

KIRKBI Invest A/S

Koldingvej 2
7190 Billund

CVR No. 31159830

Annual Report 2017

The annual report was presented and adopted at the annual general meeting of the Company on 1 May 2018

Conductor

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Management's Statement

Today, management has considered and adopted the annual report of KIRKBI Invest A/S for the financial year 1 January 2017 - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

In our opinion, the management's review includes a true and fair account of the matters addressed in the review.

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

Billund, 1 May 2018

Executive Management

Søren Thorup Sørensen

Board of Directors

Kjeld Kirk Kristiansen
Chairman

Sidsel Marie Kristensen

Søren Thorup Sørensen

Independent Auditor's Report

To the shareholder of KIRKBI Invest A/S

Opinion

We have audited the financial statements of KIRKBI Invest A/S for the financial year 1 January 2017 - 31 December 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are 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 2017 and of the results of its operations for the financial year 1 January 2017 - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

Independent Auditor's Report

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by management are reasonable.
- * Conclude on whether management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

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 which we identify during our audit.

Statement on Management's Review

Management is responsible for the management's review.

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

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

Moreover, it is our responsibility to consider whether the management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the management's review is not materially misstated.

Aarhus, 1 May 2018

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-no. 33963556

Bill Haudal Pedersen
State Authorised Public Accountant
MNE-no. mne30131

Nikolaj Thomsen
State Authorised Public Accountant
MNE-no. mne33276

KIRKBI Invest A/S

Company Information

Company	KIRKBI Invest A/S Koldingvej 2 7190 Billund
CVR No. Financial year	31159830 1 January 2017 - 31 December 2017
Board of Directors	Kjeld Kirk Kristiansen, Chairman Sidsel Marie Kristensen Søren Thorup Sørensen
Executive Management	Søren Thorup Sørensen
Group	The annual report is included in the consolidated financial statement of the parent company KIRKBI A/S, Billund
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab CVR-no.: 33963556

Management's Review

Business review

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

The Company's assets are primarily invested in ownership of 29.7 % of Merlin Entertainments plc and a broad investment portfolio consisting of listed and unlisted equities, bonds, real estate, private equity funds and other investment activities based on a long-term investment horizon.

Profit for the year and equity

In 2017, the Company realised a pre-tax profit of DKK 4,836 million (DKK 3,591 million in 2016) and a profit after tax of DKK 4,209 million (DKK 3,273 million in 2016). The profit for the year includes profits from group enterprises in the amount of DKK 1,605 million and profits from associates of DKK 245 million. The Company's balance sheet shows total assets of DKK 66,876 million. During 2017, a loan of DKK 18,900 million from the parent company KIRKBI A/S was converted into equity of KIRKBI Invest A/S. Equity end of 2017 amounts to DKK 48,665 million, corresponding to an equity ratio of 73 %.

It is proposed not to distribute any dividends for 2017.

Recognition and measurement uncertainties

Listed equities and bonds are recognised at the listed price at the balance sheet date. Group enterprises are recognised at their net asset value. Associates are recognised at fair value or net asset value. Investments in private equity funds are measured at an estimated market value of the assets in the underlying funds based on the most recent reports from these funds. The Company's properties are measured on the basis of an individual review and assessment of each property.

Merlin Entertainments plc

The result for 2017 for Merlin Entertainments plc represented a solid performance in a challenging market environment where a combination of ongoing security concerns impacted Merlin's city centre tourist destinations in particular, combined with extreme weather at peak trading periods in Northern Europe, Italy and Florida.

Total number of visitors grew by 3.5 % to 66 million and revenue grew by 11.6 %. Profit for the year decreased by 1.0 % to GBP 209 million (GBP 211 million in 2016) due to increases in depreciation and amortisation from roll out of new attractions. For the LEGOLAND parks, revenue increased by 18.2 % driven by the opening of LEGOLAND® Japan in April 2017. During 2017 plans for LEGOLAND New York were announced, the park is targeted to open in 2020.

For LEGOLAND Discovery Centres, two new Centres in Melbourne and Philadelphia were opened in 2017.

At the end of 2017, Merlin Entertainments operates 124 attractions totally in 25 countries across four continents, including 8 LEGOLAND® parks and 18 LEGOLAND Discovery Centres.

Investment activities

The investment portfolio is divided into long-term investments and shorter-term financial investments with the purpose of securing diversification as well as sufficient flexibility at all times. All investment areas are important to KIRKBI Invest A/S, but based on a belief in value creation through long-term focus as well as a long-term illiquidity premium, long-term investments are expected to be a growing part of the total portfolio.

Management's Review

Long-term equity investments

Within long-term equity Nilfisk Holding A/S was added to the portfolio during 2017 as well as ownership of ISS A/S were increased.

Gains in 2017 from the long-term equity investments are mainly attributable to solid performance of the investment in MV Holding GmbH and Nilfisk Holding A/S as the investments in Falck A/S showed negative return and ISS A/S had a flat year.

The long-term equity portfolio consists end of 2017 of ownership in ISS A/S, MV Holding GmbH, Nilfisk Holding A/S and Falck A/S. End of 2017 KIRKBI Invest A/S acquired 48.4 % ownership of the Swedish flooring technology company Vålinge. The transaction is pending closing which is expected to happen in the first half of 2018.

Private Equity Investments

In the Private Equity portfolio, gains are attributable both to the preferred buyout funds and co-investments made. During 2017, KIRKBI Invest A/S made three new commitments to funds and invested in two new co-investments with our partners.

In the Private Equity portfolio, an underlying strong year both to preferred buyout funds and co-investments was partly offset by a declining USD.

Real estate investment

In 2017, Real estate completed the acquisition of four new investment properties, one located in Munich (Germany), one located in Baar (Switzerland) and two properties located in Baden (Switzerland). Two of the properties are office buildings, which are almost fully let. Two properties are acquired as renovation projects running until 2019, where the main part of the office buildings already have been pre-let.

All acquisitions of Real estate investments during the year were made in fully owned subsidiaries of KIRKBI Invest A/S.

Investments in renewable energy

KIRKBI Invest A/S has ownership in two off-shore wind farms, Borkum Riffgrund 1 and Burbo Bank Extension.

KIRKBI Invest A/S holds indirectly 31.5 % ownership of Borkum Riffgrund 1 and indirectly 25 % ownership of Burbo Bank Extension.

Borkum Riffgrund has been fully operational since 2016 and production is running according to plans. Burbo Bank Extension was fully commissioned during first half of 2017 and has since been fully operational. Both wind farms are operated by Ørsted.

Subsequent events

No other significant events have occurred after the end of the financial year, which could materially impact the financial position of the Company at 31 December 2017.

Knowledge resources

According to the Company's corporate mission, the employees are a key resource. The profit for the year was realised thanks to the motivation and commitment of the employees; and as part of the overall corporate strategy, employees and management work together to continuously ensure job satisfaction and a strong working environment.

Management's Review

In 2017, the Company employed 18 FTEs on average, which is an increase of 2 FTE compared to 2016.

All employees are subject to a Performance Management Program, which aims to link business goals with individual employee goals. This program includes a tiered bonus scheme.

Risks

Due to its holding of a significant portfolio of equities and bonds, the Company is exposed to fluctuations in the financial markets. At the end of the year, the market value of the Company's listed and unlisted equities and bonds amounted to DKK 37.1 billion.

The recognised carrying amount of the Company's investment properties is DKK 1.6 billion. The value is impacted by the way in which economic trends will impact on the demand for commercial leases and, hence, the occupancy rate and rent level as well as developments in the long-term interest rate.

Environmental impact

KIRKBI Invest A/S' own activities do not have any material impact on the environment, as the sole impact is related to the use of resources for light and heating.

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

Profit for the year compared with expected developments in the most recently published annual report

Profit for 2017 has met expectations.

Corporate Responsibility

Reference is made to the Corporate Responsibility reporting in the annual report of the parent, KIRKBI A/S.

Research and development activities

KIRKBI Invest A/S does not engage in research or development activities.

Statement on the gender composition of management

KIRKBI Invest A/S has the ambition to have a balanced composition of the gender and currently there is no underrepresented gender in the Company.

Outlook

KIRKBI Invest A/S' investment activities will be impacted by the development in the global economy in 2018 and hence it is difficult to express clear expectations of the results for the year. The objective for KIRKBI Invest A/S is to create satisfactory long-term returns.

The overall result for 2018 for KIRKBI Invest A/S is expected to be satisfactory.

Management's Review

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios is shown below.

The comparative figures for 2013-2014 have not been adjusted according to the change in accounting policies in 2016, see accounting policies in the annual report for 2016. Adjustment of the comparative figures would give an increase of profit.

	2017	2016	2015	2014	2013
Key figures (mill.DKK)					
Revenue	890	997	1,069	665	596
Profit from ordinary operating activities	792	826	778	2,979	1,300
Net financials	2,195	1,255	1,805	-123	-79
Profit for the year	4,209	3,273	3,979	3,171	2,553
Total assets	66,876	55,887	48,171	35,579	28,605
Investment in property, plant and equipment, net	389	313	91	349	143
Total equity	48,665	25,448	22,125	18,255	14,965
Ratios (%)					
Return on assets	1.29	1.59	1.86	9.30	5.00
Return on equity	11.36	13.76	19.71	19.10	18.60
Average number of full-time employees					
	18	16	13	11	9

For definitions of key ratios, see accounting policies.

Accounting Policies

Reporting Class

The Annual Report of KIRKBI Invest A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

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

The accounting policies applied remain unchanged from last year.

Consolidated Financial Statements

According to § 112,1 of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of KIRKBI Invest A/S and its group enterprises are included in the consolidated financial statements of KIRKBI A/S.

Reporting currency

The annual report is presented in Danish kroner.

Translation policies

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.

Foreign group entities

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

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

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

Differences deriving from translation of the opening balance equity in foreign subsidiaries that are allocated to the Company's investment portfolio are recognized in the income statement. Differences deriving from translation of the opening balance equity in foreign subsidiaries that are allocated to the Company's strategic portfolio are taken directly to equity.

Derivative financial instruments

Derivative financial instruments are measured at fair value. Positive and negative fair values are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments are recognised in the income statement under other financial income and expenses.

General Information

Basis of recognition and measurement

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

Accounting Policies

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income Statement

Revenue

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

Income from properties includes rental income.

Other external expenses

Expenses relating to financial assets are accrued to the period.

Staff costs

Staff costs comprise wages and salaries, pensions and social security costs.

Depreciation and impairment losses

Depreciation and impairment charges include depreciation and impairment of property, plant and equipment. Fixed assets are depreciated using the straight-line method, based on the cost measured by reference to the below assessments of the useful lives:

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

As for individual assets, the expected residual value has been set off.

Gains or losses on the sale of fixed assets are recognised in the income statement under other operating income and expenses.

Value adjustments of investment properties

Investment properties are recognised at fair value with value adjustments in the income statement. The fair value of investment properties is calculated for each property by use of a return-based model.

Income from equity 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 associates allocated to the Company's investment portfolio is described in the section "Equity investments in group enterprises and associates".

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include among others interest income and expenses related to receivables, cash and liabilities and realised and unrealised foreign exchange gains and losses. Financial assets are recognised at fair value, and all realised and unrealised value adjustments are recognised in the income statement.

Tax on profit for the year

Tax on profit for the year comprises current tax on the expected taxable income for the year and adjustments for the year of deferred tax less the portion of tax for the year which concerns changes in equity. Current and deferred tax relating to changes in equity is recognised directly in equity. The Company and the Danish group enterprises are jointly taxed. The Danish income tax is allocated between profit-making and loss-making Danish companies in ratio to their taxable income.

Balance Sheet

Property, plant and equipment

Property, plant and equipment include land and buildings, operating equipment and prepayments for property and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Furthermore, as regards operating equipment, an estimated residual value has been taken into consideration for depreciation purposes.

Investment properties are recognised at fair value using of return-based model. The profit/loss, location, and rental situation of the individual properties are included in the model.

An impairment test is made for domicile property, plant and equipment if there is evidence of impairment. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the fair value, net of selling expenses, of the asset or group of assets if this is lower than the carrying amount.

Equity investments in group enterprises and associates

Equity investments in group enterprises are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

Goodwill is amortised on a straight-line basis over the estimated useful life based on an assessment of, among other factors, the acquiree's nature, earnings and market position as well as the industry's stability and dependence on key personnel.

The Company's investments in 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.

Accounting Policies

Strategic portfolio

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

Investment portfolio

Investments allocated to the investment portfolio are currently monitored and evaluated based on the development of fair value in accordance with the Company's and the group's investment strategy. As the Company's primary activity is to run investment business, investments allocated to the investment portfolio are measured at fair value and adjusted in the equity. The valuation is based on internationally accepted valuation methods for private equity.

Other investments

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

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash

Cash comprises cash at bank.

Deferred tax

Deferred tax and adjustment for the year are measured in accordance with the balance-sheet liability method of all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the amount at which they are expected to be utilised, either by setting off tax on future earnings or by a set-off against deferred tax liabilities in enterprises within the same legal tax entity and jurisdiction.

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

Other provisions

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

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

Accounting Policies

Financial liabilities

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

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

Current tax liabilities

Current tax liabilities are recognised in the balance sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Deferred income, liabilities

Deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Explanation of financial ratios

$$\text{Return on assets (\%)} = \frac{\text{Profit from ordinary operating activities X 100}}{\text{Average assets}}$$

$$\text{Return on equity (\%)} = \frac{\text{Profit/loss for the year X 100}}{\text{Average equity}}$$

KIRKBI Invest A/S

Income Statement

	Note	2017 t.DKK	2016 t.DKK
Revenue	1	889,547	997,445
Other external expenses		-158,137	-182,522
Gross profit		731,410	814,923
Staff costs	2	-16,409	-14,928
Depreciation and impairment of property, plant and equipment		-46,460	-32,979
Value adjustments of investment properties		123,764	58,905
Profit from ordinary operating activities		792,305	825,921
Income from investments in group enterprises		1,604,513	1,244,390
Income from investments in associates		244,550	265,990
Other financial income	3	2,339,736	1,377,272
Other financial expenses	4	-144,761	-122,382
Profit before tax		4,836,343	3,591,191
Tax on profit for the year		-627,223	-318,131
Profit for the year	5	4,209,120	3,273,060

Balance Sheet as of 31 December

	Note	2017 t.DKK	2016 t.DKK
Assets			
Domicile properties	6	298,643	103,258
Plant and equipment	7	707,657	361,326
Prepayments for property, plant and equipment	8	0	236,321
Investment properties	9	1,550,526	1,389,701
Property, plant and equipment		2,556,826	2,090,606
Long-term investments in group enterprises	10, 11	13,295,113	12,260,723
Long-term investments in associates	10, 12	6,578,923	5,806,805
Receivables from group enterprises	13	3,314,231	4,107,146
Receivables from associates	14	598,471	267,592
Other long-term investments	15	80,427	100,852
Investments		23,867,165	22,543,118
Fixed assets		26,423,991	24,633,724
Receivables from group enterprises		1,665,930	950,746
Receivables from associates		2,494	2,304
Other short-term receivables		1,014,992	158,545
Receivables		2,683,416	1,111,595
Securities		37,117,710	29,926,450
Short-term investments		37,117,710	29,926,450
Cash		650,781	215,503
Current assets		40,451,907	31,253,548
Assets		66,875,898	55,887,272

Balance Sheet as of 31 December

	Note	2017 t.DKK	2016 t.DKK
Liabilities and equity			
Share capital		126,000	120,000
Revaluation reserve		2,135,619	984,829
Reserve for net revaluation according to equity method		1,743,060	1,399,595
Retained earnings		44,659,925	22,943,498
Equity		48,664,604	25,447,922
Provisions for deferred tax	16	211,513	171,023
Provisions		211,513	171,023
Payables to credit institutions		350,602	377,909
Other payables		766,914	1,150,732
Long-term liabilities	17	1,117,516	1,528,641
Short-term part of long-term liabilities		617,331	621,551
Debt to banks		846,763	500,697
Trade payables		21,452	21,638
Payables to group enterprises		14,699,856	27,145,306
Tax payables		494,188	213,918
Other payables		201,737	236,399
Deferred income, liabilities	18	938	177
Short-term liabilities		16,882,265	28,739,686
Liabilities		17,999,781	30,268,327
Liabilities and equity		66,875,898	55,887,272
Contingent liabilities	19		
Other financial obligations	20		
Related parties	21		

Statement of changes in Equity

2017

(Amounts in t.DKK)

	Share capital	Revaluation reserve	Reserve for net revaluation according to equity method	Retained earnings	Total
Equity at 1/1	120,000	984,829	1,399,595	22,943,498	25,447,922
Increase of capital	6,000	0	0	18,894,000	18,900,000
Capital adjustments in group enterprises and associates	0	0	-440,823	0	-440,823
Dividend received	0	0	-1,217,688	1,217,688	0
Profit for the year	0	0	1,849,063	2,360,057	4,209,120
Fair value adjustments in equity from associates	0	1,150,790	0	-609,322	541,468
Other adjustments	0	0	0	6,917	6,917
Transferred in the year	0	0	152,913	-152,913	0
Equity at 31/12	126,000	2,135,619	1,743,060	44,659,925	48,664,604

The share capital consist of:

60,963 class A shares of DKK 1 t or multiples thereof

65,037 class B shares of DKK 1 t or multiples thereof

The share capital has developed as follows:

	2017	2016	2015	2014	2013
Balance at 1/1	120,000	120,000	120,000	120,000	120,000
Capital increase	6,000	0	0	0	0
Balance at 31/12	126,000	120,000	120,000	120,000	120,000

Notes

	2017	2016
	t.DKK	t.DKK
1. Revenue		
Segmentation of revenue by activity:		
Income from investments	770,630	886,951
Income from properties	91,214	86,738
Other income	27,703	23,756
	889,547	997,445
As investments are made on a global basis, a segmentation of revenue by geographical market would not be meaningful.		
2. Staff costs		
Wages and salaries	14,734	13,571
Pensions	1,189	996
Social security contributions	486	361
	16,409	14,928
<i>Remuneration to members of the executive management and board of directors:</i>		
Executive management and board of directors	1,000	1,000
	1,000	1,000
Average number of employees	18	16
3. Other financial income		
Value adjustments of other investment assets	2,256,487	1,371,917
Finance income from group enterprises	4,561	0
Other finance income	78,688	5,355
	2,339,736	1,377,272
4. Other financial expenses		
Finance expenses arising from group enterprises	12,120	10,092
Other finance expenses	132,641	112,290
	144,761	122,382
5. Profit distribution		
Reserve for net revaluation according to equity method	1,849,063	1,510,380
Retained earnings	2,360,057	1,762,680
	4,209,120	3,273,060

Notes

	2017
	t.DKK
6. Domicile properties	
Cost at 1/1 2017	153,243
Additions during the year	199,649
Cost at 31/12 2017	352,892
Depreciation and impairment losses at 1/1 2017	-49,985
Depreciation and impairment losses for the year	-4,264
Depreciation and impairment losses at 31/12 2017	-54,249
Carrying amount at 31/12 2017	298,643
7. Plant and equipment	
Cost at 1/1 2017	482,941
Additions during the year	152,206
Transfer	236,321
Cost at 31/12 2017	871,468
Depreciation and impairment losses at 1/1 2017	-121,615
Depreciation and impairment losses for the year	-42,196
Depreciation and impairment losses at 31/12 2017	-163,811
Carrying amount at 31/12 2017	707,657
8. Prepayments for property, plant and equipment	
Cost at 1/1 2017	236,321
Transfer	-236,321
Cost at 31/12 2017	0
Carrying amount at 31/12 2017	0
9. Investment properties	
Cost at 1/1 2017	888,603
Additions during the year	37,061
Cost at 31/12 2017	925,664
Fair value adjustments at 1/1 2017	501,098
Adjustments for the year	123,764
Fair value adjustments at 31/12 2017	624,862
Carrying amount at 31/12 2017	1,550,526

KIRKBI Invest A/S

Notes

Investment properties are recognised at fair value on the basis of a return-based model using yields in the level 4-9 %. If the yield in the calculations increases by 1 % point, the impact on profit before tax would be negative with DKK 257 mill.

10. Investments in group enterprises and associates

Company name and legal form	Domicile	Currency	Nominal capital	Interest (%)
Group enterprises				
Boston Holding A/S	Denmark	DKK	600,000	63
Einsteinstrasse 130 GmbH	Germany	EUR	50,000	90
Einsteinstrasse 130 Betriebsgesellschaft mbH	Germany	EUR	25,000	90
Elsenheimerstrasse Invest GmbH	Germany	EUR	46,025,000	100
KIRKBI AG	Switzerland	CHF	3,000,000	100
KIRKBI Anlæg A/S	Denmark	DKK	10,000,000	100
KIRKBI Burbo Extension Holding UK Ltd.	UK	GBP	13	100
KIRKBI Estates Ltd.	Scotland	GBP	21,000,000	100
KIRKBI Palác Karlín Property s.r.o.	Czech Republic	CZK	100,000,000	100
KIRKBI Real Estate Investment A/S	Denmark	DKK	100,000,000	100
KIRKBI Real Estate Investment GmbH	Germany	EUR	25,000	100
KIRKBI Real Estate Investment s.r.o.	Czech Republic	CZK	16,500,000	100
K & C Holding A/S	Denmark	DKK	45,000,000	100
LEGO Juris A/S	Denmark	DKK	10,000,000	100
LLJ Investco K.K.	Japan	JPY	300,100,000	100
Maxor 4 GmbH	Germany	EUR	25,000	94
Valdek Praha Spol. s.r.o.	Czech Republic	CZK	100,000	100
Associates recognised at equity value				
Founders A/S	Denmark	DKK	19,990,000	33.2
Merlin Entertainments plc	UK	GBP	10,195,724	29.7
Associates recognised at fair value				
Falck A/S	Denmark	DKK	81,445,955	27.8
MV Holding GmbH	Germany	EUR	213,000	29.4

Notes

	2017
	t.DKK
11. Long-term investments in group enterprises	
Cost at 1/1 2017	10,305,636
Additions in connection with acquisition of enterprises	765,617
Cost at 31/12 2017	11,071,253
Adjustments at 1/1 2017	1,955,087
Share of the profit/loss for the year, net	1,604,513
Dividend received	-1,030,141
Other adjustments	-305,599
Adjustments at 31/12 2017	2,223,860
Carrying amount at 31/12 2017	13,295,113
12. Long-term investments in associates	
Cost at 1/1 2017	6,399,118
Capital increase	309,015
Disposals during the year	-153,057
Cost at 31/12 2017	6,555,076
Adjustments at 1/1 2017	-592,313
Share of the profit/loss for the year, net	786,018
Dividend received	-187,547
Other adjustments	-135,224
Reversal of fair value adjustments of disposed assets	152,913
Adjustments at 31/12 2017	23,847
Carrying amount at 31/12 2017	6,578,923
<i>Analysis of the Company's share of the profit/loss for the year</i>	
Share of the profit/loss for the year, net	265,871
Fair value adjustment	541,468
Amortisation of goodwill on consolidation	-21,321
	786,018
<i>Analysis of the carrying amount at 31/12 2017</i>	
Share of net asset value	1,933,914
Fair value	4,614,895
Goodwill on consolidation	30,114
	6,578,923

Notes

	2017
	t.DKK
13. Receivables from group enterprises	
Cost at 1/1 2017	4,107,146
Additions during the year	407,699
Disposals during the year	-1,200,614
Cost at 31/12 2017	<u>3,314,231</u>

Carrying amount at 31/12 2017	<u>3,314,231</u>
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14. Receivables from associates

Cost at 1/1 2017	267,592
Additions during the year	612,094
Disposals during the year	-281,215
Cost at 31/12 2017	<u>598,471</u>

Carrying amount at 31/12 2017	<u>598,471</u>
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15. Other long-term investments

Cost at 1/1 2017	100,852
Additions during the year	5,210
Disposals during the year	-25,635
Cost at 31/12 2017	<u>80,427</u>

Carrying amount at 31/12 2017	<u>80,427</u>
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16. Provisions for deferred tax

Deferred tax at 1/1 2017	171,023
Adjustment of deferred tax in the income statement	40,490
Balance at 31/12 2017	<u>211,513</u>

17. Long-term liabilities

(Amounts in t.DKK)

	Due	Due	Due
	after 1 year	within 1 year	after 5 years
Payables to credit institutions	350,602	24,166	257,821
Other payables	766,914	593,165	0
	<u>1,117,516</u>	<u>617,331</u>	<u>257,821</u>

Notes

	2017
	t.DKK
18. Deferred income, liabilities	
Prepaid rent	938
Balance at 31/12 2017	938

19. Contingent liabilities

A statement of continuing financial support has been given to the subsidiary KIRKBI Estates Ltd. KIRKBI Invest A/S will provide continuing financial support to KIRKBI Estates Ltd. to enable it to operate as a going concern and to meet its obligations for at least 12 months from the date of the directors' report for the financial year ended 31 December 2017.

The Company is part of a joint taxation arrangement in which the parent, KIRKBI A/S is the management company. Therefore, the Company is jointly and severally liable for tax on 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.

Apart from the above, there are no contingent liabilities.

20. Other financial obligations

Contingent liabilities and legal commitments to participate in investment projects and other purchase obligations amount to a maximum of DKK 8,823 mill.

The Company has provided a payment guarantee of DKK 145 mill.

Security has been given in land, buildings and installations with a net carrying amount of DKK 1,066 mill. for the Company's mortgage loans which amount to DKK 379 mill.

21. Related parties

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

All transactions with related parties are made on market terms.