

# **LLPT Holding ApS**

Sødalsparken 18, 8220 Brabrand

**CVR No 37 41 06 40**

## **Annual Report 2021/22**

(Annual year 1/9 – 31/8)

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 17 January 2023

Jesper Aabenhus Rasmussen  
**Chairman**

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## Company Information

<b>The Company</b>	LLPT Holding ApS Sødalsparken 18 DK-8220 Brabrand  Telephone +45 89 397 500 Website: <a href="http://www.larslarsengroup.com">www.larslarsengroup.com</a>  CVR No 37 41 06 40 Financial year: 1 September – 31 August Municipality of reg. office: Aarhus
<b>Board of Directors</b>	Jacob Brunsborg, Chairman Mette Brunsborg Jesper Aabenhus Rasmussen
<b>Executive Board</b>	Jesper Lund
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
<b>Bank</b>	Nordea Bank Danmark A/S Skt. Clemens Torv 2-6 DK-8000 Aarhus C

## Financial Highlights of the Group (DKK '000)

	2021/22	2020/21	2019/20	2018/19	2017/18
<b>Key figures</b>					
<b>Income Statement</b>					
Revenue	8,579,164	8,909,447	7,922,305	4,515,754	0
Profit before financial items (EBIT)	1,610,918	1,661,014	1,585,538	379,255	-344
Net financials	187,382	163,937	-45,675	22,916	1,735
Net profit for the year	1,402,913	1,464,312	1,229,325	305,516	1,102
<b>Balance sheet</b>					
Balance sheet total	4,630,618	4,671,981	5,540,915	5,054,055	7,333,394
Equity	3,155,490	2,802,607	2,319,712	2,206,395	84,702
<b>Cash flow statement</b>					
Investment in tangible assets	259,407	208,447	173,661	560,215	0
<b>Ratios</b>					
Solvency ratio	68.1%	60.0%	41.9%	43.7%	1.2%
Return on equity	47.1%	57.2%	54.3%	26.7%	1.3%
<b>Average number of employees</b>	3,653	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**

Group revenue amounts to mDKK 8,579 compared to mDKK 8,909 in financial year 2020/21.

Profit before financial income and expenses amounts to mDKK 1,611 compared to mDKK 1,661 in 2020/21.

Net profit for the year amounts to mDKK 1,403 compared to mDKK 1,464 in 2020/21 which is below expectations but regarded as satisfactory given the challenging market circumstances, which have been heavily influenced by the war in Ukraine.

The trinity of Russia's invasion of Ukraine, economic crisis and the climate challenges have created global volatility and uncertainty which have affected the companies in the Group during the financial year 2021/22. This is expected to continue in the financial year ahead.

## **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.

As a main rule, currency risks relating to investments in foreign subsidiaries and associates are not hedged. 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 own academies.

## **Corporate social responsibility and statement on underrepresented gender**

The statutory statement of corporate social responsibility and statement on underrepresented gender appear on pages 32 - 50.

## **Management's Review**

### **Data ethics**

During 2021/22, LLPT Holding ApS added a data ethics policy to the portfolio of group policies.

The policy applies to all subsidiaries within Lars Larsen Group, and treats topics such as third party data, the employees' awareness of data ethics, and use of new technologies.

The policy establishes an overall framework for good practice regarding data ethics for the entire group, and the policy describes that all companies within the Group should only use data for a legitimate business purpose.

### **Expected development**

For the year ahead, LLPT Holding ApS expects to realise a profit in line with the 2021/22 level. The expectations are due to the circumstances described in development in the financial year subject to uncertainty.

## **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 2021 – 31 August 2022.

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 2022 and of the results of the Parent Company and the Group operations and cash flows for 2021/22.

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, 17 January 2023

### **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 2022, 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 2021 - 31 August 2022 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 2021 - 31 August 2022, 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.

## Independent Auditor's Report

- 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, 17 January 2023

**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)

		Parent company		Group	
	Note	2021/22	2020/21	2021/22	2020/21
<b>Revenue</b>	1	<b>0</b>	<b>0</b>	<b>8,579,164</b>	<b>8,909,447</b>
Cost of sales		0	0	-4,836,308	-4,900,427
Other operating income		0	0	1,262,270	1,011,048
Other external cost	2	-1,712	-3,319	-1,701,126	-1,580,582
<b>Gross Profit</b>		<b>-1,712</b>	<b>-3,319</b>	<b>3,304,000</b>	<b>3,439,486</b>
Staff expenses	3	0	0	-1,454,581	-1,582,466
Depreciation and amortisation		0	0	-166,414	-186,440
Other operating expenses		0	0	-72,087	-9,567
<b>Profit before financial items</b>		<b>-1,712</b>	<b>-3,319</b>	<b>1,610,918</b>	<b>1,661,014</b>
Result from subsidiaries		77,224	236,093	0	0
Result from associated companies		151,902	169,763	151,902	169,763
Result from other investments		0	0	8,689	-4,206
Financial income		383	1,910	49,172	18,477
Financial expenses		-4,430	-13,093	-22,381	-20,097
<b>Profit before tax</b>		<b>223,367</b>	<b>391,354</b>	<b>1,798,300</b>	<b>1,824,951</b>
Tax on profit for the year	4	2,364	-5,426	-395,387	-360,638
<b>Result for the year</b>		<b>225,731</b>	<b>385,928</b>	<b>1,402,913</b>	<b>1,464,312</b>
<b>Distribution of profit</b>	5				

## Balance sheet at 31 August (DKK '000)

Assets	Note	Parent company		Group	
		2022	2021	2022	2021
Development projects		0	0	16,470	19,687
Software		0	0	606	1,034
Goodwill		0	0	2,962	3,413
<b>Intangible assets</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>20,038</b>	<b>24,134</b>
Land and buildings		0	0	123,520	128,264
Fixtures and fittings, tools and equipment		0	0	176,903	173,058
Trucks and cars		0	0	35,602	30,103
Leasehold improvements		0	0	223,465	241,741
Assets under construction		0	0	138,744	69,101
<b>Tangible assets</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>698,234</b>	<b>642,267</b>
Investments in subsidiaries	8	999,175	820,218	0	0
Investments in associates	9	429,549	198,941	429,549	198,941
Other investments	10	0	0	32,405	23,766
Deposits	11	0	0	104,899	104,243
<b>Fixed asset investments</b>		<b>1,428,724</b>	<b>1,019,159</b>	<b>566,853</b>	<b>326,950</b>
<b>Fixed assets</b>		<b>1,428,724</b>	<b>1,019,159</b>	<b>1,285,125</b>	<b>993,351</b>
Commercial products		0	0	1,975,186	1,490,622
<b>Inventories</b>		<b>0</b>	<b>0</b>	<b>1,975,186</b>	<b>1,490,622</b>
Trade receivables		0	0	201,679	478,196
Receivables from subsidiaries		2,320	0	0	0
Corporation tax		51,852	110,643	0	0
Deferred tax	13	0	0	0	2,878
Other receivables		0	182,743	1,016,209	1,474,818
Prepayments	12	0	0	66,098	50,709
<b>Receivables</b>		<b>54,172</b>	<b>293,386</b>	<b>1,283,986</b>	<b>2,006,601</b>
<b>Cash at bank and in hand</b>		<b>0</b>	<b>0</b>	<b>86,321</b>	<b>181,407</b>
<b>Current assets</b>		<b>54,172</b>	<b>293,386</b>	<b>3,345,493</b>	<b>3,678,630</b>
<b>Assets</b>		<b>1,482,896</b>	<b>1,312,545</b>	<b>4,630,618</b>	<b>4,671,981</b>

## Balance sheet at 31 August (DKK '000)

### Liabilities

	Note	Parent company		Group	
		2022	2021	2022	2021
Share capital		21,600	21,600	21,600	21,600
Reserve exchange adjustment		31,285	4,466	31,285	4,466
Retained earnings		1,002,024	774,758	1,002,024	774,758
<b>Equity attributable to parent company shareholders</b>		<b>1,054,909</b>	<b>800,824</b>	<b>1,054,909</b>	<b>800,824</b>
Non-controlling interests		0	0	2,100,581	2,001,783
<b>Equity</b>		<b>1,054,909</b>	<b>800,824</b>	<b>3,155,490</b>	<b>2,802,607</b>
Other provision		0	0	9,024	9,093
Deferred tax	13	80,003	55,533	49,157	30,638
<b>Provisions</b>		<b>80,003</b>	<b>55,533</b>	<b>58,181</b>	<b>39,731</b>
Mortgage debt, long-term	14	0	0	100,203	0
<b>Long-term debt</b>		<b>0</b>	<b>0</b>	<b>100,203</b>	<b>0</b>
Mortgage debt, short-term	14	0	0	4,840	0
Deposits, short-term		0	0	118	118
Loans, short-term		0	455,300	0	455,300
Prepayments, received		0	0	135,201	171,472
Trade payables	14	0	95	462,711	507,180
Corporation tax		0	0	343,258	233,320
Other payables		347,970	793	364,913	458,369
Deferred income		0	0	5,703	3,884
<b>Short-term debt</b>		<b>347,984</b>	<b>456,188</b>	<b>1,316,744</b>	<b>1,829,643</b>
<b>Debt</b>		<b>347,984</b>	<b>456,188</b>	<b>1,416,947</b>	<b>1,829,643</b>
<b>Liabilities and equity</b>		<b>1,482,896</b>	<b>1,312,545</b>	<b>4,630,618</b>	<b>4,671,981</b>
Contractual obligations	15				
Contingent liabilities	16				
Controlling interest	17				
Subsequent events	18				

## Statement of changes in equity (DKK '000)

	Share capital	Reserve exchange adjustment	Retained earnings	Equity attributable to parent company shareholders	Non-controlling interests	Equity
<b>Parent company</b>						
Opening at 1st September 2021	21,600	4,466	774,758	800,824	0	800,824
Result for the year	0	0	225,731	225,731	0	225,731
Exchange adj. on foreign subsidiaries	0	26,819	0	26,819	0	26,819
Other equity movements	0	0	1,535	1,535	0	1,535
<b>Equity at 31st August 2022</b>	<b>21,600</b>	<b>31,285</b>	<b>1,002,024</b>	<b>1,054,909</b>	<b>0</b>	<b>1,054,909</b>

	Share capital	Reserve exchange adjustment	Retained earnings	Equity attributable to parent company shareholders	Non-controlling interests	Equity
<b>Group</b>						
Opening at 1st September 2021	21,600	4,466	774,758	800,824	2,001,783	2,802,607
Result for the year	0	0	225,731	225,731	1,177,182	1,402,913
Paid dividend	0	0	0	0	-1,078,384	-1,078,384
Exchange adj. on foreign subsidiaries	0	26,819	0	26,819	0	26,819
Other equity movements	0	0	1,535	1,535	0	1,535
<b>Equity at 31st August 2022</b>	<b>21,600</b>	<b>31,285</b>	<b>1,002,024</b>	<b>1,054,909</b>	<b>2,100,581</b>	<b>3,155,490</b>

Specified as follows:

	Parent company		Group	
	2022	2021	2022	2021
1,000,000 shares of DKK 1	1,000	1,000	1,000	1,000
20,600,000 shares of DKK 1	20,600	20,600	20,600	20,600
<b>Share capital</b>	<b>21,600</b>	<b>21,600</b>	<b>21,600</b>	<b>21,600</b>

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	2021/22	2020/21
Profit for the year		1,402,913	1,464,312
Adjustments	19	433,223	393,126
Change in working capital	20	-830,486	-218,085
Cash flows from operating activities before financial income and expenses		1,005,650	1,639,353
Financial income		49,172	18,477
Financial expenses		-22,381	-20,096
Cash flows from ordinary activities		1,032,441	1,637,733
Corporation tax paid		-263,743	-397,827
<b>Cash flows from operating activities</b>		<b>768,698</b>	<b>1,239,906</b>
Purchase of intangible assets		-6,958	-6,662
Purchase of tangible assets		-259,407	-208,447
Purchase of fixed asset investment		-83,532	-2,901
Sale of fixed asset investments		0	130
Sale of property, plant and equipment		13,887	0
Disposal of fixed asset investment		7,653	0
Purchase of enterprises		0	-2,500
Sale of enterprises		0	313,148
Cash at sale of enterprises		0	-57,663
<b>Cash flows from investing activities</b>		<b>-328,357</b>	<b>35,105</b>
Received payments of instruments debt		0	474,900
Payment of loans		-455,300	-925,941
Payment of credit institutions		0	-24,429
Raising of mortgage debt		105,888	0
Payment of mortgage debt		-845	0
Dividend paid		-1,078,384	-1,021,295
Dividend received from other investments		0	1,022
<b>Cash flows from financing activities</b>		<b>-1,428,641</b>	<b>-1,495,743</b>
<b>Change in cash and cash equivalents</b>		<b>-988,300</b>	<b>-220,732</b>
Cash and cash equivalents at 1st September		1,568,997	1,789,729
<b>Cash and cash equivalents at 31st August</b>		<b>580,697</b>	<b>1,568,997</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		86,321	181,407
Cash pool (Other receivables)		494,376	1,387,590
<b>Cash and cash equivalents at 31st August</b>		<b>580,697</b>	<b>1,568,997</b>

## 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	
	2021/22	2020/21	2021/22	2020/21
<b>2 Fees to the auditors appointed at the annual general meeting</b>				
<b>PricewaterhouseCoopers</b>				
Audit fee	604	716	1,981	1,847
Other assurance engagements	0	0	12	10
Tax advisory services	338	69	1,222	1,132
Other non-audit services	707	39	1,119	299
<b>PricewaterhouseCoopers</b>	<b>1,649</b>	<b>824</b>	<b>4,334</b>	<b>3,288</b>
<b>Other auditors</b>				
Audit fee	0	0	137	310
Tax advisory services	0	0	49	14
Other non-audit services	0	0	0	80
<b>Other auditors</b>	<b>0</b>	<b>0</b>	<b>186</b>	<b>404</b>
<b>3 Staff expenses</b>				
Salaries and wages	0	0	1,318,223	1,464,028
Pensions	0	0	86,005	82,080
Other social security costs	0	0	50,353	36,358
	<b>0</b>	<b>0</b>	<b>1,454,581</b>	<b>1,582,466</b>
Average number of employees	0	0	3,653	3,361

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	
	2021/22	2020/21	2021/22	2020/21
<b>4 Tax on profit for the year</b>				
Current tax for the year	-25,731	6,456	374,350	372,043
Deferred tax for the year	24,519	-3,440	21,757	-13,706
Current tax for previous years	-1,152	2,410	-720	2,301
<b>Tax on profit for the year</b>	<b>-2,364</b>	<b>5,426</b>	<b>395,387</b>	<b>360,638</b>

### Reconciliation of tax on profit for the year

Profit before tax	1,798,300	1,824,951
Result from associated companies after tax	-151,902	-169,763
	<b>1,646,398</b>	<b>1,655,188</b>
Income tax calculated at Danish tax rate (22%)	362,207	364,141
Effect of differences between foreign and Danish tax rate	-2,628	-5,557
Effect of other investments	-1,912	-925
Non-taxable income	-552	-1,682
Non-deductible expenses	1,010	1,273
Tax concerning previous years	-670	2,301
Impairment and reversal of tax losses carry forward	33,972	14,020
Other adjustments	3,960	-12,933
<b>Tax on profit for the year</b>	<b>395,387</b>	<b>360,638</b>
<b>Effective tax rate</b>	<b>24.0%</b>	<b>21.8%</b>

### 5 Distribution of profit

Retained earnings	225,731	385,928	225,731	385,928
Non-controlling interests' share of profit/loss	0	0	1,177,182	1,078,384
	<b>225,731</b>	<b>385,928</b>	<b>1,402,913</b>	<b>1,464,312</b>

## Notes to the Annual Report (DKK '000)

### 6 Intangible assets

	Development projects	Software	Goodwill
<b>Group</b>			
Cost at 1st September	125,866	3,886	9,000
Adjustment to opening	1,975	0	0
Additions for the year	6,958	0	0
Exchange rate adjustments	0	1	0
Cost at 31st August	134,799	3,887	9,000
Amortisation at 1st September	106,179	2,852	5,588
Adjustment to opening	1,975	0	0
Amortisation for the year	10,175	429	449
Exchange rate adjustments	0	0	1
Amortisation at 31st August	118,329	3,281	6,038
<b>Booked value at 31st August</b>	<b>16,470</b>	<b>606</b>	<b>2,962</b>
Depreciated over	5 years	3 - 5 years	5 - 20 years

### 7 Tangible assets

	Land and buildings	Fixtures and fittings, tools and	Trucks and cars	Leasehold improvements	Assets under constructions
<b>Group</b>					
Cost at 1st September	136,078	765,276	66,211	610,471	69,101
Additions for the year	0	87,498	23,365	74,526	74,018
Disposals for the year	0	-30,388	-16,368	-37,240	-6,607
Exchange rate adjustments	0	3,342	330	4,282	2,232
Cost at 31st August	136,078	825,728	73,538	652,039	138,744
Depreciation at 1st September	7,814	592,217	36,108	368,730	0
Depreciation for the year	4,744	68,279	15,441	66,897	0
Depreciation of disposals for the year	0	-12,577	-13,671	-6,573	0
Exchange rate adjustments	0	906	58	-480	0
Depreciation at 31st August	12,558	648,825	37,936	428,574	0
<b>Booked value at 31st August</b>	<b>123,520</b>	<b>176,903</b>	<b>35,602</b>	<b>223,465</b>	<b>138,744</b>
Depreciated over	25 years	4 - 7 years	4 - 5 years	Rental period	

## Notes to the Annual Report (DKK '000)

	2022
<b>8 Investments in subsidiaries</b>	
<b>Parent company</b>	
Cost at 1st September	1,334,606
Addition by acquisition	4,230,222
Cost at 31st August	5,564,828
Value adjustments at 1st September	-514,387
Addition by acquisition	-3,562,367
Exchange adjustment on foreign subsidiaries	28,234
Dividend	-592,275
Result for the year	77,224
Other adjustments	-2,082
Value adjustments at 31st August	-4,565,653
<b>Investments in subsidiaries</b>	<b>999,175</b>
Specified as:	
	<b>Owner share</b>
Anpartsselskabet af 1. april 1993, Denmark	100%
ILVA A/S, Denmark	100%
JYSK A/S, Denmark	10%
JYSK Unipessoal LDA, Portugal	100%
JYSK Ltd., England	100%
LLFR Holding ApS, Denmark	100%
LLRU Holding ApS, Denmark	100%
LLTR Holding ApS, Denmark	100%
Subsidiaries owned indirectly:	<b>Owner share</b>
Graham Bells Vej P/S, Denmark	100%
ID Furniture Franchising A/S, Denmark	100%
ILVA SWE AB, Sweden	100%
JYSK ANONİM ŞİRKETİ, Turkey	100%
JYSK LLC, Russia	100%
JYSK SAS, France	100%
Komplementarselskabet Graham Bells Vej ApS, Denmark	100%

## Notes to the Annual Report (DKK '000)

	Parent company 2022	Group 2022
<b>9 Investment in associates</b>		
Cost at 1st September	135,503	135,503
Addition for the year	76,500	76,500
Cost at 31st August	212,003	212,003
Value adjustments at 1st September	63,438	63,438
Exchange adjustment	-1,415	-1,415
Result for the year	151,902	151,902
Other adjustments	3,621	3,621
Value adjustments at 31st August	217,546	217,546
<b>Investment in associates</b>	<b>429,549</b>	<b>429,549</b>
Specified as:		Owner share
Actona Group A/S		90%
<b>10 Other investments</b>		
<b>Group</b>		
Cost at 1st September		32,053
Disposal for the year		-50
Cost at 31st August		<b>32,003</b>
Value adjustments at 1st September		-8,287
Value adjustments for the year		8,689
Value adjustments at 31st August		<b>402</b>
<b>Other investments</b>		<b>32,405</b>

## Notes to the Annual Report (DKK '000)

	2022
<b>11 Deposits</b>	
<b>Group</b>	
Cost at 1st September	104,243
Addition for the year	7,081
Disposals for the year	-7,653
Exchange adjustment	1,228
<b>Cost at 31st August</b>	<b>104,899</b>

## 12 Prepayments

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

	Parent company		Group	
	2022	2021	2022	2021
<b>13 Deferred tax</b>				
Tangible assets	0	0	-26,333	-18,911
Inventories	0	0	-2,916	-2,896
Other	80,003	55,533	78,406	49,567
	<b>80,003</b>	<b>55,533</b>	<b>49,157</b>	<b>27,760</b>

**Deferred tax is recognised in the balance sheet as follows:**

Deferred tax asset	0	0	0	-2,878
Deferred tax liabilities	80,003	55,533	49,157	30,638
	<b>80,003</b>	<b>55,533</b>	<b>49,157</b>	<b>27,760</b>

## 14 Mortgage debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised on long-term debt.

The debt falls due for payment as specified below:

Mortgage debt, after 5 years	0	0	80,854	0
Mortgage debt, between 1 and 5 years	0	0	19,349	0
Mortgage debt, long-term debt	0	0	100,203	0
Mortgage debt, within 1 year	0	0	4,840	0
	<b>0</b>	<b>0</b>	<b>105,043</b>	<b>0</b>

## Notes to the Annual Report (DKK '000)

	Parent company		Group	
	2022	2021	2022	2021
<b>15 Contractual obligations</b>				
Rental and lease obligations	0	0	3,324,376	3,067,933
Lease obligations	0	0	138,193	198,458
Letters of credit	0	0	10,112	13,762
Other obligations	0	0	86,929	110,673

## 16 Contingent liabilities

Guarantees	0	0	4,849	5,103
Purchase obligations, Investments	6,603	0	6,603	0

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 2022 the withdrawal was MDKK 0. As participant in the cash pool agreement LLPT Holding ApS has issued a guarantee towards credit institutions.

## 17 Controlling interest

	Basis
Brunsborg Family	Controlling shareholder

### Transactions

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

## 18 Subsequent events

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

## Notes to the Annual Report (DKK '000)

	<b>Group</b>	
	2021/22	2020/21
<b>19 Cash flow statement - adjustments</b>		
Profit/loss, associates	-151,902	-169,663
Other operating expenses	43,895	0
Profit/loss, other investments	-8,689	4,206
Financial income	-49,172	-18,477
Financial expenses	22,381	20,097
Depreciation and amortisation	166,414	186,439
Tax on profit/loss for the year	395,387	360,638
Other adjustments	14,909	9,886
	<b>433,223</b>	<b>393,126</b>
<b>20 Cash flow statement - change in working capital</b>		
Change in inventories	-484,564	-297,243
Change in receivables	276,517	129,001
Change in other receivables	-434,605	27,259
Change in trade payables	-44,469	-48,411
Change in other payables	-93,524	-70,815
Change in prepayments and deferred income	-49,841	42,124
	<b>-830,486</b>	<b>-218,085</b>

# **Accounting Policies**

## **Basis of preparation**

The Annual Report of LLPT Holding ApS for the financial year 1 September 2021 to 31 August 2022 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 2021/22 are presented in TDKK.

During the financial year, LLPT Holding ApS merged with the companies Anpartsselskabet af 17. Maj 2011, Anpartsselskabet af 5/9 2003 and LLIT Finans ApS with retrospective effect for accounting purposes at 1 September 2021 as the continuing company. As a result, the comparative figures are restated in accordance with the adjusted pooling-of-interests method (“koncern-metoden”).

The effect of the mergers for the parent company for 2020/21 is a change in result for the year of DKK 0k, equity of DKK 0k and total assets of DKK 93k.

## **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**

#### ***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**

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised costs; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

## **Accounting Policies**

### ***Debts (continued)***

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

### **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:

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

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

# **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 LLPT Holding ApS covering the financial year of 01.09.2021 – 31.08.2022. From hereinafter, this report is addressed as our sustainability report.

## **Lars Larsen Group**

Lars Larsen Group is owned by the Brunsborg family, descendants of Lars Larsen who founded JYSK and opened the first JYSK store in Aarhus in 1979. The opening of this store 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 in 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 impact on society.

Read more about Lars Larsen Group at [www.larslarsengroup.com](http://www.larslarsengroup.com).

## **Lars Larsen Group sustainability**

Our most significant impact, in a sustainability context, derives from our role as majority owner and our investment activities respectively.

### **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.

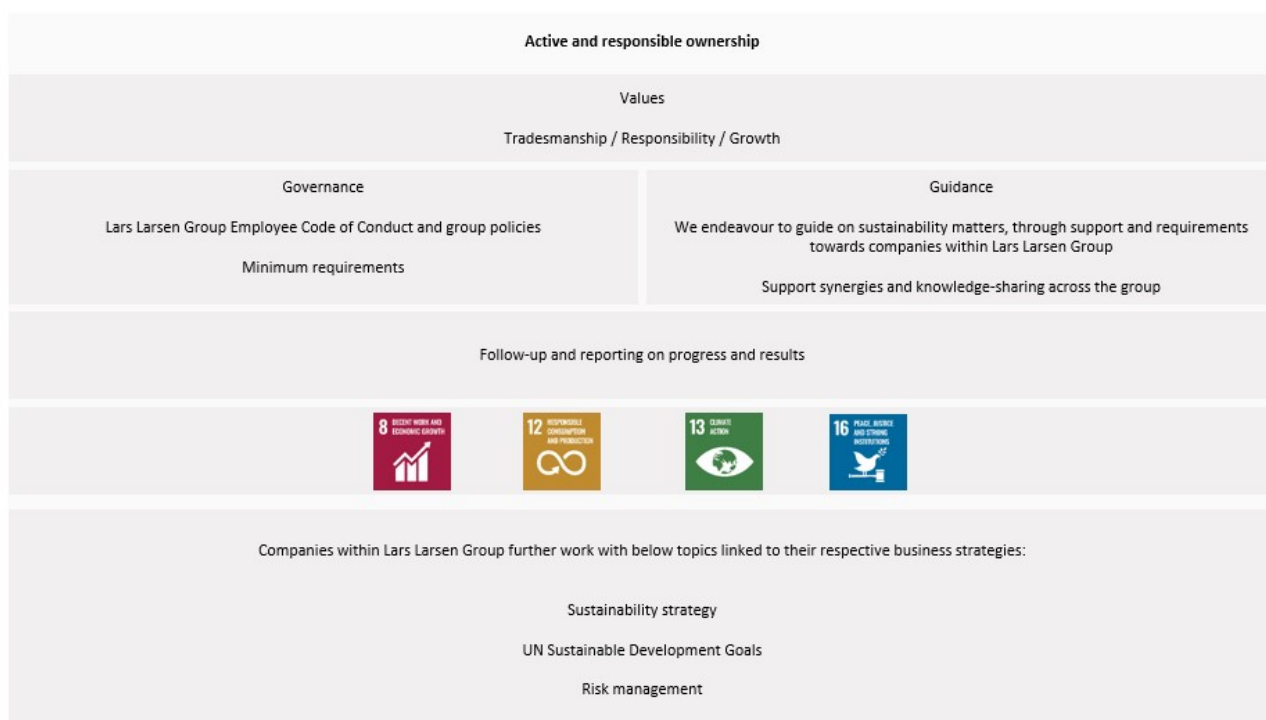
The ESG due diligence supports the overall evaluation of investment opportunities, in determining;

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

Furthermore, as part of our overall investment strategy, we work to actively identify areas for investments that contribute to a green transition.

## Active ownership

Our sustainability strategy, for our active and responsible ownership, is based on a governance framework, ensuring a common group foundation for our work with sustainability, anchored with our group policies, minimum requirements, and a set of KPIs that companies report on annually. The governance framework communicates a direction and support standardized structures and processes in line with relevant international standards.



The core of the strategy is the commitment of our companies to comply with Lars Larsen Group Employee Code of Conduct and to work actively with implementation of our shared group policies.

Active ownership, however, is more than governance, requirements, and compliance. Alongside the framework, we aim to support the companies within the group with relevant guidance, tools, and facilitation of training and workshops.

Furthermore, anchored with the headline “cross-company initiatives”, we have identified areas, where we encourage our companies to work together and benefit from synergies across the group.

During the last couple of years, we have worked with a shared ambition to:

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

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

## **Dialogue shows 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 show the way forward when it comes to improving social and environmental conditions.

## **Whistleblowing service**

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

The Whistleblowing service is an early warning system aimed to reduce risk. It is an important tool to foster high ethical standards and maintain confidence in us.

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 seven (7) reports.

The Whistleblowing service is accessible from the webpage [www.larslarsengroup.com](http://www.larslarsengroup.com).

## **Data**

JYSK is a group of operational companies that are divided in 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 sus-

tainability 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 the name of a group.

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 present an overview of identified main risks, impact, and action related to each of the policy<sup>1</sup> areas covered by this report.

Policy	What is the risk?
Environment and Climate	Greenhouse Gas (GHG) emissions and sustainable sourcing are significant focus areas. A dedicated focus on reducing GHG 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.

Policy	What is the impact?
Environment and Climate	Insufficient focus on GHG 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.

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<sup>1</sup> Cf. The Danish Financial Statements Act §99a

Social and Employee Terms	Lack of procedures and attention towards work safety, work satisfaction, and development may lead to long-term negative effects 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.

<b>Policy</b>	<b>What is the action?</b>
Environment and Climate	A dedicated effort towards reducing GHG emissions, implementation of Supplier Code of Conduct, and other relevant supplier requirements. Ongoing focus on more sustainable design, raw material, and processing.
Human Rights	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	Systematic work with health and safety. Ensure that HR processes support employee satisfaction and competence development, in line with market and customer development.
Anti-Corruption and Bribery	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, which 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, we work with group Policies on the topics; Gender Equality and Data Ethics, which are published 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.

## Environment and Climate

The purpose of this policy is to outline our efforts 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 benefits 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 world-wide.
- FSC forest management certification ensures that the forest is being responsibly managed in a way that preserves biodiversity and benefits the lives of local people and workers.
- FSC-certified material is identified and tracked along the supply chain during the manufacturing and distribution process – from the forest to the market.
- In an FSC certified forest the forest area will be the same generation after generation. Rare and threatened species and their habitats are protected, all workers along the supply chain are ensured proper working conditions, including education, safety equipment, and fair pay, human rights. Furthermore, the rights of indigenous people are respected and free prior and informed consent is implemented and safeguarded.

It is our aim that an increasing part of the forest-based materials used by companies in the group should originate from responsibly managed FSC certified forests and other controlled resources (FSC® N004152).

Another strategic initiative is our ambition to map and reduce our GHG emissions. We have engaged in a partnership with an external partner, who supports 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.

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 negative environmental impacts throughout the supply chain.

Companies within Lars Larsen Group work with individual Key Performance Indicators (KPIs) related to Environment and Climate. These are communicated in the following sections.

## **Policy implementation and progress**

### **JYSK**

#### **Internal focus:**

JYSK has made sustainability a self-standing pillar of the company strategy and added dedicated resources to drive the sustainability agenda.

One of the key focus areas within JYSK's sustainability strategy, is to reduce their greenhouse gas emissions. JYSK strives to cut the GHG 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:**

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 1644 products with wood-based materials in active assortment. 21,8% of these products are FSC-certified. The FSC products range across indoor furniture, mattresses, garden, homeware, and bathroom accessories.

All hard wood products within garden are 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 the end of 2024. Furthermore, all new products from 1 January 2022, are in FSC-certified packaging.

#### **Cotton:**

Another raw material in focus at JYSK is cotton. JYSK is a member of Better Cotton (BC). BC is the world's largest cotton sustainability program. Their mission is to help cotton farmers and cotton communities survive and thrive while protecting the environment. JYSK has 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 (i.e., recycled, BC, or organic).

Furthermore, JYSK are also working with 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 polystyrene completely. 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 bedsheets. The new packaging includes cardboard instead of plastic, which saves 26 million plastic bags per year.

**External focus:**

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

BEPI is currently required for suppliers of indoor furniture and garden products. The next product group will be included once furniture and garden suppliers are fully onboarded to the BEPI platform.

Measured in value of open orders, 19% of the suppliers have a valid and completed SAQ (self-assessment questionnaire) from the BEPI platform.

**ILVA****Internal focus:**

A core environmental focus area is the ambition to increase the number of products that is FSC®-certified. 100% of the wooden garden furniture purchased for ILVA is FSC-certified.

During the financial year 2021, ILVA set the following Key Performance Indicator: By the end of 2024, all wood products in ILVA will be FSC-certified, which ILVA is working on fulfilling.

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 the financial year 2021. Currently approximately 85% of suppliers have onboarded BEPI, the last 15% are in progress with deadline at the end of second quarter of FY 23.

## Human Rights

Lars Larsen Group respect Human Rights. We acknowledge 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 Resources, 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 levels, with the overall purpose of ensuring a safe workplace for all employees. Moreover, systematic registration, reporting, and follow-up is performed on work accidents. Data on accidents based on below definitions are included in this report:

- Number of lost time injuries (LTI).

Work related injuries that require the employee to stay away from work more than 24 hours or one shift.

- Lost time injury frequency rate (LTIFR)

$$(\text{Number of lost time injuries in reporting period}) \times 1.000.000 / (\text{Total hours worked in the reporting period})$$

Across the group, we share the following KPI for work-related 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 ensure that related work processes are implemented to meet both requirements and risk level of the countries where JYSK is present.

With safety as a core focus, all work-related 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 22	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
Uldum	39	21	12
Radomsko	4	7	4
Nässjö	20	9	9
Bozhurishte	7	11	7
Kammlach	3	5	N/A <sup>2</sup>
Zarrentin	15	9	N/A
Homberg	12	8	N/A
Cheste	2	9	N/A

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<sup>2</sup> JYSK has changed the calculation method, thus previous data are not comparable

Distribution Centre	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
Uldum	41,2	21,0	16,8
Radomsko	3,6	7,4	4,9
Nässjö	46,8	21,9	27,9
Bozhurishte	18,3	33,4	23,3
Kammlach	17,8	11,6	N/A
Zarrentin	47,2	14,5	N/A
Homberg	45,1	22,4	N/A
Cheste	37,3	64,7	N/A

Based on the above data, there will be increased focus on accidents in the next financial year due to the increases in Distribution Centre Uldum and Distribution Centre Nässjö.

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.

#### **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 in the company's own Supplier Guideline (Supplier Code of Conduct).

All suppliers<sup>3</sup> accept the Supplier Code of Conduct when they sign a supplier contract. During this financial year, 987 of JYSK's suppliers, based in risk countries, has received audits based on Amfori BSCI guidelines.

#### **Audits in percent:**

In financial year 2021, 45% of the suppliers, located in risk countries, received audits based on Amfori BSCI guidelines, against 71% in financial year 2022.

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

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<sup>3</sup> Direct suppliers, first tier

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 purchaser is presented to establish how the suppliers, in their respective product area, are performing measured against the BSCI principles.

## **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 and below scheme illustrates work accidents registered within this financial year:

Company	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
ILVA	7	8	5

Company	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
ILVA	4,5	4,7	4,5

### **External focus:**

Focus on Human rights within the 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, 49% of suppliers, based in risk countries, have received audits based on the Amfori BSCI Code of Conduct.

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 working 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.

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%.

Employee Satisfaction Surveys are performed within the respective companies, and data in this report is based on the number of employees who have been invited to and responded on the surveys.

The companies included in this report aim to engage with community work through strategic partnerships, donations, sponsor agreements, events, and 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 was conducted in January 2022 with a response rate of 94%.

Employee Satisfaction Survey	FY 22	FY 21	FY 20
Response rate	94%	Scheduled for next FY	98%

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. PDPs 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). The last employee satisfaction survey was performed during last financial year, and the next is scheduled for the financial year 2023.

Employee Satisfaction Survey	FY 22	FY 21	FY 19
Response rate	Scheduled for next year	94%	97%

Furthermore, 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 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 positions 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 to ensure that employees conduct business in alignment with company expectations. Moreover, based on a systematic approach, relevant policies are included 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, to ensure that the implemented precautions always correspond to the current risk profile.

JYSK takes a risk-based approach when targeting anti-corruptions initiatives including training.

Anti-corruption initiatives are managed at two 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 is presented to a select group of employees.

Moreover, JYSK has 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 last financial year (FY 2021). Findings from the analysis was communicated to the management team and shared with relevant departments.

Moreover, ILVA performed mandatory online anticorruption training to staff in risk positions during this financial year (FY 2022).

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<sup>4</sup> 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.

<b>Board</b>	<b>Total</b>	<b>Women in percent</b>	<b>Men in percent</b>
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.

Below scheme summarises an accumulated overview of the gender composition within management levels across Lars Larsen Group<sup>5</sup>. The number of employees is decided by end of financial year, 31 August 2022.

<b>Lars Larsen Group</b>	<b>Women in percent</b>	<b>Men in percent</b>
Employees, total	55%	45%
Leadership positions	47%	53%

In the above scheme, leadership positions are defined as employees with staff responsibility. As of next financial year, above statement on accumulated overview across Lars Larsen Group will be aligned with reporting requirements as of January 2023.

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.

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<sup>4</sup> Cf. guidance on equal gender representation, by Danish Commerce and Companies Agency

<sup>5</sup> Data for all companies owned by LLPT Holding ApS and LLG 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.