

# **KIRKBI Invest A/S**

Koldingvej 2  
7190 Billund

CVR no. 31 15 98 30

## **Annual report for 2022**

Adopted at the annual general  
meeting on 28 April 2023

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chairman of the general meeting

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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 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In our opinion, management's review includes a fair presentation of the matters covered therein.

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

Billund, 31 March 2023

### **Executive management**

Søren Thorup Sørensen

### **Board of directors**

Kjeld Kirk Kristiansen  
chairman

Kenni Foldager

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 2022, 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 2022 and of the results of the company's operations 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 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, 31 March 2023

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 2022

Domicile: Billund

### Board of directors

Kjeld Kirk Kristiansen, chairman  
Kenni Foldager  
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

	2022	2021	2020	2019	2018
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
<b>Key figures</b>					
<b>Income statement</b>					
Return on investment portfolio	-4,409	13,841	-1,113	8,367	-1,181
Profit/loss from operating activities	-4,690	13,574	-1,389	8,038	-1,489
Net financials	70	-5	-263	-43	-81
Profit/loss for the year	-1,338	11,871	-3,172	8,730	-108
<b>Balance sheet</b>					
Balance sheet total	112,545	110,809	81,554	90,464	73,431
Investment in property, plant and equipment	767	172	230	225	122
Equity	67,703	70,576	55,536	70,957	49,062
<b>Financial ratios</b>					
Solvency ratio	60.2%	63.7%	68.1%	78.4%	66.8%
Return on equity	-1.9%	18.8%	-5.0%	14.5%	-0.2%
Average number of full-time employees	15	17	20	20	19

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. For 2022 focus for the investment activities has been on steering the portfolio through an unprecedented eventful year impacted by the war in Ukraine, supply chain challenges, energy crisis in Europe, inflationary pressure, continued COVID-related lockdowns and significant interest rate increases.

During 2022 KIRKBI Invest A/S made two significant investments. In April 2022, a USD 1 billion investment in Epic Games and six months later KIRKBI Invest A/S completed a 100 % acquisition with the USD 875 million acquisition of BrainPOP.

The financial year 2022 showed a loss of DKK 1,338 million (profit of DKK 11,871 million in 2021). Compared to benchmarks, the financial performance of the investment activities is considered satisfactory.

Merlin Entertainments – the operator of the LEGOLAND Parks and LEGO Discovery Centres – started, on the back of two years severely impacted by the COVID-19 pandemic, to see a normalized activity level in 2022 with an increased number of visitors especially in the US and Europe while Asia continued to be impacted by lockdown and restrictions. With 54 million visitors in 2022 compared with 35 million in 2021, Merlin Entertainments managed to increase revenue in 2022 with more than 50 %. KIRKBI Invest A/S share of the result was a profit of DKK 77 million in 2022 compared to a loss of DKK 988 million in 2021.

The result for the year was lower than the expectations for 2022, disclosed in the annual report for 2021.

The company's balance sheet end of 2022 shows total assets of DKK 112.5 billion and total equity amounts to DKK 67.7 billion, corresponding to a solvency ratio of 60 %.

### 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.

## Management's review

### Expectations for 2023

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 around 5 % of the investment portfolio.

Merlin Entertainments expects growth in 2023 in both number of visitors, revenue and earnings compared to 2022, driven by both organic growth as well as the opening of new attractions.

### 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 2022, the company employed 15 FTEs, which is 2 FTEs less compared to 2021.

### 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 2022 is published on the website: [www.kirkbi.com/about/annual-reports/](http://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. In 2022 Sidsel Marie Kristensen was member of the board, until she on 1 February 2023 took up the position as CEO for the LEGO Foundation. No gender target has been set for other management levels due to the relatively low number of employees.

### 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 2022 is published on the website: [www.kirkbi.com/about/annual-reports/](http://www.kirkbi.com/about/annual-reports/).

## Accounting policies

The annual report of KIRKBI Invest A/S for 2022 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.

### 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.

#### 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.

## Accounting policies

### 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 recognised 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:

	<b>Useful life</b>
Domicile properties and installations	25 years
Plant and equipment	3-10 years

The useful lives and residual values are reassessed annually.

## Accounting policies

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 are recognised at cost, comprising the purchase price, including purchase costs. On subsequent recognition investment properties are valued at fair value by use of a return-based 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.

### **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 recognised 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.

Investments in group enterprises and associates with a negative net asset value are recognised 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.

## Accounting policies

### 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 recognised at amortised cost.

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

### Other financial investments

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

### Cash

Cash comprises cash at bank.

### 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 recognised 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 recognised at net realisable value.

Deferred tax is recognised 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 recognised 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.

## Accounting policies

Other liabilities are recognised 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.

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 recognised 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.

## Accounting policies

### Financial highlights

Definitions of financial ratios.

Solvency ratio

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Equity at year-end x 100

Total assets at year-end

Return on equity

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Net profit for the year x 100

Average equity



## Income statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> m.DKK	<u>2021</u> m.DKK
Return on investment portfolio	1	-4,409	13,841
Other external expenses		-198	-182
<b>Gross profit</b>		<b>-4,607</b>	<b>13,659</b>
Employee expenses	2	-13	-15
Depreciation and impairment losses		-70	-70
<b>Profit/loss from operating activities</b>		<b>-4,690</b>	<b>13,574</b>
Income from investments in group enterprises		2,028	1,046
Income from investments in associates		-50	-1,001
Other financial income	3	142	46
Other financial expenses	4	-72	-51
<b>Profit/loss before tax</b>		<b>-2,642</b>	<b>13,614</b>
Tax on profit/loss for the year	5	1,304	-1,743
<b>Profit/loss for the year</b>		<b>-1,338</b>	<b>11,871</b>
Distribution of profit/loss	7		

## Balance sheet 31 December

	<u>Note</u>	<u>2022</u> m.DKK	<u>2021</u> m.DKK
<b>Assets</b>			
Investment properties	8	3,035	2,304
Domicile properties	9	306	322
Plant and equipment	9	438	492
<b>Tangible assets</b>		<b><u>3,779</u></b>	<b><u>3,118</u></b>
Investments in group enterprises	10	22,200	14,960
Investments in associates	11	7,217	9,516
Receivables from group enterprises	12	2,092	3,158
Receivables from associates	12	2,981	2,952
Other long-term investments	12	0	82
<b>Financial non-current assets</b>		<b><u>34,490</u></b>	<b><u>30,668</u></b>
<b>Total non-current assets</b>		<b><u>38,269</u></b>	<b><u>33,786</u></b>
Receivables from group enterprises		524	397
Receivables from associates		9	0
Other receivables		2,120	2,746
Corporation tax		1,251	0
<b>Receivables</b>		<b><u>3,904</u></b>	<b><u>3,143</u></b>
Other financial investments		69,890	72,620
<b>Securities</b>		<b><u>69,890</u></b>	<b><u>72,620</u></b>
<b>Cash</b>		<b><u>482</u></b>	<b><u>1,260</u></b>
<b>Total current assets</b>		<b><u>74,276</u></b>	<b><u>77,023</u></b>
<b>Total assets</b>		<b><u><u>112,545</u></u></b>	<b><u><u>110,809</u></u></b>

## Balance sheet 31 December

	<u>Note</u>	<u>2022</u> m.DKK	<u>2021</u> m.DKK
<b>Equity and liabilities</b>			
Share capital		132	132
Revaluation reserve		0	815
Reserve for financial instruments		163	-93
Retained earnings		67,408	69,722
<b>Equity</b>	13	<u><b>67,703</b></u>	<u><b>70,576</b></u>
Provision for deferred tax	14	224	234
<b>Total provisions</b>		<u><b>224</b></u>	<u><b>234</b></u>
Mortgage loans		234	254
Other payables		615	192
<b>Total non-current liabilities</b>	15	<u><b>849</b></u>	<u><b>446</b></u>
Short-term part of long-term debt	15	21	408
Banks		1,705	1,861
Trade payables		40	18
Payables to group enterprises		41,476	35,808
Corporation tax		0	1,323
Other payables		527	131
Deferred income		0	4
<b>Total current liabilities</b>		<u><b>43,769</b></u>	<u><b>39,553</b></u>
<b>Total liabilities</b>		<u><b>44,618</b></u>	<u><b>39,999</b></u>
<b>Total equity and liabilities</b>		<u><u><b>112,545</b></u></u>	<u><u><b>110,809</b></u></u>
Contingent liabilities	16		
Assets charged and security	17		
Related parties	18		
Fair value disclosure	6		

## Statement of changes in equity

	Share capital	Revaluation reserve	Reserve for net revaluation 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 2022	132	815	0	-93	69,722	70,576
Fair value adjustments in equity from group enterprises and associates	0	-815	0	0	-872	-1,687
Fair value adjustment of financial instruments	0	0	0	256	0	256
Capital adjustments in group enterprises and associates	0	0	-104	0	0	-104
Net profit/loss for the year	0	0	1,978	0	-3,316	-1,338
Dividends received from group enterprises and associates recognised at equity value	0	0	-1,585	0	1,585	0
Transfers, reserves	0	0	-289	0	289	0
<b>Equity at 31 December 2022</b>	<b>132</b>	<b>0</b>	<b>0</b>	<b>163</b>	<b>67,408</b>	<b>67,703</b>

	Share capital	Revaluation reserve	Reserve for net revaluation 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/loss 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
<b>Equity at 31 December 2021</b>	<b>132</b>	<b>815</b>	<b>0</b>	<b>-93</b>	<b>69,722</b>	<b>70,576</b>

## Notes

	<u>2022</u> m.DKK	<u>2021</u> m.DKK
<b>1 Return on investment portfolio</b>		
Income from investments	1,117	969
Fair value adjustments	-5,672	12,747
Income from properties	126	114
Other income	20	11
<b>Total return</b>	<b><u>-4,409</u></b>	<b><u>13,841</u></b>
As investments are made across the globe, a segmentation of the return by geographical market would not be meaningful.		
<b>2 Employee expenses</b>		
Wages and salaries	12	14
Pensions	1	1
	<b><u>13</u></b>	<b><u>15</u></b>
Average number of employees	<u>15</u>	<u>17</u>
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the management has not been disclosed.		
<b>3 Other financial income</b>		
Interest received from group enterprises	20	21
Other financial income	122	25
	<b><u>142</u></b>	<b><u>46</u></b>
<b>4 Other financial expenses</b>		
Financial expenses, group enterprises	29	4
Other financial expenses	43	47
	<b><u>72</u></b>	<b><u>51</u></b>

## Notes

	<u>2022</u> m.DKK	<u>2021</u> m.DKK
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	-1,155	1,434
Deferred tax for the year	-10	1
Adjustment of tax concerning previous years	-139	308
	<u><b>-1,304</b></u>	<u><b>1,743</b></u>
<b>6 Fair value disclosure</b>		
<b>Investment properties</b>		
Unrealised fair value adjustments recognised in the income statement	<u>-36</u>	<u>9</u>
Investment properties measured at fair value at 31 December	<u>3,035</u>	<u>2,304</u>
<b>Investments in associates</b>		
Unrealised fair value adjustments recognised under equity	<u>-1,687</u>	<u>2,212</u>
Investments in associates measured at fair value at 31 December	<u>6,673</u>	<u>8,971</u>
<b>Derivative financial instruments</b>		
Unrealised fair value adjustments recognised in the income statement	<u>225</u>	<u>19</u>
Unrealised fair value adjustments recognised under equity	<u>256</u>	<u>83</u>
Derivative financial instruments measured at fair value at 31 December	<u>77</u>	<u>73</u>
<b>Securities</b>		
Unrealised fair value adjustments recognised in the income statement	<u>-7,181</u>	<u>12,841</u>
Securities measured at fair value at 31 December	<u>69,890</u>	<u>72,620</u>

## Notes

	<u>2022</u>	<u>2021</u>
	m.DKK	m.DKK
<b>7 Distribution of profit/loss</b>		
Reserve for net revaluation under the equity method	1,978	45
Retained earnings	-3,316	11,826
	<u><b>-1,338</b></u>	<u><b>11,871</b></u>

**8 Investment properties**

	<u>2022</u>
	m.DKK
Cost at 1 January	1,545
Additions for the year	770
Disposals for the year	-3
<b>Cost at 31 December</b>	<u><b>2,312</b></u>
Revaluations at 1 January	759
Revaluations for the year	-36
<b>Revaluations at 31 December</b>	<u><b>723</b></u>
<b>Carrying amount at 31 December</b>	<u><u><b>3,035</b></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 460 million.

The properties are located in Jutland, mainly near Billund, and in Copenhagen and consist of office, retail, liberal professions, teaching institutions, land and residence tenancies.

**9 Tangible assets**

	<u>Domicile</u>	<u>Plant and</u>
	properties	equipment
	m.DKK	m.DKK
Cost at 1 January	487	871
<b>Cost at 31 December</b>	<u><b>487</b></u>	<u><b>871</b></u>
Impairment losses and depreciation at 1 January	165	379
Depreciation for the year	16	54
<b>Impairment losses and depreciation at 31 December</b>	<u><b>181</b></u>	<u><b>433</b></u>
<b>Carrying amount at 31 December</b>	<u><u><b>306</b></u></u>	<u><u><b>438</b></u></u>

## Notes

	<u>2022</u>	<u>2021</u>
	m.DKK	m.DKK
<b>10 Investments in group enterprises</b>		
Cost at 1 January	16,485	15,811
Additions for the year	6,969	674
Disposals for the year	-38	0
<b>Cost at 31 December</b>	<b><u>23,416</u></b>	<b><u>16,485</u></b>
Revaluations at 1 January	-1,525	-1,981
Disposals for the year	-155	0
Net profit for the year	2,028	1,046
Received dividend	-1,585	-1,042
Fair value adjustment	0	179
Other adjustments	21	273
<b>Revaluations at 31 December</b>	<b><u>-1,216</u></b>	<b><u>-1,525</u></b>
<b>Carrying amount at 31 December</b>	<b><u><u>22,200</u></u></b>	<b><u><u>14,960</u></u></b>

Goodwill included in carrying amount at 31 December 2022	<u>7,117</u>
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Investments in group enterprises are specified as follows:

Name	Registered office	Ownership interest
Group enterprises recognised at equity value:		
Adapture Renewables, Inc.	USA	98%
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%
Mateo Holdco US, Inc.	USA	100%
Maxor 4 GmbH	Germany	94%
Mølholm-Klinikken Ejendom ApS	Denmark	100%
Neue Flora Invest A/S	Denmark	100%



## Notes

	<u>2022</u>	<u>2021</u>
	m.DKK	m.DKK
<b>11 Investments in associates</b>		
Cost at 1 January	13,090	12,700
Additions for the year	343	488
Disposals for the year	-441	-98
<b>Cost at 31 December</b>	<b><u>12,992</u></b>	<b><u>13,090</u></b>
Revaluations at 1 January	-3,574	-5,483
Disposals for the year	252	74
Net loss for the year	-50	-1,001
Received dividend	-627	-375
Fair value adjustment	-1,687	2,212
Other adjustments	-125	422
Equity investments with negative net asset value offset in receivables	36	577
<b>Revaluations at 31 December</b>	<b><u>-5,775</u></b>	<b><u>-3,574</u></b>
<b>Carrying amount at 31 December</b>	<b><u><u>7,217</u></u></b>	<b><u><u>9,516</u></u></b>

Investments in associates are specified as follows:

Name	Registered office	Ownership interest
Associates recognised at equity value:		
Anpartsselskabet af 7.11.2022	Denmark	33%
Motion JVco Limited/Merlin Entertainments	UK	47%
Shanghai LEGOLAND Co., Ltd.	China	26%
Associates recognised at fair value:		
EEDI Ltd.	UK	24%
Falck A/S	Denmark	28%
Golvikken Newco AB	Sweden	49%
Neptune Topco S.á r.l.	Luxembourg	44%
Nilfisk Holding A/S	Denmark	20%

## 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	3,158	3,973	85
Additions for the year	414	65	0
Disposals for the year	-1,480	0	-82
<b>Cost at 31 December</b>	<b>2,092</b>	<b>4,038</b>	<b>3</b>
Impairment losses at 1 January	0	1,021	3
Equity investments with negative net asset value offset in receivables	0	36	0
<b>Impairment losses at 31 December</b>	<b>0</b>	<b>1,057</b>	<b>3</b>
<b>Carrying amount at 31 December</b>	<b>2,092</b>	<b>2,981</b>	<b>0</b>

## 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:

	2022	2021	2020	2019	2018
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
Share capital at 1 January	132	132	132	126	126
Additions for the year	0	0	0	6	0
<b>Share capital</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>126</b>

## 14 Provision for deferred tax

	2022	2021
	m.DKK	m.DKK
Provision for deferred tax at 1 January	234	233
Deferred tax recognised in income statement	-10	1
<b>Provision for deferred tax at 31 December</b>	<b>224</b>	<b>234</b>

## Notes

### 15 Non-current liabilities

	Debt at 1 January	Debt at 31 December	Instalment next year	Debt outstanding after 5 years
	m.DKK	m.DKK	m.DKK	m.DKK
Mortgage loans	254	234	21	146
Other payables	192	615	0	0
	<b>446</b>	<b>849</b>	<b>21</b>	<b>146</b>

### 16 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 14,111 million (2021: DKK 13,831 million).

The company has provided payment guarantees of DKK 299 million (2021: DKK 576 million).

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

### 17 Assets charged and security

Security has been given in land, buildings and installations with a net carrying amount of DKK 1,437 million (2021: DKK 1,277 million) for the company's mortgage loans which amount to DKK 258 million (2021: DKK 282 million).

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

## Notes

### 18 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.