

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

Koldingvej 2  
7190 Billund

CVR no. 16 63 26 35

## **Annual report for 2019**

Adopted at the annual general  
meeting on 9 March 2020

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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 2019.

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 2019 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 2019.

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, 28 February 2020

### 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 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 2019, 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 2019 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 2019 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 the 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 judgment and maintain professional skepticism 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, 28 February 2020

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 2019

Domicile: Billund

### Board of directors

Kjeld Kirk Kristiansen, chairman  
Sidsel Marie Kristensen  
Søren Thorup Sørensen

### Executive management

Søren Thorup Sørensen

### Auditors

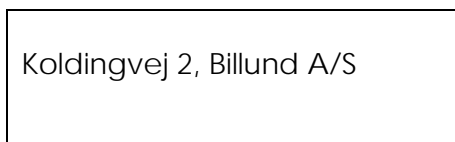
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8000 Aarhus



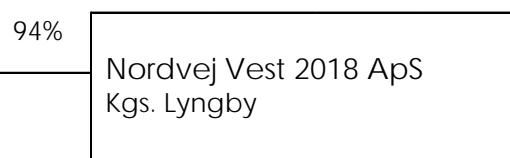
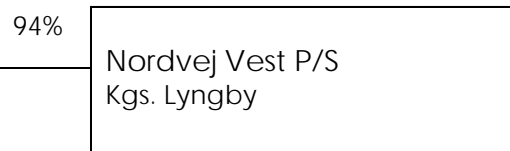
Koldingvej 2, Billund A/S

## 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>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	154	119	27	4	3
Profit from ordinary operating activities	-28	-27	-279	-184	-67
Income from investments in associates	2,068	2,011	1,945	2,355	2,291
Net financials	1,077	-147	358	381	120
Profit/loss for the year	3,116	1,835	2,023	2,551	2,344
<b>Balance sheet</b>					
Equity	12,610	13,461	12,015	10,410	8,019
Balance sheet total	15,466	14,831	13,797	11,633	10,236
Investment in property, plant and equipment	85	101	299	340	223
<b>Financial ratios</b>					
Solvency ratio	81.5%	90.8%	87.1%	89.5%	78.3%
Return on equity	23.9%	14.4%	18.0%	27.7%	34.1%

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 the group enterprises have been consolidated with the parent company. The comparative figures for 2015-2017 include 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.

Besides, the company is operating "LEGO House", a 12,000-square meter experience 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 2019, for as well the group as the parent company, amounted to DKK 3,116 million compared with DKK 1,835 million in 2018.

Total equity for the parent company as per 31 December 2019 amounted to DKK 12,603 million, compared to DKK 13,456 million the year before. Including a minority interest of DKK 7 million the total equity for the group as per 31 December amounted to DKK 12,610 million.

In March 2019 a dividend for 2018 of DKK 4,000 million was distributed, hence reducing the total equity.

In 2018 Koldingvej 2, Billund A/S invested in Nordvej Vest P/S and Nordvej Vest 2018 ApS, that have built and rented out collegial housing at DTU, Lyngby. The financial year 2019 was the first year of operation, resulting in revenues of DKK 11 million and a net result of DKK 5 million.

The predominant contribution to the 2019 result is the DKK 2,068 million result from investment in associates, where the 25% share of result in the LEGO Group amounted to DKK 2,077 million (2018: DKK 2,019 million). The LEGO Group has had a strong performance in 2019. The company achieved 6% revenue growth, which was especially satisfactory given the challenging operating environment, with a declining global toy market of -3% in the year. The LEGO Group continued to make significant investments in initiatives to drive future growth such as retail experiences, innovating play and new geographies. Despite significant investments, the LEGO Group delivered a 2% growth in result before tax, compared to last year. The LEGO Group result before tax in 2019 increased to DKK 10,752 million from DKK 10,510 million in 2018.

The global financial markets have developed very positive throughout 2019, following a very challenging end of 2018. Especially increasing company valuations within quoted equities led to a strong result for the investment activities for 2019. The yield for 2019 investment activities was 12.5% compared with a negative yield in 2018 of 1.6%.

## Management's review

LEGO House had yet another successful year, with more than 280,000 paying guests in 2019 compared to 245,000 during 2018 (+14%). The increase in guests resulted in increased revenues and satisfactory results, as well as feed backs from visitors continued to be very positive.

The financial result for 2019 for the company is considered strong and exceeds the expectations disclosed in the Annual Report 2018.

### Expectations for 2020

Koldingvej 2, Billund A/S is a long-term investor and a one-year view for the investment activities is highly dependent of the development in the financial markets. Hence it is difficult to predict financial return for the investment activities. A normalised return on financial investments should be at a level of 3-4%.

The LEGO Group expects single-digits revenue growth in 2020, 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 and drive long term sustainable growth.

The overall result for Koldingvej 2, Billund A/S is expected to be in a range of DKK 2.0 billion to DKK 2.5 billion, due to more normalised investment returns, than achieved in 2019.

### 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 in order 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 responsibility is described further in the Sustainability report for 2019 for the parent, the LEGO Foundation, being part of the Management's review of the LEGO Foundation Annual Report 2019. The LEGO Foundation Sustainability report 2019 is published on the LEGO Foundation website: [www.legofoundation.com/da-dk/who-we-are/policies](http://www.legofoundation.com/da-dk/who-we-are/policies), and describes how the parent is working within the areas of human rights, labor standards, the environment and anti-corruption.

### 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 and the company has no underrepresented gender.

## Accounting policies

The annual report of Koldingvej 2, Billund A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning large reporting class C entities.

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 in which the parent company 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 of acquisition. Entities disposed of 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 tangible 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.



## Accounting policies

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

	Useful life
Properties and installations	5-40 years
Equipment	3-10 years

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 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).

## Accounting policies

### Receivables

Receivables are measured at amortised cost.

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

### 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	
		2019 t.DKK	2018 t.DKK	2019 t.DKK	2018 t.DKK
Revenue	1	154,269	118,816	143,094	118,816
Raw materials and consumables		-9,065	-9,225	-9,065	-9,225
Other external expenses		-55,106	-57,462	-52,655	-57,417
<b>Gross profit</b>		<b>90,098</b>	<b>52,129</b>	<b>81,374</b>	<b>52,174</b>
Employee expenses	2	-58,545	-54,545	-58,545	-54,545
Depreciation, amortisation and impairment losses		-59,072	-24,230	-55,842	-24,230
<b>Profit from ordinary operating activities</b>		<b>-27,519</b>	<b>-26,646</b>	<b>-33,013</b>	<b>-26,601</b>
Income from investments in group enterprises		0	0	4,969	-881
Income from investments in associates		2,068,038	2,011,495	2,068,038	2,011,495
Financial income		1,238,549	679,663	1,238,549	679,663
Financial expenses	3	-161,456	-826,220	-161,427	-826,220
<b>Profit before tax</b>		<b>3,117,612</b>	<b>1,838,292</b>	<b>3,117,116</b>	<b>1,837,456</b>
Tax on profit for the year		-968	-2,582	-968	-2,582
<b>Profit before minority interests</b>		<b>3,116,644</b>	<b>1,835,710</b>	<b>3,116,148</b>	<b>1,834,874</b>
Minority interests' share of net profit/loss of group enterprises		-496	-836	0	0
<b>Profit for the year</b>		<b>3,116,148</b>	<b>1,834,874</b>	<b>3,116,148</b>	<b>1,834,874</b>
Distribution of profit	4				

## Balance sheet 31 December

	Note	Group		Parent Company	
		2019 t.DKK	2018 t.DKK	2019 t.DKK	2018 t.DKK
<b>Assets</b>					
Goodwill		7,025	9,275	7,025	9,275
<b>Intangible assets</b>	5	<b>7,025</b>	<b>9,275</b>	<b>7,025</b>	<b>9,275</b>
Land and buildings		509,824	418,455	416,701	418,455
Equipment		61,542	52,056	51,195	52,056
Tangible assets under construction		15,000	87,252	15,000	2,041
<b>Tangible assets</b>	6	<b>586,366</b>	<b>557,763</b>	<b>482,896</b>	<b>472,552</b>
Investments in group enterprises	7	0	0	102,298	80,661
Investments in associates	8	5,550,445	5,445,407	5,550,445	5,445,407
<b>Financial non-current assets</b>		<b>5,550,445</b>	<b>5,445,407</b>	<b>5,652,743</b>	<b>5,526,068</b>
<b>Total non-current assets</b>		<b>6,143,836</b>	<b>6,012,445</b>	<b>6,142,664</b>	<b>6,007,895</b>
Raw materials and consumables		521	619	521	619
Finished goods and goods for resale		195	156	195	156
<b>Stocks</b>		<b>716</b>	<b>775</b>	<b>716</b>	<b>775</b>
Trade receivables		12,930	7,034	12,930	7,034
Receivables from group enterprises		5,895	931	5,895	931
Receivables from associates		25,422	23,235	25,422	23,235
Other receivables		43,696	98,075	43,696	98,075
Prepayments		174	153	49	132
<b>Receivables</b>		<b>88,117</b>	<b>129,428</b>	<b>87,992</b>	<b>129,407</b>
Securities		9,199,056	8,647,611	9,199,056	8,647,611
<b>Securities</b>		<b>9,199,056</b>	<b>8,647,611</b>	<b>9,199,056</b>	<b>8,647,611</b>
<b>Cash</b>		<b>34,527</b>	<b>40,572</b>	<b>22,689</b>	<b>39,714</b>
<b>Total current assets</b>		<b>9,322,416</b>	<b>8,818,386</b>	<b>9,310,453</b>	<b>8,817,507</b>
<b>Total assets</b>		<b>15,466,252</b>	<b>14,830,831</b>	<b>15,453,117</b>	<b>14,825,402</b>

## Balance sheet 31 December

	Note	Group		Parent Company	
		2019 t.DKK	2018 t.DKK	2019 t.DKK	2018 t.DKK
<b>Equity and liabilities</b>					
Share capital		50,000	50,000	50,000	50,000
Reserve for net revaluation under the equity method		4,665,707	4,566,669	4,669,795	4,565,788
Retained earnings		6,587,450	4,839,340	6,583,362	4,840,221
Proposed dividend for the year		1,300,000	4,000,000	1,300,000	4,000,000
Minority interest		6,507	5,135	0	0
<b>Total equity</b>		<b>12,609,664</b>	<b>13,461,144</b>	<b>12,603,157</b>	<b>13,456,009</b>
Payables to group enterprises		0	282,726	0	282,726
Other payables		1,145	1,138	1,145	1,138
<b>Total non-current liabilities</b>	9	<b>1,145</b>	<b>283,864</b>	<b>1,145</b>	<b>283,864</b>
Trade payables		11,976	10,663	11,976	10,663
Payables to group enterprises		1,835,000	0	1,835,000	0
Payables to associates		6,602	3,748	6,602	3,748
Other payables		999,916	1,069,798	993,288	1,069,504
Deferred income	10	1,949	1,614	1,949	1,614
<b>Total current liabilities</b>		<b>2,855,443</b>	<b>1,085,823</b>	<b>2,848,815</b>	<b>1,085,529</b>
<b>Total liabilities</b>		<b>2,856,588</b>	<b>1,369,687</b>	<b>2,849,960</b>	<b>1,369,393</b>
<b>Total equity and liabilities</b>		<b>15,466,252</b>	<b>14,830,831</b>	<b>15,453,117</b>	<b>14,825,402</b>
Uncertainty in the recognition and measurement	11				
Contingent liabilities	12				
Assets charged and security	13				
Financial instruments	14				
Related parties	15				
Fee to auditors appointed at the general meeting	16				

## 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
	t.DKK	t.DKK	t.DKK	t.DKK	t.DKK	t.DKK
Equity at 1 January	50,000	4,566,669	4,839,340	4,000,000	5,135	13,461,144
Dividend paid	0	0	0	-4,000,000	0	-4,000,000
Additions for the year	0	0	0	0	876	876
Capital adjustments in associates	0	31,000	0	0	0	31,000
Net profit/loss for the year	0	2,068,038	-251,890	1,300,000	496	3,116,644
Dividends received from investments in associates	0	-2,000,000	2,000,000	0	0	0
<b>Equity at 31 December</b>	<b>50,000</b>	<b>4,665,707</b>	<b>6,587,450</b>	<b>1,300,000</b>	<b>6,507</b>	<b>12,609,664</b>

## Parent Company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	t.DKK	t.DKK	t.DKK	t.DKK	t.DKK
Equity at 1 January	50,000	4,565,788	4,840,221	4,000,000	13,456,009
Dividend paid	0	0	0	-4,000,000	-4,000,000
Capital adjustments in associates	0	31,000	0	0	31,000
Net profit/loss for the year	0	2,073,007	-256,859	1,300,000	3,116,148
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>4,669,795</b>	<b>6,583,362</b>	<b>1,300,000</b>	<b>12,603,157</b>

## Cash flow statement 1 January - 31 December

	Note	Group	
		2019 t.DKK	2018 t.DKK
Net profit/loss for the year		3,116,148	1,834,874
Adjustments	17	-2,858,691	-1,658,055
Change in working capital	18	-24,012	89,223
<b>Cash flows from operating activities</b>		<b>233,445</b>	<b>266,042</b>
Purchase of property, plant and equipment		-85,425	-101,438
Acquisition of securities, net		298,777	-990,501
Dividends received from associates		2,000,000	1,750,000
Capital increase in associates		-6,000	-6,000
<b>Cash flows from investing activities</b>		<b>2,207,352</b>	<b>652,061</b>
Change in payables to group enterprises		1,552,274	-526,180
Change in other long-term payables		7	262
Minority interests		877	4,299
Dividend paid		-4,000,000	-385,000
<b>Cash flows from financing activities</b>		<b>-2,446,842</b>	<b>-906,619</b>
<b>Change in cash for the year</b>		<b>-6,045</b>	<b>11,484</b>
Cash at 1 January		40,572	29,088
<b>Cash at 31 December</b>		<b>34,527</b>	<b>40,572</b>
Cash		34,527	40,572
<b>Total cash</b>		<b>34,527</b>	<b>40,572</b>



## Notes

	Group		Parent Company	
	2019 t.DKK	2018 t.DKK	2019 t.DKK	2018 t.DKK
<b>1 Revenue</b>				
Rental income	17,026	5,789	5,851	5,789
LEGO House activities	137,243	113,027	137,243	113,027
<b>Total revenue</b>	<b>154,269</b>	<b>118,816</b>	<b>143,094</b>	<b>118,816</b>

All revenue is related to Denmark.

<b>2 Employee expenses</b>				
Wages and salaries	53,824	50,482	53,824	50,482
Pensions	3,374	2,969	3,374	2,969
Other social security costs	1,347	1,094	1,347	1,094
	<b>58,545</b>	<b>54,545</b>	<b>58,545</b>	<b>54,545</b>

Average number of employees	115	108	115	108
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No remuneration has been paid to the executive management or the board of directors.

<b>3 Financial expenses</b>				
Financial expenses, group entities	444	3,820	444	3,820
Other financial expenses	161,012	822,400	160,983	822,400
	<b>161,456</b>	<b>826,220</b>	<b>161,427</b>	<b>826,220</b>

## Notes

	Group		Parent Company	
	2019 t.DKK	2018 t.DKK	2019 t.DKK	2018 t.DKK
<b>4 Distribution of profit</b>				
Proposed dividend for the year	1,300,000	4,000,000	1,300,000	4,000,000
Reserve for net revaluation under the equity method	2,068,038	2,011,495	2,073,007	2,010,614
Retained earnings	-251,890	-4,176,621	-256,859	-4,175,740
	<b><u>3,116,148</u></b>	<b><u>1,834,874</u></b>	<b><u>3,116,148</u></b>	<b><u>1,834,874</u></b>

**5 Intangible assets****Group**

	<b>Goodwill</b> t.DKK
Cost at 1 January	22,500
<b>Cost at 31 December</b>	<b><u>22,500</u></b>
Impairment losses and amortisation at 1 January	13,225
Amortisation for the year	2,250
<b>Impairment losses and amortisation at 31 December</b>	<b><u>15,475</u></b>
<b>Carrying amount at 31 December</b>	<b><u>7,025</u></b>

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

## Notes

## 6 Tangible assets

## Group

	Land and buildings	Equipment	Tangible assets under construction	Total
	t.DKK	t.DKK	t.DKK	t.DKK
Cost at 1 January	783,700	221,992	87,252	1,092,944
Additions for the year	16,788	17,414	51,223	85,425
Transfers for the year	84,939	272	-85,211	0
<b>Cost at 31 December</b>	<b>885,427</b>	<b>239,678</b>	<b>53,264</b>	<b>1,178,369</b>
Depreciation and impairment losses at 1 January	365,245	169,936	0	535,181
Impairment losses and depreciation for the year	10,358	8,200	38,264	56,822
<b>Depreciation and impairment losses at 31 December</b>	<b>375,603</b>	<b>178,136</b>	<b>38,264</b>	<b>592,003</b>
<b>Carrying amount at 31 December</b>	<b>509,824</b>	<b>61,542</b>	<b>15,000</b>	<b>586,366</b>

## Parent Company

	Land and buildings	Equipment	Tangible assets under construction	Total
	t.DKK	t.DKK	t.DKK	t.DKK
Cost at 1 January	783,700	221,992	2,041	1,007,733
Additions for the year	5,697	7,016	51,223	63,936
<b>Cost at 31 December</b>	<b>789,397</b>	<b>229,008</b>	<b>53,264</b>	<b>1,071,669</b>
Depreciation and impairment losses at 1 January	365,245	169,936	0	535,181
Impairment losses and depreciation for the year	7,451	7,877	38,264	53,592
<b>Depreciation and impairment losses at 31 December</b>	<b>372,696</b>	<b>177,813</b>	<b>38,264</b>	<b>588,773</b>
<b>Carrying amount at 31 December</b>	<b>416,701</b>	<b>51,195</b>	<b>15,000</b>	<b>482,896</b>

## Notes

	Parent Company	
	2019	2018
	t.DKK	t.DKK
<b>7 Investments in group enterprises</b>		
Cost at 1 January	81,542	0
Additions for the year	16,668	81,542
<b>Cost at 31 December</b>	<b>98,210</b>	<b>81,542</b>
Revaluations at 1 January	-881	0
Net profit/loss for the year	4,969	-881
<b>Revaluations at 31 December</b>	<b>4,088</b>	<b>-881</b>
<b>Carrying amount at 31 December</b>	<b>102,298</b>	<b>80,661</b>

	Group		Parent Company	
	2019	2018	2019	2018
	t.DKK	t.DKK	t.DKK	t.DKK
<b>8 Investments in associates</b>				
Cost at 1 January	878,738	872,738	878,738	872,738
Capital increase	6,000	6,000	6,000	6,000
<b>Cost at 31 December</b>	<b>884,738</b>	<b>878,738</b>	<b>884,738</b>	<b>878,738</b>
Revaluations at 1 January	4,566,669	4,314,424	4,566,669	4,314,424
Net profit/loss for the year	2,068,038	2,011,495	2,068,038	2,011,495
Received dividend	-2,000,000	-1,750,000	-2,000,000	-1,750,000
Capital adjustments	31,000	-9,250	31,000	-9,250
<b>Revaluations at 31 December</b>	<b>4,665,707</b>	<b>4,566,669</b>	<b>4,665,707</b>	<b>4,566,669</b>
<b>Carrying amount at 31 December</b>	<b>5,550,445</b>	<b>5,445,407</b>	<b>5,550,445</b>	<b>5,445,407</b>

## Notes

## 9 Non-current liabilities

Group	Debt	Debt	Instalment next	Debt
	at 1 January	at 31	year	outstanding
	t.DKK	December	t.DKK	after 5 years
	t.DKK	t.DKK	t.DKK	t.DKK
Payables to group enterprises	282,726	0	0	0
Other payables	1,138	1,145	0	248
	<b>283,864</b>	<b>1,145</b>	<b>0</b>	<b>248</b>

Parent Company	Debt	Debt	Instalment next	Debt
	at 1 January	at 31	year	outstanding
	t.DKK	December	t.DKK	after 5 years
	t.DKK	t.DKK	t.DKK	t.DKK
Payables to group enterprises	282,726	0	0	0
Other payables	1,138	1,145	0	248
	<b>283,864</b>	<b>1,145</b>	<b>0</b>	<b>248</b>

## 10 Deferred income

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

Prepaid admission and events, LEGO House is DKK 1,949 thousand at 31 December 2019.

## 11 Uncertainty in the recognition and measurement

Measurements of the group's property, equipment and tangible assets under construction are subject to uncertainty. The group's property, equipment and tangible assets under construction are recognised at DKK 586 million after depreciation and impairment losses for the year of DKK 57 million. The measurements of property, equipment and tangible assets under construction 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.

## Notes

### 12 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 135 million.

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

### 13 Assets charged and security

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

### 14 Financial instruments

In the parent company a positive fair value of the forward exchange transaction of DKK 1,229 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 24,620 thousand equivalent to DKK 164,363 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 2 months.

### 15 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.

## Notes

	Group		Parent Company	
	2019	2018	2019	2018
	t.DKK	t.DKK	t.DKK	t.DKK
<b>16 Fee to auditors appointed at the general meeting</b>				
Deloitte:				
Audit fee	157	154	112	110
	<u>157</u>	<u>154</u>	<u>112</u>	<u>110</u>

	Group	
	2019	2018
	t.DKK	t.DKK
<b>17 Cash flow statement - adjustments</b>		
Depreciation, amortisation and impairment losses	59,072	24,230
Income from investments in associates	-2,068,038	-2,011,495
Minority interests' share of net profit/loss of group enterprises	496	836
Revaluation of securities	-850,221	328,374
	<u>-2,858,691</u>	<u>-1,658,055</u>

<b>18 Cash flow statement - change in working capital</b>		
Change in stocks	59	-437
Change in receivables	41,310	-23,882
Change in trade payables and other current liabilities	-65,381	113,542
	<u>-24,012</u>	<u>89,223</u>