JYSK Holding A/S

Sødalsparken 18, 8220 Brabrand

CVR No 86 00 15 19

Annual Report 2017/18

(Annual year 1/9 – 31/8)

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31 January 2019 Uffe Baller **Chairman**

Contents

Company Information

The Company	JYSK Holding A/S Sødalsparken 18 DK-8220 Brabrand Telephone +45 89 397 500 Facsimile +45 89 397 501 Website: www.jysk.com CVR No 86 00 15 19 Financial year: 1 September – 31 August Municipality of reg. office: Aarhus
Board of Directors	Lars Larsen Kristine Brunsborg Jacob Brunsborg Mette Brunsborg Hans Henrik Kjølby Uffe Baller
Executive Board	Hans Henrik Kjølby
Lawyers	Interlex Advokater Mariane Thomsens Gade 1C, 8.1. DK-8000 Aarhus C
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Bank	Nørresundby Bank A/S Torvet 4 PO Box 123 DK-9400 Nørresundby Nordea Bank Danmark A/S Skt. Clemens Torv 2-6 DK-8000 Aarhus C

Financial Highlights of the Group

	2017/18	2016/17	2015/16	2014/15	2013/14
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Key figures					
Income Statement					
Revenue	18.222.865	16.663.229	15.052.474	14.072.238	12.717.550
Profit before financial items (EBIT)	1.482.439	1.325.128	1.092.408	1.069.902	818.138
Net financials	923.132	875.847	695.821	587.254	665.678
Net profit for the year	2.112.046	1.889.218	1.542.884	1.407.888	1.305.245
Balance sheet					
Balance sheet total	19.025.189	18.351.826	16.627.459	15.197.801	13.388.955
Equity	13.322.884	11.334.075	9.424.091	10.913.111	9.609.883
Cash flow statement					
Investment in tangible assets	1.066.306	467.315	437.490	646.021	639.038
Ratios					
Return on assets	7,8%	7,2%	6,6%	7,0%	6,1%
Solvency ratio	70,0%	61,8%	56,7%	71,8%	71,8%
Return on equity	17,1%	18,2%	15,2%	13,7%	14,5%
Number of employees	10.841	9.746	8.601	8.159	7.734

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

Management's Review

Main activity

The activity of the Parent Company comprises operation of property, investments in subsidiaries and associates as well as current asset investments. The Group's main activities are carried out in subsidiaries dealing in retail trade through the retail chain JYSK selling everything for the bed room, bath room, other rooms, the window and the patio. The activities take place in retail stores in Denmark, Sweden, Norway, Finland, Poland, The Czech Republic, Austria, Hungary, Switzerland, Slovakia, Slovenia, Croatia, Bosnia, Serbia, The Ukraine, Rumania, Bulgaria, The Netherlands and the USA.

Development in the financial year

Group revenue amounts to DKK 18,222,865k compared to DKK 16,663,229k in financial year 2016/17. Profit before financial income and expenses amounts to DKK 1,482,439k compared to DKK 1,325,128k in 2016/17. Profit for the year after tax amounts to DKK 2,112,046k compared to DKK 1,889,218k in 2016/17. The result is satisfying and in conjunction with management expectations.

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

External environment

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

Knowledge resources

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

Corporate social responsibility

The statutory statement of corporate social responsibility and statement on the underrepresented gender appear on pages 34-51.

Expected development

For the year ahead, JYSK Holding A/S expects to realise a profit in line with the 2017/18 level provided that the financial markets evolve normally.

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 the Executive Board have today considered and adopted the Annual Report of JYSK Holding A/S for the financial year 1 September 2017 – 31 August 2018.

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 2018 and of the results of the Parent Company and the Group operations and cash flows for 2017/18.

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, 31 January 2019

Executive Board

Hans Henrik Kjølby

Board of Directors

Lars Larsen	Kristine Brunsborg
Jacob Brunsborg	Mette Brunsborg
Hans Henrik Kjølby	Uffe Baller

Independent Auditor's Report

To the shareholders of JYSK Holding A/S

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 2018, 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 2017 - 31 August 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of JYSK Holding A/S for the financial year 1 September 2017 - 31 August 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

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, 31 January 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Jesper Lund
State Authorised Public Accountant
mne10845

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

	Note	Parent company 2017/18	Parent company 2016/17	Group 2017/18	Group 2016/17
Result from subsidiaries	10	1.148.448	1.013.340		
Result from associated companies	12	852.069	723.209		
Result from other investments		183.228	242.686		
Revenue	1	**2.183.746**	**1.979.235**	**18.222.865**	**16.663.229**
Cost of sales		0	0	10.009.732	9.303.901
Other operating income		1.581	7.051	68.313	148.224
Other external cost	2	15.475	10.306	3.857.392	3.519.038
Gross Profit		**2.169.852**	**1.975.980**	**4.424.054**	**3.988.513**
Staff expenses	3	13.279	11.922	2.138.462	1.874.578
Depreciation and amortisation		40.385	41.122	430.017	393.177
Other operating expenses		0	76	373.136	395.631
Result before financial items		**2.116.189**	**1.922.859**	**1.482.439**	**1.325.128**
Result from associated companies	12			852.069	723.209
Result from other investments	13			-317	7.568
Financial income	4	59.088	51.964	221.771	250.552
Financial expenses	5	25.853	34.623	150.391	105.482
Result before tax		**2.149.424**	**1.940.200**	**2.405.571**	**2.200.974**
Tax on profit for the year	6	-32.818	-45.926	-293.526	-311.756
Result for the year		**2.116.606**	**1.894.274**	**2.112.046**	**1.889.218**

Distribution of profit 7

Balance sheet at 31 August (DKK '000)

Assets		Parent company		Group	
	Note	2018	2017	2018	2017
Software		0	0	59.726	26.780
Goodwill		0	0	31.376	27.199
Intangible assets	8	**0**	**0**	**91.102**	**53.979**
Land and buildings		820.983	810.913	2.218.674	2.097.005
Fixtures and fittings, tools and equipment		132	201	570.309	618.272
Trucks and cars		1.721	3.637	77.846	66.131
Leasehold improvements		0	0	385.787	283.961
Assets under construction		2.119	5.568	505.364	126.895
Tangible assets	9	**824.954**	**820.319**	**3.757.980**	**3.192.264**
Investments in subsidiaries	10	6.476.135	5.193.809	0	0
Receivables from subsidiaries	11	44.735	446.417	0	0
Investments in associates	12	1.986.951	1.869.047	1.986.951	1.869.047
Receivables from associates	14	71.194	70.323	71.194	70.323
Other investments	13	145.389	49.726	145.389	49.726
Instruments of debt	15	230.394	229.469	236.756	232.552
Deposits	16	396	390	15.116	11.094
Fixed asset investments		**8.955.194**	**7.859.181**	**2.455.406**	**2.232.741**
Fixed assets		**9.780.148**	**8.679.500**	**6.304.489**	**5.478.985**
Commercial products		0	0	4.039.450	3.914.094
Inventories		**0**	**0**	**4.039.450**	**3.914.094**
Trade receivables		0	0	284.084	315.926
Receivables from subsidiaries		503.131	645.166	0	0
Corporation tax		0	0	115.490	103.410
Other receivables		1.184.988	314.964	1.466.199	702.790
Prepayments	17	130	117	186.628	221.045
Receivables		**1.688.248**	**960.247**	**2.052.401**	**1.343.172**
Securities		**4.968.229**	**5.925.262**	**4.968.229**	**5.925.262**
Cash at bank and in hand		**41.780**	**138.863**	**1.660.621**	**1.690.314**
Current assets		**6.698.257**	**7.024.372**	**12.720.700**	**12.872.841**
Assets		**16.478.405**	**15.703.872**	**19.025.189**	**18.351.826**

Balance sheet at 31 August (DKK '000)

Liabilities	Note	Parent company 2018	Parent company 2017	Group 2018	Group 2017
Share capital		50.000	50.000	50.000	50.000
Reserve for net revaluation according to the equity method		3.909.380	3.187.167	0	0
Retained earnings		9.433.764	8.146.921	13.343.144	11.334.088
Equity attributable to parent company shareholders		**13.393.144**	**11.384.088**	**13.393.144**	**11.384.088**
Non-controlling interests		**0**	**0**	**-70.260**	**-50.013**
Equity		**13.393.144**	**11.384.088**	**13.322.884**	**11.334.075**
Negative balance subsidiaries	10	249.651	229.411	0	0
Deferred tax	18	50.206	52.631	39.658	35.850
Provisions		**299.857**	**282.042**	**39.658**	**35.850**
Mortgage debt, long-term	19	122.621	145.276	231.772	258.852
Subordinated loan capital, long-term	20	0	1.775.000	154.000	1.905.000
Long term debt		**122.621**	**1.920.276**	**385.772**	**2.163.852**
Mortgage debt, short-term	19	23.000	23.250	27.562	27.870
Credit institutions		10.384	229.065	1.110.053	1.109.888
Deposits, short-term	21	7.907	7.795	28.634	8.338
Prepayments, received		0	0	56.436	53.148
Trade payables		0	0	747.212	816.405
Payables to subsidiaries		679.324	447.632	0	0
Payables to associates		430.150	525.211	430.150	715.396
Corporation tax		46.057	36.166	96.062	119.408
Other payables		1.465.961	848.347	2.647.602	1.847.782
Deferred income	22	0	0	133.164	119.812
Short-term debt		**2.662.783**	**2.117.465**	**5.276.876**	**4.818.048**
Debt		**2.785.404**	**4.037.741**	**5.662.648**	**6.981.900**
Liabilities and equity		**16.478.405**	**15.703.872**	**19.025.189**	**18.351.826**

Contractual obligations	23
Security	24
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Controlling interest and ownership	26

Statement of changes in equity (DKK '000)

	Parent company		Group	
	2018	2017	2018	2017
Equity				
Equity at 1st September	11.384.088	9.473.194	11.334.075	9.473.194
Adjustment to opening - non-controlling interests	0	0	0	-49.103
Corrected equity at 1st September	11.384.088	9.473.194	11.334.075	9.424.091
Result for the year	2.116.606	1.894.274	2.112.046	1.889.218
Exchange adjustment on foreign subsidiaries	-107.550	16.620	-107.550	16.620
Non-controlling interests	0	0	-15.686	4.146
Equity at 31st August	**13.393.144**	**11.384.088**	**13.322.884**	**11.334.075**
Specified as follows:				
250 A-shares of DKK 1,000k	250	250	250	250
750 B-shares of DKK 1,000k	750	750	750	750
9,000 C-shares of DKK 1,000k	9.000	9.000	9.000	9.000
40,000 D-shares of DKK 1,000k	40.000	40.000	40.000	40.000
Share capital	**50.000**	**50.000**	**50.000**	**50.000**
Opening at 1st September	3.187.167	2.531.246		
Value adjustment for the year	722.213	655.921		
Reserve for net revaluation according to the equity method at 31st August	**3.909.380**	**3.187.167**		
Retained earnings at 1st September	8.146.921	6.891.948	11.284.075	9.374.091
Result for the year	1.394.393	1.238.353	2.112.046	1.889.218
Exchange adjustment on foreign subsidiaries	-107.550	16.620	-107.550	16.620
Fair value adjustment	0	0	-15.686	4.146
Retained earnings at 31 August	**9.433.764**	**8.146.921**	**13.272.884**	**11.284.075**
Equity at 31 August	**13.393.144**	**11.384.088**	**13.322.884**	**11.334.075**
Non-controlling interests				
Opening at 1st September			-50.013	-49.103
Fair value adjustment etc.			-15.686	4.146
Result for the year			-4.560	-5.056
Non-controlling interests at 31st August			**-70.260**	**-50.013**

Consolidated Cash Flows (DKK '000)

	Note	2017/18	2016/17
Profit for the year		2.112.046	1.889.218
Adjustments	27	-285.901	-158.027
Change in working capital	28	-152.796	-380.716
Cash flows from operating activities before financial income and expenses		1.673.349	1.350.475
Financial income		221.771	250.552
Financial expenses		-150.391	-105.482
Cash flows from ordinary activities		1.744.729	1.495.545
Corporation tax paid		-325.144	-350.296
Cash flows from operating activities		**1.419.585**	**1.145.249**
Purchase of intangible assets		-52.675	-25.482
Purchase of tangible assets		-1.066.306	-467.315
Purchase of investments		-87.932	-22.491
Sale of intangible assets		0	18
Sale of tangible assets		47.769	18.974
Cash at purchase of enterprises		0	46.351
Cash at sale of enterprises		0	26.346
Purchase of enterprises		0	-9.103
Received repayments on loans		401.787	0
Loans given		-636.087	0
Cash flows from investing activities		**-1.393.444**	**-432.702**
Net proceeds from borrowings		-1.850.000	-991.329
Raising/repayment of mortgage loans		-27.388	456.166
Repayment credit institutions		0	-23.824
Dividend received from associates and other investments		727.548	688.863
Cash flows from financing activities		**-1.149.840**	**129.876**
Change in cash and cash equivalents		**-1.123.699**	**842.423**
Cash and cash equivalents at 1 September		6.505.688	5.663.265
Cash and cash equivalents at 31 August		**5.381.989**	**6.505.688**

Cash and cash equivalents are specified as follows:

Credit institutions		-1.110.053	-1.109.888
Current asset investments		4.968.229	5.925.262
Cash at bank and in hand		1.660.621	1.690.314
Cash pool		-136.808	0
Cash and cash equivalents at 31 August		**5.381.989**	**6.505.688**

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 and Board of Directors assess that such disclosures would be very detrimental to the Company:

	Parent company		Group	
	2017/18	2016/17	2017/18	2016/17
2 Fees to the auditors appointed at the annual general meeting				
PricewaterhouseCoopers				
Auditfee	230	230	3.928	2.403
Other assurance engagements	0	0	86	68
Tax advisory services	4.439	2.205	4.596	2.476
Other non-audit services	841	944	889	1.468
	5.510	**3.379**	**9.499**	**6.415**
Other auditors				
Auditfee	0	0	1.339	2.228
Other assurance engagements	0	0	150	65
Tax advisory services	0	0	162	316
Other non-audit services	0	0	454	395
	0	**0**	**2.105**	**3.004**

3 Staff

Salaries and wages	12.353	11.052	1.697.882	1.484.928
Pensions	586	507	140.627	118.787
Other social security costs	339	363	299.953	270.864
	13.279	**11.922**	**2.138.462**	**1.874.578**

No remuneration has been paid to the board of directors. Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	9	9	10.841	9.746

4 Financial income

Interest income subsidiaries	18.654	18.160

5 Financial expenses

Interest expense subsidiaries	3.755	3.752

Notes to the Annual Report (DKK '000)

		Parent company		Group	
		2017/18	2016/17	2017/18	2016/17
6	**Tax on profit for the year**				
	Current tax for the year	35.243	44.220	296.476	318.864
	Deferred tax for the year	-2.425	-1.999	3.808	-10.973
	Tax concerning previous years	0	3.706	-6.758	3.866
		32.818	**45.926**	**293.526**	**311.756**
7	**Distribution of profit**				
	Reserve for net revaluation according to the equity method	722.213	655.921	0	0
	Retained earnings	1.394.393	1.238.353	2.116.606	1.894.274
	Non-controlling interests' share of profit/loss	0	0	-4.560	-5.056
		2.116.606	**1.894.274**	**2.112.046**	**1.889.218**

8 Intangible assets

	Software	Goodwill
Group		
Cost at 1st September	156.041	177.731
Adjustment to opening	10.579	0
Addition for the year	38.206	14.469
Transfer	3.049	0
Exchange adjustment	163	0
Disposals for the year	-362	943
Cost at 31st August	207.675	193.142
Depreciation at 1st September	-129.261	-150.531
Depreciation for the year	-18.921	-12.056
Exchange adjustment	-126	821
Depreciation of disposals for the year	359	0
Depreciation at 31st August	-147.949	-161.766
Booked value at 31st August	**59.726**	**31.376**
Depreciated over	3 - 5 years	5 - 15 years

Notes to the Annual Report (DKK '000)

9 Tangible assets

	Land and buildings	Fixtures and fittings, tools and equipment	Trucks and cars	Assets under construction
Parent company				
Cost at 1st September	1.087.534	772	6.237	5.568
Addition for the year	25	0	0	45.871
Transfer	49.193	0	0	-49.193
Exchange adjustment	467	0	0	0
Disposals for the year	-209	0	-2.449	-127
Cost at 31st August	1.137.010	772	3.788	2.119
Depreciation at 1st September	-276.621	-571	-2.600	0
Depreciation for the year	-39.369	-69	-947	0
Depreciation of disposals for the year	-38	0	1.480	0
Depreciation at 31st August	-316.028	-640	-2.068	0
Booked value at 31st August	**820.983**	**132**	**1.721**	**2.119**
Depreciated over	25 years	4 - 5 years	4 - 5 years	

Notes to the Annual Report (DKK '000)

9 Group

	Land and buildings	Fixtures and fittings, tools and equipment	Trucks and cars	Leasehold improvements	Assets under construction
Cost at 1st September	3.024.905	2.045.911	141.281	531.689	126.895
Adjustments to opening	486	-12.300	0	-24	-269
Addition for the year	184.336	148.217	44.396	157.533	531.824
Transfer	49.584	41.227	19	24.507	-118.387
Exchange adjustment	-31.635	-56.799	-2.611	-5.658	407
Disposals for the year	-209	-85.572	-30.995	-13.218	-35.107
Cost at 31st August	3.227.467	2.080.683	152.091	694.829	505.364
Depreciation at 1st September	-927.901	-1.427.638	-75.151	-247.728	0
Adjustment to opening	0	29	14	-1	0
Depreciation for the year	-95.435	-204.607	-24.170	-74.828	0
Transfer	-229	229	0	0	0
Exchange adjustment	14.811	39.517	1.116	2.262	0
Depreciation of disposals for the year	-38	82.095	23.946	11.253	0
Depreciation at 31st August	-1.008.793	-1.510.374	-74.245	-309.043	0
Booked value at 31st August	**2.218.674**	**570.309**	**77.846**	**385.787**	**505.364**
Depreciated over	25 years	4 - 5 years	4 - 5 years	Rental period	

Notes to the Annual Report (DKK '000)

10 Investments in subsidiaries	2018
Cost at 1st September	3.350.308
Addition	660.986
Addition by acquisition	1.827
Cost at 31st August	4.013.121
Value adjustment at 1st September	1.614.090
Addition by acquisition	-1.313
Exchange adjustment on foreign subsidiaries	-105.608
Dividend	-443.395
Result for the year	1.160.461
Fair value adjustements of the year	1.140
Amortisation for the year	-12.013
Value adjustment at 31st August	2.213.363
Booked value at 31st August	**6.226.484**
Negative investments	249.651
Investments in subsidiaries	**6.476.135**

Notes to the Annual Report (DKK '000)

10 Investments in subsidiaries

Specified as:

	Ownershare
Dänisches Bettenlager HmbH, Austria	100,00%
JYSK GmbH, Switzerland	100,00%
Aktieselskabet af 9/6 2006, Denmark	100,00%
Bolia A/S, Denmark	90,00%
Backtee A/S, Denmark	99,23%
Himmerland Golf & Spa Resort A/S, Denmark	100,00%
Interior Direct A/S, Demark	75,00%
JYSK d.o.o., Bosnia	100,00%
JYSK BUL Ltd., Bulgaria	100,00%
JYSK AB, Sweden	100,00%
JYSK s.r.o., Czech Republic	100,00%
JYSK d.o.o., Croatia	100,00%
JYSK kft., Hungary	100,00%
JYSK SP z.o.o., Poland	100,00%
Nordic Investment Fund Retail SRL, Romania	100,00%
JYSK d.o.o., Serbia	100,00%
JYSK d.o.o., Slovenia	100,00%
JYSK s.r.o., Slovakia	100,00%
JYSK Ukraine Ltd, Ukraine	100,00%
JYSK BV, Holland	100,00%
JULL A/S, Denmark	78,00%
JYSK OY, Finland	100,00%
NJK2 ApS, Denmark	100,00%
JYSK AS, Norway	100,00%
Ready Made A/S, Denmark	100,00%
Jysk Bed'n Linen Inc. & affiliate, USA	100,00%
JYSK Ejendomme A/S	74,00%
Aktieselskabet af 1. april 1993, Denmark	100,00%
LJH Invest ApS, Denmark	90,00%
JYSK BW GmbH, Germany	100,00%
Hank Invest ApS	100,00%
SOLID Leasing	51,00%
Slangerupgade 48 ApS	100,00%

Notes to the Annual Report (DKK '000)

11 Receivables from subsidiaries

	2018
Cost at 1st September	477.018
Disposals	-401.787
Cost at 31st August	75.231
Value adjustment at 1st September	-30.601
Exchange adjustments	104
Value adjustment at 31st August	-30.496
Booked value at 31st August	**44.735**

12 Investments in associates

	Parent company 2018	**Group** 2018
Cost at 1st September	295.971	295.971
Transfer	-1.827	-1.827
Addition for the year	501	501
Disposals	-3.711	-3.711
Cost at 31st August	290.934	290.934
Value adjustment at 1st September	1.573.076	1.573.076
Transfer	1.313	1.313
Result for the year	852.069	852.069
Exchange adjustments	-3.242	-3.242
Dividend	-727.200	-727.200
Value adjustment at 31st August	1.696.017	1.696.017
Booked value at 31st August	**1.986.951**	**1.986.951**

Specified as:

	Ownershare
JYSK A/S	90,00%
Scancom International A/S	49,50%
K/S Himmark Air	40,00%
Himmark Aviation ApS	40,00%
Vision Properties A/S	50,00%
Schou Holding II ApS	49,00%
K/S Joinflight	48,00%
JF III ApS	50,00%

Notes to the Annual Report (DKK '000)

		Parent company 2018	Group 2018
13	**Other investments**		
	Cost at 1st September	46.151	46.151
	Addition for the year	87.932	87.932
	Disposals	-3	-3
	Cost at 31st August	134.080	134.080
	Value adjustment at 1st September	3.575	3.575
	Exchange adjustments for the year	109	109
	Dividend	-348	-348
	Result for the year	-317	-317
	Fair value adjustements of the year	8.289	8.289
	Value adjustment at 31st August	11.309	11.309
	Booked value at 31st August	**145.389**	**145.389**
14	**Receivables from associates**		
	Cost at 1st September	60.037	60.037
	Cost at 31st September	60.037	60.037
	Value adjustment at 1st September	10.286	10.286
	Exchange adjustment for the year	871	871
	Value adjustment at 31st August	11.157	11.157
	Booked value at 31st August	**71.194**	**71.194**
15	**Instruments of debt**		
	Cost at 1st September	229.551	232.816
	Addition	0	3.280
	Disposals for the year	0	0
	Cost at 31st August	229.551	236.096
	Value adjustment at 1st September	-82	-264
	Exchange adjustments for the year	925	925
	Value adjustment at 31st August	843	661
	Booked value at 31st August	**230.394**	**236.756**

Notes to the Annual Report (DKK '000)

16 Deposits

	Parent company 2018	Group 2018
Cost at 1st September	390	11.094
Exchange adjustment at 1st September	0	-108
Addition for the year	6	5.319
Disposals for the year	0	-1.189
Cost at 31st August	**396**	**15.116**

17 Prepayments

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

18 Deferred tax

	Parent company 2018	Parent company 2017	Group 2018	Group 2017
Intangible assets	0	0	-3.114	-2.753
Tangible assets	5.688	5.642	16.214	10.737
Inventories	0	0	1.424	1.993
Securities	22.000	22.000	22.000	22.000
Trade receivables	0	0	2.353	3.265
Other	22.518	24.989	781	609
	50.206	**52.631**	**39.658**	**35.850**

19 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:

	Parent company 2018	Parent company 2017	Group 2018	Group 2017
Mortage debt, after 5 years	30.621	52.276	125.683	151.752
Mortage debt, between 1 and 5 years	92.000	93.000	106.089	107.100
Mortage debt, long-term debt	122.621	145.276	231.772	258.852
Mortage debt, within 1 year	23.000	23.250	27.562	27.870
	145.621	**168.526**	**259.334**	**286.722**

Notes to the Annual Report (DKK '000)

		Parent company 2018	Parent company 2017	Group 2018	Group 2017
20	**Subordinated loan capital**				
	Subordinated loan capital fall due for payment as specified below:				
	Subordinated loan capital, after 5 years	0	0	154.000	130.000
	Subordinated loan capital, between 1 and 5 years	0	1.775.000	0	1.775.000
	Subordinated loan capital, long-term	0	1.775.000	154.000	1.905.000
	Subordinated loan capital, within 1 year	0	0	0	0
		0	**1.775.000**	**154.000**	**1.905.000**

21 Deposits

Deposits fall due for payment as specified below:

	Parent company 2018	Parent company 2017	Group 2018	Group 2017
Deposita, after 5 years	0	0	0	0
Deposita, between 1 and 5 years	0	0	0	0
Deposita, long-term debt	0	0	0	0
Deposita, within 1 year	7.907	7.795	28.634	8.338
	7.907	**7.795**	**28.634**	**8.338**

22 Deferred income

Deferred income comprises accrued interest and payments received relating to income in subsequent years.

23 Contractual obligations

	Parent company 2018	Parent company 2017	Group 2018	Group 2017
Rental obligations	0	0	5.246.077	4.973.305
Lease obligations	0	0	1.927	6.650
Letters of credit	0	0	76.073	81.809
Other obligations	0	0	13.159	26.217

Notes to the Annual Report (DKK '000)

	Parent company 2018	Parent company 2017	Group 2018	Group 2017
24 Security				
Provided as security for mortgage loans:				
Land and buildings, etc. with a carrying amount of:	0	0	114.196	111.384
Mortgage deeds registered to the mortgager totalling DKK 28,500k providing security in land and buildings at a total carrying amount of:	0	0	114.196	111.384

The parent company has issued unlimited letter of support for the following subsidiaries: Interior Direct A/S Eovendo ApS, LJH Invest ApS and Backtee A/S.

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 liable and interest. Possible later corrections in corporation taxes and withholding taxes may result in the company being liable for a larger amount.

JYSK Holding A/S has entered into a cash pool agreement for Lars Larsen Group. As per 31 August 2018 the withdrawal was DKK 10,4 million.

	Parent company 2018	Parent company 2017	Group 2018	Group 2017
25 Contingent liabilities				
Guarantee with primary liabilities	1.294.229	1.437.416	533.932	484.782
Guarantees	0	0	27.204	27.338

Notes to the Annual Report (DKK '000)

26 Controlling interest and ownership

	Basis
Lars Larsen, Svejbæk Søvej 14, 8600 Silkeborg	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.

27 Cash flow statement - adjustments

	Group	
	2017/18	2016/17
Profit/loss, associates	-852.069	-723.209
Profit/loss, other investments	317	-7.568
Financial income	-221.771	-250.552
Financial expenses	150.391	105.482
Depreciation and amortisation	430.017	393.177
Tax on profit/loss for the year	293.526	311.756
Exchange adjustment on foreign subsidiaries	-70.625	12.887
Other adjustments	-15.687	0
	-285.901	**-158.027**

28 Cash flow statement - change in working capital

	2017/18	2016/17
Change in inventories	-125.356	-603.906
Change in receivables	31.842	-12.316
Change in other receivables etc.	0	-88.846
Change in prepayments received from customers	0	13.881
Change in trade payables	-69.193	156.154
Change in deferred income	16.640	21.782
Change in other payables etc.	-6.729	132.535
	-152.796	**-380.716**

Accounting Policies

Basis of Preparation

The Annual Report of JYSK Holding A/S for the financial year 1 September 2017 to 31 August 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Financial Statements for 2017/18 are presented in TDKK.

Basis of consolidation

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

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

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

Recognition and measurement

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

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

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

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

Accounting Policies

Recognition and measurement (continued)

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

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

Translation policies

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

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

The income statements of foreign subsidiaries and associates that are separate legal entities are translated at the exchange rates at the dates of transaction or an approximated average exchange rate. Balance sheet line items are translated at the exchange rates at the balance sheet dates.

Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the balance sheet dates are recognised directly in equity.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Accounting Policies

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is classified and qualify as a hedge.

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.

Accounting Policies

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.

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

Results 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.

Accounting Policies

Balance Sheet

Intangible assets

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

Software is amortised over 3 – 5 years.

Goodwill
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated at 5 – 15 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:

Buildings	25 years
Fixtures and fittings, tools and equipment	4-5 years
Trucks and cars	4-5 years
Leasehold improvements	Rental period

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

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Accounting Policies

Impairment of fixed assets (continued)

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" and "Investments in associates" 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.

Subsidiaries and associates 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.

Accounting Policies

Inventories

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

The cost of goods for resale equals landed cost.

Receivables

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

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

Prepayments

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

Securities

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

Equity - *Dividend*

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

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.

Accounting Policies

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.

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.

Accounting Policies

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Financial Highlights

Ratios are calculated as follows:

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

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

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

Statutory Statement of Corporate Social Responsibility

JYSK Holding A/S

This is the statutory corporate social responsibility (CSR) report, pursuant to sections 99a and 99b of the Danish Financial Statements Act. The report is part of Management Review for JYSK Holding A/S, covering the financial year of 01.09.2017 – 31.08.2018.

Lars Larsen Group

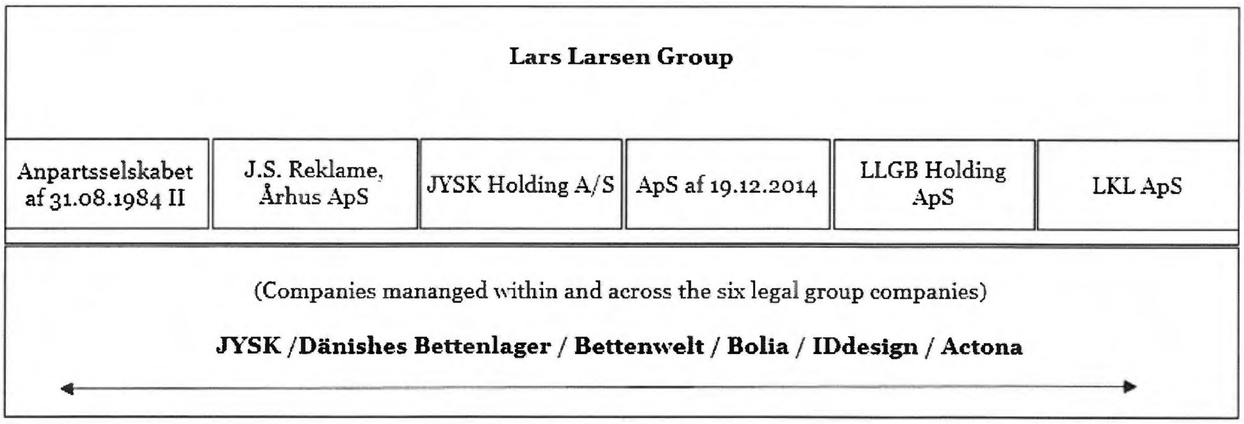
JYSK Holding A/S is an international group comprising a number of companies. JYSK Holding A/S forms part of Lars Larsen Group. Lars Larsen Group is named after the founder, Lars Larsen, who established JYSK. Today, JYSK is a well-known brand in Denmark as well as globally. Lars Larsen opened the first JYSK shop in Aarhus in 1979. The opening of this shop marked the beginning of the journey towards the establishment of Lars Larsen Group.

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

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

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

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



Dialogue is the way forward

As an international Group, JYSK Holding A/S is in contact with customers, employees and business partners as well as other stakeholders every day. That requires commitment.

Corporate Social Responsibility (CSR) is a continuous process where new areas and methods constantly develop. We consider our dialogue with our surroundings a part of the learning process and essential to obtaining a better understanding of the complex challenges we face as an international group. We believe that cooperation, dialogue and commitment is the way forward when it comes to improving social and environmental conditions.

The Report

As it will appear from the text, a considerable part of the data material is based on actions and results realised in JYSK Nordic. JYSK Nordic is the name of an operational company (not a legal entity) that transcends the Groups of JYSK Holding A/S and Anpartsselskabet af 19. december 2014, which both form part of the Lars Larsen Group.

Besides data from JYSK Nordic, this report comprises data from Bolia A/S, Bettenwelt GmbH as well as Dänisches Bettenlager HmbH and JYSK GmbH. At an operational level, Bettenwelt GmbH functions as sourcing unit for both Dänisches Bettenlager HmbH and JYSK GmbH, which are the retail organisations of Austria and Switzerland. Moreover, the three companies are, operated by the same central head office functions, for which reason Bettenwelt GmbH, Dänisches Bettenlager HmbH and JYSK GmbH will report on progress and results in joint sections.

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

Legal entities	As referred to hereinafter
JYSK Nordic companies (country organisations owned by JYSK Holding A/S)	JYSK Nordic
Bolia A/S	Bolia
Bettenwelt GmbH	Bettenwelt
Dänisches Bettenlager HmbH and JYSK GmbH	DBL

Based on development within CSR legislation as well as requirements from stakeholders towards Lars Larsen Group, our work with CSR has undergone thorough revision. This has led to implementation of a Code of Conduct, Group policies, KPI's, a restructured data collection process as well as an updated reporting structure. Thus, the structure and content of this report is not directly comparable with previous reports.

The structure of this report is as follows:

Code of Conduct and Group Policies

- **Human Rights**
- **Environment and Climate**
- **Social and Employee Terms**
- **Anti-Corruption and Bribery**
- **Gender Equality**

Reporting on §99b (Board composition)
KPI overview
Code of Conduct and Group Policies

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

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

The following will present a policy excerpt for each of the Group policies, shared by all companies encompassed by this CSR report. Following the policy excerpt, the report will present individual reporting on implementation of the respective policy and the results achieved by each individual company.

Human Rights

Policy excerpt

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

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

Common for the companies encompassed by this CSR report, is 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.

Audits are performed by third parties, 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 the execution in order to ensure 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.

Policy implementation and progress

JYSK Nordic

Human Rights are addressed both internally within our own company and employees as well as externally towards our suppliers.

Internally, we have been working to implement the newly launched 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 we are present. Our Human Rights related processes are primarily anchored with Human Resource departments as well as with Health and Safety departments.

Safety of our employees is a core focus. 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.

All work accidents are reported according to legislation. Accidents encompassed by this CSR report are work accidents, related to one of the JYSK Nordic Distribution Centres. Going forward, we will work to include all work accidents in below reporting.

Work accidents registered within financial year:
(Def. *Work accidents with one or more days of absence, other than the day of the accidents*)

Distribution Centre	Number of work accidents with absence[1]	Number of work accidents, per million hours worked
Uldum	10	17,6
Radomsko	8	9,4
Nässjö	9	33,8
Bozhurishte	NA (New Distribution Centre – Will be inaugurated during next FY.)	NA (New Distribution Centre – Will be inaugurated during next FY.)

Moreover, JYSK Nordic actively works to emphasize awareness on Human Rights through the membership with the Danish Ethical Trading Initiative (DIEH).

[1] Accidents with one or more days of absence, other than the day of the accidents

The DIEH is a multi-stakeholder initiative for businesses, trade unions and popular organisations. The objective is to work jointly with ethical trade and find constructive solutions to the challenges faced by Danish enterprises in relation to suppliers in the developing countries and new growth economies.

Our focus on Human rights within our supply chain, is addressed through our membership with Amfori Business Social Compliance Initiative (BSCI).

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

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

All suppliers[2] accept the Supplier Code of Conduct, when they sign a supplier contract. During the financial year, 70% 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.

JYSK Nordic has decided that continuous improvement of the BSCI performance of suppliers should be a strategic focus area.

Integration of the BSCI efforts internally is essential. Therefore, JYSK Nordic 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, each purchase-employee receives a list showing which suppliers have room for improvement. The purchase-employee then enters into a dialogue with the supplier. 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.

Bettenwelt & DBL

Human Rights are, at Bettenwelt and DBL, addressed both internally within our own company and employees as well as externally towards our suppliers.

Internally, we have been working to implement the newly launched Human Rights policy as well as ensuring that related work processes are adequately implemented to meet both requirements

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[2] Direct suppliers, first tier

and risk level of the countries where we are present. Our Human Rights related processes are primarily anchored with Human Resource departments as well as with Health and Safety departments.

Safety of our employees is a core focus, with the overall purpose of ensuring a safe workplace for all employees. At the head office, there is a corporate department, with responsibility for corporate health issues at the head office, stores and logistics centres. Moreover, there is a team of specially trained and certified safety inspectors, who performs systematic safety walks as well as manages systematic safety training. In addition, Bettenwelt and DBL also cooperates with external 3rd parties, ensuring compliance with respective requirements.

Systematic registration, reporting and follow-up is performed on work accidents.

All work accidents are reported according to legislation. Accidents encompassed by this CSR report are work accidents, related to one of the Distribution Centres managed by Bettenwelt and DBL.

Work accidents registered within financial year:
(Def. *Work accidents with one or more days of absence, other than the day of the accidents*)

Distribution Centre[3]	Number of work accidents with absence[4]	Number of work accidents, per million hours worked
Kammlach	1	34,83
Zarrentin	14	43,31
Homberg	4	20,70
Valencia	3	48,80

Our focus on Human rights within our supply chain, is addressed through our membership with Amfori Business Social Compliance Initiative (BSCI).

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

Bettenwelt has incorporated the Amfori BSCI Code of Conduct, into supplier contracts.

All suppliers[5] accept the Supplier Code of Conduct, when they sign a supplier contract. During the financial year, 929[6] 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.

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[3] Distribution Centre in Valencia is legally owned by LLGB Holding ApS. It is included in this report only for comparison.
[4] Accidents with one or more days of absence, other than the day of the accidents
[5] Direct suppliers, first tier
[6] Bettenwelt and JYSK Nordic share a membership with Amfori BSCI. The reported figure covers supplier audits for both Bettenwelt and JYSK Nordic.

Bolia

Human Rights are addressed both internally within our own company and employees as well as externally towards our suppliers.

Internally, we have been working to implement the newly launched Human Rights policy as well as ensuring that related work processes are adequately implemented.

Safety of our employees is a core focus, and all work accidents are reported according to legislation.

Work accidents registered within financial year:
(Def. *Work accidents with one or more days of absence, other than the day of the accidents*)

Company	Number of work accidents with absence[7]	Number of work accidents, per million hours worked
Bolia	0	NA

Our focus on Human rights within our supply chain, is addressed through our membership with Amfori Business Social Compliance Initiative (BSCI).

Bolia A/S has been a member of Amfori, BSCI since August 2018. Prior to the membership of Amfori BSCI, Bolia conducted systematic supplier audits, performed either by a Quality Manager or by a third party. During the next financial year, the Amfori BSCI Code of Conduct will be implemented into supplier contracts, and supplier audits will be managed according to Amfori, BSCI guidelines.

It is the ambition that the CSR report for the next financial year will include statistics on performed supplier audits, based on the Amfori BSCI Code of Conduct.

Environment and Climate

Policy excerpt

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

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

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

[7] Accidents with one or more days of absence, other than the day of the accidents

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

Common for the companies encompassed by this CSR report, is their respective engagement with The Forest Stewardship Council® (FSC), as an essential focus area of the Environment and Climate policy.

Forest clearing and illegal harvesting of wood are threats to the environment and the climate. Wood is a raw material that is used for a significant part of our products. Therefore, we have a significant focus on ensuring that the wood used for producing our products originates from legal sources, and we are working to ensure this in accordance with the EU Timber Regulation, EUTR.

Moreover, it is our aim that an increasing part of the wood used, should originate from sustainable forests. Therefore, we are directing efforts at increasing the share of sustainable wood in our product range.

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.

A significant part of JYSK Holding A/S's business consists of sales of products filled with down and feathers from ducks and geese. In that connection, it is essential to ensure that down and feathers have not been plucked from live birds. This is ensured through supplier requirements and systematic internal and external auditing of suppliers.

Policy implementation and progress

JYSK Nordic

Our work to reduce the negative environmental and climate impact of our business activities is addressed both internally at our own operations and externally towards suppliers.

The external focus is anchored with the membership of Amfori BSCI, which is the core of our responsible supplier management[8]. Our BSCI Supplier Code of Conduct requires of suppliers to

[8] Read more on Amfori BSCI at the section on Human Rights

comply with local environmental regulations. As part of the BSCI audits performed, environmental impacts such as wastewater treatment and chemical storage are therefore also audited. Moreover, JYSK Nordic has, during this reporting period, prepared a strengthening of environmental requirements towards suppliers. This update is expected to be implemented with the Supplier Code of Conduct during next financial year.

The internal work to implement the Environment and Climate policy at JYSK Nordic is focused on several cores issues.

One of the core environmental focus areas, is the strategic ambition to increase purchase of products with FSC certified wood. JYSK Nordic has signed the Vancouver Declaration in support of this strategic focus.

Within this financial year, 100% of the wooden garden furniture purchased for JYSK Nordic is FSC certified (FSC® N001715).

Moreover, 23% of the indoor furniture[9], containing wood, is made with FSC certified wood.

Energy optimisation is another core focus area at JYSK Nordic. JYSK Nordic has optimized light sources in stores with more energy-efficient light sources, and all new stores are equipped with LED lighting. LED is both cost and energy-efficient and has a longer lifespan than ordinary lighting. By the end of this financial year, 80% of JYSK Nordic stores have LED implemented.

Also at JYSK Nordic's distribution centres, energy-optimization is a core focus area. During the financial year, a new high bay warehouse was build and integrated with the existing distribution centre. The new high bay warehouse is equipped with LED light sources as well as intelligent light systems.

JYSK Nordic has engaged in a cooperation with Maersk to reduce Co2 emission from sea transportation, performed for JYSK Nordic. This cooperation was established at the end of this financial year. It is the expectation, that we will be able to report in more detail on this project, in the CSR report for the coming financial year.

Another strategic focus area, across JYSK Nordic, is the decision to phase out disposable plastic products from the assortment. Examples of such products could be disposable tableware and plastic straws. It is the ambition that all of such products will be phased out during the Spring of 2019.

At the distribution centres in Nässjö and Radomsko, they have during this financial year, focused on optimization of packaging. At both distribution centres, new packing machines, for online sales, have been installed. The new machines produce boxes on demand that exactly fit the order. This ensures for a reduction of packaging material.

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[9] Percentage is based on sales value from respective financial year

JYSK Nordic does not tolerate animal abuse. As a result, we make sure that down and feathers are not plucked from live birds. Our suppliers commit themselves by contract to only supply down and feathers from slaughtered fowl. In cooperation with International Down and Feather Laboratory (IDFL) JYSK Nordic performs ongoing audits at suppliers.

Moreover, we ensure that all products comply with existing legislation, and we focus e.g. on reducing the use of harmful phthalates and hazardous chemicals in accordance with the EU chemicals regulation, REACH. REACH stands for "Registration, Evaluation and Authorisation of Chemicals". Since January 2017, JYSK has banned all SVHC's (Substances of Very High Concern) in JYSK Nordic products. JYSK Nordic itself tests products and requires testing and documentation of its suppliers. Moreover, JYSK Nordic uses external testing firms which perform tests and regular spot checks.

As part of product quality, JYSK Nordic also works with products' impact on safety, health and environment. Oeko-Tex Standard 100 certification is found on a wide range of JYSK's textile products. Oeko-Tex is the most widespread and best known label for textiles tested for harmful substances.

During this financial year, JYSK Nordic implemented a product group called Scandinavian Sense, which is GOTS certified. GOTS is an abbreviation of Global Organic Textile Standard, and the products are made with cotton, silk, linen or wool that is farmed and processed organically. The GOTS certification ensures a reduced environmental impact as well as compliance with stringent environmental and social criteria during the entire manufacturing process.

Bettenwelt & DBL

At Bettenwelt and DBL, focus on reducing the negative environmental and climate impact of our business activities is addressed both internally at our own operations and externally towards suppliers.

The external focus is anchored with the membership of Amfori BSCI, which is the core of our responsible supplier management[10]. Our BSCI Supplier Code of Conduct requires of suppliers to comply with local environmental regulations. As part of the BSCI audits performed, environmental impacts such as wastewater treatment and chemical storage are therefore also audited. Moreover, Bettenwelt has, during this reporting period, prepared a strengthening of environmental requirements towards suppliers. This update is expected to be implemented during next financial year.

The internal work to implement the Environment and Climate policy is focused on several cores issues.

One of the core environmental focus areas, is the ambition to increase purchase of products with FSC certified wood. Within this financial year, 100% of the wooden garden furniture purchased

[10] Read more on Amfori BSCI at the section on Human Rights

by Bettenwelt is FSC certified (FSC® N001596). Bettenwelt will continue to work to increase purchase of FCS certified wood for other product groups.

Another focus area is optimization of light sources and energy usage. During this financial year, LED was implemented in 130 stores, and the same is expected for the next financial year. Moreover, at the end of this financial year, 170 stores have intelligent, central control of lighting, heating, air conditioning and ventilation. For the coming financial year, the same solution is expected for additionally 30 stores.

Bettenwelt and DBL do not tolerate animal abuse. Our Supplier Code of Conduct contains an animal welfare directive. All our suppliers are committed to supplying only products that have been produced to ethical standards. This for example explicitly includes the exclusion of live plucking. In addition, all bedding suppliers are required to be certified by the Downpass initiative. The "downpass" standard is a tool to ensure the ethical recovery of down and feathers. Products sealed with "downpass" ensure that the down and feathers used as fillers are ethically correct and come from tightly controlled and traceable supply chains. This ensures that down and feathers are not plucked from live birds.

Bolia

Our work to reduce the negative environmental and climate impact of our business activities is addressed both internally at our own operations and externally towards suppliers.

Internally, our focus is based on several key areas. Energy optimization is a core focus at Bolia. We implement LED light sources, in all new buildings and we change old light bulbs to LED in existing buildings. At the end of this financial year, 50% of all stores have LED light sources implemented.

Another focus area, is to increasingly improve the raw material of our products, by focusing on certain certifications and labelling schemes applied for raw material. At the end of the financial year 60% of the fabric used by Bolia is Oeko-Tex certified. Also, during this financial year, Bolia has started to work with fabric made from 32% recycled cotton and a polyester fabric made from recycled plastic bottles. Both fabrics are available in 50% of Bolia's upholstery collection.

Bolia does not tolerate animal abuse. As a result, we make sure that down and feathers are not plucked from live birds. Our suppliers of feathers are all located within EU and they commit themselves by contract to only supply down and feathers from slaughtered fowl. Audits at feather suppliers are performed either by Bolia or through cooperation with an external audit partner.

Bolia's woollen products are certified by the International Wool Textile Organisation (IWTO), which focuses on, among other things, treating animals in a respectful manner.

Lastly, Bolia has started working with FSC certified raw material, and it is the expectation that the CSR report for next financial year will include data on the progress of this project.

Social and Employee Terms

Policy excerpt

We 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 ILO conventions.

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

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

Policy implementation and progress

JYSK Nordic

At JYSK Nordic, employees and their opinion is of great importance. Therefore, our values include a right and duty to speak up.

Every two years, an employee satisfaction survey is conducted, by an external partner, to allow our employees to express their views. The findings of the survey enable JYSK Nordic to understand where to take measures to increase satisfaction and loyalty. The latest survey was performed during 2018 and 97% of JYSK Nordic's employees participated. JYSK Nordic aims for a response rate of 90% or more, which was achieved both at Group level (JYSK Nordic) as well as for each individual country organisation.

Compared to the previous survey, conducted in 2016, both response rate and satisfaction has increased.

The results for each country, unit and manager are uploaded together with action plans in an online module, where all managers can access, to work actively with their identified focus areas. Follow-up actions are monitored automatically, via the system, and systematically by Human Resource departments.

In addition to the employee satisfaction survey, JYSK Nordic performs annual employee-manager dialogue, called a PDP. PDP is an abbreviation for Personal Development Plan. PDP's are performed at all levels of the organisation, ensuring that individual career plans are made for each respective employee. Within this financial year, 80% of PDP's for store employees were performed on time. It is the ambition to be able to report a similar statistic for office employees in the CSR report for the coming financial year.

During this financial year, JYSK Nordic has launched a Sponsorship Guide. The purpose of this Sponsorship Guide is to set direction and unify the sponsorship agreements across the country organisations, within JYSK Nordic.

To highlight just a few of many sponsor- and partnership agreements, anchored with the local country organisations, JYSK Bulgaria and JYSK Rumania has entered a partnership with UNICEF, supporting a better life for children. Also, JYSK Rumania has engaged in a partnership, where more than 1,000 volunteers helped planting 20,000 trees.

JYSK Nordic is the main sponsor of the sports organisations for the disabled in Denmark, Norway and Sweden, and sponsor of organisations for disabled athletes in Finland, Slovakia and the Czech Republic. This sponsorship of the Danish Sports Organisation for the Disabled is actually one of the longest running sponsorships of sports in Denmark, as JYSK Nordic has sponsored the organisation since 1989.

JYSK Nordic has also entered partnerships with selected organisations, including Safe the Children and The Danish Church Army. Moreover, JYSK Nordic supports the Danish annual fund raising event Danmarks Indsamling.

Bettenwelt & DBL

Every two years, an employee satisfaction survey is conducted, to allow employees at Bettenwelt and DBL to express their views. The findings of the survey enable Bettenwelt and DBL to understand where to take measures to increase satisfaction and loyalty. The latest survey was performed in 2018 and the response rate of this recent survey had improved from the previous survey. However, the target defined for response rate was not achieved at Group level (Bettenwelt and DBL) or by the individual country organisations. Following the survey, head office functions are responsible for the follow-up process, where results are used actively to create measurable improvement plans within areas identified with potential for improvement.

In addition to the employee satisfaction survey, Bettenwelt and DBL perform annual employee-manager dialogue, called a PDP. PDP is an abbreviation for Personal Development Plan. PDP's are performed at all levels of the organisation, ensuring that individual career plans are made for each respective employee.

Bolia

At Bolia, employee development and wellbeing is put into system, mainly through Human Resource procedures. Every second year, all employees are invited to take part in an employee satisfaction survey. The most recent survey was conducted during March 2018, and Bolia reached a response rate of 86%.

The result and satisfaction rate has increased, compared to the previous survey. One of the main reasons for the positive development, is ascribed to the recent focus on office environment and rebuilding of offices. During the next years, Bolia will work systematically with the results of the survey. One of the areas highlighted as having potential for improvement is employee training and development. Already, during this financial year, Bolia has engaged with this focus area, and has initiated training activities as well as performed organisational changes in order for more employees to be assigned with greater responsibility.

In addition to above mentioned activities, Bolia also performs employee-manager dialogue two times annually.

Anti-Corruption and Bribery

Policy excerpt

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

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

Policy implementation and progress

JYSK Nordic

At JYSK Nordic, 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 Group 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 risk approach, relevant policies are implemented in the introduction program for a selected group of new employees. Also, policies related to this area of business are introduced and discussed at an annual event for employees, operating within the financially related departments.

Anti-Corruption risk assessment is performed annually. If the risk profile changes, policies and procedures are updated accordingly, in order to ensure that the implemented precautions at all times are adequately corresponding to the current risk profile.

Precautionary, recurring activities include, but are not limited to, systematic background check, store audit as well as controlling performed at head office locations. All activities are managed systematically.

Bettenwelt & DBL

At Bettenwelt and DBL the Anti-Corruption and Bribery policy has been introduced as part of the implementation of Lars Larsen Group Employee Code of Conduct. It is the expectation to be able to report data related to this policy for the coming financial year.

Bolia

Bolia works systematically with implementing the Anti-Corruption and Bribery policy. Guidelines to support the policy, with the overall aim to guide the employees to conduct business according to company expectations, has been published at the company intranet, and relevant information has been given at information meetings held for both office employees and store employees.

Moreover, Bolia has implemented an Employee Guideline, addressing the overall topic as well as instructs employees at a more detailed level. The Employee Guideline is introduced to all employees.

Gender Equality

Policy excerpt

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

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

Policy implementation and progress

JYSK Nordic

As part of JYSK Nordic's internal career paths, JYSK Nordic works with the performance management program 'SIRIUS' to secure the internal pipeline. The purpose of SIRIUS is to evaluate employees - irrespective of their gender, race, political affiliation and religious beliefs - according to their ability to work under JYSK VALUES and JYSK LEADERSHIP. Based on the work with SIRIUS, potential leaders are identified and selected for development programs at different levels.

In addition to the formalized training of employees, with the specific purpose of ensuring talent management and management training, JYSK Nordic also offers annual training courses within various areas, ranging from cultural understanding, presentation techniques to Excel training.

Moreover, during this financial year, JYSK Nordic continued the implementation of a new HR module for employees across JYSK Nordic. The module is called MYCAREER and will enable the Human Resource department to follow up systematically on timely performance of the annual employee-manager dialogue. This activity, at JYSK Nordic is called Personal Development Plan (PDP). MYCAREER has been implemented already for store-employees and implementation is well under way for office employees as well.

At the end of this financial year, the gender composition of the three main management levels at JYSK Nordic is as illustrated below.

Management level	Gender composition (male/female)
Top management	100% male employees
Nordic management team[11]	Close to 80% male / 20% female
Store manager level	Close to 50% male / 50% female

JYSK Nordic will continue to work for a balanced gender composition throughout the management levels, ensuring a solid talent pipeline. The Human Resource department ensures that recruitment and promotion procedures are aligned with the policy.

Bettenwelt & DBL

As part of the internal career path at Bettenwelt and DBL, the company works with education and development at all levels of the organisation.

During this financial year, training sessions have been conducted within the following areas.

Training area	Number of employees, who attended
Team Leader	370
Store Manager	733
Sales Executive	67
Executive training	151

At the end of this financial year, the gender composition of the main management levels at Bettenwelt and DBL is as illustrated below.

Management level	Gender composition (male/female)
Top management	100% male employees
Management team[12]	53,9% male employees

The Human Resource department ensures that recruitment and promotion procedures are aligned with the policy.

Bolia

At Bolia, all employees are offered relevant training. Employees have access to an internal platform referred to as Products' academy. Every week, store employees take part in sales- and product training and employees at the head office attends mini-training within each respective department. The Human Resource department ensures that employee development, recruitment and promotion procedures are aligned with the policy.

[11] Nordic management team, including Directors and Department Heads
[12] Management team including; Store Managers, Sales Executives, Team leaders and Department Heads at head office.

At the end of this financial year, the gender composition of the management level at Bolia is as illustrated below.

Management level	Gender composition (male/female)
Top management Group	3 male employees and 4 female employees

Thus, there will be no further reporting on Bolia A/S's policy in this area.

Reporting on §99b (Board composition)

The Board of JYSK Holding A/S has six members, two of whom are women. Consequently, no target figure has been determined for the Board.

JYSK Holding A/S has less than 50 employees. Therefore, no further reporting on the policy on Gender Equality at JYSK Holding A/S is included by this CSR report.

JYSK Holding A/S owns the company, Bolia A/S, which is independently comprised by section 99b of the Danish Financial Statements Act.

The Board of Bolia A/S has four male members. The Board of Directors has a target of at least 33.33% female members on the Board of Directors by 2021.

In the 2017/2018 financial period, the target of 33.33% was not reached as the Board of Directors did not find any reason to change its composition.

KPI overview

JYSK Nordic	KPI status
Zero accidents	KPI not achieved[13]
By 2022, we aim to have LED implemented in all our buildings in all countries	80% percent of stores have LED light sources
Employee satisfaction survey, performed every second year, with a response rate on 90% or more	KPI achieved at Group level as well as for each individual country organisation

Bolia	KPI status
Zero accidents	KPI achieved[14]
By 2022, we aim to have LED implemented in all Bolia stores	50% percent of stores have LED light sources
Employee satisfaction survey, performed every second year, with a response rate on 90% or more	KPI not achieved. Response rate of most recent Employee Satisfaction Survey is 86%

Bettenwelt and DBL	KPI status
Zero accidents	KPI not achieved[15]
To be decided next FY	NA
Employee satisfaction survey, performed every second year, with a response rate on 90% or more	KPI not achieved

[13] For specific result, se section on Human Rights
[14] For specific result, se section on Human Rights
[15] For specific result, se section on Human Rights