

# **Koldingvej 2, Billund A/S**

Koldingvej 2  
7190 Billund

CVR no. 16 63 26 35

## **Annual report for 2020**

Adopted at the annual general  
meeting on 4 March 2021

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chairman

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**Koldingvej 2, Billund A/S**

## **Statement by management on the annual report**

The management has today discussed and approved the annual report of Koldingvej 2, Billund A/S for the financial year 1 January - 31 December 2020.

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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company's and the group's financial position at 31 December 2020 and of the results of the group's and the company's operations and consolidated cash flow for the financial year 1 January - 31 December 2020.

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

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

Billund, 2 March 2021

### **Executive management**

Kurt Hedegaard Carstensen

### **Board of directors**

Kjeld Kirk Kristiansen  
chairman

Sidsel Marie Kristensen

Søren Thorup Sørensen

## **Independent auditor's report**

### **To the shareholder of Koldingvej 2, Billund A/S**

#### **Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Koldingvej 2, Billund A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2020 and of the results of the group and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

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

#### **Management's responsibilities for the consolidated financial statements and the financial statements**

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

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's report

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 parent company 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 parent company 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and parent company 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 company to cease to continue as a going concern.

## **Independent auditor's report**

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are 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.

### **Statement on management's review**

Management is responsible for management's review.

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

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

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

**Koldingvej 2, Billund A/S**

## **Independent auditor's report**

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

Aarhus, 2 March 2021

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 96 35 56

Thomas Rosquist Andersen  
State Authorised Public Accountant  
MNE no. mne31482

Nikolaj Thomsen  
State Authorised Public Accountant  
MNE no. mne33276

**Koldingvej 2, Billund A/S**

## **Company details**

### **The company**

Koldingvej 2, Billund A/S  
Koldingvej 2  
7190 Billund

CVR no.: 16 63 26 35

Reporting period: 1 January - 31 December 2020

Domicile: Billund

### **Board of directors**

Kjeld Kirk Kristiansen, chairman  
Sidsel Marie Kristensen  
Søren Thorup Sørensen

### **Executive management**

Kurt Hedegaard Carstensen

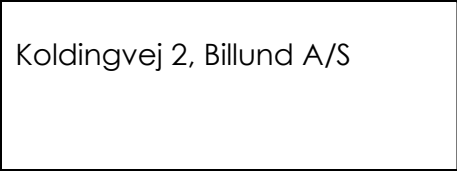
### **Auditors**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Værkmestergade 2  
8000 Aarhus

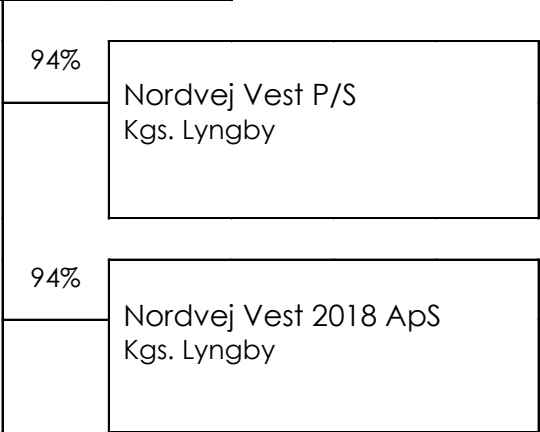


**Group chart**

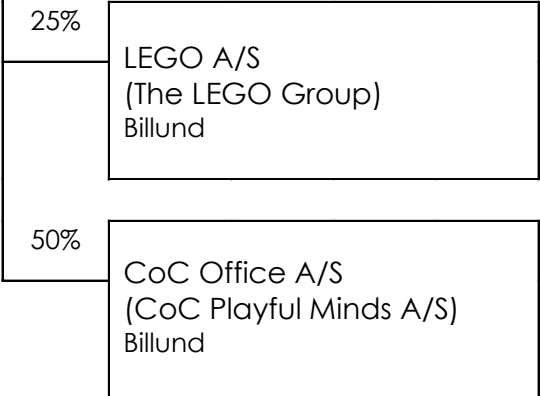
**Parent Company**



**Consolidated group enterprises**



**Associates**



## Financial highlights

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

	<b>Group</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	113	154	119	27	4
Profit/loss from ordinary operating activities	-186	-28	-27	-279	-184
Income from investments in associates	2,473	2,068	2,011	1,945	2,355
Net financials	266	1,077	-147	358	381
Profit/loss for the year	2,549	3,116	1,835	2,023	2,551
<b>Balance sheet</b>					
Equity	13,720	12,610	13,461	12,015	10,410
Balance sheet total	16,301	15,466	14,831	13,797	11,633
Investment in property, plant and equipment	32	85	101	299	340
<b>Financial ratios</b>					
Solvency ratio	84.2%	81.5%	90.8%	87.1%	89.5%
Return on equity	19.4%	23.9%	14.4%	18.0%	27.7%

For definitions, see accounting policies.

In 2018, Koldingvej 2, Billund A/S invested in Nordvej Vest P/S and Nordvej Vest 2018 ApS from which time they have been consolidated with the parent company. The comparative figures for 2016 and 2017 include the operating activities from the parent company only.

## **Management's review**

### **Business review**

Koldingvej 2, Billund A/S' activities primarily consist of financial investments, including the ownership of 25 percent of the shares in LEGO A/S (The LEGO Group).

Besides, the company is owning and operating a 12,000-square meter experience house, LEGO® House, filled with 25 million LEGO® bricks ready to give LEGO® fans of all ages the ultimate LEGO® experience.

### **Financial review**

The Koldingvej 2, Billund A/S' annual result for 2020, for as well the group as the parent company, amounted to DKK 2,549 million compared to DKK 3,116 million in 2019.

Total equity for the parent company as per 31 December 2020 amounted to DKK 13,714 million, compared to DKK 12,603 million the previous year. Including a minority interest of DKK 6 million, the total equity for the group as per 31 December 2020 amounted to DKK 13,720 million. In February 2020, a dividend for 2019 of DKK 1,300 million was distributed.

The majority of the 2020 result comes from investments in associates, where the 25% share of result in the LEGO Group amounted to DKK 2,479 million (2019: DKK 2,077 million).

For the LEGO Group, 2020 has been a very satisfactory year, with double digit growth in all major markets. The company achieved 13% revenue growth, and 21% growth in consumer sales, which outpaced the global toy industry growth. The LEGO Group continued to make significant investments in strategic initiatives designed to drive long-term growth and delivered a profit growth of 16% (before tax) compared to 2019. The LEGO Group profit before tax in 2020 amounted to DKK 12,500 million compared to DKK 10,752 million in 2019.

The investment activities have been exposed to a challenging environment in 2020. Despite a negative return on investment in the first half of 2020, the investment portfolio more than recovered in the second half of 2020. The return on the investment portfolio in 2020 resulted in a positive net return of DKK 266 million, equivalent to a return of 3.5%, compared to last year's return of DKK 1,077 million or 12.5%.

LEGO® House had a very challenging year in 2020 due to the COVID-19 situation. On 12 March, LEGO® House was forced to close completely down to visitors. On 22 June, LEGO® House reopened, but under several restrictions impacting guest capacity. On 11 December, LEGO® House was again forced to close down to visitors and remained closed until the end of the year. In total, 111,352 paying guests visited LEGO® House in 2020 compared to 281,772 in 2019 (-61%). The lower number in guests due to COVID-19 resulted in significantly reduced revenue figures and an unsatisfactory result from operations. Guest feedback in 2020 continued to be highly positive despite the COVID-19 situation.

## **Management's review**

During 2020, an impairment test of the LEGO® House land and buildings resulted in a writedown of DKK 138 million. The amount has been recognised in "depreciation, amortisation and impairment losses" in the income statement.

The financial result for 2020 for the company is considered satisfactory and on an overall level in line with the expectations disclosed in the Annual Report 2019.

### **Expectations for 2021**

Koldingvej 2, Billund A/S is a long-term investor and a one-year view of the investment activities is highly dependent of the development in the financial markets. Hence, predictions of the financial return of the investment activities for 2021 are difficult to make. A normalised return on financial investments with the company's risk profile should be at a level of 2-3%.

The LEGO Group expects single-digits revenue growth in 2021, ahead of the global toy market. This is expected to be achievable due to continued focus on innovation, growth in established markets and continued growth in strategic markets such as China. The LEGO Group also plans to continue investing in initiatives to address evolving trends, including sustainability, and drive long-term sustainable growth.

Despite the foreseeable continuing negative impact of COVID-19 in 2021, LEGO® House expects a more normal year than 2020. The number of guests, revenues and result for 2021 are expected higher than the actual numbers for 2020.

The overall result for 2021 for Koldingvej 2, Billund A/S is expected to be at same level as the result for 2020.

### **Risks**

The Koldingvej 2, Billund A/S' risks primarily relate to the development in the financial markets and to the global markets where the LEGO Group is active.

### **Research and development activities**

Koldingvej 2, Billund A/S is not engaged in research and development activities, except for the development of the LEGO® House activities.

### **Corporate responsibility**

Koldingvej 2, Billund A/S strives to observe and maintain high ethical standards in all operations carried out by the company itself as well as when working with partners. The company aims for having a positive impact on its stakeholders and its surroundings.

## **Management's review**

The company's policy is to secure high standards for corporate responsibility in all its operations, and to apply responsibility in investments and ownership of companies and real estate to act as good citizens, and to avoid negative impact on the reputation of the LEGO® brand and the company itself. The company has adopted an investment policy to secure responsible investing by integrating environmental, social and governance (ESG) factors into the investment approach and ownership practices. The company's statutory statement for corporate responsibility is part of the Sustainability report for 2020 for the parent, the LEGO Foundation, being part of the Management's review of the LEGO Foundation Annual Report 2020. The LEGO Foundation Sustainability report 2020 is published on the LEGO Foundation website: [www.legofoundation.com/en/about-us/governance-and-policies/sustainability-reports/](http://www.legofoundation.com/en/about-us/governance-and-policies/sustainability-reports/), and describes how the group is working within the areas of human rights, labor standards, the environment and anticorruption.

### **Diversity policy**

The Board of Directors has decided to follow the ambition in the parent, the LEGO Foundation, recognising the value of a diversified organisation and striving for a balance between genders, with a specific commitment to keep a minority gender at 25 percent or higher. The current Board of Directors consists of two men and one woman. The Executive Management consists of one man. The Management Team for the operation of the LEGO House consists of 4 men and 4 women. As well at board level as at management level the company lives up to its commitment regarding the underrepresented gender.

## **Accounting policies**

The annual report of Koldingvej 2, Billund A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies are identical for both the parent company's financial statements and the consolidated financial statements.

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

The annual report is presented in Danish kroner.

### **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 and impairment losses.

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

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

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

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

### **Consolidated financial statements**

The consolidated financial statements comprise the parent company Koldingvej 2, Billund A/S and group companies in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the group chart.

On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

## **Accounting policies**

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

### **Minority interests**

In the consolidated financial statements, the items of group enterprises are recognised in full. The minority interests' proportionate share of group enterprises profit/loss and equity is presented separately under appropriation of profit and in a main item under equity.

## **Income statement**

### **Revenue**

Revenue from services is recognised as revenue as the services are delivered.

Revenue from sale of goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place.

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

### **Raw materials and consumables**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### **Other external expenses**

Other external expenses include expenses related to facilities, sales, administration etc.

### **Employee expenses**

Employee expenses include wages and salaries, pensions as well as other social security contributions, etc. made to the entity's employees.

### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses comprise the year's depreciation, amortisation and impairment of intangible and tangible assets.

### **Financial income and expenses**

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

## Accounting policies

### Income from investments in group enterprises and associates

The proportionate share of the profit/loss for the year of group enterprises is recognised in the parent company's income statement after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss for the year of associates is recognised in both the consolidated and the parent company's income statement after elimination of the proportionate share of intra-group profits/losses.

### Tax on profit for the year

The company has opted to use section 3(4) of the Danish Corporation Tax Act. Under these rules, the taxable income of Koldingvej 2, Billund A/S is considered to have been earned by the LEGO Foundation if the taxable income is distributed as dividends to the LEGO Foundation.

Tax on profit for the year contains non-refundable withholding tax on received dividends.

## Balance sheet

### Intangible assets

#### Goodwill

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over 10 years, corresponding to the duration of the profit-making rent agreements to which the goodwill relates.

### Tangible assets

Land and buildings, equipment and assets under construction are measured at cost less accumulated depreciation and impairment losses.

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

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

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

	<b>Useful life</b>
Properties and installations	5-40 years
Equipment	3-10 years



## **Accounting policies**

As for individual assets, the expected residual value has been set off. The useful lives and residual values are reassessed annually.

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

### **Investments in group enterprises and associates**

Investments in group enterprises and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated.

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

### **Stocks**

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

### **Impairment of assets**

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

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

### **Receivables**

Receivables are measured at amortised cost.

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

## Accounting policies

### Prepayments

Prepayments recognised under current assets comprises expenses incurred concerning subsequent financial years.

### Securities

Securities 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.

### Cash

Cash comprises cash at bank and in hand.

### Equity

Proposed dividends are disclosed as a separate item under equity.

### Liabilities

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

### Deferred income

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

### Foreign currency translation

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

### Derivative financial instruments

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

Fair value adjustments of derivative financial instruments are recognised in the income statement under financial income and expenses.

## Accounting policies

### Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and the group's cash at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

### Cash flows from operating activities

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items and changes in working capital.

### Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property and equipment and investments.

### Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

### Financial highlights

Definitions of financial ratios.

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

## Income statement 1 January - 31 December

	Note	Group		Parent company	
		2020	2019	2020	2019
		†.DKK	†.DKK	†.DKK	†.DKK
Revenue	1	113,198	154,269	97,299	143,094
Raw materials and consumables		-3,760	-9,065	-3,760	-9,065
Other external expenses		-43,927	-55,106	-41,376	-52,655
<b>Gross profit</b>		<b>65,511</b>	<b>90,098</b>	<b>52,163</b>	<b>81,374</b>
Employee expenses	2	-61,346	-58,545	-61,346	-58,545
Depreciation, amortisation and impairment losses		-189,813	-59,072	-180,094	-55,842
<b>Profit/loss from ordinary operating activities</b>		<b>-185,648</b>	<b>-27,519</b>	<b>-189,277</b>	<b>-33,013</b>
Income from investments in group enterprises	7	0	0	3,359	4,969
Income from investments in associates	8	2,473,448	2,068,038	2,473,448	2,068,038
Financial income		832,288	1,238,549	832,288	1,238,549
Financial expenses	3	-566,320	-161,456	-566,266	-161,427
<b>Profit before tax</b>		<b>2,553,768</b>	<b>3,117,612</b>	<b>2,553,552</b>	<b>3,117,116</b>
Tax on profit for the year		-4,279	-968	-4,279	-968
<b>Profit before minority interests</b>		<b>2,549,489</b>	<b>3,116,644</b>	<b>2,549,273</b>	<b>3,116,148</b>
Minority interests' share of net profit of group enterprises		-216	-496	0	0
<b>Profit for the year</b>		<b>2,549,273</b>	<b>3,116,148</b>	<b>2,549,273</b>	<b>3,116,148</b>
Distribution of profit	4				

## Balance sheet 31 December

	Note	Group		Parent company	
		2020	2019	2020	2019
		†.DKK	†.DKK	†.DKK	†.DKK
<b>Assets</b>					
Goodwill		4,775	7,025	4,775	7,025
<b>Intangible assets</b>	5	<b>4,775</b>	<b>7,025</b>	<b>4,775</b>	<b>7,025</b>
Land and buildings		418,709	509,824	334,332	416,701
Equipment		12,375	61,542	3,000	51,195
Assets under construction		0	15,000	0	15,000
<b>Tangible assets</b>	6	<b>431,084</b>	<b>586,366</b>	<b>337,332</b>	<b>482,896</b>
Investments in group enterprises	7	0	0	94,377	102,298
Investments in associates	8	5,891,893	5,550,445	5,891,893	5,550,445
Receivables from associates	9	5,000	0	5,000	0
Other receivables	9	507	0	507	0
<b>Financial non-current assets</b>		<b>5,897,400</b>	<b>5,550,445</b>	<b>5,991,777</b>	<b>5,652,743</b>
<b>Total non-current assets</b>		<b>6,333,259</b>	<b>6,143,836</b>	<b>6,333,884</b>	<b>6,142,664</b>
Raw materials and consumables		788	521	788	521
Goods for resale		88	195	88	195
<b>Stocks</b>		<b>876</b>	<b>716</b>	<b>876</b>	<b>716</b>
Trade receivables		7,140	12,930	7,140	12,930
Receivables from group enterprises		1,765	5,895	1,765	5,895
Receivables from associates		10,067	25,422	10,067	25,422
Other receivables		75,606	43,696	71,592	43,696
Prepayments	10	1,033	174	409	49
<b>Receivables</b>		<b>95,611</b>	<b>88,117</b>	<b>90,973</b>	<b>87,992</b>
Securities		9,834,041	9,199,056	9,834,041	9,199,056
<b>Securities</b>		<b>9,834,041</b>	<b>9,199,056</b>	<b>9,834,041</b>	<b>9,199,056</b>
<b>Cash</b>		<b>37,128</b>	<b>34,527</b>	<b>25,666</b>	<b>22,689</b>
<b>Total current assets</b>		<b>9,967,656</b>	<b>9,322,416</b>	<b>9,951,556</b>	<b>9,310,453</b>
<b>Total assets</b>		<b>16,300,915</b>	<b>15,466,252</b>	<b>16,285,440</b>	<b>15,453,117</b>

## Balance sheet 31 December

	Note	Group		Parent company	
		2020	2019	2020	2019
		†.DKK	†.DKK	†.DKK	†.DKK
<b>Equity and liabilities</b>					
Share capital		50,000	50,000	50,000	50,000
Reserve for net revaluation under the equity method		5,001,155	4,665,707	5,001,155	4,669,795
Retained earnings		2,663,275	6,587,450	2,663,275	6,583,362
Proposed dividend for the year		6,000,000	1,300,000	6,000,000	1,300,000
Minority interest		6,003	6,507	0	0
<b>Total equity</b>		<b>13,720,433</b>	<b>12,609,664</b>	<b>13,714,430</b>	<b>12,603,157</b>
Other payables		1,155	1,145	1,155	1,145
<b>Total non-current liabilities</b>	11	<b>1,155</b>	<b>1,145</b>	<b>1,155</b>	<b>1,145</b>
Trade payables		8,614	11,976	8,614	11,976
Payables to group enterprises		1,840,000	1,835,000	1,840,000	1,835,000
Payables to associates		1,065	6,602	1,065	6,602
Other payables		728,747	999,916	719,275	993,288
Deferred income	12	901	1,949	901	1,949
<b>Total current liabilities</b>		<b>2,579,327</b>	<b>2,855,443</b>	<b>2,569,855</b>	<b>2,848,815</b>
<b>Total liabilities</b>		<b>2,580,482</b>	<b>2,856,588</b>	<b>2,571,010</b>	<b>2,849,960</b>
<b>Total equity and liabilities</b>		<b>16,300,915</b>	<b>15,466,252</b>	<b>16,285,440</b>	<b>15,453,117</b>
Uncertainty in the recognition and measurement	13				
Contingent liabilities	14				
Assets charged and security	15				
Financial instruments	16				
Related parties	17				
Fee to auditors appointed at the general meeting	18				

## Statement of changes in equity

## Group

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Minority interest	Total
	†.DKK	†.DKK	†.DKK	†.DKK	†.DKK	†.DKK
Equity at 1 January	50,000	4,665,707	6,587,450	1,300,000	6,507	12,609,664
Dividend paid	0	0	0	-1,300,000	0	-1,300,000
Capital adjustments in associates	0	-138,000	0	0	0	-138,000
Net profit/loss for the year	0	2,473,448	-5,924,175	6,000,000	216	2,549,489
Dividends received from investments in associates	0	-2,000,000	2,000,000	0	0	0
Dividend received, minority interest	0	0	0	0	-720	-720
<b>Equity at 31 December</b>	<b>50,000</b>	<b>5,001,155</b>	<b>2,663,275</b>	<b>6,000,000</b>	<b>6,003</b>	<b>13,720,433</b>

## Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	†.DKK	†.DKK	†.DKK	†.DKK	†.DKK
Equity at 1 January	50,000	4,669,795	6,583,362	1,300,000	12,603,157
Dividend paid	0	0	0	-1,300,000	-1,300,000
Capital adjustments in associates	0	-138,000	0	0	-138,000
Net profit/loss for the year	0	2,473,448	-5,924,175	6,000,000	2,549,273
Transfers, reserves	0	-4,088	4,088	0	0
Dividends received from investments in associates	0	-2,000,000	2,000,000	0	0
<b>Equity at 31 December</b>	<b>50,000</b>	<b>5,001,155</b>	<b>2,663,275</b>	<b>6,000,000</b>	<b>13,714,430</b>

## Cash flow statement 1 January - 31 December

	Note	Group	
		2020 t.DKK	2019 t.DKK
Net profit/loss for the year		2,549,273	3,116,148
Adjustments	19	-2,475,597	-2,858,691
Change in working capital	20	-19,277	50,988
<b>Cash flows from operating activities</b>		<b>54,399</b>	<b>308,445</b>
Purchase of property, plant and equipment		-32,281	-85,425
Acquisition of securities, net		-442,807	298,777
Dividends received from associates		2,000,000	2,000,000
Capital increase in associates		-6,000	-6,000
<b>Cash flows from investing activities</b>		<b>1,518,912</b>	<b>2,207,352</b>
Change in deposits		-275,000	-75,000
Change in payables to group enterprises		5,000	1,552,274
Change in other long-term payables		10	7
Minority interests		-720	877
Dividend paid		-1,300,000	-4,000,000
<b>Cash flows from financing activities</b>		<b>-1,570,710</b>	<b>-2,521,842</b>
<b>Change in cash for the year</b>		<b>2,601</b>	<b>-6,045</b>
Cash at 1 January		34,527	40,572
<b>Cash at 31 December</b>		<b>37,128</b>	<b>34,527</b>
Cash		37,128	34,527
<b>Total cash</b>		<b>37,128</b>	<b>34,527</b>



## Notes

	Group		Parent company	
	2020 t.DKK	2019 t.DKK	2020 t.DKK	2019 t.DKK
<b>1 Revenue</b>				
Rental income	22,483	17,026	6,584	5,851
LEGO House activities	90,715	137,243	90,715	137,243
<b>Total revenue</b>	<b>113,198</b>	<b>154,269</b>	<b>97,299</b>	<b>143,094</b>
All revenue is related to Denmark.				
<b>2 Employee expenses</b>				
Wages and salaries	56,851	53,824	56,851	53,824
Pensions	3,621	3,374	3,621	3,374
Other social security costs	874	1,347	874	1,347
	<b>61,346</b>	<b>58,545</b>	<b>61,346</b>	<b>58,545</b>
Average number of employees	115	115	115	115
No remuneration has been paid to the executive management or the board of directors.				
<b>3 Financial expenses</b>				
Financial expenses, group enterprises	0	444	0	444
Other financial expenses	566,320	161,012	566,266	160,983
	<b>566,320</b>	<b>161,456</b>	<b>566,266</b>	<b>161,427</b>
<b>4 Distribution of profit</b>				
Proposed dividend for the year	6,000,000	1,300,000	6,000,000	1,300,000
Reserve for net revaluation under the equity method	2,473,448	2,068,038	2,473,448	2,073,007
Retained earnings	-5,924,175	-251,890	-5,924,175	-256,859
	<b>2,549,273</b>	<b>3,116,148</b>	<b>2,549,273</b>	<b>3,116,148</b>

## Notes

## 5 Intangible assets

Group	<b>Goodwill</b>
	<u>†.DKK</u>
Cost at 1 January	22,500
<b>Cost at 31 December</b>	<b>22,500</b>
Impairment losses and amortisation at 1 January	15,475
Amortisation for the year	2,250
<b>Impairment losses and amortisation at 31 December</b>	<b>17,725</b>
<b>Carrying amount at 31 December</b>	<b>4,775</b>

The note is identical for the group and the parent company.

## 6 Tangible assets

Group	<b>Land and buildings</b>	<b>Equipment</b>	<b>Assets under construction</b>	<b>Total</b>
	<u>†.DKK</u>	<u>†.DKK</u>	<u>†.DKK</u>	<u>†.DKK</u>
Cost at 1 January	885,427	239,678	53,264	1,178,369
Additions for the year	292	4,867	27,122	32,281
Transfers for the year	52,795	27,591	-80,386	0
<b>Cost at 31 December</b>	<b>938,514</b>	<b>272,136</b>	<b>0</b>	<b>1,210,650</b>
Depreciation and impairment losses at 1 January	375,603	178,136	38,264	592,003
Impairment losses for the year	93,286	44,424	24,622	162,332
Depreciation for the year	15,621	9,610	0	25,231
Transfers for the year	35,295	27,591	-62,886	0
<b>Depreciation and impairment losses at 31 December</b>	<b>519,805</b>	<b>259,761</b>	<b>0</b>	<b>779,566</b>
<b>Carrying amount at 31 December</b>	<b>418,709</b>	<b>12,375</b>	<b>0</b>	<b>431,084</b>

## Notes

## 6 Tangible assets (continued)

## Parent company

	<b>Land and buildings</b>	<b>Equipment</b>	<b>Assets under construction</b>	<b>Total</b>
	t.DKK	t.DKK	t.DKK	t.DKK
Cost at 1 January	789,397	229,008	53,264	1,071,669
Additions for the year	292	4,867	27,122	32,281
Transfers for the year	52,795	27,591	-80,386	0
<b>Cost at 31 December</b>	<b>842,484</b>	<b>261,466</b>	<b>0</b>	<b>1,103,950</b>
Depreciation and impairment losses at 1 January	372,696	177,813	38,264	588,773
Impairment losses for the year	93,286	44,424	24,622	162,332
Depreciation for the year	6,875	8,638	0	15,513
Transfers for the year	35,295	27,591	-62,886	0
<b>Depreciation and impairment losses at 31 December</b>	<b>508,152</b>	<b>258,466</b>	<b>0</b>	<b>766,618</b>
<b>Carrying amount at 31 December</b>	<b>334,332</b>	<b>3,000</b>	<b>0</b>	<b>337,332</b>

## 7 Investments in group enterprises

	<b>Parent company</b>	
	<b>2020</b>	<b>2019</b>
	t.DKK	t.DKK
Cost at 1 January	98,210	81,542
Additions for the year	0	16,668
<b>Cost at 31 December</b>	<b>98,210</b>	<b>98,210</b>
Revaluations at 1 January	4,088	-881
Net profit for the year	3,359	4,969
Received dividend	-11,280	0
<b>Revaluations at 31 December</b>	<b>-3,833</b>	<b>4,088</b>
<b>Carrying amount at 31 December</b>	<b>94,377</b>	<b>102,298</b>

## Notes

	Group		Parent company	
	2020 †.DKK	2019 †.DKK	2020 †.DKK	2019 †.DKK
<b>8 Investments in associates</b>				
Cost at 1 January	884,738	878,738	884,738	878,738
Capital increase	6,000	6,000	6,000	6,000
<b>Cost at 31 December</b>	<b>890,738</b>	<b>884,738</b>	<b>890,738</b>	<b>884,738</b>
Revaluations at 1 January	4,665,707	4,566,669	4,665,707	4,566,669
Net profit/loss for the year	2,473,448	2,068,038	2,473,448	2,068,038
Received dividend	-2,000,000	-2,000,000	-2,000,000	-2,000,000
Capital adjustments	-138,000	31,000	-138,000	31,000
<b>Revaluations at 31 December</b>	<b>5,001,155</b>	<b>4,665,707</b>	<b>5,001,155</b>	<b>4,665,707</b>
<b>Carrying amount at 31 December</b>	<b>5,891,893</b>	<b>5,550,445</b>	<b>5,891,893</b>	<b>5,550,445</b>

## 9 Fixed asset investments

Group	Receivables	
	from asso- ciates †.DKK	Other receiv- ables †.DKK
Cost at 1 January	0	0
Additions for the year	5,000	507
<b>Cost at 31 December</b>	<b>5,000</b>	<b>507</b>
<b>Carrying amount at 31 December</b>	<b>5,000</b>	<b>507</b>

The note is identical for the group and the parent company.

## 10 Prepayments

Prepayments recognised under current assets comprises expenses incurred concerning subsequent financial years.

## Notes

### 11 Non-current liabilities

Group	Debt	Debt	Instalment next year	Debt
	at 1 January	at 31 December		outstanding after 5 years
	†.DKK	†.DKK	†.DKK	†.DKK
Other payables	1,145	1,155	0	252
	<b>1,145</b>	<b>1,155</b>	<b>0</b>	<b>252</b>

Parent Company	Debt	Debt	Instalment next year	Debt
	at 1 January	at 31 December		outstanding after 5 years
	†.DKK	†.DKK	†.DKK	†.DKK
Other payables	1,145	1,155	0	252
	<b>1,145</b>	<b>1,155</b>	<b>0</b>	<b>252</b>

### 12 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Prepaid admission and events in LEGO House amounts to DKK 901 thousand at 31 December 2020.

### 13 Uncertainty in the recognition and measurement

Measurements of the group's property and equipment are subject to uncertainty. The group's property and equipment are recognised at DKK 431 million after depreciation and impairment losses for the year of DKK 188 million. The measurements of property and equipment are based on management's estimates. Assumptions used in estimates are subject to uncertainty but in conclusion, management is of the opinion that the estimates are based on sound and realistic assumptions.

### 14 Contingent liabilities

The parent company has lease obligations totalling DKK 2 million.

Commitments for the parent company to participate in investments amount to no more than DKK 147 million.

Apart from the above the parent company and group enterprises have no contingent liabilities at the balance sheet date.

## Notes

### 15 Assets charged and security

The parent company and group enterprises have no security provided or assets charged at the balance sheet date.

### 16 Financial instruments

In the parent company a positive fair value of the forward exchange transaction of DKK 8,529 thousand is included in current asset investments. The forward exchange transaction is entered into to hedge the currency risk on other investments at a total of USD 29,750 thousand equivalent to DKK 180,059 thousand. The contract does not meet the requirements of being treated as hedge accounting and therefore the fair value is included in the income statement. The term of the forward exchange transaction is 3 months.

### 17 Related parties

#### Controlling interest

The parent, The LEGO Foundation, Billund has a controlling interest.

#### Transactions

All transactions with related parties are made on market terms.

	Group		Parent company	
	2020	2019	2020	2019
	t.DKK	t.DKK	t.DKK	t.DKK
<b>18 Fee to auditors appointed at the general meeting</b>				
Deloitte:				
Audit fee	160	157	125	112
	<b>160</b>	<b>157</b>	<b>125</b>	<b>112</b>

## Notes

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>†.DKK</b>	<b>†.DKK</b>
<b>19 Cash flow statement - adjustments</b>		
Depreciation, amortisation and impairment losses	189,813	59,072
Income from investments in associates	-2,473,448	-2,068,038
Minority interests' share of net profit of group enterprises	216	496
Revaluation of securities	-192,178	-850,221
	<b><u>-2,475,597</u></b>	<b><u>-2,858,691</u></b>
<b>20 Cash flow statement - change in working capital</b>		
Change in stocks	-160	59
Change in receivables	-13,000	41,310
Change in trade payables and other current liabilities	-6,117	9,619
	<b><u>-19,277</u></b>	<b><u>50,988</u></b>