory management platform. It represents an entirely new way of interacting with our customers and vessels. Gateway adds a fast, easy, and transparent ordering process to our customers' budget management, coverage, and stock. It provides vessels with access to valuable data including prices, basket value, and nutritional information empowering masters and cooks to make informed decisions about what to order and where. During 2023, we will through Gateway introduce a new inventory management system, CO2 calculator, and other features as an integrated part of the platform. Our aim is to make Gateway the leading app of its kind and a source of sustained competitive advantage. We are very well on our way to achieve this.

300 vessels are already on the platform, and their feedback is highly positive. We anticipate the onboarding of further 600-700 vessels during the first half of 2023.

We invested heavily in analytics and customer self-service in the form of Garrets Insights providing our customers with access to reports on budget management, victualling performance, coverage, consumption, and stock in real time.

New visual identity

The launch of Gateway accelerated the need for a new straightforward design and expression – a new visual identity that resonates with the digitalized business. Our digital progress and the rebranding were received positively by customers. In addition, this development is also an important asset for us as an employer – to retain and attract talent.

Boosting the business for growth

To grow our business and keep our close relationships with customers, we established a new training and support service team. This team is responsible for conducting customer training activities as well as ensuring we visit most of our vessels frequently. The increase in activity and offering within this area has been well received by our customers in a service area seen as increasingly important to many of them.

The organization was strengthened even further with the recruitment of a Human Resources Business Partner. Increased focus on change management and staff development had a positive influence on culture and employee satisfaction. We also strengthened our organization with a new Asia Pacific Commercial team based out of Singapore. This has led to better customer satisfaction and additional business from the Asia Pacific region.

Improving social welfare on board

Ship owners and ship managers are increasingly demanding solutions that improve the social welfare of seafarers. As a Maritime Services provider, we provide nutritious food, galley crew training, and social activities on board. We see a great potential for additional services to improve health and crew welfare and we have therefore started exploring new, personalized services to support this.

2022 highlights

- Successful launch of Gateway – new digital ordering and stock management platform
- Stabilizing and growing revenue
- Galley training and crew welfare

STRACHANS (OFFSHORE SUPPLY)

RENEWABLES TAKING OFF

2022 was a very positive year for our Offshore Supply business, supported by a significant increase in offshore wind and renewables activity in the North Sea.

The market development around wind and renewables grew far quicker than expected with the sector accounting for 3.5% of our Offshore related turnover. The segment is expected to contribute up to 10% of turnover by 2025 as activity levels in the sector continuously increase. Many customers have started to reduce their dependency on traditional oil and gas business and are migrating towards renewables where we are also, as for oil and gas, well placed to support them.

Significant increase in sales volume

In total, sales performance was up in excess of 30% year-over-year. This stellar performance was driven by the uplift in the offshore wind and renewables market, increased drilling activity, and a buoyant marine sector.

Inflation was a major challenge for the business both from a product sourcing and operating cost perspective. Though there was an inflation contribution to sales, this was largely offset to support rising transport, utility, and wage escalations.

The UK oil and gas sector benefited from a rising oil price during 2022, but the newly introduced windfall tax combined with the falling price of oil is leading to some operators considering their UK expenditure strategies. However, at present, we are seeing a positive upturn in drilling activity for oil and gas as a result of the war in Ukraine. We also see an increase in some repair and maintenance work following a reduction in activity during the COVID-19 pandemic leading to a generally positive short-term outlook for the sector.

To reduce our dependency on oil and gas, we will in 2023 continue to develop our renewables offer, but also look to attract new sales by developing the traditional marine business and extending our service to a wider range of ports across the UK.

Responsible approach towards net-zero

We are committed to minimizing the environmental impact of our operations and this has become a focus area for the business. During 2022, our facilities in Den Helder, the Netherlands, were installed with solar panels which combined with the heat source pumps generates enough energy to meet the depot’s power requirements.

2022 highlights

- Sales up 30% year-on-year
- Renewables account for 3.5%
- Moving towards carbon neutrality

WRIST MARINE LOGISTICS (MARINE LOGISTICS)

DRIVING GROWTH IN LOGISTICS

In 2022, the online logistics portal was expanded with in-depth transport reports and CO2 emissions calculation. The online portal, combined with the effective door-to-deck solutions for complex logistics operations, enhanced logistics efficiency, providing our customers with data transparency, CO2 footprint information, and cost-efficient logistics solutions. Despite a highly competitive and inflationary market, we gained market share.

Freight rates remained elevated during 2022 due to rising fuel prices and congestion in supply chains. However, we started seeing a decrease in Q3 and Q4, although freight rates remained significantly higher than the 5-year average. One would therefore expect a reduced number of shipments, but despite the inflationary impact and a competitive market, we experienced that customers were confident working with us, and that we understand and know their business and always find the most cost-efficient logistics solutions.

Reliable door-to-deck solutions created growth

2022 saw a growing intake of new customers, as well as an increase in business with existing customers due to our ability to solve highly complex logistics challenges.

We have a significant network of contracted agents and external warehouse facilities to secure global coverage – complementary to the Wrist branches. This enables us to provide door-to-deck solutions even in complex ports, from orders being placed with third party suppliers to delivery on board the vessel – including global track & trace and last mile delivery.

Extension of last mile setup

Last autumn, we established a new last mile setup with an external warehouse facility in Rio De Janeiro, Brazil, to meet customer demand. Brazil is strategically important to our customers in the offshore segment, and we are confident that this new warehouse facility and extended global coverage will be attractive to more offshore customers going forward.

Online logistics portal with CO2 emissions calculation and customer integrations

In 2022, we launched a new module for our online logistics portal, enabling the calculation of CO2 emissions for our customers' entire freight, per order and per vessel. We also refined the quote module to provide in-depth analyses of our customers' third-party supplies.

"We receive positive customer feedback to the online portal, supporting the demand for a higher level of digitalization, efficiency, and transparency within marine logistics", says Frank Hjorth, General Manager, Wrist Marine Logistics.

Customers are keen to integrate our online portal into their own Fleet Management System (FMS), thus achieving data sharing and insights. The first integrations have already been made and more are planned. We also expect that this will pave the way for new partnerships with customers that are reliant on integrations.

2022 highlights

- Best-in-industry digital capabilities providing transparency and information
- Effective door-to-deck solutions and last mile setup extended to Brazil
- Online portal with CO2 emissions calculator and customer integrations

SOURCE2SEA (DIGITAL MARKETPLACE)

BUILDING A DIGITAL VENTURE

The Source2Sea digital marketplace reinforced its position as the driver of digital transformation in the marine supply industry. The digital marketplace accelerated greatly in 2022 with substantial investments and a strong organization in place. A significant number of pilot customers confirmed the great potential of the digital venture, and we are currently scaling up the platform with a significant Wrist customer – one of the largest shipping companies in the world.

The ship supply industry has only recently started adopting solutions driven by data and digitalization, and manual, analog, inefficient, and resource draining ship procurement is still predominant. So far, the industry has seen different traditional transaction platforms simplifying the RFQ process, however, these only serve to support the RFQ process, not to remove it.

Wrist has founded and funded Source2Sea, and we are developing a revolutionary digital marketplace for the marine industry. We are removing the RFQ process and facilitate a data-driven global marketplace that connects buyers and suppliers, empowering trade through reduced costs and increased convenience.

The basic idea is to help customer focus on their core business of running vessels and transporting cargo.

User involvement is crucial

Our strong Source2Sea organization is made up of experienced people from the marine and digital industry, providing us with a solid foundation for product development and market approach. As each customer operates differently, we spend time understanding their processes and pain points – all the way from the vessel and its crew to the shipping company ashore and its suppliers.

Throughout the building and development of the digital platform, we are involving our users, asking questions, iterating, and testing our ideas against real users from different shipping segments and functions within our customers, with various needs in real time, to ensure we build the solution in the right direction.

Building on relationships and taking the lead

The digitalization of marine supply and procurement will remove inefficient processes, not relationships. Since the launch of Source2Sea, we have received very positive and constructive feedback, allowing us to make the right adjustments. Strong relationships are essential to ensure we continuously develop what is already today the leading-edge digital marketplace in the marine industry.

Taking cost out

Our close dialog with purchasers confirms that due to inefficient manual processes, a disproportionate part of their time is spent on sourcing. The categories of provisions and stores represent 8% of the spend but consume, inefficiently, 50% of the time of the purchasing organization. In addition, products received onboard vessels are, in the analog process, often not what is expected leading to further cost, frustration, and inefficiency. This is all solved through Source2Sea.

For crews and buyers, we are building an unprecedented catalog based on their precise needs and requirements. What they click is what they get at the right time and right cost. This also provides an opportunity for the supplier to anticipate the needs of the vessels, making it easier to plan with sub-suppliers – and potentially achieve more attractive prices, to the benefit of both buyers and suppliers.

When we empower crews and buyers and incentivize suppliers, we reduce costs and increase convenience, transparency, and automation throughout the ecosystem – we take out cost, inefficiency, and frustration.

2022 highlights

- Leading-edge digital marketplace solution
- Taking out cost, inefficiency, and frustration
- Strong cooperation with buyer and supplier customers

ESG

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Statutory statement on Corporate Social Responsibility in compliance with §99a of the Danish Financial Statement Act (Årsregnskabsloven).

During 2022, we continued the development of a new Environmental, Social, and Governance (ESG) strategy and associated 5-year road map to proactively drive and meet our customers' current and future needs for a sustainable supply of goods and services. We engaged with an external advisory firm to help us in this process focusing on measurable and actionable solutions. As from March 2023, we recruited a Head of Environment, Social & Governance into a new position with the aim of launching the new global ESG strategy and the newly developed 5-year road map in Q2 2023.

Company structure, including legal structure and list of subsidiaries, are available on page 100 and 101, respectively. From page 8-16, we account for the Group's business areas, including products and services.

To be able to start measuring the initial ESG objectives, we defined a range of ESG objectives in 2022 in alignment with four prioritized UN Sustainable Development Goals:

- **Goal 5 – Gender equality:**
  To actively work towards gender equality on managerial levels
- **Goal 8 – Decent work and economic growth:**
  To create growth and apply high standards of health and safety
- **Goal 13 – Climate action:**
  To minimize the ocean impact we leave behind
- **Goal 16 – Peace, justice, and strong institutions:**
  To maintain high standards of business ethics

ESG objectives

1. We acknowledge our role as part of the marine supply industry, driving world trade at sea, and as a key enabler for the sustainable growth and development of our customers, suppliers, employees, and communities.
2. We have a strong focus on the impact we leave behind in terms of the environment, social responsibility, and governance.
3. Ensuring that our own business operations, buildings, and vehicles gradually reduce climate impact by 70% towards 2030, culminating in all greenhouse gas emissions being net zero by 2045.

ESG ambition

As a global company and market leader, we have the obligation – and the ambition - to act and contribute to the sustainability transition.

We are dedicated to being a socially responsible employer and global citizen. Through our solutions and products, we want to contribute to a responsible marine supply industry.

Environmental

At Wrist, we continuously work on reducing our own climate impact, while looking to meet our customers' demand for responsible solutions and services.

We are aware that our operations constitute a risk to the environment and climate. Environmental goals have been defined, and we have committed ourselves to reducing energy and waste in our own operations and expect our suppliers and business partners to also take this approach. With our global footprint, we endeavor to:

- Reduce GHG emissions of company cars (scope 1)
- Reduce GHG emissions of electricity for offices and warehouse facilities (scope 2)
- Prioritize circularity of resources within packaging, wrapping, and waste separation and minimize food waste (scope 3 emissions will be included in the new global ESG strategy)

Time to be aware

Aware is our co-brand aimed at offering our customers high quality eco-friendly products. With the aware product range, we provide responsible alternatives to the conventional products used in the maritime industry.

Aware is our customer's choice for:

- Eco-friendly solutions and services
- Quality products in cooperation with recognized trademarks

Our Aware products will not save the seas overnight but are a responsible choice to conserve and use the oceans while caring for seafarers.

Environmental goals	Status: 2022
GHG emissions reduction (scope 1): *Company cars* • In 2027, 50% of all new, European company cars must be hybrid and/or electric powered	• In Europe, 22% of all company cars are hybrid or electrically powered cars
GHG emissions reduction (scope 2): *Electricity* • Denmark: increase the share of electricity from renewable sources to 90% in 2025 • At Group level: increase the share of electricity from renewable sources to 50% in 2025	• In May 2022, solar panels were installed and put into operation at our facility at the Skaw (SAGA Shipping), Denmark, increasing the renewable share to 30% on a full year basis • All electricity in Aalborg, Denmark is certified green electricity from wind turbines • In Denmark, the renewable share is 81% in 2022 compared to our target of 90% in 2025 • In Wrist, the renewable share is 27% in 2022 compared to our target of 50% in 2025
Circularity of resources: *Stretch film*	• Biodegradable and nano stretch film has been tested in 2022 in Aalborg, Singapore, and Rotterdam, but it breaks – no suitable alternative has been identified

• Stretch film used for inbound deliveries must be handled more sustainably • Implementation in full by December 2025	so far • In most warehouses, stretch film is sold, remelted, and recycled
Circularity of resources: *Cardboard boxes* • Cardboard boxes for packing and shipping for inbound deliveries must be handled sustainably • Implementation in full by December 2025	• This year, we have started implementing RFIs (Requests for Information) from our suppliers, to be able to select vendors who give priority to sustainable cardboard and packaging alternatives • In most branches, cardboard boxes are reused if their condition is suitable – if not, they are sent for recycling
Circularity of resources: *Food waste* • Implementation in full by December 2025	• China and Singapore: foods close to expiry date are donated or given to staff • Europe: foods close to expiry date are distributed to employees and/or charity. Aalborg donated 11 tonnes of foods to charity in 2021 • Dubai: foods are given to staff to minimize waste • Maldives: foods close to expiry date are handled through an agreement with government waste management
Sustainable products and solutions: *Outbound plastics* • Outbound product packaging, plastics, and wrapping must be replaced by alternative material or there must be a plan for replacement/reduction by all suppliers that are global assortment vendors • Must be available by December 2025	• This year, we have started implementing RFIs (Requests for Information) from our suppliers, to be able to select vendors that give priority to alternative outbound product packaging, plastics, and wrapping

Social

We promote and encourage gender equality and diversity.

We support and enforce health and safety of all employees, to prevent health damage and avoid accidents and near miss incidents.

We encourage training and education to leverage our digital skills and performance, supporting and improving job satisfaction and retention.

With our social footprint, we endeavor to:

- Promote gender diversity at manager level (managers leading a team of one or more)
- Enforce the health and safety of all employees, to fully prevent accidents and near miss incidents
- Ensure continuous learning by mapping skills gaps and providing digital learning

- Support employees through employee performance reviews, employee engagement and job satisfaction surveys

Sponsorships for seafarers' welfare
At Wrist, we support maritime organizations and seafarers' welfare projects. We strive for diversity in our sponsorships, supporting primarily international organizations, such as Danish Seamen Churches, Day of the Seafarer, International Seafarers' Welfare and Assistance Network (ISWAN), Massachusetts Maritime Academy, and Mercy Ships. We also support local maritime organizations, such as Seaman-Aalborg, Aalborg Maritime Network, and Springeren (a local maritime museum in Aalborg). Finally, we support selected humanitarian aid programs, extending our maritime Expert Care to temporarily embrace people in need onshore.

Employees and social initiatives
Throughout Wrist, we feel positively obligated to contribute to growth, create new jobs in our locations – and give something back to the communities in which we operate.

As an attractive place to work, we want to be able to retain and develop our existing employees. Moreover, we help meet the demand for apprenticeships, traineeships, and internships and offer work experience arrangements for citizens who are unemployed.

Diversity and talent management
Statutory statement on gender representation in the leadership in compliance with section 99b of the Danish Financial Statements Act (Årsregnskabsloven).

Management
We are committed to achieving a sound and balanced gender composition across the company, and the Board of Directors has approved a policy aimed at increasing the share of the underrepresented gender at all management levels. Training, development, and promotional opportunities are available to prepare colleagues for management positions.

This policy will be monitored and reviewed annually by the Board of Directors, and progress compared to the stated intention is reported to the Board.

Wrist defines "Management" as:

- The Executive Board
- Directors and Managers reporting directly to the Executive Board
- Directors and Managers leading a team of one or more team members
- Specialists with company-wide impact

At the end of 2022, the share of male and female managers was 70% and 30%, respectively. This is above the aim for 2022 of 28% female managers. Wrist will continue to work towards a higher level of managerial diversity, and the 2023 target is a proportion of 68% and 32%, respectively.

In support of our 2022 target, we will continue our range of initiatives to help managers embrace the target:

Talent acquisition and internal promotions
Ensure candidate lists for job interviews at all levels have an equal representation of qualified candidates from both genders, and when top candidates are equally qualified, to select a candidate of the underrepresented gender.

The overarching principle, however, remains to be the selection of the best-qualified person, irrespective of gender, race, age, or religious beliefs.

Talent development

Ensure that talents of the underrepresented gender are supported by training, development, and mentoring opportunities that will assist them in their professional growth. This includes specifically defining managerial development opportunities during the annual performance reviews.

At Wrist, we have a long tradition of graduate and trainee programs, and we endeavor to have diversity at an entry-level here as well.

Board of Directors

In 2022, the gender composition at the Board of Directors level remained unchanged from previous years (0% female/100% male). This means that we did not meet the target for 2022, and the current representation of females in our Board of Directors is at 0%.

The target is to achieve at least an 80/20 distribution between men and women before the end of 2024. The target is related to the owner's representatives and does not include employee representatives (if any).

Health and Safety

We endeavor to ensure hazard-free workplaces for our colleagues, contractors, and others working in various locations by applying high standards of occupational health and safety. We strive to ensure the safety of products and services through efficient control systems in accordance with requirements from local safety organizations.

Our Health and Safety policy is implemented by creating awareness around our safety instructions and providing training for our colleagues in safety. Protecting the health and safety of our colleagues is of highest priority.

Safety training

We prioritize the safety education and training of our colleagues. The type of training is dependent on the job content. The focus and priority are adapted across all our branches, so that we ensure that all colleagues get safely through the working day. All colleagues in our warehouses are required to complete training before operating machinery or being involved in the handling of hazardous materials.

Any accidents are reported, and an evaluation is done to identify key training areas to improve the health and safety across the organization.

Anti-harassment

We have implemented an anti-harassment policy covering the entire Group to ensure a safe and welcoming work environment. The policy includes tools to report a breach and how such reports are handled. We have a zero-tolerance policy towards discrimination, the use of offensive language, bullying, excluding, or isolating, sexual harassment, and the like.

In 2022, no incidents of discrimination were reported.

Please refer to note 3 regarding employee numbers in Denmark and globally.

Social goals	Status: 2022
Gender diversity • Manager level: - 2022: Minimum 28% female - 2023: Minimum 32% female - 2024: Minimum 36% female	• 2022: 30% of managers are female
Health and safety • 100% registration of accidents and near misses	• No update until end 2023 – other than the US has introduced online Health and Safety training sessions for all employees working in the warehouse
Continuous learning • Mapping skills gap • At least one digital training event for each major location in 2023	• No update available until end 2023
Employee development, and job satisfaction • % of employees with at least two annual talks with their manager regarding performance and career development (warehouse employees and drivers exempted): - 2022: 75% - 2023: 85% - 2024: 95% • 2023: Conduct employee engagement and job satisfaction survey and create baseline for employee engagement • 2024: Minimum 10% employee engagement and job satisfaction improvement (baseline 2023)	• 2022: 75% of employees have had at least two annual talks with their manager regarding performance and career development (warehouse employees and drivers exempted)

Governance

As our owner is a private equity fund (Altor Fund II GP Limited) and a member of the Danish Venture and Private Equity Association (DVCA), we are committed to following the recommendations from DVCA or explaining why we do not follow these recommendations. Please note that the Annual Report is available on our website, wrist.com.

To promote the long-term interests of Wrist and our stakeholders, we maintain the highest legal and ethical standards in all business practices.

Wrist's ethical standards are rooted in the Group's culture, and every day we strive to fulfil the objectives to:

- Prioritize supply chain cooperation to ensure our suppliers adhere to our Supplier Code of Conduct
- Continuously run our business according to the Wrist Business Principles, ensuring our ethical standards

- Provide easy access to Wrist policies to ensure employees adhere to our global policies

Business Principles
At Wrist, we have a set of Business Principles providing guidelines to increase transparency and describe the way we act while pursuing our business objectives. Our Business Principles are available here: https://www.wrist.com/download/sustainability/business_principles2022.pdf.

The Business Principles are incorporated in Wrist's general business practices when living out our mission of 'Expert care – making our customers' life at sea better and Wrist a great place to work', and they reflect the UN Global Compact as well as relevant regulations on anti-corruption, competition law, and international trade sanction regulations.

The Business Principles guide and direct team members and managers in essential matters such as:

- Relationships with authorities
- Transparency
- Anti-trust
- Anti-corruption
- Trade sanctions
- Anti-fraud and accuracy of accounting records
- Respect for generally recognized (internationally and locally) human and labor rights
- Employment practices

The Business Principles represent the codification of the ethical standards we live by and promote in Wrist, and they are important cornerstones for the formulation and communication of Wrist's ethical position and policies.

Compliance Program
The overall Business Principles are further detailed in Wrist's Compliance Program, which covers the topics of:

- International trade sanctions
- Anti-bribery rules and principles
- Anti-trust rules/competition law
- General Data Protection (EU)
- Whistleblowing

During 2022, no incidents have been reported in any of the above areas.

The program complies with applicable rules and regulations and is tailored to Wrist and our industry, based on identified risk factors. Within each of these areas, the program comprises detailed written policies and procedures, as well as a training program and internal controls.

The implementation of the Business Principles and the Compliance Program has generated an increased awareness among team members and managers of the importance of avoiding violations.

International trade sanctions
It is the policy of Wrist that all employees, managers, and companies must comply with applicable Export and Import Controls and Economic Sanctions of the US, the EU, and the UN, as well as with the

regulations of respective countries in which Wrist operates. Colleagues are receiving training in international trade sanctions.

Anti-bribery rules and principles
Wrist operates worldwide, and from time to time in areas identified as high risk regarding corrupt practices. Furthermore, cash is still a means of payment used by vessels travelling at sea. Such risk factors, among others, have led us to pay special attention to the anti-bribery program. Colleagues receive training in anti-bribery rules and principles and are evaluated on a yearly basis.

Anti-trust rules/competition law
Wrist believes in vigorous, yet fair competition. Colleagues must never engage in any anti-competition actions, and each employee must comply with this principle. Colleagues are receiving anti-trust/competition law training.

General Data Protection (EU)
Directions on the EU General Data Protection Regulation in relation to business activities in Wrist are included in our online compliance training. Colleagues are receiving training in data protection rules.

Whistleblowing
A Group whistleblowing system specifically tailored to the requirements of Wrist enables colleagues, management, and the Board of Directors to report suspected breaches of the Business Principles, fraud, bribery, or other breaches of law anonymously with no risk of retaliation. The Whistleblowing Policy ensures that colleagues know how to react and how to report in the case of suspicion of a breach.

In 2022, one incident was reported to our whistleblowing system. Investigations showed no indications of fraud, nor infringement of company policies.

Data Ethics
Statutory statement on Policy for Data Ethics in compliance with section 99d of the Danish Financial Statements Act (Årsregnskabsloven).

A Group policy for Data Ethics is aimed at colleagues as well as current and potential business partners. The policy for Data Ethics covers use of all data types and is thus not limited to the use and protection of personal data. The policy complements the principles of transparency and data minimization of the Data Protection Regulation, as well as rules on integrity and confidentiality. The policy also supplements policies on the handling of personal data, use of cookies, etc.

Statement regarding the company's Policy for Data Ethics
The Policy for Data Ethics includes the type of data being used, how the data is provided, and how we use the data. The policy also includes information on artificial intelligence and machine learning as well as how we take in new technologies at a Group level.

In 2022, we streamlined data in general, ensuring that data about customers, suppliers, products, etc. are correct. We also worked to enhance the services provided to vessels by developing a product selection tool powered by Artificial Intelligence (AI). With this new tool, we will be able to more quickly select products for our customers, thus reducing the processing time even further. Due to Wrist's unique market position, it is possible to accrue a significant amount of historic data to feed the AI tool, providing a great foundation for this and/or other AI deployments.

Human rights, labour rights, suppliers, and supply chain
All Wrist's business activities are performed with respect for human and labor rights – for instance fair employment, dissociation from forced or compulsory labor and the use of child labor, freedom of association, the right to collective bargaining and freedom from discrimination.

Colleagues must act accordingly, and Wrist's Business Principles constitute an essential reference in dealings with external stakeholders.

At Wrist, we strive to ensure that our suppliers comply with our ethics and standards as expressed in our Business Principles. We operate in many regulatory environments and expect our suppliers to act ethically and comply with applicable rules in all countries where business is conducted.

With a significant number of global suppliers from many different countries, there is a risk that Wrist cannot ensure completeness regarding the awareness and understanding of our Business Principles, but the efforts and initiatives will continue to be a natural part of the development of our supply chain.

Governance goals	Status: 2022
Supply chain cooperation • 25 largest suppliers to adhere to Supplier Code of Conduct by the end of 2022 • Remaining suppliers to adhere to Supplier Code of Conduct by the end of 2023	• Target achieved: 128 of 141 global suppliers have signed the Code of Conduct (COC), including the 25 largest suppliers • Whenever we are running tenders, we attach the COC and demand every supplier (new and current) to comply with our COC
Wrist Business Principles and ESG policies • 0 incidents of breach of social, economic, or environmental laws/regulations, every year • 0 legal, yearly actions regarding anti-competitive behaviour • 0 incidents of corruption, yearly	• In 2022, we reported no incidents of breach of social, economic, or environmental laws/regulations • Target achieved

ESG initiatives (highlights)

Several climate improvements actions have been launched and/or completed to improve digital decarbonization, reduce food waste, achieve deforestation-free supply chains, and support seafarers' welfare as well as other activities.

The online customer portal made available to our Marine Logistics customers in 2021 was highly successful in 2022, providing our customers with CO2 emissions calculation for the entire freight per vessel and per order.

The digital marketplace for marine supply and procurement started adding transparency to maritime procurement for efficient and easier work processes on board – reducing food waste on board the vessels.

Gateway – the digital universe for an easy ordering process and stock and budget management, was launched in 2022 with smart recommendations for what, when, and where to order next – to streamline sourcing and avoid waste.

Reduction of food waste

With best-before tracking systems, 90% of all foods in Denmark close to expiry date were collected, providing food for people in need. In Vancouver, Long Beach, Las Palmas, and New Orleans we have similar food waste programs, donating food to people in need.

In 2022, 205 cooks were trained in waste management, including learning how to use provisions through guidance on food preparation, cooking techniques, portion size controls, and stock management – to avoid food waste.

Deforestation-free supply chains

In Q4 2022, we initiated the process of achieving a deforestation-free supply chain, extending our supply chain policy and Supplier Code of Conduct. Through our suppliers, we are collecting transparent tracking reports and mitigation plans that include measurable actions to eliminate deforestation in our assortment. We are taking this action to identify the deforestation policies of our suppliers as we want to achieve a deforestation-free supply chain.

RISK MANAGEMENT

Wrist is exposed to various risks that may impact the Group's results, cash flow, financial position, and prospects.

Significant potential risk factors related to markets, business operations and financial markets are identified, monitored, evaluated, and reported on a continuous basis, and risk management is also integrated in the Group's strategic planning process. Management regularly monitors developments in identified significant risks and reports these to the Board of Directors, for them to follow the work of the management and make the necessary decisions to manage risks.

The company has instructions in place allocating work between the Board of Directors and the Executive Board, covering the entire Group as well as subsidiaries, clarifying the duties and responsibilities as well as the framework within which the Executive Board can manoeuvre before Board approval is required.

Market risk

Market risk refers primarily to risk factors upon which the management can exert only limited influence in the short term, but which are addressed in its long-term strategic planning.

Industry prospects
Wrist offers its services to the shipping and offshore industry in numerous countries at the largest shipping lanes and offshore hubs, and this diversification mitigates risk. Wrist continuously monitors the development of the industries served to enable timely adjustments to its strategic planning. The relevant world fleet is growing, but spend pattern can fluctuate short term.

Structural changes
Structural changes among onshore and offshore distributors and potential consolidation of providers of services to the shipping industry create opportunities as well as risks. Wrist monitors developments and adjusts its strategic and tactical planning accordingly.

Business risk

Business risk refers to overall risks relating to the current operations of the company.

Price fluctuations
To mitigate risks associated with fluctuations in costs, Wrist is continuously working to improve its sourcing and sales pricing processes, to optimize its pricing of products and contractual agreements and manage inventory levels.

Customer retention
Wrist serves a large and diverse customer base, which is broadly distributed both geographically and in terms of supply solutions and products. This mitigates risk, as does the Group's focus on customer service. With its global key account management organization, Wrist has a thorough understanding of the needs of its customers and can develop initiatives to improve its offerings.

Financial reporting
Mitigation of the key risks relating to the Group's financial reporting is ensured through Group policies on financial management, a financial manual, internal controls, and the statutory audit. Wrist adheres to firm budgeting and reporting schedules and monitors the performance of its business units monthly. Structured business review meetings are also held monthly.

IT system availability
High-quality and reliable IT systems and data are important for the Group's order processing, warehousing, delivery of services, financial reporting, and accounting records. Wrist is continuously testing and developing the capacity, accessibility, reliability, and security of its IT systems to secure high performance.

Environmental risk
This category of risk relates to costs the Group may incur to reduce emissions according to new or stricter environmental legislation, to arrange more effective waste disposal, etc. To reduce these risks, the Group strives to stay within the boundaries set by local legislation, reduce emissions (and related costs), and promote biodegradable products to customers. The operations of the Group are not considered to have a significant environmental impact.

Political risk
Political risk is the risk that the authorities, in the countries where the Group operates, by political decisions or administration make continuation of operations difficult, expensive, or impossible for the Group. The Group mainly operates in countries where the political risk is considered negligible or minor.

Compliance with regulations
Wrist is committed to conducting business in compliance with all applicable laws and other regulation and to adhering to principles of good corporate citizenship in all countries in which it is active. The manager of each business unit, supported by Group functions, is responsible for monitoring and enforcing the Group's policies, as well as ensuring compliance with national legislation and local requirements. Wrist's Business Principles, related policies, and procedures are available to managers and team members to assist and direct them in carrying out their duties.

Financial risk

Financial risk factors refer to fluctuations in the Group's results, cash flows, or financial position due to changes in Wrist's financial exposure. The overall objective of risk monitoring and control is to ensure cost-effective financing and to minimize potential adverse impacts from market fluctuations.

Currency risk
Due to the international nature of Wrist's operations, the Group is exposed to currency risks. The Group's business activities are predominantly denominated in USD and GBP, while most credit facilities are denominated in DKK, USD, and GBP (currencies listed according to aggregated amounts).

Currency risk arises from transaction exposure, which relates to exchange rate fluctuations that affect currency flows related to the business activities, and from translation exposure related to the translation of the subsidiaries' financial statements from their local currencies to DKK.

The Group usually benefits from natural risk coverage, where sales and costs are both denominated in local currencies. Thus, overall, the transaction exposure is deemed to be limited.

Translation exposure, however, arises when the subsidiaries' financial statements in local currencies are translated into DKK, partly due to differences in the closing rates of the current year and the previous year, and partly because the comprehensive income statement is translated at the average rates of the year, whereas the statement of financial position is translated at the closing rates. Translation differences are reported against Other Comprehensive Income. The risk is largest for the currencies where the Group has the largest net assets and where the exchange rate movements against DKK are largest.

Interest rate risk
Changes in the interest levels may affect the financial results. The Group manages this risk by derivative financial instruments, e.g., interest rate swaps.

Liquidity risk and refinancing risk
Liquidity risk is defined as the risk of the Group incurring increased costs due to lack of liquid funds, while refinancing risk is defined as the risk of the refinancing of maturing loans becoming difficult or costly. The loans of the Group are mainly long term.

Wrist maintains a healthy financial position, cash flow, and liquidity reserve. Treasury management is centralized and ensures that sufficient financial resources are available to meet planned requirements. Wrist has entered into a long-term committed financing agreement with a banking syndicate, enabling both current operations and planned expansion.

Credit risk
Credit risk consists of the commercial risk of bad debt, i.e., in case a customer is unable to pay for delivered supplies due to financial difficulties, and financial counterparty risk.

Wrist has an extensive range of customers in countries all over the world. From time to time a customer may face financial problems or go bankrupt as this is an inherent risk in the industries in which Wrist operates. However, no customer represents more than a minimal share of net sales and thereby represents a limited risk. The aggregate amount recognized under trade receivables in the balance sheet constitutes the maximum credit risk. Receivables relate primarily to shipping, ship management and catering companies.

Handling increased credit risk in the shipping industry, Wrist’s global credit function monitors the creditworthiness of existing and new customers and assists in debt collection. Wrist conducts individual assessments of its customers’ creditworthiness continuously via the centralized function.

Based on the internal competencies and close monitoring of risks by the management, the Group has chosen not to have an audit committee.

FINANCIAL REVIEW

Sales

The volume of supplies to ships and offshore continued to increase in 2022. The increase in sales is seen throughout most business activities and most significant in Ship Supply. The sales increase is driven by volume, inflation and currency fluctuations.

In total, and in the reporting currency, net sales increased 20.9%, amounting to DKK 5,389m compared to DKK 4,458m in 2021. In 2022 positive impact from the acquisition of Centralam is impacting net sales by DKK 70m.

Our sales outlook in the annual report 2021 was DKK 4,7bn – 4,9bn while our sales in 2022 reached DKK 5,4bn. The main explanation to the sales being above our guidance from last year is due to the higher inflation in 2022 and positive impact from USD and GBP currency conversion.

Gross profit

Gross profit increased in 2022 to DKK 1,510m from DKK 1,199m in 2021. The gross profit ratio increased to 28.0% compared to 26.9% in 2021. The primary drivers for the improved ratio is increased focus on our procurement strategy, price management and change in business mix.

Other operating income

Other operating income amounts to DKK 20m in 2022 compared to DKK 10m in 2021. In 2022, we have received insurance compensation related to the damages our facility in New Orleans suffered in 2021 due to Hurricane Ida.

Other operating expenses

Other operating expenses amount to DKK 0m compared to DKK 0m in 2021.

Operating profit (EBITA)

The reported EBITA increased by DKK 85m from DKK 156m in 2021 to DKK 241m in 2022, which is an increase of 54.9%. The operating margin (EBITA) was 4.5% in 2022 compared to 3.5% in 2021.

When comparing the operating profit to the expectations from the annual report for 2021 (EBITA DKK 240-265m) we arrived within this range.

Net profit

The net profit for the year was DKK 113m compared to DKK 58m in 2021. Management considers the profit level to be within their expectations, and evaluate the result as being at an acceptable level.

The change in net profit compared to last year is due to increased sales combined with improved gross profit margin, but increased costs, depreciations, amortizations and net interest expenses are reducing the positive impact.

Cash flows

The cash flow from operating (CFFO) activities increased to DKK 194m in 2022 compared to DKK 79m in 2021. The improvement in CFFO is driven by the improved operating profit and a better development in working capital compared to last year.

The net working capital as per 31 December 2022 was 450m, an increase of DKK 100m compared to 2021 working capital of DKK 350m. The working capital, as a ratio of sales, was 8.1% in 2022 compared to 7.5% in 2021 partly driven by change in business mix.

Investments

Net investments amounted to DKK 118m, including DKK 26m acquisition of enterprises, compared to DKK 74m in 2021. In 2022 right-of-use assets was increased by DKK 172m compared to DKK 18m in 2021. The significant increase in right-of-use assets is from extension of rental agreement on Aalborg facility.

Sale of property, plant and equipment amounted to DKK 2m compared to DKK 2m in 2021.

Invested capital aggregates to DKK 1,866m as per 31 December 2022, compared to DKK 1,582m last year.

Financial position

On 31 December 2022, cash and cash equivalents were DKK 108m and total available cash resources amounted to DKK 191m, compared to DKK 255m at the same time the year before. Wrist has entered into agreements on long-term committed credit facilities, enabling both current operations and planned expansion.

The net interest-bearing debt (NIBD) amounted to DKK 830m on 31 December 2022 compared to DKK 698m at the end of 2021. The increase is mainly related to the increased working capital, FX impact and to finance the investments.

The net interest-bearing debt as a ratio of EBITA stood at 3.4 by the end of 2022, compared to 4.5 the year before.

Subsequent events

No significant post-balance sheet events to report.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENTS

	Note	2022 DKK'000	2021 DKK'000
Net sales	1	**5,389,028**	**4,457,695**
Cost of sales		-3,878,982	-3,259,034
Gross profit		**1,510,046**	**1,198,661**
Other external expenses	2	-474,481	-368,890
Staff costs	3	-699,392	-576,127
Other operating income	4	19,666	10,362
Other operating expenses	5	-214	-4
Depreciation and amortization	6	-159,168	-141,189
Operating profit before interest and tax (EBIT)		**196,457**	**122,813**
Profit from investments in associates		760	358
Financial income	7	3,694	7,328
Financial expenses	8	-62,995	-56,113
Profit before tax (EBT)		**137,916**	**74,386**
Income tax	9	-25,062	-16,468
Net profit for the year		**112,854**	**57,918**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		112,854	57,918
		112,854	**57,918**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	2022 DKK'000	2021 DKK'000
Net profit for the year		**112,854**	**57,918**
Other comprehensive income			
Exchange differences, foreign entities		21,792	46,467
Total comprehensive income		**134,646**	**104,385**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		134,646	104,385
		134,646	**104,385**

CONSOLIDATED BALANCE SHEETS, ASSETS

	Note	2022 DKK'000	2021 DKK'000
Goodwill	10	821,811	770,809
Software		81,887	59,982
Other intangible assets		46,757	20,573
Intangible assets in development		7,506	36,651
Intangible assets	**11**	**957,961**	**888,015**
Land and buildings	12	11,805	15,861
Fixtures and equipment	12	24,167	30,721
Leasehold improvements	12	17,304	17,419
Ships	12	19,355	13,612
Leased assets	13	397,433	303,713
Tangible assets in development	12	17,466	0
Property, plant and equipment		**487,530**	**381,326**
Investment associated companies		758	439
Deferred tax assets	15	44,029	53,730
Other non-current assets		**44,787**	**54,169**
Non-current assets		**1,490,278**	**1,323,510**
Inventories		**370,335**	**304,053**
Trade receivables	16	933,786	812,568
Receivables from group enterprises		110,929	57,521
Income tax receivable		6,193	11,509
Other receivables		82,799	85,046
Prepayments		29,256	11,570
Receivables		**1,162,963**	**978,214**
Cash and cash equivalents		**108,421**	**170,405**
Total current assets		**1,641,719**	**1,452,672**
Total assets		**3,131,997**	**2,776,182**

CONSOLIDATED BALANCE SHEETS, EQUITY AND LIABILITIES

	Note	2022 DKK'000	2021 DKK'000
Share capital		17,000	17,000
Foreign currency translation reserve		-1,236	-23,028
Retained earnings		1,050,672	937,818
Wrist Ship Supply´s share of equity		**1,066,436**	**931,790**
Liabilities			
Deferred tax	15	11,142	24,730
Provisions	17	12,572	11,708
Debt to mortgage credit institutions	18	833	934
Debt to credit institutions	18	519,815	554,084
Lease debt	18	347,535	247,758
Other debt	18	20,076	0
Non-current liabilities		**911,973**	**839,214**
Installment of non-current debt next year	18	157,900	118,765
Provisions	17	5,660	539
Trade creditors	18	727,766	639,543
Corporate tax		20,180	23,170
Other payables	18, 19	234,338	222,617
Deferred income		7,744	544
Current liabilities		**1,153,588**	**1,005,178**
Total liabilities		**2,065,561**	**1,844,392**
Total equity and liabilities		**3,131,997**	**2,776,182**

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Share capital DKK'000	Foreign currency translation adjustment DKK'000	Retained earnings DKK'000	Total DKK'000
Shareholders' equity at 1 January 2022	**17,000**	**-23,028**	**937,818**	**931,790**
Net profit for the year	0	0	112,854	112,854
Exchange differences, foreign entities	0	21,792	0	21,792
Total comprehensive income	**0**	**21,792**	**112,854**	**134,646**
Shareholders' equity at 31 December 2022	**17,000**	**-1,236**	**1,050,672**	**1,066,436**
Shareholders' equity at 1 January 2021	**17,000**	**-69,495**	**879,817**	**827,322**
Net profit for the year	0	0	57,918	57,918
Exchange differences, foreign entities	0	46,467	0	46,467
Total comprehensive income	**0**	**46,467**	**57,918**	**104,385**
Other changes	0	0	83	83
Shareholders' equity at 31 December 2021	**17,000**	**-23,028**	**937,818**	**931,790**

Number of shares is 17,000 with the nominel value of DKK 1,000.
All shares are fully issued and paid up.
No dividend was declared in 2022 or 2021.

CONSOLIDATED CASH FLOW STATEMENTS

	Note	2022 DKK'000	2021 DKK'000
Profit before tax (EBT)		137,916	74,386
Profit from investments in associates		-760	-358
Depreciation and amortization		159,168	141,189
Changes in working capital	20	-83,141	-116,077
Adjustments for non-cash items	21	48,817	39,040
Cash flow from ordinary operating activities		**262,000**	**138,180**
Financial income		3,616	6,966
Financial expenses		-47,224	-47,499
Income taxes refunded/paid		-24,899	-18,180
Cash flow from operating activities (CFFO)		**193,493**	**79,467**
Acquisition etc. of intangible assets		-57,235	-66,583
Acquisition etc. of property, plant and equipment		-36,667	-9,413
Sale of property, plant and equipment		1,506	1,746
Acquisition of enterprises	14	-26,231	0
Dividend received		441	215
Cash flow from investing activities (CFFI)		**-118,186**	**-74,035**
Installments on loans etc.	22	-89,397	-85,891
Cash flow from group enterprises		-53,029	-5,114
Other cash flows from financing activities		0	44
Cash flow from financing activities		**-142,426**	**-90,961**
Cash flow for the year		**-67,119**	**-85,529**
Cash and cash equivalents at 1 January		170,405	240,221
Currency translation adjustments of cash and cash equivalents		5,135	15,713
Cash and cash equivalents at 31 December		**108,421**	**170,405**

The cash flow statement cannot be derived from the published financial information only.

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NOTES TO THE CONSOLIDATED STATEMENTS

	2022 DKK'000	2021 DKK'000
1 Net sales		
Europe	2,690,357	2,221,072
Northern America	1,435,044	1,115,289
Asia	667,785	611,812
Middle East and Africa	354,961	349,283
Other regions	240,881	160,239
	5,389,028	**4,457,695**
Hereof sales of services	**119,871**	**103,884**

The Group is not listed or in the process of becoming listed, and no segment information is disclosed according to IFRS. Revenue is split between geographical regions. This information does not amount to segment information according to IFRS.

	2022 DKK'000	2021 DKK'000
2 Fees to auditors appointed at the annual general meeting		
Fees to Deloitte		
Statutory audit	3,761	3,404
Tax and VAT services	165	334
Non-audit services	261	618
Fees to Auditors	**4,187**	**4,356**
Statutory audit (other auditors)	1,482	1,368
Other assurance engagements (other auditors)	6	0
Tax and VAT services (other auditors)	1,330	1,370
Non-audit services (other auditors)	444	345
Fees to Other Auditors	**3,262**	**3,083**
	7,449	**7,439**

3 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries and related expenses	629,632	514,249
Pension costs	28,401	24,995
Other social security costs	41,359	36,883
	699,392	**576,127**
Global:		
Average number of full-time employees at 31 December	1,517	1,397
Number of full-time employees at 31 December	1,563	1,404
Denmark:		
Average number of full-time employees at 31 December	343	316
Number of full-time employees at 31 December	355	321

	Board of Directors DKK'000	Executive Board DKK'000	Other top manage-ment DKK'000	Total DKK'000
Remuneration	1,117	0	0	1,117
Salary	0	10,300	19,871	30,171
Bonus	0	10,244	4,727	14,971
Pension, company contributions	0	0	908	908
Benefits (car, housing, phone etc.)	0	492	1,495	1,987
Cost at 31 December 2022	**1,117**	**21,036**	**27,001**	**49,154**
Remuneration	1,117	0	0	1,117
Salary	0	7,000	13,868	20,868
Bonus	0	3,917	2,439	6,356
Pension, company contributions	0	0	889	889
Benefits (car, housing, phone etc.)	0	535	1,077	1,612
Cost at 31 December 2021	**1,117**	**11,452**	**18,273**	**30,842**

The Executive Board and a number of members of other top management in both the parent company and in the Group are comprised by special bonus arrangements based on individual performance targets. For the Executive Board the bonus payments are maximized at 70% of the individual basic salary, and for other top management these vary between 10% to 60% of the individual basic salary. In 2022 the Executive Board have been extended from 2 to 3 persons.

Certain employees and members of management have in the period 2012 to 2022 acquired warrants and shares in the parent Wrist Ship Supply Holding A/S at the fair value of the warrants and shares at the date of acquisition. The warrants and shares are fully vested. The warrants outstanding at 31 December 2022 are exercisable at the time Wrist Ship Supply Holding A/S is sold or becomes listed. However, exercise also requires that certain thresholds for increase in the fair value of the shares in Wrist Ship Supply Holding A/S are achieved.

3 Staff costs continuing

As the warrants and shares are purchased by the employees at their fair value, no amounts related to the warrants or shares are recognized in the Wrist Ship Supply A/S Group.

Number of outstanding warrants	Warrants	Excercise prices DKK
1 January 2021	1,326	64,808 - 120,015
Issue of new warrants	55	
Excercised by share subscription	0	
31 December 2021	1,381	64,808 - 123,963
Issue of new warrants	0	
Excercised by share subscription	0	
31 December 2022	1,381	64,808 - 123,963
Share valuation at 31 December 2022:		
Undiluted		167,465
Diluted		165,572

4 Other operating income

	2022 DKK'000	2021 DKK'000
Rent income	3,823	4,141
Gain from sale of non-current assets	0	64
Salary Reimbursements	5,275	5,173
Other income	10,568	984
	19,666	**10,362**

Other income is mainly related to insurrance compensation related to damages on facility from Hurricane Ida in 2021.

5 Other operating expenses

	2022 DKK'000	2021 DKK'000
Losses from sale of non-current assets	214	0
Other expense	0	4
	214	**4**

	2022 DKK'000	2021 DKK'000
6 Depreciation and amortization		
Amortization of intangible assets	44,477	32,699
Depreciation of property, plant and equipment	20,040	20,136
Depreciation of leased property and equipment	90,574	85,184
Reversal impairment	0	-732
Leasehold improvements	4,077	3,902
	159,168	**141,189**

	2022 DKK'000	2021 DKK'000
7 Financial income		
Interest income arising from Group enterprises	951	1,596
Interest income	2,346	5,101
Exchange rate adjustments	0	291
Other financial income	397	340
	3,694	**7,328**

All financial assets are measured at amortized costs, and hence all interest income is from financial assets measured at amortized cost.

	2022 DKK'000	2021 DKK'000
8 Financial expenses		
Interest expenses	30,883	29,462
Exchange rate adjustments	3,780	0
Interest from leases	15,702	16,082
Other financial expenses	12,630	10,569
	62,995	**56,113**

All financial liabilities are measured at amortized cost, and hence all interest expenses are from financial liabilities measured at amortized cost.

	2022	2021
	DKK'000	DKK'000
9 Income tax		
Current tax:		
Current tax on profit for the year	32,841	21,593
Adjustment in respect of prior years	-2,569	986
Total current tax	**30,272**	**22,579**
Adjustment of deferred tax asset/liability	-3,475	-7,192
Adjustment of deferred tax due to change in tax rates	-6	-155
Adjustment of deferred tax asset/liability in respect of prior years	-1,729	1,236
	-5,210	**-6,111**
Total income tax	**25,062**	**16,468**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profit of the consolidated entities as follows:

Reconciliation of tax rate		
Earnings before tax	**137,916**	**74,386**
Calculated tax at Danish statutory rate of 22%	30,342	16,365
Effect from difference in tax rate in foreign subsidiaries	-1,801	670
Adjustment in respect of prior years	-4,298	2,222
Effect from change in local tax rate	-6	-155
Income/Loss from associates and expenses from subsidaries	-167	-901
Change in tax legislation	-1	-1
Income / expenses not subject to tax	993	-1,732
Tax charge	**25,062**	**16,468**
Effective tax rate (%)	**18.2%**	**22.1%**

10 Impairment test

Goodwill

Besides goodwill there are no intangible assets with indefinite useful lives. At 31 December 2022, the CGUs Ship Supply, North America, Van Hulle, Offshore and Panama accounted for DKK 387m, (2021: DKK 372m), 211m (2021: DKK 199m), DKK 45m (2021: DKK 45m), 136m (2021: DKK 142m) and DKK 30m (2021: 0m) of the consolidated goodwill. Goodwill allocated across multiple CGUs, for which the goodwill allocated to each unit is not significant, amounts to DKK 13m (2021: DKK 13m). Wrist performed impairment test of the carrying amount of goodwill at 31 December 2022 based on value in use. Impairment testing is performed in fourth quarter of 2022, based on the budgets and business plans approved by the Board of Directors.

The impairment test for cash-generating units compares the recoverable amount, equivalent to the present value of the expected future free cash flow, with the carrying amount of the individual cash-generating units. The expected future free cash flow is based on budgets, business plans and projections for subsequent years. Key parameters include gross profit margin, EBIT margin and future capital expenditure, and general growth expectations for the years after 2026.

Budgets and projections for the 2023-2026 period are based on business plans and external market surveys, assessing risks associated with key parameters and incorporating these in expected future free cash flows. The value for the period after 2026 takes in account the general growth expectations of the ship supply and offshore industries.

Growth rates are not expected to exceed the average long-term growth rate in the Group's market for supplying provisions to the global ship fleet, so a growth rate interval of 1.0-3.6% is used in the terminal period.

10 Impairment test continuing

The key assumptions from the impairment test of goodwill are as follows:

2022	Discount rates before tax	Discount rates after tax	Terminal growth rates	Increase in EBIT 2023 to terminal period	Increase of Net Working Capital from 2023 until terminal period
Ship Supply	10.1%	9.5%	2.1%	10.7%	6.6%
North America	11.6%	10.9%	3.6%	9.3%	9.3%
Panama	11.6%	11.6%	3.6%	15.8%	15.8%
Offshore	11.1%	10.5%	1.0%	3.0%	3.0%
Van Hulle	10.4%	9.7%	2.4%	9.3%	-5.9%

2021	Discount rates before tax	Discount rates after tax	Terminal growth rates	Increase in EBIT 2022 to terminal period	Increase of Net Working Capital from 2022 until terminal period
Ship Supply	7.9%	7.6%	0.4%	10.5%	10.2%
North America	9.9%	9.4%	1.5%	9.3%	9.3%
Offshore	8.7%	8.3%	1.0%	3.0%	3.0%
Van Hulle	8.0%	7.6%	0.5%	4.6%	-2.6%

The impairment tests performed at 31 December 2022 for Ship Supply, North America, Offshore, Van Hulle and Panama indicate significantly higher capital values of the assets compared to the carrying amounts, and the impairment tests are therefore not sensitive to changes in the significant conditions and factor.

	Goodwill DKK'000	Software * DKK'000	Other intangible ** DKK'000	Intangible assets in develop-ment DKK'000	Total DKK'000
11 Intangible assets					
Cost at 1 January 2022	**770,113**	**191,056**	**108,190**	**36,651**	**1,106,010**
Exchange rate adjustments	24,628	435	3,169	0	28,232
Additions from acquisitions	29,817	197	5,844	0	35,858
Additions	0	46,757	5,986	4,492	57,235
Transfer	0	1,259	32,989	-33,637	611
Cost at 31 December 2022	**824,558**	**239,704**	**156,178**	**7,506**	**1,227,946**
Amortization at 1 January 2022	**-696**	**131,074**	**87,617**	**0**	**217,995**
Exchange rate adjustments	3,443	289	3,170	0	6,902
Amortization for the year	0	24,276	20,201	0	44,477
Transfer	0	2,178	-1,567	0	611
Amortization at 31 December 2022	**2,747**	**157,816**	**109,422**	**0**	**269,985**
Carrying amount at 31 December 2022	**821,811**	**81,887**	**46,757**	**7,506**	**957,961**
Cost at 1 January 2021	**722,359**	**157,850**	**105,668**	**3,343**	**989,220**
Exchange rate adjustments	47,754	0	4,491	0	52,245
Additions	0	33,206	69	33,308	66,583
Disposals	0	0	-2,038	0	-2,038
Cost at 31 December 2021	**770,113**	**191,056**	**108,190**	**36,651**	**1,106,010**
Amortization at 1 January 2021	**-7,426**	**111,919**	**71,815**	**0**	**176,308**
Exchange rate adjustments	6,730	0	4,296	0	11,026
Amortization for the year	0	19,155	13,544	0	32,699
Reversal regarding disposals	0	0	-2,038	0	-2,038
Amortization at 31 December 2021	**-696**	**131,074**	**87,617**	**0**	**217,995**
Carrying amount at 31 December 2021	**770,809**	**59,982**	**20,573**	**36,651**	**888,015**

* Software purchased external.
** Other intangible assets are mainly customer relations acquired separately in business combinations.

	Land and buildings DKK'000	Fixtures and fittings, tools and equipment DKK'000	Leasehold improve-ments DKK'000	Ships DKK'000	Tangible assets in develop-ment DKK'000	Total DKK'000
12 Property, plant and equipment						
Cost at 1 January 2022	**63,866**	**214,867**	**58,427**	**36,878**	**0**	**374,038**
Exchange rate adjustments	3,638	1,132	1,154	0	-501	5,423
Additions from acquisitions	0	1,100	597	0	0	1,697
Additions	376	6,453	4,681	7,190	17,967	36,667
Disposals	0	-9,062	-6,253	-819	0	-16,134
Transfer	642	-1,524	-642	0	0	-1,524
Cost at 31 December 2022	**68,522**	**212,966**	**57,964**	**43,249**	**17,466**	**400,167**
Depreciation at 1 January 2022	**48,005**	**184,146**	**41,008**	**23,266**	**0**	**296,425**
Exchange rate adjustments	3,021	1,025	983	0	0	5,029
Depreciation for the year	5,691	12,902	4,077	1,447	0	24,117
Reversal regarding disposals	0	-8,189	-5,408	-819	0	-14,416
Transfer	0	-1,085	0	0	0	-1,085
Depreciation at 31 December 2022	**56,717**	**188,799**	**40,660**	**23,894**	**0**	**310,070**
Carrying amount at 31 December 2022	**11,805**	**24,167**	**17,304**	**19,355**	**17,466**	**90,097**
Cost at 1 January 2021	**60,705**	**206,521**	**55,592**	**36,878**	**0**	**359,696**
Exchange rate adjustments	2,022	8,932	1,354	0	0	12,308
Additions	1,139	6,793	1,481	0	0	9,413
Disposals	0	-7,379	0	0	0	-7,379
Cost at 31 December 2021	**63,866**	**214,867**	**58,427**	**36,878**	**0**	**374,038**
Depreciation at 1 January 2021	**40,493**	**170,739**	**36,049**	**20,587**	**0**	**267,868**
Exchange rate adjustments	2,371	7,434	1,057	0	0	10,862
Depreciation for the year	5,141	12,316	3,902	2,679	0	24,038
Reversal regarding disposals	0	-6,343	0	0	0	-6,343
Depreciation at 31 December 2021	**48,005**	**184,146**	**41,008**	**23,266**	**0**	**296,425**
Carrying amount at 31 December 2021	**15,861**	**30,721**	**17,419**	**13,612**	**0**	**77,613**

13 Leases

	Leased buildings DKK'000	Leased equipment DKK'000	Total DKK'000
Cost at 1 January 2022	**436,125**	**106,775**	**542,900**
Exchange rate adjustments	4,665	-325	4,340
Additions from acquisitions	11,217	0	11,217
Additions	149,428	22,261	171,689
Disposals	-35,058	-36,217	-71,275
Transfer	0	913	913
Cost at 31 December 2022	**566,377**	**93,407**	**659,784**
Depreciation and impairment at 1 January 2022	**180,672**	**58,515**	**239,187**
Exchange rate adjustments	579	-915	-336
Depreciation for the year	65,742	24,827	90,569
Reversal regarding disposals	-29,159	-38,384	-67,543
Transfer	0	474	474
Depreciation and impairment at 31 December 2022	**217,834**	**44,517**	**262,351**
Carring amount at 31 December 2022	**348,543**	**48,890**	**397,433**
Cost at 1 January 2021	**419,930**	**97,519**	**517,449**
Exchange rate adjustments	15,209	5,810	21,019
Additions	6,834	11,323	18,157
Disposals	-5,848	-7,877	-13,725
Cost at 31 December 2021	**436,125**	**106,775**	**542,900**
Depreciation and impairment at 1 January 2021	**117,841**	**38,955**	**156,796**
Exchange rate adjustments	5,219	2,817	8,036
Depreciation for the year	61,816	23,368	85,184
Reversal regarding disposals	-3,472	-6,625	-10,097
Impairment	-732	0	-732
Depreciation and impairment at 31 December 2021	**180,672**	**58,515**	**239,187**
Carrying amount at 31 December 2021	**255,453**	**48,260**	**303,713**

Impairment is included in other operating costs.

13 Leases continuing

	2022 DKK'000	2021 DKK'000
Lease liabilities		
Within 1 year	86,306	115,306
Between 1-3 years	113,884	171,359
Between 3-5 years	135,349	76,653
More than 5 years	150,970	81,793
Total undiscounted lease payments	**486,509**	**445,111**
Carrying amount at 31 December	**425,222**	**332,022**

	2022 DKK'000	2021 DKK'000
Leases recognized in the Income Statement		
Income from subleases	3,823	4,141
Short-term*) and low-value leases expenses	8,411	5,379
Variable lease payment expenses and additional costs	9,768	6,136
Interest from leases	15,702	16,082

*) Short term lease expense is related to contract with a lease period of less than 12 months.

14 Acquisition of companies

On 9th February 2022, the Group finalized the acquisition of 100% of the share capital of Centralam International Holdings S.A and the operating entity Centralam. Centralam is a recognized ship chandler based at the Pacific side of the Panama Canal. Centralam Panama annually serves more than 2,500 vessels passing through the Atlantic and Pacific ports of Panama, providing customers with marine provisions, technical goods and stores, owners' goods and spare parts handling as well as storage, distribution and other services. In acquiring Centralam Panama, Wrist is expanding its global operational, commercial and procurement network and thus its unique global offering.

The aforementioned acquisition, on 9th February 2022, was financed by existing credit lines. The transaction is classified as a business combination and has been treated in accordance with IFRS 3. At the reporting date, the calculation of the fair value of the assets acquired and the liabilities has been completed. The consideration for the acquisition of control of Centralam amounted to DKK 49.5m (USD 7.2m), while the fair value of net assets at the date of acquisition of control was DKK 19.7m (USD 3.0m). Deferred consideration amounting to DKK 20.1m has been included based on projected performance until 31.12.23. Acquisition related costs amounts to DKK 1.8m and is included in other external expenses in the income statement.

The fair value recognition of the assets acquired and liabilities assumed in the acquisition entailed the following:

Intangible assets with a finite useful life: allocation of the fair value to customer relationship has been based on the excess earning method. The fair value was determined at DKK 5.8m (USD 0.8m) based on the customer turnover rate and a remaining useful life has been considered at 5 years.

Inventory: allocation of the fair value on inventory was determined by reviewing ageing reports and fair value was determined at DKK 3.0m (USD 0.5m) including provision for impairment of DKK 0.4m (USD 0.1m).

Account receivables: allocation of the fair value on receivables was determined by reviewing ageing reports and fair value was determined at DKK 10.2m (USD 1.5m) including provision for bad debt of DKK 0.6m (USD 0.1m).

From the acquisition date 9th February 2022, Centralam contributed to the Group's net sales by DKK 70.2m (USD 9.8m) and with a profit of DKK 6.1m (USD 0.9m). If the acquisition had taken place on 1 January 2022, Wrist Ship Supply Group's consolidated net sales and profit would have been impacted by DKK 74.5m (USD 10.5m) and DKK 7.8m (USD 1.1m), respectively.

14 Acquisition of companies continuing

The assets and liabilities recognised as a result of the acquisition are as follow:

	Provisional amounts at 9 February 2022	Adjustments	Fair value at 9 February 2022
Non-current assets			
Customer relations	0	5,844	5,844
Software	197	0	197
Fixtures and equipment	1,697	0	1,697
Leased assets	0	11,217	11,217
Current assets			
Inventories	3,608	-597	3,011
Account receivable	10,580	-372	10,208
Other current receivables	831	0	831
Cash and cash equivalents	3,162	0	3,162
Non-current and current liabilities			
Lease liabilities	0	-11,323	-11,323
Accounts payable	-5,549	0	-5,549
Corporate tax	505	0	505
Other debt	-148	0	-148
Net identifiable assets acquired	**14,883**	**4,769**	**19,652**
Other adjustments	0	0	0
Goodwill	0	29,817	29,817
Net assets acquired	**14,883**	**34,586**	**49,469**
Cash and cash equivalents acquired	-3,162	0	-3,162
Additional consideration paid, not yet allocated	5,055	-5,055	0
Deferred consideration	0	-20,076	-20,076
Cash flow from acquisition of enterprises	**16,776**	**9,455**	**26,231**

	Intangible assets DKK'000	Tangible assets DKK'000	Financial non-current assets DKK'000	Current assets DKK'000	Provisions DKK'000	Taxable losses DKK'000	Long term liabilities DKK'000	Short term liabilities DKK'000	Total deferred tax DKK'000
15 Deferred tax asset and deferred tax liabilities									
Deferred tax at 1 January 2022	**31,203**	**15,747**	**-4,256**	**-4,530**	**-3,577**	**-21,232**	**-40,178**	**-2,177**	**-29,000**
Reclassifications	-1,112	-11,482	4,132	2,152	151	-3,295	12,541	-3,087	0
Exchange rate adjustments	691	264	0	-393	-13	-495	-1,122	-44	-1,112
Charge to the income statement	2,224	-1,840	-4	-25	382	3,930	1,702	-9,844	-3,475
Adjustments to previous years (through the income statement)	712	-1,022	0	0	-21	-1,625	163	64	-1,729
Change in tax rate (through the income statement)	0	0	0	0	-6	0	0	0	-6
Other adjustments	0	0	0	0	0	2,435	0	0	2,435
Deferred tax at 31 December 2022	**33,718**	**1,667**	**-128**	**-2,796**	**-3,084**	**-20,282**	**-26,894**	**-15,088**	**-32,887**

Deferred tax is presented in the balance sheet as follows:	
Deferred tax asset	44,029
Deferred tax liability	11,142
Deferred tax asset year end, net	**32,887**

The Group expects to utilize the deferred tax assets as the Group entities generel have a positive taxable income.

	Intangible assets DKK'000	Tangible assets DKK'000	Financial non-current assets DKK'000	Current assets DKK'000	Provisions DKK'000	Taxable losses DKK'000	Long term liabilities DKK'000	Short term liabilities DKK'000	Total deferred tax DKK'000
Deferred tax at 1 January 2021	**29,789**	**24,337**	**0**	**-4,008**	**-3,796**	**-18,509**	**-42,972**	**-3,385**	**-18,544**
Exchange rate adjustments	729	554	0	-406	-11	-670	-1,517	-305	-1,626
Charge to the income statement	945	-7,878	-1,637	-182	358	-4,004	4,397	1,697	-6,304
Adjustments to previous years (through the income statement)	-260	-1,266	0	66	27	2,805	-86	-184	1,102
Change in tax rate (through the income statement)	0	0	0	0	0	0	0	0	0
Other adjustments	0	0	-2,619	0	-155	-854	0	0	-3,628
Deferred tax at 31 December 2021	**31,203**	**15,747**	**-4,256**	**-4,530**	**-3,577**	**-21,232**	**-40,178**	**-2,177**	**-29,000**

Deferred tax is presented in the balance sheet as follows:	
Deferred tax asset	53,730
Deferred tax liability	24,730
Deferred tax asset year end, net	**29,000**

The Group expects to utilize the deferred tax assets as the Group entities generel have a positive taxable income.

16 Trade receivables

	2022 DKK'000	2021 DKK'000
Trade receivables	890,650	774,542
Contract assets	61,199	55,143
Provisions for impairment of trade receivables	-18,063	-17,117
	933,786	**812,568**
Impairment losses at 1 January	-17,117	-18,122
Addition of acquisition	-372	0
Exchange rate adjustments	-478	-635
Losses realized for the year	918	3,757
Provisions for bad debt for the year	-653	-2,020
Reversed, unrealized impairment of receivables	-361	-97
Impairment losses at 31 December	**-18,063**	**-17,117**

The expected credit losses in the income statement amount to DKK 1,056k (2021: DKK 1,742k).
Reference is made to note 26 where the credit risk is described.

	31 December 2022 DKK'000	31 December 2021 DKK'000	1 January 2021 DKK'000
Contract assets			
Provision and stores management	61,199	55,143	56,816
Revenue recognized in the period from performance obligations satisfied in previous periods	55,143	56,816	

There is no impairment losses for the year regarding Contract assets.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

16 Trade receivables continuing

	Total	Not past due	Past due at 31 December 2022			
			< 30 days	30-60 days	61-90 days	> 91 days
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Trade receivables	951,849	606,868	133,986	83,845	39,154	87,996
Expected credit loss rate (%)		0.2%	0.0%	0.1%	5.6%	16.2%
Estimated total gross carrying amount at default	18,063	1,485	58	55	2,175	14,290

	Total	Not past due	Past due at 31 December 2021			
			< 30 days	30-60 days	61-90 days	> 91 days
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Trade receivables	829,685	518,202	108,756	82,683	45,173	74,871
Expected credit loss rate (%)		0.4%	0.5%	1.1%	3.5%	16.3%
Estimated total gross carrying amount at default	17,117	1,862	522	909	1,585	12,239

17 Provisions	Provisions for pension and pension-like liabilities DKK'000	Provisions for restoration liabilities DKK'000	Provisions for dismantling liabilities DKK'000	Provisions for onerous contracts DKK'000	Total provisions DKK'000
Provisions at 1 January 2022	**796**	**7,806**	**3,647**	**0**	**12,249**
Exchange rate adjustments	1	156	27	-100	84
Increase	0	543	3,375	61	3,979
Discounting interests	0	136	54	0	190
Decrease	-2	-349	0	-1,669	-2,020
Transfer	0	0	0	3,750	3,750
Provisions at 31 December 2022	**795**	**8,292**	**7,103**	**2,042**	**18,232**
Non-current provisions	**795**	**8,292**	**3,080**	**405**	**12,572**
Current provisions	**0**	**0**	**4,023**	**1,637**	**5,660**
Provisions at 1 January 2021	**795**	**7,654**	**3,375**	**0**	**11,824**
Exchange rate adjustments	1	129	221	0	351
Increase	0	235	0	0	235
Discounting interests	0	155	51	0	206
Reversal	0	-367	0	0	-367
Provisions at 31 December 2021	**796**	**7,806**	**3,647**	**0**	**12,249**
Non-current provisions	**796**	**7,516**	**3,398**	**0**	**11,710**
Current provisions	**0**	**290**	**249**	**0**	**539**

Provisions for pension and pension-like liabilities are where the Group is obligated to pay anniversary bonuses etc. Provisions for restoration liabilities are where the Group has an obligation to restore rented facilities upon vacating such facilities.

Provisions for dismantling liabilities are where the Group is obligated to dismantle assets placed in rented facilities.

Provisions for onerous contracts liabilities are where the Group is obliged to pay for unused leased premises.

18 Current and non-current liabilities

	Payments due 1 year 2022 DKK'000	Payments due between 1-5 years 2022 DKK'000	Outstand-ing after 5 years 2022 DKK'000
Debt to mortgage credit institutions	101	404	429
Lease debt	77,687	208,012	139,523
Debt to credit institutions	80,112	519,815	0
Other debt	0	20,076	0
Trade creditors	727,766	0	0
Other payables	234,338	0	0
	1,120,004	**748,307**	**139,952**

Other debt relates to deferred consideration regarding acquisition of enterprise.

Specification of contractual cash flows incl. interest:			
Debt to mortgage credit institutions	107	420	434
Lease debt	86,306	249,233	150,969
Debt to credit institutions	118,243	542,411	0
Other debt	0	20,076	0
Trade creditors	727,647	0	0
Other payables	234,338	0	0
	1,166,641	**812,140**	**151,403**

	Payments due 1 year 2021 DKK'000	Payments due between 1-5 years 2021 DKK'000	Outstand-ing after 5 years 2021 DKK'000
Debt to mortgage credit institutions	101	405	529
Lease debt	84,264	193,542	54,216
Debt to credit institutions	34,400	554,084	0
Trade creditors	639,543	0	0
Other payables	222,617	0	0
	980,925	**748,031**	**54,745**

Specification of contractual cash flows incl. interest:			
Debt to mortgage credit institutions	107	428	668
Lease debt	115,306	248,012	81,794
Debt to credit institutions	60,979	589,653	0
Trade creditors	639,543	0	0
Other payables	222,617	0	0
	1,038,552	**838,093**	**82,462**

	2022 DKK'000	2021 DKK'000
19 Other payables		
Social security and other related expenses	82,167	63,278
Customer bonuses	106,143	89,443
Commissions	1,950	3,523
VAT	4,830	14,372
Other accrued expenses	39,248	52,001
	234,338	**222,617**

	2022 DKK'000	2021 DKK'000
20 Change in working capital		
Increase/decrease in inventories	-57,837	-54,814
Increase/decrease in receivables	-106,792	-141,186
Increase/decrease in trade payables etc.	81,488	79,923
	-83,141	**-116,077**

	2022 DKK'000	2021 DKK'000
21 Adjustments for non-cash items		
Financial income and expenses	49,374	40,448
Gains/losses from sale of non-current assets	214	-64
Change in provisions	-773	-1,557
Change in provisions from payments	2	213
	48,817	**39,040**

	Long-term borrowings DKK'000	Short-term borrowings DKK'000	Lease liabilities DKK'000	Total liabilities from financing activities DKK'000
22 Reconciliation of liabilities arising from financing activities				
1 January 2022	**555,018**	**34,502**	**332,021**	**921,541**
Cash flows	-4,957	4,313	-88,753	-89,397
Non-cash change:				
Reclassification	-36,730	36,730	0	0
Additions lease liabilities	0	0	171,689	171,689
Additions from acquisitions	0	0	11,323	11,323
Foreign exchange movement	10,853	2,884	5,127	18,864
Other	16,540	1,784	-6,185	12,139
31 December 2022	**540,724**	**80,213**	**425,222**	**1,046,159**
1 January 2021	**567,279**	**101**	**386,000**	**953,380**
Cash flows	237	-5,090	-81,038	-85,891
Non-cash change:				
Impact of IFRS 16 implementation	-34,400	34,400	0	0
Additions lease liabilities	0	0	18,157	18,157
Foreign exchange movement	21,902	4,725	13,728	40,355
Other	0	366	-4,826	-4,460
31 December 2021	**555,018**	**34,502**	**332,021**	**921,541**

23 Mortgages and collateral

As security for the Group's credit facilities, W.S.S. Holding A/S and Wrist Ship Supply Holding A/S has issued floating-charge and share pledge securities to Nordea for all material companies in the Wrist Ship Supply Group.

Land and buildings have been used to secure mortgage loans totalling DKK 934k (2021: DKK 1,036k). The book value is DKK 4,352k as at 31 December 2022 (2021: DKK 3,859k).

The Group has issued guaranties amounting to DKK 28m (2021: DKK 21m).

Joint taxation arrangement
The company is party to a mandatory Danish joint taxation arrangement with Wrist ADM ApS serving as the administration company. The joint taxation arrangement complies with general Danish tax legislation and has included other Danish sister companies due to common ultimate ownership. The company is from 1 July 2012 partial joint and secondary liability for obligations, if any, relating to withholding of tax on interest, royalties, and dividend for the jointly taxed companies. However, secondary liability cannot exceed an amount equivalent to the share of capital of the company which is owned directly or indirectly by the ultimate parent. Tax liabilities concerning sister companies previously included in the joint tax arrangement and for which the company may be jointly liable as described above are covered by an indemnification agreement with W.S.S. Holding A/S.

24 Contingent liabilities

The Group is involved in a few disputes, lawsuits, etc of various scopes. No significant liabilities are considered to be incumbent on the Group in that respect, and the outcome of the disputes is not expected to have significant impact on the Group's financial position beyond what has been recognized in the balance sheet.

25 Related parties and group relations

Related parties of the company are Wrist Ship Supply Holding A/S, W.S.S. Holding A/S, O.W. Lux SARL and their subsidiaries.

Altor Fund II GP Limited, Jersey is the ultimate controlling party and controls W.S.S. Holding A/S, which is the upper Danish holding company of the Group.

Transactions with parent entities.

	2022 DKK'000	**2021 DKK'000**
Financial items, net	951	884
Financial receivables	73,722	26,398

All transactions were made on terms equivalent to arm's length principles.

26 Financial risks and financial instruments

All financial assets and financial liabilities in Wrist are measured at amortized cost except derivatives used for hedging purposes, which are measured at fair value through profit or loss. At 31 December 2022 and 31 December 2021 no derivatives was in place.

Financial risk management

Wrist manages its identified risks according to the risk management policies approved by the Board of Directors. The policies are reviewed and approved by the Board on an annual basis and include:

- Exchange rate risk
- Interest rate risk
- Liquidity risk
- Credit risk

The Group has centralized its management and monitoring of risks and measures exposures on a frequent basis. The Group does not enter into speculation and the purpose of the risk management activities are to monitor and reduce the Group's exposures due to its operational, investment and financing activities.

In order to manage market risks (i.e., exchange rate and interest rate risks), the Group enters into plain vanilla derivatives such as FX forwards and interest rate swaps.

Each risk is described further below.

Exchange rate risk

The Group's business activities are predominantly based in USD, GBP, SGD and EUR, and many credit facilities are denominated in DKK, USD and GBP (currencies listed according to the size of aggregated amounts). Wrist aims to match costs and revenues, as well as assets and liabilities, through representation in the countries in which Wrist operates, and transacting in the functional currencies of the various business units. Therefore, most of the business has no or very limited transaction-related exchange rate exposure. Significant investments in foreign entities are financed in the same currency. Consequently, material currency exposure for the Group is limited to EUR and translation risks related to foreign subsidiaries.

The Group's FX translation risk mainly relates to USD and GBP. At 31 December 2022 and 31 December 2021 no open cash flow hedge contracts was in place.

Fair value hedge accounting

In order to reduce the exchange rate risk, Wrist enters into FX forward contracts (buy EUR / sell DKK) on a rolling basis (i.e. new FX instruments are entered into every third month) and are designated as hedging instruments in fair value hedges of recognized EUR liabilities. There is an economic relationship between the hedged item and hedging instruments since terms of the FX forward match the terms of the EUR loan (i.e. notional amount, maturity, payment dates, etc.). The Group designates the spot component only.

At 31 December 2022 and 31 December 2021 no hedging instrument or hedged item was in place.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase in USD and GBP. The sensitivity analysis includes investments in relevant subsidiaries and external debt, where the debt is denominated in the relevant currency. A positive number indicates an increase in profit/(loss) or equity where the currency strengthens 10% against DKK at the balance sheet date. A 10% weakening of the currency would have a comparable but opposite impact on profit/(loss) and equity.

	2022 DKK'000	2021 DKK'000
Impact on profit/(loss) from translation of net debt	8,319	2,410
Impact on equity from translation of investments in subsidiaries	59,474	54,645

Interest rate risk

Wrist primarily obtains financing with floating rates and are exposed to interest rate changes both in Denmark and abroad. The interest rate exposure is primary related to fluctuations to CIBOR and LIBOR. The Group's floating rate loans at 31 December 2022 came in at DKK 560,075k (31 December 2021 at DKK 512,137k). With regard to the Group's floating rate loans and cash equivalents, an annual 1% increase in the interest level in proportion to the actual interest rates would, other things being equal, have had an adverse hypothetical impact on the profit before tax of DKK 5,601k (2021: DKK 5,121k) and on equity of DKK 4,369k (2021: DKK 3,995k). A declining interest level would have had a corresponding positive impact on result and equity.

At 31 December 2022 and 31 December 2021 no open interest hedge contracts was in place.

The sensitivity analysis was based on the Group’s exposure to floating-rate liabilities and derivatives at the end of the reporting period. For floating-rate liabilities, the analysis is based on the assumption that the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

Cash flow hedge accounting

The Group enters into pay fixed/receive floating interest rate swaps in order to reduce the variability in future interest payments. At 31 December 2022 and 31 December 2021 no open cash flow hedge contracts was in place.

Liquidity risk

Wrist has entered into a long-term committed financing agreement with credit facilities enabling both the current operations and planned expansion. Treasury management is centralized and ensures that sufficient financial resources are available to meet planned requirements. This is done by ensuring that the cash flow monthly matches the planned cash needs. The entities in the Group have a positive cash flow monthly. Wrist is in a sound financial position with significant positive cash flows from operating activities and adequate cash reserves. Reference is made to note 18 where the maturity of financial obligations is disclosed.

Credit risk

Credit risk mainly relates to trade debtors, other receivables, and cash at banks. The aggregate amounts recognized under these items in the balance sheet constitute the maximum credit risk. Receivables relate to shipping, ship management, and catering companies. Credit risk associated with the shipping industry is handled by the global credit function, which monitors the creditworthiness of existing and new customers and assists in collection. Wrist conducts individual assessments of customer creditworthiness, and credit lines are managed globally. Cash is held with banks with high credit ratings.

Fair values measurements

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group measures financial instruments fair value hedge at fair value level 2.

Wrist does not have any assets or liabilities measured at fair value other than interest rate derivative contracts entered into to hedge future cash flows of floating rate financing. Interest rate derivative contracts are measured at fair value based on discounted cash flows based on observable input (level 2). Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates.

There has been no transfers between the levels in 2022 or 2021.

Specification of financial assets and obligations

	Carrying value 2022 DKK'000	Fair value 2022 DKK'000	Carrying value 2021 DKK'000	Fair value 2021 DKK'000
Loans and receivables	1,635,526	1,635,526	1,438,414	1,438,414
Derivatives used as hedging instruments, level 2	0	0	0	0
Financial obligations measured at amortized cost	2,016,007	2,016,007	1,804,559	1,804,559

The management is of the opinion that the carrying amounts of all other financial assets and liabilities recognized in the consolidated financial statements approximate their fair values.

Capital structure

The Company's management assesses whether the Group's capital structure is in line with the interests of the company and its shareholders. The overall objective is to ensure a capital structure that supports long-term profitable growth. As of 31 December 2022, the Group's net interest-bearing debt comprise DKK 830m (2021: DKK 698m), which is considered a reasonable level compared to the current need for financial flexibility. There are no changes in the Group's guidelines and procedures for managing capital structure in 2022.

27 Events after the reporting period

There has been no post-balance sheet events material to this Annual Report which have not been recognized or mentioned.

28 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 29, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

During the year we have monitored our activity closely and the uncertainties have impacted our key accounting estimates and judgements as follows:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The key assumptions used in the impairments tests of goodwill are disclosed in note 10.

Business combinations

At the date of preparation of these consolidated financial statements the Purchase Price Allocation at the fair value of acquired assets, liabilities and contingent liabilities has been completed. The best available input in determining fair value of all assets and liabilities have been used. No expert have been involved in the valuation process due to the rather simple business setup (reference is made to note 14).

Revenue recognition

Revenue for the sale of goods is recognized in accordance with IFRS 15, when Group has transferred control of the goods sold to the customer and it is probable that the Group will collect the consideration to which it is entitled for transferring the goods. Control of the products is transferred at a point in time, typically on delivery, which is upon delivery alongside the ship. As part of the Group's activities, Wrist offers a "Provision Management Service", where the global supply costs are settled through a fixed monthly invoice based on a victualling rate per man per day. However, Wrist has transferred control of the goods to the customer upon delivery alongside the ship. Thus, the customer has legal title to and physical possession of the goods, all significant risks and rewards related to the goods have been transferred, including any risk of physical damage to the goods, and the customer has accepted the goods. Because of the possible disconnection between the timing of the delivery of the goods, the actual consumption of the goods by the ship and the invoicing of the victualling rate, there are some uncertainties as to the actual amount of consideration to which the Group will be entitled for the goods delivered. However, the uncertainty is not significant enough to warrant postponement of the recognition of the revenue. Thus, management expects that the consideration will in all cases cover Wrist's costs related to the goods delivered as a minimum. Therefore, revenue related to the unconsumed and not invoiced part of goods delivered is recognized at an amount that equals cost and included as a contract asset as part of the trade receivables.

Sales of goods through Wrist's "Provision Management Service" results in a situation, where part of the goods delivered is not consumed by nor invoiced to the customer.

Due to certain uncertainties related to the actual amount of consideration to be received for such goods, until the goods are consumed by the customer, revenues related to these goods are recognized at amount that equals cost. When the goods are consumed by the customers, any additional considerations are recognized as revenue. The corresponding amount in the balance sheet is presented as a contract asset as part of the trade receivables.

29 Accounting policies

The 2022 annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure. The accounting policies set out below have been used consistently in respect of the financial year. For standards implemented prospectively, comparative information is not restated.

The annual report have been prepared according to the same accounting policies as last year, but includes some reclassifications in the presentation.

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of Wrist Ship Supply A/S (the parent company) and entities controlled by Wrist Ship Supply A/S and its subsidiaries. Control is achieved when the parent company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The parent company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Wrist Ship Supply A/S and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature. All financial statements used for consolidation are presented in accordance with the accounting policies of the Group.

On consolidation, intercompany income and expenses, intercompany accounts and dividends as well as gains and losses on transactions between the consolidated entities are eliminated.

The items in the financial statements of the subsidiaries are recognized in full in the consolidated financial statements.

Defining materiality

Our annual report is based on the concept of materiality, to ensure that the content is material and relevant to the readers. The consolidated financial statements consist of many transactions. These transactions are aggregated into classes according to their nature or function, and presented in classes of similar items in the financial statements and in the notes as required by IFRS. If items are individually immaterial, they are aggregated with other items of a similar nature in the statements or in the notes. The disclosure requirements throughout IFRS are substantial, and we provide the specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the readers of these financial statements.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit/(loss) as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in profit/(loss) as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognized amounts of the acquiree’s identifiable net assets. The measurement basis is decided on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment of goodwill is recognized directly in profit/(loss). An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit/(loss) on disposal.

Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated into DKK using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period.

Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of foreign operations (i.e. disposal of the Group's entire interest in foreign operations or disposal involving loss of control over a subsidiary that includes foreign operations, all of the exchange differences accumulated in equity in respect of such operations attributable to the owners of the parent company are reclassified to profit/(loss).

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of foreign operations are treated as assets and liabilities of such foreign operations and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Uncertain tax positions are measured at the amount estimated to be required to settle such potential future obligations. We measure these uncertain tax positions on a yearly basis through interviews with key stakeholders in the main Group entities.

The measurement addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and IFRIC 23.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit/(loss), except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Income statement and statement of comprehensive income

Revenue recognition

Revenue from sale of goods is recognized when control of the goods has transferred to the customer, being when the goods are delivered to the customer. Delivery typically occurs when goods are placed along-side the customer's ship.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The payment terms are typically between 30 to 60 days and the transaction price is therefore not adjusted for the effects of a significant financing component. No special obligations in relation to warranties or return obligations compared to the industry.

Cost of sales

Cost of sales includes expenses incurred to purchase goods, adjusted for changes in inventories of goods for resale.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss (see Note 13).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Employee benefits

Retirement benefit costs and termination benefits

Payments to defined-contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Wrist Ship Supply Group does not have any material defined-benefit plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of other long-term employee benefits mainly consist of jubilee obligations, and are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature viewed in relation to the Group's primary activities, including gains (losses) from the sale of tangible and intangible non-current assets.

Financial income and expenses

Financial income and expenses include interest, foreign currency gains and losses of payables and foreign currency transactions as well as amortization of financial assets and liabilities, including finance lease obligations and surcharges and refunds under the on-account tax scheme, etc.

Balance sheet

Intangible assets

Software is recognized initially at cost including the directly attributable cost of preparing the software for its intended use. Software is amortized on a straight-line basis over the estimated useful life (3-6 years).

Internally generated assets arising from development are recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources necessary to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The cost of internally generated assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above, and comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Other intangible assets

Customer relations acquired separately in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

Property, plant and equipment

Sites and buildings, leasehold improvements as well as other facilities, equipment and fixtures are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the acquisition price, costs directly related to the acquisition and the costs of preparing the asset up until such time as the asset is ready for use. Land is not depreciated.

If the acquisition or use of the asset requires the Group to incur costs for dismantling or restoration of the asset, the estimated costs of such measures are recognized as a provision and a part of the cost of the asset concerned, respectively.

The basis of depreciation is the cost of the asset less its residual value. The residual value is the expected amount that could be obtained if the asset were sold today less selling costs if the asset already had the age and was in the condition that the asset is expected to be in at the end of its useful life. The cost of a combined asset is split into smaller parts which are depreciated separately if the useful lives differ.

Depreciation is recognized so as to write off the cost or valuation of assets (other than land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

The depreciation periods are as follows:

- Buildings, 20-40 years
- Fixtures and fittings, tools and equipment, 3-6 years
- Leasehold improvements, 3-7 years or the lease term if shorter
- Ships, 15-20 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain/(loss) arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit/(loss).

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Receivables

Receivables comprise trade receivables, contract assets, receivables from Group enterprises and other receivables.

On initial recognition, receivables other than trade receivables are measured at fair value less transaction costs and subsequently at amortized cost, which usually corresponds to the nominal value less write-down for bad debts.

Trade receivables are initially recognized at their transaction price, being the amount to which the Group is expected to be entitled.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognized when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All financial assets, except derivatives that are assets, are classified at amortized cost, as they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

Financial assets are assessed for indications of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Wrist Ship Supply Group has historically not experienced material losses related to receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit/(loss).

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be attributed objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit/(loss) to the extent that the carrying amount of the investment.

An allowance for expected credit losses is recognized on initial recognition of all financial assets measured at amortized costs, and remeasured at each reporting date.

For trade receivables and contract assets expected credit losses are measured as lifetime expected credit losses.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. For trade receivables and contract assets that are considered credit impaired, the expected credit loss is determined individually.

Trade receivables and contract assets are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.

Loss allowance is calculated using a provision matrix that incorporates an ageing factor, geographical risk and specific customer knowledge. The provision matrix is based on historical credit losses incurred within relevant time-bands of days past due adjusted for a forward looking element. The forward looking element include consideration of country credit ratings, based on information from external rating agencies, and management’s expectations related to future development in the market in question and economics in general if relevant.

Other financial assets relate to receivable from Group enterprises for which expected credit losses are measured at 12 months expected credit losses unless there has been a significant increase in the credit risk since initial recognition. No such increase in credit risk has been experienced, at expected credit losses related to receivables from Group enterprises.

Other non-current assets

Other non-current assets mainly relate to deposits and loans which are measured at amortized cost. Amortization for the year is stated in the income statement.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the parent company’s own equity instruments is recognized and deducted directly in equity. No gain/(loss) is recognized in profit/(loss) on the purchase, sale, issue or cancellation of the parent company’s own equity instruments.

Financial liabilities

Financial liabilities in Wrist Supply Group are all classified as “other financial liabilities” measured at amortized cost except for liabilities related to derivatives entered into hedge future cash flows, which are classified as liabilities at fair value through profit/(loss).

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in note 26.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset.

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges and cash flow hedges, respectively.

Fair value hedges:

The fair value change on qualifying hedging instruments is recognized in profit or loss.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss.

Where hedging gains or losses are recognized in profit or loss, they are recognized in the same line as the hedged item.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria. This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

Cash flow hedges:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss and is included in financial items.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Segment information

The Group is not listed or in the process of becoming listed, and no segment information is disclosed according to IFRS.

In note 1, revenue is split between Europe and the rest of the world as well as into the sale of goods and services. This information is not segment information in accordance with IFRS.

Cash flow statement

The cash flow statement is presented according to the indirect method and shows the composition of the cash flow divided into operating, investing and financing activities, respectively, and the cash funds at the beginning and end of the year.

Cash funds consist of cash in hand and bank deposits.

Loans represent total interest-bearing debt items less interest-bearing receivables. Formation of leases are considered as non-cash transactions

All other non-interest-bearing receivables and debt items are regarded as working capital.

Cash flows from operating activities are stated as Profit before tax (EBT) adjusted for non-cash operating items, changes in working capital, financial items and paid tax.

Cash flows from investing activities comprise payments made in connection with the acquisition and disposal of enterprises and activities and the acquisition and disposal of non-current assets.

Cash flows from financing activities comprise payments to and contributions from owners as well as the raising and repayment of loans.

Impact from new IFRS

The implementation of new or amended standards and interpretations that have come into force for financial statement preparers for 2022 has not resulted in any changes to recognition and measurement or to note disclosures.

At the date of the presentation of this annual report, a number of new or amended standards and interpretations exist that have not yet become effective and are therefore not included in the annual report. The new standards and interpretations will be implemented as they become mandatory.

PARENT

INCOME STATEMENTS

	Note	2022 DKK'000	2021 DKK'000
Net sales	**1**	**474,926**	**407,909**
Cost of sales		-335,314	-293,140
Gross profit		**139,612**	**114,769**
Other external expenses	2	-124,263	-111,987
Staff costs	3	-140,140	-123,140
Other operating income	4	155,431	123,546
Depreciation and amortization	5	-43,502	-40,564
Operating profit before interest and tax (EBIT)		**-12,862**	**-37,376**
Profit from investments in subsidaries	12	120,032	79,483
Financial income	6	53,859	44,020
Financial expenses	7	-49,449	-32,961
Profit before tax (EBT)		**111,580**	**53,166**
Income tax	8	1,274	4,752
Net profit for the year		**112,854**	**57,918**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		112,854	57,918
		112,854	**57,918**

PARENT

STATEMENTS OF COMPREHENSIVE INCOME

	Note	2022 DKK'000	2021 DKK'000
Net profit for the year		**112,854**	**57,918**
Other comprehensive income			
Exchange differences, foreign entities		21,792	46,468
Total comprehensive income		**134,646**	**104,386**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		134,646	104,385
		134,646	**104,385**

PARENT

BALANCE SHEETS, ASSETS

	Note	2022 DKK'000	2,021 DKK'000
Software		80,636	56,985
Intangible assets in development		7,231	3,014
Intangible assets	**9**	**87,867**	**59,999**
Fixtures and equipment	10	4,275	2,965
Leasehold improvements	10	1,191	1,102
Leased assets	11	148,792	49,029
Property, plant and equipment		**154,258**	**53,096**
Investment in subsidiaries	12	1,009,205	931,517
Other non-current assets		**1,009,205**	**931,517**
Total non-current assets		**1,251,330**	**1,044,612**
Inventories		**53,413**	**42,479**
Trade receivables	14	64,687	46,117
Receivables from group enterprises		1,014,023	956,113
Joint taxation receivable		7,989	7,423
Other receivables		16,980	30,176
Prepayments		11,846	301
Receivables		**1,115,525**	**1,040,130**
Cash and cash equivalents		**268**	**67,419**
Total current assets		**1,169,206**	**1,150,028**
Total assets		**2,420,536**	**2,194,640**

PARENT

BALANCE SHEET, EQUITY AND LIABILITIES

	Note	2022 DKK'000	2021 DKK'000
Share capital		17,000	17,000
Reserve for net revaluation under the equity method		28,871	37,607
Reserve for development projects		23,478	21,514
Retained earnings		997,087	855,669
Shareholders´ equity		**1,066,436**	**931,790**
Liabilities			
Loss in subsidaries	12	98,362	81,407
Deferred tax	13	7,234	2,186
Provisions	15	5,772	5,421
Debt to credit institutions	16	519,808	552,101
Lease debt	16	140,213	39,461
Other debt	16	20,076	0
Total non-current liabilities		**791,465**	**680,576**
Installment of non-current debt next year	16	96,692	53,274
Trade creditors		94,841	82,119
Debt to group enterprises		329,991	393,517
Other payables	17	41,111	53,364
Total current liabilities		**562,635**	**582,274**
Total liabilities		**1,354,100**	**1,262,850**
Total equity and liabilities		**2,420,536**	**2,194,640**

PARENT

STATEMENTS OF SHAREHOLDERS' EQUITY

	Share capital DKK'000	Reserve for net revaluation under the equity DKK'000	Reserve for development projects DKK'000	Retained earnings DKK'000	Total DKK'000
Shareholders' equity at 1 January 2022	**17,000**	**37,607**	**21,514**	**855,669**	**931,790**
Net profit for the year	0	120,032	0	-7,178	112,854
Dividend	0	-150,420	0	150,420	0
Exchange differences, foreign entities	0	21,792	0	0	21,792
Transfer to reserves	0	-140	1,964	-1,824	0
Total comprehensive income	**0**	**-8,736**	**1,964**	**141,418**	**134,646**
Shareholders' equity at 31 December 2022	**17,000**	**28,871**	**23,478**	**997,087**	**1,066,436**
Shareholders' equity at 1 January 2021	**17,000**	**0**	**22,623**	**787,699**	**827,322**
Net profit for the year	0	79,483	0	-21,565	57,918
Dividend	0	-77,992	0	77,992	0
Exchange differences, foreign entities	0	46,468	0	0	46,468
Transfer to reserves	0	-10,352	-1,109	11,461	0
Total comprehensive income	**0**	**37,607**	**-1,109**	**67,888**	**104,386**
Other changes	0	0	0	82	82
Shareholders' equity at 31 December 2021	**17,000**	**37,607**	**21,514**	**855,669**	**931,790**

Number of shares is 17,000 with the nominel value of DKK 1,000.
All shares are fully issued and paid up.
No dividend was declared in 2022 or 2021.

PARENT

CASH FLOW STATEMENT

	Note	2022 DKK'000	2021 DKK'000
Profit before tax (EBT)		111,580	53,166
Profit from investments in subsidiaries		-120,032	-79,483
Depreciation and amortization		43,502	40,564
Changes in working capital	18	6,655	-63,853
Adjustments for non-cash items	19	-9,855	-15,483
Cash flow from ordinary operating activities		**31,850**	**-65,089**
Financial income		53,825	43,129
Financial expenses		-40,355	-29,908
Income taxes refunded/paid		5,756	4,648
Cash flow from operating activities (CFFO)		**51,076**	**-47,220**
Acquisition etc. of intangible assets		-50,952	-32,877
Acquisition etc. of property, plant and equipment		-3,245	-1,700
Sale of property, plant and equipment		132	0
Acquisition of enterprises		-49,393	-32,000
Dividend received		150,420	77,992
Cash flow from investing activities (CFFI)		**46,962**	**11,415**
Installments on loans etc.	20	-20,510	-18,567
Cash flow from group enterprises		-144,679	107,816
Other cash flows from financing activities		0	44
Cash flow from financing activities		**-165,189**	**89,293**
Cash flow for the year		**-67,151**	**53,488**
Cash and cash equivalents at 1 January		67,419	13,931
Cash and cash equivalents at 31 December		**268**	**67,419**

The cash flow statement cannot be derived from the published financial information only.

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Events after the reporting period	25
Accounting policies	26

PARENT

NOTES TO THE STATEMENTS

		2022	2021
		DKK'000	DKK'000
1	**Net sales**		
	Europe	443,908	368,947
	Northern America	5,004	7,598
	Asia	12,086	13,259
	Middle East and Africa	1,936	6,836
	Other regions	11,992	11,269
		474,926	**407,909**
	Hereof sales of services	**44,610**	**49,938**

The Group is not listed or in the process of becoming listed, and no segment information is disclosed according to IFRS. Revenue is split between geographical regions. This information does not amount to segment information to IFRS.

		2022	2021
		DKK'000	DKK'000
2	**Fees to auditors appointed at the annual general meeting**		
	Statutory audit	830	1,054
	Tax and VAT services	0	114
	Non-audit services	204	728
	Fees to auditor	**1,034**	**1,896**

3 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries and related expenses	131,088	114,709
Pension costs	7,534	6,987
Other social security costs	1,518	1,444
	140,140	**123,140**
Average number of full-time employees at 31 December	213	205
Number of full-time employees at 31 December	219	209

	Board of Directors DKK'000	Executive Board DKK'000	Other top manage-ment DKK'000	Total DKK'000
Remuneration	1,117	0	0	1,117
Salary	0	10,300	7,391	17,691
Bonus	0	10,244	1,643	11,887
Pension, company contributions	0	0	407	407
Benefits (car, housing, phone etc.)	0	492	478	970
Cost at 31 December 2022	**1,117**	**21,036**	**9,919**	**32,072**
Remuneration	1,117	0	0	1,117
Salary	0	7,000	5,595	12,595
Bonus	0	3,917	718	4,635
Pension, company contributions	0	0	400	400
Benefits (car, housing, phone etc.)	0	535	433	968
Cost at 31 December 2021	**1,117**	**11,452**	**7,146**	**19,715**

The Executive Board and a number of members of other top management in both the parent company and in the Group are comprised by special bonus arrangements based on individual performance targets. For the Executive Board the bonus payments are maximized at 70% of the individual basic salary, and for other top management these vary between 10% to 60% of the individual basic salary. In 2022 the Executive Board have been extended from 2 to 3 persons.

Certain employees and members of management have in the period 2012 to 2022 acquired warrants and shares in the parent Wrist Ship Supply Holding A/S at the fair value of the warrants and shares at the date of acquisition. The warrants and shares are fully vested. The warrants outstanding at 31 December 2022 are exercisable at the time Wrist Ship Supply Holding A/S is sold or becomes listed. However, exercise also requires that certain thresholds for increase in the fair value of the shares in Wrist Ship Supply Holding A/S are achieved.

3 Staff costs continuing

As the warrants and shares are purchased by the employees at their fair value, no amounts related to the warrants or shares are recognized in the Wrist Ship Supply A/S Group.

	Warrants	Excercise prices DKK
Number of outstanding warrants		
1 January 2021	657	64,808 - 120,015
Transfer	0	
Issue of new warrants	55	
Excercised by share subscription	0	
31 December 2021	712	64,808 - 123,963
Transfer	0	
Issue of new warrants	0	
Excercised by share subscription	0	
31 December 2022	712	64,808 - 123,963
Share valuation at 31 December 2022:		
Undiluted		167,465
Diluted		165,572

	2022 DKK'000	2021 DKK'000
4 Other operating income		
Rent income	4,616	4,645
Gain from sale of non-current assets	132	0
Salary Reimbursements	1,942	2,035
Group fees	148,741	116,866
	155,431	**123,546**

	2022 DKK'000	2021 DKK'000
5 Depreciation and amortization		
Amortization of intangible assets	23,084	19,155
Depreciation of property, plant and equipment	1,480	1,628
Depreciation of leased property and equipment	18,572	19,375
Leasehold improvements	366	406
	43,502	**40,564**

		2022 DKK'000	2021 DKK'000
6	**Financial income**		
	Interest income arising from Group enterprises	41,308	38,709
	Interest income	12,551	4,419
	Exchange rate adjustments	0	892
		53,859	**44,020**

All financial assets are measured at amortized costs, and hence all interest income is from financial assets measured at amortized cost.

		2022 DKK'000	2021 DKK'000
7	**Financial expenses**		
	Interest expense arising from Group enterprises	0	469
	Interest expenses	37,687	25,411
	Exchange rate adjustments	3,101	0
	Interest from leases	2,701	2,000
	Other financial expenses	5,960	5,081
		49,449	**32,961**

All financial liabilities are measured at amortized cost, and hence all interest expenses are from financial liabilities measured at amortized cost.

8 Income tax

	2022 DKK'000	2021 DKK'000
Current tax:		
Current tax on profit for the year	-6,352	-7,423
Adjustment in respect of prior years	30	-218
Total current tax	**-6,322**	**-7,641**
Adjustment of deferred tax asset/liability	4,766	2,889
Adjustment of deferred tax asset/liability in respect of prior years	282	0
	5,048	**2,889**
Total income tax	**-1,274**	**-4,752**

	2022 DKK'000	2021 DKK'000
Reconciliation of tax rate		
Earnings before tax	**111,580**	**53,166**
Calculated tax at Danish statutory rate of 22% (of EBT)	24,548	11,696
Adjustment in respect of prior years	312	-218
Income/Loss from subsidiaries or associates	-26,407	-17,486
Income / expenses not subject to tax	273	1,256
Tax charge	**-1,274**	**-4,752**
Effective tax rate (%)	**-1.1%**	**-8.9%**

	Software DKK'000	Intangible assets in develop-ment DKK'000	Total DKK'000
9 Intangible assets			
Cost at 1 January 2022	**181,390**	**3,014**	**184,404**
Additions	46,735	4,217	50,952
Cost at 31 December 2022	**228,125**	**7,231**	**235,356**
Amortization at 1 January 2022	**124,405**	**0**	**124,405**
Amortization for the year	23,084	0	23,084
Amortization at 31 December 2022	**147,489**	**0**	**147,489**
Carrying amount at 31 December 2022	**80,636**	**7,231**	**87,867**
Cost at 1 January 2021	**148,184**	**3,343**	**151,527**
Additions	32,877	0	32,877
Transfer	329	-329	0
Cost at 31 December 2021	**181,390**	**3,014**	**184,404**
Amortization at 1 January 2021	**105,250**	**0**	**105,250**
Amortization for the year	19,155	0	19,155
Amortization at 31 December 2021	**124,405**	**0**	**124,405**
Carrying amount at 31 December 2021	**56,985**	**3,014**	**59,999**

	Fixtures and equipment DKK'000	Leasehold improve-ments DKK'000	Total DKK'000
10 Property, plant and equipment			
Cost at 1 January 2022	**25,828**	**7,430**	**33,258**
Additions	2,790	455	3,245
Disposals	-531	0	-531
Cost at 31 December 2022	**28,087**	**7,885**	**35,972**
Depreciation at 1 January 2022	**22,863**	**6,328**	**29,191**
Depreciation for the year	1,480	366	1,846
Reversal regarding disposals	-531	0	-531
Depreciation at 31 December 2022	**23,812**	**6,694**	**30,506**
Carrying amount at 31 December 2022	**4,275**	**1,191**	**5,466**
Cost at 1 January 2021	**24,776**	**6,781**	**31,557**
Additions	1,052	648	1,700
Cost at 31 December 2021	**25,828**	**7,430**	**33,258**
Depreciation at 1 January 2021	**21,235**	**5,922**	**27,157**
Depreciation for the year	1,628	406	2,034
Depreciation at 31 December 2021	**22,863**	**6,328**	**29,191**
Carrying amount at 31 December 2021	**2,965**	**1,102**	**4,067**

	Leased buildings DKK'000	Leased equipment DKK'000	Total DKK'000
11 Leases			
Cost at 1 January 2022	**90,332**	**13,863**	**104,195**
Additions	112,425	5,910	118,335
Disposals	-687	-5,745	-6,432
Cost at 31 December 2022	**202,070**	**14,028**	**216,098**
Depreciation at 1 January 2022	**47,014**	**8,152**	**55,166**
Depreciation for the year	15,335	3,237	18,572
Reversal regarding disposals	-687	-5,745	-6,432
Depreciation at 31 December 2022	**61,662**	**5,644**	**67,306**
Carring amount at 31 December 2022	**140,408**	**8,384**	**148,792**
Cost at 1 January 2021	**88,741**	**11,519**	**100,260**
Additions	1,591	2,344	3,935
Cost at 31 December 2021	**90,332**	**13,863**	**104,195**
Depreciation at 1 January 2021	**30,902**	**4,889**	**35,791**
Depreciation for the year	16,112	3,263	19,375
Depreciation at 31 December 2021	**47,014**	**8,152**	**55,166**
Carrying amount at 31 December 2021	**43,318**	**5,711**	**49,029**

11 Leases continuing

	2022 DKK'000	2021 DKK'000
Lease liabilities		
Within 1 year	19,334	32,804
Between 1-3 years	19,788	66,516
Between 3-5 years	49,585	926
More than 5 years	93,414	417
Total undiscounted lease payments	**182,121**	**100,663**
Carrying amount at 31 December	**157,094**	**58,335**

	2022 DKK'000	2021 DKK'000
Leases recognized in the Profit Loss Statement		
Income from subleases	4,616	4,645
Short-term*) and low-value leases expenses	76	0
Interest from leases	2,701	2,000

*) Short term lease expense is related to contract with a lease period of less than 12 months.

12 Investments in subsidiaries

	2022 DKK'000	2021 DKK'000
Cost at 1 January	**812,503**	**780,503**
Additions	69,469	32,000
Cost at 31 December	**881,972**	**812,503**
Value adjustments at 1 January	**37,607**	**-10,216**
Exchange rate adjustments	21,652	46,468
Dividend distribution	-150,420	-77,992
Profit for the year after tax	120,032	79,483
Other adjustments	0	-136
Value adjustments at 31 December	**28,871**	**37,607**
Investments in subsidiaries with a negative net asset:		
Provisions for loss in subsidiaries	98,362	81,407
Carrying amount at 31 December	**1,009,205**	**931,517**

Impairment test has been performed in relation to goodwill, which supports the carrying amounts on the investments. Reference is made to note 10 in the consolidated financial statement, where key assumptions and sensitivity in impairment test are disclosed.

	Intangible assets DKK'000	Tangible assets DKK'000	Current assets DKK'000	Provisions DKK'000	Long term liabilities DKK'000	Short term liabilities DKK'000	Total deferred tax DKK'000
13 Deferred tax asset and deferred tax liabilities							
Deferred tax at 1 January 2022	**12,537**	**7,790**	**-802**	**-3,001**	**-14,331**	**-7**	**2,186**
Transfer	0	-8,869	0	0	8,862	7	0
Charge to the income statement	5,203	-216	-5	413	-554	-75	4,766
Adjustments to previous years (through the income statement)	0	282	0	0	0	0	282
Deferred tax at 31 December 2022	**17,740**	**-1,013**	**-807**	**-2,588**	**-6,023**	**-75**	**7,234**
Deferred tax is presented in the balance sheet as follows:							
Deferred tax asset							0
Deferred tax liability							7,234
Deferred tax asset year end, net							**-7,234**

The Group expects to utilize the deferred tax assets as the Group entities generel have a positive taxable income.

	Intangible assets DKK'000	Tangible assets DKK'000	Current assets DKK'000	Provisions DKK'000	Long term liabilities DKK'000	Short term liabilities DKK'000	Total deferred tax DKK'000
Deferred tax at 1 January 2021	**9,446**	**14,395**	**-1,040**	**-3,302**	**-19,981**	**-7**	**-489**
Charge to the income statement	3,091	-3,559	0	303	2,917	0	2,752
Adjustments to previous years (through the income statement)	0	-3,046	238	-2	2,733	0	-77
Deferred tax at 31 December 2021	**12,537**	**7,790**	**-802**	**-3,001**	**-14,331**	**-7**	**2,186**
Deferred tax is presented in the balance sheet as follows:							
Deferred tax asset							0
Deferred tax liability							2,186
Deferred tax asset year end, net							**-2,186**

The Group expects to utilize the deferred tax assets as the Group entities generel have a positive taxable income.

	2022 DKK'000	2021 DKK'000
14 Trade receivables		
Trade receivables	66,486	47,916
Provisions for impairment of trade receivables	-1,799	-1,799
	64,687	**46,117**
Impairment losses at 1 January	-1,799	-1,815
Losses realized for the year	0	16
Impairment losses at 31 December	**-1,799**	**-1,799**

The expected credit losses in income statement amount to DKK 0k (2021: DKK 0k).

			Past due at 31 December 2022			
	Total DKK'000	**Not past due DKK'000**	**< 30 days DKK'000**	**30-60 days DKK'000**	**61-90 days DKK'000**	**> 91 days DKK'000**
Trade receivables	66,486	44,488	13,354	3,300	1,350	3,994
Expected credit loss rate (%)		0.0%	0.0%	0.0%	0.0%	45.0%
Estimated total gross carrying amount at default	1,799	0	0	0	0	1,799

			Past due at 31 December 2021			
	Total DKK'000	**Not past due DKK'000**	**< 30 days DKK'000**	**30-60 days DKK'000**	**61-90 days DKK'000**	**> 91 days DKK'000**
Trade receivables	47,916	35,099	7,356	2,679	839	1,942
Expected credit loss rate (%)		0.0%	0.0%	0.0%	0.0%	92.6%
Estimated total gross carrying amount at default	1,799	0	0	0	0	1,799

15 Provisions	Provisions for pension and pension-like liabilities DKK'000	Provisions for restoration liabilities DKK'000	Provisions for dismantling liabilities DKK'000	Total provisions DKK'000
Provisions at 1 January 2022	**518**	**4,591**	**312**	**5,421**
Increase	0	207	0	207
Discounting interests	0	137	7	144
Provisions at 31 December 2022	**518**	**4,935**	**319**	**5,772**
Non-current provisions	**518**	**4,935**	**319**	**5,772**
Current provisions	**0**	**0**	**0**	**0**
Provisions at 1 January 2021	**518**	**4,244**	**305**	**5,067**
Increase	0	207	0	207
Discounting interests	0	140	7	147
Provisions at 31 December 2021	**518**	**4,591**	**312**	**5,421**
Non-current provisions	**518**	**4,591**	**312**	**5,421**
Current provisions	**0**	**0**	**0**	**0**

Provisions for pension and pension-like liabilities are where the company is obligated to pay anniversary bonuses

Provisions for restoration liabilities are where the company has an obligation to restore rented facilities upon vacating such facilities.

Provisions for dismantling liabilities are where the company is obligated to dismantle assets placed in rented facilities.

	Payments due 1 year 2022 DKK'000	Payments due between 1-5 years 2022 DKK'000	Outstanding after 5 years 2022 DKK'000	Total 2022 DKK'000
16 Current and non-current liabilities				
Lease debt	16,881	54,148	86,065	**157,094**
Debt to credit institutions	79,811	519,808	0	**599,619**
Debt to group enterprises	329,991	0	0	**329,991**
Other debt	0	20,076	0	**20,076**
	426,683	**594,032**	**86,065**	**1,106,780**

Other debt relates to deferred consideration regarding acquisition of enterprise.

Specification of contractual cash flows incl. interest:				
Lease debt	19,334	69,373	93,414	**182,121**
Debt to credit institutions	118,243	542,411	0	**660,654**
Debt to group enterprises	329,991	0	0	**329,991**
Other debt	0	20,076	0	**20,076**
	467,568	**631,860**	**93,414**	**1,192,842**

	Payments due 1 year 2021 DKK'000	Payments due between 1-5 years 2021 DKK'000	Outstanding after 5 years 2021 DKK'000	Total 2021 DKK'000
Lease debt	18,874	39,461	0	**58,335**
Debt to credit institutions	34,400	552,101	0	**586,501**
Debt to group enterprises	393,517	0	0	**393,517**
	446,791	**591,562**	**0**	**1,038,353**

Specification of contractual cash flows incl. interest:				
Lease debt	32,804	67,442	417	**100,663**
Debt to credit institutions	60,779	589,653	0	**650,432**
Debt to group enterprises	393,517	0	0	**393,517**
	487,100	**657,095**	**417**	**1,144,612**

	2022 DKK'000	2021 DKK'000
17 Other payables		
Social security and other related expenses	24,065	18,805
Customer bonuses	10,298	8,732
Commissions	521	443
VAT	0	2,315
Other accrued expenses	6,229	23,069
	41,113	**53,364**

	2022 DKK'000	2021 DKK'000
18 Change in working capital		
Increase/decrease in inventories	-10,934	-7,800
Increase/decrease in receivables	5,834	-81,684
Increase/decrease in trade payables etc.	11,755	25,631
	6,655	**-63,853**

	2022 DKK'000	2021 DKK'000
19 Adjustments for non-cash items		
Financial income and expenses	-7,709	-13,966
Gains/losses from sale of non-current assets	-132	0
Change in provisions	-2,014	-1,517
	-9,855	**-15,483**

	Long-term borrowings DKK'000	Short-term borrowings DKK'000	Lease liabilities DKK'000	Total liabilities from financing activities DKK'000
20 Reconciliation of liabilities arising from financing activities				
1 January 2022	**552,101**	**34,400**	**58,335**	**644,836**
Cash flows	-2,880	-275	-17,355	-20,510
Non-cash change:				
Reclassifications	-36,729	36,729	0	0
Additions lease liabilities	0	0	118,335	118,335
Foreign exchange movement	10,854	8,939	0	19,793
Other	16,538	18	-2,221	14,335
31 December 2022	**539,884**	**79,811**	**157,094**	**776,789**
1 January 2021	**564,597**	**88,439**	**74,693**	**727,729**
Cash flows	0	0	-18,567	-18,567
Non-cash change:				
Reclassifications	-34,400	34,400	0	0
Additions from acquisitions	0	0	3,935	3,935
Foreign exchange movement	21,904	0	0	21,904
Other	0	-88,439	-1,726	-90,165
31 December 2021	**552,101**	**34,400**	**58,335**	**644,836**

21 Mortgages and collateral

As security for the Group's credit facilities, W.S.S. Holding A/S and Wrist Ship Supply Holding A/S has issued floating-charge and share pledge securities to Nordea for all material companies in the Wrist Ship Supply Group.

Wrist Ship Supply A/S has issued guaranties amounting to DKK 28m (2021: DKK 21m).

Wrist Ship Supply A/S have issued a letter of support to Wrist-Klevenberg Ship Supply NL B.V where the parent company will support the company financially in case of any needs.

Joint taxation arrangement

The Company is party to a mandatory Danish joint taxation arrangement with Wrist ADM ApS serving as the administration company. The joint taxation arrangement complies with general Danish tax legislation and has included other Danish sister companies due to common ultimate ownership. The company is from 1 July 2012 partial joint and secondary liability for obligations, if any, relating to withholding of tax on interest, royalties, and dividend for the jointly taxed companies. However, secondary liability cannot exceed an amount equivalent to the share of capital of the company which is owned directly or indirectly by the ultimate parent. Tax liabilities concerning sister companies previously included in the joint tax arrangement and for which the company may be jointly liable as described above are covered by an indemnification agreement with W.S.S. Holding A/S.

22 Contingent liabilities

The Company is involved in a few disputes, lawsuits, etc of various scopes. No significant liabilities are considered to be incumbent on the Company in that respect, and the outcome of the disputes is not expected to have significant impact on the Company's financial position beyond what has been recognized in the balance sheet.

23 Related parties and group relations

Related parties of the company are Wrist Ship Supply Holding A/S, W.S.S. Holding A/S, O.W. Lux SARL and their subsidiaries.

Altor Fund II GP Limited, Jersey is the ultimate controlling party and controls W.S.S. Holding A/S, which is the upper Danish holding company of the Group.

Transactions with parent entities.

	2022 DKK'000	2021 DKK'000
Financial items, net	951	884
Financial receivables	73,722	26,398

All transactions were made on terms equivalent to arm’s length principles.

Transactions with related parties:

	Subsi- diaries DKK'000	Manage- ment DKK'000	Total DKK'000
2022			
Intra-group management and administration agreements	148,741	0	148,741
Financial items, net	40,357	0	40,357
Staff cost cf. note 3	0	-32,072	-32,072
Financial receivables	940,301	0	940,301
Financial payables	-329,991	0	-329,991

	Subsi- diaries DKK'000	Manage- ment DKK'000	Total DKK'000
2021			
Intra-group management and administration agreements	116,866	0	116,866
Financial items, net	37,356	0	37,356
Staff cost cf. note 3	0	-19,715	-19,715
Financial receivables	929,715	0	929,715
Financial payables	-393,517	0	-393,517

24 Financial risks and financial instruments

Categories of financial instruments

All financial assets and financial liabilities in Wrist Ship Supply A/S are measured at amortized cost except derivatives used for hedging purposes, which are measured at fair value through profit or loss. At 31 December 2022 and 31 December 2021 no derivatives was in place.

Financial risk management

Wrist manages its identified risks according to the risk management policies approved by the Board of Directors. The policies are reviewed and approved by the Board on an annual basis and include:

- Exchange rate risk
- Interest rate risk
- Liquidity risk
- Credit risk

The Company has centralized its management and monitoring of risks and measures exposures on a frequent basis. The Group does not enter into speculation and the purpose of the risk management activities are to monitor and reduce the Group's exposures due to its operational, investment and financing activities.

In order to manage markets risks (i.e., exchange rate and interest rate risks), the Group enters into plain vanilla derivatives such as FX forwards and interest rate swaps.

Each risk is described further below.

Exchange rate risk

The Company's business activities are predominantly based in USD, GBP and EUR, and many credit facilities are denominated in DKK, USD and GBP (currencies listed according to the size of aggregated amounts). To reduce the exchange rate risk, Wrist aims to match costs and revenues, as well as assets and liabilities, through representation in the countries in which Wrist operates, and transacting in the functional currencies of the various business units. Therefore, most of the business has no or very limited transaction-related exchange rate exposure. Significant investments in foreign entities are financed in the investment currency. Consequently, material currency exposure for the Company is limited to translation risks related to foreign subsidiaries, and the loans taken out to finance these investments.

The Company is mainly exposed to the currencies USD and GBP. At 31 December 2022 and 31 December 2021 no open cash flow hedge contracts was in place.

Fair value hedge accounting

In order to reduce the exchange rate risk Wrist enters into FX forward contracts (buy EUR / sell DKK) on a rolling basis (i.e. new FX instruments are entered into every third month) and are designated as hedging instruments in fair value hedges of recognized EUR liabilities. There is an economic relationship between the hedged item and hedging instruments since terms of the FX forward match the terms of the EUR loan (i.e. notional amount, maturity, payment dates etc.). The Group designates the spot component only.

At 31 December 2022 and 31 December 2021 no hedging instrument or hedged item was in place.

Sensitivity analysis

The following table details the Company's sensitivity to a 10% increase in USD and GBP. The sensitivity analysis includes investments in relevant subsidiaries and external debt, where the debt is denominated in the relevant currency. A positive number indicates an increase in profit/(loss) or equity where the currency strengthens 10% against DKK at the balance sheet date. A 10% weakening of the currency would have a comparable but opposite impact on profit/(loss) and equity.

	2022 DKK'000	2021 DKK'000
Impact on profit/(loss) from translation of debt	-8,008	-7,163
Impact on equity from translation of investments in subsidiaries	59,474	54,645

Interest rate risk

Wrist primarily obtains financing with floating rates and are exposed to interest rate changes both in Denmark and abroad. The interest rate exposure is primary related to fluctuations to CIBOR and LIBOR. The Company’s floating rate loans at 31 December 2022 came in at DKK 560,075k (31 December 2021 at DKK 586,501k). With regard to the Company’s floating rate loans and cash equivalents, an annual 1% increase in the interest level in proportion to the actual interest rates would, other things being equal, have had an adverse hypothetical impact on the profit before tax of DKK 5,601k (2021: DKK 5,121k) and on equity of DKK 4,369k (2021: DKK 3,995k). A declining interest level would have had a corresponding positive impact on result and equity.

The sensitivity analysis was based on the Company’s exposure to floating-rate liabilities and derivatives at the end of the reporting period. For floatingrate liabilities, the analysis is based on the assumption that the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

At 31 December 2022 and 31 December 2021 no open interest hedge contracts was in place.

Cash flow hedge accounting

The Group enters into pay fixed/receive floating interest rate swaps in order to reduce the variability in future interest payments. At 31 December 2022 and 31 December 2021 no open cash flow hedge contracts was in place.

Liquidity risk

Wrist has entered into a long-term committed financing agreement with credit facilities enabling both the current operations and planned expansion. Treasury management is centralized and ensures that sufficient financial resources are available to meet planned requirements. This is done by ensuring that the cash flow monthly matches the planned cash needs. The entities in the Group have a positive cash flow monthly. Wrist is in a sound financial position with significant positive cash flows from operating activities and adequate cash reserves. Reference is made to note 16 where the maturity of financial obligations is disclosed.

Credit risk

Credit risk mainly relates to trade debtors, other receivables, and cash at banks. The aggregate amounts recognized under these items in the balance sheet constitute the maximum credit risk. Receivables relate to shipping, ship management, and catering companies. Credit risk associated with the shipping industry is handled by the global credit function, which monitors the creditworthiness of existing and new customers and assists in collection. Wrist conducts individual assessments of customer creditworthiness, and credit lines are managed globally. Cash is held with banks with high credit ratings.

Fair values measurements

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group measures financial instruments fair value hedge at fair value level 2.

Wrist does not have any assets or liabilities measured at fair value other than interest rate derivative contracts entered into to hedge future cash flows of floating rate financing. Interest rate derivative contracts are measured at fair value based on discounted cash flows based on observable input (level 2). Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates.

There has been no transfers between the levels in 2022 or 2021.

Specification of financial assets and obligations

	Carrying value 2022 DKK'000	Fair value 2022 DKK'000	Carrying value 2021 DKK'000	Fair value 2021 DKK'000
Loans and receivables	1,161,217	1,161,217	1,142,605	1,142,605
Derivatives used as hedging instruments, level 2	0	0	0	0
Financial obligations measured at amortized cost	1,110,934	1,110,934	1,072,843	1,072,843

The management is of the opinion that the carrying amounts of all other financial assets and liabilities recognized in the consolidated financial statements approximate their fair values.

Capital structure

The Company's management assesses whether the Company's capital structure is in line with the interests of the company and its shareholders. The overall objective is to ensure a capital structure that supports long-term profitable growth. As of 31 December 2022, the Company's interest-bearing debt net comprise DKK 227m (2021: DKK 181m), which is considered a reasonable level compared to the current need for financial flexibility. There are no changes in the Company's guidelines and procedures for managing capital structure in 2022.

25 Events after the reporting period

There has been no post-balance sheet events material to this Annual Report which have not been recognized or mentioned.

26 Accounting policies

The financial statements of the parent company (Wrist Ship Supply A/S) are presented in conformity with the provisions of the Danish Financial Statements Act for reporting class C enterprises.

The accounting policies for the Parent Company and for the Wrist Ship Supply Group are identical (see note 29 for the Wrist Ship Supply Group) except for the situations mentioned below.

The annual report have been prepared according to the same accounting policies as last year, but includes some reclassifications in the presentation.

Situations, where the accounting policies of the Parent Company deviate from the Group's

Investments in subsidiaries

Investments in subsidiaries are recognized and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or less unamortized positive, or negative, goodwill and plus or less unrealised intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and less amortization of goodwill is recognized in the income statement.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognized under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

The purchase method is applied in the acquisition of investments in subsidiaries.

Corporation tax

The Parent Company is jointly taxed with all of its Danish subsidiaries with Wrist ADM ApS serving as the administration company. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

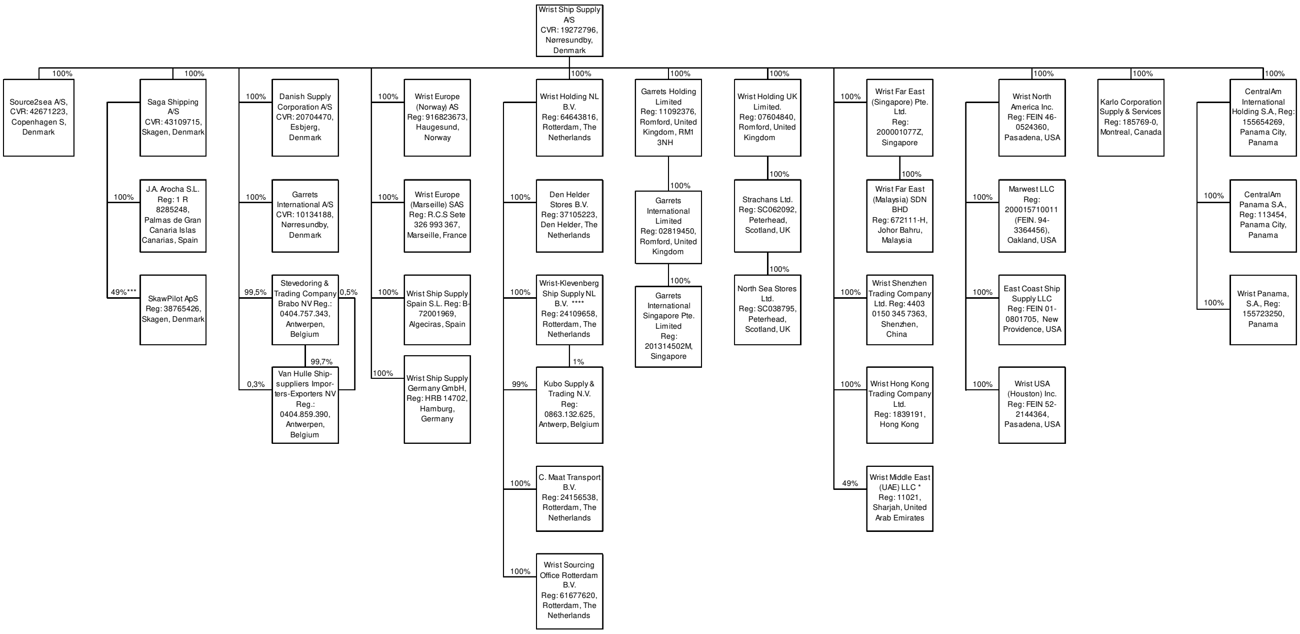
Subsidiaries

Company name	Registered office in	City	Ownership share % 2022	2021
Danish Supply Corporation A/S	Denmark	Esbjerg	100	100
Garrets International A/S	Denmark	Noerresundby	100	100
Saga Shipping A/S	Denmark	Skagen	100	100
SkawPilot ApS	Denmark	Skagen	49	49
J.A. Arocha S.L.	Spain	Las Palmas	100	100
Wrist Ship Supply Spain S.L.	Spain	Algeciras	100	100
Wrist Europe (Norway) AS	Norway	Haugesund	100	100
Wrist Europe (Marseille) SAS	France	Marseille	100	100
Wrist Ship Supply Germany GmbH	Germany	Hamburg	100	100
Wrist Holding NL B.V.	Netherlands	Rotterdam	100	100
Den Helder Stores B.V.	Netherlands	Den Helder	100	100
Wrist-Klevenberg Ship Supply NL B.V.	Netherlands	Rotterdam	100	100
C. Maat Transport B.V.	Netherlands	Rotterdam	100	100
Wrist Souring Office Rotterdam B.V.	Netherlands	Rotterdam	100	100
Kubo Supply and Trading N.V.	Belgium	Antwerp	100	100
Stevedoring & Trading Company Brabo NV	Belgium	Antwerp	100	100
Van Hulle Shipsuppliers Importers-Exporters NV	Belgium	Antwerp	100	100
Wrist Holding UK Ltd.	United Kingdom	London	100	100
Strachans Ltd.	United Kingdom	Peterhead	100	100
North Sea Stores Ltd.	United Kingdom	Aberdeen	100	100
Garrets Holding Limited	United Kingdom	Romford	100	100
Garrets International Limited	United Kingdom	Romford	100	100
Garrets International Singapore Pte. Limited	United Kingdom	Romford	100	100
Wrist Far East (Singapore) Pte. Ltd.	Singapore	Singapore	100	100
Wrist Far East (Malaysia) SDN BHD	Malaysia	Jahor Bahru	100	100
Wrist Shenzhen Trading Company Ltd.	China	Shenzhen	100	100
Wrist Hong Kong Trading Company Ltd.	Hong Kong	Hong Kong	100	100
Wrist Middle East (U.A.E.) LLC	Dubai, U.A.E.	Dubai	49	49 *
Wrist North America Inc.	USA	Pasadena	100	100
Marwest LLC	USA	Oakland	100	100
East Coast Ship Supply LLC	USA	New Jersey	100	100
Wrist USA (Houston) Inc	USA	Pasadena	100	100
Karlo Corporation Supply & Services	Canada	Montreal	100	100
Source2sea A/S	Denmark	Copenhagen	100	100
CentralAm International Holding S.A.	Panama	Panama City	100	0
CentralAm International S.A.	Panama	Panama City	100	0
Wrist Panama S.A.	Panama	Panama City	100	0

* Wrist Middle East (UAE) LLC is controlled by Wrist Ship Supply A/S according to shareholders agreement.

ORGANIZATION

LEGAL STRUCTURE



Notes:

* Wrist Middle East (UAE) LLC is controlled 100% by Wrist Ship Supply A/S according to shareholders agreement.

** SkawPilot ApS is owned 51% by DanPilot - Lodseriet Danmark, reg. no. 30071735.

*** As of 21/08/2019 Wrist-Kooyman Ship Supply B.V. was merged into Wrist-Klevenberg Ship Supply NL B.V.

MANAGEMENT

Board of Directors

Søren Dan Johansen, Chairman
Born 1965, Danish.
Member of the Board of Directors and Chairman since November 2014.

Mr Johansen is Chief Executive Officer of Altor Equity Partners A/S, Denmark. He holds a master's degree in Law.

Other duties:

- Wrist Ship Supply Holding A/S, Denmark (C)
- W.S.S Holding A/S, Denmark (C)
- CAM Holding 1 DK ApS, Denmark (C)
- C WorldWide Asset Management Fondsmæglerselskab A/S (C)
- C Worldwide Group Holding A/S, Denmark (C)
- C Worldwide Holding A/S (C)
- Technoinvest A/S (C)
- Hamlet Protein A/S, Denmark (VC)
- New Nutrition ApS, Denmark (VC)
- New Nutrition Holding ApS, Denmark (VC)
- Dolphin AB (C)
- Norican Global A/S, Denmark (BM)
- Tresu A/S (BM)
- Tresu Group Holding A/S (BM)
- Tresu Investment Holding A/S (BM)
- Carneo AB (BM)
- Justitia (C)
- Multi-Wing Group A/S (BM)
- MWG Holdco ApS (BM)
- MWG Bidco ApS (BM)
- MWG Midco ApS (BM)
- MWG Manco ApS (BM)
- Altor Holding IV AB and subsidiaries (BM)
- Altor Holding V AB and subsidiaries (BM)
- Altor Equity Partners A/S (BM)

Tom Sten Behrens-Sørensen
Born 1958, Danish.
Member of the Board of Directors since 2013.

Mr Behrens-Sørensen is a graduate from the A.P. Moller Shipping Academy and has also attended management courses at INSEAD and The Wharton School of the University of Pennsylvania.

Other duties:

- Wrist Ship Supply Holding A/S, Denmark (BM)
- ECCO Sko A/S, Denmark (BM)
- ECCO Shoe Production Pte Ltd, Singapore (C)
- RAK Ports, United Arab Emirates (BM)
- Danish Chinese Business Forum (C)

Kurt Kokhauge Larsen
Born 1945, Danish.
Member of the Board of Directors since 2010.
Mr Larsen is trained in freight management.

Other duties:

- Wrist Ship Supply Holding A/S, Denmark (BM)
- Polaris III Invest Fonden, Denmark (C)
- Polaris IV Invest Fonden, Danmark (BM)
- Vikingbus Holding A/S (BM)
- Vikingbus Gruppen A/S (BM)
- Vikingbus Finans A/S (BM)

Kenneth Nielsen
Born 1968, Danish
Member of the Board of Directors since 2018.

Mr Nielsen holds a position as CEO in Contour Design. Prior to the current position, Kenneth spent two years as Group Chief Digital Officer in Dr. Max, a regional Pharmacy Chain in Central, East, and Southern Europe and five years as EVP digital & e-commerce in Salling Group. Before that, 18 years in various positions at Apple and Amazon in Denmark and other European locations.

He holds a Graduate Diploma in Business Administration (HD, Management & Organization) from Copenhagen Business School as well as a Graduate Diploma in Business Administration (HD, Marketing & Management) from University of Southern Denmark.

Other duties:

- Wrist Ship Supply Holding A/S, Denmark (BM)
- Wired Relations Aps (BM)

Tore Myrholt
Born 1957, Norwegian.
Member of the Board of Directors since 2020.

Mr Myrholt has a bachelor's degree from the Norwegian Business School, and an MBA from Harvard Business School.

Other duties:

- Wrist Ship Supply Holding A/S, Denmark (BM)
- Trioworld Industrier AB (C)
- Antler Innovation Ltd (C)
- Viking Holdings Ltd (BM)
- OQ SAOC (BM)
- Arundo Analytics (BM)
- Seatankers Consultancy Services (UK) Ltd (Advisory Board)
- Svea Solar (BM)

Robert Steen Kledal
Born 1969, Danish
Member of the Board of Directors since 2020.

Mr Kledal is CEO and Director at Survitec Group Ltd. Before that, he was CEO at Hydro Hull Cleaning A/S, and from 2010 to 2019, he served as CEO for Wrist Ship Supply. Prior to his position at Wrist, Robert spent 21 years in various leadership positions at A.P. Møller-Mærsk across Denmark, Hong Kong, China and USA.

He holds an MBA from IMD in Lausanne, Switzerland.

Other duties:
- Wrist Ship Supply Holding A/S, Denmark (BM)
- W.S.S Holding A/S, Denmark (BM)
- Copenhagen Maritime Greentech A/S (C)
- Ark Acquireco Limited (BM)
- Submit Ark Topco Limited (BM)
- Submit Survitec Acquisition Company Limited (BM)
- Submit Survitec Group Holdco Limited (BM)
- Submit Survitec Group Limited (BM)

Thomas Palm Westermann
Born 1986, Danish.
Member of the Board of Directors since February 2022

Mr. Westermann is a Director with Altor Equity Partners A/S, Denmark. He holds an M.Sc. in Management Science and Engineering from Stanford University as well as a B.Sc. in Engineering and Applied Mathematics from Technical University of Denmark.

Other duties:
- Wrist Ship Supply Holding A/S, Denmark (BM)
- W.S.S. Holding A/S, Denmark (BM)
- Multi-Wing Group A/S (BM)
- MWG Midco ApS (BM)
- MWG Manco ApS (BM)
- MWG Bidco ApS (BM)
- MWG Holdco ApS (BM)

C: Chairman of the Board of Directors
VC: Vice Chairman of the Board of Directors
BM: Member of the Board of Directors

Ownership

Wrist Ship Supply A/S is fully owned by Wrist Ship Supply Holding A/S. Wrist Ship Supply Holding A/S is owned by W.S.S. Holding A/S (90.12%), preferences shareholders (2.75%) and management investors (7.13%). W.S.S. Holding A/S is owned by OW Lux S.Á.R.L. (98.34%) and external investors (1.66%). OW Lux S.Á.R.L. is fully owned by Altor Fund II GP Limited, Jersey.

Annual general meeting

The annual general meeting will be held on 8 May 2023 in Noerresundby, Denmark.

STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Wrist Ship Supply A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2022 and of the results of their operations and cash flows for the financial year 1 January - 31 December 2022.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Noerresundby, 30 March 2023

Executive Board

Jens Holger Nielsen
Group CEO

Anders Skipper
Executive Vice President,
Group CFO

Peder Winther
CEO

Board of Directors

Søren Dan Johansen
Chairman

Tom Sten Behrens-Sørensen

Kurt Kokhauge Larsen

Thomas Palm Westermann

Kenneth Nielsen

Robert Steen Kledal

Tore Myrholt

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Wrist Ship Supply A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Wrist Ship Supply A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022, and of the results of their operations and cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the consolidated financial statements and the parent financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Noerresundby, 30 March 2023

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Jacob Nørmark	**Jakob Olesen**
State-Authorised Public Accountant	State-Authorised Public Accountant
MNE-no. Mne30176	MNE-no. Mne34492