

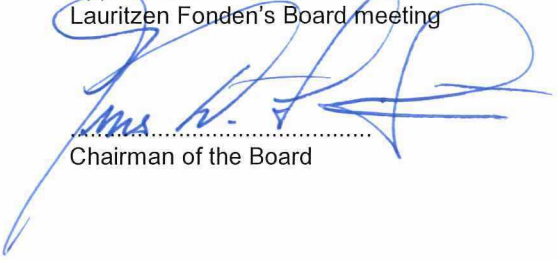
Lauritzen Fonden

Tranegårdsvej 20, 2900 Hellerup

(CVR no. 1545 3613)

ANNUAL REPORT 2018

Approved on 27 March 2019 at
Lauritzen Fonden's Board meeting



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Chairman of the Board

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Lauritzen Fonden for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent foundation financial statements give a true and fair view of the Group's and the foundation's financial position at 31 December 2018 and of the results of the Group's and the foundation's operations and consolidated cash flows for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the foundation's operations and financial matters and the results of the Group's and the foundation's operations and financial position.

Copenhagen, 27 March 2019

Executive Board



Tommy Thomsen
CEO



Inge Grønvold
Director

Board of Directors



Jens Ditlev Lauritzen
Chairman



Erik G. Hansen
Vice Chairman



Bendt Bendtsen



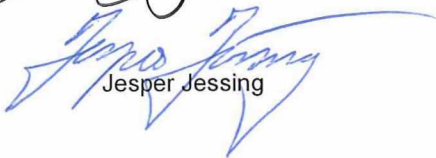
Kigge Hvid



Betina Ipsen



Erik Bierre



Jesper Jessing



Kristian Kristensen

Independent auditors' report

To the Board of Directors of Lauritzen Fonden

Opinion

We have audited the consolidated financial statements and the parent foundation financial statements of Lauritzen Fonden for the financial year 1 January – 31 December 2018, which comprise an income statement, statement of financial position, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the group and the parent foundation, as well as consolidated statement of cash flows. The consolidated financial statements and the parent foundation financial statements are prepared in accordance with the Danish Financial Statements Act. In our opinion, the consolidated financial statements and the parent foundation financial statements give a true and fair view of the financial position of the Group and the parent foundation at 31 December 2018 and of the results of the Group's and parent foundation's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

Management is responsible for the preparation of consolidated financial statements and parent foundation financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent foundation financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements and the parent foundation financial statements, Management is responsible for assessing the Group's and the parent foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent foundation financial statements unless Management either intends to liquidate the Group or the parent foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent foundation financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent foundation 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent foundation financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent foundation 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 Foundation'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 foundation 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 Foundation'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 foundation financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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 Parent Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent foundation financial statements, including the note disclosures, and whether the consolidated financial statements and the parent foundation financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review. Our opinion on the consolidated financial statements and the parent foundation financial statements does not cover the Management's review, and

we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements and the parent foundation financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent foundation financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent foundation financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27 March 2019

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Torben Bender
State Authorised
Public Accountant
MNE-nr.: mne21332

Foundation details

Name and address: Lauritzen Fonden
Tranegårdsvej 20
DK-2900 Hellerup
Phone: +45 33 96 84 25

Website: www.lauritzenfonden.com
E-mail: kontakt@lauritzenfonden.com

CVR-no.: 15 45 36 13
Founded: 1945
Domicile: Hellerup
Financial year: 1 January - 31 December

Board of Directors: Jens Ditlev Lauritzen, (Chairman)
Erik G. Hansen, Director (Vice Chairman)
Bendt Bendtsen, Member of the European Parliament and former Minister
Kigge Hvid, Partner at JA Studio
Betina Ipsen, Member of the Lauritzen Fonden Grant Committee
Erik Bierre, Senior Vice President, J. Lauritzen A/S *)
Jesper Jessing, Master Mariner, DFDS A/S *)
Kristian Kristensen, Master Mariner, DFDS A/S *)
*) Staff-elected board members

Grant Committee: Jens Ditlev Lauritzen
Betina Ipsen
Inge Grønvold
Kathrine Geisler Madsen
Kamilla Søgaard
Linda Sparrevohn Riedel

Executive Board: Tommy Thomsen, CEO
Inge Grønvold, Director

Board meeting is held on 27 March 2019

The Group at a glance

Lauritzen Fonden is an enterprise foundation and the parent foundation of J. Lauritzen A/S (100% owned), DFDS A/S (43% owned, including DFDS's treasury shares) and LF Investment ApS (100% owned).

The shipping companies J. Lauritzen A/S and DFDS A/S act as independent entities. Each of the companies has an independent two-tier management structure with a Board of Directors and an Executive Board that have the primary responsibility.

J. Lauritzen A/S has been serving the maritime trade since 1884 and for more than 130 years, they have been engaged in a range of different segments of the shipping industry.

Today, J. Lauritzen is a global provider of seaborne transportation of dry bulk cargoes as well as petrochemical and liquefied petroleum gases.

Services are provided through the operational business units Lauritzen Bulkers and Lauritzen Kosan. Lauritzen Bulkers operates bulk carriers, primarily in the handysize segment of dry bulk shipping. Lauritzen Kosan specialises in transportation of petrochemical and liquefied petroleum gases (LPG) - a segment of the shipping industry characterised by complex technical and operational requirements.

Despite volatility, dry cargo markets continued their upward movement during 2018, whereas the market for small gas carriers was relatively flat until it recovered during the last months of the year. Although still in negative territory, J. Lauritzen's net result for 2018 reflects a strong improvement over 2017.

During 2018, Lauritzen Bulkers and Lauritzen Kosan controlled a combined average fleet of 109 vessels compared to 118 vessels in 2017. At year-end 2018, J. Lauritzen owned 9 bulk carriers and 14 gas carriers versus 10 dry bulk carriers and 18 gas carriers at year-end 2017.

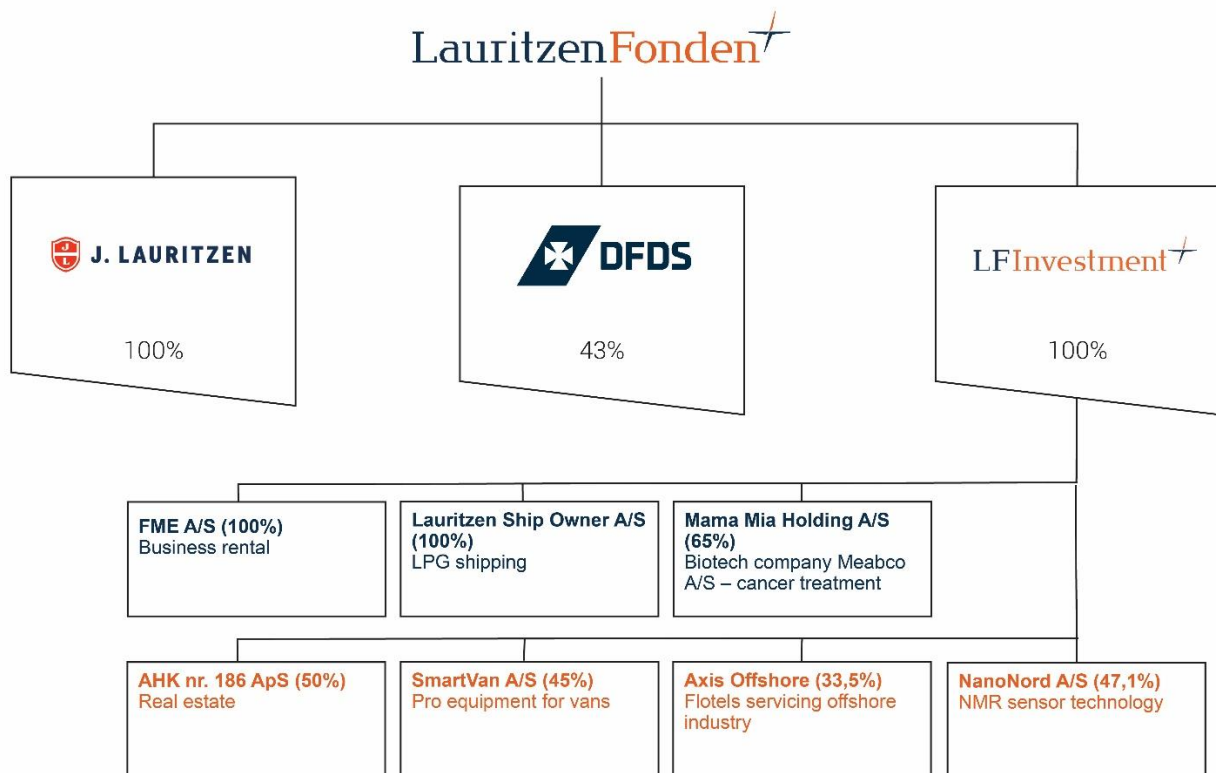
DFDS A/S was established in 1866. DFDS provides ferry shipping services and transport solutions in Europe. Over 8.000 freight customers rely on the ferry and port terminal services as well as flexible transport and logistics solutions. DFDS also provides safe overnight and short sea ferry services to seven million passengers, many travelling in their own car.

DFDS achieved a new all-time high result in 2018 and growth in both revenue and earnings is expected to continue in 2019 on the back of its recent expansion in the Mediterranean driven by the transformational acquisition of U. N. Ro-Ro. This has strengthened the ferry business as the greater geographical coverage of the route network offers more services to customers and the larger scale offers operational advantages. An important milestone in 2019 will be the full integration of U. N. Ro-Ro, including the operational optimisation of the addition of considerable new volumes from Ekol Logistics. 2019 will hopefully also bring clarity to Brexit which should improve the market environment. The pursuit of shareholder value creation, innovation of customer services, reduction of our environmental footprint and being a caring employer will all continue in 2019.

During 2018, DFDS controlled a combined average fleet of 71 vessels compared to 64 vessels in 2017. At year-end 2018, DFDS controlled 36 ro-ro ships, 16 ro-pax ships, 4 passenger ships and 15 container and side port ships versus 22 ro-ro ships, 18 ro-pax ships, 4 passenger ships and 20 container and side port ships at year-end 2017.

LF Investment ApS' main activity primarily consists of investments in minor venture companies. The portfolio consists of 3 subsidiaries and 4 associated companies. The portfolio of companies covers industries such as real estate, shipping, biotech and NMR sensor technology.

Overall group structure



Group Key Figures

(DKK million)	2018	2017	2016	2015	2014
Net turnover	19.355	18.072	16.716	16.362	15.638
Result before depreciations (EBITDA)	2.956	2.582	2.653	2.058	1.321
Profit on sale of vessels	38	9	49	128	179
Depreciations and write-downs	-1.332	-1.110	-1.376	-2.680	-1.682
Operating income	1.663	1.482	1.325	-493	-182
Share of result in joint ventures	-2	6	-38	-218	-79
Financial items, net	-279	-393	-362	-352	-375
Result before tax	1.382	1.094	926	-1.063	-635
Income tax	-82	-79	-12	-37	-30
Result for the year	1.300	1.016	913	-1.100	-665
Non controlling interests share of result	-868	-898	-863	-516	-192
Profit/(Loss) for the year	432	118	50	-1.616	-857
Fixed assets	21.158	13.001	13.867	13.295	15.207
Total assets	26.549	17.833	18.985	19.812	20.713
Equity	6.301	5.659	5.813	5.958	7.106
Non controlling interests	5.181	3.707	3.741	3.626	3.392
Cash flow from ordinary activities	1.844	2.062	2.485	2.024	1.756
Investment in tangible assets	-1.522	-685	-2.182	-821	-1.214
Changes in cash position	-477	-207	-338	706	-142
Number of employees	8.534	7.950	7.863	7.309	7.193
Profit margin, %	8,6	8,2	7,9	-3,0	-1,2
Rate of return, %	8,0	8,7	7,2	-2,8	-0,6
Return on equity, %	7,2	2,1	0,9	-24,7	-11,7
Solvency ratio, %	43,3	52,5	50,3	48,4	50,7

Key figures are prepared in accordance with Danish Finance Society, however, solvency ratio includes non-controlling interests.

Profit margin

$$\frac{\text{Operating income}}{\text{Net turnover}}$$

Solvency ratio

$$\frac{\text{Equity incl. non controlling interests}}{\text{Total assets}}$$

Rate of return

$$\frac{\text{Operating income} + \text{financial income}}{\text{Average of total balance}}$$

Return on equity

$$\frac{\text{Profit/(Loss) for the year}}{\text{Average share of equity excl. non controlling interests}}$$

Management's review

The total revenue of the Group amounted to DKK 19.355 mill. in 2018 compared to DKK 18.072 mill. in 2017, an increase of DKK 1.283 mill. Result before tax amounted to a profit of DKK 1.382 mill. compared to a profit of DKK 1.094 mill. in 2017.

During 2018 Lauritzen Fonden received dividend from DFDS amounting to DKK 93,5 mill. In connection with DFDS' share buy-back program, Lauritzen Fonden disposed of shares amounting to a total of DKK 79,8 mill. The treasury shares DFDS buys are subsequently cancelled which leaves Lauritzen Fonden with a constant ownership percentage.

The net result for **J. Lauritzen A/S** for 2018 was a loss of DKK 150 mill. compared to a loss of DKK 297 mill. in 2017. The result for 2018 was in line with the last recent outlook. J. Lauritzen's result for 2018 was not satisfactory. The result included special items totaling DKK 157 mill. mainly related to the use of provisions for onerous contracts and the reversal of impairments on vessels. Please refer to J. Lauritzen's web: www.j-l.com for further information.

For **DFDS A/S** profit before tax amounted to DKK 1.694 mill. compared to DKK 1.686 mill. in 2017. Operating profit before depreciation (EBITDA) and special items increased 10,5% to DKK 2.988 mill. The result was slightly below the latest outlook range for an EBITDA before special items of DKK 3.000-3.100 mill. included in the Q3 2018 report. Please refer to DFDS's web www.dfds.com for further information.

The net result for **LF Investment ApS** for 2018 amounted to a loss of DKK 24,6 mill. compared to a loss of DKK 262,2 mill. in 2017. The negative result is primarily impacted by unrealized losses on shares.

New CEO in Lauritzen Fonden

In September 2018 Tommy Thomsen was appointed as new CEO in Lauritzen Fonden as of 1 January 2019. He is succeeding Bent Østergaard, who after 49 years in the Lauritzen Group will retire during 2019. Following Tommy Thomsen's appointment as CEO in Lauritzen Fonden, he resigns from the Board of Directors of Lauritzen Fonden, where he held up the position as Vice Chairman. Director Erik G. Hansen was appointed new Vice Chairman of the board of directors of Lauritzen Fonden.

Lauritzen Fonden's mission

Ditlev Lauritzen, the founder of J. Lauritzen A/S, was an enterprising business man. Ahead of his time in the 1900s he focused on his employees' welfare and their work environment. He was also very engaged in the local community and aware of his social responsibility as a business owner.

Both the shipping company, J. Lauritzen, and Ditlev Lauritzen's sense of social commitment were passed on to his children Ivar, Knud and Anna. Together they founded Lauritzen Fonden in 1945.

Today, Lauritzen Fonden is the parent foundation of J. Lauritzen A/S, DFDS A/S and LF Investment ApS. As an enterprise foundation, tasks are divided into a commercial and a philanthropic focus; running the businesses as well as supporting maritime, cultural and social initiatives.

Furthermore, the Foundation supports the Lauritzen Group's employees by supporting their cultural or social volunteer work as well as by supporting their children with different grants for educational purposes, such as student visits abroad and book grants. We believe that by creating a strong and secure groundwork for the individual, both the Lauritzen Group companies and society will benefit. The complete Foundation charter can be found at:

https://lauritzenfonden.com/wp-content/uploads/2018/10/Opdateret-fundats_16-sep-2016.pdf
http://lauritzenfonden.com/wp-content/uploads/2018/11/Fundats-p%C3%A5-engelsk_2016.pdf

Philanthropic vision

Lauritzen Fonden seeks to enhance the development of children and young people in Denmark through the focus areas *well-being* (trivsel) and *general education* (dannelse). We want to enable children to become a contributing and active part of society. The Foundation believes in those who believe in their cause – and those fiery souls that have a strong vision and commitment to their project. By working together with other stakeholders, long-lasting and sustainable change has a better chance of prevailing.

Grant Strategy

The aim of the grant strategy is to work towards finding solutions on how to limit the negative consequences of growing up in poverty.

Through our grant strategy we seek to increase the impact of the distributed funds. By focusing the grant strategy, securing new knowledge within the social area and having a more proactive and risk-willing approach to donations, impact is expected to increase.

Thus, the Lauritzen Fonden wants to:

- Secure and create new knowledge regarding the challenges and obstacles within the field of social work
- Enter into new forms of collaboration and partnerships
- Anchor new methods to enhance the positive outcome and effect of initiatives

The target group

The target group are children and youth from low-income households. According to some of the latest research, they suffer from a disadvantage when it comes to equal opportunities in life. They have a hard time finding their way through the educational system and thus lack connection to the job market in adulthood. More than 8% of children and youth in Denmark grow up in low-income households.

By focusing on the areas of *well-being* and *general education* we wish to support initiatives and projects that facilitate a way into education and employment for children and young people. The grant strategy is implemented through donations and collaborations that enable a greater impact of the Foundation's funds.

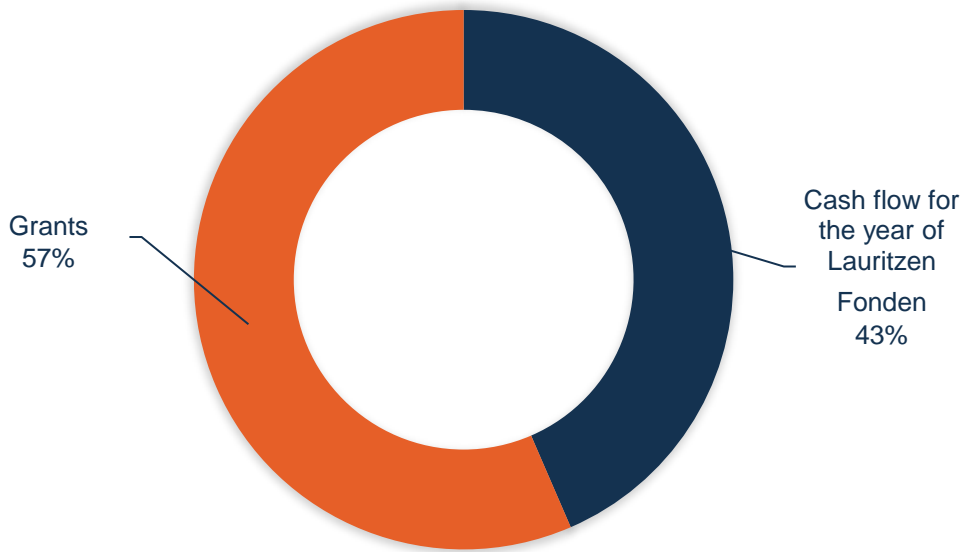
Geographic focus

Lauritzen Fonden has a historical interest in the Danish cities Ribe, Esbjerg, Aalborg, Frederikshavn and Helsingør. These are cities where the Foundation has its roots and for several decades has been involved in industrial activities. These geographic focus areas are the starting point of our strategic involvement with an initial focus on Esbjerg and Helsingør.

For more information on the grant strategy, please see: <https://lauritzenfonden.com/en/about-us/grant-strategy/>

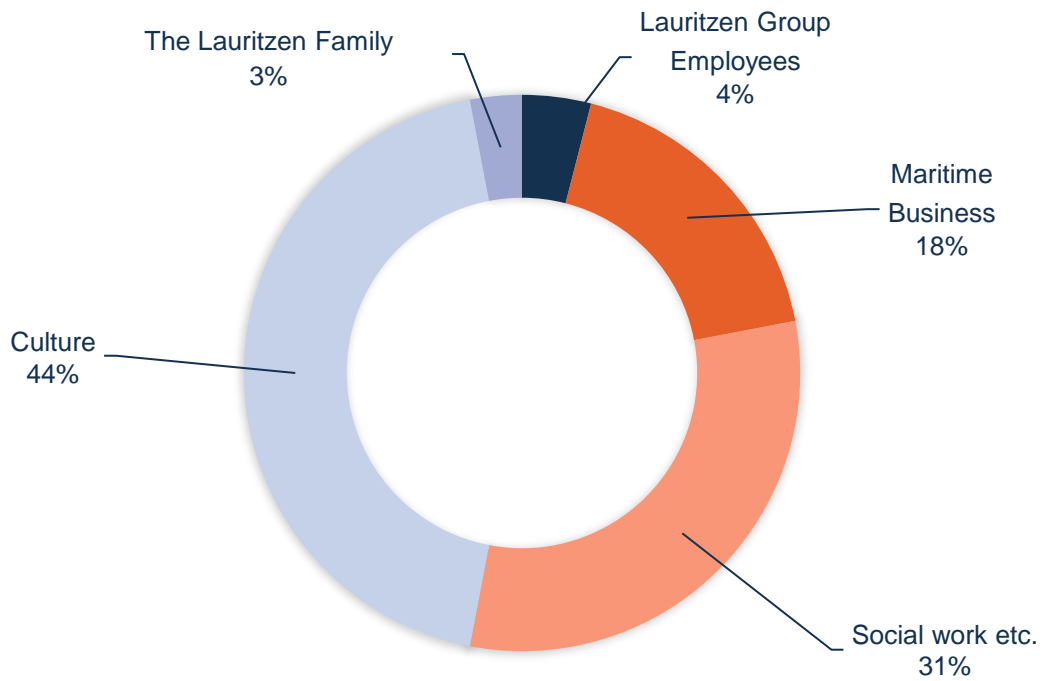
Allocation of funds

The cash flow generated in 2018 by Lauritzen Fonden (the parent Foundation) amounted to DKK 83 mill. (2017: DKK 228 mill.). The amount consists of operating income before depreciations (EBITDA) plus dividend from DFDS A/S. With a grant distribution of DKK 42.8 mill. in 2018 (2017: DKK 27,8 mill.), Lauritzen Fonden has thus allocated 56,5% of the cash flow to meet the foundation charter.



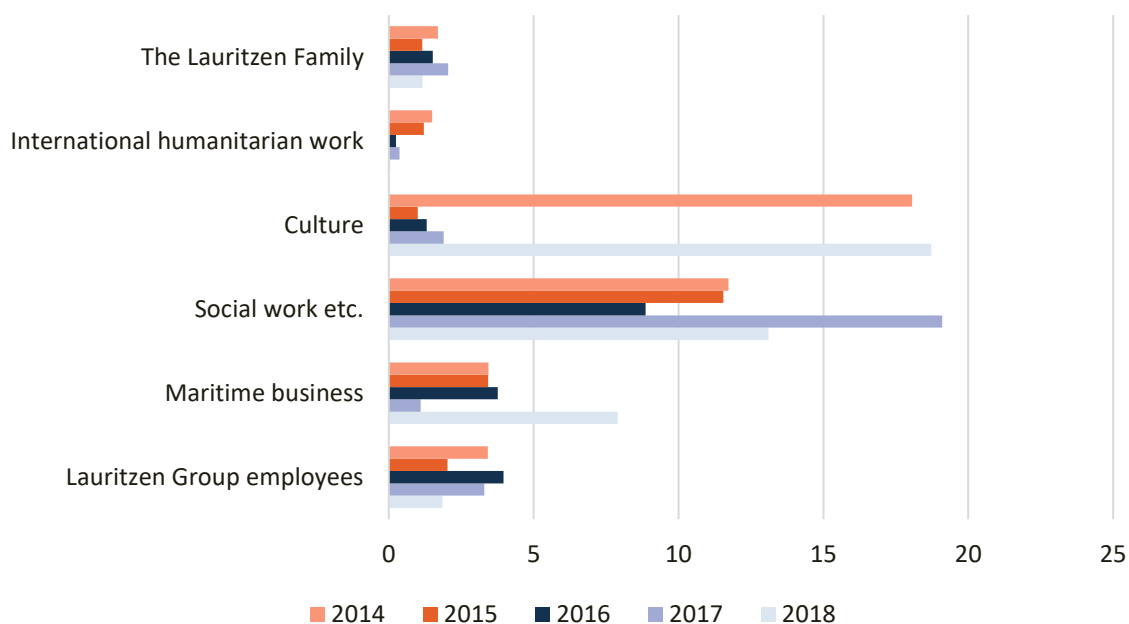
All grant distributions 2018

As shown in the figure below, 4% of the total grant amount in 2018 went to support the Lauritzen Groups employees, 18% to seafarers and maritime interests, 31% to social and humanitarian work in Denmark, 44% to cultural projects and 3% to the Lauritzen Family.



The total grant distribution in DKK is divided between these focus areas. Below please find the track record for the past 5 years:

Overview of grant distributions



(NB: Culture 2014 and 2018 deviates significantly due to the initiatives Legeskibet, 2015-2019 and Levende Legekultur 2019-2023, respectively)

Partnerships and strategic grants

Grants within the individual categories and in various sizes have been distributed to a wide range of activities carried out by organisations, associations and individuals actively contributing to impacting society. Below please find a list of the partnerships initiated in 2018 and some of the major projects and initiatives supported during the year:

Partnerships

DKK 12.600.000	Levende Legekultur	Initiative that seeks to create better learning environments and social well-being for children and young people. Efforts include strengthening play culture in long-term cooperation with five municipalities in Denmark in the period 2019-2023.
DKK 1.500.000	Red Barnet	Development of young children clubs for vulnerable families in the period 2018-2023.
DKK 4.200.614	Moos-Bjerre	Evaluation of impact and effect of MedVind in Østerbyen in the period 2018-2022.

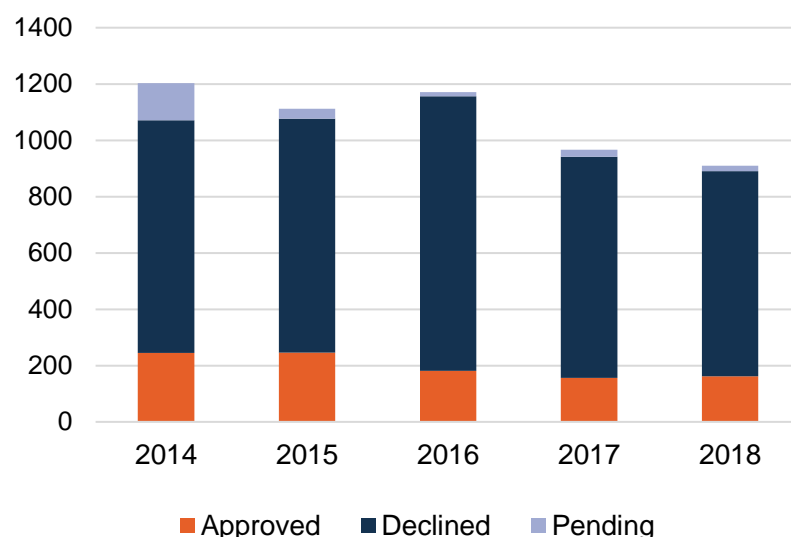
Other strategic grants

DKK 350.000	Læs For Livet	Establishment of 6 libraries on institutions for vulnerable children in care.
DKK 500.000	Absalon University College	The Digital Social Worker - Pilot project that seeks to identify possibilities and limitations of digital tools in social work.
DKK 1.500.000	C:ntact	School development project using culture to ensure obligating communities on Urbanskolen in Esbjerg.
DKK 500.000	Ungdommens Røde Kors	Sprint-courses ensuring active citizenship for children and youth.
DKK 800.000	2 Timer om Ugen	Establishment of a volunteer initiative that seeks to strengthen bilingual children's development in Esbjerg.
DKK 500.000	Børns Vilkår	Development of an e-learning module to train more volunteers.
DKK 900.000	Red Barnet	Pre-analysis of vulnerable children and their participation in leisure communities.
DKK 2.000.000	Barndrømmen	Children and youth's access to art and culture is increased through the national initiative Go Creative.

Development in grant applications

In 2018, Lauritzen Fonden received and processed an amount of applications that were slightly below the last few years. Of 890 applications (968 in 2017) 162 were approved for grants (157 in 2017) leading to a "hit-rate" of 18,2%. 20 applications were still pending at year-end.

Development in grant applications 2014-2018



The decline in number of applications reflects our focused grant strategy, which is easier to communicate and thus acts as a more accurate guideline for potential applicants. In general, the amount of applications to Danish foundations have however increased with 15% over the past 3 years and thus approximately every third applicant is approved for a grant (Source: Den Danske Fondsanalyse – Kraft & Partners).

Partnership and project highlights 2018

Our grant strategy is implemented through donations, collaborations and partnerships that enables a greater impact of the foundation's funds. Below please find a number of partnership- and project-based initiatives we have supported in 2018.

Update on Collective Impact initiative – MedVind in Esbjerg, Denmark

As a foundation the engagement in a Collective Impact initiative is driven by the ambition to ensure social change at a larger scale than any actor will be able to manage on their own. This was the steppingstone for the establishment of 'MedVind i Østerbyen' in collaboration with Esbjerg municipality and different local stakeholders in 2018 with a vision of breaking the negative cycle for children and young people from low-income families in Esbjerg's Østerbyen.

In 2018, the backbone organisation, the infrastructure of the initiative, began its work. Two people were hired, and through the last year they have engaged and arranged activities that involves the different community actors in order to map existing activities as well as to support and align existing activities. A key focus for 2018 has been to support the local school in their continued development as well as the local community, especially civil society organisations. Further, it has been part of the backbone secretariat to build insight, knowledge and understanding of the problem locally.

In March 2018, a learning partner was linked to the initiative as we allocated DKK 4.2 mill. to the consultant house, Moos-Bjerre that will evaluate the initiative in the first five years of the period. The evaluation will include evaluation of the initiatives impact (in regard to the target group) and the effect (in regard to the method/collective impact). The work was initiated in November 2018 and the first baseline report was handed over to the initiative showcasing a challenged area in need for change.

An amount of DKK 6 mill. was allocated to the initiative in 2017, which covers the establishment of the backbone secretariat, the start-up phase and funds to support specific, minor projects in Østerbyen. In addition, a total of DKK 3,5 mill. has been granted in 2018 to local projects that supports the overall vision of MedVind. Lauritzen Fonden and Esbjerg Kommune have made a mutual commitment to support the initiative for a 12-year period. Lauritzen Fonden plays an active part in both steering committee and partner group in the initiative.

Absalon University College – The Digital Social Worker: a pilot research project seeking to identify possibilities and limitations of digital tools in social work. The overall aim of the pilot project is to examine how IT and digital tools are used in the counseling and guidance of young people. The project is carried out by Absalon University College in collaboration with the Danish Association of Social Workers and Gulborgsund Municipality. An amount of DKK 500.000. has been allocated to the project.



Barndrømmen: aims to realise children's potential through art and culture. Through Go Creative – a national cultural initiative with a creative concept, Barndrømmen seeks to support and motivate children to dream and to act upon their dreams. Lauritzen Fonden has allocated DKK 2 mill. to a development project over a 4-year period ensuring the further development of the Go Creative initiative.

Update on Legeskibet

Total amount granted in 2014 = DKK 16 mill. over a 5-year period. Lauritzen Fonden is sole financier of the partnership

Legeskibet in brief

Legeskibet is a collaboration with Gerlev Sports Academy, home of the Gerlev Legepark (play park), which is a huge green area in the Western part of Zealand where you can enjoy playing historic and new games – activities that are still very much a part of Danish cultural heritage. The mission of Legeskibet is to re-think the Danish culture of play and movement while creating new opportunities for movement in the Danish harbor areas. The project period runs until 2019 and in 2018, Legeskibet finished its fourth and last expedition.



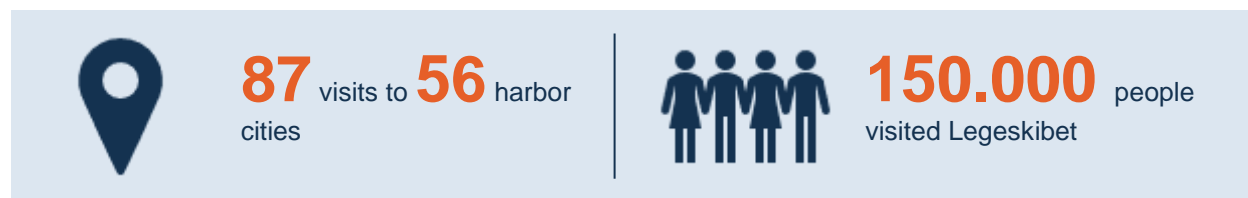
2018 highlights

In 2018, Legeskibet visited 18 Danish cities, had more than 38.000 visitors of which 10.0000 were school children who received unique training in the art of play, attending both school courses, aspirant courses and Visions Sails. Teachers and childcare assistants were inspired to use play and movement in their teaching to create a stronger feeling of community, well-being and creativity.

One of the cities visited during the year was Frederikshavn, one of Denmark's most active harbor cities. Frederikshavn celebrated its 200-year market town jubilee during 2018 and the event was marked with a maritime festival in September. Legeskibet participated in the maritime festival and celebrated Frederikshavn with different play activities for all the schools in the municipality. Play in specific is an important factor for Frederikshavn Municipality, who also hosted a play conference during Legeskibet's visit to Frederikshavn.

In October 2018 The Maritime Museum in Helsingør launched Drømmeskibet (The Dream Ship) – a 400 m2 maritime play universe which was developed in a collaboration with Legeskibet and financed by Nordea Fonden and Lauritzen Fonden. Drømmeskibet was developed on the basis of Legeskibet's extensive experience and is an adventurous, fantasy play world that conveys the joy of the sea through movement, play and crafts.

Legeskibet 2014-2018 in numbers



The next chapter – Living Play Culture

Legeskibet is now working on the concluding report and is in the process of gathering results for the entire project period, best-practice and key points from the maritime playbuildings, with a concluding report and conference scheduled in May 2019. The University of Southern Denmark has been following the project



closely and a log book has been kept during the entire period to gather empirical evidence for a potential research project at the Center for Idræt, Sundhed og Civilsamfund.

Lauritzen Fonden has throughout the project period remained an active part of Legeskibet's steering committee. Legeskibet's focus on culture, movement and education supports the foundation's vision of securing the best preconditions for including all children and youth in meaningful communities. Consequently, Lauritzen Fonden and Gerlev Sports Academy will continue the fruitful collaboration with the launch of Levende Legekultur (Living Play

Culture) – an initiative that focuses on creating better learning environments and social well-being for children and young people regardless of their background. Efforts include strengthening play culture in long-term cooperation with five municipalities in Denmark. The purpose is to motivate, implement and anchor a living play culture and thereby strengthen physical active play as an important focus area in day care institutions, public schools, local areas as well as for politicians and administration.

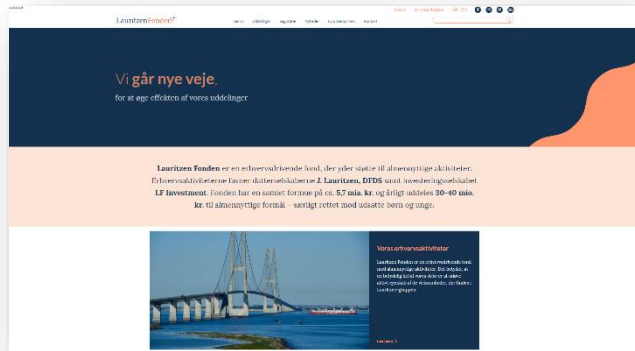
The Blue Denmark

Lauritzen Fonden has in 2018 earmarked DKK 10 mill. for the coming two years, to initiatives that support the Danish governments growth plan for the maritime Denmark. The money will go to support concrete initiatives, which can future-proof the growth in The Blue Denmark, including maritime competence development and education. In 2018 supported initiatives include:

DKK 900.000	Danish Shipping	Recruitment campaign - World Careers.
DKK 350.000	The Technical University of Denmark	2-year research project with the objective of developing reliable computer algorithms.
DKK 1.000.000	EUC Nord	Innovative, educational project that aims to develop realistic learning environments.
DKK 570.000	MARTEC	Futureproof refrigeration training – upgrade of outdated equipment.
DKK 2.000.000	MARTEC	Modernization of the ordinary seaman education at the Danish national training ship, DANMARK.
DKK 2.000.000	ShippingLab	A nonprofit innovation and project partnership in the Blue Denmark, who aims at making Denmark the driver for the future of smart shipping.
DKK 245.000	SIMAC	Ph.d. project about autonomous ships from an operational and maintenance perspective.

Communication and transparency

In 2018, we launched a new website, focusing on improved structure, positive user experience and an updated visual identity.



The website is a tool to share and engage with our stakeholders, including collaboration partners and the general public. The main objective is to openly communicate *what* we do, *why* we do it and what *difference* we make through our work.

We put great emphasis on transparency and seek to demonstrate openness about our activities. On the new website we have improved the showcasing of the many initiatives and projects we support – displaying to a greater degree, how the projects we support are serving the public. By demonstrating a high degree of

transparency, we aim to get closer to our stakeholders and not least strengthen the effect of our work and the distributed funds.

Our focus on transparency and the current practice in this area was once again confirmed in the report “Den Danske Fondsanalyse 2018” by Kraft & Partners which analyses the 30 largest foundations in Denmark. The report finds that foundations in general are doing well when it comes to transparency and indicates that focus is shifting from an external focus on budgets, grants and key figures to also include more internal and sensitive information. The report reveals that Lauritzen Fonden meets the 35 stated parameters in Kraft & Partners transparency barometer to a very high degree.

Brand recognition

In May 2018, Lauritzen Fonden once again participated in an analysis focusing on the public knowledge of the Foundation and our focus areas. Sixteen other foundations participated in the survey, which was carried out by TNS Gallup. The results were in line with the results of the analysis conducted in 2016 with a brand awareness of 7% in the general public, leaving plenty of room for improvement. The general public is however not our primary focus in our communication efforts. Our emphasis is on locally and geographically defined focus areas. We will continue to participate in the survey even though our focus will be to strengthen our local presence and communication efforts. We, however, participate to keep track of the development and our brand recognition in the general public as we expect a long-term strategic focus will improve the numbers eventually.



Social Media

The Foundation’s Facebook-page is still an important platform for external communication. With almost 2.500 followers it has become a valuable tool for reaching stakeholders with news regarding the Foundation’s work and projects with no additional marketing costs.

However, changes to the Facebook algorithm in the beginning of 2018 has resulted in a drop in our organic reach. In order to ensure that our followers see our most important posts going forward, we will thus amplify our organic reach by boosting posts and promote content strategically during 2019.

The Lauritzen Award

Each year Lauritzen Fonden distributes awards as a recognition of an exceptional performance by a Danish artist in the theatrical profession either on stage, in TV or on film. In 2018 the award was awarded to Inge Sofie Skovbo and Mads Mikkelsen each receiving DKK 250.000.

Similar to last year the two main award recipients were given the opportunity to hand out DKK 50.000 to a social and humanitarian organization of their choice. Inge Sofie Skovbo donated to STH – Servicehunde til Handicappede (Assistance dogs for people with disabilities) and Mads Mikkelsen to Refugees United, a non-profit organization helping refugee families who have lost contact with each other during escape from conflict with an anonymous service to reconnect.

Recipients 2018:

- Lauritzen Fonden's Vision Award DKK 100.000: **Dramafronten**
- Lauritzen Fonden's Children and youth Award DKK 50.000: **Det lille Teater**
- Lauritzen Fonden's Backstage Award DKK 50.000: **Søren Møller**
- Lauritzen Fonden's Wauw Award DKK 30.000: **Claes Bang**
- Lauritzen Fonden's Believe-in-you Awards X 2 each DKK 20.000: **Asta Kamma August** and **Diluckshan Jeyaratnam**



From left: Diluckshan Jeyaratnam, Asta Kamma August, Claes Bang, Mads Mikkelsen, Rhea Leman (Dramafronten), Inge Sofie Skovbo, Søren Møller and Trine Wisbech (Det lille Teater).

Once again, the award show took place at Folketeatret in Nørregade, Copenhagen with nearly 600 guests attending the festive event. During the show three social and humanitarian projects were showcased and after the show, guests were given the chance to meet and greet the projects in the foyer, which was an excellent way of establishing new connections.



The three projects were Barndrømmen, Lær for Livet and MedVind i Østerbyen. As an extra recognition of the projects tireless work each of them were given 10.000 DKK to do something special and fun for their volunteers. The picture show staff from Lær for Livet.

Real estate

Herlevgårdsvej

At the end of 2018, 24 of the 30 apartments were rented out to children, relatives and staff of the Lauritzen Group. The remaining 6 apartments were rented out to tenants who already lived in the property when the foundation took over the estate in 2006. The property is operational with an occupancy of 100%. The student apartments are a supplement to the existing employee benefits in the Lauritzen Group.

Kollegiemodellen – using dormitories for young homeless

In the spring of 2018, Herlevgårdsvej was also included in the foundation's work on creating change for vulnerable young people, by contributing with housing for two young people from Herlev Municipality's youth department, Saxbo who have had a hard time finding their way in a pressured housing market.

In Lauritzen Fonden we believe that all people, regardless of background, have the potential to benefit both themselves and society. For some, having a permanent residence can be just the change that makes life a little easier and consequently releases resources to get started with an education or find a job.

The contact between Herlev Municipality and Lauritzen Fonden was established in collaboration with The Alliance – a Home for All (Hjem til Alle alliancen), an alliance that is focused on finding a solution for homelessness among young people through the development of new initiatives across civil society, the authorities, the business sector and investors.

Kollegiemodellen, which is carried out in collaboration with the Bikuben Foundation, the Lauritzen Fonden and three municipalities, constitutes one initiative, in which foundations and municipalities enter into cooperation to reserve dormitory homes for homeless youth and ensure holistic support for the young people when they move into the dormitories. The collaboration is not project-financed or time-limited.

Klithuset

In 2018, the occupancy rate at Klithuset in Dronningmølle has increased. Occupancy rates during weekdays, meetings and conferences were at 39% compared to 34% the year before. Weekends in 2018 were at 77% versus 69% in 2017. Operating Klithuset is done with an eye for details keeping the house desirable for parties, social activities and conferences at all times.

Other

The Foundation owns a villa on Onsgårdsvej in Hellerup. The villa is currently rented out.

Foundation Governance

Lauritzen Fonden seeks to demonstrate best practice and overall transparency in its work and we fully support the Danish Recommendations on Foundation Governance.

Our current statutory report is based on the Recommendations on Foundation Governance and available on <https://www.lauritzenfonden.com/da/csr.asp> Available on the website are also reports from previous years.

Gender diversity

The Foundation's charter elected board consists of two women and three men. Please see the section regarding the Board of Directors in this report for information regarding their qualifications and competences.

The Board consists of eight persons; five elected in accordance with Lauritzen Fonden's charter (two women and three men) and three employee elected.

Executive management consists of two persons; one woman and one man.

Gender equality in both executive management and board of directors is in accordance with the Danish Business Authority regulations and the Foundation is thus in compliance.

CSR

As a foundation with 11 employees our largest impact on social (as outlined in the international Bill on Human Rights), environmental and climate issues as well as anti-corruption issues are linked to our largest commercial investments (our two subsidiaries J. Lauritzen A/S and DFDS A/S) and our annual donations. Thus, we do not have distinct policies on labour, climate, environmental, human rights or anti-corruption. The foundations employees are subject to J. Lauritzen's policies in regard to HR-related matters.

All our donations are aligned with our charter commitment which is to support social and humanitarian work. We have a thorough process selecting suitable projects, and we assess the potential impact of the projects we support linking them to larger issues in society. For example, by ensuring education to all, access to culture and leisure activities and being part of healthy communities – all issues that are basic human rights.

Being a commercial foundation, our largest CSR footprint is placed with our two large subsidiaries J. Lauritzen A/S and DFDS A/S. Both companies have signed up for the UN Global Compact and are thus committed to integrate the UN's ten principles on responsible business conduct into their business strategy and operations. As the Global Compact builds on universally accepted and declared conventions on human and labour rights, protection of the environment and anti-corruption, we see their commitments as a sustainable way to ensure global compliance. As a foundation, we also see grants and support to our companies social and humanitarian projects, as a way of supporting their CSR ambitions and community engagement.

For more information on J. Lauritzen A/S' and DFDS A/S' CSR-strategies, policies, programs and reporting, please refer to <http://www.j-l.com/about/corporate-responsibility> and <http://www.dfdsgroup.com/about/responsibility/> for more details.

Visit <https://www.lauritzenfonden.com/da/csr.asp> for more information on our CSR approach.

Distribution fund

It has been decided to allocate DKK 60,0 mill. for the coming 12 months' fund distributions.

Risks

Risks imposed on the Foundation are solely risk deriving from subsidiaries. Please refer to the Annual Accounts for a detailed description of the risks. Please see www.j-l.com and www.dfdsgroup.com for more details on the companies' risk management.

Outlook for 2019

There is a general consensus among international monetary organisations that economic activity and world trade growth will decline slightly in 2019 compared to 2018. Although the decline is expected to be moderate, the broader sentiment is that the global economy is more vulnerable than in early 2018.

It is anticipated that financial policies will be less supportive of economic growth than in 2018, although measures to support economic growth may develop further. Interest rates look set to rise slightly in 2019. There are, however, a number of risks to the outlook that may negatively affect international shipping. The most important of these include:

- Rising interest rates
- Financial uncertainty in China due to growing debt levels
- Stock market corrections
- US trade policy developments
- Middle East developments
- Oil and commodity price volatility

J. Lauritzen anticipates an improvement of the market balance to continue in the coming years, as supply growth dwindles, and demand growth stays strong due to the increasing availability of cheap shale gas in North America.

For DFDS the outlook for 2019 builds on a combination of market growth prospects and five key DFDS performance drivers.

- Growth from Mediterranean expansion
- Well prepared for Brexit
- Route network strengthened by new freight ferries
- Digital business projects to go live Improvement and efficiency projects

The visibility on Europe's growth path, particularly in northern Europe, is currently reduced by the still unknown outcome of Brexit. A 'soft' Brexit is expected to support growth while a 'hard' Brexit is likely to reduce growth.

The development in global trade and growth will also impact European growth prospects. The current consensus estimates for European real GDP growth in 2019 are positive and around 1.0-1.5%. Turkey's real GDP is expected to be flat in 2019.

The DFDS Group's EBITDA before special items is expected to be within a range of DKK 3,800-4,000m (2018 restated: DKK 3,589m).

From an overall Lauritzen Group perspective we anticipate a result for 2019 in line with the result for 2018.

Directorships of the Board of Directors and Executive Board as of 27 March 2019

Board of Directors:



Jens Ditlev Lauritzen
Chairman

Year of birth: 1956

Date of board entry: March 3 1997, elected chairman April 20, 2009.

Chairman of the Board of:
Rederklubben
Klampenborg Galopselskab A/S

Member of the Board of:
Dansk Galop
FødevareBanken

Qualifications:
Management skills within shipping and strategy. Management in general and board members' management. Experience within social and humanitarian work, and work within various associations.

Dependent/ independent:
Jens Ditlev Lauritzen has been a member of the board for more than 12 years and cannot be considered independent.

Annual fee: DKK 600.000



Erik G. Hansen
Vice Chairman

Director, BFB ApS, Hansen Advisers ApS, Haslevej 3 ApS, Polaris Invest II ApS, Sirius Holding ApS, Tresor Asset Advisers ApS, Rigas Invest Group

Year of birth: 1952

Date of board entry: April 27, 2017

Chairman of the board of:
Polaris Mgt. A/S
TTIT A/S

Sirius Holding A/S
Deputy chairman of:
Bagger-Sørensen & Co. A/S
Okono Tyggegummi

Member of the board of:
Bagger-Sørensen Fonden
Bavarian Nordic A/S
Ecco Sko A/S
Lesanco ApS
SAGA Private Equity A/S
Wide Invest ApS
Farumgade 2B Holding A/S

Qualifications:

Special qualifications within investment, management and strategy. Significant experience within finance, capital investments and pension relations.

Dependent/ independent: Independent

Annual fee: DKK 400.000



Bendt Bendtsen

Member of the European Parliament and former Minister of Economic and Business Affairs

Year of birth: 1954

Date of board entry: January 1, 2009

President for SME Europe

Qualifications:

Management skills within national and international politics, strategy development and extensive knowledge of shipping and small and medium sized companies. Experience within social and humanitarian challenges.

Dependent/ independent: Independent

Annual fee: DKK 250.000



Kigge Hvid
Partner, JA Studio

Year of birth: 1961
Date of board entry: December 1, 2010

Member of the International Advisory Board of:
Hong Kong Design Centre

Member of the Board of:
Grow Up
IJH A/S – Ilse Jacobsen Hornbæk
Det Sociale Netværk

Member of:
Investment Committee, Design to Improve Life Fund
The Disruption Council – Partnership for the Future of Denmark

Qualifications:
International board, management and consultancy experience also in particular with public limited companies. Special competencies within social issues and global challenges, culture, humanitarian work, education, innovation, new businesses models and communication.

Dependent/ independent: Independent.

Annual fee: DKK 250.000



Betina Ipsen
Member of the Committee of Scouts
Member of the Lauritzen Fonden Grant Committee
Member of the steering committee of DBU's development fund

Year of birth: 1965
Date of board entry: March 22, 2012

Qualifications:
Experience within social- and humanitarian work, communication, sparring and foundation administration.

Dependent/ independent: Since Betina Ipsen is the grandchild of one of Lauritzen Fonden's founders, she cannot be considered independent.
Annual fee: DKK 250.000



Kristian Kristensen*

Position: Master Mariner, DFDS A/S

Year of birth: 1967

Date of board entry: March 24, 2018

Expiration of election period: March 31, 2022

Qualifications:

Managerial nautical experience with passenger and freight ships in national and international waters. In addition; chief accountant and budget responsible for operations and maintenance.

Annual fee: DKK 250.000



Erik Bierre*

Position: Senior Vice President J. Lauritzen A/S

Year of birth: 1962

Date of board entry: May 4, 2010

Expiration of election period: March 31, 2022

Qualifications:

Management experience from international and public limited companies. Experience with shipping, service and consultancy industries. Expertise within finance and IT.

Annual fee: DKK 250.000



Jesper Jessing*

Position: Master Mariner, DFDS A/S

Year of birth: 1963

Date of board entry: April 1, 2014

Expiration of election period: March 31, 2022

Qualifications: Managerial nautical experience with passenger and freight ships in national and international waters. Chief accountant and budget responsible for operations and maintenance.

Annual fee: DKK 250.000

(* Staff elected)

Executive Board:



Tommy Thomsen
CEO

Year of birth: 1957

Chairman of the Board of:
J. Lauritzen A/S
The Danish Maritime Fund
C.W. Obel A/S

Member of the board of:
PSA International Pte Ltd. Singapore
Chemical Transportation Group
Danish Shipowner's Club

Member of the advisory board in:
Canal de Panama
Portchain

Qualifications:
Management skills within shipping, infrastructure and logistics, strategy development, economic and financial control, asset management, investment and construction of international businesses.
Experience with investment and collaboration with companies and financial institutions in developing countries.



Inge Grønvold
Director

Year of birth: 1955

Member of the Board of SmartVan A/S
Deputy chairman of the board of Lauritzen Ship Owner A/S

Qualifications:

Philanthropy work within the social and humanitarian area, education and culture. Management and HR in international businesses, foundations and real estate administrations.

Income Statement 1 January – 31 December 2018

DKK '000				
Parent			Group	
2017	2018	Note	2018	2017
		Revenue		
		2 Net turnover	19.354.643	18.072.487
2.435	3.498	Other income	54.938	26.131
2.435	3.498	Total	19.409.581	18.098.617
		Costs		
		Vessels running costs	-9.653.977	-8.722.004
-7.198	-7.918	3 Other external costs	-3.630.166	-3.751.098
-5.886	-6.424	4 Staff costs	-3.169.236	-3.043.239
-13.084	-14.342	Total	-16.453.379	-15.516.342
-10.649	-10.844	RESULT BEFORE DEPRECIATIONS	2.956.202	2.582.276
-63	0	Profit on sale of tangible fixed assets	38.248	9.168
-740	-733	5 Depreciations and write-downs	-1.331.629	-1.109.830
-11.452	-11.577	OPERATING INCOME	1.662.821	1.481.613
121.205	469.870	6 Share of result in subsidiaries		
-	-	7 Share of result in associates and joint ventures	-1.800	5.914
8.928	4.018	Financial items		
-551	-29.935	8 Financial income	108.819	107.767
8.377	-25.917	9 Financial expenses	-387.696	-500.809
		Total	-278.876	-393.042
118.129	432.376	RESULT BEFORE TAX	1.382.145	1.094.486
-	-	10 Income tax	-81.906	-78.781
118.129	432.376	RESULT FOR THE YEAR	1.300.239	1.015.705
		11 Non controlling interests share of result	-867.862	-897.575
118.129	432.376	12 PROFIT/(LOSS) FOR THE YEAR	432.376	118.129
		Proposed allocation of the result for the year:		
42.796	52.798	Distribution fund		
75.333	379.578	Retained earnings		
118.129	432.376			

Statement of financial position 31 December 2018

DKK '000				
Parent			Group	
2017	2018	Note	2018	2017
ASSETS				
13 FIXED ASSETS				
Intangible assets				
			2.987.865	327.411
			1.451.328	279.484
		Total	4.439.193	606.895
Tangible assets				
32.627	31.971		1.752.252	790.031
			12.362.562	10.146.479
600	655		710.280	605.388
			40.903	20.909
			1.021.767	308.456
		Total	15.887.764	11.871.263
Financial fixed assets				
5.139.711	6.088.822	6+13 Investment in subsidiaries		
-	-	7+13 Investments in associates and joint ventures	437.902	320.111
-	-	13 Other securities	10.048	10.048
-	-	13 Other receivables	382.678	192.395
		Total	830.628	522.554
<u>5.139.711</u>	<u>6.088.822</u>			
5.172.938	6.121.448	2 TOTAL FIXED ASSETS	21.157.584	13.000.712
NON-FIXED ASSETS				
Stocks				
		14 Bunkers and goods for sale	313.145	248.953
		Total	313.145	248.953
Receivables				
			2.104.854	1.741.313
			85.579	74.051
4.993	4.664		528.194	250.039
		10 Deferred tax asset	85.166	90.797
			391.184	133.892
		Total	3.194.976	2.290.092
<u>4.993</u>	<u>4.664</u>			
223.702	355.979	17 Securities	566.638	527.443
<u>293.681</u>	<u>277.139</u>	17 Cash	1.317.130	1.794.314
522.376	637.782	TOTAL CURRENT ASSETS	5.391.889	4.860.802
<u>5.695.314</u>	<u>6.759.230</u>	TOTAL ASSETS	26.549.473	17.861.514

Statement of financial position 31 December 2018

DKK '000				
Parent			Group	
2017	2018	Note	2018	2017
EQUITY AND LIABILITIES				
EQUITY				
250.000	250.000		250.000	250.000
5.409.339	6.051.488		6.051.488	5.409.339
5.659.339	6.301.488		6.301.488	5.659.339
11 Non controlling interest			5.181.361	3.706.653
PROVISIONS				
-	-	10 Deferred tax	210.670	197.119
-	-	15 Other provisions	285.789	427.997
-	-	TOTAL PROVISIONS	496.460	625.116
Liabilities other than provisions				
16 Non-current liabilities other than provisions				
		Mortgage debt, real properties	39.100	43.158
		Mortgage debt, vessels	2.705.146	2.480.623
		Debt, financial leasing	415.776	1.529
	400.000	Other debt	7.145.551	1.926.302
-	400.000	Total	10.305.573	4.451.612
Current liabilities, other than pensions				
-	-	16 Short-term portion of long-term debt	959.361	374.945
		Trade payables	2.372.952	1.961.894
-	-	Corporate tax	29.475	26.444
1.681	1.584	Other payables	676.043	861.879
-	-	Prepayments	170.602	159.338
34.294	56.158	Approved not yet paid grants	56.158	34.294
35.975	57.742	Total	4.264.591	3.418.793
35.975	457.742	2 TOTAL DEBT	15.066.624	8.495.522
5.695.314	6.759.230	EQUITY AND TOTAL LIABILITIES	26.549.473	17.861.514
Accounting policies				
18 Contingent liabilities				
19 Contractual commitments				
23 Change in pledged securities and cash				
24 Related parties				
25 Events after the balance sheet day				

Statement of changes in Equity

Group

DKK '000

	Contributed capital	Other reserves	Distribution fund	Total
Balance at 1/1 2018	250.000	5.359.339	50.000	5.659.339
Currency adjustment of equity and result in foreign currencies		254.550		254.550
Share of other equity movements		26.679		26.679
Value adjustment of hedging instruments		-15.820		-15.820
Change in non controlling interests		-12.838		-12.838
As per proposed allocation of the result for the year		432.376		432.376
Approved grants			-41.152	-41.152
Associated costs re. charitable purposes			-1.646	-1.646
Transferred as per proposed allocation		-52.798	52.798	0
Balance at 31/12 2018	250.000	5.991.488	60.000	6.301.488

Parent

DKK '000

	Contributed capital	Other reserves	Distribution fund	Total
Balance at 1/1 2018	250.000	5.359.339	50.000	5.659.339
Currency adjustment of equity and result in foreign currencies				
Share of other equity movements		252.571		252.571
As per proposed allocation of the result for the year		432.376		432.376
Approved grants			-41.152	-41.152
Associated costs re. charitable purposes			-1.646	-1.646
Transferred as per proposed allocation		-52.798	52.798	0
Balance at 31/12 2018	250.000	5.991.488	60.000	6.301.488

Cash Flow statement

DKK '000	Note	2018	2017
	Operating income	1.662.821	1.481.613
	Depreciations and write-downs carried back	1.331.629	1.109.830
	20 Adjustments	-84.691	21.750
	21 Change in working capital	-880.429	-330.101
	Cash flow from operations before financial items	2.029.329	2.283.092
	Ingoing financial payments	228.135	279.786
	Outgoing financial payments	-405.728	-476.891
	Cash flow from operating operations	1.851.737	2.085.987
	Paid corporate tax	13.088	-1.201
	Paid grants	-20.934	-23.203
	Cash flow from ordinary activities	1.843.890	2.061.584
	Investment in intangible fixed assets	-29.535	-48.453
	Investment in tangible fixed assets	-1.522.149	-685.200
	Investment in financial fixed assets	-227.555	-77.278
	Investments in subsidiaries/activities	-3.635.200	0
	Investment in securities	-39.194	14.565
	Sale of tangible fixed assets	169.264	76.390
	Sale of financial fixed assets	139	247.965
	Cash flow from investment activities	-5.284.231	-472.011
	Installment on long-term debt	-3.935.702	-1.486.591
	Proceeds from long-term debt	7.127.326	664.629
	Paid dividend to non-controlling interest in DFDS	-125.389	-316.116
	Acquisition of treasury shares in DFDS	-110.380	-641.923
	Government grants related to purchase of assets	7.300	11.900
	Cash flow from financing activities	2.963.155	-1.768.101
	Changes for the year in cash position	-477.185	-178.528
	Cash beginning of year	1.794.314	1.972.842
	17 Cash end of year	1.317.129	1.794.314

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements

Notes

1 Accounting policies

The annual report of Lauritzen Fonden for 2018 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Alignment of expected useful life of the DFDS' freight- and freight and passenger ferries (ro-ro and ro-pax)

Following DFDS' acquisition of U.N. Ro-Ro on 7 June 2018, the DFDS Group has reassessed the useful life of its freight- and freight and passenger ferries as U.N. Ro-Ro applied 35 years whilst DFDS applied 30 years for most of its freight- and freight and passenger ferries and 35 years for some.

Based on our general high level of maintenance of the fleet; our historical experience with the fundamental components of the ferries (hull and machinery); the realised accounting gains when selling ferries etc., DFDS have concluded to align the useful life of all the DFDS' freight- and freight and passenger ferries to 35 years – unless specific circumstances require a shorter useful life. Further, DFDS have aligned U.N. Ro-Ro's methodology for calculating the ferries' scrap values to the methodology applied by the DFDS Group, where the scrap values are reassessed at least on a yearly basis to reflect the development in steel prices from ship yards etc.

The extension of the useful life of the DFDS' freight- and freight and passenger ferries result in a decrease of the yearly depreciations while the alignment and update of the methodology for calculating the ferries' scrap values resulted in an increase of the yearly depreciations.

The above alignments were implemented with accounting effect as from 1 July 2018. The impact is a net decrease of the Group's depreciations by DKK 36m in 2018.

The accounting policies are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent foundation, Lauritzen Fonden, and subsidiaries in which the Group directly or indirectly holds more than 50% of the voting rights

or which it, in some other way, controls, including J. Lauritzen A/S and DFDS A/S.

Enterprises, which are not subsidiaries, over which the Group exercises significant influence, but which it does not control, are considered associates. Significant influence is generally obtained by direct or indirect ownership or control of more than 20% of the voting rights but less than 50% or by, according to agreement, jointly controlling the enterprise together with one or more other companies (joint venture).

The consolidated financial statements are prepared as a consolidation of the audited financial statements of the Parent Foundation and the individual subsidiaries prepared in accordance with the Danish Financial Statements Act.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realized and unrealized gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' net asset value at the acquisition date.

Newly acquired or newly established companies are recognized in the consolidated financial statements from the acquisition date, whereas divested or discontinued companies are included until the date of disposal; but see description below regarding consolidation of divested business areas. Comparative figures are not restated for companies acquired by purchase or merger or for divested companies.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities of the acquired enterprises are measured at fair value at the acquisition date. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise.

Goodwill from acquired enterprises may be adjusted until the end of the year following the acquisition year if recognition and measurement of the acquired enterprises' net assets change.

Gains or losses on disposal or liquidation of subsidiaries and associates/joint ventures are stated as the difference between the sales amount or liquidating price and the carrying amount of net assets at the date of disposal plus non-amortized

goodwill and anticipated disposal or liquidation costs.

Non-controlling interests

In the consolidated financial statements, the subsidiaries' financial statement items are recognized in full. The non-controlling interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognized separately in the income statement and balance sheet.

In connection with the purchase and sale of non-controlling interests, the difference between the purchase and selling price, respectively, and the total carrying amount attributable to the purchased or sold non-controlling interests, respectively, are calculated. This amount is transferred from the share of equity attributable to non-controlling interests and the share of equity attributable to Lauritzen Fonden.

Foreign currency translation

Transactions denominated in foreign currencies are translated on an ongoing basis at the exchange rates at the transaction date.

Receivables and payables denominated in foreign currencies are translated at the exchange rates at the transaction date.

Gains and losses arising between the exchange rates at the transaction date and the settlement date are recognized in the income statement under financial income or expenses.

On recognition of foreign subsidiaries and associates/joint ventures and Danish companies that are separate entities reporting in currencies other than DKK, the income statement is translated at the exchange rate at the transaction date (average rate), and the balance sheet is translated at the exchange rates at the balance sheet date. Exchange rate differences arisen when translating foreign subsidiaries' equity at the beginning of the year using the exchange rate at the balance sheet date and when translating income statements from the exchange rate at the transaction date (average exchange rate) to the exchange rate at the balance sheet date are recognized directly in equity.

Exchange rate adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the total investment

in the subsidiary are recognized directly in equity. Exchange rate adjustments on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognized directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent write-down of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are recognized at the historical exchange rates applying to the non-monetary item.

Long-term foreign currency loans are recognized at the exchange rate at the balance sheet date. For loans in foreign currencies taken out ensure the Group's future foreign exchange earnings, the exchange rate adjustment which derives from long-term foreign currency loans by changing historical rates into closing rates, is recognized directly in equity. The item is reduced and is included in the income statement as installments are paid.

Income statement

Revenue

Revenue from passenger services and regular services is recognized in the income statement at the date of delivery to the customer, which is also the date of the transfer of risk. For shipping in general, a proportionate share of the expected income of ship in progress at year end is included, and a proportionate share of the projected costs is included in costs.

The profit/loss for vessels operating in partnerships where underemployment risk and profit are shared is recognized in revenue on a net dividend basis.

Revenue is measured exclusive of VAT, excise duties and discounts offered in connection with the sale.

Costs

At the date when passenger services and regular services are recognized as revenue, attributable costs are expensed.

Vessels running costs

Vessels running costs include fuel consumption, maintenance and repairs, crew staff costs, insurance of hulls and machinery, consumption of lubricants and supplies, etc.

Furthermore, cost of sales related to catering and services on bareboat and time charter agreements relating to operations as well as port costs, agent expenses and other travel-related costs are also included.

Staff costs

Staff costs include salaries and wages, pension and social security costs relating to the Group's employees. It also includes costs related to employees who have retired from the Group.

Other external costs

Other external costs include sales costs and administrative expenses include land-based activities, including leases, rent and maintenance of equipment. Furthermore, sales costs, marketing costs and administrative expenses are included.

Financial income and expenses

Financial income and expenses include interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, calculated interest expenses in respect of lease liabilities and amortization of financial assets and liabilities. Financial income and expenses are recognized at the amounts relating to the financial year.

Profit/loss in subsidiaries and joint ventures

The Parent foundation's income statement includes the proportionate share of the individual subsidiaries' profit/loss after tax after elimination of intra-group profits/losses and amortization of goodwill.

In both the Parent foundation's and the consolidated income statement, the proportionate share of joint ventures' profit/loss after tax after elimination of the proportionate share of profits/losses and amortization of goodwill is included.

Tax on profit/loss

Tax for the year comprises income tax, tonnage tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to income and expenses recognized in equity is recognized directly in equity. The Group is subject to the Danish rules

on compulsory joint taxation. LF Investment ApS is the administrative foundation of Danish subsidiaries with a ownership interest exceeding 50%. Subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements until the date at which they are excluded from consolidation.

Balance sheet Intangible assets

Goodwill

Goodwill is amortized over the estimated useful life, not exceeding 20 years, and the longest period is when the investment is of strategic importance due to long-term earnings potential of the investment.

The net asset value of goodwill is assessed regularly and is written down to the recoverable amount over the income statement if the carrying amount exceeds the expected future net income from the business or activity to which the goodwill relates.

Development projects

Development projects are recognized as intangible assets when the following conditions are met:

- The projects are clearly defined and identifiable
- The projects are expected to be used within the Group
- Future earnings are expected to cover development costs and administrative expenses
- The cost can be reliably determined.

Development projects that do not meet the above criteria are recognized as expenses in the income statement.

Capitalized development costs are recognized at the lower of cost less accumulated amortization or recoverable amount. Cost includes costs for sub-suppliers, materials, direct payroll costs and indirect production costs.

Capitalized development costs are amortized from the date of completion of the development project over the period in which they are expected to generate economic benefits for the Group. The amortization period is usually 3-5 years but may in certain cases be up to 10 years.

Other intangible assets comprise the value of customer relations or similar identified as a part of

business combinations, and which have definite useful life. Other non-current intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the expected useful life, which normally is 3-10 years. However, acquired port concession rights are determined to have 40 years of useful life.

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses.

Cost includes costs for sub-suppliers, materials, components, direct payroll costs and indirect costs.

Incurred interest expenses on loans to finance the production of non-current asset relating to the production period are included in cost.

Non-current assets acquired in foreign currencies are translated at the exchange rate at the date of acquisition. Gains or losses on hedges relating to the acquisition of non-current assets are recognized as part of the value of the non-current asset.

- Land is not depreciated.
- Buildings are depreciated on a straight line basis. Expected useful life of buildings is 50 years.
- Machinery, tools and equipment are depreciated on a straight line basis. Expected useful life of machinery, tools and equipment is 5-10 years.

Vessels

Vessels are recognized at cost less accumulated depreciation and impairment losses. Cost includes costs directly attributable to the acquisition until the date when the vessel is ready for use, including costs for sub-suppliers, advisory services, materials, components, direct payroll costs related to supervision, etc., and indirect costs.

As a result of differences in the wear on the components of passenger ships, the cost of these ships is split into components with little wear and excessive wear, respectively.

Conversion of vessels is capitalized if the conversion is attributable to measures for prolonging the life of the vessels or improving earnings. Conversions are treated as additions to

cost and are depreciated over the same residual period as the original asset.

Costs for docking and other improvements of the vessels are capitalized when incurred and depreciated over the period between two dockings. In most cases, the docking interval is 2 years for passenger ships and 2,5 years for other vessels.

Depreciation is made on a straight-line basis over the vessels' expected useful lives.

The expected useful lives of vessels are 25-35 years.

For vessels written down to 0 or older than 25 years, an individual assessment of the vessels' remaining lives is made annually.

For passenger ships, cost is divided into components with minor wear, such as hull and engines, and components with high wear, such as accommodation and catering areas. Components with high wear are depreciated over 10-15 years, while components with minor wear are depreciated over the remaining lives of the ships determined based on an assessment of the individual ships. Components with minor wear are depreciated over 30 years from the year when the ship was built.

Estimated useful lives and residual values are assessed at least once a year. When assessing the expected economic life of vessels, the substantial funds used for ongoing maintenance are taken into account.

An impairment test of the vessels is carried out annually. Vessels are written down to the lower of the recoverable amount and carrying amount. The recoverable amount is the higher of the present value of the net income the vessel is expected to generate (value in use) and the net selling price of the vessel. For vessels which are expected to be sold, the recoverable amount equals the net selling price of the vessel.

Gains and losses on the disposal of vessels are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses on the disposal of vessels are recognized as a separate line item in the income statement.

Investments in subsidiaries and associates/ joint ventures

Investments in subsidiaries and associates/joint ventures are measured under the equity method. Investments in subsidiaries and associates/joint ventures are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

However, equity investments acquired with the sole purpose of subsequent sale, are measured at fair value. If the fair value cannot be reliably measured, cost is used as an alternative.

Investments in subsidiaries and associates/joint ventures with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent foundation has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates/joint ventures is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Lauritzen Fonden are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied; see Consolidated financial statements above.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's and the Group's credit risk

management policy. The objective indicators used in relation to portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates/joint ventures is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Expenses related to Charitable Activities

Expenses directly associated with the Charitable Activities' donations are recognised directly in the liquid reserve fund under equity.

Provisions

Provisions comprise anticipated costs related to warranties, onerous contracts, restructurings, etc. Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

2 Net turnover

2018

DKK '000

J. Lauritzen

DFDS

Other

	Result before			
Net turnover	financial items	Fixed assets	Liabilities	
3.572.526	-119.683	2.534.024	1.462.505	
15.717.134	1.717.623	17.884.496	12.877.080	
64.982	2.291	739.064	727.039	
19.354.643	1.600.231	21.157.584	15.066.624	

2017

DKK '000

J. Lauritzen

DFDS

Other

	Result before			
Net turnover	financial items	Fixed assets	Liabilities	
3.631.403	-195.327	2.512.627	1.483.088	
14.327.808	1.687.711	9.843.404	6.694.662	
113.276	-4.857	644.681	289.322	
18.072.487	1.487.527	13.000.712	8.467.072	

3 Other external costs

Fee to auditors elected by the Board and directors:

DKK '000

Audit

Other assurance engagements

Tax and VAT advisory services

Other services

Total

	Group		Parent	
	2018	2017	2018	2017
8.154	7.809	371	260	
203	345			
830	830			
2.121	305			
11.308	9.288	371	260	

6 Investments in subsidiaries – (parent)

DKK '000	Ownership	2018		2017	
		Result	Equity	Result	Equity
J. Lauritzen A/S, Copenhagen	100%	-150.472	1.582.185	-297.423	1.661.773
DFDS A/S, Copenhagen	43%	644.908	3.775.428	680.854	2.731.512
LF Investment ApS, Copenhagen	100%	-24.566	773.249	-262.226	788.466
		469.870	6.130.862	121.205	5.181.751
Internal profit/(loss)		0	-42.040	0	-42.040
		469.870	6.088.822	121.205	5.139.711

DFDS is considered a subsidiary based on de-facto control and the ownership percentage is 42,6%.

7 Investments in Associates and Joint Ventures – (group)

DKK '000	2018		2017	
	Result	Equity	Result	Equity
In total	-1.800	437.902	5.914	320.111
	-1.800	437.902	5.914	320.111

8 Financial income

DKK '000	2018		2017	
	Group	Parent	Group	Parent
Interest income	108.819	4.018	68.643	8.017
Exchange gains and losses on securities	0	0	0	911
Currency exchange gains	0		39.124	
	108.819	4.018	107.767	8.928

9 Financial costs

DKK '000	2018		2017	
	Group	Parent	Group	Parent
Interest expenses	198.847	4.216	301.920	551
Other financial expenses	26.836		23.389	
Currency exchange gains and losses	0		0	
Exchange losses on securities	162.013	25.719	175.500	0
	387.696	29.935	500.809	551

10 Tax

Group:

DKK '000	2018	2017
Deferred tax	-40.187	-37.217
Current tax	-41.719	-41.564
Income tax	<u>-81.906</u>	<u>-78.781</u>
Deferred tax concerns:		
Tangible assets	-193.400	-194.800
Liabilities	38.100	46.300
Taxable losses carried forward	30.143	39.052
Other	-1.100	1.500
	<u>-126.257</u>	<u>-107.948</u>
Deferred tax is shown as:		
Deferred tax asset	85.166	90.797
Deferred tax liability	-210.670	-197.119
	<u>-125.504</u>	<u>-106.322</u>
Parent:		
Current tax	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

11 Non controlling interests

DKK '000	Result		Balance sheet	
	2018	2017	2018	2017
Non controlling interests in DFDS A/S	-867.895	-897.593	5.129.842	3.655.102
Other non controlling interests	32	18	51.520	51.551
	<u>-867.862</u>	<u>-897.575</u>	<u>5.181.361</u>	<u>3.706.653</u>

12 Recommended appropriation of profit/loss for the year

Parent

DKK '000	2018	2017
Applied from grant distribution fund	52.798	42.796
Retained earnings	379.578	75.333
	<u>432.376</u>	<u>118.129</u>

13 Fixed assets

Group

DKK '000	Goodwill	Other intangible assets	Land, buildings and terminals	Vessels	Machinery, tools and equipment
Cost at 1/1 2018	855.032	588.714	1.211.788	20.981.331	1.483.662
Exchange rate adjustments	-547	-35.443	67	-1.135.212	-98.579
From acquisitions	2.783.169	1.231.587	723.999	2.703.186	148.645
Transfer to/from other items		484	4.926	342.952	107.795
Transfer from assets held for sale				-40.332	
Additions from investment in subsidiaries					
Additions		29.535	284.315	97.051	82.735
Disposals		-3.837	-21.346	-474.624	-101.685
Cost at 31/12 2018	3.637.654	1.811.040	2.203.749	22.474.351	1.622.572
Depreciation and write-down at 1/1 2018	527.621	309.230	421.757	10.834.852	878.274
Exchange rate adjustments	-2.214	-37.430	-548	-1.241.369	-98.644
From acquisitions					
Transfer to/from other items				789.979	68.287
Transfer from assets held for sale				-34.436	
Depreciation	124.382	91.950	47.778	200.858	153.643
Reversed depreciation on disposals					
Impairment losses/reversal of losses				-78.307	94
Disposals		-4.038	-17.490	-359.787	-89.362
Depreciation and write-down at 31/12 2018	649.789	359.712	451.497	10.111.790	912.292
Booked value at 31/12 2018	2.987.865	1.451.328	1.752.252	12.362.562	710.280
Booked value of mortgage assets				3.833.343	
Booked value at 31/12 2017	327.411	279.484	790.031	10.146.479	605.388

Note 13 continued

Group

DKK '000	Financial leased machinery, tools and equipment	Assets under construction and prepayments	Investments in associates and joint ventures	Other securities	Other receivables
Cost at 1/1 2018	116.298	361.958	674.117	17.862	192.395
Exchange rate adjustments	-3.953	-54.701	-342.313	0	2.793
Transfer to/from other items	-63.374	-389.062	65.827		
Additions from investment in subsidiaries	28.225	45.524	0		
Additions	851	1.058.048	40.065		187.490
Disposals	-6.395		-139		
Cost at 31/12 2018	<u>71.652</u>	<u>1.021.767</u>	<u>437.556</u>	<u>17.862</u>	<u>382.678</u>
Depreciation and write-down at 1/1 2018	95.389	53.502	354.005	7.814	
Exchange rate adjustments	-3.664	-53.502	-357.505	0	
Transfer to/from other items	-63.374		-1.036		
Depreciation	6.787		7.849		
Write-downs			-3.660		
Reversed write-downs on disposals	-4.389				
Depreciation and write-down at 31/12 2018	<u>30.749</u>	<u>0</u>	<u>-345</u>	<u>7.814</u>	<u>0</u>
Booked value at 31/12 2018	<u>40.903</u>	<u>1.021.767</u>	<u>437.902</u>	<u>10.048</u>	<u>382.678</u>
Booked value at 31/12 2017	<u>20.909</u>	<u>308.456</u>	<u>320.111</u>	<u>10.048</u>	<u>192.395</u>

Note 13 continued

Parent

DKK '000	Land, buildings and terminals	Tools and equipment	Investments in subsidiaries
Costs at 1/1 2018	47.813	2.479	11.042.561
Additions	62	70	400.000
Disposals			-79.820
Costs at 31/12 2018	47.875	2.549	11.362.741
Depreciation and write-down at 1/1 2018	15.185	1.880	5.902.849
Received dividend			93.511
Depreciation	719	14	
Value adjustment in the year			-722.442
Depreciation and write-down at 31/12 2018	15.904	1.894	5.273.919
Booked value at 31/12 2018	31.971	655	6.088.822
Booked value at 31/12 2017	32.627	600	5.139.711

Specification of movements in investments in subsidiaries:

Balance at 1/1 2018	5.139.711
Disposal of DFDS shares	-79.820
Capital increase in subsidiaries	400.000
Share of other equity movements	252.572
Share of result, cf. Note 6	469.870
Received dividend	-93.511
	<u>6.088.822</u>

14 Stocks

Group

DKK '000	2018	2017
Bunkers	218.403	167.567
Goods for sale	94.742	81.386
	<u>313.145</u>	<u>248.953</u>

15 Other provisions

Group

DKK '000	2018	2017
Pension obligations	243.300	359.600
Other obligations	42.489	68.397
	<u>285.789</u>	<u>427.997</u>

16 Long-term debt

Group

	2018		2017	
	Expires after more than 5 years	Short-term portion	Expires after more than 5 years	Short-term portion
DKK '000				
Mortgage debt, real properties	22.737	4.058	11.672	4.021
Mortgage debt, vessels	652.000	389.889	663.108	169.189
Debt, financial leasing	0	65.522	0	3.300
Credit institutions	0	0	0	72.100
Corporate Bonds	0	499.892	0	124.900
Other debt	0	0	0	1.435
	<u>674.737</u>	<u>959.361</u>	<u>674.780</u>	<u>374.945</u>

Parent

	2018		2017	
	Long-term portion	Short-term portion	Long-term portion	Short-term portion
DKK '000				
Credit institutions	400.000	0	0	0
	<u>400.000</u>	<u>0</u>	<u>0</u>	<u>0</u>

17 Free cash and securities

	2018		2017	
	Parent		Group	
DKK '000				
Securities	355.979	223.702	566.638	527.443
Hereof shares	-262.615	-173.287	-467.912	-468.190
Cash	277.139	293.681	1.317.130	1.794.314
	<u>370.503</u>	<u>344.096</u>	<u>1.415.855</u>	<u>1.853.568</u>

18 Contingent liabilities

Group

Contingent liabilities (Group)

DKK '000	2018	2017
Guarantees and surety commitments	277.788	275.477
Max. obligation for participation in projects	374.730	127.710
	<u>652.518</u>	<u>403.187</u>

LF Investment has issued below guarantees on behalf of its subsidiaries:

Creditor	Amount in USD M	Regarding
Deutsche Bank	24,4	Loan facility granted to Lauritzen Ship Owner A/S
Total	24,4	

If DFDS leaves the Danish tonnage tax regime there could be a deferred tax liability of up to a maximum of DKKM 441 (2017: DKKM 402)

If JL leaves the Danish tonnage tax regime there could be a deferred tax liability of up to a maximum of DKKM 46 (2017: DKKM 37)

Certain claims have been raised against the group companies. The judgment of the management is that the outcome of these claims will not have any material impact on the group's financial position

In connection with disposals of activities and assets, certain guarantees, inclusive for tax and environment items, are issued.

Parent

Lauritzen Fonden has issued below guarantees on behalf of its subsidiaries:

Creditor	Amount in USD M	Regarding
The Bank of Tokyo-Mitsubishi UFJ Ltd Citibank N.A. Tokyo Branch	12,6	J Lauritzen refinancing loan facility (JPY 1.429.394.612)
Nordea Bank A/S	2,5	J Lauritzen refinancing loan facility
Danske Bank A/S	14,7	J Lauritzen refinancing loan facility
DSK	18,6	J Lauritzen refinancing loan facility
Nordea Bank AB Singapore Branch	18,2	J Lauritzen refinancing loan facility
KfW IPEX-Bank GmbH	11,2	On behalf of Dan Swift (Singapore) Pte. Ltd a guarantee has been issued covering repayment of loan granted to Dan Swift (Singapore) Pte. Ltd, limited up to a maximum amount of 20% of the total outstanding loan amount.
Total	77,7	

19 Contractual commitments

Group	2018	2017
DKK '000	Minimum obligation	Minimum obligation
Lease and rent obligations, off-balance items		
Land and buildings, remaining life 1 - 100 year	92.400	147.800
Port terminal , remaining life 1 - 42 year	2.287.600	1.610.400
Vessels, remaining life 1 - 14 year	3.296.767	3.670.174
Machinery, tools and equipment, remaining life 1 - 4 year	166.000	156.800
	<u>5.842.767</u>	<u>5.585.174</u>
Longterm charterparties of vessels concerns:	Number	Number
Bulk-carriers, remaining life 1 - 8 year	28	25
Ro-Ro vessels, remaining life 1 - 6 year	4	7
Gas-carriers, remaining life 1 - 3 year	7	7

20 Adjustments

DKK '000	2018	2017
Currency exchange	-62.556	21.118
Profit/Loss on sale of fixed assests	-34.335	-9.168
Other	12.200	9.800
	<u>-84.691</u>	<u>21.750</u>

21 Change in working capital

DKK '000	2018	2017
Change in stocks	-64.192	-16.713
Change in receivables	-910.516	50.200
Change in provisions	-142.208	-97.126
Change in tradepayables inclusive other short-term debt	236.486	-266.462
	<u>-880.429</u>	<u>-330.101</u>

22 Related parties

Related parties with a significant influence of the activities in the Lauritzen Fonden is Lauritzen Fonden's Board of Directors and the Executive Management. Other related parties comprise all companies in the Lauritzen Fonden Group and their Board of Directors and Executive management

Related part	Basis for relation	Nature of transaction	Amount in DKK '000
DFDS A/S	Subsidiary	Dividend	93.511
DFDS A/S	Subsidiary	Capital injection	400.000
J. Lauritzen A/S	Subsidiary	Guarantee commission	1.030
Lauritzen Ship Owner A/S	Subsidiary	Capital injection	9.075
LF Investment ApS	Subsidiary	Administration fee from Lauritzen Fonden	668
Smartvan A/S	Associated company	Working capital	700
NanoNord A/S	Associated company	Working capital	3.750
Meabco Holding A/S	Associated company	Working capital	15.828
Durisol UK Ltd	Associated company	Working capital	4.437

The Foundation has paid remuneration to the executive board. Please refer to note 4.

23 Events after the balance sheet date.

Apart from the events recognised or disclosed in the consolidated financial statements, no events have occurred after the balance sheet date.

List of Group Companies

Name	Country	Ownership share %
Lauritzen Fonden	Denmark	
J. Lauritzen A/S	Denmark	100
De Forenede Sejlskibe I/S*	Denmark	43
KRK 4 ApS**	Denmark	100
Lauritzen Reefers A/S**	Denmark	100
Admiral Logistics Corporation*	Panama	50
J. Lauritzen Singapore Pte. Ltd.	Singapore	100
LKT Gas Carriers Pte. Ltd.*	Singapore	50
Milau Pte. Ltd.*	Singapore	50
Gasnaval S.A.	Spain	100
J. Lauritzen S.A.	Switzerland	100
J. Lauritzen (USA) Inc.	USA	100

* Joint Venture

** Dormant

Name	Country	Ownership share %
DFDS A/S*	Denmark	43
DFDS Seaways NV	Belgium	100
DFDS Logistics NV	Belgium	100
DFDS Logistics Services NV	Belgium	100
DFDS Logistics s.r.o	Czech Republic	100
DFDS A/S	Denmark	100
DFDS Germany ApS	Denmark	100
DFDS Stevedoring A/S	Denmark	100
DFDS Seaways Newcastle Ltd	England	100
DFDS Seaways Plc.	England	100
DFDS Logistics Ltd	England	100
DFDS Logistics Services Ltd	England	100
DFDS Seaways (Holding) Ltd	England	100
DFDS Logistic Contracts Ltd	England	100
DFDS Pension Ltd	England	100
DFDS Logistics Grimsby Holdings Ltd	England	100
DFDS Logistics Property Ltd	England	100
Alphatrans Thames Ltd.	England	100
Alphatrans Humber Ltd.	England	100
DFDS Seaways OÜ	Estonia	100
DFDS Logistics OY	Finland	100
DFDS Logistics SARL	France	100
DFDS Seaways S.A.S	France	100
Dunes Bail SNC	France	100
Flandres Bail SNV	France	100
DFDS Germany ApS & Co. KG	Germany	100
Alphatrans-Szállítás Kft	Hungary	100
DFDS Logistics BV	The Netherlands	100
DFDS Seaways Terminals BV	The Netherlands	100
DFDS Seaways BV	The Netherlands	100

Name	Country	Ownership share %
DFDS Holding BV	The Netherlands	100
DFDS Seaways IJmuiden BV	The Netherlands	100
Alphatrans Group BV	The Netherlands	100
DFDS Logistic Special Cargo BV	The Netherlands	100
Alphatrans International Trucking BV	The Netherlands	100
DFDS Logistics Contracts (Ireland) Ltd	Ireland	100
DFDS Logistics (Ireland) Ltd	Ireland	100
Martin Bos Ltd.	Ireland	100
Samer seaports & terminals SRL	Italy	60
DFDS Logistics Baltic SIA	Latvia	100
DFDS Seaways SIA	Latvia	100
AB DFDS Seaways	Lithuania	97
UAB Krantas Travel	Lithuania	97
North Sea Terminal AS	Norway	100
DFDS Logistics AS	Norway	100
Moss Container Terminal AS	Norway	100
DFDS Logistics Rederi AS	Norway	100
DFDS Seaways AS	Norway	100
DFDS Polska Sp. Z.o.o.	Poland	100
DFDS Special Cargo Unipessoal LDA	Portugal	100
Romania Transport Group SRL	Romania	100
DFDS Logistic East	Russia	100
DFDS Seaways Ltd	Russia	100
DFDS Seaways AB	Sweden	100
DFDS Logistics AB	Sweden	100
DFDS Logistics Contracts AB	Sweden	100
DFDS Seaways Holding AB	Sweden	100
DFDS Logistics Services AB	Sweden	100
DFDS Logistics Karlshamn AB	Sweden	100
DFDS Logistics Partners AB	Sweden	85
DFDS Turkey Denizcilik ve Tasi Yati AS	Turkey	100
U.N. Ro-Ro Isletmeleri AS.	Turkey	99
Trieste Newholdco Denizcilik AS	Turkey	100
Trieste Holdco Denizcilik ve Tasimaclik AS	Turkey	100
Trieste Midco Denizcilik ve Tasimacilik AS.	Turkey	100

* Recognized as subsidiary as Lauritzen Fonden has de-facto control.
DFDS has 11 dormant companies

Name	Country	Ownership share %
LF Investment ApS	Denmark	100
Frederikshavn Maritime Erhvervspark A/S	Denmark	100
K/S Østre Havn, Aalborg	Denmark	50
Østre Havn Aalborg ApS	Denmark	50
Lauritzen Ship Owner A/S	Denmark	100
NanoNord A/S	Denmark	47
MamaMia Holding A/S	Denmark	65
AHK NR. 186 ApS	Denmark	50
Smartvan A/S	Denmark	45
Axis Offshore Pte. Ltd	Singapore	34

Company domiciles

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