

Annual Report 2021

Annual Report for 1 January - 31 December 2021

The Annual Report was presented and adopted at the
Annual General Meeting of the Company on 26/4 2022.
Torben Bang, Chairman of the meeting

KIRK KAPITAL A/S
Havneøen 1
DK-7100 Vejle
CVR No 31 15 98 57

JK
Kirk Kapital



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We Invest, Collaborate & Create

Introduction

Established in 2007, Kirk Kapital's heritage stretches back much further to 1932, when Ole Kirk Christiansen started making wooden toys in his workshop. In 1934, Ole began selling them under the now world-famous name, LEGO.

Today, almost 90 years later, our heritage of imagination and ingenuity is what forms the foundation of Kirk Kapital's unique business.

Kirk Kapital's shareholders, the Kirk Johansen families, are Ole Kirk Christiansen's descendants.

As well as managing the family office services for our shareholders, we specialise in financial investments and strategic minority investments in tomorrow's best companies, under the motto:

We invest, collaborate and create.

Group Results

Our purpose is to create long-term prosperity for the families of our shareholders, partners and employees.

While we are patient and longer-term focused, we are very pleased and proud to state that our Investment Result in 2021 was DKK 1,541 million. The result is the best Investment Result ever realised in Kirk Kapital, and significantly above the expectations for 2021. This Investment Result was driven by both our Strategic Investments and our Financial Investments, while our Vejle Investments contributed negatively.

Continuing the trend from 2020, and in line with our long-term strategy, we have in 2021 decreased our relative capital allocation to Vejle Investments, while we have increased our activity within Strategic Investments substantially.

During 2021, we have also increased our external wealth management business. We have

partnered up with several new like-minded clients, acting as their outsourced CIO. This has ensured further quality and cost effectiveness into our operations. In total, Kirk Kapital manages DKK 12.9 billion, of which 5.7 billion is external capital.

COVID-19 was also a central theme again in 2021. The wellbeing of our employees and their families was high on our agenda, and we introduced flexible work schedules and home working stations where needed. We were pleased to register a continued high level of employee satisfaction in our yearly employee survey.

An increased focus on sustainability goes hand in hand with Kirk Kapital's purpose. Sustainability is now an integral part of our strategy, and is embedded throughout our internal operations and investment activities. Kirk Kapital is now a signatory to the UN Global Compact Principles and we have identified four SDGs that we prioritize.

Finally, sustainability assessment is an integral part of all investment decisions. Kirk Kapital publishes its first sustainability report simultaneously with this Annual Report.

In summary, 2021 has been a fantastic year from a purely financial perspective. For 2022, we expect a positive Investment Result at, or above DKK 260 million. However, considering the recent turmoil on financial markets following the war in Ukraine, the expectation is associated with significant risk. The financial markets have been negatively impacted and market volatility is high. In the event of a prolonged war, the general longer-term business climate may also be negatively effected. No events have occurred after the balance sheet date which is considered to have a material impact on the assessment of the Annual Report.

	2021	2020	2019	2018
	DKKm	DKKm	DKKm	DKKm
Strategic Investments	1,268	405	647	329
Financial Investments	358	123	211	(61)
Vejle Investments	(85)	(42)	(61)	(68)
Net investment result	1,541	486	797	200

	31. Dec. 2021	31. Dec. 2020	31. Dec. 2019	31. Dec. 2018
	DKKm	DKKm	DKKm	DKKm
Strategic Investments	4,408	3,443	3,060	2,188
Financial Investments	2,511	2,152	2,108	1,742
Vejle Investments	415	550	565	885
Assets	7,334	6,145	5,733	4,815



Strategic Investments

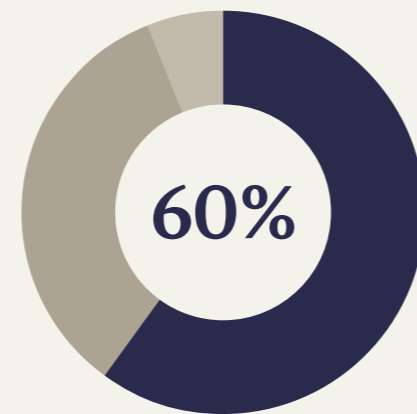
Kirk Kapital is a trusted leader within larger minority investments with an active ownership agenda. Our scope is medium- and larger-sized companies which have market-leading positions in longer-term growth industries, primarily with headquarter in Scandinavia.

Today, our larger minority equity portfolio currently includes a range of 13 business-to-business companies within services and light manufacturing. In 2021, we added 2 companies to our portfolio, namely, VivoMega and Ellepot, while we divested our shareholding in Alliance+, Exit59 and a part of our shareholding in Globeteam. Further, in January we added our second Norwegian company, Promon to our portfolio and in March, we added the Danish company Cookie Information, to our portfolio.

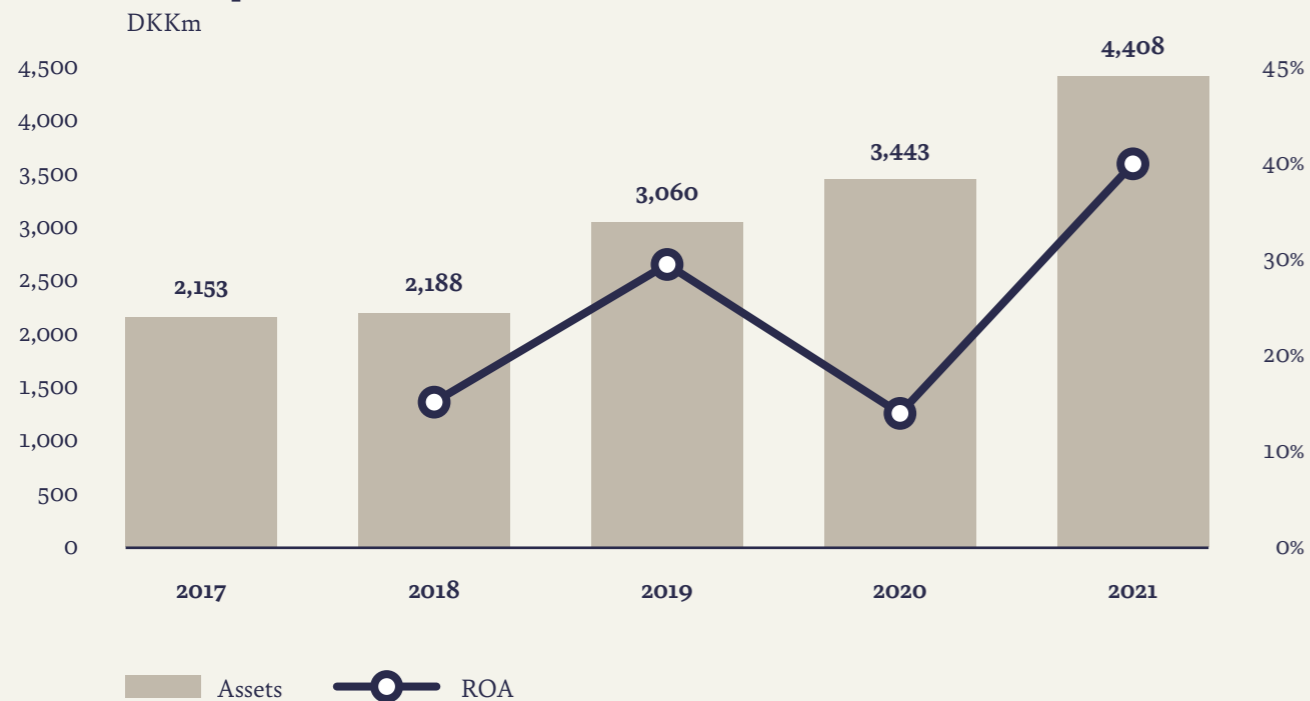
Our Investment Result in 2021 is DKK 1,268 million, or 40% return, and the asset value by year-end is DKK 4,408 million.

It is a very strong result which is well above our longer-term expectations. The positive development is derived from a broad positive contribution from the portfolio companies.

Share of Assets
Dec. 2021



Development in assets and return



Strategic Investments Portfolio

Year Invested, % ownership



New Investments in 2021



Exited Investments in 2021



Financial Investments

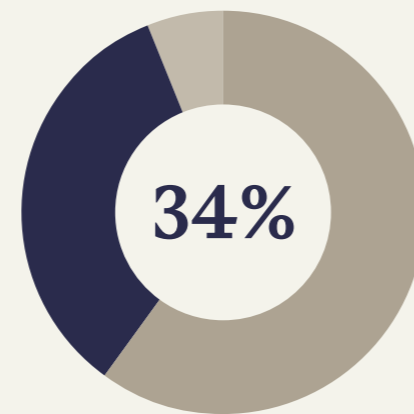
Kirk Kapital Fondsmæglerselskab manages multiple individual portfolios tailored to our partners' precise needs. All portfolios managed, consist of a wide range of investments including both listed equities, fixed income, and alternatives. The portfolios represent, in total, a value above 8.2 billion. The largest portfolio is Kirk Kapital's own Financial Investments portfolio, and it represents 34% of Kirk Kapital's own asset base.

Kirk Kapital's own Financial Investments portfolio generated a result in 2021 of DKK 358 million, or 17% return, and the asset base by year-end is DKK 2,511 million. We have benefitted from the development in the general markets, especially the private markets contributed well in 2021, which provided us with a return above the general stock market. In summary, we have delivered a result better than our expectations.

During 2021, we have partnered up with several new like-minded clients, acting as their outsourced CIO. This has ensured further quality and cost effectiveness into our operations.

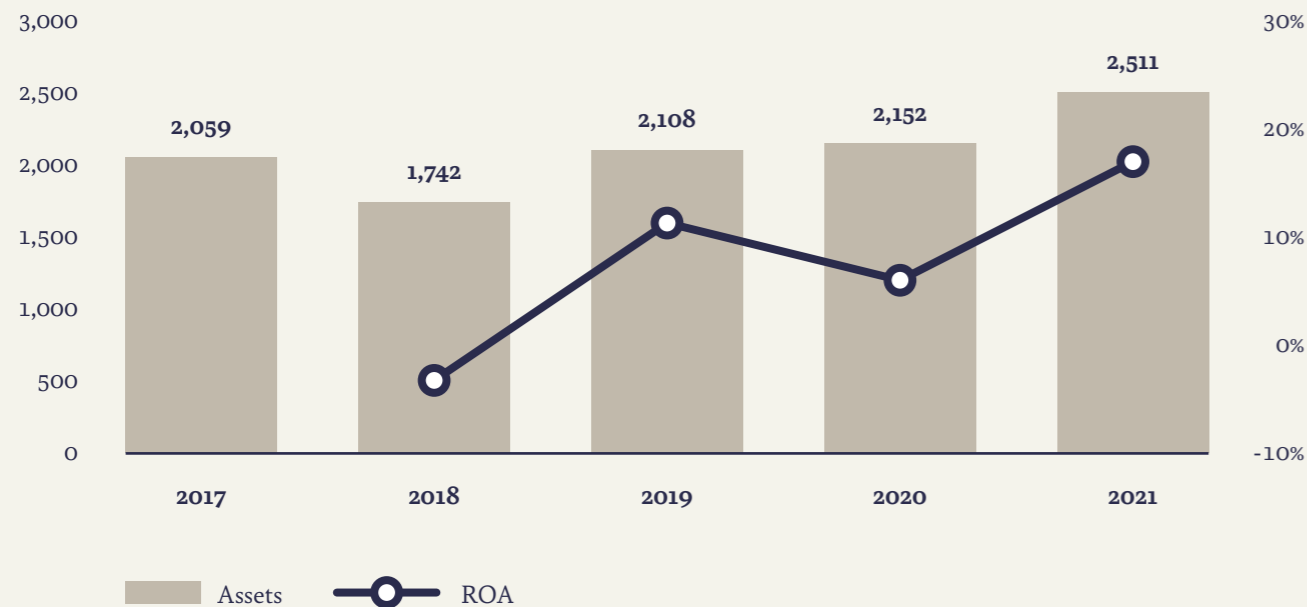
Share of Assets

Dec. 2021



Development in assets and return

DKKm



Vejle Investments and Other

Kirk Kapital has a number of investments in the Vejle area. This is due to our continued support and veneration to the community in Vejle.

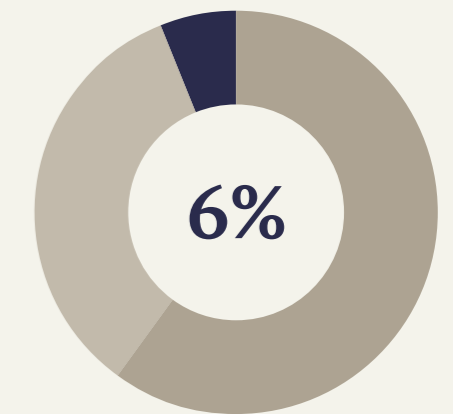
Our Investment Result in 2021 is DKK -85 million, and our net asset base is DKK 415 million. The result is significantly lower than our expectations and stems mainly from price inflation on building materials in connection with the construction activities which takes place on Havneøen, Vejle.

We continue to be very pleased with how the local community has embraced our new headquarter, Fjordenus, and its surroundings on Havneøen.

Kirk Kapital is pleased to support Vejle Kommune by making the forecourt of Fjordenus available for Vejle Kommune to host the start of the 3rd and final stage of Tour-De-France in Denmark on the 3rd July 2022. We are looking forward to putting Vejle on the global map and the celebrations in this context.

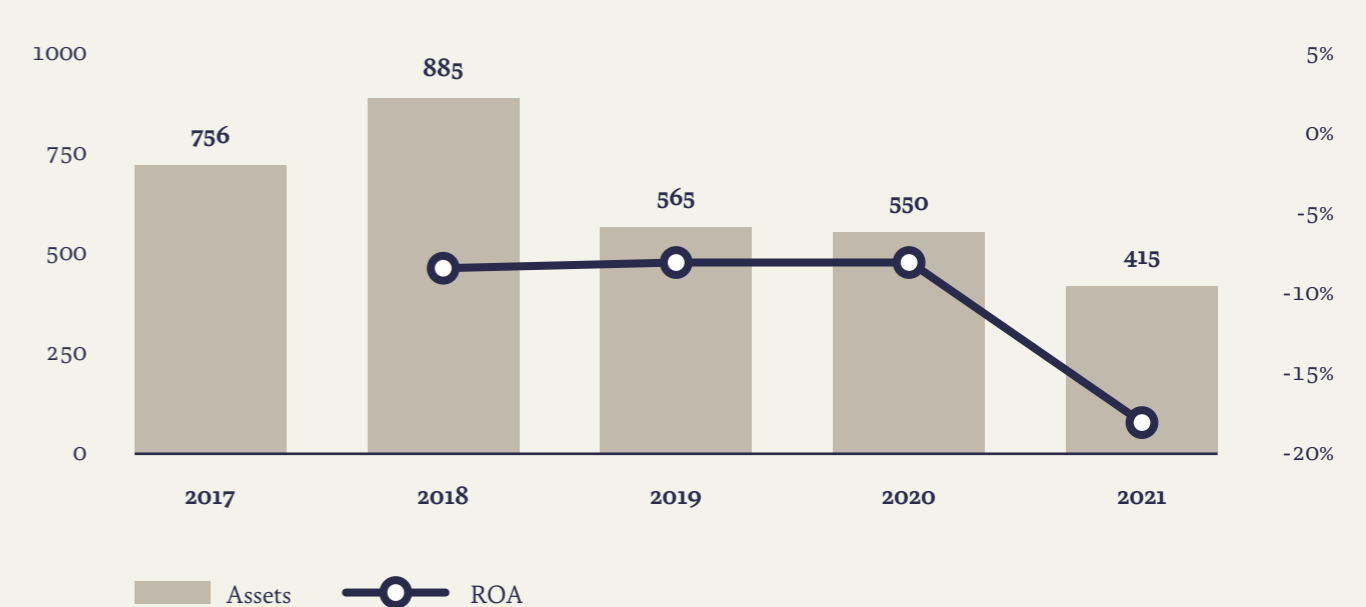
Share of Assets

Dec. 2021



Development in assets and return

DKKm





Strategy

Kirk Kapital's purpose is to create long-term prosperity for the families of our shareholders, partners and employees. We manage and grow family-owned capital, based on strong family values.

Within Strategic Investments, our investment scope is Scandinavian medium- and larger-sized companies having market-leading positions in long-term growth industries. Our minority equity portfolio currently includes a range of business-to-business companies within services and light manufacturing. We aim to expand this portfolio in the years to come. Our unique

model for active minority investment ensures the independence of our partners, while creating the best possible conditions for their lasting success. We achieve this by providing active board representation, the benefits of our toolbox and shared best practice across our portfolio. Common to all cases is a tailored approach, closely calibrated with our partners' requirements and wishes. Altogether, this creates the best conditions for each company's long-term growth.

Within Financial Investments, we manage multiple individual portfolios which we seek to tailor to our clients precise

needs. The portfolios consist of a wide range of investments including both listed equities, fixed income, and alternatives.

Within Vejle Investments, we seek to support our long-term commitment to Fjordenhus and the finalisation of the development of Havneøen. This is due to our veneration and continued support to the community in Vejle.

Our Values

Competence

We aspire to be amongst the best, brightest, and most experienced within our field

Dedication

We have a relentless focus on realizing our purpose

Integrity

We conduct our business in accordance with the highest standards of professional behavior and ethics

Business and Financial Risk

As a family-owned business and investment company we are widely exposed to financial risks, especially relating market risk, with an exposure to publicly traded securities.

Our three investment divisions are managing financial risks

with the objective to create long-term prosperity for the families of our shareholders and business partners. In this light, we have not taken any risks that could be referred as special considering the extent of our activities as a business and investment company.

For further information about financial risk management, we refer to note 19 in the Group's financial statements.

Other statutory statements

In accordance with Danish legislation, Kirk Kapital has prepared statutory statements in relations to the Underrepr-

sented gender in management, on Data ethics and Corporate Social Responsibility which forms part of Kirk Kapital's

sustainability report. The report can be found at the Kirk Kapital [website](#).

Parent Company Financials

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Statement of comprehensive income

	Note	31 December 2021	31 December 2020
		DKKm	DKKm
Strategic Investments	3	1,268	405
Financial Investments	4	358	123
Vejle Investments	5	(85)	(42)
Net investment result		1,541	486
Other operating income		38	10
Expenses	6	(147)	(75)
Other financial income		(1)	(1)
Profit/loss before tax		1,431	420
Income tax	8	(77)	(27)
Total comprehensive income for the year		1,354	393

Balance sheet

	Note	31 December 2021	31 December 2020
		DKKm	DKKm
Strategic Investments	9	4,408	3,443
Financial Investments	10	621	203
Vejle Investments	11	415	550
Lease assets – right-of-use assets	17	68	63
Deferred tax asset	18	0	8
Total non-current assets		5,512	4,267
Financial Investments	10	1,890	1,949
Receivables from group enterprises		0	1
Other receivables		7	18
Cash and cash equivalents		1	1
Total current assets		1,898	1,969
Total assets		7,410	6,236
Share capital	19	100	100
Retained earnings		6,581	5,295
Proposed dividend for the year		68	55
Total equity		6,749	5,450
Credit institutions	22	40	40
Other payables	22	100	0
Lease liabilities	23	66	60
Deferred tax liabilities	18	12	0
Total non-current liabilities		218	100
Credit institutions	22	146	539
Lease liabilities	23	3	3
Trade payables	22	0	7
Payables to group enterprises	22	95	2
Tax payables		28	26
Other payables	22	171	109
Total current liabilities		443	686
Total liabilities		661	786
Total equity and liabilities		7,410	6,236

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend	Total
	DKKm	DKKm	DKKm	DKKm
Equity at 01.01.2020	100	4,957	51	5,108
Profit for the period	0	416	0	416
Other comprehensive income	0	(23)	0	(23)
Total comprehensive income for the period	0	393	0	393
<i>Transactions with owners in their capacity as owners</i>				
Ordinary dividend paid	0	0	(51)	(51)
Dividend	0	(55)	55	0
Total dividend for the period	0	(55)	4	(51)
Equity at 31.12.2020	100	5,295	55	5,450
Profit for the period	0	1,339	0	1,339
Other comprehensive income	0	15	0	15
Total comprehensive income for the period	0	1,354	0	1,354
<i>Transactions with owners in their capacity as owners</i>				
Ordinary dividend paid	0	0	(55)	(55)
Dividend	0	(68)	68	0
Total dividend for the period	0	(68)	13	(55)
Equity at 31.12.2021	100	6,581	68	6,749

Cash flow statement

	2021	2020
	DKKm	DKKm
Profit/loss for the year	1,339	416
Adjustments	(1,541)	(486)
Changes in net working capital	297	18
Net cash flow from other activities	95	(52)
Cash flow from Strategic Investments	303	22
Cash flow from Financial Investments	(13)	102
Cash flow from Vejle Investments	51	(27)
Cash flow from investing activities	341	97
Proceeds from credit institutions	0	125
Repayment of credit institutions	(393)	(98)
Dividend paid	(55)	(51)
Cash flow from financing activities	(448)	(24)
Net cash flow for the year	(12)	21
Cash and cash equivalents, beginning of the year	72	51
Cash and cash equivalents at end of the year	60	72

Notes

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- 3 Strategic Investments
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1 Accounting policies

The financial statements are presented in Danish Kroner (DKK), as this is the Company's functional currency. The financial statements have been rounded to the nearest million.

The financial statements of the Parent Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements.

The accounting policies are the same as for the Consolidated Financial Statements, refer to note 1 for the Group.

2 Critical accounting estimates and judgements

Critical accounting estimates and judgements is specified in the Consolidated Financial Statements, refer to note 2 for the Group.

	Note	2021	2020
		DKKm	DKKm
3 Strategic Investments			
Value adjustments of investments	13	20	0
Income from subsidiaries	14	1,215	36
Income from investments in associates and joint ventures at fair value	15	35	385
Expenses		(5)	(7)
Other financial income		0	5
Exchange rate adjustments of foreign entities	6	17	(35)
Fair value adjustment of hedging instruments		(14)	21
		1,268	405
4 Financial Investments			
Fixed Income		(8)	4
Equities		205	126
Alternatives		175	(11)
Currency forwards		(13)	6
Other financial income		(1)	(2)
		358	123

Notes

	Note	2021	2020
		DKKm	DKKm
5 Vejle Investments			
Revenue		0	2
Expenses for raw materials and consumables		(1)	(3)
Income from subsidiaries	14	(92)	(36)
Other operating income		0	1
Expenses	6	(1)	(1)
Fair value adjustment of hedging instruments		9	(5)
		(85)	(42)
6 Expenses			
Staff expenses	7	125	54
Other external expenses and other operating expenses		28	36
		153	90
<i>Classified in statement of profit and loss as:</i>			
Strategic Investments		5	7
Financial Investments		0	7
Vejle Investments		1	1
Expenses		147	75
		153	90
7 Staff expenses			
Wages and salaries		122	51
Pensions		2	2
Other staff expenses		1	1
		125	54
Average number of employees		20	24

Key Management Compensation

Key Management Compensation is specified in the Consolidated Financial Statements, refer to note 4 for the Group.

Notes

	2021	2020
	DKKm	DKKm
8 Income tax		
Current tax on profits for the year	89	26
Current tax on profits for previous years	(7)	5
Deferred tax for the year and previous years	(5)	(4)
	77	27
<i>Which breaks down as follows:</i>		
Tax on profit/loss for the year	80	23
Tax on changes in equity	(3)	4
	77	27
Calculated 22.0% tax on profit for the year before tax and comprehensive income	312	97
Tax effects of:		
Income from subsidiaries and associates	(255)	(85)
Adjustment from previous years	(7)	5
Income from other investments	0	5
Other	30	1
	80	23
Effective tax rate	6%	5%

Notes

	Note	2021	2020
		DKKm	DKKm
9 Strategic Investments			
Investment properties	13	20	0
Investments in subsidiaries	14	4,386	333
Investment in associates and joint ventures at fair value	15	2	3,020
Non current receivables		0	90
		4,408	3,443
10 Financial Investments			
Current Asset Investments		1,831	1,878
Other equity investments	16	621	165
Non current receivables		0	38
Cash and cash equivalents		59	71
		2,511	2,152
<i>Classified in statement of balance sheet:</i>			
Financial Investments, non-current assets		621	203
Financial Investments, current assets		1,890	1,949
		2,511	2,152
11 Vejle Investments			
Property, plant, equipment and leasehold improvements	12	3	4
Investment properties	13	61	66
Investments in subsidiaries	14	338	467
Non current receivables		13	13
		415	550

Notes

	2021	2020
	DKKm	DKKm
12 Property, plant, equipment and leasehold improvements		
<i>Other fixtures and fittings, tools and equipment</i>		
Cost at 1 January	7	3
Additions during the year	0	4
Cost at 31 December	7	7
Depreciation and impairment at 1 January	3	2
Depreciation for the year	1	1
Depreciation and impairment at 31 December	4	3
Carrying amount at 31 December	3	4
13 Investment properties		
Cost at 1 January	73	124
Disposals during the year	(5)	(51)
Cost at 31 December	68	73
Value adjustments at 1 January	(7)	(23)
Fair value adjustments during the year	20	0
Reversals regarding disposals	0	16
Value adjustments at 31 December	13	(7)
Carrying amount 31 December	81	66

Investment properties consists of rental properties together with forest and agriculture land. Geographical the properties are located either in Vejle or in the vicinity of Vejle.

Investment properties are on initial recognition measured at cost and subsequently at fair value using generally accepted valuation methods. The fair value of rental properties is determined by using either an income capitalization model or basis valuation carried out by independent valuers.

Buildings valued using a capitalizations model is measured at an average rate of return of 6.5% to 7.0%. The average rate of return used, is based on an assessment of locations and condition. A change of the rate of return of 0.5% will impact the value of rental property of approx. DKK 3 million before tax.

The fair value of the forest and agriculture land is estimated at DKK 115,000 per hectare (2020: 115,000 per hectare). A change of the price per hectare of 1% will impact the value of the forest and agriculture land of approx DKK 0.6 million before tax.

Notes

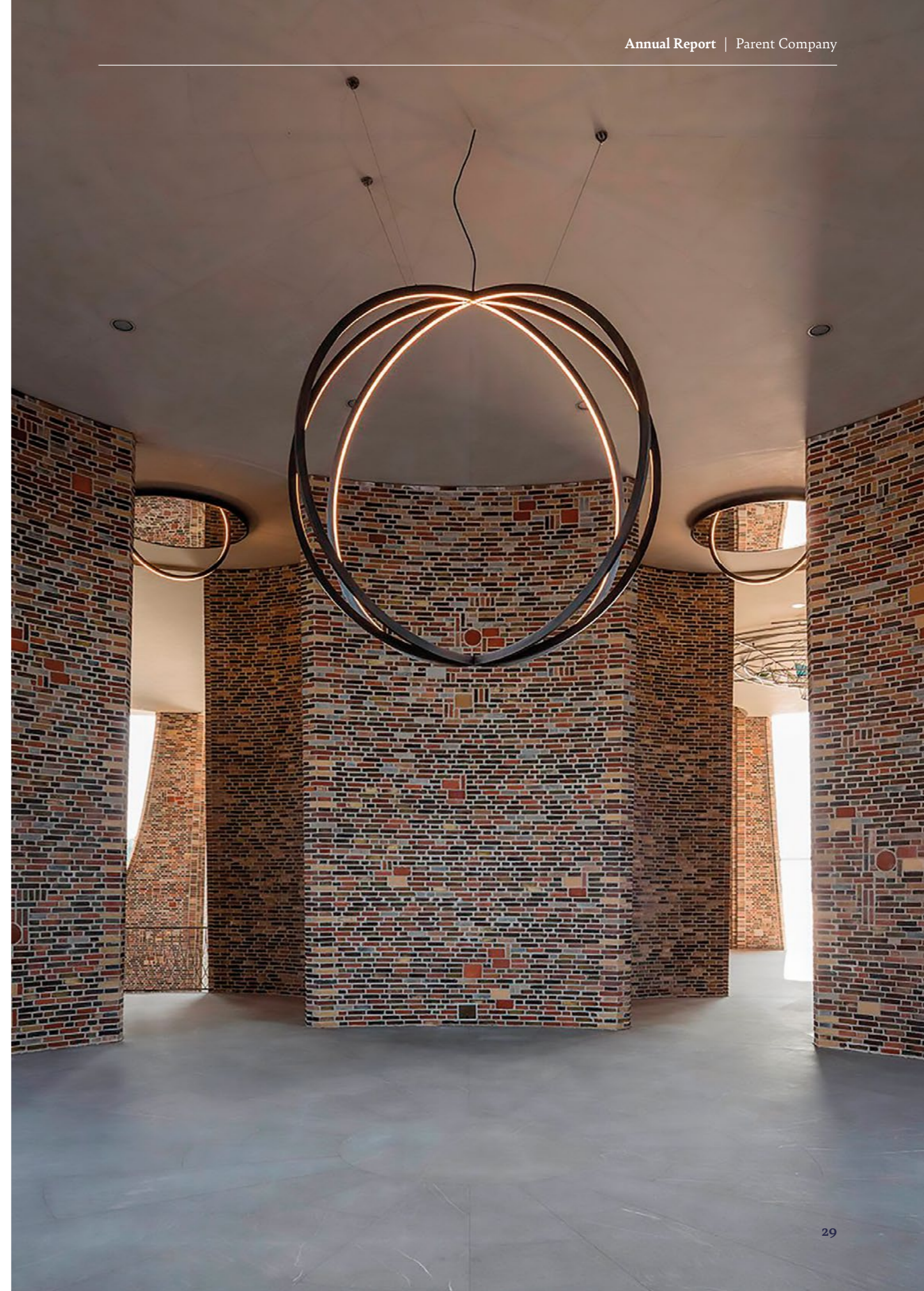
	Note	2020	2019
		DKKm	DKKm
14 Investments in subsidiaries			
Cost at 1 January		2,854	2,808
Additions for the year		3,019	46
Disposals for the year		(141)	0
		5,732	2,854
Value adjustments at 1 January		(2,054)	(1,983)
Exchange adjustment		17	(35)
Disposals for the year		0	0
Net profit/loss for the year		1,123	0
Dividend to the Parent Company		(101)	(31)
Fair Value adjustment of hedging instruments for the year		7	(5)
		(1,008)	(2,054)
Carrying amount at 31 December		4,724	800
Including goodwill		0	0

Investments in subsidiaries are specified in the Consolidated Financial Statements, refer to note 23 for the Group.

15 Investment in associates and joint ventures at fair value

Name of entity	Place of registered office	Nature of relationship	Share capital	Votes	Owner-ship	Equity at last reporting date	Net profit/loss for the last reported year
	Denmark		Currency-m			Currency-m	Currency-m
K/S Høje-Taastrup ApS	Bredsten	Associate	18 DKK	19%	19%	424 DKK	85 DKK
Høje-Taastrup ApS	Bredsten	Associate	0 DKK	19%	19%	0 DKK	0 DKK

Critical accounting estimates and judgements is specified in the Consolidated Financial Statements, refer to note 2 for the Group.



Notes

		2021	2020
		DKKm	DKKm
16 Other equity investments			
<i>Industry of investment</i>	<i>Geography</i>		
Multisector	Global	420	125
Multisector	Europe	29	0
Multisector	US	124	0
Multisector	Nordic	15	5
Multisector	Pan Asia	15	14
Real Estate	Global	18	21
Total portfolio		621	165
17 Lease assets – right-of-use assets			
Cost at 1 January		66	59
Additions during the year		11	8
Disposals during the year		(3)	(1)
Cost at 31 December		74	66
Depreciation and impairment at 1 January		3	1
Depreciation for the year		4	3
Reversals regarding disposals		(1)	(1)
Depreciation and impairment at 31 December		6	3
Carrying amount at 31 December		68	63

Notes

		2021	2020
		DKKm	DKKm
18 Deferred tax			
Deferred tax at 01.01		(8)	(20)
Other adjustments		25	16
Deferred tax recognised in the income statement		(5)	(4)
Deferred tax at 31.12		12	(8)
Deferred tax relates to:			
Property, plant, equipment and investment properties		12	7
Other liabilities		0	(15)
		12	(8)
Of which presented as deferred tax assets		0	8
Of which presented as deferred tax liabilities		12	0

The Parent Company does not have any unrecognized tax loss carryforwards.

19 Share capital

	Number of shares	Nominal value (DKKm)
<i>The share capital comprise:</i>		
A shares	57,709,000	58
B shares	42,291,000	42
Share capital	100,000,000	100

All shares have nominal value of DKK 1.

There have been no changes in the share capital during the last 5 years.

Each A share has 10 votes at the annual general meeting. Each B share has 1 vote at the annual general meeting.

Notes

	2021	2020
	DKKm	DKKm
20 Related parties		
Related parties are specified in the Consolidated Financial Statements, refer to note 17 for the Group.		
<i>Transactions with related parties:</i>		
Subsidiaries		
Administration and management fee income	35	2
Rental expenses	4	4
Intercompany interest income	1	0
Intercompany interest expenses	2	0
Other related parties		
Administration and management Fee Income	3	8
Salaries	70	21
<i>Year-end balances arising from transactions with related parties:</i>		
Subsidiaries		
Receivables	0	1
Payables	95	2
Other related parties		
Receivables	3	4
Payables	81	23

No other year-end balances or transactions have taken place during the year with the Board of Directors, the Executive Management, major shareholders or other related parties.

21 Commitments and contingent liabilities**Contingent liabilities**

Remaining commitment regarding participation in investment projects amount to a maximum of DKK 880m.

Security has been given in investments properties at a net carrying amount of DKK 61m for the mortgage loans.

The Parent Company has provided a guarantee of a maximum of DKK 226m to financial institutions in which the Company's subsidiaries and associates have loans and other engagements.

The Parent Company has entered into a cash pool agreement. As per. 31 December 2021 the net withdrawal on the cash-pool agreement was DKK 96m.

Joint taxation scheme

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable by the Group is disclosed in the Financial Statements for KIRK KAPITAL A/S, which is the management company of the joint taxation. The Danish companies are joint and several liable for the joint taxation liability. The joint taxation liability covers income taxes and withholding taxes on dividends, royalties and interest.

Notes

22 Financial risk management**Financial risk factors**

Financial risk factors, market risk, credit risks and liquidity risk are specified in the Consolidated Financial Statements, refer to note 19 for the Group.

Maturity analysis

The table below analyses the Parent Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 5 year	More than 5 years	Total
	DKKm	DKKm	DKKm	DKKm
Non-derivatives				
As at 31.12.2021				
Credit institutions	146	0	40	186
Trade payables	0	0	0	0
Payables to group enterprises	95	0	0	95
Other payables	171	50	50	271
	412	50	90	552
As at 31.12.2020				
Credit institutions	539	0	40	579
Trade payables	7	0	0	7
Payables to group enterprises	2	0	0	2
Other payables	109	0	0	109
	657	0	40	697

Fair value of debt correspond approximately to amortised cost of debt.

Notes

Financial assets and liabilities per measurement category	2021	2020
	DKKm	DKKm
Financial assets		
<i>Financial assets at amortised costs:</i>		
Non current receivables	13	51
Other loans and receivables	7	18
Cash and cash equivalents	1	1
<i>Financial assets at fair value through profit or loss (FVPL):</i>		
Investments in associates and joint venture	2	3,020
Current Asset Investments	1,831	1,878
Other investments	621	165
Financial liabilities		
<i>Liabilities at amortised cost:</i>		
Trade and other payables	0	7
Credit institutions	186	579
Other payables	271	109

Measurement and fair value hierarchy

Measurement and fair value hierarchy is specified in the Consolidated Financial Statements, refer to note 19 for the Group.

Notes

	2021	2020
	DKKm	DKKm
23 Lease liabilities		
Lease liabilities expiring within the following periods from the balance sheet date:		
Less than 1 year	3	3
Between 1 and 5 year	12	11
More than 5 years	54	49
	69	63
<i>Classified in statement of balance sheet:</i>		
Non-current liabilities	66	60
Current liabilities	3	3
	69	63
Recognized in the profit and loss statement		
Interest expenses related to lease liabilities	1	1
	1	1

In 2021 the Parent has paid DKK 4,4m regarding lease agreements where of interest expenses related to lease liabilities amount to DKK 0,7m and repayment of lease liability amount to DKK 3,7m.

24 Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



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Financial highlights of the Group

	2021	2020	2019	2018	2017
	DKKm	DKKm	DKKm	DKKm	DKKm
Financial highlights					
Profit and loss accounts					
Revenue	67	113	120	217	121
Gross profit/loss	27	(3)	7	110	119
Operating profit/loss	(296)	(95)	(142)	(35)	(43)
Net financials	326	140	221	(66)	372
Profit/loss from continuing activities	1,342	416	696	149	(41)
Profit/loss from discontinuing activities	0	0	(1)	15	(224)
Profit/loss for the year	1,342	416	695	164	(265)
Comprehensive income	1,357	393	680	169	(315)
Balance sheet					
Total assets	7,766	6,471	6,144	5,160	6,216
Investments in intangible and tangible fixed assets	105	37	31	111	142
Total equity attributable to owners of the parent company	6,749	5,450	5,108	4,474	4,387
Key Ratios					
Return on equity (%)	22.0%	7.9%	14.5%	3.8%	-5.9%
Solvency ratio (%)	86.9%	84.2%	83.1%	86.7%	70.6%

Consolidated statement of comprehensive income

	Note	2021	2020
		DKKm	DKKm
Revenue	3	67	113
Value adjustments of investments		20	0
Other operating income		11	9
Expenses for raw materials and consumables		(25)	(84)
Other external expenses		(46)	(41)
Gross profit/loss		27	(3)
Staff expenses	4	(137)	(56)
Amortisation, depreciation and impairment losses	5	(188)	(36)
Other operating expenses		2	0
Operating profit/loss		(296)	(95)
Income from investments in associates and joint ventures		1,363	387
Financial income	6	374	146
Financial expenses	7	(48)	(6)
Profit/loss before tax		1,393	432
Income tax	8	(51)	(16)
Profit/loss for the year		1,342	416
Other comprehensive income			
<i>Items that will be subsequently reclassified to profit or loss</i>			
Exchange rate adjustments of foreign entities		17	(35)
Fair value adjustment of hedging instruments		(3)	15
Income tax relating to hedging instruments		1	(3)
Other comprehensive income for the period, net of tax		15	(23)
Total comprehensive income for the period		1,357	393
Total comprehensive income for the period is attributable to:			
Owners of KIRK KAPITAL A/S		1,354	393
Non-controlling interests		3	0
		1,357	393

Consolidated balance sheet

	Note	31 December 2021	31 December 2020
		DKKm	DKKm
Property, plant, equipment, leasehold improvements and lease assets	9	669	699
Investment properties	10	91	76
Investment in associates and joint ventures at fair value	11	4,241	3,020
Investment in associates and joint ventures at equity method	12	20	46
Other equity investments	13	621	165
Non current receivables		67	262
Deferred tax asset	14	12	8
Total non-current assets		5,721	4,276
Inventories	15	92	137
Tax receivables		8	9
Other receivables		23	24
Current Asset Investments		1,831	1,878
Cash and cash equivalents		91	147
Total current assets		2,045	2,195
Total assets		7,766	6,471

Consolidated balance sheet

	Note	31 December 2021	31 December 2020
		DKKm	DKKm
Share capital	16	100	100
Retained earnings		6,581	5,295
Proposed dividend for the year		68	55
Total equity attributable to owners of the parent company		6,749	5,450
Non-controlling interests		147	0
Total equity		6,896	5,450
Credit institutions	19	263	264
Other payables	19	100	0
Lease liabilities	21	16	9
Deferred tax liabilities	14	12	13
Total non-current liabilities		391	286
Credit institutions	19	242	539
Lease liabilities	21	2	1
Prepayments from customers		5	0
Trade payables	19	2	12
Tax payables		36	37
Deposits	19	1	1
Other payables	19	191	145
Total current liabilities		479	735
Total liabilities		870	1,021
Total equity and liabilities		7,766	6,471

Consolidated statement of changes in equity

	Share capital	Retained earnings	Proposed dividend	Total equity attributable to owners of KIRK KAPITAL A/S	Non-controlling interests	Total
	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm
Equity at 01.01.2020	100	4,957	51	5,108	0	5,108
Profit for the period	0	416	0	416	0	416
Other comprehensive income	0	(23)	0	(23)	0	(23)
Total comprehensive income for the period	0	393	0	393	0	393
<i>Transactions with owners in their capacity as owners</i>						
Ordinary dividend paid	0	0	(51)	(51)	0	(51)
Dividend	0	(55)	55	0	0	0
Total dividend for the period	0	(55)	4	(51)	0	(51)
Equity at 31.12.2020	100	5,295	55	5,450	0	5,450
Profit for the period	0	1,339	0	1,339	3	1,342
Other comprehensive income	0	15	0	15	0	15
Total comprehensive income for the period	0	1,354	0	1,354	3	1,357
<i>Transactions with owners</i>						
Ordinary dividend paid	0	0	(55)	(55)	0	(55)
Dividend	0	(68)	68	0	0	0
Transactions with non-controlling interests	0	0	0	0	144	144
Total transactions with owners	0	(68)	13	(55)	144	89
Equity at 31.12.2021	100	6,581	68	6,749	147	6,896

Consolidated cash flow statement

	2021	2020
	DKKm	DKKm
Profit/loss for the year	1,342	416
Adjustments	(1,259)	(327)
Changes in net working capital	154	180
Income taxes paid	(58)	(21)
Net cash flow from operating activities	179	248
Purchase of property, plant and equipment	(105)	(37)
Proceeds from sale of property, plant and equipment	0	64
Purchase of non-current financial assets	(833)	(466)
Proceeds from non-current financial assets	914	352
Net cash flow from investing activities	(24)	(87)
Proceeds from Borrowings	96	27
Repayment of credit institutions	(393)	(56)
Transactions with non controlling interests	141	0
Dividend paid	(55)	(51)
Cash flow from financing activities	(211)	(80)
Net cash flow for the year	(56)	81
Cash and cash equivalents, beginning of the year	147	66
Cash and cash equivalents at end of the year	91	147

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Notes

1 Accounting policies

The Consolidated Financial Statements are presented in Danish Kroner (DKK), as this is the Group's functional currency. The Consolidated Financial Statements have been rounded to the nearest million.

The consolidated and separate financial statements for KIRK KAPITAL A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class C for large enterprises.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, KIRK KAPITAL A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50 % of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

On consolidation, elimination is made of intra-group income and costs, shareholdings, intra-group balances and dividend and realized and unrealized profits or losses on transactions between the consolidated companies.

Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

Foreign currency translation

Transactions and balances

Transactions in currencies other than the entity's functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Revenue

Rental income under operating leases is recognised straight line over the term of the contract. Revenue from sale of apartments are recognised at a point in time when control of the apartment is transferred.

Revenue is measured as the fair value of the consideration received or receivable. Revenue is measured exclusive of VAT, taxes etc.

Value adjustments of investments

The value adjustment of investments in associates and portfolio companies comprises value adjustment realized from sale and unrealised value adjustments from any revaluation or impairment of investments in portfolio companies at fair value. Dividend received from investments are included in value adjustments.

Notes

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, office expenses, etc.

Staff expenses

Staff expenses comprise wages, salaries, social security contributions, leave and sick leave, bonuses and non-monetary employee benefits and are recognised in the year in which the services are rendered. Whenever the Kirk Kapital Group provides long-term employee benefits, the costs are accrued to match the rendering of the services by the employees.

Other operating income and expenses

Other operating income and other expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses include interest, debt, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as additional payments and repayment under the tax prepayment scheme.

Income tax and deferred tax

The company is jointly taxed with Danish Group enterprises. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are taxed under the Danish Tax Payment Scheme. Additions, deductions and allowances are recognised under financial income or financial costs.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Notes

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Intangibles

Goodwill

On initial recognition, goodwill is measured and recognised as the excess of the cost of the acquired company over the fair value of the acquired assets, liabilities and contingent liabilities, as described under Business Combinations.

On recognition of goodwill, the goodwill amount is allocated to those of the Group's activities that generate separate cash flows (cash-generating units). The determination of cash-generating units is based on the Group's management structure and internal financial management and reporting.

Goodwill is not amortised, but is tested for impairment at least once a year.

Property, plant and equipment

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

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

Borrowing costs that are attributable to the construction of property, plant and equipment are added to the costs of the assets during the period that is required to complete and prepare the asset for its intended use.

Expenditures for repairs and maintenance of property, plant and equipment is charged to the profit and loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values over their estimated useful lives, as follows:

Buildings	10-50 years
Aircraft	10-20 years
Other fixtures and fittings, tools and equipment	3-6 years

Notes

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from disposal of property, plant and equipment are calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale.

Gains and losses are recognised in the profit and loss as other income or operating expenses.

Investment properties

Investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and sub-suppliers up until the time when the asset is ready for use.

After the initial recognition the investment properties are measured at fair value.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method, which is at the proportionate share of the net asset values in the subsidiaries.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

The carrying amount of equity-accounted investments is tested for impairment if indications of impairment exists.

Investments in portfolio companies etc.

Investments in associates and joint venture at fair value and other equity investments comprise investments in portfolio companies and are measured at fair value on the balance sheet date. Value adjustments are recognised in the income statement.

Investments in associates and joint ventures at equity method

Investments in associates and joint ventures at equity are recognised and measured under the equity method, which is at the proportionate share of the net asset values in the associates and joint ventures.

The total net revaluation of the investments is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the investments.

The carrying amount of equity-accounted investments is tested for impairment if indications of impairment exists.

Notes

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets (such as publicly traded derivatives and equity securities publicly traded on a stock exchange) are based on quoted market prices at the close of trading on the reporting date.

Investments in portfolio companies traded in an active market are measured on the basis of the last market price. Unlisted portfolio companies are valued either by way of a capital increase round or part sale based on the value of comparable companies as well as by applying traditional measurement methods.

Fair value for unlisted equity securities are determined by management using valuation techniques. Such valuation techniques may include earnings multiples and discounted cash flows. The valuation models are adjusted as deemed necessary for factors such as non-maintainable earnings, tax risk, growth stage and cash traps.

Fair value of certain financial investments are measured at values as communicated by fund management. In determining fair value for other financial investments, the management relies on the financial data of investee portfolio companies or on estimates by the management of the investee portfolio companies as to the effect of future developments. Although management uses its best judgement, and cross-references results of primary valuation models against secondary models in estimating the fair value of investments, there are inherent limitations in any estimation techniques.

The fair value estimates presented herein are not necessarily indicative of an amount the Group could realise in a current transaction. Future confirming events will also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the financial statements.

Leases

The right-of-use asset and corresponding lease liability will be recognised at the commencement date, the date the underlying asset is ready for use. The lease terms may include options to extend or terminate the lease when it is reasonably certain that KIRK KAPITAL will exercise that option. Right-of-use assets are measured at cost corresponding to the lease liability recognised, adjusted for any lease incentives received. The lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments are discounted.

Depreciations is done following the straight-line method over the lease term or the useful life of the assets.

The KIRK KAPITAL Group applies the short-term lease recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 month or less for all classes of underlying assets, and the exception for lease contracts for which the underlying asset is of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Right-of-use assets normally have the following lease terms:

Rental of premises	1-30 years
Other assets	1-5 years

Notes

Impairment of non-current assets

The carrying amounts of intangible assets and property, plant and equipment are written down immediately to the recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level at which cash flows are separately identifiable (cash-generating units).

Inventories

Inventories comprise property held for sale in the ordinary course of business. They are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum. The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

On initial recognition, receivables are measured at fair value, and subsequently they are measured at amortised cost. Receivables are written down for expected credit losses.

Prepayments

Prepayments comprise prepaid expenses relating to rent, insurance premiums, subscriptions and interests.

Current Asset Investments

Current Asset Investments, which consists of listed bonds and other investments, are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deductions, net of tax, from the proceeds.

Dividend distribution

Proposed dividends are disclosed as a separate item under equity and recognised as a liability when declared.

Financial liabilities

Financial liabilities, including bank and financial loans, trade and other payables, are on initial recognition measured at fair value. The liabilities are subsequently measured at amortised cost.

Notes

Cash flow statement

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

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long term debt as well as payments to and from shareholders.

Financial Highlights

Explanation of financial ratios:

$$\text{Solvency ratio} = \frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$

The financial ratios have been computed in accordance with the latest Guidelines issued by the Danish Finance Society.

2 Critical accounting estimates and judgements

In the preparation of the consolidated financial statements according to IFRS, Management is required to make certain estimates as some financial statement items cannot be reliably measured, but must be estimated as the value of assets and liabilities often depends on future events that are somewhat uncertain.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

Critical accounting estimates

Most of the investments in associates and other investments are measured at fair value on the balance sheet date. When management does not have access to fair values from a liquid market or from portfolio managers the values are primarily estimated by using multiple factors from similar investments thus using level 3 in the fair value hierarchy.

Valuation of investments in associates and joint ventures at fair value is based on estimates and assumptions as regards the fair value of each individual company. These investments amount to DKK 4,241 million in 2021 (DKK 3,020 million in 2020).

For the majority of the investments (DKK 3,700 million in 2021) the fair value is estimated primarily using a valuation model using multiples that are estimated to be a reasonable proxy of markets multiples of comparable companies. The most subjective parameter in the valuation model is the multiples while other parameters are pro-forma adjusted operating income and adjusted net interest bearing debt. If the used multiples changes by 10%, then it would have a P&L impact of around DKKm 486 million.

It is management's assessment that the assumptions and estimates used are reasonable.

Other substantial accounting judgment has been made in the scope of whether the management incentive program is in scope of IFRS 2 or IAS 19. It is the management assessment that as the settlement price for the call option held by the Majority Shareholder is based on increase in equity and are linked to the participants share options, the program is not within the scope of IFRS 2, hence the requirements of IAS 19 has been used.

	2021		2020	
	DKKm		DKKm	
3 Revenue				
Revenue recognized over time		46		49
Revenue recognized at a point in time		21		64
		67		113
Revenue – 2021	Rental property	Aircraft leasing	Sale of property	2021
	DKKm	DKKm	DKKm	DKKm
Revenue	3	43	21	67
Total	3	43	21	67
Revenue – 2020	Rental property	Aircraft leasing	Sale of property	2020
Revenue	4	45	64	113
Total	4	45	64	113

The entire revenue in 2020 and 2021 is earned in Denmark.

Notes

	2021	2020
	DKKm	DKKm
4 Staff expenses		
Wages and salaries	133	53
Pensions	2	2
Other staff costs	2	1
	137	56
Average number of employees	25	24

Key Management Compensation

Key Management consists of Executive Board and Board of Directors.

Executive Management only consists of one member whereas the remuneration of the Executive Management and the Board of Directors is disclosed collectively with reference to §98b (3) of the Danish Financial Statements.

Remunerations of Key Management comprise of salary, short-term incentives based on yearly performance and long-term incentives based long-term value creation. Remunerations of Key Management amounts to DKKm 70 in 2021 and DKKm 21 in 2020.

	2021	2020
5 Amortisation, depreciation and impairment losses		
Depreciation	31	36
Impairment loss	157	0
	188	36

Notes

	2021	2020
	DKKm	DKKm
6 Financial income		
Fair value adjustments of financial investments	363	137
Interest income from financial assets	6	9
Foreign exchange rate gains	5	0
	374	146
7 Financial expenses		
Impairment losses on financial assets	38	0
Interest and finance charges paid/payable for financial liabilities	7	6
Exchange loss	3	0
	48	6
8 Income tax		
<i>Current tax:</i>		
Current tax on profits for the year	87	29
Current tax on profits for previous years	(7)	5
Deferred tax for the year and previous years	(30)	(15)
	50	19
<i>which breaks down as follows:</i>		
Tax on profit/loss for the year	51	16
Tax on changes in equity	(1)	3
	50	19
Calculated 22.0% tax on profit for the year before income tax	306	95
Tax effects of:		
Income from associates and joint venture	(300)	(85)
Adjustment of tax relating to previous years	(7)	5
Income from other investments	0	5
Other	51	(4)
	51	16
Effective tax rate	4%	4%

Notes

	Land and buildings	Other fixtures and fittings, tools and equipment	Aircrafts	Property, plant and equipment in progress	Leasehold improvements	Lease assets – right-of-use assets	Total
	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm
9 Property, plant, equipment, leasehold improvements and lease assets							
<i>Cost:</i>							
At 01.01.2021	477	3	521	42	4	11	1,058
Exchange adjustment	0	0	43	0	0	0	43
Additions during the year	0	0	0	105	0	11	116
Disposals during the year	0	0	0	0	0	(3)	(3)
Transfers	45	0	0	17	0	0	62
At 31.12.2021	522	3	564	164	4	19	1,276
<i>Depreciation and impairment:</i>							
At 01.01.2021	29	2	326	0	1	1	359
Exchange adjustment	0	0	27	0	0	0	27
Depreciation for the year	12	0	19	0	1	2	34
Impairment for the year	0	0	81	76	0	0	157
Reversals regarding disposals	0	0	0	0	0	(1)	(1)
Transfers	0	0	0	31	0	0	31
At 31.12.2021	41	2	453	107	2	2	607
Carrying amount 31.12.2021	481	1	111	57	2	17	669
<i>Cost:</i>							
At 01.01.2020	504	3	574	10	0	4	1,095
Exchange adjustment	0	0	(53)	32	0	0	(21)
Additions during the year	0	0	0	0	4	8	12
Disposals during the year	(27)	0	0	0	0	(1)	(28)
At 31.12.2020	477	3	521	42	4	11	1,058
<i>Depreciation and impairment:</i>							
At 01.01.2020	18	2	337	0	0	0	357
Exchange adjustment	0	0	(31)	0	0	0	(31)
Depreciation for the year	11	0	20	0	1	2	34
Impairment for the year	0	0	0	0	0	0	0
Reversals regarding disposals	0	0	0	0	0	(1)	(1)
At 31.12.2020	29	2	326	0	1	1	359
Carrying amount 31.12.2020	448	1	195	42	3	10	699

Notes

	2021	2020
	DKKm	DKKm
10 Investment properties		
<i>Cost:</i>		
At 1 January	88	139
Disposals during the year	(5)	(51)
At 31 December	83	88
<i>Value adjustments:</i>		
At 1 January	(12)	(28)
Fair value adjustments during the year	20	0
Reversals regarding disposals	0	16
Value adjustments at 31 December	8	(12)
Carrying amount 31 December	91	76

Investment properties consists of rental properties together with forest and agriculture land. Geographical the properties are located either in Vejle or in the vicinity of Vejle.

Investment properties are on initial recognition measured at cost and subsequently at fair value using generally accepted valuation methods. The fair value of rental properties is determined by using either an income capitalization model or basis valuation carried out by independent valuers.

Buildings valued using a capitalizations model is measured at an average rate of return of 6.5% to 7.0%. The average rate of return used, is based on an assessment of locations and condition. A change of the rate of return of 0.5% will impact the value of rental property of approx. DKK 3 million before tax.

The fair value of the forest and agriculture land is estimated at DKK 115,000 per hectare (2020: 115,000 per hectare). A change of the price per hectare of 1% will impact the value of the forest and agriculture land of approx DKK 0.6 million before tax.

Notes

11 Investment in associates and joint ventures at fair value

Name of entity	Place of registered office	Nature of relationship	Share capital	Votes	Ownership	Equity at last reporting date	Net profit/loss for the last reported year
	Denmark		Currency-m			Currency-m	Currency-m
Kompan Holding A/S	Odense	Associate	52 DKK	19%	27%	1,028 DKK	224 DKK
ApS FMD 1	Søbrog	Associate	5 DKK	30%	30%	373 DKK	33 DKK
Act Holding ApS	Copenhagen	Associate	0 DKK	50%	50%	382 DKK	-1 DKK
Globeteam HoldCo ApS	Hellerup	Associate	1 DKK	12%	25%	0 DKK	0 DKK
Globeteam Holding ApS	Virum	Associate	0 DKK	46%	46%	0 DKK	0 DKK
Virumgårdsvej 17	Virum	Associate	1 DKK	50%	50%	7 DKK	1 DKK
TPS Holding II A/S	Gentofte	Associate	0 EUR	35%	35%	5 EUR	2 EUR
Beck Pack Holding ApS	Rønne	Associate	0 DKK	40%	40%	456 DKK	32 DKK
Scanmetals A/S	Slagelse	Associate	1 DKK	35%	35%	97 DKK	30 DKK
TPA Holding II A/S	Hvidovre	Associate	7 DKK	3%	26%	88 USD	-0 USD
Titan Storage Solutions A/S	Høje Taastrup	Associate	1 DKK	30%	30%	493 DKK	49 DKK
Dansk Træemballage A/S	Håstrup	Associate	20 DKK	40%	40%	220 DKK	74 DKK
Danske Stenhuggerier A/S	Nørre Snede	Associate	1 DKK	45%	45%	62 DKK	9 DKK
GC Rieber VivoMega	Kristiansund	Associate	2 NOK	32%	32%	193 NOK	40 NOK
Danish Horticulture Group A/S	Esbjerg	Associate	2 DKK	48%	48%	0 DKK	0 DKK
K/S Høje-Taastrup ApS	Bredsten	Associate	18 DKK	19%	19%	424 DKK	85 DKK
Høje-Taastrup ApS	Bredsten	Associate	0 DKK	19%	19%	0 DKK	0 DKK

12 Investment in associates and joint ventures at equity method

Name of entity	Place of registered office	Nature of relationship	Share capital	Votes	Ownership	Equity at last reporting date	Net profit/loss for the last reported year
			Currency-m			Currency-m	Currency-m
JointCo ApS	Vejle, DK	Associate	0 DKK	49%	49%	0 DKK	0 DKK
Hafnia Management A/S	Hellerup, DK	Associate	1 DKK	20%	20%	27 DKK	8 DKK
Havneøen E+G A/S	Vejle, DK	Joint Venture	2 DKK	50%	50%	11 DKK	-9 DKK
K/S Joinflight IV	Billund, DK	Joint Venture	40 DKK	49%	49%	30 DKK	-4 DKK
JF IV ApS	Billund, DK	Joint Venture	1 DKK	50%	50%	1 DKK	-0 DKK
KN Operating Ltd	Limerick, IRL	Joint Venture	0 USD	50%	50%	23 USD	3 USD

Notes

		2021	2020
		DKKm	DKKm
13 Other equity investments			
<i>Industry of investment</i>	<i>Geography</i>		
Multisector	Global	420	125
Multisector	Europe	29	0
Multisector	US	124	0
Multisector	Nordic	15	5
Multisector	Pan Asia	15	14
Real Estate	Global	18	21
Total portfolio		621	165
14 Deferred tax			
Deferred tax at 01.01		5	1
Deferred tax recognised in the income statement		(30)	(15)
Other adjustments		25	19
Deferred tax at 31.12		0	5
Deferred tax relates to:			
Property, plant, equipment and investment properties		(12)	(5)
Other liabilities		0	(15)
Financial contracts		12	25
		0	5
Of which presented as deferred tax assets		12	8
Of which presented as deferred tax liabilities		12	13

The Group does not have any unrecognized tax loss carryforwards.

Notes

		2021	2020
		DKKm	DKKm
15 Inventories			
Work in progress		10	44
Finished goods and goods for resale		82	93
Total inventories		92	137
16 Share capital			
		Number of shares	Nominal value (TDKK)
<i>The share capital comprise:</i>			
A shares		57,709,000	58
B shares		42,291,000	42
Share capital		100,000,000	100

All shares have nominal value of DKK 1.

There have been no changes in the share capital during the last 5 years.

Each A share has 10 votes at the annual general meeting. Each B share has 1 vote at the annual general meeting.

Notes

17 Related parties

KIRK KAPITAL A/S' related parties comprise Casper Kirk Johansen, Marianne Fyhring Johansen, Anders Kirk Johansen and close family members and the Board of Directors and the Executive Management of KIRK KAPITAL. Related parties also comprise subsidiaries and associates. Related parties further comprise companies where the mentioned shareholders have significant influence: Selmont A/S, M. KIRK A/S, A. KIRK A/S, C2 A/S, CKKJ Cosmo ApS, JKI Cosmo ApS, Edith & Godtfred Kirk Christiansens Fond and subsidiaries.

Casper Kirk Johansen, Marianne Fyhring Johansen, Anders Kirk Johansen have as shareholders and/or voting rights significant influence in KIRK KAPITAL A/S.

In the financial year, a limited number of transactions related to services took place between the owners of KIRK KAPITAL A/S and the KIRK KAPITAL Group. These services were paid on normal market terms.

There were no transactions with the Board of Directors or the Executive Management besides transactions related to the employment.

For information about remuneration to the Board of Directors and the Executive Management, see note 4.

	2021	2020
	DKKm	DKKm
<i>Transactions with related parties:</i>		
Other related parties		
Administration and management Fee Income	3	8
Rental income	1	1
Salaries	72	22
<i>Year-end balances arising from transactions with related parties:</i>		
Other related parties		
Receivables	3	4
Payables	81	23

No other year-end balances or transactions have taken place during the year with the Board of Directors, the Executive Management, major shareholders or other related parties.

Notes

18 Commitments and contingent liabilities

Contingent liabilities

Remaining commitment regarding participation in investment projects amount to a maximum of DKK 880m.

The Group has provided a guarantee of a maximum of DKK 226m to financial institutions regarding loans and other engagements.

Security has been given in Land and buildings and investments properties at a net carrying amount of DKK 508m for the mortgage loans.

The Parent Company has entered into a cash pool agreement. As per. 31 December 2021 the net withdrawal on the cashpool agreement was DKK 96m.

Notes

19 Financial risk management

Financial risk factors

The Group's financial risk management is mainly managed by its two investment departments since financial risk exposure is centered around the Group's strategic and financial investments. Overall risk analysis is performed in connection with setting the Group's investment strategy which is discussed with and approved by the Board.

The Group's financial risk profile is mainly dominated by market risk where the Group has high exposure to security prices and moderate exposure to interest rates and currency rates. To a lesser extent the Group is also exposed to Credit risk and Liquidity risk.

Derivatives financial instruments is mainly used to reduce financial risk exposure. Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognizing interest expense at a fixed interest rate for the hedged floating rate loans or contracts and investment in foreign currency at the fixed foreign currency rate for the hedged investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

For hedges of net investments in foreign currencies and of hedges of financial asset denominated in foreign currencies, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness.

The Group uses foreign currency forwards to hedge its exposure to foreign currency risk. Under the Group's policy the critical terms of the forwards must align with the hedged items.

Market risk

Share price risk

The Group's current assets investments is directly exposed to movement in security prices since 63% of current assets investments is listed equities and valued using the observable prices on stock-exchanges. 10% in short-term movement in stock prices would affect the portfolio with 12% in the short term, due to a higher volatility in comparison to the market.

Investments in associates and joint ventures is measured at fair value using non-observable data, but data which to some extent is related to long-term market conditions. Investments in associates and joint ventures is thus not directly exposed to short term stock price movement, but risk is related to Long-term conditions in the market.

Notes

Foreign exchange risk

The Group's currency exposure can be divided in two categories of exposure and risks.

One category is investments denominated in currencies other than DKK/EUR. As per 31 December 2021 investments denominated in currency other than DKK/EUR amount to DKK 841 million and the exposure is mainly related to USD. Derivatives is used to hedge the currency risk and the net exposure is reduced to DKK 670 million. The hedging rate in USD is per 31 December 2021 20%. The average hedging rate in USD for the year was 30%. The duration of the hedging contracts all have a maturity of less than three months after the end of the reporting period.

A change of 10% in USD exchange would have short-term effect on the total comprehensive income by DKK 67 million.

The second category is the underlying currency risk in investment denominated in DKK/EUR where the investments is operating in a global market. Some of the investments have currency exposures due to imbalances in revenue and expenses generated in foreign currencies mostly related to USD. The risk is managed by the investments.

Interest rate risk

The Group's interest rate risk is mainly related to the groups fixed income investments and the Groups debt instruments.

An increase in interest rate of 1% would negatively affect the fixed income investments with 2.9%.

An increase in interest rate of 1% would positively affect the Groups debt instruments with 2,62%.

The interest rate risk is considered moderate.

Credit risks

The Group's primary credit exposure is related to fixed income investments, financial instrument, receivables regarding finance leases and cash positions. Major single exposures are either exposures to counterparts with good credit ratings and/or other supporting security measures is in place. The overall credit risk is considered low.

Liquidity risk

The Group manages its liquidity risk by continuously monitoring and assessing the liquidity positions. Based on the relatively liquid Current Assets Investments and relatively low level of borrowings and liabilities the liquidity risk is considered low.

Maturity analysis

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes

Non-derivatives	Less than 1 year	Between 1 and 5 year	More than 5 years	Total
	DKKm	DKKm	DKKm	DKKm
As at 31.12.2021				
Credit institutions	242	0	263	505
Trade payables	2	0	0	2
Deposits	1	0	0	1
Other payables	191	50	50	291
	436	50	313	799
As at 31.12.2020				
Credit institutions	539	0	264	803
Trade payables	12	0	0	12
Deposits	1	0	0	1
Other payables	145	0	0	145
	697	0	264	961

Fair value of debt correspond approximately to amortised cost of debt.

Financial assets and liabilities per measurement category	2021	2020
	DKKm	DKKm
Financial assets		
<i>Financial assets at amortised cost:</i>		
Non current receivables	67	262
Other loans and receivables	23	24
Cash and cash equivalents	91	147
<i>Financial assets at fair value through profit or loss (FVPL):</i>		
Investments in associates and joint venture	4,241	3,020
Current Asset Investments	1,831	1,878
Other investments	621	165
Financial liabilities		
<i>Liabilities at amortised cost:</i>		
Trade and other payables	2	12
Credit institutions	505	803
Deposits	1	1
Other payables	291	145

Notes

Measurement and fair value hierarchy

The Group's financial assets are either measured at amortized cost or fair value through profit and loss. The above specified financial assets and liabilities at fair values have been measured using either from the below three levels of fair value hierarchy:

Level 1:

Quoted prices in active markets for identical markets

Level 2:

Inputs other than quoted prices included within level 1 that are observable for the assets either directly or indirectly

Level 3:

Input for the liabilities and assets that are not based on observable market data. These fair value measurements is form either external portfolio managers or by management estimates using multiples from similar investments or using fair value calculations models such as DCF models.

	2021	2020
	DKKm	DKKm
20 Fee to auditors appointed at the general meeting		
Audit fee	1	1
Tax advisory services	1	1
Non-audit services	0	1
	2	3

Notes

	2021	2020
	DKKm	DKKm
21 Lease liabilities		
Lease liabilities expiring within the following periods from the balance sheet date:		
Less than 1 year	2	1
Between 1 and 5 year	6	5
More than 5 years	10	4
	18	10
<i>Classified in statement of balance sheet:</i>		
Non-current liabilities	16	9
Current liabilities	2	1
	18	10
Recognized in the profit and loss statement		
Interest expenses related to lease liabilities	0	0
Expenses relating to short term leases, not capitalized	0	0
Expenses relating to leases of low-value assets, not capitalized	0	0
	0	0

In 2021 the Group has paid DKK 2,0m regarding lease agreements where of interest expenses related to lease liabilities amount to DKK 0,1m and repayment of lease liability amount to DKK 1,9m.

Notes

22 Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

23 List of group companies

Name	Place of Registered Office	Share Capital	Votes	Ownership
		DKKm	DKKm	DKKm
<i>Subsidiaries:</i>				
Kirk Kapital Strategic Investments A/S	Vejle, Danmark	100.0 DKK	100%	100%
Kirk Kapital Fondsmæglerselskab A/S	Vejle, Danmark	1.4 DKK	100%	100%
KIRK Farm A/S	Vejle, Danmark	0.5 DKK	100%	100%
KIRK Shipping A/S*	Vejle, Danmark	0.5 DKK	100%	100%
Gunhild Kirk A/S*	Vejle, Danmark	0.5 DKK	100%	100%
Edith Kirk A/S*	Vejle, Danmark	0.5 DKK	100%	100%
Marie Kirk A/S*	Vejle, Danmark	1.5 DKK	100%	100%
Marianne Kirk A/S*	Vejle, Danmark	0.5 DKK	100%	100%
Anja Kirk A/S*	Vejle, Danmark	0.5 DKK	100%	100%
KIRK Aviation A/S*	Vejle, Danmark	10.0 DKK	57%	40%
KKAG Komplementarselskab ApS*	Vejle, Danmark	0.1 DKK	57%	40%
KA1 P/S*	Vejle, Danmark	3.2 DKK	57%	40%
KIRK Property A/S	Vejle, Danmark	0.6 DKK	100%	100%
Havneøen 1 P/S	Vejle, Danmark	0.4 DKK	100%	100%
Komplementarselskabet Havneøen 1 ApS	Vejle, Danmark	0.1 DKK	100%	100%

*Financial Statements are presented in USD, which is the functional currency of the Company.



Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Kirk Kapital A/S for the financial year 1 January-31 December 2021.

The Annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2020 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2021.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Vejle, 26 April 2022

Executive Board

Kim Gulstad

Board of Directors

Casper Kirk Johansen, Chairman
Anders Kirk Johansen
Peter Beske Nielsen
Birgitte Nielsen
Jens Winther Moberg

Independent auditor's report

To the shareholders of KIRK KAPITAL A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Kirk Kapital A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021, and of the results of their operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the

Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consoli-

dated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Vejle, 26 April 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No 33 96 35 56

Thomas Rosquist Andersen
State Authorised Public Accountant
Identification No (MNE) mne31482

Søren Marquart Alsen
State Authorised Public Accountant
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