LLG A/S

Sødalsparken 18, 8220 Brabrand

CVR No 86 00 15 19

Annual Report 2022/23

(Financial year 1/9 – 31/8)

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 18 January 2024

Jesper Aabenhus Rasmussen
Chairman

Contents

Company Information

The Company	LLG A/S Sødalsparken 18 DK-8220 Brabrand www.larslarsengroup.com CVR No 86 00 15 19 Financial year: 1 September – 31 August Municipality of reg. office: Aarhus
Board of Directors	Jacob Brunsborg, Chairman Mette Brunsborg Jesper Aabenhus Rasmussen
Executive Board	Jesper Lund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Bank	Nordea Bank Danmark Grønjordsvej 10 DK-2300 København S

Financial Highlights of the Group

	2022/23	2021/22	2020/21	2019/20	2018/19
	mDKK	mDKK	mDKK	mDKK	mDKK
Key figures					
Income Statement					
Revenue	42,609	38,360	32,714	23,820	20,756
Profit before financial items (EBIT)	3,040	3,335	3,223	1,783	1,546
Net financials	245	503	2,651	1,509	979
Net profit for the year	2,712	3,403	4,927	2,784	2,179
Balance sheet					
Balance sheet total	48,683	48,183	42,826	30,357	24,589
Equity	30,362	31,613	29,794	12,027	15,363
Cash flow statement					
Investment in tangible assets	2,756	3,161	2,281	1,279	1,013
Ratios					
Solvency ratio	62.4%	65.6%	69.6%	39.6%	62.5%
Return on equity	8.8%	11.1%	23.6%	20.3%	15.2%
Average number of employees	31,176	29,167	27,392	18,820	16,698

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

Management's Review

Main activity

The activities within LLG A/S are defined under the two business areas Lars Larsen Group Retail and Lars Larsen Group Investments.

The main activity in Lars Larsen Group Retail is JYSK, which was founded by Lars Larsen in 1979. JYSK´s payoff is Scandinavian Sleeping and Living, and JYSK makes it easy to furnish every room in any home and garden.

Besides JYSK, Lars Larsen Group Retail consist of the retail companies ILVA, Third.space, Bolia, SOFACOMPANY, SENG and Sengetid.dk.

Lars Larsen Group Investments owns a number of companies within different sectors including the companies Actona Group and ScanCom International.

Lars Larsen Group Investments furthermore invest in listed and unlisted securities, bonds, private equity, infrastructure funds and real estate.

It is important for Lars Larsen Group Investments to act as a responsible investor, which means that all investments must meet strict requirements and policies.

Development in the financial year

Group revenue amounts to mDKK 42,609 compared to mDKK 38,360 in the financial year 2021/22. Profit before financial income and expenses amounts to mDKK 3,040 compared to mDKK 3,335 in 2021/22. Net profit for the year amounts to mDKK 2,712 compared to mDKK 3,403 in 2021/22, which is below expectations but regarded as satisfactory given the challenging market circumstances.

The ongoing war in Ukraine, the economic crisis, and the climate challenges have created global volatility and uncertainty, which has had a direct impact on consumer behaviour. Inflation and rising interest rates have significantly affected sales and thus negatively affected the companies in the Group during the financial year 2022/23. This is expected to continue in the financial year ahead.

During the financial year 2022/23, the JYSK retail activities in Denmark and a number of countries as well as the activity in ILVA has been acquired internally in Lars Larsen Group.

Special risks

The Group's activities abroad imply that profit, cash flows, and equity are affected by the development in exchange and interest rates of a number of currencies.

As a main rule, currency risks relating to investments in foreign subsidiaries and associates are not hedged. In the Group's opinion, current currency hedging of such long-term investments will not be optimal based on overall risk and cost considerations.

Management's Review

Knowledge resources

The Group develops competent employees to undertake operational and management tasks through specially adapted training programs and at own academies.

Corporate social responsibility and statement on the underrepresented gender

The statutory statement of corporate social responsibility and statement on the underrepresented gender appear on pages 37-63.

Data ethics

A policy on data ethics has been implemented.

The policy has been prepared as an overall subject framework which applies to Lars Larsen Group.

The Policy for Data Ethics covers use of all data types and is thus not limited to the use and protection of personal data.

The Policy for Data Ethics complements e.g., the principles of transparency and data minimisation in the Data Protection Act as well as rules on integrity and confidentiality. The policy also supplements policies on handling of personal data, use of cookies, etc. The policy is aimed at customers, guests, visitors of Lars Larsen Group's website, current and potential partners, as well as employees.

During this financial year initiatives to increase focus on e.g., cyber security, phishing etc. has been implemented and a process of developing an Artificial Intelligence (AI) policy has begun. The policy is expected to be released in the financial year 2023/24.

Expected development

In the financial year 2023/24, LLG A/S expects to realise a profit before tax at mDKK 4,000. Due to the significant circumstances described under 'development in the financial year', the expectations are subject to uncertainty.

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of LLG A/S for the financial year 1 September 2022 – 31 August 2023.

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 2023 and of the results of the Parent Company and the Group operations and cash flows for 2022/23.

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

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

Aarhus, 18 January 2024

Executive Board

Jesper Lund

Board of Directors

Jacob Brunsborg, Chairman	Mette Brunsborg
Jesper Aabenhus Rasmussen	

Independent Auditor's Report

To the shareholders of LLG 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 2023, 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 2022 - 31 August 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of LLG A/S for the financial year 1 September 2022 - 31 August 2023, 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Independent Auditor's Report

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 18 January 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Jens Weiersøe Jakobsen
State Authorised Public Accountant
MNE-nr. 30152

Income statement 1 September - 31 August

		Parent company		Group	
	Note	2022/23	2021/22	2022/23	2021/22
		mDKK	mDKK	mDKK	mDKK
Revenue	1	**113**	**148**	**42,609**	**38,360**
Cost of sales		-2	-49	-20,035	-18,557
Other operating income		21	18	30	768
Other external cost		-81	-72	-10,072	-8,912
Gross profit		**51**	**45**	**12,532**	**11,659**
Staff expenses	2	-91	-62	-7,369	-6,054
Depreciation and amortisation		-54	-47	-1,532	-1,236
Other operating expenses		0	0	-591	-1,034
Profit before financial items		**-94**	**-64**	**3,040**	**3,335**
Result from subsidiaries		2,333	2,566	0	0
Result from associated companies		521	1,429	521	1,429
Result from other investments		-23	231	-23	231
Financial income	3	367	188	339	281
Financial expenses	4	-483	-1,366	-592	-1,438
Profit before tax		**2,621**	**2,984**	**3,285**	**3,838**
Tax on profit for the year	5	19	265	-573	-435
Result for the year		**2,640**	**3,249**	**2,712**	**3,403**
Distribution of profit	6				

Balance sheet at 31 August

Assets		Parent company		Group	
	Note	2023	2022	2023	2022
		mDKK	mDKK	mDKK	mDKK
Software		0	0	148	143
Licenses and rights		0	0	69	0
Goodwill		0	0	1,517	1,740
Intangible assets	7	**0**	**0**	**1,734**	**1,883**
Land and buildings		1,086	872	7,138	5,837
Fixtures and fittings, tools and equipment		170	143	2,608	2,011
Leasehold improvements		0	0	2,097	1,569
Tangible assets under construction		549	581	1,519	1,749
Tangible assets	8	**1,805**	**1,596**	**13,362**	**11,166**
Investments in subsidiaries	9	25,561	23,552	0	0
Investments in associates	10	1,500	3,765	1,500	3,765
Other investments	11,12	2,017	1,122	2,024	1,129
Deposits	13	2	1	143	187
Fixed asset investments		**29,080**	**28,440**	**3,667**	**5,081**
Fixed assets		**30,885**	**30,036**	**18,763**	**18,130**
Commercial products		884	900	12,236	10,778
Prepayments of goods		247	92	396	235
Inventories		**1,131**	**992**	**12,632**	**11,013**
Trade receivables		0	0	877	916
Receivables from subsidiaries		3,629	2,900	0	0
Receivables from associates		215	1,342	215	1,343
Deferred tax	14	90	216	797	909
Corporation tax		67	17	322	137
Other receivables		220	805	1,247	1,584
Prepayments	15	1	1	359	274
Receivables		**4,222**	**5,281**	**3,817**	**5,163**
Securities	12	**10,579**	**11,798**	**10,579**	**11,798**
Cash at bank and in hand		**336**	**168**	**2,892**	**2,079**
Current assets		**16,268**	**18,239**	**29,920**	**30,053**
Assets		**47,153**	**48,275**	**48,683**	**48,183**

Balance sheet at 31 August

Liabilities		Parent company		Group	
	Note	2023	2022	2023	2022
		mDKK	mDKK	mDKK	mDKK
Share capital		69	69	69	69
Reserve for exchange adjustment		1	-338	1	-338
Reserve for fair value		0	-9	0	-9
Reserve for net revaluation under the equity method		4,073	7,114	0	0
Retained earnings		26,216	23,475	30,289	30,589
Proposed dividend for the year		0	869	0	869
Equity attributable to parent company shareholders		**30,359**	**31,180**	**30,359**	**31,180**
Non-controlling interests		0	0	3	433
Equity		**30,359**	**31,180**	**30,362**	**31,613**
Negative balance subsidiaries	9	98	102	0	0
Deferred tax	14	0	0	6	2
Provisions		**98**	**102**	**6**	**2**
Mortgage debt, long-term	16	281	141	2,010	1,746
Loans, long-term	17	2,278	1,559	2,278	1,559
Deposits, long-term	18	0	0	0	77
Long term debt		**2,559**	**1,700**	**4,288**	**3,382**
Mortgage debt, short-term	16	33	29	106	113
Credit institutions		2,184	3,916	2,400	4,239
Loans, short-term	17	2,140	1,888	2,140	1,888
Deposits, short-term	18	5	14	20	31
Prepayments, received		2	0	297	148
Trade payables		31	12	1,894	1,580
Payables to subsidiaries		5,723	7,160	0	0
Payables to associates		0	628	0	628
Corporation tax		0	0	386	306
Other payables		4,019	1,646	6,366	3,890
Deferred income	19	0	0	418	363
Short-term debt		**14,137**	**15,293**	**14,027**	**13,186**
Debt		**16,696**	**16,993**	**18,315**	**16,568**
Liabilities and equity		**47,153**	**48,275**	**48,683**	**48,183**

Contractual obligations	20
Security	21
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Statement of changes in equity (mDKK)

	Share capital	Reserve for exchange rate adjustment	Reserve fair value	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity attributable to parent company shareholders	Non-controlling interests	Equity
Parent company									
Equity at 1st September	69	-338	-9	7,114	23,475	869	31,180	0	31,180
Dividend paid	0	0	0	0	0	-869	-869	0	-869
Result for the year	0	0	0	2,855	-215	0	2,640	0	2,640
Acquisition of group companies	0	0	0	-1,012	-1,656	0	-2,668	0	-2,668
Dividend received from group companies	0	0	0	-4,957	4,957	0	0	0	0
Exchange rate adjustments	0	0	0	103	0	0	103	0	103
Other equity movements	0	339	9	-30	-345	0	-27	0	-27
Equity at 31st August	**69**	**1**	**0**	**4,073**	**26,216**	**0**	**30,359**	**0**	**30,359**

	Share capital	Reserve for exchange rate adjustment	Reserve fair value	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity attributable to parent company shareholders	Non-controlling interests	Equity
Group									
Equity at 1st September	69	-338	-9	0	30,589	869	31,180	433	31,613
Dividend paid	0	0	0	0	0	-869	-869	0	-869
Result for the year	0	0	0	0	2,640	0	2,640	72	2,712
Acquisition of group companies	0	0	0	0	-2,668	0	-2,668	0	-2,668
Disposals of non-controlling interests	0	0	0	0	0	0	0	-511	-511
Exchange rate adjustments	0	0	0	0	103	0	103	0	103
Other equity movements	0	339	9	0	-375	0	-27	9	-18
Equity at 31st August	**69**	**1**	**0**	**0**	**30,289**	**0**	**30,359**	**3**	**30,362**

Specified as follows:

	Parent company		**Group**	
	2023	2022	2023	2022
687,000 A-shares of DKK 0.50	0	0	0	0
136,713,000 B-shares of DKK 0.50	69	69	69	69
Share capital	**69**	**69**	**69**	**69**

Share capital has been changed in financial year 2020/21 from mDKK 50 to mDKK 69.
There have been no further changes to the share capital during the last 5 years.

Consolidated Cash Flows

	Note	2022/23	2021/22
		mDKK	mDKK
Profit for the year		2,712	3,403
Adjustments	26	1,996	831
Change in working capital	27	562	-3,285
Cash flows from operating activities before financial income and expenses		5,270	949
Financial income		302	281
Financial expenses		-592	-94
Cash flows from ordinary activities		4,980	1,136
Corporation tax paid		-1,077	-837
Cash flows from operating activities		**3,903**	**299**
Acquisition/sale of securities, net		1,256	1,244
Purchase of intangible assets		-73	-55
Purchase of tangible assets		-2,756	-3,161
Sale of tangible assets		43	83
Purchase of fixed asset investments		-908	-1,833
Sale of fixed assets investments		60	270
Purchase of enterprises		-3,739	-1,826
Sale of enterprises		0	549
Cash at purchase of enterprises		120	63
Cash at sale of enterprises		0	-43
Cash flows from investing activities		**-5,997**	**-4,709**
Received payments on loans		1,214	769
Loans given		-113	-200
Proceeds from mortgage loans		325	808
Payment of mortgage loans		-108	-61
Credit institutions		-1,902	1,681
Payment of loans		-1,799	-757
Raising of loans		4,892	0
Dividend received from associates and other investments		1,267	1,284
Dividend paid		-869	0
Capital increase non-controlling interests		0	77
Cash flows from financing activities		**2,907**	**3,601**
Change in cash and cash equivalents		**813**	**-809**
Cash and cash equivalents at 1 September		2,079	2,888
Cash and cash equivalents at 31 August		**2,892**	**2,079**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2,892	2,079
Cash and cash equivalents at 31 August		**2,892**	**2,079**

Notes to the Annual Report

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	
	2022/23	2021/22	2022/23	2021/22
	mDKK	mDKK	mDKK	mDKK
2 Staff expenses				
Salaries and wages	83	57	6,091	4,939
Pensions	6	4	352	212
Other social security costs	2	1	926	903
	91	**62**	**7,369**	**6,054**
Average number of employees	51	38	31,176	29,167

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

	Parent company	
	2022/23	2021/22
	mDKK	mDKK
3 Financial income		
Interest income affiliates (loans etc.)	126	33
4 Financial expenses		
Interest expense affiliates (loans etc.)	121	35

Notes to the Annual Report

	Parent company		Group	
	2022/23	2021/22	2022/23	2021/22
	mDKK	mDKK	mDKK	mDKK
5 Tax on profit for the year				
Current tax for the year	-50	6	555	628
Deferred tax for the year	33	-271	27	-150
Tax concerning previous years	-2	0	-9	-43
	-19	**-265**	**573**	**435**
Reconciliation of tax on profit for the year				
Profit before tax			3,285	3,838
Result from associated companies after tax			-521	-1,429
			2,764	**2,409**
Income tax calculated at Danish tax rate (22%)			608	530
Effect of differences between foreign and Danish tax rate			-59	-72
Effect of other investments			5	-44
Non-taxable income			-7	-60
Non-deductible expenses			62	67
Tax concerning previous years			-9	-43
Impairment and reversal of tax losses carry forward			-33	55
Other adjustments			6	2
Tax on profit for the year			**573**	**435**
Effective tax rate			**20.7%**	**18.0%**
6 Distribution of profit				
Reserve for net revaluation under the equity method	2,855	3,995	0	0
Retained earnings	-215	-2,901	2,640	1,094
Extraordinary dividend paid	0	1,286	0	1,286
Proposed dividend for the year	0	869	0	869
Non-controlling interests' share of profit/loss	0	0	72	154
	2,640	**3,249**	**2,712**	**3,403**

Notes to the Annual Report

7 Intangible assets

	Software	Licenses and rights	Goodwill
	mDKK	mDKK	mDKK
Group			
Cost at 1st September	380	0	2,179
Adjustments	24	68	0
Additions for the year	71	2	0
Additions by acquisition	142	0	9
Transfers	-5	14	-9
Disposals for the year	-17	0	-2
Exchange rate adjustments	0	0	-6
Cost at 31st August	595	84	2,171
Amortisation at 1st September	237	0	439
Adjustments	23	2	0
Amortisation for the year	82	2	210
Amortisation from acquisition	126	0	6
Transfers	-5	11	-6
Amortisation of disposals for the year	-17	0	-2
Impairment losses for the year	0	0	9
Exchange rate adjustments	1	0	-2
Amortisation at 31st August	447	15	654
Booked value at 31st august	**148**	**69**	**1,517**

8 Tangible assets

	Land and buildings	Fixtures and fittings, tools and equipment	Assets under construction
	mDKK	mDKK	mDKK
Parent company			
Cost at 1st September	1,343	150	581
Additions for the year	81	21	169
Disposals for the year	-12	-1	-1
Transfer	188	12	-200
Exchange rate adjustments	2	0	0
Cost at 31st August	1,602	182	549
Depreciation at 1st September	471	7	0
Depreciation for the year	49	6	0
Depreciation of disposals for the year	-5	-1	0
Exchange rate adjustments	1	0	0
Depreciation at 31st August	516	12	0
Booked value at 31st august	**1,086**	**170**	**549**

Notes to the Annual Report

8 Tangible assets (continued)

	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Assets under construction
	mDKK	mDKK	mDKK	mDKK
Group				
Cost at 1st September	7,484	4,872	2,453	1,749
Adjustments	124	108	0	0
Additions for the year	134	724	502	1,396
Additions by acquisition	136	950	701	163
Transfers	1,249	355	208	-1,812
Disposals for the year	-9	-457	-285	0
Exchange rate adjustments	59	-37	-15	23
Cost at 31st August	9,177	6,515	3,564	1,519
Depreciation at 1st September	1,647	2,861	884	0
Adjustments	127	110	0	0
Depreciation for the year	243	644	342	0
Depreciations from acquisition	15	727	464	0
Transfers	18	-18	0	0
Disposals for the year	-8	-379	-219	0
Exchange rate adjustments	-3	-38	-4	0
Depreciations at 31st August	2,039	3,907	1,467	0
Booked value at 31st August	**7,138**	**2,608**	**2,097**	**1,519**

Notes to the Annual Report

9	**Investments in subsidiaries**	2023
		mDKK
	Parent	
	Cost at 1st September	18,550
	Additions for the year	2,833
	Transfers	158
	Disposals for the year	-35
	Cost at 31st August	21,506
	Value adjustment at 1st September	4,900
	Fair value adjustments	-10
	Amortisation for the year	-126
	Additions for the year	-1,012
	Transfers	1,302
	Exchange adjustment on foreign subsidiaries	103
	Dividend	-3,690
	Result for the year	2,460
	Disposals for the year	30
	Value adjustment at 31st August	3,957
	Booked value at 31st August	25,463
	Negative balance subsidiaries	**98**
	Investments in subsidiaries	**25,561**
	Remaining positive values included in the above carrying amount	1,796

Specified as

	Owner share
Actona Group A/S, Denmark	100%
Anpartsselskabet af 1. april 1993, Denmark	100%
Anpartsselskabet af 06.11.2007, Denmark	100%
Anpartsselskabet af 19. december 2014, Denmark	100%
Anpartsselskabet af 31/8 1984 II, Denmark	100%
Anpartsselskabet af 4/11 2005, Denmark	100%
Anpartsselskabet af 9/6 2006, Denmark	100%
Banegaardsbygningen ApS, Denmark	100%
Bolia A/S, Denmark	100%
Byhaven Silkeborg ApS, Denmark	70%
Erhvervspark Silkeborg ApS, Denmark	100%
Eriksborg Development I ApS, Denmark	100%
Eriksborg Development II ApS, Denmark	100%
HimmerLand A/S, Denmark	100%
ILVA, Denmark	100%
J.S. Reklame, Aarhus ApS, Denmark	100%
JYSK A.E., Greece	100%
JYSK AB, Sweden	100%
JYSK AS, Norway	100%
JYSK Bed'n Linen Inc. & affiliate, USA	100%
JYSK A/S, Denmark	100%

Notes to the Annual Report

9 Investments in subsidiaries (continued)

Specified as

	Owner share
JYSK BUL Ltd., Bulgaria	100%
JYSK BV, Netherlands	100%
JYSK BVBA, Belgium	100%
JYSK d.o.o., Bosnia	100%
JYSK d.o.o., Croatia	100%
JYSK d.o.o., Serbia	100%
JYSK d.o.o., Slovenia	100%
JYSK DBL Iberia S.L.u., Spain	100%
JYSK Ejendomme ApS, Denmark	94%
JYSK GmbH, Austria	100%
JYSK GmbH, Switzerland	100%
JYSK Italia srl con socio unico, Italy	100%
JYSK kft., Hungary	100%
JYSK Limited, Ireland	100%
JYSK Limited, England	100%
JYSK OY, Finland	100%
JYSK Romania Srl., Romania	100%
JYSK SAS, France	100%
JYSK s.r.o., Czech Republic	100%
JYSK s.r.o., Slovakia	100%
JYSK SE, Germany	100%
JYSK SP z.o.o., Poland	100%
JYSK Ukraine LLC, Ukraine	100%
JYSK Unipessoal LDA, Portugal	100%
Letz Sushi ApS, Denmark	100%
LLG Alleycat A/S, Denmark	100%
LLGB Holding ApS, Denmark	100%
LLTR Holding ApS, Denmark	100%
Restaurant Tiende ApS, Denmark	100%
Scancom International A/S, Denmark	100%
SENG A/S, Denmark	100%
Societa' Agricola Dionara S.R.L, Italy	100%
Sofaco Design ApS, Denmark	100%
Toftegårdene ApS, Denmark	100%
VesterMølleHøj Skanderborg ApS, Denmark	75%
Viborgvej 16-18, Silkeborg ApS, Denmark	100%
Ådalshusene ApS, Denmark	65%
Ådalshusene Vol. IV ApS, Denmark	65%

JYSK SE, Germany, is exempt from its obligation to publish annual financial statements and a management report in accordance with the provision applicable to corporations pursuant to § 264 paragraph 3 of the German Commercial Code (HGB).

Notes to the Annual Report

9 Investments in subsidiaries (continued)

Subsidiaries owned indirectly	Owner share
Actona Direct Ltd., China	100%
Actona Seating Ltd., China	100%
Aglon Bis Sp. Z.o.o., Poland	100%
Bolia Inc., USA	100%
Gammel Lyngvej P/S, Denmark	100%
Glentevej 61-65 P/S, Denmark	100%
Graham Bells Vej P/S, Denmark	100%
ID Furniture Franchising A/S, Denmark	100%
ILVA SWE AB, Sweden	100%
Justus Sp. Z.o.o., Poland	100%
JYSK Immobilien GmbH, Germany	100%
JYSK ANONİM ŞİRKETİ, Turkey	100%
Komplementarselskabet Gammel Lyngvej ApS, Denmark	100%
Komplementarselskabet Glentevej 61-65 ApS, Denmark	100%
Komplementarselskabet Grahram Bells Vej ApS, Denmark	100%
Komplementarselskabet Uldum ApS, Denmark	100%
PT ScanCom Indonesia, Indonesia	100%
Raimotech A/S, Denmark	100%
S. C. Ambiente Furniture Ukraine, Ukraine	100%
ScanCom Deutschland GmbH, Germany	100%
ScanCom do Brasil Ltda., Brasil	100%
ScanCom Hong kong, Hong Kong	100%
ScanCom North America, Inc., USA	100%
ScanCom UK Ltd., England	100%
ScanCom Vietnam Ltd., Vietnam	100%
Scandinavian Design Vietnam Co. LTD, Vietnam	100%
SENG Sverige AB, Sweden	100%
Sengetid ApS, Denmark	100%
SITS Industry Sp. Z.o.o., Poland	100%
SITS Sp. Z.o.o., Poland	100%
Sofa Company GmbH, Germany	100%
Sofa Company GmbH, Switzerland	100%
Sofa Company Sverige AB, Sweden	100%
Sofakompagnie B.V, Netherlands	100%
Sofakompagnie BVBA, Belgium	100%
Sofakompagniet Norge AS, Norway	100%
Theca A/S, Denmark	100%
Theca Furniture UAB, Lithuania	100%
Theca Schweiz GmbH, Switzerland	100%
Theca Vertriebsgesellschaft GmbH, Germany	100%
Uldum P/S, Denmark	100%

Notes to the Annual Report

10 **Investments in associates**	**Parent company** 2023	**Group** 2023
	mDKK	mDKK
Cost at 1st September	1,550	1,550
Additions for the year	5	5
Transfers	-158	-158
Disposals for the year	-13	-13
Cost at 31st August	1,384	1,384
Value adjustment at 1st September	2,215	2,215
Fair value adjustments	-31	-31
Amortisation for the year	-110	-110
Transfers	-1,302	-1,302
Dividend	-1,267	-1,267
Result for the year	631	631
Disposals for the year	-20	-20
Value adjustment at 31st August	116	116
Booked value at 31st August	**1,500**	**1,500**
Remaining positive values included in the above carrying amount	814	814

Specified as:

	Owner share
Design Collection Denmark Pte Ltd, Singapore	30%
FP Kapital A/S, Denmark	40.61%
JF III ApS, Denmark	50%
K/S Joinflight III, Denmark	50%
One A A/S, Denmark	30%
Racehall Holding A/S, Denmark	18%
Schou Holding II ApS, Denmark	49%
Selected Car Group A/S	50%
Vision Properties A/S, Denmark	50%

Notes to the Annual Report

11 Other investments	Parent company 2023	Group 2023
	mDKK	mDKK
Cost at 1st September	828	834
Additions for the year	932	932
Disposals for the year	-4	-4
Cost at 31st August	1,756	1,762
Value adjustment at 1st September	294	294
Fair value adjustments	-23	-23
Disposals for the year	-10	-9
Value adjustment at 31st August	261	262
Booked value at 31st August	**2,017**	**2,024**

12 Investments at fair value

	Valueadjust- ment, income statement 2022/23	Fair value at 31 August 2023
	mDKK	mDKK
Parent company		
Other investments, unrealised	42	2,017
Securities, unrealised	37	10,579
Group		
Other investments, unrealised	42	2,024
Securities, unrealised	37	10,579

13 Deposits	Parent company 2023	Group 2023
	mDKK	mDKK
Cost at 1st September	1	187
Adjustment to opening	0	-64
Additions for the year	2	19
Additions by acquisition	-1	22
Disposals for the year	0	-14
Exchange rate adjustments	0	-7
Booked value at 31st August	**2**	**143**

Notes to the Annual Report

	Parent company		Group	
	2023	2022	2023	2022
	mDKK	mDKK	mDKK	mDKK
14 Deferred tax				
Intangible assets	0	0	-22	20
Tangible assets	-17	-14	-6	-58
Inventories	0	0	24	17
Securities	-35	-29	-35	-29
Trade receivables	0	0	4	2
Other	142	259	826	955
	90	**216**	**791**	**907**

Deferred tax is recognised in the balance sheet as follows:

Deferred tax asset	90	216	797	909
Deferred tax liabilities	0	0	-6	-2
	90	**216**	**791**	**907**

15 Prepayments

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

16 Mortgage debt

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

The debt falls due for payment as specified below:

Mortgage debt, after 5 years	232	0	1,660	1,211
Mortgage debt, between 1 and 5 years	50	141	350	535
Mortgage debt, long-term debt	281	141	2,010	1,746
Mortgage debt, within 1 year	33	29	106	113
	314	**170**	**2,116**	**1,859**

Notes to the Annual Report

		Parent company		Group	
		2023	2022	2023	2022
		mDKK	mDKK	mDKK	mDKK
17	**Loans**				
	Loans fall due for payment as specified below				
	Loans, after 5 years	2,262	1,543	2,262	1,543
	Loans, between 1 and 5 years	16	16	16	16
	Loans, long-term debt	2,278	1,559	2,278	1,559
	Loans, within 1 year	2,140	1,888	2,140	1,888
		4,418	**3,447**	**4,418**	**3,447**

Loans are subordinated loan capital.

18	**Deposits**				
	Deposits fall due for payment as specified below:				
	Deposits, after 5 years	0	0	0	2
	Deposits, between 1 and 5 years	0	0	0	75
	Deposits, long-term debt	0	0	0	77
	Deposits, within 1 year	5	14	20	31
		5	**14**	**20**	**108**

19 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years.

20	**Contractual obligations**				
	Rental obligations	24	1	14,654	11,870
	Lease obligations	0	0	100	105
	Letters of credit	0	0	63	44
	Other obligations	0	0	72	20

Notes to the Annual Report

		Parent company		Group	
		2023	2022	2023	2022
		mDKK	mDKK	mDKK	mDKK
21	**Security**				
	Provided as security for mortgage loans: Land and buildings, etc. with a carrying amount of:	257	187	3,082	1,983
	Provided as security for debt:	60	91	89	120

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

LLG A/S has entered into a cash pool agreement for Lars Larsen Group. As per 31 August 2023 the withdrawal was mDKK 0. As principal in the cash pool agreement LLG A/S has issued a guarantee towards credit institutions.

LLG A/S has issued letters of support for the following subsidiaries:
JYSK SE (unlimited) and JYSK Ltd. (limited to mDKK 26).

22	**Contingent liabilities**				
	Guarantees	6,553	5,036	6,622	5,105
	Purchase obligations, Investments	4,723	3,238	4,723	3,238
	Obligation regarding the purchase of tangible assets	0	0	2	173

23 Controlling interest

	Basis
Brunsborg family	Controlling shareholder

Transactions

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

Notes to the Annual Report

	Parent company		Group	
	2022/23	2021/22	2022/23	2021/22
	mDKK	mDKK	mDKK	mDKK
24 Fees to the auditors appointed at the annual general meeting				
PricewaterhouseCoopers				
Audit	2	1	9	6
Other assurance services	0	0	0	0
Tax advisory services	3	1	6	3
Other non-audit services	4	21	9	23
	9	**23**	**24**	**32**
Other auditors				
Audit	0	0	6	5
Other assurance services	0	0	0	0
Tax advisory services	0	0	1	1
Other non-audit services	0	1	1	8
	0	**1**	**8**	**14**

25 Subsequent events

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

	Group	
	2022/23	2021/22
	mDKK	mDKK
26 Cash flow statement - adjustments		
Profit/loss, associates	-521	-1,429
Profit/loss, other investments	23	-231
Other operating income	-12	-244
Financial income	-339	-281
Financial expenses	592	1,438
Depreciation and amortisation	1,532	1,236
Net loss on sale of tangible/intangibles assets	102	62
Tax on profit/loss for the year	573	435
Exchange adjustment on foreign subsidiaries	35	-189
Other adjustments	11	34
	1,996	**831**
27 Cash flow statement - change in working capital		
Change in inventories	269	-2,787
Change in trade receivables	224	-244
Change in other receivables etc.	311	78
Change in trade payables	-123	-229
Change in deferred income	13	-40
Change in other payables etc.	-132	-63
	562	**-3,285**

Accounting Policies

Basis of Preparation

The Annual Report of LLG A/S for the financial year 1 September 2022 to 31 August 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies are unchanged compared to last year.

The Financial Statements for 2022/23 are presented in DKK millions, which is the functional and presentation currency of the Parent Company.

There have been changes to the comparative figures in the notes. The changes do not affect result for the year, equity nor the balance sheet.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, LLG 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.

Intercompany restructuring process

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

Accounting Policies

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.

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.

Accounting Policies

Translation policies (continued)

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.

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.

Accounting Policies

Income Statement

Revenue

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

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

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

Cost of sales

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

Other operating income and expenses

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

Other external expenses

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

Staff expenses

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

Depreciation and amortisation

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

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.

Accounting Policies

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.

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.

Licenses and rights
Licenses and rights are measured at cost less accumulated amortisation.

Licenses and rights are amortised over 5-40 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 – 10 years.

Accounting Policies

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	4-20 years
Leasehold improvements	Rental period

Depreciation period and residual values are reassessed annually.

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

Impairment of fixed assets

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

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

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

Accounting Policies

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.

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.

Accounting Policies

Prepayments

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

Securities

Securities consist of listed bonds and shares, 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.

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.

Accounting Policies

Corporation tax receivables and liabilities

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

Prepayments

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

Debts

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

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

Cash Flow Statement

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

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Accounting Policies

Cash flows from financing activities

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

Cash and cash equivalents

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

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

Financial Highlights

Ratios are calculated as follows:

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

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

Statutory Statement of Corporate Social Responsibility

LLG 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 the Management Review for LLG A/S covering the financial year of 01.09.2022 – 31.08.2023. From hereinafter, this report is addressed as our sustainability report.

Lars Larsen Group

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

We are active within a broad range of business areas as majority owner and investor.

The way we conduct business in Lars Larsen Group is anchored in the family values; Tradesmanship, Responsibility, and Growth.

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

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

Lars Larsen Group sustainability

Our most significant impact within sustainability derives from our role as majority owner and our investment activities.

<u>Responsible investment</u>

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

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

- If an investment opportunity is compliant with Lars Larsen Group values and requirements

- If an investment opportunity should not be pursued due to ESG concerns

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

Active ownership

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

Active and responsible ownership

Values

Tradesmanship / Responsibility / Growth

Governance	Guidance
Lars Larsen Group Employee Code of Conduct and group policies Minimum requirements	We endeavour to guide on sustainability matters, through support and requirements towards companies within Lars Larsen Group Support synergies and knowledge-sharing across the group

Follow-up and reporting on progress and results

Companies within Lars Larsen Group further work with below topics linked to their respective business strategies:

Sustainability strategy

UN Sustainable Development Goals

Risk management

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

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

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

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

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

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

Dialogue shows the way forward

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

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

Whistleblowing service

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

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

During the financial year, Lars Larsen Group received twenty-three (23) reports of which nineteen (19) were considered relevant for management within the scope of the whistleblowing service.

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

Data

JYSK is a group of operational companies divided in the groups of LLG A/S and LLFR Holding ApS. Sustainability in JYSK is managed centrally from JYSK head office functions, legally included by JYSK A/S. Ownership of sustainability policies, procedures, projects, and initiatives are owned and managed centrally from these head office functions, with effect throughout all JYSK country companies. Thus, we report identical §99a data for both LLG A/S and LLFR Holding ApS. It is our firm belief, that this solution provides a more accurate understanding of JYSK's work and progress with sustainability, compared to a report where sustainability data are split on e.g., turnover for LLG A/S and LLFR Holding ApS.

Besides data from JYSK, this report encompasses data from Actona Group, Bolia, ILVA, ScanCom International, and SOFACOMPANY. ILVA has been part of LLG A/S since March 1st, 2023. Until then ILVA was a part of LLFR Holding ApS. Therefore some §99a data regarding ILVA will be identical for LLG A/S and LLFR Holding ApS. The quantitative data, that is possible to divide between the two groups, are divided. As in the above case it is our firm belief that this solution will present the most accurate understanding of ILVA's sustainability work.

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

Legal entities	Hereinafter referred to as
JYSK country companies	JYSK
Actona Group A/S	Actona Group
Bolia A/S	Bolia
ILVA A/S	ILVA
ScanCom International A/S	ScanCom International
Sofaco Design ApS	SOFACOMPANY

About the company

LLG A/S is the name of a group.

JYSK, Bolia, ILVA, and SOFACOMPANY are furniture retail companies with a primary focus on business-to-consumer markets. Business activities include to; source, design, manage, distribute, and sell products for home and garden.

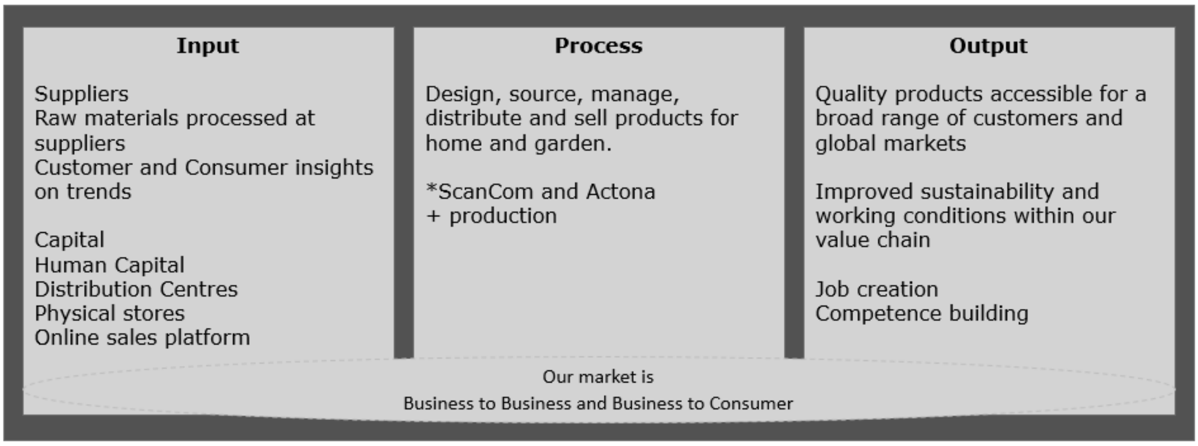
ScanCom International is a furniture company operating in a business-to-business market, with their head office located in Denmark. ScanCom International owns production units in Vietnam, Brazil, and Indonesia.

Actona Group is a furniture company operating in a business-to-business market, with their head office located in Denmark. Actona Group owns production units in China, Poland, Lithuania, and Ukraine.

Business model

The following model illustrates a business model for LLG A/S.

Figure 1 Business Model, LLG A/S



Risks

Below schemes present an overview of identified main risks, impact, and actions related to each of the policy[1] areas covered by this report.

Policy	What is the risk?
Environment and Climate	A dedicated focus on reducing Greenhouse gas (GHG) emissions as well as integrating sustainability considerations within business operations, including sourcing and processing of material, is necessary to reduce our negative environmental impact.
Human Rights	We have a truly global presence. We are present in risk countries with own business units as well as through our supplier network. Our industry and global presence present an exposure to risks related to infringement of Human Rights and/or Labour Rights.
Social and Employee Terms	Employees are the greatest asset of the group. If we fail to provide a safe workplace and a business environment, where employees experience job satisfaction as well as the opportunity to develop professionally, we might risk being unable to attract employees and follow market- and customer development.
Anti-Corruption and Bribery	A global presence as well as more legislation within this area requires a strong focus on compliance with all areas of business ethics. Neglecting to integrate this topic with relevant business procedures will expose our company to significant risk.

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

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

Policy	What is the action?
Environment and Climate	A commitment to Science Based Targets initiative (SBTi) and a dedicated effort towards reducing GHG emissions. Ongoing focus to reduce plastic, from packaging, more sustainable design, responsible sourcing and processing of raw material.
Human Rights	Implementation of Employee Code of Conduct and Human Rights policy, Supplier Code of Conduct, and follow up both internally as well as in our supply chain.
Social and Employee Terms	Systematic work with health and safety. Ensure that HR processes support employee satisfaction and competence development in line with market and customer development.
Anti-Corruption and Bribery	Implementation of Employee Code of Conduct, Anti-Corruption and Bribery policy, Gifts and Entertainment policy, and Supplier Code of Conduct supported by systematic risk evaluation as well as ongoing information and training of employees.

Due Diligence

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

Figure 2 Due Diligence

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

Code of Conduct and Group Policies

Lars Larsen Group Employee Code of Conduct communicates policies on Human Rights, Environment and Climate, Social and Employee Terms, and Anti-Corruption and Bribery. Furthermore, we work with policies on the topics; Gender Equality and Data Ethics, which are published individually.

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

This sustainability report will present a policy excerpt for each of the policies. Following the policy excerpt, the report will present individual reporting on implementation of the respective policy and the results achieved by each respective company.

Environment and Climate

The purpose of this policy is to outline our efforts to reduce the negative environmental and climate impact of our business activities. It is our belief, that consistent and long-term environmental work creates both environmental benefits and value for our company.
Environment and climate considerations are implemented in decision making processes, strategically as well as in our everyday business activities.

Environment and climate considerations are integrated with the management and operations of the companies within Lars Larsen Group, where we strive to reduce the negative impact of business activities.

Science Based Targets initiative

LLG A/S, the parent company of Lars Larsen Group, officially submitted their commitment to the Science Based Targets initiative (SBTi) at the end of summer 2023. So did the Lars Larsen Group subsidiaries JYSK, Actona Group, Bolia, ILVA, ScanCom International, and SOFACOMPANY. The official commitment follows the overall strategy of the group.

LLG A/S and the six subsidiaries stand united in their commitment to the SBTi, but the companies signed up individually. This approach makes more sense in a group of companies with different opportunities for limiting their emissions.

Upon commitment, the work to calculate the full CO_2e baseline in each of the companies is ongoing and once it is finalised, it will indicate where the companies can find the biggest reductions to reach their individual goals.

About the SBTi:

The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute, and the World Wide Fund for Nature. It was created in connection with the Paris Agreement in 2015 with the aim of driving ambitious climate action in the private sector based on data. Thus, the SBTi supports the Paris Agreement's commitment to limit global warming to 1.5 degrees.

In addition to our recent SBTi commitment, we have a history of working with strategic partnerships and initiatives across companies within Lars Larsen Group.

In the following we highlight the most essential strategic initiatives shared across the group.

The Forest Stewardship Council®

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

About the FSC®:

- The Forest Stewardship Council® (FSC) is an international non-profit organisation that promotes environmentally appropriate, socially beneficial, and economically viable forestry worldwide.
- FSC forest management certification ensures that the forest is being responsibly managed in a way that preserves biodiversity and benefits the lives of local people and workers.

- FSC-certified material is identified and tracked along the supply chain during the manufacturing and distribution process – from the forest to the market.
- In an FSC-certified forest the forest area will be the same generation after generation. Rare and threatened species and their habitats are protected, all workers along the supply chain are ensured proper working conditions including education, safety equipment, fair pay, and human rights. Furthermore, the rights of indigenous people are respected, and free prior and informed consent is implemented and safeguarded.

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

Amfori Business Environmental Performance Initiative (BEPI).

Another strategic initiative is our ambition to strengthen environmental requirements towards our supply chain. To support this ambition, we have engaged with Amfori Business Environmental Performance Initiative (BEPI).

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

Signing commitment to support green transport transition.

Lastly, the Lars Larsen Group companies who resides in Aarhus have committed to support the transition of green transportation in Aarhus Municipality.

In March 2023, Lars Larsen Group, JYSK, and ILVA signed Climate Alliance Aarhus' Commitment Paper to officially support the goal of Aarhus Municipality becoming carbon neutral in 2030. Emissions from transport is one of the biggest challenges for Aarhus Municipality in reaching the city council's goal.

The companies commit to making a transition in their car fleets to more emission-free vehicles over time.

Policy implementation and progress

JYSK

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

JYSK has sent in the SBTi Commitment Letter in the financial year 2023. JYSK works with financial year 2021/22 as baseline year and has calculated the scope 1 and 2 baseline. Moreover, an initial screening of scope 3 emissions was performed during this financial year.
In addition to the SBTi commitment, JYSK also works with KPIs related to the use of more sustainable raw material.

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

Within this financial year, more than 60% of the total active assortment that contains wood is FSC-certified. This also includes packaging made from wood. The FSC-certified products range across indoor furniture, mattresses, garden, homeware, and bathroom accessories.
All hard wood products within garden are FSC-certified.

JYSK also made a new packaging design, which will reduce the use of packaging material and make it possible for JYSK to demand that all cardboard used for packaging of JYSK products should be FSC-certified by the end of 2024. Furthermore, all new products from 1 January 2022 are packaged in FSC-certified packaging.

Cotton:
Another raw material in focus at JYSK is cotton. JYSK is a member of Better Cotton (BC). BC is the world's largest cotton sustainability program. Their mission is to help cotton farmers and cotton communities survive and thrive while protecting the environment. JYSK has set the following KPI related to cotton:
By the end of 2024, all cotton sourced for JYSK's textile products will be produced in a more sustainable manner (Better Cotton, Recycled or Organic).
By the end of this financial year 70% of JYSK's textile products contains more sustainable cotton.

Furthermore, JYSK is also working with a new plastic strategy with the aim to limit the number of plastic types used by JYSK and to gradually phase out the use of polystyrene completely. By using fewer types of plastic, JYSK wants to decrease complexity when handling waste and increase recycling of plastic. An example of this is a more responsible packaging for bedsheets. The packaging includes cardboard instead of plastic, which saves more than 26 million plastic bags per year.

To strengthen the external focus on environment and climate, JYSK made a commitment to BEPI.

JYSK became a member of BEPI in 2020 and 77% of JYSK's suppliers were onboarded to the BEPI-platform by the end of this financial year.

Actona Group

During this financial year, Actona Group committed and submitted near-term reduction targets to the SBTi. Actona Group works with financial year 2020/21 as baseline year and aims to reduce GHG emissions with 50% by 2025, 70% by 2030, and reach net zero in 2050.

Another essential focus area for Actona Group is working with FSC®-certified wood.

Actona Group is FSC®-certified, and all wood used in products from the Actona Group-owned factory, Ambiente, is FSC-certified or derives from other controlled sources. Moreover, Actona Group has set a target to solely use certified wood in products by 2025.

Actona Group has taken actions to reduce plastic in packaging materials. Since June 2021, packaging material for new products are free from EPS (expanded polystyrene), which is a material consisting of air and polystyrene. During the financial year 2021/22, Actona Group started to reduce all plastic in packaging on existing products, starting with the products with the highest volume.

To strengthen the external focus on environment and climate, Actona Group has made a commitment to BEPI.
More than 92% of Actona Group's suppliers have been onboarded to the BEPI-platform.

Bolia

Bolia has sent in the SBTi Commitment Letter in the financial year 2023 and thus committed to setting science based reduction targets. Bolia has calculated scope 1, 2 and 3 emissions.

Moreover, during this financial year, Bolia has performed a risk assessment regarding environment and climate. By mapping the Co_2e on the top 20% of Bolia's products, Bolia has identified which products have the biggest impact e.g., foam, wood, and plastic.

Bolia has decided to increasingly use FSC®-certified wood in their products, and during this financial year Bolia reached their ambition. All wood products in Bolia are FSC-certified.

The strategic decision to apply FSC-certified material will also affect packaging material at Bolia. Bolia has engaged in a complete packaging transformation with focus on minimizing plastic usage and using more sustainable raw materials. Mainly FSC-materials are used, and all new packaging material must be FSC-certified.

Furthermore, Bolia has reduced the use of plastic in packaging, which means that new rugs are now wrapped in hessian instead of plastic. Moreover, Bolia has removed styropor plastic from all Como marble tables and replaced with cardboard instead.

To strengthen the external focus on environment and climate, Bolia has made a commitment to BEPI.

68% of all of Bolia's suppliers have been fully onboarded to the BEPI-platform.

ILVA

In August 2023, ILVA committed to the SBTi. In financial year 2022/23 ILVA calculated emissions for scope 1 and 2 and during next financial year, the scope 3 emissions will be calculated.

Furthermore, ILVA performed a risk assessment regarding environment and climate in this financial year. The most significant risks identified, include extraction and use of raw materials, the production, transportation, and disposal of ILVA's products. These risks have negative impacts on e.g., biodiversity and habitats, the environment and GHG emissions related to ILVA's business activities.

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

During the financial year 2021, ILVA set the following KPI:

By the end of 2024, all wood products in ILVA will be FSC-certified.

During this financial year, 49% of all wood products in ILVA were made from FSC-certified wood.

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

As part of ILVA's sustainability journey, BEPI was implemented during the financial year 2021. Currently 155 (84%) of ILVA's suppliers have fully onboarded BEPI and 30 suppliers are in the process of onboarding.

ScanCom International

ScanCom International has committed to the SBTi with financial year 2020/21 as the baseline year, and the work to calculate the full CO_2e baseline is ongoing.

ScanCom International has already completed some initial actions to achieve the set targets:

- Obtained the ISO 50001 certificate for Energy Management System.
- Establishment of an Energy Management Team, a Core CO_2 Team, and an ESG & Sustainability Steering Committee.
- Conducted initial Energy Audits for ScanCom Vietnam Production sites to get an overview of current energy consumption and seek for improvement opportunities.

All ScanCom International production facilities are ISO 14001-2015-certified.

All wood used for products by ScanCom International are FSC®-certified.

Furthermore, ScanCom International is in the process of reducing plastic in packaging. This includes replacing stretch film with biodegradable plastic wrap. Moreover, ScanCom International has replaced polyethylene (PE) foam with pelure paper, kraft paper, and carton sheets.

To strengthen the external focus on environment and climate, ScanCom International has made a commitment to BEPI. By the end of this financial year 27% of ScanCom's suppliers have been fully onboarded to the BEPI-platform.

SOFACOMPANY

During this financial year, SOFACOMPANY has committed to the SBTi, and the work to calculate the full CO_2e baseline in SOFACOMPANY is ongoing.

SOFACOMPANY's headquarters run solely on green energy, and their factory in Vietnam has solar power cells on the roof.

All wood used for products by SOFACOMPANY is FSC®-certified.

Furthermore, SOFACOMPANY has a cooperation with the non-profit organisation Sheworks – an organisation that focuses on sustainability and integration of women. SOFACOMPANY gives all excess textile to the organisation who then makes different products out of the textile, e.g., pillowcases.

Human Rights

Lars Larsen Group respects human rights. We acknowledge the responsibility we have towards our employees and the communities in which we operate, and we expect the same of our suppliers.

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

Human rights-related processes are primarily anchored with Compliance, Human Resources, and Health and Safety departments.

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

- Number of lost time injuries (LTI).
  Work related injuries that require the employee to stay away from work more than 24 hours or one shift.
- Lost time injury frequency rate (LTIFR)
  (Number of lost time injuries in reporting period) x 1,000,000) / (Total hours worked in the reporting period)

Across the group, we share the following KPI for work-related accidents:

We strive for zero work accidents and actively work to reduce lost time injury frequency rate year on year.

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

BSCI is a leading supply chain management system that supports companies to drive social compliance and improvements within a global supply chain.

All members of BSCI agree to a common Code of Conduct, which, among other things, prohibits child labour, forced labour, discrimination, and corruption, and sets requirements for safety and decent working hours as well as protection of the environment.

Compliance audits are performed by third party auditors, approved by 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 BSCI requirements. If a CAP is issued, the Group closely monitors that conditions are improved to a satisfactory level. The ambition of 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 will be terminated.

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

Policy implementation and progress

JYSK

JYSK has continued the work to implement the Human Rights policy as well as ensuring that related work processes are implemented to meet requirements and risk levels of the countries where JYSK is present.

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

Distribution Centre	Number of lost time injuries (LTI) FY 23	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21
Uldum	14	39	21
Radomsko	5	4	7
Nässjö	15	20	9
Bozhurishte	3	7	11
Kammlach	8	3	5
Zarrentin	11	15	9
Homberg	27	12	8
Cheste	1	2	9
Ecser	22	N/A	N/A
Lelystad	2	N/A	N/A

Distribution Centre	Lost time injury frequency rate (LTIFR) FY 23	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21
Uldum	16.8	37.54*	21.0
Radomsko	6.85	4.85*	7.4
Nässjö	37.27	46.2*	21.9
Bozhurishte	7.56	17.35*	33.4
Kammlach	42.15	17.8	11.6
Zarrentin	36.29	47.2	14.5
Homberg	95.39	45.1	22.4
Cheste	10.25	37.3	64.7
Ecser	55.74	N/A	N/A
Lelystad	26.34	N/A	N/A

**Updated due to update in internal hours*

As preventive measures in the Distribution Centres, JYSK also registers all incidents without absence and near-by accidents. The circumstances are investigated to take the necessary steps to improve the work situation and work safety.

Human rights within the supply chain are addressed through a membership with BSCI.

JYSK has been a member of BSCI since 2006.

JYSK has incorporated the BSCI Code of Conduct in the company's own Supplier Guideline.

All suppliers[2] accept the Supplier Code of Conduct when they sign a supplier contract with JYSK. During this financial year, 1,252 of JYSK's suppliers, based in risk countries, have received audits based on BSCI guidelines.

Actona Group

Actona Group has been working to implement the Human Rights policy as well as ensuring that related work processes are implemented to meet requirements and risk levels of the countries where Actona Group is present with own companies.

Safety is a core focus. In the scheme below, work-related accidents registered within this financial year are illustrated:

[2] Direct suppliers, first tier

Company	Number of lost time injuries (LTI) FY 23	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21
Actona Company (Denmark)	3	3	4
ASL (China)	3	3	9
SITS (Poland)	17	N/A	N/A[3]
Ambiente (Ukraine)	0	0	0
Theca (Lithuania)	7	7	N/A[4]

Company	Lost time injury frequency rate (LTIFR) FY 23	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21
Actona Company (Denmark)	6.5	5.3	7.1
ASL (China)	5.6	4.5	10.6
SITS (Poland)	10.74	N/A	N/A
Ambiente (Ukraine)	0	0	0
Theca (Lithuania)	6.3	7.7	N/A

In addition to the systematic work by Human Resource- and Health and Safety departments, all production facilities owned by Actona Group are audited regularly by 3rd party audit companies. This audit process is managed equally to the supplier audit process explained in the following section.

External focus on human rights within the supply chain is addressed through a membership of BSCI.

Actona Group has been a member of BSCI since 2009.

The BSCI Code of Conduct has been implemented within Actona Group's policies.

During this financial year, 100% of suppliers to Actona Group, located in risk countries, received audits based on BSCI guidelines.

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

[3] SITS was acquired by Actona Group at the end of financial year 2021/22.
[4] Theca was acquired by Actona Group in financial year 2021/22.

Bolia

Bolia has been working to implement the Human Rights policy as well as ensuring that related work processes are implemented to meet requirements and risk levels of the countries where Bolia is present.

Safety is a core focus. Work-related accidents registered within this financial year are illustrated below:

Company	Number of lost time injuries (LTI) FY 23	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21
Bolia	4	3	5

Company	Lost time injury frequency rate (LTIFR) FY 23	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21
Bolia	2.7	2.6	12.5[5]

Human rights within the supply chain are addressed through a membership with BSCI.

Bolia has been a member of BSCI since August 2018.

Bolia has implemented the BSCI Code of Conduct in supplier contracts and supplier audits will be managed according to BSCI guidelines. During this financial year, 78% of suppliers to Bolia located in risk countries received audits based on BSCI guidelines.

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

ILVA

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

ILVA performed a risk assessment regarding human rights in April 2023. The most significant risks identified was: Decent working hours, fair remuneration and occupational health and safety. On that background, ILVA has decided to make sure that the ILVA Code of Conduct and BSCI's code of conduct is not just signed but also well implemented at factories producing products to ILVA, especially in risk countries.

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[5] Calculation error in data from financial year 2020/21. Corrected in the above data.

Safety is a core focus at ILVA. Below scheme illustrates the number of work accidents which is registered within the period of this financial year where ILVA was owned by LLG A/S. (As previously mentioned in the data section, ILVA became a part of LLG A/S on March 1st, 2023.)

Company	Number of lost time injuries (LTI) *From March 1st – August 31st*
ILVA	1*

**The total number of lost time injuries in ILVA for the entire financial year is 3*

Company	Lost time injury frequency rate (LTIFR) *From March 1st – August 31st*
ILVA	2.01*

**The lost time injury frequency rate for ILVA for the entire financial year is 3.02*

Focus on human rights within the supply chain is addressed through the membership with BSCI.

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

During the financial year, 100% of ILVA's suppliers based in risk countries have received audits based on the BSCI Code of Conduct.

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

ScanCom International

ScanCom International has been working to implement the Human Rights policy as well as ensuring that related work processes are implemented to meet requirements and risk levels of the countries where ScanCom International is present with own companies.

Safety is a core focus for ScanCom International and work-related accidents registered within this financial year are illustrated below:

Company	Number of lost time injuries (LTI) FY 23	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21
ScanCom Vietnam	13	34	43[6]
ScanCom Brazil	0	3	0
ScanCom Indonesia	4	0	2

Company	Lost time injury frequency rate (LTIFR) FY 23	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21
ScanCom Vietnam	2.08	6.8	3.7
ScanCom Brazil	0	19.45	0
ScanCom Indonesia	9.2	0	3.9

In addition to the systematic work by Human Resource- and Health and Safety departments, the three factories owned by ScanCom International located in Vietnam, Brazil, and Indonesia respectively, are audited regularly by 3rd party audit companies.

Human rights within the supply chain are addressed through a membership with BSCI. ScanCom became a member of BSCI in 2008.

During the financial year, 100% of ScanCom International's suppliers based in risk countries have been audited based on BSCI guidelines.

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

SOFACOMPANY

Safety is a core focus for SOFACOMPANY. The company has been working to implement the Human Rights policy.

Work-related accidents registered within this financial year are illustrated below:

Company	Number of lost time injuries (LTI) FY 23	Number of lost time injuries (LTI) FY 22	Number of lost time injuries (LTI) FY 21
SOFACOMPANY	0	1	5

[6] Calculation error in data from financial year 2020/21. Corrected in the above data.

Company	Lost time injury frequency rate (LTIFR) FY 23	Lost time injury frequency rate (LTIFR) FY 22	Lost time injury frequency rate (LTIFR) FY 21
SOFACOMPANY	0.0	2.0	9.7

Human rights within the supply chain are addressed through a Code of Conduct which SOFACOMPANY has implemented with its five main suppliers. Furthermore, SOFACOMPANY is working closely with the company's biggest supplier in Vietnam to uphold BSCI and FSC-certification.

Social and Employee Terms

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

We seek to attract, develop, and retain qualified and motivated employees in a professional environment.

Our policy on Social and Employee Terms communicates a requirement to perform employee satisfaction surveys (ESS), staff development interviews, as well as workplace assessments.

Across the group, we share a KPI related to the ESS: We strive for a response rate of minimum 80%.

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

Policy implementation and progress

JYSK

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

Every second year, an ESS is conducted by an external partner, to invite employees to express their views. The findings of the survey enable JYSK to understand where to take measures to increase satisfaction and loyalty. The latest survey was conducted in January 2022, with a response rate of 94%. The next ESS is planned for January 2024.

Employee Satisfaction Survey	FY 23	FY 22	FY 21
Response rate	Scheduled for next FY	94%	Scheduled for next FY

In addition to the ESS, JYSK performs annual staff development interviews which are performed at all levels of the organisation, ensuring that individual career plans and goals are aligned and clear for each employee.

Actona Group

At Actona Group, a safe and healthy working environment combined with employee development is considered a key condition for the company's ongoing success. This is secured through a dedicated HR department and a clear HR strategy aimed at attracting and maintaining qualified employees at all levels.

At Actona Group, an ESS is performed systematically every year in January. Results are followed by a process, where Actona Group works attentively to improve identified focus areas, while also maintaining a continued effort within already successful areas.

During financial year 2022/23, Actona Group has undergone a thorough process to identify a new external partner to manage the ESS. This process caused the planned ESS for financial year 2022/23 to be postponed for financial year 2023/24. The latest ESS, performed in January 2022, had a response rate of 86%.

Employee Satisfaction Survey	FY 23	FY 22	FY 21
Response rate	N/A	86%	87%

In addition to above mentioned activities, Actona Group once a year performs staff development interviews. These interviews are conducted with each individual employee.

Bolia

At Bolia, the development and wellbeing of employees is an integrated part of the company's Human Resource procedures.

From financial year 2023 employees are invited to take part in an ESS every year instead of every second year. The most recent survey was conducted in March 2023 and had a response rate of 79%.

In the scheme below the latest ESS results for Bolia are illustrated.

Employee Satisfaction Survey	FY 23	FY 22	FY 21
Response rate	79%	75%	Scheduled for next FY

Bolia will work systematically with the results of the survey.

Furthermore, Bolia has appraisals twice a year for every employee. For sales employees, Bolia performs Sales Performance Evaluations every second month.

ILVA

At ILVA, employee development and wellbeing is managed mainly through Human Resource procedures. Every second year, all employees are invited to take part in an ESS. The last ESS was performed during this financial year and the result is illustrated in the scheme below.

Employee Satisfaction Survey	FY 23	FY 22	FY 21
Response rate	99%	Scheduled for next year	94%

Furthermore, ILVA performs staff development interviews once a year. These interviews are conducted with each individual employee.

ScanCom International

At ScanCom International, a safe and healthy working environment combined with employee development is considered a key condition for the company's ongoing success.

ScanCom International aims to perform staff development interviews at least once a year.

ScanCom International in Vietnam performs ESS annually. The response rate for the ESS is always very high and all employees are invited to participate. Due to the Covid-19 situation in Vietnam during financial year 2021/22 and financial year 2020/21, an ESS was not conducted in these financial years. The most recent ESS was in July 2023.

In the scheme below the latest ESS results are illustrated.

Employee Satisfaction Survey	FY 23	FY 22	FY 21
Response rate	99%	N/A	N/A

SOFACOMPANY

SOFACOMPANY performs ESS once every second year, with a history of high response rates. Due to organisational changes, the planned ESS for financial year 2022/23 has been postponed until financial year 2023/24. In addition to the ESS, SOFACOMPANY performs staff development interviews once a year.

Employee Satisfaction Survey	FY 23	FY 22	FY 21
Response rate	N/A	Scheduled for next FY	92%

Anti-Corruption and Bribery

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

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

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

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

Across the group, we share the following KPI:

Annual information to and training of employees in risk positions regarding anti-corruption and bribery policy and procedures.

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

Policy implementation and progress

JYSK

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

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

Anti-corruption risk assessment is performed annually, most recently within the financial year 2022/23. If the risk profile changes, policies and procedures are updated accordingly, to ensure that the implemented precautions always correspond to the current risk profile.

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

Anti-corruption initiatives are managed at two levels:

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

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

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

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

Actona Group

Within Actona Group's internal activities the highest risk for corruption is placed in China. All Actona Group's own production sites are subject to compliance audits via BSCI, where Anti-Corruption risk assessment is included. This also includes the factory in China. Furthermore, all staff at the factory in China have been trained in anti-corruption as well as signed a letter of commitment regarding this topic.

The factory in China has set up an anti-corruption supervision group to conduct quarterly personal investigations and prevent corruption.

Supporting the policy on Anti-Corruption and Bribery, Actona Group has implemented related guidelines on travel, representation, and gifts and made these guidelines available at the employee information site. Moreover, the policy is presented to new employees during an introduction program.

All relevant employees have received anti-corruption training during financial year 2022/23. An exception regarding training during this financial year was, however, made at Ambiente (Ukraine) where the training was not performed due to the war.

Bolia

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

Bolia has implemented guidelines regarding travel, representation, and gifts.

Bolia has identified employees in risk positions and anti-corruption training has been completed for these employees.

ILVA

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

Supporting the policy on Anti-Corruption and Bribery, ILVA has also implemented related guidelines on e.g., travel, representation and gifts and made these guidelines available in the employee handbook. During financial year 2022/23 ILVA performed an anti-corruption and bribery risk analysis. Findings from the analysis were communicated to the management team and shared with relevant departments.

ScanCom International

During this financial year, ScanCom International performed an anti-corruption risk assessment. Based on the result of the risk assessment, ScanCom International has trained all employees in the ScanCom International Code of Conduct, and all new employees have received awareness training in the content.

Furthermore, to ensure an ongoing focus on anti-corruption and bribery, the topic is incorporated into the ScanCom International Code of Conduct. The document is updated annually and distributed to all staff and suppliers. The policy is accessible via the company intranet and is part of commercial contracts as well as the onboarding of new employees.

ScanCom International has implemented a corruption prevention procedure and guidelines on travel, entertainment, and gifts.

SOFACOMPANY

SOFACOMPANY works to implement the Anti-Corruption and Bribery policy. The policy and a guideline for the employees is available on SOFACOMPANY's intranet.

Furthermore, SOFACOMPANY also has a written group policy regarding gifts and entertainment. This policy is also accessible on the company intranet.

LLG A/S, Reporting on §99b

A policy on gender equality has been implemented. The purpose of the policy on gender equality is to ensure career development on an equal basis.

The Board of Directors for LLG A/S has two male and one female board member. Therefore, gender representation is assumed equal, and no further objective is set.

Board	**Total**	**Women in percent**	**Men in percent**
Board of Directors LLG A/S	3	33%	67%

In the below scheme the gender representation for LLG A/S is illustrated. The number of employees is counted by end of financial year, 31.08.23.

LLG A/S	**Total**	**Women in percent**	**Men in percent**
Employees, total	59	56%	44%
*Management level 1	5	40%	60%
**Management level 2	8	50%	50%

In the above scheme leadership positions are split on the following two management levels:

* Management level 1: The executive board and the persons who organisationally operate at the same level as the executive board

** Management level 2: Managers with employee/personnel responsibility, and who have reference to the first management level

LLG A/S will continue to work actively with the gender equality policy.

LLG A/S owns six companies which are independently obligated by §99b of the Danish Financial Statements Act: JYSK A/S, Actona Group A/S, Bolia A/S, ILVA A/S, ScanCom International A/S, and Sofaco Design ApS.

Individual reports on §99b of the Danish Financial Statements Act for JYSK A/S, Actona Group A/S, Bolia A/S, ILVA A/S, ScanCom International A/S, and Sofaco Design ApS are included in their respective annual reports.