Lauritzen Fonden Holding ApS

Tranegårdsvej 20, DK-2900 Hellerup

(CVR no. 22 04 20 17)

Annual Report for
1 January - 31 December 2023

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 10 April 2024

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Tommy Thomsen
Chairman of the General Meeting

Contents:

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Lauritzen Fonden Holding ApS for the financial year 1 January – 31 December 2023.

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

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Group and the Parent Company and of the results of the Group and the Parent Company operations and consolidated cash flows for 2023.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 10 April 2024

Executive Board

Tommy Thomsen CEO	Inge Grønvold Director

Independent Auditor’s Report

To the Shareholder of Lauritzen Fonden Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group’s and the Parent Company’s operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Lauritzen Fonden Holding ApS for the financial year 1 January - 31 December 2023, 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 Company, as well as consolidated statement of cash flows (“the 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 Company 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 Company 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 Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company 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 Company’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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

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

- 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, 10 April 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Rasmus Friis Jørgensen State Authorised Public Accountant mne28705	Bo Schou-Jacobsen State Authorised Public Accountant mne28703

Company Information

Name and address:	Lauritzen Fonden Holding ApS Tranegårdsvej 20 DK-2900 Hellerup
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Phone:	+45 33 96 84 25
CVR-no.:	22 04 20 17
Founded:	1895
Municipality of Registered office:	Gentofte
Financial year:	1 January - 31 December
Executive Board:	Tommy Thomsen, CEO Inge Grønvold, Director
Auditors:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

The Group at a glance

The commercial activities of Lauritzen Fonden are grouped under its 100% owned holding company, Lauritzen Fonden Holding ApS, which overseas investments in the companies J. Lauritzen A/S and DFDS A/S, as well as other holdings and assets, with the purpose of contributing to Denmark's international position by promoting and developing Danish shipping, especially within global shipping, and Danish entrepreneurship in general.

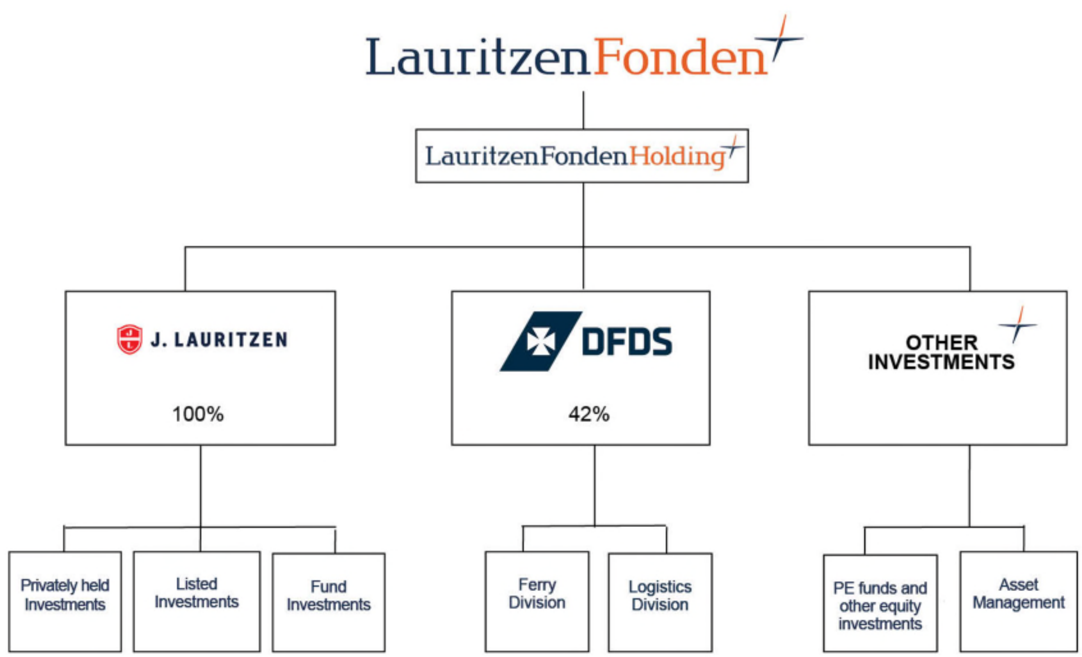
J. Lauritzen A/S has been engaged in a wide range of maritime industry segments since it was founded in 1884. The current portfolio comprises the operational subsidiaries Lauritzen Bulkers A/S and Dan Swift (Singapore) Pte. Ltd., privately held entities which encompasses the associated company, BW Epic Kosan Ltd., listed equities as well as maritime fund investments.

The listed company, DFDS A/S provides freight and passenger ferry transportation services and logistics solutions, and DFDS has become one of Europe's largest combined ferry and logistics companies since it was established in 1866.

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.

In addition to J. Lauritzen and DFDS, Lauritzen Fonden Holding ApS is engaged in other businesses, providing active ownership of various equity investments, investments in private equity funds and asset management, including impact investing, with the aim of generating a measurable social impact as well as financial returns.

Overall group structure



Group Key Figures

(DKK million)	**2023**	**2022**	**2021**	**2020***	**2019***
Revenue	**31,706**	**33,630**	**23,734**	**17,154**	**20,021**
Operating profit/loss before depreciation	5,264	5,793	4,032	2,887	3,850
Profit on sale of non-current assets	250	168	139	126	33
Depreciation, amortisation and impairments	-3,352	-3,064	-2,374	-2,848	-3,117
Operating profit/loss	**2,162**	**2,896**	**1,797**	**165**	**766**
Share of result in associates and joint ventures	139	165	-103	-53	-55
Financial items	-570	41	-419	-453	-386
Profit/loss before tax	**1,731**	**3,102**	**1,275**	**-341**	**325**
Tax on profit/loss	-173	-63	-98	-82	-63
Profit/loss for the year	**1,558**	**3,039**	**1,177**	**-423**	**262**
Non-controling interests	673	989	404	144	617
Lauritzen Fonden Holding ApS' share of profit	**885**	**2,050**	**773**	**-567**	**-355**
Total non-current assets	30,541	29,767	26,659	22,985	25,308
Total assets	38,194	37,615	32,581	29,606	30,795
Parent Company shareholders' share of Equity	8,214	7,510	5,506	4,688	5,351
Non-controlling interests	7,056	6,805	6,120	5,662	5,615
Total equity	15,270	14,314	11,626	10,349	10,966
Cash flow from ordinary activities	4,012	5,366	3,711	n.a.	n.a.
Investment in non-current tangible assets	-2,457	-3,573	-1,288	-1,818	-3,203
Changes for the year in cash position	-953	834	-48	278	121
Number of employees (group)	13,311	11,619	8,999	8,740	8,878
Return on equity, %	11.3	33.6	14.7	-11.3	-6.7
Solvency ratio, %	40.0	38.1	35.7	35.0	35.6

Note:

The Company presented Consolidated Financial Statements for the first time in 2022. Thus, the key figures for 2020 and 2019 are pro-forma and unaudited.

The key figures for 2019 do not reflect the opening adjustment to equity as of 1 January 2020 of DKK -97.0m related to an investment in an associated company.

The ratios have been calculated as follows:

Return on equity: $\dfrac{\text{LFH's share of profit x 100}}{\text{LFH's share of equity, average}}$

Solvency ratio: $\dfrac{\text{Total equity, year-end x 100}}{\text{Total assets, year-end}}$

Management's Review

The total revenue of the Lauritzen Fonden Holding Group ("the Group") amounted to DKK 31,706m in 2023 compared to DKK 33,630m in 2022. The decrease in revenue was mainly driven by J. Lauritzen A/S' subsidiary, Lauritzen Bulkers A/S.

In 2023, the Group recorded a profit for the year of DKK 1,558m compared to DKK 3,039m in 2022.

The Parent Company, Lauritzen Fonden Holding ApS, recorded a profit for the year of DKK 885m compared to a profit of DKK 2,050m in 2022. The result was mainly related to J. Lauritzen A/S and DFDS A/S. Overall, the result was satisfactory and generally in line with expectations.

J. Lauritzen A/S
During 2023, J. Lauritzen decided to invest in Eneti Inc., increase the initial investment in Cadeler A/S, sell the shareholding in Hafnia, increase and participate in the delisting of BW Epic Kosan Ltd. from the Oslo Stock Exchange, order three dual-fuel Kamsarmax dry bulk carriers and invest in NRP Premium Maritime Fund.

The result for J. Lauritzen A/S for 2023 was a profit of DKK 405m compared to a profit of DKK 1,294m in 2022. The result from the private investments, in particular Dan Swift (Singapore) Pte. Ltd. and BW Epic Kosan Ltd., and the result from the investments in listed equities were the main contributors to the 2023 result.

DFDS A/S
On 28 July 2023, DFDS obtained competition clearance for a possible acquisition of Ekol Logistics' international road haulage activities. The filing was submitted to the Turkish Competition Authority (TCA) in October 2022. The filing was made as part of a strategic dialogue between DFDS and Ekol Logistics, a major Turkish transport and logistics company.

On 17 October 2023, DFDS entered into an agreement with Navigare Capital to sell and leaseback three freight ferries for a total sales price of DKK 1.5bn.

In 2023, five acquisitions were completed or agreed. This included McBurney Transport Group, D.R. MacLeod, Lundby Åkeriet, Estron Group and FRS Iberia/ Maroc.

Lauritzen Fonden Holding's share of the DFDS result after amortization of goodwill in accordance with our accounting policies amounted to DKK 512m compared to DKK 749m in 2022.

Other investments, administration costs and tax
Other investments and financing costs contributed net DKK -22m to the 2023 result (2022: DKK -44m).

Operating profit/loss (mainly administration costs) amounted to DKK -19m in 2023 against DKK -18m in 2022. Tax on profit/loss contributed positively DKK 8m compared to DKK 69m in 2022.

Intellectual capital resources (§ 99 of the Danish Financial Statements Act)
The organisation of Lauritzen Fonden Holding comprises employees with competences within i.a. shipping, strategy development, investments, asset management, finance and business administration.

Sustainability and social responsibility (§ 99a of the Danish Financial Statements Act)
Being an investment company, our aim is to consolidate and grow capital. Both Lauritzen Fonden Holding and J. Lauritzen have investment activities. The overall objective is to invest in the Maritime Industry or supporting industries mainly in Denmark and Scandinavia, but there is also a minor part invested globally. J. Lauritzen investments also aim to contribute to decarbonization of the shipping-industry. Where direct investments are made, active ownership is ensured via board participation and close shareholder dialogue. Some investments are made with a great consideration to support green/sustainable products and

investments. The share of indirect investments with an ESG-profile or SFDR article 8 is growing compared to earlier years.

For investments carried out in both J. Lauritzen and Lauritzen Fonden Holding, it applies that the due diligence process involves an evaluation of all ESG-aspects and global conventions such as UN Global Compact.

IMO's (International Maritime Organisation) certification requirements to obtain environmental rating implied from 1 January 2023 that **CII** (Carbon Intensity Indicator = CO2 emitted per cargo-carrying capacity /nautical mile)) is calculated and reported. Both DFDS and J. Lauritzen are compliant with these requirements, and they fully support the IMO 2023-target on net-zero GHG emissions by 2050 and the ambitious reduction pathway towards this IMO-goal and the Paris Agreement.

Under the European Climate Law, the EU Member States works collectively to become climate neutral by 2050. The first milestone: 55% reduction of 1990-net emission level by 2030 has been tightened for emissions covered by **EU ETS** (Emissions Trading System) to be a 62% reduction of 2005-level by 2030. To achieve this goal Maritime transport is included as per 1 January 2024 and a new emissions trading system, ETS 2, will be effectuated for road-transport and fuel combustion in buildings as per 1 January 2027.

Also, on this legislation DFDS and J. Lauritzen were ready for the operational handling, meaning purchase and surrender of ETS emission allowances for each ton of reported CO2 emissions in scope. Furthermore, DFDS is embracing the ETS 2, when it comes into operation in 2027.

Several new ESG-projects were launched in 2023 and ongoing work was intensified to meet the reporting requirements under the European Union's Corporate Sustainability Reporting Directive (CSRD). Preliminary double materiality assessments have been performed and financial impacts on the companies and the companies' impact on environment, society and people identified. The findings yield a more detailed understanding of impacts across the full value chain, which will be used in future ESG strategies, but it has also led to identification and assessment of new risks. The process is in different stages in the Group-companies, and it will be an iterative process.

DFDS, who will report after this framework from the fiscal year 2024, has integrated it into their business strategies and operations. J. Lauritzen and Lauritzen Fonden Holding will report after the CSRD from fiscal year 2025. All companies expect the framework to be a tool to drive change, set targets and track progress and change. Board of Directors has approved ESG-strategy in the companies.

DFDS being a ferry and logistic operator, the company is in sectors that are contributing heavily to the global CO2 emissions, but also to the global economy. The UN Sustainable Development Goals #13 Climate Action and #14 Life below water are incorporated in the company's Environmental Strategy and the overall long-term target is to have replaced fossil fuels with zero-emission fuels. The achievement of this goal is dependent on factors such as the development and production of zero-emission electricity and fuels, availability, price-gab between black and green energy, public regulation, investment in a new fleet etc.

Contributing to the green transition, DFDS is part of projects developing a hydrogen factory, a green ammonia production facility and an e-methanol facility.

The target to have 45% GHG emissions reductions by 2030 implies 6 zero-emission ferries in operation by 2030. The newbuilding's will be initiated in 2026 but will be contingent on the availability of green fuels. Short-term CO2-reductions is expected due to technical upgrades of e.g. hydro-dynamic performance and more fuel-efficient operation of the shore-side support. For road transport and warehousing the goal of 75% reduction of CO2-intensity in 2030 will be achieved through electrification of trucks, port terminals and warehouses.

One of the strategic objectives for the shipping company J. Lauritzen is to pursue the ambition to transition their business towards meeting the needs of green shipping, be able to support clients' need for reducing GHG emissions and prepare for handling the multiple elements of ESG related regulation. Submitting the Communication of Progress report, the company renewed its commitment to the ten principles of the UN Global Compact. Together with the UN Sustainable Development Goals (SDGs), the ten principles serve as guiding pillars of their business operations.

By the end of 2023, benefits of the previous year's efforts to reduce CO2 emissions and increase overall energy-efficiency started to emerge. This is caused by many initiatives – a few are mentioned: Investments in more energy-efficient vessel for the handysize bulk carriers, engine software-upgrade, installation of LED lights etc. For own fleet it's an overall effort, but for the full fleet initiatives, there is a plan to optimize operational fleet control.

As part of the commitment to a sustainable future, biodiversity/marine life and air-pollution are also part of the company's projects. Work has been carried out in 2023 and will be continued and extended to new projects in 2024 e.g. a project in cooperation with the organization MARINElife to protect ocean life and biodiversity.

Both DFDS and J. Lauritzen assess ESG-related risks as an integral part of their risk management programmes. Topics with very big impact are environmental regulations, requirements, and taxation. Not being able to fulfill these requirements can lead to severe economic consequences and optionally hamper business opportunities and profitability. The lack of development of new technologies to support the goals to reduce emissions and climate change risks are assessed. Where possible, mitigation activities are planned and/or initiated.

Health and safety lie in the core of our business philosophy and for the high-risk operating-companies safety-procedures, support systems and collaboration with external vessel managers are carried out. Piracy-precautions are undertaken together with external experts and guidelines are integrated in the Security Policy. All subsidiaries work seriously with health and safety – registering, follow-up and taking new initiatives to prevent repetitions and improve existing procedures. An example: Due to a small increase of 0.2% in near-misses in the terminals in the Ferry Division in 2023, DFDS has taken action to reinforce the focus on Safety First culture. In 2023, Lauritzen Bulkers had an increase in near-misses and one fatal incident of a stevedore. This is deeply regrettable. This was not due to misconduct by the crew or a technical failure, and in-dept investigation has been conducted and procedures were strengthened to minimize future risk. Group Management is satisfied with the work carried out to solve registered issues and develop future procedures.

There is zero tolerance towards corruption in the entire Group, acknowledging that it is an inherent risk in our business. The subsidiaries are active members of the Maritime Anti-Corruption Network (MACN) and continuously work to eliminate corruption. DFDS has included an anti-corruption policy in it's e-learning program as well. J. Lauritzen had two requests for unfounded payments to two chartered-in vessels. These requests were firmly rejected, but these cases heightened awareness about the company's strong zero-tolerance policy.

Human rights in the concept of UN Guiding Principles and OECD guidelines for Multinational Enterprises are highly prioritized throughout own operations and value chains in the Group. In the Group, each company has their own anonymous whistle-blower system hosted by third parties. All employees and external stakeholders are encouraged to report any real or potential violation among other humans, labor rights, harassment, and corruption. In 2023, J. Lauritzen had no reported human rights or discrimination incidents. DFDS performed a human rights impact assessment during 2023, which is the base for standards for wages, working hours, child labour etc. Also, Human Rights have been included in their internal Labour Code of Conduct and Supplier Code of Conduct. The Human Rights policy has been adopted by the DFDS BoD in February 2024. Group Management is very satisfied with the work carried out in the subsidiaries concerning human rights, anti-corruption etc. and their continuous efforts to improvement.

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 2023 (pages 12-19)
https://www.lauritzenbulkers.com/media/yb3bfiz1/annual-report-lauritzen-bulkers-2023.pdf
and for DFDS
https://assets.ctfassets.net/mivicpf5zews/2i59XdMhwaRbABYhbwMemg/febc2eecc54ee631deff8e94031 0d459/DFDS_ANNUAL_REPORT_2023.pdf for more details.

Visit https://lauritzenfonden.com/en/foundation-governance/sustainability/ for more information on our sustainability approach.

Gender diversity (§ 99b of the Danish Financial Statements Act)
The Executive Board has two members: a man and a woman. This meets the gender equality requirements of the Danish Business Authority and is therefore compliant with the requirements and our own goals for an equal gender distribution.

	2023		2022		2021		2020		2019	
	No.	Women/ Men	No.	Women/ Men	No.	Women/ Men	No.	Women/ Men	No.	Women/ Men
Executive Board	2	50/50	2	50/50	2	50/50	2	50/50	2	50/50
Key Management	1	0/100	1	0/100	1	0/100	1	0/100	0	-

Lauritzen Fonden Holding employs an average of 5 full-time workers. Based on the number of employees, Lauritzen Fonden Holding is exempt from preparing a policy to increase the proportion of the underrepresented gender.

Lauritzen Fonden Holding does not have a general target for gender diversity among its subsidiaries. However, the subsidiaries J. Lauritzen A/S and DFDS A/S, which follow the Danish Financial Statements Act's rules for reporting class C large enterprises and class D respectively, have set their own goals for gender diversity overall and in managerial positions. Also, the subsidiaries regularly update on their progress towards these goals. E.g. based on the Diversity, Equity & Inclusion Policy, DFDS work dedicated and structured to secure equal opportunities.

Data ethics (§ 99d of the Danish Financial Statements Act)
Lauritzen Fonden Holding follows the Danish and EU law on data and privacy protection (GDPR).

We adhere to the data ethics policy of our owner, Lauritzen Fonden, which describes how we handle data, especially personal data, in a legal and ethical way.

We have identified all the data that we process as an organisation, and the systems and suppliers that process data for us. All systems comply with both Danish and EU law and our policy.

The policy and approach to data ethics are based on the principles and procedures that we have established. Every year, all employees and the Executive Board must read and sign a "data behaviour" document that emphasizes good data habits, respect for data, and transparency and willingness to learn from possible data breaches, among other things.

In 2023, we have not had any breaches within the scope of the data ethics policy.

Risks
As a holding company for Lauritzen Fonden's commercial activities and with a portfolio allocated across different asset classes, including private investments, listed equities, and fund investments, risks present themselves in many shapes and forms.

Risk management is an integral part of how we operate our business on a daily basis. From an operational point of view, we have a deliberate focus on risk perspectives during due diligence and investment decisions, as well as through our asset management.

Risks related to our portfolio companies include business and financial risks associated with operations and performance. The management of such risks is effectively anchored with the Board of Directors in each of the portfolio companies. The Executive Board of Lauritzen Fonden Holding receives portfolio performance reports, including updates on risks and risk management measures on a regular basis throughout the year.

The currency and interest rate risks related to Lauritzen Fonden Holding as a parent company are limited and Lauritzen Fonden Holding does not use derivative financial instruments to hedge currency or interest rate risks.

Lauritzen Fonden Holding's credit risks relate mainly to loans to our portfolio companies. We perform regular credit assessments and if possible, loans are secured by mortgage or guarantees. Hence we consider the credit risks to be limited.

Lauritzen Fonden Holding is exposed to liquidity risks due to the payment obligations on our loans from credit institutions, the commitments related to uncalled investments in private equity funds and undrawn credit facilities provided to our portfolio companies. The risks are mitigated by long-term cash flow forecasts, flexible and committed credit facilities and current asset investments that can be liquidated with short notice.

Uncertainty relating to recognition and measurement
Please refer to note 1 to the Financial Statements.

Non-recurring transactions
Please refer to note 12 to the Financial Statements.

Events after the balance sheet day
Please refer to note 26 to the Financial Statements.

Financial outlook for 2024
The outlook visibility for 2024 is clouded by an elevated level of financial uncertainty, owing to continued high inflation and interest rates, as well as geopolitical tensions that could impact economic activity levels.

The J. Lauritzen A/S Group expects a positive result for 2024 with a consolidated net profit of USD 15-40m (2023: USD 59m).

The DFDS Group's EBIT is expected to be within a range of DKK 2.0-2.4bn (2023: DKK 2.3bn).

The net contribution from other investments and financing cost is expected to be limited (2023: DKK -22m), while operating profit/loss (mainly administration costs) are expected to be on level with 2023 (DKK -19m).

Overall, Lauritzen Fonden Holding anticipates a positive and satisfactory 2024 result, but lower than the 2023 result.

Income Statement

DKK '000

Parent Company 2022	Parent Company 2023	Note		Group 2023	Group 2022
			Income		
-	-	3	Revenue	31,705,982	33,629,866
966	1,252		Other operating income	6,254	13,493
966	**1,252**		**Total**	**31,712,236**	**33,643,359**
			Costs		
-	-		Vessels running costs	-19,444,803	-21,853,459
-4,789	-7,264	4	Other external costs	-1,229,719	-1,062,924
-13,113	-11,814	5	Staff costs	-5,773,598	-4,933,923
-17,902	**-19,077**		**Total**	**-26,448,121**	**-27,850,306**
-16,936	**-17,825**		**OPERATING PROFIT BEFORE DEPRECIATION**	**5,264,115**	**5,793,053**
-	-	6	Profit on sale of non-current assets	249,988	167,660
-1,207	-1,258	7	Depreciation, amortisation and impairments	-3,351,708	-3,064,353
-18,144	**-19,084**		**OPERATING PROFIT**	**2,162,395**	**2,896,360**
2,036,735	912,734	17	Share of result in subsidiaries	-	-
-17,822	490	17	Share of result in associates and joint ventures	138,667	164,597
			Financial items		
16,598	15,475	8	Financial income	265,319	511,563
-36,566	-32,754	9	Financial expenses	-835,299	-470,133
-19,969	**-17,280**		**Total**	**-569,980**	**41,430**
1,980,801	**876,861**		**PROFIT BEFORE TAX**	**1,731,082**	**3,102,387**
69,224	7,996	10	Tax on profit	-173,162	-63,366
2,050,025	**884,856**		**PROFIT FOR THE YEAR**	**1,557,921**	**3,039,020**

11 Distribution of profit
12 Special items

Statement of Financial Position

DKK '000

Parent Company 2022	Parent Company 2023	Note		Group 2023	Group 2022
			ASSETS		
-	-	13	Goodwill	3,417,722	3,202,691
-	-	14	Other intangible assets	2,184,320	2,037,143
-	-		**Total non-current intangible assets**	**5,602,042**	**5,239,834**
38,106	37,654	15	Land, building and terminals	1,661,630	1,475,480
-	-	15	Vessels	12,892,595	14,034,955
3,178	4,286	15	Machinery, tools and equipment	1,956,671	1,617,183
-	-	16	Right of use assets	6,136,696	5,254,857
-	-	15	Assets under construction and prepayments	502,152	368,950
41,283	**41,940**		**Total non-current tangible assets**	**23,149,745**	**22,751,426**
8,325,516	8,605,956	17	Investment in subsidiaries		
16,709	14,013	17	Investments in associates and joint ventures	1,305,951	1,143,052
94,344	129,621	17,18	Other investments	257,369	140,698
39,681	56,509	17	Receivables from associates	56,509	39,681
10,660	9,405	17	Other receivables	14,828	153,661
-	-	19	Derivative financial instruments	154,588	298,607
8,486,910	**8,815,504**		**Total other non-current assets**	**1,789,244**	**1,775,698**
8,528,193	**8,857,444**		**TOTAL NON-CURRENT ASSETS**	**30,541,031**	**29,766,958**
-	-		Bunkers and goods for sale	445,445	406,496
-	-		**Total stocks**	**445,445**	**406,496**
-	-		Trade receivables	3,855,157	3,367,541
-	-		Receivables from associates	40,042	24,340
48	1		Other receivables	847,774	759,637
-	-	19	Derivative financial instruments	21,898	93,603
72,627	774		Tax receivables	-	-
-	-	10	Deferred tax assets	92,029	60,377
57	69		Prepayments	448,303	427,509
72,732	**843**		**Total receivables**	**5,305,204**	**4,733,007**
62,753	22,895	18	Current asset investments	630,124	482,772
2,223	3,542		Cash	1,272,193	2,225,446
137,708	**27,281**		**TOTAL CURRENT ASSETS**	**7,652,966**	**7,847,722**
8,665,901	**8,884,724**		**TOTAL ASSETS**	**38,193,997**	**37,614,679**

Statement of Financial Position

DKK '000

Parent Company 2022	Parent Company 2023	Note		Group 2023	Group 2022
			EQUITY AND LIABILITIES		
150,000	150,000	20	Share capital	150,000	150,000
-	-		Translation reserve	-100,770	-29,007
-	-		Hedging reserve	-73,284	17,033
7,359,778	8,063,824		Retained earnings	8,237,878	7,371,752
7,509,778	**8,213,824**		**Parent Company shareholders' share of Equity**	**8,213,824**	**7,509,778**
-	-		Non-controlling interests	7,056,351	6,804,655
7,509,778	**8,213,824**		**TOTAL EQUITY**	**15,270,175**	**14,314,433**
-	-	10	Deferred tax	467,319	358,825
-	-	21	Other provisions	119,922	140,779
-	**-**		**Total provisions**	**587,242**	**499,604**
12,779	12,178	22	Mortgage debt, property	109,837	136,191
-	-	22	Bank loans and mortgage debt, vessels	7,031,903	8,528,422
1,001,922	253,192	22	Credit institutions	878,904	1,001,922
-	-	22	Lease liability and financial leasing debt	5,114,676	3,969,262
-	-	22	Corporate bonds and other debt	991,794	282,717
-	-	19	Derivative financial instruments	43,048	7,993
1,014,702	**265,370**		**Total non-current debt**	**14,170,163**	**13,926,507**
1,014,702	**265,370**		**TOTAL NON-CURRENT LIABILITIES**	**14,757,405**	**14,426,111**
582	400,601	22	Interest-bearing debt	3,004,750	3,726,533
-	-		Trade payables	3,548,285	3,756,920
135,232	-	22	Debt to subsidiaries	-	-
-	-		Corporate tax	125,884	169,758
5,606	4,929		Other payables	1,049,976	916,947
-	-	19	Derivative financial instruments	128,575	63,932
-	-		Prepayments	308,948	240,047
141,421	**405,530**		**Total current liabilities**	**8,166,418**	**8,874,136**
1,156,123	**670,901**		**TOTAL LIABILITIES**	**22,923,823**	**23,300,247**
8,665,901	**8,884,724**		**EQUITY AND TOTAL LIABILITIES**	**38,193,997**	**37,614,679**

1 Significant accounting judgments and estimates
2 Accounting policies
23 Contingent assets, liabilities and other financial obligations
24 Contractual commitments
25 Related parties
26 Events after the balance sheet day

Statement of changes in Equity

Group

DKK '000	Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend	Parent Company shareholders' share of Equity	Non-controlling interests	Total equity
Balance at 1/1 2023	150,000	-29,007	17,033	7,371,752	-	7,509,778	6,804,655	14,314,433
Currency adjustment of equity and result in foreign currencies	-	-71,763	-	-	-	-71,763	32,913	-38,850
Value adjustment of hedging instruments	-	-	-90,317	-	-	-90,317	-118,075	-208,392
Share of other equity movements in subsidiaries	-	-	-	8,646	-	8,646	5,351	13,997
Tax on items recognised in equity in subsidiaries	-	-	-	2,624	-	2,624	3,430	6,054
Dividend paid	-	-	-	-	-	-	-344,988	-344,988
Extraordinary dividend paid	-	-	-	-	-30,000	-30,000	-	-30,000
Distribution of profit	-	-	-	854,856	30,000	884,856	673,065	1,557,921
Balance at 31/12 2023	150,000	-100,770	-73,284	8,237,878	-	8,213,824	7,056,351	15,270,175

Parent Company

DKK '000	Share capital	Retained earnings	Proposed dividend	Total equity
Balance at 1/1 2023	150,000	7,359,778	-	7,509,778
Currency adjustment of equity and result in foreign currencies	-	-71,763	-	-71,763
Value adjustment of hedging instruments	-	-90,317	-	-90,317
Share of other equity movements in subsidiaries	-	8,646	-	8,646
Tax on items recognised in equity in subsidiaries	-	2,624	-	2,624
Extraordinary dividend paid	-	-	-30,000	-30,000
Distribution of profit	-	854,856	30,000	884,856
Balance at 31/12 2023	150,000	8,063,824	-	8,213,824

Consolidated Cash Flow Statement

Note	DKK '000	2023	2022
	Operating profit/loss	2,162,395	2,896,360
	Depreciation, amortisation and impairments reversed	3,351,708	3,064,353
27	Adjustments	-260,043	-151,800
28	Change in working capital	-289,464	39,146
	Cash flow from operations before financial items	4,964,596	5,848,060
	Financial payments received	151,147	99,680
	Financial payments paid	-881,495	-475,126
	Cash flow from operating operations	4,234,249	5,472,613
	Paid corporate tax	-222,137	-106,207
	Cash flow from ordinary activities	**4,012,112**	**5,366,407**
14	Investment in non-current intangible assets	-82,752	-70,413
15	Investment in non-current tangible assets	-2,456,709	-3,572,546
	Sale of non-current tangible assets	2,149,250	591,283
	Investment in non-current financial assets	-198,534	-211,649
	Proceeds from non-current financial assets	38,063	103,701
	Acquisition of enterprises, associates and activities	-1,033,436	-365,100
	Investment in securities	-86,737	-31,542
	Sale of securities	49,743	7,871
	Cash flow from investment activities	**-1,621,112**	**-3,548,394**
	Proceeds from non-current debt	3,117,191	4,507,457
	Installment on non-current debt	-4,873,966	-3,902,120
	Payment of lease liabilities	-1,101,679	-1,151,215
	Change in loans from Lauritzen Fonden	-	-29,933
	Dividends paid	-374,988	-374,864
	Accounting dividend *	-	-13,855
	Payments re. DFDS treasury shares	11,571	-2,114
	Cash received from exercise of DFDS share options	-	139
	Change in pledged securities and cash	-122,383	-17,939
	Cash flow from financing activities	**-3,344,253**	**-984,445**
	Changes for the year in cash position	-953,253	833,567
	Cash and cash equivalents begining of year	2,225,446	1,391,879
	Cash and cash equivalents end of year incl. restricted cash	**1,272,193**	**2,225,446**
	Restricted cash related to credit institutions	-67,958	-209,626
	Cash and cash equivalents end of year	**1,204,236**	**2,015,820**

Note:

The cash flow statement cannot be derived directly from the other components of the Consolidated Financial Statements.

* Early 2022, Lauritzen Fonden contributed all its shares in DFDS A/S and loans with security in the shares to Lauritzen Fonden Holding ApS as a capital increase by contribution in kind. For accounting purposes, the contribution in kind was recognised as per 1 January 2021. Consequently, the increase in the related financing is presented as "Accounting dividend".

Notes

Note 1	Significant accounting judgments and estimates
Note 2	Accounting policies
Note 3	Revenue
Note 4	Other external costs
Note 5	Staff costs
Note 6	Profit/loss on sale of non-current assets
Note 7	Depreciation, amortisation and impairments
Note 8	Financial income
Note 9	Financial expenses
Note 10	Tax
Note 11	Distribution of profit
Note 12	Special items
Note 13	Goodwill
Note 14	Other intangible assets
Note 15	Non-current tangible assets
Note 16	Right of use assets
Note 17	Other non-current assets
Note 18	Assets measured at fair value
Note 19	Derivative financial instruments
Note 20	Share capital
Note 21	Other non-current provisions
Note 22	Interest-bearing debt
Note 23	Contingent liabilities and financial obligations
Note 24	Contractual commitments
Note 25	Related parties
Note 26	Events after the balance sheet date
Note 27	Adjustments
Note 28	Change in working capital
Note 29	List of group companies

1 Significant accounting judgments and estimates

In the preparation of the 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 Company, Lauritzen Fonden Holding ApS. These assumptions are based on historical experience and other factors 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 relate to the following:

- Determination of cash generating units (judgment)
- 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 (estimate)
- Assessment of useful life and scrap values (estimate)
- Purchase Price Allocation in connection with acquisitions (judgment and estimate)
- Pension and jubilee liabilities (estimate)
- Deferred tax assets (judgment)
- Leasing arrangements (judgment)

In the view of Management, the significant accounting judgments and estimates areas remain the same as per last year's Annual Report.

2 Accounting policies

The Annual Report of Lauritzen Fonden Holding ApS for 2023 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The Financial Statements are presented in thousand DKK. In general, rounding may cause variances in sums in the Financial Statements.

Changes in accounting policies
The accounting policies applied remain unchanged from last year.

Recognition and measurement
Revenues are recognised in the income statement as earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Group, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation
The Consolidated Financial Statements comprise the Parent Company, Lauritzen Fonden Holding ApS, 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 but not limited to 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 Company 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. 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 to the share of equity attributable to Lauritzen Fonden Holding ApS.

Foreign currency translation
DKK is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting
Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment Reporting
Information on business segments and geographical segments are based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue
IFRS 15 is chosen as interpretation for revenue recognition.

Revenue from dry bulk transportation consists of three types of contracts with customers; spot contracts with carriage of a specific quantity of cargo in a single voyage, Contract of Affreightment (COA) with carriage of a certain quantity of cargo with multiple voyages over a specified period of time (together freight income), and time-charter contracts of vessels. Each voyage is recognized as a performance obligation no matter if it is part of a spot contract or a COA.

All freight income and voyage costs are recognised as the freight services are rendered (percentage of completion). The percentage of completion is determined using the load-to-discharge method based on the percentage of the estimated duration of the voyage completed at the reporting date. According to this method, freight income and related costs are recognised in the income statement according to the entered charter parties from the vessel's load date to the delivery of the cargo (discharge). The voyage begins on the date when the cargo is loaded, and the voyage ends at the date of the discharge (load to discharge). This applies to all spot transports and transports under Contracts of Affreightment (COAs).

Costs directly attributable to relocating the vessel to the load port under the contract are capitalised to the extent that they are recoverable.

Demurrage is recognised if the claim is considered probable.

In addition, revenue comprises changes in fair value on forward freight agreements (FFA) used to hedge future freight income. Hedge accounting is not applied for these transactions.

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.

Revenue comprises the present value of services rendered and net of discounts. Revenue is recognised in the income statement for the financial year as earned.

Other operating income
Other operating income includes administration services, commercial and technical management fee.

Vessels running costs
Vessels running costs include hire of chartered vessels, bunker consumption including hedging, port costs, agent's commissions and other daily running costs related to the vessels.

Costs of sales related to catering, impairments and realised losses on trade receivables and costs related to land-based activities such as stevedoring, terminal and haulage costs are also included in vessels running costs.

Furthermore, vessels running costs also includes maintenance and repairs, crew staff costs, insurance of hulls and machinery, consumption of lubricants and supplies etc. Furthermore, a part of the lease payments on time charters is considered a service element and recognised as vessels running costs in accordance with IFRS 16 Leases.

Other external costs
Other external costs include sales costs, marketing costs and administrative expenses.

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

Profit on sale of non-current assets
Profit from sale of vessels and other non-current assets is stated as the difference between the sales price less selling costs and the carrying amount of the asset in question at the time of delivery.

Depreciation, amortisation and impairments
Depreciation, amortisation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Share of result in subsidiaries – Parent Company Financial Statements
Share of result in subsidiaries comprises the Parent Company's proportionate share of the subsidiaries' profit/loss after tax after elimination of intra-group profits/losses and less amortization of goodwill recognised as part of the equity investment.

Share of result in associates and joint ventures – Consolidated and Company Financial Statements
Share of result in associates and joint ventures comprise the proportionate share of the profit/loss after tax and less amortization of goodwill recognised as part of the equity investment.

Financial income and expenses
Financial income and expenses include interest income and expense, gains and losses on securities, exchange rate gains and losses on 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.

Tax on profit
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.

Shipping activities in Denmark are taxed according to the Danish Tonnage Tax Scheme on the basis of the net tonnage (vessels), which the Danish group entities in question have at their disposal, and according to general tax regulations for net financial income and other activities.

The Group is subject to the Danish rules on compulsory joint taxation, and the Danish subsidiaries are jointly taxed with Lauritzen Fonden Holding ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Special items
Special items include significant income and expenses not directly attributable to the 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
- it is intended 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

Non-current tangible assets
Assets are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and costs to external suppliers, materials and components, direct wages, salaries and interests paid as from the time of payment until the date when the asset is available for use. The cost price also comprises gains and losses on transactions designated as hedges.

The basis for depreciation is determined as the cost less estimated residual value. The assets are depreciated on a straight-line basis over the estimated useful life to the estimated residual value. Estimated useful life and estimated residual values are reassessed at least once a year. The effect from changes in depreciation period or the residual value is recognised prospectively as a change in the accounting estimate.

The expected useful life of bulk carriers is 25 years.

Due to differences in the wear on the components of passenger ships, the cost of passenger ships is split into components with low wear and high wear, respectively. The depreciation period for components with low wear is 35 years for freight and passenger ferries and 45 years for passenger cruise ferries. Components with high wear are normally depreciated over 5-15 years down to a residual value of DKK 0.

Rebuilding or upgrade of vessels is capitalised if the rebuilding or upgrade is intended to extend the service life and/or improve the earning potential. Rebuilding is depreciated over the expected service life of the investment.

Costs relating to dry dockings are capitalised and depreciated on a straight-line basis. The expected useful life of dry dockings ranges from 24 to 60 months.

Vessels under construction are measured at cost incurred until the time the vessel is taken into service less accumulated impairment losses.

Other non-current tangible assets comprise land, buildings, terminals and machinery, tools and equipment. The expected useful life are as follows:
- buildings: 25-50 years
- terminals: 10-40 years
- machinery, tools and equipment: 4-10 years.

Land is measured at cost and is not depreciated.

Leases
IFRS 16 is used when recognizing and measuring leases.

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

The right-of-use asset and the corresponding lease liability arising from lease agreements are recognised at the commencement date i.e., the date the underlying asset is ready for use.

The lease contracts are initially recognised as right-of-use assets and lease liabilities measured as the present value of lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate for a like to like assets. The lease payments are adjusted for any lease prepayments including dismantling and restoration costs.

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, extent 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 short-term lease recognition exemption is applied for lease contracts that, at the commencement date, have a lease term of 12 months or less for all classes of underlying assets including bulk carriers but except for terminals, 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 and bulk carriers, 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. For bulk carriers, the service element has been estimated as the average vessel operating cost of a like to like asset on market terms.

The lease expenses are recognised as vessels running costs, depreciation of the right of use asset and interest expenses. Depreciation follows the straight-line method over the lease term or the useful life of the right-of-use assets, whichever is shortest.

The cash flow related to repayment of the lease obligation is classified as cash flow from financing activities and interest expenses are classified as cash flow from operating activities.

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 present value of the future lease payments is recognised in the balance sheet as a lease receivable from lessee. The asset leased out is reclassified from non-current asset to leases receivables 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.

Impairment
Management monitors continuously, on a portfolio basis, the carrying value of tangible non-current assets in order to determine, whether there are any indications of impairment in excess of the amount provided for by normal depreciations and whether previous impairments should be reversed.

An impairment test is conducted if there is an indication that the carrying amount of an asset or a cash-generating unit (CGU) exceeds the expected future cash flows from the asset. If the carrying amount exceeds the recoverable amount, the asset is written down to the lower recoverable amount.

The recoverable amount of the asset is determined as the higher of the net selling price and the value-in-use. If a recoverable amount for the individual assets cannot be determined, the smallest group of assets for which it is possible to determine the recoverable amount (cash-generating unit) is analysed for impairment.

Impairment losses are recognised in the income statement. Impairment losses of assets within a CGU are allocated to the carrying amount of the assets in the CGU on a pro rata basis to the higher of fair value less cost to sell and value in use. Reversal of previous impairments is only recognised if there has been a change in the assumptions used to determine the recoverable amount since the last impairment test was carried out.

Investments in subsidiaries, associates and joint ventures

Consolidated Financial Statements and Parent Company Financial Statements
Investments in associates and joint ventures are recognised and measured under the equity method.

The item “Investments in associates and joint ventures” in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

In the Parent Company Financial Statements, the total net revaluation of investments in associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under Equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the associates and joint ventures.

Indirect decreases in the ownership of associates through their sale of own shares are treated as sales, and the difference between the share of the consideration for the shares and the proportionate share of equity is recognised in the income statement.

When the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the enterprise, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal on constructive obligations or made payments on behalf of the other enterprise.

Parent Company Financial Statements
Investments in subsidiaries are accounted for under the equity method, and the equity method is used as a consolidation method.

The item “Investments in subsidiaries” in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company. Dividends received or receivable from subsidiaries are recognised as a reduction in the carrying amount of the investment.

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 to the share of equity attributable to Lauritzen Fonden Holding ApS.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under Equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

When the Company’s share of losses in an equity-accounted investment equals or exceeds its interest in the enterprise, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred legal on constructive obligations or made payments on behalf of the other enterprise.

Unrealised gains on transactions between the Company and its subsidiaries are eliminated in full.

Business combinations under common control are accounted for at carrying values using predecessor accounting, i.e. pooling of interests when the entity acquired has been under control of another member of the same group company before the acquisition. A difference between the carrying value and the consideration paid are recognised directly in equity.

Other investments
Other non-current investments comprise investments in unlisted securities in which the Group holds below 20% of the voting rights and does not exercise significant influence. Other investments are measured at fair value.

The fair value is made up at the market value at the balance sheet date using generally recognised valuation principles if the securities are unlisted. If the fair value cannot be reliably measured, cost is used as an alternative.

Receivables
The Group has chosen IFRS 9 as interpretation for impairment of financial 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 balance sheet. 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 our 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.

Bunker
Bunkers are measured at the lower of cost under the FIFO method and net realisable value.

Prepayments
Prepayments (assets) comprise prepaid expenses concerning time charter, insurance premiums, etc. Prepayments (liabilities) comprise prepayments from customers, prepayments for voyages and prepaid time-charter income.

Current asset investments
Current asset investments, which consist of listed shares and bonds, are measured at their fair values at the balance sheet date.

Equity
Reserve for net revaluation according to the equity method
The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Net revaluation reserve under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Translation reserve
Exchange rate differences from translating investments in foreign subsidiaries are recognized in the translations reserve.

Hedging reserve
Value adjustments of hedging instruments are recognized in the hedging reserve.

Dividends
Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities
Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Other provisions
Provisions are recognised when, due to an event occurring on or before the reporting date, the Group has a legal or constructive obligation, and it is probable that the Group will have to give up future economic benefits to meet the obligation and that the obligation can be reliably estimated. Provisions are recognised based on Management’s best estimate of the anticipated expenditure for settling the relevant obligation and are discounted if deemed material.

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.

Current tax receivables and liabilities
Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the Parent Company.

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

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

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

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

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

Cash and cash equivalents
Cash and cash equivalents comprise bank deposits and short-term deposits that without restriction can be exchanged into cash funds.

3 Revenue (Group)

DKK '000	**2023**	**2022**
J. Lauritzen A/S	4,393,495	6,748,188
DFDS	27,304,269	26,872,904
Other	8,218	8,774
Total	31,705,982	33,629,866

4 Other external costs

	Group		**Parent Company**	
DKK '000	**2023**	**2022**	**2023**	**2022**
Other external costs include fee to auditors elected by the Board and directors:				
Audit	15,647	13,230	535	499
Other assurance engagements	207	322	63	63
Tax and VAT advisory services	2,137	3,185	475	547
Other services	6,832	2,184	875	210
Total	24,823	18,921	1,948	1,319

5 Staff costs

DKK '000	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Salaries	4,776,367	4,022,485	11,291	12,655
Pensions	227,948	207,639	456	432
Social security	769,284	708,773	66	26
Government grants (Covid-19)	-	-4,974	-	-
Total	5,773,598	4,933,923	11,814	13,113
Average number of employees	13,311	11,619	5	5
Remuneration included in the above:				
Executive Board	8,379	9,574	7,979	9,057

Group

Management's incentives programme in J. Lauritzen A/S:
Warrants are granted to a member of the Executive Board of Lauritzen Fonden Holding ApS for the purpose of motivating and retaining a qualified management group and in order to align the interests of management with those of the shareholders. The warrants are issued on the following terms:

Warrants are awarded as retention as the continued vesting of warrants are contingent on the participants being engaged at the time of vesting, ie. on the date of the annual general meeting's approval of the Company's annual report for the financial year 2026 or earlier if the Board of Directors decide that the vesting of warrants shall be accelerated. The exercise deadline is i) a period of 3 years following the vesting date, or ii) in case of a liquidation of the Company.

The Board of Directors in J. Lauritzen A/S are authorized to increase the Company's nominal share up to a total of DKK 40.000 upon exercise of warrants. In 2022 10,123 warrants were issued to a member of the Executive Board of Lauritzen Fonden Holding ApS. Each warrant gives the right - but not an obligation - to subscribe for one share with a nominal value of DKK 1 at an exercise price of DKK 3,654.68 for each share.

The number of warrants to be vested is calculated based on the average increase of the Company's market value in the five year period starting 1 January 2022 and ending 31 December 2026.

The warrant program includes terms about reduction of the numbers of shares to be issued if the market value exceeds a certain caption and time frame regarding vesting of warrants.

6 Profit/loss on sale of non-current assets (Group)

DKK '000	2023	2022
Profit from sale of bulk carriers	138,994	149,021
Loss from sale of Lauritzen Kosan activities	-	-4,900
Profit from sale and lease-back of three ferries	94,600	-
Net profit/loss re. other non-current assets	16,393	23,540
Total	249,988	167,660

7 Depreciation, amortisation and impairments

	Group		Parent Company	
DKK '000	2023	2022	2023	2022
Goodwill	325,865	281,031	-	-
Other non-current intangible assets	178,298	134,847	-	-
Non-current tangible assets	1,636,488	1,381,953	1,258	1,207
Right of use assets	1,211,057	1,266,523	-	-
Total	3,351,708	3,064,353	1,258	1,207

8 Financial income

	Group		Parent Company	
DKK '000	2023	2022	2023	2022
Financial income	265,319	511,563	15,475	16,598
- Hereof from owner and from group entities	-	-	-	1,328

9 Financial expenses

	Group		Parent Company	
DKK '000	2023	2022	2023	2022
Financial expenses	-835,299	-470,133	-32,754	-36,566
- Hereof to owner and to group entities	-	-16	-759	-3,696
- Hereof translation loss recycled to Income Statement	-4,822	-	-	-

10 Tax

DKK '000	2023	2022
Group		
Current tax for the year	-163,631	-182,352
Deferred tax for the year	8,680	78,347
Adjustment of tax concerning prior years	-18,211	40,639
Tax on profit/loss for the year	-173,162	-63,366
Corporate income tax	-	-30,562
Change in deferred tax	6,054	-1,056
Tax on items recognised in equity	6,054	-31,618
Deferred tax 1/1 (net liability)	298,448	372,447
Exchange rate adjustments	1,576	-10,851
Utilisation of tax losses between jointly taxed companies	-	2,142
Addition from acquisition of enterprises	89,000	18,690
Recognised in income statement	-8,680	-78,347
Recognised in equity statement	-6,054	1,056
Write down of deferred tax assets and reversal hereof	-	-10,011
Impact from change in corporate income tax rate	1,000	3,322
Deferred tax 31/12 (net liability)	375,290	298,448
Deferred tax concerns:		
Non-current tangible assets	400,315	356,820
Provisions	-14,000	-9,000
Tax losses carried forward	-67,025	-42,372
Other	56,000	-7,000
	375,290	298,448
Deferred tax is shown as:		
Deferred tax asset	92,029	60,377
Deferred tax liability	467,319	358,825
Net liability	375,290	298,448

The Group has unrecognised tax losses carried forward of DKK 1.660m with a tax value of DKK 384m (2022: tax losses of DKK 1,035m, tax value of DKK 237m). Of the unrecognised tax losses carried forward an amount of DKK 1.332m expires within the next five years (2022: DKK 759m) and DKK 328m expires after more than five years (2022: DKK 276m). The tax losses of DKK 1.660m (2022: DKK 1,035m) have not been recognised as it has been assessed that the losses cannot be utilised in the foreseeable future.

In 2005, the Danish based companies of the J. Lauritzen Group, including Lauritzen Bulkers A/S, entered the Danish tonnage taxation system, the adoption of which is binding until at least 2024. Lauritzen Bulkers A/S does not expect to exit the tonnage taxation and thus no deferred tax provision has been made on the assets or liabilities effected by the Danish tonnage taxation system. If, however, Lauritzen Bulkers A/S were to leave the Danish tonnage taxation system there could be a deferred tax liability of up to a maximum of USD 8.5m. The DFDS Group is liable to a contingent tax that may arise at the withdrawal from tonnage taxation schemes. The DFDS Group controls the withdrawal and has no plans to withdraw from the schemes and consequently no deferred tax has been recognised.

The Group is within the scope of the OECD Pillar II model rules regarding minimum taxation of 15%. The rules were implemented throughout EU in 2023 with effect from 1 January 2024. Since the Pillar II legislation was not effective on the reporting date, the Group has no related current tax exposure. Under the legislation, the Group is liable to pay a top-up tax for the difference between the effective tax rate per jurisdiction calculated as per Pillar II legislation and the 15% minimum rate. Since income from shipping is excluded from the minimum taxation rules, the rules are not expected to have any material impact for the Group.

	2023	2022
Parent Company		
Actual tax	-21	-
Adjustment of tax concerning prior years	8,016	69,224
Tax on profit/loss for the year	7,996	69,224

11 Distribution of profit

DKK '000	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Extraordinary dividend paid	30,000	100,000	30,000	100,000
Minority interests' share of net profit/loss of subsidiaries	673,065	988,995	-	-
Retained earnings	854,856	1,950,025	854,856	1,950,025
	1,557,921	3,039,020	884,856	2,050,025

12 Special items

DKK '000	2023	2022
Group		
Adjustment of earn-out regarding an acquisition (DFDS Group)	-	4,464
Accounting gain on sale of freight and passenger ferries (DFDS Group)	94,600	-
Reversal of restructuring costs (2021: Restructuring costs etc.) (DFDS Group)	-	18,938
ICT Logistics value adjustment, etc. (DFDS Group)	-	1,957
Badwill gain (J. Lauritzen Group)	50,632	92,235
Loss on sale of activities (J. Lauritzen Group)	-	-4,900
Accounting gain on sale of bulk carriers (J. Lauritzen Group)	138,994	149,021
Impairment of building (Frederikshavn Maritime Erhvervspark A/S)	-	-18,457
Impairment of loans to associated company (Lauritzen Fonden Holding A/S and Mama Mia Holding A/S	-	-5,872
Special items, net	284,227	237,385

	2023	2022
Special items are included in profit/loss before tax as follows:		
Operating costs		18,564
Profit/loss on sale of non-current assets	233,594	144,120
Depreciation, amortisation and impairments	-	-25,064
Share of result in associates and joint ventures	50,632	92,235
Financial income		13,402
Financial expenses	-	-5,872
Total special items in profit/loss before tax	284,227	237,385

DKK '000	2023	2022
Parent Company		
Impairment of loans to associated company (included in Financial expenses)	-	-5,872
Total special items in profit/loss before tax	-	-5,872

13 Goodwill (Group)

DKK '000	Goodwill
Costs at 1/1 2023	4,660,415
Exchange rate adjustments	16,319
Additions	527,680
Costs at 31/12 2023	5,204,414
Amortisation and impairment losses at 1/1 2023	1,457,724
Exchange rate adjustments	3,103
Amortisation	325,865
Amortisation and impairment losses at 31/12 2023	1,786,692
Carrying amount at 31/12 2023	3,417,722
Carrying amount at 31/12 2022	3,202,691

14 Other intangible assets (Group)

DKK '000	Port concession rights, etc.	Other non-current intangible assets	Software	Development projects in progress	Total
Costs at 1/1 2023	1,203,973	782,641	721,229	11,680	2,719,523
Exchange rate adjustments	-	7,095	141	3	7,240
From acquisitions	-	227,419	7,302	-	234,721
Additions	-	-	745	82,007	82,752
Disposals	-	-760	-50,847	-	-51,607
Transfer to/from other items	9,091	-9,231	79,418	-76,675	2,604
Cost at 31/12 2023	1,213,064	1,007,165	757,989	17,015	2,995,233
Amortisation and impairment losses at 1/1 2023	178,124	106,862	397,394	-	682,380
Exchange rate adjustments	402	573	99	-	1,073
Amortisation	35,110	78,484	64,704	-	178,298
Disposals	-	-760	-50,848	-	-51,608
Transfer to/from other items	9,036	-9,036	769	-	769
Amortisation and impairment losses at 31/12 2023	222,672	176,123	412,118	-	810,913
Carrying amount at 31/12 2023	990,392	831,042	345,871	17,015	2,184,320
Carrying amount at 31/12 2022	1,025,904	675,583	323,837	11,820	2,037,144

15 Non-current tangible assets

Group

DKK '000	Land, buildings and terminals	Vessels	Machinery, tools and equipment	Assets under construction and prepayments	Total
Costs at 1/1 2023	2,150,645	23,617,984	3,107,856	368,950	29,245,435
Adjustment to opening	7,734	1,005,346	-	-	1,013,080
Exchange rate adjustments	14,409	-50,572	14,851	420	-20,892
From acquisitions	150,020	-	318,373	17,710	486,103
Transfer to/from other items	101,280	852,392	297,942	-1,269,639	-18,025
Additions	42,696	812,361	205,395	1,396,256	2,456,708
Disposals	-2,751	-2,094,964	-211,389	-11,545	-2,320,649
Cost at 31/12 2023	2,464,033	24,142,547	3,733,028	502,152	30,841,760
Depreciation and impairment losses at 1/1 2023	675,165	9,583,029	1,490,673	-	11,748,867
Adjustment to opening	7,734	1,005,346	-	-	1,013,080
Exchange rate adjustments	5,529	-40,282	6,511	-	-28,242
Transfer to/from other items	20,275	-35,593	-3,033	-	-18,351
Depreciation	94,257	1,108,460	433,771	-	1,636,488
Disposals	-557	-371,008	-151,565	-	-523,130
Depreciation and impairment losses at 31/12 2023	802,403	11,249,952	1,776,357	-	13,828,712
Carrying amount at 31/12 2023	1,661,630	12,892,595	1,956,671	502,152	17,013,048
Carrying amount of assets pledged as security for mortgages	80,024	9,425,187	-	-	9,505,211
Carrying amount at 31/12 2022	1,475,480	14,034,955	1,617,183	368,950	17,496,568

Parent Company

DKK '000	Land, buildings and terminals	Tools and equipment	Total
Costs at 1/1 2023	41,082	9,293	50,374
Additions	-	1,915	1,915
Cost at 31/12 2023	41,082	11,208	52,289
Depreciation and impairment losses at 1/1 2023	2,976	6,115	9,091
Depreciation	452	807	1,258
Depreciation and impairment losses at 31/12 2023	3,428	6,922	10,350
Carrying amount at 31/12 2023	37,654	4,286	41,940
Carrying amount of assets pledged as security for mortgages	37,654	-	37,654
Carrying amount at 31/12 2022	38,106	3,178	41,283

16 Right of use assets (Group)

DKK '000	Land and buildings	Terminals	Vessels	Equipment etc.	Total
Costs at 1/1 2023	974,785	2,919,858	3,600,767	757,261	8,252,671
Adjustment to opening	-9,272	-	-496,182	-	-505,454
Exchange rate adjustments	9,964	29,174	-44,997	4,927	-932
From acquisitions	273,715	-	-	53,742	327,457
Transfers to/from other items	22,545	-22,546	-	-17,000	-17,001
Additions/remeasurement	278,505	293,526	1,328,476	328,304	2,228,811
Disposals	-13,412	-2,151	-882,570	-218,078	-1,116,211
Costs at 31/12 2023	1,536,830	3,217,861	3,505,494	909,156	9,169,341
Depreciation and impairment losses at 1/1 2023	267,974	765,885	1,645,244	318,711	2,997,814
Adjustment to opening	-8,521	-	-496,182	-	-504,703
Exchange rate adjustments	3,075	8,533	-27,173	2,219	-13,346
Transfers to/from other items	7,548	-7,236	-	-13,330	-13,018
Depreciation	186,808	233,838	595,985	194,426	1,211,057
Disposals	-11,544	-2,057	-460,143	-171,415	-645,159
Depreciation and impairment losses at 31/12 2023	445,340	998,963	1,257,731	330,611	3,032,645
Carrying amount at 31/12 2023	1,091,490	2,218,898	2,247,763	578,545	6,136,696
Carrying amount at 31/12 2022	706,811	2,153,973	1,955,523	438,550	5,254,857

17 Other non-current assets

Group

DKK '000	Investments in associates and joint ventures	Other investments	Receivables from associates	Other receivables
Costs at 1/1 2023	958,169	160,877	44,029	176,218
Adjustment to opening	-	-7,844	-	-
Exchange rate adjustments	-21,404	-1,846	-	-85
Additions and loan proceeds	108,394	107,452	13,722	756
Disposals and loan repayments	-	-267	-81	-139,504
Costs at 31/12 2023	1,045,159	258,372	57,670	37,385
Revaluations and impairment losses as at 1/1 2023	180,535	-20,179	-	-22,557
Adjustment to opening	-	7,844	-	-
Profit/loss for the year	66,313	-	-	-
Exchange rate adjustments	-15,167	408	-	-
Transfer to/from other items	15,245	-	-	-
Badwill gain	50,632	-	-	-
Revaluations and fair value adjustments	-	23,936	-	-
Dividends	-37,928	-12,801	-	-
Disposals	-	-210	-	-
Revaluations and impairment losses at 31/12 2023	259,631	-1,003	-	-22,557
Investments with neg. equity netted against receivables	1,161	-	-1,161	-
Carrying amount at 31/12 2023	1,305,951	257,369	56,509	14,828
Carrying amount at 31/12 2022	1,143,052	140,698	39,681	153,661

17 Other non-current assets (continued)

Parent Company

DKK '000	Investments in subsidiaries	Investments in associates and joint ventures	Other investments	Receivables from associates	Other receivables
Costs at 1/1 2023	11,866,471	223,917	94,184	44,029	33,217
Additions and loan proceeds	-	-	31,229	13,722	452
Disposals and loan repayments	-387,220	-	-267	-81	-1,707
Costs at 31/12 2023	11,479,251	223,917	125,146	57,670	31,963
Revaluation and impairment losses at 1/1 2023	-3,540,954	-211,555	159	-	-22,557
Profit/loss for the year	912,734	490	-	-	-
Exchange rate adjustments	-71,763	-	-	-	-
Equity movements related to hedging instruments	-90,317	-	-	-	-
Other equity movements	8,646	-	-	-	-
Tax on items recognised in equity	2,624	-	-	-	-
Fair value adjustments	-	-	4,525	-	-
Dividends	-481,484	-	-	-	-
Disposals	387,220	-	-210	-	-
Revaluations and impairment losses at 31/12 2023	-2,873,295	-211,065	4,474	-	-22,557
Investments with neg. equity netted against receivables	-	1,161	-	-1,161	-
Carrying amount at 31/12 2023	8,605,956	14,013	129,621	56,509	9,405
Carrying amount at 31/12 2022	8,325,516	16,709	94,344	39,681	10,660

Subsidiaries owned directly by Lauritzen Fonden Holding ApS are listed below. Please refer to note 29 for a complete list of group companies.

Company	Country	Ownership and votes
J. Lauritzen A/S	Denmark	100%
DFDS A/S*	Denmark	42%
Frederikshavn Maritime Erhvervspark A/S	Denmark	100%
Mama Mia Holding A/S	Denmark	100%
Axis Offshore Pte. Ltd. **	Singapore	0%

* Recognised as subsidiary as Lauritzen Fonden Holding ApS de facto controls the company.
** The Company has been liquidated as per the end of 2023

18 Assets measured at fair value

	Group		Parent Company	
DKK '000	2023	2022	2023	2022
Investments measured at fair value:				
Unlisted securities	254,856	135,647	129,621	94,344
Other investments, total	254,856	135,647	129,621	94,344
Listed shares	627,827	460,949	20,599	40,930
Listed bonds	2,297	21,823	2,297	21,823
Current asset investments, total	630,124	482,772	22,895	62,753
Total fair value of assets	884,980	618,420	152,516	157,097
Fair value adjustments:				
Other investments	23,936	27,020	4,525	3,593
Current asset investments	109,734	207,287	2,861	-10,328
Total fair value adjustments	133,670	234,306	7,386	-6,735

The fair value adjustments are recognized as financial income and expenses in the Income Statement.

19 Derivative financial instruments (Group)

DKKm	Cash flow/ Fair value hedge	2023 Nominal DKKm	2023 Duration, years	2023 Recog-nised in Equity	2023 Fair value	2022 Nominal DKKm	2022 Duration, years	2022 Recog-nised in Equity	2022 Fair value
Hedge accounting applied:									
Interest hedges	Cash flow	3,957	0-10	70	70	3,507	0-11	241	244
Commodity hedges	Cash flow	128	0-1	13	13	464	0-1	26	26
Currency/interest hedges	Cash flow	2,602	0-5	6	-29	283	0-5	15	-8
Currency hedges	Cash flow	1,986	0-9	-10	25	2,080	0-9	4	36
Total				79	79			286	298
Hedge accounting not applied:									
Currency: USD/EUR	N/A	13	0-1	-	-1	90	0-2	-	-1
Currency: USD/DKK	N/A	78	0-12	-	1	81	0-1	-	1
Currency: USD/JPY	N/A	-	-	-	-	258	0-1	-	29
Interest rate swaps	N/A	232	45.0	-	1	106	0.5	-	2
EUA, FFA's and oil contracts	N/A	N/A	0-48	-	-76	N/A	0-2	-	-9
Total				-	-74			-	22
Total derivative financial instruments				79	5			286	320
Presented in the Financial Statements as:									
Non-current assets					155				299
Current assets					22				94
Non-current liabilities					43				8
Current liabilities					129				64

Hedge accounting is applied for the following types of derivative financial instruments:

- Interest hedges comprise interest rate swaps and caps used to reduce interest rate risk on floating rate funding.
- Commodity hedges are used to hedge risk related to fluctuations in bunker price.
- Currency hedges comprising forward exchange contracts and currency swaps are used to hedge currency risk related to net currency cash flows from revenues and operational costs mainly denominated in USD, SEK, GBP, and NOK.

20 Share capital

The Parent Company's registered capital, which is not divided into different classes of shares, is divided into 150,000,002 shares of DKK 1.00 each. The share capital is fully paid up.

All shares rank equally. There are no restrictions on voting rights.

21 Other non-current provisions (Group)

DKK '000	2023	2022
Pension and jubilee obligations	89,956	87,509
Other obligations	29,966	53,270
	119,922	140,779

22 Interest-bearing debt

Group

DKK '000	Current portion	2023 Expires between 1 and 5 years	Expires after more than 5 years	Total
Mortgage debt, property	26,472	58,093	51,744	136,310
Bank loans and mortgage debt, vessels	993,609	6,043,582	988,321	8,025,512
Credit institutions	451,395	878,905	-	1,330,299
Lease liability	1,268,089	3,395,873	1,718,803	6,382,765
Corporate bonds	265,185	991,794	-	1,256,979
	3,004,750	11,368,247	2,758,868	17,131,865

DKK '000	Current portion	2022 Expires between 1 and 5 years	Expires after more than 5 years	Total
Mortgage debt, property	64,709	76,188	60,003	200,900
Bank loans and mortgage debt, vessels	2,313,633	7,028,816	1,499,606	10,842,055
Credit institutions	-	1,001,922	-	1,001,922
Lease liability	1,348,191	2,353,325	1,615,937	5,317,453
Corporate bonds	-	282,717	-	282,717
	3,726,533	10,742,968	3,175,546	17,645,047

Parent Company

	2023		2022	
DKK '000	Current portion	Non-current portion	Current portion	Non-current portion
Mortgage debt, property	601	12,178	582	12,779
Credit institutions	400,000	253,192	-	1,001,922
Debt to subsidiaries	-	-	135,232	-
	400,601	265,370	135,815	1,014,702

23 Contingent liabilities and financial obligations

Group

DKK '000	2023	2022
Guarantees and surety commitments	223,638	226,464
Max. obligation for participation in projects	413,350	247,575
	636,988	474,039

Vessels, shares in subsidiaries and property have been pledged as security for mortgages and bank loans with a total carrying amount of DKK 5,353m (2022: DKK 6,850m). Carrying amount of assets pledged as security for debt is specified in note 15.

Guarantees and surety commitments comprise guarantees issued by banks on behalf of the Group of DKK 224m (2022: DKK 226m). In addition, the Group has issued two guarantees in relation to defined benefit pension schemes in the UK of an amount up to DKK 125m (2022: DKK 148m).

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

Max. obligation for participation in projects comprises uncalled capital commitments related to investments in private equity funds of DKK 413m (2022: DKK 248m). In addition, the Group has committed financing to portfolio companies. The undrawn credit facilities amount to DKK 17m (2022: DKK 13m).

The Group is in 2023 as well as in 2022 part in various legal disputes. The outcome of these disputes is not considered likely to influence Group’s financial position significantly, besides what is already recognised in the balance sheet.

Reference is made to note 10 regarding contingent tax liabilities, if J. Lauritzen or DFDS should decide to withdraw from tonnage taxation schemes.

Parent Company

Lauritzen Fonden Holding ApS has pledged shares in subsidiaries as security for debt to credit institutions of DKK 653m (2022: DKK 1,002m). Reference is made to note 22. The minimum required market value of the pledged shares is DKK 2,000m.

Property has been pledged as security for mortgage with a total carrying amount of DKK 13m (2022: DKK 13m).

Uncalled capital commitments related to investments in private equity funds amount to DKK 264m (2022: DKK 191m). In addition, the company has committed financing to portfolio companies. The undrawn credit facilities amount to DKK 17m (2022: DKK 13m).

No guarantees were issued at year-end 2023 and at year-end 2022.

Lauritzen Fonden Holding ApS is jointly taxed with the Danish subsidiaries. The Group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Moreover, the Group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

24 Contractual commitments (Group)

DKK '000	2023	2022
Contractual commitments, term 0-1 year	64,338	58,617
Contractual commitments, term 1-5 years	815,455	27,145
	879,793	85,762

Contractual commitments in 2023 include the purchase of EU Allowances related to the EU Emissions Trading System (ETS) regulations. The purchase of ETS allowances has been done via forward instruments with physical delivery. These instruments are treated as off-balance sheet items as the own use exemption under IFRS 9 is applied.

Contractual commitments in 2023 also incude agreements for three new bulding with expected delivery in 2026 and 2027. The remaining commitment under the building contracts amounts to DKK 788m subjected to the shipyard meeting specific construction milestones. A commitment for the refinancing of up to DKK 536m of the value the vessels has been obtained, and these funds will, subject to satisfaction of customary conditions precedent for secured ship financing transcation, be available at delivery of each of the vessels.

Contractual commitments in 2023 and 2022 include a Vessel Share Agreement in the Netherlands.

The J. Lauritzen Group has exercised a purchase option attached to an existing time-chartered vessel and agreed to sell the same vessel. Delivery to new owners in March 2024 is expected to occur on same time as delivery to J. Lauritzen Group. The cost of the vessel is DKK 133m. The sales price exceeds the purchase cost. Buyers of the vessel have placed a deposit with Lauritzen Bulkers covering 20 per cent of the sales price.

25 Related parties

Lauritzen Fonden Holding ApS is fully owned by Lauritzen Fonden (registered office in Gentofte, Denmark), thus having controlling influence.

All transactions with related parties are carried out on an arm's length basis and are not disclosed in accordance with section 98 (c) (7) of the Danish Financial Statements Act.

Please refer to note 5 for remuneration to the Executive Board.

26 Events after the balance sheet date

On 10 January 2024, DFDS completed the acquisition of FRS Iberia/Maroc, a key player on the strait of Gibraltar short-sea ferry market connecting Spain and Morocco.

On 9 February 2024, DFDS announced a share buyback of DKK 431m which was launched on 12 February 2024 to 31 December 2024.

On 16 February 2024, DFDS awarded 103,780 restricted share units and 444,804 share options to the Executive Board, a number of key employees and other managerial staff. The theoretical value is DKK 37m calculated according to the Black-Scholes model.

On 9 April 2024, DFDS announced it had entered into an agreement to acquire the international transport network of Ekol Logistics, a leading Turkish transport and logistics company headquartered in Istanbul. The transaction is conditional upon EU merger control approval.

No other material events have occurred after 31 December 2023 that have consequences for the 2023 annual report.

27 Adjustments (Group)

DKK '000	**2023**	**2022**
Currency exchange	-87,623	20,528
Profit/loss on sale of fixed assets	-249,987	-167,660
Other	77,567	-4,668
	-260,043	-151,800

28 Change in working capital (Group)

DKK '000	**2023**	**2022**
Change in stocks	-20,990	-101,763
Change in receivables	76,469	-389,573
Change in trade payables and other short-term debt	-344,943	530,481
	-289,464	39,146

29 List of group companies

Name	Country	Ownership share	Note 1)
Lauritzen Fonden	Denmark		
Subsidiaries:			
Lauritzen Fonden Holding ApS	Denmark		
Frederikshavn Maritime Erhvervspark A/S	Denmark		2)
Mama Mia Holding A/S	Denmark		2)
Axis Offshore Pte. Ltd.	Singapore		2) 5)
J. Lauritzen A/S	Denmark		
Lauritzen Bulkers A/S	Denmark		2)
JL Shipping Invest A/S	Denmark		2)
Lauritzen NexGen Shipping A/S	Denmark		2)
Axis Offshore do Brazil Servicos Ltda.	Brazil		
J. Lauritzen Singapore Pte. Ltd.	Singapore		
LKT Gas Carriers Pte. Ltd.	Singapore		5)
Dan Swift (Singapore) Pte. Ltd.	Singapore		2)
Dan Swift Netherlands B.V.	The Netherlands		
J. Lauritzen (USA) Inc.	USA		
DFDS A/S	Denmark	42%	6)
DFDS Belgium N.V.	Belgium		2)
N&K Cold Chain Logistics (Shanghai) CO., Ltd.	China		
DFDS Logistics s.r.o	Czech Republic		2)
DFDS Germany ApS	Denmark		2)
Lundvej 15 ApS	Denmark		2)
Dronningens Kvarter 1 ApS	Denmark		2)
DFDS Logistics A/S	Denmark		
DFDS Stevedoring A/S	Denmark		2)
DFDS Logistics Denmark A/S	Denmark		
DFDS Køletransport A/S	Denmark		
DFDS Logistics OÜ	Estonia		2)
DFDS Logistics OY	Finland		2)
DFDS Seaways S.A.S	France		2)
DFDS Germany ApS & Co. KG	Germany		2) 4)
HSF Logistics Deutschland GmbH	Germany		
HSF Beteiligungs GmbH	Germany		
DFDS Logistics GmbH	Germany		
DFDS Grundstücksverwaltungs GmbH & Co KG	Germany		
ICT Logistics GmbH	Germany		
DFDS Rail (primeRail) GmbH	Germany		2)
Alphatrans-Szállitás Szolgáltató Kft.	Hungary		
DFDS Seaways Ireland Ltd.	Ireland		
Lucey Transport Logistics Ltd.	Ireland		2)
DFDS Logistics Contracts (Ireland) Ltd.	Ireland		2)
McBurney Refrigeration (ireland) Ltd	Ireland		2)
Bond Delivery Ireland Ltd.	Ireland		2)

Name	Country	Ownership share	Note 1)
Samer seaports & terminals SRL	Italy	60%	
DFDS SIA	Latvia		
AB DFDS Seaways	Lithuania	98%	2)
UAB DFDS Trucking	Lithuania		
North Sea Terminal AS	Norway		
DFDS Logistics AS	Norway		2)
DFDS Spedition Norge AS	Norway		
DFDS Seaways AS	Norway		2)
DFDS Polska Sp. Z o.o.	Poland		2)
DFDS Logistics Polska Sp. Z o.o.	Poland	80%	
DFDS Investments Sp. Z o.o.	Poland	80%	
DFDS Logistics Solutions Romania SRL	Romania		
Romania Transport Group SRL	Romania		
N&K Spedition Spain S.L.	Spain	80%	
DFDS Seaways Hispania SL	Spain		2)
DFDS LogisticsServices AB	Sweden		2)
DFDS AB	Sweden		
DFDS Logistics Contracts AB	Sweden		
DFDS Logistics Partners AB	Sweden	85%	
DFDS Professionals AB	Sweden	88%	2)
Alphatrans International Trucking B.V.	The Netherlands		
DFDS Logistics Nijmegen B.V.	The Netherlands		
DFDS Transport B.V.	The Netherlands		
Estron Beheer B.V.	The Netherlands		
Estron Holding B.V.	The Netherlands		
DFDS Warehousing Rotterdam B.V.	The Netherlands		
Estron B.V.	The Netherlands		
DFDS Holding B.V.	The Netherlands		
DFDS NewCo B.V.	The Netherlands		2)
DFDS Logistics B.V.	The Netherlands		
DFDS Seaways B.V.	The Netherlands		
DFDS Logistics Wijchen B.V.	The Netherlands		
DFDS Trucking Wiljchen B.V	The Netherlands		
DFDS Warehousing Wiljchen B.V	The Netherlands		
DFDS Distri Holding B.V.	The Netherlands		
DFDS Expeditia Holding B.V.	The Netherlands		
DFDS Property and Wquipment B.V.	The Netherlands		
DFDS Logistics Winterswijk B.V.	The Netherlands		
DFDS Property Nijmegen B.V.	The Netherlands		
DFDS Property and Equipment Winterswijk B.V.	The Netherlands		
DFDS Turkey Denizcilik ve Tasi Yati AS	Turkey		
Trieste Newholdco Denizcilik ve Tasımacılık A.S.	Turkey		
Trieste Holdco Denizcilik ve Tasımacılık A.S.	Turkey		
Trieste Midco Denizcilik ve Tasımacılık A.S.	Turkey		
DFDS Denizcilik ve Tasimacilik A.S.	Turkey	99%	

Name	**Country**	**Ownership share**	**Note 1)**
McBurney Transport Group Ltd	UK		2)
Bondelivery NI Ltd	UK		2)
Huisman International (UK) Ltd.	UK		
DFDS Logistics Ltd.	UK		2)
DFDS Logistic Contracts Ltd.	UK		
DFDS Logistics Services Ltd.	UK		2)
DFDS Logistics Property Ltd.	UK		
DFDS Seaways Holding Ltd.	UK		2)
DFDS Seaways Plc.	UK		2)
LLC DFDS	Ukraine		

Associates and Joint Ventures:

Lauritzen Fonden Holding ApS			
AHK Nr. 186 ApS	Denmark	50%	2)
Ejendomsselskabet Skjernvej 3 ApS	Denmark	47%	2)
Expanite Technology A/S	Denmark	48%	2)
Kommanditaktieselskabet Østre Havn	Denmark	50%	
NanoNord A/S	Denmark	47%	2)
Porsborgparken ApS	Denmark	45%	2)
SmartVan A/S	Denmark	45%	2)
Østre Havn Aalborg ApS	Denmark	50%	
J. Lauritzen A/S			
Deal Energy A/S	Denmark	50%	2)
De Forenede Sejlskibe I/S	Denmark	55%	2)
Admiral Logistics Corporation	Panama	50%	
Web Holding Ltd	Bermuda	36%	2)
BW Epic Kosan Ltd	Singapore	36%	
DFDS A/S			
Bohus Terminal Holding AB	Sweden	65%	3)
Gothenburg Ro/Ro Terminal AB	Sweden	65%	
Deal Energy A/S	Denmark	50%	
Euro Asia cold Chain Logistic.	China	52%	

J. Lauritzen A/S has 1 dormant company
DFDS has 22 dormant companies

Note-description
1) Unless otherwise indicated, the companies are 100% owned
2) The company is directly owned by the parent company
3) Due to minority protection in shareholders agreements the parent company does not have a controlling interest
4) Relief in accordance with Sec. 254b German Commercial Code (HCB)
5) The company is under liquidation
6) Recognized as subsidiary as Lauritzen Fonden has de-facto control.

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