

The LEGO Group

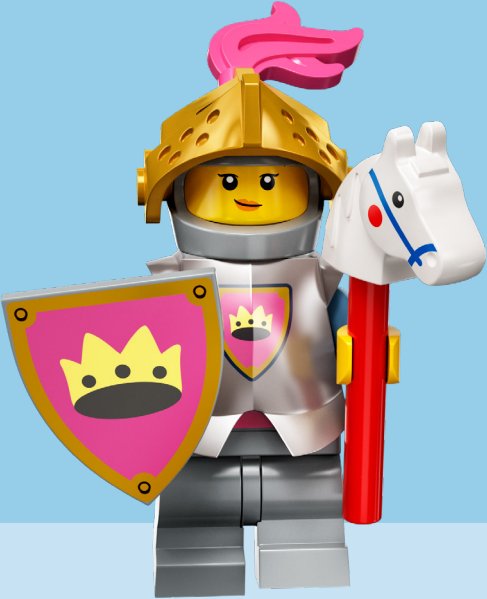
Annual Report

2024



Hello and welcome!

I will be showing you around the Annual Report! If you ever get lost, you can find your way back here by clicking the yellow brick in the corner.



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Management's Review

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Letter from the CEO

2024 was an exceptional year for the LEGO Group. We achieved record top- and bottom-line results all while accelerating our strategic initiatives. Through our strong momentum during the year, we continued to outpace a challenged toy industry and gain market share.

We also made good progress towards our goal of making LEGO® bricks more sustainable, including increasing the amount of renewable and recycled raw materials we buy to make our products.

Reaching more builders with a diverse portfolio

The performance was driven by strong demand for our diverse portfolio, excellent execution across all markets, and our resilient supply chain.

Throughout the year, we continued to leverage our portfolio – around half of which was new – to grow with fans of all ages and interests. While kids will always be our main focus, we saw increased demand among teenagers and adults with our LEGO® Botanical Collection which attracted new builders to the LEGO brand.

We continued to invest in improving the shopper experience across all channels, including in our LEGO branded stores and the stores belonging to our retail partners.

Strategic initiatives & investments for long-term growth

Deliberate and timely investments in previous years are paying off and we have built a strong financial foundation

that allows us to further increase investments for long-term growth. We also accelerated spending in strategic areas including sustainability and digital technology.

Half of the materials purchased in 2024 were produced with sustainable sources: we more than doubled the share of our mass balance purchases to 47 percent, translating to an estimated average of 33 percent material from renewable sources. An additional three percent of the materials we use to make our products came from segregated sustainable sources. By doing so, we have reduced the use of virgin fossil materials.

Our investments also saw us make good progress on our capacity expansions. We successfully carried out test runs at our new factory in Vietnam and the construction of a new factory in the U.S. is progressing well. We also continued to expand our factories in Mexico, Hungary and China. In addition, we celebrated the groundbreaking of a third campus at our headquarters in Billund, Denmark.


An International Day of Play

Play in all forms has never been more important, and one of the proudest moments for me this year was the adoption by the United Nations General Assembly of the International Day of Play on 11 June – a celebration we, and our partners, believe is vital for current and future generations.

Indeed, it is our ability as a company to make a positive difference for children around the world that ultimately makes the LEGO Group a success. I am grateful to our more than 31,000 talented employees who work with such dedication to inspire and develop the builders of tomorrow.



Niels B. Christiansen
CEO of the LEGO Group



"2024 was an exceptional year for the LEGO Group. We achieved record top- and bottom-line results while accelerating spending on strategic initiatives. We also more than doubled the share of our purchases of sustainable raw materials."



Performance Highlights

FINANCIAL PERFORMANCE

Significantly outpaced toy industry and gained market share

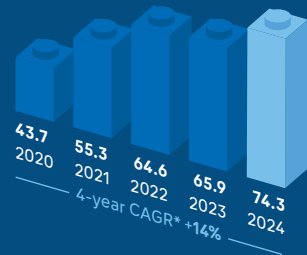
Further accelerated spending on strategic initiatives

Revenue (bDKK)

74.3

Growth
+13%

vs. 2023

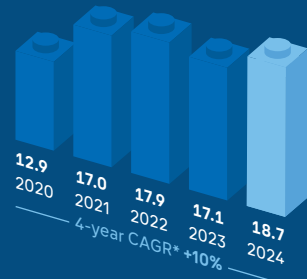


Operating profit (bDKK)

18.7

Growth
+10%

vs. 2023



Positive impact

12+ million children impacted via product donations & learning through play initiatives

Welcomed UN General Assembly adoption of International Day of Play



25%

owned by the LEGO Foundation**
Significant profits go to supporting children around the world

52.0% Return on invested capital

19.2 Cash flow from operating activities (bDKK)

10.2 Free cash flow (bDKK)

* Compound Annual Growth Rate.
** Through Koldingvej 2, Billund A/S.
*** See footnote on page 8.

STRATEGIC INITIATIVES

Innovating play & brand

840

products, 46% were new in 2024

Launched first LEGO® Fortnite® sets

Expanded LEGO® Botanical Collection

Popular themes

LEGO® Icons
LEGO® Star Wars™
LEGO® Technic™
LEGO® City
LEGO® Harry Potter™

Creating memorable brand experiences

1,069

branded stores worldwide***

Strong collaboration with global retail partners

Expanding our global supply chain network

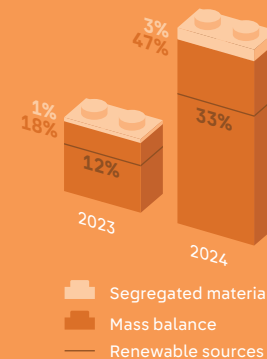
3 Existing factories under expansion
Mexico, Hungary & China

2 New factories under construction
Vietnam – opening in 2025
U.S. – opening in 2027

2 Regional Distribution Centres
Belgium – opened in 2024
Vietnam – opening in 2025

Building a sustainable future

- Half of the materials purchased were produced with sustainable sources
- The share of resin purchased according to mass balance principles more than doubled
- This means around 33% renewable sources can be attributed to the material we buy to make our products



Advancing our digital ambitions

Bringing delightful LEGO brand experiences to life
Retail partners | Consumers | Shoppers | Colleagues

5+ million downloads of our new LEGO Play app

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**Innovating play
and brand**

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**Creating memorable
brand experiences**

3

**Building a
sustainable future**

4

**Expanding our global
supply chain network**

5

**Advancing our
digital ambitions**

6

**Providing playful and
inclusive workplaces**

Strategic Overview

Championing the power of play

Play is a basic right for every child and has the power to change lives. It strengthens family bonds, helps children develop essential life skills and reach their full potential.

In fact, a global study conducted by the LEGO Group in 2024 found that 9 in 10 parents believe that play helps their children's development and is fundamental to their overall well-being.

We work to inspire the builders of tomorrow with a vision of being a global force of learning through play, and in 2024 we welcomed the UN General Assembly's adoption of an International Day of Play to champion and protect children's right to play.

Together with children around the world, we were proud to mark the inaugural International Day of Play on 11 June. Every year going forward, it will be a day to celebrate the importance of play and remind governments, organisations, schools and parents to put play back on the agenda for kids everywhere.



1 Innovating play and brand

Inspired by the endless possibilities of the LEGO® System in Play, our 550+ designers continue to create new play experiences to delight builders everywhere.

In 2024, we launched the largest portfolio yet with 840 products, offering exciting build experiences for all ages and interests. Our sets appeal to our fans' wide range of passions and interests, including motorsport, space, gaming and more. The best-selling themes were a combination of homegrown and entertainment IPs such as LEGO® Technic™, LEGO® Icons, LEGO® City, LEGO® Star Wars™ and LEGO® Harry Potter™.

We expanded our LEGO® Botanical Collection, part of LEGO Icons, which continues to attract new builders, drawn to its blend of creativity and relaxation.

Gaming is a favourite pastime among kids and we are exploring new and exciting ways of blending digital and physical play. Since its launch in December 2023, LEGO® Fortnite® has engaged over 87 million players. This year, we expanded the LEGO Fortnite gaming experience with the release of the first physical sets and LEGO Islands within the Fortnite universe. We also welcomed the popular gaming franchise Animal Crossing to the LEGO portfolio.

Additionally, 2024 was a milestone year for some of our themes. We were proud to mark 25 years of LEGO Star Wars and five years of LEGO® Monkie Kid™, one of our popular homegrown themes.

To make LEGO play experiences inclusive and accessible for all children, we made LEGO® Braille Bricks available in nine additional languages, taking the total to 11. We also introduced more characters with different characteristics, conditions, appearances and abilities, including Sara, a LEGO® Friends character who wears a stoma bag.

We sought to inspire girls to reach their full creative potential via LEGO play as part of the 'Play Unstoppable' campaign and encouraged families to play more often in the 'Play is your Superpower' campaign.

To tap into the passion of sport, we announced new multi-year partnerships with NIKE, Inc. and Formula 1® and unveiled the first F1 sets that will be launching in 2025. We look forward to bringing these partnerships to life in the years to come.



→ LEGO Botanicals Collection

The collection of sets featuring flowers and plants proved especially popular with new builders and around gifting occasions.



↪ LEGO Fortnite Supply Llama

The first LEGO Fortnite sets brought to life characters, places and items from the game.

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Creating memorable brand experiences

We continued to invest in creating memorable experiences for shoppers and bringing the LEGO® brand to life across all retail channels.

No matter where people choose to shop for a LEGO® product – online, in a LEGO Brand Retail store or at one of our retail partners – we want them to have a great experience.

In our retail stores, we aim to provide a unique opportunity for guests to immerse themselves in the LEGO brand through hands-on experiences, displays and engaging events. We celebrated special occasions like Valentine's Day, Mother's Day and Lunar New Year with in-store activities and hosted meet-and-greets with LEGO designers.

To strengthen our connection with fans, we continued to expand our membership programme, LEGO Insiders, with more exciting, personalised offerings for both adults and kids.

On LEGO.com we invested in upgrading the user experience, including a new promotions engine that

→ Opening of LEGO Brand Retail store in Katowice, Poland

We celebrate store openings with kids and families, often inviting local fans to be part of the ribbon-cutting ceremony.



→ Creativity Workshops

We hosted over 1,400 free Creativity Workshops in 15 countries for families to have fun and build with LEGO bricks.



enables special offers on some products for LEGO Insiders as well as making it easier to view and redeem points. We also rolled out an online version of our popular Minifigure Factory in the U.S., with more than 124,000 personalised LEGO minifigures created.

We are grateful for the strong collaboration with our global retail partners whose ongoing support ensures that we can reach more shoppers and children with LEGO play.

In 2024, we opened 74 new branded stores, ending the year with a total of 1,069* stores compared with 1,071 stores in 2023. Over the past six years, we have more than doubled the number of stores worldwide. To ensure we are offering guests the best possible experiences and meet our commercial ambitions, we constantly assess and optimise our store portfolio across markets. During the past twelve months we have opened stores in new locations, and closed others. We plan to continue opening stores in new locations during 2025.



↑ Minifigure Factory

Previously only available in stores, the online Minifigure Factory in the U.S. allows shoppers to customise minifigures and have them delivered at home.



↑ New store in Jakarta, Indonesia

Spanning 365 m2, it is now the largest LEGO store in Southeast Asia.

* From 2024, stores in LEGOLAND® Parks and Discovery Centres (40) run by Merlin Entertainments (Motion JVCco Limited) are included in the total store count, in addition to LEGO Branded Stores (201) owned and operated by the LEGO Group and LEGO Certified Retail (768) and LEGO Travel Retail (60) stores owned and operated by partners.



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→ Sustainable Materials Centre

Our colleagues have tested over 600 different materials in our mission to make our products more sustainable. Any material we use must meet our rigorous safety and quality standards.



↑ Installing more solar panels

At our factory in the Czech Republic, we added 1.5 MWp of solar energy to our capacity, bringing it to a total of 2.5 MWp.

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Building a sustainable future

We are making substantial investments behind our efforts to reduce our environmental footprint and have a positive impact on the children who will inherit our planet.

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In 2024, we increased our overall investments on environmental sustainability by 68 percent compared to 2023, nearly tripling our spending compared to 2022.

Sustainable materials

This year, we significantly increased the amount of sustainable material we purchased to make our products

to 50 percent. This included 47 percent certified mass balance which translates to an estimated average of 33 percent material from renewable sources. An additional three percent of the materials we use to make our products came from segregated sustainable sources.

The segregated material included arMABS, a recycled material which we use in our transparent elements like light sabers, windscreens and windows. Once fully transitioned, we will make over 900 different elements from arMABS which will be featured in more than 85 percent of LEGO® sets.

We are also making progress on transitioning to paper-based bags to reduce our use of single-use plastic. All LEGO factories with packing facilities have now started the transition to the new paper-based bags and 30 percent of our packaging lines have now been upgraded. We achieved 93 percent of sold packaging by weight made from paper, cardboard and other paper-based materials for the fourth consecutive year.

Carbon

In 2024, we increased spending to accelerate our long-term transition to more sustainable manufacturing. We also saw growing demand for our products, and as a result, carbon emissions increased compared to 2023.

In an effort to reduce our carbon emissions, we continued implementing a number of renewable energy solutions at our factories. This includes phasing out natural gas heating in Denmark, installing a geothermal energy system in Hungary, and adding 6,64 MWp solar energy capacity in the Czech Republic, Denmark and China - an increase of 43 percent compared to last year.

We expect to start seeing the positive impact of these investments on emissions in the next few years as part of our progress towards meeting our science-based target.

As the vast majority of our total emissions are from outside our own operations, we updated our Supplier Sustainability Programme to target emission savings from 2026.

Positive impact

We are proud of the positive impact we have in supporting children to reach their full potential with the help of learning through play. In 2024, we impacted over 12 million kids through product donations and play initiatives in communities around the world.

Read more in our 2024 Sustainability Statement at [LEGO.com/Sustainability](https://www.lego.com/Sustainability).

→ Volunteering

LEGO colleagues are given two days per year to volunteer and in 2024, more than 7,000 colleagues got involved in local community engagement events, including those organised by our Build the Change programme.



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→ Expanding our factory in Mexico

The largest LEGO factory in the world unveiled two new moulding modules which will help support our growth in the Americas region.



↑ Regional Distribution Centre in Belgium

The new centre is equipped to store up to 44,000 pallets and will service retail partners in the EMEA region.

We now have five factories and four regional distribution centres globally, located close to our markets. This regional supply chain design ensures that we can quickly respond to shifts in demand and limit the environmental impact of transporting goods.

In 2024, we continued capacity expansion and capability upgrades at existing factories. In Hungary, new moulding and packing facilities added 95,000 m² or a 60 percent increase in space. In Mexico, two new moulding modules started operating, adding 42,000 m² or a 13 percent space increase, while in China, new moulding and processing modules added 51,000 m² or a 27 percent increase.

We are also making good progress on two new factories. In Vietnam, we successfully carried out systems and



equipment testing at the end of 2024, and will be operational in early 2025. In the U.S., construction is on track for a planned opening in 2027.

To bring greater flexibility and resilience to our supply chain, we are working towards having two regional distribution centres (RDCs) in each region – Europe, Middle East & Africa, Americas and Asia & Pacific.

To this end, we opened a second European RDC in Belgium, which will reduce delivery times by up to two days for some retail partners due to its proximity and improved digital capabilities. The construction of the second RDC in Asia & Pacific, located in Vietnam, was finalised and will start operating in early 2025.

Expanding our global supply chain network

In 2024, we continued to expand and upgrade our global network of factories and distribution centres to ensure flexibility and resilience.



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Advancing our digital ambitions

Our digital teams enable all areas of the business to create delightful LEGO® brand experiences and improve operating efficiencies.

After four years of significant investments, we have built a global digital organisation and the infrastructure for our digitally-enabled business.

In the years to come, we will continue to invest at the level required to further develop new digital solutions that will help us to transform how we operate. We will also further strengthen our technology foundations, maintain solutions, keep our systems running smoothly, ensure technical compliance per existing legislation and security standards, and stay ahead of digital developments.

This year, we continued to enhance our cybersecurity safeguards and achieved an externally assessed maturity ambition. We also upgraded internet connectivity for all store colleagues and used machine learning to improve demand forecasting models. In addition, we embarked on several multi-year transformational programmes to innovate core technology and processes across the business.

Our digital product teams continue to collaborate with colleagues throughout the business to actively develop valuable, engaging brand experiences for consumers, shoppers, retail partners and colleagues.

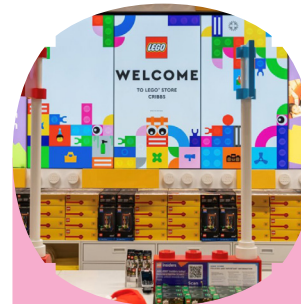
Great brand experiences for all audiences

Examples of initiatives from 2024



Consumers

LEGO® Play is a creative app that allows kids to share creations with friends, make digital builds and play games. Since its launch this year, it was downloaded over five million times.



Shoppers

In our stores, we enabled an easier and quicker sign-up process to our membership program, LEGO Insiders, via an app. This gives shoppers immediate access to full membership benefits in-store.



Retail partners

We have enabled large scale automation of our partners' order processes and provided new capabilities for content to allow for the best possible representation of our brand.



Colleagues

We introduced an improved global supply chain planning solution, as well as tools to manage our growing assortment and improve our space planning capabilities. A new trade planning suite of applications enables key account managers to manage trade activation more seamlessly.

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→ Play Agent training

We offer Play Agent training where colleagues are introduced to the principles of learning through play and how to facilitate playful activities at work, at home and while volunteering.



→ Innovation Campus

This rendered image shows the 50,000 m2 Campus that will be home to 1,700 colleagues who work across product marketing & development, design, gaming and quality.



↓ Boston Hub

The new Americas Hub located on 1001 Boylston Street will offer more than 120,000 square feet across six floors.



← Copenhagen Hub

The new Hub will be located in The Stamp - a building under construction in the Postbyen development. It will cover 30,000 m2 over nine floors and provide space for up to 1,500 colleagues.

* Ennova Employee Engagement Survey 2024

Providing playful and inclusive workplaces

We invested in expanding and upgrading our network of offices and creating workplaces where all colleagues feel welcome, can make a meaningful contribution and do their best work.



← Hidden Disabilities Sunflower

The new lanyards are a way for colleagues with non-visible disabilities, conditions or sensory needs to signal that they might need extra help.



Board of Directors and Management

Board of Directors



CHAIR
**Thomas Kirk
Kristiansen**

Thomas Kirk Kristiansen represents the most active owner in the fourth generation of the owner family. He is Chair of the Board of LEGO A/S and has been a member of the Board since 2007. Furthermore, Thomas is Chair of the Board of Directors of KIRKBI A/S, the LEGO Foundation and Koldingvej 2, Billund A/S. Thomas is also a board member in two fully-owned subsidiaries of KIRKBI A/S and Executive Manager of Kirk & Kirk Holding ApS with management roles in four subsidiaries.



DEPUTY CHAIR
**Søren Thorup
Sørensen**

Søren Thorup Sørensen has been a member of the Board of LEGO A/S since 2010, and currently serves as Deputy Chair and Chair of the Audit Committee. He is the Chief Executive Officer of KIRKBI A/S. Søren is also a member of the Board of Directors of Merlin Entertainments Limited (and Chair of the Audit Committee), Ole Kirk's Fond, Koldingvej 2, Billund A/S, ISS A/S, ATTA Fonden, K2 Fonden af 2023, and four fully-owned subsidiaries of KIRKBI A/S.



**Ebi
Atawodi**

Ebi Atawodi became a member of the Board of LEGO A/S in April 2024. Ebi is Director of Product at Google for YouTube Studio, the home of millions of YouTube Creators globally. She was previously Director of Product at Netflix leading Payments in EMEA, and before that was Head of Product at Uber leading the global payments experiences across all Uber apps. Prior to this she led communications and sponsorship at telecommunications company Etisalat.



**Fiona
Dawson**

Fiona Dawson has been a member of the Board of LEGO A/S since 2020. She worked for family-owned Mars, Incorporated for over thirty years and retired in July 2021 to focus on her Board Portfolio. Fiona currently sits on the Boards of Marks and Spencer Group PLC, Reckitt PLC and Kerry Group PLC. She also sits on a number of advisory Boards including Trinity Business School in Dublin, The Social Mobility Foundation and chairs the Chartered Management Institute.



**Jørgen Vig
Knudstorp**

Jørgen Vig Knudstorp has been a member of the Board of LEGO A/S since 2017 and has previously served as Chair from 2017 to 2020 and CEO of the LEGO Group from 2004 to 2016. Jørgen holds positions as member of the Board of BrainPOP, Starbucks Coffee Company Inc and the LEGO Foundation. Furthermore, he is a member of the IMD Supervisory Board and serves as Partner and Executive Advisor to the venture fund Innovation Endeavors, LLC.



**Jan Thorsgaard
Nielsen**

Jan Thorsgaard Nielsen has been a member of the Board of LEGO A/S since 2013. Jan is the Chief Investment Officer of A.P. Møller Holding. He also holds positions as Chair of the Board of C2X A/S, Deputy Chair of the Board of Unilabs A/S and Deputy Chair of the Board of Faerch A/S. He is also a member of the Boards of Concentric and Vioneo, and a member of the Board of Governors at Copenhagen International School.



**Ilkka
Paananen**

Ilkka Paananen became a member of the Board of LEGO A/S in April 2024. Ilkka is the CEO and co-founder of Supercell. In addition, Ilkka helps other entrepreneurs as both an investor and a mentor through his founder office called Illusian. He has also co-founded We Foundation and serves on the board of Zwift.



**Anne
Sweeney**

Anne Sweeney has been a member of the Board of LEGO A/S since April 2020. She is also a member of the Board of Directors of Netflix, Inc., the Board of Trustees at the Mayo Clinic, and a Deans Distinguished Fellow at the Harvard University Graduate School of Education. Anne previously served as co-chair of Disney Media Network, and President of the Disney/ABC Television Group.

Executive Leadership Team



PRESIDENT
& CHIEF EXECUTIVE OFFICER
**Niels B.
Christiansen**

Niels B. Christiansen is CEO of the LEGO Group. Under his leadership, the LEGO Group has expanded retail stores across the world, launched the first sustainably sourced LEGO® elements, created innovative play experiences, and maintained its ranking as a highly reputable and loved brand globally. He is Chair of the Board of Demant A/S and a member of the Tetra Laval Group Board.



CHIEF FINANCIAL OFFICER
**Jesper
Andersen**

Jesper Andersen is responsible for the LEGO Group's finance team which includes strategic financial planning and reporting, business partnering, audit, tax, and treasury. He also oversees the company's legal, compliance and risk management, strategy and transformation, business services and government & public affairs teams. Jesper is a member of the Board of PVH Corp.



CHIEF DIGITAL
& TECHNOLOGY OFFICER
**Atul
Bhardwaj**

Atul Bhardwaj leads the LEGO Group's digital and technology strategy, including overseeing its continued digital transformation to support long-term growth. His teams create digital products and experiences for all LEGO fans – from kids and families to shoppers, retail partners and LEGO Group colleagues – and support the company's technology foundations in infrastructure, security and data. Atul serves on the Technical Advisory Boards for Blackstone, Insight Partners, HCLTech and Salesforce Ventures.



CHIEF COMMERCIAL
OFFICER
**Colette
Burke**

Colette Burke is responsible for the LEGO Group's global commercial strategy which includes e-commerce, B2B retailer partnerships, omnichannel development, branded retail channels and geographic expansion into new countries. Reporting to Colette are the company's Market Groups including the Americas, Western Europe, CEEMEA, Asia Pacific and China; as well as LEGO Retail, Global Commercial Development, and Markets & Channels Marketing. Colette is a member of the Board of WH Smith PLC.



CHIEF PRODUCT
& MARKETING OFFICER
**Julia
Goldin**

Julia Goldin leads the creation of products and play experiences that inspire, excite and educate kids and families. She oversees product development, brand campaigns, marketing, research, licensing, partnerships, and the in-house creative agency. Julia also serves on the Boards of UN Live Museum and Fiskars Group, contributing her expertise to visionary projects and organisations.



CHIEF OPERATIONS OFFICER
**Carsten
Rasmussen**

Carsten Rasmussen is responsible for the LEGO Group's operations strategy which includes all aspects of the company's manufacturing, supply chain planning, sales & operations planning, quality, engineering, procurement, distribution, and corporate facilities. Carsten is a member of the Board of Nobia AB.



CHIEF PEOPLE OFFICER
**Loren I.
Shuster**

Loren I. Shuster leads the People, Places, and Culture organisation, delivering on the LEGO Group's People Promise, enabling all employees to succeed and grow together. He oversees the Group's people strategy to attract, develop, and retain talent, as well as Social Responsibility, Workplace experience and Corporate Brand Communications. Loren is a board member of Boku Inc. and advises the Institute of Business Ethics.

Financial Review

The LEGO Group's main activities are the development, manufacturing, sales and distribution of games, toys, digital products, educational materials, and LEGO® branded merchandise worldwide.

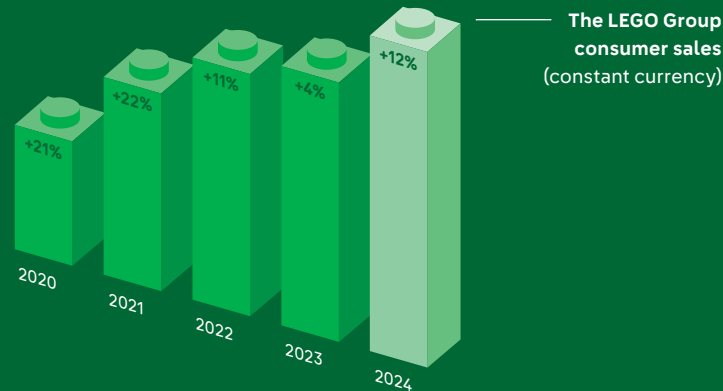
2024 was an exceptional year for the LEGO Group. The company delivered record top- and bottom-line results, all while it continued to accelerate significant spending in short- and long-term strategic initiatives, including sustainability and digital technology activities.

Commercial momentum and market share

In 2024, the LEGO Group grew its consumer sales* by 12 percent during the year compared to four percent last year. The company consistently outperformed the toy industry and significantly grew market share. It operates in the global toy industry, which declined one percent in 2024 in a challenging economic environment.

The growth was driven by increased demand for the LEGO Group's innovative portfolio and strengthened shopper engagement and experiences which drove traffic in stores and online. The Botanical Collection in LEGO® Icons performed well and drove growth among consumers who are new to LEGO play.

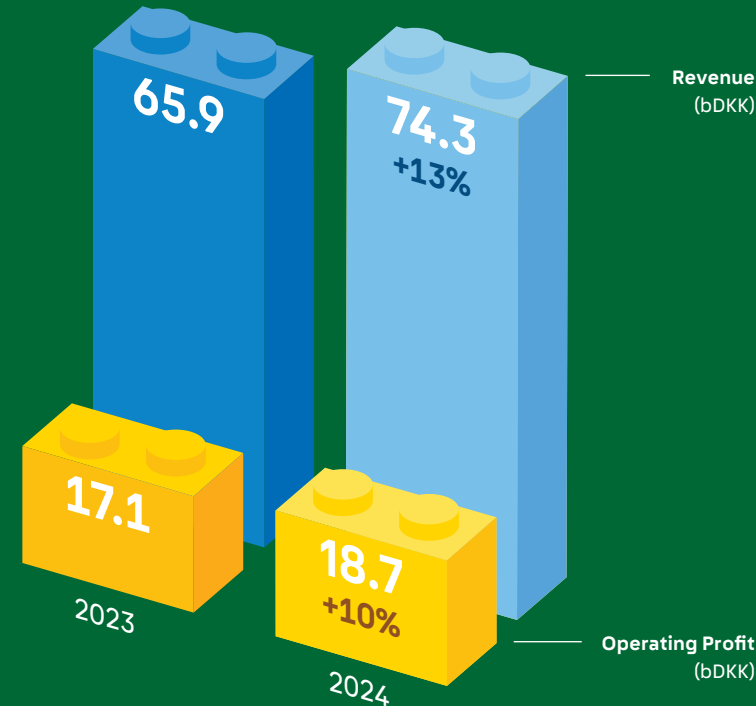
* Consumer sales reflect sales to our end-consumers.



Revenue

Revenue increased 13 percent to DKK 74.3 billion compared to DKK 65.9 billion in 2023, which exceeded expected single-digit growth. This was an exceptional achievement given a declining toy industry.

Revenue growth, excluding the impact of currency, was 14 percent. The key drivers were strong demand for LEGO products, excellent execution globally and close partnerships with third-party retailers, all supported by a flexible and resilient global supply chain. Growth was mainly driven by the Americas, Europe and Middle Eastern markets.



Operating profit

Operating profit was DKK 18.7 billion in 2024, an increase of 10 percent compared to DKK 17.1 billion in 2023. Excluding the impact of currency, operating profit increased by 14 percent against 2023. The increase was driven by an exceptional top-line supported by scale efficiencies, increased asset utilisation and productivity. The operating margin decreased from 26.0 percent in 2023 to 25.2 percent in 2024 due to accelerated spending on sustainable materials and strategic initiatives.

Net profit

Net profit increased by five percent and was impacted by foreign currency losses, mainly unrealised, and ended at DKK 13.8 billion in 2024 against DKK 13.1 billion in 2023, which was above expectations.



Tax and effective tax rate

Income tax expenses amounted to DKK 4.3 billion compared to DKK 4.0 billion in 2023 and the effective tax rate was 23.6 percent against 23.2 percent in 2023. Pillar Two from Organisation for Economic Co-operation and Development (OECD) was implemented in IAS 12 effective from 1 January 2024. The 2024 impact is described in [note 2.4](#).

Assets

The LEGO Group's assets increased to DKK 68.7 billion in 2024 compared to DKK 58.9 billion in 2023 due to investments in property, plant and equipment of DKK 8.8 billion compared to DKK 8.3 billion in 2023. This included expanding capacity and developing capabilities in existing factories in Mexico, Hungary and China, investing in new factories in Vietnam and the U.S., as well as further expanding office and warehouse capacity.

Free cash flow

The LEGO Group has a strong financial foundation, enabling significant capital investments and accelerated spending on strategic initiatives to drive future growth. Cash flow from operating activities increased 24 percent driven by strong operating profit, while free cash flow increased 47 percent to DKK 10.2 billion in 2024 from DKK 6.9 billion in 2023 despite substantial investments in property, plant and equipment.

Research and development (R&D)

Continuous innovation and development are key to the LEGO Group's mission to inspire and develop the builders of tomorrow. In 2024, new products accounted for 46 percent of the portfolio which is similar to 2023 when they accounted for 47 percent. The company invested in innovating core play themes, exploring new play forms as well as bridging digital and physical play. R&D activities also included exploring new sustainable technologies, trend spotting, anthropological studies and collaborating with educational institutions.

People Promise

The company is committed to the mental and physical well-being of its employees by offering a range of opportunities like medical assistance, training to support learning &

development, extended parental leave and inspiring workspaces. Employees are covered by the LEGO Group's Performance Management Programme (PMP) - a bonus programme where pinnacle KPIs are designed to ensure all colleagues succeed and grow together as they work towards achieving the company's short- and long-term ambitions. At the end of 2024 there were 31,282 employees, up 10 percent from end of 2023.

Partner Promise

The LEGO Group aims to live up to its Partner Promise by being a lawful, ethical, and respectful partner and sustaining a positive impact on its stakeholders and its local communities. The company is a signatory of the UN Global Compact to demonstrate its support for human rights, labour standards, anti-corruption and the environment. The 2024 Sustainability Statement reports on the actions taken to embed the principles outlined in the UN Global Compact.

Pursuant to sections 99a of the Danish Financial Statements Act, the 2024 Sustainability Statement constitutes the statutory statement of the company's corporate social and environmental responsibility. The statement is available at: [LEGO.com/Sustainability](#).

Risks and governance

Identifying risks is managed through the LEGO Group's compliance programmes and corporate policies and reviewed by the Corporate Compliance Board reporting to the Executive Leadership Team and subordinate to the Audit Committee.

Climate-related risks and sustainability

To continuously support the company's sustainability ambitions in its business strategy and to have a positive impact on employees, consumers and society, the LEGO Group has integrated sustainability into its business model and introduced policies and an annual carbon emissions reduction KPI linked to employee bonuses as a part of PMP.

The Board of Directors monitors ESG and approves the sustainability strategy and annual reporting. The Audit

Committee monitors the sustainability reporting.

A committee with specific focus on ESG-related topics was established in 2024. Further insights are provided in the 2024 Sustainability Statement which is available at: [LEGO.com/Sustainability](#).

Management has assessed the potential material financial impact of climate-related risks and concluded that property, plant, and equipment could be affected - see further description in [note 3.1](#).

Macroeconomics

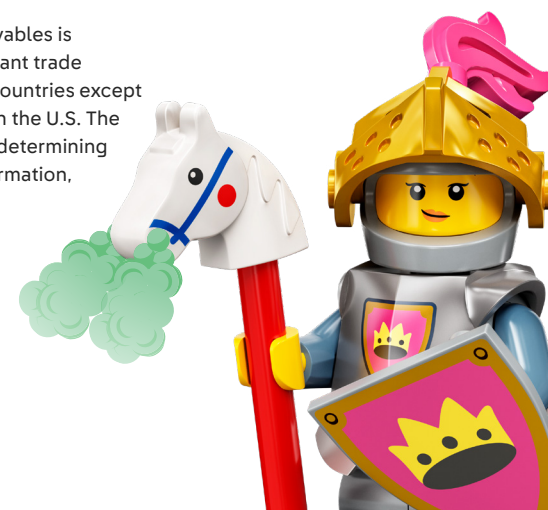
The inflationary impact globally, especially on production and distribution costs, was relatively insignificant during the year and the LEGO Group's risk is considered low. The impact on distribution costs was further minimised by manufacturing close to main markets.

Economic growth in China continued to slow, which contributed to the market underperforming. This was offset by growth in all other markets.

The LEGO Group continues to closely monitor a range of factors, including inflation, trade limitations and tariffs, and their potential impact on the business.

The majority of the LEGO Group's sales are in foreign currencies, and the risks relating to currency fluctuations are described in [note 4.4](#).

The company's risk relating to trade receivables is moderate. The LEGO Group has no significant trade receivables risk concentrated in specific countries except for some single significant trade debtors in the U.S. The LEGO Group has standard procedures for determining the granting of credit limits. For more information, see [note 3.3](#).



Compliance risks

The LEGO Group is committed to complying with all applicable laws and regulations in the countries in which it operates. New legislation and key strategic or enterprise risks like Cybersecurity, Intellectual Property Rights, Data Privacy, Tax and Corporate Law are monitored closely and reviewed frequently, and employees undergo compulsory training in e.g. Competition Law, Anti-bribery & Corruption, Business Conduct and Ethics, Partner Integrity and Data Privacy.

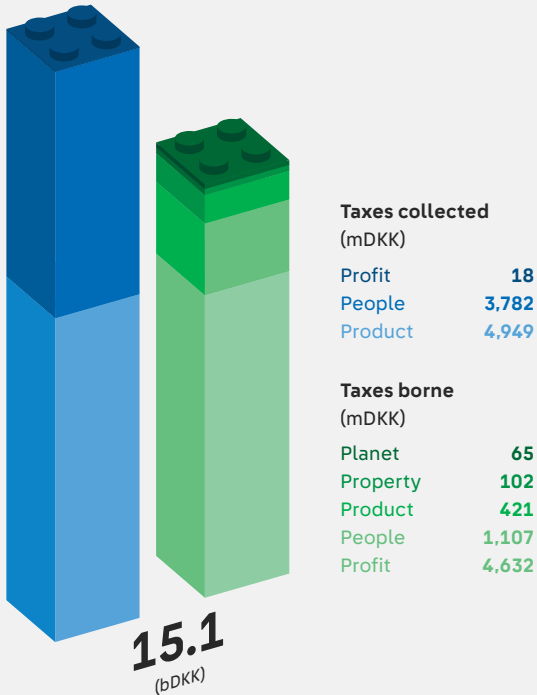
Tax compliance

The LEGO Group's Global Tax Strategy is defined by the Board of Directors and reviewed on an annual basis to ensure it meets expectations from society and stakeholders. The taxes paid and the jobs created are important parts of the LEGO Group's contribution to the communities it is part of. Taxation plays a key role in helping countries finance their policies to achieve the UN Sustainable Development Goals. Over the past years the B Team's Responsible Tax Principles have been embraced in the LEGO Group's Global Tax Strategy which is available at: [LEGO.com/Policies](https://lego.com/Policies). Overall, the company aims to:

- Pay its fair share of taxes to support the communities in which it operates.
- Proactively monitor, manage and mitigate tax risks and maintain a high quality of tax compliance processes.
- Engage with policymakers, authorities and interest groups to support transparent and responsible tax practices.

In 2024, the LEGO Group continued working with the Danish and Australian Tax Authorities on the respective cooperative compliance programmes. The Total Tax Contribution to public finances for 2024 is DKK 15.1 billion, compared to DKK 13.7 billion in 2023, of which DKK 6.3 billion are borne (comprising of all taxes which are a direct cost to the LEGO Group) and DKK 8.8 billion are collected (including all taxes which the LEGO Group has been withholding from others, not impacting our financial results).

Total Tax Contribution



Profit: taxes on the LEGO Group's profits as well as withholding taxes.

People: taxes and social security contributions.

Product: indirect taxes on the production and consumption of goods and services, including VAT and sales tax, customs duties, etc.

Property: taxes on the ownership, sale, transfer or occupation of property.

Planet: taxes, duties and contributions levied on the supply, use or consumption of goods and services that are harmful to the environment.

Anti-bribery and corruption

The LEGO Group does not accept corruption or bribes of any value and all employees must comply with the LEGO Code of Ethical Business conduct. To ensure awareness and compliance, management has introduced yearly mandatory e-learnings. In 2024 there were no fines or settlements for instances of non-compliance with anti-bribery and corruption laws.

Gender representation on the Board of Directors

As of 31 December 2024, the Board of Directors in the Parent Company consisted of three female and five male members. The current split of 38% / 62% is considered gender balanced by the Danish Companies Act. We retain our ambition to have gender balance in our Board of Directors accordingly.

Data ethics

The LEGO Group is committed to handling data responsibly. The company follows four key data ethics principles which are that data must be used within the company in a positive, fair, clear, and responsible way. The LEGO Group's statement on data ethics, cf. section 99d of the Danish Financial Statements Act, can be found at: [LEGO.com/AboutUs/Policies-and-reporting/Policies](https://lego.com/AboutUs/Policies-and-reporting/Policies).

Events after the reporting date

No events have occurred after the reporting date that would influence the evaluation of the Annual Report.

Outlook

In 2025, the LEGO Group expects single-digit revenue growth and ahead of the global toy industry driven by an innovative portfolio for builders of all ages. We expect net profit to be on the same level as 2024 due to continued significant spend on strategic initiatives such as sustainability, retail platforms and digital technology.



Financial Highlights

(mDKK)	2024	2023	2022	2021	2020
Statement of Profit or Loss					
Revenue	74,325	65,914	64,647	55,294	43,656
Expenses	(55,584)	(48,806)	(46,726)	(38,250)	(30,744)
Operating profit	18,741	17,108	17,921	17,044	12,912
Financial items	(695)	(49)	(245)	(39)	(412)
Profit before tax	18,046	17,059	17,676	17,005	12,500
Net profit	13,792	13,109	13,782	13,285	9,916
Statement of Financial Position					
Total assets	68,691	58,856	55,192	47,991	37,202
Total equity	41,771	37,662	33,539	29,138	23,547
Total liabilities	26,920	21,194	21,653	18,853	13,655
Statement of Cash Flow					
Cash flow from operating activities	19,150	15,397	15,304	16,048	13,382
Purchase of property, plant, equipment and intangible assets	(8,960)	(8,466)	(5,976)	(3,159)	(1,891)
Free cash flow	10,193	6,934	9,332	12,892	11,498
Free cash flow, adjusted	9,135	5,578	8,464	12,195	10,892
Employees					
Average number (full-time)	26,765	25,136	23,775	20,198	17,431
Headcount end of year	31,282	28,528	27,338	24,484	20,468
Other financials (%)					
Revenue growth as reported	13	2	17	27	13
Revenue growth in constant currency	14	3	11	28	16
Financial ratios (%)					
Gross margin	68.3	68.1	68.8	69.6	69.7
Operating margin	25.2	26.0	27.7	30.8	29.6
Net profit margin	18.6	19.9	21.3	24.0	22.7
Return on equity (ROE)	34.7	36.8	44.0	50.4	43.4
Return on invested capital (ROIC)	52.0	57.1	77.8	94.0	74.1
Equity ratio	60.8	64.0	60.8	60.7	63.3

Definitions of Financial ratios are disclosed in [note 1.1](#). Parentheses denote negative figures.

Consolidated Financial Statements

- Statement of Profit or Loss
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flow
- Notes



Statement of Profit or Loss

1 January – 31 December

(mDKK)	Note	2024	2023
Revenue	2.1	74,325	65,914
Production costs	2.2	(23,570)	(21,056)
Gross profit		50,755	44,858
Sales and distribution expenses	2.2	(23,438)	(20,618)
Administrative and IT expenses	2.2	(6,100)	(5,185)
Other operating expenses	2.2	(2,476)	(1,947)
Operating profit		18,741	17,108
Financial income	4.1	281	217
Financial expenses	4.1	(976)	(266)
Profit before tax		18,046	17,059
Income tax expenses	2.4	(4,254)	(3,950)
Net profit		13,792	13,109

Statement of Comprehensive Income

1 January – 31 December

(mDKK)	2024	2023
Net profit	13,792	13,109
Items to be reclassified to the Statement of Profit or Loss, when specific conditions are met:		
Change in market value of cash flow hedges	(431)	177
Reclassification of cash flow hedges from equity to be recognised in:		
Revenue	78	(256)
Production costs	6	(53)
Tax on cash flow hedges	76	29
Currency translation differences	(412)	112
Items not to be reclassified to the Statement of Profit or Loss:		
Remeasurements of defined benefit plans	-	7
Tax on remeasurements of defined benefit plans	-	(2)
Total comprehensive income	13,109	13,123

Welcome! Here you can always click on the blue brick to return to the beginning of the chapter.



Statement of Financial Position

at 31 December

(mDKK)	Note	2024	2023
Intangible assets		735	609
Property, plant and equipment	3.1	31,104	25,193
Right-of-use assets	4.3	6,385	5,216
Prepayments		162	128
Other receivables		105	100
Deferred tax assets	2.4	1,211	967
Total non-current assets		39,702	32,213
Inventories	3.2	6,052	5,050
Trade receivables	3.3	10,834	9,592
Receivables from related parties	5.4	211	280
Prepayments		746	973
Other receivables		2,205	1,646
Income tax receivables		217	276
Loans to related parties	5.4	8,152	7,577
Cash		572	1,249
Total current assets		28,989	26,643
Total assets		68,691	58,856

(mDKK)	Note	2024	2023
Share capital	4.2	20	20
Hedging reserve		(217)	54
Currency translation reserve		(556)	(144)
Retained earnings		42,524	37,732
Total equity		41,771	37,662
Lease liabilities	4.3	5,314	4,167
Deferred tax liabilities	2.4	130	41
Employee benefit obligations		135	138
Provisions		160	163
Deferred income	3.5	392	339
Other debt	3.4	194	159
Total non-current liabilities		6,325	5,007
Borrowings		118	114
Lease liabilities	4.3	965	870
Trade payables		7,362	5,918
Income tax liabilities		561	569
Provisions		51	94
Deferred income	3.5	1,243	1,014
Debt to related parties	5.4	292	262
Other debt	3.4	10,003	7,346
Total current liabilities		20,595	16,187
Total liabilities		26,920	21,194
Total equity and liabilities		68,691	58,856



Statement of Changes in Equity

at 31 December

(mDKK)	Share capital	Hedging reserve	Currency translation reserve	Retained earnings	Total equity
2024					
Equity at 1 January	20	54	(144)	37,732	37,662
Net profit	-	-	-	13,792	13,792
Comprehensive income	-	(271)	(412)	-	(683)
Dividend paid to shareholders	-	-	-	(9,000)	(9,000)
Equity at 31 December	20	(217)	(556)	42,524	41,771
2023					
Equity at 1 January	20	157	(256)	33,618	33,539
Net profit	-	-	-	13,109	13,109
Comprehensive income	-	(103)	112	5	14
Dividend paid to shareholders	-	-	-	(9,000)	(9,000)
Equity at 31 December	20	54	(144)	37,732	37,662

§ Accounting policies

Hedging reserve

The hedging reserve consists of the effective portion of gains and losses on hedging instruments designated as cash flow hedges.

Currency translation reserve

The currency translation reserve consists of foreign exchange rate differences that occur when translating the foreign subsidiaries' financial statements from their functional currency into the LEGO Group's presentation currency. On disposal of the net investment, the currency translation reserve of that foreign subsidiary is recognised in the Statement of Profit or Loss.



Statement of Cash Flow

1 January – 31 December

(mDKK)	Note	2024	2023
Operating profit		18,741	17,108
Depreciation, amortisation and impairment losses		3,098	2,910
Other non-cash items		(102)	(6)
Change in working capital		1,627	(416)
Interest received		281	217
Interest paid		(216)	(238)
Income tax paid		(4,279)	(4,178)
Cash flow from operating activities		19,150	15,397
Purchase of intangible assets		(143)	(193)
Purchase of property, plant and equipment	3.1	(8,817)	(8,273)
Proceeds from sale of property, plant and equipment		3	3
Cash flow used in investing activities		(8,957)	(8,463)
Free cash flow		10,193	6,934
Proceeds from borrowings		-	114
Repayments of borrowings		-	(122)
Payments of lease liabilities	4.3	(1,058)	(1,356)
Repayments from related parties	5.4	17,274	16,250
Payments to related parties	5.4	(17,849)	(12,931)
Dividend paid to shareholders	4.2	(9,000)	(9,000)
Cash flow used in financing activities		(10,633)	(7,045)
Net cash flow		(440)	(111)
Cash at 1 January		1,249	1,380
Net cash flow		(440)	(111)
Foreign exchange adjustments		(237)	(20)
Cash at 31 December		572	1,249

§ Accounting policies

The Statement of Cash Flow has been prepared using the indirect method, and shows the consolidated cash flow from operating, investing and financing activities for the year and the consolidated cash at the beginning and end of the year. The Statement of Cash Flow cannot be derived directly from the Statement of Profit or Loss and the Statement of Financial Position.

(mDKK)	2024	2023
Free cash flow	10,193	6,934
Payments of lease liabilities	(1,058)	(1,356)
Free cash flow, adjusted	9,135	5,578



Notes

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This section introduces the LEGO Group's accounting policies and significant accounting estimates and judgements. A more detailed description of material accounting policies and significant accounting estimates and judgements related to specific reported amounts are disclosed in the respective notes.

General Accounting Policies

The Consolidated Financial Statements of the LEGO Group have been prepared on a going concern basis and in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act applying to enterprises of reporting class C (large).

The Consolidated Financial Statements are presented in Danish kroner (DKK), which is the functional currency of the Parent Company. All amounts are rounded to the nearest million DKK.

The Consolidated Financial Statements have been prepared in accordance with the historical cost convention, with the exception of financial assets and financial liabilities, which are measured at fair value.

The accounting policies are unchanged from last year, except for new standards or amendments as described in [note 1.2](#).

Change in classification in the Statement of Financial Position

Comparative figures in the Statement of Financial Position have been restated to match this year's presentation. The change has no impact on total assets.

The adjustments of comparative figures are not a change in accounting policies.

Applying materiality

Notes and accounting policies within the financial statements aim to disclose information that is considered of material importance to the stakeholders in a simple and structured way.

Consolidation practice

The Consolidated Financial Statements comprise the LEGO A/S (Parent Company) and entities controlled by LEGO A/S, together referred to as the LEGO Group.

Foreign currency translation

Functional currency

Items included in the financial statements of each of the LEGO Group's entities are measured using the currency of the primary economic environment in which the entity operates.

Group entities

The profit or loss and financial position of subsidiaries that have a functional currency different from the presentation currency in the LEGO Group, are translated into the presentation currency as follows:

- Assets and liabilities for each subsidiary are translated into DKK at the exchange rates at the reporting date.
- Income and expenses for each subsidiary are translated into DKK at the exchange rate at transaction date. An average exchange rate per month is used as equivalent to the extent it does not deviate significantly from the actual exchange rate at transaction date.

Financial highlights

Revenue growth in constant currency is calculated as revenue growth adjusted for impacts of exchange rate translation.

Financial ratios have been calculated in accordance with the guidelines from the CFA Society Denmark.

Free cash flow

Cash flow from operating activities -
Cash flow used in investing activities

Free cash flow, adjusted

Free cash flow -
Payment of lease liabilities

Gross margin

$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$

Operating margin

$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$

Net profit margin

$\frac{\text{Net profit} \times 100}{\text{Revenue}}$

Return on equity (ROE)

$\frac{\text{Net profit} \times 100}{\text{Average equity}}$

Return on invested capital (ROIC)

$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$

Equity ratio

$\frac{\text{Equity} \times 100}{\text{Total equity and liabilities}}$



New and amended IFRS Accounting Standards

All amended standards and interpretations issued by IASB and endorsed by the EU effective as of 1 January 2024 have been adopted by the LEGO Group. None of the newly adopted or amended standards impacted the Consolidated Financial Statements.

"IFRS 18 - Presentation and Disclosure in Financial Statements" is issued, but not yet effective. This will impact the presentation in parts of the Consolidated Financial Statements.

Other amendments that are issued, but not yet effective, are not likely to impact the Consolidated Financial Statements.

Significant accounting estimates and judgements

When preparing the Consolidated Financial Statements, the Management makes accounting estimates and judgements that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The key accounting estimates identified are those that have a significant risk of resulting in a material adjustment. The estimates are expectations of the future, or other sources of estimation uncertainty, based on assumptions.

Management believes that the estimates are the most likely outcome of future events. Management bases the estimates on historical experience, data points and other assumptions that Management assesses are reasonable under the given circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Accounting judgements are made when applying accounting policies. Key accounting judgements are the judgements made, that can have significant impact on the amounts recognised in the financial statements.

Further information on the areas that involve a high degree of estimation and judgement and are material to the financial statements, can be obtained in the respective notes.

Note

- 2.4 Tax
- 3.2 Inventories
- 3.3 Trade receivables

Key accounting estimates and judgements

- Estimate of tax provisions
- Estimate in calculation of actual costs and provisions
- Estimate level of expected losses



(mDKK)	2024	2023
Sale of goods	73,503	65,358
Licence income	670	515
Other revenue	152	41
	74,325	65,914
<i>Sale of goods per region:</i>		
Americas	35,408	30,613
Europe, Middle East & Africa	28,853	25,587
Asia & Pacific	9,242	9,158
	73,503	65,358

§ Accounting policies

Revenue recognition

Revenue is recognised when the LEGO Group fulfils its contractual performance obligations towards the buyer, and the transaction is related to the main activities.

Sale of goods

Revenue from sale of goods is recognised when control over the goods has been transferred to the buyer. This condition is usually met by the time the products are delivered to the customer and legal title transfers.

Revenue is measured at the transaction price to which the LEGO Group expects to be entitled. Transaction price includes variable amounts (rebates, sales incentives and provisions for

returned products etc.), thus the variable amount is recognised as revenue only when it is highly probable that a significant reversal will not occur.

Sale of goods that results in award credits under the LEGO Group's consumer loyalty programme is accounted for by allocating the transaction price between the goods supplied and the award credits granted based on a relative stand-alone selling price. The consumer loyalty programme is a separate performance obligation, as the consumer loyalty programme points are considered a material right derived from the contract entered into at the time of purchase. Revenue from the award credits is recognised when the consumer loyalty programme points are redeemed or when they expire.

Licence income

Licence fees are recognised as revenue when the performance obligations in the relevant agreements have been satisfied. Revenue is measured at the transaction price to which the LEGO Group expects to be entitled. Revenue from licence agreements comprises both agreements where performance obligations are satisfied over time such as sales-based agreements which most of the LEGO Group licence revenue is related to, and agreements where performance obligations are satisfied at a point in time, which would normally be upon delivery.

Licence revenue is recognised based on a classification of either a "right to access" or "right to use" as described below.

Right to access

Revenue derived from the LEGO® trademark is generally considered a "right to access" and performance obligations related to licence income of this nature are satisfied over time. Licences with a "right to access" comprise income from console games, movies, mobile and tablet platforms, and outbound licensing business generating sales-based royalty fees for intellectual properties related to content like stories, style guides and prints.

Revenue based on a "right to access" is recognised based on the licensee's actual sales or forecasts, which in all material aspects corresponds with the value-add to the licence partner. The process is therefore assessed to give a faithful depiction of the transfer of licence income.

Right to use

All other licence revenues are per definition performance obligations satisfied at a point in time ("right to use"). Revenue is recognised at a point in time, where the customer directly uses and obtains substantially all the benefits from the licence, at the point when control is transferred to the licensee. Revenue recognised at a point in time will primarily be related to media content produced by the LEGO Group. Media content has significant stand-alone functionality and the LEGO Group does not affect the intellectual properties after the right to use occurs. Revenue is recognised when the control of the content has been transferred to the customer.

Other revenue

Other revenue comprises non-brick LEGO trademark-related revenue. The majority hereof relates to revenue from ticket sales to experiences owned by the LEGO Group.



(mDKK)	Note	2024	2023
Raw materials and consumables used		10,541	10,132
Employee costs	2.3	15,748	12,554
Depreciation, amortisation and impairment losses		3,098	2,910
Licence and royalty expenses		5,981	5,377
Other external expenses		20,216	17,833
		55,584	48,806
<i>Recognised as follows:</i>			
Production costs		23,570	21,056
Sales and distribution expenses		23,438	20,618
Administrative and IT expenses		6,100	5,185
Other operating expenses		2,476	1,947
		55,584	48,806

§ Accounting policies

Expenses by nature disclose information about expenses arising from the main inputs that are consumed in order to accomplish the LEGO Group's activities. Information about how costs are allocated to functions within the LEGO Group's business is disclosed in the Statement of Profit or Loss.

Expenses by function allocate and combine expenses according to the activity from which the cost arises, as follows:

Production costs

Production costs include direct and indirect costs related to production including movements in volumes on inventory and related inventory re-evaluation. Direct costs comprise raw materials, consumables, royalties and direct labour costs. Indirect costs comprise other costs related to production of goods including depreciation, amortisation and impairment losses on production related materials and other supply chain related costs.

Sales and distribution expenses

Sales and distribution expenses comprise expenses related to sales and distribution, employees, advertising and marketing expenses, write-down of receivables as well as depreciation, amortisation and impairment losses and government grants. Grants are recognised when there is reasonable certainty that they will be received.

Administrative and IT expenses

Administrative and IT expenses comprise expenses for IT, Facility, Human Resources, Finance, Legal and Management, including depreciation, amortisation and impairment losses.

Other operating expenses

Other operating expenses consist of research and development expenses.

Research and development expenses are expenses that do not meet the criteria for asset recognition. These are expensed as incurred and include costs like wages, salaries, consumables and external costs.



2.3

Employee costs

(mDKK)	2024	2023
Wages and salaries	14,215	11,149
Restructuring costs	2	55
Pension costs	537	451
Social security and other costs	1,127	1,002
Employee costs before capitalisation to assets	15,881	12,657
Capitalised to assets	(133)	(103)
	15,748	12,554
<i>Recognised as follows:</i>		
Production costs	4,170	3,464
Sales and distribution expenses	6,035	4,695
Administrative and IT expenses	3,983	3,106
Other operating expenses	1,560	1,289
	15,748	12,554
Average number of full-time employees	26,765	25,136
Headcount at 31 December	31,282	28,528

2.4

Tax

(mDKK)	2024	2023
Current income tax	4,317	3,842
Other tax	54	54
Change in deferred tax	(150)	111
Deferred tax impact of change in tax rates	9	-
Adjustment to income tax for prior years	(38)	(88)
Adjustment to deferred tax for prior years	58	31
Income tax expenses	4,250	3,950
Reconciliation of the effective tax rate:		
Profit before tax	18,046	17,059
Corporate tax rate in Denmark	22.0%	22.0%
Impact of different tax rates in foreign subsidiaries	0.4%	0.0%
Permanent differences	0.4%	0.2%
Adjustment to deferred tax	0.7%	0.4%
Adjustment to tax for prior years	0.1%	(0.3%)
Corporate withholding taxes	0.1%	0.1%
Other corporate taxes	(0.1%)	0.8%
Effective tax rate	23.6%	23.2%



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arrow, just follow the note
to the next page.



2.4 Tax (continued)

(mDKK)	2024	2023
Deferred tax at 1 January, net	926	1,051
Recognised in profit or loss	92	(142)
Recognised in comprehensive income	76	27
Impact of change in tax rates	(9)	-
Foreign exchange adjustments	(4)	(10)
Deferred tax at 31 December, net	1,081	926
<i>Recognised as follows:</i>		
Deferred tax assets	1,211	967
Deferred tax liabilities	(130)	(41)
	1,081	926
<i>Related as follows:</i>		
Non-current assets	(214)	(201)
Inventories	347	394
Receivables	123	58
Provisions	142	165
Other liabilities	674	498
Tax loss carry-forwards	9	12
	1,081	926

Significant accounting estimates

Significant judgements and estimates are used when determining the worldwide accrual for income taxes, deferred income tax assets and liabilities, and provisions for uncertain tax positions.

In order to identify uncertain tax treatments impacting the LEGO Group on a continuous basis,

known and appropriate risks that potentially could have a financial impact on the LEGO Group are assessed. The identified risks are reviewed and updated on a continuous basis. The LEGO Group updates and refines the estimated exposure based on new legislation, guidance or status of an audit.

The possible outcome of uncertain tax positions is measured based on Management's estimate of

the amount required to settle the obligation and recognised in deferred tax or income tax, depending on the tax position.

Tax assets arising from tax loss carry-forwards are capitalised based on an assessment of whether they can be utilised in the future.

§ Accounting policies

Income tax expenses

The income tax expenses comprise income tax and deferred tax including impact of change in tax rates. Companies within the LEGO Group are liable to pay tax in the country they are located in. Income tax expenses include both Danish and foreign income tax.

The income taxes are recognised in the Statement of Profit or Loss, except to the extent that they relate to items recognised in the Statement of Comprehensive Income.

All Danish subsidiaries 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).

Deferred tax

Deferred tax assets and deferred tax liabilities are measured according to the temporary difference approach.

Deferred tax is measured according to income tax rules and the tax rates expected to be in force on elimination of temporary differences.

The deferred taxes are recognised in the Statement of Profit or Loss, except to the extent that they relate to items recognised in the Statement of Comprehensive Income.

Impact on IAS 12 regarding Pillar Two

The OECD has issued technical guidance and overview of the potential impact of Pillar Two (P2), which aims to address Base Erosion and Profit Shifting (BEPS) by introducing a global minimum tax rate of 15 percent and implementing tax legislation for the allocation of taxing rights. The LEGO Group's ultimate parent is in Denmark, which has enacted the tax legislation relating to P2.

In accordance with IAS 12, the LEGO Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The LEGO Group has prepared a preliminary assessment of the 2024 impact of the Transitional Country by Country Reporting (CbCR) Safe Harbour rules. Based on this, it is expected to be eligible for the majority of jurisdictions in which the Group is present.

The profits associated with the LEGO Group's operations in the jurisdictions where top-up tax is anticipated for the period ended 31 December 2024, would be DKK 1 million.



(mDKK)	Land, buildings and installations	Plant and machinery	Other fixtures and fittings, tools and equipment	Fixed assets under construction and prepayments	Total
2024					
Cost at 1 January	10,975	13,607	4,558	9,722	38,862
Additions	957	915	439	6,506	8,817
Disposals	(23)	(367)	(84)	-	(474)
Transfers	3,110	815	149	(4,074)	-
Foreign exchange adjustments	(648)	(95)	(134)	(223)	(1,100)
Cost at 31 December	14,371	14,875	4,928	11,931	46,105
Depreciation and impairment losses at 1 January	2,433	8,980	2,256	-	13,669
Depreciation	374	1,137	405	-	1,916
Impairment losses	8	20	10	-	38
Disposals	(22)	(325)	(74)	-	(421)
Foreign exchange adjustments	(106)	(69)	(26)	-	(201)
Depreciation and impairment losses at 31 December	2,687	9,743	2,571	-	15,001
Carrying amount at 31 December	11,684	5,132	2,357	11,931	31,104

§ Accounting policies

Land, buildings and installations comprise mainly factories, warehouses and offices. Plant and machinery are mainly moulds, moulding machines, processing and packing equipment, whilst other fixtures, fittings, tools and equipment mainly comprise high bay warehouse equipment, leasehold improvements, measuring and testing equipment, furniture and IT hardware.

Property, plant and equipment are measured at cost, less subsequent depreciation and impairment, except for land, which is measured at cost less impairment.

Government grants for investments are offset against the cost of the assets to which the grants relate, except in circumstances where the asset is donated free of charge. In these circumstances a deferred income is recognised, disclosed in [note 3.5](#).



(mDKK)	Land, buildings and installations	Plant and machinery	Other fixtures and fittings, tools and equipment	Fixed assets under construction and prepayments	Total
2023					
Cost at 1 January	9,580	12,195	4,076	4,873	30,724
Additions	729	1,014	196	6,334	8,273
Disposals	(65)	(314)	(41)	-	(420)
Transfers	462	782	251	(1,495)	-
Foreign exchange adjustments	269	(70)	76	10	285
Cost at 31 December	10,975	13,607	4,558	9,722	38,862
Depreciation and impairment losses at 1 January	2,161	8,142	1,927	-	12,230
Depreciation	291	1,177	370	-	1,838
Disposals	(62)	(297)	(37)	-	(396)
Foreign exchange adjustments	43	(42)	(4)	-	(3)
Depreciation and impairment losses at 31 December	2,433	8,980	2,256	-	13,669
Carrying amount at 31 December	8,542	4,627	2,302	9,722	25,193

Depreciation and impairment

Depreciation is calculated on a straight-line basis to allocate the cost of each asset to its residual value. Property, plant and equipment are tested for impairment when indications of impairment exist. Management performs an annual assessment of the assets' future use e.g., in relation to changes in building, product and production setup or restructuring.

Land is not depreciated.

Leasehold improvement is depreciated according to lease terms.

Depreciation commences when the asset is acquired or when the asset is ready for use as intended.

Useful lives and residual values are reassessed annually. The assessment includes impact on useful lives from climate-related risks. This covers change in production equipment or technology driven by climate-related initiatives or legislation.

Depreciation is calculated based on the following estimated useful lives:

Buildings	40 years	Plant and machinery	5-15 years
High bay warehouses	40 years	Moulds	5 years
Installations	5-20 years	Furniture, fittings and equipment	3-10 years



3.2 Inventories

(mDKK)	2024	2023
Raw materials	720	691
Work in progress	2,595	2,187
Finished goods	2,737	2,172
	6,052	5,050

Inventories recognised as an expense amounted to DKK 14,921 million (DKK 13,211 million in 2023). These are included in production costs in the Statement of Profit or Loss.

Significant accounting estimates

The carrying amount of inventories is based on a number of assumptions including assumptions on future events. Inventories are adjusted to reflect the net realisable value, comprising actual cost less provisions for obsolescence.

Actual cost

The LEGO Group applies a standard cost model that is defined by estimated production capacity. Cost and capacity can vary during the year and therefore, adjustments are made to reflect the actual cost of inventories:

- Adjustments for Indirect Production Costs (IPC), covering production costs other than direct materials and based on assumptions on cost elements and activity level compared to actual cost and activity level.
- Adjustments for Purchase Price Variance (PPV) and Production Variance (PV) for variances arising from differences in purchase prices and production variance (measured in efficiency) mainly related to direct materials.

The cost adjustments are reviewed regularly to ensure that relevant assumptions are incorporated correctly.

Write-down

When the net realisable value is lower than cost, inventory items are impaired and measured at net realisable value. The calculation of write-down is based on the LEGO Group's internal impairment policy, which in turn is evaluated based on a combination of assumptions on demand planning and Product Life Cycle stages.

§ Accounting policies

Inventories are measured at the lower of cost and net realisable value. Cost is accounted for on a first-in, first-out basis (FIFO). Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure (indirect production costs), the latter being allocated on the basis of normal production

capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.3 Trade receivables

(mDKK)	2024	2023
Trade receivables, gross	11,329	10,086
Loss allowance for bad debts at 1 January	(494)	(492)
Change in loss allowance, net	(33)	(35)
Realised losses	22	21
Confirmed losses provided for in previous years	13	2
Foreign exchange adjustments	(3)	10
Loss allowance for bad debts at 31 December	(495)	(494)
Trade receivables, net	10,834	9,592



3.3 Trade receivables (continued)

Credit risk on trade receivables:

(mDKK)	Gross carrying amount	Loss allowance for bad debts	Net carrying amount	Weighted average loss rate
31 December 2024				
Not overdue	10,352	(263)	10,089	3%
1 - 60 days overdue	684	(35)	649	5%
61 - 120 days overdue	66	(24)	42	36%
121 - 180 days overdue	19	(11)	8	58%
More than 180 days overdue	208	(162)	46	78%
	11,329	(495)	10,834	
31 December 2023				
Not overdue	8,983	(246)	8,737	3%
1- 60 days overdue	790	(45)	745	6%
61 - 120 days overdue	71	(17)	54	24%
121 - 180 days overdue	32	(17)	15	53%
More than 180 days overdue	210	(169)	41	80%
	10,086	(494)	9,592	

All trade receivables fall due within 12 months. Due to the short-term nature of the trade receivables, their carrying amount is considered to be approximately the same as their fair value.

The LEGO Group has no significant trade receivables concentrated in specific countries, but has some single significant trade debtors in the Americas. The LEGO Group has fixed procedures for determining the LEGO Group's granting of credit. The LEGO Group's risk relating to trade receivables is considered to be moderate. More information is disclosed in [note 4.4](#).

Significant accounting estimates

The loss allowance for bad debts represents the Management's estimate of the probable credit loss in trade receivables resulting from the deterioration of the financial position of a customer, causing it to be unable to make required payments.

The loss allowance model for lifetime expected credit losses is a probability-based measurement. The model is based on historical credit loss experiences combined with macroeconomic factors, such as country risk, affecting the credit risk and

a combination of credit risk characteristics for the customers within geography, creditworthiness and payment history.

To the extent possible, the credit risks are mitigated through use of payment guarantees and prepayments.

When assessing the adequacy of loss allowance for bad debts, Management also takes into account changes in payment terms, patterns and expected changes in risk, in particular related to changes observed in the retail landscape.

\$ Accounting policies

Trade receivables are initially recognised at fair value equal to the transaction price, and subsequently measured at amortised cost less allowance for lifetime expected credit losses.

Trade receivables are written off when all possible options have been exhausted and there are no reasonable expectations of recovery.

The LEGO Group applies the simplified approach to measure expected credit loss and a lifetime expected loss allowance for all trade receivables.

Exposure to credit risk on trade receivables is guided by the LEGO Group's policy on managing credit risk. Credit limits are set based on the customer's financial position and current market conditions.



3.4 Other debt

(mDKK)	2024	2023
Employee-related payables and other charges	4,400	2,758
Sales incentives	1,729	1,684
Licence liabilities	850	774
VAT and other indirect taxes	699	635
Marketing	257	350
Distribution	406	348
Purchase of property, plant and equipment	590	267
Derivative financial instruments	393	62
Other liabilities	873	627
	10,197	7,505
<i>Recognised as follows:</i>		
Non-current	194	159
Current	10,003	7,346
	10,197	7,505

Other debt comprises employee-related debt, other debts to authorities, derivative financial instruments, sales incentives, licences and royalty debt. Other liabilities consist mainly of accrued utilities, distribution, marketing, investment-related debt and other services.

3.5 Deferred income

(mDKK)	2024	2023
Consumer loyalty programme	880	734
Land donation	366	339
Other	389	280
	1,635	1,353
<i>Recognised as follows:</i>		
Non-current	392	339
Current	1,243	1,014
	1,635	1,353

Deferred income consists of obligations regarding the LEGO Group's consumer loyalty programme. Land donation consists of government-granted land. Other obligations towards customers comprise issued gift cards and sale of goods and tickets.

Revenue recognised in 2024 included in deferred income at the beginning of 2024 amounts to DKK 850 million (DKK 642 million in 2023).

Land donation granted by government is recognised at their fair value where there is a reasonable assurance that the grant will be received and the LEGO Group will comply with all attached conditions. The donation will be recognised as land under property, plant and equipment, and deferred income. The deferred income will be reduced on a straight-line basis over the expected lives of the related buildings constructed on the donated land, which is 40 years.

§ Accounting policies

Income attributable to the consumer loyalty programme granted and gift cards is deferred and recognised as revenue when the LEGO Group's performance obligations towards the buyer have been fulfilled.



(mDKK)	2024	2023
Interest income from related parties	210	191
Interest income	35	15
Other financial income	36	11
Financial income	281	217
Interest expenses related to lease liabilities	186	155
Interest expenses to credit institutions	7	7
Foreign exchange losses, net	656	28
Other financial expenses	127	76
Financial expenses	976	266

(mDKK)	2024	2023
A-shares	1	1
B-shares	9	9
C-shares	10	10
	20	20

The share capital is divided into shares of DKK 1,000 or multiples hereof. The share capital is fully paid.

A-shares carry 10 votes per DKK 1,000 share. Both B-shares and C-shares carry 1 vote per DKK 1,000 share.

Dividend of DKK 9,000 million was paid in May 2024 (DKK 9,000 million in May 2023), corresponding to DKK 0.45 million per DKK 1,000 of share capital.

Proposed dividend for 2024 is DKK 9,000 million, corresponding to DKK 0.45 million per DKK 1,000 of share capital.

Shareholders holding more than 5% of the share capital or 5% of the votes:

- KIRKBI A/S, Billund, Denmark
- Koldingvej 2, Billund A/S, Billund, Denmark

§ Accounting policies

Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December.



Right-of-use assets

(mDKK)	Rental of premises	Other assets	Total
2024			
Cost at 1 January	7,820	544	8,364
Additions	1,344	228	1,572
Remeasurements	680	8	688
Disposals	(117)	(164)	(281)
Foreign exchange adjustments	143	(8)	135
Cost at 31 December	9,870	608	10,478
Depreciation at 1 January	2,889	259	3,148
Depreciation	1,007	124	1,131
Disposals	(101)	(117)	(218)
Foreign exchange adjustments	36	(4)	32
Depreciation at 31 December	3,831	262	4,093
Carrying amount at 31 December	6,039	346	6,385

(mDKK)	Rental of premises	Other assets	Total
2023			
Cost at 1 January	7,216	466	7,682
Additions	429	176	605
Remeasurements	402	15	417
Disposals	(137)	(115)	(252)
Foreign exchange adjustments	(90)	2	(88)
Cost at 31 December	7,820	544	8,364
Depreciation at 1 January	2,151	233	2,384
Depreciation	907	129	1,036
Disposals	(136)	(103)	(239)
Foreign exchange adjustments	(33)	-	(33)
Depreciation at 31 December	2,889	259	3,148
Carrying amount at 31 December	4,931	285	5,216



4.3 Leases (continued)

Lease liabilities

(mDKK)	2024	2023
Debt at 1 January, net	5,037	5,416
Payments	(1,058)	(1,356)
Additions	1,572	605
Remeasurements	688	417
Terminated leases	(63)	(13)
Foreign exchange adjustments	103	(32)
Debt at 31 December, net	6,279	5,037

Maturity of contractual cash flow

(mDKK)	2024	2023
0-1 year	1,218	1,039
1-5 years	2,997	2,363
> 5 years	3,476	2,446
	7,691	5,848

Amounts recognised in the Statement of Profit or Loss

(mDKK)	2024	2023
Expenses relating to short-term leases	190	180
Expenses relating to leases of low-value assets that are not short-term leases	27	16
Expenses relating to variable lease payments not included in lease liability	189	210
	406	406

The LEGO Group leases various assets such as office buildings, store buildings, warehouses, company cars, forklifts etc. The leases have varying terms, clauses and rights under normal industry practice. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered. Extension options (or periods after termination options) are only included in the lease term, if the lease is reasonably certain to be extended (or terminated).

The incremental borrowing rate is determined per country and per class of underlying assets.

The cash outflow for leases in the year was DKK 1,650 million (DKK 1,917 million in 2023).

The LEGO Group has executed an option to extend on a few contracts, carrying amount of executed option periods in right-of-use assets is DKK 291 million (DKK 36 million in 2023).

The LEGO Group does not have individual significant sub-leasing contracts. Total carrying amount of sub-leased company cars included in right-of-use assets at 31 December 2024 amounts to DKK 184 million (DKK 156 million in 2023).

The portfolio of lease commitments for short-term leases, at the end of the year, is similar to the portfolio of short-term leases expensed during the period.

Commitments regarding lease contracts signed not yet commenced, refer to [note 5.3](#).

§ Accounting policies

The LEGO Group applies the exemption for recognition of lease contracts that, at the commencement date, have a lease term of 12 months or less, and leases of low-value assets for all classes of underlying assets. Lease payments related to such leases are recognised as expense on a straight-line basis over the lease term.

The lease liabilities are initially measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the incremental borrowing rate. The lease payments include fixed payments and variable lease payments that depend on an index or a rate, less any lease incentives receivable.



4.3 Leases (continued)

If the contract holds an option to purchase, extend or terminate a lease and it is reasonably certain to be exercised by the LEGO Group, the lease liabilities will include those.

The LEGO Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a different assessment of exercising an option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in index or rates.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets classified as rental of premises and other assets have the following lease terms:

Rental of premises	3-50 years
Other assets	2-8 years

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, such as sales-based rent, are recognised as expense in the year the event or condition that triggers the payment occurs.

For all asset classes, non-lease components will be separated from the lease components and thereby not form part of the recognised right-of-use asset and the lease liability.

The LEGO Group sub-leases some of the leased company cars to employees. In the sub-lease arrangements the LEGO Group is not relieved of its primary obligation under the head lease contract. The head lease is accounted for as other ordinary lease contracts.

4.4 Financial risks

The LEGO Group has centralised the management of financial risks. The overall objectives and policies for the LEGO Group's financial risk management are outlined in the Treasury Policy and the Credit Risk Policy.

The LEGO Group only hedges commercial exposures and consequently does not enter into derivative transactions for trading or speculative purpose. A fully integrated Treasury Management System is used to manage all financial positions.

Type	Financial risk
Credit risk	Low
Currency risk	High
Commodity risk	Low
Interest rate risk	Low
Liquidity risk	Low

Credit risk

The LEGO Group is exposed to credit risk from trading partners and customers.

Derivative financial instruments are entered with counterparties with investment grade level ratings.

For banks and financial institutions, only independently rated parties with investment grade level ratings are accepted as main banks.

Similarly, the LEGO Group only uses insurance companies with investment grade level ratings.

For trade receivables, the exposures are managed globally through fixed procedures, and credit limits are set as deemed appropriate for the customer, taking local market conditions into account.

The LEGO Group has no significant trade receivables risk concentrated in specific countries, but has some single significant trade debtors. Credit risk relating to trade receivables is disclosed in [note 3.3](#).

The LEGO Group uses the related company KIRKBI Invest A/S for deposits. No independent rating exists but no significant risks are recognised.

The overall credit risk of the LEGO Group is considered to be low.

Currency risk

The LEGO Group's presentation currency is DKK, but the majority of the LEGO Group's activities and investments are denominated in other currencies. Consequently, there is a substantial risk of foreign exchange rate fluctuations having an impact on the LEGO Group's reported profit or loss, financial position and/or cash flow in DKK.

The LEGO Group's currency risk is managed centrally based on the Treasury Policy approved by the Chief Financial Officer. Forward contracts and options are used to cover purchases and sales in foreign currencies. These forward contracts and options are classified as hedging when they meet the accounting requirements for hedging future cash flow.

Commodity risk

The LEGO Group is exposed to commodity risks related to production and distribution. Increased commodity prices negatively impact production and distribution costs. The largest exposure to changes in market prices relates to the use of energy in production. The total energy costs in the production compared to the total production costs are relatively low, and consequently the LEGO Group does not actively manage commodity risk.



The LEGO Group's main exposure to currency risk on financial instruments denominated in foreign currencies:

(mDKK)	USD	SGD	MXN	HUF	GBP	EUR	CNY	CZK	CAD
2024									
Cash	(35)	4	26	1	(5)	(94)	58	8	(16)
Receivables and (payables)	1,563	(289)	2,433	1,614	854	(506)	1,857	645	(6)
Foreign exchange forwards	(1,065)	-	27	31	(77)	-	-	132	(148)
Financial instruments impacting net profit	463	(285)	2,486	1,646	772	(600)	1,915	785	(170)
Foreign exchange forwards	(4,526)	-	279	142	(516)	-	-	435	(767)
Foreign exchange options	482	-	-	-	-	-	-	-	-
Financial instruments not impacting net profit	(4,044)	-	279	142	(516)	-	-	435	(767)
Financial instruments impacting equity	(3,581)	(285)	2,765	1,788	256	(600)	1,915	1,220	(937)



The isolated impact at 31 December 2024 on net profit and equity of the financial instruments are specified on the next page. This shows the LEGO Group's main currencies with a currency strengthening of ten percent against DKK and two percent on EUR against DKK. The sensitivities are based only on the impact of outstanding financial instruments at 31 December 2024, and thus not an expression of the LEGO Group's total currency risk. The financial instruments included in the sensitivity analysis are the LEGO Group's: Cash, trade receivables, trade payables, intercompany receivables and debt, foreign exchange forwards and foreign exchange options.



4.4 Financial risks (continued)

Exchange rate sensitivity analysis based only on outstanding financial instruments:

(mDKK)	Change in exchange rate	31 December 2024	
		Profit / (Loss)	Equity
DKK/USD	+10%	46	(358)
DKK/SGD	+10%	(28)	(28)
DKK/MXN	+10%	249	277
DKK/HUF	+10%	165	179
DKK/GBP	+10%	77	26
DKK/EUR	+2%	(12)	(12)
DKK/CNY	+10%	191	191
DKK/CZK	+10%	78	122
DKK/CAD	+10%	(17)	(94)

Interest rate risk

The LEGO Group's interest rate risk relates to interest-bearing assets and interest-bearing debt. The LEGO Group's interest-bearing assets mainly consist of bank deposits and deposit with KIRKBI Invest A/S. An increase in the interest level of one percentage point would have had a positive impact on the LEGO Group's net profit in 2024 of DKK 41 million (DKK 54 million in 2023). The LEGO Group's interest rate risk is considered low.

Liquidity risk

Liquidity is managed centrally and is continually assessed. It is ensured that, at any given time, sufficient financial resources are available. Based on the financial reserves with banks and credit facilities available in credit institutions and from related parties, there are no significant liquidity risks. The excess liquidity is placed at KIRKBI Invest A/S, which reduces the risk to low.

Capital structure and risk management

The LEGO Group's Dividend and Capital Structure Committee monitors the capital structure of all legal entities within the LEGO Group, and takes adequate measures to ensure that the LEGO Group is capitalised in the best interest of the LEGO Group and the shareholders. The overall objective is to ensure a continued development and strengthening of the LEGO Group's capital structure that supports long-term profitable growth. The LEGO Group is not reliant on external financing and the Dividend and Capital Structure Committee seeks to maintain that the strong financials of the LEGO Group are applied to fund investments in subsidiaries via equity and intercompany loan funding. A dividend payment reflects the strategy behind the capital structure where the LEGO Group is the operational company and any surplus liquidity is distributed to the owners.

4.5 Derivative financial instruments

Hedging activities

The LEGO Group uses a number of forward contracts and options to hedge currency exposure. The hedging activities are categorised into hedging of forecast transactions (cash flow hedges), and hedging of assets and liabilities (fair value hedges). It is the aim to hedge currencies accounting for 75 percent of the LEGO Group's total foreign currency risk, looking at a 12-months forward period. The average ratio of the hedged currencies must be between 50 percent and 75 percent on a 12-months rolling period. The designated rate for hedging is the spot rate.

There is no hedging ineffectiveness in this period.

The hedging mainly relates to the LEGO Group's sale of goods and services in USD, JPY, GBP, CNY, CAD and AUD as well as purchases of goods in MXN, HUF and CZK.

The following table shows the fair value of hedging activities specified by main foreign currencies, and represents the net fair value of forward contracts and options for sale and purchase of currencies.

\$ Accounting policies

Derivative financial instruments are initially recognised at cost and are subsequently remeasured at their fair value.

The calculation of fair value of the LEGO Group's derivative financial instruments is based on observable inputs like interest rates etc. (level 2) as per the IFRS Fair Value Hierarchy.

Positive and negative fair value of derivative financial instruments are disclosed net together with the hedged item. Positive fair value is recognised as an asset under other receivables, and negative fair value as liability under other debt.

(mDKK)	Contract amount	Positive fair value	Negative fair value	Weighted average contract rate	Period covered
2024					
USD	8,564	11	369	6,806	12 months
GBP	739	3	11	8,729	12 months
CAD	1,170	6	3	4,977	12 months
AUD	957	19	-	4,493	12 months
Other currencies	991	6	10		12 months
	12,421	45	393		

Fees to independent auditor

(mDKK)	2024	2023
Statutory audit	14	14
Other assurance engagements	1	1
Total audit related services	15	15
Tax consultancy	9	6
Other services	5	5
Total non-audit services	14	11
Total fees to independent auditor	29	26

Non-audit services include VAT compliance, tax consultancies, sustainability advice as well as accounting advice.

Remuneration of Group Management

Remuneration to Executive Management and the Board of Directors

(mDKK)	2024	2023
Salaries and other remuneration	71	57

Executive Management consists of one member, therefore remuneration of the Chief Executive Officer (Executive Management) and the Board of Directors is disclosed collectively with reference to section 98b paragraph 3 of the Danish Financial Statements Act.

Remuneration to Key Management Personnel (Executive Leadership Team)

(mDKK)	2024	2023
Salaries	80	71
Pensions	1	1
Short-term incentive plans	73	41
Long-term incentive plans	67	60
	221	173
Severance payments and other one-offs	-	1
Total remuneration	221	174
Average number of employees in Executive Leadership Team	7	7
Headcount of Executive Leadership Team at 31 December	7	7

Short-term incentive plans are based on yearly performance and long-term incentive plans are based on long-term goals for value creation.



(mDKK)	2024	2023
Guarantees	304	297
Purchase contract commitments of property, plant and equipment	10,981	8,448
Other purchase contract commitments	387	445
Lease commitments	816	1,538
Other obligations	3,785	1,452
	16,273	12,180

Guarantees are bank guarantees for commitments, and commitments to fulfill government grants.

Other purchase contract commitments primarily consist of commitments to purchase packaging and raw materials.

Purchase contract commitments have a maturity of maximum 5 years.

Lease commitments are contracts that have not yet commenced, but where the LEGO Group is committed. Commencement dates are within 12 months.

The future lease payments for these non-cancellable lease contracts are DKK 10 million within 1 year, DKK 264 million within 1-5 years, and DKK 542 million thereafter.

Other obligations primarily consist of licence and service agreements,

The LEGO Group has entered into various contracts with vendors on usual terms and conditions of sales.

The LEGO Group has utilised tax losses in non-Danish jurisdictions in the Danish joint taxation group that arose in income years up to and including 31 December 2004. The corresponding deferred tax on these losses amounts to DKK 80 million (DKK 80 million in 2023). The tax losses that were utilised by the Danish joint taxation group prior to 31 December 2004 are not expected to be recaptured.

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.

Identity of related parties

The Parent of the LEGO Group is LEGO A/S, a company incorporated in Denmark, whose shares are owned by KIRKBI A/S (75%) and Koldingvej 2, Billund A/S (25%).

The shares of KIRKBI A/S are owned by the Kirk Kristiansen family (Denmark) and K2 Fonden af 2023. Koldingvej 2, Billund A/S is fully owned by the LEGO Foundation.

Being an associated company of KIRKBI A/S, Motion JVco Limited is considered a related party. Due to shared controlling shareholder, KIRKBI Invest A/S is also considered a related party.

Key Management Personnel are considered related parties.

The LEGO Group has had the following material transactions and balances with related parties:

(mDKK)	2024	2023
KIRKBI A/S		
Sale of goods	-	1
Other transactions	(152)	(112)
Dividend	(6,750)	(6,750)
Receivables at 31 December	1	10
Debt at 31 December	(10)	-
Lease liability 31 December	(1,739)	(1,808)
Koldingvej 2, Billund A/S		
Sale of goods	-	3
Other transactions	(39)	(59)
Dividend	(2,250)	(2,250)
Debt at 31 December	-	(32)
Lease liability 31 December	(170)	-



(mDKK)	2024	2023
KIRKBI Invest A/S		
Trademark royalty	(2,664)	(2,350)
Other transactions	547	649
Receivables at 31 December	88	84
Loans at 31 December	8,152	7,577
Debt at 31 December	(264)	(227)
Lease liability 31 December	(124)	(157)
Motion JVco Limited		
Sale of goods	848	753
Royalty	41	45
Other transactions	(32)	1
Receivables at 31 December	100	79
Debt at 31 December	(14)	(3)
LEGO Foundation		
Sale of goods	-	5
Other transactions	43	34
Donations received	270	182
Receivables at 31 December	22	107
Debt at 31 December	(4)	-

The LEGO Group has the following loan to KIRKBI Invest A/S (deposit agreement):

(mDKK)	2024	2023
Loan at 1 January	7,577	10,896
Loans advanced	17,631	12,749
Repayments	(17,274)	(16,250)
Interest	218	182
Loan at 31 December	8,152	7,577

No loss allowance was recognised in relation to balances or loans with related parties during the year. All balances and loans fall due within 12 months. Due to the short-term nature of the balances and loans from related parties, the carrying amount is considered to be the same as their fair value.

Lease expenses paid to related parties are included in other transactions. The portfolio of lease commitments with related parties for short-term leases at the end of the year is similar to the portfolio of short-term leases that have been expensed during the year.

Transactions with Key Management Personnel

There has been no transactions with the Board of Directors or Executive Leadership Team besides remuneration. Further information is disclosed in [note 5.2](#).

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances and loans are unsecured and are repayable in cash.

§ Accounting policies

Deposit between the LEGO Group and KIRKBI Invest A/S is considered to be a financial asset and is measured at amortised cost.

The carrying amounts of receivables and payables to related parties are considered to be the same as their fair values, due to their short-term nature.

No events of importance to the Consolidated Financial Statements have occurred after the reporting period.



LEGO A/S

at 31 December 2024

Manufacturing, administration, sales and distribution

Denmark	LEGO System A/S
---------	-----------------

Manufacturing

China Mainland	LEGO Toy Manufacturing (Jiaxing) Co., Ltd
Czech Republic	LEGO Production s.r.o.
Hungary	LEGO Manufacturing Kft.
Mexico	LEGO Operaciones de México, S.A. de C.V.
United States *	LEGO Manufacturing Virginia, Inc.
Vietnam	LEGO Manufacturing Vietnam Company Limited

Sales and distribution

Australia	LEGO Australia Pty. Ltd.
Austria	LEGO Handelsgesellschaft mbH
Belgium	LEGO Belgium n.v.
Brazil	LEGO do Brasil Comércio e Distribuição de Brinquedos Ltda
Canada	LEGO Canada, Inc.
China Mainland	LEGO Education Technology (Shanghai) Co., Ltd.
China Mainland	LEGO Commerce (Shanghai) Co., Ltd.
China Mainland	LEGO Toy (Shanghai) Co., Ltd.
Czech Republic	LEGO Trading s.r.o.
Finland	Oy Suomen LEGO Ab
France	LEGO Brand Retail SAS
France	LEGO SAS

Sales and distribution (continued)

Germany	LEGO GmbH
Hong Kong SAR	LEGO Hong Kong Limited
Hungary	LEGO Hungária Kft.
India	LEG GODT India Private Limited
Ireland	LEGO Ireland Limited
Italy	LEGO S.p.A.
Japan	LEGO Japan Ltd.
Malaysia	LEGO Trading (Malaysia) Sdn. Bhd.
Mexico	LEGO México, S.A. de C.V.
New Zealand	LEGO New Zealand Ltd.
Norway	LEGO Norge AS
Poland	LEGO Polska Sp. zo. o.
Portugal	LEGO Unipessoal Lda.
Romania	LEGO Romania S.R.L.
Singapore	LEGO Singapore Pte. Ltd.
South Africa	LEGO South Africa (Pty.) Ltd.
South Korea	LEGO Korea Co. Ltd.
Spain	LEGO S.A.
Sweden	LEGO Sverige AB
Switzerland	LEGO Schweiz AG
Taiwan Region	LEGO Trading (Taiwan) Co., Ltd.
The Netherlands	LEGO Nederland B.V.
Türkiye	LEGO Turkey Oyuncak Ticaret Anonim Sirketi
Ukraine	LEGO Ukraine LLC
United Kingdom	LEGO Company Limited
United States	LEGO Systems, Inc.

Sales and distribution (continued)

United States *	LEGO Brand Retail, Inc.
Utd. Arab Emir.	LEGO Middle East FZ-LLC

Other

China Mainland	LEGO Commerce (Shenzhen) Co. Ltd.
Denmark	LEGO Security Billund ApS
Denmark	LEGO House A/S
Germany	LLD Share Verwaltungs GmbH
Hong Kong SAR	LEGO Company Ltd.
India	LEGO India Private Limited
Indonesia	PT LEGO Service Indonesia
Mexico	LEGO Real Estate, S.A. de C.V.
Russian Fed.	LEGO Ltd.
United Kingdom	LEGO Park Holding UK Ltd.
United Kingdom **	LEGO Lifestyle International Ltd.
United States *	LEGO BrickLink, Inc.

* Shares owned through LEGO Systems, Inc.

** Shares owned through LEGO Park Holding UK Ltd.

LEGO A/S directly or indirectly owns the entire share capital in all group subsidiaries.

LEGO A/S is 75% owned by KIRKBI A/S and is included in the Consolidated Annual Report of KIRKBI A/S, which is the ultimate Parent Company.



Parent Company Financial Statements

- Statement of Profit or Loss
- Statement of Financial Position
- Statement of Changes in Equity
- Notes

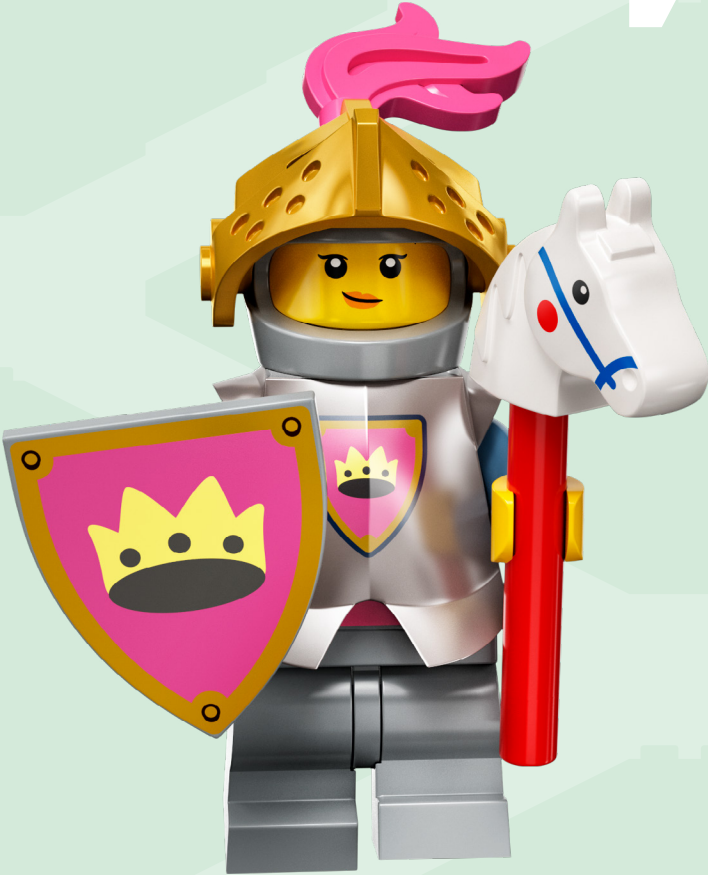


Statement of Profit or Loss

1 January – 31 December

(mDKK)	Note	2024	2023
Revenue		649	596
Gross profit		649	596
Administrative expenses		(442)	(386)
Operating profit		207	210
Net profit from subsidiaries	3.3	13,512	12,826
Financial income	2.2	218	221
Financial expenses	2.2	(106)	(132)
Profit before tax		13,831	13,125
Income tax expenses	2.3	(110)	(93)
Net profit		13,721	13,032

You guessed it!
The navigation works the
same way in this chapter.



Statement of Financial Position

at 31 December

(mDKK)	Note	2024	2023
Intangible assets	3.1	-	62
Property, plant and equipment	3.2	5	5
Deferred tax assets	3.5	51	40
Investments in subsidiaries	3.3	40,578	32,730
Receivables from subsidiaries		122	136
Total non-current assets		40,756	32,973
Receivables from subsidiaries		1,171	4,833
Receivables from related parties		8	8
Other receivables		1	1
Total current assets		1,180	4,842
Total assets		41,936	37,815

(mDKK)	Note	2024	2023
Share capital	3.4	20	20
Equity method reserve		12,139	9,903
Retained earnings		20,226	18,424
Proposed dividend		9,000	9,000
Total equity		41,385	37,347
Other debt		195	160
Total non-current liabilities		195	160
Provisions		-	7
Trade payables		22	13
Income tax liabilities		103	75
Debt to subsidiaries		20	4
Other debt		211	209
Total current liabilities		356	308
Total liabilities		551	468
Total equity and liabilities		41,936	37,815



Statement of Changes in Equity

at 31 December

(mDKK)	Share capital	Equity method reserve	Retained earnings	Proposed dividend	Total equity
2024					
Equity at 1 January	20	9,903	18,424	9,000	37,347
Dividend paid to shareholders	-	-	-	(9,000)	(9,000)
Net profit	-	2,919	1,802	9,000	13,721
Currency translation adjustments	-	(412)	-	-	(412)
Items recognised on equity in subsidiaries	-	(271)	-	-	(271)
Equity at 31 December	20	12,139	20,226	9,000	41,385
2023					
Equity at 1 January	20	8,547	15,734	9,000	33,301
Dividend paid to shareholders	-	-	-	(9,000)	(9,000)
Net profit	-	1,342	2,690	9,000	13,032
Currency translation adjustments	-	112	-	-	112
Items recognised on equity in subsidiaries	-	(98)	-	-	(98)
Equity at 31 December	20	9,903	18,424	9,000	37,347



Notes

Basis of preparation

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Statement of Profit or Loss

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Statement of Financial Position and other disclosures

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The Financial Statements of the Parent Company have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C (large).

In pursuance of section 86 paragraph 4 of the Danish Financial Statements Act, the company has not prepared a Statement of Cash Flow. Reference is made to the Consolidated Statement of Cash Flow, [page 22](#). Referring to section 96 paragraph 3 and section 101 paragraph 4 of the Danish Financial Statements Act, the company does not disclose the fee paid to the auditors appointed by the Annual General Meeting or five year financial summary.

The accounting policies are the same as for the Consolidated Financial Statement except the additional disclosures on tax, intangible assets and investments in subsidiaries, see the respective notes. Accounting policies relevant for the Parent Company, but not included in the Consolidated Financial Statements are described below.

Revenue

Revenue comprises of income from services in Europe, thus additional segment information is not disclosed.

Provisions

Provisions are recognised when the Company identifies legal or constructive obligation as a result of past events and it is probable that it will lead to an outflow of resources that can be reliably estimated. The Company makes the estimate based on an evaluation of the individual most likely outcome of the cases. In cases where a reliable estimate cannot be made, these are disclosed as contingent liabilities. Provisions are measured at the present value of the estimated obligation at the end of the year.

Non-current liabilities

Other debt classified as non-current falls due within 1-5 years.

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

(mDKK)	2024	2023
Salaries	152	117
Pension costs	-	-
Social security and other costs	1	1
	153	118
<i>Recognised as follows:</i>		
Administrative expenses	153	118
	153	118
Average number of full-time employees	5	5
Remuneration to Executive Management and the Board of Directors		
Salaries and other remuneration	71	57

Executive Management consists of one member. Therefore, remuneration of the Chief Executive Officer (Executive Management) and the Board of Directors is disclosed collectively with reference to section 98b paragraph 3 of the Danish Financial Statements Act.



(mDKK)	2024	2023
Interest income from subsidiaries	218	221
Financial income	218	221

(mDKK)	2024	2023
Interest expenses to subsidiaries	77	86
Other interest expenses	2	4
Foreign exchange losses, net	27	42
Financial expenses	106	132

(mDKK)	2024	2023
Current income tax	112	83
Other tax	9	12
Change in deferred tax	(11)	(2)
	110	93

§ Accounting policies

For Danish tax purposes, the Parent Company is assessed jointly with its Danish subsidiaries. The Danish jointly taxed companies are included in a Danish on-account tax payment scheme for Danish corporate income tax. All income taxes under the scheme are recorded in the individual companies. LEGO A/S and its Danish subsidiaries are included in the joint taxation of the parent company, KIRKBI A/S.

Subsidiaries are included in the joint taxation from the date they are incorporated in the Consolidated Financial Statements and up to the date on which they are no longer consolidated.



3.1 Intangible assets

(mDKK)	Goodwill	Patents, software and other rights	Total
2024			
Cost at 1 January	303	49	352
Transfers	82	-	82
Cost at 31 December	385	49	434
Amortisation and impairment losses at 1 January	248	42	290
Amortisation	63	7	70
Transfers	74	-	74
Amortisation and impairment losses at 31 December	385	49	434
Carrying amount at 31 December	-	-	-

§ Accounting policies

Goodwill

Goodwill is amortised over the estimated useful life, which is estimated at 5 years. Amortisation and impairment losses are recognised as administrative expenses in the Statement of Profit or Loss.

Patents, software and other rights

Patents, software and other rights are amortised over the shorter of their estimated useful lives and the contractual duration, which is usually 5-10 years. Residual value is set at DKK 0 million. Useful lives are reassessed annually.

3.2 Property, plant and equipment

(mDKK)	Land, buildings and installations	Other fixtures and fittings, tools and equipment	Total
2024			
Cost at 1 January	3	2	5
Additions	-	-	-
Disposals	-	-	-
Cost at 31 December	3	2	5
Depreciation and impairment losses at 1 January	-	-	-
Depreciation	-	-	-
Disposals	-	-	-
Depreciation and impairment losses at 31 December	-	-	-
Carrying amount at 31 December	3	2	5



3.3 Investments in subsidiaries

(mDKK)	2024	2023
Cost at 1 January	13,827	11,918
Additions	5,728	1,909
Disposals	(34)	-
Transfers	(82)	-
Cost at 31 December	19,439	13,827
Value adjustments at 1 January	18,903	17,547
Currency translation adjustments	(412)	112
Share of net profit	13,512	12,826
Dividends	(10,699)	(11,484)
Items recognised on equity in subsidiaries	(271)	(98)
Reversal of value adjustments for disposals	32	-
Transfers	74	-
Value adjustments at 31 December	21,139	18,903
Carrying amount at 31 December	40,578	32,730

Group structure is disclosed in the Consolidated Financial Statements [note 5.6](#).

§ Accounting policies

Subsidiaries of the Parent Company are recognised under the equity method.

Any costs in excess of net assets in the acquired entities are capitalised in the Parent Company under investments in subsidiaries as part of the investments ("Goodwill").

To the extent it exceeds declared dividend from subsidiaries, net revaluation of investments in subsidiaries is transferred to net revaluation reserve according to the equity method under equity, deducted for approved dividends from subsidiaries on the date of the Annual General Meeting in LEGO A/S.

3.4 Share capital

	Number of shares	Nominal value (mDKK)
2024		
A-shares	19	1
B-shares	150	9
C-shares	36	10
	205	20

The share capital is divided into shares of DKK 1,000 or multiples hereof as specified above. The share capital is fully paid.

There have been no changes in the share capital during the last 5 years.

Shareholders holding more than 5% of the share capital or 5% of the votes:

- KIRKBI A/S, Billund, Denmark
- Koldingvej 2, Billund A/S, Billund, Denmark

3.5 Deferred tax

(mDKK)	2024	2023
Deferred tax at 1 January, net	40	38
Recognised in profit or loss	11	2
Deferred tax at 31 December, net	51	40
<i>Recognised as follows:</i>		
Deferred tax assets	51	40
	51	40

Contingent liabilities and other obligations

(mDKK)	2024	2023
Guarantees	757	761
Other indemnities	197	95
	954	856

Guarantees relate to commitments in subsidiaries.

LEGO A/S is 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, is shown in the Annual Report of KIRKBI A/S, which is the administration company of the joint taxation. LEGO A/S is furthermore jointly and severally liable for Danish taxes at source withheld on behalf of non-resident companies for dividend, royalty and interest.

The LEGO Group has utilised tax losses in non-Danish jurisdictions in the Danish joint taxation group that arose in income years up to and including 31 December 2004. The corresponding deferred tax on these losses amounts to DKK 80 million (DKK 80 million in 2023), of which DKK 0 million has been recognised for deferred tax purposes. The tax losses that were utilised by the Danish joint taxation group prior to 31 December 2004 are not expected to be recaptured.

Related parties

LEGO A/S has had the following material transactions and balances with related parties (excluding wholly-owned subsidiaries):

(mDKK)	2024	2023
KIRKBI A/S		
Other transactions	(3)	(3)
KIRKBI Invest A/S		
Other transactions	-	1
Motion JVco Limited		
Royalty	41	45
Receivables at 31 December	8	8

Remuneration to Key Management Personnel is disclosed in [note 2.1](#).

Transactions with related parties were carried out on an arm's length basis.

Proposed distribution of net profit

(mDKK)	2024	2023
Proposed dividend	9,000	9,000
Equity method reserve	2,919	1,342
Retained earnings	1,802	2,690
	13,721	13,032



Management Statement and Auditor's Report

- Management Statement
- Independent Auditor's Report



Management Statement

The Executive Management and the Board of Directors have today considered and adopted the Annual Report of LEGO A/S for the financial year 1 January to 31 December 2024. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act. Management's Review is prepared in accordance with 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 financial position at 31 December 2024 of the LEGO Group and the Parent Company and of the results of the LEGO Group and the Parent Company operations and consolidated cash flow for the financial year 1 January to 31 December 2024.

In our opinion, Management's Review includes a true and fair view of the development in the operations and financial circumstances of the LEGO Group and the Parent Company, of the results for the year and of the financial position of the LEGO Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the LEGO Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Billund, 5 March 2025



Independent Auditors Report

To the shareholders of LEGO A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flow for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of LEGO A/S for the financial year 1 January – 31 December 2024, which comprise Statement of Profit or Loss, Statement of Financial Position, Statement of Changes in Equity and Notes to the financial statements, including material accounting

policy information, for both the Group and the Parent Company, as well as Statement of Comprehensive Income and Statement of Cash Flow for the Group ("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 Group 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.

Statement on Management's Review

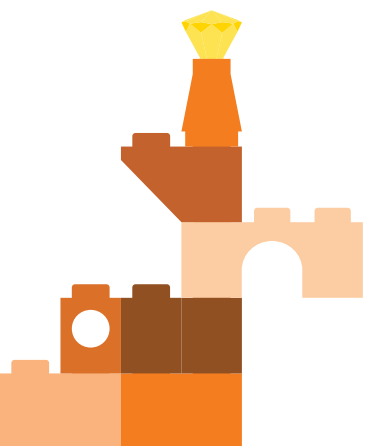
Management is responsible for Management's Review. Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the 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.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of 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 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 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 financial statements unless Management either intends to liquidate the Group or the Parent 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 judgement 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 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 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 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 Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely 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.

Aarhus, 5 March 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Claus Lindholm Jacobsen

State Authorised Public Accountant
mne23328

Mads Melgaard

State Authorised Public Accountant
mne34354



