LLPT Holding ApS

Sødalsparken 18, 8220 Brabrand

CVR No 37 41 06 40

Annual Report 2020/21

(Annual year 1/9 – 31/8)

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 18 January 2022 Jesper Aabenhus Rasmussen **Chairman**

Contents

Company Information

The Company	LLPT Holding ApS Sødalsparken 18 DK-8220 Brabrand Telephone +45 89 397 500 Website: www.larslarsengroup.com CVR No 37 41 06 40 Financial year: 1 September – 31 August Municipality of reg. office: Aarhus
Board of Directors	Jacob Brunsborg, Chairman Mette Brunsborg Jesper Aabenhus Rasmussen
Executive Board	Jesper Lund
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)

	2020/21	2019/20	2018/19	2017/18
Key figures				
Income Statement				
Revenue	8,909,447	7,922,305	4,515,754	0
Profit before financial items (EBIT)	1,661,013	1,585,538	379,255	-344
Net financials	163,937	-45,675	22,916	1,735
Net profit for the year	1,464,312	1,229,325	305,516	1,102
Balance sheet				
Balance sheet total	4,671,981	5,540,915	5,054,055	7,333,394
Equity	2,802,607	2,319,712	2,206,395	84,702
Cash flow statement				
Investment in tangible assets	208,447	173,661	560,215	0
Ratios				
Solvency ratio	60.0%	41.9%	43.7%	1.2%
Return on equity	57.2%	54.3%	26.7%	1.3%
Number of employees	3,361	3,647	3,378	1

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

Management's Review

Main activity

The main activity of the Parent Company is ownership of companies.

The main activity of the Group is within retail. The Group has ownership of JYSK retail units in a number of countries, as well as the ownership of ILVA.

Development in the financial year

The Company was merged with LKL ApS and other companies in 2020/21.

In the financial year 2020/21, the Group sold Sengespecialisten and the JYSK retail activities in Belgium, Greece and Ireland.

Group revenue amounts to mDKK 8,909 compared to mDKK 7,922 in financial year 2019/20.

Profit before financial income and expenses amounts to mDKK 1,661 compared to mDKK 1,586 in 2019/20.

Net profit for the year amounts to mDKK 1,464 compared to mDKK 1,229 in 2019/20 and is in conjunction with management expectations.

As a continued consequence of COVID-19, a number of governments across the world chose to impose restrictions and temporarily close a number of institutions, businesses and activities, which have had a great impact on the global economy.

However, the Group has not been severely impacted by the effects of COVID-19.

Special risks

The Group's activities abroad 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 Group's opinion, current currency hedging of such long-term investments will not be optimal based on overall risk and cost considerations.

Knowledge resources

The Group develops competent employees to undertake operational and management tasks 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 on pages 32 - 51.

Management's Review

Expected development

For the year ahead, LLPT Holding ApS expects to realise a profit in line with the 2020/21 level provided that the financial markets evolve normally as well as a limited impact from COVID-19.

Subsequent events

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

Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of LLPT Holding ApS for the financial year 1 September 2020 – 31 August 2021.

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

In our 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 2021 and of the results of the Parent Company and the Group operations and cash flows for 2020/21.

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

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

Aarhus, 18 January 2022

Executive Board

Jesper Lund

Board of Directors

Jacob Brunsborg, Chairman	Mette Brunsborg
Jesper Aabenhus Rasmussen	

Independent Auditor's Report

To the shareholders of LLPT 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 2021, 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 2020 - 31 August 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of LLPT Holding ApS for the financial year 1 September 2020 - 31 August 2021, 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' 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 Financials Statements Act.

Independent Auditor's Report

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, 18 January 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
MNE-no. 26783

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

	Note	Parent company 2020/21	Parent company 2019/20	Group 2020/21	Group 2019/20
Revenue	1	**0**	**0**	**8,909,447**	**7,922,305**
Cost of sales		0	0	-4,900,427	-4,590,773
Other operating income		0	0	1,011,048	1,419,796
Other external cost	2	-3,150	-3,580	-1,580,582	-1,481,889
Gross Profit		**-3,150**	**-3,580**	**3,439,486**	**3,269,439**
Staff expenses	3	0	0	-1,582,466	-1,436,513
Depreciation and amortisation		0	0	-186,440	-243,235
Other operating expenses		0	0	-9,567	-4,153
Profit before financial items		**-3,150**	**-3,580**	**1,661,013**	**1,585,538**
Result from subsidiaries		235,838	215,604	0	0
Result from associated companies		169,763	0	169,763	-239
Result from other investments		0	0	-4,206	-5,618
Financial income		102	2,818	18,477	5,639
Financial expenses	4	-11,128	-5,188	-20,097	-45,457
Profit before tax		**391,425**	**209,654**	**1,824,950**	**1,539,863**
Tax on profit for the year	5	-5,497	-2,076	-360,638	-310,538
Result for the year		**385,928**	**207,578**	**1,464,312**	**1,229,325**
Distribution of profit	6				

Balance sheet at 31 August (DKK '000)

Assets		Parent company		Group	
	Note	2021	2020	2021	2020
Rights		0	0	0	2,123
Development projects		0	0	19,687	34,636
Software		0	0	1,034	2,820
Goodwill		0	0	3,413	3,929
Intangible assets	7	**0**	**0**	**24,134**	**43,508**
Land and buildings		0	0	128,264	132,939
Fixtures and fittings, tools and equipment		0	0	173,058	249,930
Trucks and cars		0	0	30,103	32,475
Leasehold improvements		0	0	241,741	342,518
Assets under construction		0	0	69,101	42,784
Tangible assets	8	**0**	**0**	**642,267**	**800,646**
Investments in subsidiaries	9	882,361	1,216,533	0	0
Investments in associates	10	198,941	0	198,941	3,383
Other investments	11	0	0	23,766	28,994
Deposits	12	0	0	104,243	115,774
Fixed asset investments		**1,081,302**	**1,216,533**	**326,950**	**148,151**
Fixed assets		**1,081,302**	**1,216,533**	**993,351**	**992,305**
Commercial products		0	0	1,490,622	1,417,484
Prepayments of goods		0	0	0	645
Inventories		**0**	**0**	**1,490,622**	**1,418,129**
Trade receivables		0	0	478,196	640,136
Receivables from subsidiaries		0	143,299	0	0
Corporation tax		110,572	0	0	0
Deferred tax		0	0	2,878	0
Other receivables		120,578	87,263	1,474,818	1,872,626
Prepayments	13	0	0	50,709	58,734
Receivables		**231,150**	**230,562**	**2,006,601**	**2,571,496**
Cash at bank and in hand		**0**	**0**	**181,407**	**558,985**
Current assets		**231,150**	**230,562**	**3,678,630**	**4,548,610**
Assets		**1,312,452**	**1,447,095**	**4,671,981**	**5,540,915**

Balance sheet at 31 August (DKK '000)

Liabilities

	Note	Parent company 2021	Parent company 2020	Group 2021	Group 2020
Share capital		21,600	1,000	21,600	1,000
Reserve exchange adjustment		4,466	0	4,466	0
Retained earnings		774,758	381,174	774,758	381,174
Equity attributable to parent company shareholders		**800,824**	**382,174**	**800,824**	**382,174**
Non-controlling interests		**0**	**0**	**2,001,783**	**1,937,538**
Equity		**800,824**	**382,174**	**2,802,607**	**2,319,712**
Other provision		0	0	9,093	9,955
Deferred tax	14	55,533	58,974	30,638	43,837
Provisions		**55,533**	**58,974**	**39,731**	**53,792**
Deposits, long-term		0	0	0	21
Long-term debt		**0**	**0**	**0**	**21**
Credit institutions		0	0	0	24,429
Deposits, short-term		0	0	118	0
Loans, short-term		455,300	915,300	455,300	1,030,700
Prepayments, received		0	0	171,472	171,884
Trade payables		95	0	507,180	594,527
Payables to subsidiaries		0	82,485	0	0
Corporation tax		0	7,185	233,320	263,215
Other payables		700	977	458,369	1,068,476
Accrued expenses		0	0	3,884	14,159
Short-term debt		**456,095**	**1,005,947**	**1,829,643**	**3,167,390**
Debt		**456,095**	**1,005,947**	**1,829,643**	**3,167,411**
Liabilities and equity		**1,312,452**	**1,447,095**	**4,671,981**	**5,540,915**

Contractual obligations	15
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Related parties	17

Statement of changes in equity (DKK '000)

	Share capital	Reserve exchange adjustment	Retained earnings	Equity attributable to parent company shareholders	Non-controlling interestes	Equity
Parent company						
Opening at 1st September 2019	1,000	0	2,009	3,009	0	3,009
Adjustment opening balance	0	0	-11,639	-11,639	0	-11,639
Net effect from merger under the uniting of interests method	0	0	502,871	502,871	0	502,871
Corrected opening at 1st September 2019	1,000	0	493,241	494,241	0	494,241
Result for the year	0	0	207,577	207,577	0	207,577
Acquisition of group companies	0	0	-315,300	-315,300	0	-315,300
Exchange adj. on foreign subsidiaries	0	0	-4,344	-4,344	0	-4,344
Equity at 31st August 2020	1,000	0	381,174	382,174	0	382,174
Opening at 1st September 2020	1,000	0	381,174	382,174	0	382,174
Net effect from merger under the uniting of interests method	0	0	175,637	175,637	0	175,637
Corrected opening at 1st September 2020	1,000	0	556,811	557,811	0	557,811
Result for the year	0	0	385,928	385,928	0	385,928
Capital increase	20,600	0	-20,600	0	0	0
Other equity movements	0	0	-147,381	-147,381	0	-147,381
Exchange adj. on foreign subsidiaries	0	4,466	0	4,466	0	4,466
Equity at 31st August 2021	**21,600**	**4,466**	**774,758**	**800,824**	**0**	**800,824**

	Share capital	Reserve exchange adjustment	Retained earnings	Equity attributable to parent company shareholders	Non-controlling interestes	Equity
Group						
Opening at 1st September 2019	1,000	0	504,880	505,880	1,816,907	2,322,787
Adjustment opening balance	0	0	-11,639	-11,639	-104,753	-116,392
Corrected opening at 1st September 2019	1,000	0	493,241	494,241	1,712,154	2,206,395
Result for the year	0	0	207,577	207,577	1,021,748	1,229,325
Paid dividend	0	0	0	0	-796,364	-796,364
Acquisition of group companies	0	0	-315,300	-315,300	0	-315,300
Exchange adj. on foreign subsidiaries	0	0	-4,344	-4,344	0	-4,344
Equity at 31st August 2020	1,000	0	381,174	382,174	1,937,538	2,319,712
Opening at 1st September 2020	1,000	0	381,174	382,174	1,937,538	2,319,712
Net effect from merger under the uniting of interests method	0	0	175,637	175,637	0	175,637
Corrected opening at 1st September 2020	1,000	0	556,811	557,811	1,937,538	2,495,349
Result for the year	0	0	385,928	385,928	1,078,384	1,464,312
Capital increase	20,600	0	-20,600	0	0	0
Paid dividend	0	0	0	0	-1,021,296	-1,021,296
Other equity movements	0	0	-147,381	-147,381	7,157	-140,224
Exchange adj. on foreign subsidiaries	0	4,466	0	4,466	0	4,466
Equity at 31st August 2021	**21,600**	**4,466**	**774,758**	**800,824**	**2,001,783**	**2,802,607**

Specified as follows:

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
1,000,000 shares of DKK 1	1,000	1,000	1,000	1,000
20,600,000 shares of DKK 1	20,600	0	20,600	0
Share capital	**21,600**	**1,000**	**21,600**	**1,000**

Share capital has been changed in financial year 2020/21 from DKK 1,000k to DKK 21,600k.
There have been no further changes to the share capital during the last 5 years.

Consolidated Cash Flows (DKK '000)

	Note	2020/21	2019/20
Profit for the year		1,464,312	1,229,325
Adjustments	18	393,126	372,557
Change in working capital	19	-218,085	279,317
Cash flows from operating activities before financial income and expenses		1,639,353	1,881,199
Financial income		18,477	5,639
Financial expenses		-20,097	-44,442
Cash flows from ordinary activities		1,637,733	1,842,396
Corporation tax paid		-397,827	-145,888
Cash flows from operating activities		**1,239,906**	**1,696,508**
Acquisition of securities, net		0	128,628
Purchase of intangible assets		-6,662	-20,051
Purchase of property, plant and equipment		-208,447	-173,661
Purchase of other fixed asset investment		-2,901	-100
Sale of fixed asset investments		130	93,636
Purchase of enterprises		-2,500	0
Sale of enterprises		313,148	0
Cash at purchase of enterprises		0	-17,352
Cash at sale of enterprises		-57,663	135,564
Cash flows from investing activities		**35,105**	**146,664**
Received payments of instruments of debt		474,900	590,790
Payment of loans		-925,941	-430,000
Received payments on loans		0	186,555
Payments on loans		-24,429	-8,814
Payments of mortgage debt		0	-10,777
Paid dividend		-1,021,295	-796,364
Dividend received from other investments		1,022	0
Cash flows from financing activities		**-1,495,743**	**-468,610**
Change in cash and cash equivalents		**-220,733**	**1,374,562**
Cash and cash equivalents at 1st September		1,789,729	415,167
Cash and cash equivalents at 31st August		**1,568,996**	**1,789,729**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		181,407	558,985
Cash pool (Other receivables)		1,387,589	1,230,744
Cash and cash equivalents at 31st August		**1,568,996**	**1,789,729**

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	
	2020/21	2019/20	2020/21	2019/20
2 Fees to the auditors appointed at the annual general meeting				
PricewaterhouseCoopers				
Audit fee	625	356	1,847	2,176
Other assurance engagements	0	0	10	108
Tax advisory services	50	2,084	1,132	3,045
Other non-audit services	25	1,023	299	1,683
PricewaterhouseCoopers	**700**	**3,463**	**3,288**	**7,012**
Other auditors				
Audit fee	0	0	310	550
Other assurance engagements	0	0	0	13
Tax advisory services	0	0	14	107
Other non-audit services	0	0	80	173
Other auditors	**0**	**0**	**404**	**843**
3 Staff expenses				
Salaries and wages	0	0	1,464,028	1,307,481
Pensions	0	0	82,080	76,564
Other social security costs	0	0	36,358	52,468
	0	**0**	**1,582,466**	**1,436,513**
Average number of employees	0	0	3,361	3,647

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Notes to the Annual Report (DKK '000)

	Parent company		Group	
	2020/21	2019/20	2020/21	2019/20
4 Financial expenses				
Interest expense subsidiaries	98	0		
5 Tax on profit for the year				
Current tax for the year	6,527	-24,657	372,043	285,635
Deferred tax for the year	-3,440	26,656	-13,706	24,141
Tax concerning previous years	2,410	77	2,301	762
Tax on profit for the year	**5,497**	**2,076**	**360,638**	**310,538**
Reconciliation of tax on profit for the year				
Income tax calculated at Danish tax rate (22%)			364,141	338,822
Effect of differences between foreign and Danish tax rate			-5,557	371
Non-taxable income			-1,682	0
Non-duductable expenses			1,273	716
Tax concerning previous years			2,301	762
Impairment and reversal of tax losses carry forward			14,020	16,733
Other adjustments			-13,859	-46,866
Tax on profit for the year			**360,638**	**310,538**
Effective tax rate			**21.8%**	**20.2%**
6 Distribution of profit				
Retained earnings	385,928	207,578	385,928	207,577
Non-controlling interests' share of profit/loss	0	0	1,078,384	1,021,748
	385,928	**207,578**	**1,464,312**	**1,229,325**

Notes to the Annual Report (DKK '000)

7 Intangible assets

	Rights	Development projects	Software	Goodwill
Group				
Cost at 1st September	6,140	155,752	9,400	24,330
Addition for the year	0	6,162	0	1,540
Exchange adjustment	0	0	-4	0
Disposals for the year	-6,140	-36,049	-5,510	-16,870
Cost at 31st August	0	125,866	3,886	9,000
Amortisation at 1st September	4,017	121,117	6,581	20,401
Exchange adjustment	0	0	-3	0
Amortisation for the year	0	10,993	686	1,990
Acc amortisation reversed	-4,017	-25,930	-4,412	-16,803
Amortisation at 31st August	0	106,179	2,852	5,588
Booked value at 31st August	**0**	**19,687**	**1,034**	**3,413**
Depreciated over	Rental period	5 years	3 - 5 years	5 - 20 years

Development projects consist of investment in ERP systems and E-commerce platform.

8 Tangible assets

	Land and buildings	Fixtures and fittings, tools and	Trucks and cars	Leasehold improve-ments	Assets under constructions
Group					
Cost at 1st September	136,009	823,063	67,075	714,017	42,784
Exchange adj. on opening balance	0	894	84	1,134	0
Addition	69	63,848	16,439	73,327	54,763
Exchange adjustment on movement	0	277	3	396	200
Transfer	0	4,081	0	6,928	-11,009
Disposals for the year	0	-126,888	-17,391	-185,331	-17,636
Cost at 31st August	136,078	765,276	66,211	610,471	69,101
Depreciation at 1st September	3,070	573,132	34,600	371,499	0
Exchange adj. on opening balance	0	607	36	456	0
Depreciation for the year	4,744	82,657	13,996	71,374	0
Exchange adjustment on depreciation for the year	0	119	2	105	0
Acc depreciation reversed	0	-64,298	-12,525	-74,703	0
Depreciation at 31st August	7,814	592,217	36,108	368,730	0
Booked value at 31st August	**128,264**	**173,058**	**30,103**	**241,741**	**69,101**
Depreciated over	25 years	4 - 7 years	4 - 5 years	Rental period	

Notes to the Annual Report (DKK '000)

	2021
9 Investments in subsidiaries	
Parent company	
Cost at 1st September	6,702,878
Cost at 31st August	6,702,878
Value adjustments at 1st September	-5,486,346
Exchange adjustment	2,566
Dividend	-573,477
Result for the year	235,838
Other adjustments	902
Value adjustments at 31st August	-5,820,517
Investments in subsidiaries	**882,361**

Specified as:

	Ownershare
JYSK A/S, Denmark	10%
JYSK Unipessoal LDA, Portugal	100%
LLRU Holding ApS, Denmark	100%

Subsidiaries owned indirectly:	Ownershare
Anpartsselskabet af 1. april 1993, Denmark	100%
Anpartsselskabet af 17. maj 2011, Denmark	100%
Anpartsselskabet af 5/9 2003, Denmark	100%
Graham Bells Vej P/S, Denmark	100%
ID Furniture Franchising A/S, Denmark	100%
ILVA A/S, Denmark	100%
ILVA SWE AB, Sweden	100%
JYSK LLC, Russia	100%
JYSK Ltd., England	100%
JYSK SAS, France	100%
Komplementarselskabet Graham Bells Vej ApS, Denmark	100%
LLCN Holding ApS, Denmark	100%
LLFR Holding ApS, Denmark	100%
LLIT Finans ApS, Denmark	100%

Notes to the Annual Report (DKK '000)

	Parent company 2021	Group 2021
10 Investment in associates		
Cost at 1st September	0	2,732
Addition by merger	135,503	135,503
Disposals	0	-2,732
Cost at 31st August	135,503	135,503
Value adjustments at 1st September	0	651
Addition by merger	40,158	40,158
Exchange adjustment	1,900	1,900
Result for the year	169,663	169,663
Acquisition of non-controlling interests	-149,654	-149,654
Other adjustments	1,371	1,371
Disposals	0	-651
Value adjustments at 31st August	63,438	63,438
Investment in associates	**198,941**	**198,941**

Specified as:

	Ownershare
Kapital JH ApS, Denmark	90%

	2021
11 Other investments	
Group	
Cost at 1st September	32,053
Cost at 31st August	**32,053**
Value adjustments at 1st September	-3,059
Dividend	-1,022
Value adjustments for the year	-4,206
Value adjustments at 31st August	**-8,287**
Other investments	**23,766**

Notes to the Annual Report (DKK '000)

12 Deposits

	2021
Group	
Cost at 1st September	115,774
Addition for the year	2,901
Disposals for the year	-14,467
Exchange adjustment	36
Cost at 31st August	**104,243**

13 Prepayments

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

14 Deferred tax

	Parent company		Group	
	2021	2020	2021	2020
Intangible assets	0	0	0	2,226
Tangible assets	0	0	-18,911	-11,290
Inventories	0	0	-2,896	-2,461
Other	55,533	58,974	49,567	55,362
	55,533	**58,974**	**27,760**	**43,837**

Deferred tax is recognised in the balance sheet as follows:

Deferred tax asset	0	0	-2,878	0
Deferred tax liabilities	55,533	58,974	30,638	43,837
	55,533	58,974	27,760	43,837

Notes to the Annual Report (DKK '000)

	Parent company		Group	
	2021	2020	2021	2020
15 Contractual obligations				
Rental obligations	0	0	3,067,933	3,620,645
Lease obligations	0	0	198,458	2,474
Letters of credit	0	0	13,762	38,362
Other obligations	0	0	110,673	46,571

	Parent company		Group	
	2021	2020	2021	2020
16 Contingent liabilities				
Guarantees	0	0	5,103	487

The Company is jointly liable for tax on the Group's joint taxable income etc. The total amount for 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.

LLG A/S has entered into a cash pool agreement for Lars Larsen Group. As per 31 August 2021 the withdrawal was MDKK 269. As participant in the cash pool agreement LLPT Holding ApS has issued a guarantee towards credit institutions.

17 Related parties

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 2020/21	Group 2019/20
18 Cash flow statement - adjustments		
Profit/loss, associates	-169,663	239
Other operating income	0	-226,341
Profit/loss, other investments	4,206	5,618
Financial income	-18,477	-5,639
Financial expenses	20,097	45,457
Depreciation and amortisation	186,439	243,234
Tax on profit/loss for the year	360,638	310,538
Other adjustments	9,886	-549
	393,126	**372,557**

	Group 2020/21	Group 2019/20
19 Cash flow statement - change in working capital		
Change in inventories	-297,243	197,391
Change in receivables	129,001	-243,886
Change in other receivables	27,259	-61,661
Change in trade payables	-48,411	153,703
Change in other payables	-70,815	200,893
Other adjustments in working capital	42,124	32,877
	-218,085	**279,317**

Accounting Policies

Basis of preparation

The Annual Report of LLPT Holding ApS for the financial year 1 September 2020 to 31 August 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies are unchanged compared to last year. The Financial Statements for 2020/21 are presented in TDKK.

During the financial year, LLPT Holding ApS merged with the companies LKL ApS, Kapital LKL A/S and Goose III Invest ApS with retrospective effect for accounting purposes at 1 September 2020 as the continuing company. As a result, the comparative figures are restated in accordance with the adjusted pooling-of-interests method ("koncernmetoden").

The effect of the mergers for the parent company for 2019/20 is a change in result for the year of DKK 215,975k, equity of DKK 372,591k and total assets of DKK 1,136,070k.

As regards the merger with Goose III Invest ApS, the book value method has been applied without any restatement of comparative figures. The net effect on equity is DKK 175,636k.

Intercompany restructuring processes – book value method

The Company has chosen to use book value method in connection to intercompany restructuring. For accounting purposes the restructuring took place at book value at the date of acquisition. Comparative figures are not shown in compliance with the book value method.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, LLPT 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

Accounting Policies

Recognition and measurement (continued)

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.

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.

Accounting Policies

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.

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 and associated companies

The items “Result from subsidiaries” and “Result from associated companies” in the income statement include the proportionate share of the profit/loss for the year less goodwill amortisation.

Result from other investments

Result from other investments in the income statement include regulations on fair value and dividend paid.

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

Rights

Rights is measured at the lower of cost less accumulated amortisation and the recoverable amount. Rights is amortised over the term of the agreement.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company’s development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the

Accounting Policies

Development projects (continued)

project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at the lower of cost less accumulated amortisation and impairment loss and the recoverable amount.

Capitalised development costs are amortised as from the date of completion on a straight-line basis over the period during which development work is expected to generate economic benefits.

The amortisation period is 5 years.

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 5-20 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.

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:

Accounting Policies

Tangible assets (continued)

Land and buildings	25 years
Fixtures and fittings, tools and equipment	4-7 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 and associates

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).

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.

Accounting Policies

Investments in subsidiaries and associates (continued)

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.

Other investments

Other investments are recognised and measured at fair value.

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.

Equity - *Dividend*

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

Accounting Policies

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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 taxes 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, fixed asset investments as well as securities.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt, other short-term debt under credit institutions as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Cash pool".

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

Accounting Policies

Financial Highlights

Ratios are calculated as follows:

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

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

Statutory Statement of Corporate Social Responsibility

LLPT 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 the Management Review for LLTP Holding ApS, covering the financial year of 1 September 2020 – 31 August 2021. From hereinafter, this report is discussed as our sustainability report.

Lars Larsen Group

Lars Larsen Group is owned by the Brunsborg family, descendants of Lars Larsen who founded JYSK in 1979, and opened the first JYSK shop in Aarhus. The opening of this shop marked the beginning of the journey towards the establishment of Lars Larsen Group.

We are active within a broad range of business areas as majority owner and investor.
The way we conduct business in Lars Larsen Group is anchored with the family values; Tradesmanship, Responsibility and Growth.

With the family values as our framework, we continuously strive towards long term, successful development of Lars Larsen Group, while at the same time leaving a significant positive imprint on society.

Read more about Lars Larsen Group at; www.larslarsengroup.com

Lars Larsen Group sustainability

Our most significant impact, in a sustainability context, is based on our role as majority owner and through our investment activities.

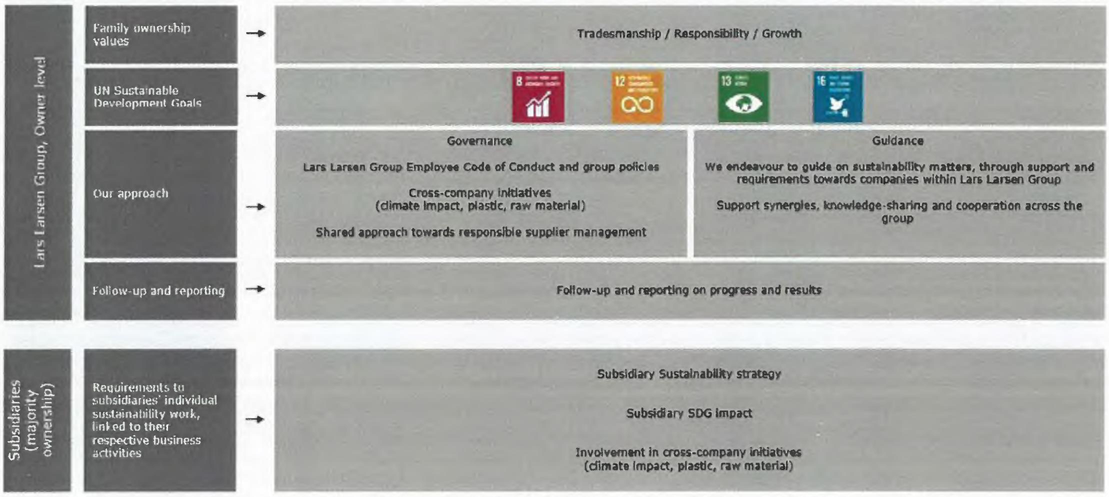
Responsible investment
Investments are made responsibly with the purpose to support a more sustainable development. We have implemented a policy for responsible investment. The policy serves as an overall framework, ensuring integration of environmental, social and governance (ESG) evaluation of our investments, all the way from the initial investment process to our active ownership.
The ESG due diligence support the overall evaluation of investment opportunities, in determining;

- If an investment opportunity is compliant with Lars Larsen Group values and ESG requirements
- If an investment opportunity should not be pursued, due to ESG concerns

Active ownership

As majority owner, we work with sustainability through active and responsible ownership. During this financial year, we have implemented a group sustainability strategy, which frames our work with sustainability in our active ownership, of majority owned companies. Our approach is based on a structured governance setup. We ensure a foundation of group policies and tools as well as support to companies within Lars Larsen Group.

Lars Larsen Group Sustainability Strategy
- Active and Responsible Ownership



The core of the strategy is the commitment that all companies will comply with Lars Larsen Group Employee Code of Conduct and will work actively to implement our shared group policies. Moreover, anchored with the headline "cross-company initiatives", we have identified three areas, where we support our companies to work together, and benefit from synergies across the group.

These areas cover;

- Reduce our negative climate impact
- Reduce plastic from packaging
- Increase use of more sustainable raw material

Within this framework, companies manage and operate their respective sustainability agenda independently.

Dialogue is the way forward

As an international group, we are in contact with customers, employees, and business partners as well as other stakeholders.

Doing business in a responsible and sustainable way is a continuous process. We consider dialogue with our stakeholders to be a key element in our work with sustainability. Cooperation, dialogue, and commitment is the way forward when it comes to improving social and environmental conditions.

Whistleblower service

Lars Larsen Group strives to maintain a transparent business environment and high business ethics. Our whistleblowing service should be seen as a supplement to the dialogue and openness that we value in Lars Larsen Group.

The Whistleblowing service is an early warning system to reduce risks. It is an important tool to foster high ethical standards and maintain confidence in us. Inquiries that will be processed through our Whistleblowing service are scoped to concern employees and other persons who act directly on behalf of companies within Lars Larsen Group.

Our Whistleblowing service is intended for reports within the following scope:

"Concerns of suspected violations of the Lars Larsen Group Employee Code of Conduct, criminal acts, other serious matters that can have a serious effect on the company and its reputation, as well as matters that may have a significant impact on a person's life or health".

During the financial year, Lars Larsen Group received six (6) reports.

The Whistleblowing service is accessible from the webpage www.larslarsengroup.com

Lars Larsen Group and JYSK Head Office:

During last financial year, we started the building process of expanding the head office of Lars Larsen Group and JYSK (housing employees of LLG A/S and JYSK).
The existing head office will be expanded by 9.800m^2 split on two new buildings, and subsequently will have a total of 21.268m^2
The buildings are constructed in accordance with a DGNB[1] certification, and the aim is to reach a gold certification.

With this certification, we look into the global and local environmental impact of the construction. This is done by making a life cycle assessment (LCA) of the building as well as looking into environmental risks and impact of the building material.
Furthermore, the design of the building has a great focus on resource consumption and waste, so that the building has a low energy and domestic water consumption. The new buildings will have close to 300m2 solar power cells installed.

The new buildings are expected to be taken into use during the spring of 2022.

[1] Deutsche Gesellschaft für Nachhaltiges Bauen.

Data

JYSK is the name of an operational company (not a legal entity) that transcends the Groups of LLG A/S and LLPT Holding ApS. Sustainability in JYSK is managed centrally from JYSK head office functions, legally included by JYSK A/S. Ownership of sustainability policies, procedures, projects, and initiatives are owned and managed centrally from these head office functions, with effect throughout all JYSK country companies. Thus, we report identical §99a data for both LLG A/S and LLPT Holding ApS. It is our firm belief, that this solution, compared to a report where sustainability data is split on e.g. turnover for LLG A/S and LLPT Holding ApS respectively, will present a more accurate understanding of JYSK's work and progress with sustainability.

Besides data from JYSK, this report comprises data from ILVA A/S.

Below scheme presents an overview of the companies, as they will be referred to in the report hereinafter.

Legal entities	As referred to hereinafter
JYSK country companies	JYSK
ILVA A/S	ILVA

About the company

LLPT Holding ApS is a group company.
JYSK and ILVA are furniture retail companies with a primary focus on business-to-consumer markets and some activity within the business-to-business markets. Business activities include to; source, design, manage, distribute, and sell products for home and garden.

Business model

The following model illustrates a business model for LLPT Holding ApS.

Figure 1 Business Model, LLPT Holding ApS

Risks

Below schemes, presents an overview of identified main risks, impact, and action related to each of the policy[2] areas covered by this report.

Policy	What is the risk?
Environment and Climate	Greenhouse Gas emissions and sustainable sourcing are significant focus areas. A dedicated focus to reduce Greenhouse gas emissions as well as to integrate sustainability within the choice of raw material, both regarding sourcing and processing of raw material, is necessary to reduce our negative environmental impact.
Human Rights	We have a truly global presence. We are present in risk countries with own business units as well as through our supplier network. Our industry and global presence present an exposure to risks related to infringement of Human Rights and/or Labour Rights.
Social and Employee Terms	Employees are the greatest asset of the group. If we fail to provide a safe workplace and a business environment, where employees experience job satisfaction as well as the opportunity to develop professionally, there is a risk that this will affect our business negatively.
Anti-Corruption and Bribery	A global presence as well as increasing legislation within this area requires a strong focus on compliance with all areas of business ethics. Neglecting to integrate this topic with relevant business procedures, will expose our company to significant risk.

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[2] Cf. The Danish Financial Statements Act §99a.

Policy	What is the impact?
Environment and Climate	Insufficient focus towards Greenhouse Gas emissions and lack of supplier requirements may lead to a significant negative impact on environment and climate. Furthermore, there is a long-term risk of shortage of raw material due to unsustainable management of supply chain.
Human Rights	Insufficient implementation of Employee Code of Conduct, Human Rights policy, and supplier requirements may lead to infringement of Human Rights and/or Labour Standards, with potential severe negative consequences for affected parties.
Social and Employee Terms	Lack of procedures and attention towards work safety, work satisfaction and development may lead to long term negative effect on our employees. Moreover, if employee competences are not developed in a direction and pace that corresponds with customer- and market demands, there is a risk that our company may not be able to follow market- and customer development.
Anti-Corruption and Bribery	Involvement with non-compliance related to Anti-Corruption and Bribery will expose our company to both direct and indirect financial loss. Direct loss is e.g. through fines and indirect loss is e.g. through severe negative impact on our company image.

Policy	What is the action?
Environment and Climate	Thorough due diligence including a dedicated effort towards reducing Greenhouse Gas emissions, implementation of Supplier Code of Conduct and other relevant supplier requirements. Ongoing focus towards more sustainable design, raw material, and processing.
Human Rights	Thorough due diligence including implementation of Employee Code of Conduct and Human Rights policy, Supplier Code of Conduct, and follow up both internally as well as in our supply chain.
Social and Employee Terms	Thorough due diligence including systematic work with health and safety. Ensure that HR processes will support employee satisfaction and competence development, in line with market and customer development.
Anti-Corruption and Bribery	Thorough due diligence including implementation of Employee Code of Conduct, Anti-Corruption and Bribery policy, and Supplier Code of Conduct supported by systematic risk evaluation as well as ongoing information and training of employees.

Due Diligence

The due diligence model covers Lars Larsen Group, at an overall level. Additional due diligence initiatives, that are more company specific, are implemented locally within the respective companies.

Figure 2 Due Diligence

	Environment and Climate	Human Rights	Social and Employee	Anti-Corruption and Bribery
Examples of due diligence processes	Structured follow-up on implementation of group sustainability policies Internal audit of business processes and safety procedures Compliance audits at suppliers and factories			
Examples of topics covered by due diligence processes	Compliance with environment legislation and requirements	Compliance with Human Rights and Labour standards	Work safety and employee competence development	Compliance with Anti-Corruption and Bribery legislation
Reporting a concern of non-compliance	Formalised reporting channels are established for reporting a concern of non-compliance. A group Whistleblowing service is established.			

Code of Conduct and Group Policies

Lars Larsen Group Employee Code of Conduct communicates our group policies on Human Rights, Environment and Climate, Social and Employee Terms, and Anti-Corruption and Bribery. Furthermore, there are Group Policies on the topics; Gender Equality and Data Ethics, which are communicated individually.
The Code of Conduct and Group Policies have been implemented with companies within Lars Larsen Group.
This sustainability report will present a policy excerpt for each of the group policies. Following the policy excerpt, the report will present individual reporting on implementation of the respective policy and the results achieved by each respective company. Where relevant, the report will comment on initiatives addressed both internally and externally.

Environment and Climate

The purpose of this policy is to outline our effort to reduce the negative environmental and climate impact of our business activities. It is our belief, that consistent and long-term environmental work creates both environmental benefit and value for our company.
Environment and climate considerations are implemented in decision making processes, strategically as well as in our everyday business activities.
Environment and climate considerations are integrated with the management and operations of the companies within Lars Larsen Group where we strive to reduce the negative impact of business activities.

Furthermore, strategic partnerships and initiatives have been initiated across companies within Lars Larsen Group.
In the following we highlight the most essential strategic initiatives, shared across the group.

One of these initiatives is our engagement with The Forest Stewardship Council® (FSC).
About FSC:

- The Forest Stewardship Council® (FSC) is an international non-profit organisation that promotes environmentally appropriate, socially beneficial, and economically viable forestry worldwide.
- All FSC certified wood is traceable, which means that all links between the forest and the consumer are checked and have an FSC number.
- Forestry workers in FSC forests are ensured proper working conditions, including education, safety equipment and fair pay.
- In an FSC forest, no more trees are felled than the forest can naturally replace. At the same time, there are areas in the forest where the trees are never cut down as this helps create better conditions for both animals and plants.

It is our aim that an increasing part of the wood used, should originate from sustainable forests. Another strategic initiative is our ambition to map and reduce our GHG emissions. We have engaged in a partnership with an external partner, who support companies within Lars Larsen Group on this journey. It is our ambition that this project will support companies within the group to set a reduction target for their GHG emissions. Companies within the group will engage with this project during FY21 and FY22.

Lastly, it has been decided to strengthen environmental requirements towards our supply chain. To support this ambition, we have engaged with Amfori Business Environmental Performance Initiative (BEPI).

BEPI is a business-driven service for retailers, importers and brands committed to improving environmental performance in supply chains. BEPI provides a practical framework including a platform, learning activities, consultancy, and third-party assessments to understand and improve environmental performance as well as reducing the environmental impacts throughout the supply chain.

Companies within Lars Larsen Group work with individual KPIs related to environment and Climate. These are communicated in the following sections.

Policy implementation and progress

JYSK

Internal focus:
JYSK has made sustainability the sixth pillar of the company strategy and added dedicated resources to drive the sustainability agenda. One of the main goals of this is to do a full mapping of JYSK´s global footprint, including a full Green House Gas mapping.

During this financial year a reduction target was set; JYSK strives to cut the greenhouse gas emissions from powering and heating all stores, distribution centers and offices in half by 2030 with baseline year in 2019.

Moreover, JYSK has set KPIs to increase the use of more sustainable raw material.

Wood:
As of 1 January 2022, all new products launched in JYSK made from wood, cardboard or paper will be FSC certified.

By the end of 2024, all JYSK products and packaging made from wood, cardboard or paper will be FSC-certified.

Within this financial year, JYSK has 536 FSC-certified (FSC® N001715) products in active assortment across indoor furniture, beds, garden, homeware, and bathroom accessories. Furthermore, all hard wood products within garden is FSC-certified. This means, that all wooden garden furniture, except for bamboo, purchased for JYSK is FSC-certified.

JYSK also made a new packaging design, which will reduce the use of packaging material and make it possible for JYSK to demand that all cardboard used for packaging of JYSK products should be FSC-certified by 1 January 2025. Furthermore, all new products from January 1st, 2022 will be in FSC-certified packaging.

Cotton:
Another raw material in focus at JYSK is cotton. JYSK is a member of Better Cotton (BC). Better Cotton is the World's largest cotton sustainability program. Their mission is to help cotton farmers and cotton communities to survive and thrive while protecting the environment. During this financial year, JYSK set the following KPI related to cotton: By the end of 2024, all cotton sourced for JYSK's textile products will be either recycled or produced in a more sustainable way (Recycled, BC or organic). Progress will be reported as of next financial year.

Furthermore, JYSK introduced several new products made from recycled materials. This includes boxes made from recycled plastic. Duvets made from recycled plastic and recycled cotton, and a chair made partly from recycled plastic.

One of the issues faced by JYSK is also to ensure that resources do not go to waste in situations where JYSK has had a product produced and delivered, and then discovering that the product does not live up to JYSK´s requirements regarding product quality.

In these situations, JYSK will try to dispose of the products as environmentally friendly as possible. A good example of that is JYSK´s cooperation with clothing designer Clara Hjelt. She has on several occasions received bed linen from JYSK, which she has upcycled into clothes, and then sold these clothes on her website.

During last financial year JYSK also decided on a new plastic strategy. The aim of this strategy is to limit the number of plastic types used by JYSK and to gradually out-phase the use of flamingo totally. By using fewer types of plastic JYSK wants to decrease complexity when handling waste and increase recycling of plastic. An example of this is a new sustainable packaging for bedsheet. This new packaging includes cardboard instead of plastic, and this initiative alone saves 26 million plastic bags per year.

External focus:
To strengthen the external focus on Environment and Climate JYSK made a commitment to The Business Environmental Performance Initiative (BEPI).

BEPI is currently required for suppliers of indoor furniture and garden products. Next product group will be started once furniture and garden suppliers is fully onboarded to the BEPI platform.

Measured in value of open orders, 50% of the suppliers has a valid and completed SAQ (Self-assessment questionnaire) from the BEPI platform.

Shipping:
Lars Larsen Group have an agreement with a shipping company, who are obliged to reduce the CO2-emission per container that they deliver.

In order to be able to track improvements related to reducing CO2 emission, we established a baseline together with the external supplier. The data is based on the total number of 40-foot containers delivered to JYSK, and the total CO2-emission caused by the transport.
From September 1, 2020 to August 31, 2021, the total CO2-emissions from the transports were 38,067,200 tons.

The comparable number for FY 20 where 43,829,100 tons of CO2.

During FY 21, JYSK have saved 4,092 tons of CO2 compared to the average carrier emissions, based on numbers from Clean-cargo org. Further information can be found at https://www.clean-cargo.org/data-methods

ILVA

Internal focus:
A core environmental focus area is the ambition to increase purchase of products with FSC-certified wood. 100% of the wooden garden furniture purchased for ILVA is FSC-certified (FSC®-N001748).

During the financial year, ILVA has initiated a dialogue with all wood suppliers who have received information about ILVA'S ambitions for FSC-certified wood.

During this financial year, ILVA set the following KPI: By the end of 2024, all wood products in ILVA will be made from FSC-certified wood.

Furthermore, ILVA has implemented a new manual for packaging. In the new manual, ILVA communicates directions concerning the use of plastic in packaging, where it is also specified which plastics are authorized for use and which plastics that are not authorized to be used together with packaging. Furthermore, the manual has defined the labelling which helps to separate the packaging materials both at the storage facility and with the end consumer.

External focus:
As part of ILVA's sustainability journey, Amfori Business Environmental Performance Initiative (BEPI) was implemented during this financial year. The work regarding BEPI is still in its early stages. Currently 1/3 of the suppliers are on board with the BEPI platform, and work is being made to include all suppliers. The target is to onboard all suppliers in the upcoming financial year (1st of September 2021 to 31st of August 2022).

Human Rights

Lars Larsen Group respect Human Rights. We accept the responsibility we have towards our employees and the communities in which we operate, and we expect the same of our suppliers.

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.

Human Rights related processes are primarily anchored with, Compliance, Human Resource and Health and Safety departments.

Safety of the employees is a core focus for all companies within Lars Larsen Group. Health and Safety departments are responsible for systematic training and control of adequate safety procedures to meet respective risk level, with the overall purpose of ensuring a safe workplace for all employees. Moreover, systematic registration, reporting and follow-up is performed on work accidents. Included in this report, are data on accidents based on below definitions.

- Number of lost time injuries (LTI).
  (Work related injuries that require the employee to stay away from work more than 24 hours or 1 shift)

- Lost time injury frequency rate (LTIFR)
  (Number of lost time injuries in reporting period) x 1.000.000) / (Total hours worked in the reporting period)

Across the group, we share the following KPI for work accidents: We strive for zero work accidents and actively work to reduce lost time injury frequency rate, year on year.

Common for the companies encompassed by this sustainability report, is also their respective memberships of Amfori Business Social Compliance Initiative (BSCI), through which they address Human Rights within the supply chain.

Amfori BSCI is a leading supply chain management system that supports companies to drive social compliance and improvements within a global supply chain.
All members of BSCI agree to a common Code of Conduct, which, among other things, prohibits child labour, forced labour, discrimination, and corruption, and sets requirements for safety and decent working hours as well as protection of the environment.

Compliance audits are performed by third party auditors, approved by Amfori BSCI, and are based on the requirements communicated in the Code of Conduct.

If necessary, the auditor will issue a corrective action plan (CAP), on how to improve conditions not fully in line with Amfori BSCI requirements. If a corrective action plan is issued, the Group closely monitors that conditions are improved to a satisfactory level. The ambition by Amfori BSCI is to drive improvements within our global supply chain. Thus, significant resources are invested in supporting such progress, rather than leaving a supplier, who initially may not meet the requirements. Only in cases, where a supplier is reluctant to cooperate to reach a satisfactory compliance level, the cooperation with the supplier will be terminated.

Going forward, companies within Lars Larsen Group will continue to work dedicatedly with human rights due diligence to regularly identify, prevent or mitigate potential adverse impacts, internally as well as in our supply chain.

Policy implementation and progress

JYSK

Internal focus:
JYSK has continued the work to implement the Human Rights policy as well as ensuring that related work processes are adequately implemented to meet both requirements and risk level of the countries where JYSK are present.

With safety as a core focus, all work accidents are reported according to legislation. Accidents encompassed by this sustainability report are work accidents, related to the Distribution Centres.

Distribution Centre	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
Uldum	21	12
Radomsko	7	4
Nässjö	9	9
Bozhurishte	11	7
Kammlach	5	N/A[3]
Zarrentin	9	N/A
Homberg	8	N/A
Cheste	9	N/A

Distribution Centre	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
Uldum	21	16,8
Radomsko	7,4	4,9
Nässjö	21,9	27,9
Bozhurishte	33,4	23,3
Kammlach	11,6	N/A
Zarrentin	14,5	N/A
Homberg	22,4	N/A
Cheste	64,7	N/A

As preventive measures in the Distribution Centres, JYSK also register all incidents and near-by accidents. The circumstances are investigated to take the necessary steps to improve the work situation and work safety.

[3] JYSK has changed the calculation method, thus previous data are not comparable.

External focus:
Human rights within the supply chain, is addressed through a membership with Amfori Business Social Compliance Initiative (BSCI).

JYSK has been a member of Amfori, BSCI since 2006.

JYSK incorporated the Amfori BSCI Code of Conduct, into their own Supplier Guideline (Supplier Code of Conduct).

All suppliers[4] accept the Supplier Code of Conduct when they sign a supplier contract. During this financial year 636 of JYSK's suppliers, based in risk countries, has received audits based on Amfori BSCI guidelines. This number is lower than usual, due to migration from the old BSCI platform to a new platform, meaning JYSK do not yet have access to all audit results. Furthermore, the COVID-19 also postponed many audits.

Audits in percent:
Financial year 2020: 75% of the suppliers, located in risk countries, received audits based on Amfori BSCI guidelines.

Financial year 2021: 45% of the suppliers, located in risk countries, received audits based on Amfori BSCI guidelines.

During the financial year, no supplier cooperation has been terminated due to non-compliance with the Amfori BSCI Supplier Code of Conduct.

During the last couple of years, criteria regarding activation of the zero-tolerance protocol have been adjusted. Up until now, proof of violations was necessary to activate the protocol, while as of now a suspicion of violations is enough.

Integration of the BSCI efforts internally is essential to succeed with BSCI as a strategic focus area. Therefore, JYSK focuses on internal transparency. The overall status is assessed at internal meetings attended by employees with supplier relations. The status of each individual purchase-employee is presented to establish how the suppliers, in their respective product area, are performing measured against the BSCI principles.

After the meeting, purchase employees will enter into dialogue with suppliers, where improvement is encouraged. Moreover, BSCI performance is also discussed with the suppliers when employees from the purchase department conduct supplier visits.

New employees in the purchase department, to whom BSCI is a core focus, receives BSCI training.

ILVA

Internal focus:
ILVA has been working to implement the Human Rights policy as well as ensuring that related work processes are adequately implemented to meet both requirements and risk level of the countries where ILVA is present.

Safety is a core focus. Below scheme illustrates work accidents registered within this financial year:

Company	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
ILVA	8	5

Company	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
ILVA	4,7	4,5

External focus:
Focus on Human rights within supply chain is addressed through the membership with Amfori Business Social Compliance Initiative (BSCI).

ILVA has been a member of Amfori, BSCI since 2018. The Amfori BSCI Code of Conduct has been implemented with the supplier contracts, and supplier audits are managed according to Amfori, BSCI guidelines.

During the financial year,26% of suppliers, based in risk countries, have received audits based on the Amfori BSCI Code of Conduct. Due to the COVID-19 pandemic, this number is significantly lower than last year, since many audits have been postponed.

During this financial year, no supplier cooperation has been terminated due to non-compliance with the Amfori BSCI Supplier Code of Conduct.

Social and Employee Terms

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

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[4] Direct suppliers, first tier.

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 to perform employee satisfaction surveys (ESS), staff development interviews, as well as workplace assessments. Across the group, we share a KPI related to the Employee Satisfaction Surveys: We strive for a response rate of minimum 80%.

The companies included in this report aim to engage with community work through strategic partnerships, donations, sponsor agreements, events, or other ways of supporting.

Policy implementation and progress

JYSK

At JYSK, corporate values include a right and duty to speak up.

Every second year, an employee satisfaction survey (ESS) is conducted, by an external partner, to invite employees to express their views. The findings of the survey enable JYSK to understand where to take measures to increase satisfaction and loyalty. The latest survey for JYSK includes only data from the previous JYSK Nordic and was performed during 2020 (in FY20). As of next financial year, the data will be for the entire JYSK group (One JYSK).

Employee Satisfaction Survey	FY 21	FY 20	FY 19
Response rate	Scheduled for next FY	98%	97%

Compared to the previous ESS surveys, both response rate and satisfaction is at a high level and remains stable.

The results of the ESS are communicated to managers. Managers can then work with an action plan in an online module. The next ESS is planned for 2022.

In addition to the employee satisfaction survey, JYSK performs annual staff development interviews (in JYSK, also known as PDP). PDP is an abbreviation for Personal Development Plan. PDP's are performed at all levels of the organisation, ensuring that individual career plans and goals are aligned and clear for each employee.

ILVA

At ILVA, employee development and wellbeing are managed mainly through Human Resource procedures. Every second year, all employees are invited to take part in an employee satisfaction survey (ESS). During this financial year, ILVA completed an Employee Satisfaction Survey, which was performed at the beginning of September 2020. The response rate was 94%.

Employee Satisfaction Survey	FY 21	FY 19
Response rate	94%	97%

Employee Satisfaction Survey	FY 21	FY 19
Satisfaction score, overall	76%	79%

The results on response rate and satisfaction is at a high level and has been stable for the last couple of surveys. During the next years, ILVA will work systematically with the results of the survey. Each department and store will work with action plans to ensure thorough follow-up.

In addition to above mentioned activities, ILVA also, two times a year, performs staff development interviews. These interviews are made with each individual employee.

Anti-Corruption and Bribery

The purpose of this policy is to outline compliance requirements relating to Anti-Corruption and Bribery, to reinforce our commitment to conduct business with the highest level of integrity.

All employees, representatives, and third parties acting on behalf of Lars Larsen Group, are expected to show honesty and integrity in dealing with other employees, customers, suppliers, business partners, organisations, and authorities.

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

Our Anti-Corruption and Bribery policy communicates our viewpoint and guidance related to issues such as bribery, fraud, conflict of interest and fair competition.

Across the group, we share the following KPI: Annual information to/training of employees in risk position on Anti-Corruption and Bribery policy and procedures.

Going forward, companies within Lars Larsen Group will continue to work dedicatedly with Anti-Corruption due diligence, to ensure sufficient analysis of the risk of corruption, and implementation of adequate Anti-Corruption initiatives.

Policy implementation and progress

JYSK

At JYSK, the responsibility to implement the Anti-Corruption and Bribery policy, as well as related company policies and procedures, is managed from the Group Finance department at the JYSK head office.

Relevant policies are published on the company Intranet, to guide employees on adequate behaviour in order to ensure that employees conduct business in alignment with company expectations. Moreover, based on a systematic approach, relevant policies are implemented in the introduction program for a selected group of new employees.

Anti-Corruption risk assessment is performed annually, most recently within this financial year. If the risk profile changes, policies and procedures are updated accordingly, in order to ensure that the implemented precautions always are adequately corresponding to the current risk profile. JYSK takes a risk-based approach when targeting anti-corruptions initiatives including training.

Anti-corruption initiatives are managed in 2 levels.

1. JYSK head office is responsible for identifying and communicating high risk countries and industries to country management
2. Based on risk assessment, by JYSK head office, country management will initiate proportional and reasonable procedures

If JYSK head office has classified a country and/or industry as 'high risk', local management is responsible for matching the risk with proportional efforts in e.g. training in JYSK's anti-bribery policy, security screenings, background checks, controlling activities etc.

JYSK has an annual strategy kick-off for all managers, in all countries, where Anti-Corruption information are presented to a select group of employees.

Moreover, during last financial year JYSK implemented a shared IT-platform for all JYSK entities enabling access to written guidelines for employees regarding travel, representation, and gifts.

ILVA

At ILVA, the Anti-Corruption and Bribery policy has been implemented as part of the implementation of Lars Larsen Group Employee Code of Conduct.

Supporting the policy on Anti-Corruption and Bribery, ILVA has also implemented related guidelines on e.g. Travel, Representation and Gifts, and made these guidelines available in the employee handbook.

ILVA performed an Anti-Corruption and Bribery Risk analysis during 2021. Findings from the analysis was communicated to the management team and shared with relevant departments.

Moreover, ILVA performed mandatory online anticorruption training during 2021.

Together with the Lars Larsen Group Code of Conduct this is some of the initiatives that ILVA takes to prevent corruption and bribery.

Furthermore, the implementation of the Whistleblowing system across Lars Larsen Group has increased the awareness and positively contributed to minimizing risks related to Anti-Corruption and Bribery in ILVA.

LLPT Holding ApS, Reporting on §99b

At Lars Larsen Group, we have implemented a policy on Gender Equality. The purpose of the policy on Gender Equality is to ensure career development on an equal basis.

Furthermore, we have set a target for the gender composition at board level, striving for male and female board members to be represented equally[5] by year 2024.

The Board of Directors for LLPT Holding ApS has two male board members and one female board member. Therefore, gender representation is assumed equal, and no further objective is set.

Board	Total	Women in percent	Men in percent
Board of Directors LLPT Holding ApS	3	33%	67%

LLPT Holding ApS has less than 50 employees. Therefore, no target and no further reporting on gender composition at management levels is included in this report.

LLPT Holding ApS, and the companies owned by LLPT Holding ApS, will continue to work actively with Lars Larsen Group's Gender Equality Policy.

[5] Cf. guidance on equal gender representation, by Danish Commerce and Companies Agency.

Below scheme summarises an accumulated overview of the gender composition within management levels across Lars Larsen Group[6].

Lars Larsen Group	**Women in percent**	**Men in percent**
Employees, total	53%	47%
Leadership positions	46%	54%

LLPT Holding ApS owns two companies which are independently obligated by §99b of the Danish Financial Statements Act: JYSK A/S and ILVA A/S.

Individual reports on §99b of the Danish Financial Statements Act for JYSK A/S and ILVA A/S are included in their respective annual reports.

[6] Data for all companies owned by LLPT Holding ApS and LLG A/S.