Normal A/S

Godthåbsvej 41, 8660 Skanderborg

CVR no. 34 88 37 93

Annual report 2021/22

Approved at the Company's annual general meeting on 4 January 2023

Chair of the meeting:

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Steen Overholdt Hansen

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Normal A/S for the financial year 1 August 2021 - 31 July 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2022 and of the results of the Company's operations for the financial year 1 August 2021 - 31 July 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Skanderborg, 14 December 2022
Executive Board:

Torben Ø. Mouritsen CEO	Steen O. Hansen CFO

Board of Directors:

Jan D. Lehrmann Chair	Paul B. McGreevy	Lise Kaae
Torben Ø. Mouritsen		

Independent auditor's report

To the shareholder of Normal A/S

Opinion

We have audited the financial statements of Normal A/S for the financial year 1 August 2021 - 31 July 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2022 and of the results of the Company's operations for the financial year 1 August 2021 - 31 July 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 14 December 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Friis State Authorised Public Accountant mne32732	Jan Mortensen State Authorised Public Accountant mne40030

Management's review

Company details

Name	Normal A/S
Address, Postal code, City	Godthåbsvej 41, 8660 Skanderborg
CVR no.	34 88 37 93
Established	12 December 2012
Registered office	Skanderborg
Financial year	1 August 2021 - 31 July 2022
Board of Directors	Jan D. Lehrmann, Chair Paul B. McGreevy Lise Kaae Torben Ø. Mouritsen
Executive Board	Torben Ø. Mouritsen, CEO Steen O. Hansen, CFO
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKKm	2021/22	2020/21	2019/20	2018/19	2017/18
Key figures					
Revenue	4,454	2,961	2,313	1,891	1,257
Gross profit	796	595	448	353	247
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	341	280	183	112	78
Ordinary operating profit	293	233	146	77	49
Net financials	-4	9	2	2	-7
Profit before tax	526	327	190	69	33
Profit for the year	**463**	**275**	**158**	**51**	**23**
Fixed assets	890	726	417	266	206
Non-fixed assets	1,228	750	589	608	418
Total assets	**2,118**	**1,476**	**1,006**	**874**	**624**
Investments in property, plant and equipment	80	43	23	26	27
Equity	**1,006**	**582**	**304**	**192**	**142**
Current liabilities other than provisions	1,096	716	522	500	360
Financial ratios					
Operating margin	6.6%	7.9%	6.3%	4.1 %	3.9 %
Current ratio	112.0%	104.7%	112.8%	121.6%	116.1%
Equity ratio	47.5%	39.4%	30.2%	22.0%	22.8%
Return on equity	58.4%	62.1%	63.7%	30.6%	19.1%
Average number of full-time employees	**1,270**	**782**	**661**	**627**	**488**

Management's review

Business review

Normal Group's business activities comprise retail trade, primarily within personal care and cosmetics, and are pursued through more than 400 stores across six markets: Denmark, Norway, Sweden, the Netherlands, France, and Finland. Normal Group also operates a central warehouse located in Horsens, Denmark.

Our mission is to make it inexpensive and adventurous to shop branded everyday products and to give our customers a unique shopping experience at everyday low prices every time they visit and shop in our stores.

Financial review

The result for the year is satisfactory. The result includes investments in a continuing expansion with related start-up costs for new stores and new markets and continuing investments in organizational growth and IT systems. The total number of stores in Normal Group has been increased with 34% during the year to 411 stores end of the financial year.

The financial results for the financial year and the expansion during the financial year 2021/2022 have been affected by the Covid-19 pandemic, the Ukraine crisis, and the high inflation. However, as we have been able to manage the challenges in an appropriate way, we don't estimate the effects of these challenges to be substantial for the financial accounts.

Financial risks and use of financial instruments

Normal Group's activities are deemed not to be exposed to any special risks other than the usual risks in the industry.

The Group does not engage in speculative foreign currency transactions.

Statutory CSR report

Being an international company with more than 7,000 employees across six markets, Normal Group's main corporate social responsibility is related to the safety and well-being of our customers and employees as well as the sourcing and distribution of products. All products are sourced from suppliers in Europe, ranging from large multinational companies to smaller niche producers.

Normal Group has the ambition to continuously increase our focus within all matters of ESG (Environment, Social & Governance). We are aware of the increasing requirements and regulations that will be introduced in the years to come, and the impact it will have on our business. Therefore, Normal Group's primary goal for FY2022/23 is to gain an even deeper understanding of our current situation, as well as insight into what we need to work on to ensure compliance with future regulations.

Climate and environment

Policy

Within the areas of climate and environment, Normal Group operates with an external and an internal perspective:

The external perspective covers the assortment of products offered to customers in the stores. The core principle within Normal Group is to offer its customers a broad assortment which allows them to make sustainable choices. Normal Group follows market trends and customer demands and continues to increase its range of sustainable goods across all product groups.

The internal perspective comprises the operation and maintenance of our more than 400 stores. Here, Normal Group continuously strive to reduce energy and resource consumption in our daily operations, and introduce new sustainable approaches in its routines, wherever possible.

Based on these insights, Normal Group will continue to review the policy and sustainability strategy and introduce more and ambitious goals.

Management's review

Risk, actions and results

Products and sustainability:

The main risk associated with the climate and environment stems from the use of materials and ingredients for the products marketed and sold in Normal Group's stores. Normal Group continues to work on ensuring correct handling of all materials and offering eco-friendly alternatives with special attention to such alternatives also from a marketing perspective.

Sustainability within Normal Group's product assortment is organized under the following headings: Fragrance-free, paraben-free, organic, plastic-free, vegan, fair trade, and reusable packaging. These categories continue to account for an increasingly large share of the assortment. In FY2021/22, we have launched an initiative to mark all existing and future products with one or more sustainable attributes, enabling us to gain insight into the growth and impact of these products. Illustrating our focus on these types of products, our share of total sales from these types of products has increased steadily over the last couple of years, and we aim to continue this trend.

Normal Group's goal for FY2022/23 is to further increase our share of sustainable products by continuously adding new alternative to the product portfolio. Apart from presenting our customers with sustainable products, we also focus heavily on purchasing products that are delivered in recycled or recyclable packaging - whenever possible.

In FY2021/22, we successfully out-phased all plastic carrier bags across Normal group, instead introducing two non-woven alternatives to our customers. This initiative has been given positive response from customers across all markets, and we will continue to initiate similar projects going forward.

In relation to climate and environment, we have a task at hand to gain a better understanding of our footprint as a company, and we will work together to identity the areas where we need to work to establish a baseline within fields such as energy and water consumption, transportation usage as well as our general CO_2 impact. These efforts are made to secure that we can set realistic and ambitious goals in the future.

Operation and maintenance

Another area in which Normal A/S has a risk of negatively affecting the climate stems from the daily operation and maintenance of Normal Group' locations (stores, warehouse, local office and Danish headquarters). To offset these risks, store routines have been implemented and are being pursued, continuously focusing on climate-preserving or energy-saving measures wherever possible.

As a retail business, the handling of our goods represents a significant part of our footprint, which is why we always look for new ways to optimize our warehouse operations. During FY2022/23, we will open our brand-new logistics center in Hedensted, Danmark - and a goal from the beginning of the project has been to build a sustainable logistics center in which Normal Group can grow. Therefore, we are happy that our new warehouse is constructed in compliance with the DGNB (Green Building Council Denmark) gold medal standards illustrating the focus on sustainability. To receive a gold medal, a wide range of requirements must be met, such as installing solar panels on the roof, ensuring sustainable building materials and implementing detailed waste sorting.

Normal Group continues to conduct periodic energy audits for our stores, headquarters and warehouse, and we are currently working on gaining a deeper understanding on our actual use of utilities across the group, which will enable us to clearly define our baseline and set realistic goals for future initiatives. However, we are still launching new solutions on a regular basis, for example, changing the type of lighting spots in our stores from 27W to 21W will net a saving of approximately 5,500 kWh/year for every store - equivalent to 1.2 tons of CO_2 each year per store.

Human rights, ethics, and anti-corruption

Policy

Normal Group recognizes and respects all internationally acknowledged human rights and labor market conventions. All suppliers and business partners are expected to act accordingly.

Furthermore, trust and ethics are the cornerstones of Normal Group's relations with and attitude to its employees, business partners, suppliers and customers. Normal Group has implemented a zero-tolerance policy towards corruption and bribery.

Management's review

Normal Group's goal for FY2022/23 is to continuously increase its focus on human rights. Normal Group will continue to review the policy and strategy and introduce more and ambitious goals.

Risk, actions, and results

Code of Conduct

The main risk associated to the violation of human rights relates to the collaboration with external suppliers. To accommodate such risks, Normal Group has enacted a Code of Conduct stipulating the human rights policies, and this Code of Conduct is being enforced on a continuous basis. All suppliers in 2021/2022 have either signed the Normal Code of Conduct or signed their own Code of Conduct on terms that meet or outweigh the requirements set out in the Normal Code of Conduct. In FY2021/22, no violations of Normal Group's Code of Conduct have been detected.

The principal risk of corruption is associated with the interaction with Normal Group's suppliers. Normal Group's risk, however, remains limited due to its range of suppliers being located within the EU and based on the multinational brand reputation of most suppliers. Normal Group's ambition remains that all suppliers must either sign our Code of Conduct or have their own in place that meet our requirements.

Code of Ethics

Normal Group has implemented a Code of Ethics setting out ethical guidelines and anti-corruption policies to be complied with by all employees of Normal Group. All new employees of Normal Group are requested to make themselves acquainted with the Code of Ethics and sign the document. In FY2021/22, all new employees signed the Code of Ethics.

Social and labor conditions

Policy

Normal Group strives to be an attractive workplace with a high level of job satisfaction. High priority is given to the continuous training of managers, onboarding routines, and ensuring a healthy and safe working environment for all employees.

Normal Groups offers a workplace with a strong corporate social responsibility profile which contributes as a positive factor in the recruitment of new employees and adds a sense of community and commitment among Normal Group's employees, ultimately resulting in job enrichment and employee retention.

Furthermore, Normal Group endeavours to reflect its surrounding environment as closely as possible, also in terms of workforce diversity. This relates to both gender, age, race as well as physical and/or mental disabilities.

Risk, actions, and results

Our most material risk regarding social and employee relations is the ability to attract and retain key talent, which is why we are constantly striving to be and remain a workplace characterised by a strong sense of community and common culture and to generate the necessary robustness to successfully attract and retain competent and skilled employees, Normal Group established a new department at its Danish HQ in FY 2021/22, HR People & Culture. The objective with the new department is to allocate dedicated resources to work proactively with talent attraction through effective recruitment processes while retaining and continuously developing competencies and human resources through the principle of lifelong learning.

Corona pandemic:

Like most other retailers, Normal Group were affected by the COVID-19 pandemic in the first half of this financial year, forcing us to temporarily cut back on a small part of our activities. With the recent advancements in regard to the pandemic however, we do not treat it as a major risk for FY2022/2023.

Leadership training courses

In FY2021/22, Normal Group has continued to invest in people, implementing leadership programmes for all parts of the organization.

Management's review

The first course of a leadership programme for store managers initiated in FY 2021/22 has been completed as a pilot project with highly positive response and outcome. The store manager training programme is based on a lifelong learning principle, expressed in three ways of learning; structured learning, emergent learning, and impulsive dimensions. The People & Performance Partner organisation established in 2020/21 has been continuously expanded across markets, and the efforts to further develop, streamline and integrate the store manager training programme has been pursued throughout FY 2021/22 under Normal Group's People & Performance Partner team.

In Q1 of FY 2022/2023, the second course of the Danish store manager training programme will be launched, and the training programme will be rolled out to the other markets of Normal Group from and including Q2 of FY2022/23. During FY 2022/23, the leadership training programme for store managers will be supplemented by also enrolling assistant store managers in the leadership training programme. The leadership training programmes are structured as comprehensive training sessions of two or three days' duration where participants are trained in constant interplay between theoretical background knowledge and practical exercises. The leadership training sessions are supplemented by mandatory individual sparring with the People & Performance Partners of Normal Group.

In FY2021/22, a leadership programme for Normal Group's warehouse team leaders and coordinators was initiated to develop internal leadership skills, specifically aimed at developing and embracing a strong culture in the diverse workforce of more than 25 different nationalities. The first course of this programme has been rolled out and completed, and the work will be pursued in FY2022/23 with follow-up programmes comprising monthly classroom workshops as well as continuous leadership sparring on a one-to-one basis.

In addition, several external courses for warehouse workers, team leaders and assistant managers will be launched during FY2022/23, focusing on developing personal skills within basic leadership, change management, side-by-side training, and the integration of corporate culture and values in work teams and daily routines.

In addition to the leadership programmes pursued across Normal Group's organisation, strong focus is maintained on the implementation of culture and corporate values through the onboarding of new employees, and the continuous strengthening of internal pipeline resources, e.g. in terms of future store managers and assistant store managers.

In FY2022/23, an evaluation process will be initiated with respect to the HQ leadership programme for mid-level managers initiated at Normal Group's headquarters in Denmark, to ensure the continued development of HQ leadership skills.

Onboarding programmes

In FY 2021/22, the development of cultural and operational onboarding programmes for all functions has been initiated in Denmark and on selected markets, comprising store assistants, assistant store managers as well as store managers.

In FY2022/23, a digital onboarding programme aimed at securing effective and fast onboarding of store assistants will be introduced in Normal Group's employee app. The digital onboarding programme will be launched in Denmark during the autumn of 2022, and the ambition for FY2022/23 is to roll out similar onboarding programmes on all markets, drawing on experiences and knowledge gained though the implementation on the first market and subject to local adaption requirements.

In addition to the general onboarding programme, FY 2021/22 has seen the formation of a corps of store manager trainers dedicated to the side-by-side training of newly employed store managers providing them with on-site training and basic knowledge on how to successfully manage a Normal store in terms of sales and operations, human resources management, etc.

Normal Group's Warehouse

Normal Group engages in ongoing collaborations with relevant parties to contribute to local communities, e.g., by helping challenged citizens enter the labour market. These efforts remain special focus areas at Normal Group's central warehouse in Horsens, Denmark, exemplified in FY2021/22 by the continuous and permanent commitment to a cooperation with Social Craft ApS, a Horsens-based socio-economic company working to support and provide employment for persons who find themselves standing at the edge of the traditional labour market, whether caused by mental or physical obstacles or disabilities.

Management's review

The cooperation with Social Craft ApS has been further extended during FY2021/22, so that approx. 35 persons are currently employed at the warehouse through Social Craft ApS, the equivalent to 7 full-time positions. Ambitions for FY2022/23 are to pursue the cooperation with Social Craft ApS at an equivalent scale.

The warehouse continuously offers internships to challenged persons who need an extra hand entering the Danish labour marked. We cooperate with the municipalities of Horsens and Hedensted to ensure a high quality of these internships. The scope of internships at the warehouse varies, but the ambition is to maintain 5-10 internships at a time. In FY2021/22, the warehouse employees who provide daily support to interns participated in a one-day course focusing on mentorship. The goal for FY2022/23 is to continue the internship project at an equivalent scale.

The warehouse has entered into cooperations with the municipalities of Horsens, Hedensted and Viborg, providing labelling jobs for persons who cannot fill a regular job. The scope of this work is being adjusted according to the capacity available, but currently the labelling jobs amount to a quantity ranging from 5,000 to 30,000 goods per week.

The local warehouse initiative "Life Support" initiated in the spring of 2021 to further support the diversified workforce at Normal Group's warehouse has been pursued in FY2021/22 through Normal Group's employee app and by way of face-to-face consultations. The function as local "life supporter" is now a permanent and full-time position.

In FY2021/22, focus has been on providing a comprehensive overview of employment statistics at Normal Group's warehouse. This has resulted in the development of a monthly employee report covering valuable data on key parameters such as the number of new and discontinued employees, seniority of employees, employee gender division, age division, nationalities represented in the workforce and temp usage. The ambition is to implement the monthly employment report as a permanent tool for continuous assessment of the workforce at the warehouse.

Miscellaneous

In general, Normal Group's strong focus on social and labour conditions, and the national legislations of the countries in which Normal Group operates, contribute to minimising circumstances that may have a negative effect on the employees' health and well-being.

Moreover, Normal Group pursues a social strategy of dedicating two full working days every year where all employees at the Danish headquarters work together to support charitable organisations.One of such organisations is LykkeLiga, a Danish network of handball teams for mentally handicapped children and young people working for securing equal opportunities for children with special needs to engage in local sports clubs and communities.

Normal Group's contribution to LykkeLiga's activities come in the form of lump sum sponsorships, but mainly in the form of Normal Group hosting and participating in beneficial activities in cooperation with LykkeLiga, e.g., handball tournaments, training sessions etc., as well as the donation of monetary contributions generated through the sale of special products in Normal Group's stores.

In June 2022, approx. 100 employees from Normal Group's Danish HQ played an important part in the hosting and holding of LykkeCup, a large-scale handball tournament arranged by LykkeLiga with almost 700 players, more than 250 coaches and more than 2,500 spectators. In FY2022/23, employees from Normal Group's Danish HQ will play a similar part in the next LykkeCup to be held in June 2023.

Normal Group intends to further develop and expand its cooperation with LykkeLiga in the coming year, thus also contributing to increased public awareness of LykkeLiga and the charitable work pursued by this organisation.

During FY2021/22, Normal Group has launched local charitable initiatives involving the headquarters of several of Normal Group's markets, and the work on further extending local projects and entering into new cooperations with local HQs will be pursued in FY2022/23.

Over the past year, Normal Group has also reached out and made donations of various types and scopes to a total of approx. 40 charitable organisations, mainly small-scale and local organisations.

Normal Group continues to develop and expand the employee app covering all employees across all markets. The app currently has more than 6,500 unique users across all six markets and features a total average of approx. 85,000 unique sessions every month. The employee app facilitates online training and quizzes to improve and document employee awareness of e.g. GDPR, health, safety and IT security.

Management's review

The employee app continues to support a virtual corporate community and flow of information, bringing the employees of Normal Group closer together and constituting an efficient communicative platform across all markets.

In FY2021/22, the function of the employee app was further extended on a more operational level by the introduction of a new module "Operations Pro" which now facilitates the smooth and secure handling of e.g. product withdrawals across all markets. Ambitions for FY2022/23 are to further develop the use of Operations Pro to handle and facilitate additional aspects of Normal Group's business activities.

The future goal for the employee app remains to develop in line with the general expansion of Normal Group, ensuring that the app will constitute a platform for efficient communication, training and onboarding for any new market of Normal Group - from day one.

Account of the gender composition of Management, cf. §99b

In the opinion of Normal Group, qualifications, and experience - and not the gender of a person - are the main decisive factors when determining whether an individual is suitable for a job or not. Normal Group believes that diversity among its employees, including an even distribution by gender, contributes positively to the working environment and strengthens Normal Group's performance and competitiveness.

In order to comply with legislation, a target figure has been laid down for the even representation of both genders on the Board of Directors of Normal Group. Consequently, a minimum of 25 % of the members of the Board of Directors appointed by the general meeting must be female. Today, the Board of Directors has four members, one of whom is female. The target has thus been reached.

The gender distribution of Normal Group is not equal: At department and store management level, Normal Group has a current over-representation of female employees who account for a total of 81 % of all employees. This is solely attributable to the current recruitment situation in retail.

Consequently, Normal Group has a current under-representative of male employees in executive positions other than the Executive Board. The management team of Normal Group comprises 400 persons, including the Executive Board, department managers of various functions, and store managers. Male executives on this management level account for 27 %. Male employees account for a total of 19 % of all employees of Normal Group.

Persons of both genders are encouraged to apply for managerial positions at Normal Group.

Data ethics

We respect and protect the personal rights of our customers, colleagues, and business partners. We safeguard the personal data that we process and have implemented data protection and IT security policies and guidelines.

We are aware that digitalization and the use of new technology are evolving fast and therefore, we consider data protection of key importance. Our use of data is responsible and appropriate, meaning that we only collect data from reliable sources and only use it for relevant business purposes. We want to be transparent and ensure that information about our use of data is honest, genuine, and easily accessible to our customers, colleagues, and business partners. Our customers will always have the possibility of receiving customer service and complaint handling by a physical human being.

We only share data with third parties for lawful purposes. We do not sell personal data.

The scope and understanding of data ethics are in constant motion and therefore our Data Ethics Policy is not static but is to be developed along with the societal norm and our business activities.

Outlook

The ongoing growth is expected to continue in the coming financial year, especially outside Denmark. The expectation is do deliver a low double-digit sales growth mainly due to more stores in all our markets. We will expand to market number 7, Portugal in the coming year. We expect a positive result before tax on par with this year's result.

Financial statements 1 August 2021 - 31 July 2022

Income statement

Note	DKK'000	2021/22	2020/21
2	**Revenue**	4,454,027	2,961,157
	Other operating income	77,565	43,682
	Cost of goods sold	-3,419,105	-2,149,447
	Other external expenses	-316,957	-260,743
	Gross profit	795,530	594,649
3	Staff costs	-454,621	-315,038
4	Amortisation/depreciation of intangible assets and property, plant and equipment	-47,604	-46,142
	Profit before net financials	293,305	233,469
	Net profit/loss from investments in subsidiaries	237,466	83,829
5	Financial income	2,353	18,250
6	Financial expenses	-6,746	-9,020
	Profit before tax	526,378	326,528
7	Tax for the year	-63,140	-51,598
	Profit for the year	463,238	274,930

Financial statements 1 August 2021 - 31 July 2022

Balance sheet

Note	DKK'000	2021/22	2020/21
	ASSETS		
	Fixed assets		
8	**Intangible assets**		
	Software and licences	35,719	27,991
	Goodwill	1,150	1,671
		36,869	29,662
9	**Property, plant and equipment**		
	Fixtures and fittings, tools and equipment	76,433	63,961
	Leasehold improvements	41,125	34,115
	Property, plant and equipment in progress	24,430	0
		141,988	98,076
10	**Investments**		
	Investments in subsidiaries	652,502	526,060
	Receivables from group entities	28,933	31,324
	Deposits	29,756	40,914
		711,191	598,298
	Total fixed assets	890,048	726,036
	Non-fixed assets		
	Inventories		
	Goods for resale	821,861	453,214
		821,861	453,214
	Receivables		
	Receivables from group entities	256,996	218,073
	Other receivables	88,872	31,960
11	Prepayments	31,525	24,156
		377,393	274,189
	Cash	28,874	22,601
	Total non-fixed assets	1,228,128	750,004
	TOTAL ASSETS	2,118,176	1,476,040

Financial statements 1 August 2021 - 31 July 2022

Balance sheet

Note	DKK'000	2021/22	2020/21
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	533	533
	Net revaluation reserve	108,703	64,092
	Reserve for treasury shares	0	0
	Retained earnings	896,496	464,486
	Dividend proposed for the year	0	52,600
	Total equity	1,005,732	581,711
	Provisions		
13	Deferred tax	14,853	18,413
	Total provisions	14,853	18,413
	Liabilities other than provisions		
14	**Non-current liabilities other than provisions**		
	Payables to group entities	0	139,656
	Payables to shareholders and management	0	18,344
	Other payables	2,073	2,073
		2,073	160,073
	Current liabilities other than provisions		
	Bank debt	243,067	137,633
	Trade payables	670,898	362,745
	Payables to group entities	51,724	63,777
	Joint taxation contribution payable	61,431	54,160
	Other payables	64,910	94,296
16	Deferred income	3,488	3,232
		1,095,518	715,843
	Total liabilities other than provisions	1,097,591	875,916
	TOTAL EQUITY AND LIABILITIES	2,118,176	1,476,040

1 Accounting policies
17 Contractual obligations and contingencies, etc.
18 Collateral
19 Related parties
20 Appropriation of profit

Financial statements 1 August 2021 - 31 July 2022

Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve	Reserve for treasury shares	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 August 2020	533	0	1,120	302,016	0	303,669
20	Transfer, see "Appropriation of profit"	0	64,092	-1,120	159,358	52,600	274,930
	Exchange rate adjustment, investments	0	0	0	3,112	0	3,112
	Equity at 1 August 2021	533	64,092	0	464,486	52,600	581,711
20	Transfer, see "Appropriation of profit"	0	44,611	0	418,627	0	463,238
	Exchange rate adjustment, investments	0	0	0	13,383	0	13,383
	Dividend distributed	0	0	0	0	-52,600	-52,600
	Equity at 31 July 2022	533	108,703	0	896,496	0	1,005,732

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 Accounting policies

The annual report of Normal A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 112(1) and section 86(4) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements or a cash flow statement. The Company's financial statements and cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company, Heartland A/S. Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing basis.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 **Accounting policies (continued)**

Income statement

Revenue

Income from the sale of goods for resale, comprising sale of everyday necessities, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided that the income can be reliably measured, and payment is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised on a straight-line basis over the expected useful life. Acquired IP rights include patents, rights and licences.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's assessment of i.a. the nature of the business acquired, earnings, market position and stability of the industry.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Software and licences	5 years
Goodwill	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 **Accounting policies (continued)**

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	3-7 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is five years.

Other intangible assets include intellectual property rights acquired.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

The basis of depreciation is based on the residual value of the asset and is reduced by any impairment losses. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Investments in subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies plus or minus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

Intangible assets, property, plant and equipment, and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there are indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for groups of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 **Accounting policies (continued)**

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

DKK'000	2021/22	2020/21
2 Segment information		
Breakdown of revenue by geographical segment:		
Denmark	1,880,480	1,535,384
Other countries	2,573,547	1,425,773
	4,454,027	2,961,157

3 Staff costs		
Wages/salaries	407,033	284,141
Pensions	22,973	15,879
Other social security costs	7,357	5,016
Other staff costs	17,258	10,002
	454,621	315,038
Average number of full-time employees	1,270	782

Total remuneration to Management amounts to DKK 6,208 thousand (2020/2021: DKK 5,750 thousand).

4 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	11,955	14,285
Depreciation of property, plant and equipment	35,649	31,857
	47,604	46,142
5 Financial income		
Interest income, group entities	519	634
Other financial income	1,834	17,616
	2,353	18,250
6 Financial expenses		
Interest expenses, group entities	4,927	7,080
Other financial expenses	1,819	1,940
	6,746	9,020
7 Tax for the year		
Estimated tax charge for the year	62,285	54,160
Deferred tax adjustments in the year	855	-2,562
	63,140	51,598

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

8 Intangible assets

DKK'000	Software and licences	Goodwill	Total
Cost at 1 August 2021	64,973	9,266	74,239
Additions in the year	19,012	150	19,162
Disposals in the year	-148	0	-148
Cost at 31 July 2022	83,837	9,416	93,253
Impairment losses and amortisation at 1 August 2021	36,982	7,595	44,577
Amortisation/depreciation in the year	11,284	671	11,955
Reversal of amortisation/depreciation and impairment of disposals	-148	0	-148
Impairment losses and amortisation at 31 July 2022	48,118	8,266	56,384
Carrying amount at 31 July 2022	35,719	1,150	36,869

9 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
Cost at 1 August 2021	147,801	77,965	0	225,766
Additions in the year	37,294	17,847	24,430	79,571
Disposals in the year	-275	0	0	-275
Cost at 31 July 2022	184,820	95,812	24,430	305,062
Impairment losses and depreciation at 1 August 2021	83,840	43,850	0	127,690
Amortisation/depreciation in the year	24,812	10,837	0	35,649
Amortisation/depreciation and impairment of disposals in the year	-265	0	0	-265
Impairment losses and depreciation at 31 July 2022	108,387	54,687	0	163,074
Carrying amount at 31 July 2022	76,433	41,125	24,430	141,988

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

10 Investments

DKK'000	Investments in subsidiaries	Receivables from group entities	Deposits	Total
Cost at 1 August 2021	461,968	31,324	40,914	534,206
Additions in the year	81,831	0	1,673	83,504
Disposals in the year	0	-2,391	-12,831	-15,222
Cost at 31 July 2022	543,799	28,933	29,756	602,488
Value adjustments at 1 August 2021	64,092	0	0	64,092
Exchange adjustment	13,384	0	0	13,384
Dividend distributed	-206,455	0	0	-206,455
Share of the profit/loss for the year	237,682	0	0	237,682
Value adjustments at 31 July 2022	108,703	0	0	108,703
Carrying amount at 31 July 2022	652,502	28,933	29,756	711,191

Name	Domicile	Interest
Subsidiaries		
Normal Norge AS	Kristiansand, Norway	100.00%
Normal Sweden AB	Stockholm, Sweden	100.00%
Normal Finland Oy	Helsinki, Finland	100.00%
Normal France S.A.S.	Paris, France	100.00%
Normal Netherlands B.V.	Amsterdam, Netherlands	100.00%
Normalas Portugal - Comércio de produtos cosméticos e de higiene, unipessoal LDA	Lissabon, Portugal	100.00%

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies and lease of operating equipment.

12 Share capital

The share capital comprises 533,333 shares of DKK 1 nominal value each. All shares rank equally.

Analysis of changes in the share capital over the past 5 years:

DKK'000	2021/22	2020/21	2019/20	2018/19	2017/18
Opening balance	533	533	533	533	533
	533	533	533	533	533

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

DKK'000	2021/22	2020/21
13 Deferred tax		
Deferred tax at 1 August	18,413	20,975
Adjustments of deferred tax for the year	855	-2,562
Other deferred tax	-4,415	0
Deferred tax at 31 July	14,853	18,413

Deferred tax relates to intangible assets, property, plant and equipment, as well as deferred income and other liabilities.

14 Non-current liabilities other than provisions

DKK'000	Total debt at 31/7 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	2,073	0	2,073	0
	2,073	0	2,073	0

15 Derivative financial instruments

At 31 July 2022, Normal A/S had concluded foreign exchange contracts regarding the Company's sale of goods etc. totalling NOK 100,000 thousand, of which NOK 45,526 thousand is recognised in the balance sheet.

16 Deferred income

Deferred income consists of rent reductions accrued over the interminable lease period.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

17 Contingent liabilities, etc.

Contingent liabilities

DKK'000	2021/22	2020/21
Guarantee commitments, leases	41,310	22,306
	41,310	22,306

Other contingent liabilities

The Company is jointly taxed with its ultimative parent, Heartland A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2017 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2021/22	2020/21
Rent and lease liabilities	525,351	500,317

Rent and lease liabilities include a rent obligation totalling DKK 517,231 thousand (2020/21: DKK 494,231 thousand) in interminable lease agreements with remaining contract terms of 1-10 years. Furthermore, the Company has liabilities under operating leases for fixtures and fittings, totalling 8,120 DKK thousand (2020/21: DKK 6,104 thousand) with remaining contract terms of 1-5 years.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

18 Collateral

As security for the Company's debt to credit institutions, the Company has provided collateral to the bank in the form of a floating charge of DKK 22,250 thousand secured on trade receivables, inventories, fixtures and fittings, tools and equipment, as well as goodwill and acquired intangible assets.

As security for the subsidiary's rent liability, the parent company has provided a joint and several guarantee for a maximum amount of DKK 108,853 thousand.

19 Related parties

Normal A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Aktieselskabet af 1.12.2016 (parent company)	Inge Lehmanns Gade 2, 8000 Aarhus C, Denmark	Shareholder

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Heartland A/S	Inge Lehmanns Gade 2, 8000 Aarhus C, Denmark	Consolidated financial statements can be requisitioned at www.cvr.dk

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

20 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act.

	DKK'000	2021/22	2020/21
21	**Appropriation of profit**		
	Recommended appropriation of profit		
	Proposed dividend	0	52,600
	Net revaluation reserve	44,611	64,092
	Reserves according to the articles of association	0	-1,120
	Retained earnings	418,627	159,358
		463,238	274,930