

Lauritzen Fonden

Tranegårdsvej 20, DK-2900 Hellerup

(CVR no. 15 45 36 13)

Annual Report for 1 January - 31 December 2023

The Annual Report was
presented and adopted at
Lauritzen Fonden's Board
meeting on 10 April 2024

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Jens Ditlev Lauritzen
Chairman of the Board

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Management's Statement

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of Lauritzen Fonden ("the Foundation") for the financial year 1 January – 31 December 2023.

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

In our opinion, the Financial Statements give a true and fair view of the Foundation's financial position at 31 December 2023 and of the results of the Foundation's operations as well as the cash flows for 2023.

In our opinion, the Management's Review gives a true and fair account of the matters addressed in the Review.

Copenhagen, 10 April 2024

Executive Board

Tommy Thomsen
CEO

Inge Grønvold
Director

Board of Directors

Jens Ditlev Lauritzen
Chairman

Erik G. Hansen
Vice Chairman

Bendt Bendtsen

Kigge Hvid

Betina Ipsen

Jesper Jessing

Trine Kamper Schlander

Dorthe Olsen

Independent Auditor's Report

To the Board of Directors of Lauritzen Fonden.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of Lauritzen Fonden ("the Foundation") at 31 December 2023, and of the results of the Foundation's operations as well as the cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Lauritzen Fonden 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 as well as 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 Foundation 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 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 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

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

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

Foundation Information

Name and address: Lauritzen Fonden
Tranegårdsvej 20
DK-2900 Hellerup

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E-mail: kontakt@lauritzenfonden.com
Phone: +45 33 96 84 25

CVR-no.: 15 45 36 13
Founded: 1945
Municipality of
Registered office: Gentofte
Financial year: 1 January - 31 December

Board of Directors: Jens Ditlev Lauritzen, (Chairman)
Erik G. Hansen, Director (Vice Chairman)
Bendt Bendtsen
Kigge Hvid
Betina Ipsen
Jesper Jessing, Master Mariner, DFDS A/S *)
Trine Kamper Schlander, Buyer Toys & Electronics & Retail Coordinator, DFDS A/S *)
Dorthe Olsen, HR Manager, J. Lauritzen A/S *)

*) Staff-elected board members

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

Executive Board: Tommy Thomsen, CEO
Inge Grønvold, Director

Auditors: PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Lauritzen Fonden is a commercial foundation supporting non-profit activities primarily aimed at children and young people in vulnerable positions.

The commercial activities are grouped under its 100% owned holding company, Lauritzen Fonden Holding ApS, which oversees investments in the companies J. Lauritzen and DFDS, 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.

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.

Highlights 2023

As the Foundation's only directly owned subsidiary, Lauritzen Fonden Holding ApS, prepares Consolidated Financial Statements, the Foundation does not prepare consolidated financial statements with reference to section 111 of the Danish Financial Statements Act. Thus, Lauritzen Fonden's Financial Statements only comprise the activities of the Foundation.

Lauritzen Fonden's 2023 profit amounted to DKK 903m compared to a profit of DKK 1,942m in 2022. The result was satisfactory and overall, in line with expectations.

The share of result for Lauritzen Fonden Holding ApS in 2023 amounted to DKK 885m compared to DKK 2,022m in 2022.

Financial items contributed DKK 37m compared to DKK -62m in 2022.

Lauritzen Fonden's other activities (mainly administration costs) generated a net loss of DKK -19m in 2023. This compares to a net loss of DKK -17m in 2022.

Key Figures

(DKK million)	2023	2022	2021	2020*	2019*
Share of result in subsidiaries	885	2,022	825	-567	-355
Financial items	37	-62	60	9	50
Profit/loss before tax	903	1,942	904	-574	-310
Tax on profit/loss	-	-0	-3	-	-2
Profit/loss for the year	903	1,942	901	-574	-312
Total assets	8,753	8,047	6,075	6,053	6,769
Total equity	8,659	7,960	6,002	5,002	5,954
Paid grants	-45	-37	-36	-38	-26
Investment in non-current tangible assets	-1	-4	-3	-8	-9
Changes for the year in cash position	43	101	-2	-13	-260
Number of employees	10	9	9	8	8
Return on equity, %	10.9	27.8	16.4	-10.5	-5.1
Solvency ratio, %	98.9	98.9	98.8	82.6	88.0

Note:

The key figures for 2019 do not reflect the opening adjustment to equity as of 1 January 2020 of DKK -120.7m related to an investment in an associated company.

The key figures for 2019 and 2020 do not reflect the 2022 contribution in kind of shares in DFDS A/S and loans with security in the shares to Lauritzen Fonden Holding ApS.

The ratios have been calculated as follows:

Return on equity:

$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$$

Solvency ratio:

$$\frac{\text{Total equity, year-end} \times 100}{\text{Total assets, year-end}}$$

Lauritzen Fonden's non-commercial activities

In 2023 Lauritzen Fonden distributed funds to 198 initiatives and projects and in total DKK 57m was distributed in grants. The figure below shows the total grant distribution:

Amounts in DKKm	2023	2022
The Lauritzen Group's employees	2.4	1.3
Shipping and maritime interests	2.6	15.7
Social and humanitarian work in Denmark	36.8	27.4
Culture	13.9	8.4
The Lauritzen Family	0.9	1.1
Grants	56.6	54.0
Reversal of former grants	-4.0	-1.7
Total	52.6	52.3

Grant Policy (§ 77b of the Danish Financial Statements Act)

Lauritzen Fonden's grant policy follows our foundation charter and is carried out through our grant strategy, with a vision to help primarily children and youth's chances to participate in and contribute to society in Denmark. By focusing on the areas of *well-being* and *general education*, we support activities that make it easier for children and young people to access education and employment.

The grant strategy is implemented through donations and collaborations that enable a greater impact of the foundation's funds and we seek to:

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

All relevant applications are reviewed in our Grant Committee, who then gives its recommendations to the Board of Directors – the final approving authority.

Some of the supported initiatives in 2023 include:

“Uddannelseshuset” – new educational and employment measures for young people in Esbjerg

When young people in Esbjerg need help to progress with education or employment in the future, they will be met by a new youth initiative. The initiative emphasizes the importance of human relations and the young person's perspectives, and the purpose is to help the municipality's young people more effectively – not least those with the most complex challenges - in their educational and job endeavors.

Behind the initiative are Esbjerg Municipality, SUS - Social Development Center and Lauritzen Fonden, and together with researchers from the Center for Citizen Involvement Employment Efforts (CUBB) at Aalborg University and evaluators from “Analyse & Tal” they will investigate and test how to work with job and training efforts aimed at young people in completely new ways. Lauritzen Fonden allocated DKK 10,000,000 to the initiative.

“FGU Vest”

In 2023, Lauritzen Fonden supported the Preparatory Basic Education in Esbjerg (FGU Vest) with a grant of DKK 2,040,000 aimed at a new initiative that seeks to increase the retention of young people in education or employment after leaving FGU. The current retention rate is 51%, and the ambition with the new initiative is to raise it to an impressive 75%.

“Ungdomsbureauet”

Ungdomsbureauet wants to contribute to creating a society where all young people are a natural part of the decisions that affect their lives. In 2023, Lauritzen Fonden allocated DKK 9,000,000 to the organization's operation and development in the coming five years, enabling them to focus on solving key challenges for

and with the youth in Denmark, as well as the publication of up to three books in the book-series – De-serien.

Please find more examples of our allocated funds on our website.

As a commercial foundation we also seek to enhance and develop Danish shipping and entrepreneurship. As part of the grant strategy employee's children are supported with student grants for continuation school and book grants, and employees in the Lauritzen Fonden group can receive support for their volunteer work. In addition, the Foundation supports Lauritzen family members.

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

Development in grant applications

In 2023, Lauritzen Fonden received and processed 773 applications, compared to 627 in 2022. 198 were approved for grants leading to a "hit-rate" of 25.6% - compared to 25.3% in 2022. 32 applications were still pending at year end.

Distribution fund

It has been decided to allocate DKK 85m for the coming 12 months' grant distributions.

Foundation Governance (§ 77a of the Danish Financial Statements Act)

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

Our current statutory report is based on the Recommendations on Foundation Governance and available on <https://lauritzenfonden.com/en/foundation-governance/>. Available on the website are also reports from previous years.

Intellectual capital resources (§ 99 of the Danish Financial Statements Act)

The Lauritzen Fonden secretariat includes 6 full-time employees in the non-profit sector, with competences within i.a. funding advice and coordination, communication, analysis, the social and cultural area, programme development and strategy.

Sustainability and social responsibility (§ 99a of the Danish Financial Statements Act)

Lauritzen Fonden's sustainability policy, developed in 2022, sets the framework for the Foundation's work with social, environmental and climate responsibility, as well as managerial responsibility. On social responsibility the policy commitment outlines that the Foundation supports and respects Human Rights, including Labour Rights as outlined in the UN Guiding Principles on Business and Human Rights.

On environment and climate issues the policy commitment calls for a precautions approach, an ambition to promote greater environmental responsibility and encourage the development and application of environmentally friendly technologies where possible. The sustainability policy determines that the commitment to work against corruption, to ensure good governance and transparency within the Foundation's work is a managerial responsibility. Due to the Foundation's procedures, it has been assessed that the Foundation has no significant risk within the above-mentioned areas and no breaches have been identified during 2023. The Foundation's efforts to work towards a more compliant organisation have called for a Conflict of Interest policy, which is expected to be effective from April 2024 and in compliance with the outlines in our Foundation Governance report.

The Foundation's employees and buildings are subject to the sustainability policy.

Read the full sustainability policy here:

https://lauritzenfonden.com/wp-content/uploads/2023/03/Sustainability-policy_UK.pdf.

As a commercial foundation, Lauritzen Fonden operates with a double purpose, which is why the Foundation's social responsibility links both to the Foundation's business activities (investments) and the Foundation's non-profit work (distributions). In addition, the Foundation is an employer of personnel, as well as owner and operator of two properties, which are also included in the Foundation's social responsibility.

The Foundation's business activities are primarily in the maritime industry and in independent shipping companies. This is where the Foundation has its greatest (indirect) social, environmental and climate impact, as well as managerial impact. In continuation of the framework established in the sustainability policy and the reporting requirements of the EU Corporate Sustainability Reporting Directive, CSRD, a need for dedicated resources was identified and an ESG-Manager entered the Foundation during 2023 and became part of the finance department. The tasks will be to work with environmental, social and governance-issues and thereby ensure that Lauritzen Fonden and Lauritzen Fonden Holding ApS will meet all requirements of the new ESG-framework, when Lauritzen Fonden and Lauritzen Fonden Holding ApS are obliged to report as of the fiscal year 2025.

Besides being able to fulfill the requirements in due time, it is expected that the learnings from the process of getting there will provide detailed information, that will be used as input in future sustainability policies and also learnings that will move the company in a more sustainable direction. We also acknowledge that an important prerequisite to do business in the future is to be able to act "greener" and be able to document it.

Further, the Foundation ensures active ownership in e.g., close shareholder dialogue and board participation. Hence, the assessment of business-related risks, policy and reporting responsibility lies within these independent businesses.

The annual funds are largely directed towards organizations and actors working with children and young people in vulnerable positions, primarily in Denmark. Therefore, all our donations are consistent with our charter commitment and evaluated in regard to their impact on climate, environment, and social issues. We have a thorough process of selecting suitable projects, and we assess the potential impact of the projects we support, linking them to larger issues in society. For example, by ensuring education to all, access to culture and leisure activities and being part of healthy communities – all issues that are basic human rights.

Gender diversity (§ 99b of the Danish Financial Statements Act)

Eight members make up the Board of Directors: five appointed in accordance with Lauritzen Fonden's charter and three elected by the employees. The board has gender balance with four women and four men.

The Foundation's charter elected board members consist of two women and three men. Please see the section regarding the Board of Directors in this report for information regarding their qualifications and competences on pages 14-15.

Based on the number of employees, the Foundation is exempt from preparing a policy to increase the proportion of the underrepresented gender. However, gender equality at the three top levels, Board of Directors, Executive Board and Key Management, is in accordance with the Danish Business Authority regulations and the Foundation is thus in compliance. This is also in line with our goal of being as close as possible to an equal gender distribution – our relatively few headcounts taken into consideration.

	2023		2022		2021		2020		2019	
	No.	Women/ Men	No.	Women/ Men	No.	Women/ Men	No.	Women/ Men	No.	Women/ Men
Board of Directors (chartered)	5	40/60	5	40/60	5	40/60	5	40/60	5	40/60
Management *	3	67/33	3	67/33	3	67/33	3	67/33	3	67/33

**Management includes Executive Board and Key Management*

Data ethics (§ 99d of the Danish Financial Statements Act)

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

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

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

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

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

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

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

It is the Board of Directors that holds the responsibility for the policy on data ethics. The Executive Board holds the responsibility for responsible and efficient implementation and follow up on the policy.

In 2023, there have been no breaches within the outline of the data ethics policy.

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

https://lauritzenfonden.com/wp-content/uploads/2023/03/Data-ethics-policy_UK.pdf.

Uncertainty relating to recognition and measurement

Please refer to note 1 to the Financial Statements.

Non-recurring transactions

There were no non-recurring transactions in 2023 (none in 2022).

Events after the balance sheet day

No events have occurred after the balance sheet date.

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 Foundation's subsidiary, Lauritzen Fonden Holding, anticipates a positive and satisfactory 2024 result, but lower than the 2023 result of DKK 885m.

Subject to fair value adjustments on the Foundation's portfolio of listed shares and bonds, the contribution from financial items is expected to be limited. The result of Lauritzen Fonden's other activities (mainly administration costs) is expected to be on level with 2023 (DKK -19m).

Lauritzen Fonden 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 Foundation has no related current tax exposure.

Even though Lauritzen Fonden is supporting non-profit activities, Lauritzen Fonden does not fulfil the requirements for exemption as a non-profit organisation. Hence Lauritzen Fonden is liable to pay a top-up tax for the difference between the effective tax rate calculated as per Pillar II legislation and the 15% minimum rate. The rules are not expected to have a material impact on the result.

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

Directorships of the Board of Directors and Executive Board as of 10 April 2024

Board of Directors – charter elected members

	Jens Ditlev Lauritzen	Erik G. Hansen	Bendt Bendtsen	Kigge Hvid	Betina Ipsen
Position	Chairman of the Board	Vice Chairman of the Board Director EGH Gentoft ApS and 3 subsidiaries, Sirius Holding ApS, Tresor Asset Advisers ApS.	Owner of Bendt Bendtsen Consulting and former Minister of Economic and Business Affairs and former member of the European Parliament.	Partner, JA Studio	
Year of birth	1956	1952	1954	1961	1965
Date of Board entry	March 3, 1997, elected chairman April 20, 2009	April 27, 2017	January 1, 2009	December 1, 2010	March 22, 2012
Qualifications	Management skills within shipping and strategy.	Qualifications within investment, management and strategy.	Management skills within national and international politics and strategy development.	A professional non-executive board member and advisor to companies, non-profits, organizations, and governments in Denmark and abroad.	Experience within social- and humanitarian work, communication, sparring and foundation administration.
Other management positions	Chairman of the Board of: Klampenborg Galopselskab A/S Member of the Board of: Dansk Galop MARTEC Rederklubben Member of the governing body of The Mary Foundation	Chairman of the Board of: Polaris II Invest Fonden Polaris Management A/S Sirius Holding A/S Member of the Board of: Bagger-Sørensen Fonden Farumgade 2B ApS Lesanco ApS SAGA Private Equity ApS Wide Invest ApS	Chairman of the Board of: Fulton Fonden Synergi Member of the Board of: Fonden af 28. Maj 1948 Formue Fyn, JJO INVEST ApS Kraks Fond Nordhavn A/S Estech A/S	Member of the International Advisory Board of Hong Kong Design Centre Member of World Economic Forum Global Expert Network Member of The Disruption Council – Partnership for the Future of Denmark Member of the Board of: Grow Up Det Sociale Netværk Melting Pot Foundation	Member of the Advisory Board of The Scouts Member of the Lauritzen Fonden Grant Committee
Dependent/independent	Dependent - member of the Board for more than 12 years and cannot be considered independent.	Independent	Dependent - member of the board for more than 12 years and cannot be considered independent.	Dependent – member of the board for more than 12 years and cannot be considered independent.	Dependent - Betina Ipsen is the grandchild of one of Lauritzen Fonden's founders and cannot be considered independent.
Annual fee	DKK 945,000	DKK 630,000	DKK 315,000	DKK 315,000	DKK 435,000

Board of Directors – staff elected members

	Dorthe Olsen	Jesper Jessing	Trine Kamper Schlander
Position	HR Manager. J. Lauritzen A/S	Master Mariner, DFDS A/S	Global Category Manager, DFDS A/S
Year of birth	1965	1963	1972
Date of Board entry	November 1, 2020	April 1, 2014	March 29, 2022
Expiration of election period	March 31, 2026	March 31, 2026	March 31, 2026
Qualifications	Experience within HR and the personnel area, including management and organisational development.	Managerial nautical experience with passenger and freight ships in national and international waters.	Experience within planning and administration.
Other management positions	Member of CBS' Advisory Board for the BSc in International Shipping and Trade		
Annual fee	DKK 315,000	DKK 315,000	DKK 315,000

Executive Board

	Tommy Thomsen	Inge Grønvold
Position	CEO	Director
Year of birth	1957	1955
Qualifications	Management skills within shipping, infrastructure and logistics, strategy development, economic and financial control, asset management, investment and construction of international businesses. Experience with investment and collaboration with companies and financial institutions.	Philanthropy work within the social and humanitarian area, education and culture. Management and HR in international businesses, foundations and real estate administrations.
Other management positions	Chairman of the Board of: J. Lauritzen A/S NanoNord A/S The Danish Maritime Fund Mama Mia Holding A/S Vice Chairman of the Board of: Lauritzen Bulkera A/S Member of the Board of: PSA International Pte Ltd. Singapore BW Epic Kosan Pte. Ltd. Singapore JL Shipping Invest A/S SmartVan A/S Expanite Technology A/S Expanite A/S Member of the Advisory Board of: Panama Canal	Chairman of the Board of: Hanne Jensen og Martin Vestergaard Fonden Member of the Board of: J. Lauritzen A/S SmartVan A/S Mama Mia Holding A/S
Lauritzen Fonden: Salary and benefits	DKK 1,299,996	DKK 2,631,813
Lauritzen Fonden Holding ApS: Salary and benefits	DKK 7,523,432	DKK 455,400
J. Lauritzen group companies: Director's fee	DKK 400,000	N/A
J. Lauritzen A/S:	Warrant programme - please refer to note 6 to the Financial Statements	N/A

Income Statement

DKK '000

Note	2023	2022
3 Share of result in subsidiaries	884,856	2,021,891
Other operating income	2,868	2,722
4 Financial items	36,741	-62,434
5 Other external costs	-6,907	-5,223
6 Staff costs	-13,727	-13,484
9 Depreciation, amortisation and impairments	-1,083	-1,016
	<hr/>	<hr/>
PROFIT BEFORE TAX	902,748	1,942,457
Tax on profit	-	-87
	<hr/>	<hr/>
PROFIT FOR THE YEAR	902,748	1,942,370
7 Distribution of profit		
8 Special items		

Statement of Financial Position

DKK '000

Note	2023	2022
ASSETS		
NON-CURRENT ASSETS		
Non-current tangible assets:		
9 Land and buildings	39,320	39,383
9 Machinery, tools and equipment	706	704
Total	40,026	40,088
Other non-current assets:		
3 Investment in subsidiaries	8,213,824	7,509,778
Total	8,213,824	7,509,778
TOTAL NON-CURRENT ASSETS	8,253,850	7,549,866
CURRENT ASSETS		
Receivables:		
Tax receivable	1,635	5,089
Other receivables	218	243
Prepayments	49	27
Total	1,903	5,359
10 Securities	350,436	388,082
Cash	146,521	103,202
TOTAL CURRENT ASSETS	498,859	496,643
TOTAL ASSETS	8,752,709	8,046,509

Statement of Financial Position

DKK '000

Note	2023	2022
EQUITY AND LIABILITIES		
EQUITY		
Contributed capital	250,000	250,000
Distribution fund	85,000	75,000
Retained earnings	8,324,020	7,634,672
TOTAL EQUITY	8,659,020	7,959,672
LIABILITIES		
Current debt:		
11 Grants payable	91,464	83,720
Trade payables	134	642
Other payables	1,386	2,340
Prepayments	706	134
Total	93,689	86,836
TOTAL LIABILITIES	93,689	86,836
EQUITY AND TOTAL LIABILITIES	8,752,709	8,046,509

- 1 Significant accounting judgments and estimates
- 2 Accounting policies
- 12 Related parties
- 13 Contingent assets, liabilities and other financial obligations
- 14 Events after the balance sheet day

Statement of changes in Equity

DKK '000

	Note	Contributed capital	Distribution fund	Retained earnings	Total equity
Balance at 1/1 2023		250,000	75,000	7,634,672	7,959,672
Other equity movements in subsidiaries		-	-	-150,810	-150,810
Approved grants		-	-47,911	-	-47,911
Associated costs re. charitable purposes		-	-4,679	-	-4,679
Distribution of profit	7	-	62,590	840,158	902,748
Balance at 31/12 2023		250,000	85,000	8,324,020	8,659,020

Cash Flow Statement

DKK '000

	2023	2022
Profit before tax	902,748	1,942,457
Share of result in subsidiaries reversed	-884,856	-2,021,891
Depreciation, amortisation and impairments reversed	1,083	1,016
Financial non-cash items reversed	-23,696	74,695
Change in payables and receivables	-888	-1,288
Profit before tax adjusted for non-cash items	<u>-5,609</u>	<u>-5,012</u>
Paid tax	1,315	-2,253
Paid grants	-44,846	-36,955
Cash flow from ordinary activities	<u>-49,140</u>	<u>-44,220</u>
Investment in non-current tangible assets	-1,022	-4,187
Accounting dividend *	-	13,855
Dividends from subsidiaries	30,000	100,000
Investment in securities	-107,054	-29,687
Sale of securities	170,535	35,519
Cash flow from investment activities	<u>92,459</u>	<u>115,500</u>
Change in loans to subsidiaries	-	29,933
Cash flow from financing activities	<u>-</u>	<u>29,933</u>
Changes for the year in cash position	43,319	101,213
Cash beginning of year	<u>103,202</u>	<u>1,989</u>
Cash end of year	<u>146,521</u>	<u>103,202</u>

Note:

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

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 Lauritzen Fonden. 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 mainly relate to the investment in Lauritzen Fonden Holding ApS, its subsidiaries and the underlying assets and liabilities including:

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

2 Accounting policies

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

Lauritzen Fonden applies IFRS 9 as interpretation for impairment of financial receivables, IFRS 15 as interpretation for revenue recognition and IFRS 16 when recognizing and measuring leases.

Lauritzen Fonden’s accounting policies are the same as the accounting policies applied by its subsidiary Lauritzen Fonden Holding ApS and the group companies.

The Foundation carries out commercial activity primarily through the shareholding of Lauritzen Fonden Holding ApS. As the Foundation only owns one direct subsidiary, and Lauritzen Fonden Holding ApS prepares Consolidated Financial Statements, the Foundation does not prepare consolidated financial statements with reference to section 111 of the Danish Financial Statements Act but is referring to the Consolidated Financial Statements of Lauritzen Fonden Holding ApS. Due to the shareholding in Lauritzen Fonden Holding ApS, the Foundation is considered a commercial foundation supporting non-profit activities. The Foundation is therefore comprised by the Danish Act for Commercial Foundations. Thus, the Financial Statements only comprise the activities of the Foundation.

Due to the Foundation’s investment activities and special nature, the presentation of the income statement has been adjusted compared to the presentation requirements in the Danish Financial Statements Act. The adjustments have no effect on profit or equity.

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 financial year, except for the changed presentation of the income statement described above.

Recognition and measurement

Other operating income is 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 Lauritzen Fonden, 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 Lauritzen Fonden, 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.

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.

Income statement

Share of result in subsidiaries

Share of result in subsidiaries comprises the profit/loss after tax after elimination of intra-group profits/losses and less amortization of goodwill recognised as part of the equity investment of the subsidiary, Lauritzen Fonden Holding ApS.

Other operating income

Other operating income includes income related to Lauritzen Fonden's charity initiatives.

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 and amortization of financial assets and liabilities. Financial income and expenses are recognized at the amounts relating to the financial year.

Other external costs

Other external costs include administrative expenses.

Staff costs

Staff costs include salaries and wages, pension and social security costs relating to the employees.

Depreciation, amortisation and impairments

Depreciation, amortisation, and impairment losses comprise amortisation, depreciation and impairment of non-current tangible assets.

Profit/loss on sale of non-current assets

Profit/loss from sale of 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.

Tax on profit/loss

Tax for the year comprises income 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.

Special items

Special items include significant income and expenses not directly attributable to the recurring operating activities such as gains and losses on disposal of non-current assets.

Balance sheet

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 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.

Non-current tangible assets comprise land, buildings and machinery, tools and equipment. The expected useful life are as follows:

- buildings: 50 years
- machinery, tools and equipment: 4-5 years.

Land is measured at cost and is not depreciated.

Investments in subsidiaries

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

“Investments in subsidiaries” in the balance sheet include 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 Foundation. Dividends received or receivable from subsidiaries are recognised as a reduction in the carrying amount of the investment.

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 Lauritzen Fonden and adjusted for other equity movements in the subsidiaries.

When the Foundation’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 Foundation does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other enterprise.

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

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.

Receivables

Other receivables are stated at amortised cost.

Prepayments

Prepayments (assets) comprise prepaid expenses concerning insurance premiums, etc. Prepayments (liabilities) comprise prepaid income.

Equity

The Foundation's tied-up capital comprises the Contributed capital and the Reserve for net revaluation under the equity method. Distributable reserves comprise the Distribution fund and Retained earnings.

Reserve for net revaluation under the equity method

Reference is made to the section regarding "Investments in subsidiaries" above.

Distribution fund

When the Annual Report is presented and adopted at the Board of Directors meeting, the Board decides on amount available for grants until the approval of the following year's Annual Report. The allocated distribution amount is transferred from Retained earnings to the Distribution fund. Grants which, in accordance with the Foundation's purpose, have been approved at the latest on the balance sheet date are deducted from the Distribution fund and either paid out or transferred to Grants payable as a debt obligation or to Provisions for grants.

Costs associated to charitable purposes

Costs directly associated with the grants according to the Foundation's charitable purposes are recognized directly in Equity under the Distribution fund.

Provision for grants

Provision for grants is recognized when a specific grant has been approved at the latest on the balance sheet date, and the Foundation therefore has a legal or actual obligation, and it is likely that future economic benefits will flow out of the Foundation to fulfil the obligation. This occurs, among other things, when the announced grants are conditional on one or more future events which must be fulfilled before payment can take place or if the specific grantee is unknown.

Grants payable

A grant which has been approved at the latest on the balance sheet date and announced to the grantee, but not paid out on the balance sheet date is recognized as a debt obligation.

Other payables

Other payables are measured at net realisable value.

Cash flow statement

The cash flow statement shows Lauritzen Fonden's cash flows from ordinary, investment and financing activities for the year, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and end of the year.

Cash flows from ordinary activities

Cash flows from ordinary activities are calculated as the Profit before tax adjusted for non-cash operating items, changes in working capital, corporation tax paid and payments of grants.

Cash flows from investment activities

Cash flows from investment activities comprise payments related to investments in subsidiaries and securities and cash flow from acquisitions and disposals of non-current tangible assets.

Cash flows from financing activities

Cash flows from financing activities comprise the raising of loans and repayment of interest-bearing debt.

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 Investments in subsidiaries

DKK '000	2023	2022
Costs at 1/1	<u>11,168,743</u>	<u>11,168,743</u>
Costs at 31/12	<u>11,168,743</u>	<u>11,168,743</u>
Revaluations at 1/1	-3,658,965	-5,634,497
Accounting dividend *	-	-13,855
Dividend	-30,000	-100,000
Profit/loss for the year	884,856	2,021,891
Other equity movements	<u>-150,810</u>	<u>67,495</u>
Revaluations at 31/12	<u>-2,954,919</u>	<u>-3,658,965</u>
Carrying amount at 31/12	<u>8,213,824</u>	<u>7,509,778</u>

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".

Subsidiaries:	Country	Ownership share %
Lauritzen Fonden Holding ApS	Denmark	100%

The Lauritzen Fonden Holding Group comprises more than 100 legal entities. Please refer to the Lauritzen Fonden Holding ApS Consolidated Financial Statements for a list of group companies.

4 Financial items

DKK '000	2023	2022
Interest income from banks etc. (net)	2,068	89
Interest income from subsidiaries	-	16
Income from investments in listed securities (net)	34,500	-62,794
Other financial income and expense (net)	<u>173</u>	<u>255</u>
Total	<u>36,741</u>	<u>-62,434</u>

5 Other external costs

DKK '000	2023	2022
Other external costs include fee to auditors elected by the Board of Directors:		
Audit	265	243
Other assurance engagements	-	-
Tax and advisory services	122	255
Other services	-	131
Total	387	629

6 Staff costs

DKK '000	2023	2022
Salaries incl. remuneration to Board of Directors	12,485	12,226
Pensions	1,192	1,096
Social security	51	162
Total	13,727	13,484
Average number of employees	10	9
Remuneration:		
Board of Directors	3,465	3,461
Executive Board	3,932	4,235
Remuneration to Executive Board received from other group companies	8,379	9,574

Management's incentives programme in J. Lauritzen A/S:

Warrants are granted to a member of the Executive Board of Lauritzen Fonden 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. 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.

Salaries re. charitable purposes:

Salaries etc. of tDKK 687 (2022: tDKK 798) relating to time spent on the Foundation's charity initiatives have been deducted from the Staff costs and recognised as grants. The time spent corresponded to 0.7 full time employee (2022: 0.8 full time employee).

7 Distribution of profit

DKK '000	2023	2022
Transferred to Distribution fund	62,590	52,342
Retained earnings	840,158	1,890,028
Total	902,748	1,942,370

8 Special items

There are no special items.

9 Non-current tangible assets

DKK '000	Land and buildings	Machinery, tools and equipment
Costs at 1/1 2023	48,289	2,852
Additions	936	86
Costs at 31/12 2023	49,225	2,938
Depreciation and impairment losses at 1/1 2023	8,906	2,148
Depreciation	999	84
Depreciation and impairment losses at 31/12 2023	9,905	2,232
Carrying amount at 31/12 2023	39,320	706
Carrying amount at 31/12 2022	39,383	704

10 Securities

DKK '000	2023	2022
Listed shares	112,002	237,414
Unlisted shares (at fair value)	9,658	7,719
Listed bonds	228,776	142,948
Total	350,436	388,082

Unrealized changes in fair value on shares and bonds recognised as financial income and expenses in the Income Statement.	28,673	-74,779
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11 Grants payable

DKK '000	2023	2022
Grants payable at 1/1	83,720	68,333
Distributions	56,627	54,119
Reversals	-4,037	-1,776
Paid	<u>-44,846</u>	<u>-36,955</u>
Grants payable at 31/12	<u>91,464</u>	<u>83,720</u>

12 Related parties

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

Related party	Basis for relation	Nature of transaction	Amount in DKK '000
Lauritzen Fonden Holding ApS	Subsidiary	Dividend received (ref. note 3)	30,000
Lauritzen Fonden Holding ApS	Subsidiary	Rent of premises (Other external costs)	-752
Lauritzen Bulkens A/S	Subsidiary	Service agreement (Other external costs)	-1,520

The Foundation has paid remuneration to the Board of Directors and the Executive Board. (ref. note 6)

13 Contingent assets, liabilities, and other financial obligations

There are no contingent assets, liabilities and other financial obligations.

14 Events after the balance sheet date

No events have occurred after the balance sheet date.

Main office locations

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