

KIRKBI Invest A/S

Koldingvej 2
7190 Billund

CVR no. 31 15 98 30

Annual report for 2021

Adopted at the annual general
meeting on 29 April 2022

chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Financial highlights	6
Management's review	7
Financial statements	
Accounting policies	9
Income statement 1 January - 31 December	15
Balance sheet 31 December	16
Statement of changes in equity	18
Notes	19

KIRKBI Invest A/S

Statement by management on the annual report

The management has today discussed and approved the annual report of KIRKBI Invest A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the shareholder at the annual general meeting.

Billund, 19 April 2022

Executive management

Søren Thorup Sørensen

Board of directors

Kjeld Kirk Kristiansen
chairman

Sidsel Marie Kristensen

Søren Thorup Sørensen

Independent auditor's report

To the shareholder of KIRKBI Invest A/S

Opinion

We have audited the financial statements of KIRKBI Invest A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 the 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 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 company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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 management's review

Management is responsible for management's review.

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

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

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

Based on the work we have performed, we conclude that 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 management's review.

Aarhus, 19 April 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Thomas Rosquist Andersen
State Authorised Public Accountant
MNE no. mne31482

Søren Marquart Alsen
State Authorised Public Accountant
MNE no. mne40040

KIRKBI Invest A/S

Company details

The company

KIRKBI Invest A/S
Koldingvej 2
7190 Billund

CVR no.: 31 15 98 30

Reporting period: 1 January - 31 December 2021

Domicile: Billund

Board of directors

Kjeld Kirk Kristiansen, chairman
Sidsel Marie Kristensen
Søren Thorup Sørensen

Executive management

Søren Thorup Sørensen

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Værkmestergade 2
8000 Aarhus

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company KIRKBI A/S, Billund.

Financial highlights

	2021	2020	2019	2018	2017
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
Key figures					
Income statement					
Return on investment portfolio	13,841	-1,113	8,367	-1,181	3,268
Profit from operating activities	13,574	-1,389	8,038	-1,489	3,046
Net financials	-5	-263	-43	-81	-60
Profit/loss for the year	11,871	-3,172	8,730	-108	4,209
Balance sheet					
Balance sheet total	110,809	81,554	90,464	73,431	66,876
Investment in property, plant and equipment	172	230	225	122	389
Equity	70,576	55,536	70,957	49,062	48,665
Financial ratios					
Solvency ratio	63.7%	68.1%	78.4%	66.8%	72.8%
Return on equity	18.8%	-5.0%	14.5%	-0.2%	11.4%
Average number of full-time employees	17	20	20	19	18

For definitions, see accounting policies.

Management's review

Business review

The company's objective is to engage in investment activities.

The company's assets are primarily a 47.5 % ownership of Merlin Entertainments and a broad investment portfolio consisting of long-term equity, listed equities, bonds, real estate, Private Equity funds and other activities based on a long-term investment horizon.

Financial review

KIRKBI Invest A/S' financial result is mainly influenced by the return from investment activities where focus is on long-term value creation. KIRKBI Invest A/S investments comprising equity, bonds and real estate saw a rebound from last year's challenging financial markets.

The financial year 2021 showed a satisfactory profit of DKK 11,871 million (loss of DKK 3,172 million in 2020). Profit for the year was driven by return from the investment activities. Profit for 2021 has exceeded expectations.

For Merlin Entertainments – the operator of the LEGOLAND Parks and LEGO Discovery Centres – the business activities continued to be impacted by the COVID-19 pandemic with many of its 130 attractions being closed for a part of the year or limited in number of visitors due to restrictions around travel, social distancing, etc. With 35 million visitors in 2021 compared with 22 million in 2020, Merlin Entertainments managed to more than double its revenue in 2021, and through a number of cost reduction initiatives the KIRKBI Invest A/S share of the negative result was reduced to a loss of DKK 988 million in 2021 compared to DKK 2,312 million in 2020.

The company's balance sheet end of 2021 shows total assets of DKK 110.8 billion and total equity amounts to DKK 70.6 billion, corresponding to a solvency ratio of 64 %.

No dividend is proposed for 2021.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Expectations for 2022

Expectations for the KIRKBI Invest A/S' financial performance for 2022 are subject to uncertainties related to the development in the global economy, including the COVID-19 pandemic. The overall expectations are therefore to a large extent subject to uncertainties and risks which are beyond KIRKBI Invest A/S' control and which may cause the actual development and results to differ materially from expectations.

Management's review

KIRKBI Invest A/S is a long-term investor, and a one-year view on the investment activities is highly dependent on the development in the financial markets. A normalised investment return for KIRKBI Invest A/S would be an investment return between 5 % and 7 % of the investment portfolio.

Merlin Entertainments is highly dependent on the global development in COVID-19, including restrictions on opening and social distancing.

Risks and uncertainties

KIRKBI Invest A/S' risks primarily relate to the development within the global financial markets where KIRKBI Invest A/S has a significant exposure of investments and the market for family entertainment where Merlin Entertainments operates.

Knowledge resources

The company's employees are a key resource. As part of the overall corporate strategy, employees and management work together to continuously ensure job satisfaction and a strong working environment.

In 2021, the company employed 17 FTEs, which is 3 FTEs less compared to 2020.

Corporate responsibility

Reference is made to the management's review of the ultimate parent company KIRKBI A/S in the section "Approach to Sustainability". The KIRKBI A/S annual report 2021 is published on the website: www.kirkbi.com/about/annual-reports/.

Diversity policy

KIRKBI Invest A/S has the ambition to have a balanced gender composition in the board of directors. The target figure is at least one female and one male board member provided that such person has the right qualifications for the directorship. The current board of directors consist of two men and one woman, which is living up to the ambition.

Statement of policy for data ethics

Reference is made to the management's review of the ultimate parent company KIRKBI A/S in the section "People & Operations". The KIRKBI A/S annual report 2021 is published on the website: www.kirkbi.com/about/annual-reports/.

Accounting policies

The annual report of KIRKBI Invest A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The annual report is presented in Danish kroner.

Pursuant to sections §112,1 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements. The financial statements of KIRKBI Invest A/S and its group enterprises are included in the consolidated financial statements of KIRKBI A/S.

Changes in accounting policies

The presentation of fair value adjustments in the income statement has been changed to give a more true and fair presentation of the company's activities.

Fair value adjustments related to securities and investment properties are now presented as return on investment portfolio. Previously these adjustments were presented as other financial income or expenses and fair value adjustments of investment properties. The effect of the change is an increase in profit from operating activities for the year by DKK 12,738 million and a decrease in net financials for the year by DKK 12,738 million (2020: a decrease in profit from operating activities by DKK 2,228 million and an increase in net financials by DKK 2,228 million). The change only effects the presentation of the income statement. Profit/loss for the year, balance sheet total and equity remain unchanged.

Comparatives have been restated to reflect the policy change.

The accounting policies are otherwise consistent with those of last year.

Income statement

Return on investment portfolio

Return on investment portfolio includes interest and dividends from securities and rental income as well as realised and unrealised value adjustments of the investment portfolio.

Other external expenses

Other external expenses include expenses related to the various activities.

Fee to auditors appointed at the general meeting is included in a note in the Annual Report of the parent company KIRKBI A/S.

Employee expenses

Employee expenses include wages and salaries, pensions as well as other social security contributions, etc.

Accounting policies

Depreciation and impairment losses

Depreciation and impairment losses comprise the year's depreciation and impairment of domicile properties and plant and equipment.

Other financial income and expenses

Financial income and expenses are recognised in the income statement by the amounts attributable to the financial year. Financial income and expenses consist of interest income and expenses as well as realised and unrealised gains and losses.

Income from investments in group enterprises and associates

Income from equity investments in group enterprises and associates allocated to the company's strategic portfolio comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

The accounting policy for income from group enterprises and associates allocated to the company's investment portfolio is described in the section "Investments in group enterprises and associates".

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax 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 tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Domicile properties, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

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

Accounting policies

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Domicile properties and installations	25 years
Plant and equipment	3-10 years

The useful lives and residual values are reassessed annually.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Investment properties

Investment properties comprise investments in land and buildings with an objective of gaining a return on the invested capital in the form of regular operating income and/or capital gains on resale.

On acquisition, investment properties is measured at cost, comprising the purchase price, including purchase costs. On subsequent recognition investment properties are recognised at fair value by use of a returnbased valuation model with expected cash flows based on the market rent and a rate of return for each property. The calculated valuation indicates the price to which the property can be traded on market terms between well-informed parties at the balance sheet date. The rate of return is, among other matters, determined based on location, type, the credit quality of tenants, terms of the lease and alternative applications. The calculations are based on the budget for the next year, adjusted for fluctuations characterised as being isolated events. The budget includes rental income, operating costs, maintenance and administration costs.

Investments in group enterprises and associates

The company's investments in group enterprises and associates are allocated at the time of investment to the company's strategic portfolio or investment portfolio based on the strategy determined by management for each investment.

Strategic portfolio

Investments allocated to the strategic portfolio are measured using the equity method at the proportionate ownership share of the enterprises' equity plus consolidated goodwill and less intercompany profits and negative goodwill. Goodwill is amortised on a straight-line basis over its estimated useful life, which is determined on the basis of an assessment of the nature, earnings, market position of the acquired enterprise, the stability of the industry and dependence on key personnel, etc.

Accounting policies

Investments in group enterprises and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Investment portfolio

Investments allocated to the investment portfolio are monitored and evaluated based on the development of fair value in accordance with the company's and the group's investment strategy. Accordingly, investments allocated to the investment portfolio are measured at fair value based on internationally accepted valuation methods, which may include earnings multiples and discounted cash flows.

Impairment of assets

The carrying amount of domicile properties, plant and equipment and investments in group enterprises and associates is tested for impairment, other than what is reflected through normal depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Cash

Cash comprises cash at bank.

Other financial investments

Other securities and equity investments are measured at the market value at the balance sheet date if they are listed, or at an estimated fair value if they are not.

Provisions

Provisions are recognised when, at the balance sheet date, the enterprise has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Accounting policies

Provisions expected to be settled after more than one year after the balance sheet date are measured at the net present value of the expected payments. Other provisions are measured at net realisable value, unless otherwise stated.

Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax regulations and tax rates that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered.

Liabilities

Fixed-rate loans such as loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

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

Deferred income

Deferred income recognised under current liabilities comprises payments received concerning income in subsequent financial years.

Foreign currency translation

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

Accounting policies

The results and financial position of group enterprises that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each group enterprise are translated into DKK at the closing rate at the balance sheet date.

Income and expenses for each group enterprise are translated at average exchange rates.

Derivative financial instruments

Derivative financial instruments are measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement under return on investment portfolio.

Cash flow statement

In accordance with the Danish Financial Statements Act § 86,4 the company has decided not to include a cash flow statement.

Financial highlights

Definitions of financial ratios.

Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> m.DKK	<u>2020</u> m.DKK
Return on investment portfolio	1	13,841	-1,113
Other external expenses		-182	-185
Gross profit		13,659	-1,298
Employee expenses	2	-15	-21
Depreciation and impairment losses		-70	-70
Profit from operating activities		13,574	-1,389
Income from investments in group enterprises		1,046	784
Income from investments in associates		-1,001	-2,323
Other financial income	4	46	17
Other financial expenses	5	-51	-280
Profit/loss before tax		13,614	-3,191
Tax on profit/loss for the year	6	-1,743	19
Profit/loss for the year		11,871	-3,172
Distribution of profit	7		

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> m.DKK	<u>2020</u> m.DKK
Assets			
Investment properties	8	2,304	2,124
Domicile properties	9	322	337
Plant and equipment	9	492	546
Tangible assets		<u>3,118</u>	<u>3,007</u>
Investments in group enterprises	10	14,960	13,830
Investments in associates	11	9,516	7,217
Receivables from group enterprises	12	3,158	3,690
Receivables from associates	12	2,952	3,449
Other long-term investments	12	82	89
Financial non-current assets		<u>30,668</u>	<u>28,275</u>
Total non-current assets		<u>33,786</u>	<u>31,282</u>
Receivables from group enterprises		397	331
Receivables from associates		0	125
Other receivables		2,746	828
Corporation tax		0	76
Receivables		<u>3,143</u>	<u>1,360</u>
Other financial investments		72,620	48,277
Securities		<u>72,620</u>	<u>48,277</u>
Cash		<u>1,260</u>	<u>635</u>
Total current assets		<u>77,023</u>	<u>50,272</u>
Total assets		<u><u>110,809</u></u>	<u><u>81,554</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> m.DKK	<u>2020</u> m.DKK
Equity and liabilities			
Share capital		132	132
Revaluation reserve		815	287
Reserve for financial instruments		-93	-176
Retained earnings		69,722	55,293
Equity	13	70,576	55,536
Provision for deferred tax	14	234	233
Other provisions	15	0	40
Total provisions		234	273
Mortgage loans		254	279
Other payables		192	383
Total non-current liabilities	16	446	662
Short-term part of long-term debt	16	408	407
Banks		1,861	1,869
Trade payables		18	18
Payables to group enterprises		35,808	22,707
Corporation tax		1,323	0
Other payables		131	81
Deferred income		4	1
Total current liabilities		39,553	25,083
Total liabilities		39,999	25,745
Total equity and liabilities		110,809	81,554
Contingent liabilities	17		
Assets charged and security	18		
Related parties	19		
Fair value disclosure	3		

Statement of changes in equity

	Share capital	Revaluation reserve	Reserve for net re-valuation under the equity method	Reserve for financial instruments	Retained earnings	Total
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
Equity at 1 January 2021	132	287	0	-176	55,293	55,536
Fair value adjustments in equity from group enterprises and associates	0	842	0	0	1,549	2,391
Fair value adjustment of financial instruments	0	0	0	83	0	83
Capital adjustments in group enterprises and associates	0	0	695	0	0	695
Net profit for the year	0	0	45	0	11,826	11,871
Dividends received from group enterprises and associates recognised at equity value	0	0	-1,111	0	1,111	0
Transfers, reserves	0	-314	371	0	-57	0
Equity at 31 December 2021	132	815	0	-93	69,722	70,576

	Share capital	Revaluation reserve	Reserve for net re-valuation under the equity method	Reserve for financial instruments	Retained earnings	Proposed dividend for the year	Total
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
Equity at 1 January 2020	132	0	2,080	-113	68,858	0	70,957
Extraordinary dividend paid	0	0	0	0	0	-11,256	-11,256
Fair value adjustments in equity from group enterprises and associates	0	669	0	0	-999	0	-330
Fair value adjustment of financial instruments	0	0	0	-63	0	0	-63
Capital adjustments in group enterprises and associates	0	0	-600	0	0	0	-600
Net loss for the year	0	0	-1,539	0	-12,889	11,256	-3,172
Dividends received from group enterprises and associates recognised at equity value	0	0	-5,466	0	5,466	0	0
Transfers, reserves	0	-382	5,525	0	-5,143	0	0
Equity at 31 December 2020	132	287	0	-176	55,293	0	55,536

Notes

	<u>2021</u> m.DKK	<u>2020</u> m.DKK
1 Return on investment portfolio		
Income from investments	969	953
Fair value adjustments	12,747	-2,209
Income from properties	114	114
Other income	11	29
Total return	<u>13,841</u>	<u>-1,113</u>

As investments are made across the globe, a segmentation of the return by geographical market would not be meaningful.

2 Employee expenses		
Wages and salaries	14	19
Pensions	1	1
Other social security costs	0	1
	<u>15</u>	<u>21</u>
Average number of employees	<u>17</u>	<u>20</u>

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the management has not been disclosed.

	<u>2021</u> m.DKK
3 Fair value disclosure	
Investment properties	
Unrealised fair value adjustments recognised in the income statement	<u>9</u>
Investment properties measured at fair value at 31 December	<u>2,304</u>
Investments in associates	
Unrealised fair value adjustments recognised under equity	<u>2,212</u>
Investments in associates measured at fair value at 31 December	<u>8,971</u>

Notes

	<u>2021</u>	
	m.DKK	
Fair value disclosure (continued)		
Derivative financial instruments		
Unrealised fair value adjustments recognised in the income statement		<u>19</u>
Unrealised fair value adjustments recognised under equity		<u>83</u>
Derivative financial instruments measured at fair value at 31 December		<u>73</u>
Securities		
Unrealised fair value adjustments recognised in the income statement		<u>12,841</u>
Securities measured at fair value at 31 December		<u>72,620</u>
	<u>2021</u>	<u>2020</u>
	m.DKK	m.DKK
4 Other financial income		
Interest received from group enterprises	21	14
Other financial income	<u>25</u>	<u>3</u>
	<u>46</u>	<u>17</u>
5 Other financial expenses		
Financial expenses, group enterprises	4	9
Other financial expenses	<u>47</u>	<u>271</u>
	<u>51</u>	<u>280</u>
6 Tax on profit/loss for the year		
Current tax for the year	1,434	14
Deferred tax for the year	1	0
Adjustment of tax concerning previous years	<u>308</u>	<u>-33</u>
	<u>1,743</u>	<u>-19</u>

Notes

	<u>2021</u> m.DKK	<u>2020</u> m.DKK
7 Distribution of profit		
Extraordinary dividend	0	11,256
Reserve for net revaluation under the equity method	45	-1,539
Retained earnings	11,826	-12,889
	<u>11,871</u>	<u>-3,172</u>

8 Investment properties

	<u>2021</u> m.DKK
Cost at 1 January	1,374
Additions for the year	171
Cost at 31 December	<u>1,545</u>
Revaluations at 1 January	750
Revaluations for the year	9
Revaluations at 31 December	<u>759</u>
Carrying amount at 31 December	<u>2,304</u>

Investment properties are recognised at fair value using yields of 4.00 - 9.00 %. If the yield in the calculations increases by 1 % point, the impact on profit before tax would be negative with DKK 314 million.

The investment properties are all located in Billund or Copenhagen, Denmark and consist of office, retail, liberal professions, teaching institutions and residence tenancies.

9 Tangible assets

	<u>Domicile</u> <u>properties</u> m.DKK	<u>Plant and</u> <u>equipment</u> m.DKK
Cost at 1 January	486	871
Additions for the year	1	0
Cost at 31 December	<u>487</u>	<u>871</u>
Impairment losses and depreciation at 1 January	149	325
Depreciation for the year	16	54
Impairment losses and depreciation at 31 December	<u>165</u>	<u>379</u>
Carrying amount at 31 December	<u>322</u>	<u>492</u>

Notes

	2021 m.DKK	2020 m.DKK
10 Investments in group enterprises		
Cost at 1 January	15,811	14,819
Additions for the year	674	1,503
Disposals for the year	0	-511
Cost at 31 December	16,485	15,811
Revaluations at 1 January	-1,981	2,747
Net profit for the year	1,046	784
Received dividend	-1,042	-5,466
Fair value adjustment	179	-165
Reversal of adjustments of disposed assets	0	254
Other adjustments	273	-135
Revaluations at 31 December	-1,525	-1,981
Carrying amount at 31 December	14,960	13,830

Investments in group enterprises are specified as follows:

Name	Registered office	Ownership interest
Group enterprises recognised at equity value:		
Adapture Renewables, Inc.	USA	98%
Boston Holding A/S	Denmark	63%
Einsteinstrasse 130 GmbH	Germany	90%
Einsteinstrasse 130 Betriebsgesellschaft mbH	Germany	90%
Elsenheimerstrasse Invest GmbH	Germany	100%
K & C Holding A/S	Denmark	100%
KIRKBI AG	Switzerland	100%
KIRKBI Anlæg A/S	Denmark	100%
KIRKBI Burbo Extension Holding UK Ltd.	UK	100%
KIRKBI Operational Support ApS	Denmark	100%
KIRKBI Real Estate Investment A/S	Denmark	100%
KIRKBI Real Estate Investment GmbH	Germany	100%
LEGO Juris A/S	Denmark	100%
Light Brick A/S	Denmark	100%
LLJ Investco K.K.	Japan	100%
LV32 A/S	Denmark	100%
Maxor 4 GmbH	Germany	94%
Mølholm-Klinikken Ejendom ApS	Denmark	100%
Neue Flora Invest A/S	Denmark	100%

Notes

	<u>2021</u>	<u>2020</u>
	m.DKK	m.DKK
11 Investments in associates		
Cost at 1 January	12,700	10,087
Additions for the year	488	2,613
Disposals for the year	-98	0
Cost at 31 December	<u>13,090</u>	<u>12,700</u>
Revaluations at 1 January	-5,483	-2,974
Disposals for the year	74	0
Net loss for the year	-1,001	-2,323
Received dividend	-375	0
Fair value adjustment	2,212	-165
Other adjustments	422	-465
Equity investments with negative net asset value offset in receivables	577	444
Revaluations at 31 December	<u>-3,574</u>	<u>-5,483</u>
Carrying amount at 31 December	<u><u>9,516</u></u>	<u><u>7,217</u></u>

Investments in associates are specified as follows:

Name	Registered office	Ownership interest
Associates recognised at equity value:		
Founders A/S	Denmark	33%
Motion JVco Limited/Merlin Entertainments	UK	47%
Shanghai LEGOLAND Co., Ltd.	China	26%
Associates recognised at fair value:		
EEDI Ltd.	UK	28%
Falck A/S	Denmark	28%
Golvikken Newco AB	Sweden	48%
Neptune Topco S.á r.l.	Luxembourg	44%
Nilfisk Holding A/S	Denmark	20%
Peppy Pals AB	Sweden	24%

Notes

12 Receivables and other long-term investments

	Receivables from group enterprises	Receivables from asso- ciates	Other long- term investments
	m.DKK	m.DKK	m.DKK
Cost at 1 January	3,690	3,893	89
Additions for the year	311	15,749	4
Disposals for the year	-843	-15,669	-8
Cost at 31 December	3,158	3,973	85
Impairment losses at 1 January	0	444	0
Impairment losses for the year	0	0	3
Equity investments with negative net asset value offset in receivables	0	577	0
Impairment losses at 31 December	0	1,021	3
Carrying amount at 31 December	3,158	2,952	82

13 Equity

The share capital consists of 63,866,000 class A shares of DKK 1 and 68,134,000 class B shares of DKK 1 or multiples thereof.

The share capital has developed as follows:

	2021	2020	2019	2018	2017
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
Share capital at 1 January	132	132	126	126	120
Additions for the year	0	0	6	0	6
Share capital	132	132	132	126	126

14 Provision for deferred tax

	2021	2020
	m.DKK	m.DKK
Provision for deferred tax at 1 January	233	233
Deferred tax recognised in income statement	1	0
Provision for deferred tax at 31 December	234	233

Notes

	<u>2021</u>	<u>2020</u>
	m.DKK	m.DKK
15 Other provisions		
Balance at beginning of year at 1 January	40	40
Utilised in the year	-40	0
Balance at 31 December	<u>0</u>	<u>40</u>

16 Non-current liabilities

	<u>Debt</u>	<u>Debt</u>	<u>Instalment next</u>	<u>Debt</u>
	at 1 January	at 31	year	outstanding
	m.DKK	December	m.DKK	after 5 years
	m.DKK	m.DKK	m.DKK	m.DKK
Mortgage loans	279	254	25	159
Other payables	383	192	383	0
	<u>662</u>	<u>446</u>	<u>408</u>	<u>159</u>

17 Contingent liabilities

The company is part of a joint taxation arrangement in which the parent company, KIRKBI A/S is the management company. Therefore, the company is jointly and severally liable for tax in the group's joint taxation income, etc., including surcharges and interest. Also, the company is jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax, including surcharges and interest, to which the jointly taxed entities are liable. Any subsequent changes in corporate income taxes and withholding taxes may imply that the company becomes liable to pay tax.

Contingent liabilities and legal commitments to participate in investment projects and other purchase obligations amount to a maximum of DKK 13,831 million (2020: DKK 9,185 million).

The company has provided payment guarantees of DKK 576 million (2020: DKK 493 million).

Apart from the above, there are no contingent liabilities at the balance sheet date.

Notes

18 Assets charged and security

Security has been given in land, buildings and installations with a net carrying amount of DKK 1,277 million (2020: DKK 1,242 million) for the company's mortgage loans which amount to DKK 282 million (2020: DKK 306 million).

Apart from the above, there are no security provided or assets charged at the balance sheet date.

19 Related parties

Controlling interest

The parent company, KIRKBI A/S, Billund has a controlling interest.

Kjeld Kirk Kristiansen has as shareholder significant influence in KIRKBI Invest A/S.

Transactions

All transactions with related parties are made on market terms.