As approved at the
Annual General Meeting
on 7 May 2024

Søren Dan Johansen
Chairman of the meeting

ANNUAL REPORT 2023

Wrist Ship Supply A/S

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> In 2024, we will be navigating in macroeconomically uncertain waters, but with our strong market position and new digital market activities, we expect both organic growth and new acquisitions. We expect total sales to grow organically to around DKK 5.9bn and an increase in operating profit (EBITA) to DKK 270m-300m. In the first quarter of 2024, we are on track to deliver this ambition.
>
> *Anders Skipper, Group CFO*

A Year of Continuous Growth and Major Investments in the Future

In 2023, we posted solid financial results despite substantial investments in distribution centers and digitalization – and despite slight headwinds in parts of the shipping industry.

The wars in Ukraine and Gaza and the aftermath of inflation impacted our business and added to market movements in the industry. We faced subdued demands for maritime supplies in some geographical areas, and due to our comparatively high market share in these markets, this affected our financial performance. However, despite slight headwinds, we increased our revenue year-over-year, but saw a moderate decline in the underlying operating profit.

Increased Revenue and Cash Flow

Our consolidated revenue for 2023 totaled DKK 5.5bn, up 3% from 2022. Gross profit increased to DKK 1,578m from DKK 1,510m in 2022. The 4% increase in gross profit was mainly caused by higher demand and increased margins in selected markets.

Operating profit (EBITA) was DKK 230.9m compared to DKK 240.9m in the previous year. A like-for-like comparison of EBITA for 2022 and 2023 uncovered a decrease of 4.2% or DKK 10m as the result of modest revenue growth and significant investments in distribution centers, digitalization, operating model as well as people capabilities.

Cash flow from operations was DKK 231m compared to DKK 193m in the previous year because of working capital improvements.

The Group's equity stood at DKK 1,128m at the end of 2023, up DKK 62m compared to 2022.

Laying the Foundation for Strategy, Innovation and Growth Towards 2027
In 2023, we rolled out our Group strategy, CONNECT 2027, covering the period 2023-2027. The strategy centers around redesigning and digitalizing a scalable operating model in various parts of our business – the way we work and process to deliver the best solutions to our customers across provisions, stores, marine spare logistics and budget management. With the launch of CONNECT 2027, we have accelerated the digital transformation of maritime supplies, including implementation of a digital marketplace, Source2Sea. Moreover, we have created the foundation for an accelerated M&A process.

"To support the CONNECT 2027 business strategy, we've launched a five-year ESG strategy and roadmap, as well as a new People strategy. We want to make sure we're prepared to help our customers maneuver in turbulent times – make the unexpected become expected," says Jens Holger Nielsen, Group CEO.

On Course to Digitalize Maritime Supply Chains
We continued to pursue the digital customer journey in all parts of the business, among others with a redesigned digital and scalable operating model.

In Ship Supply, the first key customers were on-boarded to the Source2Sea digital marketplace in a seamless operation based on a customer-tailored product catalog fueled by master data. Source2Sea saw solid growth in the number of buyers and suppliers and completed a substantial number of pilots followed by very positive feedback from users. In the Maritime Services business unit, an additional +600 vessels were implemented on Gateway, the digital end-to-end ordering and inventory platform, accounting for 80% of all customers. The Wrist Marine Logistics portal, Expert Care, was refined in 2023 to strengthen the customer experience even further, including a new dashboard to quickly monitor open quotes, order activity and CO_2 emissions.

Outlook 2024
More than ever, supply chains are facing unpredictable challenges and issues. 2024 will be no different.

As part of our five-year ESG roadmap, we are accelerating our global initiatives, including emissions reductions, alternative packaging, global ban on single-use plastic, waste management and diversity.

We will accelerate our market leadership position even further through M&A roll-ups in 2024, enhancing our competitive advantage, increasing revenue and growth as well as offering consolidated solutions fueled by data and technology to existing and new customers.

The industry is facing a new normal characterized by changed supply and demand balances. As the market is expected to remain challenged, with profitability significantly tested in several segments, we will focus on numerous cost containment measures to assist our customers and safeguard our financial performance.

"The future maritime supply industry is set on digitalization, sustainability and supply chain simplicity, and in 2024, we will continue feeding data and technology into our solutions, while transforming our business according to our five-year ESG roadmap – because that's what our customers expect from us."

Jens Holger Nielsen, Group CEO

Global Coverage

FOUNDED
1953

REVENUE (DKK)
5.5bn

EMPLOYEES
1,604

MISSION
Expert care – making our customers' life at sea better and Wrist a great place to work

Wrist at a Glance

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 provisions and stores marine supplier with a global network of supply operations. We also offer services within owners' goods and spare parts logistics, combining provisions and stores deliveries directly to the vessels.

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

We continuously work on reducing our 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, +1,600 Wrist employees take pride in making it easy for our customers to order and receive marine supplies and services.

wrist.com

Financial Highlights

DKK'000 AND	2023	2022	2021	2020	2019
Net sales	5,547,837	5,389,028	4,457,695	4,369,787	4,657,974
Gross profit	1,577,564	1,510,046	1,198,661	1,191,355	1,232,330
Operating profit (EBITA)	230,917	240,934	155,512	142,190	162,401
Earnings before interest and tax (EBIT)	179,222	196,457	122,813	98,893	122,493
Profit from financial items	-87,371	-59,301	-48,785	-78,046	-76,112
Net profit	81,270	112,854	57,918	16,913	38,787
Inventories	365,660	370,335	304,053	237,721	254,471
Trade receivables	930,121	937,114	812,568	659,736	799,041
Total assets	3,357,453	3,131,997	2,776,182	2,583,048	2,768,880
Equity	1,128,408	1,066,436	931,790	827,322	863,048
Invested capital including goodwill	2,079,909	1,877,147	1,581,828	1,451,286	1,627,946
Net interest-bearing debt (NIBD)	997,699	830,374	698,068	666,276	814,112
Cash flow from operating activities (CFFO)	230,793	193,493	79,467	248,158	148,144
Cash flow from investing activities (CFFI)	-115,605	-118,186	-74,035	-36,868	-59,137
Investments excl business acquisition (CAPEX)	-118,135	-93,902	-75,996	-37,690	-28,791
Acquisition of property, plant and equipment	-89,539	-36,667	-9,413	-10,304	-19,674
Number of employees, average	1,592	1,517	1,397	1,467	1,472

PERFORMANCE RATIOS (%)

Gross margin	28.4	28.0	26.9	27.3	26.5
Operating margin (EBITA)	4.2	4.5	3.5	3.3	3.5
Return on invested capital	11.7	14.0	10.3	9.2	11.2
Return on equity	7.4	11.3	6.6	2.0	4.6

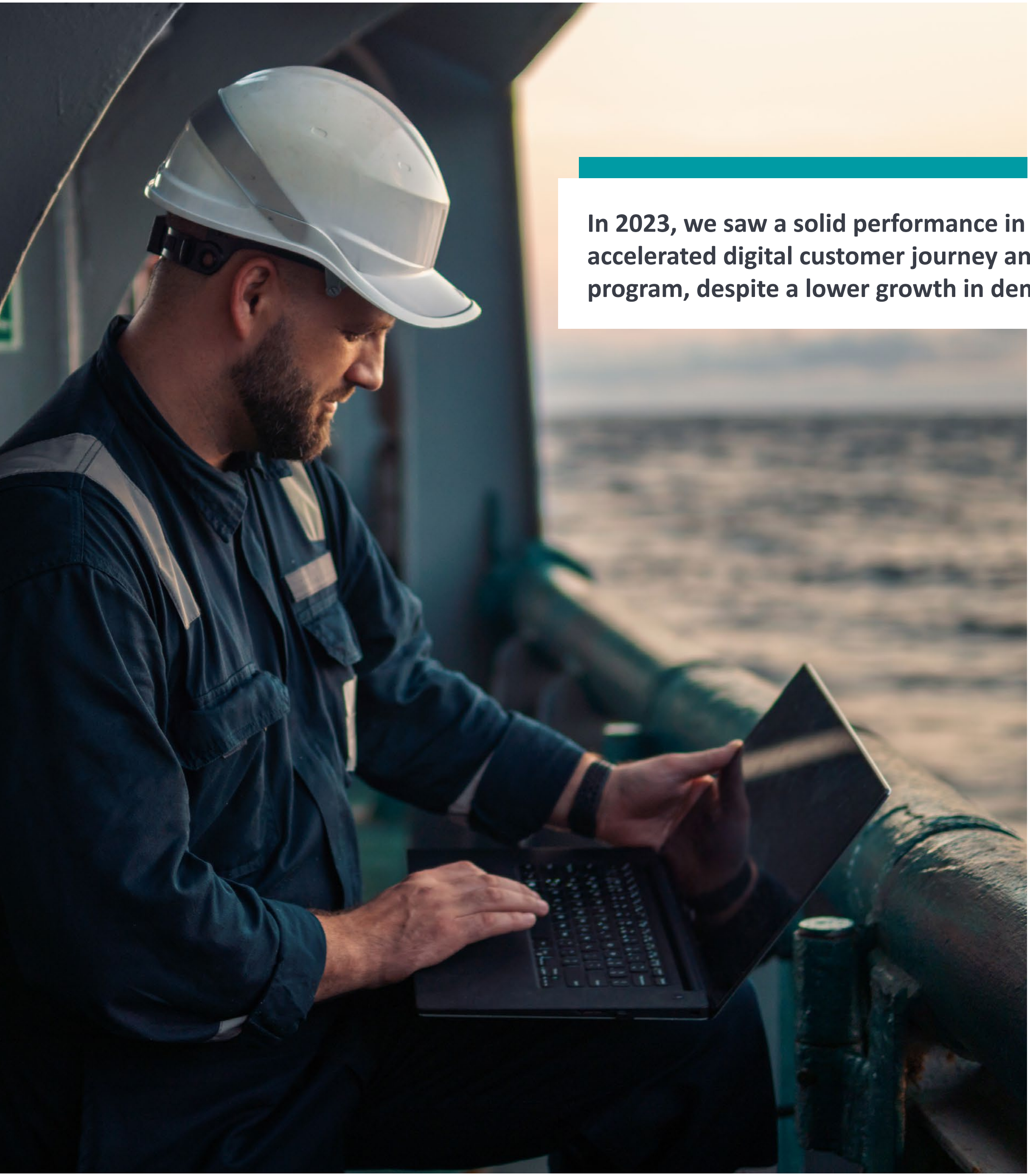
Definitions of Financial Highlights and Key Ratios

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 (%)	=	$\frac{\text{Gross profit x 100}}{\text{Net sales}}$	The enterprise's operating gearing
Operating margin (EBITA) (%)	=	$\frac{\text{EBITA x 100}}{\text{Net sales}}$	The enterprise's operating profitability
Return on invested capital (%)	=	$\frac{\text{EBITA x 100}}{\text{Average invested capital incl. goodwill}}$	The return generated by the enterprise on investors' funds
Return on equity (%)	=	$\frac{\text{Profit/(loss) for the year Excl. minority interests x 100}}{\text{Average equity excluding non-controlling interests}}$	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.



Reaching a Major Milestone in the Digital Customer Journey

In 2023, we saw a solid performance in our Ship Supply business, enhanced by an accelerated digital customer journey and an expanded key account management program, despite a lower growth in demand and the aftermath of inflation.

Revenue was up 2.5% year-over-year, mainly driven by the results of significant investments in digitalization, key account management, new logistics and distribution capabilities and an excellent performance in the European, Asian and Central American markets.

First Key Customer Fleet from one of the World's largest Shipping Companies implemented on the Source2Sea Digital Marketplace
127 vessels in 16 ports started trading on the Source2Sea digital marketplace. "This was a huge task achieved over a few months by an agile and collaborating Ship Supply team. Customer satisfaction and efficiency improved significantly, and as a supplier to our customers through the Source2Sea platform, this is our proof of concept," says Peder Winther, CEO Wrist Ship Supply. In mid-March 2024, the entire fleet of 680 vessels was implemented on the platform.

The digital operating model offers scalability, substantial simplification and efficiency to our customers, and now, other blue chip shipping companies have also been implemented on the Source2Sea platform.

KAM 2.0 Concept for an Improved Customer Journey
KAM 2.0 was designed to further increase our market penetration, accelerate organic growth, establish clear Go-to-Market strategies and to offer a targeted range of value-added services to our customers.

Strengthened Market Positions in North America and Middle East

In April and October 2023, we opened two new logistics and distribution centers in Houston and the UAE, processed and executed very successfully. Both logistics and distribution centers have doubled their stock holding capacity and expanded the Owners' Goods facilities. New energy-efficient solutions have been incorporated into the framework of the new facilities to reduce CO2 emissions and improve the local work environments.

Procurement Performance Reached New Heights

Procurement continued focusing intensively on cost prices to beat inflation on cost price development through eSourcing, rapid repricing and regular benchmarking – to resonate with our customers' need for resilient and cost-efficient supply chains. A new core assortment strategy was defined to be able to deliver our global value propositions, on-time in-full, from all branches towards our customers.

We introduced a new Supplier Code of Conduct, which was signed by 250 suppliers, to comply with our ESG strategy and actively address and avoid risks associated with the environment, human rights and anti-corruption.

Global Ship Managers Stores Optimization Program

In 2023, we also initiated the Global Ship Managers Stores Optimization program to improve our commercial and operational set-up in order to support global ship managers and the vital role they play in encompassing a range of responsibilities necessary for the smooth operation and navigation of vessels, safety and compliance.

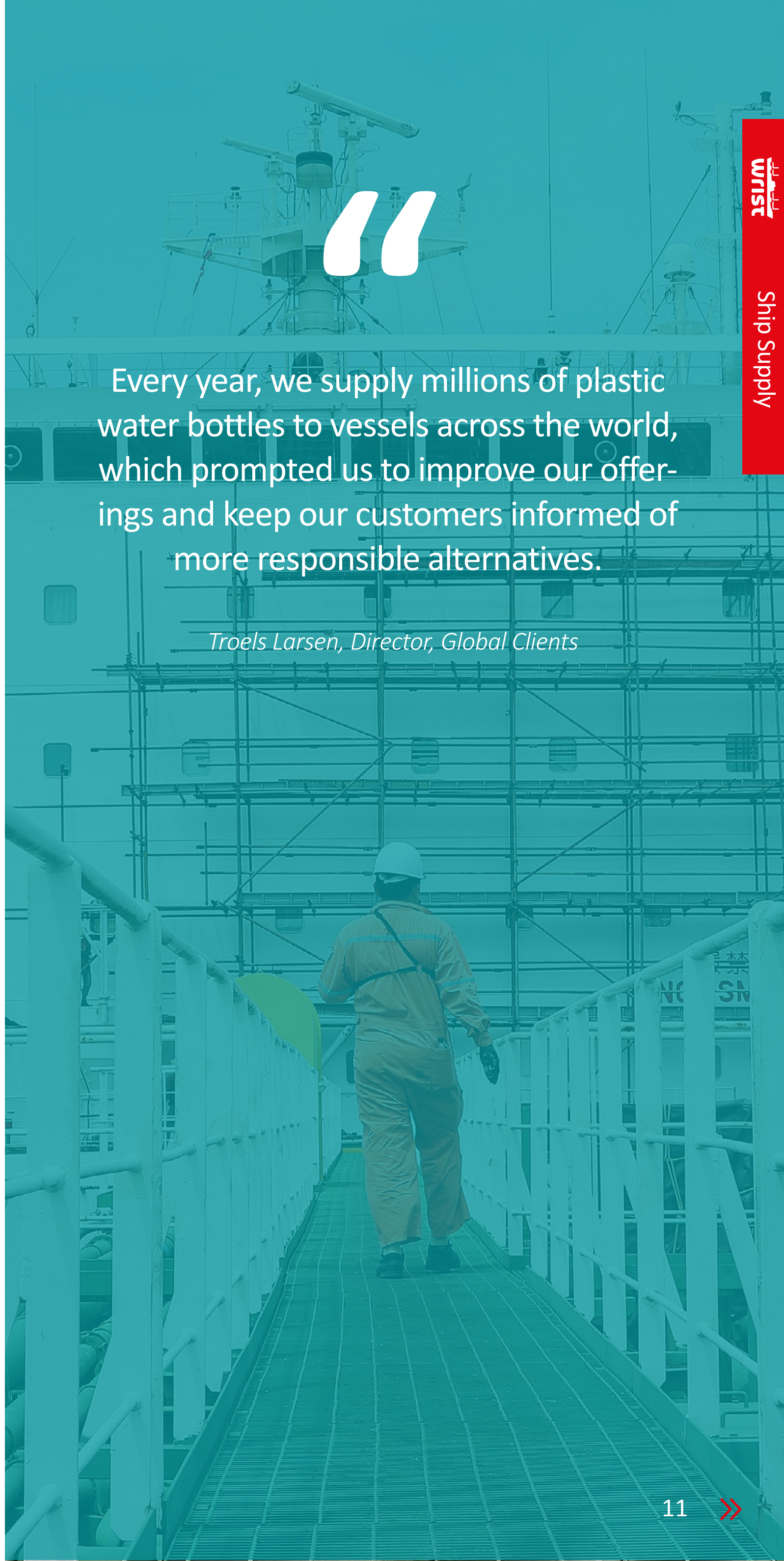
Shifting Towards More Sustainable Solutions

We have made an active choice to ban the use of single-use plastic in Wrist worldwide, which means that we no longer sell single-use plastic items.

In close partnership with one of our key customers, and with a joint goal to reduce the plastics in circulation in the maritime industry, we delivered the first 100 Water Purifiers on board our customer's vessels.

Reinforcing our Global Commercial Team

The significant Key Account program combined with new Go-to-Market strategies called for the reinforcement of our global commercial team. The Ship Supply business was empowered across functions, promoting employees internally and recruiting new external resources to deliver the strategy. We have invested in training programs, coaching and competence building to drive operational excellence and ensuring the success and satisfaction of key customers.



"Every year, we supply millions of plastic water bottles to vessels across the world, which prompted us to improve our offer-ings and keep our customers informed of more responsible alternatives.

Troels Larsen, Director, Global Clients

2023 Highlights

- Milestone in the digital transformation
- KAM 2.0 and improved customer journey
- Expanded logistics and distribution capabilities

Learn more about Ship Supply at wrist.com

Digital Progression

The strategy for our Maritime Services business unit was reshaped during 2023, and an additional +600 vessels were implemented on Gateway, our digital end-to-end ordering and inventory platform.

We saw a drop in vessel count and movements in the market, leading to lower order volume, market uncertainties and increased competition.

In 2023, we continued the initiative of running regular budget assessments with customers in response to high food inflation.

Together with key suppliers, we focused on reducing price increases to secure the three daily meals on board and the well-being of crews to the best of our abilities.

Digital Achievements – Gateway
At the end of 2023, nearly 700 vessels were operating on the Gateway platform.

Further development of Garrets Insights, for analytics and customer self-service, means that customers now have access to live orders just as they can retrieve even more data on their items.

Launch of Medical Supply
We launched the concept of Crew Guard to consolidate the delivery of provisions and medical supplies to safeguard the health of crews.

Consolidated Go-to-Market Efforts

Our focus on selected shipowner markets intensified, in close collaboration with the Ship Supply and Marine Logistics business units, to further increase our market penetration and accelerate growth through consolidated shipments, combining the delivery of provisions and stores with spare parts and Owners' Goods.

New Opportunities in the Offshore Wind Energy Sector

In 2023, we intensified our focus on the tank and offshore segments, including the wind and renewable energy industry. Offshore wind is expected to grow rapidly in the coming years, and we see a huge, unlocked potential in delivering our catering services to the wind and renewable energy industry, primarily in the North Sea, but also in other parts of the world.

> "In 2023, we onboarded more than 600 additional vessels on the Gateway platform, and the customers' feedback is very positive as the ordering process has become a lot easier and more efficient.
>
> *Neil Donaldson, Commercial Director, Garrets*

Maritime Services

Signs of Optimism in the Energy Sector Despite some Oil and Gas Uncertainty

2023 was another positive year for our Offshore Supply business, despite the political uncertainty undermining confidence levels in the traditional Oil and Gas Sector. The business was supported by a significant increase in Offshore Wind and Renewables activity in the North Sea.

Traditional UK oil and gas activities in 2023 were impacted by the windfall tax, which resulted in repair and maintenance activities being curtailed and drilling activities being cancelled for a period. The negativity around the windfall tax and political instability has been offset by the North Sea Transition Authority awarding new exploration licenses and the announcement of two new fields coming online, resulting in a strong finish to the year. Though there is still a degree of political instability, we see signs of optimism as we move into 2024.

The market development around Offshore Wind and Renewables continued with the sector accounting for 5% of our Offshore-related revenue. The number of Service Operation Vessels supporting existing wind farms and construction activities continues to increase.

An Evolving Sector Transitioning Towards Net Zero

Sales performance for the year was up 5.2% compared to 2022, supported by what is becoming a rapidly evolving Offshore Energy Sector and overall buoyant marine market.

A recovering oil price in Q2 combined with some political reassurance regarding future commitment to the industry boosted confidence levels and resulted in increased levels of activity in the second half of the year.

The sector continues to show resilience with industry bodies predicting an equal 50:50 split between oil and gas production and alternative activities by 2030. This will happen through a mix of actions including decommissioning, offshore wind, carbon capture and storage and hydrogen production. We have an established strategy plan to harness these opportunities as they develop, which bodes well in a long-term perspective.

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. Therefore, we are now engaging with customers and suppliers to establish carbon reduction initiatives.

> “The Offshore Wind and Renewables sector is on course to contribute up to 10% of revenue within a few years as activity levels continue to grow.
>
> *Stuart Donaldson, Managing Director, Strachans*

2023 Highlights

- Sales up 5.2% year-on-year
- Renewables account for 5%
- Energy sector diversifying into alternative markets

Learn more about Offshore Supply at strachans.co.uk

Significant Growth in Marine Spare Parts Shipments

Growing customer intake and stable freight rates brought on a significant increase in the number of spare parts shipments in 2023. The number of shipments increased substantially in the global WML business compared to last year.

Until December 2023, we still saw dropping freight rates and transit times. Sea freight rates declined by 43% until late November compared to the same period in 2022. Despite this, revenue increased by around 10% due to the significant growth in the number of shipments to the vessels.

As a result of the dropping freight rates, we were able to lower our rates in favor of our customers.

Best-in-class Portal takes Customer Offerings to a New Level
Our refined Marine Logistics portal met and exceeded our customers' demand for more features, efficiency and transparency to ease their processes.

New and improved design and features were implemented in order to strengthen the customer experience even further. Now, customers benefit from a dashboard to quickly monitor open quotes, order activity, CO2 emissions and transport statistics, and a portal guide is available to explore and make the most of all the features.

In Q4, the Marine Logistics portal was also released to our customers serviced by the spare parts consolidation hub in Rotterdam, replacing the existing spare parts portal.

“

We receive positive feedback from customers who integrated our portal to their Fleet Management Systems. They get valuable data and insights firsthand, creating transparency in all logistics processes.

Elizabeth Laustsen, Manager, WML

Prepared for Mandatory ESG Legislation
CO2 data in the Marine Logistics portal is audited and certified. This is recognized among our customers and means that they will be ready to comply with mandatory ESG legislation from 2025.

Consolidation Savings for Last Mile Logistics
Often, our Marine Logistics services are consolidated shipments combining spare parts logistics with the supply of stores and provisions. A calculation model was developed to demonstrate consolidation savings for our customers while contributing to the reduction of CO2 emissions.

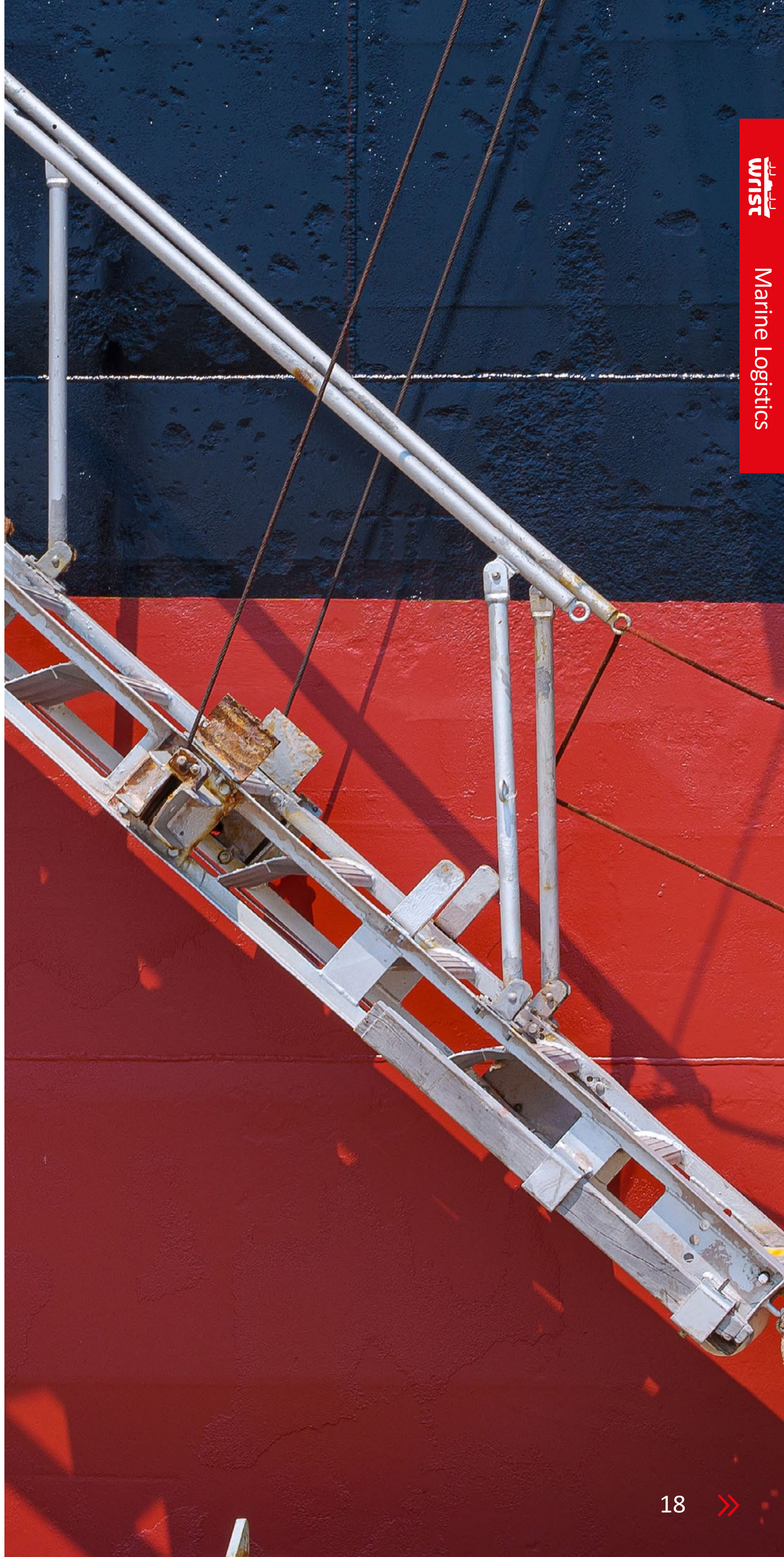
Complex Logistics Solutions through Worldwide Agent Network
We onboarded a range of new customers based on our ability to undertake highly complex logistics challenges – for example door-to-deck solutions to Namibia and Mozambique as well as special transport of a scrubber project transshipped in Italy and delivered to the US.

“Customers tell us that our demonstrated expertise in complex solutions is exactly the reason that they revert,” says Frank Hjorth, General Manager, WML.

Strengthening of Business and Expansion to Singapore
We strengthened our Marine Logistics business even further with the onboarding of new colleagues in Denmark and Singapore.

Automation and Integration into Order and Fleet Management Systems
Add-ons to our Order Management System provided more automation, freeing up time for the remaining business.

In 2023, we created more new customer integrations to our Marine Logistics portal. The possibility of integration led to a new partnership with a relevant marine procurement platform, enlarging our business scope in forwarding. This way, our Marine Logistics services are implemented in their system and will be promoted directly to all customers on the platform – particularly in the Greek and German markets.



2023 Highlights

- Increasing customer intake
- Best-in-class marine spare parts portal as stated by customers
- Increased presence in Singapore

Learn more about Marine Logistics at wrist.com

Market Acknowledgement and Solid Growth in Number of Buyers and Suppliers

With a substantial number of pilots successfully completed, Source2Sea, our Digital Marketplace, has now been live and operational for more than a year. A solid number of users from the buyer and supplier side was implemented, and trade increased substantially, positively impacting on our Gross Merchandise Value (GMV) run rate.

We continued to see an immense interest from the ship supply industry in moving their marine supply and procurement to Source2Sea's Digital Marketplace – thus moving away from analog trading.

Full Fleet of 680 Vessels on the Source2Sea Platform

In mid-March 2024, one of the world's largest shipping operators onboarded their full fleet of 680 vessels on the Source2Sea platform providing efficiency and supply chain simplicity across their fleet.

Proven Market Acknowledgement

Classical transaction platforms in the ship supply market primarily served to automate parts of the RFQ process, not to remove it completely. Learnings confirmed that these platforms did not take their starting point in the basic requirements of the vessel and crew and fleet management.

Developing Source2Sea's Digital Marketplace, we put extreme focus on vessel and crew needs and value – they represent the end-users of any product traded.

"Feedback from users is extremely positive," says Mikael Weis, CEO, Source2Sea, and continues: "Buyers and suppliers are excited about the user experience of the platform, and report that it is intuitive and easy to navigate." In addition, they emphasize that it is a strong advantage to their daily business that the user interface of Source2Sea is similar to regular shore-based online shopping platforms.

> Buyers, suppliers and users are saying that the ease-of-use is unique in the industry with no more RFQs and trying to guess what it is the vessel actually wants. No more misdeliveries and thereby expensive rejections by the vessels, but instead a very efficient process for vessels, fleet management, buyer procurement and suppliers.

Mikael Weis, CEO, Source2Sea

Product images, online pricing and product descriptions and specifications of the exact products create great value. These features lead to a significant drop in the number of misunderstandings, reducing the number of claims and credit notes issued – making marine supply and procurement much smoother throughout the supply chain.

Expansion of User Base

2023 brought growing supplier engagement driven by buyer activity, but also by individual suppliers' interest in joining the platform.

Significant steps were taken to refine a state-of-the-art platform for suppliers while focusing on Fleet Management System (FMS) integrations on the buyer side. Through these integrations, our user base will expand considerably, as we tap into the existing process these buyers have through their FMS providers.

Launch of Fleet Management System Integrations

For years, shipping companies have been asking for a connection between their procurement system and supplier catalogs. To accommodate this need, we started launching a number of FMS integrations. One of them was in a partnership with RINA to build a Punch-Out integrated catalog unprecedented in the maritime supply industry.

Multiple shipping companies showed interest in the solution, and we see a substantially accelerated number of pilots planned for 2024.

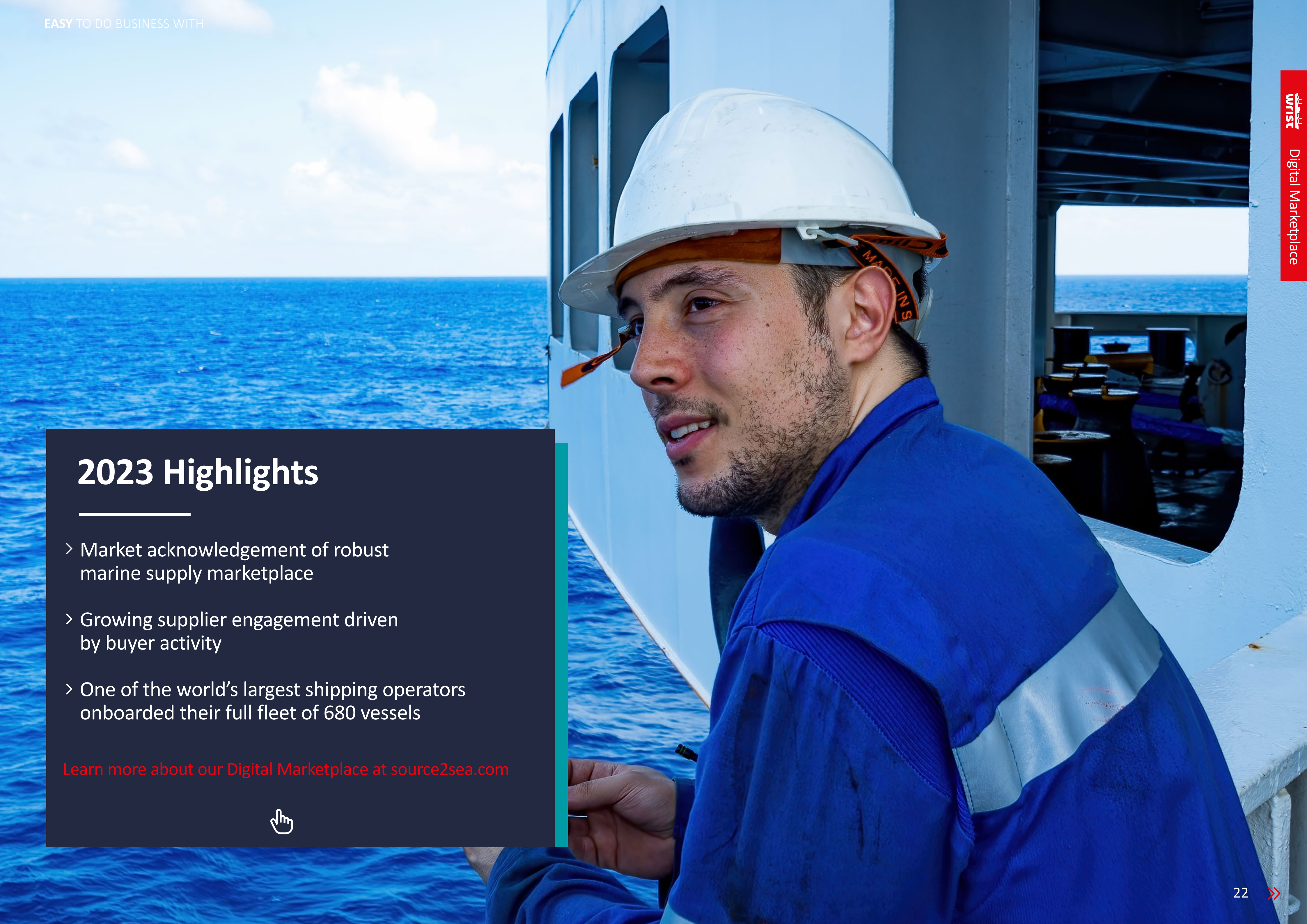
The Punch-Out catalog allows the crew on board to access Source2Sea's Digital Marketplace without leaving RINA's Fleet Management System, SERTICA.

Building and maintaining a catalog has typically been the responsibility of the buyer. With Source2Sea's customer-tailored product catalog platform, all that work is no longer required for the buyers. This solution brings together the best of both worlds of the SERTICA FMS and Source2Sea's Digital Marketplace.

Unveiling Tomorrow's Potential

With an established catalog platform and an advanced Product Information Management (PIM) system, we can optimize our offerings even further – in particular on the supplier side.

Implementing the PIM system while building the flow from the supplier to the catalog, makes Source2Sea's solution unparalleled to any other solution in the industry.



2023 Highlights

- Market acknowledgement of robust marine supply marketplace
- Growing supplier engagement driven by buyer activity
- One of the world's largest shipping operators onboarded their full fleet of 680 vessels

Learn more about our Digital Marketplace at source2sea.com


CONTAINER TERMINAL
CONTAINER TERMINAL
CONTAINER TERMINAL

Environmental, Social and Governance

During 2023, we further developed our ESG strategy establishing a comprehensive five-year roadmap.

Our goal is to minimize our climate impact and make Wrist an even greater place to work while proactively fulfilling the increasing demand from our customers for responsible solutions and services.

We understand that the journey towards a sustainable marine supply industry will require time and effort, and we are steadfastly taking responsible steps in the right direction.

Stakeholder engagement has played a pivotal role in shaping our ESG strategy. We highly value the input and feedback from our stakeholders, as it allows us to gain valuable insights and align our practices with their expectations. We are grateful for their involvement and remain committed to fostering strong relationships built on trust, transparency and shared goals.

Download our ESG brochure right here

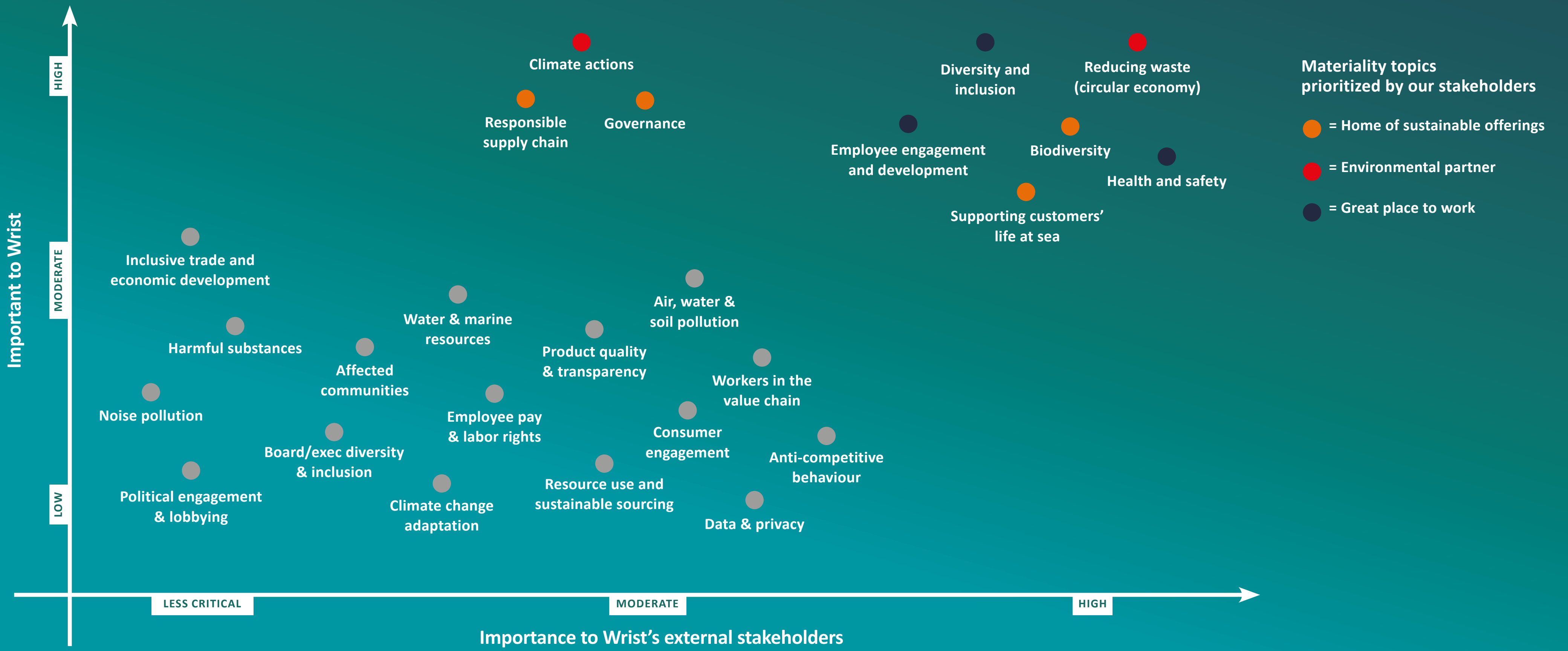
Statutory statement on Corporate Social Responsibility in compliance with §99a of the Danish Financial Statements Act (Årsregnskabsloven).

Materiality Assessment

At the end of 2022, we conducted a materiality assessment to identify the material topics that our stakeholders consider most important for us to report on and address in our business activities.

The assessment involved interviews with internal and external key stakeholders and was conducted by an ESG consulting firm. The purpose of the analysis was to determine the perceptions and expectations of our stakeholders towards our efforts within sustainability, and to investigate where our impact is greatest.

The eight material topics prioritized by our stakeholders are displayed in the graph below, and these are the foundational topics to our ESG strategy and roadmap for 2023-2027. We have added the topic 'Supporting customers' life at sea, since we highly prioritize to becoming the preferred supplier of sustainable provisions and stores at sea.



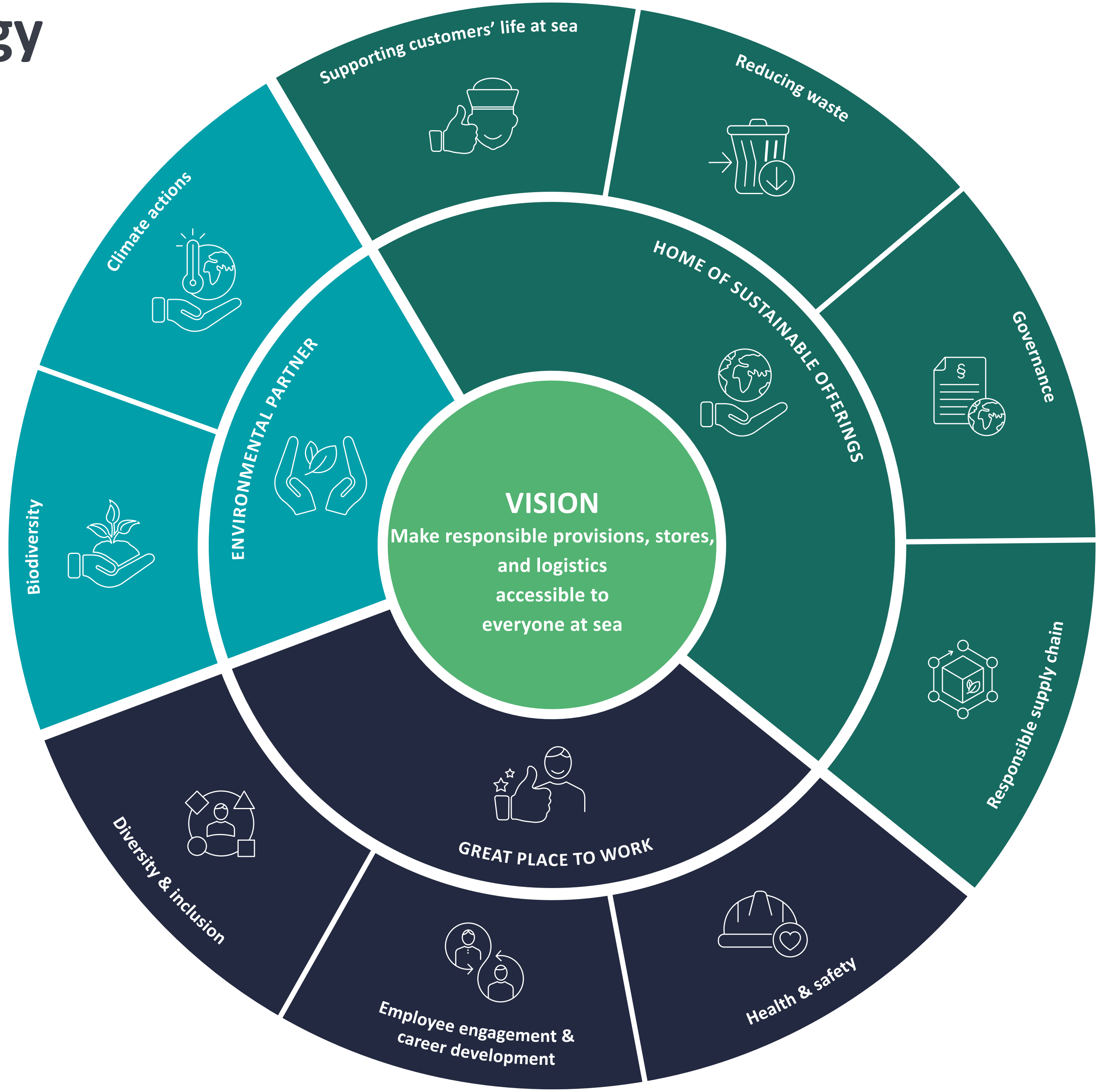
Environmental, Social and Governance

Sustainability Strategy

At Wrist, we believe that everyone should have access to responsible provisions and stores at sea. That is why we have a clear sustainability vision to 'Make responsible provisions, stores and logistics accessible to everyone at sea.'

Our Responsible Provisions and Stores Plan is at the core of our sustainability strategy and defines what we consider responsible provisions and stores to be, which entails more than just providing quality products and logistics expertise at affordable prices. It includes procedures that promote the well-being of all our stakeholders, the environment and our employees.

At Wrist, we approach sustainability across the three themes of 'Environmental Partner', 'Great Place to Work' and 'Home of Sustainable Offerings', with each theme housing priority topics ranging from 'Climate Actions' to 'Diversity and Inclusion'. We regularly consult with key stakeholder groups to ensure our approach remains relevant and ambitious. Changing stakeholder expectations alongside shifting social and environmental factors shape our topic plans. Across each topic we have set long-term targets, working with industry leads to build partnerships and striving for greater transparency and accountability.



Our Approach

To fulfil our commitment, we are actively incorporating our sustainability strategy into the core of business operations of the company.

Our approach involves tackling urgent issues with pace, while leading on topics that are most relevant to our business and stakeholders.

Through the Responsible Provisions and Stores Plan, we are working towards systemic change that aligns with the United Nations' Sustainable Development Goals (SDGs), addressing some of the world's most pressing challenges.

We focus on seven UN Sustainable Development Goals:

GOAL 5 - Gender equality:
To actively work towards gender equality at manager levels

GOAL 8 - Decent work and economic growth:
To create growth and apply high health and safety standards

GOAL 12 - Responsible consumption and production:
To reduce waste from operations and packaging in our supply chain

GOAL 13 - Climate action:
To minimize the carbon emissions we release

GOAL 14 - Life below water:
To reduce negative impact on marine ecosystems

GOAL 15 - Life on land:
To reduce negative impact on forestry ecosystems

GOAL 16 - Peace, justice and strong institutions:
To maintain high standards of business ethics

The Responsible Provisions and Stores Plan

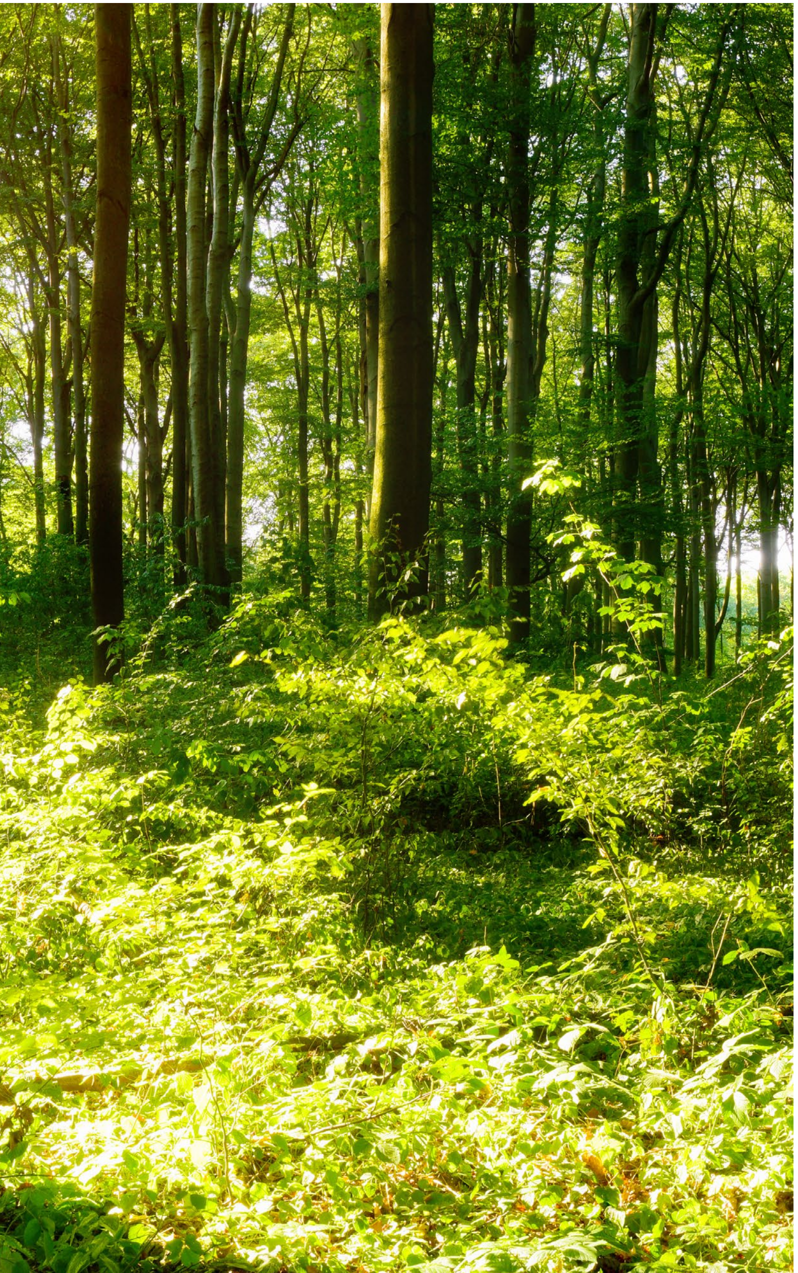
	TOPIC	OBJECTIVE	GOALS
ENVIRONMENTAL PARTNER	Biodiversity	To reduce negative impact on marine and forestry ecosystems through the assistance and the products we provide to our customers.	› Biodiversity impact assessment › Biodiversity strategy and target setting › Biodiversity action plan
	Climate actions	To reduce emissions across own operations (scopes 1, 2 and 3) and support key stakeholders in meeting their decarbonization goals.	› CO_2 baseline and reporting › SBTi targets fixed › Decarbonization strategy

DECARBONIZATION GOALS

	TOPIC	OBJECTIVE	GOALS
GREAT PLACE TO WORK	Employee engagement & career development	To become the preferred employer in our industry.	› Structured talent and succession management and development › Engagement and well-being › Training and learning
	Diversity and inclusion	To maximize the value of a diverse workforce and ensure that all employees – current and future – feel included in a welcoming workplace, free from biases.	› Increase employee diversity › Increase workplace inclusion › Increase diversity in recruitment
	Health and safety	To have zero work-related injuries and incidents and to establish a workplace that is not only free from safety fears for all staff members, but which also upholds strong governance practices, ensuring compliance with safety regulations, implementing robust safety protocols and fostering a culture of accountability and proactive risk management.	› Launch a new Group health and safety policy › We will explore the possibility of applying for the ISO 45001 standard

	TOPIC	OBJECTIVE	GOALS
HOME OF SUSTAINABLE OFFERINGS	Responsible supply chain	To be the leader in responsible value chain transparency and governance within the ship supply industry.	› Increase product transparency through closer and more sustainable supplier partnerships with strategic suppliers and supplier audits › Sustainable procurement policies › Sustainable assortment choices
	Governance	Providing transparency, accountability and driving excellence in our core operations.	› Update and track compliance › Engage customers and suppliers on how to enhance anti-corruption across industry › Consistently adhere to regulations, implement robust policies and maintain a track record of zero instances of non-compliance in areas such as anti-corruption/anti-bribery, sanctions/export control, competition regulation and personal data handling
	Reducing waste	To reduce waste from operations and packaging from customers, we aim to prioritize recycling, reusing and ensuring correct end-of-life waste management.	› Reduce operational waste › Reduce food waste › Circular economy › Reduce packaging
	Supporting customers' life at sea	Becoming the supplier of choice on responsible provisions and stores accessible to everyone at sea.	› Guaranteed diverse sustainable assortment › Education and awareness on healthy diets › Use membership organizations to enhance seafarer support services, strategies and advocacy of well-being › Crew level communication around Wrist's responsible procurement and certifications

Company structure, including list of subsidiaries and legal structure, is available on pages 70 and 88, respectively. On pages 10-22, we account for the Group's business areas including products and services.



Environment

During 2023, we intensified our initiatives to create sustainable provisions and stores that help reduce the environmental impact.

Biodiversity

To gain a comprehensive understanding of our impact on biodiversity, we will conduct an ecological survey and comprehensive biodiversity impact assessments.

Climate Actions

Addressing the climate challenges the world is facing requires prompt and decisive action and collective effort. The materiality analysis highlights the importance of reducing our greenhouse gas emissions to our stakeholders.

It is the ambition of Wrist to commit to the Science Based Targets initiative (SBTi), which promotes and defines best practices for scientifically based climate goals.

This includes setting a 1.5°C-aligned near-term target to focus on rapid deep emission cuts. The target covers our entire value chain GHG emissions, including those produced in our own operations (scope 1) and purchased electricity and heat (scope 2). The reduction target for GHG emissions in products acquired at suppliers and consumed by the end-users (scope 3) is largely dependent on changes in consumer behavior and technology development in the manufacturing industries.

Climate Initiatives

As the world's largest marine supplier, we have a significant responsibility to lead and set an example in our industry by minimizing our climate impact. We must achieve this and have already begun by adopting renewable energy, transitioning to electric transportation and setting ambitious climate goals. In 2023, we installed 4,800 m2 solar panels on the rooftop of our headquarters (HQ) in Nørresundby, Denmark.

These solar panels produce approximately 1 million kWh/year, equivalent to 35% of the current power consumption at HQ. While we already consume power from renewable sources with low environmental impacts, the addition of rooftop solar panels further enhances our sustainability efforts. If the solar panels do not generate all the electricity required for our facilities, we will cover the remaining demand by purchasing a relatively small volume of green power. This ensures that our HQ operates entirely on renewable energy with minimal environmental impact.

Responsible Supply Chain

At Wrist, we purchase and distribute over 250,000 different products, each with their own production and supply chain. The decisions we make have an impact throughout the supply chain. Our materiality analysis also highlights the importance of sustainable alternatives to our stakeholders.

Deforestation

Deforestation has garnered significant attention worldwide in recent years, and our materiality analysis also indicates its importance to our stakeholders.

To contribute to the fight against deforestation, we initiated the process of achieving a deforestation-free supply chain. We extended our Supplier Code of Conduct to start addressing this issue. Through our suppliers, we are actively collecting transparent tracking reports and mitigation plans that include measurable actions to eliminate deforestation from our product assortment. Our aim is to identify and engage with suppliers who pursue robust deforestation policies, as we are committed to achieving a deforestation-free supply chain.

Environmental goals	Status 2023
GHG emissions reduction (scope 1): *Company cars* › By the end of 2026, 50% of all new European company cars must be hybrid and/or electrically powered	46% of all company cars are hybrid or electrically powered
GHG emissions reduction (scope 2): *Electricity* › Denmark: By the end of 2023, 100% of the electricity used at our HQ in Denmark is certified green electricity from wind turbines	Target achieved

As the world's largest marine supplier, we have a significant responsibility to lead and set an example in our industry by minimizing our climate impact. We must achieve this and have already begun by adopting renewable energy, transitioning to electric transportation and setting ambitious climate goals.

Social

We created a People Vision and a 2023-2027 People Strategy as an integrated part of our Group strategy, CONNECT 2027.

Our People Vision

- Wrist is people and people is Wrist
- Everyone in Wrist has passion and potential
- Everyone has the power to contribute and influence
- Everyone must feel respected and valued
- We develop the individual and the team

Our People Strategy centers around how we raise the level of leadership and enhance collaboration across the company as well as how we attract people and thereafter motivate, develop and retain current and new colleagues. In terms of transformational levers, we are focusing on engagement and job satisfaction, employee experience, our values and culture as well as diversity, equity and inclusion.

Policy and Status on the Underrepresented Gender
The Wrist Policy for the Underrepresented Gender was updated in 2023 in accordance with section 99b of the Danish Financial Statements Act and section 139c of the Danish Companies Act as a supplement to our existing company-wide policy.

At Wrist, we take pride in the diversity our employees represent, considering it as a strength that allows us to benefit from the skills, experiences and personal qualities of each individual. We firmly believe that a diverse and inclusive workplace inspires and leads to better results for both our employees and our business.

In 2023, 35% of our managers were female, marking a significant improvement compared to the previous year's figure of 30% in 2022. The ongoing enhancement of female leadership remains a strategic priority for us in the upcoming years. To achieve this, we will implement targeted initiatives, such as leadership development training and practices that foster diversity and inclusion.

The recruitment process is the first step towards building a diverse workforce, and we aim for it to be an integrated part of our culture and success. Our success relies on our people, and therefore, we will always select the candidate whose skills – both personal and professional – align best with our company and the specific role.

Health and Safety

Anti-harassment Policy

We have implemented an anti-harassment policy that covers the entire Group to ensure a safe and welcoming work environment. The policy includes tools to report breaches and outlines how such reports are handled. We have a zero-tolerance policy towards discrimination, the use of offensive language, bullying, exclusion, isolation, sexual harassment and similar behaviors.

In 2023, two incidents of accusation related to our anti-harassment policy were reported. Investigations were conducted and necessary corrective actions taken.

Supporting Customers' Life at Sea

Our budget management services continued to undertake a systematic review of customer budget rates, analyzed alternative supplies and agreed to changes to budget rates across all customers. The process of regularly reviewing rates with customers will continue 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.

Sponsorships for Seafarers

At Wrist, we encourage maritime organizations and seafarers' welfare projects, 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. Finally, we support selected humanitarian aid programs, extending our maritime Expert Care to temporarily embrace people in need onshore.

Social goals	Status 2023
Health and safety › By the end of 2024 we will launch a Group health and safety policy › By the end of 2024 our goal is to fully record, document, and take appropriate action for 100% of all accidents and incidents as well as near misses › By the end of 2027 we will explore the possibility of applying for ISO standard 45001	A review is currently taking place regarding necessary health and safety reporting – expected to be completed by Q2 2024
Continuous learning › Empower and develop stronger feedback culture › Individual development plan to be implemented	Further update by end 2024
Employee development and job satisfaction › 85% of employees with at least two annual talks with their manager regarding performance and career development (warehouse employees and drivers exempted)	75% of employees had at least two annual talks with their manager regarding performance and career development (warehouse employees and drivers exempted)

Social goals

Status 2023

Status on the underrepresented gender

Statutory statement on Corporate Social Responsibility in compliance with §99 b section 1 of the Danish Financial Statements Act (Årsregnskabsloven).

Share of the underrepresented gender	2023	2022	2021	2020	Target for the share of the underrepresented gender	Year of target achievement
Board of Directors [1]	0% (0/7)	0% (0/7)	0% (0/7)	0% (0/7)	40%	2027
Upper Management [2]	19% (5/26)	19% (5/26)	25% (6/24)	23% (5/22)	40%	2029

[1] Shareholder-elected Board members of Wrist Ship Supply A/S

[2] Group Chief Executive Officer, Chief Executive Officer, Group Chief Financial Officer and Executive Vice Presidents employed by Wrist Ship Supply A/S as well as their direct reports with leadership responsibility.

At Wrist, we take pride in the diversity our employees represent, considering it as a strength that allows us to benefit from the skills, experiences, and personal qualities of each individual. We firmly believe that a diverse and inclusive workplace inspires and leads to better results for both our employees and our business.

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.

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

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 Measures and Wrist Academy Compliance Program

Wrist has implemented several technical, organizational and contractual measures to ensure compliance.

All Wrist contracts are conditioned by compliance with applicable regulations and in particular regulations on sanctions, anti-bribery, anti-trust and general personal data protection. Furthermore, Wrist employees at all levels must complete our digital compliance program, Wrist Academy.

The program educates and trains employees on applicable regulations and is tailored to Wrist focusing on industry risk factors. The program comprises relevant policies and guides as well as comprehensive training, followed by annual audits.

During 2023, our Legal Department completed on-site training of colleagues on sanctions and anti-bribery in Sharjah, Rotterdam, Esbjerg and Skagen.

On the supplier side, we examined a new system to ensure automated checks of suppliers for sanctions, convictions or adverse media. The system will be implemented during 2024.

International Trade Sanctions

It is the policy of Wrist that all employees and managers must comply with applicable Export and Import Controls and Economic Sanctions of the US, the EU and the UN, as well as the regulations of the countries in which Wrist operates. Wrist has implemented extensive technical measures to safeguard the business against infringement of sanction regulations. Furthermore, all employees undergo training and receive ongoing guidance on 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. Cash is still a means of payment used by vessels at sea. Wrist has implemented extensive organizational measures to safeguard the business against infringement of anti-bribery regulations.

Furthermore, all employees undergo training and receive ongoing guidance on anti-bribery rules, and the company's operations are audited annually.

Anti-trust Rules/Competition Law

Wrist believes in vigorous, yet fair competition. Employees must never engage in any anti-competition actions, and each employee must comply with this principle. All employees undergo annual anti-trust and competition law training.

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.

Download Wrist Business Principles right here

https://www.wrist.com/download/sustainability/business_principles2022.pdf

General Personal Data Protection

Directions on the General Data Protection Regulation in relation to business activities in Wrist are included in our online compliance training. Employees undergo training in personal 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 suspected breaches.

Data Ethics

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

Wrist's 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 General 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.

In 2023, our Master Data team started the collection of product data from our suppliers to generate a Wrist product catalog for sales channels such as Source2Sea's digital marketplace. We decided to use ChatGPT to translate descriptive product information from various languages into English.

Within Business Intelligence (BI) and Analytics, we investigated the use of AI for sales forecasting, but this has not been put into production yet.

ERP data from our business units within Offshore Supply and Maritimes Services was implemented in our BI system.

Statement Regarding Wrist's Policy for Data Ethics
The Wrist 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 (AI) and machine learning and on how we take in new technologies at a Group level.

We worked to enhance the services provided to vessels by developing an AI-powered product selection tool. With this tool, we will be able to select products more quickly 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, Labor 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. This is embedded in our Business Principles.

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.

In our standard supplier contract template, we obligate the suppliers to comply with applicable regulation on anti-bribery as well as our anti-corruption policy and guidelines and any other relevant guidance from us.

Reports of anti-corruption incidents can be made through our whistleblower system, which allows for anonymity. We actively promote this reporting avenue during online compliance training, introductory sessions for new colleagues and in conversations with co-workers. If anyone suspects or is concerned about potential corruption, we encourage them to reach out to the Legal Department.

Additionally, colleagues are encouraged to seek guidance from the Legal Department if they are unsure whether certain actions comply with our anti-corruption policy. An anti-corruption incident is defined as any action that violates relevant legislation, our anti-corruption policy or our anti-corruption guide.

Our Legal Department provides annual compliance reports to the Group CFO.

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.

In a new system to be implemented during 2024, we will receive a notification if any of our suppliers are convicted for anti-bribery or if there is adverse media regarding anti-corruption matters related to the supplier.

Governance

New Supplier Code of Conduct

> At Wrist, we are committed to demonstrating responsibility throughout our supply chain. In 2023, we introduced a new Supplier Code of Conduct that mandates our suppliers to pro-actively address risks associated with the environment, human rights and anti-corruption.

Download our Supplier Code of Conduct right here

https://www.wrist.com/download/brochures/supplier_code_of_conduct.pdf

Governance goals	Status 2023
Supply chain co-operation › Global suppliers to sign our Code of Conduct	107 of 112 global suppliers have signed the Code of Conduct (COC). In total 249 suppliers signed COC which is equal to 43% of annual spend.
Wrist Business Principles and ESG policies › 0 breaches of social, economic or environmental laws/regulations, every year	Target achieved
› 0 legal, yearly actions regarding anti-competitive behavior	Target achieved
› 0 incidents of corruption, yearly	Target achieved
Extended compliance training › By the end of 2025, 100% of our procurement and sales employees must be able to pass an extended compliance training course	The initiatives are still under development

Wrist's Business Principles are incorporated in our general business practices when living our overall mission of 'Expert care – making our customers' life at sea better and Wrist a great place to work'.

ESG in the Future

Our top priority is environmental stewardship, achieved through investing in innovative technologies, energy efficiency and sustainable procurement.

We aim to reduce our CO2 footprint by conserving resources, minimizing waste and lowering emissions. Additionally, we will promote diversity and equal opportunities in the workplace, prioritize employee well-being and development and engage with local communities for sustainable development.

Upholding high governance and ethical standards, complying with regulations and engaging stakeholders are integral to our corporate culture. We will actively seek feedback from stakeholders to enhance our ESG performance and create shared value in the future.

WE STRIVE TO MAKE MEANINGFUL IMPACTS TOWARDS SUSTAINABILITY

Risk Management

Our company 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 on the division of 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 maneuver before approval by the Board of Directors 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

We offer our services to the shipping and offshore industry in numerous countries at the largest shipping lanes and offshore hubs, and this diversification mitigates risk. We continuously monitor the development of the industries served to enable timely adjustments to its strategic planning. The relevant world fleet is growing, but spend patterns can fluctuate in the 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. We monitor developments and adjusts their 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

We serve a large and diverse customer base, which is broadly distributed geographically and in terms of supply solutions and products. This mitigates risk, as does the Group's focus on customer service.

With our global key account management organization, we have a thorough understanding of the needs of our customers and can develop initiatives to improve our 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 statutory audits. At Wrist, we adhere to firm budgeting and reporting schedules and monitor the performance of our 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. We are continuously testing and developing the capacity, accessibility, reliability and security of our 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, through political decisions or administrative practices, 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

At Wrist, we are committed to complying with all applicable laws and other regulations 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, and for 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, EUR 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 into 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 using the average rates of the year, whereas the statement of financial position is translated using 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 interest rate may affect the financial results. The Group manages this risk with 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 a lack of liquid funds, while refinancing risk is defined as the risk of the refinancing of maturing loans becoming difficult or costly. The Group's loans are mainly long-term.

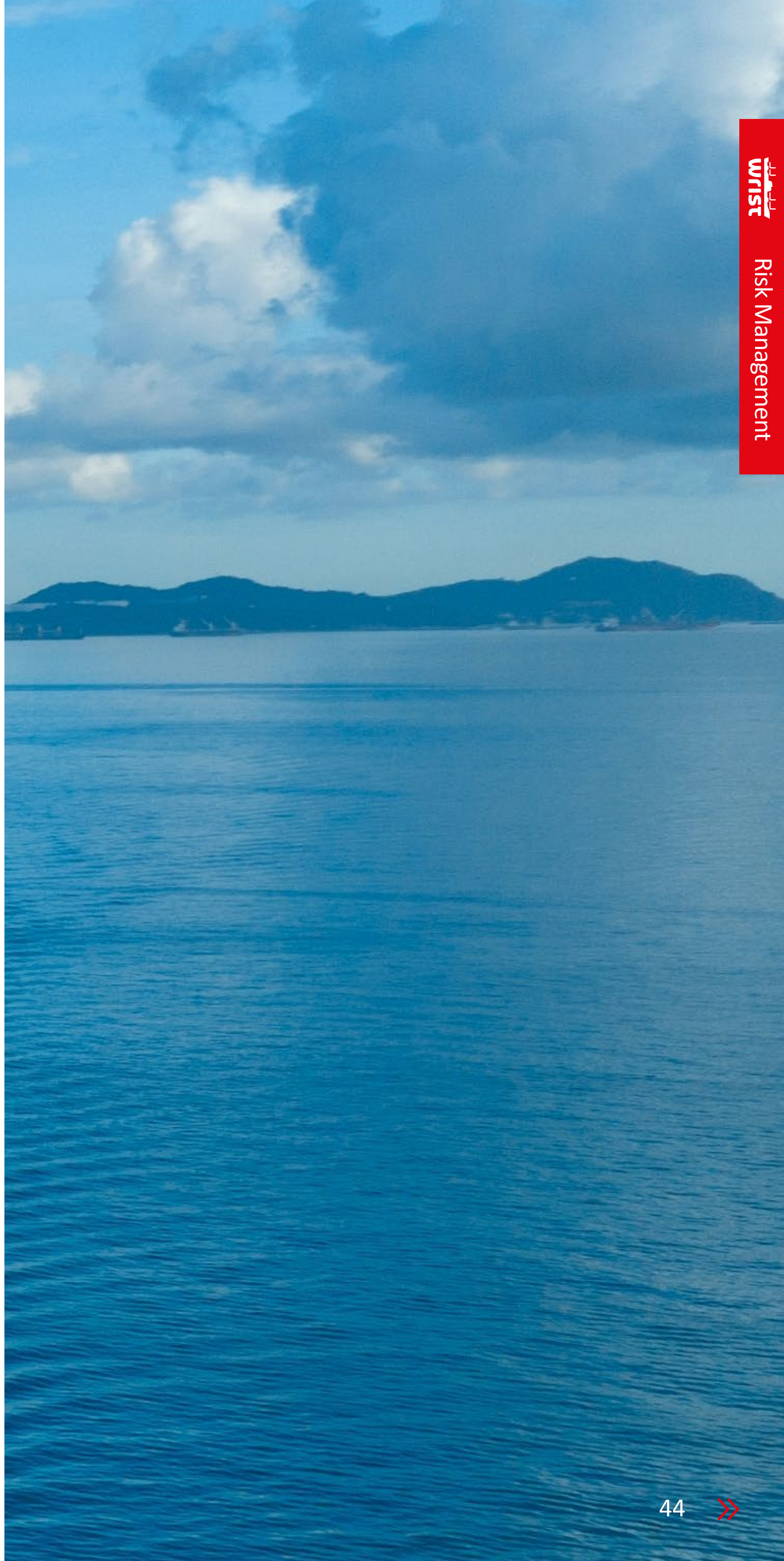
Our company maintains a healthy financial position, cash flow and liquidity reserve. Treasury management is centralized and ensures that sufficient financial resources are available to meet planned requirements. We have entered into a long-term committed financing agreement with a banking syndicate,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

Credit Risk

Credit risk consists of the commercial risk of bad debt, i.e. the risk that a customer is unable to pay for delivered supplies due to financial difficulties and financial counterparty risk. We have 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 we operate. 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. We conduct individual assessments of our 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

Net Sales
The increase in sales is seen throughout most of our business activities and most significantly within the Ship Supply and Offshore units. The increase is driven by volume and inflation while currency fluctuations have impacted net sales negatively.

In total, and in the reporting currency, net sales increased 3.0%, amounting to DKK 5,548m compared to DKK 5,389m in 2022.

Our sales outlook in the annual report 2022 was DKK 5.7bn while sales in 2023 reached DKK 5.5bn. The lower level of sales is primarily caused by lower growth in Ship Supply and Maritime Services.

Gross Profit
In 2023, gross profit increased to DKK 1,578m from DKK 1,510m in 2022. The gross profit ratio increased to 28.4% compared to 28.0% in 2022. The increased net sales and continued focus on procurement strategy, price management and change in business mix, secured an improved gross profit.

Other Operating Income
Other operating income amounts to DKK 19.3m in 2023 compared to DKK 19.7m in 2022.

Other Operating Expenses
Other operating expenses amount to DKK 0m which was also the case in 2022.

Operating Profit (EBITA)
The reported EBITA decreased by DKK 10m from DKK 241m in 2022 to DKK 231m in 2023 – a decrease of 4.2%. The operating margin was 4.2% in 2023 compared to 4.5% in 2022.

Comparing the operating profit to the expectations from the annual report 2022 (EBITA DKK 300-320m), we are lower than the guidance. This is due to lower net sales performance and an increase in other external expenses and employee costs.

Net Profit
The net profit for the year was DKK 81m compared to DKK 113m in 2022. Management considers the profit level to be below their expectations.

The change in net profit compared to last year is due to a higher gross profit margin, but increased costs, depreciations, amortizations and net interest expenses are more than offset the positive impact.

Cash Flow
The cash flow from operating (CFFO) activities increased to DKK 231m in 2023 compared to DKK 194m in 2022. The improvement in CFFO is driven by a better development in working capital compared to last year.

The net working capital as per 31 December 2023 was 430m, a decrease of DKK 20m compared to 2022 working capital of DKK 450m. The working capital, as a ratio of sales, was maintained at 8.1% in 2023 compared to 8.1% in 2022.

Investments

Net investments amounted to DKK 116m, compared to DKK 118m, including DKK 26m acquisition of enterprises in 2022. In 2023, right-of-use assets increased by DKK 313m compared to DKK 172m in 2022. The most significant increases in right-of-use assets come from the leasing and upgrade of new warehouse facilities in North America, Dubai and Rotterdam.

Sales of property, plant and equipment amounted to DKK 2m compared to DKK 2m in 2022.

Invested capital aggregates to DKK 2,080m as per 31 December 2023, compared to DKK 1,877m last year.

Financial Position

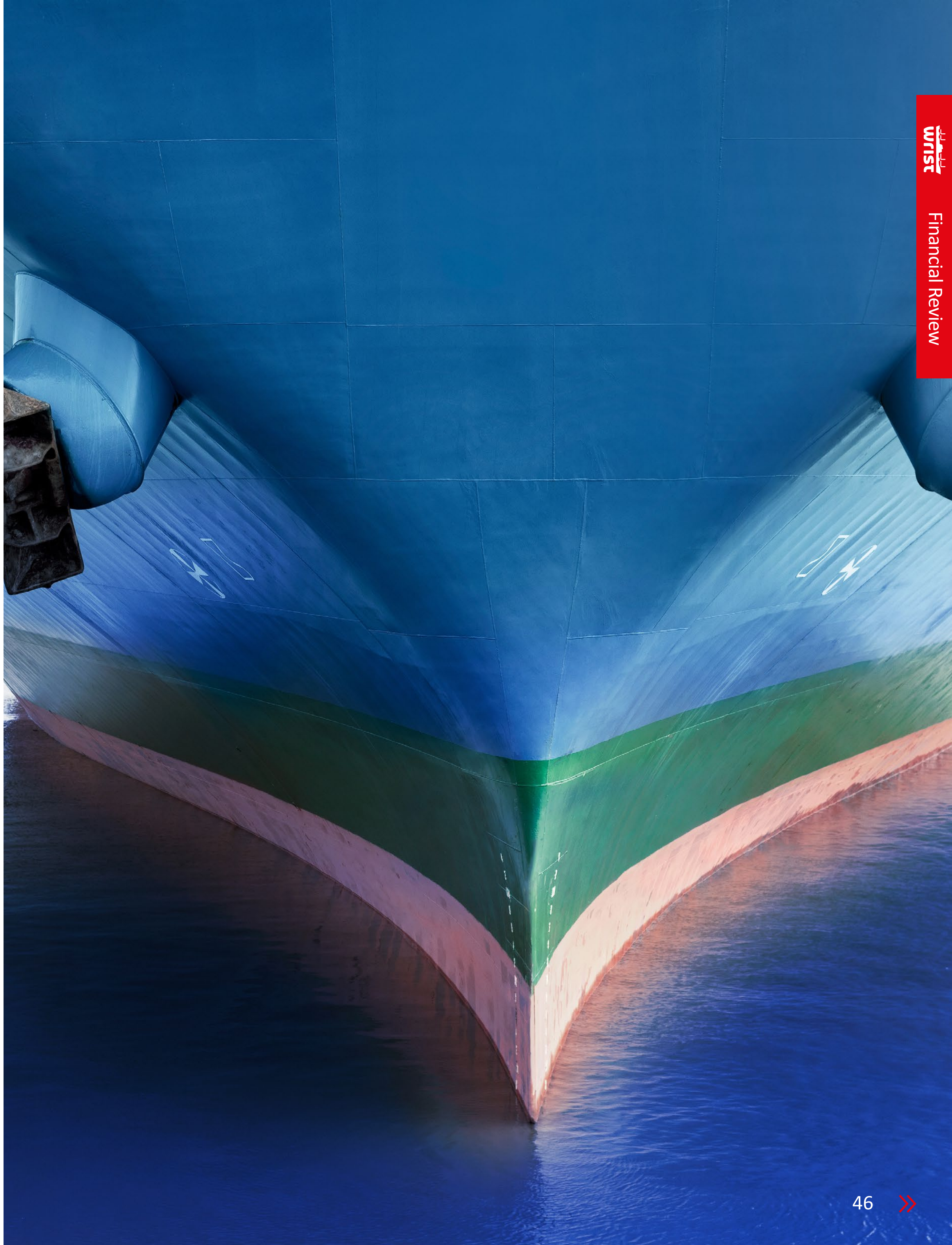
On 31 December 2023, cash and cash equivalents were DKK 92m and total available cash resources amounted to DKK 157m, compared to DKK 191m at the same time the year before. Wrist has entered into a new agreement on long-term committed credit facilities, enabling both current operations and planned expansion.

The net interest-bearing debt (NIBD) amounted to DKK 998m on 31 December 2023 compared to DKK 830m at the end of 2022. The increase is related to the increased lease liabilities arising from the expansions and upgrades of our warehouse facilities in North America, Dubai and Rotterdam, foreign exchange (FX) impact and to finance the investments. The debt to credit institutions was reduced in 2023.

The net interest-bearing debt as a ratio of EBITA stood at 4.3 by the end of 2023, compared to 3.4 the year before.

Subsequent events

No significant post-balance sheet events to report.



CONSOLIDATED FINANCIAL STATEMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

DKK'000	Note	2023	2022
Net Sales	2.1	5,547,837	5,389,028
Cost of sales		-3,970,273	-3,878,982
Gross profit		**1,577,564**	**1,510,046**
Other external expenses	5.1	-480,353	-474,481
Employee costs	2.2	-761,709	-699,392
Other operating income	2.3	19,272	19,666
Other operating expenses	2.3	-441	-214
Depreciation and amortization	3.1, 3.2, 3.3	-175,111	-159,168
Operating profit before interest and tax (EBIT)		**179,222**	**196,457**
Profit from investments in associates		750	760
Financial income	4.1	11,867	4,196
Financial expenses	4.1	-99,238	-63,497
Profit before tax (EBT)		**92,601**	**137,916**
Income tax	2.4	-11,331	-25,062
Net profit for the year		**81,270**	**112,854**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		81,270	112,854
		81,270	**112,854**

DKK'000	Note	2023	2022
Net profit for the year		**81,270**	**112,854**
Other comprehensive income:			
Exchange differences, foreign entities		-19,298	21,792
Total comprehensive income		**61,972**	**134,646**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		61,972	134,646
		61,972	**134,646**

CONSOLIDATED BALANCE SHEET

DKK'000	Note	2023	2022
Goodwill	3.1	808,553	821,811
Software	3.1	78,160	81,887
Other intangible assets	3.1	29,542	46,757
Intangible assets in development	3.1	5,151	7,506
Intangible assets		**921,406**	**957,961**
Land and buildings	3.2	6,160	11,805
Fixtures and equipment	3.2	63,528	24,167
Leasehold improvements	3.2	28,643	17,304
Ships	3.2	49,059	19,355
Right-of-use assets	3.3	593,864	397,433
Tangible assets in development	3.2	1,517	17,466
Property, plant and equipment		**742,771**	**487,530**
Investment associated companies		822	758
Deferred tax assets	2.4	48,843	44,029
Other non-current assets		**49,665**	**44,787**
Non-current assets		**1,713,842**	**1,490,278**
Inventories		**365,660**	**370,335**
Trade receivables	3.4	930,121	937,114
Receivables from group enterprises		91,092	73,722
Income tax receivable		15,864	6,193
Other receivables		127,497	116,678
Prepayments		21,253	29,256
Receivables		**1,185,827**	**1,162,963**
Cash and cash equivalents		92,124	108,421
Total current assets		**1,643,611**	**1,641,719**
Total assets		**3,357,453**	**3,131,997**

DKK'000	Note	2023	2022
Share capital		17,000	17,000
Foreign currency translation reserve		-20,534	-1,236
Retained earnings		1,131,942	1,050,672
Equity		**1,128,408**	**1,066,436**
Deferred tax	2.4	1,623	11,142
Provisions	3.5	10,924	12,572
Debt to mortgage credit institutions	4.2	743	833
Debt to credit institutions	4.2	499,881	519,815
Lease debt	4.2	512,027	347,535
Other debt	4.2	0	20,076
Non-current liabilities		**1,025,198**	**911,973**
Provisions	3.5	2,868	5,660
Debt to mortgage credit institutions	4.2	101	101
Debt to credit institutions	4.2	75,009	80,112
Lease debt	4.2	108,583	77,687
Other debt	4.2	20,076	0
Trade creditors	4.2	725,332	727,766
Corporate tax		17,711	20,180
Other payables	3.6, 4.2	247,445	234,338
Deferred income		6,722	7,744
Current liabilities		**1,203,847**	**1,153,588**
Total liabilities		**2,229,045**	**2,065,561**
Total equity and liabilities		**3,357,453**	**3,131,997**

CONSOLIDATED CASH FLOW STATEMENT

DKK'000	Note	2023	2022
Profit before tax (EBT)		92,601	137,916
Profit from investments in associates		-750	-760
Depreciation and amortization	3.1, 3.2, 3.3	175,111	159,168
Changes in working capital	5.3	7,138	-83,141
Adjustments for non-cash items	5.4	62,436	48,817
Cash flow from ordinary operating activities		**336,536**	**262,000**
Financial income		11,867	3,616
Financial expenses		-79,040	-47,224
Income taxes refunded/paid		-38,570	-24,899
Cash flow from operating activities (CFFO)		**230,793**	**193,493**
Acquisition of intangible assets	3.1	-28,596	-57,235
Acquisition of property, plant and equipment	3.2	-89,539	-36,667
Sale of property, plant and equipment		1,844	1,506
Acquisition of affiliated/associated companies	5.2	0	-26,231
Dividend received		686	441
Cash flow from investing activities (CFFI)		**-115,605**	**-118,186**
Installments on loans etc.	4.3	-106,971	-89,397
Cash flow from group enterprises		-17,631	-53,029
Cash flow from financing activities		**-124,602**	**-142,426**
Cash flow for the year		-9,414	-67,119
Cash and cash equivalents at 1 January		108,421	170,405
Currency translation adjustments of cash and cash equivalents		-6,883	5,135
Cash and cash equivalents at 31 December		**92,124**	**108,421**

§ Accounting policies

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. The Cash Flow Statement cannot be derived directly from the Income Statement and the Balance Sheet.

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, the acquisition and disposal of non-current assets and dividend received from associated companies.

Cash flows from financing activities comprise payments to and contributions from owners as well as the raising and repayment of loans. Payments of lease liabilities are included under financing activities and the related interest is included as a financial item under operating activities. Lease payments, not included in lease liabilities, are included in operating activities under Profit before tax (EBT), disclosed in note 3.3. Cash Flow from group enterprises mainly comprises proceeds and payments in cash pool accounts owned by Wrist Ship Supply A/S with parent companies.

CONSOLIDATED EQUITY STATEMENT

DKK'000	Share Capital	Foreign currency translation adjustment	Retained earnings	Total
Shareholders' equity at 1 January 2023	**17,000**	**-1,236**	**1,050,672**	**1,066,436**
Net profit for the year	0	0	81,270	81,270
Exchange differences, foreign entities	0	-19,298	0	-19,298
Total comprehensive income	**0**	**-19,298**	**81,270**	**61,972**
Shareholders' equity at 31 December 2023	**17,000**	**-20,534**	**1,131,942**	**1,128,408**
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**

Number of shares is 17,000 with nominal value of DKK 1,000.
All shares are fully issued and paid up.
No dividend was declared in 2023 or 2022.

SECTION 1: BASIS FOR PREPARATION

1.1 – Basis for preparation of the Consolidated Financial Statement

This section introduces Wrist Ship Supply Group's accounting policies and significant estimates and judgments. A more detailed description of accounting policies and significant estimates and judgments related to specific reported amounts are disclosed in the respective notes.

General accounting policies

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act applying to enterprises of reporting class C (large). 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 has been prepared according to the same accounting policies as last year, but includes some reclassifications in the comparative financial figures.

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
- 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.

In the 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.

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.

Balance sheet

Inventory

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

Receivables (other than trade receivables)

Receivables are initially recognized at fair value less transaction costs and subsequently measured at amortized cost, which usually corresponds to the nominal value less write-down for bad debts.

Impact from new IFRS

Management has assessed the impact of new or amended accounting standards and interpretations (IFRS) issued by the IASB and IFRS' endorsed by the European Union effective on or after 1 January 2023. Management assessed that application of these has not had a material impact on the consolidated financial statements for 2023.

Furthermore, Management has assessed the impact of new or amended accounting standards and interpretations (IFRS) issued by the IASB that have not yet become effective. No new or amended accounting standards or interpretations (IFRS) have been early adopted. Management does not anticipate any significant impact on the consolidated financial statements in the period of initial application after the adoption of these amendments.

Critical accounting judgements and key sources of estimation uncertainty

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 that have impacted our key accounting estimates and judgements can be obtained in the respective notes.

Notes
2.1 – Net Sales
3.1 – Intangible assets
5.2 – Acquisition of companies

SECTION 2: RESULTS FOR THE YEAR

2.1 – Net Sales

Geography

DKK'000	2023	2022
The Netherlands	692,446	654,981
United Kingdom	593,980	581,624
Other Europe	1,594,588	1,453,752
United States	1,234,220	1,299,977
Other Northern America	118,328	135,067
Asia	672,898	667,785
Middle East and Africa	383,495	354,961
Other regions	257,882	240,881
	5,547,837	**5,389,028**

Business area

DKK'000	2023	2022
Ship Supply	3,187,349	3,108,262
Maritime Services	1,114,957	1,109,918
Offshore Supply	676,072	642,472
Marine Logistics	131,476	119,871
Other	437,983	408,505
	5,547,837	**5,389,028**

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 and business areas. This information does not amount to segment information according to IFRS.

Significant accounting estimates

Revenue for the sale of goods is recognized in accordance with IFRS 15, when the 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.

§ Accounting policies

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.

2.2 – Employee costs

DKK'000	2023	2022
Wages and salaries and related expenses	683,529	629,632
Pension costs	33,808	28,401
Other social security costs	44,372	41,359
	761,709	**699,392**
Global:		
Average number of full-time employees at 31 December	1,592	1,517
Number of full-time employees at 31 December	1,604	1,563
Denmark:		
Average number of full-time employees at 31 December	382	343
Number of full-time employees at 31 December	383	355

DKK'000	Board of Directors	Executive Board	Other top manage-ment	Total
Remuneration	1,117	0	0	1,117
Salary	0	13,577	19,683	33,260
Bonus	0	6,914	5,469	12,383
Pension, company contributions	0	0	936	936
Benefits (car, housing, phone etc.)	0	812	2,232	3,044
Cost at 31 December 2023	**1,117**	**21,303**	**28,320**	**50,740**
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**

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.

Certain employees and members of management have in the period 2012 to 2023 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 2023 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.

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.

DKK	Warrants	Exercise prices
1 January 2022	**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**
Issue of new warrants	0	
Excercised by share subscription	0	
31 December 2023	**1,381**	**64,808 - 123,963**

Share valuation at 31 December 2023:	
Undiluted	124,951
Diluted	124,941

§ Accounting policies

Wages and salaries, pension costs, social security costs, leave and sick leave, and bonusses are recognized in the year in which the services are rendered.

2.3 – Other operating income and expenses

DKK'000	2023	2022
Rent income	6,824	3,823
Gain from sale of non-current assets	1,064	0
Gain from early termination of right-of-use assets	1,784	0
Salary Reimbursements	4,234	5,275
Other income	5,366	10,568
	19,272	**19,666**

DKK'000	2023	2022
Losses from sale of non-current assets	0	214
Other expense	441	0
	441	**214**

§ Accounting policies

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 intangible and tangible non-current assets.

2.4 – Income Tax and Deferred Tax

DKK'000	2023	2022
Current tax on profit for the year	25,821	32,841
Deferred tax on profit for the year	-9,613	-3,475
Tax on profit for the year	16,208	29,366
Current tax adjustments recognised for prior years	1,294	-2,569
Deferred tax adjustments recognised for prior years	-6,171	-1,729
Deferred tax adjustments due to change in tax rates	0	-6
Income taxes in the income statement	**11,331**	**25,062**

DKK'000	2023	2022
Earnings before tax	**92,601**	**137,916**
Calculated tax at Danish statutory rate of 22% (of EBT)	20,372	30,342
Effect from difference in tax rate in foreign subsidiaries	-2,625	-1,801
Adjustment in respect of prior years	-4,877	-4,298
Effect from change in local tax rate	0	-6
Income/Loss from associates	-165	-167
Change in tax legislation	-1	-1
Income / expenses not subject to tax	-1,373	993
Tax charge	**11,331**	**25,062**
Effective tax rate (%)	**12.2%**	**18.2%**

§ Accounting policies

Income tax

Income tax expense for the period comprises current and deferred tax. It also includes adjustments to previous years and impact from change in tax rates.

The income taxes 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.

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 utilized. 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 realized, 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.

Development in deferred tax assets and liabilities

DKK'000	Intangible assets	Tangible assets	Financial non-current assets	Current assets	Provisions	Taxable losses	Long term liabilities	Short term liabilities	Total deferred tax
Net deferred tax asset/(liability) at 1 January 2023	**-33,718**	**-1,667**	**128**	**2,796**	**3,084**	**20,282**	**26,894**	**15,088**	**32,887**
Reclassifications	-395	-44	0	90	300	395	-256	-90	0
Exchange rate adjustments	457	133	0	-85	-4	-27	-739	-423	-688
Charge to the income statement	2,144	4,352	17	-2,171	-640	3,747	6,542	-4,378	9,613
Adjustments to previous years (through the income statement)	0	5,789	0	-306	-4	-161	409	444	6,171
Change in tax rate (through the income statement)	0	-6	0	0	6	0	0	0	0
Other adjustments	0	0	0	0	0	-763	0	0	-763
Net deferred tax asset/(liability) at 31 December 2023	**-31,512**	**8,557**	**145**	**324**	**2,742**	**23,473**	**32,850**	**10,641**	**47,220**
Classified as follows									
Deferred tax asset at 31 December 2023									48,843
Deferred tax liability at 31 December 2023									-1,623
									47,220
Net deferred tax asset/(liability) 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
Net deferred tax asset/(liability) at 31 December 2022	**-33,718**	**-1,667**	**128**	**2,796**	**3,084**	**20,282**	**26,894**	**15,088**	**32,887**
Classified as follows									
Deferred tax asset at 31 December 2022									44,029
Deferred tax liability at 31 December 2022									-11,142
									32,887

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

SECTION 3: OPERATING ASSETS AND LIABILITIES

3.1 – Intangible assets

DKK'000	Goodwill	Software	Other intangible	Intangible assets in development	Total
Cost at 1 January 2023	**822,269**	**239,704**	**156,178**	**7,506**	**1,225,657**
Exchange rate adjustments	-13,258	-241	-1,856	0	-15,355
Additions	0	5,586	0	23,010	28,596
Disposals	0	-99	0	-52	-151
Transfer	0	25,209	104	-25,313	0
Cost at 31 December 2023	**809,011**	**270,159**	**154,426**	**5,151**	**1,238,747**
Amortizations at 1 January 2023	**458**	**157,817**	**109,421**	**0**	**267,696**
Exchange rate adjustments	0	-213	-1,738	0	-1,951
Amortizations for the year	0	34,375	17,320	0	51,695
Reversal regarding disposals	0	-99	0	0	-99
Transfer	0	119	-119	0	0
Amortizations at 31 December 2023	**458**	**191,999**	**124,884**	**0**	**317,341**
Carrying amount at 31 December 2023	**808,553**	**78,160**	**29,542**	**5,151**	**921,406**
Cost at 1 January 2022	**771,267**	**191,056**	**108,190**	**36,651**	**1,107,164**
Exchange rate adjustments	21,185	435	3,169	0	24,789
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	**822,269**	**239,704**	**156,178**	**7,506**	**1,225,657**
Amortizations at 1 January 2022	**458**	**131,074**	**87,617**	**0**	**219,149**
Exchange rate adjustments	0	289	3,170	0	3,459
Amortizations for the year	0	24,276	20,201	0	44,477
Transfer	0	2,178	-1,567	0	611
Amortizations at 31 December 2022	**458**	**157,817**	**109,421**	**0**	**267,696**
Carrying amount at 31 December 2022	**821,811**	**81,887**	**46,757**	**7,506**	**957,961**

- Software is purchased externally
- Other intangible assets are mainly customer relations acquired separately in business combinations

Impairment test

As part of the change in the management structure in business unit Ship Supply the internal reporting has been further focused towards geographical areas. Based on this the CGU's were reviewed and aligned with the new management structure. We combined all our European Ship Supply entities within a CGU Europe. The change in CGU's did not impact recognition or measurement and did not lead to any impairments. We changed comparative figures in the disclosure according to the updated CGU's.

Besides goodwill there are no intangible assets with indefinite useful lives. At 31 December 2023, the CGUs Ship Supply Europe DKK 132m (2022: DKK 132m), Ship Supply North America DKK 204m (2022: DKK 211m), Ship Supply Asia DKK 3m (2022: DKK 3m), Ship Supply Panama DKK 29m (2022: DKK 30m), Offshore DKK 139m (2022: DKK 136m), Garrets DKK 252m (2022: DKK 260m), Van Hulle DKK 45m (2022: DKK 45m) and Shipping DKK 5m (2022: DKK 5m) specifies the consolidated goodwill. Wrist performed impairment test of the carrying amount of goodwill at 31 December 2023 based on value in use. Impairment testing is performed in fourth quarter of 2023, 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, future capital expenditure and general growth expectations for the years after 2027.

Budgets and projections for the 2024-2027 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 2027 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 fleet, so a growth rate interval of 1.0-4.2% is used in the terminal period.

2023	Discount rates before tax	Discount rates after tax	Terminal growth rates	Increase in EBIT 2024 to terminal period	Increase of Net Working Capital 2024 until terminal period
Ship Supply Europa	8.0%	7.4%	2.6%	3.0%	3.0%
Ship Supply North America	9.6%	8.8%	4.2%	9.3%	9.3%
Ship Supply Asia	8.3%	7.8%	2.9%	9.3%	9.3%
Ship Supply Panama	9.6%	9.6%	4.2%	15.8%	-18.9%
Offshore	9.3%	8.4%	1.0%	3.0%	3.0%
Garrets	7.7%	7.1%	2.2%	3.0%	3.0%
Van Hulle	8.0%	7.3%	2.6%	9.3%	9.3%
Shipping	7.7%	7.1%	2.2%	9.3%	9.3%

2022	Discount rates before tax	Discount rates after tax	Terminal growth rates	Increase in EBIT 2023 to terminal period	Increase of Net Working Capital 2023 until terminal period
Ship Supply Europa	10.1%	9.5%	2.6%	3.0%	3.0%
Ship Supply North America	11.6%	10.9%	3.6%	9.3%	9.3%
Ship Supply Asia	11.0%	10.5%	3.0%	9.3%	9.3%
Ship Supply Panama	11.6%	11.6%	3.6%	15.8%	15.8%
Offshore	11.1%	10.5%	1.0%	3.0%	3.0%
Garrets	10.1%	9.5%	2.1%	10.7%	6.6%
Van Hulle	10.4%	9.7%	2.4%	9.3%	-5.9%
Shipping	10.1%	9.5%	2.1%	9.3%	9.3%

The impairment tests performed at 31 December 2023 for Ship Supply Europe, Ship Supply North America, Ship Supply Asia, Ship Supply Panama, Offshore, Garrets, Van Hulle and Shipping 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.

§ Accounting policies

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.

§ Accounting policies

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.

Software

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
- 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 expenditures 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

Other intangible assets mainly comprise customer relations acquired separately in a business combination. Customer relations are recognized at fair value at the acquisition date, have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

3.2 – Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Ships	Tangible assets in development	Total
Cost at 1 January 2023	**68,522**	**212,966**	**57,964**	**43,249**	**17,466**	**400,167**
Exchange rate adjustments	-987	-1,621	-1,013	0	99	-3,522
Additions	156	16,437	2,711	7,099	63,136	89,539
Disposals	-5	-25,073	-5,963	-7,092	0	-38,133
Transfer	125	38,048	13,329	24,793	-79,184	-2,889
Cost at 31 December 2023	**67,811**	**240,757**	**67,028**	**68,049**	**1,517**	**445,162**
Depreciations at 1 January 2023	**56,717**	**188,799**	**40,660**	**23,894**	**0**	**310,070**
Exchange rate adjustments	-915	-705	-508	0	0	-2,128
Depreciations for the year	5,729	13,070	4,321	2,166	0	25,286
Reversal regarding disposals	-5	-24,481	-5,963	-7,070	0	-37,519
Transfer	125	546	-125	0	0	546
Depreciations at 31 December 2023	**61,651**	**177,229**	**38,385**	**18,990**	**0**	**296,255**
Carrying amount at 31 December 2023	**6,160**	**63,528**	**28,643**	**49,059**	**1,517**	**148,907**
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**
Depreciations 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
Depreciations 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
Depreciations 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**

§ Accounting policies

Property, plant and equipment 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 (land is not depreciated) 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 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).

3.3 – Right-of-use assets

DKK'000	Leased buildings	Leased equipment	Total
Cost at 1 January 2023	**566,377**	**93,407**	**659,784**
Exchange rate adjustments	-7,438	-1,285	-8,723
Additions	257,236	55,816	313,052
Disposals	-42,017	-12,204	-54,221
Transfer	3,193	-304	2,889
Cost at 31 December 2023	**777,351**	**135,430**	**912,781**
Depreciations at 1 January 2023	**217,834**	**44,517**	**262,351**
Exchange rate adjustments	-1,379	-712	-2,091
Depreciations for the year	72,538	25,592	98,130
Reversal regarding disposals	-27,427	-11,500	-38,927
Transfer	0	-546	-546
Depreciations at 31 December 2023	**261,566**	**57,351**	**318,917**
Carrying amount at 31 December 2023	**515,785**	**78,079**	**593,864**
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**
Depreciations at 1 January 2022	**180,672**	**58,515**	**239,187**
Exchange rate adjustments	579	-915	-336
Depreciations for the year	65,742	24,827	90,569
Reversal regarding disposals	-29,159	-38,384	-67,543
Transfer	0	474	474
Depreciations at 31 December 2022	**217,834**	**44,517**	**262,351**
Carrying amount at 31 December 2022	**348,543**	**48,890**	**397,433**

The most significant increases in right-of-use assets in 2023 is from leasing of new warehouse facilities in North America (DKK 94.6m), Dubai (DKK 68.8m) and Rotterdam (DKK 24.9m).

DKK'000	2023	2022
Within 1 year	119,036	86,306
Between 1-3 years	212,958	113,884
Between 3-5 years	151,962	135,349
More than 5 years	374,554	150,970
Total undiscounted lease payments	**858,510**	**486,509**
Carrying amount at 31 December	**620,610**	**425,222**

DKK'000	2023	2022
Amounts recognised in profit and loss		
Income from subleases	6,824	3,823
Depreciation on right-of-use assets	98,130	90,569
Interest expenses included in finance costs	27,106	15,702
Expenses relating to short term leases and low-value leases	8,638	8,411
Expenses relating to variable lease payments	11,164	9,768
	19,802	**18,179**

Lease liabilities are disclosed in note 4.3.

§ Accounting policies

The Group as a lessee

Leases are recognized as right-of-use assets with the corresponding liability at the time the asset is available for use by the Group. Assets and liabilities arising from a lease are measured on a present value basis. Right-of-use assets are recognized at the commencement date of the lease when the asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the shorter period of lease term and the asset's useful life on a straight-line basis. An assessment is made at each reporting date of whether there is any indication that a right-of-use asset may be impaired. If any such indication exists, an impairment test for the relevant CGU is carried out.

Lease liabilities comprise expected fixed payments throughout the expected lease term (including options to extend the lease when exercise is reasonably certain), less any lease incentives. Payments relating to services are not included in lease liabilities.

In calculating the present value of lease payments, the incremental borrowing rate at the lease commencement date is used, given that the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term or a change in lease payments.

Lease costs for short-term leases and for low value assets is recognized 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 Group as lessor

The Group enters into sublease agreements as a lessor in relation to leased buildings. The sublease agreements are classified as operating leases.

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.

3.4 – Trade receivables

DKK'000	2023	2022
Trade receivables	889,400	893,978
Contract assets	59,683	61,199
Provisions for impairment of trade receivables	-18,962	-18,063
	930,121	**937,114**
Impairment losses at 1 January	-18,063	-17,117
Addition of acquisition	0	-372
Exchange rate adjustments	292	-478
Losses realized for the year	-3,011	-653
Provisions for bad debt for the year	1,632	918
Reversed, unrealized impairment of receivables	188	-361
Impairment losses at 31 December	**-18,962**	**-18,063**

The expected credit losses in the income statement amount to DKK 3,028k (2022: DKK 1,056k). Reference is made to note 4.4 where the credit risk is described.

DKK'000	31 December 2023	31 December 2022	1 January 2022
Contract assets			
Provision and stores management	59,683	61,199	55,143
Revenue recognized in the period from performance obligations satisfied in previous periods	61,199	55,143	

			Past due at 31 December 2023			
DKK'000	Total	Not past due	< 30 days	30-60 days	61-90 days	> 91 days
Trade receivables	949,083	645,337	127,930	70,326	33,749	71,741
Expected credit loss rate (%)		0.0%	0.3%	1.3%	4.5%	22.2%
Estimated total gross carrying amount at default	18,962	218	353	918	1,517	15,956

			Past due at 31 December 2022			
DKK'000	Total	Not past due	< 30 days	30-60 days	61-90 days	> 91 days
Trade receivables	955,177	610,196	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

§ Accounting policies

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

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.

3.5 – Provisions

DKK'000	Provisions for pension and pension-like liabilities	Provisions for restoration liabilities	Provisions for dismantling liabilities	Provisions for onerous contracts	Total provisions
Provisions at 1 January 2023	**795**	**8,292**	**7,103**	**2,042**	**18,232**
Exchange rate adjustments	-1	-42	-108	45	-106
Increase	0	235	681	0	916
Discounting interest	0	129	45	0	174
Decrease	0	-41	-3,710	-1,673	-5,424
Provisions at 31 December 2023	**794**	**8,573**	**4,011**	**414**	**13,792**
Non-current provisions	**794**	**6,503**	**3,627**	**0**	**10,924**
Current provisions	**0**	**2,070**	**384**	**414**	**2,868**
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 interest	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 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.

§ Accounting policies

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).

3.6 – Other payables

DKK'000	2023	2022
Social security and other related expenses	88,707	82,167
Customer bonuses	102,765	106,143
Commissions	7,271	1,950
VAT	4,671	4,830
Other accrued expenses	44,031	39,248
	247,445	**234,338**

§ Accounting policies

Other payables comprise employee related debt, customer bonusses and other debts to authorities. Other payables are measured at amortized cost.

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL ITEMS

4.1 – Financial income and expenses

DKK'000	2023	2022
Interest income arising from Group enterprises	4,279	1,453
Interest income	7,122	2,346
Other financial income	466	397
	11,867	**4,196**

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

DKK'000	2023	2022
Interest expenses	51,401	31,385
Interest from leases	27,106	15,702
Exchange rate adjustments	7,353	3,780
Other financial expenses	13,378	12,630
	99,238	**63,497**

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

§ Accounting policies

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.

4.2 – Current and non-current liabilities

DKK'000	Payments due 1 year 2023	Payments due between 1-5 years 2023	Outstanding after 5 years 2023
Debt to mortgage credit institutions	101	379	364
Debt to credit institutions	75,009	499,881	0
Lease debt	108,583	305,779	206,248
Other debt	20,076	0	0
Trade creditors	725,332	0	0
Other payables	247,445	0	0
	1,176,546	**806,039**	**206,612**
Specification of contractual cash flows incl. interest:			
Debt to mortgage credit institutions	117	436	425
Debt to credit institutions	117,966	566,513	0
Lease debt	119,036	364,920	374,554
Other debt	20,076	0	0
Trade creditors	725,332	0	0
Other payables	247,445	0	0
	1,229,972	**931,869**	**374,979**

DKK'000	Payments due 1 year 2022	Payments due between 1-5 years 2022	Outstanding after 5 years 2022
Debt to mortgage credit institutions	101	404	429
Debt to credit institutions	80,112	519,815	0
Lease debt	77,687	208,012	139,523
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**
Specification of contractual cash flows incl. interest:			
Debt to mortgage credit institutions	107	420	434
Debt to credit institutions	118,243	542,411	0
Lease debt	86,306	249,233	150,970
Other debt	0	20,076	0
Trade creditors	727,647	0	0
Other payables	234,338	0	0
	1,166,641	**812,140**	**151,404**

§ Accounting policies

Financial liabilities in Wrist Ship 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.

4.3 – Reconciliation of liabilities arising from financing activities

DKK'000	Long-term borrowings	Short-term borrowings	Lease liabilities	Total liabilities from financing activities
1 January 2023	**540,724**	**80,213**	**425,222**	**1,046,159**
Cash flows	0	-18,805	-88,166	-106,971
Non-cash change:				
Reclassifications	-36,422	36,422	0	0
Additions lease liabilities	0	0	313,052	313,052
Exchange rate adjustments	-4,868	-1,955	-6,661	-13,484
Other	1,190	-689	-22,837	-22,336
31 December 2023	**500,624**	**95,186**	**620,610**	**1,216,420**
1 January 2022	**555,018**	**34,502**	**332,021**	**921,541**
Cash flows	-4,957	4,313	-88,753	-89,397
Non-cash change:				
Reclassifications	-36,730	36,730	0	0
Additions lease liabilities	0	0	171,689	171,689
Additions from acquisitions	0	0	11,323	11,323
Exchange rate adjustments	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**

4.4 – Financial risks and financial instruments

Categories of 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 2023 and 31 December 2022 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.

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 2023 and 31 December 2022 no open cash flow hedge contracts 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.

DKK'000	2023	2022
Impact on profit/(loss) from translation of net debt	-256	8,319
Impact on equity from translation of investments in subsidiaries	58,417	59,474

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, EURIBOR and SONIA. The Group's floating rate loans at 31 December 2023 came in at DKK 519,016k (31 December 2022 at DKK 560,075k). 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 5,490k (2022: DKK 5,601k) and on equity of DKK 4,048k (2022: DKK 4,369k). A declining interest level would have had a corresponding positive impact on result and equity.

At 31 December 2023 and 31 December 2022 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.

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 4.2 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.

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 2023, the Group's net interest-bearing debt comprise DKK 998m (2022: DKK 830m), 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 2023.

SECTION 5: OTHER DISCLOSURES

5.1 – Fees to statutory auditor

DKK'000	2023	2022
Statutory audit	3,408	3,761
Other assurance engagements	38	0
Tax and VAT services	800	165
Non-audit services	991	261
Total fees to Deloitte	**5,237**	**4,187**
Statutory audit (other auditors)	1,585	1,482
Other assurance engagements (other auditors)	0	6
Tax and VAT services (other auditors)	1,348	1,330
Non-audit services (other auditors)	606	444
Total fees to other auditors	**3,539**	**3,262**
Total fees to auditors	**8,776**	**7,449**

5.2 – Acquisition of companies

DKK'000	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	1.100	0	1.100
Leasehold Improvements	597	0	597
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**
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**

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.

Significant accounting estimates

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.

§ Accounting policies

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.

5.3 – Change in working capital

DKK'000	2023	2022
Increase/decrease in inventories	1,142	-57,837
Increase/decrease in receivables	-11,858	-106,792
Increase/decrease in payables etc.	17,854	81,488
Change in working capital	**7,138**	**-83,141**

5.4 – Adjustments for non-cash items

DKK'000	2023	2022
Financial income and expenses	75,362	49,374
Gains/losses from sale of non-current assets	-2,848	214
Change in provisions	-10,078	-771
Adjustments for non-cash items	**62,436**	**48,817**

5.5 – 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 totaling DKK 844k (2022: DKK 934k). The book value is DKK 4,256k as at 31 December 2023 (2022: DKK 4,352k).

The Group has issued guaranties amounting to DKK 13m (2022: DKK 28m).

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.

5.6 – 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.

5.7 – 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:

DKK'000	2023	2022
Financial items, net	4,279	1,453
Financial receivables	91,092	73,722

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

5.8 – 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.

5.9 – Subsidiaries

Company name	Registered office in	City	Ownership share % 2023	Ownership share % 2022
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

Company name	Registered office in	City	Ownership share % 2023	Ownership share % 2022
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	100
CentralAm International S.A.	Panama	Panama City	100	100
Wrist Panama S.A.	Panama	Panama City	100	100

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

PARENT COMPANY FINANCIAL STATEMENT

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENT

Section 1: Basis for Preparation

Section 2: RESULTS FOR THE YEAR

Section 3: OPERATING ASSETS AND LIABILITIES

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL ITEMS

SECTION 5: OTHER DISCLOSURES

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

DKK'000	Note	2023	2022
Net Sales	2.1	535,059	474,926
Cost of sales		-370,678	-335,314
Gross profit		**164,381**	**139,612**
Other external expenses	5.1	-117,780	-124,263
Employee costs	2.2	-173,476	-140,140
Other operating income	2.3	201,413	155,431
Depreciation and amortization	3.1, 3.2, 3.3	-54,980	-43,502
Operating profit before interest and tax (EBIT)		**19,558**	**-12,862**
Profit from investments in subsidaries	3.4	78,624	120,032
Financial income	4.1	64,868	53,859
Financial expenses	4.1	-79,728	-49,449
Profit before tax (EBT)		**83,322**	**111,580**
Income tax	2.4	-2,052	1,274
Net profit for the year		**81,270**	**112,854**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		81,270	112,854
		81,270	**112,854**

DKK'000	Note	2023	2022
Net profit for the year		**81,270**	**112,854**
Other comprehensive income:			
Exchange differences, foreign entities		-19,298	21,792
Total comprehensive income		**61,972**	**134,646**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		61,972	134,646
		61,972	**134,646**

BALANCE SHEET

DKK'000	Note	2023	2022
Software	3.1	77,415	80,636
Intangible assets in development	3.1	5,151	7,231
Intangible assets		**82,566**	**87,867**
Fixtures and equipment	3.2	5,927	4,275
Leasehold improvements	3.2	2,334	1,191
Right-of-use assets	3.3	141,512	148,792
Property, plant and equipment		**149,773**	**154,258**
Investment in subsidiaries	3.4	1,028,269	1,009,205
Deferred tax assets		2,058	0
Other non-current assets		**1,030,327**	**1,009,205**
Non-current assets		**1,262,666**	**1,251,330**
Inventories		**48,358**	**53,413**
Trade receivables	3.5	57,245	64,687
Receivables from group enterprises		1,056,859	1,014,023
Income tax receivable		0	7,989
Other receivables		9,506	16,980
Prepayments		10,899	11,846
Receivables		**1,134,509**	**1,115,525**
Cash and cash equivalents		142	268
Total current assets		**1,183,009**	**1,169,206**
Total assets		**2,445,675**	**2,420,536**

DKK'000	Note	2023	2022
Share capital		17,000	17,000
Reserve for net revaluation under the equity method		0	28,871
Reserve for development projects		16,291	23,478
Retained earnings		1,095,117	997,087
Equity		**1,128,408**	**1,066,436**
Loss in subsidiaries	3.4	114,609	98,362
Deferred tax	2.4	0	7,234
Provisions	3.6	6,115	5,772
Debt to credit institutions	4.2	499,881	519,808
Lease debt	4.2	133,548	140,213
Other debt	4.2	0	20,076
Non-current liabilities		**754,153**	**791,465**
Debt to credit institutions	4.2	74,458	79,811
Lease debt	4.2	16,607	16,881
Other debt		20,076	0
Trade creditors	4.2	79,769	94,397
Debt to group enterprises	4.2	317,307	330,435
Corporate tax		3,234	0
Other payables	3.7, 4.2	51,661	41,111
Deferred income		2	0
Current liabilities		**563,114**	**562,635**
Total liabilities		**1,317,267**	**1,354,100**
Total equity and liabilities		**2,445,675**	**2,420,536**

CASH FLOW STATEMENT

DKK'000	Note	2023	2022
Profit before tax (EBT)		83,322	111,580
Profit from investments in associates		-78,624	-120,032
Depreciation and amortization	3.1, 3.2, 3.3	54,980	43,502
Changes in working capital	5.2	-27,446	6,655
Adjustments for non-cash items	5.3	9,063	-9,855
Cash flow from ordinary operating activities		**41,295**	**31,850**
Financial income		65,231	53,825
Financial expenses		-73,435	-40,355
Income taxes refunded/paid		-121	5,756
Cash flow from operating activities (CFFO)		**32,970**	**51,076**
Acquisition of intangible assets	3.1	-28,505	-50,952
Acquisition of property, plant and equipment	3.2	-5,407	-3,245
Sale of property, plant and equipment		5	132
Acquisition of affiliated/associated companies		0	-29,393
Capital increase in subsidiaries		-40,000	-20,000
Dividend received		96,509	150,420
Cash flow from investing activities (CFFI)		**22,602**	**46,962**
Installments on loans etc.	4.3	-35,604	-20,510
Cash flow from group enterprises		-20,094	-144,679
Cash flow from financing activities		**-55,698**	**-165,189**
Cash flow for the year		-126	-67,151
Cash and cash equivalents at 1 January		268	67,419
Cash and cash equivalents at 31 December		**142**	**268**

EQUITY STATEMENT

DKK'000	Share Capital	Reserve for net revaluation under the equity	Reserve for development projects	Retained earnings	Total
Shareholders' equity at 1 January 2023	**17,000**	**28,871**	**23,478**	**997,087**	**1,066,436**
Net profit for the year	0	78,624	0	2,646	81,270
Dividend received from subsidiaries	0	-96,509	0	96,509	0
Exchange differences, foreign entities	0	-19,298	0	0	-19,298
Transfer to reserves	0	8,312	-7,187	-1,125	0
Total comprehensive income	**0**	**-28,871**	**-7,187**	**98,030**	**61,972**
Shareholders' equity at 31 December 2023	**17,000**	**0**	**16,291**	**1,095,117**	**1,128,408**
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 received from subsidiaries	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**

Number of shares is 17,000 with nominal value of DKK 1,000.
All shares are fully issued and paid up.
No dividend was declared in 2023 or 2022.

SECTION 1: BASIS FOR PREPARATION

1.1 – Basis for preparation of the Parent Company Financial Statement

General accounting policies

The annual report of the parent company (Wrist Ship Supply A/S) is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act applying to enterprises of reporting class C (large).

The accounting policies for the Parent Company and for the Consolidated Financial Statement are identical except for tax and investments in subsidiaries, which is described in the respective notes.

The annual report has been prepared according to the same accounting policies as last year, but includes some reclassifications in the comparative financial figures.

SECTION 2: RESULTS FOR THE YEAR

2.1 – Net Sales

Geography

DKK'000	2023	2022
Denmark	283,707	238,298
The Netherlands	90,109	77,115
Other Europe	147,140	128,495
Northern America	1,731	5,004
Asia	9,717	12,086
Middle East and Africa	629	1,936
Other regions	2,026	11,992
	535,059	**474,926**

Business area

DKK'000	2023	2022
Ship Supply	491,402	430,316
Marine Logistics	43,657	44,610
	535,059	**474,926**

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 and business areas. This information does not amount to segment information to IFRS.

2.2 – Employee costs

DKK'000	2023	2022
Wages and salaries and related expenses	161,731	131,088
Pension costs	10,143	7,534
Other social security costs	1,602	1,518
	173,476	**140,140**
Average number of full-time employees at 31 December	241	213
Number of full-time employees at 31 December	246	219

DKK'000	Board of Directors	Executive Board	Other top management	Total
Remuneration	1,117	0	0	1,117
Salary	0	13,577	5,984	19,561
Bonus	0	6,914	2,278	9,192
Pension, company contributions	0	0	549	549
Benefits (car, housing, phone etc.)	0	812	617	1,429
Cost at 31 December 2023	**1,117**	**21,303**	**9,428**	**31,848**
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**

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.

Certain employees and members of management have in the period 2012 to 2023 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 2023 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.

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.

DKK	Warrants	Exercise prices
1 January 2022	**712**	**64,808 - 123,963**
Issue of new warrants	0	
Excercised by share subscription	0	
31 December 2022	**712**	**64,808 - 123,963**
Issue of new warrants	0	
Excercised by share subscription	0	
31 December 2023	**712**	**64,808 - 123,963**

Share valuation at 31 December 2023:	
Undiluted	124,951
Diluted	124,941

2.3 – Other operating income

DKK'000	2023	2022
Rent income	4,876	4,616
Gain from sale of non-current assets	5	132
Salary Reimbursements	1,646	1,942
Group fees	194,815	148,741
Other income	71	0
	201,413	**155,431**

2.4 – Income Tax and Deferred Tax

DKK'000	2023	2022
Current tax on profit for the year	6,681	-6,352
Deferred tax on profit for the year	-4,629	4,766
Tax on profit for the year	2,052	-1,586
Current tax adjustments recognised for prior years	4,663	30
Deferred tax adjustments recognised for prior years	-4,663	282
Income taxes in the income statement	**2,052**	**-1,274**

DKK'000	2023	2022
Earnings before tax	**83,322**	**111,580**
Calculated tax at Danish statutory rate of 22% (of EBT)	18,331	24,548
Adjustment in respect of prior years	0	312
Income/Loss from associates	-17,297	-26,407
Income / expenses not subject to tax	1,018	273
Tax charge	**2,052**	**-1,274**
Effective tax rate (%)	**2.5%**	**-1.1%**

§ Accounting policies

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).

Development in deferred tax assets and liabilities

DKK'000	Intangible assets	Tangible assets	Current assets	Provisions	Long term liabilities	Short term liabilities	Total deferred tax
Net deferred tax asset/(liability) at 1 January 2023	**-17,740**	**1,013**	**807**	**2,588**	**6,023**	**75**	**-7,234**
Charge to the income statement	709	6,917	-2,430	-413	-79	-75	4,629
Adjustments to previous years (through the income statement)	0	5,014	0	0	-351	0	4,663
Net deferred tax asset/(liability) at 31 December 2023	**-17,031**	**12,944**	**-1,623**	**2,175**	**5,593**	**0**	**2,058**
Classified as follows							
Deferred tax asset at 31 December 2023							2,058
Deferred tax liability at 31 December 2023							0
							2,058
Net deferred tax asset/(liability) at 1 January 2022	**-12,537**	**-7,790**	**802**	**3,001**	**14,331**	**7**	**-2,186**
Reclassifications	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
Net deferred tax asset/(liability) at 31 December 2022	**-17,740**	**1,013**	**807**	**2,588**	**6,023**	**75**	**-7,234**
Classified as follows							
Deferred tax asset at 31 December 2022							0
Deferred tax liability at 31 December 2022							-7,234
							-7,234

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

SECTION 3: OPERATING ASSETS AND LIABILITIES

3.1 – Intangible assets

DKK'000	Software	Intangible assets in development	Total
Cost at 1 January 2023	**228,125**	**7,231**	**235,356**
Additions	5,495	23,010	28,505
Transfer	25,090	-25,090	0
Cost at 31 December 2023	**258,710**	**5,151**	**263,861**
Amortizations at 1 January 2023	**147,489**	**0**	**147,489**
Amortizations for the year	33,806	0	33,806
Amortizations at 31 December 2023	**181,295**	**0**	**181,295**
Carrying amount at 31 December 2023	**77,415**	**5,151**	**82,566**
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**
Amortizations at 1 January 2022	**124,405**	**0**	**124,405**
Amortizations for the year	23,084	0	23,084
Amortizations at 31 December 2022	**147,489**	**0**	**147,489**
Carrying amount at 31 December 2022	**80,636**	**7,231**	**87,867**

3.2 – Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2023	**28,087**	**7,885**	**35,972**
Additions	3,710	1,697	5,407
Disposals	-90	0	-90
Cost at 31 December 2023	**31,707**	**9,582**	**41,289**
Depreciations at 1 January 2023	**23,812**	**6,694**	**30,506**
Depreciations for the year	2,058	554	2,612
Reversal regarding disposals	-90	0	-90
Depreciations at 31 December 2023	**25,780**	**7,248**	**33,028**
Carrying amount at 31 December 2023	**5,927**	**2,334**	**8,261**
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**
Depreciations at 1 January 2022	**22,863**	**6,328**	**29,191**
Depreciations for the year	1,480	366	1,846
Reversal regarding disposals	-531	0	-531
Depreciations at 31 December 2022	**23,812**	**6,694**	**30,506**
Carrying amount at 31 December 2022	**4,275**	**1,191**	**5,466**

3.3 – Right-of-use assets

DKK'000	Leased buildings	Leased equipment	Total
Cost at 1 January 2023	**202,070**	**14,028**	**216,098**
Additions	4,482	6,800	11,282
Disposals	0	-1,315	-1,315
Cost at 31 December 2023	**206,552**	**19,513**	**226,065**
Depreciations at 1 January 2023	**61,662**	**5,644**	**67,306**
Depreciations for the year	14,246	4,316	18,562
Reversal regarding disposals	0	-1,315	-1,315
Depreciations at 31 December 2023	**75,908**	**8,645**	**84,553**
Carrying amount at 31 December 2023	**130,644**	**10,868**	**141,512**
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**
Depreciations at 1 January 2022	**47,014**	**8,152**	**55,166**
Depreciations for the year	15,335	3,237	18,572
Reversal regarding disposals	-687	-5,745	-6,432
Depreciations at 31 December 2022	**61,662**	**5,644**	**67,306**
Carrying amount at 31 December 2022	**140,408**	**8,384**	**148,792**

DKK'000	2023	2022
Within 1 year	20,698	19,334
Between 1-3 years	37,823	19,788
Between 3-5 years	34,996	49,585
More than 5 years	77,754	93,414
Total undiscounted lease payments	**171,271**	**182,121**
Carrying amount at 31 December	**150,155**	**157,094**

DKK'000	2023	2022
Amounts recognised in profit and loss		
Income from subleases	4,876	4,616
Depreciation on right-of-use assets	18,562	18,572
Interest expenses included in finance costs	4,481	2,701
Expenses relating to short term leases and low-value leases	71	76
Expenses relating to variable lease payments	151	-148
	222	**-72**

Lease liabilities are disclosed in note 4.3.

3.4 – Investments in subsidiaries

DKK'000	2023	2022
Cost at 1 January 2023	**881,972**	**812,503**
Additions	40,000	69,469
Cost at 31 December 2023	**921,972**	**881,972**
Value adjustments at 1 January 2023	**28,871**	**37,607**
Exchange rate adjustments	-19,298	21,652
Dividend distribution	-96,509	-150,420
Profit for the year	78,624	120,032
Value adjustments at 31 December 2023	**-8,312**	**28,871**
Investments in subsidiaries with a negative net asset:		
Provisions for loss in subsidiaries	114,609	98,362
Carrying amount at 31 December 2023	**1,028,269**	**1,009,205**

Impairment test has been performed in relation to goodwill, which supports the carrying amounts on the investments. Reference is made to note 3.1 in the consolidated financial statement, where key assumptions and sensitivity in impairment test are disclosed.

§ Accounting policies

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 unrealized intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealized 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.

3.5 – Trade receivables

DKK'000	2023	2022
Trade receivables	58,998	66,486
Provisions for impairment of trade receivables	-1,753	-1,799
	57,245	**64,687**
Impairment losses at 1 January	-1,799	-1,799
Provisions for bad debt for the year	46	0
Impairment losses at 31 December	**-1,753**	**-1,799**

The expected credit losses in income statement amount to DKK 0k (2022: DKK 0k).

DKK'000	Total	Not past due	Past due at 31 December 2023 < 30 days	30-60 days	61-90 days	> 91 days
Trade receivables	58,998	43,907	8,497	1,981	1,646	2,967
Expected credit loss rate (%)		0.0%	0.0%	0.0%	0.0%	59.1%
Estimated total gross carrying amount at default	1,753	0	0	0	0	1,753

DKK'000	Total	Not past due	Past due at 31 December 2022 < 30 days	30-60 days	61-90 days	> 91 days
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

3.6 – Provisions

DKK'000	Provisions for pension and pension-like liabilities	Provisions for restoration liabilities	Provisions for dismantling liabilities	Total provisions
Provisions at 1 January 2023	**518**	**4,935**	**319**	**5,772**
Increase	0	207	0	207
Discounting interest	0	129	7	136
Provisions at 31 December 2023	**518**	**5,271**	**326**	**6,115**
Non-current provisions	**518**	**5,271**	**326**	**6,115**
Current provisions	**0**	**0**	**0**	**0**
Provisions at 1 January 2022	**518**	**4,591**	**312**	**5,421**
Increase	0	207	0	207
Discounting interest	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 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.

3.7 – Other payables

DKK'000	2023	2022
Social security and other related expenses	29,540	24,065
Customer bonuses	9,043	10,298
Commissions	611	521
Other accrued expenses	12,467	6,227
	51,661	**41,111**

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL ITEMS

4.1 – Financial income and expenses

DKK'000	2023	2022
Interest income arising from Group enterprises	62,470	52,916
Interest income	2,398	943
	64,868	**53,859**

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

DKK'000	2023	2022
Interest expense arising from Group enterprises	23,385	7,744
Interest expenses	45,205	29,943
Interest from leases	4,481	2,701
Exchange rate adjustments	1,552	3,101
Other financial expenses	5,105	5,960
	79,728	**49,449**

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

4.2 – Current and non-current liabilities

DKK'000	Payments due 1 year 2023	Payments due between 1-5 years 2023	Outstanding after 5 years 2023
Debt to credit institutions	74,458	499,881	0
Lease debt	16,607	60,763	72,785
Other debt	20,076	0	0
Trade creditors	79,769	0	0
Debt to group enterprises	317,307	0	0
Other payables	51,661	0	0
	559,878	**560,644**	**72,785**
Specification of contractual cash flows incl. interest:			
Debt to credit institutions	117,966	566,513	0
Lease debt	20,698	72,819	77,754
Other debt	20,076	0	0
Trade creditors	79,769	0	0
Debt to group enterprises	317,307	0	0
Other payables	51,661	0	0
	607,477	**639,332**	**77,754**

DKK'000	Payments due 1 year 2022	Payments due between 1-5 years 2022	Outstanding after 5 years 2022
Debt to credit institutions	79,811	519,808	0
Lease debt	16,881	54,148	86,065
Other debt	0	20,076	0
Trade creditors	94,397	0	0
Debt to group enterprises	330,435	0	0
Other payables	41,111	0	0
	562,635	**594,032**	**86,065**
Specification of contractual cash flows incl. interest:			
Debt to credit institutions	118,243	542,411	0
Lease debt	19,334	69,373	93,414
Other debt	0	20,076	0
Trade creditors	94,841	0	0
Debt to group enterprises	329,991	0	0
Other payables	41,111	0	0
	603,520	**631,860**	**93,414**

4.3 – Reconciliation of liabilities arising from financing activities

DKK'000	Long-term borrowings	Short-term borrowings	Lease liabilities	Total liabilities from financing activities
1 January 2023	**539,884**	**79,811**	**157,094**	**776,789**
Cash flows	0	-19,602	-16,002	-35,604
Non-cash change:				
Reclassifications	-36,325	36,325	0	0
Additions lease liabilities	0	0	11,282	11,282
Exchange rate adjustments	-4,868	-2,000	0	-6,868
Other	1,190	0	-2,219	-1,029
31 December 2023	**499,881**	**94,534**	**150,155**	**744,570**
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
Exchange rate adjustments	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**

4.4 – 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 2023 and 31 December 2022 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.

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 2023 and 31 December 2022 no open cash flow hedge contracts 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.

DKK'000	2023	2022
Impact on profit/(loss) from translation of net debt	3,214	-8,008
Impact on equity from translation of investments in subsidiaries	58,417	59,474

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, EURIBOR and SONIA. The Company's floating rate loans at 31 December 2023 came in at DKK 519,016k (31 December 2022 at DKK 560,075k). 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 5,190k (2022: DKK 5,601k) and on equity of DKK 4,048k (2022: DKK 4,369k). 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 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.

At 31 December 2023 and 31 December 2022 no open interest 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 4.2 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.

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 2023, the Company's interest-bearing debt net comprise DKK 179m (2022: DKK 227m), 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 2023.

SECTION 5: OTHER DISCLOSURES

5.1 – Fees to statutory auditor

DKK'000	2023	2022
Statutory audit	872	830
Tax and VAT services	328	0
Non-audit services	956	204
Total fees to auditors	**2,156**	**1,034**

5.2 – Change in working capital

DKK'000	2023	2022
Increase/decrease in inventories	5,055	-10,934
Increase/decrease in receivables	-21,613	5,834
Increase/decrease in payables etc.	-10,888	11,755
Change in working capital	**-27,446**	**6,655**

5.3 – Adjustments for non-cash items

DKK'000	2023	2022
Financial income and expenses	11,080	-7,709
Gains/losses from sale of non-current assets	-5	-132
Change in provisions	-2,012	-2,014
Adjustments for non-cash items	**9,063**	**-9,855**

5.4 – 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 13m (2022: DKK 28m).

Wrist Ship Supply A/S has 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.

5.5 – 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.

5.6 – 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.

Transactions with parent entities:

DKK'000	2023	2022
Financial items, net	4,279	1,453
Financial receivables	91,092	73,722

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 related parties:

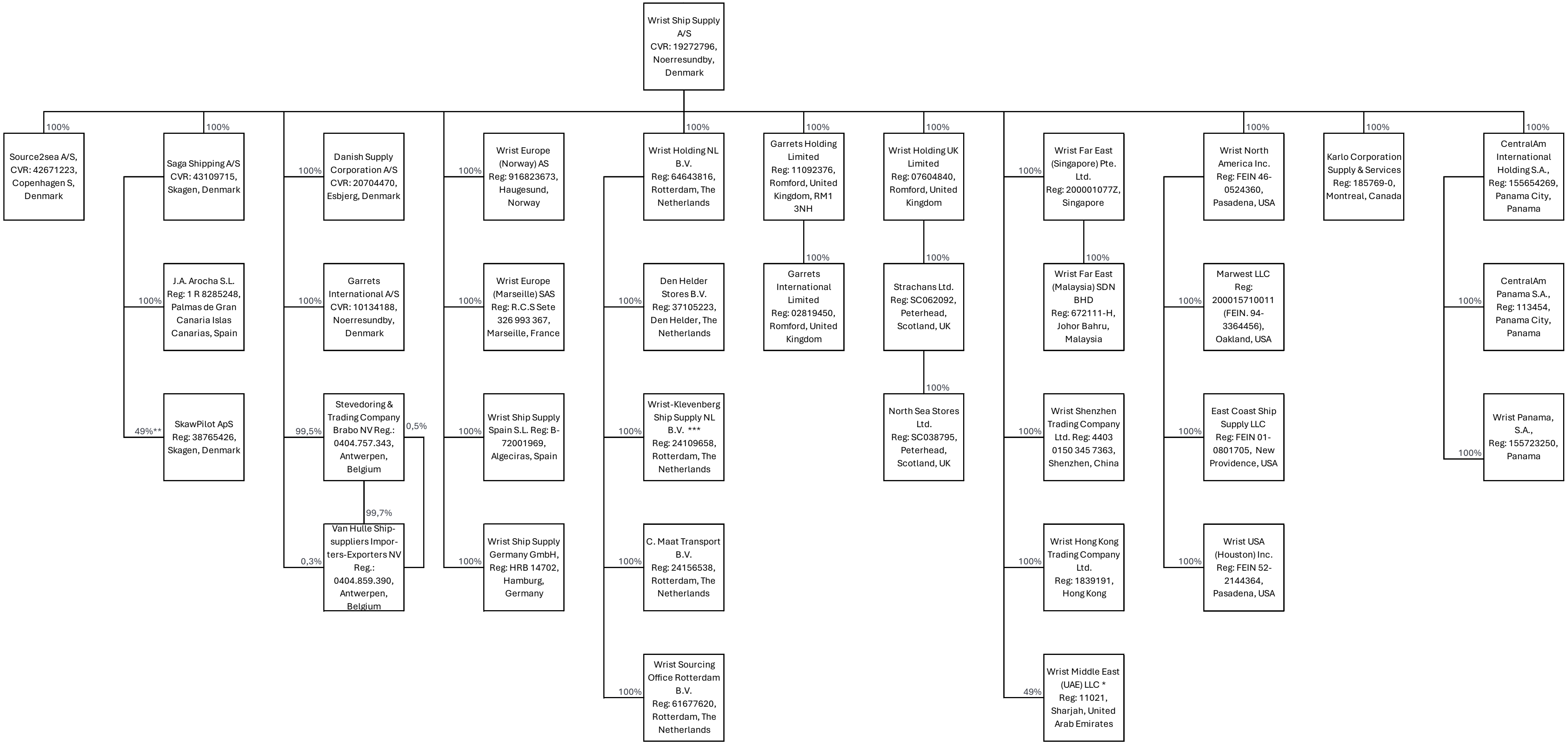
DKK'000	Subsi-diaries	Manage-ment	Total
2023			
Intra-group management and administration agreements	194,815	0	194,815
Financial items, net	34,806	0	34,806
Staff cost cf. Note 2.2	0	-31,848	-31,848
Financial receivables	965,767	0	965,767
Financial payables	-317,307	0	-317,307
2022			
Intra-group management and administration agreements	148,741	0	148,741
Financial items, net	43,719	0	43,719
Staff cost cf. Note 2.2		-32,072	-32,072
Financial receivables	940,301	0	940,301
Financial payables	-330,435	0	-330,435

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

5.7 – 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.

LEGAL STRUCTURE



* 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)
- Arundo Analytics (BM)
- 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)

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 7 May 2024 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 2023.

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 2023 and of the results of their operations and cash flows for the financial year 1 January - 31 December 2023.

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, 21 March 2024

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 01.01.2023 – 31.12.2023, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting 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 31.12.2023, and of the results of their operations and cash flows for the financial year 01.01.2023 – 31.12.2023 in accordance with IFRS Accounting 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 by relevant law and regulations.

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 information required by relevant law and regulations. 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 IFRS Accounting 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, 21 March 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Jacob Nørmark
State-Authorised Public Accountant
Identification No (MNE) mne30176

Jakob Olesen
State-Authorised Public Accountant
Identification No (MNE) mne34492

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