

Lauritzen Fonden

Tranegårdsvej 20, 2900 Hellerup

(CVR no. 1545 3613)

ANNUAL REPORT 2021

Approved on 28 March 2022 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 2021.

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 2021 and of the results of the Group's and the Parent Foundation's operations and consolidated cash flows for the financial year 1 January – 31 December 2021.

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

Copenhagen, 28 March 2022

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

Jesper Jessing

Kristian Kristensen

Dorthe Olsen

Independent auditors' report

To the Board of Directors of Lauritzen Fonden

Opinion

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 2021, and of the results of the Group's and the Parent Foundation's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Foundation Financial Statements of Lauritzen Fonden for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity 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 ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's Responsibilities for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Foundation to cease to continue as a going concern.

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

Copenhagen, 28 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
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Foundation details

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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
Kigge Hvid
Betina Ipsen
Jesper Jessing, Master Mariner, DFDS A/S *)
Kristian Kristensen, Master Mariner, DFDS A/S *)
Dorthe Olsen, HR Manager, J. Lauritzen 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 28 March 2022

The Group at a glance

Lauritzen Fonden is an enterprise foundation and the parent of DFDS A/S (43% owned, but de-facto controlled) and Lauritzen Fonden Holding ApS (100% owned), formerly named LF Investment ApS. In December 2021, Lauritzen Fonden contributed J. Lauritzen A/S to Lauritzen Fonden Holding ApS as a share for share exchange with effect from 1 January 2021, and J. Lauritzen A/S is now 100% owned by Lauritzen Fonden Holding ApS.

Early 2022, Lauritzen Fonden also contributed DFDS A/S to Lauritzen Fonden Holding ApS as a share for share exchange with effect from 1 January 2022, and DFDS A/S is now 43% owned by Lauritzen Fonden Holding ApS.

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

J. Lauritzen has been engaged in a wide range of segments of the maritime industry since it was founded in 1884.

Since 1 July 2020 J. Lauritzen A/S has been the holding company and owner of the subsidiaries Lauritzen Bulkers A/S and Lauritzen Kosan A/S (now named J. Lauritzen Invest A/S) following the separation and establishment of the business activities as separate legal entities.

The activities of Lauritzen Kosan were subsequently sold to BW Epic Kosan Ltd. in December 2020. The transaction was completed in early 2021. BW Epic Kosan Ltd. is the world's largest owner and operator in the 3,500 cbm to 12,000 cbm gas carrier segment, providing global seaborne services for the transportation of liquefied petroleum gasses (LPG) and petrochemical gasses.

In December 2021, Lauritzen Fonden Holding ApS transferred its other shipping activities to J. Lauritzen A/S, whereby J. Lauritzen became the owner of Lauritzen Fonden's shipping activities except for DFDS A/S.

Today, the largest operating activity in J. Lauritzen A/S is through Lauritzen Bulkers A/S as one of the world's leading operators in the handysize dry bulk segment. Lauritzen Bulkers operated an average of 80 handysize bulk carriers during 2021 compared to 72 in 2020.

DFDS A/S was established in 1866 and today, DFDS is one of Europe's largest combined ferry and logistics companies. DFDS provides ferry services that includes freight and passenger routes plus port and rail services. DFDS also provides logistics solutions in the form of freight forwarding and contract logistics.

Covid-19 continued to disrupt ferry passenger markets in 2021. Passenger numbers and earnings are expected to recover through 2022 and 2023.

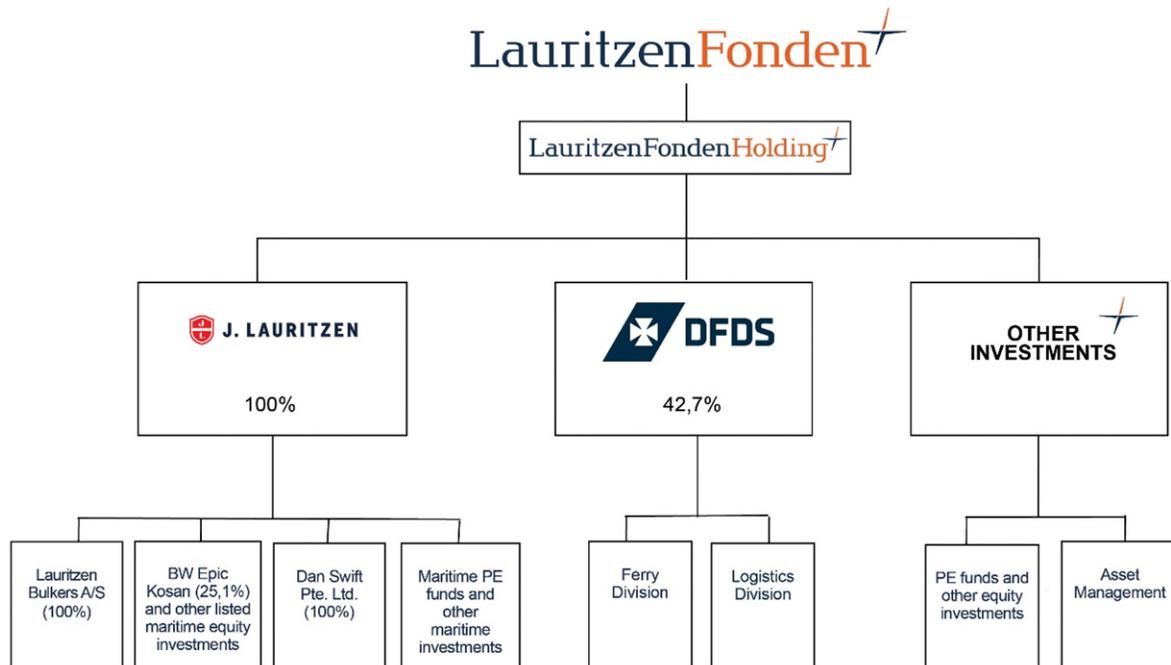
A new ESG (Environment, Social, Governance) management framework was established in 2021 to move DFDS' sustainability and diversity & inclusion agendas forward. The announcement of an ambition to deploy a green ferry by 2025 marked the start of a journey to de-carbonise ferry operations. By ordering 125 e-trucks for delivery in 2022 and in 2023, DFDS also embarked on a similar journey to de-carbonise its logistics solutions.

During 2021, DFDS deployed a combined average fleet of 80 vessels compared to 70 vessels in 2020.

In addition to J. Lauritzen and DFDS, Lauritzen Fonden is engaged in other businesses through its holding company **Lauritzen Fonden Holding ApS**, which provides active ownership of various equity investments,

investments in PE funds and asset management, including impact investing, with the aim of generating a measurable social impact as well as financial returns.

Overall group structure



Note: The chart shows the group structure as per 28 March 2022. As per 31 December 2021, DFDS A/S was owned 43% by Lauritzen Fonden.

Group Key Figures

(DKK million)	2021	2020	2019	2018*	2017*
Revenue	23.325	17.154	20.021	19.355	18.072
Operating profit before depreciation	4.012	2.872	3.833	2.956	2.582
Profit on sale of non-current assets	-136	126	46	38	9
Depreciation, amortisation and impairments	-2.060	-2.849	-3.118	-1.332	-1.110
Operating profit	1.816	149	762	1.663	1.482
Share of result in associates and joint ventures	-51	-53	-55	-2	6
Financial items	-359	-444	-337	-279	-393
Result before tax	1.406	-348	370	1.382	1.094
Tax on profit	-101	-82	-65	-82	-79
Profit for the year	1.305	-430	305	1.300	1.016
Non-controlling interests	404	144	617	868	898
Lauritzen Fonden's share of profit	901	-574	-312	432	118
Non-current assets	26.810	22.901	25.338	21.158	13.001
Total assets	33.109	29.984	31.322	26.549	17.833
Lauritzen Fonden's share of Equity	6.002	5.002	5.954	6.301	5.659
Non-controlling interest	6.120	5.662	5.615	5.181	3.707
Total Equity including non-controlling interests	12.122	10.664	11.569	11.483	9.366
Cash flow from ordinary activities	3.655	2.647	3.097	1.844	2.062
Investment in tangible fixed assets	-1.291	-1.826	-3.212	-1.522	-685
Changes for the year in cash position	-50	266	-139	-477	-207
Number of employees	9.008	8.748	8.886	8.534	7.950
Profit margin, %	7,8	0,9	3,8	8,6	8,2
Rate of return, %	5,9	0,4	2,7	8,0	8,7
Return on equity, %	16,4	-10,5	-5,1	7,2	2,1
Solvency ratio, %	36,6	35,6	36,9	43,3	52,5

Key figures are prepared in accordance with The Danish Society of Investment Professionals; however, solvency ratio includes non-controlling interests.

*Comparative numbers are not restated in accordance with IFRS 16.

Profit margin

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

Solvency ratio

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

Rate of return

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

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 23.325m in 2021 compared to DKK 17.154m in 2020, an increase of DKK 6.171m mainly related to the shipping activities in DFDS A/S and J. Lauritzen A/S.

Lauritzen Fonden's share of result was a profit of DKK 901m compared to a loss of DKK 574m in 2020. The result was well above expectations.

The result for **J. Lauritzen A/S** for 2021 was a profit of DKK 644m compared to a loss of DKK 511m in 2020. The result was mainly related to Lauritzen Bulkers A/S.

The dry bulk market experienced dramatic fluctuations, and massive outswings were seen throughout the year with weekly movements in market levels of more than USD 10,000 per day. The average market levels were the highest seen in more than ten years driven by manufacturing backlogs together with global government stimuli resulting in high demand and subsequent congestion. These market movements were largely caused by the Covid-19 pandemic which also resulted in both operational challenges and strong geographical differentials in market levels.

Against this background, Lauritzen Bulkers A/S generated a result of USDm 103, which was the best result for J. Lauritzen's dry cargo activities since 2010. During the year, Lauritzen Bulkers further refined its knowledge-based business model and continued its transition towards becoming a short-term trader and operator, primarily in the handysize bulk carrier segment.

On 14th September 2021, **DFDS A/S** completed the acquisition of the HSF Logistics Group, one of Europe's leading cold chain logistics providers to meat producers and other food producers that operate temperature-controlled supply chains. The acquisition significantly strengthens DFDS' cold chain activities and the offering to cold chain logistics customers. DFDS also acquired most of the existing minority shareholders and thus holds more than 99% of the ownership of the HSF Logistics Group as of 31 December 2021. The total acquisition price was DKK 1.755m including DKK 58m related to minority shareholders.

In spite of Covid-19, Brexit, and supply chain bottlenecks, DFDS delivered a strong result for 2021. The 2021 result amounted to DKK 976m compared to DKK 442m in 2020, and operating profit before depreciation (EBITDA) and special items increased from DKK 2.732m in 2020 to DKK 3.411m in 2021. Please refer to DFDS at www.dfds.com for further information.

Lauritzen Fonden's share of the DFDS A/S result after amortization of goodwill in accordance with our accounting policies amounted to DKK 318m compared to DKK 103m in 2020.

Lauritzen Fonden's other activities generated a net loss of DKK 61m compared to a net loss of DKK 166m in 2020.

Lauritzen Fonden's mission

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

The shipping company, J. Lauritzen, as well as Ditlev Lauritzen's sense of social commitment were passed on to his children Ivar, Knud and Anna who founded Lauritzen Fonden in 1945.

Today, Lauritzen Fonden is a commercial foundation supporting non-profit activities aimed at vulnerable children and young people. The business activities are grouped under Lauritzen Fonden Holding ApS, which manages investments in the companies J. Lauritzen and DFDS as well as other holdings and assets, with the purpose of working for Denmark's reputation by promoting and developing Danish shipping, especially within international shipping, and of Danish enterprise in general.

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 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. Read the complete foundation charter here:

<https://lauritzenfonden.com/wp-content/uploads/2020/05/Fundats-certified-translation-juni-2017.pdf>

Philanthropic vision

Lauritzen Fonden seeks to enhance the development of children and young people in Denmark. We want to enable children to become a contributing and active part of society. The Foundation believes in those fiery souls that have a strong vision and commitment to their project. By working together with other partners, 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 to limiting the negative consequences of growing up in poverty.

Approximately 8 % of children and youth in Denmark grow up in low-income households. According to 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 lack connection to the job market in adulthood.

This affects not only the individual, but also society. It can lead to more inactive adults who are unable to obtain the same possibilities of contributing to society. 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.

How we work

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

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

The grant strategy is implemented through donations, grants and collaborations that enable a greater impact of the Foundation's funds.

Lauritzen Fonden has a historical interest in the Danish cities Ribe, Esbjerg, Aalborg, Frederikshavn and Elsinore. These are cities where the Foundation has its maritime roots and for several decades has been involved in industrial activities. Esbjerg and Elsinore were the starting point of our strategic involvement, and in 2021 we also focused our activities within these cities.

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

2021 – learning to coexist with Covid-19

In 2021, the Covid-19 pandemic continued to take its toll on countries around the world, resulting in challenges to health systems and still spurring widespread shutdowns, restrictions, and business closures. As the pandemic made its way from 2020 to 2021, people and society however learned better strategies for dealing with it and added tools to their arsenal for fighting the virus. With vaccine rollout and declining infection rates during the summer, coexisting with Covid-19 became the new normal.

Covid-19 still caused challenges for the vulnerable groups of our society. The need for help, care, and security in this uncertain and challenging time was noticeable and the work of organisations and initiatives who support these groups, were more important than ever.

In Lauritzen Fonden, we thus continued to work closely with our partners and grantees during this challenging time, in order to understand their needs and provide them with the required support, patience and flexibility to navigate in a pandemic.

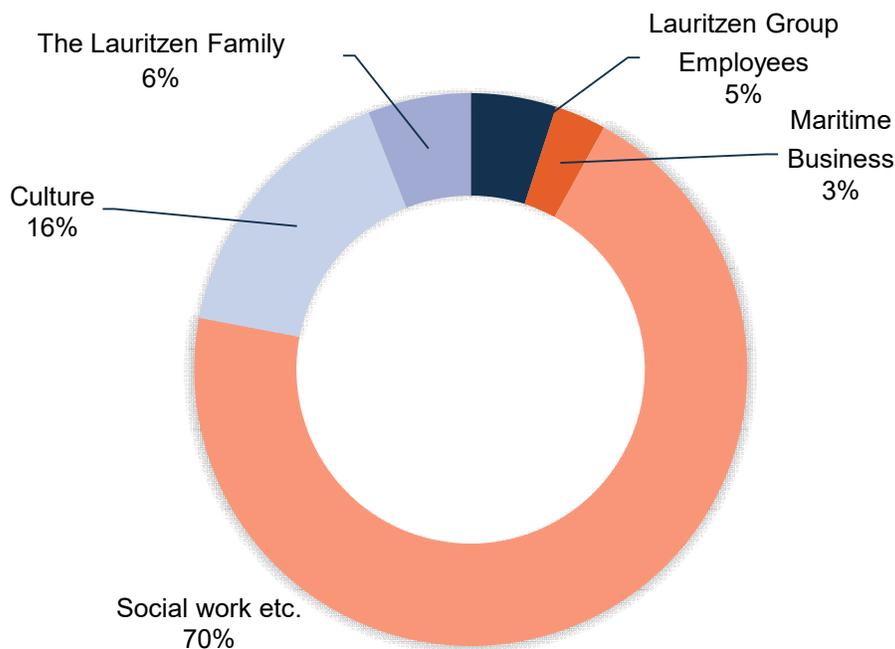
Allocation of funds

As Lauritzen Fonden did not receive any dividends in 2021, the Foundation generated a negative operating cash flow (EBITDA) of DKK 20m while distributing grants of DKK 32m to meet the foundation charter.

In 2020, Lauritzen Fonden generated a negative operating cash flow of DKK 15m while distributing grants of DKK 35m.

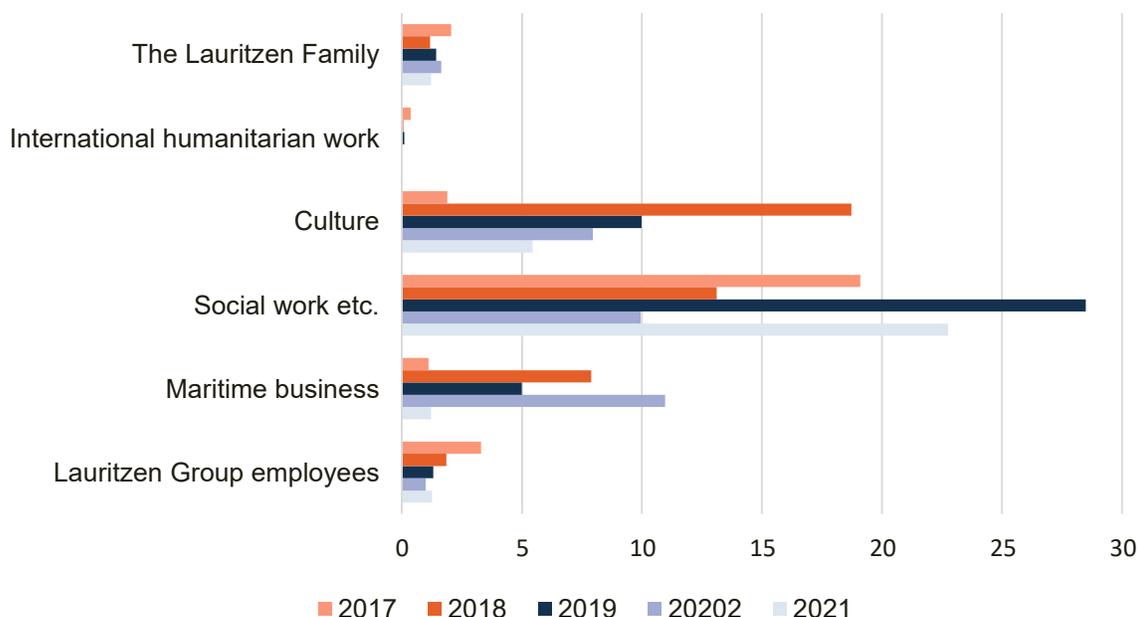
All grant distributions 2021

As shown in the figure below, 5% of the total grant amount in 2021 went to support the Lauritzen Group's employees, 3% to shipping and maritime interests, 70% to social and humanitarian work in Denmark, 16% to cultural projects and 6% 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



Partnerships and strategic grants

Grants within the individual categories and in various sizes have been distributed to a wide range of activities carried out in 2021 by organisations, associations and individuals who actively contribute to impact society.

In Lauritzen Fonden, we continuously aim to explore new philanthropic methods to create sustainable change that contributes to enabling children to become a contributing and active part of society. A new method which has the potential to do that is social investments. In 2021, we thus engaged in a social investment program in a multi-partner collaboration with Lær for Livet, Aarhus Municipality, Rådet for Sociale Investeringer, and Den Sociale Investeringsfond, with a goal of ensuring that more vulnerable children can take an education. Lauritzen Fonden provided a deficit guarantee to the program, making the social investment more attractive to the other investors.

Lauritzen Fonden has allocated DKK 4m to the investment program as a deficit guarantee.

Please find below a list of other major projects and initiatives supported during the year:

DKK 3.640.000	MedVind	See page 17 for further info.
DKK 2.500.000	Contact Fonden	A 4-year culture initiative with the Urban School in Esbjerg, which aims to develop binding relationships for 8th grade students across the school's three departments.
DKK 2.220.000	Fonden Ungdomsøen	See page 20 for further info.
DKK 1.500.00	Socialt Udviklingscenter (SUS)	See page 18 for further info.
DKK 1.300.000	Opgang2	An initiative that provides professional theatre and drama for schools with an ambition of improving the well-being of the students.
DKK 1.500.000	Foreningen Fisken	This project aims to strengthen young people's life skills through social communities, such as an "education club" and mentoring.
DKK 1.000.000	Fonden for Socialt Ansvar	Operation of the Network for Social Responsibility which offers a strong professional community with knowledge sharing and sparring for many smaller organisations.
DKK 1.000.000	Barndrømmen	Further development of Go Creative - a creative and artistic course for children and young people about dreams and life skills
DKK 690.500	Bibiana	Sensory exhibition "Ø" at Platformen, which seeks to provide a common language for children and their parents about difficult topics such as loneliness and grief.
DKK 560.000	Skolens Venner	An initiative aimed at primary school in Esbjerg. The purpose is to help more children thrive in school, and thus have equal opportunities to develop socially, professionally and personally by having adult volunteers in the class.
DKK 225.000	The Why Foundation	The Why Foundation transforms the cinema into a classroom when schoolchildren are invited to watch thought-provoking documentaries that provide insight into complex topics such as inequality, poverty, democracy, and freedom of expression.
DKK 270.000	Læseforeningen	Læseforeningen (The Reading Association) creates reading communities for vulnerable children and their parents in Elsinore.

Highlights 2021

Our grant strategy is implemented through donations, collaborations and partnerships which enable greater impact of the foundation's funds. Below please find highlights from 2021 from a number of the partnership-based initiatives we have supported.

Living Play Culture – collaboration with Gerlev Idrætshøjskole

In 2019 Lauritzen Fonden and Gerlev Sports Academy launched the joint effort Levende Legekultur (Living Play Culture) with an ambition of creating better learning environments and social well-being for children and young people, regardless of their background.



Covid-19 had a major impact on Living Play Culture. With school shutting down in the beginning of the year, it was challenging for the team to teach, play and commit teachers and staff that were already under severe pressure.

In 2021 a new head of the Center for Play & Movement was appointed, and in addition a new project management of the Living Play Culture initiative was established.

Furthermore, a new head of communication and engagement joined Gerlev Sports

Academy, and thus the communication efforts for Living Play Culture were given a renewed focus. There is a great commitment to communicating knowledge and news about the initiative. A newsletter has been relaunched and is now distributed widely to professionals with an interest in play and movement, so that even more people can benefit from the insight that Living Play Culture provides.

Focus on communication will be further increased in 2022, as a communications manager will be employed at the beginning of the year, with focused responsibility for Living Play Culture.

Four Municipalities have signed a cooperation agreement with Living Play Culture – Esbjerg, Elsinore, Slagelse and Aalborg. The fifth is expected to be Holbæk, and the final agreement is expected to be signed before the summer of 2022.

Researcher in play, Ditte Winther-Lindqvist has carried out research circles in Esbjerg and Elsinore, which has proven to be a useful method of translating experiences from practitioners across schools and institutions into more general knowledge that can be transferred to other municipalities. New research circles are starting up in Slagelse and Aalborg in 2022.

Lauritzen Fonden has allocated DKK 12,6m to the project in the period 2019-2023. The period has been extended to 2024, within the same budget.

MedVind i Østerbyen – collective impact initiative in Esbjerg, Denmark

Our engagement in a Collective Impact initiative is driven by the ambition to ensure social change at a larger scale than any single player would be able to manage on their own. This is the background of the establishment of 'MedVind i Østerbyen' - a collaboration with Esbjerg municipality and different local stakeholders. The vision of the initiative is to break the negative cycle for children and young people from low-income families in Esbjerg's Østerbyen over a 12-year period.

Over the past four years, many efforts have been initiated and new cooperative constellations have been tested across the public, private and civil sector to give more children better conditions for committing themselves to the education system and ultimately end up as self-sufficient. MedVind has thus gone from an ambitious partnership agreement to an established and well-known alliance in Østerbyen, where an agile form of cooperation across the sectors enables a new and more innovative type of welfare.

Covid-19 continued to have a major impact on MedVind's target group in 2021. For vulnerable groups of children and young people who already experience poorer health and well-being, the impacts of Covid-19 are thus amplified. Challenges include reduced access to normal services, reduced community supports, financial instability, unemployment and other life circumstances that can widen pre-existing inequities. The work of MedVind has thus not become less important and despite Covid-19, 2021 offered several projects and initiatives that support the overall vision of MedVind.

Highlights - 2021

In 2021, MedVind initiated the implementation of the language initiative VLS (We Learn Together) in three daycare centers in Esbjerg's Østerbyen, together with Tryg Fonden. The initiative is expected to have a positive impact on the children's language skills in the future, and thus their further education.

During the year, the first toddler club was also successfully completed and the feedback from the participants was positive. The toddler clubs are aimed at vulnerable families and are clubs where families can meet in a new community group and share experiences and challenges in life as a family with small children. Save the Children are behind the initiative and collaborate with a broad group of key players from the local area. In the new year, Save the Children are planning two new toddler clubs for vulnerable families in Østerbyen.

The annual evaluation of MedVind indicates that MedVind to a greater extent than before has been able to involve more civil society organisations, who see the advantages of being part of the MedVind alliance. The evaluation also indicates that MedVind can become even better at facilitating cross-disciplinary collaboration, which will be a focus of 2022.

Together with Socialt Udviklingscenter SUS (Social Development Center) MedVind will in 2022 design and implement a development process that unfolds the actual experience of young people in Østerbyen and personally involve them in developing solutions to bring them closer to youth education. The ambition is to show how the target group in the area can be more systematically involved in creating a better life for children and youth and strengthen MedVind's capacity for involvement.

In 2021, a total of DKK 6,6m has been granted to local projects that support the overall vision of MedVind. Lauritzen Fonden and Esbjerg Municipality have made a mutual commitment to support the initiative for a 12-year period. Lauritzen Fonden plays an active part in both the initiative's steering committee and partner group.

Platformen – first full year of operation

The vision for Platformen is to create a vibrant community hub that brings together and enables communities across age, ethnicity, interests, and local districts in Esbjerg. A local spot that amplifies possibilities to engage in the local community. In other words, a modern house of culture and citizenship, where creativity, innovation, culture, and social life grow from communities and activities.

To ensure coherence and a sustainable development of Platformen, four general guidelines have been established, which are intended as unifying guidelines for the development of the community hub, its possibilities and functioning. *Creativity, innovation, culture, and social life* are the key guidelines which will frame the activities that grow in Platformen.



Engaging core partners

The focus in 2021 has been to develop the community hub through different partnerships.

Despite Covid-19 and yet a year affected by different restrictions, Platformen has succeeded in renting out some of Platformen's premises and facilities to several external partners ranging from local sport clubs, social NGO's, the municipality, businesses and others.

For Platformen the key to develop a sustainable platform is to engage and work with core partners:

Vindmøllen

'Vindmøllen', is a partnership between Esbjerg Municipality's department "Borger & Arbejdsmarked", Socialt Udviklingscenter - SUS and "Den Sociale Kapitalfond", that seeks to develop and test new initiatives that help young people between 16-27 years to find their way into jobs and education. Vindmøllen has been an integrated part of Platformen since 2020 and 10 employees from Esbjerg Jobcenter now work there on a daily basis. During 2021 close to 145 young people have engaged in peer-networks, conversations, and different co-creation activities at Platformen with a clear ambition of bringing them closer to education and jobs.

Riggen

In 2021, the new entrepreneurial house named Riggen moved into the premises at Platformen. Riggen is the result of a collaboration between Business Esbjerg and Esbjerg Municipality and seeks to unleash the entrepreneurial potential in Esbjerg with an ambition to contribute to more new businesses and jobs in the municipality.

The new entrepreneurial house opened in the spring of 2021 and is an important asset for Platformen, where innovative ideas, networks and collaborations among local enthusiasts and entrepreneurs will enable new innovative communities. At year-end, Riggen housed 10 entrepreneurs, including commercial, social, and cultural entrepreneurs.

Lauritzen Fonden has allocated DKK 7,8m to the establishment and development of Riggen in the period 2020-2030.

Platformen's House of Food

Platformen's House of Food offers high quality food and refreshments to Platformen's emerging numbers of users and guests and officially opened in May 2021. At Platformen's House of Food guests can meet with friends and play games, work with fellow students over a cup of coffee or take the family to brunch.

The aim is to boost the work and activities that take place at Platformen by creating increased interest and attraction to the place through events where food is included. Platformen's House of Food is in that sense the hub's connective and social tissue, creating a collective space that embraces social differences and facilitates new communities.



The first year of operation was, not surprisingly, greatly impacted by Covid-19, resulting in a shutdown in the beginning and again at the end of the year. But even with Covid-19 a variety of activities have taken place over the year. In August Platformen's House of Food hosted its first communal dinner bringing the local community together around a delicious meal at a sold-out event. In total Platformen's House of food hosted eight communal dinners in 2021.

At the end of the year, Platformen was the daily workplace for approx. 35 people, who have their lunch in Platformen's House of Food daily.

Give-A-Year concept at Platformen

Since 2019, Ungdomsøen (The Youth Island) has gained solid experience with the "Give-A-Year" concept, where young people give a year of their lives to gain work experience at an organisation. They are engaged in all activities, operations, communication, decision-making and democracy processes in the organisation and the ambition is to support young people's social engagement and life skills.

In 2021, a new partnership between Ungdomsøen, Platformen and Lauritzen Fonden was launched with the ambition of exploring the Give-A-Year method and as a result three young people moved into Platformen in August 2021. Over a 12-month period they will be involved in shaping, operating, and developing Platformen's projects and local engagement.

The three volunteers live together on premises and play an active role in the everyday life on Platformen with activities in 2021 ranging from assisting Platformen's House of Food, establishing a handicraft cafe to being responsible for the development of the music studio and rehearsal room.

The Blue Denmark

As a commercial foundation with roots in the maritime, we also support Danish shipping and shipping related activities. Some of the initiatives supported in 2021 include:

DKK 450.000	Marstal Navigations-skole	E-Learning solution with cargo simulator for online training of seafarers.
DKK 300.000	Danske Rederier	Parent'SHIP – maternity café in The Blue Denmark

The Lauritzen Award

Each year Lauritzen Fonden distributes the Lauritzen Award as a recognition of an exceptional performance by a Danish artist in the theatrical profession either on stage, in TV or on film. In 2021 the Lauritzen Award was awarded to Anette Støvelbæk and Mikkel Boe Følsgaard each receiving DKK 250.000.

The two main award recipients were given the opportunity to hand out DKK 50.000 to their chosen social organisation or initiative in Denmark, which focuses on vulnerable children and/or young people. Anette Støvelbæk donated to AFUK (Academy of Unbridled Creativity) and Mikkel Boe Følsgaard to Save the Children.

To mark the foundation's 75th anniversary (in 2020), no less than 11 awards were handed out in 2021 and the recipients were:



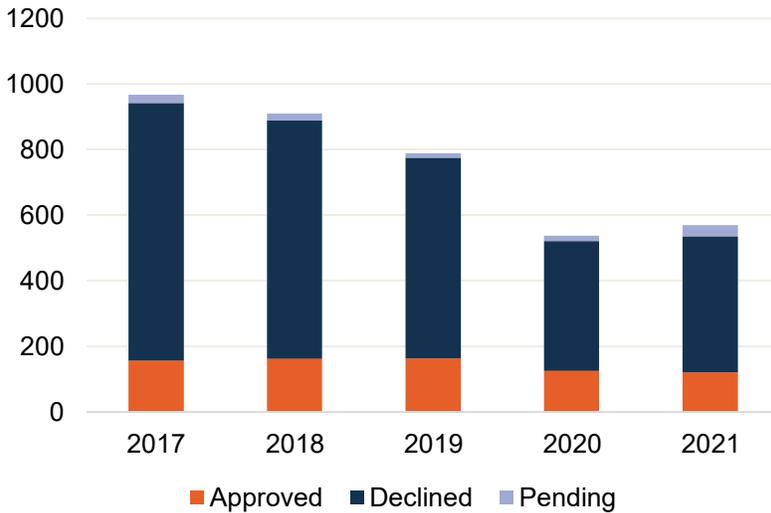
- The Lauritzen Award DKK 250.000: **Anette Støvelbæk**
- The Lauritzen Award DKK 250.000: **Mikkel Boe Følsgaard**
- Lauritzen Fonden's Vision Award DKK 100.000: **Christian Lollike**
- Lauritzen Fonden's Children and youth Awards X 2 each DKK 50.000: **Natasha Arthy** and **Teater Refleksion**
- Lauritzen Fonden's Backstage Award DKK 50.000: **Jacob Morild**
- Lauritzen Fonden's Wauw Award DKK 30.000: **Iben Hjejle**
- Lauritzen Fonden's Believe-in-you Awards X 4 each DKK 25.000: **Arian Kashef**, **Sara Viktoria Bjerregaard**, **Jennifer Vedsted Christiansen** and **Lue Støvelbæk**

The award show took place at Folketeatret in Copenhagen with nearly 600 guests attending the festive event. During the show the three social and humanitarian initiatives, Drømmeskibet, Kunst for Livet and Platformen were showcased. As an extra recognition of the projects' tireless work, each of them was given a smaller grant to do something special for their volunteers.

Development in grant applications

In 2021, Lauritzen Fonden received and processed 535 applications compared to 537 in 2020. 120 were approved for grants leading to a “hit-rate” of 22,4% - a very small decrease compared to 23,3% in 2020. 34 applications were still pending at year end.

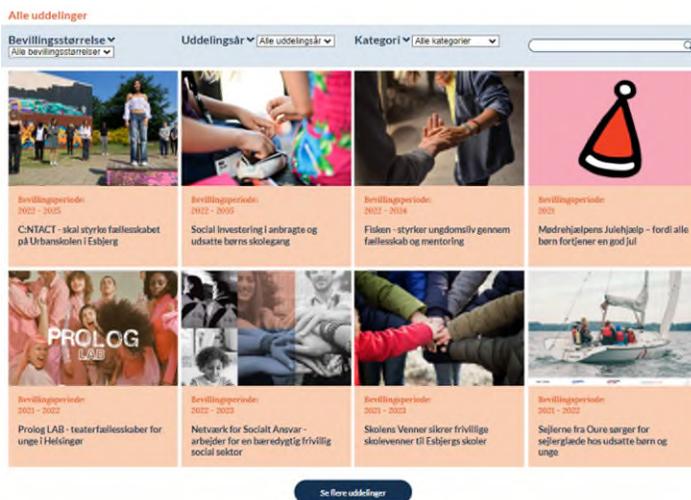
Development in grant applications 2017-2021



Communication and transparency

The main objective of the Foundation’s communication effort is to openly communicate *what* we do, *why* we do it and what *difference* we make through our work. We encourage an open communication with our surroundings and the projects and organisations we’re involved with.

We want to create value for our projects through financial support, but also by enhancing the project’s visibility to put focus on the work of the projects and organisations.



We put great emphasis on transparency and seek to demonstrate openness around our activities. On our website we showcase the many initiatives and projects we support – displaying how the projects 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. By increasing knowledge about the Foundation and our work in general we also hope to attract more relevant applications.

Social Media

Social media has emerged as one of the most effective forms of communication available.

Our social media channels, which include Facebook, Instagram and LinkedIn, function as valuable tools for reaching existing stakeholders as well as new and growing audience segments with news regarding the Foundation's work and projects.

In 2022 we will continue to increase our social media presence, with an ambition of strengthening the narrative about our work and vision and spread awareness of the many important projects we support, ensuring legitimacy of our work.

Brand recognition

Our focus on transparency and the current practice in this area was once again confirmed in the report "Den Danske Fondsanalyse 2021" by Kraft & Partners, which analyses the 30 largest foundations in Denmark. Once again, the report concludes that Lauritzen Fonden meets the 35 stated parameters in Kraft & Partners transparency barometer to a very high degree.

Lauritzen Fonden once again participated in an analysis focusing on the public knowledge of the Foundation and our focus areas. The survey was carried out by Kantar Gallup and 26 foundations participated compared to 21 in 2020.

The results of the 2021 survey were in line with the results of the analysis conducted in 2020 with a brand awareness of 5% in the general public, leaving plenty of room for improvement. However, our communication efforts are targeted at locally and geographically defined focus areas and the general public is thus not our primary focus.

Real estate

Klithuset

Klithuset is an idyllic located beach hotel, which offers a perfect setting for any event. The ship owner Knud Lauritzen had owned the property for two years when he sold it to Vesterhavet/J. Lauritzen in 1946, who then sold it to Lauritzen Fonden in 1994.

In 2021, renting of Klithuset in Dronningmølle was greatly impacted by cancellations and the lack of opportunity to hold events, courses, and conferences due to Covid-19 restrictions until May 2021. Lockdown of society has in other words impacted the daily operations of the house for the second year in a row.

The occupancy rate during weekdays, meetings and conferences was at 31,5% compared to 26% the year before with a target of 40%. Weekends in 2021 were at 62,5% versus 47% in 2020 with a target of 100%. The tenants on weekends are primarily employees from the Lauritzen Group, who use Klithuset for parties and anniversaries, just as the employees also occupy weekdays in the months of July and August. Other everyday rentals are for courses and conferences for the companies in the Lauritzen Group and for strategic grant recipients' stays.

Solar cells were established in 2021 in connection with a new roof covering on the south side of Klithuset, in order to be abreast of phasing out the oil-fired burner. Solar energy is the first step of a conversion that will continue into 2022 with the establishment of both electric chargers for cars and geothermal heating for Klithuset and Tropehuset. At the same time, this is also Klithuset's local contribution to the CO2 reduction.

Platformen

Platformen is a house of culture and citizenship on Gl. Novrupvej 14 in Esbjerg owned by Lauritzen Fonden since 2019. After a busy year of renovation in 2020, 2021 was the actual year in which the daily operations at Platformen began, starting from 1 May, when Platformen's House of Food also opened (read more about Platformen's activities on page 18) At the end of the year, Platformen was the daily workplace for approx. 35 people

The target for occupancy at Platformen is around 70%. The occupancy rate averaged 60.8% during 2021 with a poor start in Q1 at 23% due to Covid-19 restrictions and an occupancy rate of 76.8% in Q4 despite a massive lockdown in December.

The renovation of Platformen continued at a lower speed in 2021 with the establishment of a freezer room and an upgrade of the kitchen that now meets strict fire requirements. Hiring a new facility manager has been a great help and a necessity for the continuous operation and maintenance of Platformen.

Other

Medio 2021, the Foundation sold its villa on Onsgårdsvej in Hellerup.

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 – see page 29.

The Board consists of eight members; five elected in accordance with Lauritzen Fonden's charter and three employees elected.

Executive management consists of two members: 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 10 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 Foundation's employees are subject to J. Lauritzen's policies regarding HR-related matters.

All our donations are aligned with our charter commitment. 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 (Lauritzen Bulkers A/S being the main activity) and DFDS A/S. Both companies have signed up for the UN Global Compact and are thus committed to integrating the UN's ten principles for 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 policy commitments and procedures as a sustainable way to ensure global compliance for our subsidiaries.

Operating in shipping and logistics, our two largest subsidiaries are subject to specific risks related hereto. Each of the companies have procedures to assess these risks and thus develop their policies and procedures accordingly to manage these risks.

As companies, J. Lauritzen and DFDS face different challenges ashore and at sea regarding human rights and labour conditions. The present scope of their respective social responsibility programmes has a key focus on corporate human resource issues such as diversity and inclusion, competency development, terms of employment, and recruitment. Onboard their vessels, social responsibility is also closely linked to health, safety and security issues which are managed with policies and procedures aligned with, e.g. the Safety Of Life at Sea (SOLAS), International Safety Management Code (ISM) as well as the Maritime Labour Convention (MLC).

To ensure the health and safety of the employees, the two subsidiaries continuously work on reducing accidents and strengthening the safety culture, as well as ensuring the engagement of employees. In 2021, DFDS' strengthened land-based Health & Safety by establishing a global function to raise awareness and enforce additional preventive actions to reduce our health & safety risks. J. Lauritzen measures safety performance through various parameters, including the Lost Time Injury Frequency (LTIF) rate, which for the owned and part-owned fleet amounted to zero in 2021, unchanged compared to 2020. In 2021, J. Lauritzen signed the Neptune Declaration on Seafarer Wellbeing and Crew Change in a worldwide call to action to end the unprecedented crew change crisis caused by Covid-19.

To ensure that all human rights are protected, both subsidiaries perform due diligence and continuously work to ensure that all suppliers adhere to the policies set out in the code of conduct. In 2021 no breaches of the policies were found.

Both J. Lauritzen and DFDS manage and track their environmental footprint and emissions with clear policies and different energy reduction programmes regarding climate and environmental issues. Due to the nature and area of operations of the two subsidiaries, there are certain risks related to the environment and climate. These mainly relate to emissions to air, water pollution and in particular risks of spills to the sea. In addition, they participate in different alliances and partnerships such as, e.g. Zero Emission Energy Distribution and Getting to Zero Coalition. Environmental and climate initiatives are anchored in top management, supported by commercial, operational, and technical departments.

To improve air quality and be a responsible neighbour, the subsidiary DFDS inaugurated a shore power facility in Copenhagen in October, making it possible to shut down engines in both Oslo and Copenhagen and use the city's electricity while in the port. The subsidiary J. Lauritzen continued the energy-efficiency efforts to reduce fuel consumption and emissions through technical and operational initiatives. As a part of these efforts, J. Lauritzen decided to become a signatory to the Call to Action for Shipping Decarbonisation which was delivered to the COP26 Presidency in Glasgow in October 2021.

Operating in shipping and logistics incidents of corruption (facilitation payments) can pose a risk if not managed with accordingly policies, procedures, and training. Both companies have policies aligned with the 10th principles within Global Compact. Further, J. Lauritzen participates in the Maritime Anti-Corruption Network (MACN) together with various representatives from the shipping and maritime sector as they operate globally and in high-risk countries. In 2021, J. Lauritzen conducted new compliance training for the organisation. This was to ensure that everyone is aware and updated on rules, policies and practices related to anti-corruption, gifts, hospitality, and related topics. Compliance training will be continued in 2022. Further in 2021, a policy on sanctions compliance was approved by the company's Board of Directors.

To reduce the risk of corruption and facilitation payments, both subsidiaries are in continuous dialogue with suppliers to ensure adherence to the Supplier Code of Conduct. In 2021 no breaches of the policies aligned with the Global Compact were reported in the subsidiaries.

Further, both companies are part of IMPAACT, a responsible supply chain programme. The International Marine Purchasing Association initiative aims to improve the economic, social, and environmental compliance of its ship purchaser and supplier members. As many shipping companies share suppliers, a common standardised system helps keep the industry compliant. The shared Supplier Code of Conduct builds on the UN Global Compact and its Guiding Principles on Business and Human Rights.

In 2021, Covid-19 impacted the world in many ways, and both subsidiaries worked on ensuring the health and well-being of employees. DFDS introduced extensive testing procedures and safe bubbles within teams for the terminals, vessels, and warehouse employees during the year. Office-based employees have been working from home to stay safe and reduce the risk of infection. These precautions have decreased the risk of local outbreaks of Covid-19. In 2021, the J. Lauritzen staff was affected by remote working due to the Covid-19 pandemic. However, their annual engagement surveys continued to confirm excellent performance and well-being of the staff throughout the year in all the company's geographical locations.

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.

We expect DFDS and J. Lauritzen to continue their social, environmental and climate progress in 2022 and going forward.

For more information on J. Lauritzen A/S' and DFDS A/S' CSR-strategies, policies, programs and reporting, please refer to Lauritzen Bulkers' Annual Report 2021 (pages 11-14) https://www.j-l.com/sites/default/files/media/about_us/financial_info/lauritzen_bulkers_annual_report_2021.pdf And for DFDS <https://www.dfds.com/en/about/group/responsibility> for more details.

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

Contributing to the UN Sustainable Development Goals (SDGs)

Lauritzen Fonden aims to incorporate the SDGs in our work and activities.

Established in 2015 by the United Nations, the SDGs present a roadmap for the world to move towards a more sustainable future for all. The 17 SDGs and 169 targets effectively point in a direction of moving forward and address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.



The objective for Lauritzen Fonden's contribution to the SDGs are;

- to join and contribute to a global agenda,
- to understand and communicate our **social impact** in a larger context.
- to link us to our companies through a common language

With our strategic focus being on vulnerable children and youth, we seek to contribute to the SDGs, within the following goals: Quality Education (goal 4), Decent work and Growth (goal 8) and Partnerships for goals (goal 17) which match the foundations work and activities.

They reflect and underline:

- that we consider **education** as the greatest protection factor for children and young people in vulnerable positions,
- a focus on jobs and human growth, which we consider as prerequisites when acting as a commercial foundation.
- the importance of partnerships - because we know we can only achieve our goals and succeed **together** with others.

Going forward we will link our grants to these three goals. In addition, we will embark on a journey where we continuously increase our focus on concrete sustainability initiatives, when it comes to new investments and activities in our companies, as well as when it comes to smaller initiatives in our everyday life wherever they can contribute to a larger agenda.

Data ethics

In Lauritzen Fonden, we comply with both Danish and EU law on data and privacy protection (e.g. GDPR).

To ensure compliance, we have implemented a policy on data ethics that outlines the Foundation's approach and procedures to ensure legal and ethical behaviour regarding data, especially personal data.

With regards to our work, we have assessed that we exchange data with the below primary stakeholders:

- Employees, managers, and the Board of the Foundation
- Subsidiaries and associates
- Applicants, grant recipients and evaluation suppliers within the non-profit part
- Tenants in connection with property rental (Klithuset and Platformen)
- Other direct partners (e.g., banks, accountants, public authorities)

In addition to the primary stakeholders, we have also mapped our secondary stakeholders.

Furthermore, we have mapped all the data that we handle as a foundation, as well as mapping and assessing the systems and suppliers that handle data on our behalf e.g., such as our grant application system. All systems are in compliance with both Danish and EU law and our policy.

At the core of our policy and approach to data ethics is the procedures put in place as well as the principles they build on. Each year all employees, executive management and our board are reminded to read and sign the foundations "data behaviour" that focuses on good data habits, respect for data as well as transparency and willingness to learn from potential data breaches, among other things.

It is the board of directors that holds the responsibility for the policy on data ethics. Executive management holds the responsibility for responsible and efficient implementation and follow up on the policy.

In 2021, there have been no breaches within the outline of the data ethics policy.

To read our policy on data ethics please visit our website:

https://lauritzenfonden.com/wp-content/uploads/2022/02/dataetik-politik-LF_FINAL_.pdf

Distribution fund

It has been decided to allocate DKK 75m for the coming 12 months' fund distributions.

Risks

Risks imposed on the Foundation are solely risk deriving from subsidiaries. Please refer to Lauritzen Bulkens' and DFDS Annual Reports at www.j-l.com and www.dfds.com for a detailed description of the risks and the risk management.

Events after the balance sheet day

No events have occurred after the balance sheet date.

Financial outlook for 2022

The outlook for 2022 is subject to a high level of uncertainty due to general risk factors, the most important being the impact on economic activity and inflation related to the Russia-Ukraine war, sanctions and the continued development of Covid-19.

DFDS A/S:

The DFDS 2022 outlook builds on multiple assumptions that may change significantly as the year progresses, including:

- General market growth prospects for GDP-growth (Gross Domestic Product) in 2022 estimated at around 4,0% growth for Europe and 3,5% for Turkey
- Development in freight volumes, which are expected to grow in most of DFDS' markets in 2022
- The full-year impact of the HSF Logistics Group acquired with effect from 14 September 2021
- The impact of travel restrictions and possible easing of same on passenger volumes

The DFDS Group's EBITDA before special items is expected to be within a range of DKK 3.9-4.4bn (2021: DKK 3.4bn).

J. Lauritzen A/S:

The strong dry bulk markets experienced in 2021 were supported by a gradual economic recovery and global government stimuli to offset the negative economic impact from Covid-19. Manufacturing backlogs, high container markets, port congestion and limited vessel deliveries also supported the dry bulk market. It appears the support will continue to be present in 2022, but at a more restricted level.

The improvement of the market for offshore accommodation vessels seen in 2021 seems to continue into 2022 supporting the employment prospects for Dan Swift, J. Lauritzen's monohull accommodation vessel.

The specific risks affecting the outlook are:

- Climate change and the need to reduce transportation-related carbon emissions
- International trade policy developments, especially the relationship between China and the US
- Oil and commodity price volatility
- Normalisation of container shipping markets
- Normalisation of port congestion levels

Other activities:

The result of other activities owned by Foundation's holding company, Lauritzen Fonden Holding ApS, is expected to be limited.

Overall, the Lauritzen Fonden Group anticipates a positive and satisfactory 2022 result, but lower than the 2021 result.

Directorships of the Board of Directors and Executive Board as of 28 March 2022

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:
FødevareBanken
Rederklubben
Klampenborg Galopselskab A/S

Member of the Board of:
Dansk Galop
MARTEC

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 900.000



Erik G. Hansen
Vice Chairman

Director EGH Gentofte ApS and 3 subsidiaries, Polaris Invest II ApS, Sirius Holding ApS, Tresor Asset Advisers ApS,

Year of birth: 1952

Date of board entry: April 27, 2017

Chairman of the board of:
Polaris II Invest Fonden

Polaris Management A/S
Sirius Holding A/S

Member of the board of:
Bagger-Sørensen & Co. A/S and 4 subsidiaries
Bagger-Sørensen Fonden
Bavarian Nordic A/S
Ecco Sko A/S
Farumgade 2B Holding A/S
Lesanco ApS
Okono A/S
SAGA Private Equity A/S
Wide Invest ApS

Qualifications:

Special qualifications within investment, management and strategy. Significant experience within finance, capital investments and private equity.
Dependent/ independent: Independent

Annual fee: DKK 600.000



Bendt Bendtsen

Owner of Bendt Bendtsen Consulting and former Minister of Economic and Business Affairs and member of the European Parliament.

Year of birth: 1954

Date of board entry: January 1, 2009

Chairman of the board of:

Fulton Fonden
Synergi

Member of the board of:

Fonden af 28. Maj 1948
Formue Fyn,
JJO INVEST ApS
Kraks Fond
Nordhavn A/S
Estech A/S

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

Annual fee: DKK 300.000



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 World Economic Forum Global Expert Network

Member of the Board of:

Grow Up

Det Sociale Netværk

GFA – Global Fashion Agenda

Member of The Disruption Council – Partnership for the Future of Denmark

Qualifications: A professional non-executive board member and advisor to companies, nonprofits, organizations and governments in Denmark and abroad. 22 years of CEO experience and combined 25 years of board experience. Primary competencies are within contemporary leadership, innovation, disruption, global challenges, sustainability and design thinking. Network and experience are strong and global. Primary passions are biodiversity, beauty, the natural world, plants, cooperation and development.

Dependent/ independent: Independent.

Annual fee: DKK 300.000



Betina Ipsen
Member of the Committee of Scouts
Member of the Lauritzen Fonden Grant Committee

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 300.000



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 300.000



Dorthe Olsen*

Position: HR Manager. J. Lauritzen A/S

Year of birth: 1965

Date of board entry: November 1, 2020

Expiration of election period: March 31, 2022

Member of CBS' Advisory Board for the BSc in International Shipping and Trade

Qualifications:

Experience within HR and the personnel area, including management and organisational development, employee development, communication, and sparring.

Annual fee: DKK 300.000



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 300.000

(* Staff elected)

Executive Board:



Tommy Thomsen

CEO

Year of birth: 1957

Chairman of the Board of:

J. Lauritzen A/S

Lauritzen Bulkera A/S

J. Lauritzen Invest A/S

NanoNord A/S

The Danish Maritime Fund

C.W. Obel A/S

Member of the board of:

PSA International Pte Ltd. Singapore

Durisol UK

SmartVan A/S

Member of the advisory board of:

Panama Canal

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.

Salary and benefits from Lauritzen Fonden:	DKK 1.344.000
Salary and benefits from Lauritzen Fonden Holding ApS:	DKK 5.377.000
Directors fee (J. Lauritzen group of companies):	DKK 850.000



Inge Grønvold
Director

Year of birth: 1955

Member of the board of SmartVan A/S

Member of the board of J. Lauritzen A/S

Member of the board of J. Lauritzen Invest 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.

Salary, pension and benefits from Lauritzen Fonden:	DKK 1.930.000
Salary, pension and benefits from Lauritzen Fonden Holding ApS:	DKK 483.000

Income Statement 1 January – 31 December 2021

DKK '000

Parent			Group	
2020	2021	Note	2021	2020
		Income		
-	-	2 Revenue	23.325.460	17.154.198
862	1.541	Other income	63.967	29.838
862	1.541	Total	23.389.426	17.184.036
		Costs		
-	-	Vessels running costs	-10.690.994	-8.459.469
-7.381	-11.307	3 Other external costs	-5.061.490	-2.568.823
-8.695	-10.422	4 Staff costs	-3.625.245	-3.283.803
-16.077	-21.729	Total	-19.377.728	-14.312.095
-15.215	-20.188	OPERATING PROFIT BEFORE DEPRECIATION	4.011.698	2.871.941
0	40.134	Profit on sale of non-current assets	-136.439	126.453
-971	-1.006	5 Depreciation, amortisation and impairments	-2.059.628	-2.849.304
-16.185	18.941	OPERATING PROFIT	1.815.631	149.091
-567.029	829.188	6 Share of result in subsidiaries		
-	-	13 Share of result in associates and joint ventures	-51.210	-53.314
		Financial items		
12.985	60.441	7 Financial income	85.420	36.807
-4.048	-4.987	8 Financial expenses	-444.019	-480.952
8.937	55.454	Total	-358.599	-444.146
-574.278	903.583	PROFIT BEFORE TAX	1.405.822	-348.368
0	-2.606	9 Tax on profit	-100.830	-81.614
-574.278	900.977	PROFIT FOR THE YEAR	1.304.992	-429.982
		Attributable to:		
		10 Non-controlling interests	404.015	144.295
-574.278	900.977	Lauritzen Fonden	900.977	-574.278
		11 Proposed profit allocation		
		12 Special items		

Statement of Financial Position 31 December 2021

DKK '000

Parent			Group	
2020	2021	Note	2021	2020
ASSETS				
NON-CURRENT ASSETS				
Non-current intangible assets				
-	-	13 Goodwill	3.343.291	2.716.423
-	-	13 Other intangible assets	1.972.165	1.467.490
Total			5.315.457	4.183.912
Non-current tangible assets				
36.040	36.180	13 Land, building and terminals	1.282.821	1.042.844
-	-	13 Vessels	11.832.166	11.528.877
812	736	13 Machinery, tools and equipment	1.305.998	738.657
-	-	14 Right of use assets	4.287.558	3.547.848
-	-	13 Assets under construction and prepayments	1.369.453	887.612
Total			20.077.997	17.745.839
Other non-current assets				
5.554.695	6.410.745	13 Investment in subsidiaries		
		13 Investments in associates and joint ventures	955.770	195.212
-	-	13 Other securities	89.922	172.733
-	-	13 Other receivables	370.745	603.509
Total			1.416.437	971.454
5.591.546	6.447.661	TOTAL NON-CURRENT ASSETS	26.809.890	22.901.206
CURRENT ASSETS				
Stocks				
-	-	15 Bunkers and goods for sale	308.382	1.863.581
Total			308.382	1.863.581
Receivables				
-	-	Trade receivables	2.850.960	2.017.651
-	29.933	Receivables from subsidiaries	-	-
-	-	Receivables from joint ventures	26.440	33.320
3.479	1.028	Other receivables	787.837	795.858
-	-	9 Deferred tax asset	47.475	72.405
-	-	16 Prepayments	361.355	357.353
Total			4.074.067	3.276.588
454.410	470.810	Securities	523.196	499.258
4.018	1.989	Cash	1.393.869	1.443.442
461.907	503.761	TOTAL CURRENT ASSETS	6.299.514	7.082.869
6.053.453	6.951.422	TOTAL ASSETS	33.109.404	29.984.075

Statement of Financial Position 31 December 2021

DKK '000

Parent			Group	
2020	2021	Note	2021	2020
EQUITY AND LIABILITIES				
EQUITY				
250.000	250.000		250.000	250.000
-	-		-	-
-129.857	-30.706		-30.706	-129.857
-43.242	-107.886		-107.886	-43.242
4.865.369	5.815.742		5.815.742	4.865.369
60.000	75.000		75.000	60.000
5.002.269	6.002.150		6.002.150	5.002.269
10 Non-controlling interest			6.120.253	5.661.582
Total Equity including non-controlling interests			12.122.402	10.663.851
PROVISIONS				
-	-	9 Deferred tax	421.675	268.574
-	-	17 Other provisions	193.813	244.882
-	-	TOTAL PROVISIONS	615.488	513.456
Liabilities other than provisions				
18 Interest-bearing debt				
-	-	Mortgage debt, property	27.441	31.432
-	-	Mortgage debt, vessels	3.592.706	2.767.743
907.748	876.498	Credit institutions	5.866.781	6.566.346
-	-	Lease liability and financial leasing debt	3.292.335	2.809.966
-	-	Corporate bonds and other debt	304.493	1.162.297
907.748	876.498	Total	13.083.756	13.337.785
Current debt				
-	-	18 Interest-bearing debt	2.759.659	2.070.801
-	-	Trade payables	3.225.716	2.167.427
66.703	1.741	Debt to subsidiaries	-	-
-	-	Corporate tax	110.901	81.676
4.157	2.701	Other payables	951.971	940.462
-	-	Prepayments	171.180	136.041
72.577	68.333	Approved not yet paid grants	68.333	72.577
143.436	72.774	Total	7.287.759	5.468.984
1.051.184	949.273	TOTAL LIABILITIES	20.987.003	19.320.225
6.053.453	6.951.422	EQUITY AND TOTAL LIABILITIES	33.109.404	29.984.075

Accounting policies
19 Contingent liabilities
20 Contractual commitments
23 Related parties
24 Events after the balance sheet day

Statement of changes in Equity

Group

DKK '000	Net						Total	Non-controlling interests
	Contributed capital	revaluation reserve	Translation reserve	Hedging reserve	Retained earnings	Distribution fund		
Balance at 1/1 2021	250.000	0	-129.857	-43.242	4.986.058	60.000	5.122.959	5.661.582
Adjustment opening balance					-120.689		-120.689	
Balance at 1/1 2021 after adjustment	250.000	0	-129.857	-43.242	4.865.369	60.000	5.002.269	5.661.582
Currency adjustment of equity and result in foreign currencies			99.151				99.151	16.260
Share of other equity movements					104.026		104.026	65.392
Value adjustment of hedging instruments				-64.644			-64.644	-87.375
Change in non-controlling interests					-8.002		-8.002	60.379
Proposed profit allocation					900.977		900.977	404.015
Approved grants						-29.141	-29.141	
Associated costs re. charitable purposes						-2.486	-2.486	
Transferred as per proposed allocation					-46.627	46.627	-	
Balance at 31/12 2021	250.000	0	-30.706	-107.886	5.815.742	75.000	6.002.150	6.120.253

Parent

DKK '000	Net						Total
	Contributed capital	revaluation reserve	Translation reserve	Hedging reserve	Retained earnings	Distribution fund	
Balance at 1/1 2021	250.000	0	-129.857	-43.242	4.986.058	60.000	5.122.959
Adjustment opening balance					-120.689		-120.689
Balance at 1/1 2021 after adjustment	250.000	0	-129.857	-43.242	4.865.369	60.000	5.002.269
Currency adjustment of equity and result in foreign currencies			99.151				99.151
Value adjustment of hedging instruments				-64.644			-64.644
Share of other equity movements					96.024		96.024
Proposed profit allocation					900.977		900.977
Approved grants						-29.141	-29.141
Associated costs re. charitable purposes						-2.486	-2.486
Transferred as per proposed allocation					-46.627	46.627	-
Balance at 31/12 2021	250.000	0	-30.706	-107.886	5.815.742	75.000	6.002.150

Consolidated Cash Flow Statement

DKK '000	Note	Group	
		2021	2020
	Operating profit	1.815.631	149.091
	Depreciation, amortisation and impairments carried back	2.059.628	2.849.304
	21 Adjustments	231.330	-436.694
	22 Change in working capital	-10.342	483.826
	Cash flow from operations before financial items	4.096.247	3.045.527
	Ingoing financial payments	27.739	41.932
	Outgoing financial payments	-353.567	-410.747
	Cash flow from operating operations	3.770.419	2.676.712
	Paid corporate tax	-79.995	8.563
	Paid grants	-35.872	-38.355
	Cash flow from ordinary activities	3.654.552	2.646.920
	Investment in intangible fixed assets	-482.950	-70.000
	Investment in tangible fixed assets	-1.291.014	-1.825.837
	Investment in financial fixed assets	-28.407	-37.617
	Acquisition of enterprises, associates and activities	-1.731.720	-34.173
	Investment in securities	-63.814	0
	Sale of securities	103.225	13.539
	Sale of tangible fixed assets	335.219	254.536
	Sale of financial fixed assets	28.265	0
	Cash flow from investment activities	-3.131.196	-1.699.552
	Installment on long-term debt	-1.636.414	-1.945.616
	Proceeds from long-term debt	1.834.614	2.230.077
	Payment of lease liabilities	-744.174	-968.063
	Proceeds from sale of treasury shares in DFDS	-26.955	2.000
	Cash flow from financing activities	-572.930	-681.602
	Changes for the year in cash position	-49.574	265.766
	Cash beginning of year	1.443.442	1.177.677
	16 Cash end of year	1.393.869	1.443.442

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

Notes

1 Accounting policies

The annual report of Lauritzen Fonden for 2021 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act. The accounting policies are unchanged from last year.

The financial statements are presented in thousand DKK.

Opening adjustment

An opening adjustment in equity as of 1 January 2020 of DKK -120.7m (no tax effect) has been recognised related to adjustment of an investment in an associated company. The adjustment has no effect on the Income Statement. Comparative figures for 2020 have been adjusted.

Significant estimates

In the preparation of the Consolidated Financial Statements, Management undertakes several accounting estimates and judgments and makes assumptions which provide the basis for recognition and measurement of the assets, liabilities, revenues and expenses of the Group and the Parent Foundation. These assumptions are based on historical experience and other factors such as Covid-19 which the Management considers reasonable under the circumstances, but which by their nature are uncertain and unpredictable.

The assumptions may be incomplete or inaccurate and unanticipated events or circumstances may occur, for which reason the actual results may deviate from the applied estimates, assessments, and assumptions. In the opinion of Management, significant accounting estimates and judgments in the preparation of the Financial Statements Report relate to the following:

- Impairment testing of other non-current intangible assets, ferries and other vessels, other non-current tangible assets and right-of-use assets, if indications exist
- Assessment of useful life and scrap values
- Purchase Price Allocation in connection with acquisitions
- Pension and jubilee liabilities
- Deferred tax assets
- Leasing arrangements

Consolidated financial statements

The consolidated financial statements comprise the Parent, 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 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. A positive difference between the consideration and ownership share of the acquired net assets (goodwill) is amortised over the expected useful life and included in the carrying amount of the investment. A negative difference (badwill) is recognised immediately as a gain in the income statement.

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 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 under translation reserve.

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.

Income statement

Revenue

Revenue from transport of passengers, freight and from rendering terminal and warehouse services etc, is recognised in the Income statement at the time of delivery of the service to the customer, which is the time

where the control is transferred and when each separate performance obligation in the customer contract is fulfilled following the “over-time principle”. Some of the ferry and freight transports have a series of performance obligations, but as the duration of these transports are short term the impact from splitting these contracts into “distinct services” will not have material impact.

For shipping in general, a proportionate share of the expected income of voyages 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 employment 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, 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'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'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. Lauritzen Fonden Holding ApS is the administrative company of Danish subsidiaries with an 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.

Special items

Special items include significant income and expenses not directly attributable to the Group's recurring operating activities such as material restructurings, impairments and reversal of hereof, acquisition and integration costs and gains and losses on disposal of activities and non-current assets.

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. Goodwill from acquired enterprises may be adjusted within the first year of the acquisition.

Other intangible assets

Other intangible assets include port concession rights, value of customer relations or similar identified as part of business combinations, software and development projects in progress. Assets are measured at cost less accumulated amortisation and impairment losses.

Development projects in progress, primarily development of IT software, are recognised as non-current intangible assets if the following criteria are met:

- the projects are clearly defined and identifiable
- the Group intends to use the projects once completed
- the future earnings from the projects are expected to cover the development and administrative costs
- the cost can be reliably measured.

Other intangible assets are amortised on a straight-line basis over the estimated useful life:

- port concession rights - concession period
- customer relations - up to 15 years
- software – 5-10 years
- development projects – normally 3-5 years but in certain cases up to 10 years

Property, plant and equipment

Property, plant and equipment owned by Lauritzen Foundation 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 25-50 years.
- Machinery, tools and equipment are depreciated on a straight-line basis. Expected useful life of machinery, tools and equipment is 4-10 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 considered.

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.

Right-of-use assets

The right-of-use asset and corresponding lease liability will be recognised at the commencement date, i.e. the date the underlying asset is ready for use. Right-of-use assets are measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments including dismantling and restoration costs. The lease liabilities are measured at the present value of lease payments to be made over the lease term.

Depreciation follows the straight-line method over the lease term or the useful life of the right-of-use assets, whichever is shortest.

The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate. If the contract holds an option to purchase, extend or terminate a lease and it is reasonably certain to be exercised by the Group, the lease payment will include those. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The Group applies the short-term lease recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 months or less for all classes of underlying assets except for ferries and other ships, and the exemption for lease contracts for which the underlying asset is of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

For all classes of assets, except for terminals, non-lease components, i.e. the service element, will not be separated from the lease components and thereby form part of the right-of-use asset and financial lease liability recognised in the balance sheet.

The Group has lease contracts for various items of Land & buildings, terminals, ferries and other ships, equipment and other assets used in its operations.

Rental and lease matters (lease out):

For accounting purposes, assets leased out are divided into finance and operating leases.

In respect of assets leased out on a finance lease, an amount equal to the net investment in the lease is recognised in the balance sheet as a receivable due from lessee. The asset leased out is derecognised, and any gain or loss arising from this is recognised in the income statement.

Lease income from assets leased out on an operating lease is recognised in the Income statement on a straight-line basis over the lease term.

Investments in subsidiaries and associates/joint ventures

Investments in subsidiaries and associates/joint ventures are measured under the equity method at the proportionate ownership share of the enterprises' net asset values calculated in accordance with the Group's accounting policies.

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 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.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are included in Trade receivables and Other receivables in the statement of financial position. Trade receivables and Other receivables are stated at amortised cost. Trade and other receivables are measured using the Expected Credit Loss method, and expected losses are recognised in the profit and loss.

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 in the net revaluation reserve 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.

Translation reserve

As from 1 January 2020, exchange rate differences from translating investments in foreign subsidiaries are recognized in the translations reserve.

Hedging reserve

As from 1 January 2020, value adjustments of hedging instruments are recognized in the hedging reserve.

Expenses related to Charitable Activities

Expenses directly associated with the Charitable Activities' donations are recognized directly in other reserves under equity.

Provisions

Provisions comprise anticipated costs related to warranties, 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 net present value.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at fair value corresponding 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. 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. Cash and cash equivalents include bank deposits and short-term deposits that without restriction can be exchanged into cash funds.

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, corporation tax paid and payments of grants.

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, payment of lease liabilities and payment of dividends to shareholders in the subsidiaries.

2 Revenue (Group)

DKK '000	2021	2020
J. Lauritzen	5.447.017	3.145.067
DFDS	17.868.678	13.970.613
Other	9.765	38.519
	<u>23.325.460</u>	<u>17.154.198</u>

3 Other external costs

DKK '000	Group		Parent	
	2021	2020	2021	2020
Fee to auditors elected by the Board and directors:				
Audit	12.252	0	300	0
Other assurance engagements	0	0	0	0
Tax and VAT advisory services	786	0	105	0
Other services	1.977	0	0	0
Total	<u>15.014</u>	<u>0</u>	<u>405</u>	<u>0</u>
Resigning auditors:				
Audit	0	9.005	0	320
Other assurance engagements	0	614	0	0
Tax and VAT advisory services	0	434	0	0
Other services	0	725	0	0
Total - resigning auditors	<u>0</u>	<u>10.779</u>	<u>0</u>	<u>320</u>
Total	<u>15.014</u>	<u>10.779</u>	<u>405</u>	<u>320</u>

4 Staff costs

DKK '000	Group		Parent	
	2021	2020	2021	2020
Salaries incl. remuneration to Board of Directors	3.067.907	2.931.659	9.662	7.738
Pensions	154.054	139.560	700	861
Social security	458.587	334.675	61	96
Government grants (Covid-19)	-55.303	-122.092	0	0
Total	<u>3.625.245</u>	<u>3.283.803</u>	<u>10.422</u>	<u>8.695</u>
Average number of employees	9.008	8.748	9	8
Number of employees as at 31 December	10.698	8.471	11	8
Remuneration:				
Board of Directors	3.300	3.300	3.300	3.300
Executive Board	10.443	9.984	3.398	3.274

Salaries etc. of tDKK 842 (2020: tDKK 771) relating to time spent on the Foundation's charity initiatives have been deducted from the Staff costs and recognized as grants. The time spent corresponded to 0,8 full time employee (2020: 0,7 full time employee).

5 Depreciation, amortisation and impairments

DKK '000	Group	
	2021	2020
Goodwill	214.835	191.768
Badwill	-315.638	0
Other intangible assets	98.975	93.888
Land, buildings and terminals	61.394	59.469
Vessels	844.927	1.435.298
Machinery, tools and equipment	206.470	175.455
Impairment reversal	-102.000	0
Right-of-use-assets	1.050.666	893.425
	<u>2.059.629</u>	<u>2.849.304</u>

	Parent	
	2021	2020
Buildings	931	895
Tools and equipment	75	75
	<u>1.006</u>	<u>971</u>

6 Share of result and investments in subsidiaries (Parent)

DKK '000	Ownership	2021		2020	
		Result	Equity	Result	Equity
DFDS A/S, Denmark	43%	317.523	4.479.383	103.263	4.243.231
Lauritzen Fonden Holding ApS, Denmark	100%	511.665	1.931.362	-670.292	1.311.464
		<u>829.188</u>	<u>6.410.745</u>	<u>-567.029</u>	<u>5.554.694</u>

J. Lauritzen A/S was contributed to Lauritzen Fonden Holding ApS as a share for share exchange as per 1 January 2021. The 2020 comparative figures for Lauritzen Fonden Holding ApS include result of DKK -511m and equity of DKK 503m related to J. Lauritzen.

DFDS is considered a subsidiary based on de-facto control.

7 Financial income

DKK '000	2021		2020	
	Group	Parent	Group	Parent
Interest income	46.723	2.394	34.596	1.126
Gains on securities	20.665	58.046	0	11.859
Currency exchange gains	18.032	0	2.211	0
	<u>85.420</u>	<u>60.441</u>	<u>36.807</u>	<u>12.985</u>

8 Financial expenses

DKK '000	2021		2020	
	Group	Parent	Group	Parent
Interest expenses	361.545	4.987	319.699	4.048
Other financial expenses	82.474	0	114.884	0
Losses on securities	0	0	46.370	0
	<u>444.019</u>	<u>4.987</u>	<u>480.952</u>	<u>4.048</u>

9 Tax

Group:		
DKK '000		
Change in deferred tax	-178.032	-45.858
Change in corporate tax	-29.225	-32.449
Tax from acquisitions, tax recognised in equity etc.	186.422	-11.870
Paid corporate tax	-79.995	8.563
Tax on profit	<u>-100.830</u>	<u>-81.614</u>
Deferred tax 1/1 (net liability)	196.169	150.311
Exchange rate adjustments	-1.827	8.373
Expected impact from exiting tonnage taxation scheme	0	51.817
Addition from acquisition of enterprises	149.655	1.647
Recognised in income statement	3.846	-11.233
Recognised in equity statement	25.049	0
Write down of deferred tax assets and reversal hereof	-440	-2.803
Impact from change in corporate income tax rate	1.748	-1.943
Deferred tax 31/12 (net liability)	<u>374.200</u>	<u>196.169</u>
Deferred tax concerns:		
Non-current tangible assets	334.196	200.027
Provisions	-1.000	-28.069
Tax losses carried forward	22.004	27.188
Other	19.000	-2.977
	<u>374.200</u>	<u>196.169</u>
Deferred tax is shown as:		
Deferred tax asset	47.475	72.405
Deferred tax liability	<u>421.675</u>	<u>268.574</u>
Net liability	<u>374.200</u>	<u>196.169</u>
Parent:		
Tax on profit	<u>-2.606</u>	<u>0</u>
	<u>-2.606</u>	<u>0</u>

10 Non-controlling interests

DKK '000	Profit for the year		Equity	
	2021	2020	2021	2020
Non-controlling interests in DFDS A/S	444.463	144.330	6.130.887	5.631.768
Other non-controlling interests	-40.448	-35	-10.634	29.814
	<u>404.015</u>	<u>144.295</u>	<u>6.120.253</u>	<u>5.661.582</u>

11 Proposed profit allocation

DKK '000	2021	2020
Transferred to Distribution fund	46.627	34.761
Retained earnings	854.350	-609.039
	<u>900.977</u>	<u>-574.278</u>

12 Special items

Group DKK '000	2021	2020
Acquisition and integration costs relating to HSF Logistic Group (DFDS Group)	-29.000	-
Accounting gain on sale of Liverpool Seaways (DFDS Group)	-	110.000
Accounting gain on sale of Gothia Seaways (DFDS Group)	20.000	-
Accounting gain on sale of Calais Seaways (DFDS Group)	26.000	-
Accounting gain on sale of office and warehousing building in Belgium (DFDS Group)	31.000	-
Accounting gain related to disposal of an associated company (DFDS Group)	16.000	-
Reversal of accrued cost related to Jubilee shares (DFDS Group)	4.000	4.000
Restructuring costs etc. (DFDS Group)	-63.000	-102.000
Impairment of passenger ferry and a terminal in the business unit Passenger (DFDS Group)	-	-100.000
Reversal of impairment of a freight ferry made in connection with reclassification to asset held for sale (DFDS Group)	29.000	-29.000
Government grants, Covid-19 (DFDS Group)	55.303	122.092
Badwill gain (J. Lauritzen Group)	315.638	-
Loss on sale of activities (J. Lauritzen Group)	-362.224	-
Impairment reversal (J. Lauritzen Group)	102.000	-
Impairment of investment in associated company (Mama Mia Holding A/S)	-86.187	-
Impairment of loans to associated company (Lauritzen Fonden Holding A/S and Mama Mia Holding A/S)	-78.127	-
Impairment of property (Frederikshavn Maritime Erhvervspark A/S)	-	-8.000
Profit on sale of property (Lauritzen Fonden)	40.134	-
Accounting gain on sale of Milau Bulker (J. Lauritzen Group)	43.724	-
Impairment of accomodation and support vessel (Axis Offshore Group)	-	-66.081
Special items, net	<u>64.261</u>	<u>-68.989</u>

Note 12 continued

	2021	2020
Special items are included in Profit before tax as follows:		
Operating costs	-88.000	-
Staff costs	55.303	24.092
Profit on sale of non-current assets	-185.366	110.000
Depreciation, amortisation and impairments	446.638	-203.081
Share of result in associates and joint ventures	-86.187	-
Financial expenses	-78.127	-
Total special items in profit before tax	64.261	-68.989
Parent		
DKK '000		
Profit on sale of property included in profit on sale of non-current assets	40.134	-
Total special items in profit before tax	40.134	-

13 Non-current assets

Group

DKK '000	Goodwill	Other intangible assets	Land, buildings and terminals	Vessels	Machinery, tools and equipment
Cost at 1/1 2021	3.701.017	1.943.626	1.589.640	20.374.005	1.869.655
Exchange rate adjustments	3.879	1.679	31.117	149.216	27.232
From acquisitions	840.082	540.738	239.919	0	549.043
Transfer to/from other items	1	0	31.486	350.391	88.508
Transfer from assets held for sale	0	0	6.998	103.591	0
Additions	64	62.269	28.370	541.990	143.153
Disposals	0	-1.915	-29.985	-364.609	-101.421
Cost at 31/12 2021	4.545.043	2.546.397	1.897.545	21.154.584	2.576.171
Depreciation and impairments at 1/1 2021	984.594	476.136	546.796	8.845.127	1.130.998
Exchange rate adjustments	2.323	1.036	15.017	137.102	17.396
Transfer to/from other items	0	0	4.700	-270.717	3.837
Transfer from assets held for sale	0	0	0	114.802	0
Depreciation	214.835	98.975	61.394	874.088	206.442
Impairment losses/reversal of losses	0	0	0	-28.500	0
Disposals	0	-1.915	-13.182	-349.486	-88.500
Depreciation and impairments at 31/12 2021	1.201.752	574.232	614.724	9.322.417	1.270.173
Booked value at 31/12 2021	3.343.291	1.972.165	1.282.821	11.832.167	1.305.998
Book value of assets pledged as security for mortgages			101.369	7.445.751	
Booked value at 31/12 2020	2.716.423	1.467.490	1.042.844	11.528.877	738.657

Note 13 continued

Group

DKK '000	Assets under construction and prepayments	Investments in associates and joint ventures	Shares available for sale	Other receivables
Cost at 1/1 2021	887.613	393.475	237.100	603.509
Exchange rate adjustments	32	13.607	0	36
Transfer to/from other items	-833.207	733.717	0	-215.150
Transfer from assets held for sale	0	0	0	0
Additions	1.317.603	59.234	20.497	48.737
Disposals	-2.588	-4.000	-182.315	-66.387
Cost at 31/12 2021	<u>1.369.453</u>	<u>1.196.033</u>	<u>75.282</u>	<u>370.745</u>
Revaluation and impairments at 1/1 2021	0	-77.574	-64.366	0
Adjustment opening balance		-120.689		
Revaluation and impairments at 1/1 2021 after adjustment	0	-198.263	-64.366	0
Exchange rate adjustments	0	-14.566	0	0
Transfer to/from other items	0	37.150	0	0
Impairment losses/reversal of losses	0	0	20.764	0
Profit/loss for the year	0	-51.210	0	0
Disposals	0	347	58.242	0
Dividend	0	-13.721	0	0
Revaluation and impairments at 31/12 2021	<u>0</u>	<u>-240.264</u>	<u>14.640</u>	<u>0</u>
Booked value at 31/12 2021	<u>1.369.453</u>	<u>955.770</u>	<u>89.922</u>	<u>370.745</u>
Booked value at 31/12 2020	<u>887.612</u>	<u>195.212</u>	<u>172.733</u>	<u>603.509</u>

Parent

DKK '000	Land, buildings and terminals	Tools and equipment	Investments in subsidiaries
Costs at 1/1 2021	44.471	2.795	12.134.346
Additions	2.936	0	20.000
Disposals	-3.248	0	-77.855
Costs at 31/12 2021	<u>44.160</u>	<u>2.795</u>	<u>12.076.491</u>
Depreciation and revaluations at 1/1 2021	8.432	1.983	6.458.962
Adjustment opening balance			120.689
Depreciation and revaluations at 1/1 2021 after adjustment	8.432	1.983	6.579.651
Depreciation	931	75	0
Value adjustment in the year	0	0	-913.905
Disposal	-1.382	0	0
Depreciation and revaluations at 31/12 2021	<u>7.980</u>	<u>2.058</u>	<u>5.665.746</u>
Booked value at 31/12 2021	<u>36.180</u>	<u>736</u>	<u>6.410.745</u>
Booked value at 31/12 2020	<u>36.040</u>	<u>812</u>	<u>5.554.695</u>

Specification of movements in investments in subsidiaries:

Balance at 1/1 2021	5.675.384
Adjustment opening balance	-120.689
Balance at 1/1 2021 after adjustment	<u>5.554.695</u>
Capital increase and acquisition of shares in subsidiaries	20.000
Disposal of share in subsidiaries	-77.855
Share of other equity movements	84.718
Share of result, cf. Note 6	829.188
	<u>6.410.745</u>

14 Right-of-use-assets (Group)

DKK '000	Land and buildings	Terminals	Vessels	Equipment etc.	Total
Cost at 1/1 2021	438.488	2.631.000	1.903.978	344.826	5.318.292
From acquisitions	19.520	0	0	353.268	372.788
Additions/remeasurement	165.971	107.473	1.061.827	73.444	1.408.715
Transfers	-42	0	0	4.170	4.128
Disposals	-51.742	-11.431	-361.085	-70.188	-494.446
Exchange rate adjustments	-4	84.303	96.756	7.792	188.846
Cost at 31/12 2021	<u>572.191</u>	<u>2.811.345</u>	<u>2.701.475</u>	<u>713.312</u>	<u>6.798.323</u>
Depreciation and impairments at 1/1 2021	159.265	358.000	1.085.179	168.000	1.770.444
Depreciation	94.469	195.500	539.073	115.662	944.705
Disposals	-17.946	-3.330	-209.235	-56.792	-287.303
Transfers	-3	0	0	58	55
Exchange rate adjustments	367	16.370	60.202	5.925	82.864
Depreciation and impairments at 31/12 2021	<u>236.152</u>	<u>566.540</u>	<u>1.475.219</u>	<u>232.853</u>	<u>2.510.765</u>
Booked value at 31/12 2021	<u>336.039</u>	<u>2.244.805</u>	<u>1.226.256</u>	<u>480.459</u>	<u>4.287.558</u>
Booked value at 31/12 2020	<u>279.223</u>	<u>2.273.000</u>	<u>818.799</u>	<u>176.826</u>	<u>3.547.848</u>

15 Stocks (Group)

DKK '000	2021	2020
Bunkers	173.300	131.888
Goods for sale	135.082	1.731.693
	<u>308.382</u>	<u>1.863.581</u>

In 2020, goods for sale included the Lauritzen Kosan gas carriers to be transferred to BW Epic Kosan Ltd. and two DFDS freight ferries to be disposed of.

16 Prepayments (Group)

DKK '000	2021	2020
Prepaid customer rebates	298.737	114.000
Other prepayments	62.618	243.353
	<u>361.355</u>	<u>357.353</u>

17 Other non-current provisions (Group)

DKK '000	2021	2020
Pension obligations	75.807	176.000
Other obligations	118.006	68.882
	<u>193.813</u>	<u>244.882</u>

18 Interest-bearing debt

Group

DKK '000	2021			Total
	Short-term portion	Expires between 1 and 5 years	Expires after more than 5 years	
Mortgage debt, property	3.993	15.151	12.289	31.433
Mortgage debt, vessels	522.588	2.084.642	1.508.062	4.115.293
Credit institutions	345.807	5.845.385	21.396	6.212.588
Corporate bonds	931.883	298.000	0	1.229.883
Lease liability	949.932	1.713.231	1.579.101	4.242.264
Other debt	5.456	6.498	0	11.954
	<u>2.759.659</u>	<u>9.962.908</u>	<u>3.120.848</u>	<u>15.843.415</u>

DKK '000	2020			Total
	Short-term portion	Expires between 1 and 5 years	Expires after more than 5 years	
Mortgage debt, property	3.985	15.934	15.498	35.417
Mortgage debt, vessels	1.280.101	1.321.648	1.446.095	4.047.844
Debt, financial leasing	7.418	111.640	130.973	250.030
Credit institutions	41.108	6.541.819	24.527	6.607.454
Corporate bonds	0	1.162.297	0	1.162.297
Lease liability	701.992	1.379.163	1.188.192	3.269.347
	<u>2.034.604</u>	<u>10.532.500</u>	<u>2.805.285</u>	<u>15.372.389</u>

Parent

DKK '000	2021		2020	
	Short-term portion	Long-term portion	Short-term portion	Long-term portion
Credit institutions	0	876.498	0	907.748
	<u>0</u>	<u>876.498</u>	<u>0</u>	<u>907.748</u>

19 Contingent liabilities

Group

DKK '000	2021	2020
Guarantees and surety commitments	618.525	571.864
Max. obligation for participation in projects	180.086	29.692
	<u>798.611</u>	<u>601.556</u>

Note 19 continued

If DFDS leaves the Danish tonnage tax regime there could be a deferred tax liability of up to a maximum of DKK 942m (2020: DKK 786m).

Vessels, shares in subsidiaries and property have been pledged as security for mortgages and bank loans with a total carrying amount of DKK 6.028m (2020: DKK 5.236m).

Guarantees issued by the Group amount to DKK 619m (2020: DKK 572m). DFDS has issued a guarantee for a terminal agreement. In addition, DFDS has issued two guarantees in relation to defined benefit pension schemes in the UK and a few guarantees on behalf of subsidiaries without a specific capped amount. DFDS has also issued letters of support, particularly for certain group companies and associated companies with negative equity.

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

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

Parent

Lauritzen Fonden has pledged shares in subsidiaries as security for debt to credit institutions of DKK 876m (2020: DKK 908m). Reference is made to note 18.

No guarantees were issued at year-end 2021. At year-end 2020, guarantees on behalf of the subsidiaries amounted to DKK 264m.

20 Contractual commitments (Group)

DKK '000	2021	2020
Contractual commitments, term 0-1 year	709.923	1.417.000
Contractual commitments, term 1-5 years	85.784	402.000
Contractual commitments, term after 5 years	91.100	527.000
	<u>886.807</u>	<u>2.346.000</u>

Contractual commitments at 31 December 2021 mainly relate to one new building on order for a freight and passenger ferry (ropax) and one second hand bulk carrier for delivery in 2022.

The Group has a contractual commitment for a concession agreement in France regarding the Dieppe-Newhaven route for two chartered freight and passenger ferries (ropax). Further, contractual commitments includes a Vessel Share Agreement in Holland and a new DFDS headquarter in Denmark.

21 Adjustments (Group)

DKK '000	2021	2020
Currency exchange	36.570	-334.706
Profit/loss on sale of fixed assets	201.791	-116.511
Other	-7.031	14.523
	<u>231.330</u>	<u>-436.694</u>

22 Change in working capital (Group)

DKK '000	2021	2020
Change in stocks	-97.269	194.749
Change in receivables	-628.311	416.928
Change in provisions	0	31.476
Change in trade payables including other short-term debt	715.237	-159.327
	<u>-10.342</u>	<u>483.826</u>

In 2020, change in stocks was adjusted for assets held for sale of DKK 1.656m which were recognised in stocks as at 31 December 2020.

23 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 Board. Other related parties comprise all companies in the Lauritzen Fonden Group and their Board of Directors and Executive Board.

Related party	Basis for relation	Nature of transaction	Amount in DKK '000
Lauritzen Fonden Holding ApS	Subsidiary	Capital injection	20.000
Lauritzen Fonden Holding ApS	Subsidiary	Loan	29.933
Lauritzen Fonden Holding ApS	Subsidiary	Rent of premises	773
J. Lauritzen A/S	Subsidiary	Service agreements	1.647

The Foundation has paid remuneration to the Board of Directors and the Executive Board. Please refer to note 4.

24 Events after the balance sheet date.

No events have occurred after the balance sheet date.

List of Group Companies

Name	Country	Ownership share %
Lauritzen Fonden	Denmark	
Lauritzen Fonden Holding ApS	Denmark	100
J. Lauritzen A/S	Denmark	100
Lauritzen Bulkera A/S	Denmark	100
Lauritzen Bulkera Ship Owner A/S	Denmark	100
J. Lauritzen Invest A/S (Formerly: Lauritzen Kosan A/S)	Denmark	100
Lauritzen Reefers A/S**	Denmark	100
Deal Energy A/S	Denmark	50
De Forenede Sejlskibe I/S*	Denmark	55
Admiral Logistics Corporation*	Panama	50
BW Epic Kosan Ltd	Singapore	25
Dan Swift (Singapore) Pte. Ltd.	Singapore	100
J. Lauritzen Singapore Pte. Ltd.	Singapore	100
LKT Gas Carriers Pte. Ltd.**	Singapore	100
Milau Pte. Ltd. *	Singapore	50
J. Lauritzen (USA) Inc.	USA	100

* Joint Venture ** Dormant

Other Investments		
Frederikshavn Maritime Erhvervspark A/S	Denmark	100
K/S Østre Havn, Aalborg	Denmark	50
Østre Havn Aalborg ApS	Denmark	50
NanoNord A/S	Denmark	47
MamaMia Holding A/S	Denmark	65
AHK NR. 186 ApS	Denmark	50
SmartVan A/S	Denmark	45
Porsborgparken A/S	Denmark	45
Axis Offshore Pte. Ltd	Singapore	100

Name	Country	Ownership share %
DFDS A/S*	Denmark	43
DFDS Seaways NV	Belgium	100
N&K Cold Chain Logistics (Shanghai) CO., Ltd.	China	100
DFDS Logistics s.r.o	Czech Republic	100
DFDS Germany ApS	Denmark	100
DFDS Stevedoring A/S	Denmark	100
N&K Spedition A/S	Denmark	100
N&K Spedition Skandinavien Holding A/S	Denmark	100
Skive Køletransport A/S	Denmark	100
Thadaeus Shipping & Transport ApS	Denmark	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 Logistics Grimsby Holdings Ltd.	England	100
DFDS Logistics Property Ltd	England	100
HSF Logistics UK Ltd.	England	100
HSF Fresh Logistics Ltd.	England	100
Huisman International (UK) Ltd.	England	100
DFDS Logistics OÜ (Formerly: Freeco OÜ)	Estonia	100
DFDS Logistics OY (Formerly: Freeco 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
HSF Logistics Deutschland GmbH	Germany	100
HSF Beteiligungs GmbH	Germany	100
Eurofresh Logistics GmbH	Germany	100
HSF Grundstücksverwaltungs GmbH & co KG.	Germany	100
DFDS Logistics Kft. (Formerly: Alphatrans-Szállítás Kft)	Hungary	100
DFDS Logistics Contracts (Ireland) Ltd. 2)	Ireland	100
DFDS Seaways Ireland Limited 2	Ireland	100
Samer seaports & terminals SRL	Italy	60
DFDS SIA (Formerly named: DFDS Logistics Baltic SIA)	Latvia	100
DFDS Seaways SIA	Latvia	100
AB DFDS Seaways	Lithuania	97
North Sea Terminal AS	Norway	100
DFDS Logistics AS	Norway	100
DFDS Logistics Rederi AS	Norway	100
DFDS Seaways AS	Norway	100
N&K Air Solution AS	Norway	100
N&K Trucking Norway AS	Norway	100
DFDS Polska Sp. Z o.o.	Poland	100
HSF Logistics Sp. Z o.o.	Poland	80
HSF Logistics Polska Sp. Z o.o.	Poland	80
GD Investments Sp. Z o.o.	Poland	80
DFDS Special Cargo Unipessoal LDR	Portugal	100
Romania Transport Group SRL	Romania	100
DFDS Logistics East	Russia	100
DFDS Seaways Ltd.	Russia	100
DFDS Seaways Hispania SL	Spain	100
N&K Spedition Spain S.L.	Spain	100

Name	Country	Ownership share %
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 Professionals AB	Sweden	88
N&K Spedition Sverige AB	Sweden	100
N&K Walking Floor Transport AB	Sweden	100
DFDS Logistics BV	The Netherlands	100
DFDS Seaways BV	The Netherlands	100
DFDS Holding BV	The Netherlands	100
DFDS NewCo B.V.	The Netherlands	100
DFDS Logistics France B.V.	The Netherlands	100
DFDS Logistics Nijmegen B.V.	The Netherlands	100
DFDS Transport B.V.	The Netherlands	100
DFDS Seaways IJmuiden BV	The Netherlands	100
Alphatrans International Trucking BV	The Netherlands	100
Maxibas B.V.	The Netherlands	100
Huisman Group B.V.	The Netherlands	100
Huisman International B.V.	The Netherlands	100
Huisman International Transport B.V.	The Netherlands	100
Huisman Warehousing B.V.	The Netherlands	100
Huisman Network Logistics	The Netherlands	100
DFDS Distri Holding B.V.	The Netherlands	100
DFDS Bedrijfswagen Service Winterswijk B.V.	The Netherlands	100
DFDS Distri Coldstores Winterswijk B.V.	The Netherlands	100
DFDS Expeditie & Emballage B.V.	The Netherlands	100
DFDS Logistics Winterswijk B.V.	The Netherlands	100
DFDS Packaging Pool B.V.	The Netherlands	100
DFDS Logistics Transport Winterswijk B.V.	The Netherlands	100
HSF Expeditie Holding B.V.	The Netherlands	100
DFDS Property and Equipment B.V.	The Netherlands	100
DFDS Property Nijmegen B.V.	The Netherlands	100
DFDS Property and Equipment Winterswijk B.V.	The Netherlands	100
DFDS Turkey Denizcilik ve Tasi Yati AS	Turkey	100
DFDS Denizcilik ve Tasimacilik A.S.	Turkey	99
Trieste Newholdco Denizcilik ve Tasimacilik A.S.	Turkey	100
Trieste Holdco Denizcilik ve Tasimacilik A.S.	Turkey	100
Trieste Midco Denizcilik ve Tasimacilik A.S.	Turkey	100
Associates and Joint Ventures		
Bohus Terminal Holding AB4	Sweden	65
Gothenburg Ro/Ro Terminal AB	Sweden	65
Deal Energy A/S	Denmark	50
Euro Asia cold Chain Logistic.	China	52

* Recognized as subsidiary as Lauritzen Fonden has de-facto control.
DFDS has 15 dormant companies

Company domiciles

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