J. Lauritzen A/S

Tranegårdsvej 20, DK-2900 Hellerup

(CVR no. 41407360)

ANNUAL REPORT
1 January – 31 December 2022

The Annual Report was presented
and adopted at the Annual General
Meeting of the Company on
7 March 2023

Dorte Rolff
Chairman of the Annual General Meeting

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Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today discussed and approved the Annual Report of J. Lauritzen A/S for the financial year 1 January – 31 December 2022.

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 Parent's financial position at 31 December 2022 and of the results of the Group's and the Parent's operations and consolidated cash flows for the financial year 1 January – 31 December 2022.

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

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

Copenhagen, 6 March 2023

Executive Management

Kristian Verner Mørch

Board of Directors

Tommy Thomsen Chairman	Inge Grønvold	Erik Bierre

Independent auditors' report

To the Shareholders of J. Lauritzen A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of J. Lauritzen A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 6 March 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Company details

Name and address:	J. Lauritzen A/S Tranegårdsvej 20 DK-2900 Hellerup
CVR-no.:	40 41 73 60
Incorporated:	4 June 2020
Domicile:	Hellerup
Financial year:	1 January - 31 December
Board of Directors:	Tommy Thomsen, Chairman Inge Grønvold Erik Bierre
Executive Management:	Kristian Verner Mørch
Auditors:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Key Figures

USD '000	**2022**	2021
Income statement		
Revenue	951,299	841,274
Operating income before depreciation (EBITDA)	118,523	115,300
Operating income (EBIT) before special items	102,476	122,215
Financial items, net	50,410	(6,124)
Profit/(Loss) from continuing operations before tax	184,414	160,089
Profit/(Loss) for the year	181,986	97,277
Balance sheet		
Fixed assets	166,034	126,058
Total assets	632,398	380,754
Total equity	434,073	232,023
Invested capital	241,366	164,737
Investment in Property, Plant and Equipment	184,577	22,117
Key figures and financial ratios		
Average number of employees	95	93
Total number of ship days	27,232	29,178
DKK exchange rate year end	697	656
Average DKK exchange rate	708	629
Profit margin	10.8%	14.5%
Solvency ratio	68.6%	61.0%

Profit margin

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

Solvency ratio

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

J. Lauritzen A/S was established in June 2020 thus, no group key figures (Consolidated financial statements) exist for 2020.

Management's review

Statement from Chairman and CEO

In August 2022, the "new" J. Lauritzen was established as a value creating owner of the Lauritzen Foundation's portfolio of maritime and maritime related investments except for the Foundation's shareholding in DFDS.

Our goal is to grow the J. Lauritzen platform through investment activities within the entire maritime value chain to ensure the Lauritzen brand is a substantial factor in the maritime industry.

We will continue our endeavours to be an exceptional owner of, and contributor to, our investments and thereby making us an attractive home for future potential investments and co-investors.

J. Lauritzen has more than a century-long history as an accountable and trustworthy business partner driven by entrepreneurship, adaptability, and resoluteness and we are proud to say that properness is an essential part of our DNA.

As active managers of the Lauritzen Foundation's portfolio of maritime and maritime related investments, we are conscious about the environmental, social and governance performance (ESG) of the companies we either own or invest in. As such, responsible investment is a core element of our investment strategy.

Tommy Thomsen
Chairman of the Board of Directors

Kristian Mørch
CEO

Result and highlights

The consolidated net result of J. Lauritzen amounted to USDm 182.0 in 2022 compared to USDm 97.3 in 2021.

Shareholders' equity was USDm 434.1 at year-end 2022 compared to USDm 232.0 in 2021.

Proposed dividend for 2022 amounts to USDm 14.3 (DKKm 100) compared to USDm 15.1 (DKKm 100) in 2021.

The Annual Report 2022 comprises Consolidated Financial Statements for the J. Lauritzen group as well as Parent Company Financial Statements of J. Lauritzen. In 2021, J. Lauritzen presented Parent Company Financial Statements.

Business model

J. Lauritzen is now an investment vehicle under the Lauritzen Foundation and a value creating owner of the Foundation's portfolio of maritime and maritime related investments focusing on the entire maritime value chain.

We are a focused and knowledgeable investment partner with an extensive network and long-term experience from C-suite and board positions in the maritime industry.

We pursue active ownership of our investments and seek to add value where possible, e.g., through board representation.

We have a case-by-case investment horizon also involving very long-term commitments.

Our governance structure enables fast and agile decision making.

As mandated by our owner, the Lauritzen Foundation, it is the objective of J. Lauritzen to be a strong owner of Lauritzen Bulkers and to generate attractive returns from our other investments.

Our portfolio comprises private investments (our operational subsidiaries Lauritzen Bulkers A/S and Dan Swift (Singapore) Pte. Ltd.), listed equities, which also encompass our associated investment in BW Epic Kosan Ltd., and fund investments.

Key developments

The "new" J. Lauritzen was officially launched in August 2022 with a small and dedicated team of professionals with comprehensive experience from the maritime industry, investment banking, business analysis, as well as maritime and corporate affairs.

In connection with the launching, Kristian Mørch took up the position as CEO of the company after having served on the Board of the "old" J. Lauritzen since 2018. He was replaced by Erik Bierre, CFO of the Lauritzen Foundation as member of the Board of Directors of J. Lauritzen.

Following the launch in August, the team has reviewed J. Lauritzen's portfolio of investments and considered several investment opportunities in listed companies and funds. On this background, we decided in October 2022 to invest in Cadeler A/S, a market leader within high-end wind installation vessels. The company is listed on the Oslo Stock Exchange.

In November 2022, we increased our shareholding in BW Epic Kosan Ltd. from 25% to 31%. The company is global market leader and the world's largest owner and operator within the smaller gas carrier segment providing global seaborne services for shippers of liquefied petroleum gasses and petrochemical. The company is listed on the Oslo Stock Exchange.

Also in November 2022, we sold our 5.69% shareholding in Gram Car Carriers, a substantial tonnage supplier to the world's leading owners and operators of seaborne vehicle transportation.

Business performance

The consolidated net result of the J. Lauritzen group amounted to USDm 182.0 in 2022.

The result from the private investments, in particular Lauritzen Bulkers, and from the listed investments, particularly the shares held in Gram Car Carriers and Hafnia Tankers, were the main contributors to the strong result for 2022. A positive minor result was contributed from the fund investments.

With a positive contribution from all investments in 2022, the result is considered very satisfactory and exceeding the expected result for the year.

Please see note 1 to the Consolidated Financial Statements regarding uncertainty relating to recognition and measurement and note 4 to the Consolidated Financial Statements regarding Special Items.

After year-end events

Reference is made to note 22 in the Consolidated Financial Statements.

Outlook for 2023

Despite significant geopolitical and macroeconomic uncertainties, J. Lauritzen expects a positive result for 2023. Based on expectations reported for 2023 by Lauritzen Bulkers A/S, the private investments are expected to generate a net result of USDm 25-50. Absent publicly announced earnings expectations from our listed investments and fund investments, we do also expect a positive result from these and overall expects a consolidated net profit for 2023 in the range of USDm 25-50 in J. Lauritzen.

Risk management

As an investor within the maritime value chain and with a portfolio allocated across different asset classes, including private investments, listed equities, and fund investments, risks present themselves in many shapes and forms.

For the operational subsidiaries, commercial risk is the primary risk, and volatility in market levels for freight and vessel values in their business segment, as well as geographical imbalances in demand and supply, are the underlying factors of the commercial risk. This also applies to our listed investments and fund investments. Our result and the value of our investments are thus exposed indirectly to the inherent underlying risks in the investments. However, as our portfolio of investments is diverse, the consolidated impact on JL is not systematically caused by the same factors or investments.

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

A consolidated overview of risks is presented to the Board for approval once a year.

Responsibility

As an investment company with only five employees, our largest impact on social, environmental and climate issues as well as anti-corruption matters are linked to our wholly owned operative investments, Lauritzen Bulkers and Dan Swift Singapore Pte. Ltd.

J. Lauritzen policies on corporate responsibility, environment and climate, diversity, and anti-corruption apply to companies wholly owned by J. Lauritzen. In companies where we hold minority positions, we actively seek to promote our corporate responsibility agenda through Board positions and active ownership engagement.

Responsible investment is a core element of our investment strategy, and we carefully consider sustainability challenges throughout the value chain of potential investment candidates.

Once we have invested in companies, we require openness and transparency related their ESG efforts.

Lauritzen Bulkers is a signatory to the UN Global Compact and thus obliged to integrate the ten UN principles for responsible business conduct, cf. www.lauritzenbulkers.com.

Lauritzen Bulkers supports the principles of the UN Sustainable Development Goals (SDGs) and are increasingly integrating the underlying guidance into decision-making and investment processes.

The CEO of J. Lauritzen, Kristian Mørch, serves as chairman of the Board of Directors of Lauritzen Bulkers.

Business model
J. Lauritzen is an investment company focused on maritime and maritime related investments, cf. paragraph on “Business model” on page 10.

Environment and climate
It is an integrated part of our purpose is to contribute to the green transition of the shipping industry.

We constantly seek to minimise the climatic and environmental impact of our wholly owned investments through our policies, procedures, and monitoring of relevant data.

Our environmental and climate policy is reviewed annually by the Board of Directors. The policy stipulates that we endeavour to implement environmental and emission responsible practices, put into practice appropriate monitoring programmes and that we set and review objectives and targets to monitor the improvements. It is updated when required to confirm our commitment to reducing emissions and protecting the seas, while at the same time creating value for our owners, clients, and other stakeholders.

In 2022, Lauritzen Bulkers continued its efforts towards decarbonisation by renewing its fleet with more fuel-efficient ships. Further, a new reporting platform was introduced to improve data quality to give better access to operational and fuel consumption data.

Also in 2022, Lauritzen Bulkers optimised its operations improving arrivals in respect to tides, line-up and terms in ports and increased activity on bunker surveys to improve the overall awareness on fuel consumption and vessel performance. More focus on hull and propeller cleaning was given in 2022, also reducing the overall fuel consumption. Compared to the year before, Lauritzen Bulkers maintained its relative emissions level in 2022.

In 2023, Lauritzen Bulkers expects to invest in retrofitting vessels to reduce carbon emissions and enable accurate reporting on emissions to clients and authorities.

During 2022 Dan Swift Singapore Pte. Ltd. made numerous improvements and renewals to the vessel systems on board the Dan Swift, including upgrade of helideck and change of gangway cylinders. In 2023, further investment will be made to optimize operations.

Our climate and environment goals are aligned with the United Nations International Maritime Organisation’s (IMO) carbon reduction strategy and the climate ambitions defined by the Danish government’s climate partnership with the Danish maritime sector of achieving carbon neutrality by 2050.

People
The importance of people has been recognised by J. Lauritzen group for decades, and it goes without saying that our people ashore and at sea are fundamental for the way we run our business and ultimately for our success.

Diversity is important to us and the Board of Directors of J. Lauritzen currently consists of one female and two men. It is our target to always have minimum 33% female in our Board.

With only five employees, we are not required to author and report upon a policy to increase the number of women on other management level.

In 2022, Lauritzen Bulkers continued its focus on employing a diverse workforce. During the year, the company conducted bias training and launched a diversity, equity, and inclusion (DE&I) survey to support its efforts to strengthen a diverse workplace. The result was a favourable DE&I total score of 83%. Lauritzen Bulkers will in the coming years work with targeted initiatives based on the data retrieved from the survey and other initiatives to increase diversity, equity, and inclusion.

In Lauritzen Bulkers, the female share of employees on shore was 40% at year-end 2022, unchanged compared to 2021. Lauritzen Bulkers remains committed to continuing its efforts towards a more balanced gender diversity in 2023.

At year-end 2022, Lauritzen Bulkers employed 19 different nationalities compared to 20 at year-end 2021. The company expects national diversity to increase in the coming years to the benefit of its clients, innovation, and overall profile as an attractive international company to work for.

Lauritzen Bulkers strived to reach 42% female employees at year-end 2022 by increased focus on female candidates in the search for additional employees to fulfil its growth ambitions, but it was not successful in increasing the female share from 40% achieved at year-end 2021. Lauritzen Bulkers' target is to reach 42% female employees at year-end 2023.

In 2021, Lauritzen Bulkers increased the target for women in managerial positions to 36% by year-end 2025. However, in 2022 the company saw a decline to 20% women in managerial positions, down from 29% at year-end 2021. The decline was due to adjusting the organisation into smaller teams.

In early 2023, new EU/Danish legislation on gender diversity came into force. Thus, new diversity targets for the Board of Directors and other management levels were approved by the Board of Lauritzen Bulkers in February 2023 stating a target of 25% female representation of the Board by year-end 2026 and 20% women in managerial positions by year-end 2026. The new stricter regulation makes comparison with previous years' figures on gender diversity in managerial positions impossible.

Human rights
We consider respect for human and labour rights as a part of our heritage and our commitment to the UN Global Compact. Our respect for human rights closely correlates with our core values of accountability and empathy and our purpose. A respecting and safe work environment are fundamental to our wholly owned companies and are considered the areas where we have the biggest impact.

A Human Rights Policy Statement approved by our Board confirms that we are committed to upholding human rights across our operations and value chain. We are also committed to creating and protecting a work environment in which all individuals are treated with respect and dignity, and which prohibits any kind of discrimination and harassment. We have strict focus on any kind of anti-harassment, and we regard our procedures as robust since no reports have ever been made through our whistle-blower channel.

In 2022, managers at Lauritzen Bulkers participated in two training seminars on diversity, equity and inclusion and the entire staff was requested to answer a questionnaire to further sharpen our focus on this topic.

At sea, our human rights efforts are closely linked to our health, safety and security policies and procedures. These are managed in accordance with legislation, regulations, and the nature of the operations. All board meetings begin with a report on safety performance and crew change related issues due to Covid-19.

Lauritzen Bulkers and Dan Swift Singapore measures its safety performance through various parameters, including the Lost Time Injury Frequency (LTIF) rate, which for the owned and part-owned fleet amounted to zero in 2022, unchanged compared to 2021.

The most essential for our future efforts regards human rights remain health and safety, security and working conditions for our staff at sea and ashore. At Lauritzen Bulkers, we will also define and implement our human rights requirements related to long-term tonnage providers.

Anti-corruption
We work against corruption in all its forms, and our Anti-Corruption Policy and our Gift and Hospitality Policy, which are reviewed annually by our Board of Directors, provides guidance for our shore-based and seagoing personnel.

The policies are in line with the principles of the United Nation's Convention against Corruption along with applicable law. The policies are anchored in our compliance programme, the responsibility for which is held by our Board of Directors and Executive Management of operating entities.

Working proactively to eliminate facilitation payments is still a core element of our anti-corruption policy and our compliance training.

We strongly encourage sharing reports of any demands for facilitation payments between vessel owners, operators, agents, and other participants in the Maritime Anti-Corruption network (MACN) via the network's anonymous reporting database.

In 2019, we took a seat on the MACN's Board, and in 2022 we continued to contribute to setting the way forward for the network and for the maritime industry.

Our zero-tolerance policy towards bribery and facilitation payments will be maintained.

Data ethics
We have not adopted a policy specifically regarding data ethics. We have chosen not to do so based on the following key points:

- We are not offering services to individual consumers and are therefore not using data for segmentation or personalisation of our services.
- Our subsidiaries offer transportation services to business clients only and terms are negotiated on a case-by-case basis and in person.
- We collect macro-level data on investment opportunities and our subsidiaries collect sector relevant data on for example commodities, regional economic activity, trade statistics, local vessel supply and demand and vessel tracking data. Data is public and we source the data for analytical purposes and as input to our commercial decisions on risk appetite and the pricing at which we are willing to offer our services or to invest our funds.

CONSOLIDATED FINANCIAL STATEMENTS

Income Statement 1 January – 31 December 2022

USD '000	Note	**2022**	2021
Revenue	2	951,299	841,274
Other operating income		2,041	8,943
Total income		**953,340**	850,217
Vessels running costs		(797,519)	(699,524)
Other external costs		(10,480)	(12,880)
Gross profit/loss		**145,341**	137,813
Staff costs	3	(26,818)	(22,513)
Operating income before depreciation (EBITDA)		**118,523**	115,300
Profit/(loss) on sale of vessels and other assets		20,119	19,714
Depreciation, amortisation, and impairment of PPE	9+10	(36,166)	(12,799)
Operating income (EBIT)		**102,476**	122,215
Income/(loss) from associates	11	28,168	42,907
Income/(loss) from other investments	12	3,360	1,091
Financial income	5	56,083	1,095
Financial expenses	6	(5,673)	(6,901)
Profit/(loss) from continuing operations before tax		**184,414**	160,407
Income tax	7	(2,428)	(3,278)
Profit/(loss) from continuing operations		**181,986**	157,129
Profit/(loss) from discontinued operations	8	-	(59,534)
Profit/(loss) for the year		**181,986**	**97,595**
Special Items	4		

CONSOLIDATED FINANCIAL STATEMENTS

Balance sheet 31 December 2022

USD '000	Note	**2022**	2021
Vessels, property and equipment	9	124,323	59,260
Right-of-use assets	10	86,962	55,170
Property, plant and equipment		**211,285**	**114,430**
Investments in associates	11	159,355	116,082
Other investments	12	6,325	8,623
Receivables from associates		-	966
Other receivables	13	355	387
Fixed asset investments		**166,035**	**126,058**
Fixed assets		**377,320**	**240,488**
Bunkers		11,829	6,018
Inventories		**11,829**	**6,018**
Trade receivables		3,493	17,386
Other receivables		15,864	9,195
Deferred tax assets	14	1,455	-
Prepayments		8,529	9,544
Derivative financial instruments	15	6,592	11,379
Receivables		**35,933**	**47,504**
Current asset investments	16	**60,242**	**13,461**
Cash and cash equivalents		**147,074**	**73,283**
Current assets		**255,078**	**140,266**
Total assets		**632,398**	**380,754**

CONSOLIDATED FINANCIAL STATEMENTS

Balance sheet 31 December 2022

USD '000	Note	2022	2021
Share capital		60	60
Retained earnings		419,670	216,863
Proposed dividends for the year		14,343	15,100
Equity		**434,073**	**232,023**
Deferred tax	14	-	6,342
Provisions		**-**	**6,342**
Credit institutions	17	63,759	12,922
Lease obligations	17	7,621	26,517
Payables to group entities	17	-	32,425
Long-term debt		**71,380**	**71,864**
Credit institutions	17	3,646	1,736
Lease obligations	17	80,289	34,948
Trade payables		13,666	15,982
Current tax payables		11,161	653
Other payables		12,354	11,708
Derivative financial instruments	15	3,388	227
Deferred income		2,441	5,271
Short-term debt		**126,945**	**70,525**
Total liabilities		**198,325**	**148,731**
Total equity and liabilities		**632,398**	**380,754**

Investments at fair value	18
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CONSOLIDATED FINANCIAL STATEMENTS

Statement of changes in Equity

USD '000	Share capital	Retained earnings	Proposed dividend for the year	**Total**
Equity at 1 January	60	216,863	15,100	**232,023**
Profit/(loss) for the year	-	167,643	14,343	**181,986**
Exchange adjustments	-	268	(318)	**(50)**
Group Contribution		34,896		**34,896**
Paid dividend			(14,782)	**(14,782)**
Equity at 31 December	**60**	**419,670**	**14,343**	**434,073**

Management's incentives programme

Warrants are granted to members of the Executive Management and Board of Directors for the purpose of motivating and retaining a qualified management group and in order to align the interests of management with those of the shareholders.

The warrants are issued on the following general terms:

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

The Board of Directors are authorized to increase the company's nominal share capital up to a total of DKK 40.000 upon exercise of warrants. In 2022, 10,123 warrants were issued to the board of directors and 20,664 were issued to executive management. Each warrant gives the right - but not an obligation - to subscribe for one share with a nominal value of DKK 1 at an exercise price of DKK 3,654.68 for each share.

The number of warrants to be vested is depending on the average increase in the market value of the company on the basis of a five year period starting 1 January 2022 and ending 31 December 2026.

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

CONSOLIDATED FINANCIAL STATEMENTS

Cash Flow Statement

USD '000		**2022**	2021
Operating income before special items		133,867	121,266
Depreciation reversed		36,166	14,628
Share of profit in joint ventures		(31,528)	(2,481)
(Profit)/loss on sale of vessels and other assets		(20,803)	(6,664)
Change in bunkers		(5,810)	(1,085)
Change in receivables		7,893	(39,194)
Change in payables		372	17,518
Cash flow from operations before financial items		120,157	103,988
Received financial payments		6,975	172
Paid financial payments		(5,357)	(7,074)
Cash flow from ordinary operations		121,775	97,086
Paid corporate tax		66	(6,407)
Cash flow from operating activities		**121,841**	**90,679**
Investments in vessels	9	(114,436)	(15,647)
Investments in machinery and equipment	9	-	(17)
Investments in associates and other investments	11+12	(19,700)	(3,570)
Sale of vessels	9	65,540	19,800
Dividend received from associates and other investments	11+12	7,921	948
Purchase and sale of current assets investments		(336)	-
Bank deposits pledged as security for debt		(2,573)	(132)
Cash flow from investment activities		**(63,584)**	**1,382**
Financial receivables		2,920	-
Repayment on long-term debt		(24,756)	(9,237)
Proceeds from loans		77,328	9,000
Installment on lease debt (IFRS 16)		(29,147)	(33,966)
Changes in payables to group entities		(32,424)	4,000
Group contributions		34,896	3,193
Dividend paid		(14,782)	-
Cash flow from financing activities		**14,035**	**(27,010)**

	2022	2021
Changes for the year in cash and cash equivalents	72,292	65,051
Cash and cash equivalents at beginning of year	73,283	8,337
Currency adjustments on cash and cash equivalents	1,499	(105)
Cash and cash equivalents at the end of the year incl restricted cash	**147,074**	**73,283**
Restricted cash related to credit institutions	(5,000)	-
Cash and cash equivalents at the end of the year	**142,074**	73,283

CONSOLIDATED FINANCIAL STATEMENTS

Notes

1 Uncertainty in recognition and measurement

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

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

- Impairment testing of property, plant and equipment, and fixed asset investments, if indications exists
- Assessment of useful life and scrap values
- Deferred tax assets
- Leasing arrangements
- Purchase price allocation

2 Revenue

The revenue reported represents revenue from customers.

USD '000	2022	2021
Freight revenue	719,524	655,973
COA revenue	42,530	14,684
Time charter revenue	189,245	170,617
Total	**951,299**	**841,274**
Revenue per business unit		
Lauritzen Bulkers	929,952	841,274
Dan Swift	21,347	-
Total	**951,299**	**841,274**

3 Staff expenses

USD '000	2022	2021
Salaries	25,176	20,808
Pensions (defined contribution plan)	1,065	1,215
Social security	567	453
Contract labour	10	37
Total	**26,818**	**22,513**

	2022	2021
Average number of employees	95	93

Remuneration to Executive Management and Board of Directors *

USD '000	2022	2021
Salaries	532	222
Pensions (defined contribution plan)	55	28
Social security	1	4
Total	**588**	**254**

* With reference to ÅRL §98b stk 3 the figures for Board of Directors and Executive management are combined.

In 2022, the Parent Company issued warrants to the Executive management and Board of Directors in J. Lauritzen A/S. The programme is an equity programme - see Statement of changes in Equity.

4 Special items

USD '000	2022	2021
Badwill gain on BW Epic Kosan (Income/loss from investments in associates)	13,229	-
Gain on sale of vessels (other operating income)	20,803	-
Impairment losses/reversals on right-of-use assets (depreciation)	-	15,546
Total	**34,032**	**15,546**

5 Financial income

USD '000	**2022**	2021
Interest income, bank deposits	1,993	35
Other financial income	130	137
Currency exchange gains and losses, net	1,360	-
Current asset investments and derivative financial instruments	47,747	923
Dividends received	4,853	-
Financial income	**56,083**	**1,095**

6 Financial expenses

USD '000	**2022**	2021
Interest expenses on loans	(1,554)	(1,378)
Interest expenses on lease liabilities	(3,618)	(4,673)
Other financial expenses	(501)	(215)
Currency exchange gains and losses, net	-	(635)
Financial expenses	**(5,673)**	**(6,901)**

7 Tax on profit/loss for the year

USD '000	**2022**	2021
Current tax for the year	(11,550)	(677)
Deferred tax for the year	7,795	-
Adjustment of tax concerning previous years	1,327	(2,774)
Tax on profit/loss for the year	**(2,428)**	**(3,451)**
of which:		
Tax for the current year	(2,428)	(3,278)
Tax for the current year, discontinued operations	-	(173)
Total	**(2,428)**	**(3,451)**

8 Discontinued operations

USD '000	2022	2021
Revenue	-	19,845
Other operational income	-	1,119
Total income	**-**	**20,964**
Vessels running costs	-	(9,131)
Other external costs	-	(1,450)
Staff costs	-	(4,417)
Total costs	**-**	**(14,998)**
Operating income before depreciation (EBITDA)	**-**	**5,966**
Profit/(Loss) on sale of activities	-	(55,207)
Depreciation	-	(1,830)
Share of profit from investments in associates	-	594
Operating income (EBIT)	**-**	**(50,477)**
Financial income	-	18
Financial expenses	-	(8,902)
Profit/(Loss) before tax	**-**	**(59,361)**
Income tax	-	(173)
Profit/(Loss) from discontinued operations	**-**	**(59,534)**

On 23 December 2020, Epic Gas Ltd., a leading LPG shipping solutions company, and Lauritzen Kosan A/S, the gas carrier division of J. Lauritzen, announced that they had entered into a transaction agreement to combine their fleet and business activities to create BW Epic Kosan Ltd. The transaction with Epic Gas Ltd. was completed in early March 2021. In the Financial Statements, the disposed activities of Lauritzen Kosan are therefore presented as discontinued operations.

9 Vessels, property & equipment

USD '000 **2022**	Vessels	Land & Buildings	Machinery, tools & equipment	Total
Cost as at 1 January	101,530	1,041	10,160	112,731
Additions	114,436	-	-	114,436
Disposals	(87,460)	-	(32)	(87,492)
Cost as at 31 December	128,506	1,041	10,128	139,675
Depreciation and impairment losses as at 1 January	(43,694)	(1,041)	(8,736)	(53,471)
Depreciation	(4,596)	-	(8)	(4,604)
Disposals	42,723	-	-	42,723
Depreciation and impairment losses as at 31 December	(5,567)	(1,041)	(8,744)	(15,352)
Balance as at 31 December	**122,939**	**-**	**1,384**	**124,323**

10 Right-of-use assets

USD '000 **2022**	Vessels	Land & Buildings	Total
Cost as at 1 January	136,384	1,077	137,461
Additions	69,162	979	70,141
Disposals	(38,458)	-	(38,458)
Cost as at 31 December	167,088	2,056	169,144
Depreciation and impairment	(81,407)	(883)	(82,290)
Depreciation	(31,259)	(303)	(31,562)
Disposals	31,670	-	31,670
Depreciation and impairment losses as at 31 December	(80,996)	(1,186)	(82,182)
Balance as at 31 December	**86,092**	**870**	**86,962**

11 Investments in associates

USD '000	**2022**	2021
Cost as at 1 January	70,719	27,185
Disposals	-	(21,940)
Additions during the year	19,115	65,474
Cost as at 31 December	89,834	70,719
Revaluation as at 1 January	43,030	(13,307)
Dividend received	(1,677)	-
Profit for the year	14,939	(11,364)
Badwill gain	13,229	49,149
Disposals	-	13,430
Revaluations during the year	-	5,122
Revaluation as at 31 December	69,521	43,030
Balance as at 31 December	159,355	113,749
Negative equity settled against receivable from associates	-	2,333
Balance as at 31 December	**159,355**	**116,082**

Investments in associates are specified as follows:

Name	**Place of registered office**	**Share capital**	**Votes and ownership**
Admiral Logistics Corporation	Panama	10,000 tUSD	50%
DeaL Energy A/S	Denmark	500 tDKK	50%
BW Epic Kosan Ltd	Singapore	159,467 tNOK	31%

12 Other investments

USD '000	2022	2021
Cost as at 1 January	7,532	-
Additions during the year	585	7,532
Cost as at 31 December	8,117	7,532
Revaluation as at 1 January	1,091	-
Dividends received	(6,243)	-
Revaluations during the year	3,360	1,091
Revaluation as at 31 December	(1,792)	1,091
Balance as at 31 December	**6,325**	**8,623**

13 Other receivables

USD '000	2022	2021
Cost as at 1 January	387	571
Disposals	(32)	(184)
Balance as at 31 December	**355**	**387**

14 Deferred tax

USD '000	2022	2021
Deferred tax at 1 January	6,342	6,342
Amounts recognised in the income statement for the year	(7,797)	-
Deferred tax at 31 December	**(1,455)**	**6,342**
Deferred tax consists of:		
Tax value of taxable losses carried forward	(1,455)	(2,200)
Tax value of Transition balance ("Overgangssaldo")	-	8,542

The recognized tax asset comprises tax loss carry-forwards expected to be utilised within the next one to three years. However, due to the length of the period, recognition and measurement of the tax asset are subject to uncertainty

In 2005 the Danish based companies of the J. Lauritzen Group, including Lauritzen Bulkers A/S, entered the Danish tonnage taxation system, the adoption of which is binding until at least 2024. Lauritzen Bulkers A/S does not expect to exit the tonnage taxation and thus no deferred tax provision has been made on the assets or liabilities effected by the Danish tonnage taxation system. If, however, Lauritzen Bulkers A/S were to leave the Danish tonnage taxation system there could be a deferred tax liability of up to a maximum of USDm 8.5.

15 Derivative financial instruments

		2022				2021			
	Cash flow/ Fair value hedge	Nominal, USDm	Duration, month	Recog-nised on equity	Fair value	Nominal, USDm	Duration, month	Recog-nised on equity	Fair value
Hedge accounting applied:									
Interest rate swaps	Cash flow	-	-	-	-	6.7	17.8	0.0	0.0
Total				**-**	**-**			**-**	**-**
Hedge accounting not applied:									
Currency: USD/EUR	N/A	12.9	0-13	-	(0.1)	6.0	0-11	-	0.3
Currency: USD/DKK	N/A	11.6	0-12	-	0.2	13.2	3-13	-	(0.2)
Currency: USD/JPY	N/A	37.0	0-3	-	4.2	-	0	-	-
Interest rate swaps	N/A	15.2	6.0	-	0.2	-	0	-	-
EUA, FFA's and oil contracts	N/A	N/A	0-24	-	(1.3)	N/A	0-36	-	11.1
Total				**-**	**3.2**			**-**	**11.2**
Total derivative financial instruments					**3.2**				**11.2**
Presented in the financial statement as:									
Derivative financial instruments, assets					6.6				11.4
Derivative financial instruments, liabilities					(3.4)				(0.2)

16 Current asset investments

USD '000	2022	2021
Listed shares	60,242	13,461
Balance as at 31 December	**60,242**	**13,461**

17 Long-term debt

USD '000	2022	2021
<1 year	80,289	34,948
1-5 years	7,621	26,517
> 5 years	-	-
	87,910	**61,465**

Credit institutions

USD '000	2022	2021
<1 year	3,646	1,736
1-5 years	63,759	12,922
> 5 years	-	-
	67,405	**14,658**

Payables to group entities

USD '000	2022	2021
<1 year	-	-
1-5 years	-	32,425
> 5 years	-	-
	-	**32,425**

18 Investments at fair value

USD '000 **2022**	Value adjustment - income statement	Fair value at 31 December 2022
Other investments	3,360	6,325
Current asset investments	30,720	60,242
Balance as at 31 December	**34,080**	**66,567**

USD '000 **2021**	Value adjustment - income statement	Fair value at 31 December 2021
Other investments	1,091	8,622
Current asset investments	1,052	13,461
Balance as at 31 December	**2,143**	**22,083**

19 Distribution of profit

USD '000	2022	2021
Proposed dividend for the year	14.343	15.100
Retained earnings	167.643	82.495
Total	**181.986**	**97.595**

20 Related parties

Controlling interests

Lauritzen Fonden	Ultimate parent
Lauritzen Fonden Holding ApS	Parent company

Transactions
The Company's intercompany transactions has during the year been entered into at arm's length.

Consolidated Financial Statements
The Company is included in the Group Annual Report of the Parent Company.

Name	**Place of registered office**
Lauritzen Fonden Holding ApS	Tranegårdsvej 20, DK-2900 Hellerup

The Group Annual Report of Lauritzen Fonden Holding ApS may be obtained at the following address:

https://datacvr.virk.dk/

21 Contingent assets, liabilities and financial obligations

Contingent liabilities

The J. Lauritzen Group is subject to Danish tax regulations, which means that by law it is taxed jointly, with respect to corporate tax, with all Danish subsidiaries of Lauritzen Fonden (the Group and Group Companies).

The Group Companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Moreover, the Group Companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

Contingent financial obligations

The Group has agreed to charter-in six newbuild vessels on five-year time-charter. Subject to satisfactory completion of discussions about terms, lifting of conditions and subsequent execution of documentation, the lease obligations for the six vessels will be a total USDm 127 for the minimum duration of the leases. Purchase options are included on four of the six vessels. These vessels are planned to deliver during 2023-2025, with two vessels in 2023, one vessel in 2024, and three vessels in 2025.

The Group has in relation to its participation in Maritime Investment Fund II K/S a USDm 6.962 commitment remaining, and a further USDm 1.1 previously distributed capital which can be recalled as of year-end 2022.

Credit institutions:

USD '000	**2022**	2021
Debt for a total of	67,405	14,658
is secured by mortgages on assets at the following book values:		
Vessels	122,939	58,488

The Group has no other contingent assets or contingent liabilities.

22 Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

23 Accounting policies

The Annual Report of J. Lauritzen A/S for 2022 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The Financial Statements are presented in thousand USD. Applied USD/DKK exchange rate on the 31 December 2022: 697.22 (2021: 656.12).

With reference to section 96(3) of the Danish Financial Statements Act, the fee to the auditors appointed at the general meeting has not been disclosed.

Changes in accounting policies

There are no changes to the accounting policies in 2022 compared to last year.

Recognition and measurement

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

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent, J. Lauritzen A/S, 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.

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; see description below regarding consolidation of divested business areas. Comparative figures are not restated for companies acquired by purchase or merger or for divested companies.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities of the acquired enterprises are measured at fair value at the acquisition date. A positive difference between the consideration and ownership share of the acquired net assets (goodwill) is amortised over the expected useful life and included in the carrying amount of the investment. A negative difference (badwill) is recognised immediately as a gain in the income statement.

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.

Foreign currency translation

USD is used as the presentation currency. All other currencies are regarded as foreign currencies.

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

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

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

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

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ” Derivative financial instruments” (under “Receivables”) and ” Derivative financial instruments” (under “Short-term debt”), respectively.

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

Warrants

Warrants are granted to the executive management and board of directors. The warrant schemes are equity-settled schemes.

INCOME STATEMENT

Revenue
The Group has chosen IFRS 15 as interpretation for revenue recognition.

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

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

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

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

Demurrage is recognised if the claim is considered probable.

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

Vessels running costs
Vessels running costs include hire of chartered vessels under 12 months, bunker oil, port costs, agent’s commissions and other voyage related costs. Furthermore, vessels running costs include fair value changes on financial bunkers contracts used to hedge future bunkers purchases. Hedge accounting is not applied for these transactions.

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

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

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

Profit/Loss on sale of vessels and other assets
Profit/loss from sale of vessels etc. is stated as the difference between the sales price less selling costs and the carrying amount of the vessel etc. in question at the time of delivery.

Depreciation
Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses
Financial income and expenses include interest income and expense, interests on lease liablities, 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 associates
The income statement includes the proportionate share of the associates' profit/loss after tax after elimination of intra-group profits/losses and amortization of goodwill.
In the income statement, the proportionate share of associates' 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, and is jointly taxed with subsidiaries of the Lauritzen Fonden.

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

BALANCE SHEET

Vessels
Vessels are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the acquisition price and costs directly related to the acquisition up until the time when the asset is ready for use. Borrowing costs concerning either specific or general borrowing directly related to assets with an extended construction period are included in cost over the period of construction.

Vessels are depreciated on a straight-line basis to an estimated scrap value. The expected useful life of vessels is 25 years.

Rebuilding of vessels is capitalised if the rebuilding is intended to extend the service life and/or improve the earning potential. Rebuilding is depreciated over the expected service life of the investment.
Costs relating to dry dockings are capitalised and depreciated on a straight-line basis. The expected useful life of dry dockings ranges from 30 to 60 months.

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

Machinery, tools and equipment
Machinery, tools and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Machinery, tools and equipment are depreciated on a straight-line basis.
Expected useful life of machinery, tools and equipment is 5-10 years.

Right-of-use Assets
The Company uses IFRS 16 when measuring and recognizing leases.

Right of use assets are arising from lease agreements with a duration of more than 12 months. Lauritzen Bulkers have lease contracts on vessels and an offce building. The lease contracts are recognised as right-of-use assets and lease liabilities measured as the present value of lease payments at initial recognition (when the asset is available for use for the Group). A service element corresponding to OPEX on a similar vessel is excluded from the lease at recognition.

The lease expenses are recognised as OPEX, depreciation of the right of use asset and interest expenses. The right-of-use assets are depreciated on a straight-line basis over the lease term. The cash flow related to repayment of the lease obligation is classified as cash flow from financing activities and interest expenses are classified as cash flow from operating activities.

Definitions:
• Leases: A firm period above 12 months, with no redelivery options prior to the firm period and with full control of the asset. All leases have been assessed, and low value leased are excluded.
• Discount rates: The discount rate is calculated as a weighted average of the secured and unsecured borrowing rate for a like to like asset. The discount rate is calculated in nominal terms as the cash flows are also in nominal terms based on a 60/40 loan ratio.
• Service elements: The lease commitment is reduced by the service element that has been estimated as the average vessel operating cost of a like to like asset on market terms.

Time charter agreements are typically made for fixed periods but may include extension- and purchase options. Options are included in the recognition if the Company is reasonably certain to exercise the option. If the Company exercises an option which was not previously included, the lease liability is reassessed and adjusted against the right-of-use asset.

Investments in associates
Investments in associates are recognised and measured under the equity method. The items “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises.

On acquisition of associates, fair value of the net assets is determined, and a positive difference between the consideration and the Company’s ownership share of the net assets (goodwill) is amortised over the expected useful life and included in the carrying amount of the investment. A negative difference (badwill) is recognized immediately as a gain in the income statement.

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

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

Associates with a negative net asset value are recognised at USD 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions
The investments are assessed for impairment indicators annually. If such indicators exist, an impairment test is performed.

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

An impairment test is conducted if there is an indication that the carrying amount of an asset or a cash-generating unit (CGU) exceeds the expected future cash flows from the asset. If the carrying amount exceeds the recoverable amount, the asset is written down to the lower recoverable amount.
The recoverable amount of the asset is determined as the higher of the net selling price and the value-in-use. If a recoverable amount for the individual assets cannot be determined, the smallest group of assets

for which it is possible to determine the recoverable amount (cash-generating unit) is analysed for impairment.

Management's assessment of indication of impairment on owned vessels and leased vessels is based on the that the Group has one CGU: Bulk carriers (owned and right-of-use vessels). An impairment loss is recognised whenever the carrying amount of cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses of assets within a CGU are allocated to the carrying amount of the assets in the CGU on a pro rata basis to the higher of fair value less cost to sell and value in use. Reversal of previous impairments is only recognised if there has been a change in the assumptions used to determine the recoverable amount since the last impairment test was carried out.

Other investment
Other investments comprise investments in unlisted securities in which the Company holds below 20% of the voting rights and does not exercise significant influence. Other investments are measured at fair value. The fair value is measured as the market value at the balance sheet date. If the fair value cannot be reliably measured, cost is used as an alternative.

Other receivables
Other fixed asset investments consist of rental deposits.

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

Receivables
The Company has chosen IFRS 9 as interpretation for impairment of financial receivables.

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

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

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

Prepayments
Prepayments comprise prepaid expenses concerning time charter, insurance premiums, etc.

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

Equity
Reserve for net revaluation according to the equity method.
Net revaluation of investments in subsidiaries and associates/joint ventures is recognised in the net revaluation reserve according to the equity method. The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

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

Provisions
Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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.

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

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

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

Current tax receivables and liabilities
Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation in the income statement in financial income and expenses.

Deferred income
Deferred income arises from prepayments for voyages and time-charter income.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows from operating, investing, and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year. Cash and cash equivalents include bank deposits and short-term deposits that without restriction can be exchanged into cash funds.

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

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

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

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

Cash and cash equivalents
Cash and cash equivalents comprise “Cash at bank and in hand”.

24 Subsidiaries, associates etc

Name	Country	Ownership share %
J. Lauritzen A/S	Denmark	
Lauritzen Bulkers A/S	Denmark	100
Lauritzen Reefers A/S**	Denmark	100
JL Shipping Invest A/S	Denmark	100
DeaL Energy A/S*	Denmark	50
De Forenede Sejlskibe I/S*	Denmark	55
Admiral Logistics Corporation*	Panama	50
BW Epic Kosan Ltd.	Singapore	31
J. Lauritzen Singapore Pte. Ltd.	Singapore	100
LKT Gas Carriers Pte. Ltd.***	Singapore	100
J. Lauritzen (USA) Inc.	USA	100
Dan Swift Singapore Pte. Ltd	Singapore	100
Axis Offshore do Brasil Serviços Ltda.	Brazil	100
Dan Swift Netherlands BV	Netherlands	100

* Joint Venture
** Dormant
*** In liquidation

PARENT COMPANY FINANCIAL STATEMENTS

Income Statement 1 January – 31 December 2022

USD '000	Note	**2022**	2021
Revenue		-	7,265
Total income		**-**	7,265
Other operating income		86	312
Other external expenses		(977)	(3,864)
Gross profit/loss		**(891)**	3,713
Staff expenses	1	(1,290)	(3,091)
Operating income (EBIT)		**(2,181)**	**622**
Income from investments in subsidiares	5	129,985	96,997
Share of profit in joint ventures	6	12,696	-
Financial income	2	52,884	1,053
Financial expenses	3	(320)	(949)
Profit/(loss) before tax		**193,064**	**97,723**
Income tax	4	(11,078)	(128)
Profit/(loss) for the year		**181,986**	**97,595**
Special Items	9		

PARENT COMPANY FINANCIAL STATEMENTS

Balance sheet 31 December 2022

USD '000	Note	**2022**	2021
Investments in subsidiaries	5	212,061	255,572
Investments in associates	6	152,203	39
Other receivables	7	-	386
Fixed asset investments		**364,264**	**255,997**
Fixed asset		**364,264**	**255,997**
Trade receivables		-	146
Receivables from affiliated companies		-	55
Receivables from associates		-	3
Receivables from group entities		3,021	-
Other receivables		13	34
Receivables		**3,034**	**238**
Current asset investments	8	**60,242**	**13,461**
Cash and cash equivalents		**17,989**	**858**
Current assets		**81,265**	**14,557**
Total assets		**445,529**	**270,554**

PARENT COMPANY FINANCIAL STATEMENTS

Balance sheet 31 December 2022

USD '000	Note	**2022**	2021
Share capital		60	60
Reserve for net revaluation under the equity method		-	30,832
Retained earnings		419,670	186,030
Proposed dividend for the year		14,343	15,100
Equity		**434,073**	**232,022**
Trade payables		-	152
Payable to group entities		-	37,790
Current tax payables		11,149	131
Other payables		307	459
Short-term debt		**11,456**	**38,532**
Total liabilities		**11,456**	**38,532**
Total equity and liabilities		**445,529**	**270,554**
Investment at fair value	10		
Distribution of profit	11		
Contingent assets, liabilities and financial obligations	12		
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Events after balance date	14		
Accounting policies	15		

PARENT COMPANY FINANCIAL STATEMENTS

Statement of changes in Equity

USD '000	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	**Total equity**
Equity at 1 January	60	30,832	186,030	15,100	232,022
Cash capital increase					
Group contribution		-	34,897		34,897
Dividends paid				(14,782)	(14,782)
Exchange adjustments			318	(318)	-
Net profit/loss for the year		(30,832)	198,425	14,343	181,936
Equity 31 December	**60**	**-**	**419,670**	**14,343**	**434,073**

Management's incentives programme

Warrants are granted to members of the Executive Management and Board of Directors for the purpose of motivating and retaining a qualified management group and in order to align the interests of management with those of the shareholders.

The warrants are issued on the following general terms:

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

The Board of Directors are authorized to increase the company's nominal share capital up to a total of DKK 40.000 upon exercise of warrants. In 2022, 10,123 warrants were issued to the board of directors and 20,664 were issued to executive management. Each warrant gives the right - but not an obligation - to subscribe for one share with a nominal value of DKK 1 at an exercise price of DKK 3,654.68 for each share.

The number of warrants to be vested is depending on the average increase in the market value of the company on the basis of a five year period starting 1 January 2022 and ending 31 December 2026.

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

PARENT COMPANY FINANCIAL STATEMENTS

Notes

1 Staff expenses

USD '000	2022	2021
Salaries	1,168	2,704
Pensions (defined contribution plan)	119	328
Social security	3	32
Other staff expenses	-	27
Total	1,290	**3,091**
Including remuneration to the Executive Management and Board of Directors	516	254
Average number of employees	4	23

In 2022, the Company issued warrants to the Executive Management and Board of Directors. The programme is an equity programme - see Statement of changes in Equity.

2 Financial income

USD '000	2022	2021
Interest income, bank deposits	376	-
Current asset investments and derivative financial instruments	51,970	1,052
Exchange value adjustments	538	1
Financial income	**52,884**	**1,053**

3 Financial expenses

USD '000	2022	2021
Interests paid to group companies	246	926
Other financial expenses	74	23
Financial expenses	**320**	**949**

4 Tax on profit/loss for the year

USD '000	2022	2021
Current tax for the year	11,148	-
Deferred tax for the year	-	131
Adjustment of tax concerning previous years	(70)	(3)
Tax on profit/loss for the year	**11,078**	**128**

5 Investments in subsidiaries

USD '000	2022	2021
Cost as at 1 January	224,740	173,025
Additions during the year	3,819	51,715
Cost as at 31 December	228,559	224,740
Revaluation as at 1 January	30,832	(66,608)
Profit for the year	129,985	96,997
Dividend received	(177,264)	-
Other equity movements, net	(51)	443
Revaluation as at 31 December	(16,498)	30,832
Balance as at 31 December	**212,061**	**255,572**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Lauritzen Bulkers A/S	Denmark	500 tDkk	100%
JL Shipping Invest A/S	Denmark	500 tDkk	100%
Dan Swift Pte. Ltd.	Singapore	89,063 tUSD	100%

6 Investments in associates

USD '000	2022	2021
Cost as at 1 January	39	-
Additions during the year	139,468	39
Cost as at 31 December	139,507	39
Revaluation as at 1 January	-	-
Badwill gain	13,228	-
Profit for the year	(532)	-
Revaluation as at 31 December	12,696	-
Balance as at 31 December	**152,203**	**39**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
DeaL Energy A/S	Denmark	500 tDKK	50%
BW Epic Kosan Ltd.	Singapore	159,467 tNOK	31%

7 Other receivables

USD '000	2022	2021
Cost as at 1 January	386	571
Disposals	(386)	(185)
Balance as at 31 December	**-**	**386**

8 Current asset investments

USD '000	2022	2021
Listed shares	60,242	13,461
Balance as at 31 December	**60,242**	**13,461**

9 Special items

USD '000	2022	2021
Badwill gain on BW Epic Kosan (Income/loss from investments in associates)	13,229	-
Total	**13,229**	**-**

10 Investment at fair value

USD '000 **2022**	Value adjustment income statement	Fair value at 31 December 2022
Current asset investments	30,720	60,242
Balance as at 31 December	**30,720**	**60,242**

USD '000 **2021**	Value adjustment income statement	Fair value at 31 December 2021
Current asset investments	1,052	13,461
Balance as at 31 December	**1,052**	**13,461**

11 Distribution of profit

USD '000	**2022**	2021
Proposed dividend for the year	14,343	15,100
Reserve for net revaluation under equity method	(30,832)	30,389
Retained earnings	198,425	52,106
Balance as at 31 December	**181,936**	**97,595**

12 Contingent assets, liabilities and financial obligations

Guarentee obligations

USD '000	**2022**	2021
Guarentees for debt in subsidiaries	68,200	14,755

The Company guarantees for the performance by Lauritzen Bulkers of its obligations under a loan facility. At year-end 2022, the loan amounted to USDm 68.2.

Other contingent liabilities

The Company has issue a letter of support for one of its subsidiary.

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

13 Related parties

Controlling interests

Lauritzen Fonden	Ultimate parent
Lauritzen Fonden Holding ApS	Parent company

Transactions
The Company's intercompany transactions has during the year been entered into at arm's length.

Consolidated Financial Statements
The Company is included in the Group Annual Report of the Parent Company.

Name	**Place of registered office**
Lauritzen Fonden Holding ApS	Tranegårdsvej 20, DK-2900 Hellerup

The Group Annual Report of Lauritzen Fonden Holding ApS may be obtained at the following address:

https://datacvr.virk.dk/

14 Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

15 Accounting policies

The Financial Statements of the Parent Company form part of the Annual Report as required by the Danish Financial Statement Act. The Annual report of J. Lauritzen A/S for 2022 has been prepared in accordance with the provisions applying to reporting class C Large enterprises under the Danish Financial Statements Act.

The accounting policies for the Financial Statements of the parent company are the same as for the consolidated financial statements with the following additions. For a description of the accounting policies of the Group, please refer to the notes of the consolidated financial statements.

The accounting policies for the financial statement of the parent company are unchanged compared to last financial year.

SUPPLEMENTARY ACCOUNTING POLICIES FOR THE PARENT COMPANY

Investment in Subsidiaries and associates
Investments in subsidiaries and associates are recognised and measured under the equity method.

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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

Subsidiaries and associates with a negative net asset value are recognised at USD 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.