

KIRKBI Invest A/S

Koldingvej 2
7190 Billund

CVR no. 31 15 98 30

Annual report for 2020

Adopted at the annual general
meeting on 29 April 2021

chairman

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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 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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, 20 April 2021

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 2020, 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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. 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, 20 April 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Thomas Rosquist Andersen
State Authorised Public Accountant
MNE no. mne31482

Nikolaj Thomsen
State Authorised Public Accountant
MNE no. mne33276

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 2020

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

Seen over a 5-year period, the development of the company may be described by means of the following financial highlights:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
Key figures					
Profit/loss					
Revenue	1,096	1,338	1,071	889	997
Profit from ordinary operating activities	839	1,036	847	791	826
Net financials	-2,491	6,959	-2,417	2,195	1,255
Profit/loss for the year	-3,172	8,730	-108	4,209	3,273
Balance sheet					
Balance sheet total	81,554	90,464	73,431	66,876	55,887
Investment in property, plant and equipment	230	225	122	389	313
Equity	55,536	70,957	49,062	48,665	25,448
Financial ratios					
Solvency ratio	68.1%	78.4%	66.8%	72.8%	45.5%
Return on equity	-5.0%	14.5%	-0.2%	11.4%	13.8%
Average number of full-time employees	20	20	19	18	16

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. The investment activities have been exposed to a challenging environment in 2020, where companies have faced sudden supply chain interruptions and changing demand characteristics due to the pandemic. Following a significant portfolio decline in the first half of 2020, the investment portfolio recovered partly in the second half of 2020. In addition to a market environment that have been categorised by a high degree of uncertainty due to COVID-19, intensified geopolitics also became the reality with the implementation of various new legislative trade measures between USA and China as well as UK leaving the EU. In light of the tumultuous events in 2020, KIRKBI Invest A/S has focused on actively engaging with its portfolio companies to provide support and strategic guidance when needed.

The challenging environment impacted the investment portfolio negatively and resulted in net loss for the year of DKK 3,172 million (profit of DKK 8,730 million in 2019). Loss for the year includes profits from group enterprises in the amount of DKK 784 million (DKK 2,024 million in 2019) and losses from associates of DKK 2,323 million (loss of DKK 214 million in 2019). The company's balance sheet shows total assets of DKK 81,554 million. Total equity as at 31 December 2020 amounts to DKK 55,536 million, corresponding to a solvency ratio of 68 %.

Under the exceptional circumstances of a global pandemic, KIRKBI Invest A/S delivered a satisfactory result for the year.

During 2020, the ownership stake in Merlin Entertainments was diluted to 47.5 %. Merlin Entertainments was significantly impacted by the COVID-19 pandemic as the company's 130 attractions, 21 hotels and six holiday villages were either closed, partly closed or limited in number of visitors. In general, the hospitality and leisure sector was significantly impacted by the pandemic due to the combination of mandatory closures, capacity restrictions created by social distancing requirements, and lower consumer demand in many markets.

Management's review

For Merlin Entertainments, this new reality led to a reduction of around two-thirds with regards to number of visitors and revenue compared to 2019. Despite a disciplined approach to cost and liquidity, the financial result was significantly impacted. In 2020, revenue was reduced to GBP 629 million compared to GBP 1,740 million last year, and profit for the year excluding goodwill impairment was negative with GBP 499 million compared with a profit of GBP 124 million last year. KIRKBI Invest A/S' share of profit for 2020 was a loss of DKK 2,312 million compared with a loss of DKK 200 million in 2019.

The shares in KIRKBI Estates Ltd. were disposed by the end of 2020.

During 2020, dividends of DKK 11,256 million has been distributed. No dividend is proposed by the end of 2020.

Investments

The investment portfolio consist of long-term equity investments, Private Equity investments, real estate investments, investments in renewable energy, investments in circular plast and investments in quoted equities and bonds.

Long-term equity investments:

During 2020, KIRKBI Invest A/S increased its ownership stake in Armacell to 43.5 %. The financial results from long-term equity investments for 2020 were negatively impacted by e.g. the listed valuations of ISS A/S and Landis+Gyr.

Private Equity Investments:

Private Equity demonstrated a strong performance in 2020. During the year, KIRKBI Invest A/S made four new commitments to Private Equity funds and additional capital was deployed in two co-investments with two preferred Private Equity partners.

Real estate investments:

In 2020, an investment property in Spreitenbach, Switzerland was acquired. The investment was made through a fully owned subsidiary of KIRKBI Invest A/S.

Investments in renewable energy:

KIRKBI Invest A/S has ownership in two off-shore wind farms, Borkum Riffgrund 1 and Burbo Bank Extension. Both wind farms are operated by Ørsted and delivered a stable financial return during 2020 in line with expectations.

In 2019, KIRKBI Invest A/S invested into the company, Adapture Renewables (former Enerparc Inc.), which develops, builds and operates solar power parks in USA. During 2020, the capacity of the operating solar portfolio has increased from 70 MW to more than 230 MW.

Management's review

Investments in renewable energy are made through subsidiaries of KIRKBI Invest A/S.

Investments in circular plast:

In 2020, KIRKBI Invest A/S completed a minority investment in the innovative Norwegian plastic recycling company Quantafuel. KIRKBI Invest A/S owns 10.2 % of the company by the end of 2020.

Quantafuel develops, owns and operates plastic-to-liquid plants, transforming mixed plastic waste previously destined for landfill or incineration into high-quality synthetic fuels (recycled carbon fuels) or chemical feedstock (naphtha) for new plastic production.

Significant events occurring after the end of the financial year

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

Expectations for 2021

Expectations for the KIRKBI Invest A/S' financial performance for 2021 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.

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, and hence it is difficult to predict the financial return for the investment activities. A normalised investment return for the KIRKBI Invest A/S would be an investment return between 5 % and 7 %.

The financial performance of Merlin Entertainments is highly dependent on the development of the COVID-19 pandemic and to what extent operations will be closed or operate under restrictions.

Risks and uncertainties

Listed equities and bonds are recognised at the listed price at the balance sheet date. At the end of the year, the market value of the company's listed and unlisted equities and bonds amounted to DKK 48.3 billion. The valuation is by nature exposed to fluctuations in the financial markets.

Management's review

Group enterprises and associates are recognised at fair value or net asset value. Investments in Private Equity funds are measured at an estimated market value of the assets in the underlying funds based on the most recent reports from these funds. The company's investment properties are measured on the basis of an individual review and assessment of each property, which is impacted by the way in which economic trends will impact on the demand for commercial leases and, hence, the occupancy rate and rent level as well as developments in the long-term interest rate.

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 2020, the company employed 20 FTEs on average, which is unchanged compared to 2019.

Impact on external environment

The company's portfolio of real estate is constantly kept at a high standard, ensuring a healthy environment for the tenants and contributing to ensuring that heat consumption, noise pollution, etc. will at all times live up to current requirements and standards.

Corporate responsibility

Reference is made to the management's review of the parent company KIRKBI A/S in the section "How we work with sustainability". The KIRKBI A/S annual report 2020 is published on the website: www.kirkbi.com/about/annual-reports/.

Diversity policy

KIRKBI Invest A/S has the ambition to have a balanced composition of the gender 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.

Accounting policies

The annual report of KIRKBI Invest A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

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

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.

Basis of recognition and measurement

Income is recognised in the income statement when earned. Furthermore, all costs incurred to generate earnings for the year are recognised in the income statement, including depreciation and impairment losses.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Income from investments include interest and dividends from securities and is accrued to the period.

Income from properties includes rental income.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Accounting policies

Other external expenses

Other external expenses include expenses related to the various revenue 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. made to the entity's employees.

Depreciation and impairment losses

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

Value adjustments of investment properties

Value adjustments of investment properties comprise the year's changes in the fair value of investment properties.

Other financial income and expenses

Financial income and expenses are recognised in the income statement by the amounts attributable to this financial year. Financial income and expenses consist of interest income and expenses, 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.

Accounting policies

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.

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 comprises 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.

Accounting policies

On subsequent recognition investment properties are recognised at fair value by use of a returnbased valuation model. The model is based on an expected cash flow 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. Such normal earnings are capitalised by the individually determined rates of return.

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, among other factors.

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 and adjusted in the equity. The valuation is based on internationally accepted valuation methods, which may include earnings multiples and discounted cash flows.

Investments in group enterprises 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.

Impairment of assets

The carrying amount of property, 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.

Accounting policies

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 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.

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.

Accounting policies

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.

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.

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 financial income and expenses.

Cash flow statement

The company has decided not to include a cash flow statement due to Danish Financial Statements Act § 86,4.

Accounting policies

Financial highlights

Definitions of financial ratios.

Solvency ratio

Equity at year-end x 100

Total assets at year-end

Return on equity

Net profit for the year x 100

Average equity

Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> m.DKK	<u>2019</u> m.DKK
Revenue	1	1,096	1,338
Other external expenses		-185	-188
Gross profit		911	1,150
Employee expenses	2	-21	-19
Depreciation and impairment losses		-70	-122
Fair value adjustments of investment properties		19	27
Profit from ordinary operating activities		839	1,036
Income from investments in group enterprises	3	784	2,024
Income from investments in associates	4	-2,323	-214
Other financial income	5	17	7,074
Other financial expenses	6	-2,508	-115
Profit/loss before tax		-3,191	9,805
Tax on profit/loss for the year	7	19	-1,075
Profit/loss for the year		-3,172	8,730
Distribution of profit	8		

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> m.DKK	<u>2019</u> m.DKK
Assets			
Investment properties	9	2,124	1,877
Domicile properties	10	337	351
Plant and equipment	10	546	600
Tangible assets		<u>3,007</u>	<u>2,828</u>
Investments in group enterprises	11	13,830	17,566
Investments in associates	12	7,217	7,113
Receivables from group enterprises	13	3,690	3,593
Receivables from associates	13	3,449	3,794
Other long-term investments	13	89	88
Financial non-current assets		<u>28,275</u>	<u>32,154</u>
Total non-current assets		<u>31,282</u>	<u>34,982</u>
Receivables from group enterprises		331	1,617
Receivables from associates		125	661
Other receivables		828	1,137
Corporation tax		76	0
Receivables		<u>1,360</u>	<u>3,415</u>
Other investments		48,277	51,642
Securities		<u>48,277</u>	<u>51,642</u>
Cash		<u>635</u>	<u>425</u>
Total current assets		<u>50,272</u>	<u>55,482</u>
Total assets		<u><u>81,554</u></u>	<u><u>90,464</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> m.DKK	<u>2019</u> m.DKK
Equity and liabilities			
Share capital		132	132
Revaluation reserve		287	0
Reserve for net revaluation under the equity method		0	2,080
Reserve for financial instruments		-176	-113
Retained earnings		55,293	68,858
Total equity	14	55,536	70,957
Provision for deferred tax	15	233	233
Other provisions	16	40	40
Total provisions		273	273
Banks		0	311
Mortgage loans		279	303
Other payables		383	575
Total non-current liabilities	17	662	1,189
Short-term part of long-term debet	17	407	417
Banks		1,869	1,645
Trade payables		18	31
Payables to group enterprises		22,707	14,822
Corporation tax		0	1,058
Other payables		81	72
Deferred income		1	0
Total current liabilities		25,083	18,045
Total liabilities		25,745	19,234
Total equity and liabilities		81,554	90,464
Contingent liabilities	18		
Assets charged and security	19		
Related parties	20		

Statement of changes in equity

	Share capital	Revalua- tion 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	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 profit/loss for the year	0	0	-1,539	0	-12,889	11,256	-3,172
Dividends received from investments in group enterprises and associates	0	0	-5,466	0	5,466	0	0
Transfers, reserves	0	-382	5,525	0	-5,143	0	0
Equity at 31 December	132	287	0	-176	55,293	0	55,536

Notes

	<u>2020</u> m.DKK	<u>2019</u> m.DKK
1 Revenue		
Segmentation by activity:		
Income from investments	953	1,186
Income from properties	114	112
Other income	29	40
Total revenue	<u>1,096</u>	<u>1,338</u>
As investments are made across the globe, a segmentation of revenue by geographical market would not be meaningful.		
2 Employee expenses		
Wages and salaries	19	17
Pensions	1	1
Other social security costs	1	1
	<u>21</u>	<u>19</u>
Including remuneration to the executive board: Executive management and board of directors	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>
Average number of employees	<u>20</u>	<u>20</u>
3 Income from investments in group enterprises		
Share of result in group enterprises	785	2,024
Amortisation of goodwill	-1	0
	<u>784</u>	<u>2,024</u>
4 Income from investments in associates		
Share of result in associates	-2,323	-204
Amortisation of goodwill	0	-10
	<u>-2,323</u>	<u>-214</u>

Notes

	<u>2020</u> m.DKK	<u>2019</u> m.DKK
5 Other financial income		
Interest received from group enterprises	14	14
Other financial income	3	58
Value adjustments of other investments	0	7,002
	<u>17</u>	<u>7,074</u>
6 Other financial expenses		
Financial expenses, group enterprises	9	14
Other financial expenses	271	101
Value adjustments of other investments	2,228	0
	<u>2,508</u>	<u>115</u>
7 Tax on profit/loss for the year		
Current tax for the year	14	1,142
Deferred tax for the year	0	-3
Adjustment of tax concerning previous years	-33	-64
	<u>-19</u>	<u>1,075</u>
8 Distribution of profit		
Extraordinary dividend	11,256	0
Reserve for net revaluation under the equity method	-1,539	1,810
Retained earnings	-12,889	6,920
	<u>-3,172</u>	<u>8,730</u>

Notes

9 Assets measured at fair value

	Investment properties
	<u>m.DKK</u>
Cost at 1 January	1,142
Additions for the year	233
Disposals for the year	-1
Cost at 31 December	<u>1,374</u>
Revaluations at 1 January	735
Revaluations for the year	19
Revaluation of disposals	-4
Revaluations at 31 December	<u>750</u>
Carrying amount at 31 December	<u><u>2,124</u></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 275 million.

The investment properties are all located in Denmark and consist of office, retail, liberal professions, teaching institutions and residence tenancies. A part of the value of the investment properties is related to a just finalised project. This project is measured at cost.

10 Tangible assets

	Domicile properties	Plant and equipment
	<u>m.DKK</u>	<u>m.DKK</u>
Cost at 1 January	484	871
Additions for the year	2	0
Cost at 31 December	<u>486</u>	<u>871</u>
Impairment losses and depreciation at 1 January	133	271
Depreciation for the year	16	54
Impairment losses and depreciation at 31 December	<u>149</u>	<u>325</u>
Carrying amount at 31 December	<u><u>337</u></u>	<u><u>546</u></u>

Notes

	<u>2020</u> m.DKK	<u>2019</u> m.DKK
11 Investments in group enterprises		
Cost at 1 January	14,819	11,662
Additions for the year	1,503	3,157
Disposals for the year	-511	0
Cost at 31 December	<u>15,811</u>	<u>14,819</u>
Revaluations at 1 January	2,747	2,199
Net profit/loss for the year	784	2,024
Received dividend	-5,466	-1,548
Fair value adjustment	-165	-14
Reversal of adjustments of disposed assets	254	0
Other adjustments	-135	86
Revaluations at 31 December	<u>-1,981</u>	<u>2,747</u>
Carrying amount at 31 December	<u><u>13,830</u></u>	<u><u>17,566</u></u>
Analysis of the carrying amount		
Share of the net asset value	13,444	17,176
Fair value	379	382
Goodwill on consolidation	7	8
	<u><u>13,830</u></u>	<u><u>17,566</u></u>

Notes

Investments in group enterprises are specified as follows:

Name	Registered office	Ownership interest
Group enterprises recognised at equity value:		
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%
Group enterprises recognised at fair value:		
Adapture Renewables, Inc.	USA	92%

Notes

	<u>2020</u>	<u>2019</u>
	m.DKK	m.DKK
12 Investments in associates		
Cost at 1 January	10,087	7,674
Additions for the year	2,613	2,413
Cost at 31 December	<u>12,700</u>	<u>10,087</u>
Revaluations at 1 January	-2,974	-1,976
Net profit/loss for the year	-2,323	-214
Received dividend	0	-143
Fair value adjustment	-165	-532
Other adjustments	-465	-109
Equity investments with negative net asset value offset in receivables	444	0
Revaluations at 31 December	<u>-5,483</u>	<u>-2,974</u>
Carrying amount at 31 December	<u><u>7,217</u></u>	<u><u>7,113</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%
Associates recognised at fair value:		
EEDI Ltd.	UK	28%
Evolve Additive Solutions, Inc	USA	25%
Falck A/S	Denmark	29%
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

13 Fixed asset investments

	Receivables from group enterprises	Receivables from asso- ciates	Other long- term investments
	m.DKK	m.DKK	m.DKK
Cost at 1 January	3,593	3,794	88
Additions for the year	739	253	5
Disposals for the year	-642	-154	-4
Cost at 31 December	3,690	3,893	89
Equity investments with negative net asset value offset in receivables	0	444	0
Impairment losses at 31 December	0	444	0
Carrying amount at 31 December	3,690	3,449	89

14 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:

	2020	2019	2018	2017	2016
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
Share capital at 1 January	132	126	126	120	120
Additions for the year	0	6	0	6	0
Share capital	132	132	126	126	120

15 Provision for deferred tax

	2020	2019
	m.DKK	m.DKK
Provision for deferred tax at 1 January	233	236
Provision in year	0	-3
Provision for deferred tax at 31 December	233	233

Notes

	<u>2020</u> m.DKK	<u>2019</u> m.DKK
16 Other provisions		
Other provisions at 1 January	40	40
Other provisions at 31 December	<u>40</u>	<u>40</u>

17 Non-current liabilities

	<u>Debt</u> <u>at 1 January</u> m.DKK	<u>Debt</u> <u>at 31</u> <u>December</u> m.DKK	<u>Instalment next</u> <u>year</u> m.DKK	<u>Debt</u> <u>outstanding</u> <u>after 5 years</u> m.DKK
Banks	311	0	0	0
Mortgage loans	303	279	24	185
Other payables	575	383	383	0
	<u>1,189</u>	<u>662</u>	<u>407</u>	<u>185</u>

18 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 9,185 million (2019: DKK 6,463 million).

The company has provided payment guarantees of DKK 493 million (2019: DKK 445 million).

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

Notes

19 Assets charged and security

Security has been given in land, buildings and installations with a net carrying amount of DKK 1,242 million (2019: DKK 1,189 million) for the company's mortgage loans which amount to DKK 306 million (2019: DKK 330 million).

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

20 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.