

Koldingvej 2, Billund A/S

Koldingvej 2
7190 Billund

CVR no. 16 63 26 35

Annual report for 2021

Adopted at the annual general
meeting on 2 May 2022

chairman

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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 2021.

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 2021 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 2021.

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, 1 March 2022

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 2021, 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 2021 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 2021 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the 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, 1 March 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Thomas Rosquist Andersen
State Authorised Public Accountant
MNE no. mne31482

Martin Norin Faarborg
State Authorised Public Accountant
MNE no. mne29395

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 2021

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

Koldingvej 2, Billund A/S

Consolidated group enterprises

94%

Nordvej Vest P/S
Kgs. Lyngby

94%

Nordvej Vest 2018 ApS
Kgs. Lyngby

Associates

25%

LEGO A/S
(The LEGO Group)
Billund

50%

CoC Office A/S
(CoC Playful Minds A/S)
Billund

Financial highlights

	Group				
	2021	2020	2019	2018	2017
	m.DKK	m.DKK	m.DKK	m.DKK	m.DKK
Key figures					
Income statement					
Revenue	123	113	154	119	27
Profit/loss from ordinary operating activities	-10	-186	-28	-27	-279
Income from investments in associates	3,315	2,473	2,068	2,011	1,945
Net financials	1,308	266	1,077	-147	358
Profit for the year	4,610	2,549	3,116	1,835	2,023
Balance sheet					
Equity	12,406	13,720	12,610	13,461	12,015
Balance sheet total	19,254	16,301	15,466	14,831	13,797
Investment in property, plant and equipment	18	32	85	101	299
Financial ratios					
Solvency ratio	64.4%	84.2%	81.5%	90.8%	87.1%
Return on equity	35.3%	19.4%	23.9%	14.4%	18.0%

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 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 2021 amounted to DKK 4,610 million compared to DKK 2,549 million in 2020.

The majority of the 2021 result comes from investments in associates with the 25% share of result in the LEGO Group contributing DKK 3,321 million (2020: DKK 2,479 million). The LEGO Group continued its remarkable growth momentum from 2020 which led to an increased market share and a revenue 27% above 2020. After significant investments in digital transformation and sustainability, the LEGO Group ended 2021 with its best annual result ever: a result before tax of DKK 17.0 billion, up 36% compared to 2020.

The investment activities developed positive in 2021 compared to 2020, which was negatively impacted by challenging markets with a high degree of uncertainty and volatility due to COVID-19. The return on the investment portfolio was DKK 1,308 million, equivalent to a return of 12.8%, compared to a return of DKK 266 million or 3.5% in 2020.

LEGO® House improved its financial performance in 2021 compared to the very challenging year 2020. In total, 135 thousand paying guests visited LEGO® House in 2021, compared to 111 thousand guests in 2020. The higher number in guests resulted in a higher revenue and an improved result from operations. Guest feedback in 2021 continued to be highly positive.

The financial result for 2021 for Koldingvej 2, Billund A/S outperformed expectations for the financial year disclosed in the Annual Report 2020, and management is satisfied with the performance for the year.

Total equity for the parent company as per 31 December 2021 amounted to DKK 12,400 million, compared to DKK 13,714 million the previous year. In March 2021, a dividend of DKK 6,000 million was distributed.

Management's review

Expectations for 2022

The overall result for 2022 for Koldingvej 2, Billund A/S is expected to be at a lower level than the result for 2021.

The LEGO Group expects single-digits revenue growth in 2022, ahead of the global toy market with further investments within product innovation, digitalisation, sustainability and retail channels.

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 2022 are difficult to make. A normalised return on financial investments with the company's risk profile would be at a level of 2-3%.

Despite the foreseeable continuing negative impact of COVID-19 in 2022, LEGO® House expects a higher number of guests, revenue and result for 2022.

Risks

The Koldingvej 2, Billund A/S' risks primarily relate to the development in the financial markets and to the global toy 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.

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. Also, a Data Ethics Policy was implemented in 2021, outlining the company's data ethics principles.

Management's review

The company's statutory statement for corporate responsibility is part of the Sustainability report for the parent, the LEGO Foundation, being part of the Management's commentary of the LEGO Foundation Annual Report 2021. The LEGO Foundation Sustainability report 2021 is published on the LEGO Foundation website: www.learningthroughplay.com/about-us/governance-and-policies and describes how the group is working within the areas of human rights, labor standards, the environment, anticorruption, and data ethics.

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. The composition of the Board of Directors and management reflects a composed gender balance with two men and one woman in the Board of Directors, one man in the executive management, and four men and four women in the management team for the operation of the LEGO House.

Accounting policies

The annual report of Koldingvej 2, Billund A/S for 2021 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.

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.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

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.

Accounting policies

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.

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 the financial year. Financial income and expenses consist of interest income and expenses, as well as realised and unrealised gains and losses.

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.

Accounting policies

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:

	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, 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.

Accounting policies

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.

Inventories

Inventories 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).

The measurements 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.

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.

Accounting policies

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.

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 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.

Accounting policies

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

Definition of financial ratios.

Solvency ratio

Equity at year-end x 100

Total assets at year-end

Return on equity

Net profit for the year x 100

Average equity

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2021	2020	2021	2020
		†.DKK	†.DKK	†.DKK	†.DKK
Revenue	1	123,047	113,198	106,917	97,299
Raw materials and consumables		-4,130	-3,760	-4,130	-3,760
Other external expenses		-40,418	-43,927	-37,373	-41,376
Gross profit		78,499	65,511	65,414	52,163
Employee expenses	2	-55,132	-61,346	-55,132	-61,346
Depreciation, amortisation and impairment losses		-33,090	-189,813	-23,380	-180,094
Profit/loss from ordinary operating activities		-9,723	-185,648	-13,098	-189,277
Income from investments in group enterprises	6	0	0	3,099	3,359
Income from investments in associates	7	3,315,112	2,473,448	3,315,112	2,473,448
Financial income		1,852,196	832,288	1,852,193	832,288
Financial expenses		-544,480	-566,320	-544,401	-566,266
Profit before tax		4,613,105	2,553,768	4,612,905	2,553,552
Tax on profit for the year		-3,388	-4,279	-3,388	-4,279
Profit before minority interests		4,609,717	2,549,489	4,609,517	2,549,273
Minority interests' share of net profit of group enterprises		-200	-216	0	0
Profit for the year		4,609,517	2,549,273	4,609,517	2,549,273
Distribution of profit	3				

Balance sheet 31 December

		Group		Parent company	
	Note	2021	2020	2021	2020
		†.DKK	†.DKK	†.DKK	†.DKK
Assets					
Goodwill		2,525	4,775	2,525	4,775
Intangible assets	4	2,525	4,775	2,525	4,775
Land and buildings		407,068	418,710	331,429	334,332
Equipment		11,404	12,375	3,000	3,000
Tangible assets	5	418,472	431,085	334,429	337,332
Investments in group enterprises	6	0	0	86,196	94,377
Investments in associates	7	7,289,505	5,891,893	7,289,505	5,891,893
Receivables from associates	8	5,000	5,000	5,000	5,000
Other receivables		0	507	0	507
Fixed asset investments		7,294,505	5,897,400	7,380,701	5,991,777
Total non-current assets		7,715,502	6,333,260	7,717,655	6,333,884
Raw materials and consumables		406	788	406	788
Goods for resale		128	88	128	88
Inventories		534	876	534	876
Trade receivables		1,643	7,140	1,643	7,140
Receivables from group enterprises		1,521	1,765	1,521	1,765
Receivables from associates		6,140	10,067	6,140	10,067
Other receivables		124,728	75,606	124,728	71,592
Prepayments	9	575	1,033	333	409
Receivables		134,607	95,611	134,365	90,973
Securities		11,355,911	9,834,041	11,355,911	9,834,041
Securities		11,355,911	9,834,041	11,355,911	9,834,041
Cash		47,638	37,128	35,600	25,666
Total current assets		11,538,690	9,967,656	11,526,410	9,951,556
Total assets		19,254,192	16,300,916	19,244,065	16,285,440

Balance sheet 31 December

		Group		Parent company	
	Note	2021	2020	2021	2020
		†.DKK	†.DKK	†.DKK	†.DKK
Equity and liabilities					
Share capital		50,000	50,000	50,000	50,000
Reserve for net revaluation under the equity method		6,392,767	5,001,155	6,392,767	5,001,155
Retained earnings		4,657,680	2,663,275	4,657,680	2,663,275
Proposed dividend for the year		1,300,000	6,000,000	1,300,000	6,000,000
Minority interest		5,483	6,003	0	0
Equity		12,405,930	13,720,433	12,400,447	13,714,430
Other payables		1,157	1,155	1,157	1,155
Total non-current liabilities	10	1,157	1,155	1,157	1,155
Trade payables		12,603	8,615	12,603	8,614
Payables to group enterprises		4,307,892	1,840,000	4,307,892	1,840,000
Payables to associates		1,543	1,065	1,543	1,065
Other payables		2,523,017	728,747	2,518,373	719,275
Deferred income	11	2,050	901	2,050	901
Total current liabilities		6,847,105	2,579,328	6,842,461	2,569,855
Total liabilities		6,848,262	2,580,483	6,843,618	2,571,010
Total equity and liabilities		19,254,192	16,300,916	19,244,065	16,285,440
Contingent liabilities	12				
Assets charged and security	13				
Financial instruments	14				
Related parties and ownership structure	15				
Fee to auditors appointed at the general meeting	16				

Statement of changes in equity

Group

	Share capital	Reserve for net revalua- tion 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	5,001,155	2,663,275	6,000,000	6,003	13,720,433
Dividend paid	0	0	0	-6,000,000	0	-6,000,000
Other equity adjustments in associates	0	76,500	0	0	0	76,500
Profit for the year	0	3,315,112	-5,595	1,300,000	200	4,609,717
Dividend received from associates	0	-2,000,000	2,000,000	0	0	0
Dividend received, minority interest	0	0	0	0	-720	-720
Equity at 31 December	50,000	6,392,767	4,657,680	1,300,000	5,483	12,405,930

Parent company

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Proposed dividend for the year	Total
	†.DKK	†.DKK	†.DKK	†.DKK	†.DKK
Equity at 1 January	50,000	5,001,155	2,663,275	6,000,000	13,714,430
Dividend paid	0	0	0	-6,000,000	-6,000,000
Other equity adjustments in associates	0	76,500	0	0	76,500
Profit for the year	0	3,315,112	-5,595	1,300,000	4,609,517
Dividend received from associates	0	-2,000,000	2,000,000	0	0
Equity at 31 December	50,000	6,392,767	4,657,680	1,300,000	12,400,447

Cash flow statement 1 January - 31 December

	Note	Group	
		2021 t.DKK	2020 t.DKK
Profit for the year		4,609,517	2,549,273
Adjustments	17	-4,368,803	-2,475,597
Change in working capital	18	-38,048	-19,277
Cash flows from operating activities		202,666	54,399
Purchase of property, plant and equipment		-18,227	-32,281
Acquisition of securities, net		-434,890	-442,807
Dividends received from associates		2,000,000	2,000,000
Capital increase in associates		-6,000	-6,000
Cash flows from investing activities		1,540,883	1,518,912
Change in deposits		1,799,787	-275,000
Change in payables to group enterprises		2,467,892	5,000
Change in other long-term payables		2	10
Minority interests		-720	-720
Dividend paid		-6,000,000	-1,300,000
Cash flows from financing activities		-1,733,039	-1,570,710
Change in cash for the year		10,510	2,601
Cash at 1 January		37,128	34,527
Cash at 31 December		47,638	37,128
Cash		47,638	37,128
Total cash		47,638	37,128

Notes

	Group		Parent company	
	2021	2020	2021	2020
	†.DKK	†.DKK	†.DKK	†.DKK
1 Revenue				
Rental income	22,428	22,483	6,298	6,584
LEGO House activities	100,619	90,715	100,619	90,715
Total revenue	123,047	113,198	106,917	97,299

All revenue is related to Denmark.

	Group		Parent company	
	2021	2020	2021	2020
	†.DKK	†.DKK	†.DKK	†.DKK
2 Employee expenses				
Wages and salaries	50,970	56,851	50,970	56,851
Pensions	3,307	3,621	3,307	3,621
Other social security costs	855	874	855	874
	55,132	61,346	55,132	61,346
Average number of employees	94	115	94	115

No remuneration has been paid to the executive management or the board of directors.

	Group		Parent company	
	2021	2020	2021	2020
	†.DKK	†.DKK	†.DKK	†.DKK
3 Distribution of profit				
Proposed dividend for the year	1,300,000	6,000,000	1,300,000	6,000,000
Reserve for net revaluation under the equity method	3,315,112	2,473,448	3,315,112	2,473,448
Retained earnings	-5,595	-5,924,175	-5,595	-5,924,175
	4,609,517	2,549,273	4,609,517	2,549,273

Notes

4 Intangible assets

Group

	Goodwill
	†.DKK
Cost at 1 January	22,500
Cost at 31 December	22,500
Impairment losses and amortisation at 1 January	17,725
Amortisation for the year	2,250
Impairment losses and amortisation at 31 December	19,975
Carrying amount at 31 December	2,525

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

5 Tangible assets

Group

	Land and buildings	Equipment	Total
	†.DKK	†.DKK	†.DKK
Cost at 1 January	938,514	272,136	1,210,650
Additions for the year	10,035	8,192	18,227
Cost at 31 December	948,549	280,328	1,228,877
Depreciation and impairment losses at 1 January	519,804	259,761	779,565
Depreciation and impairment losses for the year	21,677	9,163	30,840
Depreciation and impairment losses at 31 December	541,481	268,924	810,405
Carrying amount at 31 December	407,068	11,404	418,472

Notes

5 Tangible assets (continued)

Parent company

	Land and buildings	Equipment	Total
	†.DKK	†.DKK	†.DKK
Cost at 1 January	842,484	261,466	1,103,950
Additions for the year	10,035	8,192	18,227
Cost at 31 December	852,519	269,658	1,122,177
Depreciation and impairment losses at 1 January	508,152	258,466	766,618
Depreciation and impairment losses for the year	12,938	8,192	21,130
Depreciation and impairment losses at 31 December	521,090	266,658	787,748
Carrying amount at 31 December	331,429	3,000	334,429

6 Investments in group enterprises

Cost at 1 January	98,210	98,210
Cost at 31 December	98,210	98,210
Revaluations at 1 January	-3,833	4,088
Profit for the year	3,099	3,359
Received dividend	-11,280	-11,280
Revaluations at 31 December	-12,014	-3,833
Carrying amount at 31 December	86,196	94,377

Notes

	Group		Parent company	
	2021 t.DKK	2020 t.DKK	2021 t.DKK	2020 t.DKK
7 Investments in associates				
Cost at 1 January	890,738	884,738	890,738	884,738
Capital increase	6,000	6,000	6,000	6,000
Cost at 31 December	896,738	890,738	896,738	890,738
Revaluations at 1 January	5,001,155	4,665,707	5,001,155	4,665,707
Profit for the year	3,315,112	2,473,448	3,315,112	2,473,448
Received dividend	-2,000,000	-2,000,000	-2,000,000	-2,000,000
Other equity adjustments	76,500	-138,000	76,500	-138,000
Revaluations at 31 December	6,392,767	5,001,155	6,392,767	5,001,155
Carrying amount at 31 December	7,289,505	5,891,893	7,289,505	5,891,893

8 Receivables from associates

Group	Receivables from associates t.DKK
Cost at 1 January	5,000
Cost at 31 December	5,000
Carrying amount at 31 December	5,000

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

9 Prepayments

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

Notes

10 Non-current liabilities

Group	Debt at 1 January t.DKK	Debt at 31 December t.DKK	Instalment next year t.DKK	Debt outstanding after 5 years t.DKK
Other payables	1,155	1,157	0	253
	1,155	1,157	0	253

Parent Company	Debt at 1 January t.DKK	Debt at 31 December t.DKK	Instalment next year t.DKK	Debt outstanding after 5 years t.DKK
Other payables	1,155	1,157	0	253
	1,155	1,157	0	253

11 Deferred income

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

Prepaid admission and events in LEGO House amount to DKK 2 million (2020: DKK 901 thousand) at 31 December 2021.

12 Contingent liabilities

The parent company has lease obligations totalling DKK 1 million (2020: DKK 2 million).

Commitments for the parent company to participate in investments amount to no more than DKK 513 million (2020: DKK 147 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.

Notes

14 Financial instruments

In the parent company a positive fair value of forward exchange transaction of DKK 943 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 48 million equivalent to DKK 313 million. 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 and ownership structure

Controlling interest

The parent and the ultimate owner, The LEGO Foundation, Billund has a controlling interest.

Transactions

All transactions with related parties are made on market terms.

16 Fee to auditors appointed at the general meeting

Deloitte:
Audit fee

Group		Parent company	
2021	2020	2021	2020
†.DKK	†.DKK	†.DKK	†.DKK
163	160	125	125
163	160	125	125

17 Cash flow statement - adjustments

	Group	
	2021	2020
	†.DKK	†.DKK
Depreciation, amortisation and impairment losses	33,090	189,813
Income from investments in associates	-3,315,112	-2,473,448
Minority interests' share of net profit of group enterprises	200	216
Revaluation of securities	-1,086,981	-192,178
	-4,368,803	-2,475,597

Notes

18 Cash flow statement - change in working capital

Change in inventories
Change in receivables
Change in trade payables and other current liabilities

Group	
2021	2020
†.DKK	†.DKK
342	-160
-38,489	-13,000
99	-6,117
-38,048	-19,277