LLGB Holding ApS

Sødalsparken 18, 8220 Brabrand

CVR No 30 60 86 90

Annual Report 2018/19

(Annual year 1/9 – 31/8)

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 24 January 2020

Uffe Baller
Chairman

Contents

Company Information

The Company	LLGB Holding ApS Sødalsparken 18 DK-8220 Brabrand Telephone +45 89 397 500 Facsimile +45 89 397 501 Website: www.jysk.com CVR No 30 60 86 90 Financial year: 1 September – 31 August Municipality of reg. office: Aarhus
Executive Board	Jacob Brunsborg Hans Henrik Kjølby
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Bank	Nordea Bank Danmark A/S Skt. Clemens Torv 2-6 DK-8000 Aarhus C

Financial Highlights of the Group (DKK '000)

	2018/19	2017/18	2016/17
Key figures			
Income Statement			
Revenue	0	455.304	210.720
Profit before financial items (EBIT)	101.931	24.503	12.174
Net financials	98.820	55.310	43.582
Net profit for the year	271.050	64.255	37.240
Balance sheet			
Balance sheet total	2.426.385	7.238.338	7.248.866
Equity	2.037.287	1.766.238	1.701.675
Cash flow statement			
Investment in tangible assets	0	49.740	14.008
Ratios			
Return on assets	4,2%	0,3%	0,2%
Solvency ratio	84,0%	24,4%	23,5%
Return on equity	13,3%	3,6%	2,2%
Number of employees	0	424	378

The ratios have been prepared in accordance with the definitions provided under accounting policies.

Management's Review

Main activity

The activity of the Parent Company is to carry on investment business, including investments in subsidiaries.

As of 1 September 2018, the parent company has sold its two subsidiaries in Spain to JYSK Holding A/S. The Group activity remaining is investment business.

Development in the financial year

Group revenue amounts to DKK 0 compared to DKK 455,304k in financial year 2017/18.

Profit before financial income and expenses amounts to DKK 101,931k compared to DKK 24,503k in 2017/18.

Profit for the year after tax amounts to DKK 271,050k compared to DKK 64,255k in 2017/18. The result is satisfying and in conjunction with management expectations.

Special risks

The Group's activities imply that profit, cash flows and equity are affected by the development in exchange and interest rates of a number of currencies. Currency risks relating to investments in foreign subsidiaries and associates are, as a main rule, not hedged as, in the Company's opinion, current currency hedging of such long-term investments will not be optimal based on overall risk and cost considerations.

External environment

The Company has no environmentally damaging activities, neither through land pollution nor through the discharge of polluting waste.

Knowledge resources

The Group develops competent employees to undertake operational and management tasks in the Group's retail stores through specially adapted training programmes and at its own academy.

Corporate social responsibility and statement on the underrepresented gender

The statutory statement of corporate social responsibility and statement on the underrepresented gender appear from page 31.

Expected development

For the year ahead, LLGB Holding ApS expects to realise a profit in line with the 2018/19 level provided that the financial markets evolve normally.

Management's Review

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Management's Statement

The Executive Board have today considered and adopted the Annual Report of LLGB Holding ApS for the financial year 1 September 2018 – 31 August 2019.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In my opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Parent Company and the Group at 31 August 2019 and of the results of the Parent Company and the Group operations and cash flows for 2018/19.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Aarhus, 24 January 2020

Executive Board

Jacob Brunsborg

Hans Henrik Kjølby

Independent Auditor's Report

To the shareholder of LLGB Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 August 2019, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 September 2018 - 31 August 2019 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of LLGB Holding ApS for the financial year 1 September 2018 - 31 August 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Financials 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 Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 judgment and maintain professional skepticism 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. 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, 24 January 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
mne26783

Income statement 1 September - 31 August (DKK '000)

		Parent company		Group	
	Note	2018/19	2017/18	2018/19	2017/18
Revenue	1	**0**	**0**	**0**	**455.304**
Cost of sales		0	0	0	201.012
Other operating income		0	0	106.175	10.164
Other external expenses	2	273	438	362	136.888
Gross Profit		**-273**	**-438**	**105.813**	**127.568**
Staff expenses	3	0	0	0	82.391
Depreciation and amortisation		0	0	3.882	20.152
Other operating expenses		0	0	0	522
Result before financial items		**-273**	**-438**	**101.931**	**24.503**
Result from subsidiaries	7	159.318	76.594	0	0
Financial income		39.953	9.476	176.663	154.147
Financial expenses		15.075	19.852	77.843	98.837
Result before tax		**183.923**	**65.782**	**200.751**	**79.813**
Tax on profit for the year	4	87.126	-1.526	70.299	-15.558
Result after tax		**271.050**	**64.255**	**271.050**	**64.255**

Distribution of profit 5

Balance sheet at 31 August (DKK '000)

Assets		Parent company		Group	
	Note	2019	2018	2019	2018
Software		0	0	0	120
Goodwill		0	0	0	3.882
Intangible assets	6	**0**	**0**	**0**	**4.002**
Fixtures and fittings, tools and equipment		0	0	0	30.688
Trucks and cars		0	0	0	1.308
Leasehold improvements		0	0	0	82.033
Assets under construction		0	0	0	145
Tangible assets	7	**0**	**0**	**0**	**114.174**
Investments in subsidiaries	8	2.031.658	1.872.340	0	0
Instruments of debt	9	0	0	0	5.667.366
Deposits	10	0	0	0	19.624
Fixed asset investments		**2.031.658**	**1.872.340**	**0**	**5.686.990**
Fixed assets		**2.031.658**	**1.872.340**	**0**	**5.805.166**
Commercial products		0	0	0	135.614
Inventories		**0**	**0**	**0**	**135.614**
Trade receivables		0	0	0	321
Corporation tax		0	3.419	0	0
Instrument of debt		0	0	106.948	0
Other receivables		1.968	3.991	3.927	68.753
Prepayments	11	0	0	0	522
Receivables		**1.968**	**7.410**	**110.876**	**69.596**
Securities		**953.112**	**990.370**	**2.315.509**	**1.191.178**
Cash at bank and in hand		**0**	**0**	**0**	**36.784**
Current assets		**955.080**	**997.780**	**2.426.385**	**1.433.172**
Assets		**2.986.739**	**2.870.120**	**2.426.385**	**7.238.338**

Balance sheet at 31 August (DKK '000)

Liabilities

	Note	Parent company 2019	Parent company 2018	Group 2019	Group 2018
Share capital		15.000	15.000	15.000	15.000
Retained earnings		1.747.330	1.635.598	2.022.287	1.751.238
according to the equity method		274.957	115.639	0	0
Equity		**2.037.287**	**1.766.238**	**2.037.287**	**1.766.238**
Deferred tax	12	38.511	143.433	38.511	142.169
Provisions		**38.511**	**143.433**	**38.511**	**142.169**
Subordinate loan capital	13	0	944.796	0	5.134.796
Long-term debt		**0**	**944.796**	**0**	**5.134.796**
Credit institutions		0	0	0	14.341
Prepayments, received		0	0	0	5.815
Trade payables		0	0	0	25.961
Payables to subsidiaries		893.822	3.464	0	0
Corporation tax		9.587	0	25.841	8.975
Other payables		7.532	12.189	324.745	140.043
Short-term debt		**910.940**	**15.653**	**350.586**	**195.135**
Debt		**910.940**	**960.449**	**350.586**	**5.329.931**
Liabilities and equity		**2.986.739**	**2.870.120**	**2.426.385**	**7.238.338**

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Statement of changes in equity (DKK '000)

	Parent company		Group	
	2019	2018	2019	2018
Equity				
Opening at 1st September	1.766.238	1.701.675	1.766.238	1.701.675
Result for the year	271.050	64.255	271.050	64.255
Exchange adjustment on foreign subsidiaries	0	307	0	307
Equity at 31st August	**2.037.287**	**1.766.238**	**2.037.287**	**1.766.238**
Specified as follows:				
1,500 A-shares of DKK 1,000	1.500	1.500	1.500	1.500
13,500 B-shares of DKK 1,000	13.500	13.500	13.500	13.500
Share capital	**15.000**	**15.000**	**15.000**	**15.000**
Opening at 1st September	115.639	38.738		
Value adjustment for the year	159.318	76.901		
Reserve for net revalutaion according to the equity method at 31st August	**274.957**	**115.639**		
Retained earnings at 1st September	1.635.598	1.647.937	1.751.238	1.686.675
Result for the year	111.732	-12.646	271.050	64.255
Exchange adjustment on foreign subsidiaries	0	307	0	307
Retained earnings at 31st August	**1.747.330**	**1.635.598**	**2.022.287**	**1.751.238**
Equity at 31st August	**2.037.287**	**1.766.238**	**2.037.287**	**1.766.238**

Share capital has been changed in financial year 2013 from DKK 13,570k to DKK 15,000k.

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

Consolidated Cash Flows (DKK '000)

	Note	2018/19	2017/18
Profit for the year		271.050	64.255
Adjustments	17	-271.412	-19.563
Change in working capital	18	0	3.763
Cash flows from operating activities before financial income and expenses		-362	48.455
Financial income		176.663	154.147
Financial expenses		-77.843	-98.837
Cash flows from ordinary activities		98.458	103.765
Corporation tax paid		-19.034	-7.486
Cash flows from operating activities		**79.424**	**96.279**
Purchase of intangible assets		0	-30
Purchase of tangible assets		0	-49.740
Purchase of fixed assets		0	-3.466
Sale of tangible assets		0	51
Sale of fixed assets		0	34
Raising/repayment of instruments of debt		0	280.177
Sale of enterprises		126.909	0
Cash at purchase of enterprises		-22.443	0
Cash flows from investing activities		**104.466**	**227.026**
Received payments of instruments of debt		5.667.366	0
Payment of instruments of debt		-5.135.570	-38.024
Received payments of loans		63.127	0
Payment of loans		-85.437	0
Cash flows from financing activities		**509.486**	**-38.024**
Change in cash and cash equivalents		**693.376**	**285.281**
Cash and cash equivalents at 1st September		1.297.603	1.012.322
Cash and cash equivalents at 31st August		**1.990.979**	**1.297.603**
Cash and cash equivalents are specified as follows:			
Cash pool		-324.530	83.982
Credit institutions		0	-14.341
Securities		2.315.509	1.191.178
Cash at bank and in hand		0	36.784
Cash and cash equivalents at 31st August		**1.990.979**	**1.297.603**

Notes to the Annual Report (DKK '000)

1 Revenue

In accordance with section 96(1) of the Danish Financial Statements Acts, disclosures on revenue broken down by business segments are not provided as the Company's Executive Board assess that such disclosures would be very detrimental to the Company

	Parent company		Group	
	2018/19	2017/18	2018/19	2017/18

2 Fees to the auditors appointed at the annual general meeting

PricewaterhouseCoopers				
Auditfee	99	79	166	244
Other assurance engagements	0	0	0	0
Tax advisory services	0	0	0	0
Other non-audit services	124	211	156	185
	223	**289**	**322**	**429**
Other auditors				
Auditfee	0	0	0	270
Other assurance engagements	0	0	0	0
Tax advisory services	0	0	0	0
Other non-audit services	0	0	0	967
	0	**0**	**0**	**1.237**

3 Staff

Salaries and wages	0	0	0	62.332
Pensions	0	0	0	0
Other social security costs	0	0	0	20.059
	0	**0**	**0**	**82.391**

No separate remuneration has been paid to the Board of Directors or Executive Board.

Average number of employees	0	0	0	424

Notes to the Annual Report (DKK '000)

		Parent company		Group	
		2018/19	2017/18	2018/19	2017/18
4	**Tax on profit for the year**				
	Current tax for the year	-17.796	-2.379	-34.050	14.647
	Deferred tax for the year	104.922	3.905	104.922	1.299
	Tax concerning previous years	0	0	-573	-388
	Tax on profit for the year	**87.126**	**1.526**	**70.299**	**15.558**
5	**Distribution of profit**				
	Retained earnings	111.732	-12.646	271.050	64.255
	Reserve for net revaluation according to the equity method	159.318	76.901	0	0
		271.050	**64.255**	**271.050**	**64.255**

		Software	Goodwill
6	**Intangible assets**		
	Group		
	Cost at 1st September	979	4.902
	Disposals for the year	-979	-4.902
	Cost at 31st August	0	0
	Depreciation at 1st September	-859	-1.020
	Depreciation for the year	0	-3.882
	Akk Depreciation reversed	859	4.902
	Depreciation at 31st August	0	0
	Booked value at 31st August	**0**	**0**
	Depreciated over	3 - 5 years	7 years

Notes to the Annual Report (DKK '000)

7 Tangible assets

	Fixtures and fittings, tools and	Trucks and cars	Leasehold improve-ments	Assets under construction
Group				
Cost at 1st September	59.218	3.120	143.778	145
Disposals	-59.218	-3.120	-143.778	-145
Cost at 31st August	0	0	0	0
Depreciation at 1st September	-28.530	-1.813	-61.745	0
Akk Depreciation reversed	28.530	1.813	61.745	0
Depreciation at 31st August	0	0	0	0
Booked value at 31st August	**0**	**0**	**0**	**0**
Depreciated over	4 - 5 years	4 - 5 years	Rental period	

Notes to the Annual Report (DKK '000)

		2019
8	**Investments in subsidiaries**	
	Parent company	
	Cost at 1st September	1.756.701
	Cost at 31st August	1.756.701
	Value adjustment at 1st September	115.639
	Result for the year	159.318
	Value adjustment at 31st August	274.957
	Booked value at 31st August	**2.031.658**
	Specified as:	
		Ownershare
	LLES Finans ApS, Denmark	100%
	LLES Holding ApS, Denmark	100%

		Parent company 2019	Group 2019
9	**Instruments of debt**		
	Cost at 1st September	0	5.667.366
	Disposals for the year	0	-5.667.366
	Cost at 31st august	0	0
	Booked value at 31st August	**0**	**0**

Notes to the Annual Report (DKK '000)

	Parent company 2019	Group 2019
10 Deposits		
Cost at 1st September	0	19.624
Disposals for the year	0	-19.624
Cost at 31st August	**0**	**0**

11 Prepayments

Prepayments comprise prepaid expenses relating to rent, property tax, etc.

	Parent company		Group	
	2019	2018	2019	2018
12 Deferred tax				
Other	38.511	143.433	38.511	142.169
	38.511	**143.433**	**38.511**	**142.169**

13 Subordinate loan capital

Subordinate loan capital fall due for payment as specified below:

Subordinate loan capital, after 5 years	0	944.796	0	5.134.796
Subordinate loan capital, between 1 and 5 years	0	0	0	0
Subordinate loan capital, long-term debt	0	944.796	0	5.134.796
Subordinate loan capital, within 1 year	0	0	0	0
	0	**944.796**	**0**	**5.134.796**

Notes to the Annual Report (DKK '000)

	Parent company		Group	
	2019	2018	2019	2018
14 Contractual obligations				
Rental obligations	0	0	0	124.022

15 Contingent liabilities

Guarantee with primary liabilities	1.435.338	1.549.962	1.435.338	1.549.962

The Company is jointly liable for tax on the Group's joint taxable income etc. The total amount : corporation tax appears from these Group Financial Statements. Moreover, the Danish enterprises of the Group are jointly liable for withholding tax such as tax on dividend, royalty and interest. Possible later corrections in corporation taxes and withholding taxes may result in the Company being liable for a larger amount.

JYSK Holding A/S has entered into a cash pool agreement for Lars Larsen Group. As per 31 August 2019 the withdrawal was DKK 0. As participant in the cash pool agreement LLGB Holding ApS has issued a guarantee towards credit institutions.

16 Related parties and ownership

Controlling interest	**Basis**
Estate of Lars Larsen, Rådhuspladsen 3, 8000 Aarhus C	Controlling shareholder

Transactions

Reffering to section 98 C, litra 7 of the Danish Financial Statements Act, no information describing transactions with related parties is provided.

Notes to the Annual Report (DKK '000)

	Group 2018/19	Group 2017/18
17 Cash flow statement - adjustments		
Other operating income	-106.175	0
Financial income	-176.663	-154.147
Financial expenses	77.843	98.837
Depreciation and amortisation	3.882	20.152
Tax on profit/loss for the year	-70.299	15.558
Other adjustments	0	37
	-271.412	**-19.563**

	Group 2018/19	Group 2017/18
18 Cash flow statement - change in working capital		
Change in inventories	0	850
Change in receivables	0	19
Change in other receivables	0	-518
Change in trade payables	0	787
Change in other payables	0	2.271
Change in prepayments received from customers	0	354
	0	**3.763**

Accounting Policies

The Annual Report of LLGB Holding ApS for the financial year 1 September 2018 to 31 August 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Financial Statements for 2018/19 are presented in TDKK.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, LLGB Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The financial statements applied for the Group's Annual Report have been prepared in accordance with the accounting policies of the Group.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Accounting Policies

Recognition and measurement (continued)

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Exchange gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

The income statements of foreign subsidiaries and associates that are separate legal entities are translated at the exchange rates at the dates of transaction or an approximated average exchange rate. Balance sheet line items are translated at the exchange rates at the balance sheet dates. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the balance sheet dates are recognised directly in equity.

Segment reporting

In accordance with section 96(1) of the Danish Financial Statements Act, disclosures on revenue broken down by business segments are not provided as the Company's Executive Board and Board of Directors assess that such disclosures would be very detrimental to the Company.

Accounting Policies

Income Statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprises cost incurred in connection with the purchase of commercial products.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the activities of the enterprises, including gains and losses from the sale of intangible assets and tangible assets.

Other external expenses

Other external expenses comprise sales and administrative expenses as well as expenses for premises.

Staff expenses

Staff expenses comprise wages and salaries, including holiday pay and pensions as well as other social security costs etc. to the Company's employees. Allowances received from public authorities are deducted from staff expenses.

Depreciation and amortisation

Depreciation and amortisation comprise depreciation and amortisation of tangible assets and intangible assets for the year.

Accounting Policies

Result from subsidiaries companies

The items "Result from subsidiaries" in the income statement include the proportionate share of the profit/loss for the year less goodwill amortisation.

Financial income and expenses

Financial income and expenses comprise interest, exchange adjustments, fees, etc.

Tax on profit for the year

Tax for the year consists of current tax for the year and any changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its subsidiaries. The tax effect of the joint taxation with group enterprises is allocated to enterprises showing profits or losses in proportion to their taxable incomes. The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance Sheet

Intangible assets

Software
Software is measured at the lower of cost less accumulated amortisation and the recoverable amount.

Software is amortised over 3 – 5 years.

Goodwill
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated at 7 years.

Tangible assets

Tangible assets are measured at cost with the addition of revaluations and less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Accounting Policies

Tangible assets (continued)

Interest expenses on loans raised directly for the financing of the production of tangible assets are recognised in cost over the period of production. All indirectly attributable borrowing costs are recognised in the income statement.

Depreciation based on cost with the addition of revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Fixtures and fittings, tools and equipment	4-5 years
Trucks and cars	4-5 years
Leasehold improvements	Rental period

Profit and losses from current replacement of tangible assets are recognised in "Other operating income" or "Other operating expenses".

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the date of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of any remaining value of positive or negative differences (goodwill or negative goodwill).

Accounting Policies

Investments in subsidiaries (continued)

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries with a negative carrying amount are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Deposits

Deposits are recognised and measured at cost.

Inventories

Inventories are measured at the lower of cost under the average cost formula and net realisable value. The net realisable value of inventories is calculated at the total of future sales revenue which the inventories are expected to generate at the balance sheet date in the process of normal operations allowing for marketability, obsolescence and development in expected selling price with deduction of selling expenses expected to be incurred to realise the sale.

The cost of goods for resale equals landed cost.

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which generally corresponds to nominal value less provisions for bad debts.

Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Securities

Securities consist of listed bonds, which are measured at fair values at the balance sheet date. The fair value is stated on the basis of the most recently quoted selling price.

Accounting Policies

Equity - *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax on temporary differences concerning non-taxable amortisable goodwill as well as other items is not recognised where, unless arising from acquisitions, they have arisen at the date of acquisition without affecting the profit/loss for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Corporation tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income of previous years and for tax-es paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in financial income and expenses in the income statement.

Prepayments

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

Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Accounting Policies

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, tangible assets as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand", "Cash pool" and "Current asset investments" as well as "Other short-term debt" under credit institutions.

The cash flow statement cannot be immediately derived from the published financial records.

Accounting Policies

Financial Highlights

Ratios are calculated as follows:

$$\text{Return on assets} = \frac{\text{Profit before financials x 100}}{\text{Total assets}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

Statutory statement of Corporate Social Responsibility

LLGB Holding ApS

This is the statutory corporate social responsibility (CSR) report, pursuant to sections 99a and 99b of the Danish Financial Statements Act. The report is part of Management Review for LLGB Holding ApS, covering the financial year of 01.09.2018 – 31.08.2019.

Lars Larsen Group

LLGB Holding ApS forms part of Lars Larsen Group. Lars Larsen Group is named after the founder, Lars Larsen, who established JYSK. Today, JYSK is a well-known brand in Denmark as well as globally. Lars Larsen opened the first JYSK shop in Aarhus in 1979. The opening of this shop marked the beginning of the journey towards the establishment of Lars Larsen Group.

Lars Larsen Group is a Group of international companies, operating in many different countries and within different business areas, ranging from housing interior, golf equipment and hotel- and restaurant management. The majority of business activity within Lars Larsen Group is based on furniture retail in a global context.

Read more about the Lars Larsen Group at: www.larslarsengroup.com

Lars Larsen Group is, from an overall perspective, structured in three main layers. With reference to our annual reporting cf. The Danish Financial Statements Act §99a and §99b, below scheme illustrates the overall organizational structure of companies encompassed by our CSR reporting.

Figure 1 Lars Larsen Group
(Companies encompassed by the Danish Financial Statements Act §99a and §99b).

CSR-highlights in financial year 2018/2019 across all companies owned by Lars Larsen Group:

Whistleblower

During the financial year 2018/19 Lars Larsen Group has implemented a whistleblower system covering all parts of the group. The whistleblower system covers own employees and it is accessible from the webpage www.larslarsengroup.com.

All Management Teams and board members in companies owned by Lars Larsen Group was informed about the implementation, and written statements confirming that management teams throughout the group has been informed has been signed and collected.

Furthermore all employees have been informed about the existence of the whistleblower system through internal communication channels.

During the financial year, Lars Larsen Group received one report, which was relevant for further investigation.

Shipping

During the financial year 2017/18 Lars Larsen Group made an exclusive agreement with MAERSK Group.

Part of the agreement is that MAERSK is obliged to reduce the CO2-emission per container that MAERSK delivers to LARS LARSEN GROUP companies.

To ensure a baseline making it possible for Lars Larsen Group to track the improvements in regards to reduced CO2-emission MAERSK had to deliver information about the total number of 40 foot containers delivered and the total CO2-emission caused by the transport.

The baseline was made using numbers from May 2018 to April 2019.

It is important to track exactly one year to ensure that the product mix is the same when different periods are compared.

From May 2018 to April 2019 MAERSK shipped 42.700 40 foot containers for Lars Larsen Group, and the total CO2-emissions from these transports were 36.783,100 tons equal to 861 kilo of CO2 per container.

Lars Larsen Group will monitor and report on MAERSK´s effort to reduce emissions per container in future CSR reports.

The Report

The report encompasses information from LLGB Holding ApS as well as LLES Finans ApS, LLES Holding ApS, both owned by LLGB Holding ApS.

About the company

LLGB Holding ApS as well as LLES Finans ApS, LLES Holding ApS are legal entities within Lars Larsen Group. During the financial year, there has been no activity within any of the three mentioned companies. The supreme management of LLGB Holding ApS, LLES Finans ApS, and LLES Holding ApS consists of 2 persons each. No other employees are registered within any of the three companies.

Business model

LLGB Holding ApS is capital owner and performs no other activity other than ownership of LLES Finans ApS and LLES Holding ApS.

Risks

Based on the business model for LLGB Holding ApS no risks, cf. §99a of the Danish Financial Statements Act, are identified.

Due Diligence

Based on business model and related risk level, the Whistleblowing service, covering Lars Larsen Group, is considered sufficient.

Code of Conduct and Group Policies

As part of our strategic review and strengthening of our work with CSR, we have developed and implemented a Group Code of Conduct. The Lars Larsen Group Employee Code of Conduct communicates our Group policies on Human Rights, Environment and Climate, Social and Employee Terms, Anti-Corruption and Bribery as well as our Gender Equality Policy.

The Code of Conduct and Group Policies have been implemented with companies within Lars Larsen Group.

Human Rights

Policy excerpt

Our Policy on Human Rights draws on UN Guiding Principles on Business and Human Rights. This means that we recognize that companies have the responsibility to respect Human Rights and, in the event of involvement of adverse negative impact on Human Rights, to provide remediation. We accept the responsibility we have towards our employees and the communities in which we operate, and we expect the same of suppliers. This commitment extends to any adverse impact we may cause or contribute to through our Group operations.

We comply with the laws and regulations that apply in the countries in which we operate, and we aim to ensure that Human Rights are an integral part of relevant processes.

Policy implementation and progress

Based on business model, being capital owner, performing no other activity other than ownership, no activity or results have been realized during financial year.

Environment and Climate

Policy excerpt

We aim to reduce the negative environmental and climate impact of our business activities, and we expect the same of suppliers. Consistent and long-term environmental work creates both environmental benefit and value for our company.

Companies owned by Lars Larsen Group are required to work to prevent and reduce their negative impact on environment and climate. We aim to have environmental considerations incorporated as an integral part of business activities.

Our work to minimize our negative climate impact is based on a focused effort within, but not limited to, energy, heating and transportation.

Our work to minimize our negative environmental impact is based on a focused effort within, but not limited to, responsible sourcing, responsible use of chemicals, animal welfare and waste management.

Policy implementation and progress

Based on business model, being capital owner, performing no other activity other than ownership, no activity or results have been realized during financial year.

Social and Employee Terms

Policy excerpt

We aim to provide responsible work conditions and employment terms for all employees within the Lars Larsen Group. We follow and comply with legislation, collective agreements as well as ILO conventions.

We seek to attract, develop and retain qualified and motivated employees in a professional environment. Our policy on Social and Employee Terms communicates a requirement for the company to perform employee satisfaction surveys, employee-Manager dialogue, as well as workplace assessment.

Furthermore, we aim to engage with community work through strategic partnerships, donations, sponsor agreements, events or other ways of supporting.

Policy implementation and progress

Based on business model, being capital owner, performing no other activity other than ownership, no activity or results have been realized during financial year.

Anti-Corruption and Bribery

Policy excerpt

All employees and representatives are expected to show honesty and integrity in dealing with other employees, customers, suppliers, business partners, organisations and authorities.

We have zero tolerance for all forms of corruption and makes active efforts to ensure that this does not occur within the Lars Larsen Group.

Our Anti-Corruption and Bribery policy communicates our viewpoint and guidance related to issues such as, but not limited to, bribery, fraud, conflict of interest and fair competition.

Policy implementation and progress

Based on business model, being capital owner, performing no other activity other than ownership, no activity or results have been realized during financial year.

Gender Equality

Policy excerpt

The purpose of the Policy on Gender Equality is to ensure career development for men and women on an equal basis.

We aim to reach a balanced gender composition within our workforce on a long-term perspective. Processes of recruitment and/or promotion must always identify the person best qualified for the position at focus. The policy does not require to make changes in top management solely to achieve a more even gender composition. The policy communicates a requirement to ensure equal opportunity.

Policy implementation and progress

Based on business model, being capital owner, performing no other activity other than ownership, no activity or results have been realized during financial year.

Reporting on §99b (Board composition)

The supreme management of LLGB Holding ApS consists of 2 persons, who are both male. According to guidance from the Danish Business Authority, there is no requirement to define a target for the gender representation of the supreme management when this consists of less than 3 persons. As a consequence of this, and because LLGB Holding ApS employs less than 50 employees, no target and no policy regarding gender representation of management has been implemented.

KPI Overview

Based on business model, being capital owner, performing no other activity other than ownership, no KPI's or results have been realized during financial year.