A. Kirk A/S

Havneøen 1, 7100 Vejle

29 81 60 34

Annual report 2022

Approved at the Company's annual general meeting on 17 May 2023

Chair of the meeting:

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Bettina Winther Christensen

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of A. Kirk A/S for the financial year 1 January – 31 December 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Vejle, 17 May 2023
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 company financial statements of A. Kirk A/S for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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 company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' 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.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Independent auditor's report

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

Aalborg, 17 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Skovsgaard State Authorised Public Accountant mne34333	Martin Bøgsted State Authorised Public Accountant mne40035

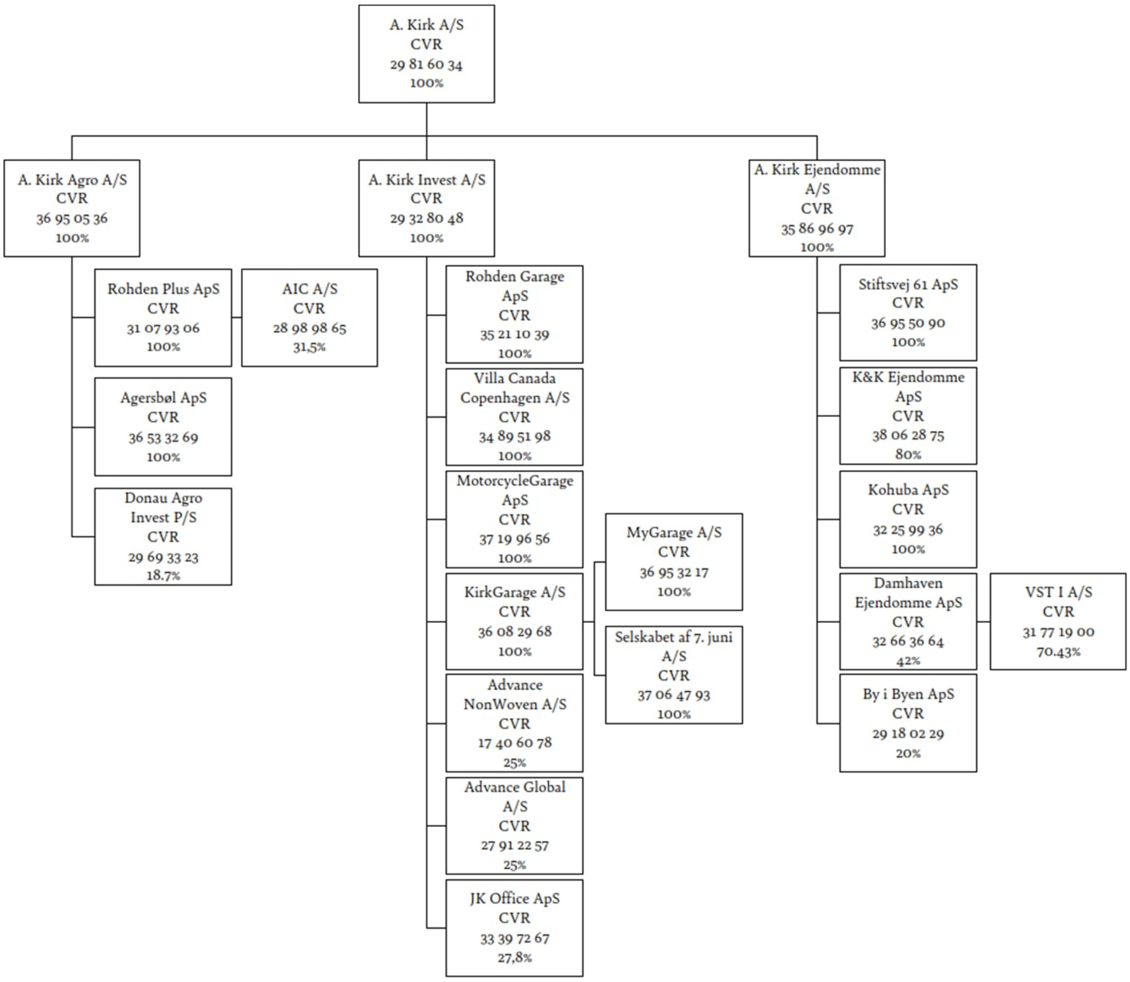
Management's review

Company details

Name	A. Kirk A/S
Address, postal code, city	Havneøen 1, 7100 Vejle
CVR no.	29 81 60 34
Established	15 December 2008
Registered office	Vejle
Financial year	1 January – 31 December
Board of Directors	Jens Bjerg Sørensen, chairman Henning Nedergaard Jensen Torben Bang Anders Kirk Johansen
Executive Board	Anders Kirk Johansen
Auditors	EY Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, DK-9000 Aalborg

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
Key figures					
Gross profit	31,842	32,318	24,649	23,487	18,709
Operating profit/loss	-6,725	4,902	-10,241	-19,085	2,804
Net financials	23,294	54,768	40,406	56,890	100,964
Profit for the year	28,680	33,565	26,529	38,549	101,048
Profit for the year excl. minority interests	27,075	33,519	23,697	36,130	98,610
Balance sheet total	1,664,974	1,616,703	1,628,994	1,566,771	1,552,577
Investments in property, plant and equipment	44,208	63,172	40,853	35,329	23,637
Equity	1,169,188	1,170,508	1,166,943	1,170,414	1,181,864
Equity excl. minority interests	1,169,139	1,172,064	1,168,545	1,174,848	1,188,717
Cash flows from operating activities	-23,618	47,404	17,888	-8,761	-4,591
Cash flows from investing activities	-103,891	45,947	-58,371	-43,995	17,046
Cash flows from financing activities	36,818	-76,091	30,805	41,351	62,057
Financial ratios					
Equity ratio	70.22	72.50	71.73	74.99	76.56
Return on equity	2.31	2.86	2.03	3.08	8.30

The financial ratios stated under "Financial highlights" have been calculated as follows:

Equity ratio $$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Return on equity $$\frac{\text{Profit/loss for the year after tax ex. non-controlling interests x 100}}{\text{Average equity ex non-controlling interests}}$$

Management's review

Operating review

Principal 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:

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

Development in activities and financial matters

In 2022 the Group has realized a profit of DKK 28,680 thousand compared to a profit of DKK 33,565 thousand in 2021. Total assets amount to DKK 1,664,974 thousand as of 31 December 2022 and equity to DKK 1,169,188 thousand corresponding to an equity ratio of 70.22% at 31 December 2022 (2021: 72.40%).

Profit/loss for the year in relation to expected developments

In the annual report for 2021, the management stated that result for 2022 was expected to be at a level around half the result for 2021. Due to the development on the financial markets in 2022 and development in other investments, these expectations have been fulfilled.

The Executive Board and Board of Directors consider the result in 2022 as satisfactory.

Outlook

The Group management consider the Group well equipped for the future and expect the result before tax in 2023 to be in the level of DKK 15 - 25 million. However, the expectations are highly dependent on the development of the financial markets.

Financial risks and use of financial instruments

Currency risks

Decreases or increases in specific currencies affects the Group's earnings, as investments are made in foreign currencies. The Group uses currency swaps to hedge recognised transactions.

Interest rate risks

Decreases or increases in interest rates affects the Group's earnings, as the interest rate level has a significant effect on financial markets. The Group monitors financial markets and reacts to any fluctuations. There are no financial instruments regarding interest.

Environment

The Group is aware of the general societal challenges associated with the environment and climate, including climate variations and changes. The Group is responsible in its conduct of business and will limit impacts on the environment, taking into account the technical and economic framework. All environmental requirements are complied with. It is the Group's goal to continuously minimize CO_2 emissions by constantly focusing on energy consumption.

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 financial statements and parent company financial statements 1 January – 31 December

Income statement

Note	DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
	Gross profit/loss	31,842	32,318	-5,742	-6,649
	Fair value adjustments of investment property	1,719	11,099	0	0
3	Staff costs	-31,223	-26,625	-5,601	-5,821
4	Depreciation, amortisation, and impairment losses	-9,063	-11,890	-738	-2,680
	Operating profit/loss	-6,725	4,902	-12,081	-15,150
	Profit/loss from investments in group enterprises	0	0	31,373	-4,514
	Profit/loss from investments in associates	1,505	-19,118	0	0
	Profit from other fixed asset investments	55,987	42,907	30,150	35,584
5	Financial income	4,319	44,152	7,034	41,503
	Impairment losses on financial assets	-319	-14,088	0	0
6	Financial expenses	-36,693	-18,203	-32,892	-11,250
	Profit before tax	18,074	40,552	23,584	46,173
7	Tax for the year	10,606	-6,987	3,491	-12,654
8	**Profit for the year**	28,680	33,565	27,075	33,519

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
Note	**DKK'000**	**2022**	**2021**	**2022**	**2021**
	ASSETS				
9	**Intangible assets**				
	Acquired intangible assets	2,360	2,780	1,999	2,419
		2,360	2,780	1,999	2,419
10	**Property, plant and equipment**				0
	Land and buildings	720,808	632,220	0	0
	Investment property	258,215	289,294	0	0
	Other fixtures and fittings, tools and equipment	30,904	32,822	3,060	3,378
	Property, plant and equipment in progress	888	19,979	0	0
		1,010,815	974,315	3,060	3,378
	Other non-current assets				
11	Investments in group enterprises	0	0	749,665	760,300
12	Investments in associates	43,201	37,091	0	0
13	Receivables from associates	2,531	3,498	0	0
13	Other investments	433,110	317,892	227,868	179,316
13	Deposits	808	914	283	394
13	Other receivables	2,753	5,000	0	5,000
		482,403	364,395	977,816	945,010
	Total non-current assets	1,495,578	1,341,490	982,875	950,807
	Current assets				
	Inventories				
	Raw materials and consumables	2,623	2,931	0	0
	Manufactured goods and goods for resale	54,657	39,020	0	0
	Prepayments for goods	10,452	7,376	0	0
		67,732	49,327	0	0
	Receivables				
	Trade receivables	8,734	12,047	627	93
	Receivables from group entities	0	0	262,860	217,388
	Other receivables	6,233	8,785	302	2,831
	Tax receivable	159	379	159	0
	Joint taxation contribution receivable	0	0	0	1,938
14	Prepayments	1,802	1,737	0	0
		16,928	22,948	263,948	222,250
15	**Securities and investments**	77,610	193,236	77,597	193,221
	Cash	7,126	9,702	5,088	7,070
	Total current assets	169,396	275,213	346,633	422,541
	TOTAL ASSETS	1,664,974	1,616,703	1,329,508	1,373,348

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
	EQUITY AND LIABILITIES				
	Equity				
17	Share capital	5,072	5,072	5,072	5,072
	Retained earnings	1,139,067	1,136,992	1,139,067	1,136,992
	Proposed dividend	25,000	30,000	25,000	30,000
	A. Kirk A/S' shareholders' share of equity	1,169,139	1,172,064	1,169,139	1,172,064
	Non-controlling interests	49	-1,556	0	0
	Total equity	1,169,188	1,170,508	1,169,139	1,172,064
	Provisions				
18	Deferred tax	0	9,581	0	0
19	Other provisions	125	100	0	0
20	Provisions for investments in associates	8,750	8,750	0	0
20	Provisions for investments in group enterprises	0	0	1,576	1,888
	Total provisions	8,875	18,431	1,576	1,888
21	**Non-current liabilities other than provisions**				
	Mortgage debt	285,181	239,490	0	0
	Deposits	2,171	2,116	0	0
	Other payables	9,556	9,951	0	0
		296,908	251,557	0	0
	Non-current liabilities other than provisions				
21	Current portion of non-current liabilities	9,130	9,687	0	0
	Bank debt	68,713	43,312	68,378	39,055
	Deposits	5,211	4,359	0	0
	Prepayments received from customers	5,476	4,195	0	0
	Trade payables	7,961	12,093	810	326
	Payables to group enterprises	0	0	4,899	60,061
	Payables to owners and management	15,586	19,303	14,670	18,245
	Tax payable	0	2,179	0	968
	Joint taxation contribution payable	0	0	0	10,569
	Other payables	77,429	79,017	70,036	70,172
22	Deferred income	497	2,062	0	0
		190,003	176,207	158,793	199,396
	Total liabilities other than provisions	486,911	427,764	158,793	199,396
	TOTAL EQUITY AND LIABILITIES	1,664,974	1,616,703	1,329,508	1,373,348

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Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

Note	DKK'000	Group Share capital	Retained earnings	Proposed dividend	A. Kirk A/S' shareholders' share of equity	Non-controlling interests	Total equity
	Equity at 1 January 2022	5,072	1,136,992	30,000	1,172,064	-1,556	1,170,508
	Distributed dividend	0	0	-30,000	-30,000	0	-30,000
	Exchange rate adjustments	0	0	0	0	0	0
	Other entries on equity	0	0	0	0	0	0
8	Profit/loss for the year	0	2,075	25,000	27,075	1,605	28,680
	Equity at 31 December 2022	5,072	1,139,067	25,000	1,169,139	49	1,169,188

Note	DKK'000	Parent Company Share capital	Retained earnings	Proposed dividend	Total
	Equity at 1 January 2022	5,072	1,136,992	30,000	1,172,064
	Distributed dividend	0	0	-30,000	-30,000
	Exchange rate adjustments	0	0	0	0
	Other entries on equity	0	0	0	0
8	Profit/loss for the year	0	2,075	25,000	27,075
	Equity at 31 December 2022	5,072	1,139,067	25,000	1,169,139

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

Note	DKK'000	Group 2022	Group 2021
	Operating profit/loss	-6,725	4,902
	Amortisation, depreciation, and impairment losses	9,063	11,890
	Adjustments of investment property	-1,719	-11,099
	Other provisions	25	8,825
	Other non-cash adjustments	-216	0
	Cash generated from operations before changes in working capital	428	14,518
27	Changes in working capital	-19,421	12,524
	Cash generated from operations	-18,993	27,042
	Interest received	1,353	31,024
	Interest paid	-6,368	-8,781
	Corporation tax received/paid	390	-1,881
	Cash flows from operating activities	-23,618	47,404
	Sale of intangible assets	0	3,230
	Acquisition of property, plant and equipment	-44,208	-63,169
	Disposal of property, plant and equipment	784	99,933
	Acquisition of other non-current assets	-76,922	-29,974
	Dividend received from associates	200	0
	Disposal of other non-current assets	15,136	36,177
	Loans associated	1,119	-250
	Cash flows from investing activities	-103,891	45,947
	Loan financing	65,821	70,000
	Repayments of loans	-20,687	-43,479
	Change of operating credit debts	25,401	-72,612
	Change of loan from owners and management	-3,717	0
	Distributed dividend	-30,000	-30,000
	Cash flows from financing activities	36,818	-76,091
	Cash flows for the year	-90,691	17,260
	Cash beginning of year	202,938	193,038
	Cash flows for the year	-90,691	17,260
	Change in portfolio value	-27,511	-7,360
	Cash, year end	84,736	202,938
	Cash at year-end are composed of:		
	Cash	7,126	9,702
	Securities	77,610	193,236
	Cash, year end	84,736	202,938

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

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 **Accounting policies**

The annual report of A. Kirk A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Presentation currency

The financial statements are presented in Danish Kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company A. Kirk A/S and group entities controlled by A. Kirk A/S (control).

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the Group can exercise significant influence are classified as associates. Significant influence is deemed to exist when the Parent Company holds or controls, directly or indirectly, more than 20% of the voting rights of an entity but does not control it.

The existence of potential voting rights that may currently be exercised or converted into voting rights is considered when assessing whether significant influence exists.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual group entities' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with participating interest and equity interests are eliminated in proportion to the Group's ownership interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The group entities' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Equity investments in participating interests are recognised in the consolidated financial statements using the equity method.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of equity investments, mergers, demergers, additions of assets and share conversions, etc., in which entities controlled by the Parent Company are involved, provided that the combination is considered completed at the acquisition date without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

For vertical and downstream intra-group mergers the group method is applied for the combination of the entities. Thereby, the entities are combined at the revaluation value recognised in the consolidated financial statements or which would have been recognised in the consolidated financial statements for the parent company included in the merger. The group method is applied as if the entities had been combined from the date when the parent company acquired the equity investments in the entities included in the merger, and therefore, the comparative figures were restated.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign group entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign group entities that are considered part of the total net investment in the group entity are recognised directly in the translation reserve under equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments hedging net investments in foreign group entities are recognised directly in the translation reserve under equity.

On translation of foreign group entities that are integral entities, monetary items are recognised at the exchange rates at the balance sheet date. Non-monetary items are recognised at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Income statement

Gross profit or loss

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 are summarised in the income statement into gross profit or loss, with reference to section 32 of the Danish Financial Statements Act.

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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 measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

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

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 write-downs of receivables recognised in current assets etc.

Fair value adjustments of investment property

Fair value adjustments of investment property comprise adjustments for the financial year of 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 comprise items secondary to the principal activities of the Company, including rental income from the temporary lease out of production facilities, compensation, government grants, refund of wages and salaries etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Profit/loss from equity investments in group entities and participating interests

The proportionate share of the results of the underlying entities is recognised in the income statement after elimination of intra-group profit/loss and after tax. Group entities are subject to full elimination of intra-group profit/loss and ownership interests are not considered. Participating interests are subject only to proportionate elimination of profit/loss taking into consideration ownership interests.

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.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax 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.

Tax for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Balance sheet

Intangible assets

Acquired intangible assets are measured at cost less accumulated amortisation.

Estimated useful lives and residual amounts are reassessed annually.

Acquired intangible assets are written down to the lower of recoverable amount and carrying amount.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

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

Land is not depreciated.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. Residual values at the balance sheet date is set to DKK 235,221 thousand.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement under depreciation, amortisation and impairment losses .

Investment property

Investment properties are measured on initial recognition at cost price, and on subsequent measurement at fair value.

The fair value is calculated based on recognized valuation methods and reasonable estimates are made on background of non-observable market information.

Costs that add new or improved properties to an investment property compared to the time of acquisition, and which thereby improves the property's future return, the cost price is added as an improvement. Costs that do not add new or improved properties to an investment property, are recognized in the income statement under other external cost.

Investment properties, like other tangible assets apart from land, have a limited lifespan. The impairment that occurs as an investment property becomes obsolete is reflected in the current measurement of the investment properties at fair value. Systematics depreciation are therefore not carried out over the useful life of the investment property.

Value adjustments are recognized in the income statement under the item "Fair value adjustment of investment properties".

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Equity investments in group entities and associates and participating interests in the parent company financial statements

Equity investments in group entities and participating interests are measured according to the equity method in the parent company financial statements.

The Parent Company has chosen to consider the equity method a measurement method. Equity investments in participating interests is measured accordingly in the Group financial statement.

On initial recognition, equity investments in group entities and participating interests are measured at cost, i.e. plus transaction costs.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in group entities and participating interests measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Net revaluation of equity investments is recognised under equity in the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds cost.

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

The acquisition date is the date when the Company actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new group entities and participating interests. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Any excess of the cost over the fair value of identifiable assets and liabilities, including restructuring provisions, is recognised as equity investments in group entities and participating interests and depreciated over the estimated useful life determined on the basis of Management's experiences of the individual business areas. The maximum depreciation period is 10 years, longest for strategically acquired entities with strong market positions and long-term earnings profiles. The carrying amount of goodwill is tested for impairment and any impairment losses are taken to the income statement in cases where the carrying amount exceeds the expected future net income from the business or the activity to which the goodwill relates.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in group entities and participating interests is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

An impairment test is conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Other investment

Other investments comprise unlisted securities which are measured at fair value (market price) at the balance sheet date. If the fair value is not possible to measure the unlisted equity is measured at cost. On initial recognition, other investments are measured at cost, i.e. plus transaction costs. The cost is adjusted by fair value adjustment, which is presented as financial cost or income.

The fair value is based on recognized valuation methods and reasonable estimates are made on background of non-observable market information.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is determined as the selling price less any discounts, costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs and other costs directly related to the purchase.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production overheads. Production overheads comprise costs of material and labour as well as maintenance of and depreciation on production machinery, buildings and equipment as well as costs relating to plant administration and management. Borrowing costs are not recognised in the cost.

Inventory of crops for sale are recorded under manufactured goods and goods for resale and are measured at fair value.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

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

The Company's tax account deposits are classified as "Other receivables".

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Securities and other investments (current assets)

Securities and investments consist of listed shares, bonds, and unlisted shares, that are measured at fair value (market price) at the balance sheet date. Fair values are measured at either observable market value in an active market (fair value level 1) or on generally accepted valuation methods and reasonable estimates based on non-observable market information (fair value level 3).

Cash

Cash comprises of bank deposits.

Equity

Proposed dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

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.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

As administration company in the joint taxation group liability for the group entities' corporation tax to the tax authorities is taken over as the group entities pay their joint taxation contribution. Joint taxation contributions payable or receivable are recognised in the balance sheet as joint taxation contribution receivable or payable.

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.

Liabilities other than provisions

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Financial liabilities are recognised at costs. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement.

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.

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.

Deferred income

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

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

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

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital, interest received and paid as well as corporation tax paid. Interest received is classified as cash flows from operating activities. Furthermore, dividends received are classified as operating activity.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments. Dividends received regarding securities are also considered investing activities.

Cash flows from financing activities

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

Transactions with no cash flow effect

Transactions with no cash flow effect, such as e.g. the entering into finance leases, are not included in the cash flow statement. Significant transactions with no cash flow effect are disclosed in the notes.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a remaining term of three months or less that are subject to only minor risks of changes in value.

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2 **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.

	DKK'000	Group		Parent Company	
		2022	2021	2022	2021
3	**Staff costs**				
	Wages and salaries	26,880	23,159	5,490	5,718
	Pensions	2,812	2,251	78	69
	Other social security costs	122	428	13	13
	Other staff costs	1,409	787	20	21
		31,223	26,625	5,601	5,821
	Average number of full-time employees	52	44	2	2

Remuneration of the Executive Board and Board of Directors amounts to DKK 4,903 thousand in 2022 and DKK 4,903 thousand in 2021.

Remuneration to the Executive Board and Board of Directors has been aggregated in accordance with section 98 B (3) of the Danish Financial Statements Act.

	DKK'000	Group		Parent Company	
		2022	2021	2022	2021
4	**Depreciation, amortisation and impairment losses**				
	Intangible assets	420	1,689	420	1,689
	Property, plant and equipment	8,638	7,784	318	68
	Profit/loss from sales if intangible assets and property, plant and equipment	5	2,417	0	923
		9,063	11,890	738	2,680
5	**Financial income**				
	Interest income, group entities	0	0	2,862	3,143
	Interest income, associates	152	93	0	0
	Fair value adjustments	2,482	18,993	2,482	18,993
	Other financial income	1,685	25,066	1,690	19,367
		4,319	44,152	7,034	41,503
6	**Financial expenses**				
	Interest expenses, group entities	0	0	304	217
	Fair value adjustments	29,993	9,422	29,993	9,422
	Other financial expenses	6,700	8,781	2,595	1,611
		36,693	18,203	32,892	11,250

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DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
7 Tax for the year				
Current tax for the year	0	1,428	0	12,000
Deferred tax adjustments in the year	-9,581	5,495	0	0
Adjustment concerning previous years	-1,025	64	-3,491	654
	-10,606	6,987	-3,491	12,654
8 Distribution of profit/loss				
Proposed dividend	25,000	30,000	25,000	30,000
Retained earnings	2,075	3,519	2,075	3,519
Minority interests' share of profit/loss	1,605	46	0	0
	28,680	33,565	27,075	33,519

9 Intangible assets

DKK'000	Group Acquired intangible assets
Cost at 1 January 2022	5,072
Cost at 31 December 2022	5,072
Amortisation and impairment losses at 1 January 2022	2,292
Depreciation and amortisation for the year	420
Amortisation and impairment losses at 31 December 2022	2,712
Carrying amount at 31 December 2022	2,360
Amortised over	5 years

DKK'000	Parent Company Acquired intangible assets
Cost at 1 January 2022	4,711
Cost at 31 December 2022	4,711
Amortisation and impairment losses at 1 January 2022	2,292
Depreciation and amortisation for the year	420
Amortisation and impairment losses at 31 December 2022	2,712
Carrying amount at 31 December 2022	1,999
Amortised over	5 years

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10 Property, plant and equipment

	Group				
DKK'000	**Land and buildings**	**Investment property**	**Other fixtures and fittings, tools and equipment**	**Property, plant and equipment in progress**	**Total**
Cost at 1 January 2022	757,499	313,177	54,600	19,979	1,145,255
Transferred at 1 January 2022	54,097	-54,097	0	0	0
Additions	36,739	925	1,654	4,890	44,208
Transferred	3,607	20,374	0	-23,981	0
Disposals	-817	0	-281	0	-1,098
Cost at 31 December 2022	851,125	280,379	55,973	888	1,188,365
Depreciation and impairment losses at 1 January 2022	125,279	0	21,778	0	147,057
Depreciation and amortisation	5,115	0	3,523	0	8,638
Disposals	-77	0	-232	0	-309
Depreciation and impairment losses at 31 December 2022	130,317	0	25,069	0	155,386
Fair value adjustments at 1 January 2022	0	-23,883	0	0	-23,883
Fair value adjustments for the year	0	1,719	0	0	1,719
Fair value adjustments at 31 December 2022	0	-22,164	0	0	-22,164
Carrying amount at 31 December 2022	720,808	258,215	30,904	888	1,010,815
Amortised over	20-50 years		5-16 years		

Fair value determination

The company makes investment in rental properties. Investment properties are recognised at fair value with value adjustment to the income statement, cf. the rules in section 38 of the Danish Financial Statements Act.

Investment properties consist of office and warehouse properties with rental to commercial as well as residential buildings with rental to private individuals. The investment properties are primarily located in the area around Vejle, Hedensted and Horsens.

The fair value of investment properties is calculated for each property based on the property's budget for the coming year, adjusted for fluctuations that have the character of one-offs events. This adjusted budget expresses a 'normalised' operating result and is used together with a relevant return requirement to calculate fair value according to a return-based model.

The fair value of investment properties is thus determined at level 3 of the fair value hierarchy. Unrealised fair value adjustments for the year are recognised in the income statement in the line "Fair value adjustment of investment property".

Key assumptions for the estimated fair value - investment properties

The return factor used is overall an avg. of 6.32%(5.50-7.75%) as of 31 December 2022 (2021: avg. 6.19%(5.50-8.00%)). A change in the return factor of +/- 0.25 percentage points will reduce the overall fair value with DKK 9,945 thousand and increase overall fair value with DKK 10,805 thousand.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

10 Property, plant and equipment (continued)

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 98,840 thousand, land and buildings are recognised at DKK 408,364 thousand at 31 December 2022.

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.

	Parent Company
DKK'000	**Other fixtures and fittings, tools and equipment**
Cost at 1 January 2022	3,446
Cost at 31 December 2022	3,446
Amortisation and impairment losses at 1 January 2022	68
Depreciation and amortisation	318
Amortisation and impairment losses at 31 December 2022	386
Carrying amount at 31 December 2022	3,060
Amortised over	5-7 years

		Parent Company	
	DKK'000	**2022**	**2021**
11	**Investments in group enterprises**		
	Cost at beginning of the year	973,846	970,246
	Additions	8,500	3,600
	Cost at year-end	982,346	973,846
	Value adjustments at beginning of the year	-213,546	-202,227
	Share of profit/loss for the year	31,373	-4,513
	Distributed dividend	-53,000	0
	Reversal of impairment losses	0	-7,296
	Investments with negative equity value depreciated over receivables	2,805	283
	Investments with negative equity value transferred to provisions	-313	207
	Value adjustments at year-end	-232,681	-213,546
	Carrying amount at year-end	749,665	760,300

Name and registered office	Legal Form	Domicile	Ownership	Voting rights
Group enterprises				
A. Kirk A/S	A/S	Vejle	100.00%	100.00%
A. Kirk Agro A/S	A/S	Hedensted	100.00%	100.00%
A. Kirk Ejendomme A/S	A/S	Vejle	100.00%	100.00%

All group entities are independent entities.

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DKK'000	Group 2022	Group 2021
12 Investments in associates		
Cost at beginning of the year	53,656	55,468
Additions	4,837	1,077
Disposals	-2,864	-2,889
Cost at year-end	55,629	53,656
Value adjustments at beginning of the year	-16,565	-8,711
Amortisation of goodwill	-1,120	-1,644
Share of profit/loss for the year	2,625	-4,990
Distributed dividend	-200	-375
Impairment losses for the year	0	-12,484
Investments with negative equity value transferred to provisions	0	8,750
Reversal regarding disposals	2,832	2,889
Value adjustments at year-end	-12,428	-16,565
Carrying amount at year-end	43,201	37,091

Name and registered office	Legal Form	Domicile	Ownership & Voting rights
Associates			
Advance Global ApS *	ApS	Syddjurs	25.00%
Advance NonWoven A/S *	A/S	Syddjurs	25.00%
JK Office ApS *	ApS	Aarhus	27.78%
AIC A/S **	A/S	Hammel	31.50%
By I Byen ApS ***	ApS	Randers	20.00%

*) These companies are associated through A. Kirk Invest A/S.
**) AIC A/S is associated through Rohden Plus ApS, which is a group entity under A. Kirk Agro A/S.
***) By i Byen ApS is associated through A. Kirk Ejendomme A/S.

Goodwill – associates

Goodwill included in carrying amount at 31 December 2022 for associates amounts to DKK 8,072 thousand. Goodwill is depreciated over 10 years. Goodwill is depreciated over the estimated useful life determined on the basis of Management's experiences of the individual business areas. The maximum depreciation period is 10 years, longest for strategically acquired entities with strong market positions and long-term earnings profiles.

13 Other non-current assets

DKK'000	Group: Receivables from associates	Group: Other investments	Group: Deposits	Group: Other receivables
Cost at 1 January 2022	10,768	168,191	914	5,000
Additions	765	71,373	225	2.753
Disposals	-1,732	-9,805	-331	-5,000
Cost at 31 December 2022	9,801	229,759	808	2.753
Value adjustments at 1 January 2022	-7,270	149,128	0	0
Fair value adjustments	0	54,223	0	0
Value adjustments at 31 December 2022	-7,270	203,351	0	0
Carrying amount at 31 December 2022	2,531	433,110	808	2,753

Consolidated financial statements and parent company financial statements 1 January – 31 December

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13 Other non-current assets (continued)

	Parent Company			
DKK'000	Receivables from associates	Other investments	Deposits	Other receivables
Cost at 1 January 2022	250	108,883	394	5,000
Additions	0	28,207	220	0
Disposals	0	-9,805	-331	-5,000
Cost at 31 December 2022	250	127,285	283	0
Value adjustments at 1 January 2022	-250	70,433	0	0
Fair value adjustments	0	30,150	0	0
Value adjustments at 31 December 2022	-250	100,583	0	0
Carrying amount at 31 December 2022	0	227,868	283	0

Other investments, fair value

Other investments comprise unlisted securities which are measured at fair value (market price) at the balance sheet date.

Fair value is determined based on recognized valuation methods and reasonable estimates are made on background of non-observable market information. Thus, the fair value is determined at level 3 of the fair value hierarchy. The unrealised fair value adjustment for the year is recognised in the income statement in the line "Profit from other fixed asset investments".

14 Prepayments

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

15 Securities and investments (Group and Parent)

Securities and investments consist of listed shares, bonds, and liquid alternatives, that are measured at fair value (market price) at the balance sheet date. Fair values are measured at observable market value in an active market (fair value level 1).

Fair value determination

Listed shares, bonds, and liquid alternatives are measured at an observable market value in an active market, and therefore don't contain estimates.

No major assumptions are applied regarding listed shares and bonds, as fair value is measured at observable market value in an active market.

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16 Fair value disclosures

The Group has the following assets and liabilities measured at fair value:

DKK'000	Investment property	PE Funds etc.	Investments in agriculture business	Listed securities
Group				
Fair value at year end	720,808	249,522	183,588	77,610
Unrealised fair value adjustments for the year, recognised in the income statement	1,719	30,211	25,776	-27.511
Fair value level	3	3	3	1
Parent Company				
Fair value at year end	0	227,868	0	77,597
Unrealised fair value adjustments for the year, recognised in the income statement	0	30,150	0	-27.511
Fair value level	N/A	3	N/A	1

Investments in agriculture business consist of shares in a foreign agricultural company. The fair value is determined on the basis of fair market values of the company's underlying assets, including in particular the land values (fair value level 3). In addition, prices for the sale of shares and any other indications of the fair value as at the balance sheet date are taken into account. The fair value therefore corresponds to the amount for which the shares are estimated to be sold on the balance sheet date to an independent buyer.

Investments in PE Fonds consist of shares in a unlisted investment companies and fonds. The fair value is determined on the basis of fair market values of the company's underlying assets (fair value level 3).

Assumptions applied regarding unlisted shares and alternatives, implies management estimation of the market value of the assets under management in the underlying investments and based on valuations of net asset value provided by external portfolio managers. Management is continually monitoring the external portfolio managers and evaluating the valuations.

17 Share capital

The share capital consists of 5.072.000 class A shares of DKK 1 each.

	Group		Parent Company	
DKK'000	**2022**	**2021**	**2022**	**2021**
18 Deferred tax				
Deferred tax at 1 January	9,581	4,973	0	0
Deferred tax adjustment for the year	-9,581	4,608	0	0
Deferred tax at 31 December	0	9,581	0	0

In the financial year 2021, deferred tax relates to tangible fixed assets.

Due to uncertainty about use of tax carry-forward losses, management has chosen not to recognize the deferred tax asset.

As there is uncertainty associated with the timing of utilisation, including whether the loss will be utilised in the joint taxation group, the deferred tax asset is not included. Any utilisation of the company's tax losses can therefore only be finally assessed when the entire co-taxation income has been calculated.

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19 Other provisions

Other provisions relate to the costs of warranty obligations for rectification of defects and defects within the warranty period and are calculated by management on the basis of experience with warranty work.

20 Provisions for investments in associates and group enterprises

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

The amount of DKK 8,750,000 thousand recognised under provisions is Management's assessment of provisions for bad debts derived from the guarantee with limited liability towards the associate.

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

21 Non-current liabilities other than provisions

DKK'000	Mortgage credit	Deposits	Other Payables
Due within 12 months 2022	9,130	0	0
Due after more than 12 months 2022	285,181	2,171	9,556
Outstanding after 5 years 2022	250,655	2,171	9,204

22 Deferred income

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

23 Contractual obligations and contingencies, etc.

Contingent liabilities

The Parent Company is jointly taxed with its Danish group entity. As administration company, the Company has unlimited joint and several liability, together with the group entity, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. The jointly taxed entities' total known net liability in respect of corporation taxes and withholding taxes payable on dividend, interest and royalties. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase. The Group as a whole is not liable to any third parties.

The Parent 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 and VST I A/S as a letter of support has been provided to the subsidiaries and is limited to the ownership of the entities. The subsidiaries are owned through A. Kirk Ejendomme A/S.

As part of the investment in PE funds, recognised under other investments (fixed assets), the Company is obliged to pay additional capital on demand. The contingent liability amounts to DKK 109,691 thousand at the balance sheet date.

Operating lease commitments

As of 31 December 2022, the Group and Parent Company has entered into operating leases. The remaining term of the leases is under 12 months, and the total nominal residual lease payment amounts to DKK 1,696 thousand. The parent company further has rental obligations to group entities with a remaining contract period of 126 months. The outstanding commitment is DKK 4,317 thousand as of 31 December 2022.

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24 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 294,311 thousand at the balance sheet date.

Bank debt to UBS amounting to DKK 0 thousand has been secured on the custody account recognised under current assets. The fair value of the custody account at 31 December 2022 amounts to DKK 902 thousand.

The Group's mortgage debt of DKK 294,311 thousand is secured on the Group's land and buildings and investment properties with a total value of DKK 959,164 thousand at 31 December 2022. Moreover, debt is secured by a mortgage on production plant and machinery with a total value of DKK 1,207 thousand at 31 December 2022.

Moreover, the Group has pledged other investments, with a carrying amount of DKK 183,588 thousand as of 31 December 2022, with Ringkjøbing Landbobank A/S, reg. no. 37 53 68 14, as mortgagee.

Collateral provided for group enterprises
A. Kirk A/S is cash-pool owner where 11 group enterprises has a joint collateral for each other, and the debt is maxed to DKK 85,000 thousand. The total outstanding is DKK 68,332 thousand at the balance sheet date.

25 Contingent assets

As of 31 December 2022, the Group has – according to current tax calculation - a deferred tax asset totalling DKK 9,261 thousand primarily relating to carry-forward tax losses, temporary tax differences on land and buildings, investment properties and property plant and equipment. Due to uncertainty about its use, management has chosen not to recognize the deferred tax assets in the Group and Parent financial statements.

As of 31 December 2022, the Parent Company has – according to current tax calculation - a deferred tax asset of DKK 1,648 thousand primarily relating to tax carry-forward losses. Due to uncertainty about its use, management has chosen not to recognize the deferred tax assets in the Group and Parent financial statements.

26 Related parties

A. Kirk A/S' related parties comprise the following:

Control

Anders Kirk Johansen holds the majority of the share capital in the Parent Company.

Related party transactions

DKK'000	2022
Group	
Sale of goods and service to owners and management	4,413
Purchase of goods and services from owners and management	2,621
Interest income from associates	152
Interest expenses to owners and management	313
Receivables from associates	2,531
Payables to owners and management	15,586

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26 Related parties (continued)

Related party transactions (continued)

DKK'000	2022
Parent Company	
Sale of goods and service to group entities	1,358
Sale of goods and service to owners and management	2,549
Purchase of goods and services from group entities	456
Interest income from group entities	2,862
Interest expenses to group entities	304
Interest expenses to owners and management	300
Receivables from group entities (incl. joint taxation contribution)	262,860
Payables to group entities	4,899
Payables to owners and management	14,670

Remuneration of the Parent Company's Executive Board and the Board of Directors is disclosed in note 3.

DKK'000	Group 2022	Group 2021
27 Changes in working capital		
Changes in inventories	-18,405	512
Changes in receivables	5,800	-2,523
Changes in prepayments and trade and other payables	-6,816	14,535
	-19,421	12,524

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Jens Bjerg Sørensen
Chairman
På vegne af: A. Kirk A/S
Serienummer: 22200d21-bd04-4db1-96d7-3d79c4b6f6bd
IP: 5.103.xxx.xxx
2023-05-19 06:43:42 UTC

Torben Bang
Board of Directors
På vegne af: A. Kirk A/S
Serienummer: bade4a31-de43-437e-b33f-19c5a0bbcea4
IP: 212.10.xxx.xxx
2023-05-20 16:05:24 UTC

Henning Nedergaard Jensen
Board of Directors
På vegne af: A. Kirk A/S
Serienummer: 349f587c-bf71-4806-adb2-5a35cb79d2e4
IP: 62.199.xxx.xxx
2023-05-22 07:15:58 UTC

Bettina Winther Christensen
Dirigent
På vegne af: A. Kirk A/S
Serienummer: 55fd6baf-4ff5-49ca-8ffb-112e90848f4c
IP: 87.54.xxx.xxx
2023-05-22 07:53:53 UTC

Navnet er skjult
Direktion
På vegne af: A. Kirk A/S
Serienummer: 3c4bcc16-4126-420d-8872-6aee82ad9238
IP: 80.196.xxx.xxx
2023-05-24 16:54:00 UTC

Navnet er skjult
Bestyrelse
På vegne af: A. Kirk A/S
Serienummer: 3c4bcc16-4126-420d-8872-6aee82ad9238
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Thomas Skovsgaard
Statsautoriseret revisor
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IP: 212.112.xxx.xxx
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Martin Boegsted
Statsautoriseret revisor
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IP: 85.203.xxx.xxx
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