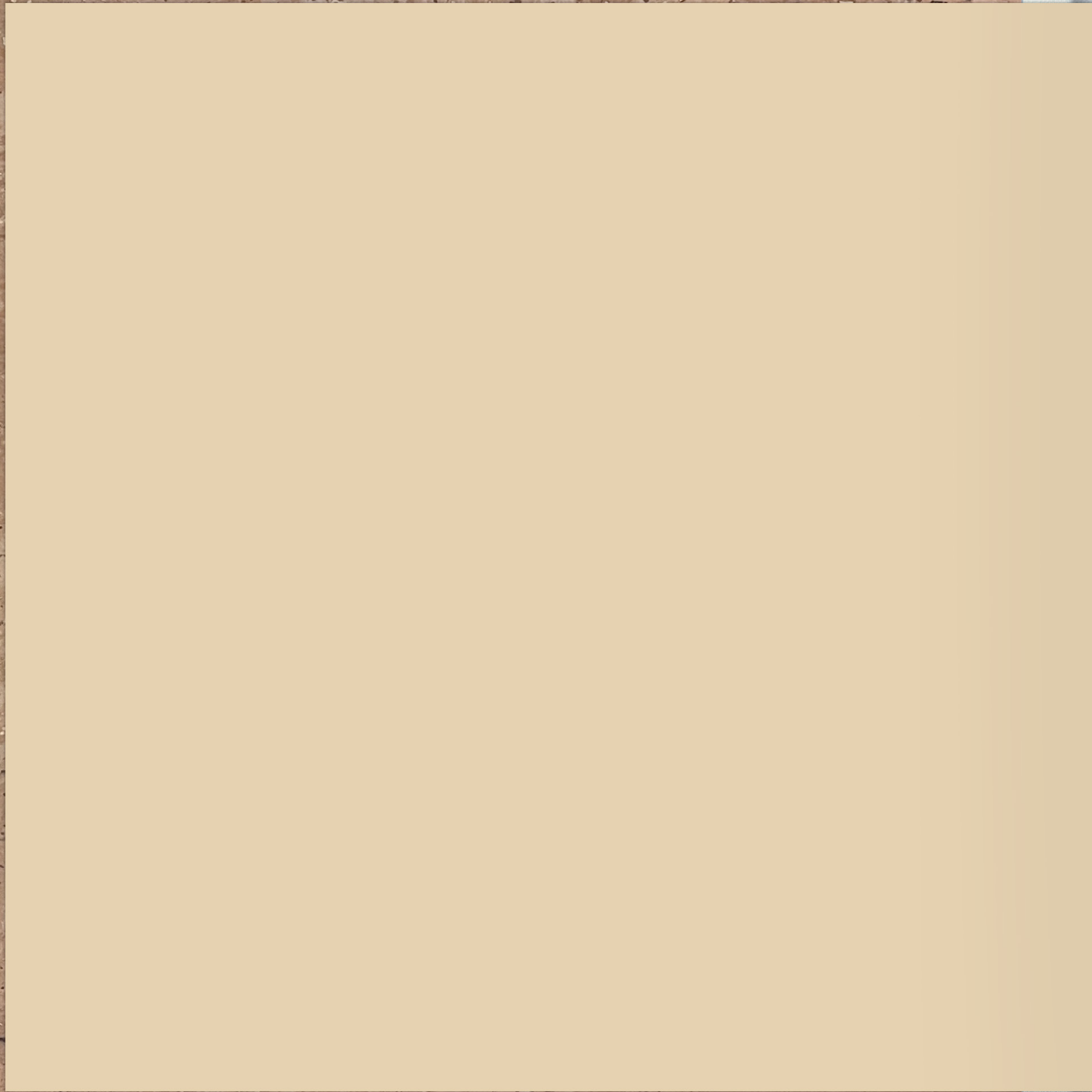


ANNUAL REPORT 2021/22



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From the left: Jesper Lund, President and CEO. Jacob Brunsborg, Chairman of the Board.

FY22 AT A GLANCE

Lars Larsen Group continues to grow

Welcome to our second annual report for Lars Larsen Group.

We are in a time like no other. The trinity of Russia's invasion of Ukraine, the economic crisis, and the climate challenges have caused global volatility and uncertainty that none of us have faced before. Through this, our fundamental values will continue to be the guiding light for all our activities. We are driven by Trademanship, Responsibility, and long-term Growth and these values unfold on the following pages of our report.

This year, we would like to introduce our new business structure where all activities under Lars Larsen Group are defined under the two business areas Lars Larsen Group Retail and Lars Larsen Group Investments. By bringing the retail companies together we can utilize their similarities to create synergies across the group.

Despite the global challenges, the group has again delivered growth. The revenue is record high and grew by more than 12% to DKK 44,017 million. The revenue in the business area Lars Larsen Group Retail increased by more than 12% and in Lars Larsen Group Investments by more than 10%.

The profit before financial items (EBIT) for 2021/22 was record high amounting to DKK 4,945 million compared to DKK 4,882 million the year before. While 2020/21 was a financial year with clear tailwind for Lars Larsen Group Investments, 2021/22 proved to be quite the opposite.

The profit before tax for 2021/22 was DKK 4,307 million compared to DKK 6,450 million the year before. The profit before tax for Lars Larsen Group Retail was DKK 4,550 million compared to DKK 4,677 million the year before. The profit before tax for Lars Larsen Group Investments was a loss of DKK 243 million compared to a profit of DKK 1,773 million the year before.

Tax on profit for 2021/22 was DKK 830 million compared to DKK 1,308 million the year before, equivalent to a tax rate of 20.5% against 20.6% for 2020/21.

Furthermore, we have finalized our Global Tax Footprint showing that our total

tax contribution for 2021/22 amounted to DKK 9,291 million compared to DKK 8,702 million in 2020/21.


Total investments in operations amounted to around DKK 3,400 million and in addition, new companies have been acquired e.g. Theca A/S and SITS Sp Z.o.o. and new investments have been made in real estate, private equity, Formuepleje etc.

When Russia invaded Ukraine, our employees rallied to support the victims of the war. Through NGO's, we donated more than 60,000 blankets, duvets, and towels and at our facilities in Lviv mattresses and sleeping bags were produced for refugees of Ukraine. Overall, we have donated more than DKK 15 million.

In Lars Larsen Group, the number of jobs has increased by 3,000 reaching 40,000 employees in 2021/22.

We continue to strive to deliver long-term growth and value to the global society through our core family values while providing great offers to our customers all over the world.

It has truly been a turbulent year, and we are grateful to our colleagues in the group for their incredible commitment to our values and their great efforts to deliver yet another good result!



Jacob Brunsborg
Chairman of the Board, Lars Larsen Group



Jesper Lund
President and CEO, Lars Larsen Group

LARS LARSEN GROUP

Lars Larsen Group is a family-owned company rooted in the values of Tradesmanship, Responsibility, and Growth. With the ambition to develop an active and long-term family ownership, we wish to contribute to growth and value in society through our activities and investments.

LARS LARSEN GROUP AT A GLANCE

OWNERSHIP:

99%

*owned by the Brunsborg-family,
descendants of Lars Larsen.*

1%

*owned by Lars Larsens JYSK Fond,
which supports projects that help to
strengthen Danish society in accor-
dance with our values.*

HEADCOUNT:

LLG A/S: > 50

TOTAL NUMBER OF EMPLOYEES
ACROSS THE GROUP:

40,000

BUSINESS AREAS:

• RETAIL

Revenue: DKK 40.4 bn

Profit before tax: DKK 4.6 bn

• INVESTMENTS

Revenue: DKK 3.6 bn

Profit before tax: DKK -0.2 bn

OUR VALUES:



Tradesmanship



Responsibility



Growth

SPONSORSHIPS & DONATIONS:

*We continuously contribute to and support organisations
and activities that make a difference for society and are
in line with our family values.*

DKK 56 m

LARS LARSEN GROUP HISTORY

The name 'Lars Larsen Group' was introduced in 2020, but our roots and heritage date back to 1979.



1979

On 2 April 1979, the Tradesman, Lars Larsen, opens his first JYSK store in Aarhus, Denmark, together with his wife Kris. The company rapidly grows and more stores are opened in as well as outside of Denmark.



1986

In 1986, the first acquisition is made, as Lars Larsen invests in HimmerLand - a holiday, golf, and business resort. Many more investments are added to the portfolio in the years to come.



TODAY

Today, Lars Larsen Group employs more than 50 people at the family office. The group consists of many different companies and acts an active investor on behalf of the owner-family.



2020

In 2020, Jesper Lund is appointed President and CEO of Lars Larsen Group and together with the Chairman of the Board, Jacob Brunsborg, he is made responsible for the development of the group.

2019

In 2019, JYSK celebrates its 40th anniversary on 2 April and is nearing 3,000 stores worldwide. On 2 June, Lars Larsen steps down as Chairman of the Board after having led JYSK and Lars Larsen Group for more than 40 years. He is replaced by his son Jacob Brunsborg. Lars Larsen passes away on 19 August 2019.



LARS LARSEN GROUP GOVERNANCE

BOARD OF DIRECTORS



From the left: Mette Brunsborg, Jacob Brunsborg (Chairman), Jesper Aabenhus Rasmussen.

“The performance of Lars Larsen Group in the past financial year goes to show the incredible commitment to our values throughout the group.”

Jacob Brunsborg

EXECUTIVE MANAGEMENT TEAM



From the left: Jesper Lund, President and CEO. Kathrine Pors Johnsen, Executive Vice President and General Counsel. Daniel Albæk, Executive Vice President and Chief Investment Officer. Carsten Iversen, Executive Vice President and Chief Financial Officer.

“After a challenging and unpredictable year, we are proud to present our results, made possible by the many excellent employees across the group.”

Jesper Lund

LARS LARSEN GROUP OUR VALUES AND FAMILY-OWNERSHIP STRATEGY

Lars Larsen Group is owned by the Brunsborg-family, descendants of Lars Larsen who founded JYSK in 1979. Being a family-owned business is the core of our identity and the family values of Trademanship, Responsibility, and Growth are the guiding principles of everything we do. Furthermore, our values are inextricably interlinked; one cannot be practiced at the cost of another.

Ambition

Developing an active and long-term family ownership, where we contribute to growth and value in society

Values



Tradesmanship

We value tradesmanship, which is about offering deals that benefit both parties, but also about setting ambitious goals and having the courage to pursue them.



Responsibility

We take pride in being decent and respectful. We communicate openly and are honest about our products and business practices.



Growth

We want to see the Lars Larsen Group flourish and grow, which is why we strive to be as competitive and profitable as we can be.

Characteristics

Determination
Courage
Reliability
Cost conscious

Respectful
Honest
Helpful
Communication

Competition
Revenue
Responsibility
Contribution

Meaning

We are responsible for continuing the family ownership and we want to be the best at what we do.

Sound tradesmanship is the focal point and we must live up to the competences that characterise a good tradesman.

We are proud of our family ownership. What we do, we do in a proper and respectful manner.

We are happy about the things we are already doing - and about future opportunities to contribute to the family, the ownership, our employees and their families, as well as to society in the form of jobs, growth, and development.

We want to create growth based on good tradesmanship and therefore will successfully lead the group forward, whilst seizing new opportunities in the Lars Larsen Group as well.

We will contribute to growth and development in society by taking active responsibility as business owners.

LARS LARSEN GROUP BUSINESS STRUCTURE

In order to support our ambition of developing an active and long-term family ownership, where we contribute to growth and value in society, Lars Larsen Group is constantly evolving. In the coming financial year we will introduce a new business structure as shown to the right.



Board of Directors

Jacob Brunsborg, Chairman
 Mette Brunsborg, Member
 Jesper Aabenhus Rasmussen, Member

Executive Management Team

Jesper Lund, President and Chief Executive Officer
 Carsten Iversen, Executive Vice President and Chief Financial Officer
 Daniel Albæk, Executive Vice President and Chief Investment Officer
 Kathrine Pors Johnsen, Executive Vice President and General Counsel

Lars Larsen Group **Retail**



Bolia.com
 new scandinavian design



SengeSpecialisten®

SOFACOMPANY

Lars Larsen Group **Investments**

ACTONA GROUP



Fixed income



Listed equities



Private equity



Infrastructure



Real estate



Other

THE NEW BUSINESS STRUCTURE

In 2022, we laid the foundation for the future development of our retail business which entails the introduction of a new business structure. The most significant difference between our former business structure and the structure visualized on the previous page, is the introduction of Lars Larsen Group Retail as a defined business area under Lars Larsen Group.

Under Lars Larsen Group Retail, we will unify all the retail companies in the group, including:

JYSK
Bolia.com
ILVA
SengeSpecialisten
SOFACOMPANY

“Retail is the backbone of Lars Larsen Group,” President and CEO of Lars Larsen Group, Jesper Lund, says about the new structure.

“While the retail companies in the group are different, they also share several similarities and experience some of the same challenges. By bringing them together under the Lars Larsen Group Retail-umbrella, we can utilise these similarities to create synergies across the group,” he adds.

Some of the potential synergies across the retail companies include, but are not limited to:

- Experience with store management and procurement
- Extensive comprehension of all aspects of the furniture industry
- Digital competences
- Local market understanding
- General knowledge-sharing of best practise

Optimisation across the group

Heading the new retail organisation with reference to the management of Lars Larsen Group, will be Jan Bøgh who will move from his current position as President and CEO of JYSK to the position of President and CEO of Lars Larsen Group Retail in September 2023.

“We are certain that all the companies, and the retail companies in particular, will benefit from Jan's vast knowledge and experience,” Jesper says.

The complete structure of Lars Larsen Group Retail has not been finalised yet. Eventually, the aim is to have Jan and his future team constitute the majority of the boards in the different retail companies of the group, enabling them to work closely together with the local management teams of the individual companies.

“Ultimately, we wish to optimise the performance of our companies and increase efficiency and profitability across the group,” Jesper says and continues:

“Growth and expansion continues to be part of our DNA and we are confident that a more unified approach to retail is key in that regard and look forward to unveil further aspects of Lars Larsen Group Retail in the upcoming financial year,” he says.



Jesper Lund, President and CEO of Lars Larsen Group

LARS LARSEN GROUP RETAIL

In many ways, retail is the backbone of Lars Larsen Group. With respect for the significant and necessary differences between the companies in the group, there are many similarities as well. Unifying them under the Lars Larsen Group Retail-umbrella provides an array of strong synergies across the group and a unified strategic approach to our retail activities.



JYSK Founded by the Tradesman, Lars Larsen, in 1979, JYSK is the absolute cornerstone of our business and the original source of our values and company culture. From day one, the ambition of JYSK has been to deliver a great offer for everyone within Scandinavian sleeping and living. Today, JYSK has more than 3,200 stores in more than 48 countries.

Bolia.com
new scandinavian design

Bolia.com Founded in 2000, Bolia creates and sells high-end Scandinavian design furniture created in collaboration with international designers and made to order. Today, Bolia has concept stores in 11 countries, web shops in 34 countries, and 600 dealers worldwide. Part of Lars Larsen Group since 2001.

ILVA

ILVA Founded in 1961, and merged with IDEmøbler in 2019, ILVA is currently Denmark's largest chain of furniture stores, with more than 40 stores and brand presence in four Nordic countries. Part of Lars Larsen Group since 2013.

SengeSpecialisten®

SengeSpecialisten (SENG) Founded in 1999 and part of Lars Larsen Group since 2014. A beds and bed accessories retail chain that combines top quality products and high-end brands with professional guidance. In 2021, SengeSpecialisten acquired the Swedish retail chain, Sängjätten, and all stores across Denmark and Sweden will change name to SENNG (Danish for 'bed') in 2023. SengeSpecialisten also owns the online retailer, Sengetid.dk.

SOFACOMPANY

SOFACOMPANY Founded in 2012. An online-first furniture design brand with more than 20 showrooms across Europe. Many of the traditional intermediary links have been cut away, making the prices highly competitive for the design furniture market. Part of Lars Larsen Group since 2021.

LARS LARSEN GROUP INVESTMENTS

Through our investment activities we ensure a sound financial foundation for our owners and group companies.

Like all other activities, our investments are guided by the ambition and values of Lars Larsen Group. Therefore, we aspire to make a positive impact on society while making attractive, risk-adjusted returns. Moreover, our investment approach is based on three core principles:



Long-term

We focus on long-term value creation and we do not take short-term speculative bets.



Responsibility

We are an active and responsible owner with an aspiration to leave a positive impact on society.



Partnerships

We succeed through partnerships, which we build for the long-term, based on trust and mutual respect.

COMPANIES



Founded in 1981. Designs and manufactures furniture for B2B. Present in more than 80 countries worldwide with production in Asia and Eastern Europe. Part of Lars Larsen Group since 2016.

100%

Ownership



Hotel, cocktail bar, and award-winning restaurant founded in 2008. Part of Lars Larsen Group since 2008.

100%

Ownership



Founded in 1979. A holiday, golf, and business resort. Part of Lars Larsen Group since 1986.

100%

Ownership



Founded in 2002. A sushi restaurant chain and the first of its kind in Europe to serve exclusively sustainably caught and responsibly farmed fish and shellfish. Part of Lars Larsen Group since 2014.

100%

Ownership



Founded in 1995. A leading manufacturer in the global outdoor furniture industry. Having used ScanCom International as a trusted supplier for more than 20 years, Lars Larsen Group bought a stake in the company in 2007 and acquired full ownership in 2019.

100%

Ownership



High-end car leasing and investment company. Established in its current form in 2022 through a merger between Solid Leasing, majority-owned by Lars Larsen Group, and Selected Car Group, owned by Selfinvest.

50%

Ownership



Vision Properties is a real estate developer. Vision Properties owns Vision Ejendomme. Part-ownership acquired in 2014.

50%

Ownership



Founded in 1963 as "Schou hardware". Schou Company is Scandinavia's largest wholesale company for non-food products. Part-ownership acquired in 2017.

49%

Ownership



Founded in 1986 as an independent, family-owned asset manager. Part-ownership acquired in 2021.

~41%

Ownership



Founded in 2006 with the ambition of taking Danish design brands global. Today, Design Collection Denmark owns Ro Collection and distributes various Danish brands, such as Bang & Olufsen. Part-ownership acquired in 2021.

30%

Ownership



Founded in 2008. Specialised in architectural lighting design and providing smart-home technology. Part-ownership acquired in 2020.

30%

Ownership

FINANCIAL INVESTMENTS



Fixed income



Listed equities



Private equity



Infrastructure



Real estate



Other

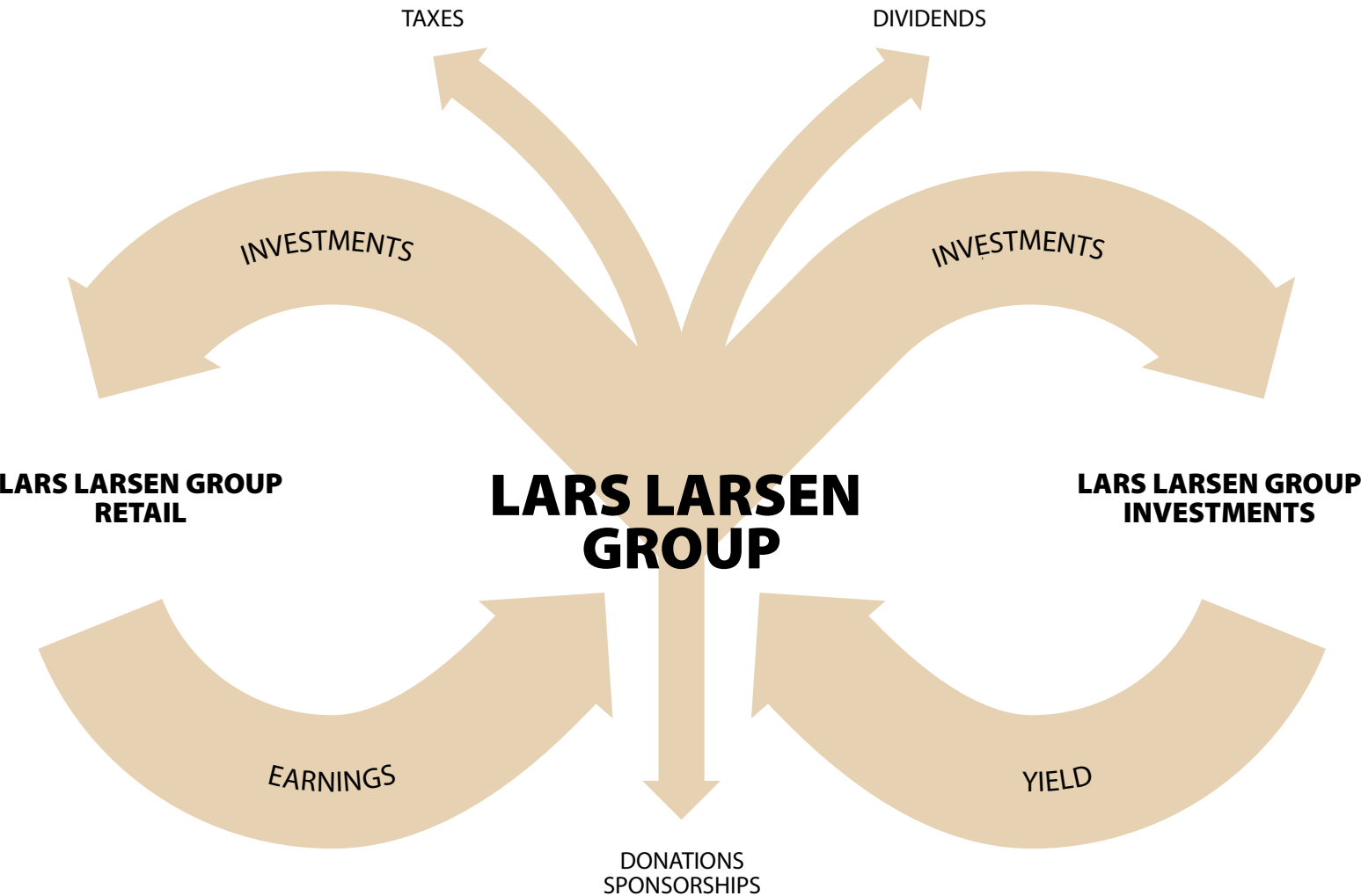
LARS LARSEN GROUP BUSINESS MODEL

Governed by our Board of Directors and our Executive Management Team, the Lars Larsen Group head office employs more than 50 people, who operate an array of shared group functions. Thus, Lars Larsen Group is also a service provider to the companies in the group.

We operate within two main business areas; retail and investments. Both areas refer to the management of Lars Larsen Group. The business areas work to support each other and to ensure a diverse business portfolio.

BUSINESS FLOW

Our business model operates as a circular system, where output from our investments and retail businesses is reinvested to continuously develop and grow our activities and create value in the long-term. Part of that value we wish to give back to the societies, which we are a part of, by paying our fair share of corporate, people, and indirect taxes, making various donations, providing sponsorships, and by making investments that contribute to a more sustainable future.



BUSINESS HIGHLIGHTS 2021/22



October 2021: SengeSpecialisten acquires 78 percent of the shares in Sengetid.dk

Sengetid.dk is a pure E-commerce player excelling at customer service. The acquisition was made with the aim to grow the company and strengthen the digital branch of the business.

In May 2022, SengeSpecialisten acquired the remaining 22 percent of the shares in Sengetid.dk.

January 2022: Actona Group acquires Theca

With the aim of consolidating the B2B upholstery market in Europe, Actona Group welcomed Theca to the group.



From the left: Claus Svenningsen, CEO of Theca, shaking hands with Jimmi Mortensen, CEO of Actona Group.



November 2021: Garia acquires Melex

In order to strengthen the utility-aspect of the business and gain a competitive edge through a more diverse product portfolio, Garia acquired the Polish competitor Melex – a company which has produced and sold utility vehicles with great success since the 1970's.



From the left: Mads Lysdahl Simonsen, CEO at Solid Leasing. Jacob Brunsborg, Chairman of the Board of Lars Larsen Group. Torben Østergaard-Nielsen, owner of Selected Car Group. Mikkel Hammershøj, Director of Selfinvest. Ulrik Larsen, CEO of Selected Car Group.

May 2022: Solid Leasing merges with Selected Car Group

To strengthen the market position and establish a consolidated foundation for further growth, Solid Leasing and Selected Car Group merged their car fleets under the brand, Selected Car Group.



June 2022: Lars Larsen Group sells Garia to Club Car LLC

After more than 15 years of ownership, Lars Larsen Group sold golf and utility vehicle manufacturer, Garia A/S, to US-based Club Car LLC, in order for the company to realise its global potential. Melex, which Garia acquired in 2021, was also included in the transaction.



July 2022: Actona Group acquires SITS

Following the acquisition of Theca, Actona Group also acquired the Polish company SITS to accelerate the growth journey in the European market for upholstered furniture.

FINANCIAL HIGHLIGHTS 2021/22

RESULT FOR THE YEAR DKK

3.5 bn

SOLVENCY RATIO

67%

REVENUE

DKK

44 bn

EMPLOYEES GLOBALLY

40,000

(mDKK)

	2021/22	2020/21	2019/20	2018/19
Income Statement				
Revenue	44,017	39,090	35,648	32,711
Profit before financial items (EBIT)	4,945	4,882	3,768	3,256
Net financials	-638	1,568	393	387
Profit before tax	4,307	6,450	4,161	3,643
Tax on profit for the year	-830	-1,308	-947	-683
Result for the year	3,477	5,142	3,214	2,960
Balance Sheet				
Fixed assets	16,799	11,273	8,158	7,508
Inventories	12,988	9,580	8,152	8,489
Receivables	4,840	4,378	3,251	3,159
Cash at bank & securities	13,963	17,455	16,697	13,415
Assets	48,590	42,686	36,258	32,571
Equity	32,543	30,700	26,303	23,648
Interest bearing debt	9,650	5,013	4,262	4,383
Other liabilities	6,397	6,973	5,693	4,540
Liabilities and equity	48,590	42,686	36,258	32,571
Cash Flow				
Cash flows from operating activities	-116	5,170	6,178	2,582
Cash flows from investing activities	-6,203	-4,364	-1,717	-1,551
Cash flows from financing activities	2,827	-48	-1,179	257
Changes in cash at bank & securities	-3,492	758	3,282	1,288
Employees				
Headcount end of year	40,000	37,000	35,000	33,500
Financial Ratios (in %)				
Solvency ratio	67.0	71.9	72.5	72.6
Return on equity	11.0	18.0	12.9	12.8

**TRADES-
MANSHIP**



WE VALUE TRADESMANSHIP, WHICH IS ABOUT OFFERING DEALS THAT BENEFIT BOTH PARTIES, BUT ALSO ABOUT SETTING AMBITIOUS GOALS AND HAVING THE COURAGE TO PURSUE THEM.

A man with short, graying hair, wearing a dark blue suit jacket over a light blue button-down shirt, is sitting on a light-colored wooden table. He is looking directly at the camera with a slight smile. His hands are clasped together on his lap. In the background, there is a white wall and a white ceramic decorative object on the table. The lighting is soft and natural, suggesting an indoor setting with a window nearby.

“I do not recall having ever turned down an opportunity offered to me by Lars Larsen Group, because I trusted their faith in my ability to succeed and grow with the new challenges I was faced with.”

Rami Jensen

Rami Jensen, Deputy President and CEO of JYSK

BRING DEDICATION – MEET POSSIBILITIES

Introducing the future President and CEO of JYSK, Rami Jensen

A job in JYSK comes with a promise: If you bring dedication, you will meet possibilities. Since entering the company as an apprentice in 1994, Rami Jensen's strong dedication has continuously led to new possibilities, greater challenges, and more responsibility, all of which will soon be culminating in his new role as President and CEO of JYSK as of September 2023.

Rami Jensen was born in Aarhus in 1974. At the age of five, he and his mother moved to Esbjerg, a port city in the southwestern part of Denmark, where Rami grew up and went to school.

It was at the local JYSK store that Rami started his career in retail as an apprentice in 1994. He then travelled across the country to train for the Store Manager position which became a reality in 1996. In 2000, just six years after setting foot in the organisation for the first time, Rami was made Area Manager.

"Retail is often underrated as a career path, even though there are vast opportunities for taking on responsibility at a young age and shaping your job and future," Rami says with reference to his own journey, which he hopes will inspire others.

A family journey

In 2004, Rami became Retail Manager - a job that came with the responsibility of rolling out the JYSK concept in a new market, Hungary. At the time, there were no Hungarian stores or local organisation.

Rami's first visit to Hungary was a short but efficient trip to Budapest with his wife, Mija, with the goal of selecting a future home for themselves and their 10-month-old son, Victor. 15 potential houses were visited in one day. Prior to the big move, the couple also received language lessons to get a basic understanding of Hungarian. In general, Rami's family has always been a big part of his journey – literally as well as symbolically:

"My family has always moved around with me, first to Copenhagen, then Budapest, and now Silkeborg, where we live today. I actually met Mija through JYSK, when we were both working as Store Managers. And whilst living in Hungary, we were both part of the Country Management Team, meaning we were working and living together. We have always been able to find a good daily rhythm, which has allowed both of us to pursue our career goals, with all the travelling

and long hours that come with it, and still make time for playing football with the kids etc. JYSK, and work in general, has always been a big, but very positive, part of our family," Rami says.

Starting from scratch

Upon arrival in Budapest, it quickly became clear to Rami that he had a demanding task ahead of him:

"We arrived in Hungary in January 2005 and the first store was to open in April. So, we quickly needed to find and hire employees, build an organisation, and get the store facilities ready. I remember one of the first introductory meetings with the newly hired Store Managers, which had to take place in the basement of a private home, because we were yet to find a proper office. It was a bit chaotic in the beginning, we really started from scratch, but it was also very exciting," Rami says.

One year later, Rami's area of responsibility grew again, as he was appointed Country Manager for Hungary. In addition, he was appointed Country Manager for Slovenia in 2007 and for Croatia in 2008, with the same task of introducing the JYSK concept to the new markets and building local organisations.

While the new JYSK markets expanded, so did Rami's family; during what came to be a five-year-long stay in Hungary, Rami and his wife welcomed their daughter Fiona to the world. By the time the family of four returned to Denmark, 60 new JYSK stores had been launched across three countries.

An open conversation

Having acquired a great amount of experience, Rami returned to a position as Retail Operational Director at the JYSK head office in Brabrand, Denmark. His new homebase became Silkeborg, a city with close ties to JYSK and Lars Larsen Group.

In his new role as Retail Operational Director, he was given responsibility of several emerging JYSK markets, such as The Netherlands, England, Slovakia, and The Czech Republic.

Though Rami enjoyed working with store operations, he was curious about other aspects of the business as well. Conversations with current President and CEO of JYSK, Jan Bøgh, led him to the purchasing department, where he became

Purchasing Director. Throughout his career, Rami has made a point of being very open about his goals to move forward. But aside from a four-month-long period at the beginning of his career, he has never pursued new challenges outside of Lars Larsen Group – though, naturally, the idea has crossed his mind:

“I think it would be strange, if I had never considered working elsewhere. It is only natural to evaluate your options, when you are looking for change and growth. But JYSK has continually done a fantastic job of offering me challenges that have encouraged me to develop and expand my skillset within the company. And the organisation has always been growing, which again has opened new doors to me. I think it is important to be able to have that open, ongoing conversation about your ambitions, instead of waiting around and hoping for a windfall,” he says.

After a little over a year as Purchasing Director, Rami was offered the position of Executive Vice President and put in charge of business development. He became part of the executive management team and was involved in the development of the ‘Customer First’-strategy. He was also responsible for retail development, which involved creating new concepts in order to elevate the in-store customer experience.

“Creating measurable results has always been a driving force for me.”

Rami Jensen

Trying on the CEO-role

In 2014, Lars Larsen Group acquired SengeSpecialisten (SENG), and with his experience in business development Rami became a member of the board. Later, in 2016, he took on a second job, when he became CEO of SengeSpecialisten whilst still working at JYSK. During his time as CEO, the concept, which to this day characterises the SengeSpecialisten-stores, was developed, and more stores were opened. In 2018, SengeSpecialisten had reached a size that required a CEO dedicated fulltime to the company.

Mission accomplished.

In fact, Rami repeatedly proved capable of executing a strategy regardless of the circumstances. In 2018, he was once again up for the challenge when offered to take on the fulltime role of CEO at ILVA, a company that became part of Lars Lars-

Rami Jensen,
Deputy President and CEO of JYSK



en Group in 2013. At ILVA, Rami became responsible for turning around a business that had struggled to be profitable for a number of years. And he was well aware that coming to ILVA would be a way of testing his abilities outside of JYSK:

"In JYSK, there are so many well-described processes, and the company runs like a well-oiled machine by now, so if I were to really prove myself it made sense to do it outside of JYSK. But I was very motivated to solve the task at hand. Creating measurable results has always been a driving force for me", he says.

Today, JYSK employs 30,000 people and is present in 48 countries with more than 3,200 stores. Being at the helm comes with big responsibility. But this has not consumed Rami's thoughts in the decision-making process:

"From an outside perspective it can seem overwhelming. JYSK is a major co-operation and there are so many people and processes involved. But the way I see it, I get to do this job as part of a huge team. It is not about 'me', it is about 'us'. We are going to do this and create results together and I am very excited about that," he says.

"I highly respect the ILVA-team for their work and dedication in the process. And the success becomes self-reinforcing, because it enables you to believe in the next goal you set out to achieve."

Rami Jensen

Through a complex streamlining process that, among many other difficult decisions, involved the merger of ILVA with the sister brand IDEmøbler and closing down a third brand, IDdesign, profitability went up and in 2021 ILVA was able to present its first positive result since 2009.

"I think we succeeded by making some tough decisions, determining a direction, and having the courage to stick with it. I highly respect the ILVA-team for their work and dedication in the process. And the success becomes self-reinforcing, because it enables you to believe in the next goal you set out to achieve. All the small victories accumulate," Rami says.

The power of 'yes'

Throughout his career, Rami's motivation has been the potential to grow, professionally as well as personally. New challenges and the prospect of making a difference and delivering strong results have been important factors when determining his next move. When offered a new opportunity his instincts have always told him to say 'yes'.

"I do not recall having ever turned down an opportunity offered to me by Lars Larsen Group, because I trusted their faith in my ability to succeed and grow with the new challenges I was faced with," he explains.

Thus, there was no doubt in Rami's mind, when he was offered to come back to JYSK and take on his biggest challenge yet: In September 2023, he will be taking over as President and CEO of the company after Jan Bøgh, who has been appointed President and CEO of Lars Larsen Group Retail.

Continued dedication

When he is not working, Rami prefers to devote as much time as possible to his family, friends, and not much else.

"I actually enjoy not having a lot of plans and activities scheduled. It is a pleasant contrast to a busy everyday life. Weekends are spent doing all the little things that we have less time for during the week. Recently, we bought a summer cottage by the sea, where we like to spend time together as a family and sometimes have our friends come over," he says.

Everyday life will most likely stay busy for Rami, when he fully takes over as President and CEO of JYSK as of 1 September 2023. Until then, as Deputy President and CEO, he will work closely together with Jan Bøgh to ensure a smooth transition that does not interfere with the momentum of the business. JYSK will continue at full speed and so will Rami:

"JYSK is a fantastic company with a strong company culture generating great results, and I have always been very happy and proud to be a part of it. I look forward to continuing the great work with all the skilled people in JYSK and I intend to continue to bring dedication every day."

GARIA 'TEES OFF' FOR THE NEXT ROUND WITH NEW AMERICAN OWNER

The sale of Denmark's biggest car manufacturer

After more than 15 years of ownership, Lars Larsen Group parted with golf and utility vehicle manufacturer, Garia A/S, as the company was sold to US-based Club Car LLC in 2022.

What started as a dream of creating a one-of-a-kind, high-end golf car, became the biggest Danish car manufacturer ever, and now the dream continues on a global scale together with the world's biggest golf and utility vehicles manufacturer.

That is the summarised version of the Garia tale. But there is much more to it:

One vision

Garia was founded in 2005 by Søren Bak and Anders Lynge with one clear vision: To create the ultimate golf car. The keyword here being 'car', not 'cart', as the ambition was to introduce a paradigm shift for golf and leisure vehicles by producing the world's first premium models in their segments.

In 2006, Garia became part of Lars Larsen Group. The owner-family, represented by JYSK founder Lars Larsen and Chairman of the Board of Lars Larsen Group, Jacob Brunsborg, noticed the potential in the strong entrepreneurial spirit of the Garia-team and the gap in the market for golf cars. In 2008, Jakob V. Holstein, CEO of Garia since 2013, joined the team as well. Together, they set out to realise the original vision.

This turned out to be an ambitious and challenging task. Because developing the ultimate golf and leisure car is cost extensive. From the beginning, Garia

aimed for a premium product, not cutting any corners but paying attention to every minor detail. This would differentiate the brand in the market, appeal to the right target group, and finally allow customers to custom design their own unique golf car. In addition, providing all the necessary approvals to become street-legal was a resource demanding investment which required specialist knowledge.

However, the challenges never overshadowed the strong faith in the company's potential and the efforts of Garia did not go unnoticed. At the Red Dot Design Awards in 2011, Garia was awarded with an 'Honourable Mention' among more than 4,400 entries from approximately 1,700 companies around the world. It became increasingly clear that Garia had something unique to offer.

Expanding the business

In 2014, with almost ten years of experience in the luxury electric vehicle market, Garia embarked on an entirely new journey; developing the Garia Utility. This vehicle targeted another gap in the market. As a compact electric utility vehicle that combined reliability, ergonomics, and zero emissions with comfort, functionality, and thoughtful design, it was ideal for private and public organisations with smaller cargo and transportation needs. Thus, the Swedish postal service, PostNord Sverige, became Garia customers in 2017 when ordering a fleet of 600 utility vehicles that are used to deliver mail to the Swedes.

While accelerating the utility-aspect of the business, the golf and leisure car production did not slow down one bit. In 2016, Garia was once again re-

cognised for its high-quality cars when the company entered a Mercedes-Benz design competition for the rights to create a luxurious golf car in cooperation with the renowned car manufacturer. Garia won and the 'SuperSport' golf car was born.

Increasing momentum

Garia continued to experience an increasing demand for practical electric utility vehicles, due to the need for more sustainable and green mobility solutions worldwide. So, in 2021, the company took an additional step to ensure further growth in the utility segment by acquiring the Polish competitor, Melex.

"Garia was founded with the ambition of producing the world's best golf and leisure vehicles and that remains our target. But with the increasing awareness of green mobility, an opportunity to use our skills and knowhow in other segments has emerged, and we obviously need to act on that," Jakob V. Holstein said in connection with the acquisition of Melex.

Since 1970, Melex had been manufacturing electric golf and lightweight utility vehicles and with the acquisition, Garia strengthened its market position and became the second largest company in Europe within production and sale of lightweight utility vehicles.

For the Garia-team and Lars Larsen Group it was fulfilling to experience the company reach this milestone and a strong position in the market. As Jacob Brunsborg, who had been part of the journey from the beginning, put it:

"Anyone who has followed the development of Garia knows that it has been a challenging journey. But after a rough start, Garia has had double-digit growth rates since 2014 and today the company is not only a profitable business but also Denmark's biggest car manufacturer - ever."

The vision goes global

Though Garia had reached a point of profitability, the company had also come to a crossroads, if it were to continue its development on a global

"It is also with a certain sadness that we are selling Garia now. But we need to act as good tradesmen and the offer from Club Car is the right thing for both Lars Larsen Group and Garia at this time. Club Car provides Garia with the opportunity to take it to the next level and in the long-term perspective they are the right owner."

The acquisition was finalised in June 2022 and the co-founder and Creative Director of Garia, Anders Lynge, was pleased to see his life's work become



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Jacob Brunsborg, Chairman of the Board of Lars Larsen Group

scale. Through continuous growth and expansion, Garia had become an attractive investment case, and when Club Car LLC, the world's biggest golf and utility vehicles manufacturer, expressed interest, it was determined that Garia would have better conditions to further prosper and grow as part of the Club Car-family.

A profitable deal that cemented Garia's strong market value was made with Club Car, but after several years of strong collaboration it was not easy to part with Garia. When announcing the sale, Jacob Brunsborg stated:

part of Club Car and thereby be able to continue the growth journey. In connection with the announcement of the sale he said:

"Personally, I have invested a lot of my time in the development of Garia and our owners at Lars Larsen Group have provided essential and persistent support all the way. Therefore, I am very pleased that the original idea and vision are now able to achieve an even wider reach through Club Car."

“I AM EXTREMELY MOTIVATED BY MAKING A DIFFERENCE.”

Meet Hanne Bang Vorre, the future CEO of SengeSpecialisten

A strong digital profile, a result-oriented mindset, and the courage to take chances. These are some of the competences Hanne Bang Vorre will enter her new position as CEO of SengeSpecialisten with as of March 2023. After nine years at JYSK, playing a key role in the establishment of a highly profitable E-commerce business, she will soon open a new chapter of her career and take on broader responsibility in her first CEO-position.

More or less by coincidence, Hanne boarded a digitally oriented career track. When doing her Master's degree in corporate communication at Aarhus University in 2004, digital marketing media were still in their preliminary stages and definitely not part of the curriculum. But when Hanne later landed her first job with the digital agency Artefact, she got the opportunity to work with an array of classic digital disciplines, such as Search Engine Optimisation, AdWords, and affiliate marketing, and was quickly fascinated by it. Looking back, she is grateful for the timing.

“When I finished university in 2006, digital marketing was still a relatively new concept but at the same time there was an eagerness to test new ideas and platforms and the first web shops began to emerge. It was actually a very fortunate point in time for me to enter the digital job market, being

able to try out many different aspects of the business and develop along with it,” Hanne says.

In the years that followed, Hanne's career revolved around online marketing and sales. For example, she spent nearly four years at electronics and appliance retailer Expert Denmark, developing digital strategies and activities for the brands ‘punkt1’ and ‘Expert’ as manager of the online team.

A calculated risk-taker

In 2013, Hanne joined the E-business division of JYSK as E-business Manager. At the time, she was only the fourth person to be hired for the digital department. Fast forward to today where more than 80 people are working with the digital side of the

JYSK business and E-commerce makes up 10 percent of JYSK's total revenue.

Hanne spent nearly a decade at JYSK, where she most recently held the position of E-commerce Director. So making the switch to a new company and at the same time shifting focus from a particular business area to the broader CEO-perspective was not an easy decision.

“The easiest thing, of course, is to keep doing what you have always done. But that is not what makes me happy in the long run. I am probably a bit of a risktaker, I possess the courage to take chances. That being said, I always do it with my eyes wide open.”

Hanne Bang Vorre

“The easiest thing, of course, is to keep doing what you have always done. But that is not what makes me happy in the long run. I am probably a bit of a risktaker, I possess the courage to take chances. That being said, I always do it with my eyes wide open. It is a calculated risk. And while you do not always



*Hanne Bang Vorre,
Deputy CEO of SengeSpecialisten*



Hanne Bang Vorre, Deputy CEO of SengeSpecialisten

“I have familiarized myself with the interaction between board and management. I know, how we can use each other’s competences to drive the companies forward.”

Hanne Bang Vorre

get it 100 percent right the first time you try, you are almost guaranteed to learn something from the process anyway,” Hanne says.

Entering the boardroom

Trying something new was also the motivation for Hanne, when she decided to dedicate some of her

time to the boardroom. Without being completely sure of the outcome, she had an urge to explore the work of a company board. She therefore consulted people in her network, who were already on different boards and asked them what that work had meant to them and how they felt they made a difference for the different companies they were

associated with. Those conversations intrigued her interest even further and she decided to pursue a seat on a board – but it was easier said than done.

“I found out that it is quite difficult to get on a board. It took me a few years, before I landed my first seat. A lot of networking goes into the process. But now, I am member of the board of four different companies, and that has provided me with an even stronger ability to evaluate the strategic aspects of a business: Which direction should this company follow, how do we tackle this new market, which products would be beneficial to add to the portfolio, etc.,” Hanne says.

Her board experience is something she believes will add value in her future position as CEO, where

she will be working closely together with the company boards of both SengeSpecialisten and the subsidiary Sengetid.dk.

"I have familiarized myself with the interaction between board and management. I know, how we can use each other's competences to drive the companies forward," she adds.

Cross-company opportunities

In addition to being part of different company boards, leadership has become an indispensable part of Hanne's work life after more than 10 years of managing her own teams.

"Having management as part of my job means a lot to me. As a person I am very open and honest and I prefer very direct communication, which is reflected in my approach to leadership. My number one principle is freedom with responsibility. I trust my team to do what they do best, and I am very motivated by witnessing them grow and succeed. Of course, there will be issues and challenges to deal with as well because that is also part of leadership. In those situations, I first of all make it my job to listen instead of rushing into solution-mode. I prefer to find the right solution through dialogue and cooperation," Hanne explains.

Hanne is not the first person to change jobs within Lars Larsen Group, and she highlights the opportunities across companies as one of the benefits of being part of the group.

"Being part of something bigger provides vast opportunities for pursuing new challenges, whether it be in a different position, a different company, or even a different country. Being able to enter a new chapter of my career and thus taking on my first ever position as CEO within Lars Larsen Group provides me with a sense of security. The job and company changes, but the core values remain the same. And these are values that are very much in line with my own personal ideals as well," Hanne reflects.

When she is not working, Hanne enjoys spending time with her family and leading an active lifestyle.

She and her husband Thomas have two children, Lea (13) and Victor (10), and Hanne is often to be found in the handball hall or by the football field, watching her children practice their sports. Besides the frequent walks with the family dog, Hanne participates in outdoor training three times a week.

Realising different potentials

Coming from JYSK, the products of SengeSpecialisten and Sengetid.dk were familiar to Hanne. But the two companies are facing quite different challenges. As a pure E-commerce player, Sengetid.dk,

soon be changing its name to SENG ('bed' in Danish), we will focus on how to increase interaction between the physical stores and the web shop to provide a seamless and cohesive customer experience across our platforms. When investing in your sleep by buying a high-quality bed, it is meant to last you a long time. We wish to be able to maintain the positive relations to our customers during that time, so we can welcome them back at some point and provide them with their next bed as well as other relevant products for the bedroom," Hanne says.

"Being part of something bigger provides vast opportunities for pursuing new challenges, whether it be in a different position, a different company, or even a different country."

Hanne Bang Vorre

for instance, is well on its way digitally and excels at providing great customer service.

"Sengetid.dk is still a fairly new company with a strong entrepreneurial spirit, which is fantastic. Here, we need to focus on streamlining and optimising processes to make sure we are allocating resources efficiently. At some point, we will investigate the prospects of expanding outside of Denmark and it might also be interesting to introduce physical showrooms as a way of attracting new customers," Hanne says.

With both an online presence, over 30 stores in Denmark, and more than 20 stores in Sweden, SengeSpecialisten on the other hand is embarking on a journey towards more omnichannel initiatives. Furthermore, Hanne sees an immense potential in the increased focus on customer loyalty.

"When it comes to SengeSpecialisten, which will

"A big privilege to this new position is that I get to work with two distinct brands with different positions in the market and with different ambitions. I am extremely motivated by making a difference and I see so much potential in both companies. I look forward to releasing that potential together with all my new, skilled colleagues," she adds.

Hanne will fully take over as CEO of SengeSpecialisten in March 2023 and until then, as Deputy CEO, she will work closely together with current CEO, Martin Amstrup Bang, to ensure a smooth transition.

EMBRACING HISTORY

The story of a museum and a founder

The backbone of Lars Larsen Group dates back to 1979, when founder Lars Larsen opened his first JYSK store in the city of Aarhus. At JYSK and Lars Larsen Group's head office in Brabrand, not far from that very first store, a new museum now tells the inspiring story and ties the present to our heritage. Two of the key people in JYSK history are keeping the museum up to date.

The mainstay behind the JYSK museum in Brabrand are Kristine Brunsborg, always referred to as Kris, and Carl Erik Stubkier. As Lars Larsen's wife of 48 years, Kris has in many ways been part of the JYSK journey from the beginning. So has Carl Erik, who held a multifaceted position in the company for 40 years, with advertising as his main metier, before retiring in 2022.

“It has been like having an extended family, and just like you would keep pictures of your children and your relatives, the museum is like walking through a family album – a memory lane of all the things we have experienced together.”

Kristine Brunsborg

A museum is born

When asked how the museum became a reality in the first place, Kris says:

“Carl Erik and I both have a mania for collecting things. For me, it started with the scrapbooks I made of all the newspaper clippings about JYSK and the store openings in the beginning. And there were *a lot*,” she says.

In fact, there were so many mentions of JYSK in the Danish media, it became impossible for Kris to keep track of, and a professional service was hired to monitor and collect clippings.



Kristine Brunsborg and Carl Erik Stubkier

“But even then, I kept collecting the clippings as well as many other items,” she adds.

“I have had the same collector's mania,” Carl Erik says. “But I collected the commercial items, such as all the catalogues JYSK distributed. And one day, Kris started bringing some of the collected items to the office and had a shelving unit put up for them in a small room. At some point, it said ‘Museum’ on the door,” he adds.

“He laughed at us sometimes,” Carl Erik notes with reference to JYSK founder Lars Larsen, who was not directly involved in the establishment of the museum.

“He did, but he was also proud of the museum,” Kris adds.

The tale of entrepreneurship

With more and more items being added to the collection, a proper museum started to form. Today, it contains an abundance of items that all contribute to telling the story of the company; a story which is above all a tale of a true entrepreneur.



"It started with one man named Lars Larsen who came from nothing and created this company by himself," Carl Erik says with an undisguised tone of respect. He continues:

"I think it is wonderful that we as a company have the ability to embrace our history. Because our history is so important. That is why new employees from Lars Larsen Group companies can come to the museum for a guided tour with me, where I tell them all the funny stories of how we got to where we are today. It is extremely important that they get a good understanding of our heritage," he stresses.



Listening to Kris and Carl Erik speak about the museum it becomes very clear, how the culture and spirit of the company today are deeply rooted in history and strongly connected to Lars Larsen's approach to tradesmanship, innovation, and strong relationships.

"JYSK has always been special," Kris says. "It was never 'just' a store. Lars was friends with everybody, and our social circle was closely tied to JYSK through the close relations to suppliers, partners, and employees. It has been like having an extended family, and just like you would keep pictures of your children and your relatives, the museum is like walking through a family album – a memory lane of all the things we have experienced together."

World-famous in Denmark

Over the years, people outside of JYSK have contributed to the museum as well. Customers have sent in original products, such as limited-edition tea towels, and there is an entire section in the museum dedicated to the letters Lars Larsen received upon publishing his autobiography in connection with JYSK's 25th anniversary. When asked why people cared enough to write personal letters and send in these items, Kris mentions the famous JYSK TV-commercials.



"I think it is all due to Lars' manner in the commercials," she says. "The fact that he himself appeared in them the way he did. That was when he became popular."



"We like to say he became world-famous in Denmark overnight," Carl Erik adds. "People felt like they knew him and almost expected to meet him when visiting the stores."

Lars Larsen broke with all conventions in 1987 when he stepped in front of the camera to record what became a series of iconic commercials in which he coined the phrase 'Go'daw. Jeg hedder Lars Larsen. Jeg har et godt tilbud', which directly translates to 'Hello, my name is Lars Larsen. I have a great offer'. The commercials were initially ridiculed by people in the industry, because of the seemingly unprofessional production. Today, they are regarded as an innovative marketing stunt and most Danes would still be able to quote them – which many did at the time.

"I remember speaking to a woman who worked at a nursery, and she said it was

standard practice for the children to reenact the commercials in the playground and mimic the famous words,” Kris says.

The story of the infamous commercials unfolds in the museum, and so does the story behind the Lars Larsen-autobiography, another brilliant marketing move demonstrating the can-do culture of JYSK.

“To mark the 25th anniversary of JYSK, it was decided to have a book written about JYSK and ‘Larsen’ suggested to do it himself,” Carl Erik says.

Unimpressed by computers, Lars Larsen started drafting the book by hand. He carried the script around with him everywhere and according to Kris he was very diligent about the writing process.

“I cannot recommend being married to an author,” she jokes. “He could write for hours and when he was caught up in his thoughts, he did not want to be disturbed. He worked on the book while we travelled to South Africa and the Dominican Republic, where we went to play golf. He was extremely disciplined,” she says.

“Where JYSK used to be the focal point, the museum now also pays tribute to Lars and everything he built.”

Kristine Brunsborg

Upon return, the book was typed out, printed, and 2.4 million copies were distributed to all Danish households. Once again, the critics were quick to judge, but the book, which has been translated into many different languages, was hugely popular and provided a unique perspective to the story of JYSK and the background of ‘The Tradesman’, as Lars Larsen is often referred to. The original, handwritten script for the book is exhibited in the museum.

Putting our mistakes on display

However, the museum makes a point of focusing on more than the success stories. The detours and more quirky business ventures also have their place, which Carl Erik believes is crucial.

“It was and to this day still is an important part of our culture to allow for mistakes because that is what we learn from,” he says. “Having a trial and error-approach allows for more ‘out-of-the-box’ thinking and gives space for new ideas.”

Lars Larsen was very open to new ideas, which lead to many business adventures, such as the travel agency ‘Larsen Rejser’ in 1990, which may have been a

more short-lived project, but had tremendous publicity value for JYSK.

Many of the items in the museum are very characteristic of different periods in time, such as the store uniforms or the technologic equipment used throughout the years. In that way, the museum goes beyond company history and shows a part of the history of Denmark as well. Many visitors will likely recognize items from their own youth or childhood.



“What the museum is able to do, is to tell the stories in a more vivid and relatable way, than if you read it on a piece of paper or a screen,” Carl Erik says.

“It is supposed to be a contemporary museum,” he adds. “And we want to continue to update it with the new chapters of our history.”

A new museum with a new meaning

With the continued development of the museum, it became necessary to ex-

pand it. In 2022, the museum therefore tripled in size and an array of new features were added, which Kris and Carl Erik have been busy trying to organise.

“It probably took us twice as long to unpack and put the different items into place, as it would have taken someone else to do it,” Kris says and continues: “Every item has a story to tell and we both know all of them,” she says, looking at Carl Erik who nods in agreement.

“They carry a lot of emotion as well, which is why it is difficult for us to thin out and let certain items go,” Carl Erik adds. “So, we might have to expand the museum again at some point,” he laughs.

One of the changes that came with the establishment of the new museum is the addition of Lars Larsen’s office, which contains his original office decor, such as a large mahogany desk, which he was very fond of despite, or maybe because of, its old-fashioned aesthetics.

Another big change is the addition of a store-section.

“We are showcasing three different store concepts, to show how JYSK has developed over the years,” Kris explains and continues: “By showing it physically and enabling visitors to walk through these different stores, it becomes a lot more interesting and tangible and you clearly see the development from the initial concept, where everything had to be extremely cost-efficient and products were displayed on the raw pallets they were delivered on, to the latest 3.0 concept which is much more inviting and inspiring.”

“It is so important to have the store be a part of the museum,” Carl Erik adds. “The store is essential. The store *is* JYSK.”

However, there is no doubt about the most significant change in the new museum. Since the first official JYSK museum was opened in 2019, JYSK founder Lars Larsen has passed away, and this has given the museum a new important meaning:

“Now, the museum has become a memory of Lars,” Kris says. “Where JYSK used to be the focal point, the museum now also pays tribute to Lars and everything he built. And I think he would have been proud of that,” she says.

ABOUT THE JYSK MUSEUM

The first official museum was inaugurated on 8 March 2019, with the mayor of Aarhus attending the ceremony and Kris cutting the tape. Lars Larsen was of course also present, and to this day he welcomes the visitors of the museum through a short video sequence playing by the entrance.

A group of dedicated JYSK colleagues from different parts of the organisation work together with Kris and Carl Erik to design, decorate, and keep the museum updated.

The museum is not open to the public, but associations, schools, clubs etc. can request a guided tour with Carl Erik through JYSK.

Here are some of the other highlights of JYSK’s history and Lars Larsen’s career, which can be experienced in the museum:

- In 2009, Lars Larsen was awarded the Cross of the Order of Dannebrog and the following year JYSK was granted the title of Purveyor of Her Majesty The Queen of Denmark. In 2017, Lars Larsen was elevated to Knight 1st Class of the Order of Dannebrog.
- In 2001, Lars Larsen was awarded with the prestigious 'EY Entrepreneur Of The Year' award in Denmark. The following year he was nominated for 'World Entrepreneur Of The Year'.
- In 1989, JYSK became main sponsor of Parasport Denmark and remains its main sponsor to this day. It is one of the longest standing sponsorships in Danish sports history.

**RESPONSI-
BILITY**



**WE TAKE PRIDE IN
BEING DECENT AND
RESPECTFUL. WE
COMMUNICATE
OPENLY AND ARE
HONEST ABOUT OUR
PRODUCTS AND
BUSINESS PRACTICES.**

24 FEBRUARY 2022

Acting responsibly in a time of war

Most of us can recall where we were and what we were doing in the morning on 24 February 2022, as Russian tanks crossed the border to Ukraine, initiating the first war on European soil in the 21st century.

This day was first and foremost a humanitarian tragedy. The Russian invasion marked the beginning of a devastating war for the people and country of Ukraine.

The situation called for immediate action from the international community and many companies found themselves navigating unfamiliar and difficult waters. In Lars Larsen Group, mainly two of our companies were directly affected when the war broke out: JYSK and Actona Group.

People first

When the war became a reality, our primary concern was, and continues to be, the safety of our employees in Ukraine. Therefore, one of the first decisions we made was to quickly close JYSK's 86 Ukrainian stores temporarily.

With production facilities in Lviv, 700 Ukrainian employees at Actona Group were

also caught in the war from one day to the next. They had a strong desire to keep their everyday lives as normal as possible and to support this wish while keeping them safe, the factory in Lviv was turned into a makeshift bomb shelter to try and make the employees, who still wanted to come to work, feel as secure as possible.

Uniting our efforts

In the time that followed, an array of initiatives was launched to help our employees specifically and refugees in general – in Ukraine and the neighbouring countries. Our strategy was to establish a unified effort to ensure the biggest possible impact. As an example of that, JYSK cooperated with UN's Refugee Agency, UNHCR, to donate 26,000 blankets, 10,000 sheets, 10,000 towels, and 15,000 pieces of bed linen to refugees.

Determined to help victims of war, the employees at Actona Group's factory in Lviv started producing mattresses and sleeping bags for refugees and the factory functioned as a temporary hub on the way to Poland, providing these items to refugees, who had to spend the night at train stations and the like.

Outside of Ukraine companies across Lars Larsen Group made donations, in-



Reopening the JYSK store in Bucha, Ukraine: Store Manager, Igor Krasutskiy, and the Danish ambassador in Ukraine, Ole Egberg Mikkelsen.

initiated fundraisings, and showed their support in numerous ways to help the many people affected by the war.

Responsible decisions

Like Actona Group, our Ukrainian employees in JYSK wanted to help refugees who needed duvets, pillows, blankets, and other products. So, upon securing their safety, the JYSK stores in Ukraine started to reopen one by one at the request of the employees.

It was not our proposal to reopen so fast, but the Ukrainian Country Management Team in JYSK wanted to show that normality would return as quickly as possible. And JYSK will remain in Ukraine to take part in getting everyday life back and to continue to open new stores in this country.

Shortly after 24 February, we decided to close all of JYSK's 13 Russian stores temporarily and sent all Russian colleagues home on paid leave. With the purpose of terminating our activities in a proper manner, the stores were briefly re-opened and one month later they were permanently closed. A decision which also meant that we had to say goodbye to all our Russian colleagues.

This was difficult. Our colleagues in Russia had nothing to do with the invasion, and we supported and treated them the best we could with respect for laws and regulations. Given the circumstances, we believe it was the responsible way for us to act.

Following 24 February 2022, Lars Larsen Group has made monetary and product donations of more than DKK 15m to organisations and initiatives helping the people affected by the war in Ukraine.

A photograph of wooden steps leading up a hill. The steps are made of light-colored wood with a visible grain. A small, light-colored paper coffee cup sits on one of the steps on the right side. The background is a blurred wall of similar wood.

WALKING THE TALK

Mapping our Global Tax Footprint



*Nickolaj Gade-Johansen, Senior Tax Specialist in Lars Larsen Group
Lone Fogh Morthensen, Director, Head of Tax in Lars Larsen Group*

“Our Tax Principles reflect our positive attitude to paying taxes, as we acknowledge the responsibility we have to governments and societies in paying the right amount of taxes in a timely manner.”

Lone Fogh Morthensen



Lone Fogh Morthensen, Director, Head of Tax in Lars Larsen Group

For the second consecutive year, Lars Larsen Group is disclosing its Global Tax Footprint with an even more comprehensive view of the group.

Taxes are a significant source of income for governments around the world and they are an important part of upholding and maintaining societies, with increasing public expenses for infrastructure, education, public health, environment, and more.

“Acting in a decent, trustworthy, and responsible manner is core to Lars Larsen Group,” says Lone Fogh Morthensen, Director, Head of Tax in Lars Larsen Group.

“Our Tax Principles reflect our positive attitude to paying taxes, as we acknowledge the responsibility we have to governments and societies in paying the right amount of taxes in a timely manner,” she adds.

To substantiate the adherence to the Tax Principles, Lars Larsen Group is disclosing the group's Global

Tax Footprint for the second consecutive year with an even more thorough view of the group.

Increased tax transparency

The amount of corporate income tax paid by large companies is subject to increasing scrutiny and public debate. Companies pay many other business taxes which also contribute to the public finances. Therefore, Lars Larsen Group's Global Tax Footprint does not only include corporate income taxes, but also indirect taxes and taxes withheld on behalf of others, such as employee taxes.

“We believe this approach provides a more nuanced perspective to debating tax payments and contributions to societies,” Lone says and continues:

“Paying our fair share of taxes in all the countries we operate in and having an open and honest dialogue with the tax authorities is an integrated part of our Tax Principles. When we publish our Global Tax Footprint, the openness extends not only to tax authorities but to other stakeholders of Lars Larsen Group as well.”

Recognising that openness is important to stakeholders, including customers and society in general, the developing expectations in this regard are monitored both locally in Denmark as well as globally. The effort to increase tax transparency is therefore an ongoing process; for example, by introducing full country-by-country reporting of the corporate tax payments and by providing additional details to explain drivers of Lars Larsen Group's effective tax rate.

“We believe this approach provides a more nuanced perspective to debating tax payments and contributions to societies.”

Lone Fogh Morthensen

METHODOLOGY

OECD's Classification of Taxes and Interpretive Guide has been used to consistently decide which payments constitute a tax and should be included in Lars Larsen Group's global tax footprint and the cash criterion has been adopted as a general principle for representing tax data, considering it to be the most adequate for disclosing the actual Global Tax Footprint.

Lars Larsen Group's Global Tax Footprint operates with the following five definitions:

<ul style="list-style-type: none">• Corporate income taxes are taxes paid on profits, capital gains, or revenues including withholding taxes on remittances.	<ul style="list-style-type: none">• People taxes are taxes arising in relation to salary payments to our employees and includes primarily withheld taxes on salary and paid social security contributions.	<ul style="list-style-type: none">• Indirect taxes are product and service taxes and include taxes and duties levied on delivery of goods, rendering of services, or in respect of the use of goods or permission to use goods.	<ul style="list-style-type: none">• Taxes borne include corporation taxes, withholding taxes within Lars Larsen Group, social contributions, property taxes, customs duties, and other local taxes and duties. Taxes borne are a direct cost for the group.	<ul style="list-style-type: none">• Taxes collected include taxes collected from employees and customers on behalf of governments and include payroll taxes and VAT/sales tax.
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Lars Larsen Group's Global Tax Footprint - and how it was mapped

The entities and subgroups in Lars Larsen Group are very diverse. Both in terms of activity, size, complexity, and how long the entities have been part of the group. In addition to this, Lars Larsen Group operates in many different jurisdictions with local tax systems that vary in levels of automation and digitalisation.

"Due to this complexity across the entities and subgroups, we have been working on a data driven and automatised process for collecting, categorising, and validating the different tax payments," Lone explains.

"Parallel to improving the data driven process, we have continued to simplify the group moving from five to two subgroups," she adds.

For the financial year ending 31 August 2021 (FY 2020/21) information from entities representing approximately 90 percent of the revenue in Lars Larsen Group was gathered. The result was published on Lars Larsen Group's website in January 2022.

For the financial year ending 31 August 2022 (FY22) the information in the Global Tax Footprint includes all entities in Lars Larsen Group (e.g., 100 percent of the revenue in Lars Larsen Group). In the process of gathering this information for FY22, we also gathered information for the remaining 10 percent not covered in the initial Global Tax Footprint for FY21.

It is important to note that a significant amount of corporate income tax payments made by Lars Larsen Group is derived from investment results and is

therefore subject to the volatility of investments made in the stock market, bonds, and securities. Corporate income tax payments will therefore inherently vary from year to year due to differences in results.

The tax payments in the Global Tax Footprint is reported on a cash basis, meaning the corporate tax payments of each financial year cannot be expected to align with accounting results. According to Danish legislation, Lars Larsen Group pays a significant part of the Danish corporate income taxes, the so-called on-account tax payments, in November, however the financial year of the group ends on 31 August. This means that the corporate income tax paid in Denmark included in the current Global Tax Footprint will largely show the taxes payable for the previous financial year.

"Going forward, the intention is to consider additional initiatives to provide our stakeholders with insights to how we apply our Tax Principles on a daily business," Lone says in conclusion.

Global Tax Footprint of Lars Larsen Group:

FY 20/21 mDKK 8.610

FY 21/22 mDKK 9.234

UNFOLDING OUR RESPONSIBILITY

Sustainability in and across Lars Larsen Group

As a group with more than 40,000 employees and investment activities worldwide, Lars Larsen Group is aware of its responsibility to contribute positively to society. And with the continued growth, living up to that responsibility is a journey without an end destination.

During the past year, climate has been a central part of the sustainability agenda of Lars Larsen Group, and companies within the group have worked to map greenhouse gas emissions. However, much work remains to be done, and the group constantly evaluates its efforts, gains more knowledge, and takes further steps towards becoming a more responsible and thus more sustainable organisation.

Guiding the group through this process are the family values of Tradesmanship, Responsibility, and Growth. These values act as a foundation and framework when striving towards a long-term, successful development of Lars Larsen Group and when working with sustainability in and across the group companies.

“We work with sustainability not only to be responsible, but also because we believe that it will positively affect the performance and resilience of our companies, enabling us to continue to make a positive mark on society,” says Director, Head of Sustainability and ESG in Lars Larsen Group, Christina Jacobsen.

Majority ownership matters

Lars Larsen Group’s sustainability strategy for active and responsible ownership is based on a governance framework, ensuring a common foundation for the work with sustainability in line with relevant international standards. The governance framework consists of group policies, basic requirements, and a set of Key Performance Indicators (KPI) that companies report on annually.

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

Across Lars Larsen Group, a sustainability network has been established, where colleagues from the different companies share knowledge, best practice, and

discuss trends and developments within the area of sustainability.

“As owners, we have a responsibility to share knowledge and information about relevant legislation and development with our companies, but in addition to that we aim to create a space where our companies can benefit from their similarities, inspire each other, and ultimately raise the sustainability-bar across the group,” Christina explains.

Synergies across the group

Several Lars Larsen Group companies work with similar business models which enables the group to address selected projects through a coordinated process. Examples of such projects include the companies’ work to reduce their negative climate impact and increase their use of more sustainable raw material as described below:


Reduce our negative climate impact

Companies within the group are working to map their greenhouse gas emissions and set respective reduction targets. Furthermore, to strengthen the effort related to scope 3 emissions, the companies are working to improve data quality in the supply chain through implementation of Amfori, Business Environmental Performance Initiative (BEPI).

To exemplify (non-exhaustive list of targets):

JYSK: Reduce emissions from own sites (scope 1 and 2) by 50 percent before 2030 (from an FY2019 baseline). Furthermore, JYSK will be carbon neutral by 2050 (on both scope 1, 2, and 3).

Actona Group: Reduce emissions from operations (scope 1 and 2) with 50 percent in 2025. Reduce emissions by 70 percent before 2030 and make the company carbon neutral before 2050 (from an FY2020 baseline). Furthermore, Actona Group expects to be ready to submit its commitment to Science Based Targets Initiative during FY2023.



“We work with sustainability not only to be responsible, but also because we believe that it will positively affect the performance and resilience of our companies, enabling us to continue to make a positive mark on society.”

Christina Jacobsen

Christina Jacobsen, Director, Head of Sustainability and ESG in Lars Larsen Group

Increase our use of more sustainable raw material

Companies within the group have identified KPIs related to their use and sourcing of more sustainable material.

To exemplify (non exhaustive list of KPIs):

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

JYSK - Cotton: By the end of 2024, all cotton sourced for JYSK textile products will be either recycled or produced in a more sustainable way (i.e. recycled, Better Cotton, or organic).

Bolia - Wood: By the end of 2022, all wood products in Bolia are FSC-certified.

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

ScanCom International - Wood: Today use 100% FSC hardwood with an objective to increase the level of FSC teak year by year.

FSC™ N004152

Gazing into the future

The importance of sustainability is becoming an ever more integral and central topic of the political as well as the public conversation, resulting in an increased focus on the actions and ambitions of corporations in that respect. Part of the responsibility as owners of a group doing business worldwide is to keep abreast of developments and to stay up to date with the tendencies shaping the sustainability agenda – not just to remain compliant, but to ensure a dedicated commitment to sustainability.

According to Christina, three overarching tendencies will influence the sustainability work of Lars Larsen Group and the underlying companies in the near future:

1. More international legislation
2. A movement from 'soft law' to 'hard law'
3. Increased transparency and standardisation

"First of all, we are facing a lot of international legislation, some of which is new and some of which can be considered an extension or tightening of existing legislation," Christina states.

According to Christina, the development within sustainability legislation will affect Lars Larsen Group as owners as well as several of the underlying companies:

"But it will affect us differently," she says and elaborates:

"As owners, the new legislation primarily impacts the way in which we establish policy frameworks and create guidelines for our companies to ensure a common compliance foundation," Christina says and continues:

"But within that framework, our companies operate independently and individually. And it is incredibly important that we as owners understand and acknowledge the complexity our companies are faced with in terms of implementing the new legislation and standards in their respective business activities. Working with legislation operationally is a lot different from working with it on a more political level," Christina stresses.

From recommendations to rules

In addition to more legislation, there is a clear tendency which points to a movement from 'soft law' towards more 'hard law', meaning more direct sanctions if companies fail to deliver on their responsibilities.

"There is a shift happening, which takes legislation from a guideline and recommendations-level towards outright rules and regulations," Christina explains.

"Previously, lack of compliance would primarily have indirect financial consequences for companies, for instance caused by consumer dissatisfaction or negative publicity. But with the movement towards more hard law, lack of compliance will potentially lead to more direct financial consequences. In addition to more hard law, companies are faced with continuously growing consumer expectations and an increased public awareness which can still indirectly have enormous consequences if they fail to keep up with developments and comply with the rules," she says.

Increased transparency and standardisation make up the third tendency characterising the near future. Stronger alignment across the EU and more standardised demands in terms of methodology and data set a shared scene, strengthening transparency and comparability, which will ultimately support the development towards a more sustainable future.

"This is one of the reasons why we generally regard these tendencies as something positive, because they provide more transparency and make it easier to navigate and align. But I am saying that with great respect for the amount of work which more legislation puts on our companies," Christina says and continues:

"While the alignment of standards across the EU will support our foundation and methodology, the main driver for our work with sustainability remains the ambition of our owner family, namely to create long-term successful development of Lars Larsen Group while contributing to growth and value for society," she says.

“It is incredibly important that we as owners understand the complexity our companies are faced with in terms of implementing new legislation.”

Christina Jacobsen

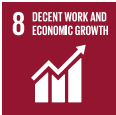





Christina Jacobsen, Director, Head of Sustainability and ESG in Lars Larsen Group

Sustainable Development Goals

As majority owner, Lars Larsen Group focuses on the UN Sustainable Development Goals (SDGs) 8, 12, 13, and 16.

Below, the initiatives related to the SDGs are illustrated, with highlights from FY2022. In addition to these four SDGs, companies within Lars Larsen Group carry out an individual SDG-analysis related to their respective business activities.

SDG	Our Contribution	FY22 Highlights
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p>Through active ownership, we aim to contribute to long-term successful and responsible business development. Our Lars Larsen Group Employee Code of Conduct as well as our Supplier Code of Conduct communicate our responsibility and requirement to respect Human Rights and Labour Rights.</p> <p>KPIs</p> <ul style="list-style-type: none"> Employee Satisfaction Survey, response rate of minimum 80% We strive for zero work accidents and actively work to reduce lost time injury frequency rate, year on year 	<ul style="list-style-type: none"> LLG launched a tool to support our companies, to map due diligence against OECD guidelines
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Ensure sustainable consumption and production patterns.</p> <p>Sustainability is an integral part of decision making at Lars Larsen Group. Through our sustainability governance structure our companies are required to:</p> <ul style="list-style-type: none"> Identify a sustainability strategy and integrate sustainability within their core business Report annually on sustainability 	<ul style="list-style-type: none"> Bolia launched a new sustainability strategy Actona Group launched a new sustainability strategy HimmerLand performed an SDG analysis
 <p>13 CLIMATE ACTION</p>	<p>Take urgent action to combat climate change and its impacts.</p> <p>Through our sustainability governance structure our companies are required to:</p> <ul style="list-style-type: none"> Implement a company-specific Environment and Climate policy Work towards measuring, reporting, and where possible reduce greenhouse gas (GHG) emissions <p>KPIs (individual company KPIs)</p> <ul style="list-style-type: none"> More sustainable raw material (wood and cotton) Reduction targets for greenhouse gas emissions 	<ul style="list-style-type: none"> Companies within the group work dedicatedly with greenhouse gas mapping and reduction targets LLG hosted two network meetings. Deep dives into Circular business models and CO2 related to materials
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p> <p>We work with a high degree of transparency, business ethics and zero tolerance towards Corruption. We have implemented policies to support accountable practices as well as proactive initiatives in our effort to perform business with integrity.</p> <p>KPI</p> <ul style="list-style-type: none"> Annual training of employees in risk position, on Anti-Corruption policy 	<ul style="list-style-type: none"> LLG launched Anti-Corruption and bribery training for employees in the group function and to companies within the group

FUELING THE FUTURE

Investing in the energy transition

Drought, flooding, extreme weather conditions, and rising temperatures resulting in humanitarian crises and endangered ecosystems. The serious consequences of climate change and global warming are more evident and tangible than ever. Simultaneously, soaring energy prices and vulnerability of previously reliable energy supplies following Russia's invasion of Ukraine have demonstrated the need for alternative, long-term energy solutions.

Recognising the urgency of the situation and taking responsibility for our own climate impact, Lars Larsen Group wishes to be an active part of those solutions.

"As investors we do not see a trade-off between investing responsibly and the ability to create attractive returns - quite the contrary: We believe that the most attractive investment opportunities will be those that take part in solving the many challenges we face as a society today," says Daniel Albæk, Chief Investment Officer in Lars Larsen Group.

"Our focus is not limited by specific themes or topics, rather it is inspired by the UN Sustainable Development Goals, which outlay many of today's challenges," he adds.

Commitment to take part in the energy transition

To push the energy transition, Lars Larsen Group believes investments will have to be made within both mature and unproven (at scale) technologies. Mature technologies, such as wind turbines and solar cells, play a vital role in generating green energy, while unproven (at scale) technologies among others will have to be introduced to decarbonise hard to abate sectors.

Through Copenhagen Infrastructure Partners (CIP), Lars Larsen Group has committed more than DKK 1bn earmarked towards the energy transition focusing on both mature and unproven technologies.

"While technologies which are unproven at commercial scale come with a higher degree of risk compared to the more mature technologies, we believe there is an urgency to the climate crisis which requires the courage to invest in green technologies that are still in their early stages in terms of operating at commercial scale," Daniel says.

An example of such technologies is Power-to-X (PtX). PtX simply means converting power into something else. In relation to the energy transition, PtX typically involves converting power into hydrogen and hydrogen-based products. Such products can among others be used for fossil free fuel and fertilizer, helping to decarbonize the non-power sectors.

"When it comes to climate change and the need for more sustainable solutions, we strongly believe that a green energy transition plays a vital part," Daniel states and continues:

"We wish to contribute to this transition, which is why Lars Larsen Group has invested heavily in green energy infrastructure in recent years."

Green technology investments

Through investments with CIP, Lars Larsen Group has invested in a wide range of green technologies. Highlights from two of these investments can be found in the tables to the right.



Daniel Albæk, Chief Investment Officer in Lars Larsen Group

“As investors we do not see a trade-off between investing responsibly and the ability to create attractive returns - quite the contrary.”

Daniel Albæk

Onshore windfarm Monegros in Aragon, Spain, in part managed by Copenhagen Infrastructure Partners.

Project "Fighting Jays" (COD¹ 2022)



350 MW ac solar park in Texas, USA



67,000 houses provided with green energy each year



285,000t yearly reduction in CO₂e

¹COD = Commercial Operation Date

Project "Høst" (COD¹ 2026)



1 GW PtX facility in Esbjerg, Denmark



600,000t ammonia per year for fuel and fertilizer



1,500,000t yearly reduction in CO₂e

¹COD = Commercial Operation Date

TOGETHER TOWARDS MORE SUSTAINABLE TOURISM

How HimmerLand works strategically with sustainability

“Behaving responsibly is a license to operate - in more than one sense. Not only is it incorporated in our values. It is increasingly expected of us as well.”

The words are Mette Ravn's. She is the CEO of HimmerLand, the Lars Larsen Group-owned resort in the Northern part of Jutland. When she entered the company in 2021, working actively with sustainability, both in terms of environmental sustainability and social responsibility, quickly became an integrated part of the company strategy, “HimmerLand Together”.

“Committing to sustainability on a strategic level ensures the right support from the organisation and provides the necessary focus and resources to push the sustainable agenda,” Mette continues.

This strategic approach led to the recruitment of Linnea Scheelke, HimmerLand's dedicated Sustainability Coordinator. In cooperation with different partners her daily work revolves around streamlining and driving sustainability across the many different aspects of the HimmerLand-business, such as the technical department, food & beverage, and housekeeping.

“We have been working on establishing an overview of the initiatives that have already been implemented as well as the future steps we need to take in regard to sustainability,” Linnea says.

“This is necessary to be able to tell the story about our efforts – both internally and externally. We need to cement a common understanding of HimmerLand as a company that is dedicated to sustainability, even though there is still much more we can do,” she explains.

Unlocking sustainability

Working with sustainability is not new to HimmerLand. A couple of years ago, the resort became Green Key®-certified. Green Key® is an international eco-label awarded to leisure organisations and to obtain it an organisation must meet several strict environmental requirements and provide a vast amount of documentation. Among other purposes, Green Key® helps potential hotel guests make informed decisions when booking a stay and thereby helps to drive more sustainable tourism.

“We were successful in achieving the certification in May of 2020, but the process indicated a need for a more structured approach towards other certifications and our work with sustainability in general,” Linnea says.

“Once you really get into the sustainability initiatives, it inspires and motivates you to dive deeper. Though Green Key® is a crucial certification for us as a holiday and conference destination, it is also very much an industry-label not very well known to the public. Now, we are therefore striving towards achieving the Nordic Eco-label as well,” she adds.

In close cooperation with Ecolabelling Denmark, Linnea and the rest of the team are focusing their efforts to bring HimmerLand at the forefront of sustainable tourism. HimmerLand will thus be one of the first companies to test the new application portal of Ecolabelling Denmark, which means documenting and describing an array of processes that are required to achieve the Nordic Eco-label certification.

Commitment to the journey

Certifications and labels, however, are only part of the journey for HimmerLand. Many other initiatives have been launched and planned to strengthen the resort's position as a sustainable destination. To be able to make as much impact



From the left: Linnea Scheelke, Sustainability Coordinator in HimmerLand and Mette Ravn, CEO of HimmerLand.

as possible, it was necessary to make some decisions as to which areas to focus on and why.

Therefore, HimmerLand teamed up with Stine Christensen, Group Sustainability Consultant in Lars Larsen Group. She facilitated a workshop with the HimmerLand-team, with the aim of formulating a sustainability policy as well as identifying specific Sustainable Development Goals (SDGs) that function as guiding stars for the ongoing sustainability efforts.

“We identified three overarching SDGs that were highly relevant to us and where we are convinced that we can make the biggest difference: Affordable

and clean energy (7), Decent work and economic growth (8), and Responsible consumption and production (12);” Linnea explains.

“Then, we set up a multitude of specific subsidiary goals that we are actively working to achieve. In addition to the SDGs, we have described our more general approach towards environmental and social sustainability in our Sustainability Policy and our Code of Care,” she adds.

Specific examples of HimmerLand’s efforts in relation to the SDGs:



SDG no. 7

- Installation of 1,300 m² of solar panels on top of the golf buggy garage and 900 m² of solar panels on the roof of the resort swimming pool. More solar panels are on the way and HimmerLand aims towards being able to harvest between 40-50 percent of their power from solar energy.
- Focusing on biodiversity by establishing more green areas on the premises, putting up starling nest boxes, and opening up a piped watercourse.



SDG no. 8

- HimmerLand works closely together with educational and public institutions to be able to offer relevant apprenticeships, internships, and jobs in general.
- The resort continuously offers their employees more training and courses to update their skills or learn new ones.



SDG no. 12

- Working actively with waste reduction through a DAKA ReFood-certification entails offering restaurant guests a doggy bag for their leftovers and thoroughly sorting waste by e.g., having organic waste such as used frying oil collected and reused as green energy.

Furthermore, HimmerLand is actively working to reduce and eliminate single use products.

- Through a purchasing policy, HimmerLand aims to influence suppliers and partners to focus more on sustainability. For instance, the chefs at HimmerLand aim to source seasonal ingredients from local suppliers. Or when purchasing housekeeping products, eco-labelled cleaning supplies are requested.

Getting there together

These are just some of the efforts and initiatives that have been implemented at HimmerLand. And the list of future ambitions is even longer. Generally, HimmerLand wishes to put sustainability at the heart of all actions and decisions going forward, to impact the entire value chain from housekeeping and gastronomy, over working conditions and supplier management, to biodiversity and more sustainable construction.

The latter has become extremely relevant to HimmerLand more recently, as the resort has been expanding heavily in order to transform itself from a very golf-focused destination to a more versatile holiday resort. Obtaining DGNB-certifications for all the new additions to the resort, including hotel rooms and a multi-purpose hall, has been a top-priority, which is very much in line with the general Lars Larsen Group-approach towards construction and real estate development.

Working with sustainability in a multi-facetted company such as HimmerLand is not an easy task but having done some of the groundwork provides a solid base from which the sustainable efforts can continue to grow.

“We are not going to get there alone,” Mette Ravn says.

“We need to continue to cooperate with the right partners, keep influencing our suppliers, and join forces cross-company to really be able to make an impact. We need to stay committed and we need to do it together.”

Partnerships:



Green Key

The Green Key®

The label was invented in Denmark in 1994 but became part of the international collaboration FEE (Foundation for Environmental Education) in 2002. It has been awarded to approximately 130 businesses in Denmark and about 3,000 businesses in 60 countries worldwide.



DGNB

The German certification DGNB, which is short for 'Deutsche Gesellschaft für Nachhaltiges Bauen', is a comprehensive framework for creating guidelines and establishing an overview in (often) complex construction processes. DGNB is based on the UN's definition of sustainability.



DAKA ReFood

DAKA ReFood are specialists in collecting and recycling food waste, used frying oil and frying fat, turning it into green energy, nutritious fertilizer, and biodiesel. A certification helps companies highlight their efforts regarding food waste and recycling to both employees, customers, and business partners.

Nordic Eco-label

Established in 1989, Nordic Ecolabelling works to reduce the environmental impact from production and consumption of goods. The Nordic Swan Ecolabel-logo makes it easier for consumers to identify the environmentally best goods and services.

WHAT GOT US HERE, WON'T GET US THERE

Actions and ambitions of Actona Group for a more sustainable business

All companies, of which Lars Larsen Group holds majority ownership, follow common group policies and a set of standards regarding sustainability to establish a shared compliance foundation. In addition, the companies are encouraged to set individual ambitions and implement further sustainability goals and initiatives.

One of the companies doing exactly that is Actona Group. With an 'what got us here, won't get us there'-attitude, Actona Group is emphasizing a will to push the sustainability agenda forward by constantly improving the efforts of the company.

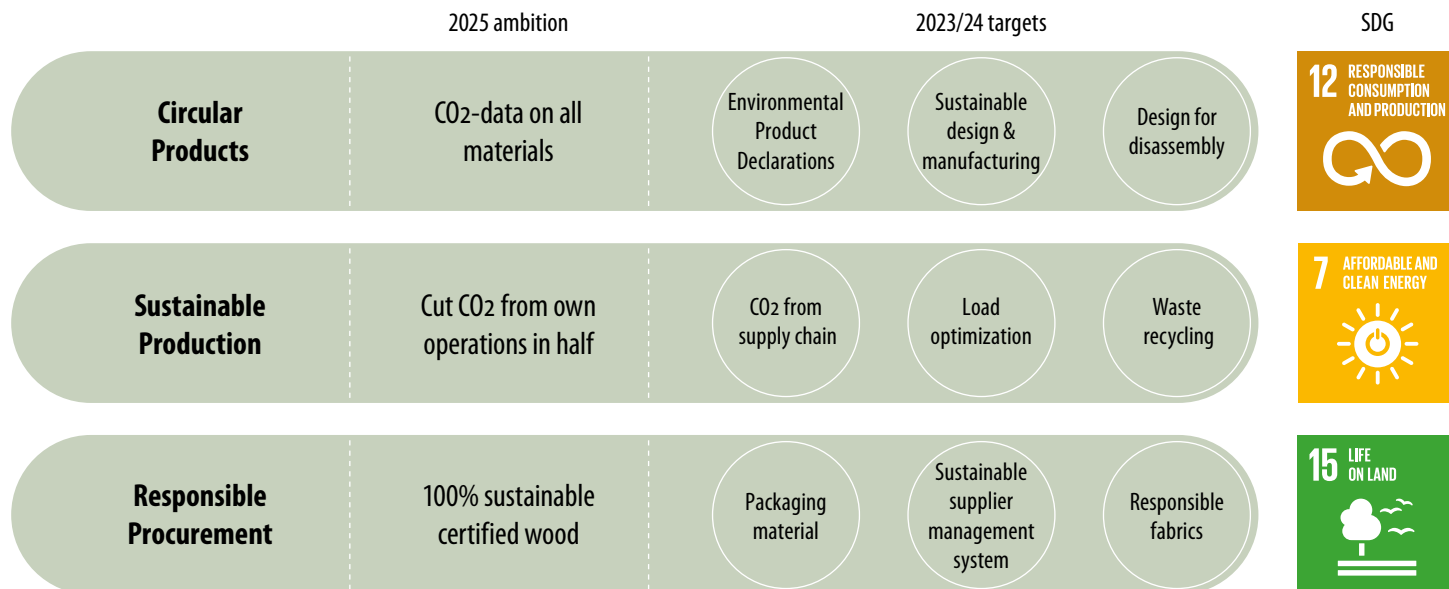
Sustainable Business


Actona Group, which became part of Lars Larsen Group in 2016, is systematically integrating aspects of sustainability into its operations guided by the strategy, 'Sustainable Business', which was created and implemented in 2021.

"At Actona Group we know that what got us here, will not bring us to where we want to be in the future. We are committed to make Actona Group even bigger and stronger – and therefore also more sustainable," says Rasmus Munksgaard Mathiasen, VP Group Sustainability & Operational Excellence at Actona Group.

"But we regard our sustainability journey as a process rather than a project; we need to continuously strengthen our business both financially and sustainably and this requires a strategic and systematic approach," he adds.

Actona Group applies a shared value perspective, meaning integrating prioritised efforts towards the 17 UN Sustainable Development Goals (SDGs) into three main areas of the value chain. More specifically, Actona Group has identified three SDGs to work actively with, and a clear ambition has been tied to each SDG and further cascaded into distinct targets as shown below.



A man with short dark hair, wearing a dark green button-down shirt, stands in front of a light-colored wall. To his right, several clear acrylic bins are arranged on a dark surface. The first bin contains several clear plastic bottles. The second bin contains crushed clear plastic bottles. The third bin contains a layer of light-colored granules on top of a layer of blue granules. The fourth bin contains a layer of light-colored granules. The man is looking towards the camera with a slight smile.

“We strive to consider the whole product lifecycle and our primary ambition in regard to circular products is to establish that much-needed transparency, which enables consumers to make the responsible choices in the store.”

Rasmus Munksgaard Mathiasen

Rasmus Munksgaard Mathiasen,
VP Group Sustainability & Operational Excellence at Actona Group.

A systematic approach

With a focus on SGD no. 12, Responsible Consumption and Production, for example, Actona Group is turning the spotlight on circular products. The overall ambition is to map CO₂-data for all materials by 2025. Among other targets, this ambition unfolds through designing for disassembly, which makes it easier for the consumer to recycle a product correctly.

“We strive to consider the whole product lifecycle and our primary ambition in regard to circular products is to establish that much-needed transparency, which enables consumers to make the responsible choices in the store,” Rasmus explains.

The same systematic approach is used with SDG no. 7, which is targeted through a focus on more sustainable production. Actona Group’s overall goal is to cut CO₂-emissions from operations in half by 2025. In collaboration with an external partner, scope 1 and 2 baselines for the financial year 2019/20 have been established and scope 3 material assessment will be completed in the following financial year.

“Through the work of establishing our baselines, it has become more clear to us, what the main sources of our emissions are. This provides us with a foundation for determining the right actions and adjusting our behaviour accordingly,” Rasmus says.

Due to the choice of a very systematic approach, Actona Group is focusing the effort towards the challenges, where changes can have the biggest impact instead of trying to target all of the emission sources at once.

“Based on the knowledge we now have, one of the things we are doing to reach

To target SDG no. 15, Actona Group is working with responsible procurement as a headline and the overall ambition is to use 100 percent sustainable certified wood by 2025. But the company is also focusing on the use of packaging material, responsible fabrics, and supplier management systems. For example, Actona Group works on establishing a complete overview of all packaging materials used for Actona Group-products, enabling the company to bring down the amount of plastic types not qualified for recycling, move towards more paper-based materials, and increase recycled content in packaging materials used.

Targeting the upholstery-division

Part of the ‘Sustainable Business’-strategy is to substantially strengthen the company’s position in the European upholstery market for business-to-business. Therefore, in 2021, Actona Group acquired Theca, a producer of sofas, armchairs, and more with production in Lithuania. Becoming part of Actona Group meant that Theca joined the journey towards more sustainable business.

“We regard the strategy set out by Actona Group as very positive for Theca and we are strongly committed to contributing to reaching the ambitious goals,” says Jurgita Misenioviene, General Director of Theca.

“Theca has done a tremendous job already and we are so excited to join forces to reach our ambitions collectively,” says Rasmus Munksgaard Mathiasen.

Prior to becoming part of Actona Group, Theca was already on a path towards more sustainability. In 2018, the company became FSC™ certified and in 2021 Theca also achieved the OEKO-TEX® certification. Certifications, however, are only a part of Theca’s efforts to increase sustainability in the upholstery division specifically and the value chain in general.

“What we see is that once the different initiatives are implemented, our suppliers are actually cutting their costs by being more mindful with their use of packaging material, improving load ability, etc.”

Jurgita Misenioviene

our reduction target is to install 16 new Clever charging stations at our facility in Tvis, where we are also implementing a waste sorting system specifically for plastic and cardboard to reduce the amount of waste going to incineration,” Rasmus elaborates.

“We are continuously optimising the energy consumption of our buildings, e.g., by improving the insulation, switching to LED lights etc.,” Jurgita says.

“Waste reduction is also a big focus area and every month we take stock of our



Jurgita Misenioviene, General Director of Theca

“Sustainability is becoming an increasingly important part of the public agenda and our customers are requesting and expecting more from us in that regard.”

Jurgita Misenioviene

foam, leather, and wood-yield, to identify new ways of further reducing waste,” she adds.

Energy optimisation and waste reduction are both efforts closely linked to SDG nr. 7, Affordable and Clean Energy, and Actona Group’s focus on sustainable production.

Joining forces for maximum impact

To maximise the impact of the efforts in relation to sustainability, Theca is actively working to influence suppliers as well, which is linked to SDG no. 15, Life on Land, and in line with Actona Group’s general focus on responsible procurement.

“When entering new partnerships, we make demands towards our suppliers in terms of their use of packaging material and load optimisation. Some suppliers are very proactive and others we have to nudge a little more,” Jurgita says.

As the name of the Actona Group strategy implies, focusing on sustainability needs to be sound business as well. And according to Jurgita, Theca is benefiting a lot from the increased focus on sustainability:

“It is our experience that our certifications and our general focus on sustainability is very valuable for us,” she says.

“Sustainability is becoming an increasingly important part of the public agenda

and our customers are requesting and expecting more from us in that regard. So, we have actually been able to use our efforts as a competitive advantage in the upholstery market,” Jurgita adds.

And the benefits are not only visible for Theca, but for the suppliers and partners of Theca as well.

“What we see is that once the different initiatives are implemented, our suppliers are actually cutting their costs by being more mindful with their use of packaging material, improving load ability, etc.,” Jurgita says.

There is no doubt in Jurgita’s mind that the increased focus on running a sustainable business has made a huge difference and she is proud that Actona Group is ambitious in that respect.

“Someone has to take initiative, lead by example, and drive the agenda forward,” she says.

“And I am glad that we are doing that together. It makes all of us stronger,” she concludes.

JYSK REACHES MILESTONE OF FSC™ SOURCING TARGET

Overcoming challenges through transparent cooperation

In the fall of 2020, JYSK publicly committed to the FSC (Forest Stewardship Council) sourcing target, stating that all JYSK products and packaging made from wood, cardboard, or paper would be FSC-certified by the end of 2024.

As of 1 January 2022, this would already apply to all new products and packaging launched in JYSK (FSC™ N001715).

While JYSK has been working with increasing the number of FSC-certified products in the assortment

board. Also, packaging has a high turnover rate and represents a considerable part of our impact on both climate and environment," says Lars Høgh Jensen, Packaging Development Specialist in JYSK.

Need for capacity building

Since 2020, JYSK has come a long way, but including packaging in the FSC sourcing target has not been without challenges because the sourcing target covers packaging for all JYSK's products, including the different items that are not made from wood e.g., textile products and duvets.

of organisations independently FSC-certified all the way from the certified forest or other responsible sources, up to the point where the product or packaging is finished and FSC-labelled.

"Based on misunderstandings or insufficient experience with the system and FSC's chain-of-custody, it has been a challenge for some suppliers to secure the right documentation, and in JYSK we are very strict about that. It became clear to us that capacity building, i.e. developing a more in-depth understanding, in our supply chain was necessary," Lars says.

Transparency benefits all

JYSK has been a member of FSC Denmark since 2006. With a long-standing cooperation, it was an obvious choice to reach out to them for support.

"We appreciate that JYSK reached out," says Søren Dürr Grue, Director, FSC Denmark.

"This case is a great example of a mutually beneficial partnership. At FSC Denmark, we have the knowledge of the system, but it can be difficult for us to know, where in the global supply chains extra support is needed. That insight is exactly what JYSK brings, as they know who we should reach out to and what kind of capacity building is needed," Søren adds.

As a result of the insights from JYSK, FSC Denmark

"It was natural to us that our FSC sourcing target should also include packaging, as we are changing more and more packaging from plastic to cardboard."

*Lars Høgh Jensen,
Packaging Development Specialist in JYSK*

for many years, packaging was a new focus area in 2020, when the sourcing target was published.

"It was natural to us that our FSC sourcing target should also include packaging, as we are changing more and more packaging from plastic to card-

"Suppliers, who do not manufacture wooden products, are for good reasons not always familiar with the FSC system, as they focus on other raw materials," Lars explains.

FSC's chain-of-custody requires an unbroken chain



Photo: FSC Denmark

FSC (The Forest Stewardship Council), is an international non-profit organisation and labelling system for wood and other forest-based materials, which originate from sustainable forestry or other responsible sources.

developed a new webinar and a written guide focusing on how to secure the right documentation in relation to packaging. They have already conducted two of these webinars, both with a high number of participants. And in JYSK, the positive effect of the webinars has already become visible.

“We reached out to our suppliers and encouraged them to attend the webinars. Since then, we have seen great improvements,” Lars says.

According to FSC Denmark, the benefits of knowledge-sharing and strong cooperation reach beyond the partnership with JYSK.

“FSC cannot change the global supply chains on our own. We can only do so by working together and being open about the challenges,” Søren says and adds that in this case the solution does not only have a positive impact on the product packaging ending up in JYSK’s stores, but on the whole industry, as the capacity building reflects on the supply chains of several companies.

JYSK has reached the first milestone of the FSC sourcing target, meaning all new products and packaging are FSC-certified. Now, all eyes are on the 2024 target.



The mark of responsible forestry

GROWTH



**WE WANT TO SEE THE
LARS LARSEN GROUP
FLOURISH AND GROW
WHICH IS WHY WE
STRIVE TO BE AS
COMPETITIVE AND
PROFITABLE AS WE
CAN BE.**

ACTONA GROUP'S YEAR OF ACQUISITIONS

Accelerating growth in a challenged market

For Actona Group, the last couple of years have been characterised by strong growth. The strategic goal is to more than double the business by 2025 and with two major acquisitions during the latest financial year, the group is well on its way to realising that ambition whilst navigating an unsteady and unpredictable global market.

As CEO of Actona Group, Jimmi Mortensen was the architect of and deeply involved in the formulation of the ambitious growth strategy, 'Sustainable Business', which Actona Group launched in 2021. One of the main objectives of the strategy is to further differentiate the business portfolio and gain market shares.

"In terms of market share, we earlier fell short in the upholstery-division," Jimmi Mortensen explains.

"We are very strong in the chair-segment and sell more than one million chairs a year, but if we are to gain market share, we need to focus further on upholstery and our goal to be among the top-three players in the B2B-market in Europe within 2025 and number one in the longer run," he elaborates.

The upholstery-potential

Profitable growth is crucial to Actona Group because of the fierce competition in the furniture market in general, and according to Jimmi the upholstery-segment holds tremendous potential:

"If you look to the biggest players in the European market for upholstered furniture, they hold a market



*Jimmi Mortensen,
CEO of Actona Group*

share of less than two percent. The upholstery market is relatively immature and has not been consolidated yet. Being part of that consolidation is a great opportunity for Actona Group," he says.

Thus, profitable growth in the upholstery-segment through acquisitions is key for Actona Group in realizing the ambitious growth goals within the given timeframe.

Looking to the East

Shortly after the strategy was created, the first of two acquisitions was closed in January 2022, when Theca, with production in Lithuania, became part of Actona Group.

"There were many factors pointing us towards Theca," Jimmi explains.

"With Scandinavian owners, Theca was a strong match in regard to mentality and values. We were also able to gain strong competences within upholstery and technological knowhow, and there was a scalability to the business model. Furthermore, Theca has a strong customer portfolio and there is very limited market cannibalization. Finally, with freight rates skyrocketing we aimed for proximity and Eastern Europe is an attractive growth market, which Theca has a lot of experience with," Jimmi elaborates.

Less than eight months after the acquisition of Theca, Actona Group unfolded the growth strategy further and acquired the Polish company, SITS, in July of 2022. SITS had been on Actona Group's radar before, and now the stars had aligned and made the acquisition possible.

"SITS is nearly twice as big as Theca and, like Theca, it is geographically well situated, as Poland is a growing market with a large population," Jimmi says about the choice of SITS.

"In addition, the management of SITS is relatively young, but each holds more than 15 years of seniority, knowledge, and experience. The company includes two large factories, one of which is quite new, and there is a warehouse, which could poten-

tially be a greenfield on our existing online platform and business. SITS also has high environmental standards, which was important to us," he adds.

From factory to bomb shelter

Having grown rapidly has had a positive effect on Actona Group and the different stakeholders of the company.

"For our owner, Lars Larsen Group, it means we have become more diverse and hence less vulnerable and are able to generate a bigger yield," Jimmi says.

"For our partners it means we can invest further in quality and security of supply and deliver value for money to an even larger degree. And for our em-

ployees it provides a sense of pride to be part of a growing company with a strong presence which again generates more opportunities for them.

perienced the consequences of the war up close and been able to help Ukrainian employees as well as some of the many refugees.

"We first of all had to make sure it was safe to go to work, as our employees in Ukraine had a strong desire to keep their everyday lives as normal as possible," Jimmi says.

"So, we basically turned the factory into a makeshift bomb shelter, to try and make our employees feel as safe as possible. We also produced a lot of mattresses and sleeping bags for refugees and almost functioned as a hub on the way to Poland, providing these items to people, who had to spend the night at train stations and the like."

"We are very strong in the chair-segment and sell more than one million chairs a year, but if we are to gain market share, we need to focus further on upholstery and our goal to be among the top-three players in the B2B-market in Europe within 2025 and number one in the longer run."

Jimmi Mortensen

ployees it provides a sense of pride to be part of a growing company with a strong presence which again generates more opportunities for them.

Lastly, it means we can give back and generate value for society. In relation to the horrible events in Ukraine, we have been able to contribute on a bigger scale because of our size and presence. Being able to act, which we feel a great social responsibility to do, has been very important to us given the tragic circumstances," Jimmi says.

With production in Ukraine, Actona Group has ex-

In addition to the above, Actona Group and employees donated money to humanitarian organisations working to help the people affected by the war.

Cultural integration

When a company grows as rapidly as Actona Group, the company culture is faced with a challenge which Jimmi is very aware of.

"I believe we have a very strong company culture. 300 of our colleagues are situated in Denmark, meaning more than 2,700 of them are working elsewhere and do not speak Danish. Therefore, English is our



Actona Group's head office in Holstebro, Denmark

corporate language which we use in all meetings, presentations etc. to support integration to the company," Jimmi says and continues:

"Then, there is the challenge of integrating a trading culture with a production culture. We are trying to support both cultures to ensure that they can coexist even though they are fundamentally conflicting in certain areas. But I think it is going quite well, very much thanks to the management groups in Theca and SITS," he says.

"And I also think it influences the integration process to know who the owners are," Jimmi adds.

"Part of what makes it special to be owned by Lars Larsen Group is knowing that ownership is regarded as a long-term investment and the culture is imbued with the notion of creating long-term, sustainable growth."

Attracting talent

Having completed two major acquisitions in less

than a year, Actona Group is now shifting gears and turning its focus from acquisitive growth towards integration and process optimisation.

"Today, we have a very strong platform of substantial size," Jimmi says.

"Now, we will focus on integration, strengthening the culture, and yielding the synergies. We need to service our existing customer portfolio and ensure decent lead times. We will investigate more stan-

digitalisation, and we have a lot of work ahead of us in terms of product data in the digital part of our business. So, we need to allocate our resources optimally," he elaborates.

Attracting the right resources for certain key functions, however, is a challenge for Actona Group. Though the company, which Jimmi has formerly described as a well-kept secret, is becoming more visible as an attractive place to work, finding the right specialists is difficult.

"Becoming a part of Lars Larsen Group and receiving a lot more media coverage over the last couple

of years, for those, who seek to challenge themselves and progress. For example, every year, we welcome approximately ten new trainees and most of them end up staying with the company where they grow into different functions. Our sales director, for instance, started her career in the company as a trainee," Jimmi says.

Three overarching challenges

Looking at the bigger picture, attracting talent can seem like a minor issue. Like many other companies, Actona Group has been affected by unforeseeable challenges during the last financial year. Three things have been particularly difficult, according to Jimmi.

"Part of what makes it special to be owned by Lars Larsen Group is knowing that ownership is regarded as a long-term investment and the culture is imbued with the notion of creating long-term, sustainable growth."

Jimmi Mortensen

of year has made a difference for sure. But our location provides a natural limitation in terms of attracting talent, especially within digitalisation, finance, and projects," Jimmi explains.

Though the process of attracting the right profiles can be tricky, Actona Group does not have difficulties retaining their employees, which Jimmi believes is due to a variety of factors:

"First of all, there is an amazing company culture which is highly trust-based," he states.

"At the Actona Group-headquarters near Holstebro, we have an average seniority of more than eight years, which clearly indicates that people enjoy coming to work. And we really focus on development and providing the right opportunities

"Without a doubt, the war in Ukraine is what has affected us the most," he says.

"The whole situation is a humanitarian tragedy. The world was, and still is, turned upside down from one day to another for our Ukrainian colleagues. And of course, it has affected our business in Ukraine as well, with customers being more reluctant and uncertain."

Another challenge has been the scarceness of and drastic price increases on certain raw materials.

"Materials such as FSC™ certified wood have been very hard to get a hold of, especially due to the necessary sanctions imposed on Russia," Jimmi says.

"And finally, container transport has been huge-

ly challenging. With broken supply chains and the practically exploding Shanghai Containerised Freight Index, the bullwhip effect is likely to last for the next year or two," Jimmi sums up.

What the future holds

Gazing into the future, Jimmi expects continued volatility in the market which will continue to affect Actona Group.

"We have seen a couple of very fluctuating years now, which, to a large degree, have been positive for our business and I believe we are now going to experience fluctuation in the upcoming years as well, which will have a more negative impact on us," Jimmi predicts.

"But we are trying to do business with constant care, continually adapting, evaluating the risks and how to mitigate them. Hopefully, in a year's time, we will look back on another strong financial year for Actona Group, but there is no doubt it will require a lot of hard work," Jimmi says.

Though the future remains unpredictable, Jimmi is quite certain that Actona Group will be able to reach the strategic goal: Doubling the business by generating a revenue of more than DKK 4bn and an EBIT of DKK 500m by 2025.

"There is enormous potential, and I am confident we will deliver on our promises - and then some," Jimmi says.

"It depends on ourselves and how quickly we can integrate the business and harvest the synergies. I am very happy to have been given this opportunity to make a difference together with the great team in Actona Group and when looking at how much has happened in one year, imagine what we could achieve in ten..."

COMBINING HORSEPOWER TO TAKE THE LEAD

A major merger makes its mark on the Danish car leasing landscape

The Danish car leasing market is characterised by strong competition, and it requires high volume and a steady flow of customers to ensure an efficient organisation that can handle the complex financing solutions, compliance, and customer service, which constitute a professional leasing business.

Therefore, to strengthen their position and establish a consolidated foundation for further growth, the leasing and investment companies, Solid Leasing, majority owned by Lars Larsen Group, and Selected Car Group, owned by Selfinvest, made a tactical move in March 2022 when they merged their car fleets under the brand, Selected Car Group. The 'new' company is owned equally by Lars Larsen Group and Selfinvest.

Foundation for further growth

With the joint car fleet, Selected Car Group has taken a leading position in the market for premium cars and achieved a critical mass of contracts, which is essential for consolidating and developing the existing competencies.

"By merging the companies, Selected Car Group holds a strong position in the industry, and we look forward to activating the synergies that will contribute to further development of the business," Chairman of the Board of Lars Larsen Group, Jacob Brunsborg, said in connection with the merger.

One of the synergies that has been important to realise is the consolidation of administration and knowhow, which is crucial for handling the complex tasks related to compliance and customer documentation. In addition, the company has achieved a stronger geographic presence and is able to service even more customers with the combined fleet of more than 5,000 cars.

"The cooperation between Selected Car Group and Solid Leasing makes perfect sense, as both owner groups are powered by decency and sound tradesmanship," Torben Østergaard-Nielsen, owner of Selected Car Group, said when the merger was announced.

"The match between our activities in the car industry is perfect, both in terms of our ambitions and mentality, and it constitutes an ideal foundation for future growth," he added.

Stepping on it since 2016

Looking back, growth has always been at the core of the former Solid Leasing-business. Mads Lysdahl Simonsen founded the company in 2016 in Silkeborg in the central part of Jutland and Lars Larsen Group became majority owner in 2017. From the beginning, Solid Leasing experienced annual growth rates of 60-100 percent.

The financial stability of the company was put to the test in 2020, when COVID-19 shook the world and challenged businesses everywhere. Solid Leasing was able to get through the pandemic without any financial aid from the government and without letting any employees go in the process.

In 2021, the company's performance was rewarded

with a Gazelle-award by the Danish financial newspaper, Børsen. An award, which requires a company to grow continuously and as a minimum to double its revenue or gross profit over the course of four years, achieving positive results each individual year.

Competitive edge through transparency

For Solid Leasing, a key element to the business model has always been transparency. Previous owner, Mads Lysdahl Simonsen, who continues to be part of the company after the merger, has earlier

"By merging the companies, Selected Car Group holds a strong position in the industry, and we look forward to activating the synergies that will contribute to further development of the business."

Jacob Brunsborg

expressed the transparent approach like this:

"The primary reason for the success is that we have gone against the industry and established full transparency. This makes flexible leasing understandable, because people can see what they are paying for," he said in an interview in 2021.

"It is important that we can offer something extra. We can do so by having a competitive and transparent product, and by ensuring that we are not simply delivering a product and then forgetting about the customer. We wish to take the customer through the purchasing process in an efficient and customer-oriented manner and continue to be able to offer favourable deals and experiences after the contract is signed," he added.



From the left: Mads Lysdahl Simonsen, CEO of Solid Leasing. Jacob Brunsborg, Chairman of the Board of Lars Larsen Group. Torben Østergaard-Nielsen, owner of Selected Car Group. Mikkel Hammershøj, CEO of Selfinvest. Ulrik Larsen, CEO of Selected Car Group.

With the continued growth and many new employees joining the team, space was becoming a scarce resource for the Silkeborg-based part of the new Selected Car Group. Fortunately, this changed with the recent opening of a new car dealership in Silkeborg. The former College-360 property at Kejlstrupvej (see page 87) was rebuilt in 2022 with Lars Larsen Group as property developer and part of the new space is earmarked for a new luxurious car dealership. Now, Selected Car Group can spread its wings even more, as the company and car fleet move into their new facilities.

“The match between our activities in the car industry is perfect, both in terms of our ambitions and mentality, and it constitutes an ideal foundation for future growth.”

Torben Østergaard-Nielsen

THE BUILDING BLOCKS OF GROWTH

Real estate development in Lars Larsen Group

Real estate constitutes a significant part of our business and investment activities in Lars Larsen Group.

Historically, the focus of the real estate activities in the group has mainly been retail and logistics, but since 2015 the investment strategy has been to branch out into other real estate areas such as residential property and office facilities.

The vast majority of the properties in our diverse property portfolio are offered for rent. But we are also a highly ambitious real estate investor. Our investments span from retail to logistics/storage, office buildings, and residential properties.

Real estate developer

In addition to our rental and investment properties, we function as a developer of new property with an active and ambitious approach. This means that we wish to add more than four walls and a roof to our buildings. We want Lars Larsen Group development projects to stand out and provide joy for the people who use them every day. Here are some of the ways in which we are working to achieve that:

- **We keep our word**

Honesty and credibility are key to us as a developer, and we demand the same from our suppliers and partners.

- **A responsible foundation**

We develop property with a focus on quality, durability, and decent working conditions. Furthermore, we wish to leave a positive mark on the societies which we are a part of by creating opportunities for growth and development.

- **The building blocks of the future**

We acknowledge that the construction industry is a large emitter of CO₂, and while we still have a lot of work to do in terms of becoming more sustainable, developing property that lives up to the DGNB-sustainability standards is at the core of our approach. In addition to this, we wish to create flexible real estate solutions that are adaptable to the changing needs of people.

- **A social approach**

When possible, we aim to create spaces that make room for social interaction with focus on providing a sense of community.

Regardless of whether we are investing in existing property, building for our own use, or developing property with the aim of renting it out, we want to secure sound, long-term investments that generate value and create growth in society. Our family values of Tradesmanship, Responsibility, and Growth are thus at the core of all our real estate activities.

In the following, some of our most recent and ongoing real estate investments and development projects are presented.

INVESTMENT PROPERTIES

Copenhagen

In 2022, Lars Larsen Group acquired a real estate portfolio comprising eight unique investment properties in the heart of Copenhagen. The properties carry historical value and characteristics and several of them are listed buildings considered worthy of preservation.

"Investing in real estate provides robustness to our general investment portfolio," says Carsten Iversen, Chief Financial Officer of Lars Larsen Group.



Klosterstræde 23, dates back to 1810



Hauser Plads 10, dates back to 1822



Admiralgade 17 - The Admiral's Yard, dates back to 1797

"Investing in real estate provides robustness to our general investment portfolio."

Carsten Iversen, Chief Financial Officer of Lars Larsen Group



Nyhavn 43 - The Old Merchant's House, dates back to 1787

JYSK & LARS LARSEN GROUP HEAD OFFICES

Brabrand

With the continuous growth of the companies, the joint headquarters of JYSK and Lars Larsen Group have been subject to several expansions over the years and in 2022 the final expansion became a reality. Two new buildings were added to the existing property, which now consists of five four-floor buildings comprising more than 21,000 m².

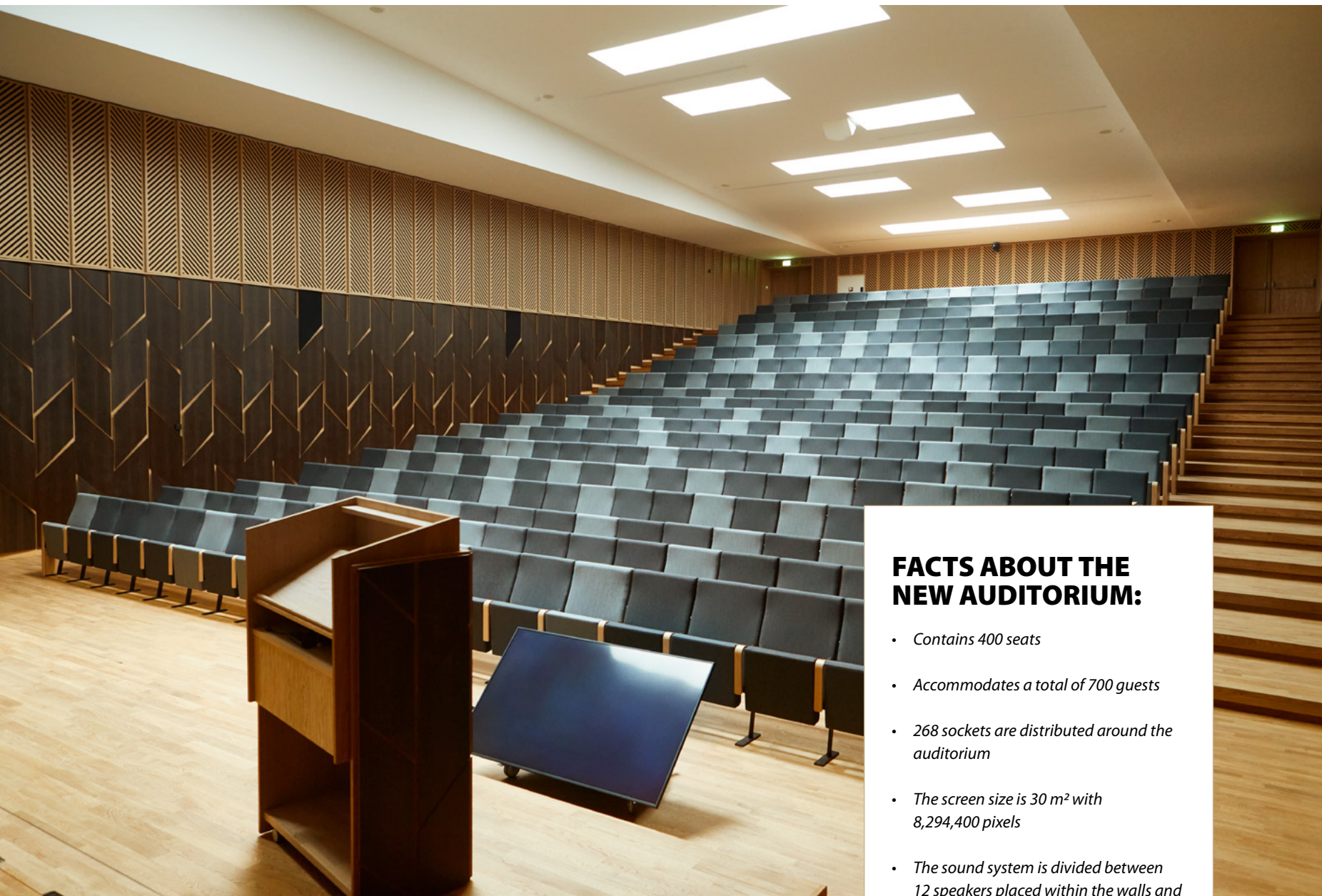
As part of the extension, new features were added to the property as well, such as a completely refurbished entrance and reception area and an extended and improved canteen.

Another new and unique feature is the JYSK Auditorium which is used for larger assemblies. A separate entrance and lounge area with a preparation kitchen has been established in connection with the auditorium as well.

On the exterior, focus has been on establishing additional green areas and creating a more inspiring environment. 86 charging stands for electric vehicles will be established as well and the oldest part of the headquarters, building 1, has been energy optimised with solar power cells built on the roof.

The new construction has obtained a DGNB Gold certificate.





FACTS ABOUT THE NEW AUDITORIUM:

- *Contains 400 seats*
- *Accommodates a total of 700 guests*
- *268 sockets are distributed around the auditorium*
- *The screen size is 30 m² with 8,294,400 pixels*
- *The sound system is divided between 12 speakers placed within the walls and an 18" subwoofer*
- *14,756 vibration-absorbing mountings have been installed*
- *1,364 m² of oak sheating has been used*
- *Exterior solar screening*

ERHVERVSPARK SILKEBORG, BUILDINGS 2 & 3

Silkeborg



Silkeborg, in the central part of Jutland, is a fast-growing city, which attracts many families. With Erhvervspark Silkeborg, the vision for Lars Larsen Group is to create an inviting environment for companies who can bring jobs and further development to the city. The project currently comprises three office buildings, one of which is already in operation. The remaining two buildings are expected to be finalised in the fall of 2023. Each building comprises approximately 2,600 m².

To create an attractive office location, the buildings have been optimised in terms of comfort and flexibility. There will be a joint canteen as well as other common areas to encourage social interaction and professional sparring. These areas can be used for other purposes outside of working hours.

The business park is located close to the motorway by the so-called 'Corporate Corridor' of Silkeborg. Due to the placement of the buildings and the high g value of the window glass, noise, however, is not an issue. The windows are highly reflective of sunlight too, which reduces the need to cool down the offices.

Outside, there will be 36 charging stands for electric vehicles as well as parking and charging facilities for electric bicycles. Solar panels are installed on the roofs

and the outside facilities offer many green areas with architect-designed insect hotels. Erhvervspark Silkeborg will be DGNB Gold certified.

Chief Financial Officer of Lars Larsen Group, Carsten Iversen, indicates that Silkeborg continues to be a city of interest in terms of property development:

"Lars Larsen Group has acquired additional property near Erhvervspark Silkeborg with the intention of developing and investing further in the Corporate Corridor-area in the years ahead," he says.

"Lars Larsen Group has acquired additional property near Erhvervspark Silkeborg with the intention of developing and investing further in the Corporate Corridor-area in the years ahead."

*Carsten Iversen,
Chief Financial Officer of Lars Larsen Group*

KEJLSTRUPVEJ 87

Silkeborg

Kejlstrupvej 87 is a renovation project, which is expected to be finalised at the beginning of 2023. The former College-360, which was the home of Silkeborg's technical school for more than 50 years, has been rebuilt with Lars Larsen Group as property developer in cooperation with the architectural firm, Laban Arkitekter, and the contracting company, Gustav Hansen.

The ambition was to create a unique location for local businesses to grow. The property currently houses the high-end car leasing and investment company, Selected Car Group, the physiotherapy concept, Institut Thomey, and the padel sports chain, Match Padel.

All the existing concrete frames of the old buildings were cleaned, proofed, and reused in the new construction, as concrete is a highly energy intensive material. A dark and contemporary colour scheme sets the tone for the 10,365 m² building and lighting is used to bring the individual elements into focus.

The long history of the building came full circle in the construction process, when one of the craftspeople working on the project was able to point out the exact area where he crafted his test piece as part of his education, when he went to the former technical school many years ago.



BASIS OF PREPARATION

Lars Larsen Group is not a group as defined in the Danish Financial Statements Act but a number of groups and entities owned by the Brunsborg-family and Lars Larsens JYSK Fond.

Lars Larsen Group has prepared a Combined Group Annual Report, which on 31 August 2022 consists of the following legal groups and entities:

- LLG A/S (group)
- LLPT Holding ApS (group)
- DE LKL P/S
- DE LKL Komplementar ApS

The Combined Group Annual Report is prepared based on a consolidation of the separate consolidated financial statements for the groups LLG A/S and LLPT Holding ApS. The separate consolidated financial statements include subsidiaries in which the Combined Group holds more than 50% of the votes. Entities in which the Combined Group holds between 20% and 50% of the votes and exercises significant influence, but not control, are classified as associates. Further, the separate entities DE LKL P/S and DE LKL Komplementar ApS are consolidated in preparing the Combined Group Annual Report.

Eliminations are made of intercompany income and expenses, shareholdings, dividends, and accounts as well as of realised and unrealised profits and losses on transactions between the Combined Group's and entities.

Other than the basis for consolidation, the Combined Group Annual Report has been prepared in accordance with the recognition and measurement criteria of the Danish Financial Statements Act.

The full report is available at: larslarsengroup.com

INCOME STATEMENT 1 SEPTEMBER - 31 AUGUST

<i>(mDKK)</i>	2021/22	2020/21
Revenue	44,017	39,090
Cost of sales	-20,600	-18,639
Other operating income	760	185
Other external cost	-10,084	-7,678
Gross profit	14,093	12,958
Staff expenses	-7,509	-6,852
Depreciation and amortisation	-1,403	-1,167
Other operating expenses	-236	-57
Profit before financial items	4,945	4,882
Result from associated companies	251	101
Result from other investments	240	47
Financial income	318	1,710
Financial expenses	-1,447	-290
Profit before tax	4,307	6,450
Tax on profit for the year	-830	-1,308
Result for the year	3,477	5,142

BALANCE SHEET AT 31 AUGUST

ASSETS

<i>(mDKK)</i>	2022	2021
Software	160	181
Goodwill	1,743	1,475
Intangible assets	1,903	1,656
Land and buildings	5,961	3,793
Fixtures and fittings, tools and equipment	2,224	1,872
Leasehold improvements	1,792	1,488
Assets under construction	1,888	1,435
Tangible assets	11,865	8,588
Investments in associates	1,664	377
Other investments	1,161	468
Deposits	206	184
Fixed asset investments	3,031	1,029
Fixed assets	16,799	11,273
Commercial products	12,753	9,400
Prepayments of goods	235	180
Inventories	12,988	9,580
Trade receivables	1,117	1,116
Receivables from associates	1,342	1,130
Corporation tax	137	202
Deferred tax	909	834
Other receivables	995	830
Prepayments	340	266
Receivables	4,840	4,378
Securities	11,798	14,386
Cash at bank and in hand	2,165	3,069
Current assets	31,791	31,413
Assets	48,590	42,686

BALANCE SHEET AT 31 AUGUST

LIABILITIES

<i>(mDKK)</i>	2022	2021
Equity attributable to Lars Larsen Group shareholders	32,539	30,687
Non-controlling interests	4	13
Equity	32,543	30,700
Deferred tax	52	180
Provisions	52	180
Mortgage debt, long-term	1,846	434
Loans, long-term	1,559	706
Deposits, long-term	11	2
Long-term debt	3,416	1,142
Mortgage debt, short-term	118	55
Credit institutions	4,239	2,494
Loans, short-term	1,888	1,324
Deposits, short-term	11	38
Prepayments, received	283	357
Trade payables	1,986	2,169
Corporation tax	650	839
Other payables	3,036	3,095
Deferred income	368	293
Short-term debt	12,579	10,664
Debt	15,995	11,806
Liabilities and equity	48,590	42,686

CASH FLOW STATEMENT

<i>(mDKK)</i>	2021/22	2020/21
Profit for the year	3,477	5,142
Adjustments	2,602	907
Change in working capital	-3,965	-1,049
Cash flows from operating activities before net financials	2,114	5,000
Financial income	318	1,710
Financial expenses	-1,447	-290
Cash flows from ordinary activities	985	6,420
Corporation tax paid	-1,101	-1,250
Cash flows from operating activities	-116	5,170
Purchase of intangible assets	-62	-65
Purchase of tangible assets	-3,421	-2,491
Sale of tangible assets	97	0
Purchase of fixed asset investments	-1,837	-350
Sale of fixed asset investments	277	51
Purchase of enterprises	-1,826	-1,578
Sale of enterprises	549	0
Cash at purchase of enterprises	63	69
Cash at sale of enterprises	-43	0
Cash flows from investing activities	-6,203	-4,364
Received payment on loans	314	0
Loans given	-200	-819
Proceeds from mortgage loans	914	0
Payment of mortgage loans	-62	-54
Credit institutions	1,681	1,343
Payment of loans	-17	-968
Raising of loans	0	438
Deposits	-8	0
Dividend received from associates and other investments	205	12
Cash flows from financing activities	2,827	-48
Change in cash and cash equivalents	-3,492	758
Cash and cash equivalents at 1 September	17,455	16,697
Cash and cash equivalents at 31 August	13,963	17,455
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand	2,165	3,069
Securities	11,798	14,386
Cash and cash equivalents at 31 August	13,963	17,455



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