



## A. Kirk A/S

Havneøen 1  
7100 Vejle  
CVR No. 29816034

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 23.05.2022

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**Bettina Winther Christensen**  
Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2021	9
Consolidated balance sheet at 31.12.2021	10
Consolidated statement of changes in equity for 2021	14
Consolidated cash flow statement for 2021	15
Notes to consolidated financial statements	17
Parent income statement for 2021	25
Parent balance sheet at 31.12.2021	26
Parent statement of changes in equity for 2021	28
Notes to parent financial statements	29
Accounting policies	34

# Entity details

## Entity

A. Kirk A/S  
Havneøen 1  
7100 Vejle

Business Registration No.: 29816034  
Registered office: Vejle  
Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Jens Bjerg Sørensen, chairman  
Henning Nedergaard Jensen  
Torben Bang  
Anders Kirk Johansen

## Executive Board

Anders Kirk Johansen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Østre Havnepromenade 26, 4th floor  
9000 Aalborg

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of A. Kirk A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, 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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vejle, 23.05.2022

## Executive Board

**Anders Kirk Johansen**

## Board of Directors

**Jens Bjerg Sørensen**  
chairman

**Henning Nedergaard Jensen**

**Torben Bang**

**Anders Kirk Johansen**

# Independent auditor's report

## To the shareholders of A. Kirk A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of A. Kirk A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, 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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's 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.

### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Aalborg, 23.05.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Thomas Skovsgaard**

State Authorised Public Accountant  
Identification No (MNE) mne34333

**Sami Nikolai El-Galaly**

State Authorised Public Accountant  
Identification No (MNE) mne42793

# Management commentary

## Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>Key figures</b>				
Gross profit/loss	32,318	24,649	23,487	18,709
Operating profit/loss	4,902	(10,241)	(19,085)	2,804
Net financials	54,768	40,406	56,890	100,964
Profit/loss for the year	33,565	26,529	38,549	101,048
Profit for the year excl. minority interests	33,519	23,697	36,130	98,610
Balance sheet total	1,616,703	1,628,994	1,566,771	1,552,577
Investments in property, plant and equipment	63,172	40,853	35,329	23,637
Equity	1,170,508	1,166,943	1,170,414	1,181,864
Equity excl. minority interests	1,172,064	1,168,545	1,174,848	1,188,717
Cash flows from operating activities	47,404	17,888	(8,761)	(4,591)
Cash flows from investing activities	45,947	(58,371)	(43,995)	17,046
Cash flows from financing activities	(83,451)	30,805	41,351	62,057
<b>Ratios</b>				
Return on equity (%)	2.86	2.03	3.08	8.30
Equity ratio (%)	72.50	71.73	74.99	76.56

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Return on equity (%):

Profit/loss for the year excl. minority interests \* 100  
Average equity excl. minority interests

### Equity ratio (%):

Equity excl. minority interests \* 100  
Balance sheet total



### Primary activities

The purpose of A. Kirk A/S is to perform investing activities, own shares in other companies and perform administration activities. The Group's primary activities are divided into three subgroups. The three subgroups consist of:

- A. Kirk Agro A/S where the primary activity relates to agriculture.
- A. Kirk Ejendomme A/S where the primary activity relates to property rental.
- A. Kirk Invest A/S where the primary activity relates to MyGarage.

### Development in activities and finances

The income statement shows a profit for the year of DKK 33,565k and the balance statement shows an equity of DKK 1,172,064k.

The profit for the year is negatively influenced by writedown of investment in and loans to associated company Advance NonWoven with DKK 35,322k.

Opposite investments in unlisted and listed investments (excluding Group enterprises) in A. Kirk A/S have generated an average profit in 2021 of 19.9%.

The Executive Board and Board of directors consider the net result in 2021 as satisfactory.

### Profit/loss for the year in relation to expected developments

Due to the development of the financial markets for 2021, the net result for 2021 is better than expected and better than the result for 2020.

### Uncertainty relating to recognition and measurement

The recognition and measurement of the value of the Group's land and buildings are subject to uncertainty. It is Management's assessment that the measurements are based on realistic and reasonable assumptions.

### Outlook

The management of the company consider the Group well equipped for the future and expect a result for 2022 at a level around half the result for 2021. However, the expectations are highly dependant on the development of the financial markets.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Consolidated income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
<b>Gross profit/loss</b>		<b>32,318</b>	<b>24,649</b>
Fair value adjustments of investment property		11,099	(3,442)
Staff costs	1	(26,625)	(24,328)
Depreciation, amortisation and impairment losses	2	(11,890)	(7,120)
<b>Operating profit/loss</b>		<b>4,902</b>	<b>(10,241)</b>
Income from investments in associates		(19,118)	(6,211)
Income from other fixed asset investments		42,907	29,525
Other financial income	3	44,152	28,979
Impairment losses on financial assets		(14,088)	0
Other financial expenses	4	(18,203)	(18,098)
<b>Profit/loss before tax</b>		<b>40,552</b>	<b>23,954</b>
Tax on profit/loss for the year	5	(6,987)	2,575
<b>Profit/loss for the year</b>	6	<b>33,565</b>	<b>26,529</b>

# Consolidated balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK'000	2020 DKK'000
Acquired intangible assets		2,780	7,699
<b>Intangible assets</b>	<b>7</b>	<b>2,780</b>	<b>7,699</b>
Land and buildings		632,220	610,496
Investment property		289,294	362,667
Other fixtures and fittings, tools and equipment		32,822	31,958
Property, plant and equipment in progress		19,979	8,079
<b>Property, plant and equipment</b>	<b>8</b>	<b>974,315</b>	<b>1,013,200</b>
Investments in associates		37,091	46,757
Receivables from associates		0	7,021
Other investments		317,892	281,358
Deposits		914	981
Other receivables		5,000	5,000
<b>Financial assets</b>	<b>9</b>	<b>360,897</b>	<b>341,117</b>
<b>Fixed assets</b>		<b>1,337,992</b>	<b>1,362,016</b>

Raw materials and consumables		2,931	1,408
Manufactured goods and goods for resale		39,020	38,984
Prepayments for goods		7,376	9,447
<b>Inventories</b>		<b>49,327</b>	<b>49,839</b>
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Trade receivables		12,047	6,359
Receivables from associates		3,498	8,243
Other receivables		8,785	8,348
Tax receivable		379	557
Prepayments	10	1,737	594
<b>Receivables</b>		<b>26,446</b>	<b>24,101</b>
<hr/>			
Other investments		193,236	185,876
<b>Investments</b>		<b>193,236</b>	<b>185,876</b>
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<b>Cash</b>		<b>9,702</b>	<b>7,162</b>
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<b>Current assets</b>		<b>278,711</b>	<b>266,978</b>
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<b>Assets</b>		<b>1,616,703</b>	<b>1,628,994</b>
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**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Contributed capital	11	5,072	5,072
Retained earnings		1,136,992	1,133,473
Proposed dividend for the financial year		30,000	30,000
<b>Equity belonging to Parent's shareholders</b>		<b>1,172,064</b>	<b>1,168,545</b>
<b>Equity belonging to minority interests</b>		<b>(1,556)</b>	<b>(1,602)</b>
<b>Equity</b>		<b>1,170,508</b>	<b>1,166,943</b>
Deferred tax	12	9,581	4,973
Other provisions	13	100	25
Provisions for investments in associates	14	8,750	0
<b>Provisions</b>		<b>18,431</b>	<b>4,998</b>
Mortgage debt		239,490	282,647
Deposits		2,116	2,075
Other payables		9,951	11,196
<b>Non-current liabilities other than provisions</b>	15	<b>251,557</b>	<b>295,918</b>

Current portion of non-current liabilities other than provisions	15	9,687	10,009
Bank loans		43,312	115,924
Deposits		4,359	3,186
Prepayments received from customers		4,195	677
Trade payables		12,093	10,020
Payables to associates		0	302
Payables to owners and management		19,303	8,253
Tax payable		2,179	0
Other payables		79,017	11,602
Deferred income	16	2,062	1,162
<b>Current liabilities other than provisions</b>		<b>176,207</b>	<b>161,135</b>
<b>Liabilities other than provisions</b>		<b>427,764</b>	<b>457,053</b>
<b>Equity and liabilities</b>		<b>1,616,703</b>	<b>1,628,994</b>
Fair value information	18		
Contingent assets	19		
Contingent liabilities	20		
Assets charged and collateral	21		
Subsidiaries	22		

# Consolidated statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000
Equity beginning of year	5,072	1,133,473	30,000	1,168,545	(1,602)
Ordinary dividend paid	0	0	(30,000)	(30,000)	0
Profit/loss for the year	0	3,519	30,000	33,519	46
<b>Equity end of year</b>	<b>5,072</b>	<b>1,136,992</b>	<b>30,000</b>	<b>1,172,064</b>	<b>(1,556)</b>

  

	Total DKK'000
Equity beginning of year	1,166,943
Ordinary dividend paid	(30,000)
Profit/loss for the year	33,565
<b>Equity end of year</b>	<b>1,170,508</b>

# Consolidated cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		4,902	(10,241)
Amortisation, depreciation and impairment losses		11,890	7,120
Adjustments of investment property		(11,099)	3,442
Other provisions		8,825	(60)
Working capital changes	17	12,524	(869)
<b>Cash flow from ordinary operating activities</b>		<b>27,042</b>	<b>(608)</b>
Financial income received		31,024	23,285
Financial expenses paid		(8,781)	(4,448)
Taxes refunded/(paid)		(1,881)	(341)
<b>Cash flows from operating activities</b>		<b>47,404</b>	<b>17,888</b>
Sale of intangible assets		3,230	0
Acquisition etc. of property, plant and equipment		(63,169)	(40,853)
Sale of property, plant and equipment		99,933	2,507
Acquisition of fixed asset investments		(29,974)	(15,320)
Sale of fixed asset investments		36,177	497
Loans associated		(250)	(5,202)
<b>Cash flows from investing activities</b>		<b>45,947</b>	<b>(58,371)</b>



<b>Free cash flows generated from operations and investments before financing</b>	<b>93,351</b>	<b>(40,483)</b>
Loans raised	70,000	0
Repayments of loans etc.	(43,479)	(7,016)
Dividend paid	(30,000)	(30,000)
Purchase/sale of securities	(7,360)	(15,994)
Change in bank loans	(72,612)	83,815
<b>Cash flows from financing activities</b>	<b>(83,451)</b>	<b>30,805</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>9,900</b>	<b>(9,678)</b>
Cash and cash equivalents beginning of year	193,038	202,716
<b>Cash and cash equivalents end of year</b>	<b>202,938</b>	<b>193,038</b>
Cash and cash equivalents at year-end are composed of:		
Cash	9,702	7,162
Securities	193,236	185,876
<b>Cash and cash equivalents end of year</b>	<b>202,938</b>	<b>193,038</b>

# Notes to consolidated financial statements

## 1 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	23,159	21,420
Pension costs	2,251	1,973
Other social security costs	428	383
Other staff costs	787	552
	<b>26,625</b>	<b>24,328</b>
Average number of full-time employees	<b>44</b>	<b>41</b>

	<b>Remuneration of manage- ment 2021 DKK'000</b>	<b>Remuneration of manage- ment 2020 DKK'000</b>
Total amount for management categories	4,903	4,902
	<b>4,903</b>	<b>4,902</b>

Referring to Section 98b of the Danish Financial Statements Act, the management categories are aggregated.

## 2 Depreciation, amortisation and impairment losses

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Amortisation of intangible assets	1,689	685
Depreciation on property, plant and equipment	7,784	6,449
Profit/loss from sale of intangible assets and property, plant and equipment	2,417	(14)
	<b>11,890</b>	<b>7,120</b>

**3 Other financial income**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial income from associates	93	85
Other interest income	191	143
Exchange rate adjustments	120	364
Fair value adjustments	18,994	16,180
Other financial income	24,754	12,207
	<b>44,152</b>	<b>28,979</b>

**4 Other financial expenses**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Other interest expenses	1,562	2,891
Exchange rate adjustments	10	8
Fair value adjustments	9,422	7,497
Other financial expenses	7,209	7,702
	<b>18,203</b>	<b>18,098</b>

**5 Tax on profit/loss for the year**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	1,428	(461)
Change in deferred tax	5,495	(1,199)
Adjustment concerning previous years	64	(915)
	<b>6,987</b>	<b>(2,575)</b>

**6 Proposed distribution of profit/loss**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Ordinary dividend for the financial year	30,000	30,000
Retained earnings	3,519	(6,303)
Minority interests' share of profit/loss	46	2,832
	<b>33,565</b>	<b>26,529</b>

## 7 Intangible assets

	<b>Acquired intangible assets DKK'000</b>
Cost beginning of year	9,782
Disposals	(4,710)
<b>Cost end of year</b>	<b>5,072</b>
Amortisation and impairment losses beginning of year	(2,083)
Amortisation for the year	(209)
Amortisation and impairment losses on assets disposed of	(1,480)
Reversal regarding disposals	1,480
<b>Amortisation and impairment losses end of year</b>	<b>(2,292)</b>
<b>Carrying amount end of year</b>	<b>2,780</b>

## 8 Property, plant and equipment

	<b>Land and buildings DKK'000</b>	<b>Investment property DKK'000</b>	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Property, plant and equipment in progress DKK'000</b>
Cost beginning of year	731,443	392,235	50,084	8,079
Transfers	7,029	0	0	(7,029)
Additions	22,507	17,328	4,408	18,929
Disposals	(3,480)	(96,386)	(1,637)	0
<b>Cost end of year</b>	<b>757,499</b>	<b>313,177</b>	<b>52,855</b>	<b>19,979</b>
Depreciation and impairment losses beginning of year	(120,947)	0	(18,126)	0
Depreciation for the year	(4,547)	0	(3,262)	0
Reversal regarding disposals	215	0	1,355	0
<b>Depreciation and impairment losses end of year</b>	<b>(125,279)</b>	<b>0</b>	<b>(20,033)</b>	<b>0</b>
Fair value adjustments beginning of year	0	(29,568)	0	0
Fair value adjustments for the year	0	11,099	0	0
Reversal regarding disposals	0	(5,414)	0	0
<b>Fair value adjustments end of year</b>	<b>0</b>	<b>(23,883)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>632,220</b>	<b>289,294</b>	<b>32,822</b>	<b>19,979</b>

As described under accounting policies, investment properties are measured at fair value using the returnbased model.

One investment property and external valuer has been used. For all the other properties no external valuer has been used.

For some investment properties it has not been possible to calculate the fair value valuation, and as a result of that investment properties for DKK 67,090k is measured at cost.

98-100% of the Group's properties is lent at 31.12.2021.

Below the information used in the return based model for the Group's investment properties is summarized.

	Normalized net earnings	Yield a return	Change in the yield a return of +0,5%	Change in the yield a return of -0,5%
<b>Commercial immovable property</b>				
Horsens	707	7,5%	543	726
Hedensted	859	6% - 7%	942	1.092
Vejle	4.630	5,75% - 8,05%	6.239	7.427
<b>Residential building</b>				
Stouby	247	5,50%	372	452
Gedved	1.108	8%	815	923
<b>Office property</b>				
Hedensted	139	6,14%	170	200
Løsning	179	6,64%	189	219
Vejle	2.966	6%	3.606	4.210
<b>Commercial immovable and office property</b>				
Vejle	3.545	4,25% - 6,5% (used 5,69%)	5.027	5.995
<b>Total</b>	<b>14.380</b>		<b>17.903</b>	<b>21.244</b>

#### Land and buildings: Uncertainty relating to recognition and measurement

The measurement of the land and buildings held by A. Kirk Agro A/S is subject to uncertainty. After previous year's write-down of DKK 98,840k, land and buildings are recognised at DKK 409,898k.

Recognised value under cost of investments primarily made in the years 2010-2012. It is Management's assessment that the value of the assets in a potential transaction will exceed the booked value.

However, the assumptions on which the assessment is based are subject to uncertainty as the land and buildings are unique. It is Management's assessment that the measurements are based on realistic and

reasonable assumptions.

## 9 Financial assets

	Investments in associates DKK'000	Receivables from associates DKK'000	Other investments DKK'000	Deposits DKK'000	Other receivables DKK'000
Cost beginning of year	55,468	9,021	175,404	981	5,000
Transfers	0	7,068	0	0	0
Additions	1,077	250	28,786	111	0
Disposals	(2,889)	(2,000)	(35,999)	(178)	0
<b>Cost end of year</b>	<b>53,656</b>	<b>14,339</b>	<b>168,191</b>	<b>914</b>	<b>5,000</b>
Revaluations beginning of year	0	0	109,251	0	0
Fair value adjustments	0	0	43,174	0	0
<b>Revaluations end of year</b>	<b>0</b>	<b>0</b>	<b>152,425</b>	<b>0</b>	<b>0</b>
Impairment losses beginning of year	(8,711)	(2,000)	(3,297)	0	0
Amortisation of goodwill	(1,644)	0	0	0	0
Share of profit/loss for the year	(4,990)	0	0	0	0
Dividend	(375)	0	0	0	0
Impairment losses for the year	(12,484)	(14,339)	0	0	0
Investments with negative equity value transferred to provisions	8,750	0	0	0	0
Reversal regarding disposals	2,889	2,000	0	0	0
<b>Impairment losses end of year</b>	<b>(16,565)</b>	<b>(14,339)</b>	<b>(3,297)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>37,091</b>	<b>0</b>	<b>317,319</b>	<b>914</b>	<b>5,000</b>
Goodwill or negative goodwill recognised during the financial year	954				

<b>Associates</b>	<b>Registered in</b>	<b>Ownership %</b>
Advance Global ApS *	Syddjurs	20
Advance NonWoven A/S *	Syddjurs	25
AIC A/S **	Favrskov	25
By i Byen ApS ***	Randers	20
JK Office ApS *	Aarhus	26.40
YachtGarage ApS ****	Ishøj	50

\*) These companies are associated through A. Kirk Invest A/S.

\*\*\*) AIC A/S is associated through Rohden Plus ApS.

\*\*\*\*) By i Byen ApS is associated through A. Kirk Ejendomme A/S.

\*\*\*\*\*) YachtGarage ApS is associated through KirkGarage A/S.

## 10 Prepayments

The item consists of prepaid expenses relating to the coming financial year, including costs of insurance and subscriptions.

## 11 Contributed capital

	<b>Number</b>	<b>Nominal value DKK'000</b>
Ordinary shares	5,072,000	5,072
	<b>5,072,000</b>	<b>5,072</b>

## 12 Deferred tax

	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Property, plant and equipment	9,581	4,973
<b>Deferred tax</b>	<b>9,581</b>	<b>4,973</b>

<b>Changes during the year</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Beginning of year	4,973	6,171
Recognised in the income statement	4,608	(1,198)
<b>End of year</b>	<b>9,581</b>	<b>4,973</b>

## 13 Other provisions

Other provisions relate to guarantee commitments estimated by Management.

#### 14 Provisions for investments in associates

The Group has provided a guarantee for the associate with a maximum limit of DKK 17,500k.

The amount of DKK 8,750k recognised under provisions is Management's assessment of provisions for bad debts derived from the guarantee with limited liability towards the associate.

#### 15 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK'000	Due within 12 months 2020 DKK'000	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Mortgage debt	9,687	10,009	239,490	202,745
Deposits	0	0	2,116	2,116
Other payables	0	0	9,951	9,951
	<b>9,687</b>	<b>10,009</b>	<b>251,557</b>	<b>214,812</b>

#### 16 Deferred income

Deferred income relates primarily to received rent from tenants in the Group's real estate portfolio.

#### 17 Changes in working capital

	2021 DKK'000	2020 DKK'000
Increase/decrease in inventories	512	(4,682)
Increase/decrease in receivables	(2,523)	2,868
Increase/decrease in trade payables etc.	14,535	945
	<b>12,524</b>	<b>(869)</b>

#### 18 Fair value information

	Investment property DKK'000	PE Funds DKK'000	Investments in agriculture business DKK'000	Securities DKK'000
Fair value end of year	288,995	178,742	136,912	193,222
Unrealised fair value adjustments recognised in the income statement	5,685	35,584	7,322	22,709

#### 19 Contingent assets

The Group has tax loss carryforwards of DKK 66,820k, equivalent to a tax asset of DKK 14,700k, which can be set off against future tax profits. No tax asset has been recognised as Management believes that there is great uncertainty associated with the utilization.



## 20 Contingent liabilities

As part of the investment in P/E funds, recognised under other investments, the Company is obliged to pay additional capital on demand. The liability amounts to DKK 106,102k at the balance sheet date.

## 21 Assets charged and collateral

The Group's mortgage debt of is secured on the Group's land, buildings and investment properties. Moreover, debt is secured by a mortgage on production plant and machinery.

Moreover, the Group has provided its shares in Donau Agro ApS nominal DKK 281,813, as security to Ringkjøbing Landbobank.

## 22 Subsidiaries

	Registered in	Corporate form	Ownership %
A. Kirk Agro A/S	Vejle	A/S	100
Rohden Plus ApS *	Vejle	ApS	100
Agersbøl ApS *	Vejle	ApS	100
A. Kirk Invest A/S	Vejle	A/S	100
Rohden Garage ApS **	Vejle	ApS	100
Villa Canada Copenhagen A/S **	Vejle	A/S	100
MotorcycleGarage ApS **	Vejle	ApS	100
KirkGarage A/S **	Vejle	A/S	100
MyGarage A/S ***	Vejle	A/S	100
Selskabet af 7. juni A/S ***	Vejle	A/S	100
A. Kirk Ejendomme A/S	Vejle	A/S	100
Stiftsvej 61 ApS ****	Vejle	ApS	100
K&K Ejendomme ApS ****	Vejle	ApS	80
Kohuba ApS ****	Vejle	ApS	100
Damhaven Ejendomme ApS ****	Vejle	ApS	42
VST I A/S *****	Vejle	A/S	29.6
Dannevirkevej ApS ****	Vejle	ApS	100.00

\*) These companies are group enterprises through A. Kirk Agro A/S

\*\*) These companies are group enterprises through A. Kirk Invest A/S

\*\*\*) These companies are group enterprises through KirkGarage A/S

\*\*\*\*) These companies are group enterprises through A. Kirk Ejendomme A/S

\*\*\*\*\*) VST I A/S is a subsidiary of Damhaven Ejendomme ApS

Damhaven Ejendomme owns 70.43% of VST I A/S, and thus the undivided ownership share of the Group is 29.6%. A. Kirk Ejendomme A/S has the controlling interest in Damhaven Ejendomme ApS due to shareholder agreement.

Dannevirkevej ApS has been sold during 2021 and is consolidated for the period 01.01.2021 - 31.08.2021.

# Parent income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
<b>Gross profit/loss</b>		<b>(6,649)</b>	<b>(5,673)</b>
Staff costs	1	(5,821)	(5,777)
Depreciation, amortisation and impairment losses	2	(2,680)	(685)
<b>Operating profit/loss</b>		<b>(15,150)</b>	<b>(12,135)</b>
Income from investments in group enterprises		(4,514)	1,671
Income from other fixed asset investments		35,584	20,488
Other financial income	3	41,503	31,606
Other financial expenses	4	(11,250)	(14,108)
<b>Profit/loss before tax</b>		<b>46,173</b>	<b>27,522</b>
Tax on profit/loss for the year	5	(12,654)	(3,825)
<b>Profit/loss for the year</b>	6	<b>33,519</b>	<b>23,697</b>

# Parent balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK'000	2020 DKK'000
Acquired intangible assets		2,419	7,338
<b>Intangible assets</b>	7	<b>2,419</b>	<b>7,338</b>
Other fixtures and fittings, tools and equipment		3,378	1,772
<b>Property, plant and equipment</b>	8	<b>3,378</b>	<b>1,772</b>
Investments in group enterprises		760,300	768,024
Receivables from associates		0	0
Other investments		179,316	150,105
Deposits		394	461
Other receivables		5,000	5,000
<b>Financial assets</b>	9	<b>945,010</b>	<b>923,590</b>
<b>Fixed assets</b>		<b>950,807</b>	<b>932,700</b>
Trade receivables		93	75
Receivables from group enterprises		217,388	183,738
Other receivables		2,831	748
Tax receivable		0	114
Joint taxation contribution receivable		1,938	0
<b>Receivables</b>		<b>222,250</b>	<b>184,675</b>
Other investments		193,221	185,862
<b>Investments</b>		<b>193,221</b>	<b>185,862</b>
<b>Cash</b>		<b>7,070</b>	<b>4,782</b>
<b>Current assets</b>		<b>422,541</b>	<b>375,319</b>
<b>Assets</b>		<b>1,373,348</b>	<b>1,308,019</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Contributed capital		5,072	5,072
Retained earnings		1,136,992	1,133,473
Proposed dividend for the financial year		30,000	30,000
<b>Equity</b>		<b>1,172,064</b>	<b>1,168,545</b>
Provisions for investments in group enterprises	10	1,888	1,700
<b>Provisions</b>		<b>1,888</b>	<b>1,700</b>
Other payables		0	36
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>36</b>
Bank loans		39,055	115,921
Trade payables		326	219
Payables to group enterprises		60,061	9,502
Payables to owners and management		18,245	7,680
Tax payable		968	4,200
Joint taxation contribution payable		10,569	0
Other payables		70,172	216
<b>Current liabilities other than provisions</b>		<b>199,396</b>	<b>137,738</b>
<b>Liabilities other than provisions</b>		<b>199,396</b>	<b>137,774</b>
<b>Equity and liabilities</b>		<b>1,373,348</b>	<b>1,308,019</b>
Fair value information	11		
Contingent liabilities	12		
Assets charged and collateral	13		
Related parties with controlling interest	14		
Transactions with related parties	15		

# Parent statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	5,072	1,133,473	30,000	1,168,545
Ordinary dividend paid	0	0	(30,000)	(30,000)
Profit/loss for the year	0	3,519	30,000	33,519
<b>Equity end of year</b>	<b>5,072</b>	<b>1,136,992</b>	<b>30,000</b>	<b>1,172,064</b>

# Notes to parent financial statements

## 1 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	5,718	5,720
Pension costs	69	15
Other social security costs	13	24
Other staff costs	21	18
	<b>5,821</b>	<b>5,777</b>
Average number of full-time employees	<b>2</b>	<b>2</b>

	Remuneration of Manage- ment 2021 DKK'000	Remuneration of Manage- ment 2020 DKK'000
Total amount for management categories	4,903	4,902
	<b>4,903</b>	<b>4,902</b>

Referring to Section 98b of the Danish Financial Statements Act, the management categories are aggregated.

## 2 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Amortisation of intangible assets	1,689	685
Depreciation on property, plant and equipment	68	0
Profit/loss from sale of intangible assets and property, plant and equipment	923	0
	<b>2,680</b>	<b>685</b>

## 3 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from group enterprises	3,143	3,214
Exchange rate adjustments	120	302
Fair value adjustments	18,993	16,179
Other financial income	19,247	11,911
	<b>41,503</b>	<b>31,606</b>

**4 Other financial expenses**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	217	0
Fair value adjustments	9,422	7,497
Other financial expenses	1,611	6,611
	<b>11,250</b>	<b>14,108</b>

**5 Tax on profit/loss for the year**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	12,000	4,200
Adjustment concerning previous years	654	(375)
	<b>12,654</b>	<b>3,825</b>

**6 Proposed distribution of profit and loss**

	<b>2021</b>	<b>2020</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Ordinary dividend for the financial year	30,000	30,000
Retained earnings	3,519	(6,303)
	<b>33,519</b>	<b>23,697</b>

**7 Intangible assets**

	<b>Acquired intangible assets DKK'000</b>
Cost beginning of year	9,421
Disposals	(4,710)
<b>Cost end of year</b>	<b>4,711</b>
Amortisation and impairment losses beginning of year	(2,083)
Amortisation for the year	(209)
Amortisation and impairment losses on assets disposed of	(1,480)
Reversal regarding disposals	1,480
<b>Amortisation and impairment losses end of year</b>	<b>(2,292)</b>
<b>Carrying amount end of year</b>	<b>2,419</b>

## 8 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>
Cost beginning of year	1,772
Additions	1,674
<b>Cost end of year</b>	<b>3,446</b>
Depreciation for the year	(68)
<b>Depreciation and impairment losses end of year</b>	<b>(68)</b>
<b>Carrying amount end of year</b>	<b>3,378</b>



## 9 Financial assets

	Investments in group enterprises DKK'000	Receivables from associates DKK'000	Other investments DKK'000	Deposits DKK'000	Other receivables DKK'000
Cost beginning of year	970,246	2,000	113,830	461	5,000
Additions	3,600	250	28,786	111	0
Disposals	0	(2,000)	(33,733)	(178)	0
<b>Cost end of year</b>	<b>973,846</b>	<b>250</b>	<b>108,883</b>	<b>394</b>	<b>5,000</b>
Revaluations beginning of year	0	0	36,275	0	0
Fair value adjustments	0	0	34,158	0	0
<b>Revaluations end of year</b>	<b>0</b>	<b>0</b>	<b>70,433</b>	<b>0</b>	<b>0</b>
Impairment losses beginning of year	(202,227)	(2,000)	0	0	0
Share of profit/loss for the year	(4,513)	0	0	0	0
Impairment losses for the year	0	1,750	0	0	0
Reversal of impairment losses	(7,296)	0	0	0	0
Investments with negative equity value depreciated over receivables	283	0	0	0	0
Investments with negative equity value transferred to provisions	207	0	0	0	0
<b>Impairment losses end of year</b>	<b>(213,546)</b>	<b>(250)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>760,300</b>	<b>0</b>	<b>179,316</b>	<b>394</b>	<b>5,000</b>

A specification of investments in subsidiaries is evident from the disclosures in the consolidated financial statements.

### Uncertainty relating to recognition and measurement:

The measurement of the land and buildings held by A. Kirk Agro A/S is subject to uncertainty. After previous year's write-down of DKK 98,840k, land and buildings are recognised at DKK 409,898k. Recognised value under cost of investments relates to investments in A. Kirk Agro A/S primarily made in the years 2010 - 2012. It is Management's assessment that the value of the assets in a potential transaction will exceed the booked value.

However, the assumptions on which the assessment is based are subject to uncertainty as the land and buildings are unique. It is Management's assessment that the measurements are based on realistic and reasonable assumptions.

## 10 Provisions for investments in group enterprises

Provisions for investments group enterprises consist of estimated losses from subsidiaries when obligations in subsidiaries are assessed likely to incur a loss.

## 11 Fair value information

	listed securities '000DKK	Private markets investments (fixed assets) '000DKK
Fair value end of year	193,222	178,742
Unrealised fair value adjustments recognised in the income statement	22,709	35,584

## 12 Contingent liabilities

The Company has through provisions for investments in group enterprises and impairment of receivables made a full provision for a negative balance for the subsidiaries Damhaven Ejendomme ApS, Kohuba ApS, VST I, MotorCycleGarage ApS and Selskabet af 7. juni ApS. The subsidiaries is owned through A. Kirk Invest A/S and A. Kirk Ejendomme A/S.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

As part of the investment in P/E funds, recognised under other investments(fixed assets), the Company is obliged to pay additional capital on demand. The contingent liability amounts to DKK 106,102k at the balance sheet date.

## 13 Assets charged and collateral

The Company has provided a guarantee to mortgage institutions for the mortgage loans in a number of subsidiaries. The debt of subsidiaries amounts to DKK 249,177k at the balance sheet date.

Bank debt to UBS amounting to DKK 0k has been secured on the custody account recognised under current assets. The fair value of the custody account at 31.12.2021 amounts to DKK 1,672k.

## Collateral provided for group enterprises

A. Kirk A/S is cashpool owner where 11 group enterprises and the companies has a joint collateral for each other and the debt is maxed to DKK 90,000k. The total outstanding is DKK 39,055 at the balancesheet date.

## 14 Related parties with controlling interest

Anders Kirk Johansen holds all shares in the Company and so exercises control.

## 15 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

## Changes in accounting policies

The Group has changed accounting policies in regard to presentation in the cash flow statement.

In accordance with an interpretation from the Danish Business Authority, bank overdraft withdrawals are classified as cash flows from financing activities in the cash flow statement as opposed to previously when bank overdraft withdrawals were classified as cash in the cash flow statement. Moreover, other investments are disclosed as part of the Group's liquidity as opposed to previously.

Apart from the above policies, the annual report has been presented applying the same accounting policies as last year.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

### **Basis of consolidation**

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

### **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables and external expenses.

#### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Fair value adjustments of investment property**

Fair value adjustments of investment property comprise adjustments for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

**Own work capitalised**

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost of property, plant and equipment.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Income from investments in associates**

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

**Income from other fixed asset investments**

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc. on fixed asset investments which are not investments in group enterprises or associates.

**Other financial income**

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Impairment losses on financial assets**

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc.**

Intellectual property rights etc. comprise acquired intangible assets.

Acquired intangible assets are measured at cost less accumulated amortisation.

Estimated useful lives and residual amounts are reassessed annually.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Land and buildings and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	20 - 50 years
Other fixtures and fittings, tools and equipment	5 - 16 years

Estimated useful lives and residual values are reassessed annually. Residual values at the balance sheet date is set to DKK 235,221k.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**Investment property**

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the

amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by applying the yield-based model as the calculated value in use of expected cash flows from each property. The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings, and using a required yield rate that reflects current market yield rates for similar properties. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

### **Investments in group enterprises**

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Investments in associates**

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in associates.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a

temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 1-12 years.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

### **Other investments**

Other investments comprise unlisted equity investments measured at at fair value at the balance sheet date. If the fair value is not possible to measure the unlisted equity is measured at cost.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### **Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Other investments (current assets)**

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.



**Cash**

Cash comprises bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Minority interests**

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprises of cash and short term debt.