

A. Kirk A/S
Havneøen 1
7100 Vejle
Central Business Registration
No 29816034

Annual report 2019

The Annual General Meeting adopted the annual report on 19.05.2020

Chairman of the General Meeting

Name: Bettina Winther Christensen

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Entity details

Entity

A. Kirk A/S
Havneøen 1
7100 Vejle

Central Business Registration No (CVR): 29816034

Registered in: Vejle

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Jens Bjerg Sørensen
Anders Kirk Johansen
Torben Bang
Henning Nedergaard Jensen

Executive Board

Anders Kirk Johansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4. sal
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 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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, 19.05.2020

Executive Board

Anders Kirk Johansen

Board of Directors

Jens Bjerg Sørensen

Anders Kirk Johansen

Torben Bang

Henning Nedergaard Jensen

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 01.01.2019 - 31.12.2019, 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 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Parent'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 Group or 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

Independent auditor's report

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these 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 Parent'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 Parent'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.

Independent auditor's report

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, 19.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 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

	2019 DKK'000	2018 DKK'000
Financial highlights		
Key figures		
Gross profit	23.487	18.709
Operating profit/loss	(19.085)	2.807
Net financials	56.890	100.964
Profit/loss for the year	38.549	101.048
Profit/loss excl minority interests	36.130	98.610
Total assets	1.566.843	1.552.577
Investments in property, plant and equipment	35.401	23.636
Equity	1.170.413	1.181.864
Equity excl minority interests	1.174.847	1.188.717
Cash flows from (used in) operating activities	(8.761)	(4.591)
Cash flows from (used in) investing activities	(43.995)	17.046
Cash flows from (used in) financing activities	41.351	62.057
Ratios		
Return on equity (%)	3,1	8,3
Equity ratio (%)	75,0	76,6

As these are first-time consolidated financial statements, the financial highlights include only a period of two years.

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

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss excl minority interests} \times 100}{\text{Average equity excl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity excl minority interests} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The purpose of the parent company is to perform investing activities, own shares in other companies and perform administration activities. Apart from that 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 Industries where the primary activity relates to MyGarage.

Development in activities and finances

The income statement shows a profit for the year of DKK 38,459k and the balance statement shows an equity of DKK 1,170,413k.

The Executive Board and Board of directors consider the result in 2019 as satisfactory.

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. However, the result will significantly depend on the development in the financial markets as described under event after the balance sheet date.

Events after the balance sheet date

In light of the COVID-19 situation, it is not possible to provide any guidance on our expectations to A. Kirk A/S' financial performance for 2020. We are currently in an unfortunate turbulent environment, with volatile financial markets and an uncertain business climate. The potential negative implications on the financial performance for 2020 are unknown but can be significant.

Besides the COVID-19, no events have occurred after the balance sheet date.

Consolidated income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Gross profit		23.487	18.709
Fair value adjustments of investment property		(11.608)	12.456
Staff costs	1	(23.160)	(20.660)
Depreciation, amortisation and impairment losses	2	(7.804)	(7.698)
Operating profit/loss		(19.085)	2.807
Income from investments in associates		0	45.542
Income from other fixed asset investments		23.271	66.030
Other financial income	3	50.081	9.331
Other financial expenses	4	(16.462)	(19.939)
Profit/loss before tax		37.805	103.771
Tax on profit/loss for the year	5	744	(2.723)
Profit/loss for the year	6	38.549	101.048

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Acquired intangible assets		8.384	9.069
Intangible assets	7	8.384	9.069
Land and buildings		573.625	552.104
Investment property		363.002	373.571
Other fixtures and fittings, tools and equipment		35.469	35.658
Property, plant and equipment in progress		12.707	7.969
Property, plant and equipment	8	984.803	969.302
Investments in associates		45.488	45.487
Receivables from associates		3.819	2.643
Other investments		243.926	212.433
Deposits		1.138	1.013
Other receivables		5.000	0
Fixed asset investments	9	299.371	261.576
Fixed assets		1.292.558	1.239.947
Raw materials and consumables		1.949	1.915
Manufactured goods and goods for resale		38.325	31.716
Prepayments for goods		4.883	4.098
Inventories		45.157	37.729
Trade receivables		5.170	4.600
Receivables from associates		11.013	4.759
Other receivables		9.324	15.991
Income tax receivable		0	572
Prepayments	11	905	451
Receivables		26.412	26.373
Other investments		163.814	227.819
Other investments		163.814	227.819
Cash		38.902	20.709
Current assets		274.285	312.630
Assets		1.566.843	1.552.577

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019</u> <u>DKK'000</u>	<u>2018</u> <u>DKK'000</u>
Contributed capital		5.072	5.072
Retained earnings		1.139.775	1.133.645
Proposed dividend		30.000	50.000
Equity attributable to the Parent's owners		1.174.847	1.188.717
Share of equity attributable to minority interests		(4.434)	(6.853)
Equity		1.170.413	1.181.864
Deferred tax	12	6.172	8.633
Other provisions	13	95	218
Provisions		6.267	8.851
Mortgage debt		289.208	299.669
Deposits		2.034	1.994
Other payables		11.019	11.330
Non-current liabilities other than provisions	14	302.261	312.993
Current portion of long-term liabilities other than provisions	14	10.464	10.244
Bank loans		41.730	12.132
Deposits		2.729	1.947
Prepayments received from customers		1.800	1.167
Trade payables		5.936	4.956
Payables to associates		73	217
Payables to shareholders and management		2.730	1.898
Income tax payable		1.159	0
Other payables		20.219	15.751
Deferred income		1.062	557
Current liabilities other than provisions		87.902	48.869
Liabilities other than provisions		390.163	361.862
Equity and liabilities		1.566.843	1.552.577
Associates	10		
Financial instruments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Subsidiaries	19		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	5.072	1.133.645	50.000
Ordinary dividend paid	0	0	(50.000)
Profit/loss for the year	0	6.130	30.000
Equity end of year	5.072	1.139.775	30.000
		Share of equity attributable to minority interests DKK'000	Total DKK'000
Equity beginning of year		(6.853)	1.181.864
Ordinary dividend paid		0	(50.000)
Profit/loss for the year		2.419	38.549
Equity end of year		(4.434)	1.170.413

Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Operating profit/loss		(19.085)	2.807
Amortisation, depreciation and impairment losses		7.804	7.698
Other provisions		(123)	65
Working capital changes	15	1.476	(15.882)
Cash flow from ordinary operating activities		(9.928)	(5.312)
Financial income received		9.835	5.417
Financial expenses paid		(8.777)	(4.703)
Income taxes refunded/(paid)		109	7
Cash flows from operating activities		(8.761)	(4.591)
Acquisition etc of property, plant and equipment		(35.491)	(13.060)
Sale of property, plant and equipment		1.199	2.470
Acquisition of fixed asset investments		(16.168)	(22.515)
Sale of fixed asset investments		7.640	0
Disposal of enterprises		0	50.151
Loans associates		(1.175)	0
Cash flows from investing activities		(43.995)	17.046
Loans raised		0	65.370
Repayments of loans etc		(10.241)	(10.244)
Dividend paid		(50.000)	(10.000)
Purchase/sale of securities		106.592	24.681
Other loans		(5.000)	(7.750)
Cash flows from financing activities		41.351	62.057
Increase/decrease in cash and cash equivalents		(11.405)	74.512
Cash and cash equivalents beginning of year		8.577	(65.935)
Cash and cash equivalents end of year		(2.828)	8.577
Cash and cash equivalents at year-end are composed of:			
Cash		38.902	20.709
Short-term debt to banks		(41.730)	(12.132)
Cash and cash equivalents end of year		(2.828)	8.577

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
1. Staff costs		
Wages and salaries	20.208	18.107
Pension costs	1.855	1.673
Other social security costs	378	359
Other staff costs	719	521
	23.160	20.660
Average number of employees	33	32

	Remunera- tion of manage- ment 2019 DKK'000	Remunera- tion of manage- ment 2018 DKK'000
Total amount for management categories	4.902	4.635
	4.902	4.635

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

	2019 DKK'000	2018 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	685	684
Depreciation of property, plant and equipment	6.718	6.389
Impairment losses on property, plant and equipment	378	0
Profit/loss from sale of intangible assets and property, plant and equipment	23	625
	7.804	7.698
	2019 DKK'000	2018 DKK'000
3. Other financial income		
Financial income from associates	123	29
Other interest income	187	229
Exchange rate adjustments	1.259	251
Other financial income	48.512	8.822
	50.081	9.331

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
4. Other financial expenses		
Other interest expenses	3.270	2.802
Exchange rate adjustments	21	28
Other financial expenses	13.171	17.109
	16.462	19.939
	2019 DKK'000	2018 DKK'000
5. Tax on profit/loss for the year		
Current tax	3.441	2.849
Change in deferred tax	(2.462)	2.357
Adjustment concerning previous years	(1.723)	(2.483)
	(744)	2.723
	2019 DKK'000	2018 DKK'000
6. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	30.000	50.000
Retained earnings	6.130	48.610
Minority interests' share of profit/loss	2.419	2.438
	38.549	101.048
		Acquired intangible assets DKK'000
7. Intangible assets		
Cost beginning of year		9.782
Cost end of year		9.782
Amortisation and impairment losses beginning of year		(713)
Amortisation for the year		(685)
Amortisation and impairment losses end of year		(1.398)
Carrying amount end of year		8.384

Notes to consolidated financial statements

	Land and buildings DKK'000	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
8. Property, plant and equipment				
Cost beginning of year	668.120	386.522	49.690	7.969
Transfers	7.603	0	0	(7.603)
Additions	15.582	2.606	4.872	12.341
Disposals	0	0	(3.055)	0
Cost end of year	691.305	389.128	51.507	12.707
Depreciation and impairment losses beginning of year	(114.446)	0	(14.185)	0
Impairment losses for the year	0	0	(378)	0
Depreciation for the year	(3.234)	0	(3.403)	0
Reversal regarding disposals	0	0	1.856	0
Depreciation and impairment losses end of year	(117.680)	0	(16.110)	0
Fair value adjustments beginning of year	0	(14.518)	0	0
Fair value adjustments for the year	0	(11.608)	0	0
Fair value adjustments end of year	0	(26.126)	0	0
Carrying amount end of year	573.625	363.002	35.397	12.707

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 412,983k.

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 value recognised.

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

Investment properties

The Group's investment properties consist of office buildings, commercial property of industrial nature and property used for both residential and commercial purposes located in Randers Ø, Vejle, Hedensted, Stouby and Copenhagen Ø.

Notes to consolidated financial statements

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

99-100% of the Group's properties is let at 31.12.2019.

The required rate of return is 3.5 - 7.25% at 31.12.2019 (3.5 - 8.00% at 31.12.2018). A change in the required rate of return by +/- 0.5 percentage points will reduce the fair value by DKK 26,794k and increase the fair value by DKK 31,527k, respectively.

The fair value is supported by a valuation from an external valuer of March 2020 for properties located in Randers NØ. No external valuer has been used for the other properties.

For some investments properties it has not been possible to calculate the fair value valuation, and as a result of that investments properties for DKK 53,690k is measured at cost.

	Investments in associates DKK'000	Receivables from associates DKK'000	Other investments DKK'000	Deposits DKK'000
9. Fixed asset investments				
Cost beginning of year	45.488	2.644	163.549	1.014
Additions	0	1.377	15.671	497
Disposals	0	(202)	(7.267)	(373)
Cost end of year	45.488	3.819	171.953	1.138
Revaluations beginning of year	0	0	56.608	0
Transfers	0	0	9.406	0
Fair value adjustments	0	0	13.756	0
Revaluations end of year	0	0	79.770	0
Impairment losses beginning of year	0	0	(7.724)	0
Impairment losses for the year	0	0	(73)	0
Impairment losses end of year	0	0	(7.797)	0
Carrying amount end of year	45.488	3.819	243.926	1.138

Notes to consolidated financial statements

	Other receivables DKK'000
9. Fixed asset investments	
Cost beginning of year	0
Additions	5.000
Disposals	0
Cost end of year	5.000
Revaluations beginning of year	0
Transfers	0
Fair value adjustments	0
Revaluations end of year	0
Impairment losses beginning of year	0
Impairment losses for the year	0
Impairment losses end of year	0
Carrying amount end of year	5.000

	Registered in	Equity inte- rest %
10. Associates		
United Beverage ApS *	Aarhus	24,5
Advance Global A/S *	Syddjurs	20,0
Advance NonWoven A/S *	Syddjurs	20,0
YachtGarage ApS **	Ishøj	50,0
By i Byen ApS ***	Randers	20,0
AIC A/S ****	Favrskov	25,0

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

**) This company is associated through KirkGarage A/S

***) This company is associated through Dannevirkevej ApS

****) This company is associated through Rohden Plus ApS

11. Prepayments

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

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
12. Deferred tax		
Property, plant and equipment	6.172	8.633
	6.172	8.633

Changes during the year

Beginning of year	8.633
Recognised in the income statement	(2.461)
End of year	6.172

13. Other provisions

Other provisions relate to guarantee commitments estimated by Management.

	Due within 12 months 2019 DKK'000	Due within 12 months 2018 DKK'000	Due after more than 12 months 2019 DKK'000	Outstanding after 5 years DKK'000
14. Liabilities other than provisions				
Mortgage debt	10.464	10.244	289.208	245.282
Deposits	0	0	2.034	2.034
Other payables	0	0	11.019	10.445
	10.464	10.244	302.261	257.761

	2019 DKK'000	2018 DKK'000
15. Change in working capital		
Increase/decrease in inventories	(7.428)	(2.939)
Increase/decrease in receivables	(561)	1.489
Increase/decrease in trade payables etc	9.465	(14.432)
	1.476	(15.882)

16. Financial instruments

Other receivables include a positive fair value of the forward exchange contracts of DKK 200k. The currency risk in relation to USD is hedged for a total of USD 3,500k or DKK 23,366k. The fair value has been recognised in net financials in the income statement.

17. 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 35.6m at the balance sheet date.

Notes to consolidated financial statements

18. Assets charged and collateral

The Group's mortgage debt of DKK 299,672k is secured on the Group's land, buildings and investment properties at a carrying amount of DKK 934,554k. Moreover, debt is secured by a mortgage on production plant and machinery at a carrying amount of DKK 1,680k.

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

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
19. Subsidiaries			
A. Kirk Agro A/S	Vejle	A/S	100,0
Rohden Plus ApS *	Vejle	ApS	100,0
Agersbøl ApS *	Vejle	ApS	100,0
A. Kirk Industries A/S	Vejle	A/S	100,0
Rohden Garage ApS **	Vejle	ApS	100,0
Out-Net A/S **	Vejle	A/S	100,0
MotorcycleGarage ApS **	Vejle	ApS	100,0
KirkGarage A/S **	Vejle	A/S	100,0
MyGarage A/S ***	Vejle	A/S	100,0
Selskabet af 7. juni A/S ***	Vejle	A/S	100,0
A. Kirk Ejendomme A/S	Vejle	A/S	100,0
Stiftsvej 61 ApS ****	Vejle	ApS	100,0
K&K Ejendomme ApS ****	Vejle	ApS	80,0
Kohuba ApS ****	Vejle	ApS	100,0
Damhaven Ejendomme ApS ****	Vejle	ApS	42,0
VST I A/S *****	Vejle	A/S	29,6
Dannevirkevej ApS *****	Vejle	ApS	100,0

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

**) These companies are group enterprises in A. Kirk Industries A/S

***) These companies are group enterprises in KirkGarage A/S

****) These companies are group enterprises in A. Kirk Ejendomme A/S, which has a controlling interest due to an ownership agreement.

*****) This company is affiliated to Damhaven Ejendomme ApS, which owns 70.43% of the company, and thus the undivided ownership share of the Group is 29.6%.

Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Gross loss		(6.294)	(5.925)
Staff costs	1	(6.269)	(5.631)
Depreciation, amortisation and impairment losses	2	(685)	(685)
Operating profit/loss		(13.248)	(12.241)
Income from investments in group enterprises		2.101	105.595
Income from other fixed asset investments		14.163	9.377
Other financial income	3	52.121	11.566
Other financial expenses	4	(13.091)	(16.707)
Profit/loss before tax		42.046	97.590
Tax on profit/loss for the year	5	(5.915)	1.018
Profit/loss for the year	6	36.131	98.608

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Acquired intangible assets		8.023	8.707
Intangible assets	7	8.023	8.707
Other fixtures and fittings, tools and equipment		1.772	1.772
Property, plant and equipment	8	1.772	1.772
Investments in group enterprises		767.891	779.791
Receivables from associates		1.250	0
Other investments		121.709	99.548
Deposits		624	127
Other receivables		5.000	0
Fixed asset investments	9	896.474	879.466
Fixed assets		906.269	889.945
Trade receivables		34	1
Receivables from group enterprises		115.339	93.691
Other receivables		387	293
Income tax receivable		0	411
Receivables		115.760	94.396
Other investments		163.803	227.808
Other investments		163.803	227.808
Cash		28.390	10.418
Current assets		307.953	332.622
Assets		1.214.222	1.222.567

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Contributed capital		5.072	5.072
Retained earnings		1.139.776	1.133.645
Proposed dividend		30.000	50.000
Equity		<u>1.174.848</u>	<u>1.188.717</u>
Provisions for investments in group enterprises	10	2.764	3.944
Provisions		<u>2.764</u>	<u>3.944</u>
Bank loans		17.223	9.028
Trade payables		182	40
Payables to group enterprises		2.200	18.587
Payables to shareholders and management		1.884	1.714
Income tax payable		5.941	0
Other payables		9.180	537
Current liabilities other than provisions		<u>36.610</u>	<u>29.906</u>
Liabilities other than provisions		<u>36.610</u>	<u>29.906</u>
Equity and liabilities		<u>1.214.222</u>	<u>1.222.567</u>
Financial instruments	11		
Contingent liabilities	12		
Assets charged and collateral	13		
Related parties with controlling interest	14		

Parent statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	5.072	1.133.645	50.000	1.188.717
Ordinary dividend paid	0	0	(50.000)	(50.000)
Profit/loss for the year	0	6.131	30.000	36.131
Equity end of year	5.072	1.139.776	30.000	1.174.848

Notes to parent financial statements

	2019 DKK'000	2018 DKK'000
1. Staff costs		
Wages and salaries	5.918	5.460
Pension costs	78	124
Other social security costs	16	22
Other staff costs	257	25
	6.269	5.631
Average number of employees	2	2

	Remunera- tion of manage- ment 2019 DKK'000	Remunera- tion of manage- ment 2018 DKK'000
Total amount for management categories	4.902	4.635
	4.902	4.635

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

	2019 DKK'000	2018 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	685	685
	685	685

	2019 DKK'000	2018 DKK'000
3. Other financial income		
Financial income arising from group enterprises	2.630	3.099
Exchange rate adjustments	1.259	252
Other financial income	48.232	8.215
	52.121	11.566

	2019 DKK'000	2018 DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	37	414
Other financial expenses	13.054	16.293
	13.091	16.707

Notes to parent financial statements

	2019 DKK'000	2018 DKK'000
5. Tax on profit/loss for the year		
Current tax	6.459	0
Adjustment concerning previous years	(544)	(1.018)
	5.915	(1.018)
	2019 DKK'000	2018 DKK'000
6. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	30.000	50.000
Retained earnings	6.131	48.608
	36.131	98.608
		Acquired intangible assets DKK'000
7. Intangible assets		
Cost beginning of year		9.421
Cost end of year		9.421
Amortisation and impairment losses beginning of year		(713)
Amortisation for the year		(685)
Amortisation and impairment losses end of year		(1.398)
Carrying amount end of year		8.023
		Other fixtures and fittings, tools and equipment DKK'000
8. Property, plant and equipment		
Cost beginning of year		1.772
Cost end of year		1.772
Carrying amount end of year		1.772

Notes to parent financial statements

	Investments in group enterprises DKK'000	Receivables from associates DKK'000	Other investments DKK'000	Deposits DKK'000
9. Fixed asset investments				
Cost beginning of year	970.746	0	97.475	127
Additions	0	1.250	15.671	497
Disposals	0	0	(7.267)	0
Cost end of year	970.746	1.250	105.879	624
Revaluations beginning of year	0	0	2.074	0
Fair value adjustments	0	0	13.756	0
Revaluations end of year	0	0	15.830	0
Impairment losses beginning of year	(190.955)	0	0	0
Share of profit/loss for the year	4.010	0	0	0
Dividend	(14.000)	0	0	0
Reversal of impairment losses	1.180	0	0	0
Investments with negative equity value depreciated over receivables	(3.080)	0	0	0
Investments with negative equity value transferred to provisions	(10)	0	0	0
Impairment losses end of year	(202.855)	0	0	0
Carrying amount end of year	767.891	1.250	121.709	624

Notes to parent financial statements

	Other receivables DKK'000
9. Fixed asset investments	
Cost beginning of year	0
Additions	5.000
Disposals	0
Cost end of year	5.000
Revaluations beginning of year	0
Fair value adjustments	0
Revaluations end of year	0
Impairment losses beginning of year	0
Share of profit/loss for the year	0
Dividend	0
Reversal of impairment losses	0
Investments with negative equity value depreciated over receivables	0
Investments with negative equity value transferred to provisions	0
Impairment losses end of year	0
Carrying amount end of year	5.000

The measurement of the land and buildings owed 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 412,983k.

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 value recognised.

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

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

10. Provisions for investments in group enterprises

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

Notes to parent financial statements

11. Financial instruments

Other receivables include a positive fair value of the forward exchange contracts of DKK 200k. The currency risk in relation to USD is hedged for a total of USD 3,500k or DKK 23,366k. The fair value has been recognised in net financials in the income statement.

12. Contingent liabilities

The Company has issued a guarantee for payment of liabilities in Damhaven Ejendomme ApS and VST I A/S, which are owned by A. Kirk Ejendomme A/S. The Company has made full provision for a negative balance.

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, the Company is obliged to pay additional capital on demand. The liability amounts to DKK 35.6m 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 287,896k 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 31.12.2019 amounts to DKK 71,633k.

Collateral provided for group enterprises

As security for debt to Sydbank, the Company is jointly and severally liable for the joint credit limit maximised at DKK 125m for the following companies:

- A. Kirk Industries A/S
- Rohden Plus ApS
- A. Kirk Agro A/S
- KirkGarage A/S
- MyGarage A/S

Bank debt of group enterprises amounts to DKK 24,506k.

14. Related parties with controlling interest

Anders Kirk Johansen holds all shares in the Company and so exercises control. In the annual report transactions are only announced if they are not completed on normal market conditions. There have not been completed any of those transactions in the financial year.

Accounting policies

Reporting class

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

The accounting policies applied to the consolidated financial statements and parent financial statements are consistent with those applied last year.

As the Group has exceeded the limits for reporting class C (medium) enterprises for two successive financial years, consolidated financial statements have been prepared for the first time in 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' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition 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.

Accounting policies

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, cost 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 adjustment of investment properties 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 for 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 salaries and wages as well as 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, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Accounting policies

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 internal 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 elimination of internal 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 as well as tax relief under the Danish Tax Prepayment Scheme etc.

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 as well as 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.

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. Residual value amounts to DKK 6,000k.

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.

Accounting policies

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.

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.

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.

Accounting policies

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 1-10 years.

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

Receivables

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

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted investments measured at the lower of cost and net realisable value.

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 of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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

Prepayments

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

Accounting policies

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date and unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises cash in hand and 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

Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

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 or the planned settlement of each liability. 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.

Accounting policies

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.

Income tax receivable or payable

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

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 comprise cash and short term debt.