J. Lauritzen A/S

Tranegårdsvej 20, DK-2900 Hellerup

(CVR no. 41407360)

ANNUAL REPORT
1 January – 31 December 2023

The Annual Report was presented
and adopted at the Annual General
Meeting of the Company on
4 March 2024

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 2023.

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 Company's Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

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

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

Copenhagen, 4 March 2024

Executive Management

Kristian Verner Mørch

Board of Directors

Tommy Thomsen
Chairman

Inge Grønvold

Erik Bierre

Independent auditor's 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 2023, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of J. Lauritzen A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the 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, 4 March 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

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

Company 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	**2023**	2022	2021
Income statement			
Revenue	637,714	951,299	841,274
Operating income before depreciation (EBITDA)	35,718	118,523	115,300
Operating income (EBIT)	21,534	102,476	122,215
Financial items, net	18,662	50,410	(6,124)
Profit/(Loss) before tax	64,153	184,414	160,089
Profit/(Loss) for the year	58,970	181,986	97,277
Balance sheet			
Total assets	668,400	632,398	380,754
Total equity	478,873	434,073	232,023
Investment in Property, Plant and Equipment	178,201	184,577	22,117
Key figures and financial ratios			
Average number of employees	109	95	93
Total number of ship days	29,829	27,232	29,178
DKK exchange rate year end	674	697	656
Average DKK exchange rate	689	708	629
Profit margin	3.4%	10.8%	14.5%
Solvency ratio	71.6%	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 and before 2020.

Management's review

Statement from Chairman and CEO

2023 was an active year for J. Lauritzen comprising new investments, delisting, upping of existing investments, divestments, and ordering of innovative dry cargo newbuildings.

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

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 remains a vital 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 59.0 in 2023 compared to USDm 182.0 in 2022.

Shareholders' equity was USDm 478.9 at year-end 2023 compared to USDm 434.1 in 2022.

Proposed dividend for 2023 amounts to USDm 28.9 (DKKm 200) compared to USDm 14.3 (DKKm 100) for 2022.

The consolidated net result is composed of results from the individual investments that comprise J. Lauritzen's portfolio, cf. "Business model" below.

Lauritzen Bulkers A/S
Lauritzen Bulkers' net result for 2023 was a profit of USDm 3.3 and the result before unrealised hedging and tax was USDm 14.4. In 2022, Lauritzen Bulkers' result from its core dry bulk business before unrealised hedging and tax amounted to USDm 91.0 and the company's net result for 2022, including the impact from a merger with group companies, was a profit of USDm 77.3. Profit from sales of vessels contributed USDm 20.4 to the net result in 2023 (in 2022, profit from sales of vessels contributed USDm 20.8 to the net result). The net result includes result of freight derivatives and fuel hedging instruments, recognised in the revenue and the running costs, respectively. The unrealised result of these derivative instruments amounted to USDm (10.6) in 2023 (USDm (12.4) in 2022).

Dan Swift (Singapore) Pte. Ltd.
Dan Swift had a net result in 2023 of USDm 14.0, up from USDm 3.5 in 2022, reflecting more on-hire days in 2023 compared to 2022 for the vessel it owns and operates.

Associated investment in BW Epic Kosan Ltd.
The net result of the investment in BW Epic Kosan amounted to USDm 21.2 in 2023 compared to USDm 25.9 in 2022.

Listed equities and fund investments
The net result from listed equities and fund investments amounted to USDm 27.1 in 2023 compared to USDm 59.9 in 2022.

Business model

J. Lauritzen is an investment vehicle under the Lauritzen Foundation and the value creating owner of the Foundation's portfolio of maritime and maritime related investments except for the Foundation's shareholding in DFDS.

We are a specialist, 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.

At year-end 2023, our portfolio comprised private investments in wholly owned operational subsidiaries Lauritzen Bulkers A/S and Dan Swift (Singapore) Pte. Ltd., the associated investment in BW Epic Kosan Ltd. as well as listed equities and fund investments.

Key developments

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

Business performance

The consolidated net result of the J. Lauritzen group amounted to USDm 59.0 in 2023 compared to USDm 182 in 2022. In 2023, contributions to the result were more diversified than in 2022.

2023 was a particular profitable year for our investments exposed to product tankers, smaller gas carriers and offshore wind services. Our operational subsidiaries, Lauritzen Bulkers and Dan Swift (Singapore) Pte. Ltd., also contributed positively to the result in 2023.

The consolidated result for 2023 thus exceeded the expected result for 2023 of USDm 25-50 and is considered satisfactory.

Uncertainty relating to recognition and measurement

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.

Events after the balance sheet date

Reference is made to note 21 to the Consolidated Financial Statements.

Outlook for 2024

Despite the fact that the geopolitical and macroeconomic environments remain unstable, J. Lauritzen expects a positive result for 2024 with a consolidated net profit of USDm 15-40.

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 of the individual 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. 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, including thorough performance monitoring.

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

Responsibility

Responsibility is essential for us and during 2023 we confirmed our commitment to the green transition of the shipping industry by ordering three newbuildings of which the two first will be delivered in 2026-27 and be among the very first zero emission capable dry bulk carriers in the world, cf. paragraph on “Key developments” on page 10.

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.

Business model
As an investment company with different types of investments our largest impact on ESG matters is linked to our wholly owned operational subsidiaries, cf. paragraph on “Business model” on page 10.

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 to 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.

For other management levels, the target of 33% female (underrepresented gender) has also been met.

	2023
Supreme governing body	
Total number	3
Underrepresented gender (%)	33%
Target (%)	33%
Time for meeting target (year-end)	2024
Other management levels	
Total number	3
Underrepresented gender (%)	33%

Above figures are covering J. Lauritzen (the Parent Company). Information related to the Danish subsidiary, Lauritzen Bulkers A/S, is available in the Annual Report 2023 of Lauritzen Bulkers A/S.

Diversity holds significant importance for Lauritzen Bulkers, believing that a diverse workforce is essential to fostering a resilient and healthy company culture.

Despite efforts taken, the share of female employees in Lauritzen Bulkers decreased from 40% at year-end 2022 to 38% at year-end 2023. Lauritzen Bulkers will review its actions, aiming for a 42% share at year-end 2024.

Lauritzen Bulkers aims to achieve a 20% share of the underrepresented gender among managers by year-end 2026. In parallel to the overall share of female employees, Lauritzen Bulkers experienced a decline in female representation in managerial positions, down to 16% at year-end 2023 from 20% at year-end 2022.

The diversity of Lauritzen Bulkers’ workforce increased as the company welcomed employees from a range of additional nationalities in 2023. At year-end 2023, the workforce onshore consisted of 20 different nationalities.

Health and safety
Safety is a constant top priority for us, first and foremost because of the human consequences of injuries or casualties. Regardless of whether we are vessel owners or operators, we have a strong focus on safety surrounding the carriage of cargoes. Proper carriage is important to ensure the safety of crews, vessels and cargoes.

Ensuring the safety and health of every employee, both at sea and onshore, lies at the core of both our wholly owned operating entities, Lauritzen Bulkers and Dan Swift (Singapore) Pte. Ltd., aiming to not only meet but also surpass legislative requirements. To achieve this, each company maintains close collaboration with its external technical vessel manager to ensure that standards are upheld.

Human rights
In line with two of our core values, accountability and empathy, we prioritise human rights throughout our operations and along the value chain. Fostering a conducive work environment for our employees is paramount for us. Our Human Rights Policy Statement, aligned with the principles of the UN Global Compact, underscores our adherence to internationally recognised human rights that are relevant to our business. We strive to uphold human rights not only in our own operations but also along the value chain.

Furthermore, we strive to cultivate a work environment in which every individual is treated with respect and dignity. A such, we have a zero tolerance for any kinds of discrimination and harassment. This is further reinforced through our Anti-Harassment Policy. Throughout 2023, zero human rights or discrimination incidents were reported, and we are committed to maintaining this standard going forward.

Whistle-blower system
Throughout 2023, J. Lauritzen aimed at broadening awareness about its whistle-blower system both to employees at sea and onshore. The system allows both internal and external stakeholders to anonymously report concerns about potential violations regarding, among others, human and labour rights, harassment, corruption and bribery. Zero incidents have been reported through the system so far.

Environment

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.

Governance

Corruption and bribery
Operating in the global shipping industry, we acknowledge and manage the potential risk of corruption. We remain steadfast in our commitment to prevent any form of corrupt practices, including demands for facilitations payments. This commitment is outlined in our Anti-Corruption Policy, where we firmly state our zero tolerance towards corruption. Both our Anti-Corruption and Gift and Hospitality Policy undergo an annual review by the Board of Directors. Compliance training was provided to Lauritzen Bulkers' sea-based staff through its technical managers in 2023.

Research and development
J. Lauritzen and its subsidiaries are not involved in research and development activities.

Data ethics
To date, J. Lauritzen has not adopted a policy specifically addressing data ethics. The reasons for this decision are as follows:

- Services provided by our subsidiaries are targeted towards business clients instead of individual consumers, eliminating the need for data utilisation for personalisation or segmentation.
- Our subsidiaries' offerings entail transportation services, where terms are negotiated on a case-by-case basis, predominantly in person.
- Data collection by our subsidiaries primarily entails macro-level data on e.g. commodities, regional economic activity, trade statistics, local vessel supply and demand and vessel tracking data. Data is obtained from public sources and is used for analytical purposes. It informs our commercial decisions on assessing risk tolerance and determining service pricing.

CONSOLIDATED FINANCIAL STATEMENTS

Income statement 1 January – 31 December 2023

USD '000	Note	**2023**	2022
Revenue	2	637,714	951,299
Other operating income		1,006	2,041
Total income		**638,720**	953,340
Vessels running costs		(565,823)	(797,519)
Other external costs		(10,200)	(10,480)
Gross profit/loss		**62,697**	145,341
Staff costs	3	(26,979)	(26,818)
Operating income before depreciation (EBITDA)		**35,718**	118,523
Profit/(loss) on sale of vessels and other assets		20,144	20,119
Depreciation, amortisation, and impairment of PPE	8+9	(34,328)	(36,166)
Operating income (EBIT)		**21,534**	102,476
Income/(loss) from associates	10	21,079	28,168
Income/(loss) from other investments	11	2,878	3,360
Financial income	5	32,954	56,083
Financial expenses	6	(14,292)	(5,673)
Profit/(loss) before tax		**64,153**	184,414
Income tax	7	(5,183)	(2,428)
Profit/(loss) for the year		**58,970**	181,986
Special items	4		

CONSOLIDATED FINANCIAL STATEMENTS

Balance sheet 31 December 2023

ASSETS

USD '000	Note	**2023**	2022
Vessels, property and equipment	8	179,173	124,323
Right-of-use assets	9	45,969	86,962
Property, plant and equipment		**225,142**	**211,285**
Investments in associates	10	191,067	159,355
Other investments	11	18,568	6,325
Other receivables	12	400	355
Fixed asset investments		**210,035**	**166,035**
Fixed assets		**435,177**	**377,320**
Bunkers		15,757	11,829
Inventories		**15,757**	**11,829**
Trade receivables		14,293	3,493
Other receivables		27,332	15,864
Deferred tax assets	13	1,580	1,455
Prepayments		7,116	8,529
Derivative financial instruments	14	285	6,592
Receivables		**50,606**	**35,933**
Current asset investments	15	**90,030**	**60,242**
Cash and cash equivalents		**76,830**	**147,074**
Current assets		**233,223**	**255,078**
Total assets		**668,400**	**632,398**

CONSOLIDATED FINANCIAL STATEMENTS

Balance sheet 31 December 2023

LIABILITIES

USD '000	Note	**2023**	2022
Share capital		60	60
Retained earnings		449,401	419,670
Proposed dividends for the year		29,412	14,343
Equity		**478,873**	**434,073**
Credit institutions	16	92,771	63,759
Lease obligations	16	14,353	7,621
Long-term debt		**107,124**	**71,380**
Credit institutions	16	7,620	3,646
Lease obligations	16	31,665	80,289
Trade payables		12,934	13,666
Current tax payables		6,431	11,161
Other payables		3,747	12,354
Derivative financial instruments	14	11,342	3,388
Deferred income		8,664	2,441
Short-term debt		**82,403**	**126,945**
Total liabilities		**189,527**	**198,325**
Total equity and liabilities		**668,400**	**632,398**

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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	419,670	14,343	**434,073**
Dividends paid	-	-	(14,170)	**(14,170)**
Exchange adjustments	-	173	(173)	**-**
Profit/(loss) for the year	-	29,558	29,412	**58,970**
Equity at 31 December	**60**	**449,401**	**29,412**	**478,873**

Management's incentives programme

Warrants are granted to members of the Board of Directors, Executive Management, and key personnel for the purpose of motivating and retaining a qualified management group and key personnel and in order to align their interests 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, 30,787 warrants were issued to the Board of Directors and 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.

In 2023, a further 4,731 warrants were issued to key personnel. 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 6,896.31 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 1 January 2023, respectively, and ending 31 December 2026 and 31 December 2027, respectively.

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		**2023**	2022
Operating income (EBIT)		21,535	102,476
Depreciation reversed		34,328	36,166
(Profit)/loss on sale of vessels and other assets		(20,144)	(20,803)
Change in bunkers		(3,928)	(5,947)
Change in receivables		9,392	7,893
Change in payables		1,775	372
Cash flow from operations before financial items		42,958	120,157
Received financial payments		9,843	6,975
Paid financial payments		(10,788)	(5,357)
Cash flow from ordinary operations		42,013	121,775
Paid corporate tax		(10,067)	66
Cash flow from operating activities		**31,946**	**121,841**
Investments in vessels	8	(117,332)	(114,436)
Payments on vessels under construction	8	(12,990)	-
Investments in associates and other investments	10+11	(27,334)	(19,700)
Sale of vessels	8	87,764	65,540
Dividend received from associates and other investments	10+11	7,336	7,921
Purchase and sale of current assets investments		(7,662)	(336)
Collateral pledged as security for derivatives debt		(18,145)	(2,573)
Cash flow from investment activities		**(88,363)**	**(63,584)**
Financial receivables		(31)	2,920
Repayment on long-term debt		(53,283)	(24,756)
Proceeds from loans		85,971	77,328
Installment on lease debt (IFRS 16)		(26,546)	(29,147)
Changes in payables to group entities		-	(32,424)
Group contributions		-	34,896
Dividend paid		(14,170)	(14,782)
Cash flow from financing activities		**(10,105)**	**14,035**
Changes for the year in cash and cash equivalents		(66,522)	72,291
Cash and cash equivalents at beginning of year		147,074	73,283
Currency adjustments on cash and cash equivalents		(3,722)	1,499
Cash and cash equivalents at the end of the year incl restricted cash		**76,830**	**147,074**
Restricted cash related to credit institutions		(8,000)	(5,000)
Cash and cash equivalents at the end of the year		**68,830**	**142,074**

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 taxes
- Leasing arrangements
- Purchase price allocation

2 Revenue

The revenue reported represents revenue from customers.

USD '000	2023	2022
Freight revenue	443,792	719,524
COA revenue	57,937	42,530
Time charter revenue	135,985	189,245
Total	**637,714**	**951,299**
Revenue per business unit		
Lauritzen Bulkers A/S	601,895	929,952
Dan Swift (Singapore) Pte. Ltd.	35,819	21,347
Total	**637,714**	**951,299**

3 Staff expenses

USD '000	2023	2022
Salaries	24,965	25,176
Pensions (defined contribution plan)	1,328	1,065
Social security	672	567
Contract labour	14	10
Total	**26,979**	**26,818**
Average number of employees	109	95

Remuneration to Executive Management and Board of Directors*

Salaries	1,046	532
Pensions (defined contribution plan)	109	55
Social security	0	1
Total	**1,155**	**588**

*With reference to ÅRL §98b (3) of the Danish Financial Statements Act.

In 2022 and 2023, the Parent Company issued warrants to the Board of Directors, Executive Management, and key personnel in J. Lauritzen A/S. The programme is an equity programme - see Statement of changes in Equity.

4 Special items

Badwill gain on BW Epic Kosan Ltd. (Income/loss from investments in associates)	7,507	13,229
Gain on sale of vessels (other operating income)	20,144	20,803
Total	**27,651**	**34,032**

5 Financial income

USD '000	**2023**	2022
Interest income, bank deposits	5,696	1,993
Other financial income	34	130
Currency exchange gains and losses, net	-	1,360
Current asset investments and derivative financial instruments	23,112	47,747
Dividends received	4,112	4,853
Financial income	**32,954**	**56,083**

6 Financial expenses

Interest expenses on loans	7,062	1,554
Interest expenses on lease liabilities	2,147	3,618
Other financial expenses	951	501
Currency exchange gains and losses, net	4,132	-
Financial expenses	**14,292**	**5,673**

7 Tax on profit/loss for the year

Current tax for the year	(6,815)	(11,550)
Deferred tax for the year	2,133	7,795
Adjustment of tax concerning previous years	(501)	1,327
Tax on profit/loss for the year	**(5,183)**	**(2,428)**
of which:		
Tax for the current year	(5,183)	(2,428)
Total	**(5,183)**	**(2,428)**

8 Vessels, property & equipment

USD '000 **2023**	Vessels	Assets under construction	Machinery, tools & equipment	Total
Cost as at 1 January	128,506	-	10,128	138,634
Additions	117,332	12,990	-	130,322
Disposals	(68,800)	-	-	(68,800)
Cost as at 31 December	177,038	12,990	10,128	200,156
Depreciation and impairment losses as at 1 January	(5,567)	-	(8,744)	(14,311)
Depreciation	(8,087)	-	-	(8,087)
Disposals	1,415	-	-	1,415
Depreciation and impairment losses as at 31 December	(12,239)	-	(8,744)	(20,983)
Balance as at 31 December	**164,799**	**12,990**	**1,384**	**179,173**

9 Right-of-use assets

	Vessels	Land & Buildings	Total
Cost as at 1 January	167,088	2,056	169,144
Additions	47,879	-	47,879
Disposals	(106,255)	-	(106,255)
Cost as at 31 December	108,712	2,056	110,768
Depreciation and impairment	(80,996)	(1,186)	(82,182)
Depreciation	(25,932)	(309)	(26,241)
Disposals	43,624	-	43,624
Depreciation and impairment losses as at 31 December	(63,304)	(1,495)	(64,799)
Balance as at 31 December	**45,408**	**561**	**45,969**

10 Investments in associates

USD '000	**2023**	2022
Cost as at 1 January	89,834	70,719
Additions during the year	16,071	19,115
Cost as at 31 December	105,905	89,834
Revaluation as at 1 January	69,521	43,030
Dividend received	(5,438)	(1,677)
Profit for the year	13,572	14,939
Badwill gain	7,507	13,229
Revaluation as at 31 December	85,162	69,521
Balance as at 31 December	**191,067**	**159,355**

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%
Web Holding Ltd.	Bermuda	159,558 tUSD	36%

11 Other investments

USD '000	2023	2022
Cost as at 1 January	8,117	7,532
Additions during the year	11,263	585
Cost as at 31 December	19,380	8,117
Revaluation as at 1 January	(1,792)	1,091
Dividends received	(1,898)	(6,243)
Revaluations during the year	2,878	3,360
Revaluation as at 31 December	(812)	(1,792)
Balance as at 31 December	**18,568**	**6,325**

12 Other receivables

Cost as at 1 January	355	387
Additions	45	-
Disposals	-	(32)
Balance as at 31 December	**400**	**355**

13 Deferred tax

Deferred tax at 1 January	1,455	(6,342)
Amounts recognised in the income statement for the year	125	7,797
Deferred tax at 31 December	**1,580**	**1,455**
Deferred tax consists of:		
Tax value of taxable losses carried forward	1,580	1,455

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.

14 Derivative financial instruments

	2023			2022		
	Nominal, USDm	Duration, month	Fair value	Nominal, USDm	Duration, month	Fair value
Hedge accounting not applied:						
Currency: USD/EUR	1.9	0-1	(0.1)	12.9	0-13	(0.1)
Currency: USD/DKK	11.6	0-12	0.1	11.6	0-12	0.2
Currency: USD/JPY	-	-	-	37.0	0-3	4.2
Interest rate swaps	34.4	45	0.2	15.2	6.0	0.2
EUA, FFA's and oil contracts	N/A	0-48	(11.2)	N/A	0-24	(1.3)
Total			**(11.0)**			**3.2**
Total derivative financial instruments			**(11.0)**			**3.2**
Presented in the financial statement as:						
Derivative financial instruments, assets			0.3			6.6
Derivative financial instruments, liabilities			(11.3)			(3.4)

15 Current asset investments

USD '000	2023	2022
Listed shares	43,230	60,242
Shares in mutual funds (fixed income)	31,716	-
Investments in managed funds (fixed income)	15,084	-
Balance as at 31 December	**90,030**	**60,242**

16 Long-term debt

Lease obligations

<1 year	31,665	80,289
1-5 years	14,353	7,621
> 5 years	-	-
	46,018	**87,910**

Credit institutions

<1 year	7,620	3,646
1-5 years	92,771	63,759
> 5 years	-	-
	100,391	**67,405**

17 Investments at fair value

USD '000 2023	Value adjustment - income statement	Fair value at 31 December 2023
Other investments	2,879	18,568
Current asset investments	15,505	90,030
Balance as at 31 December	**18,384**	**108,598**

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**

18 Distribution of profit

USD '000	**2023**	2022
Proposed dividend for the year	29,412	14,343
Retained earnings	29,558	167,643
Total	**58,970**	**181,986**

19 Related parties

Controlling interests

Lauritzen Fonden	Ultimate parent
Lauritzen Fonden Holding ApS	Parent company

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

Consolidated Financial Statements
Group companies are 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/

20 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

Lauritzen Bulkers A/S has exercised a purchase option attached to one existing time-chartered vessel and agreed to sell the same vessel. Delivery of the vessel to new owners in March 2024 is expected to occur on same time as delivery to the Lauritzen Bulkers A/S. The cost of the vessel is USDm 19.7. The sales price exceeds the purchase cost. Buyers of the vessel have placed a deposit with Lauritzen Bulkers covering 20 per cent of the sales price.

Lauritzen Bulkers A/S has agreed to charter-in six newbuild vessels on five-year time-charter. The lease obligations for the six vessels will be a total USDm 136 for the minimum duration of the leases. Purchase options are included on the six vessels. The vessels are planned to deliver during 2024-2026, with one vessel in 2024, four vessels in 2025, and one in 2026.

JL Shipping Invest A/S has in relation to its participation in investment funds the following remaining obligations:

- Maritime Investment Fund II K/S: Nil investment commitment remaining. USDm 1.1 previously distributed capital can be recalled. The company remains committed under the existing LPA.
- Dee4 Capital Fund I K/S: Nil. The company remains committed under the existing LPA.
- Dee4 Capital Fund II K/S: USDm 10 commitment contingent on Dee4 Capital Fund II K/S completing first close.
- The Company has expressed a soft commitment to participate in Maritime Investment Fund III K/S with up to USDm 20. The commitment is not yet formalised in an LPA or similar.
- The Company has committed to participate as co-investor in two container vessels via two joint ventures. The commitment amounts to USDm 4.6 in total.

Lauritzen NexGen Shipping A/S has entered into agreements for three new build Kamsarmax type dry bulk vessels with expected delivery in 2026 and 2027. The remaining commitment under the building contracts amounts to USDm 116.9 subject to the shipyard meeting specific construction milestones. A commitment for the refinancing of up to USDm 79.5 of the value the vessels has been obtained, and these funds will, subject to satisfaction of customary conditions precedent for secured ship financing transactions, be available at delivery of each of the vessels. In relation to the newbuilding agreement, J. Lauritzen A/S has issued a guarantee for the performance by Lauritzen NexGen Shipping A/S amounting to USDm 116.9 corresponding to the remaining commitment under the building contracts.

J. Lauritzen A/S has in relation to its participation in Premium Maritime Fund 2022 AS a USDm 6.4 commitment remaining.

Credit institutions:

USD '000	2023	2022
Debt for a total of	100,391	67,405
is secured by mortgages on assets at the following book values:		
Vessels	164,799	122,939

The Group has no other contingent assets or contingent liabilities.

21 Events after the balance sheet date

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

22 Accounting policies

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

The Financial Statements are presented in thousand USD. Applied USD/DKK exchange rate on the 31 December 2023: 674.47 (2022: 697.22).

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 2023 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 Company, 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 Company and the individual subsidiaries prepared in accordance with the Danish Financial Statements Act.

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

Newly acquired or newly established companies are recognized in the consolidated financial statements from the acquisition date, whereas divested or discontinued companies are included until the date of disposal; 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 office 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”.

23 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
Lauritzen NexGen Shipping A/S	Denmark	100
DeaL Energy A/S*	Denmark	50
De Forenede Sejlskibe I/S*	Denmark	55
Admiral Logistics Corporation*	Panama	50
Web Holding Ltd.	Bermuda	36
BW Epic Kosan Ltd.	*Singapore*	*36*
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 2023

USD '000	Note	2023	2022
Revenue		-	-
Total income		**-**	-
Other operating income		178	86
Other external expenses		(1,686)	(977)
Gross profit/loss		**(1,508)**	**(891)**
Staff expenses	1	(2,521)	(1,290)
Operating income (EBIT)		**(4,029)**	**(2,181)**
Income from investments in subsidiares	5	19,377	129,985
Income/(loss) from other investments	7	546	-
Share of profit in associates	6	21,194	12,696
Financial income	2	30,833	52,884
Financial expenses	3	(3,374)	(320)
Profit/(loss) before tax		**64,547**	**193,064**
Income tax	4	(5,577)	(11,078)
Profit/(loss) for the year		**58,970**	**181,986**
Special Items	9		

PARENT COMPANY FINANCIAL STATEMENTS

Balance sheet 31 December 2023

ASSETS

USD '000	Note	**2023**	2022
Investments in subsidiaries	5	158,907	212,061
Investments in associates	6	184,030	152,203
Other investments	7	7,818	-
Fixed asset investments		**350,755**	**364,264**
Fixed asset		**350,755**	**364,264**
Trade receivables		91	-
Receivables from group entities		5,043	3,021
Other receivables		72	13
Receivables		**5,206**	**3,034**
Current asset investments	8	**90,030**	**60,242**
Cash and cash equivalents		**39,192**	**17,989**
Current assets		**134,428**	**81,265**
Total assets		**485,183**	**445,529**

PARENT COMPANY FINANCIAL STATEMENTS

Balance sheet 31 December 2023

LIABILITIES

USD '000	Note	2023	2022
Share capital		60	60
Retained earnings		449,401	419,670
Proposed dividend for the year		29,412	14,343
Equity		**478,873**	**434,073**
Trade payables		41	-
Current tax payables		5,748	11,149
Other payables		521	307
Short-term debt		**6,310**	**11,456**
Total liabilities		**6,310**	**11,456**
Total equity and liabilities		**485,183**	**445,529**

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PARENT COMPANY FINANCIAL STATEMENTS

Statement of changes in equity

USD '000	Share capital	Retained earnings	Proposed dividend for the year	**Total equity**
Equity at 1 January	60	419,670	14,343	434,073
Dividends paid	-	-	(14,170)	(14,170)
Exchange adjustments	-	173	(173)	-
Net profit/loss for the year	-	29,558	29,412	58,970
Equity 31 December	**60**	**449,401**	**29,412**	**478,873**

Management's incentives programme

Warrants are granted to members of the Board of Directors, Executive Management, and key personnel for the purpose of motivating and retaining a qualified management group and key personnel and in order to align their interests 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, 30,787 warrants were issued to the Board of Directors and 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.

In 2023, a further 4,731 warrants were issued to key personnel. 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 6,896.31 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 1 January 2023, respectively, and ending 31 December 2026 and 31 December 2027, respectively.

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	**2023**	2022
Salaries	2,282	1,168
Pensions (defined contribution plan)	233	119
Social security	6	3
Total	**2,521**	**1,290**
Including remuneration to the Executive Management and Board of Directors	1,097	516
Average number of employees	7	4

In 2022 and 2023, the Company issued warrants to the Board of Directors, Executive Management, and key personnel. The programme is an equity programme - see Statement of changes in Equity.

2 Financial income

Interest income, bank deposits	2,946	376
Interest income, group companies	741	-
Current asset investments and derivative financial instruments	27,146	51,970
Exchange value adjustments	-	538
Financial income	**30,833**	**52,884**

3 Financial expenses

Interests paid to group companies	-	246
Other financial expenses	427	74
Exchange value adjustments	2,947	-
Financial expenses	**3,374**	**320**

4 Tax on profit/loss for the year

Current tax for the year	5,373	11,148
Adjustment of tax concerning previous years	204	(70)
Tax on profit/loss for the year	**5,577**	**11,078**

5 Investments in subsidiaries

USD '000	**2023**	2022
Cost as at 1 January	228,559	224,740
Additions during the year	25,469	3,819
Cost as at 31 December	254,028	228,559
Revaluation as at 1 January	(16,498)	30,832
Profit for the year	19,377	129,985
Dividend received	(98,000)	(177,264)
Other equity movements, net	-	(51)
Revaluation as at 31 December	(95,121)	(16,498)
Balance as at 31 December	**158,907**	**212,061**

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%
Lauritzen NexGen Shipping A/S	Denmark	400 tDKK	100%
Dan Swift (Singapore) Pte. Ltd.	Singapore	89,063 tUSD	100%

6 Investments in associates

Cost as at 1 January	139,507	39
Additions during the year	16,071	139,468
Cost as at 31 December	155,578	139,507
Revaluation as at 1 January	12,696	-
Badwill gain	7,507	13,228
Profit for the year	13,687	(532)
Dividends received	(5,438)	-
Revaluation as at 31 December	28,452	12,696
Balance as at 31 December	**184,030**	**152,203**

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%
Web Holding Ltd.	Bermuda	159,558 tUSD	36%

7 Other Investments (non-current)

USD '000	2023	2022
Cost as at 1 January	-	-
Additions during the year	7,272	-
Cost as at 31 December	7,272	-
Revaluation as at 1 January	-	-
Revaluations during the year	546	-
Revaluation as at 31 December	546	-
Balance as at 31 December	**7,818**	**-**

8 Current asset investments

Listed shares	43,230	60,242
Shares in mutual funds (fixed income)	31,716	-
Investments in managed funds (fixed income)	15,084	-
Balance as at 31 December	**90,030**	**60,242**

9 Special items

Badwill gain on BW Epic Kosan Ltd. (Income/loss from investments in associates)	7,507	13,229
Total	**7,507**	**13,229**

10 Investment at fair value

USD '000 2023	Value adjustment income statement	Fair value at 31 December 2023
Other investments	546	7,818
Current asset investments	15,503	90,030
Balance as at 31 December	**16,049**	**97,848**

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**

11 Distribution of profit

	2023	2022
Proposed dividend for the year	29,412	14,343
Reserve for net revaluation under equity method	-	(30,832)
Retained earnings	29,558	198,425
Balance as at 31 December	**58,970**	**181,936**

12 Contingent assets, liabilities and financial obligations

Guarantee obligations

USD '000	**2023**	2022
Guarantees for debt in subsidiaries	100,391	68,200

The Company guarantees for the performance by Lauritzen Bulkers A/S of its obligations under a loan facility. At year-end 2023, the loan amounted to USDm 100.4.

Other contingent liabilities

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

The Company has issued a guarantee for the performance by Lauritzen NexGen Shipping A/S in relation to the agreement for three new build Kamsarmax type dry bulk vessels with expected delivery in 2026 and 2027. The remaining commitment under the building contracts amounts to USDm 116.9 subject to the shipyard meeting specific construction milestones.

The Company has in relation to its participation in Premium Maritime Fund 2022 AS a USDm 6.4 commitment remaining.

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 2023 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.