HEARTLAND A/S
Inge Lehmanns Gade 2
8000 Aarhus C
CVR no. 28 50 23 70

Annual report for 2020/21

Adopted at the annual general meeting on
18 November 2021

Lise Kaae
chairman

HEARTLAND

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Statement by management on the annual report

The board of directors and executive board have today discussed and approved the annual report of HEARTLAND A/S for the financial year 1 August 2020 - 31 July 2021.

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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 July 2021 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 August 2020 - 31 July 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Aarhus, 18 November 2021

Executive board

Lise Kaae

Board of directors

Anders Holch Povlsen Chairman	Merete Bech Povlsen	Anne Kirstine Storm Holch Povlsen
Troels Holch Povlsen		

Independent auditor's report

To the shareholder of HEARTLAND A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of HEARTLAND A/S for the financial year 1 August 2020 - 31 July 2021, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 July 2021 and of the results of the group and the parent company's operations and consolidated cash flows for the financial year 1 August 2020 - 31 July 2021 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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 group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Management's responsibilities for the consolidated financial statements and the financial statements

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

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

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are responsible for our audit opinion.

Independent auditor's report

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 management's review
Management is responsible for management's review.

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

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

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

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

Aarhus, 18 November 2021

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Friis
State Authorised Public Accountant
mne32732

Søren Jensen
State Authorised Public Accountant
mne34132

Company details

The company	HEARTLAND A/S Inge Lehmanns Gade 2 8000 Aarhus C	
	CVR no.:	28 50 23 70
	Reporting period:	1 August 2020 - 31 July 2021
	Domicile:	Aarhus
Board of directors	Anders Holch Povlsen, chairman Merete Bech Povlsen Anne Kirstine Storm Holch Povlsen Troels Holch Povlsen	
Executive board	Lise Kaae	
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C	

Group chart

Company	Residence	Ownership
HEARTLAND A/S	**Aarhus, Denmark**	
BESTSELLER UNITED A/S	Aarhus, Denmark	100%
- BESTSELLER A/S	Brande, Denmark	100%
- 9292-1394 Québec Inc.	Montreal, Canada	50%
- AHPK GmbH	Hamburg, Germany	75%
- 24.5.2011 US Corporation	Wilmington, Delaware, USA	100%
- BESTSELLER Wholesale US LLC	Wilmington, Delaware, USA	100%
- AM Pieces Retail A/S	Brande, Denmark	51%
- BESTSELLER AS	Oslo, Norway	100%
- BESTSELLER Logistics A/S	Brande, Denmark	100%
- BESTSELLER Australia PTY Ltd.	Mosman, Australia	100%
- BESTSELLER Birlesik Tekstil Ltd.	Istanbul, Turkey	100%
- BESTSELLER Commerce B.V.	Amsterdam, Netherlands	100%
- BESTSELLER Handels B.V.	Amsterdam, Netherlands	100%
- BESTSELLER Service B.V.	Amsterdam, Netherlands	100%
- BESTSELLER Commerce Poland Sp. z O.O.	Lozienica, Poland	100%
- BESTSELLER Handels Portugal, Unispessoal LDA	Lisbon, Portugal	100%
- BESTSELLER Lease Management A/S	Brande, Denmark	100%
- BESTSELLER Italy SpA	Castel San Pietro Terme, Italy	100%
- BESTSELLER Stores Italy SpA	Castel San Pietro Terme, Italy	100%
- BESTSELLER Stores Austria GmbH	Wienna, Austria	100%
- BESTSELLER Handels GmbH	Wienna, Austria	100%
- BESTSELLER Retail Europe A/S	Brande, Denmark	75%
- BESTSELLER Retail Benelux B.V.	Leusden, Netherlands	100%
- BESTSELLER Retail Sp. z O.O.	Warsaw, Poland	100%
- BRE Ireland Retail Limited	Dublin, Ireland	100%
- ONLY Stores Austria GmbH	Wienna, Austria	100%
- Grønhaug Retail AS*	Bergen, Norway	50%
- ONLY Stores A/S	Brande, Denmark	100%
- ONLY Stores Belgium BVBA	Antwerp, Belgium	100%
- ONLY Stores Denmark A/S	Brande, Denmark	100%
- ONLY Stores Finland OY	Espoo, Finland	100%
- ONLY Stores France SaS	Paris, France	100%
- ONLY Stores Germany GmbH	Viersen, Germany	100%
- ONLY Stores Ireland Ltd.	Dublin, Ireland	100%
- ONLY Stores Holland B.V.	Leusden, Netherlands	100%
- ONLY Stores Luxembourg S.a.r.l.	Luxembourg, Luxembourg	100%
- ONLY Stores Norway AS	Bergen, Norway	100%
- ONLY Stores Spain S.L.	Churriana, Spain	100%
- ONLY Stores Sweden AB	Solna, Sweden	100%
- ONLY Stores Switzerland AG	Glattbrugg, Switerland	100%
- Retail-Fabrikken A/S*	Haderslev, Denmark	50%
- BESTSELLER Retail Ireland Limited	Dublin, Ireland	100%
- BESTSELLER Retail UK Ltd.	Birmingham, United Kingdom	100%
- BESTSELLER (Schweiz) AG	Glattbrugg, Switerland	100%
- BESTSELLER Stores A/S	Brande, Denmark	100%
- BESTSELLER Stores Belgium BVBA	Antwerp, Belgium	100%
- BESTSELLER Stores Czech Republic s.r.o.	Prague, Czech Republic	100%
- BESTSELLER Stores Denmark A/S	Brande, Denmark	100%
- BESTSELLER Stores Finland OY	Helsinki, Finland	100%

Group chart - continued

Company	Residence	Ownership
- BESTSELLER Stores Luxembourg Sarl	Luxembourg, Luxembourg	100%
- BESTSELLER Stores Norway AS	Bergen, Norway	100%
- BESTSELLER Stores Poland Sp. z O.O.	Warsaw, Poland	100%
- BESTSELLER Stores Sverige AB	Solna, Sweden	100%
- BESTSELLER Stores Slovak Republic s.r.o.	Bratislava, Slovakia	100%
- BESTSELLER Stores Switzerland AG	Glattbrugg, Switzerland	100%
- BESTSELLER Sverige AB	Solna, Sweden	100%
- Hagamagasinet AB	Solna, Sweden	100%
- BESTSELLER Textilhandels GmbH	Hamburg, Germany	100%
- BESTSELLER United China Ltd.	Kowloon, Hong Kong	100%
- BESTSELLER United Italy Srl	Castel San Pietro Terme, Italy	100%
- BESTSELLER United Singapore Pte. Ltd.	Singapore, Singapore	100%
- BEST United India Comforts Pvt. Ltd.	Mumbai, India	100%
- ONLY Retail Pvt. Ltd.	Mumbai, India	99%
- SELECTED Retail Private Limited	Mumbai, India	100%
- VERO MODA Retail Pvt. Ltd.	Mumbai, India	100%
- BESTSELLER Wholesale A/S	Brande, Denmark	100%
- BESTSELLER Wholesale Belgium BVBA	Antwerp, Belgium	100%
- BESTSELLER Wholesale Canada Inc.	Montréal, Canada	100%
- BESTSELLER Retail Canada Inc.	Montréal, Canada	100%
- BESTSELLER Wholesale OY	Helsinki, Finland	100%
- BESTSELLER Wholesale France SaS	Paris, France	100%
- BESTSELLER Stores France SaS	Paris, France	100%
- 9/9 - 49 France Sarl	Paris, France	100%
- BESTSELLER Wholesale (Ireland) Ltd.	Dublin, Ireland	100%
- BESTSELLER Wholesale Poland Sp. z O.O.	Warsaw, Poland	100%
- BESTSELLER Wholesale Spain S.L.U.	Churriana, Spain	100%
- BESTSELLER Stores Spain S.L.U.	Churriana, Spain	100%
- BESTSELLER Tekstil Ltd.	Istanbul, Turkey	90%
- BS Company of 14.12.2014 Sociedad Limitada	Churriana, Spain	100%
- BESTSELLER Textil Whs Uruguay S.A.	Montevideo, Uruguay	100%
- BESTSELLER Latam ZF S.A.	Montevideo, Uruguay	100%
- BESTSELLER Wholesale Chile SpA	Santiago, Chile	100%
- BESTSELLER Wholesale Mexico S.A. C.V.	Ciudad de México, Mexico	100%
- BESTSELLER Textil Mexico S.A. de C.V.	Ciudad de México, Mexico	100%
- BESTSELLER Wholesale UK Ltd.	London, United Kingdom	100%
- Best Whs Clothing Greece LLC	Athens, Greece	100%
- Bluetide Ltd.	Dubai, United Arab Emirates	100%
- BRN Best Retail Norge AS	Namsos, Norway	51%
- VILA A/S	Skanderborg, Denmark	100%
- VILA Belgium BVBA	Antwerp, Belgium	100%
- VILA Benelux B.V.	Amstelveen, Netherlands	100%
- VILA Stores B.V.	Amstelveen, Netherlands	100%
- VILA Clothes AG	Glattbrugg, Switzerland	100%
- VILA Clothes Handels GmbH	Wienna, Austria	100%
- VILA Clothes Ltd.	Dublin, Ireland	100%
- VILA Clothes Ltd.	London, United Kingdom	100%
- VILA Finland Oy	Espoo, Finland	100%
- VILA France SaS	Paris, France	100%

Group chart - continued

Company	Residence	Ownership
- VILA Italy S.R.L.	Castel San Pietro Terme, Italy	100%
- VILA Norge AS	Oslo, Norway	100%
- VILA Spain S.L.U.	Torremolinos, Spain	100%
- VILA Stores A/S	Skanderborg, Denmark	100%
- BESTSELLER Stores Germany GmbH	Hamburg, Germany	100%
- VILA GmbH	Hamburg, Germany	100%
- VILA Sweden AB	Solna, Sweden	100%
- VILA Wholesale A/S	Skanderborg, Denmark	100%
- Bestseller Stores Netherlands B.V.	Amstelveen, Netherlands	100%
- BESTSELLER Wholesale Benelux B.V.	Amstelveen, Netherlands	100%
- BESTSELLER United NL B.V.	Amstelveen, Netherlands	100%
- BESTSELLER Fashion India Pvt. Ltd.	Mumbai, India	100%
- BESTSELLER Wholesale India Pvt. Ltd.	Mumbai, India	100%
- Toast (Mail Order) Limited	London, United Kingdom	100%
- Aktieselskabet af 12.12.2020	Brande, Denmark	100%
- United Capital 2009 A/S	Brande, Denmark	100%
- Aktieselskabet af 5.6.2014	Aarhus, Denmark	100%
- MandM Direct Limited	London, United Kingdom	98%
- MandM Direct Limited Eire	Cork, Ireland	100%
- Stylepit.com A/S	Copenhagen, Denmark	100%
- Aktieselskabet af 5.5.2010	Aarhus, Denmark	100%
- Aktieselskabet af 5.8.2013	Aarhus, Denmark	100%
- ASOS PLC*	London, United Kingdom	25%
- Aktieselskabet af 14.10.2012	Aarhus, Denmark	100%
- Aktieselskabet af 22.1.2021	Copenhagen, Denmark	100%
- Stylepit Poland Sp. z O.O.	Lozienica, Poland	100%
- Aktieselskabet af 1.2.2017	Aarhus, Denmark	100%
- Zalando SE*	Berlin, Germany	10%
- Bianco Footwear A/S	Lunderskov, Denmark	100%
- Bianco Danmark A/S	Lunderskov, Denmark	100%
- Bianco Norge AS	Oslo, Norway	100%
- Ca'shott A/S	Lunderskov, Denmark	100%
- BFG 2021 GmbH	Hamburg, Germany	100%
- BV 2021 GmbH	Hamburg, Germany	100%
- BFR 2021 GmbH	Hamburg, Germany	100%
- Aktiebolaget av 31.05.2021	Gothenburg, Sweden	100%
- Miinto Holding A/S	Copenhagen, Denmark	74%
- Miinto A/S	Copenhagen, Denmark	100%
- Miinto Host A/S	Copenhagen, Denmark	100%
- Miinto Benelux B.V.	Amsterdam, Netherlands	100%
- Miinto Switzerland AG	Glattbrugg, Denmark	100%
- Miinto AB	Stockholm, Sweden	100%
- Miinto.no AS	Oslo, Norway	100%
- Miinto Tech PL. Sp. z o. o.	Warszawa, Poland	100%
- Miinto.pl Sp. z o. o.	Warszawa, Poland	100%
- Miinto BE BVBA	Brasschaat, Belgium	100%
- Showroom SP. z o. o.	Warszawa, Poland	100%
- Invest FWD A/S	Aarhus, Denmark	100%
- Braveheart International Ltd.	London, United Kingdom	100%
Aktieselskabet af 21. november 2001	Brande, Denmark	100%

Group chart - continued

Company	Residence	Ownership
Foreseen Fashion A/S	Brande, Denmark	100%
United Law A/S	Aarhus, Denmark	100%
Aktieselskabet III af 26.11.2018	Aarhus, Denmark	75%
Impact Co A/S	Aarhus, Denmark	100%
- FC Midtjylland A/S*	Herning, Denmark	25%
Aktieselskabet af 1.1.2019	Aarhus, Denmark	54%
- Constantinsborg A/S	Aarhus, Denmark	100%
- &Aplace A/S	Aarhus, Denmark	100%
- Donau Agro ApS*	Aabybro, Denmark	45%
- Aktieselskabet af 5.11.2020	Aarhus, Denmark	100%
BRIGHTFOLK A/S	Aarhus, Denmark	100%
- Aktieselskabet 9.1.2014	Aarhus, Denmark	100%
- Intervare A/S	Brøndby, Denmark	71%
- Nemlig.com A/S	Brøndby, Denmark	100%
- Aktieselskabet af 5. oktober 2020	Brøndby, Denmark	100%
- Aktieselskabet af 17.9.2014	Aarhus, Denmark	100%
- Aktieselskabet af 1.12.2016	Aarhus, Denmark	71%
- Normal A/S	Skanderborg, Denmark	100%
- Normal Sweden AB	Stockholm, Sweden	100%
- Normal France Holding SaS	Paris, France	100%
- Normal France SaS	Paris, France	100%
- Normal Netherlands B. V.	Amsterdam, Netherlands	100%
- Normal Norge AS	Kristiansand, Norway	100%
- Normal Finland Oy	Helsinki, Finland	100%
- Ejendomsselskabet Godthåbsvej 41 A/S	Skanderborg, Denmark	100%
- Aktieselskabet af 15.1.2021	Skanderborg, Denmark	100%
- Aktieselskabet 25.1.2021	Aarhus, Denmark	100%
- Brightfolk Limited	London, United Kingdom	100%
- African Leadership University (Mauritius) Ltd.*	Ebene, Mauritius	20%
- Hypezone ApS	Aarhus, Denmark	100%
- Emplate ApS*	Aarhus, Denmark	20%
- Anpartselskabet af 2.6.2018	Aarhus, Denmark	100%
- Founderment A/S	Aarhus, Denmark	50%
- Landfolk A/S	Aarhus, Denmark	59%
- UBsend A/S	Aarhus, Denmark	86%
- UBsend B.V.	Amsterdam, Netherlands	100%
- UBsend GmbH	Berlin, Germany	94%
- UBsend Limited	London, United Kingdom	100%
- Kyvee A/S*	Holstebro, Denmark	25%
- Founders A/S*	Copenhagen, Denmark	33%
- &Tradition A/S*	Copenhagen, Denmark	25%
- Anpartsselskabet af 23.4.2020	Copenhagen, Denmark	100%
- Neocles B.V.*	Amsterdam, Netherlands	50%
- Fashion Cloud GmbH*	Hamburg, Germany	16%
- Union Nine A/S	Aarhus, Denmark	100%
- Whiteaway Group A/S	Aarhus, Denmark	54%
- Whiteaway A/S	Risskov, Denmark	100%
- Whiteaway AB	Solna, Sweden	100%
- Whiteaway.no AS	Oslo, Norway	100%

Group chart - continued

Company	Residence	Ownership
- Skousen GLH AS	Oslo, Norway	100%
- Skousen Ejendommer-Norge AS	Oslo, Norway	100%
- Panorama Retail AB	Umeå, Sweden	60%
- Tretti AB	Jordbro, Sweden	100%
- Tretti Danmark ApS	Risskov, Denmark	100%
- Karl Køkken ApS	Risskov, Denmark	100%
- Aktieselskabet af 25.2.2021	Risskov, Denmark	100%
- Skousen Online Service A/S	Risskov, Denmark	100%
- Sos Ejendomme 1 ApS	Risskov, Denmark	100%
- Ambiente Direct GmbH*	München, Germany	50%
- Aktieselskabet af 20.3.2020	Aarhus, Denmark	100%
- Klarna Holding AB*	Stockholm, Sweden	10%
- Aktieselskabet af 26. januar 2017	Aarhus, Denmark	50%
- Aktieselskabet af 28. juni 2016	Copenhagen, Denmark	50%
- Julie Sandlau A/S	Copenhagen, Denmark	100%
- Julie Sandlau China ApS	Copenhagen, Denmark	100%
- Julie Sandlau Norge AS	Copenhagen, Denmark	100%
- Julie Sandlau Vietnam Co. Ltd.	Hanoi, Vietnam	100%
- Aktieselskabet af 1.3.2017	Aarhus, Denmark	100%
- NUMIS Corporation PLC*	London, United Kingdom	23%
- Aktieselskabet af 2.7.2018	Aarhus, Denmark	100%
- Aktieselskabet af 12.6.2018	Aarhus, Denmark	100%
- About You Holding GmbH*	Hamburg, Germany	20%
- Aktieselskabet af 30.6.2021	Aarhus, Denmark	100%
- Aktieselskabet af 1.7.2021	Aarhus, Denmark	100%
- Anpartsselskabet af 30.12.2020	Aarhus, Denmark	100%
- Entertainment Trading*	Nørresundby, Denmark	25%
- Lunar Group A/S*	Aarhus, Denmark	10%
- Aktieselskabet af 10.6.2021	Aarhus, Denmark	100%
- Plandisc Group ApS*	Aarhus, Denmark	38%
- Investo Capital I K/S*	Aalborg, Denmark	50%
- Varley International Holdings Limited*	London, United Kingdom	20%
Aktieselskabet af 19.11.2018	Aarhus, Denmark	100%
- Anpartsselskabet af 1. april 2010	Aarhus, Denmark	52%
Aktieselskabet af 1.8.1996	Aarhus, Denmark	100%
- 1 August 1996 AGG	Schaffhausen, Switzerland	100%
- Cheer Long Ltd.	Hong Kong, Hong Kong	100%
- J. Lindeberg Holding (Singapore) Pte. Ltd.*	Singapore, Singapore	50%
- 1 August 1996 Ltd.	Hong Kong, Hong Kong	100%
- BESTSELLER Fashion Group China Limited*	Hong Kong, Hong Kong	50%
- Nine Health Limited*	Hong Kong, Hong Kong	33%
- 31 July 2012 Limited	Hong Kong, Hong Kong	100%
- AAA United BV	Amstelveen, Netherlands	100%
- Ashwell Holding Company Pvt. Ltd.	Mumbai, India	99%
Aktieselskabet af 16.11.2005	Aarhus, Denmark	100%
- Romfor Sustainable Forestry S.R.L.	Brasov, Rumania	100%
- S.C. Wildland S.R.L	Brasov, Rumania	100%
- Studio 6A A/S	Aarhus, Denmark	100%

Group chart - continued

Company	Residence	Ownership
- Wildland Limited	Aviemore, United Kingdom	100%
- Aldourie Castle Limited	Inverness, United Kingdom	100%
- Ben Loyal Limited	Inverness, United Kingdom	100%
- Braeroy Limited	Dundee, United Kingdom	100%
- Braesgill Ltd.	Inverness, United Kingdom	100%
- Glenfeshie Limited	Dundee, United Kingdom	100%
- Kinloch (Sutherland) Limited	Inverness, United Kingdom	100%
- Lynaberack Limited	Inverness, United Kingdom	100%
- Strathmore (Sutherland) Limited	Inverness, United Kingdom	100%
- Gaick Limited	Inverness, United Kingdom	100%
- Eighton Investments Unlimited Company	Dublin, Ireland	100%
- Eriboll (Sutherland) Limited	Aviemore, United Kingdom	100%
- Wildland Ventures Limited	Inverness, United Kingdom	100%
- North Coast 500 Limited	Inverness, United Kingdom	52%
- Shetland Space Center Limited	Grantown-on-Spey, United Kingdom	27%
- Kinrara House Limited	Aviemore, United Kingdom	100%
- WILD Ltd.	Aviemore, United Kingdom	100%
- Wildland International Limited	Aviemore, United Kingdom	100%
- Grumeti Community and Conservation LLC*	Wilmington, USA	25%
- Rwanda Holdings LLC*	Wilmington, USA	25%
Anpartsselskabet af 19.9.2006	Aarhus, Denmark	99%
- BlackBird Air Charter A/S	Billund, Denmark	90%
- BlackBird Air A/S	Billund, Denmark	100%
- BlackBird Crew ApS	Billund, Denmark	100%
- BlackBird Maintenance ApS	Billund, Denmark	100%
AAA United A/S	Aarhus, Denmark	100%
- Aplace A/S	Aarhus, Denmark	100%
- BYLIV ApS	Aarhus, Denmark	100%
- Ejendomsselskabet Søminedepotet ApS	Aarhus, Denmark	100%
- Masteskurene A/S	Aarhus, Denmark	100%
- ISIB Ejendomsselskab A/S*	Brande, Denmark	45%
- Anpartsselskabet Bassin 7, Aarhus Ø	Aarhus, Denmark	51%
- Bassin 7 Bolig ApS	Aarhus, Denmark	100%
- Bassin 7 Erhverv ApS	Aarhus, Denmark	100%
- Aktieselskabet af 30.10.2020	Aarhus, Denmark	100%
- Aktieselskabet af 29.10.2020	Aarhus, Denmark	100%
- &Aplace Limited	London, United Kingdom	100%
- 25-26 Dering Street Property Limited	London, United Kingdom	100%
- AAA Verge Apartments Limited	London, United Kingdom	100%
- Hanover & Oxford Property Limited	London, United Kingdom	100%
- Hanover House Limited	London, United Kingdom	100%
- 07.02.2018 Limited	London, United Kingdom	100%
- 10.05.2018 Limited	London, United Kingdom	100%
- 15.08.2017 Limited	Edinburgh, United Kingdom	100%
- Swan Walk (Property) Limited	London, United Kingdom	100%

* Associated company

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	Group				
	2020/21	2019/20	2018/19	2017/18	2016/17
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Profit/loss					
Revenue	39.155	32.344	32.428	29.143	26.046
Gross margin	17.569	14.680	15.366	14.232	12.639
Gross profit	12.060	8.092	9.724	8.949	7.703
Profit before net financials	4.029	620	2.357	2.354	2.095
Net financials	3.006	-207	-589	921	521
Profit before tax	7.035	413	1.768	3.275	2.616
Profit for the year	5.924	45	1.167	2.536	1.877
Balance sheet					
Balance sheet total	56.053	46.419	45.580	41.725	36.506
Investment in property, plant and equipment	2.258	1.597	2.202	2.998	1.262
Equity	31.580	25.249	26.076	24.429	22.605
Financial ratios					
Gross margin ratio	44,9%	45,4%	47,4%	48,8%	48,5%
Operating margin ratio	10,3%	1,9%	7,3%	8,1%	8,0%
Solvency ratio	56,3%	54,4%	57,2%	58,5%	61,9%

For definitions, see accounting policies.

Management's review

Business review
HEARTLAND A/S is a holding and investment company. We invest in areas such as fashion, retail and technology, sustainability and business innovation, renewables, nature conservation, education and property.

Financial review
The group income statement for the financial year 2020/21 shows a profit of DKK 5,9 billion, and the balance sheet on 31 July 2021 shows an equity of DKK 31,6 billion.

The result for the year is above expectations and is positively impacted by better-than-expected performance from some investments as well as increase in income from investments in associates and financial income related to value increases and accounting profits from some investments.

Outlook
The expectations for 2021/22 is to deliver a significant positive result though expected to be below this year's result, which has been impacted by some one-off income.

Particular risks
In Management's assessment, the Company and the Group are not exposed to particular risks apart from those generally occurring in these lines of businesses.

Research and development
The Company's and the Group's businesses are being continually developed during the financial year. The Company and the Group does not engage in other development activities apart from the regular development and maintenance of its IT systems.

Statutory report on Corporate Social Responsibility, cf. section 99a in the Danish Financial Statements Act.

Business model
HEARTLAND A/S (HEARTLAND) is a holding and investment company founded by the Holch Povlsen family. We invest in areas such as fashion, retail and technology, sustainability and business innovation, renewable energy, nature conservation, education, and property. We believe that we will generate more valuable investment in the long-term by being an investor that seeks to integrate sustainability within the investment process, as well as in the investments where we execute active ownership. Our core business is fashion and our family business BESTSELLER A/S (BESTSELLER) accounts for 66 percent of the total consolidated revenue in FY2020/21.

Policy
In HEARTLAND, we respect the people we work with, the environment we live in and the society we are part of. We consider it important that our business activities and investments make a positive contribution to the world around us.

Our focus on sustainability in our investments and in the investment process is based on the ESG (Environmental, Social and Governance) factors that relate to the environment and climate, human rights, employees, anti-corruption and ethics. We continuously reconsider and develop our policies and processes on how we act responsibly as a holding and investment company.

Management's review

Environment and climate

We work to promote the protection of the environment and we expect our business activities and the companies we invest in to do the same.

In this financial year, in collaboration with the Danish company Better Energy and BESTSELLER, the project to construct our own solar power plant has progressed. The construction of the plant is finalised and operational from October 2021. Our power plant, which is developed and built without subsidies, is Northern Europe's largest, and the ambition is to contribute to the green transition and ensure more renewable energy on the European electricity grid. At its peak, the new plant near Holstebro in Denmark can produce 207 megawatts, corresponding to the electricity consumption of 130.000 Danish residents. The plant's energy production will supply – amongst others – BESTSELLER with new renewable electricity covering 100 percent of BESTSELLER's owned and operated buildings, stores and office locations. The plant will also provide power for other companies within the HEARTLAND group, such as NORMAL and NEMLIG.COM. In addition, it will provide an opportunity for other companies, who focus on their environmental footprint, a chance to buy new renewable energy.
Not only is the new source of energy itself better for the environment, the facility will also have a positive effect on biodiversity in the area, with 1,400 sheep set to graze the area, which has been converted to organic farming with new permanent grass and herb vegetation. This provides better living conditions for insects and endangered animals.

Human rights

In HEARTLAND, we respect human rights as stated in key UN conventions such as the International Bill of Human Rights, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, and the United Nations' Guiding Principles on Business and Human Rights (UNGP). It is essential to us that our business activities, and the companies we invest in, do the same and do not cause or contribute to adverse impacts on human rights.

Employees

We, and the companies we invest in, must act as a responsible employer, providing proper terms of employment and appropriate health and safety standards.

Anti-corruption and ethics

We do not accept any form of corruption or bribery and expect that our subsidiaries work against corruption in all its forms, including bribery and facilitation payments.

HEARTLAND wishes to support and promote responsible and sustainable business and continuously evaluate the activities of our business and our subsidiaries. Therefore, we have an ongoing dialogue regarding business and sustainability. During the FY 2020/21, we again met with selected subsidiaries where we discussed status, progress, goals and ambitions within the ESG areas. The ongoing dialogue with our subsidiaries gives us valuable insight and overview of each company's sustainability work and promotes further integration of ESG factors in daily operations.

In FY 2021/22, HEARTLAND will continue this dialogue and evaluation process. The work with sustainability and ESG subjects is a continuous journey both for HEARTLAND and the subsidiaries, and we are happy to see progress and a commitment to improving business models and thereby contributing to a more sustainable future.
Below are some ESG highlights from four of our larger subsidiaries; BESTSELLER, WHITEAWAY, NORMAL and NEMLIG.COM. For more in-depth information about their sustainability work, we refer to each company's Statutory Report on Corporate Social Responsibility in the annual accounts for FY 2020/21.

Management's review

BESTSELLER

Business model

BESTSELLER markets and sells fashion clothing and accessories for men, women, teens and children, and has offices and warehouses in 27 countries. The products are sold online, in approx. 2,500 chain stores, via approx. 17,500 wholesale customers and via approx. 1,600 shop-in-shops. BESTSELLER's sustainability work is based on the strategy of bringing 'FASHION FWD' until BESTSELLER is climate positive, fair for all and circular by design. BESTSELLER owns no factories but works with suppliers and factories in primarily Asia and Europe.

Environment and climate

BESTSELLER is committed to becoming climate positive, and thereby producing and operating leaner, and significantly and continuously reducing the energy, water and chemicals it uses and the waste it creates. BESTSELLER's biggest environmental impact comes from its supply chain.

In early 2021, BESTSELLER reached an important step when its science-based targets (SBTs) were approved by the Science Based Targets initiative. This concluded a comprehensive data collection project to set the baseline, analysis to understand BESTSELLER's climate impact, and modelling of greenhouse gas (GHG) targets. BESTSELLER's SBTs are aligned with the most ambitious goal of a 1.5 C pathway, and the approved SBTs are that 1) BESTSELLER commits to reduce absolute scope 1 and 2 GHG emissions by 50 percent by 2030 compared to its baseline year of 2018 and 2) BESTSELLER commits to reduce absolute scope 3 GHG emissions from purchased goods and services and upstream and downstream transportation by 30 percent over the same timeframe. In FY 2021/22, BESTSELLER will focus on further internal alignment, improving the data collection with regards to GHG emissions and the development and implementation of reduction strategies.

BESTSELLER's ambition is to be circular by design and therefore focus on improving the raw materials used, reducing the impact on water systems, protecting biodiversity and reducing carbon emissions. From growing raw materials to producing usable fibres and fabrics, BESTSELLER relies on substantial amounts of energy, water, land and chemicals. By improving the raw materials and focusing on more sustainable materials, BESTSELLER strives to make an overall positive impact on the environment.

For instance, in FY 2020/21, BESTSELLER more than doubled the use of recycled polyester compared to 2019. Recycled polyester accounted for 11 percent of the overall supply, which puts BESTSELLER on track to achieve its 50 percent recycled polyester goal by 2025. Additionally, BESTSELLER continues to increase the sourcing of more sustainable wool. In FY 2020/21, 39 percent of BESTSELLER's wool was more sustainable (35% recycled wool, 4% responsibly sourced), which shows a significant improvement over the past 18 months. In the calendar year 2019, BESTSELLER sourced just 15 percent recycled wool.

Cotton is BESTSELLER's most important raw material by volume and has therefore been a key focus of BESTSELLER's transition to more sustainable materials for many years. BESTSELLER's efforts to transition from conventional cotton to more sustainable sources have unearthed challenges, however, and sourcing organic cotton is becoming increasingly difficult due to global demand severely exceeding supply. BESTSELLER initiated two key projects based in Bangladesh at the end of 2020 to further increase the use of recycled cotton going forward. BESTSELLER teamed up with recycled cotton producer CYCLO to create a system that turns BESTSELLER's brands' own textile cutting scraps into useable yarn and fabric, while at an industry level, BESTSELLER became an inaugural member of Global Fashion Agenda's Circular Fashion Partnership – an initiative that aims to achieve a long-term, scalable transition to a circular fashion system.

Management's review

BESTSELLER's commitment to sustainability innovation in the fashion industry took a significant stride forward in FY 2020/21 thanks to the establishment of the Fashion FWD Lab. BESTSELLER unveiled a number of innovation partnerships under the Lab's umbrella during the past financial year, including the aforementioned CYCLO project. Going forward, BESTSELLER will continue to deepen its collaboration with existing projects and innovators, while continuing the search for new ideas and sustainable solutions.

Employees
BESTSELLER strives to be fair for all and wants to empower its colleagues through active dialogue and by providing a safe, diverse and inclusive workplace. BESTSELLER has a strong focus on engaging employees, developing and training leaders, and protecting employees' health and wellbeing. It is crucial to BESTSELLER to be able to recruit the right talents.

In FY 2020/21, BESTSELLER significantly increased its digital internal training efforts thanks to a rethink of the approach brought on by COVID-19. With no travel required, BESTSELLER reached the goal of training 4,000 colleagues by 2022.

To increase diversity at BESTSELLER and make it an even more inclusive workplace, BESTSELLER also put together a Social Responsibility team in the PEOPLE (HR) department in FY 2020/21. The team has developed and implemented part of the anti-harassment policy and set the global guidelines for an approach toward flexible ways of working. This team has gathered data to be able to design a roadmap for implementing diversity and inclusion in all existing initiatives and processes and will also focus on sickness absence prevention, health and safety, and promoting equality in BESTSELLER in general.

In September 2020, BESTSELLER launched its engagement survey – Our People's Voice (OPV) – to nearly 1,500 colleagues in nine different languages across six markets. In March 2021, the second edition of Our People's Voice reached approximately 3,400 colleagues with the addition of six markets. As part of Fashion FWD, BESTSELLER set a goal to complete a global rollout of Our People's Voice by the end of 2021. This will not be reached due to COVID-19, but BESTSELLER expects to complete that process during 2022.

Human rights and supply chain
Due to the historical context and the social and political reality of the countries where BESTSELLER's clothes are produced, there are a number of risks associated with the global textile supply chain (e.g. unethical and unsafe working conditions). These issues can lead to instability in production and to adverse impacts on both human and labour rights. BESTSELLER respects human rights and strives to be fair for all and is focused on creating a positive impact for people through its business activities.

Through social dialogue and together with multiple stakeholders, BESTSELLER takes part in various agreements and programmes to transform the garment, textile and footwear industry and, among other things, to empower women and uphold a safe and healthy working environment at factory level.

In March 2021, four years ahead of schedule, BESTSELLER achieved its Fashion FWD women's empowerment goal of reaching 100,000 women in tier 1 factories through different programmes. With a new ambitious target on the way, BESTSELLER has also signed an agreement regarding HERessentials – an app-based digital training and awareness programme designed in conjunction with Business for Social Responsibility (BSR). HERessentials aims to put technology in the hands of low-income
women with low tech skills, providing them with critical information on topics such as health and financial resilience.

Management's review

As of 1 September 2021, the new International Accord for Health and Safety in the Textile and GarmentIndustry came into effect, continuing the legally binding commitments to workplace safety in Bangladesh and committing to explore the expansion of the programme to other countries. BESTSELLER was involvedthroughout the negotiations and is proud to be a signatory to this new agreement between brands and global trade unions.

Anti-corruption and ethics

Due to the global nature of BESTSELLER, there is a risk coming in contact with corruption and bribery through its business operations. This risk is more likely in regions where political and social structures are weakened. BESTSELLER's Code of Ethics for Employees and Code of Ethics for Business Partners set out some general ethical guidelines and emphasises that BESTSELLER has a zero-tolerance to corruption and bribery. All employees are to complete an e-learning course on the Code of Ethics to give them knowledge of BESTSELLER's guiding principles on conducting business in an honest manner.

In FY 2020/21, BESTSELLER conducted a new risk assessment of the anti-corruption efforts and identified areas with potential for improvement. Following this process, BESTSELLER interviewed key colleagues and management from it's sourcing organisation to better understand the risks regarding corruption. Based on this, BESTSELLER is now developing a new specialised training course for all exposed employees.

BESTSELLER has a whistleblower system that provides employees with a channel to report suspicion or knowledge of serious breaches of BESTSELLER's Code of Ethics or violations of laws within certain areas, such as fraud, competition law, human rights, harrassment and child labour.

Find more in-depth information about BESTSELLER's sustainability work in BESTSELLER's Statutory Report on Corporate Social Responsibility in the annual accounts for FY 2020/21 and in BESTSELLER's full Sustainability Report 2020 on about.bestseller.com https://about.bestseller.com/media/3403/bestseller-sustainability-report_2020.pdf

WHITEAWAY

Business Model

WHITEAWAY is present in Denmark, Norway and Sweden, servicing these markets with a broad assortment of household appliances and other related product categories. WHITEAWAY sells its products to private consumers online and through franchise shops. Furthermore, WHITEAWAY operates in the professional segment with a strong B2B focus. WHITEAWAY's suppliers are mostly large multinational companies with established sustainability programs but also smaller private label producers.

Environment and climate

WHITEAWAY strives to protect the environment and to continuously reduce emissions relative to output. Therefore, WHITEWAY encourages and expects that their suppliers reduce energy consumption, CO2 emissions and water consumption, just as WHITEWAY promotes efficient distribution, involves franchisees in reducing their environmental footprint – as well as reducing WHITEWAY's own footprints. The identified risks relate primarily to energy consumption in the value chain and own offices, as well as risks related to incorrect disposal, which can harm the environment.

Management's review

In FY 2020/21, the above subjects were prioritised and followed-up by a cross-functional team, Sustainability Squad, to identify basic adjustments and new larger tasks to push sustainable impact positively, categorised by the product life-cycle. WHITEWAY's initiatives relate to the subjects connected to WHITEWAY's role in appliance production, guiding customers to make a sustainable choice, prolonging product lifetime, reducing energy consumption in its offices and franchisee stores, and promoting correct disposal.

For instance, in 2021, WHITEWAY started a partnership with 'Simple Very Simple', which repairs and reuses suitable spare parts for all scrapable products at the warehouse, as well as returned or damaged products. By 31 July 2021, this partnership has saved 108 tons of CO2 from 592 scrapable units. The products that cannot be repaired are recycled for their plastic, iron, copper and aluminium.

As another example, Skousen stores have introduced flyers with '10 tips to take care of your appliances'. For the Skousen brand, WHITEWAY introduced a partnership with a spare-parts supplier to make it easier for customers to repair their own products. This resulted in an increase in spare parts sold, which should prolong a product's lifetime.

WHITEWAY's work to reduce negative impacts on the environment and climate is an ongoing task and will have a constant focus. Also in the future, WHITEWAY will increasingly push its suppliers for more sustainable products.

Employees

For both WHITEWAY's own organisation, franchisees and suppliers, WHITEWAY finds it equally important to act as a responsible employer ensuring proper terms of employment, appropriate health and safety standards, promote a motivating working environment and respect the employees' general labour rights. WHITEWAY also engages with its suppliers to promote the above-mentioned standards.

The identified risks of not upholding these labour policies are WHITEWAY's ability to attract and retain relevant employees and the risks of work-related accidents.

WHITEWAY has an extensive focus on several areas, such as constantly developing employees' competences, perform employee satisfaction surveys twice a year and ensure a safe and healthy working environment.

To highlight one initiative, WHITEWAY focuses on educating and developing apprentices, interns, and students. In this financial year, WHITEWAY established a formal apprentice and intern program with onboarding sessions, teambuilding, buddy matching and feedback sessions to ensure a valuable learning culture and environment. By 1 November 2020, WHITEWAY had eight interns across business units, and more than half started in either student positions or full-time employment afterwards. WHITEWAY's People & Performance team facilitate a student network with monthly meetings, sparring and pitching school assignments in cooperation with WHITEWAY. This onboarding program and the student environment is expected to grow in FY 2021/22, developing the onboarding and ongoing satisfaction scores as a steppingstone for a future graduate program.

Management's review

Human Rights

WHITEWAY supports and respects the internationally proclaimed human rights as stated in key international conventions such as the Universal Declaration of Human Rights.

WHITEWAY does not tolerate any discrimination or harassment based on, for example, religion, race, colour, gender, disability, age, sexual orientation and/or political orientation, as stated in WHITEWAY's employee handbook. WHITEWAY addresses the subject at both recruitment workshops for leaders and value introduction sessions for employees. Furthermore, during August-December 2021, all leaders will undertake a training program that addresses inclusion and non-discrimination in two modules.

The main risk of adversely impacting human rights is in WHITEWAY's supply and value chain. To prevent and mitigate such risks, WHITEWAY enforces its Code of Conduct with suppliers and other partners. The current Code of Conduct was implemented in 2014 and by 31 July 2021, all suppliers were reviewed and categorised in four segments according to country risk and volume of purchase. All suppliers have either signed WHITEWAY's standards or adhere to their own standards, which are in compliance with those of WHITEWAY.

Ethics and anti-corruption

WHITEWAY's policy is to work against corruption in all its forms, including bribery and facilitation payments, and does not offer, provide, or accept payment, gifts, or other types of compensation from third parties that could influence or call into question the impartiality of business decisions. Operating internationally, WHITEWAY is exposed to risks associated with corruption and bribery, especially in connection with entertainment and gifts.

This policy is an integral part of WHITEWAY's employee handbook and key employees are informed and guided. The policy is incorporated in contracts with all main suppliers and WHITEWAY's Code of Conduct. The integration of the policy in WHITEWAY's operations is an ongoing process. In FY 2020/21, no violations were reported.

NORMAL

Business model

NORMAL is a retailer primarily focused on personal care and cosmetics. NORMAL runs more than 300 stores in Scandinavia, the Netherlands, France and Finland, and operates a central warehouse located in Denmark. NORMAL employs more than 5,000 people. Most products are sourced from suppliers within the EU, ranging from large multinational companies to smaller niche producers.

Environment and climate

NORMAL's policy is to offer its customers a broad assortment of products, which allows them to make sustainable choices. NORMAL continues to increase its range of sustainable products and, in the operation and maintenance of stores, NORMAL strives to reduce energy and resource consumption and introduce sustainable approaches in its routines.

NORMAL's goal for FY2021/2022 is to continuously increase its focus on climate and environment. NORMAL will continue to review the policy and sustainability strategy and introduce more and ambitious goals.

Management's review

NORMAL carefully considers the risks related to product materials and ingredients. NORMAL has increased the amount of more sustainable products, such as fragrance-free, paraben-free, organic, plastic-free, vegan, fair trade, and reusable packaging. These categories account for an increasingly large share of the assortment, and during FY 2020/21 the share of sustainable items in the product assortment has been doubled compared to last year. The goal for FY 2021/22 is to further increase the assortment of sustainable items. The targeted launch of more sustainable plastic bag alternatives is also being realised and non-woven bags have been shipped to four markets; the last two markets will follow in Q4 2021.

Another identified risk that could negatively affect the climate relates to the operation and maintenance of NORMAL's locations. To mitigate this, the energy audits targeted for FY 2020/21 across NORMAL's Danish stores, headquarters and warehouse have been completed, and measures have been taken on all action areas that were identified. For instance, overall lighting consumption has been reduced in the Danish stores by turning off the night light function during daily opening hours. This has resulted in an annual reduction of CO_2 emissions of 58 tonnes.

The work with energy audits has been systemised, and audits will be performed regularly in the years to come to ensure a continued basis for additional energy consumption optimisation and identification of improvement potentials.

Employees and social engagement

NORMAL 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, a strong focus on social and labour conditions, and ensuring a healthy and safe working environment for all employees. Additionally, NORMAL endeavours to reflect its surrounding environment, also in terms of workforce diversity (e.g. gender, age, ethnicity, physical and/or mental disabilities). In FY 2020/21, more than 25 different nationalities were represented at NORMAL's warehouse.

Like many other retailers, NORMAL faced a large risk because of the COVID-19 pandemic and NORMAL was also forced to temporarily cut back activities in FY 2020/21. It remains a key goal for NORMAL to get through these challenging times without having to cut back on its staff, and this goal is still being accomplished.

Furthermore, in FY 2020/21, NORMAL has continued to implement leadership programmes throughout the organisation, including store managers, mid-level managers at headquarters, and at the warehouse. With regards to store managers, and to implement and firmly anchor the leadership programme across NORMAL's markets, a new People & Performance Partner organisation is currently being established. The goal for FY 2021/22 is to extend the leadership programme across all markets and to enrol both store managers and assistant store managers in the programmes.

NORMAL keeps engaging with ongoing social projects and collaborations to contribute to local communities (e.g. by helping challenged citizens enter the labour market). For example, in FY 2020/21, NORMAL's warehouse employed two people with autism and a partnership was initiated with a local company working to support and procure employment for people, who find themselves on the outside of the traditional labour market. This new collaboration has led to the employment of approximately 25 warehouse employees. Also, the warehouse initiated a cooperation with the organisation NIIS that works to effectively integrate immigrants and refugees into the Danish labour market.

The goal for FY 2021/22 is to continue these activities at an equivalent scale.

Management's review

Human Rights

NORMAL recognises and respects all internationally acknowledged human rights and conventions. All suppliers and business partners are expected to act accordingly.

The main risk of adversely impacting human rights relates to the collaboration with external suppliers. To prevent and mitigate this risk, NORMAL has implemented a Code of Conduct stipulating – among other things – its human rights policies. NORMAL's suppliers have either signed the Code of Conduct or documented their own Code of Conduct with terms that meet NORMAL's requirements. This procedure will be reviewed on an ongoing basis.

NORMAL's goal for FY2021/2022 is to continuously increase its focus on human rights. NORMAL will continue to review the policy and strategy and introduce more and ambitious goals.

Ethics and Anti-corruption

Trust and ethics are the cornerstones of NORMAL's relations with employees, business partners, suppliers, and customers, and NORMAL has a zero-tolerance policy towards corruption and bribery.

NORMAL has implemented a Code of Ethics setting out ethical guidelines and anti-corruption policies to be complied with by all existing and future employees in NORMAL. All new employees of Normal Group are requested to make themselves acquainted with the Code of Ethics and sign the document. In FY 2020/21, all new employees signed the Code of Ethics.

NEMLIG.COM

Business model

NEMLIG.COM sells groceries directly to residential customers, who order goods by using a dedicated web-based platform; www.nemlig.com. NEMLIG cooperates with a wide range of suppliers and sells every type of grocery, from dry, cooled and frozen goods to fruit and vegetables, as well as basic household amenities. NEMLIG.COM operates from one central location in Brøndby, Denmark, from which all customer orders are processed and packed. The delivery of goods is handled by independent transportation contractors.

Environment and climate

NEMLIG.COM has an ambition to be the most sustainable grocery supermarket in Denmark. In the ongoing journey to fulfill this ambition, several policies and initiatives have been put in place to reduce its carbon footprint, for instance by minimising food waste and the use of packing materials.

In this financial year, NEMLIG.COM has increased its activities to reduce food waste. Besides donating to three non-profit organisations, Copenhagen Zoo and a cooperation with a biogas recycling partner, NEMLIG.COM now participates in 'Denmark against Food Waste'. This initiative requires NEMLIG.COM to measure and report food waste every year to effectively minimise waste in the Danish retail industry. Throughout the year, NEMLIG.COM has participated in various activities and provided input for a best-practice catalogue for further distribution among food manufacturers and retailers to inspire them to participate in the mission to reduce food waste. NEMLIG.COM's goal is to reduce its food waste by 50 percent by 2030.

Management's review

To minimise the use of packing materials, among other things, NEMLIG.COM provides a return service to increase the reuse and recycling of customer plastic bags, thermal and cardboard boxes, as well as packaging from vendors. NEMLIG.COM has also reduced the use of plastic bags for conventional fruit and vegetables. NEMLIG.COM estimates that this has reduced the use of small plastic bags in each delivery by 70-80 percent. Due to the investment in a thermal box industrial washing machine, NEMLIG.COM will significantly decrease the use of large plastic bags inside thermal boxes.

NEMLIG.COM continuously strives to further reduce its consumption, including use of water, power for cooling and increasing sustainable energy sources. From 2022, NEMLIG.COM will establish a new distribution center near Aarhus in western Denmark. This will further enhance the mobility of grocery sales in the region, increase capacity and reduce delivery times for customers. The new distribution centre will be powered exclusively by HEARTLAND's solar power park.

NEMLIG.COM will continue to monitor and collect data based on its carbon footprint and has set specific targets for implementation and follow-up for each project.

Employees

NEMLIG.COM wants to provide a safe working environment for its diverse group of employees from multiple countries and cultures. To ensure an open and unbiased approach to employees, NEMLIG.COM still provides guidelines to promote a safe and respectful working environment, regardless of ethnicity, religion, gender, language, and other cultural differences.

By employing workers from different nationalities, NEMLIG.COM is exposed to risks regarding compliance with valid working and residence permits for those employees who are not EU citizens. To mitigate such risks, NEMLIG.COM has multiple processes to ensure proper oversight with these permits to limit exposure to unlawful employment of workers.

NEMLIG.COM has again succeeded in its efforts to welcome marginalised workgroups and NEMLIG.COM employs 1,680 employees from 70 different nationalities. Staff has overall grown 19.8 percent in FY 2020/21, which is almost two times the growth compared to the previous year.

Additionally, the work-environment organisation now holds eight (8) new representatives. Their election had massive support among staff; 60 candidates were nominated, and more than 1,000 employees voted, which is an election turnout of more than 80 percent. NEMLIG.COM wishes to further support and enhance the positive engagement from co-workers in the production facility. To support this NEMLIG.COM perform an annual APV and will introduce bi-montly eNPS surveys.

Management's review

Human rights
The rights, health, safety, and wellbeing of own employees, as well as those working with suppliers and other cooperating partners is a high priority for NEMLIG.COM. The greatest risk of adverse impacts on human rights is anticipated to be in the supply chain and in connection with independent transportation contractors.

Last year, NEMLIG.COM implemented a Supplier Code of Conduct (SCoC) that promotes workers' rights and complies with international conventions. The SCOC is now part of all supplier contracts. Some large-scale suppliers use their own Code of Conduct given that the requirements are aligned with the requirements set out in NEMLIG.COM's SCOC.

NEMLIG.COM will maintain a high level of dialogue and engagement with suppliers and transportation contractors.

Anti-corruption and ethics
NEMLIG.COM is aware of the risk of bribery in their cooperation with suppliers and independent transportation contractors and has a zero tolerance to bribery and corruption conducted by employees, transporters and suppliers.

The Codes of Conduct for the independent transportation contractors and suppliers provides strict guidelines regarding corruption and bribery and with an established whistleblower line, NEMLIG.COM has taken steps to develop a risk management framework to mitigate risks.

NEMLIG.COM is still assessing a best-practice procedure and risk management framework, which is expected to be introduced as part of a renewed CSR strategy in FY 2021/22.

Statutory statement regarding the target figures for the underrepresented gender in the Board of Directors, cf. section 99b of the Danish Financial Statements Act
HEARTLAND A/S is subject to the rules on target figures and policies for the gender composition of management. HEARTLAND A/S is, however, of the opinion that qualifications and experience should be the decisive factor behind any job position.

In spite of the above comment and in order to comply with the legislation, we hereby inform that the present Board of Directors of HEARTLAND A/S consists of 4 members – two women and two men. There is thus an equal gender composition in the Board of Directors of HEARTLAND A/S.

HEARTLAND A/S has less than 50 employees why no policy has been established to increase the proportion of the underrepresented gender in the other management levels of the company.

Accounting policies

The annual report of HEARTLAND A/S for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2020/21 is presented in TDKK.

Basis of recognition and measurement
Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All costs, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Recognition and measurement of business combinations
Newly acquired or newly established subsidiaries are recognised in the consolidated financial statement from the date of acquisition or the date of establishment respectively. When subsidiaries are sold or liquidated, they cease to be recognised in the consolidated financial statement at the time of transfer or time of liquidation and earnings or losses at the time of sale or liquidation are recognised in the profit and loss account. The comparative figures are not adjusted for acquisitions or disposals.

Gains and losses on the disposal of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal including any non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair value at the date of acquisition. Costs for restructuring recognised in the acquired entity before the date of acquisition and not an agreed part of the acquisition is part of the acquisition balance sheet and hence the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is considered.

Accounting policies

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (badwill), representing an anticipated adverse development in the acquired enterprises is recognised in the income statement at the date of acquisition when the general revenue recognition criteria are met.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminary calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed, and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised in the income statement.

Costs incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Recognition and measurement of intra-group business combinations

The uniting of interests method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided the combination is considered final at the time of acquisition with restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in the equity.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

Consolidated financial statements
The consolidated financial statements comprise the Parent company HEARTLAND A/S and subsidiaries in which the Parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the Group chart.

Accounting policies

The consolidated annual accounts are prepared as a consolidation of the accounts of the Parent company and the individual subsidiaries. Adjustments are made for intercompany turnover and expenditure, shareholdings, intra-group balances and dividends, as well as unrealized internal income and loss. The accounts used for the consolidation are prepared in accordance with the Group's accounting policies.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Non-controlling interests
The annual accounts of the Group's subsidiaries are included 100 % in the consolidated figures. The non-controlling interests proportionate share of the profit and loss as well as the equity in subsidiaries not 100% owned by the Group are included as a part of the Group's profit and loss but are disclosed separately.

On initial recognition, non-controlling interest are measured at the fair value of the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities. Goodwill relating to the non-controlling interests' share of the acquiree is thus recognised.

Income statement

Revenue
Revenue from the sale of goods is recognised in the income statement when delivery is made, and risk has passed to the buyer and that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Cost of sales
Cost of sales comprises costs incurred in generating the revenue for the year. Cost of sales includes provisions for loss on returned goods.

Other operating income
Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other external costs
Other external costs comprise costs for distribution, marketing and administration, including office costs, 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 employees. The item is net of refunds made by public authorities.

Accounting policies

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Development costs
Development costs comprise costs relating to development project that do not qualify for the recognition in the balance sheet. Development costs are expensed in the income statement as other external costs and staff costs.

Financial income and costs
Financial income and costs comprise interest income and costs, realized and unrealized gains and losses on securities, payables and transactions denominated in foreign currencies, dividends received on other investments, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme.

Income from investments in subsidiaries, associates and participating interests
The proportionate share of the profit/loss for the year after tax of subsidiaries is recognised in the Parent company's income statement after full elimination of intra-group profits/losses and amortisation of goodwill. In situations of sales of subsidiaries gains/losses are recognised in the income statement.

The proportionate share of the profit/loss for the year of associates is recognised in both the consolidated and the Parent company's income statement after elimination of the proportionate share of intra-group profits/gains and amortisation of goodwill. In situations of sales of associates gains/losses are recognised in the income statement.

Tax on profit for the year
The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost. Where individual components of an item of intangible assets have different useful lives, they are accounted for as separate items, which are depreciated separately. Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lives:

Software is amortized according to the straight-line method over the expected useful life of 3-5 years.

Leasehold rights/key money/trademark rights is amortized according to the straight-line method of the non-terminable leaseterm. In case such term does not exist, the leasehold right/key money/trademark rights is amortized over 5 to 7 years.

Goodwill is amortised over the estimated useful life between 5-20 years. The estimated useful life is determined by management based on their experience within each area of business. The amortisation period is determined based on to what extent the purchase concerns a strategically acquired company with a strong market position and a long-term profitability and to what extent the goodwill includes temporary intangible resources which has not been able to spin off and recognise as individual assets.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Interests are not included in the cost.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Non-current assets are depreciated on a straight-line basis, based on cost and on the following continually estimated useful lifes:

	Useful life
Buildings	10-100 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

Accounting policies

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation periode 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 perioda or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Property, plant and equipment are written down to its recoverable amount if this is lower than the carrying amount.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Non-current investments

Investments in subsidiaries, associates and participating interests

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the Group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost.

Other non-current investments

Other non-current investments consists of other equity investments in which the group does not possess a controlling interest or significant influence. Other equity investments which are not listed investments are measured at cost. Long-term equity investments in listed entities are measured at fair value. Fair value adjustment is recognised under financial income or financial costs.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is reviewed in general to determine whether there is any indication of impairment in addition to that expressed by amortisation or depreciation. The impairment test is performed for each individual asset or group of assets. The recoverable amount of the asset is calculated as the value in use or the fair value less disposal costs, whichever is higher.

Where there is indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. If it is not possible to determine the recoverable amount for individual assets, the assets are reviewed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

Accounting policies

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

Domicile properties and other assets, for which it is not possible to calculate an individual capital value as the asset, in itself, does not generate future cash flows, are subject to a test for indication of impairment together with the group of assets, to which they may be attributed.

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

Inventories
Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of inventories comprises the purchase price plus delivery costs.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables
Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments
Prepayments recognised under 'Current assets' comprises costs incurred concerning subsequent financial years.

Securities
Securities which consist of listed shares and bonds, are measured at fair value at the balance sheet date.

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

Accounting policies

Equity

Reserve for exchange rate adjustments

The reserve for exchange rate adjustment comprises the share of foreign exchange rate differences arising on translation of financial statements of entities that have a functional currency othe than DKK, foreign exchange rate adjustments of assets and liabilities considered part of the Parent'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 and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange rate adjustments will be included in this equity reserve instead.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries and associates relative to the cost.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Other provisions

Provisions are measured at net realizable value or fair value. If the obligation is expected to be settled far into the future the obligation is measured at fair value. Provisions comprise anticipated costs for losses on returned goods, obligations concerning leases and other contractual liabilities. Provisions are recognised when the Group has a legal or constructive obligation at the balance sheet date and there is a probability of an outflow of resources required to settle the obligation.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial costs. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial costs.

Non-current assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Foreign subsidiaries, associates and participating interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to the fair value reserve under 'Equity' in the consolidated financial statements.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary is taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets or liabilities are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Accounting policies

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in equity. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement on a current basis.

Cash flow statement

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

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities comprise cash flows presented according to the indirect method and are calculated as the share of the profit for the year adjusted for changes in the working capital, paid corporate taxes and non-cash income statement items such as depreciation, amortisation and impairment losses and provisions made. The working capital comprises current assets less current liabilities – exclusive of the financial statement items included in cash and cash equivelants.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from payments associated with the purchase of sale of companies, activities and financial non-current assets as well as purchase, development, improvement and sale etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's and the Parent company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

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

Accounting policies

Financial highlights

Definitions of financial ratios.

Gross margin ratio*	$\frac{\text{Gross margin x 100}}{\text{Revenue}}$ *) Gross margin = Revenue-cost of sales
Operating margin ratio	$\frac{\text{Profit before net financials x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity (at year end) x 100}}{\text{Total assets}}$

Income statement 1 August - 31 July

	Note	Group 2020/21 TDKK	Group 2019/20 TDKK	Parent company 2020/21 TDKK	Parent company 2019/20 TDKK
Revenue	1	**39.154.915**	**32.343.666**	**0**	**0**
Other operating income		482.734	236.341	11.491	11.151
Cost of sales		-21.585.550	-17.663.920	0	0
Other external costs		-5.992.431	-6.824.072	-42.920	-57.484
Gross profit		**12.059.668**	**8.092.015**	**-31.429**	**-46.333**
Staff costs	2	-6.329.915	-5.903.888	-35.943	-26.586
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	7-8	-1.700.883	-1.568.123	-1.724	-1.734
Profit before net financials		**4.028.870**	**620.004**	**-69.096**	**-74.653**
Income from investments in subsidiaries		0	0	5.955.950	94.989
Income from investments in associates		2.025.590	73.763	0	0
Financial income	3	1.374.818	430.600	38.131	100.616
Financial costs	4	-394.767	-711.517	-18.165	-57.375
Profit before tax		**7.034.511**	**412.850**	**5.906.820**	**63.577**
Tax on profit for the year	5	-1.110.619	-367.779	6.860	6.443
Profit for the year		**5.923.892**	**45.071**	**5.913.680**	**70.020**

Distribution of profit 6

Balance sheet 31 July

	Note	Group 2021 TDKK	Group 2020 TDKK	Parent company 2021 TDKK	Parent company 2020 TDKK
Assets					
Software		301.008	255.406	0	0
Goodwill		1.699.875	1.467.369	0	0
Key money/leasehold rights/trademark rights		68.835	72.246	0	0
Intangible assets	7	**2.069.718**	**1.795.021**	**0**	**0**
Land and buildings		11.701.914	11.476.495	78.471	79.983
Other fixtures and fittings, tools and equipment		977.205	1.245.219	472	684
Leasehold improvements		786.121	769.444	0	0
Property, plant and equipment in progress		1.484.183	732.978	0	0
Property, plant and equipment	8	**14.949.423**	**14.224.136**	**78.943**	**80.667**
Investments in subsidiaries	9	0	0	33.634.887	25.296.715
Investments in associates	10	19.541.141	16.081.563	0	0
Receivables from group enterprises		0	0	147.995	35.342
Other non-current investments	11	1.170.080	842.614	0	0
Deposits	11	204.602	176.625	0	0
Fixed asset investments		**20.915.823**	**17.100.802**	**33.782.882**	**25.332.057**
Total non-current assets		**37.934.964**	**33.119.959**	**33.861.825**	**25.412.724**

Balance sheet 31 July (continued)

	Note	Group 2021 TDKK	Group 2020 TDKK	Parent company 2021 TDKK	Parent company 2020 TDKK
Assets					
Inventories		6.843.117	4.636.010	0	0
Inventories		**6.843.117**	**4.636.010**	**0**	**0**
Trade receivables		2.958.153	2.467.884	0	0
Receivables from group enterprises		0	0	690.135	677.923
Other receivables		1.047.215	694.766	2.818	314
Deferred tax asset	14	263.903	225.356	356	193
Corporation tax		272.729	211.578	8.131	10.193
Prepayments	12	401.163	371.155	678	593
Receivables		**4.943.163**	**3.970.739**	**702.118**	**689.216**
Securities		1.607.636	895.651	0	0
Securities		**1.607.636**	**895.651**	**0**	**0**
Cash at bank and in hand		**4.724.404**	**3.796.877**	**60.734**	**244.302**
Total current assets		**18.118.320**	**13.299.277**	**762.852**	**933.518**
Total assets		**56.053.284**	**46.419.236**	**34.624.677**	**26.346.242**

Balance sheet 31 July

	Note	Group 2021 TDKK	Group 2020 TDKK	Parent company 2021 TDKK	Parent company 2020 TDKK
Equity and liabilities					
Share capital		80.000	80.000	80.000	80.000
Reserve for net revaluation under the equity method		0	0	10.696.660	5.210.113
Reserve for exchange rate adjustments		730.441	0	0	0
Retained earnings		29.762.638	24.132.512	19.796.419	18.922.399
Equity before non-controlling interests		**30.573.079**	**24.212.512**	**30.573.079**	**24.212.512**
Non-controlling interests		1.006.702	1.036.605	0	0
Equity	13	**31.579.781**	**25.249.117**	**30.573.079**	**24.212.512**
Deferred tax	14	163.174	186.725	0	0
Other provisions	15	1.760.349	2.030.870	0	0
Total provisions		**1.923.523**	**2.217.595**	**0**	**0**
Mortgage loans		1.012.110	1.140.679	43.011	44.713
Payables to group enterprises		0	0	12.171	432.580
Total non-current liabilities	16	**1.012.110**	**1.140.679**	**55.182**	**477.293**
Mortgage loans	16	143.981	58.566	1.701	1.688
Credit institutions		10.809.094	10.987.534	0	254
Trade payables		5.714.012	2.881.718	2.302	271
Payables to group enterprises		0	0	3.854.381	1.487.142
Corporation tax		1.254.878	485.147	0	0
Other payables		3.494.686	3.309.537	137.008	166.120
Deferred income	17	121.219	89.343	1.024	962
Total current liabilities		**21.537.870**	**17.811.845**	**3.996.416**	**1.656.437**
Total liabilities		**22.549.980**	**18.952.524**	**4.051.598**	**2.133.730**
Total equity and liabilities		**56.053.284**	**46.419.236**	**34.624.677**	**26.346.242**

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Statement of changes in equity

Group

	Share capital	Reserve for exchange rate adjustments	Retained earnings	Equity before non-controlling interests	Non-controlling interests	Total
Equity at 1 August 2020	80.000	0	24.132.512	24.212.512	1.036.605	25.249.117
Exchange adjustments	0	730.441	0	730.441	-10.789	719.652
Ordinary dividend paid	0	0	0	0	-30.252	-30.252
Purchase of non-controlling shares	0	0	-305.833	-305.833	-77.379	-383.212
Sale of non-controlling shares	0	0	-38.071	-38.071	78.305	40.234
Fair value adjustment of hedging instruments	0	0	7.354	7.354	0	7.354
Other equity movements	0	0	52.996	52.996	0	52.996
Net profit for the year	0	0	5.913.680	5.913.680	10.212	5.923.892
Equity at 31 July 2021	**80.000**	**730.441**	**29.762.638**	**30.573.079**	**1.006.702**	**31.579.781**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 August 2020	80.000	5.210.113	18.922.399	24.212.512
Exchange adjustment	0	730.441	0	730.441
Sale of non-controlling shares	0	3.936	-3.936	0
Other equity movements	0	-284.139	585	-283.554
Net profit for the year	0	5.955.950	-42.270	5.913.680
Distributed dividends from investments in subsidiaries	0	-919.641	919.641	0
Equity at 31 July 2021	**80.000**	**10.696.660**	**19.796.419**	**30.573.079**

Cash flow statement 1 August - 31 July

	Note	Group 2020/21 TDKK	Group 2019/20 TDKK
Net profit for the year		5.923.892	45.071
Adjustments	24	-356.474	2.440.818
Change in working capital	25	-179.694	1.572.436
Cash flows from operating activities before financial income and expenses		**5.387.724**	**4.058.325**
Corporation tax paid		-461.937	-429.901
Cash flows from operating activities		**4.925.787**	**3.628.424**
Purchase of intangible assets		-145.577	-142.828
Purchase of property, plant and equipment		-2.239.918	-1.596.908
Purchase of non-current investments		-2.735.702	-688.216
Sale of intangible assets		5.601	3.815
Sale of property, plant and equipment		534.446	280.861
Sale of non-current investments		607.884	410.627
Securities		-417.716	-1.549
Dividends received from associates		1.024.958	599.277
Deposits		-30.447	-30.360
Cash flows from investing activities		**-3.396.471**	**-1.165.281**
Repayment/raising of mortgage loans		-43.155	-271.807
Repayment/raising of loans from credit institutions		-330.946	89.025
Sale/purchase of non-controlling shares		-356.035	-65.479
Dividend paid		-30.252	-391.102
Cash flows from financing activities		**-760.388**	**-639.363**
Change in cash and cash equivalents		**768.928**	**1.823.780**
Cash at bank and in hand		3.796.877	2.043.627
Purchase of subsidiary		159.100	0
Exchange adjustment of cash		-501	-70.530
Cash and cash equivalents		3.955.476	1.973.097
Cash and cash equivalents		**4.724.404**	**3.796.877**

Notes

		Group	
		2020/21	2019/20
		TDKK	TDKK
1	**Revenue**		
	Denmark	8.827.965	5.893.275
	Rest of Europe	28.790.361	24.945.809
	Rest of the world	1.536.589	1.504.582
	Total revenue	**39.154.915**	**32.343.666**
	Revenue related to sale of clothes	29.398.926	26.493.860
	Revenue related to other activities	9.755.989	5.849.806
	Total revenue	**39.154.915**	**32.343.666**

		Group		Parent company	
		2020/21	2019/20	2020/21	2019/20
		TDKK	TDKK	TDKK	TDKK
2	**Staff costs**				
	Wages and salaries	5.310.091	4.848.612	34.608	21.146
	Pensions	292.586	292.140	634	4.675
	Other social security costs	467.264	494.131	149	130
	Other staff costs	259.974	269.005	552	635
		6.329.915	**5.903.888**	**35.943**	**26.586**
	Average number of employees	21.208	22.377	18	19

The executive board and board of directors received remuneration DKK 21,6 million (2019/20: DKK 15.3 million). The remuneration is dependant on the Group's profit/loss.

3	**Financial income**				
	Income from fixed asset investments	416.875	0	0	0
	Financial income, group enterprises	0	0	37.414	20.363
	Other financial income	957.943	430.600	717	80.253
		1.374.818	**430.600**	**38.131**	**100.616**

Notes

	Group		Parent company	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
4 Financial costs				
Loss regarding other non-current investments	92.391	88.153	0	0
Financial costs, group enterprises	0	0	7.639	12.507
Other financial costs	302.376	623.364	10.526	44.868
	394.767	**711.517**	**18.165**	**57.375**
5 Tax on profit for the year				
Current tax for the year	1.178.554	432.237	-6.697	-6.285
Change in deferred tax for the year	-29.816	-54.447	-163	-165
Adjustment of tax concerning previous years	-38.119	-10.011	0	7
	1.110.619	**367.779**	**-6.860**	**-6.443**
6 Distribution of profit				
Extraordinary dividend for the year	0	330.000	0	330.000
Reserve for net revaluation under the equity method	0	0	5.955.950	94.989
Minority interests' share of net profit/loss of subsidiaries	10.212	-24.949	0	0
Retained earnings	5.913.680	-259.980	-42.270	-354.969
	5.923.892	**45.071**	**5.913.680**	**70.020**

Notes

7 Intangible assets

Group

	Software	Goodwill	Key money/leasehold rights/trademark rights
Cost at 1 August 2020	588.156	3.026.482	304.207
Exchange adjustment	8.733	38.674	1.938
Additions on acquisition of subsidiary	11.097	495.906	0
Additions for the year	130.275	1.999	12.405
Disposals for the year	-4.445	-5.139	-9.982
Cost at 31 July 2021	733.816	3.557.922	308.568
Impairment losses and amortisation at 1 August 2020	332.750	1.559.113	231.961
Exchange adjustment	5.964	4.561	1.780
Impairment losses for the year	610	30.259	-3.177
Amortisation for the year	97.786	264.808	18.138
Reversal of impairment and amortisation of sold assets	-4.302	-694	-8.969
Impairment losses and amortisation at 31 July 2021	432.808	1.858.047	239.733
Carrying amount at 31 July 2021	**301.008**	**1.699.875**	**68.835**

Notes

8 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 August 2020	13.175.708	3.463.867	2.986.413	732.978
Exchange adjustment	342.660	17.698	12.575	284
Additions for the year	571.090	260.157	277.479	1.148.792
Disposals for the year	-115.385	-198.098	-132.651	-390.871
Transfers for the year	0	0	7.030	-7.030
Cost at 31 July 2021	13.974.073	3.543.624	3.150.846	1.484.153
Impairment losses and depreciation at 1 August 2020	1.699.213	2.218.648	2.216.969	0
Exchange adjustment	59.797	11.311	7.465	-30
Impairment losses for the year	434.408	145.394	34.524	0
Depreciation for the year	187.400	278.917	211.816	0
Reversal of impairment and depreciation of sold assets	-108.659	-87.851	-106.049	0
Impairment losses and depreciation at 31 July 2021	2.272.159	2.566.419	2.364.725	-30
Carrying amount at 31 July 2021	**11.701.914**	**977.205**	**786.121**	**1.484.183**

Parent company

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 August 2020	82.566	1.050	83.616
Cost at 31 July 2021	82.566	1.050	83.616
Impairment losses and depreciation at 1 August 2020	2.583	366	2.949
Depreciation for the year	1.512	212	1.724
Impairment losses and depreciation at 31 July 2021	4.095	578	4.673
Carrying amount at 31 July 2021	**78.471**	**472**	**78.943**

Notes

		Parent company	
		2021	2020
		TDKK	TDKK
9	**Investments in subsidiaries**		
	Cost at 1 August 2020	20.086.602	19.039.857
	Additions for the year	2.865.034	1.046.745
	Disposals for the year	-13.409	0
	Cost at 31 July 2021	22.938.227	20.086.602
	Revaluations at 1 August 2020	5.210.113	8.521.714
	Disposals for the year	3.936	0
	Exchange adjustment	730.441	-515.097
	Net profit for the year	5.955.950	94.989
	Received dividend	-919.641	-2.900.000
	Other equity movements, net	-284.139	8.507
	Revaluations at 31 July 2021	10.696.660	5.210.113
	Carrying amount at 31 July 2021	**33.634.887**	**25.296.715**

Ownership in subsidiaries see group chart pages 6-11.

Notes

	Group 2021 TDKK	2020 TDKK
10 Investments in associates		
Cost at 1 August 2020	14.906.955	14.685.818
Additions for the year	2.390.663	576.991
Disposals for the year	-109.466	-355.116
Transfers for the year	-353.750	0
Cost at 31 July 2021	16.834.402	14.907.693
Revaluations at 1 August 2020	1.174.608	1.957.454
Disposals for the year	27.155	1.904
Exchange adjustment	584.217	-336.729
Net profit for the year	2.025.590	73.763
Received dividend	-1.024.958	-599.277
Transfers for the year	-155.717	0
Other equity movements, net	75.844	76.755
Revaluations at 31 July 2021	2.706.739	1.173.870
Carrying amount at 31 July 2021	**19.541.141**	**16.081.563**
Goodwill included in the above carrying amount at 31 July 2021	6.937.690	6.340.193

Ownership in associates, see group chart pages 6-11.

Notes

11 Non-current investments

Group

	Other non-current investments	Deposits
Cost at 1 August 2020	2.022.541	176.626
Exchange adjustment	0	-2.471
Additions for the year	345.040	46.232
Disposals for the year	-147.665	-15.785
Cost at 31 July 2021	2.219.916	204.602
Revaluations at 1 August 2020	-1.179.927	0
Revaluations for the year	130.091	0
Revaluations at 31 July 2021	-1.049.836	0
Carrying amount at 31 July 2021	**1.170.080**	**204.602**

12 Prepayments

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

13 Equity

The share capital consists of:

	Nominal value
40.000 A shares of DKK 1.000	40.000.000
40.000 B shares of DKK 1.000	40.000.000
	80.000.000

The shares have equal voting rights.

Notes

	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
14 Deferred tax				
Deferred tax at 1 August 2020	-38.631	15.857	-193	-28
Exchange adjustment	4.313	-581	0	0
Adjustment of deferred tax for the year	-29.816	-54.447	-163	-165
Other movements on deferred tax	-29.448	540	0	0
Deferred tax concerning previous years	-7.147	0	0	0
Deferred tax at 31 July 2021	**-100.729**	**-38.631**	**-356**	**-193**
Transferred to deferred tax asset	263.850	225.356	356	193
	163.174	**186.725**	**0**	**0**
Deferred tax asset				
Calculated tax asset	263.903	225.356	356	193
Carrying amount	**263.903**	**225.356**	**356**	**193**

	Group 2021 TDKK	Group 2020 TDKK	Parent company 2021 TDKK	Parent company 2020 TDKK
15 Other provisions				
Balance at beginning of year	2.030.870	1.407.995	0	0
Exchange adjustment	-6.405	-7.132	0	0
Provision in year	240.237	899.637	0	0
Applied in the year	-504.353	-269.630	0	0
	1.760.349	**2.030.870**	**0**	**0**
The expected due dates of other provisions are:				
Within one year	911.888	874.750	0	0
Between 1 and 5 years	708.581	910.281	0	0
Over 5 years	139.880	245.839	0	0
	1.760.349	**2.030.870**	**0**	**0**

Notes

16 Long term debt

	Group		Parent company	
	2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Mortgage loans				
After 5 years	544.982	579.237	36.239	37.966
Between 1 and 5 years	467.128	561.442	6.772	6.747
Non-current portion	1.012.110	1.140.679	43.011	44.713
Within 1 year	143.981	58.566	1.701	1.688
	1.156.091	**1.199.245**	**44.712**	**46.401**
Payables to group enterprises				
Between 1 and 5 years	0	0	12.171	432.580
Non-current portion	0	0	12.171	432.580
Other short-term debt to subsidiaries	0	0	3.854.381	1.487.142
Current portion	0	0	3.854.381	1.487.142
	0	**0**	**3.866.552**	**1.919.722**

17 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years. Etc. rent income, tenant allowance and other deferred income.

18 Events after the balance sheet date

No events materially affecting the financial position have occurred after the balance sheet date.

19 Rent and lease liabilities

	Group	
	2021 TDKK	2020 TDKK
Within 1 year	1.930.940	1.854.177
Between 1 and 5 years	3.759.058	3.866.262
After 5 years	628.394	791.299
	6.318.392	**6.511.738**

Notes

20 Contingent liabilities

Guarantee commitments
The parent company is jointly taxed with its Danish Group entities. The entities are jointly and severally liable for Danish income taxes as well as withholding taxes on dividends, interests and royalties payable by the group of jointly taxed entities. Due income taxes and withholding taxes payable by the group of jointly taxed entities totals DKK 830,4 million at 31 July 2021. Any subsequent corrections of income taxes and withholding taxes may increase the tax payable by the entities. The group as such is not liable to any third parties.

The group has issued guarantee commitments for DKK 0,5 billion.

Other contingent liabilities

Parent company

The parent company has provided collateral for mortgage debt totaling DKK 45 million at 31 July 2021 which is secured by land and buildings.

The parent company has issued a letter of support to an affiliated company in the group for debt totaling DKK 60 million at 31 July 2021.

The parent company has issued a letter of intent to the bank for an affiliated company's obligations, which amounts to DKK 6,9 billion at 31 July 2021 and a letter of intent to the bank for an associated company's obligations, which amounts to DKK 5 million.

The parent company has issued a letter of intent to the bank for an affiliated company's debt for constructions of buildings, which amounts to DKK 350 million at 31 July 2021.

Group

The group has entered into purchase agreements totaling DKK 1,3 billion.

The group has other obligations amounting to a total of DKK 0,1 billion

The group has provided collateral for mortgage debt and bank debt totaling DKK 4,2 billion (2019/20: DKK 4,6 billion) which is secured by land and buildings, with a carrying amount of DKK 6,3 billion (2019/20: DKK 6,8 billion).

As collateral for bank debt of DKK 6,9 billion, the group has provided security in shares in investments in associates with a total book value of DKK 6,6 billion.

21 Financial instruments

Group

The Group uses hedging instruments such as forward exchange contracts and interest and currency swaps to hedge recognised and non-recognised transactions.

Expected future transactions

The group seeks to reduce foreign currency risks by hedging currency exposure on purchase of goods and certain operating equipment.

At 31 July 2021, the group has entered into foreign exchange forward contracts relating to future transactions in foreign currency of USD 147 million, CNY 348 million, SEK 150 million and NOK 75 million.

At 31 July 2021, the value of the contracts is DKK +23 million before tax, which is recognized in P&L and in equity.

At 31 July 2021, the group has also entered into foreign currency options. The market value amounts to DKK 60 million. The underlying asset spend (in USD) represents a higher value than the value of the foreign currency.

Notes

22 Related parties and ownership structure

Controlling interest

Anders Holch Povlsen (Majority owner)

Transactions

Parent company
Sale of services from group companies - DKK 8,7 million
Sale of services to other related companies - DKK 0,1 million

Purchase of services from group companies - DKK 11,6 million

Interest income from subsidiaries - DKK 37,8 million
Interest expense to subsidiaries - DKK 9,3 million
Interest income from other related parties - DKK 0,3 million

Capital contribution - DKK 2.865,0 million
Sale of subsidiaries - DKK 10,0 million
Received dividend - DKK 920,0 million

Receivables from group companies - DKK 838,1 million
Payables to group companies - DKK 3.866,6 million
Receivables from other related parties - DKK 17,0 million

Group
Sale of goods to other related parties - DKK - 4.368,0 million
Sale of services to other related parties - DKK 243,5 million

Purchase of goods from other related parties - DKK 36,8 million
Purchase of services from other related parties - DKK 92,9 million

No transactions were carried through with shareholders in the year. Remuneration/fees to members of the executive board and the board of directors are reflected in the note 2.

Notes

	Group		Parent company	
	2020/21	2019/20	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK
23 Fee to auditors appointed at the general meeting				
EY Godkendt Revisionspartnerselskab:				
Fees regarding statutory audit	9.246	7.731	158	140
Assurance engagement	915	945	0	0
Tax assistance	842	1.024	0	0
Other assistance	1.564	731	25	0
	12.567	**10.431**	**183**	**140**

	Group	
	2020/21	2019/20
	TDKK	TDKK
24 Cash flow statement - adjustments		
Depreciation, amortisation and impairment losses	1.700.883	1.568.123
Result regarding other non-current investments	-508.018	88.153
Income from investments in associates	-2.025.589	-73.763
Tax on profit for the year	1.110.219	367.779
Change in other provisions	-283.421	622.875
Other adjustments	-350.548	-132.349
	-356.474	**2.440.818**
25 Cash flow statement - change in working capital		
Change in inventories	-2.044.707	-211.821
Change in receivables	-728.426	588.245
Change in trade payables, etc.	2.593.439	1.196.012
	-179.694	**1.572.436**