LLG A/S

Sødalsparken 18, 8220 Brabrand

CVR No 86 00 15 19

Annual Report 2020/21

(Annual year 1/9 – 31/8)

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 18 January 2022

Jesper Aabenhus Rasmussen
Chairman

Contents

Company Information

The Company	LLG A/S Sødalsparken 18 DK-8220 Brabrand Telephone +45 89 39 75 00 Website: 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 A/S Skt. Clemens Torv 2-6 DK-8000 Aarhus C

Financial Highlights of the Group

	2020/21	2019/20	2018/19	2017/18	2016/17
	mDKK	mDKK	mDKK	mDKK	mDKK
Key figures					
Income Statement					
Revenue	32,714	23,820	20,756	18,223	16,663
Profit before financial items (EBIT)	3,223	1,783	1,546	1,482	1,325
Net financials	2,651	1,509	979	923	876
Net profit for the year	4,927	2,784	2,179	2,112	1,889
Balance sheet					
Balance sheet total	42,826	30,357	24,589	19,025	18,352
Equity	29,794	12,027	15,363	13,323	11,334
Cash flow statement					
Investment in tangible assets	2,281	1,279	1,013	1,066	467
Ratios					
Solvency ratio	69.6%	39.6%	62.5%	70.0%	61.8%
Return on equity	23.6%	20.3%	15.2%	17.1%	18.2%
Number of employees	27,392	18,820	16,698	10,841	9,746

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

Management's Review

Main activity

The main activity of the parent company comprises operation of real estate, ownership of companies and other investments activities.

The main activity of the Group is ownership of JYSK, ownership of other companies within Lars Larsen Group and investments.

The most important activity in the Group 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.

The Group owns a number of companies mostly working within production or selling of furniture. This includes the companies Actona Group, Bolia, and Scancom International. The Group has in 2020/21 among others acquired SOFACOMPANY. Beside ownership of retail and production companies, the Group also owns a number of smaller businesses within different sectors.

In terms of investments, the Group acts as an investor in real estate, listed and unlisted securities, private equity and in large scale projects across the world.

It is important for the Group to act as a responsible investor, which means that all investments need to meet strict requirements and policies.

Development in the financial year

Group revenue amounts to mDKK 32,714 compared to mDKK 23,820 in financial year 2019/20. Profit before financial income and expenses amounts to mDKK 3,223 compared to mDKK 1,783 in 2019/20. Net profit for the year amounts to mDKK 4,927 compared to mDKK 2,784 in 2019/20 and is above expectations.

From the financial year 2020/21, the JYSK retail activities in Germany has been a part of the Group.

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

The corona pandemic has affected the Group companies very differently from country to country. However, the result in total for the Group has not been severely financially impacted by the effects of COVID-19.

Special risks

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

Management's Review

Knowledge resources

The Group develops competent employees to undertake operational and management tasks through specially adapted training programmes and at its own academy.

Corporate social responsibility and statement on the underrepresented gender

The statutory statement of corporate social responsibility and statement on the underrepresented gender appear on pages 38 - 62.

Expected development

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

Subsequent events

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

Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of LLG A/S for the financial year 1 September 2020 – 31 August 2021.

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

In our opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Parent Company and the Group at 31 August 2021 and of the results of the Parent Company and the Group operations and cash flows for 2020/21.

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

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

Aarhus, 18 January 2022

Executive Board

Jesper Lund

Board of Directors

Jacob Brunsborg, Chairman

Mette Brunsborg

Jesper Aabenhus Rasmussen

Independent Auditor's Report

To the shareholders of 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 2021, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 September 2020 - 31 August 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of LLG A/S for the financial year 1 September 2020 - 31 August 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
MNE-nr. 26783

Income statement 1 September - 31 August

	Note	Parent company 2020/21 mDKK	Parent company 2019/20 mDKK	Group 2020/21 mDKK	Group 2019/20 mDKK
Revenue	1	**149**	**102**	**32,714**	**23,820**
Cost of sales		-47	-10	-16,253	-13,121
Other operating income		5	4	262	113
Other external cost	2	-79	-33	-6,549	-4,674
Gross Profit		**28**	**63**	**10,174**	**6,138**
Staff expenses	3	-47	-47	-5,270	-2,992
Depreciation and amortisation		-45	-43	-981	-793
Other operating expenses		0	0	-700	-570
Profit before financial items		**-64**	**-27**	**3,223**	**1,783**
Result from subsidiaries		2,382	1,224	0	0
Result from associated companies		1,179	1,124	1,180	1,125
Result from other investments		51	1	51	1
Financial income	4	1,648	725	1,703	751
Financial expenses	5	-139	-255	-283	-368
Profit before tax		**5,057**	**2,792**	**5,874**	**3,292**
Tax on profit for the year	6	-303	-96	-947	-508
Result for the year		**4,754**	**2,696**	**4,927**	**2,784**
Distribution of profit	7				

Balance sheet at 31 August

Assets		Parent company		Group	
	Note	2021	2020	2021	2020
		mDKK	mDKK	mDKK	mDKK
Software		0	0	160	105
Goodwill		0	0	1,472	28
Intangible assets	8	**0**	**0**	**1,632**	**133**
Land and buildings		844	878	3,665	3,595
Fixtures and fittings, tools and equipment		143	2	1,669	961
Leasehold improvements		0	0	1,246	640
Assets under construction		109	0	1,366	597
Tangible assets	9	**1,096**	**880**	**7,946**	**5,793**
Investments in subsidiaries	10	22,611	9,545	0	0
Receivables from subsidiaries	11	119	141	0	0
Investments in associates	12	2,356	4,282	2,379	4,303
Other investments	13.14	435	242	444	242
Debt securities	15	0	0	0	9
Deposits	16	1	2	158	66
Fixed asset investments		**25,522**	**14,212**	**2,981**	**4,620**
Fixed assets		**26,618**	**15,092**	**12,559**	**10,546**
Commercial products		426	390	7,909	5,695
Prepayments of goods		118	80	180	83
Inventories		**544**	**470**	**8,089**	**5,778**
Instrument of debt, short-term		0	0	455	0
Trade receivables		0	2	1,033	897
Receivables from subsidiaries		2,142	1,599	0	0
Receivables from associates		1,130	421	1,130	421
Deferred tax		0	0	831	0
Corporation tax		0	0	202	0
Other receivables		304	834	1,038	1,428
Prepayments	17	0	0	215	148
Receivables		**3,576**	**2,856**	**4,904**	**2,894**
Securities		**14,386**	**8,588**	**14,386**	**8,588**
Cash at bank and in hand		**50**	**415**	**2,888**	**2,551**
Current assets		**18,556**	**12,329**	**30,267**	**19,811**
Assets		**45,174**	**27,421**	**42,826**	**30,357**

Balance sheet at 31 August

Liabilities	Note	Parent company		Group	
		2021	2020	2021	2020
		mDKK	mDKK	mDKK	mDKK
Share capital		69	50	69	50
Reserve exchange adjustment		19	0	19	0
Reserve fair value		-32	0	-32	0
Reserve for net revaluation according to the equity method		6,630	5,405	0	0
Retained earnings		22,897	6,381	29,527	11,786
Equity attributable to parent company shareholders		**29,582**	**11,836**	**29,582**	**11,836**
Non-controlling interests		0	0	**212**	**191**
Equity		**29,582**	**11,836**	**29,794**	**12,027**
Negative balance subsidiaries	10	108	88	0	0
Deferred tax	18	55	51	149	22
Provisions		**163**	**139**	**149**	**22**
Mortgage debt, long-term	19	52	76	434	484
Loans, long-term	20	705	1,592	706	1,592
Deposits, long-term	21	0	0	77	76
Long term debt		**757**	**1,668**	**1,217**	**2,152**
Mortgage debt, short-term	19	23	23	55	59
Credit institutions		2,325	461	2,494	1,029
Loans, short-term	20	1,324	6,799	1,327	6,904
Deposits, short-term	21	17	17	41	35
Prepayments, received		0	0	186	91
Trade payables		10	0	1,662	1,277
Payables to subsidiaries		7,822	1,356	0	0
Payables to associates		1,230	2,528	1,230	2,528
Corporation tax		288	126	606	269
Other payables		1,633	2,468	3,776	3,738
Accrued expenses		0	0	289	226
Short-term debt		**14,672**	**13,778**	**11,666**	**16,156**
Debt		**15,429**	**15,446**	**12,883**	**18,308**
Liabilities and equity		**45,174**	**27,421**	**42,826**	**30,357**
Contractual obligations	22				
Security	23				
Contingent liabilities	24				
Controlling interest	25				

Statement of changes in equity (mDKK)

	Share capital	Reserve exchange adjustment	Reserve fair value	Reserve for net revaluation according to the equity method	Retained earnings	Equity attributable to parent company shareholders	Non-controlling interestes	Equity
Parent company								
Opening at 1st September 2020	50	0	0	5,405	6,380	11,836	0	11,836
Net effect from merger under the uniting of interests method	7	0	0	198	6,268	6,473	0	6,473
Corrected opening at 1st September 2020	57	0	0	5,603	12,648	18,308	0	18,308
Extraordinary dividend paid	0	0	0	0	-804	-804	0	-804
Result for the year	0	0	0	1,026	3,727	4,754		4,754
Capital increase	12	0	0	0	7,119	7,130	0	7,130
Acquisition of non-controlling interests	0	0	0	0	-45	-45	0	-45
Debt conversion	0	0	0	0	242	243	0	243
Other equity movements	0	19	-32	0	9	-4	0	-4
Equity at 31st August 2021	**69**	**19**	**-32**	**6,630**	**22,897**	**29,582**	**0**	**29,582**

	Share capital	Reserve exchange adjustment	Reserve fair value	Reserve for net revaluation according to the equity method	Retained earnings	Equity attributable to parent company shareholders	Non-controlling interestes	Equity
Group								
Opening at 1st September 2020	50	0	0	0	11,786	11,836	191	12,027
Net effect from merger under the uniting of interests method	7	0	0	0	6,466	6,473	0	6,473
Corrected opening at 1st September 2020	57	0	0	0	18,252	18,308	191	18,499
Extraordinary dividend paid	0	0	0	0	-804	-804	0	-804
Result for the year	0	0	0	0	4,754	4,754	173	4,927
Capital increase	12	0	0	0	7,119	7,130	0	7,130
Acquisition of non-controlling interests	0	0	0	0	-45	-45	-152	-197
Debt conversion	0	0	0	0	242	243	0	243
Other equity movements	0	19	-32	0	9	-4	0	-4
Equity at 31st August 2021	**69**	**19**	**-32**	**0**	**29,527**	**29,582**	**212**	**29,794**

Specified as follows:

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
250 A-shares of DKK 1,000	0	0	0	0
750 B-shares of DKK 1,000	68	1	68	1
9,000 C-shares of DKK 1,000	0	9	0	9
40,000 D-shares of DKK 1,000	0	40	0	40
Share capital	**69**	**50**	**69**	**50**

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	2020/21	2019/20
		mDKK	mDKK
Profit for the year		4,927	2,784
Adjustments	26	-631	74
Change in working capital	27	-2,037	417
Cash flows from operating activities before financial income and expenses		2,259	3,275
Financial income		401	125
Financial expenses		-283	-347
Cash flows from ordinary activities		2,377	3,053
Corporation tax paid		-714	-384
Cash flows from operating activities		**1,663**	**2,669**
Acquisition/sale of securities, net		-2,706	-3,136
Purchase of intangible assets		-60	-114
Purchase of tangible assets		-2,281	-1,279
Purchase of fixed asset investments		-283	-80
Sale of tangible assets		0	218
Sale of fixed assets investments		49	1
Purchase of enterprises		-2,001	-58
Cash at purchase of enterprises		501	47
Cash at sale of enterprises		0	17
Received repayments on debt securities		0	30
Cash flows from investing activities		**-6,781**	**-4,354**
Credit institutions		1,465	-724
Payment of loans		-1,065	-1,480
Received payments on loans		209	0
Raising of loans		2,618	2,729
Loans given		-819	0
Payment of mortgage loans		-54	0
Deposits		7	81
Paid dividend		-804	0
Dividend received from associates and other investments		1,032	802
Cash from restructuring		2,866	0
Cash flows from financing activities		**5,455**	**1,408**
Change in cash and cash equivalents		**337**	**-277**
Cash and cash equivalents at 1 September		2,551	2,828
Cash and cash equivalents at 31 August		**2,888**	**2,551**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2,888	2,551
Cash and cash equivalents at 31 August		**2,888**	**2,551**

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	
	2020/21	2019/20	2020/21	2019/20
	mDKK	mDKK	mDKK	mDKK
2 Fees to the auditors appointed at the annual general meeting				
PricewaterhouseCoopers				
Auditfee	1	0	5	4
Tax advisory services	12	10	14	10
Other non-audit services	4	5	6	5
	17	**15**	**25**	**19**
Other auditors				
Auditfee	0	0	5	4
Tax advisory services	0	0	1	0
Other non-audit services	0	0	4	2
	0	**0**	**10**	**6**
3 Staff expenses				
Salaries and wages	43	44	4,237	2,395
Pensions	3	2	196	171
Other social security costs	1	1	837	426
	47	**47**	**5,270**	**2,992**
Average number of employees	28	21	27,392	18,820

For the financial year 2020/21 remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. There have been two members of the Executive Board during 2019/20. Remuneration to the Executive Board in 2019/20 amount to mDKK 15.

Notes to the Annual Report

		Parent company	
		2020/21	2019/20
		mDKK	mDKK
4	**Financial income**		
	Interest income subsidiaries	47	34
5	**Financial expenses**		
	Interest expense subsidiaries	24	2

		Parent company		Group	
		2020/21	2019/20	2020/21	2019/20
		mDKK	mDKK	mDKK	mDKK
6	**Tax on profit for the year**				
	Current tax for the year	316	95	901	520
	Deferred tax for the year	4	1	33	-9
	Tax concerning previous years	-17	0	13	-3
		303	**96**	**947**	**508**
	Reconciliation of tax on profit for the year				
	Income tax calculated at Danish tax rate (22%)			1,032	477
	Effect of differences between foreign and Danish tax rate			-97	-53
	Non-taxable income			1	-3
	Non-duductable expences			40	41
	Tax concerning previous years			13	-3
	Impairment and reversal of tax losses carry forward			-34	17
	Other adjustments			-8	32
	Tax on profit for the year			**947**	**508**
	Effective tax rate			**20.2%**	**23.5%**
7	**Distribution of profit**				
	Reserve for net revaluation according to the equity method	1,026	998	0	0
	Retained earnings	2,924	1,698	3,950	2,697
	Extraordinary dividend paid	804	0	804	0
	Non-controlling interests' share of profit/loss	0	0	173	87
		4,754	**2,696**	**4,927**	**2,784**

Notes to the Annual Report

8 Intangible assets

	Software	Goodwill
	mDKK	mDKK
Group		
Cost at 1st September	249	222
Addition for the year	60	0
Addition by aquisition	67	1,521
Disposals for the year	0	-15
Cost at 31st August	376	1,728
Depreciation at 1st September	-144	-194
Depreciation for the year	-72	-76
Depreciation of disposals for the year	0	14
Depreciation at 31st August	-216	-256
Booked value at 31st August	**160**	**1,472**
Depreciated over	3-5 years	5-15 years

Notes to the Annual Report

9 Tangible assets

	Land and buildings	Fixtures and fittings, tools and equipment	Assets under construction
	mDKK	mDKK	mDKK
Parent company			
Cost at 1st September	1,273	5	0
Adjustment to opening	-7	0	0
Addition for the year	12	143	109
Transfer	0	0	0
Exchange adjustment	-1	0	0
Disposals for the year	0	-1	0
Cost at 31st August	1,277	147	109
Depreciation at 1st September	-395	-3	0
Adjustment to opening	5	0	0
Depreciation for the year	-43	-2	0
Depreciation of disposals for the year	0	1	0
Depreciation at 31st August	-433	-4	0
Booked value at 31st August	**844**	**143**	**109**
Depreciated over	25 years	4-20 years	

Notes to the Annual Report

9 Tangible assets

	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Assets under construction
	mDKK	mDKK	mDKK	mDKK
Group				
Cost at 1st September	4,921	3,219	1,269	597
Exchange adjustment at 1st September	-20	3	-1	5
Addition for the year	264	604	334	1,079
Addition by aquisition	0	474	421	74
Transfer	16	86	70	-172
Exchange adjustment	1	1	1	14
Disposals for the year	-13	-188	-81	-231
Cost at 31st August	5,169	4,199	2,013	1,366
Depreciation at 1st September	-1,326	-2,258	-629	0
Exchange adjustment at 1st September	5	-1	0	0
Depreciation for the year	-189	-434	-210	0
Depreciation of disposals for the year	6	163	72	0
Depreciation at 31st August	-1,504	-2,530	-767	0
Booked value at 31st August	**3,665**	**1,669**	**1,246**	**1,366**
Depreciated over	25 years	4-20 years	Rental period	

Notes to the Annual Report

10 Investments in subsidiaries

	2021
	mDKK
Cost at 1st September	5,850
Addition for the year	10,123
Transfer	2,059
Disposals for the year	-91
Cost at 31st August	17,941
Value adjustment at 1st September	3,608
Disposals	91
Transfer	57
Exchange adjustment on foreign subsidiaries	19
Dividend	-1,621
Result for the year	2,448
Fair value adjustments	1
Amortisation for the year	-28
Other adjustments	-13
Value adjustment at 31st August	4,562
Booked value at 31st August	**22,503**
Negative balance in investments	108
Investments in subsidiaries	**22,611**
Remaining positive difference included in the above carrying amount	1,232

Notes to the Annual Report

10 Investments in subsidiaries (continued)

Specified as

	Ownershare
Anpartsselskabet af 31/8 1984 II, Denmark	100%
Anpartsselskabet af 9/6 2006, Denmark	100%
Anpartsselskabet af 4/11 2005, Denmark	100%
Anpartsselskabet af 19. december 2014, Denmark	100%
Anpartsselskabet af 25. marts 2003, Denmark	100%
Anpartsselskabet ID af 06.11.2007, Denmark	100%
Bolia A/S, Denmark	100%
BW DBL Logistica, Spain	100%
Byhaven Silkeborg ApS, Denmark	70%
Erhvervspark Silkeborg ApS, Denmark	100%
FP Kapital A/S, Denmark	100%
Garia A/S, Denmark	100%
Goose V Invest ApS, Denmark	100%
HGSR A/S, Denmark	100%
JYSK AB, Sweden	100%
JYSK AS, Norway	100%
JYSK Bed'n Linen Inc. & affiliate, USA	100%
JYSK BUL Ltd., Bulgaria	100%
JYSK BV, Netherlands	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 Ejendomme A/S, Denmark	94%
JYSK GmbH, Austria	100%
JYSK GmbH, Switzerland	100%
JYSK DBL Iberia S.L.u., Spain	100%

Notes to the Annual Report

10 Investments in subsidiaries (continued)

Specified as

	Ownershare
JYSK Italia srl con socio unico, Italy	100%
JYSK kft., Hungary	100%
JYSK OY, Finland	100%
JYSK Romania Srl., Romania	100%
JYSK SE, Germany	100%
JYSK s.r.o., Czech Republic	100%
JYSK s.r.o., Slovakia	100%
JYSK SP z.o.o., Poland	100%
JYSK Ukraine LLC, Ukraine	100%
Kapital JH ApS, Denmark	10%
Letz Sushi ApS, Denmark	100%
LLBE Holding ApS, Denmark	100%
LLGR Holding ApS, Denmark	100%
LLIE Holding ApS, Denmark	100%
LLGB Holding ApS, Denmark	100%
NJK2 ApS, Denmark	100%
Scancom International A/S, Denmark	100%
Selskabet af 26. august 2011 ApS, Denmark	100%
Selskabet af 31. december 2020 ApS, Denmark	100%
Sengespecialisten A/S, Denmark	100%
Slangerupgade 48 ApS, Denmark	100%
Sofaco Holding ApS, Denmark	100%
Solid Leasing A/S, Denmark	70%
Toftegårdene ApS, Denmark	100%
VesterMølleHøj Skanderborg ApS, Denmark	75%
Viborgvej 16-18, Silkeborg ApS, Denmark	100%
Årets Hotel & Brasserie ApS, Denmark	100%

Notes to the Annual Report

10 Investments in subsidiaries (continued)

Subsidiaries owned indirectly	Ownershare
A. C. Holding A/S, Denmark	10%
Actona Company A/S, Denmark	10%
Actona Direct Ltd., China	10%
Actona Hong Kong Ltd., Hong Kong	10%
Actona Seating Ltd., China	10%
Banegaardsbygningen ApS, Denmark	100%
Dänisches Bettenlager GmbH, Austria	100%
Fastighetsbolaget Företagsvägen 6 AB, Sweden	100%
Fastighetsbolaget Vreten 2 AB, Sweden	100%
Gammel Lyngvej P/S, Denmark	100%
Garia Inc, USA	100%
Interstil Möbel AB, Sweden	10%
J.S. Reklame, Aarhus ApS, Denmark	100%
JYSK A.E., Greece	100%
JYSK BVBA, Belgium	100%
JYSK Fastigheter AB, Sweden	100%
JYSK Immobilien GmbH, Germany	94%
JYSK Limited, Ireland	100%
Komplementarselskabet Gammel Lyngvej ApS, Denmark	100%
Komplementarselskabet Uldum ApS, Denmark	100%
LLES Finans ApS, Denmark	100%
LLES Holding 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%
SJ af 30. juni 2021 AB, Sweden	100%
Sofacompany BVBA, Belgium	100%
Sofacompany GmbH, Switzerland	100%
Sofa Company GmbH, Germany	100%
Sofa Company Vietnam Company LTD, Vietnam	100%
Sofaco Design ApS, Denmark	100%
Sofaco International ApS, Denmark	100%
Sofakompagnie BV NL, Netherlands	100%
Sofakompagniet Norge AS, Norway	100%
The Soffkompaniet AB, Sweden	100%
Uldum P/S, Denmark	100%

Notes to the Annual Report

11 Receivables from subsidiaries

	2021
	mDKK
Cost at 1st September	141
Disposals for the year	-22
Cost at 31st August	119
Value adjustment at 1st September	0
Value adjustment at 31st August	0
Booked value at 31st August	**119**

12 Investments in associates

	Parent company	Group
	2021	2021
	mDKK	mDKK
Cost at 1st September	2,286	2,298
Addition for the year	62	65
Transfer	-2,059	-2,064
Cost at 31st August	289	299
Value adjustment at 1st September	1,996	2,005
Addition for the year	0	1
Transfer	-58	-55
Result for the year	1,184	1,185
Fair value adjustments	5	5
Amortisation for the year	-5	-5
Currency adjustment	-33	-34
Dividend	-1,022	-1,022
Value adjustment at 31st August	2,067	2,080
Booked value at 31st August	**2,356**	**2,379**

Specified as:

	Ownershare
Design Collection Denmark Pte Ltd, Singapore	30%
Inbodan Service Partner I/S, Denmark	62%
JF III ApS, Denmark	50%
JYSK A/S, Denmark	90%
K/S Joinflight III, Denmark	50%
One A A/S, Denmark	30%
Racehall Holding A/S, Denmark	18%
Schou Holding II ApS, Denmark	49%
Vision Properties A/S, Denmark	50%
Ådalshusene ApS, Denmark	50%
Ådalshusene Vol. II ApS, Denmark	50%

Notes to the Annual Report

13 Other investments	Parent company 2021 mDKK	Group 2021 mDKK
Cost at 1st September	222	222
Addition for the year	195	204
Disposals for the year	-23	-23
Transfer	-23	-23
Cost at 31st August	371	380
Value adjustment at 1st September	20	20
Disposals for the year	-27	-27
Transfer	23	23
Dividend	-10	-10
Result for the year	58	58
Value adjustment at 31st August	64	64
Booked value at 31st August	**435**	**444**

14 Investments at fair value

	Valueadjust-ment, income statement 2020/21 mDKK	Fair value at 31 August 2021 mDKK
Parent company		
Other investments, unrealized	47	435
Securities, unrealized	1,302	14,386
Group		
Other investments, unrealized	47	444
Securities, unrealized	1,302	14,386

15 Debt securities	Parent company 2021 mDKK	Group 2021 mDKK
Cost at 1st September	0	9
Disposals for the year	0	-9
Cost at 31st August	0	0
Booked value at 31st August	**0**	**0**

Notes to the Annual Report

	Parent company 2021	Group 2021
	mDKK	mDKK
16 Deposits		
Cost at 1st September	2	66
Adjustment to opening	0	3
Addition for the year	0	79
Addition by acquisition	0	13
Disposals for the year	-1	-3
Cost at 31st August	**1**	**158**

17 Prepayments

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

	Parent company		Group	
	2021	2020	2021	2020
	mDKK	mDKK	mDKK	mDKK
18 Deferred tax				
Intangible assets	0	0	801	-4
Tangible assets	11	7	-53	22
Inventories	0	0	6	-10
Securities	22	22	-22	22
Trade receivables	0	0	1	-4
Other	22	22	-51	-4
	55	**51**	**682**	**22**
Deferred tax is recognised in the balance sheet as follows:				
Deferred tax asset	0	0	831	0
Deferred tax liabilities	55	51	149	22
	55	**51**	**682**	**22**

19 Mortgage debt, long-term

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

The debt falls due for payment as specified below:

Mortgage debt, after 5 years	0	0	257	285
Mortgage debt, between 1 and 5 years	52	76	177	199
Mortgage debt, long-term debt	52	76	434	484
Mortgage debt, within 1 year	23	23	55	59
	75	**99**	**489**	**543**

Notes to the Annual Report

	Parent company		Group	
	2021	2020	2021	2020
	mDKK	mDKK	mDKK	mDKK
20 Loans				
Loans fall due for payment as specified below				
Loans, after 5 years	689	392	689	392
Loans, between 1 and 5 years	16	1,200	17	1,200
Loans, long-term debt	705	1,592	706	1,592
Loans, within 1 year	1,324	6,799	1,327	6,904
	2,029	**8,391**	**2,033**	**8,496**

Of which subordinated loan capital amounts to mDKK 2,029 per 31 August 2021 (31 August 2020: mDKK 1,619).

	Parent company 2021	Parent company 2020	Group 2021	Group 2020
21 Deposits				
Deposits fall due for payment as specified below:				
Deposits, after 5 years	0	0	0	0
Deposits, between 1 and 5 years	0	0	77	76
Deposits, long-term debt	0	0	77	76
Deposits, within 1 year	17	17	41	35
	17	**17**	**118**	**111**
22 Contractual obligations				
Rental obligations	0	0	9,788	6,446
Lease obligations	0	0	129	84
Letters of credit	0	0	70	67
Other obligations	0	0	16	10
23 Security				
Provided as security for mortgage loans: Land and buildings, etc. with a carrying amount of:	0	0	1,093	995
Provided as security for debt:	0	0	29	0

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

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

LLG A/S has issued unlimited letters of support for the following subsidiaries:
Garia A/S, Garia Inc., Letz Sushi ApS and Vestermøllehøj Skanderborg ApS.

Notes to the Annual Report

		Parent company		Group	
		2020/21	2019/20	2020/21	2019/20
		mDKK	mDKK	mDKK	mDKK
24	**Contingent liabilities**				
	Guarantees	3,861	2,828	3,967	2,910
	Remaining obligations in investment projects	2,291	291	2,291	291
	Obligation regarding the purchase of tangible assets	0	0	288	0

25 Controlling interest

	Basis
Goose VI Invest ApS	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.

		Group	
		2020/21	2019/20
		mDKK	mDKK
26	**Cash flow statement - adjustments**		
	Profit/loss, associates	-1,180	-1,125
	Profit/loss, other investments	-51	-1
	Financial income	-1,703	-751
	Financial expenses	283	369
	Depreciation and amortisation	981	793
	Tax on profit/loss for the year	947	508
	Exchange adjustment on foreign subsidiaries	14	-9
	Other adjustments	78	290
		-631	**74**
27	**Cash flow statement - change in working capital**		
	Change in inventories	-1,053	-96
	Change in receivables	-22	-127
	Change in other receivables etc.	-234	187
	Change in trade payables	-326	432
	Change in deffered income	49	21
	Change in other payables etc.	-451	0
		-2,037	**417**

Accounting Policies

Basis of Preparation

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

The accounting policies are unchanged compared to last year.

The Financial Statements for 2020/21 are presented in DKK millions, which is the functional and presentation currency of the Parent Company.

There have been minor changes to comparative figures. The changes do not affect result for the year or equity.

During the financial year LLG A/S merged with the companies Ready Made A/S, Hank Invest ApS, JULL A/S, Kapital 31/8 ApS, LJH Invest ApS and Goose I Invest ApS with retrospective effect for accounting purposes at 1 September 2020 and as the continuing company. As a result, the comparative figures are restated in accordance with the adjusted pooling-of-interests method ("koncernmetoden").

The effect of the merger for the parent company 2019/20 is a change in result for the year of MDKK 0, the equity of MDKK 0 and total assets of MDKK -126.

Furthermore, LLG A/S has been merged with Anpartsselskabet af 31/8 1984, Goose II Invest ApS, Goose III Finans ApS and Goose IV Finans ApS with retrospective effect for accounting purposes at 1 September 2020 and as the continuing company. The comparative figures are not adjusted in accordance with the book value method.

The net effect on equity amounts to MDKK +6,473.

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.

Accounting Policies

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.

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.

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

Tangible assets

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

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

Accounting Policies

Tangible assets (continued)

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

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

Buildings	25 years
Fixtures and fittings, tools and equipment	4-20 years
Leasehold improvements	Rental period

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

Impairment of fixed assets

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

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

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

Investments in subsidiaries and associates

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

The items "Investments in subsidiaries" 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).

Accounting Policies

Investments in subsidiaries and associates (continued)

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

Subsidiaries 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.

Prepayments

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

Accounting Policies

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.

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.

Accounting Policies

Prepayments

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

Debts

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

Cash Flow Statement

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

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

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.

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.

Accounting Policies

Financial Highlights

Ratios are calculated as follows:

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

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

Statutory Statement of Corporate Social Responsibility

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 1 September 2020 – 31 August 2021. 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 in 1979, and opened the first JYSK shop in Aarhus. The opening of this shop marked the beginning of the journey towards the establishment of Lars Larsen Group.

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

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

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

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

Lars Larsen Group sustainability

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

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

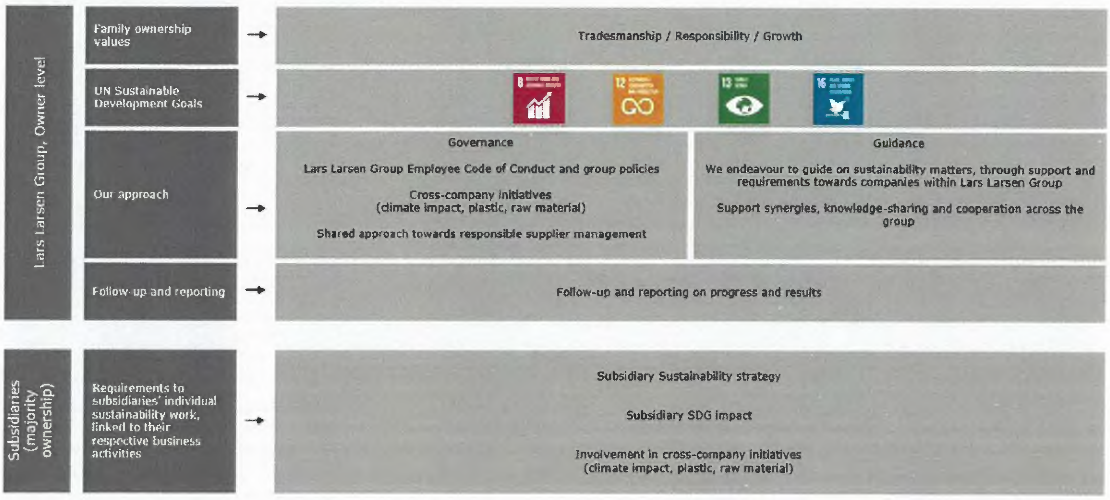
The ESG due diligence support the overall evaluation of investment opportunities, in determining;

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

Active ownership
As majority owner, we work with sustainability through active and responsible ownership. During this financial year, we have implemented a group sustainability strategy, which frames our work with sustainability in our active ownership, of majority owned companies. Our approach is

based on a structured governance setup. We ensure a foundation of group policies and tools as well as support to companies within Lars Larsen Group.

Lars Larsen Group Sustainability Strategy
- Active and Responsible Ownership



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

These areas cover;

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

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

Dialogue is the way forward

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

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

Whistleblower service

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

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

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

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

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

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

Lars Larsen Group and JYSK Head Office:

During last financial year, we started the building process of expanding the head office of Lars Larsen Group and JYSK (housing employees of LLG A/S and JYSK).

The existing head office will be expanded by 9.800m2 split on two new buildings, and subsequently will have a total of 21.268m2

The buildings are constructed in accordance with a DGNB[1] certification, and the aim is to reach a gold certification.

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

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

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[1] Deutsche Gesellschaft für Nachhaltiges Bauen.

Data

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

Besides data from JYSK, this report comprises data from Actona Group, Bolia, ScanCom International and SOFACOMPANY. During this financial year, SOFACOMPANY became a part of Lars Larsen Group. This means the company is in the process of becoming compliant with Lars Larsen Group's sustainability program. SOFACOMPANY will be fully onboarded as of next financial year.

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

Legal entities	As referred to hereinafter
JYSK country companies	JYSK
Actona Group A/S	Actona
Bolia A/S	Bolia
ScanCom International A/S	ScanCom
Sofaco Holding ApS	SOFACOMPANY

About the company

LLG A/S is a group company.

JYSK, Bolia 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.

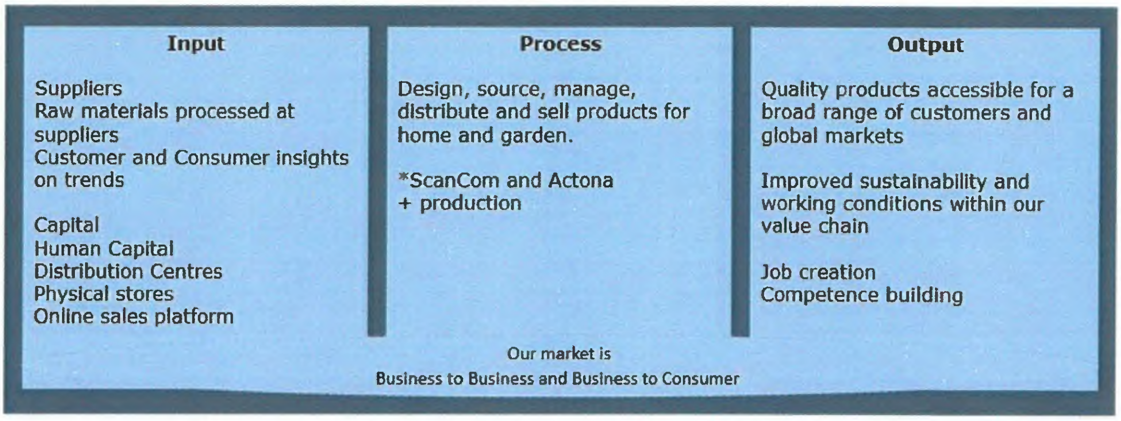
ScanCom is a furniture company, operating at a business-to-business market, with their head office located in Denmark. ScanCom owns production units in Vietnam, Brazil, and Indonesia.

Actona is a furniture company, operating at a business-to-business market, with their head office located in Denmark. Actona owns production units in China 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, presents an overview of identified main risks, impact, and action related to each of the policy[2] areas covered by this report.

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

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

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

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

Due Diligence

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

Figure 2 Due Diligence

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

Code of Conduct and Group Policies

Lars Larsen Group Employee Code of Conduct communicates our group policies on Human Rights, Environment and Climate, Social and Employee Terms, and Anti-Corruption and Bribery. Furthermore, there are Group Policies on the topics; Gender Equality and Data Ethics, which are communicated individually.

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

This sustainability report will present a policy excerpt for each of the group policies. Following the policy excerpt, the report will present individual reporting on implementation of the respective policy and the results achieved by each respective company. Where relevant, the report will comment on initiatives addressed both internally and externally.

Environment and Climate

The purpose of this policy is to outline our effort to reduce the negative environmental and climate impact of our business activities. It is our belief, that consistent and long-term environmental work creates both environmental benefit and value for our company.

Environment and climate considerations are implemented in decision making processes, strategically as well as in our everyday business activities.

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

Furthermore, strategic partnerships and initiatives have been initiated across companies within Lars Larsen Group.

In the following we highlight the most essential strategic initiatives, shared across the group. One of these initiatives is our engagement with The Forest Stewardship Council® (FSC).

About FSC:

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

It is our aim that an increasing part of the wood used, should originate from sustainable forests.

Another strategic initiative is our ambition to map and reduce our GHG emissions. We have engaged in a partnership with an external partner, who support companies within Lars Larsen Group on this journey. It is our ambition that this project will support companies within the group to set a reduction target for their GHG emissions. Companies within the group will engage with this project during FY 21 and FY 22.

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

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

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

Policy implementation and progress

JYSK

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In order to be able to track improvements related to reducing CO2 emission, we established a baseline together with the external supplier. The data is based on the total number of 40-foot containers delivered to JYSK, and the total CO2-emission caused by the transport.

From September 1, 2020 to August 31, 2021, the total CO2-emissions from the transports were 38,067,200 tons.

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

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

Actona

Internal focus:
An essential focus area for Actona is working with FSC certified wood.

Actona is FSC®/™ certified (FSC-C132796), and all wood used in products from the Actona owned factory, Ambiente, is FSC-certified. Moreover, Actona aims to gradually increase the percentage of FSC certified wood used for their products. Actona also encourages suppliers to become FSC certified. At present, Actona has 28 FSC-certified suppliers and more to come.

Actona has taken actions to reduce plastic in the packaging materials. Since June 2021, packaging material for new products are free from EPS. From 2022, Actona will start to reduce all plastic in packing on existing products starting with the products that has the highest volume.

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

Out of 77 suppliers 48 are implemented on the BEPI platform.

Bolia

Internal focus:
During this financial year, Bolia has initiated a mapping of their greenhouse gas emissions. The mapping of scope 1 and 2 was ready during the end of October 2021, while the mapping for scope 3 will be finalized during Q2 2022.

Bolia has decided to increasingly use FSC-certified wood. All new products are made from FSC-certified wood (FSC® FSC-C165134). By the end of 2022 at the latest all wood products in Bolia will be made from FSC-certified wood, and so far, Bolia have completed 95%.

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 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 packed in hessian instead of plastic. Moreover, Bolia has removed styropor plastic from all Como marble tables and replaced with cardboard instead.

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

52% of the suppliers for Bolia have submitted the required SAQ (Self-assessment questionnaire) from the BEPI platform. 24% will join BEPI themselves and share data with Bolia and 24% have not yet started the process.

ScanCom

Internal focus:
All ScanCom production facilities are ISO 14001-2015 certified.

All wood used for products, by ScanCom are FSC-certified. FSC® C018526, FSC® C015508, FSC® C008868, FSC® C010181, FSC® C110432, FSC® C142394, FSC® C022516.

ScanCom continues to work on reducing the CO2 emissions from all production sites in Vietnam, Brazil, and Indonesia. ScanCom has a climate change roadmap from now until FY30 with an annual reduction of 10%. It is expected that a status on this project is presented during next financial year.

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

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

ScanCom is in the first stage of the engagement with BEPI. During this financial year, ScanCom has brought 6 suppliers onboard the BEPI platform.

SOFACOMPANY

SOFACOMPANY was acquired by Lars Larsen Group in the end of June 2021.

SOFACOMPANY has received the Lars Larsen Group policies and has begun implementation according to Lars Larsen Group sustainability compliance requirements.

SOFACOMPANY works exclusively with FSC-certified wood (FSC® FSC-C167993).

Human Rights

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

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

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

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

- Number of lost time injuries (LTI).
  Work related injuries that require the employee to stay away from work more than 24 hours or 1 shift
- Lost time injury frequency rate (LTIFR)
  (Number of lost time injuries in reporting period) x 1.000.000) / (Total hours worked in the reporting period)

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

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

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

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

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

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

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

Policy implementation and progress

JYSK

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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[4] Direct suppliers, first tier

Actona

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

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

Company	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
Actona Company (Denmark)	4	2
ASL (China)	9	10
Ambiente (Ukraine)	0	0

Company	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
Actona Company (Denmark)	7,1	5,3
ASL (China)	10,6	17,6
Ambiente (Ukraine)	0	0

In addition to the systematic work by Human Resource- and Health and Safety departments, the two factories, owned by Actona Company, located in China and Ukraine, are audited regularly by 3rd party audit companies. This audit process is managed equally to the audit process at suppliers, explained in the following section.

External focus:
External focus on human rights within the supply chain is addressed through a membership of Amfori Business Social Compliance Initiative (BSCI).

Actona has been a member of Amfori, BSCI for more than 10 years.

The Amfori BSCI Code of Conduct has been implemented within own policies.
During the financial year, 95% of the suppliers to Actona, located in risk countries, received audits based on Amfori BSCI guidelines.

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

Bolia

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

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

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

Company	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
Bolia	1,9	9,8

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

Bolia has been a member of Amfori, BSCI since August 2018.

Bolia has implemented the Amfori BSCI Code of Conduct into supplier contracts and supplier audits will be managed according to Amfori, BSCI guidelines. 48% of Bolia's suppliers are located in risk countries. BSCI Audits at these factories are managed via a Danish agent.

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

ScanCom

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

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

Company	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
ScanCom Vietnam	40	54
ScanCom Brazil	0	1

ScanCom Indonesia	2	2

Company	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
ScanCom Vietnam	3,7	4,3
ScanCom Brazil	0	6,4
ScanCom Indonesia	3,9	4,1

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

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

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

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

SOFACOMPANY

Internal focus:
SOFACOMPANY was acquired by Lars Larsen Group in the end of June 2021.

SOFACOMPANY has received the Lars Larsen Group policies and has begun implementation according to Lars Larsen Group sustainability compliance requirements.

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

Company	Number of lost time injuries (LTI) FY 21	Number of lost time injuries (LTI) FY 20
SOFACOMPANY	5	N/A

Company	Lost time injury frequency rate (LTIFR) FY 21	Lost time injury frequency rate (LTIFR) FY 20
SOFACOMPANY	9,7	N/A

External focus:
Human rights within the supply chain, is addressed through a Code of Conduct which SOFACOMPANY has implemented with its 5 main suppliers. Furthermore, SOFACOMPANY

are working closely with the biggest supplier, who are placed in Vietnam, to uphold BSCI- and FSC-certification.

Social and Employee Terms

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

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

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

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

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

Policy implementation and progress

JYSK

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

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

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

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

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

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

Actona

The employees are the greatest asset in Actona. A safe and healthy working environment combined with employee development is 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, surveys on employee satisfaction (ESS) are performed systematically every year in January. Results of these studies are followed by a process, where Actona works attentively to improve identified focus areas, while also maintaining a continued effort within already successful areas.

The result of the latest employee satisfaction survey, performed in January 2021, was a response rate of 87%.

Employee Satisfaction Survey	FY 21	FY 20
Response rate	87%	92%

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

Bolia

The employees are the greatest asset in Bolia. At Bolia, employee development and wellbeing are put into system, mainly through Human Resource procedures.

At Bolia, employees are invited to take part in an employee satisfaction survey (ESS) every second year. At the most recent survey in 2020, Bolia reached a response rate of 80%.

In the scheme below the latest ESS results are illustrated.

Employee Satisfaction Survey	FY 21	FY 20
Response rate	Scheduled for next FY	80%

Employee Satisfaction Survey	FY 21	FY 20
Satisfaction score, overall	Scheduled for next FY	76%

Bolia will work systematically with the results of the survey.

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

ScanCom

The employees are the greatest asset in ScanCom, and a safe and healthy working environment combined with employee development is a key condition for the company's ongoing success.

ScanCom aim to have perform staff development interviews at least once a year.

ScanCom in Vietnam performs employee satisfaction surveys (ESS) annually. The most recent employee satisfaction survey was in December 2019 (direct workers) and July 2020 (office and management) which reached a response rate close to 100%. Due to COVID-19 no employee satisfaction survey was performed in December 2020 and in July 2021.

Employee Satisfaction Survey	FY 21	FY 20
Response rate	Scheduled for next FY	Close to 100%

SOFACOMPANY

SOFACOMPANY was acquired by Lars Larsen Group in the end of June 2021.

SOFACOMPANY has received the Lars Larsen Group policies and has begun implementation according to Lars Larsen Group sustainability compliance requirements.

SOFACOMPANY performed an employee satisfaction survey in Q3 of 2020. The response rate was more than 90%

Employee Satisfaction Survey	FY 21	FY 20
Response rate	>90%	N/A

Anti-Corruption and Bribery

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

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

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

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

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

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

Policy implementation and progress

JYSK

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

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

Anti-Corruption risk assessment is performed annually, most recently within this financial year. If the risk profile changes, policies and procedures are updated accordingly, in order to ensure that the implemented precautions always are adequately corresponding to the current risk profile.

JYSK takes a risk-based approach when targeting anti-corruptions initiatives including training. Anti-corruption initiatives are managed in 2 levels.

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

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

JYSK has an annual strategy kick-off for all managers, in all countries, where Anti-Corruption information are presented to a select group of employees.
Moreover, during last financial year JYSK implemented a shared IT-platform for all JYSK entities enabling access to written guidelines for employees regarding travel, representation, and gifts.

Actona

Supporting the policy on Anti-Corruption and Bribery, Actona 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.

Actona performed an anti-corruption risk assessment in February 2021. In addition to supply chain risks, Actona also identified their own production sites, located in Ukraine and China to represent the highest risk exposure. The sites are subject to compliance audits via BSCI, where Anti-Corruption risk assessment is included.

Furthermore, all staff at ASL (the factory in China) have been trained in anti-corruption, as well as signed a letter of commitment regarding this topic. ASL have set up an anti-corruption supervision group to conduct quarterly personal investigations and prevent corruption.

Bolia

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

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

Bolia has identified employees in risk positions, and anti-corruption training have been completed for these employees in April 2021.

ScanCom

To ensure ongoing focus on Anti-Corruption and Bribery, the topic is incorporated by the ScanCom Code of Conduct. This document is updated annually and distributed to all staff and suppliers. The policy is accessible via the company intranet and it is part of the commercial contracts, as well as a part of onboarding new employees.

ScanCom has implemented a Corruption prevention procedure and guidelines on Travel, Entertainment and Gifts.

SOFACOMPANY

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SOFACOMPANY has received the Lars Larsen Group policies and has begun implementation according to Lars Larsen Group sustainability compliance requirements.

LLG A/S, Reporting on §99b

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

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

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

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

LLG A/S has less than 50 employees. Therefore, no target and no further reporting on gender composition at management levels is included in this report.

LLG A/S, and the companies owned by LLG A/S, will continue to work actively with Lars Larsen Group's Gender Equality Policy.

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

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

[5] Cf. guidance on equal gender representation, by Danish Commerce and Companies Agency
[6] Data for all companies owned by LLPT Holding ApS and LLG A/S

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

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