

LEGO Security Billund ApS

Aastvej 1, 7190 Billund
CVR-nr. 54 56 27 13

Annual report 2023

Approved at the Company's Annual
General Meeting on 25 April 2024.

Chair of the meeting:
Claus Andersen

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Company details

The Company

LEGO Security Billund ApS
Aastvej 1
7190 Billund, Danmark

Telephone: 79 50 60 70

CVR no.: 54 56 27 13
Financial year: 1 January - 31 December
Residence: Billund

Parent Company

LEGO A/S, Billund (CVR.nr 54 56 25 19)

Executive Board

Jeppe Olander Vangsted

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board

The Executive Board has today considered and adopted the annual report of LEGO Security Billund ApS for the financial year 1 January to 31 December 2023.

The Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

In my opinion, the Financial Statements give a true and fair view of LEGO Security Billund ApS financial position at 31 December 2023 and of the result of the company's operations for the financial year 1 January to 31 December 2023.

The annual report is recommended to be adopted at the Annual General Meeting.

Billund, 25 April 2024

Executive Board

Jeppe Olander Vangsted

Independent auditor's report

To the Shareholders of LEGO Security Billund ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of LEGO Security Billund ApS for the financial year 1 January - 31 December 2023, which comprise Statement of Profit or Loss, Statement of Financial Position, Statement of Changes in Equity and notes, including a summary of significant accounting policies ("Financial Statements").

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

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus, 25 April 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no: 33 77 12 31

Mads Melgaard
State Authorised Public Accountant
mne34354

Thomas Bernth Jensen
State Authorised Public Accountant
mne47814

Statement of Profit or Loss

1 January – 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		12,844,127	11,831,381
Employee costs	1	-11,022,991	-10,547,054
Depreciation and impairment		<u>-518,550</u>	<u>-196,324</u>
Profit before financial items		1,302,586	1,088,003
Financial income	2	45,373	5,392
Financial expenses	3	<u>-21,692</u>	<u>-12,802</u>
Profit before tax		1,326,267	1,080,593
Income tax expenses		<u>-308,496</u>	<u>-251,675</u>
Net profit		<u>1,017,771</u>	<u>828,918</u>
 Proposed distribution of profit			
Proposed dividend			1,000,000
Retained earnings		<u>1,017,771</u>	<u>-171,082</u>
		<u>1,017,771</u>	<u>828,918</u>

Statement of Financial Position

at 31 December

Assets

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		DKK	DKK
Right-of-use assets		366,758	985,836
Total non-current assets		<u>366,758</u>	<u>985,836</u>
Trade receivables		15,772	29,688
Receivables from related parties		9,552,322	7,918,948
Prepayments		56,091	144,050
Deferred tax		97,297	142,326
Receivables		<u>9,721,482</u>	<u>8,235,012</u>
Total current assets		<u>9,721,482</u>	<u>8,235,012</u>
Total assets		<u>10,088,240</u>	<u>9,220,848</u>

Statement of Financial Position

at 31 December

Liabilities

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Share capital		200,000	200,000
Retained earnings		2,538,633	1,520,862
Proposed dividend		<u>0</u>	<u>1,000,000</u>
Total equity		<u>2,738,633</u>	<u>2,720,862</u>
Lease liabilities	4	0	406,660
Total non-current liabilities		<u>0</u>	<u>406,660</u>
Trade payables		2,674,913	1,941,381
Payables to related parties		1,314,558	704,005
Lease liabilities	4	368,219	580,997
Income tax liabilities		263,467	260,997
Other debt		<u>2,728,450</u>	<u>2,605,946</u>
Total current liabilities		<u>7,349,607</u>	<u>6,093,326</u>
Total liabilities		<u>7,349,607</u>	<u>6,499,986</u>
Total equity and liabilities		<u>10,088,240</u>	<u>9,220,848</u>
Contingent liabilities	5		
Main activity	6		
Related parties	7		
Events occurring after the reporting date	8		
Accounting policies	9		

Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend	Total equity
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity at 1 January 2023	200,000	1,520,862	1,000,000	2,720,862
Dividend paid	0	0	-1,000,000	-1,000,000
Profit for the year	<u>0</u>	<u>1,017,771</u>	<u>0</u>	<u>1,017,771</u>
Equity at 31 December 2023	<u>200,000</u>	<u>2,538,633</u>	<u>0</u>	<u>2,738,633</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
1 Employee expenses		
Salaries	9,908,317	9,485,234
Pension costs	902,525	852,182
Social security and other costs	212,149	209,638
	11,022,991	10,547,054
Average number of full-time employees	15	16
2 Financial income		
Interest income from related parties	45,373	5,392
	45,373	5,392
3 Financial expenses		
Interest expenses to related parties	13,832	10,265
Exchange losses, net	123	33
Interest expenses related to lease liabilities	4,150	2,495
Other interest expenses	3,587	9
	21,692	12,802
4 Non-current liabilities		
Repayments due within 1 year are listed under current liabilities. Remaining liabilities are recognised as non-current liabilities. The liabilities are due in accordance with the following order:		
Lease liabilities		
After more than 5 years	0	0
Between 1 and 5 years	0	406,660
Non-current liabilities	0	406,660
Within 1 year	368,219	580,997
	368,219	987,657

Notes to the Financial Statements

5 Contingent liabilities

The Danish companies in the LEGO Group are jointly and severally liable for corporate income tax according to the joint taxation in the LEGO Group, KIRKBI A/S and in the companies controlled by KIRKBI A/S. The total amount of income tax liabilities, as well as related income tax credit counterparts are shown in the Annual Report of KIRKBI A/S, which is the administration company of the joint taxation. The Danish companies in the LEGO Group are furthermore jointly and severally liable for Danish Taxes at source withheld on behalf of non-resident companies for dividend, royalty and interest.

6 Main activity

The company's main activity is providing security services.

7 Related parties

The entity is a part of the Consolidated Annual Report, made by LEGO A/S, Billund (CVR-no. 54 56 25 19).

8 Events occurring after the reporting periods

No events of importance have occurred after the reporting date.

9 Accounting policies

Basis of preparation

The Financial Statements of LEGO Security Billund ApS have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with addition of optional items from class C.

The accounting policies for the Financial Statements remain unchanged from last year.

The Financial Statements are presented in Danish kroner (DKK).

Notes to the Financial Statements

General information on recognition and measurement

The accounts have been prepared based on the historical cost price principle.

Revenues are recognised as they are earned. Furthermore, the Statement of Profit or Loss includes all costs that have been incurred to achieve the year's earnings, including depreciation, write-downs and provisions as well as reversals as a result of changed accounting estimates of amounts that have previously been recognised in the Statement of Profit or Loss.

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

Liabilities are recognised in the Financial Position when it is probable that future economic benefits will leave the company and the value of the liability can be reliably measured.

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

Danish kroner is used as the measurement currency. Other currencies than Danish kroner are considered foreign currencies.

Leases

For lease recognition, IFRS 16 is used as interpretation.

The right-of-use asset and corresponding lease liability are recognised at the commencement date, i.e. the date the underlying asset is available for use. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

Right-of-use assets are measured at cost corresponding to the lease liability recognised, adjusted for any lease incentives received and initial direct costs. Depreciation is calculated using the straight-line method over the lease term or the useful life of the right-of-use assets, whichever is shortest. The variable lease payments that do not depend on index or a rate are recognised as expense in the year the event or condition that triggers the payment occurs. For all classes of assets, non-lease components will be separated from the lease components and thereby not form part of the right-of-use asset and financial lease liability recognised in the Financial Position.

Foreign currency translation

Transactions in foreign currency are translated using the exchange rate on the day of the transaction. Gains and losses that arise due to differences between the exchange rate on the day of the transaction and the exchange rate on the day of payment are recognised in the Statement of Profit or Loss as financial items.

Receivables, liabilities and other monetary items in foreign currency that are not settled on the balance sheet date are translated at the balance sheet date rate. Differences between the rate on the balance sheet date and the rate on the transaction date are recognised in the Statement of Profit or Loss as financial items.

Notes to the Financial Statements

Statement of Profit or Loss

The company has chosen to summarise certain items in the Profit or Loss in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Revenue from contracts with customers is recognised based on transfer of control, which according to IFRS 15 occurs over time when control of the service provided passes to the customer.

Control is considered transferred when:

- there is a binding sales agreement,
- delivery has taken place before the end of the financial year,
- the selling price has been determined and the payment has been received or can reasonably be expected to be received.

LEGO Security Billund ApS recognises revenue from the provision of services over time because the customer simultaneously receives and consumes the benefits the company provides, i.e. control is transferred over time. Service is billed monthly.

The revenue is recognised exclusive of VAT and with the deduction of discounts in connection with the sale.

Other external expenses

Other external expenses include expenses related to premises, office staff, administration, car expenses etc.

Employee expenses

Employee expenses include wages and salaries, pension and other social security contributions.

Depreciation and impairment

Depreciation and impairment include the year's depreciation and write-downs of leased tangible fixed assets. Depreciation is calculated on a straight-line basis over the expected lifetime which is normally 4 years.

Financial income and expenses

Financial items comprise interest income and expenses, realised and unrealised gains and losses on payables/receivables and other transactions in foreign currencies.

Income tax expenses

The tax expenses for the year comprise income tax and deferred tax for the year.

The income and deferred taxes are recognised in the Statement of Profit or Loss, except to the extent that they relate to items recognised in Statement of Changes in Equity. In this case, the tax is recognised in equity.

All Danish entities in the LEGO Group are taxed jointly. The current Danish corporation tax is distributed among the jointly taxed companies in relation to their taxable income (full distribution with refunds regarding tax-related deficits).

Notes to the Financial Statements

Statement of Financial Position

Receivables

Receivables are measured at amortised cost price or a lower net realisable value, which here corresponds to nominal value less write-downs to cover losses. Write-downs for losses are calculated based on an individual assessment of the individual receivables.

Balances in the group cash pool scheme are not shown as cash at banks but are included in receivables from related companies.

Prepayments

Prepayments, recognised under assets, include prepaid costs relating to subsequent years, including insurance and service agreements.

Deferred tax

Deferred tax is measured according to balance sheet liabilities method, which means that all temporary differences between the carrying amount and the tax base of assets and liabilities are recognised in the Financial Position as deferred tax liabilities and deferred tax assets. Deferred tax reflects the effect of any temporary differences. To the extent calculated deferred tax is positive, this is recognised in the Statement of Financial Position as a deferred tax asset at the expected realisable value. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is measured according to income tax rules and the tax rates expected to be in force on elimination of temporary differences. The change in deferred tax as a result of changes in tax rates is recognised in the Statement of Profit or Loss. Changes to deferred tax on items in equity are recognised in equity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet with the amount that can be calculated based on the year's expected taxable income adjusted for tax on previous years' taxable income.

Financial Liabilities

Debt liabilities are measured at amortised costs, which essentially corresponds to nominal value.

Equity

Proposed dividend

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item.