

Lauritzen Fonden

Tranegårdsvej 20, 2900 Hellerup

(CVR no. 1545 3613)

ANNUAL REPORT 2019

Approved on 24 March 2020 at
Lauritzen Fonden's Board meeting

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Chairman of the Board

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Lauritzen Fonden for the financial year 1 January – 31 December 2019.

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

It is our opinion that the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the foundation's financial position at 31 December 2019 and of the results of the Group's and the foundation's operations and consolidated cash flows for the financial year 1 January – 31 December 2019.

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

Copenhagen, 24 March 2020

Executive Board

Tommy Thomsen
CEO

Inge Grønvold
Director

Board of Directors

Jens Ditlev Lauritzen
Chairman

Erik G. Hansen
Vice Chairman

Bendt Bendtsen

Kigge Hvid

Betina Ipsen

Erik Bierre

Jesper Jessing

Kristian Kristensen

Independent auditors' report

To the Board of Directors of Lauritzen Fonden

Opinion

We have audited the consolidated financial statements and the parent foundation financial statements of Lauritzen Fonden for the financial year 1 January – 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Foundation, and a consolidated cash flow statement. The consolidated financial statements and the parent foundation financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent foundation financial statements give a true and fair view of the financial position of the Group and the Parent Foundation at 31 December 2019 and of the results of the Group's and the Parent Foundation's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent foundation financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent foundation financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Independent auditor's report

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

Copenhagen, 24 march 2020
Ernst & Young
Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Torben Bender
State Authorised
Public Accountant
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Foundation details

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

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

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

Executive Board: Tommy Thomsen, CEO
Inge Grønvold, Director

Board meeting is held on 24 March 2020

The Group at a glance

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

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

J. Lauritzen has served the maritime trade worldwide for more than 135 years and has been engaged in a wide range of segments of the shipping industry.

Today, J. Lauritzen provides marine transportation of dry bulk cargoes as well as petrochemical and liquefied petroleum gases on a global scale.

Lauritzen Bulkcarriers is an owner and operator of bulk carriers engaged in ocean transportation of dry bulk cargoes worldwide. The main presence is in the handysize segment, where a leading position is maintained. Lauritzen Kosan is a global provider of safe and reliable ocean transport solutions for liquefied gases comprising petrochemical and energy gases. J. Lauritzen is present in the 3-12,000 cbm gas carrier segment.

Overall results were below expectations. Apart from special items, the result for 2019 was impacted by the weak bulk market, in particular at the beginning of the year, and a weak gas carrier market in the second half of the year.

During 2019, Lauritzen Bulkcarriers and Lauritzen Kosan controlled a combined average fleet of 104 vessels compared to 109 vessels in 2018. At year-end 2019, J. Lauritzen owned 2 bulk carriers and 13 gas carriers versus 9 dry bulk carriers and 14 gas carriers at year-end 2018.

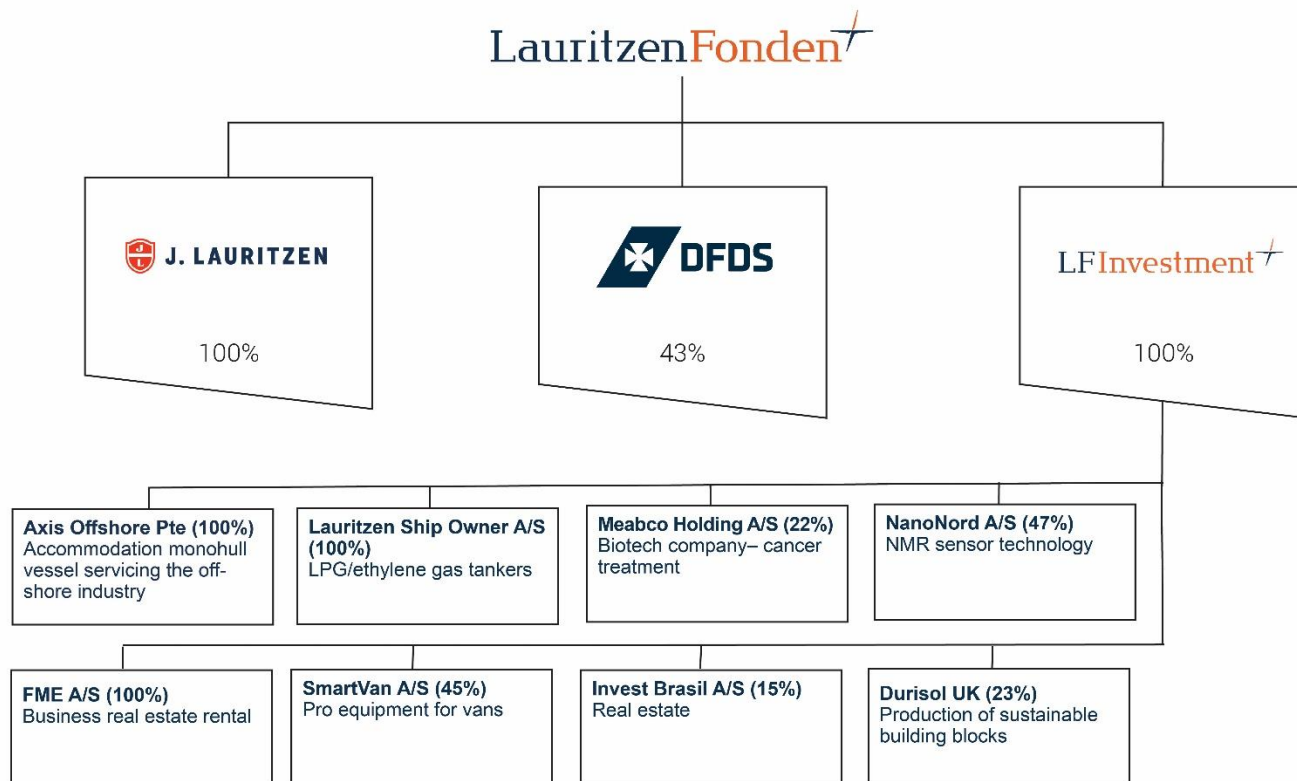
DFDS A/S was established in 1866. DFDS provides ferry shipping services and transport solutions in Europe. Over 8.000 freight customers rely on the ferry and port terminal services as well as flexible transport and logistics solutions. DFDS also provides safe overnight and short sea ferry services to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

For DFDS 2019 brought two major events that had a negative impact on two key markets, UK and Turkey. The Brexit process became increasingly unpredictable through the year and generated a high level of uncertainty among industrials and people in general which resulted in a considerable slowdown in UK freight and passenger volumes. 2019 was initially off to a good start for DFDS as Q1 2019 was positively impacted by stockbuilding ahead of the date set for Brexit at the time, 31 March 2019. This date was extended six months to October 2019 and again extended to 31 January 2020. This sequence of events led to a high level of uncertainty and trade volumes dropped considerably for the rest of the year apart from a pickup in October 2019. In 2019, freight volumes thus decreased on DFDS' Channel and North Sea ferry routes by 3% and 5%, respectively. Turkey went into recession following a significant currency depreciation in August 2018 and this likewise had a negative impact, particularly on import volumes and thereby on the balance between import and export volumes.

During 2019, DFDS controlled a combined average fleet of 70 vessels compared to 71 vessels in 2018. At year-end 2019, DFDS controlled 36 ro-ro ships, 16 ro-pax ships, 4 passenger ships and 14 container and side port ships versus 36 ro-ro ships, 16 ro-pax ships, 4 passenger ships and 15 container and side port ships at year-end 2018.

In addition to its ownership interests in J. Lauritzen and DFDS, Lauritzen Fonden has holdings via the wholly owned **LF Investment ApS** within NMR-technology, cancer research, two gas carriers, an accommodation vessel and real estate. LF Investment ApS is also engaged in financial management of equity investments as well as asset management, including impact investing, with the aim of generating measurable social impact as well as financial return.

Overall group structure



Group Key Figures

(DKK million)	2019	2018*	2017*	2016*	2015*
Net turnover	20.021	19.355	18.072	16.716	16.362
Result before depreciations (EBITDA)	3.833	2.956	2.582	2.653	2.058
Profit on sale of vessels	46	38	9	49	128
Depreciations and write-downs	-3.118	-1.332	-1.110	-1.376	-2.680
Operating income	762	1.663	1.482	1.325	-493
Share of result in joint ventures	-55	-2	6	-38	-218
Financial items, net	-337	-279	-393	-362	-352
Result before tax	370	1.382	1.094	926	-1.063
Income tax	-65	-82	-79	-12	-37
Result for the year	305	1.300	1.016	913	-1.100
Non controlling interests share of result	617	868	898	863	516
Profit/(Loss) for the year	-312	432	118	50	-1.616
Fixed assets	25.338	21.158	13.001	13.867	13.295
Total assets	31.322	26.549	17.833	18.985	19.812
Equity, Foundation's share	5.954	6.301	5.659	5.813	5.958
Non controlling interests	5.615	5.181	3.707	3.741	3.626
Total equity	11.569	11.483	9.366	9.554	9.584
Cash flow from ordinary activities	3.097	1.844	2.062	2.485	2.024
Investment in tangible assets	-3.212	-1.522	-685	-2.182	-821
Changes in cash position	-139	-477	-207	-338	706
Number of employees	8.886	8.534	7.950	7.863	7.309
Profit margin, %	3,8	8,6	8,2	7,9	-3,0
Rate of return, %	2,7	8,0	8,7	7,2	-2,8
Return on equity, %	-5,1	7,2	2,1	0,9	-24,7
Solvency ratio, %	36,9	43,3	52,5	50,3	48,4

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

*Comparative numbers are not restated to IFRS 16.

Profit margin

Operating income
Net turnover

Solvency ratio

Equity incl. non controlling interests
Total assets

Rate of return

Operating income + financial income
Average of total balance

Return on equity

Profit/(Loss) for the year
Average share of equity excl. non controlling interests

Management's review

IFRS 16 has been implemented as of 1 January 2019. The standard supersedes existing leases guidance. Implementation of IFRS 16 has had a material effect on the financial statements as most contracts previously classified as off-balance operating leases under IAS 17 have now been capitalised, recognising Right-of-use assets and lease liabilities similar to previous practices for financial lease.

The impact on the financial statements is in further detail explained in the section "Change in accounting policy". The Group has implemented the standard by applying the modified retrospective approach which means that the effect of IFRS 16 is reflected in equity as of 1 January 2019 with no restatement of comparatives. Consequently the comparative figures in the financial statements and in the management's review is not fully comparable.

The total revenue of the Group amounted to DKK 20.021 mill. in 2019 compared to DKK 19.355 mill. in 2018, an increase of DKK 666 mill. Result before tax amounted to a profit of DKK 392 mill. compared to a profit of DKK 1.382 mill. in 2018.

During 2019 Lauritzen Fonden received dividend from DFDS amounting to DKK 97,5 mill.

The net result for **J. Lauritzen A/S** for 2019 was a loss of DKK 697 mill. compared to a loss of DKK 150 mill. in 2018. The 2019 result was significantly impacted by special items totalling DKK -295 mill. DKK -168 mill. related to impairments, while the 2018 result included special items totalling DKK 157 mainly related to the use of provisions for onerous contracts and the reversal of impairments on vessels. Please refer to J. Lauritzen's web: www.j-l.com for further information.

For **DFDS A/S** profit before tax amounted to DKK 1.371 mill. compared to DKK 1.694 mill. in 2018. Operating profit before depreciation (EBITDA) and special items increased to DKK 3.633 mill. Compared to DKK 2.988 mill. in 2018. Please refer to DFDS's web www.dfds.com for further information.

The net result for **LF Investment ApS** for 2019 amounted to a loss of DKK 146,3 mill. compared to a loss of DKK 24,6 mill. in 2018. The negative result is primarily impacted by impairment of Dan Swift, the monohull accommodation vessel owned by Axis Offshore Singapore Pte, a 100% owned subsidiary.

Lauritzen Fonden's mission

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

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

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

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

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

Philanthropic vision

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

Grant Strategy

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

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

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

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

The target group

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

This affects not only the individual but also society as a whole. It can lead to more inactive adults not being able to obtain the same possibilities of contributing to society.

By focusing on the areas of *well-being* and *general education* we wish to support initiatives and projects that facilitate a way into education and employment for children and young people.

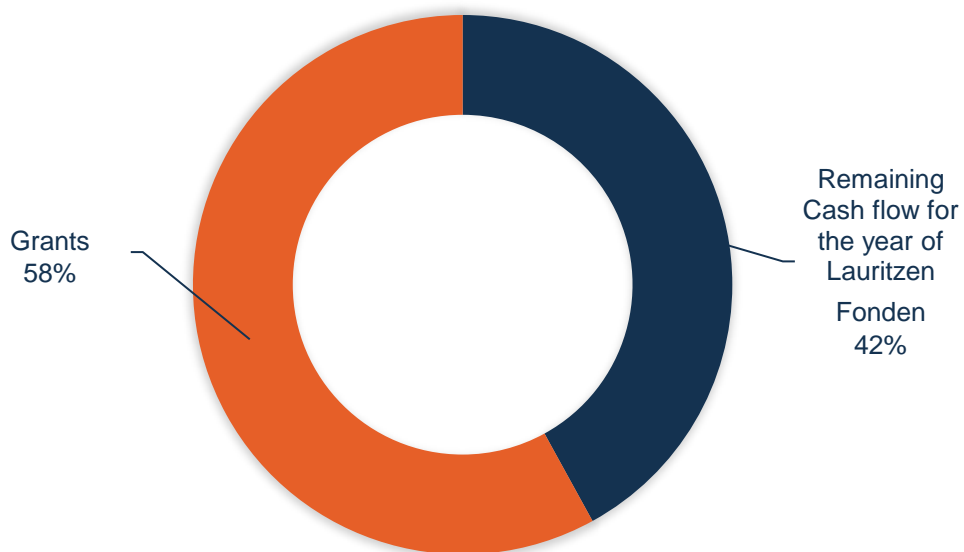
Geographic focus

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

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

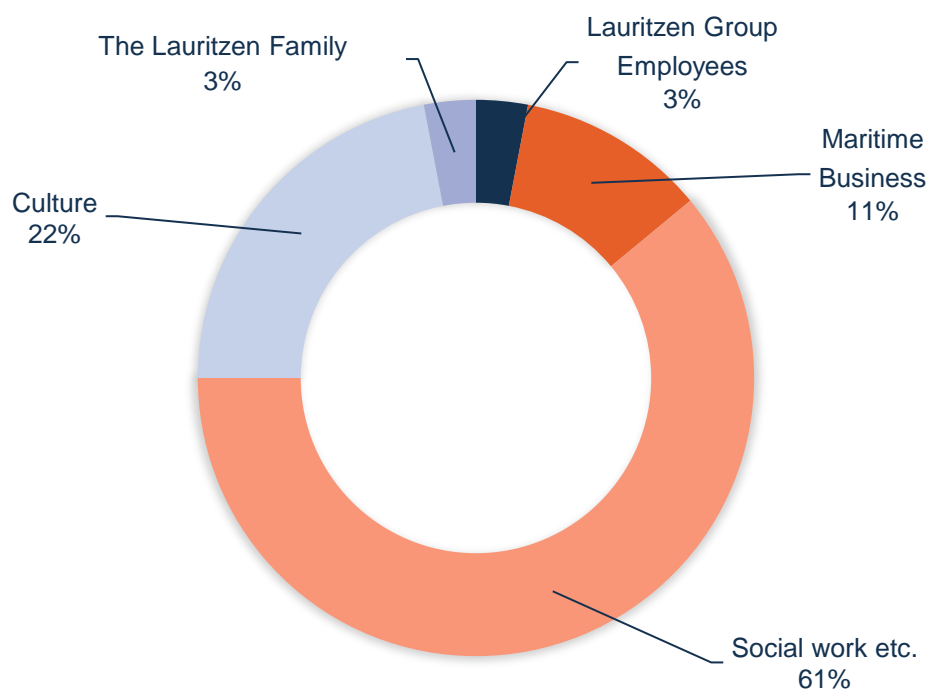
Allocation of funds

The cash flow generated in 2019 by Lauritzen Fonden (the parent) amounted to DKK 80.mill. (2018: DKK 83 mill.). The amount consists of operating income before depreciations (EBITDA) plus dividend from DFDS A/S. With a grant distribution of DKK 46,3 mill. in 2019 (2018: DKK 42,8 mill.), Lauritzen Fonden has thus allocated 58% of the cash flow to meet the foundation charter.



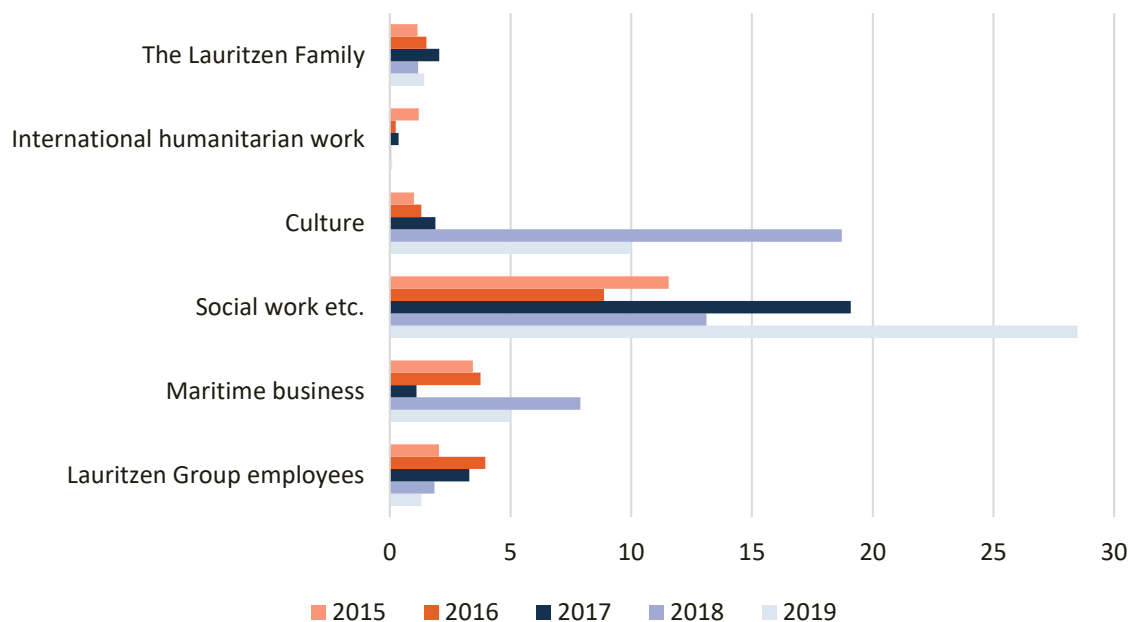
All grant distributions 2019

As shown in the figure below, 3% of the total grant amount in 2019 went to support the Lauritzen Groups employees, 11% to seafarers and maritime interests, 61% to social and humanitarian work in Denmark, 22% to cultural projects and 3% to the Lauritzen Family.



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

Overview of grant distributions



(NB: Culture 2018 deviates significantly due to the initiative Levende Legekultur 2019-2023)

Partnerships and strategic grants

Grants within the individual categories and in various sizes have been distributed to a wide range of activities carried out by organisations, associations and individuals who actively contribute to impact society. Below please find a list of the partnerships initiated in 2019 and some of the major projects and initiatives supported during the year:

Partnerships

DKK 8.500.000	Den Sociale Kapitalfond	"Energy for each other - the path to jobs and education through growth" – a pilot project consisting of a three-track development course targeted at 1) local Esbjerg companies, 2) young people (vulnerable young people age 16–27), and 3) Esbjerg Job Center.
DKK 8.300.000	Ungdomsbureauet	The strategic partnership Diverse Engagement seeks to create more knowledge about vulnerable young people's living conditions and engagement as well as support their voice in the community (2019-2022).

DKK	2.100.000	Lær for Livet	The partnership aims to strengthen 60 vulnerable children, both academically and socially, in Aalborg Municipality.
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Other strategic grants

National

DKK	2.200.000	Ungdomsøen	Creating and developing activities for young people on the Youth Island (Ungdomsøen) (2019-20).
DKK	1.465.000	Museet for Søfart	Program enabling access to culture at Denmark's maritime museum aimed at preschoolers and schoolchildren in low-income families.
DKK	1.000.000	Fonden for Socialt Ansvar	Strengthening the voluntary social organizations.
DKK	800.000	Dansk Skolebridge	Distributing and teaching school bridge at primary schools in Esbjerg in the period (2019-2023).
DKK	500.000	Børns Vilkår	Development of a blended learning-model to train more volunteer counselors and educators.

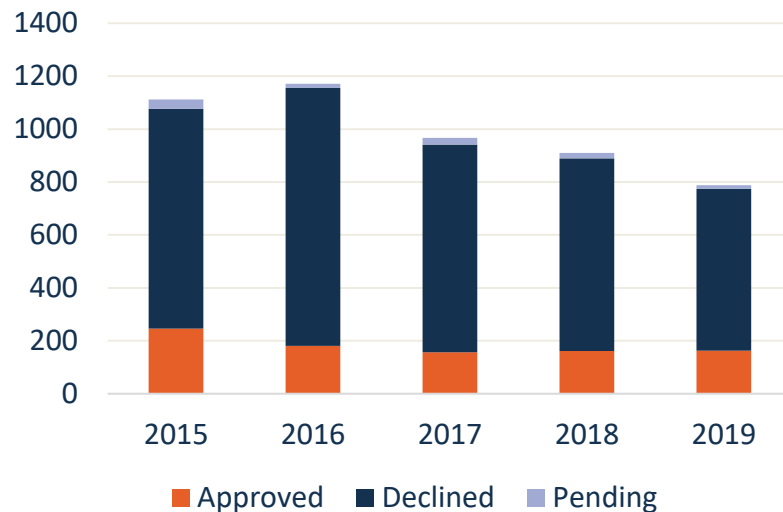
Esbjerg

DKK	2.000.000	Spektrum Parken	Site development project "Spektrum Parken" - a recreation park in Østerbyen in Esbjerg.
DKK	2.000.000	Esbjerg Kunstmuseum	Art for life - a 5-year initiative that seeks to enhance children's learning and play through encounters with art in daycare.
DKK	1.750.000	Fritidsjob	Development and scaling of an after-school job program for Østerbyen in Esbjerg.
DKK	500.000	Præstegårdsskolen	Test possibilities for interior design and renewal of the physical framework of the school library at Præstegårdsskolen.

Development in grant applications

In 2019, Lauritzen Fonden received and processed 774 applications compared to 890 in 2018. 163 were approved for grants leading to a "hit-rate" of 21%. 14 applications were still pending at year-end.

Development in grant applications 2015-2019



Partnership and project highlights 2019

Our grant strategy is implemented through donations, collaborations and partnerships that enable a greater impact of the foundation's funds. Below please find a number of partnership-based initiatives we have supported in 2019.

Update on Collective Impact initiative – MedVind in Esbjerg, Denmark

As a foundation the engagement in a Collective Impact initiative is driven by the ambition to ensure social change at a larger scale than any actor will be able to manage on their own. This was the starting point in 2017 for the establishment of 'MedVind i Østerbyen' in collaboration with Esbjerg municipality and different local stakeholders. The vision is to break the negative cycle for children and young people from low-income families in Esbjerg's Østerbyen over a 12-year period.

At the core of the Collective Impact Initiative is the backbone organisation, which functions as a separate secretariat supporting the entire initiative by coordinating existing projects and potential new ones with the various stakeholders involved. In 2019 the backbone organisation, was comprised of a backbone manager who heads the secretariat and a backbone consultant.

The objective of the backbone organisation in 2019 has been to support the local school in their continued development as well as the local community, especially civil society organisations. Further, it has been part of the backbone secretariat to build insight, knowledge and understanding of the problem locally. In 2019 Medvind contributed to a number of different initiatives, including the following:

After-school job initiative

Since 2017, after-school jobs have been a focus area of MedVind and a close dialogue and collaboration between several actors around Præstegårdsskolen in Esbjerg has been initiated. As a result, more than 41% of the students from 7-9 grade have an after-school job in 2019, compared to only 10% in 2017 in the

area around Østerbyen. Despite the positive result, there is a need to develop a more robust solution and MedVind has during 2019 in collaboration with Esbjerg Municipality, Business Esbjerg and other local stakeholders worked on making the after-school job initiative more resilient.

A broad collaboration between several different actors, such as the business community, the local clubs, associations and housing organisations contribute to this effort. The strategic partnership aims at strengthening young people's life skills in a way that allows them to enter the job market, for the benefit of both the municipal economy, the business community's demand for labor and the young people's future.

Spektrum Parken – a recreation park in Esbjerg's Østerbyen

The past years, Esbjerg Municipality, the Housing Association Ungdomsbo and Medvind have been working to develop the outdoor area so that it supports community development in Østerbyen and in 2019 this effort continued.

The ambition is to develop an attractive outdoor recreational area that meets the needs and wishes of the local community - but also to develop features that remaining citizens from the municipality ask for. In 2019 several trial actions were initiated, including a skate area set up in collaboration with GAME, a play container set up together with Gerlev Sports Academy, an enclosed football field, lounge area with barbecue and hammocks etc. A continued effort is to engage relevant actors (youth school, associations, housing association, Club Østerbyen, daycare, school etc.) who take up the responsibility to host and initiate activities in the area.

In 2019, a total of DKK 15,8 mill. has been granted to local projects that supports the overall vision of MedVind. Lauritzen Fonden and Esbjerg Municipality have made a mutual commitment to support the initiative for a 12-year period. Lauritzen Fonden plays an active part in both steering committee and partner group in the initiative.

Platformen – making room for communities in Esbjerg, Denmark

On 1 July 2019, Lauritzen Fonden bought the bankrupt estate - Bieringhus Continuation School located in the city of Esbjerg, Denmark with the ambition to transform the school into a community hub, with the aim of bringing together, developing and enabling community-enhancing activities across age and interest.

The purchase of Bieringhus Continuation School is a natural progression following the Foundations's increased presence and focus in Esbjerg.

Following the purchase of the continuation school, a process was initiated to further qualify the development and establishment of the new community hub, which is named "Platformen". The focus has been on stakeholder and citizen involvement with the aim of ensuring a sustainable development and to create synergy with ongoing initiatives in the area of Østerbyen and in Esbjerg in general.



During this process the foundation was explicitly confirmed in our first ambition for the place; to create a strong platform - a community hub - for the development of inclusive communities. We have also been confirmed that the surroundings of the former continuation school have a size that enable us to gather, develop and conduct a number of different activities with a focus on ensuring a constantly changing environment.

With Platformen we want to create a space where users - from all over Esbjerg - can meet for a meal, some yoga, the opportunity to build a soapbox car and other social events. In the development process, we were made aware of the great demand for physical space for such activities in Esbjerg. Local musicians have shown interest in the rehearsal room, the workshop area match specific needs of local seniors and several associations have shown interest in the sports hall. In addition, there is also a local demand for activities such as communal dining, flea market etc.

Organisation

A manager has been employed in March 2020 and will be responsible for the day-to-day operations and the further development of Platformen in close cooperation with the rest of the foundation's organisation and Platformen's janitor.

The Danish Academy for Social Innovation (Akademiet for Social Innovation) is also contributing to the development of Platformen where a 'task force' of 8 people including the foundations Deputy-Manager is part of the work.

Towards new adventures – goodbye for now to Legeskibet

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

Legeskibet in brief

Legeskibet is a collaboration with Gerlev Sports Academy, home of the Gerlev Legepark (play park), which is a huge green area in the Western part of Zealand where you can enjoy playing historic and new games – activities that are still very much a part of Danish cultural heritage. The mission of Legeskibet is to re-think the Danish culture of play and movement while creating new opportunities for movement in the Danish harbor areas. The project period ran until 2019 and the end of Legeskibets journey was marked with a book release, an evaluation report and a conference.



Highlights

To mark the conclusion of Legeskibet a conference was held on 23 May with the aim to tie all the knots and present the evaluation of the 5-year program. More than 100 people from municipalities, organizations and universities gathered at Gerlev Sports Academy to focus on the general education through play, play culture, play communities and play networks across municipalities in Denmark. A various selection of speakers among other directors from Esbjerg, Svendborg and Helsingør municipalities presented how they, inspired by Legeskibet's visits, have worked with implementing play and playfulness into their children and youth strategies as well as their city planning strategies.

Lise Specht, research scholar from CISC (Sports, Health and Civil Society) University of Southern Denmark, presented the evaluation and final report of Legeskibet, and concluded on best-practice from the project period and key points from the maritime playbuildings. Play needs physical space and political prioritizing. Legeskibet has exposed the need and potential for a strengthened play culture in the cities they have visited and been a huge inspiration to both civic society and politicians to make sustainable changes in their cities. The picture shows Play Admiral Rasmus Casper welcoming everyone to the conference at Gerlev.



Living Play Culture has been kicked off

Legeskibet's focus on culture, movement and education



matched the

foundation's
vision of
securing the
best preconditions

for including all children and youth in
meaningful communities. Thus in 2019
Lauritzen Fonden and Gerlev Sports
Academy launched their new joint effort
Levende Legekultur (Living Play
Culture) to continue inspiring and
implementing a serious and long-term
focus on play throughout the whole
nation. Living Play Culture carries the
same vision as Legeskibet and is
focused on creating better learning
environments and social well-being for

children and young people regardless of their
background. But the efforts in Living Play Culture include
the strengthening of play culture in more long-term
cooperation with five municipalities in Denmark. Esbjerg
and Helsingør are the first to two onboard. The purpose
is to motivate, implement and anchor a living play culture
and thereby strengthen physical active play as an
important focus area in day care institutions, public
schools, local areas as well as for politicians and
administration.

Total amount granted = DKK 12,6 mill. over a five-year
period. Lauritzen Fonden is sole financier of the
partnership.



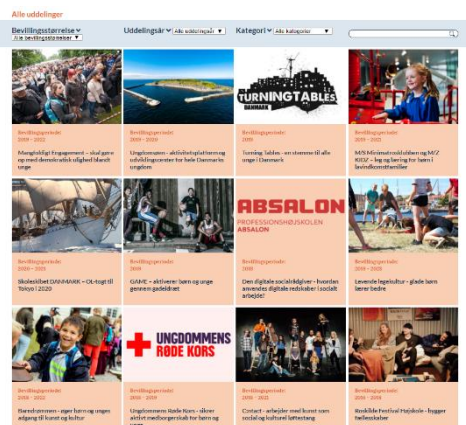
The Blue Denmark

In 2018 Lauritzen Fonden earmarked DKK 10 mill. for the coming two years, for initiatives that support the Danish governments growth plan for the maritime Denmark. The funds are to support concrete initiatives, which can future-proof the growth in The Blue Denmark, including maritime competence development and education. In 2019 supported initiatives include:

DKK 1.500.000	The Technical University of Denmark	Research project that examines electro fuels for long-range maritime transport
DKK 1.000.000	MARTEC	The Danish national training ship, DANMARK's Olympic voyage in 2020 through Panama to Tokyo with a crew of 95 people
DKK 1.000.000	SMUC Fonden	Construction of the new SIMAC in Svendborg – Denmark's largest maritime education centre.
DKK 335.000	MACN	A collective action initiative in Ukraine.
DKK 250.000	MDC-Maritime	Conduction of The World Maritime Technology Conference in Denmark in April 2021.

Communication and transparency

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



We put great emphasis on transparency and seek to demonstrate openness about our activities. On the website we showcase the many initiatives and projects we support – displaying how the projects are serving the public. By demonstrating a high degree of transparency, we aim to get closer to our stakeholders and not least strengthen the effect of our work and the distributed funds.

Our focus on transparency and the current practice in this area was once again confirmed in the report "Den Danske Fondsanalyse 2019" by Kraft & Partners which analyses the 30 largest foundations in Denmark. The 2019 report concludes that Lauritzen Fonden meets the 35 stated parameters in Kraft & Partners transparency barometer to a very high degree.

Brand recognition

Lauritzen Fonden once again participated in an analysis focusing on the public knowledge of the Foundation and our focus areas. In 2019 the survey was extended to include brand recognition amongst relevant stakeholders – making the survey even more relevant for Lauritzen Fonden. The survey was carried out by Kantar Gallup and 24 foundations participated compared to 17 in 2018.

The results of the 2019 survey were in line with the results of the analysis conducted in 2018 with a brand awareness of 7% in the general public, leaving plenty of room for improvement. However, our communication efforts are targeted at locally and geographically defined focus areas and the general public is thus not our primary focus. Brand recognition amongst stakeholders, which include politicians, government officials, nongovernmental organisations and the media proved a bit better at 39%.

Social Media

Social media has emerged as one of the most effective forms of communication available. Sharing our website content and other relevant news on social media channels enables us to reach new and growing audience segments.



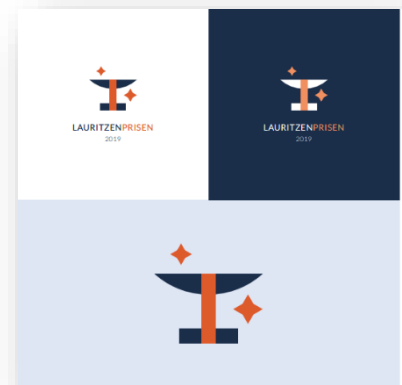
The foundation's Facebook-page is still our most important social media platform for external communication. With more than 2.700 followers it is a valuable tool for reaching stakeholders with news regarding the foundation's work and projects with no additional marketing costs.

However, with an ambition of strengthening the narrative about our work and vision and spread awareness of the many important projects supported by the foundation and to ensure legitimacy of our work a greater focus and an increased presence on social media is required and as a result the Foundation increased its presence on LinkedIn and launched an Instagram profile during 2019.

New visual brand identity for the Lauritzen Award

In order to streamline visual communication and to further strengthen the Lauritzen award's brand, a visual brand identity update was implemented in 2019.

The new updated visual brand identity aims to modernize the Lauritzen Award's brand and includes a redesigned logo, new icons for each award and a new color scheme. The new geometric design is inspired by the Bauhaus era and has a modern and minimalist expression. The new design enable us to maintain a clear and distinguishable identity throughout all relevant communication channels and platforms.



The Lauritzen Award

Each year Lauritzen Fonden distributes awards as a recognition of an exceptional performance by a Danish artist in the theatrical profession either on stage, in TV or on film. In 2019 the award was awarded to Maria Rossing and Preben Kristensen each receiving DKK 250.000.

Similar to 2018 the two main award recipients were given the opportunity to hand out DKK 50.000 to a social organization or initiative in Denmark focusing on vulnerable children and/or young people of their choice. Maria Rossing donated to The Red Cross and Preben Kristensen to Save the Children.

Recipients 2019:



- Lauritzen Fonden's Vision Award DKK 100.000: **Sort Samvittighed**
- Lauritzen Fonden's Children and youth Award DKK 50.000: **Kim Fupz Aakeson**
- Lauritzen Fonden's Backstage Award DKK 50.000: **Maja Ravn**
- Lauritzen Fonden's Wauw Award DKK 30.000: **Maria Rich**
- Lauritzen Fonden's Believe-in-you Awards X 2 each DKK 20.000: **Alba August** and **Nicolai Jørgensen**

The award show took place at Folketeatret in Nørregade, Copenhagen with nearly 600 guests attending the festive event. During the show the three social and humanitarian projects, C:ntact, Læs for Livet and Det Lille Teater were showcased and after the show, guests were given the chance to meet and greet the projects in the foyer, which was an excellent way of establishing new connections.



As an extra recognition of the projects tireless work each of them were given 10.000 DKK to do something special and fun for their volunteers. The picture show staff from Læs for Livet.

Real estate

Herlevgårdsvej

In 2019 Lauritzen Fondens sold the premise at Herlevgårdsvej. The premise has been in the foundation's possession since 2006. J. Lauritzen A/S and DFDS A/S have since had the opportunity to offer good and inexpensive housing to trainees, employees' children during education and employees with acute housing problems, and in this way the foundation's funds have been applied for young people's education, which is one of the foundation's purposes.

Over the years, the property has been continuously maintained and the apartments modernized and today the premise appears as an attractive property in the middle of the cityscape of Herlev. These efforts have not gone unnoticed, and in 2019 Lauritzen Fonden received a bid for the property, which it was decided to accept.

Klithuset

In 2019, the occupancy rate at Klithuset in Dronningmølle has increased. Occupancy rates during weekdays, meetings and conferences were at 42% compared to 39% the year before. Weekends in 2019 were at 88% versus 77% in 2018.

Day-to-day operation of Klithuset is done with an eye for details keeping the house desirable for parties, social activities and conferences at all times.

Klithuset – a strategic asset

Following an internal strategy process in 2019 it was decided to test how Klithuset can support the foundations overall grant strategy. Funds have thus been distributed to grant a stay at Klithuset for relevant organisations and grant recipients that are valued as strategic partners for the foundation.

Platformen

In 2019 Lauritzen Fonden purchased the former Bieringhus Continuation School located on Gl. Novrupvej 14, 6705 Esbjerg, Denmark. The estate is from 1967 and consist of a built-up area of 2257 m² and includes amongst other room wings, a kitchen, a living room, pavilions and a sports hall of 740 m² from 2014 as well as a number of different workshops. Read more about Platformen on page 17.

Other

The foundation owns a villa on Onsgårdsvej in Hellerup. The villa is partly rented out.

Foundation Governance

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

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

Gender diversity

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

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

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

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

CSR

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

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

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

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

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

Distribution fund

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

Risks

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

Outlook for 2020

International monetary organisations all agree that economic activity and world trade growth is under pressure and will remain so into 2020, although a pick-up is forecast for the second half.

J. Lauritzen anticipates that financial policies will be less supportive of economic growth than in 2019, although further measures to support economic growth may emerge during the course of the year.

There are a number of risks to the outlook that may affect international shipping. The most important of these include:

- Coronavirus (COVID-19)
- Stock market corrections
- International trade policy developments
- Rising unrest in the Middle East in combination with more sanctions being imposed on Iran
- More emerging markets getting into some sort of financial distress
- Growing corporate debt issuance at low credit rating
- Oil and commodity price volatility
- Brexit and its implications for Western European economic performance.

J. Lauritzen expects a result for 2020 to be better than in 2019. An expected moderate improvement of the gas carrier market and improved profitability in Lauritzen Bulkers due to an increased focus on low-risk, short-term trading activities and net cost from special items in 2019 (which are not expected to be repeated in 2020) will have a positive impact on the 2020 result.

However, the magnitude of the impact from the Coronavirus is extremely difficult to predict and could potentially impact the result of J. Lauritzen to a significant degree.

For DFDS, the initial outlook for 2020 announced on 6 February 2020 built on market growth prospects as they looked at the beginning of the year as well as on the Win23 strategy initiatives and the expectations of a continued negative impact from Brexit uncertainty on the UK market.

The overall financial ambition of Win23 is to achieve an EBITDA of around DKK 5.5bn in 2023 driven by three key drivers:

- Organic actions
- Mediterranean business plan fulfilment
- Acquisitions and business expansion.

The outlook for 2020 was however suspended on 18 March as a consequence of the outbreak of the Coronavirus in China and following further restrictions on intra-European travel and general lock-down measures across Europe which are deemed to have an impact in 2020 on the demand for European passenger and freight ferry services as well as the delivery schedule of remaining new-buildings from China.

Demand can also be impacted by competitor actions and extraordinary events such as a further escalation of the virus outbreaks.

The outlook will be updated once it is possible to assess the financial impact of Covid-19. Among other things, more visibility on the duration of the lock-downs and demand development post the lock-downs is required.

Directorships of the Board of Directors and Executive Board as of 24 March 2020

Board of Directors:



Jens Ditlev Lauritzen
Chairman

Year of birth: 1956

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

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

Member of the Board of:
Dansk Galop

Qualifications:

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

Dependent/ independent:

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

Annual fee: DKK 900.000



Erik G. Hansen
Vice Chairman

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

Year of birth: 1952

Date of board entry: April 27, 2017

Chairman of the board of:
Polaris II Invest Fonden
Polaris Mgt. A/S

TTIT A/S
Sirius Holding A/S

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

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

Dependent/ independent: Independent

Annual fee: DKK 600.000



Bendt Bendtsen

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

Year of birth: 1954
Date of board entry: January 1, 2009

Chairman of the board of:
Synergi

Member of the board of:
JJO INVEST ApS
Kraks Fond
Nordhavn A/S
Estech A/S

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

Dependent/ independent: Independent

Annual fee: DKK 300.000



Kigge Hvid
Partner, JA Studio

Year of birth: 1961

Date of board entry: December 1, 2010

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

Member of the Board of:
Grow Up
Det Sociale Netværk
GFA – Global Fashion Agenda

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

Qualifications:

22 years of CEO experience and 17 years of board experience in Denmark and abroad.
Special competencies within sustainability - in particular UN's Sustainable Development Goals - global challenges, innovation, disruption and design thinking within business, civil sector, ngos and non-profits.

Dependent/ independent: Independent.

Annual fee: DKK 300.000



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

Year of birth: 1965

Date of board entry: March 22, 2012

Qualifications:

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

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

Annual fee: DKK 300.000



Kristian Kristensen*

Position: Master Mariner, DFDS A/S

Year of birth: 1967

Date of board entry: March 24, 2018

Expiration of election period: March 31, 2022

Qualifications:

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

Annual fee: DKK 300.000



Erik Bierre*

Position: Senior Vice President J. Lauritzen A/S

Year of birth: 1962

Date of board entry: May 4, 2010

Expiration of election period: March 31, 2022

Qualifications:

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

Annual fee: DKK 300.000



Jesper Jessing*

Position: Master Mariner, DFDS A/S

Year of birth: 1963

Date of board entry: April 1, 2014

Expiration of election period: March 31, 2022

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

Annual fee: DKK 300.000

(* Staff elected)

Executive Board:



Tommy Thomsen
CEO

Year of birth: 1957

Chairman of the Board of:

J. Lauritzen A/S

NanoNord A/S

The Danish Maritime Fund

C.W. Obel A/S

Member of the board of:

PSA International Pte Ltd. Singapore

Meabco A/S

Chemical Transportation Group

SmartVan A/S

Member of the advisory board of:

Panama Canal

Portchain

Qualifications:

Management skills within shipping, infrastructure and logistics, strategy development, economic and financial control, asset management, investment and construction of international businesses.

Experience with investment and collaboration with companies and financial institutions in developing countries.

Salary and benefits from Lauritzen Fonden:

DKK 1.336.000

Salary and benefits from LF Investment ApS:

DKK 5.346.000

Directors fee (J. Lauritzen A/S):

DKK 850.000



Inge Grønvold
Director

Year of birth: 1955
Chairman of the board of Lauritzen Ship Owner A/S
Member of the Board of SmartVan A/S

Qualifications:

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

Salary, pension and benefits from Lauritzen Fonden:	DKK 1.878.000
Salary, pension and benefits from LF Investment ApS:	DKK 470.000

Income Statement 1 January – 31 December 2019

DKK '000

Parent			Group	
2018*	2019	Note	2019	2018*
Revenue				
0	0	2 Net turnover	20.021.141	19.354.643
3.498	2.098	Other income	18.973	54.938
3.498	2.098	Total	20.040.114	19.409.581
Costs				
0	0	Vessels running costs	-9.627.870	-9.653.977
-7.918	-10.732	3 Other external costs	-3.089.762	-3.630.166
-6.424	-8.367	4 Staff costs	-3.489.486	-3.169.236
-14.342	-19.099	Total	-16.207.118	-16.453.379
-10.844	-17.001	RESULT BEFORE DEPRECIATIONS	3.832.996	2.956.202
0	13.520	Profit on sale of tangible fixed assets	46.492	38.248
-733	-755	5 Depreciations and write-downs	-3.117.920	-1.331.629
-11.577	-4.237	OPERATING INCOME	761.568	1.662.821
469.870	-355.176	6 Share of result in subsidiaries		
0	0	7 Share of result in associates and joint ventures	-54.946	-1.800
Financial items				
4.018	52.961	8 Financial income	69.970	108.819
-29.935	-3.453	9 Financial expenses	-406.704	-387.696
-25.917	49.509	Total	-336.735	-278.876
432.376	-309.904	RESULT BEFORE TAX	369.888	1.382.145
0	-2.448	10 Income tax	-65.030	-81.906
432.376	-312.352	RESULT FOR THE YEAR	304.857	1.300.239
Allocated between:				
		11 Non controlling interests share of result	617.209	867.862
432.376	-312.352	12 Foundation's share of result	-312.352	432.376
Proposed allocation of the Foundation's share of result:				
52.798	46.301	Distribution fund		
379.578	-358.653	Retained earnings		
432.376	-312.352			

*Comparative 2018 numbers are not restated to IFRS 16

Statement of financial position 31 December 2019

DKK '000

Parent			Group	
2018*	2019	Note	2019	2018*
ASSETS				
13+14 FIXED ASSETS				
Intangible assets				
		Goodwill	2.906.128	2.987.865
		Other intangible assets	1.493.384	1.451.328
		Total	4.399.512	4.439.193
Tangible assets				
31.971	29.244	Land, building, terminals and yard facilities	1.083.849	1.752.252
		Vessels	13.129.634	12.362.562
655	641	Machinery, tools and equipment	758.414	710.280
		14 Right of use assets (2018: Financial leasing)	4.182.824	40.903
		Assets under construction and prepayments	1.035.351	1.021.767
32.626	29.886	Total	20.190.072	15.887.764
Financial fixed assets				
6.088.822	6.241.625	6+13 Investment in subsidiaries		
		7+13 Investments in associates and joint ventures	384.309	437.902
-	-	13 Other securities	10.048	10.048
-	-	13 Other receivables	353.955	382.678
6.088.822	6.241.625	Total	748.312	830.628
6.121.448	6.271.510	2 TOTAL FIXED ASSETS	25.337.896	21.157.584
NON-FIXED ASSETS				
Stocks				
		16 Bunkers and goods for sale	402.184	313.145
		Total	402.184	313.145
Receivables				
		Trade receivables	2.420.497	2.104.854
-	-	Receivables from joint ventures	46.185	85.579
4.664	3.439	Other receivables	657.836	528.194
		10 Deferred tax asset	62.535	85.166
-	-	15 Prepayments	496.593	391.184
4.664	3.439	Total	3.683.646	3.194.976
355.979	477.691	19 Securities	720.791	566.638
277.139	16.656	19 Cash	1.177.677	1.317.130
637.782	497.786	TOTAL CURRENT ASSETS	5.984.297	5.391.889
6.759.230	6.769.297	TOTAL ASSETS	31.322.193	26.549.473

*Comparative 2018 numbers are not restated to IFRS 16

Statement of financial position 31 December 2019

DKK '000

Parent			Group	
2018*	2019	Note	2019	2018*
EQUITY AND LIABILITIES				
EQUITY				
250.000	250.000	Contributed capital	250.000	250.000
6.051.488	5.704.206	Other reserves	5.704.206	6.051.488
6.301.488	5.954.206	Equity - Foundation's share	5.954.206	6.301.488
		11 Non controlling interest	5.614.696	5.181.361
		Total Equity including non-controlling interests	11.568.902	11.482.850
PROVISIONS				
-	-	10 Deferred tax	212.846	210.670
-	-	17 Other provisions	213.407	285.789
-	-	TOTAL PROVISIONS	426.253	496.460
Liabilities other than provisions				
		18 Non-current liabilities other than provisions		
		Mortgage debt, real properties	35.020	39.100
		Mortgage debt, vessels	2.526.165	2.705.146
		Lease liability	3.316.825	415.776
400.000	737.742	Other debt	8.429.695	7.145.551
400.000	737.742	Total	14.307.705	10.305.573
Current liabilities, other than pensions				
-	-	18 Short-term portion of long-term debt	1.473.708	959.361
-	-	Credit institutions	27.725	0
-	-	Trade payables	2.416.866	2.372.952
-	-	Corporate tax	38.473	29.475
1.584	1.178	Other payables	813.921	676.043
-	-	Prepayments	172.471	170.602
56.158	76.171	Approved not yet paid grants	76.171	56.158
57.742	77.349	Total	5.019.335	4.264.591
457.742	815.091	2 TOTAL DEBT	19.753.292	15.066.624
6.759.230	6.769.297	EQUITY AND TOTAL LIABILITIES	31.322.193	26.549.473
Accounting policies				
20 Contingent liabilities				
21 Contractual commitments				
24 Related parties				
25 Events after the balance sheet day				

*Comparative 2018 numbers are not restated to IFRS 16

Statement of changes in Equity

Group

DKK '000

	Contributed capital	Other reserves	Distribution fund	Total
Balance at 1/1 2019	250.000	5.991.488	60.000	6.301.488
Impact from implementation of IFRS 16		-100.526		-100.526
Balance at 1/1 2019 after change of accounting policy	250.000	5.890.962	60.000	6.200.962
Currency adjustment of equity and result in foreign currencies		-33.569		-33.569
Share of other equity movements		35.102		35.102
Value adjustment of hedging instruments		83.936		83.936
Change in non controlling interests		26.428		26.428
As per proposed allocation of the result for the year		-312.352		-312.352
Approved grants			-44.173	-44.173
Associated costs re. charitable purposes			-2.128	-2.128
Transferred as per proposed allocation		-46.301	46.301	0
Balance at 31/12 2019	250.000	5.644.206	60.000	5.954.206

Parent

DKK '000

	Contributed capital	Other reserves	Distribution fund	Total
Balance at 1/1 2019	250.000	5.991.488	60.000	6.301.488
Currency adjustment of equity and result in foreign currencies		-134.103		-134.103
Share of other equity movements		145.474		145.474
As per proposed allocation of the result for the year		-312.352		-312.352
Approved grants			-44.173	-44.173
Associated costs re. charitable purposes			-2.128	-2.128
Transferred as per proposed allocation		-46.301	46.301	0
Balance at 31/12 2019	250.000	5.644.206	60.000	5.954.206

Cash Flow statement

DKK '000	Note	Group	
		2019	2018*
	Operating income	761.568	1.662.821
	Depreciations and write-downs carried back	3.117.920	1.331.629
	22 Adjustments	74.444	-84.691
	23 Change in working capital	-489.060	-880.429
	Cash flow from operations before financial items	3.464.872	2.029.329
	Ingoing financial payments	69.970	228.135
	Outgoing financial payments	-412.999	-405.728
	Cash flow from operating operations	3.121.843	1.851.737
	Paid corporate tax	1.139	13.088
	Paid grants	-26.288	-20.934
	Cash flow from ordinary activities	3.096.694	1.843.890
	Investment in intangible fixed assets	-66.009	-29.535
	Investment in tangible fixed assets	-3.211.786	-1.522.149
	Investment in financial fixed assets	2.995	-227.555
	Investments in subsidiaries/activities	-131.000	-3.635.200
	Investment in securities	-154.153	-39.194
	Sale of tangible fixed assets	555.568	169.264
	Sale of financial fixed assets	5.799	139
	Cash flow from investment activities	-2.998.586	-5.284.231
	Installment on long-term debt	-1.691.651	-3.935.702
	Proceeds from long-term debt	2.708.634	7.127.326
	Payment of lease liabilities	-1.123.037	0
	Paid dividend to non-controlling interest in DFDS	-131.507	-125.389
	Acquisition of treasury shares in DFDS	0	-110.380
	Government grants related to purchase of assets		7.300
	Cash flow from financing activities	-237.560	2.963.155
	Changes for the year in cash position	-139.452	-477.185
	Cash beginning of year	1.317.129	1.794.314
	19 Cash end of year	1.177.677	1.317.129

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

*Comparative 2018 numbers are not restated to IFRS 16

Notes

1 Accounting policies

The annual report of Lauritzen Fonden for 2019 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Implementation of new or changed accounting standards and interpretations

Lauritzen Fonden has according to the interpretation of the Danish Financial Statement Act adopted IFRS 16 – “Leases”. Comparative figures are not restated due to either no impact or insignificant impact on the financial statements or due to the transitional provisions in the newly adopted standards.

IFRS 16 Leases

IFRS 16 has been implemented as of 1 January 2019. The standard supersedes existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a lease, SIC-15 Operating leases - incentives and SIC 27 Evaluating the Substance of Transactions involving the Legal Form of a lease.

Implementation of IFRS 16 has had a material effect on Lauritzen Fonden's consolidated financial statements as most contracts previously classified as off-balance operating leases under IAS 17 have now been capitalised, recognising right-of-use assets and lease liabilities similar to previous practices for financial lease.

Consequently, IFRS 16 has effect on the Income statement since the lease payment will be split into interest and depreciation of the right-of-use assets. Reported operating profit before amortisation, depreciation and special items (EBITDA) has increased, as previous operating lease expenses included under cost have been replaced by depreciations and interest expenses. However, the impact on profit for the period is neutral over time, but a timing effect does occur due to frontloading of interest expenses.

Reported cash flows from operating activities have increased but is offset by an increased cash outflow from financing activities. Accordingly, total cash flow for the period is unchanged.

The Group adopted IFRS 16 using the modified retrospective approach according to which comparative figures are not restated but presented in accordance with the previous IFRS standard on leases (IAS 17 and IFRIC 4) as disclosed in the Annual report 2018. Right- of-use assets have been presented as separate line-items in the balance sheet.

For existing leases classified as operating leases under IAS 17, except from terminals and ferries, Right-of-use assets as well as lease liabilities have been measured at the present value of the remaining lease payments discounted using an appropriate incremental borrowing rate at 1 January 2019. Right-of-use assets for terminals and ferries have been measured as if IFRS 16 had been applied since the lease commencement date and discounted using an appropriate incremental borrowing rate at 1 January 2019.

For existing leases classified as finance leases under IAS 17, the carrying amount of lease liabilities and right-of-use assets at 1 January 2019 equals the carrying amount of lease liabilities and lease assets at 31 December 2018.

The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4, at the date of initial application. Further, the Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less for all classes of underlying assets - except for ferries and other ships - and the exemption for lease contracts for which the underlying asset is of low value ('low-value assets'). Use of hindsight has been applied in determining the lease term if the contract contains either option to extend or option to terminate the lease, e.g. used the knowledge as of

the time of implementing the standard. Existing assessments of whether leases are onerous have been applied.

Finally, in terms of non-lease components (often referred to as “service-element”) the Group will for all classes of underlying assets - except for terminals - elect to use the practical expedient in the standard according to which it can be elected not to separate non-lease components from lease components, implying that the lease component and the non-lease component will be accounted for as a single component and thereby form part of the right-of-use asset and financial lease liability recognised in the balance sheet.

Consolidated financial statements

The consolidated financial statements comprise the Parent, Lauritzen Fonden, and subsidiaries in which the Group directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls, including J. Lauritzen A/S and DFDS A/S.

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

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

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realized and unrealized gains and losses on intra-group transactions are eliminated. Investments in subsidiaries are set off against the proportionate share of the subsidiaries' net asset value at the acquisition date.

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

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities of the acquired enterprises are measured at fair value at the acquisition date.

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

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

Non-controlling interests

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

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

Foreign currency translation

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

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

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

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

Exchange rate adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the total investment in the subsidiary are recognized directly in equity. Exchange rate adjustments on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognized directly in equity.

Income statement

Revenue

Revenue from transport of passengers, freight and from rendering terminal and warehouse services etc, is recognised in the Income statement at the time of delivery of the service to the customer, which is the time where the control is transferred and when each separate performance obligation in the customer contract is fulfilled following the "over-time principle". Some of the ferry and freight transports have a series of performance obligations, but as the duration of these transports are short term the impact from splitting these contract into "distinct services" will not have material impact.

For shipping in general, a proportionate share of the expected income of ship in progress at year end is included, and a proportionate share of the projected costs is included in costs.

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

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

Costs

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

Vessels running costs

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

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

Staff costs

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

Other external costs

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

Financial income and expenses

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

Profit/loss in subsidiaries and joint ventures

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

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

Tax on profit/loss

Tax for the year comprises income tax, tonnage tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to income and expenses recognized in equity is recognized directly in equity. The Group is subject to the Danish rules on compulsory joint taxation. LF Investment ApS is the administrative company of Danish subsidiaries with an ownership interest exceeding 50%. Subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements until the date at which they are excluded from consolidation.

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.

Development projects in progress

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

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

The amortisation of capitalised development projects starts after the completion of the development project, and is recognised on a straight-line basis over the expected useful life, which normally is 3-5 years, but in certain cases up to 10-15 years (where the latter goes for significant internally developed commercial and operational systems).

Property, plant and equipment

Property, plant and equipment owned by Lauritzen Foundation are recognized at cost less accumulated depreciation and impairment losses.

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

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

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

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

Vessels

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

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

Conversion of vessels is capitalized if the conversion is attributable to measures for prolonging the life of the vessels or improving earnings. Conversions are treated as additions to cost and are depreciated over the same residual period as the original asset.

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

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

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

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

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

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

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

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

Right-of-use assets

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

Depreciations are done following the straight-line method over the lease term or the useful life of the right-of-use assets, whichever is shortest.

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

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

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

The Group has lease contracts for various items of Land & buildings, terminals, ferries and other ships, equipment and other assets used in its operations. Leases normally have the following lease terms:

Rental and lease matters (lease out)

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

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

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

The applied weighted average incremental borrowing rate as of 1 January 2019 has been between 1,7% and 3,0%, and for some an alternative incremental borrowing rate reduces by a service element, corresponding to OPEX on leased vessels.

Investments in subsidiaries and associates/ joint ventures

Investments in subsidiaries and associates/joint ventures are measured under the equity method.

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

Investments in subsidiaries and associates/joint ventures with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is

irrecoverable. If the parent has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

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

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

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are included in Trade receivables and Other receivables in the statement of financial position. Trade receivables and Other receivables are stated at amortised cost. Until 2018 the incurred loss model was used to measure Trade and other receivables. From 2018 Trade and other receivables are measured using the ECL method, and expected losses are recognised in the profit and loss.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's and the Group's credit risk management policy. The objective indicators used in relation to portfolios are determined based on historical loss experience.

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

Equity

Reserve for net revaluation according to the equity method

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

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

The reserve cannot be recognised at a negative amount.

Expenses related to Charitable Activities

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

Provisions

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

Liabilities other than provisions

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

Other liabilities are measured at net realisable value.

Cash flow statement

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

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

2 Net turnover

2019

DKK '000

J. Lauritzen

DFDS

Other

	Net turnover	Result before financial items	Fixed assets	Liabilities
J. Lauritzen	3.356.100	-213.462	2.681.425	2.210.943
DFDS	16.591.550	1.391.096	21.725.440	16.506.345
Other	73.491	-471.012	931.031	1.036.008
	20.021.141	706.622	25.337.896	19.753.295

2018

DKK '000

J. Lauritzen

DFDS

Other

	Net turnover	Result before financial items	Fixed assets	Liabilities
J. Lauritzen	3.572.526	-119.683	2.534.024	1.462.505
DFDS	15.717.134	1.717.623	17.884.496	12.877.080
Other	64.982	63.081	739.064	727.039
	19.354.643	1.661.021	21.157.584	15.066.624

3 Other external costs

Fee to auditors elected by the Board and directors:

DKK '000

Audit

Other assurance engagements

Tax and VAT advisory services

Other services

Total

	Group		Parent	
	2019	2018	2019	2018
Audit	8.715	8.154	796	371
Other assurance engagements	307	203		
Tax and VAT advisory services	1.836	830		
Other services	1.266	2.121		
Total	12.123	11.308	796	371

4 Staff costs

DKK '000	Group		Parent	
	2019	2018	2019	2018
Salaries incl. remuneration to Board of Directors	2.846.678	2.559.557	7.609	5.845
Pensions	138.851	127.044	739	562
Social security	503.957	482.635	19	18
Total	3.489.486	3.169.236	8.367	6.424
Average number of employees	8.886	8.534	8	6
Number of employees as at 31 December	9.156	8.796	6	6
Remuneration:				
Board of Directors	0	0	3.300	2.800
Executive management	6.674	4.912	3.214	2.104

Parent salaries for 2019 amount to tDKK 8.317 from which tDKK 708 has been deducted as this amount concerns projects, and has been recognised as part of Lauritzen Fondens grants. Compared to 2018, salaries amounted to tDKK 6.295 of which tDKK 450 was deducted.

Above mentioned salaries relating to projects corresponds to 0,7 average employee in 2019 and 0,5 average employee in 2018.

5 Depreciations and write-downs

DKK '000	Group	
	2019	2018
Goodwill	181.818	124.382
Other intangible assets	86.897	91.950
Buildings, terminals and yard facilities	58.977	47.761
Vessels	1.243.616	906.999
Machinery, tools and equipment	167.167	153.751
Financial leased machinery, tools and equipment	0	6.787
Right-of-use-assets	1.379.445	0
	3.117.920	1.331.629
	Parent	
	2019	2018
Buildings	742	719
Tools and equipment	14	14
	755	733

6 Investments in subsidiaries – (parent)

DKK '000	Ownership	2019		2018	
		Result	Equity	Result	Equity
J. Lauritzen A/S, Copenhagen	100%	-697.362	919.699	-150.472	1.582.185
DFDS A/S, Copenhagen	43%	488.488	4.232.720	644.908	3.775.428
LF Investment ApS, Copenhagen	100%	-146.302	1.131.246	-24.566	773.249
		-355.176	6.283.665	469.870	6.130.862
Internal profit/(loss)		0	-42.040	0	-42.040
		-355.176	6.241.625	469.870	6.088.822

DFDS is considered a subsidiary based on de-facto control and the ownership percentage is 43,3%.

7 Investments in Associates and Joint Ventures – (group)

DKK '000	2019		2018	
	Result	Equity	Result	Equity
In total	-54.946	384.310	-1.800	437.902
	-54.946	384.310	-1.800	437.902

8 Financial income

DKK '000	2019		2018	
	Group	Parent	Group	Parent
Interest income	29.571	5.829	108.819	4.018
Exchange gains and losses on securities	40.399	47.132	0	0
	69.970	52.961	108.819	4.018

9 Financial costs

DKK '000	2019		2018	
	Group	Parent	Group	Parent
Interest expenses	240.760	3.453	198.847	4.216
Other financial expenses	136.061	0	26.836	0
Exchange losses on securities	29.883	0	162.013	25.719
	406.704	3.453	387.696	29.935

10 Tax

Group:

DKK '000	2019	2018
Deferred tax	0	-40.187
Current tax	-62.030	-39.719
Tonnage tax	-3.000	-2.000
Income tax	-65.030	-81.906
Deferred tax 1/1	125.504	106.322
Foreign exchange adjustments	-4.588	-8.554
Impact from change in accounting policies	-3.882	0
Addition from acquisition of enterprises	8.470	1.004
Recognized in income the income statement	17.301	40.187
Write down of deferred tax assets and reversal hereof	7.506	0
Impact from change in corporate income tax rate	0	-13.455
Deferred tax 31/12 (liability)	150.311	125.504
Deferred tax concerns:		
Tangible assets	172.451	176.110
Other fixed assets	26.561	18.511
Provisions	-21.009	-38.814
Tax losses carried forward	-24.881	-28.619
Other	-2.811	-1.684
	150.311	125.504
Parent:		
Current tax	-2.448	0
	-2.448	0

11 Non controlling interests

	Result		Balance sheet	
DKK '000	2019	2018	2019	2018
Non controlling interests in DFDS A/S	638.879	867.895	5.535.847	5.129.842
Other non controlling interests	-21.670	-32	78.849	51.520
	617.209	867.862	5.614.696	5.181.361

12 Recommended appropriation of profit/loss for the year

Parent

DKK '000	2019	2018
Applied from grant distribution fund	46.301	52.798
Retained earnings	-358.653	379.578
	<u>-312.352</u>	<u>432.376</u>

13 Fixed assets

Group

DKK '000	Goodwill	Other intangible assets	Land, buildings and terminals	Vessels	Machinery, tools and equipment
Cost at 1/1 2019	3.637.654	1.811.040	2.203.749	22.474.351	1.622.572
Transfer to right-of-use assets	0	0	-719.756	-1.493.219	0
Exchange rate adjustments	-34.204	1.858	15.472	115.206	22.570
From acquisitions	0	58.726	0	387.220	12.986
Transfer to/from other items	0	3.061	88.980	2.747.402	71.127
Transfer from assets held for sale	0	0	51	-155.905	0
Additions from investment in subsidiaries	97.627	0	0	0	0
Additions	0	66.009	31.450	451.042	120.549
Disposals	0	-63.363	-30.997	-2.055.101	-93.453
Cost at 31/12 2019	<u>3.701.077</u>	<u>1.877.331</u>	<u>1.588.949</u>	<u>22.470.996</u>	<u>1.756.351</u>
Depreciation and write-down at 1/1 2019	649.789	359.712	451.497	10.111.790	912.292
Exchange rate adjustments	-36.658	704	7.885	65.103	11.228
From acquisitions	0	0	0	0	0
Transfer to/from other items	0	0	42	-429.201	-4.469
Transfer from assets held for sale	0	0	0	-81.054	0
Depreciation	181.818	86.897	58.977	1.051.681	167.167
Impairment losses/reversal of losses	0	0	0	191.935	0
Disposals	0	-63.366	-13.301	-1.568.892	-88.281
Depreciation and write-down at 31/12 2019	<u>794.949</u>	<u>383.947</u>	<u>505.100</u>	<u>9.341.362</u>	<u>997.937</u>
Booked value at 31/12 2019	<u>2.906.128</u>	<u>1.493.384</u>	<u>1.083.849</u>	<u>13.129.634</u>	<u>758.414</u>
Booked value of mortgage assets				3.237.822	
Booked value at 31/12 2018	<u>2.987.865</u>	<u>1.451.328</u>	<u>1.752.252</u>	<u>12.362.562</u>	<u>710.280</u>

Note 13 continued

Group

DKK '000	Financial leased machinery, tools and equipment	Assets under construction and prepayments	Investments in associates and joint ventures	Other securities	Other receivables
Cost at 1/1 2019	71.652	1.021.767	437.556	17.862	382.678
Exchange rate adjustments	0	1.496	-87.549	0	3.271
Transfer to/from other items	0	-1.975.354	65.827	0	0
Transfer from assets held for sale	0	-51	0	0	0
Additions	0	1.990.916	29.000	0	-31.995
Disposals	-71.652	-3.423	-5.799	0	0
Cost at 31/12 2019	0	1.035.351	439.035	17.862	353.955
Depreciation and write-down at 1/1 2019	30.749	0	-345	7.814	0
Exchange rate adjustments	0	0	1.364	0	0
Transfer to/from other items	0	0	55.272	0	0
Depreciation	0	0	-1.565	0	0
Disposals	-30.749	0	0	0	0
Depreciation and write-down at 31/12 2019	0	0	54.726	7.814	0
Booked value at 31/12 2019	0	1.035.351	384.309	10.048	353.955
Booked value at 31/12 2018	40.903	1.021.767	437.902	10.048	382.678

Note 13 continued

Parent

DKK '000	Land, buildings and terminals	Tools and equipment	Investments in subsidiaries
Costs at 1/1 2019	47.875	2.549	11.362.741
Additions	9.188	0	554.101
Disposals	-20.282	0	0
Costs at 31/12 2019	36.781	2.549	11.916.842
Depreciation and write-down at 1/1 2019	15.904	1.894	5.273.919
Received dividend	0	0	97.493
Depreciation	742	14	0
Value adjustment in the year	0	0	303.805
Disposal	-9.109	0	0
Depreciation and write-down at 31/12 2019	7.537	1.908	5.675.217
Booked value at 31/12 2019	29.244	641	6.241.625
Booked value at 31/12 2018	31.971	655	6.088.822

Specification of movements in investments in subsidiaries:

Balance at 1/1 2019	6.088.822
Disposal of DFDS shares	0
Capital increase in subsidiaries	554.101
Share of other equity movements	51.371
Share of result, cf. Note 6	-355.176
Received dividend	-97.493
	<u>6.241.625</u>

14 Leases – Right-of-use-asset

DKK '000	Land and buildings	Terminals	Vessels	Equipment etc.	Total
Cost at 1/1 2019	0	0	0	0	0
Reclassification of IAS 17 leases	8.756	711.000	1.403.218	90.000	2.212.974
Change in accounting policy	126.018	1.564.000	673.782	137.000	2.500.800
Additions on acquisition of enterprises	47.000	0	0	24.000	71.000
Additions/remeasurement	109.000	60.000	397.669	232.000	798.669
Disposals	-1.000	-9.000	-118.000	-14.000	-142.000
Foreign exchange adjustments	0	26.000	0	4.826	30.826
Cost at 31/12 2019	289.774	2.352.000	2.356.669	473.826	5.472.269
Depreciation and write-down at 1/1 2019	0	0	0	0	0
Reclassification of IAS 17 leases	0	0	0	35.000	35.000
Depreciation	76.589	168.000	812.579	122.000	1.179.168
Disposals	0	-6.000	-118.000	-7.000	-131.000
Foreign exchange adjustments	-1.000	3.000	0	4.000	6.000
Impairment losses	0	0	200.277	0	200.277
Depreciation and write-down at 31/12 2019	75.589	165.000	894.856	154.000	1.289.445
Booked value at 31/12 2019	214.185	2.187.000	1.461.813	319.826	4.182.824

15 Prepayments

Group

DKK '000	2019	2018
Prepaid customer rebates	338.879	248.422
Other prepayments	157.714	142.762
	496.593	391.184

16 Stock

Group

DKK '000	2019	2018
Bunkers	217.110	218.403
Goods for sale	185.074	94.742
	402.184	313.145

17 Other provisions

Group

DKK '000	2019	2018
Pension obligations	139.000	243.300
Other obligations	74.407	42.489
	213.407	285.789

18 Long-term debt

Group

	2019		2018	
	Expires after more than 5 years	Short-term portion	Expires after more than 5 years	Short-term portion
DKK '000				
Mortgage debt, real properties	22.737	4.075	22.737	4.058
Mortgage debt, vessels	2.366.000	182.436	652.000	389.889
Debt, financial leasing	25.802	931.062	0	65.522
Credit institutions	0	0	0	0
Corporate Bonds	0	0	0	499.892
Leasing debt	0	344.144	0	0
Other debt	0	11.991	0	0
	2.414.539	1.473.708	674.737	959.361

Parent

	2019		2018	
	Long-term portion	Short-term portion	Long-term portion	Short-term portion
DKK '000				
Credit institutions	773.742	0	400.000	0
	773.742	0	400.000	0

19 Free cash and securities

	2019	2018	2019	2018
	Parent		Group	
Securities	477.691	355.979	720.791	566.638
Hereof shares	-279.785	-262.615	-514.384	-467.912
Cash	16.656	277.139	1.177.677	1.317.130
	214.562	370.503	1.384.084	1.415.855

20 Contingent liabilities

Group

DKK '000	2019	2018
Guarantees and surety commitments	553.490	277.788
Max. obligation for participation in projects	2.965	374.730
	<u>556.455</u>	<u>652.518</u>

Creditor	Amount in USD M	Regarding
Deutsche Bank	19,5	Loan facility granted to Lauritzen Ship Owner A/S
Total	19,5	

If DFDS leaves the Danish tonnage tax regime there could be a deferred tax liability of up to a maximum of DKKM 715 (2018: DKKM 441)

If JL leaves the Danish tonnage tax regime there could be a deferred tax liability of up to a maximum of DKKM 127 (2018: DKKM 46)

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

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

Parent

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

Creditor	Amount in USD M	Regarding
The Bank of Tokyo-Mitsubishi UFJ Ltd	13,2	J Lauritzen refinancing loan facility (JPY 1.429.394.612)
Citibank N.A. Tokyo Branch		
Nordea Bank A/S	2,5	J Lauritzen refinancing loan facility
Danske Bank A/S	14,7	J Lauritzen refinancing loan facility
DSK	18,6	J Lauritzen refinancing loan facility
Nordea Bank AB Singapore Branch	18,2	J Lauritzen refinancing loan facility
Total	67,1	

21 Contractual commitments

Group		
DKK '000	2019	2018
Contractual commitments, term 0-1 year	922.000	2.072.163
Contractual commitments, term 1-5 years	1.280.000	1.873.724
Contractual commitments, term after 5 years	492.000	582.000
	<u>2.694.000</u>	<u>4.527.887</u>

22 Adjustments

DKK '000	2019	2018
Currency exchange	101.531	-62.556
Profit/Loss on sale of fixed assets	-46.087	-34.335
Other	19.000	12.200
	<u>74.444</u>	<u>-84.691</u>

23 Change in working capital

DKK '000	2019	2018
Change in stocks	-89.039	-64.192
Change in receivables	-511.300	-910.516
Change in provisions	-72.383	-142.208
Change in trade payables inclusive other short-term debt	183.661	236.486
	<u>-489.060</u>	<u>-880.429</u>

24 Related parties

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

Related part	Basis for relation	Nature of transaction	Amount in DKK '000
DFDS A/S	Subsidiary	Dividend	97.493
DFDS A/S	Subsidiary	Capital injection	
J. Lauritzen A/S	Subsidiary	Guarantee commission	
Lauritzen Ship Owner A/S	Subsidiary	Capital injection	
LF Investment ApS	Subsidiary	Administration fee from Lauritzen Fonden	570
AHK nr. 184 ApS	Associated company	Working capital	194
Smartvan A/S	Associated company	Working capital	1.271
NanoNord A/S	Associated company	Working capital	3.750
Meabco Holding A/S	Associated company	Working capital	45.322
Durisol UK Ltd	Associated company	Working capital	5.275
AHK nr. 184 ApS	Associated company	Administration fee to LF Investment ApS	30
Mama Mia Holding A/S	Associated company	Administration fee to LF Investment ApS	50

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

25 Events after the balance sheet date.

In order to improve the capital structure, Lauritzen Fonden has agreed to increase the share capital in J. Lauritzen A/S with nominal DKK 50.000 at a value of USD 20 mill. in cash before the end of June 2020.

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

List of Group Companies

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

* Joint Venture

** Dormant

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

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

* Recognized as subsidiary as Lauritzen Fonden has de-facto control.
DFDS has 12 dormant companies

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

Company domiciles

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