HEARTLAND

ANNUAL REPORT

2021/22

HEARTLAND A/S
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8000 Aarhus C
CVR no. 28502370

As adopted at the annual general meeting
on November 21, 2022
Lise Kaae
Chairman

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INTRODUCTION

HEARTLAND is a holding and investment company representing the interests of the Holch Povlsen family and their family business, BESTSELLER.

"We think and act for the long term and we always rely on hard work, trust and mutual respect as key elements in our partnerships."

Anders Holch Povlsen
Chairman and founder of HEARTLAND

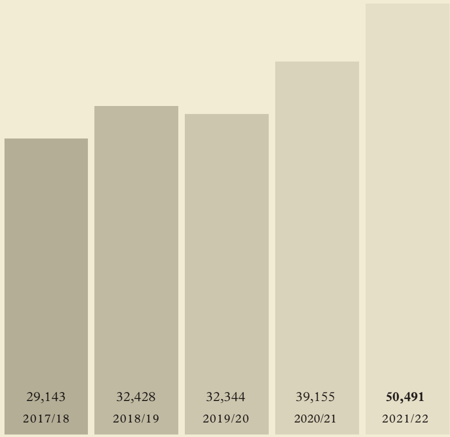
HEARTLAND excels in what we do to create a positive impact for the future of the earth. We invest in areas such as fashion, retail and technology, sustainability and business innovation, renewables, nature conservation and properties.

This report details HEARTLAND's financial performance for the financial year from 1 August 2021 through to 31 July 2022. We will present our sustainability approach, including highlights from our largest companies where we have a majority ownership.

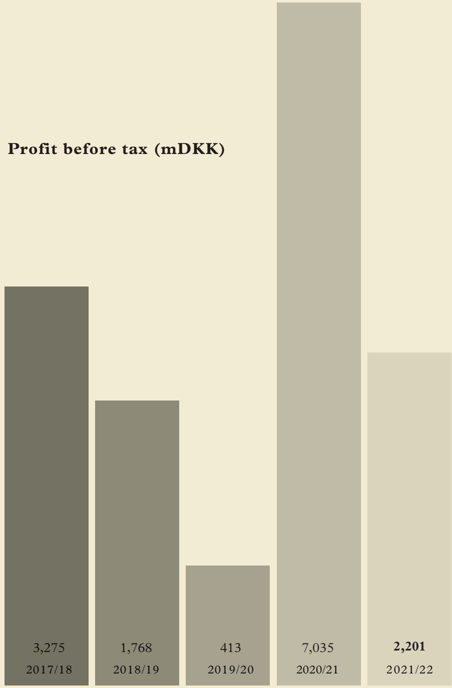
FINANCIAL HIGHLIGHTS

Seen over a five year period, the development of the company may be described by means of the following financial highlights:

Revenue (mDKK)



Profit before tax (mDKK)



(mDKK)	2021/22	2020/21	2019/20	2018/19	2017/18
Profit/loss					
Revenue	50,491	39,155	32,344	32,428	29,143
Gross margin	22,912	17,569	14,680	15,366	14,232
Gross profit	15,070	12,060	8,092	9,724	8,949
Profit before net financials	6,412	4,029	620	2,357	2,354
Net financials	-4,211	3,006	-207	-589	921
Profit before tax	2,201	7,035	413	1,768	3,275
Profit for the year	1,255	5,924	45	1,167	2,536
Balance sheet					
Total assets	61,153	56,053	46,419	45,580	41,725
Investment in property, plant and equipment	3,843	2,258	1,597	2,202	2,998
Equity	33,921	31,580	25,249	26,076	24,429
Financial ratios					
Gross margin ratio	45.4%	44.9%	45.4%	47.4%	48.8%
Operating margin ratio	12.7%	10.3%	1.9%	7.3%	8.1%
Solvency ratio	55.5%	56.3%	54.4%	57.2%	58.5%

DEFINITIONS OF FINANCIAL RATIOS

Gross margin ratio:

$$\frac{\text{Gross margin x 100}}{\text{Revenue}}$$

Operating margin ratio:

$$\frac{\text{Profit before net financials x 100}}{\text{Revenue}}$$

Solvency ratio:

$$\frac{\text{Equity (at year end) x 100}}{\text{Total assets}}$$

Gross margin = Revenue - Cost of sales

MANAGEMENT REVIEW

HEARTLAND is a long-term purpose-driven investor. We have an all-encompassing vision – to invest from the heart and be an actual force in creating meaningful value for the future of the earth.

BUSINESS ACTIVITIES

We commit ourselves for the long term and we always rely on hard work, trust and mutual respect as key lements in our partnerships. None of our investments are made solely with an aim to make a profit. We strive to create strong partnerships where everybody prospers.

"At HEARTLAND it is all about people. We invest ourselves in partnerships with great founders who possess strong values and the right mindset."

Anders Holch Povlsen, Chairman and founder of HEARTLAND.

BUSINESS REVIEW

In our financial year 2021/22, we were steadfast and unwavering in our approach. But during the year, we also saw dramatic changes in the financial landscape which has affected our result and performance considerably.

The group revenue increased from DKK 39.2 billion to DKK 50.5 billion mainly driven by high growth in BESTSELLER, but also in NORMAL, with both companies also showing positive improvements in profitability. At the same time, several of our other investments have faced significant macroeconomic challenges which have entailed results below expectations.

The group income statement for the financial year 2021/22 shows a profit before tax of DKK 2.2 billion, and the balance sheet on 31 July 2022 shows an equity of DKK 33.9 billion.

In HEARTLAND, our result for the year 2021/22 was affected by circumstances beyond our control. Even though we aim to maintain a resilient company, which is able to face and withstand headwinds, we are not immune to global turmoil and were impacted by external circumstances. Still, we are disappointed with the result for the financial year.

OUTLOOK

Despite our disappointing 2021/22 result and further macroeconomic challenges expected next year, our aspirations remains unchanged. We will continue to strive to fulfil our ambitions – financially, socially and environmentally. The expectations for 2022/23 are to deliver a medium to high single digit sales growth and a result before tax between DKK 2-5 billion.

INVESTMENTS

In HEARTLAND, we have a diverse investment portfolio. While we are born from fashion and maintain significant interest in the fashion industry, we have expanded into numerous other industries such as fintech, renewable energy and other fast-moving consumer goods.

Through Invest FWD our investment platform for driving circular solutions, we continued to focus on investing in material innovators working to create a more sustainable future for the fashion industry.

CORPORATE CITIZENSHIP

We strive to be a good corporate citizen. We are committed to promote the protection of the environment and expect the companies we invest in, to do so too. Through the companies we invest in, HEARTLAND contributes with economic value directly and indirectly via taxes and job creation.

Despite global instability, HEARTLAND remained true to our ambitions during 2021/22. From donations to Ukraine affected by war, to supporting conversation of our natural world and investing in solar energy and digital technology.

In the fall of 2021, we launched the Holch Povlsen Foundation, which aims to support organizations dedicated to solving the critical United Nations' Sustainable Development Goals.

The 17 goals are an important global strategy for solving the biggest challenges facing our society and environment, and we are committed to supporting this effort. The Foundation is proud to be one of founding partners of the Earthshot prize.

PARTICULAR RISKS

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

RESEARCH AND DEVELOPMENT

HEARTLAND and the Group's businesses are being continually developed during the financial year. HEARTLAND and the Group do not engage in other development activities apart from the regular development and maintenance of their IT systems.

MANAGEMENT REVIEW

DIVERSITY

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 is subject to the rules on target figures and policies for the gender composition of management. HEARTLAND 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 consists of four members – two women and two men. There is thus an equal gender composition in the Board of Directors of HEARTLAND.

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

DATA ETHICS

Within HEARTLAND we have high ethical standards and data ethics is one of our core values and a clear guide for all colleagues to follow.

During the past year we have prepared and implemented a Data Ethics Policy within our organisation. The policy sets out the general data ethics principles which HEARTLAND has established as the foundation for our work. The data ethics principles have a broad scope and concern various aspects of our business, including data protection, digitalisation, transparency, confidentiality, discrimination, diversity, awareness, etc.

CORE CONTENT OF DATA ETHICS POLICY

Although the processing of data by HEARTLAND itself is limited and primarily is related to HR, recruitment and business development, the Data Ethics Policy must be adhered to by all colleagues across our organisation.

We respect and protect the personal rights of our customers, colleagues and business partners. When assessing new business ideas, the protection of personal data has highest priority. We safeguard the personal data that we process and have implemented data protection and IT security policies and guidelines.

Our use of data is responsible and sustainable meaning that we only collect data from reliable sources and only use it for relevant business purposes. We do not use technology such as artificial intelligence or data in a way that may result in discrimination.

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

Every employee in HEARTLAND has been requested to complete a training course comprising the Data Ethics Policy. The policy is also available via our company intranet.

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

SUSTAINABILITY

In this section we present some sustainability highlights from the year in HEARTLAND together with a consolidated report highlighting our sustainability performance. We also highlight the focus, actions, results and goals with the most material impact of our four largest companies where we have a majority ownership: BESTSELLER, NORMAL, Nemlig.com and Whiteaway Group.

The following statement constitutes HEARTLAND's statutory reporting on corporate responsibility in accordance with the Danish Financial Statement act §99a.

OUR SUSTAINABILITY APPROACH

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 investments 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. We are committed to promote the protection of the environment and expect the companies we invest in to do so too. Our core business is fashion and our family business, BESTSELLER A/S (BESTSELLER), accounts for 70 percent of our total consolidated revenue in FY 2021/22.

POLICY

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

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

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.

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). We remain committed to prevent and mitigate negative impact on human rights and we will use our leverage to remediate impact if necessary. 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.

OUR SUSTAINABILITY APPROACH

ACTIONS FROM THE YEAR

HEARTLAND wishes to support and promote responsible businesses where sustainability is at the core and continuously evaluate the activities of our business and our subsidiaries.

Therefore, we have an ongoing dialogue regarding business and sustainability. During the year, 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 we started collecting both qualitative and quantitative data from our subsidiaries. The qualitative data collection concerns whether the subsidiaries have policies and procedures regarding ESG. Each subsidiary is required to report about codes of conduct, data ethics policies, sustainability policies, supply chain management systems etc.

This is to ensure responsible corporate governance of our investments. Furthermore, we have defined some sustainability key performance indicators (KPIs) in accordance with public guidance, where we have begun a process of collecting quantitative data from companies where HEARTLAND has controlling influence. The ESG KPIs comprise factors within environment, social and governance.

Working with sustainability and ESG is a continuous journey both for HEARTLAND and the companies we invest in. We are happy to witness progress and a commitment to improving business models and thereby contributing to a more sustainable future. In FY 2022/23, HEARTLAND will continue this dialogue, collection of ESG KPIs and the evaluation processes. In FY 2022/23, HEARTLAND will continue to work more strategically with sustainability.

In August 2022 we hosted a large sustainability forum with multiple professional speakers and participation from many of our investments, to create attention and put additional focus on the work with sustainability.

In 2022 HEARTLAND donated DKK 100 million to humanitarian efforts and other initiatives that will make a difference for Ukraine and the Ukrainian people.

HIGHLIGHTS

INVEST FWD

Invest FWD is an investment platform striving to accelerate the fashion industry towards a more sustainable future. The investments made here will benefit BESTSELLER and the global fashion industry.

EXAMPLES OF CONCEPTS AND PRODUCTS WE WANT TO INVEST IN:

Low impact and circular materials (e.g. turning post-consumer waste into sustainable fibres)

New supply chain technologies (e.g. waterless dyeing, 3D printing and blockchain)

New business models (e.g. second-hand retailing)

Partnerships for women's empowerment (e.g. promoting further life-skills to workers in our supply chain)

Renewable energy, conservation and natural carbon sinks (e.g. organic cotton farming)

Since 2021 Invest FWD has invested more than DKK 100 million across several different sustainability innovators. These include Ambercycle, Vitrolabs and INFINITED FIBER COMPANY.

The fashion industry has a significant impact and influence on global challenges: from climate change and resource constraints to human rights and women's empowerment. It is important that we are a part of the solution adressing these challenges. Investing in a more sustainable future for fashion can build resilience in our business, while providing benefits for people and the planet.

Change happens faster when innovation is supported with the means to thrive and reach commercial scale. By investing both within and outside the business, Invest FWD provides the capital to accelerate positive outcomes on the most critical sustainability issues covering the full life cycle of fashion: from raw materials to production and post-consumer use.

STRATEGIC AND DISRUPTIVE INNOVATION – FOCUS AREAS

To spark the most significant changes and truly disrupt the status quo, our investments must be well planned and with specific purposes in mind. Invest FWD's strategic approach targets entrepreneurs, business incubators and accelerators, research institutions and fashion hubs to find the cutting-edge solutions our industry needs.

HIGHLIGHTS

RENEWABLE ENERGY

By investing in solar power, we contribute to the green transition and promote more renewable energy on the European electricity grid.

Our biggest investment in renewable energy to date was the construction of one of Northern Europe's largest solar power plants. The plant located in Holstebro, Denmark, has a capacity of 207 megawatts, corresponding to the electricity consumption of 130,000 Danish households.

Through power purchase agreements (PPA) the energy production from the solar power plant covers the energy consumption of the European operations of our largest companies including BESTSELLER and NORMAL.

Today, it is not possible to trace energy directly from a solar power plant to households' or companies' electrical socket. All energy – renewable as well as fossil fuel-based – is mixed together in the electricity grid, which means that no one can constantly get 100 percent green electricity from their sockets.

A PPA ensures, however, that new renewable energy is created, as the power plant is built based on the agreement, driving the development of new solar power. With a PPA, companies buy green energy throughout a period of years, while the energy producers – through the stability of the agreements – can invest further in the construction of sustainable energy projects and supply more renewable energy to the electricity grid.

The solar power plant was one of the first in Denmark to be built without public funding or subsidies. The size of the plant is 222 hectares, which corresponds to more than 300 football fields. Upon opening, it was the largest solar power plant in Northern Europe.

OTHER INVESTMENTS IN RENEWABLE ENERGY

SEABORG

Seaborg strives to make nuclear power an inexpensive, sustainable and safe technology that can out-compete fossil fuels and revolutionise energy markets.

Their Compact Molten Salt Reactor is planned to be deployed on modular barges which is expected to produce from 200 to 800 MW of electricity.

HEARTLAND owns 7 percent of Seaborg.

HYME

Hyme is working to mature a grid-scale thermal energy storage solution based on molten salts.

Their aim is to improve the integration of sustainable energy in the energy system. Their unique, patented approach to chemistry control allows deployment of cheap and stable hydroxide salts in compact, high-temperature energy storage up to 700 °C.

HEARTLAND owns 10 percent of Hyme.

HIGHLIGHTS

CONSERVATION

HEARTLAND is committed to preserving and restoring our environmental and cultural heritage. Our conservation work is mainly driven by Wildland, the company we founded to fulfill this mission.

We're involved with conservation projects in Scotland, Romania and Africa. We regard it as investing in the natural world: bolstering natural capital, supporting ecosystems and creating opportunities for things that are vital for future wellbeing, quality of life and economic growth. We've forgotten that the natural world is the very foundation of a good life on this planet, and we think critically that our most valuable asset is so undervalued and unappreciated.

SCOTLAND

Wildland Limited is an organisation dedicated to the rehabilitation of some of Scotland's most precious landscapes. Wildland has planted over four million trees in the Scottish Highlands and created the conditions to regenerate countless more – nurturing a landscape where wildlife can thrive, and nature can heal itself.

Wildland's philosophy, its overriding mission, is very simple. They wish to restore parts of the Scottish Highlands to their former natural splendor. And not just the land, the whole fabric of these great places. It is their 200-year vision. Today, Wildland has taken the first few steps towards making this vision a reality.

Where once this land was teeming with life, today it cries out for help. Conservation is just a word, a word that barely encompasses the breadth of work necessary to restore these lands to their former richness, or the scale of our commitment to a more sustainable future.

Our large open and natural spaces are disappearing at an alarming rate. The natural beauty of the Scottish Highlands has long been at risk. Wildland believes in giving nature a chance to fight back.

ROMANIA

In Romania there are great parallels with the Scottish Highlands. Wildland sees opportunities to learn lessons from mistakes made in one country to ensure that they do not become repeated in another, and we see an example of what we seek to have once more flourishing where it has long been lost.

In Romania, Scotland can see an image of what its own glens and hillsides were like less than two centuries ago. Mile after mile of rich forestry and all the wildlife that one might expect to thrive within it. Including all those magnificent apex predators that were also once a part of Scotland's story. Bears, wolves, and lynx for example, were all indigenous in Scotland too, but man's degradation of the landscape and focus towards commerce and profit soon meant that there was no longer a place for them and now they're all long gone.

For Romania, Scotland exists as a warning of what will happen if logging continues across countless miles of hillside and how something still wondrous could easily soon become a desert.

Alongside Wildland's own holdings in Romania, they are also supporting the Foundation Conservation Carpathia project (FCC) which seeks to create a new National Park in Europe – from the Ukrainian border in the North, right down to the Danube – that can be a rival in scale, scope and beauty to the Yellowstone and Yosemite National Parks in the United States.

AFRICA

In Tanzania and Rwanda, Wildland has acquired significant management areas where it believes the same philosophies can apply and where land, the wildlife that lives upon it and the communities that exist alongside can thrive in harmony. A harmony which is absent when only modern pressures and money are allowed to drive the dynamics of a place.

Just as is happening in elsewhere, in Africa too Wildland believes that land must be given a chance to restore itself naturally. Communities given a chance to appreciate that the real value of the land they live on is in its rich heritage and the fabulous diversity of wildlife that Africa is renowned for.

Where wildlife and communities are in conflict, Wildland wants to prove that there is another way.

Wildland plans to restore buildings and homesteads and explore the benefits of ecotourism over subsistence farming. Benefiting not just Wildland but the communities that live and work on or alongside their land.

BESTSELLER

INTRODUCTION

BESTSELLER is a global fashion company. Its business model is based on building strong partnerships throughout the value chain. They create value for partners through buying and selling affordable fashion products.

Founded by the Holch Povlsen family in Denmark in 1975, BESTSELLER remains the most important subsidiary of HEARTLAND's portfolio of companies.

BESTSELLER has a range of more than 20 brands including JACK & JONES, NAME IT and ONLY. They sell clothes and accessories for all ages, genders and occasions. Their products are based on the concept of good quality at competitive prices.

Today BESTSELLER products are sold in 70 countries across Europe, Asia, North America, South America and the Middle East. As well as globally through their own ecommerce platforms.

Their wholesale business sells products to over 17,000 multi-brand and department stores worldwide. There are approximately 3,000 branded BESTSELLER retail stores in 32 countries globally. They own approximately 2,400 stores, while the other stores are operated by franchisees.

More than 18,000 colleagues work in BESTSELLER across design, logistics, sales, technology and other functions. Their global supply chain involves hundreds of thousands of people across six continents. They cooperate with more than 500 suppliers and 800 factories across 23 countries, including India, China, Bangladesh, Turkey, Cambodia, Myanmar and Pakistan.

HEARTLAND owns 100 percent of BESTSELLER.

BESTSELLER

KEY ACHIEVEMENTS:

Through a power purchase agreement (PPA), they achieved their first Science Based Target in FY 2021/22 by reducing Scope 1 and 2 greenhouse gas emissions (GHGe) by 82 percent.

By the end of FY 2021/22, 97 percent of cotton was sourced responsibly. Just below their target by the end of 2022 of 100 percent.

Reached more than 125,000 women through the women empowerment programmes, which is above their target of 100,000 women.

OUTLOOK FOR FY 2022/23
KEY GOALS:

Increase their portfolio of branded and certified materials, which are materials produced using a lower environmental impact than traditional materials.

By 2030, reduce absolute Scope 3 GHGe from purchased goods and services, and upstream and downstream transportation by 30 percent from the 2018 base year.

Develop a Migrant Labour Strategy that will support and safeguard migrant workers in their supply chain.

BESTSELLER'S SUSTAINABILITY STRATEGY

THE NORTH STAR

BESTSELLER's North Star is the ultimate ambition of their sustainability journey. They aspire to bring Fashion Forward until they are climate positive, circular by design and fair for all. The North Star guides their strategy and goals, as well as the action they take to make their business more sustainable, as soon as possible. They take a holistic approach and strives to integrate sustainability into all elements of their business. Being part of the fashion industry, BESTSELLER acknowledge the risks and opportunities of their actions on the environment and human rights and considers sustainability from both environmental and social perspectives.

To realise the ambitions of their North Star, BESTSELLER works across their value chain to implement existing solutions, as well as supporting and adopting innovative and disruptive solutions for the fashion industry. In collaboration with HEARTLAND, BESTSELLER has set up an investment platform, Invest FWD. Through Invest FWD they aim to bring innovative solutions to sustainability challenges to scale. They help accelerate action towards the future they want for the whole fashion industry. Together they aim to substantially increase investments into sustainable business opportunities. Addressing areas to bring fashion forward. Including investing in materials with a lower environmental impact such as innovative, recycled, and organic fabrics to expand their product portfolio for their customers and shoppers.

ENVIRONMENTAL

CLIMATE POSITIVE

The first point of the North Star commits BESTSELLER to bring Fashion FWD until they are climate positive. They aim to make a positive impact on the environment across the value chain by removing more GHG than they emit. To reduce the climate impact, BESTSELLER works from several angles relating to the consumption of energy, water, chemicals and raw materials, as well as how to make waste into a resource. Their work is set out in their Fashion FWD strategy and considers the design, production and delivery of products. As well as their own offices, logistics centres and retail stores.

Besides reducing the environmental impact of their supply chain and preserving water resources, they focus on reducing GHGe according to the 3 scopes in the Greenhouse Gas Protocol. Through a power purchase agreement (PPA), BESTSELLER sources renewable electricity from HEARTLAND's solar power plant in Denmark. With this PPA they achieved their first Science Based Target, to reduce Scope 1 and 2 GHGe by 50 percent from a 2018 base year, by FY 2021/22. This has been the primary driver for reaching an 82 percent GHG drop in scope 1 and 2 GHGe.

BESTSELLER also priorities efforts within Scope 3 which are responsible for 95 percent of their GHGe. These include production of raw materials, manufacturing and transport. But in 2021 Scope 3 emissions increased nine percent compared to their baseline. This was due to the growth of their business with a corresponding increase in the number of products sold. Steps to decrease Scope 3 emissions include partnering with Danish transportation company Maersk to use carbon-neutral biofuel, Maersk ECO Delivery, for most of their sea freight. Going forward, they will work together with suppliers to explore opportunities to source onsite renewable energy and will increase their portfolio of branded and certified materials which are produced using a lower environmental footprint than traditional materials. BESTSELLER will also prioritise transport solutions which also minimise GHGe and continuing the environmental programmes within their supply chain.

CIRCULAR BY DESIGN

The second point of their North Star commits BESTSELLER to bring Fashion FWD until they are circular by design. Their business model will be based on design principles that prioritise efficiency and the reuse of resources at every level, from fibres to water and chemicals to post-consumer use, in order to minimise waste and keep resources in use.

BESTSELLER has several approaches to reach this goal. For instance, working with product innovation, recycled materials, extending product lifecycle, reusable, recycled or compostable packaging and reducing the impact of cotton. Cotton is their most important raw material by volume. As conventional cotton farming can have a significant environmental impact, they are committed to using cotton sourced responsibly and has a lower environmental impact, such as organic and recycled cotton.

BESTSELLER's goals are to source 100 percent of cotton from preferred sources by 2022, and that 30 percent of preferred cotton supply must be organic by 2025. By the end of FY 2021/22, 97 percent of cotton was sourced responsibly. Just below the target of 100 percent.

BESTSELLER

In FY 2021/22 organic cotton accounted for 13 percent of total volume, down from 22 percent in the 2021 calendar year. However, this year the organic cotton market was challenged due to inflation, energy prices, as well as flooding and fires in India and Pakistan. To support achieving the Fashion FWD goal regarding 100 percent cotton with reduced environmental impact by the end of 2022, Better Cotton has been set as a minimum requirement for all suppliers. This prerequisite has also been added as a minimum onboarding requirement for new suppliers.

SOCIAL
FAIR FOR ALL

The third point of the North Star commits BESTSELLER to support and promote that everyone working in the value chain will be equally empowered by jobs that are safe, protect human rights, provide fair incomes and opportunities for everyone to reach their personal potential.

BESTSELLER's supply chain is where they face the largest risk of impacting human rights negatively, and the biggest opportunity to make a positive impact on people's wellbeing. They respect human rights and through several tools and initiative and continuously works to support human rights, labour rights, health and safety and to empower workers. In August 2021, BESTSELLER signed the new International Accord for Health and Safety in the Textile and Garment Industry, which goes a step further than the previous iterations of the Accord in Bangladesh. They also introduced a Social and Labour Supplier Rating that measures suppliers' human rights performance. This rating incentivises suppliers to improve their social and labour performance across the indicators and will be key to meeting BESTSELLER's goal of 75 percent of all product orders made with suppliers that are highly rated in a sustainability evaluation by 2025.

After achieving the Fashion FWD Goal of empowering 100,000 women in BESTSELLER's supply chain, BESTSELLER has expanded the target in a commitment to support women. By 2025, all women employed with their strategic suppliers are provided with and have access to the resources to make their own informed decisions about health and professional development. In total they reached 128,126 women through the women empowerment programmes.

Going forward, they are developing a Migrant Labour Strategy, a policy that will better safeguard migrant workers in the supply chain from these risks, and secondly develop social impact initiatives to mitigate these risks in the factories. BESTSELLER will continue to enrol more suppliers in women empowerment initiatives and explore potential partners to develop on a wider toolbox of social impact initiatives that can address some of the salient human rights risks they face in the supply chain.

EMPLOYEES

BESTSELLER's strength comes from the combined strengths of skilled and motivated employees. They promote a culture that prioritises initiative, responsibilities and the best possible workplace. Colleagues make their voices heard by joining their global employee engagement survey, Our People's Voice (OPV). Through the OPV, colleagues are asked about their role, leadership, their team and the company in general. By March 2022 almost 9,000 colleagues were asked to voice their opinion about working at the company and with a completion rate of 80 percent and a high engagement score of 79. Although this fell slightly from a record high of 81 in 2021. In 2022, they expect to complete the global rollout of the OPV and has the ambition to introduce further surveys in the future.

DIVERSITY AND INCLUSION

BESTSELLER's Diversity and Inclusion Policy and Code of Ethics states that importance of supporting an inclusive environment with a diverse workforce. As a company operating in many markets and more than 38 countries, their employees have different backgrounds which promotes diversity, strong values and good results. They provide equal opportunities for everyone, irrespective of gender, age, ethnicity, national origin, sexual orientation, disability or religious background. they hire employees based on their personality, skills and experience.

BESTSELLER has launched an updated and expanded anti-harassment policy, upgrading the description and types of harassment that is unacceptable. In FY 2022/23, they will revise their overall policy and rename it as 'Diversity, Equity and Inclusion' and in August 2022 BESTSELLER launched IIQUAL, an inclusive collection and the first gender neutral brand.

GOVERNANCE
BUSINESS ETHICS

Due to the size of their business and different levels off transparency in countries where they operate, BESTSELLER faces risks relating to unacceptable and unethical behaviour such as corruption and bribery. they do not accept unethical business practices, which is stated in their Code of Ethics. Their Code of Ethics is a wide-ranging policy, which sets out the proper way to do business in and with the company, including anti-bribery and corruption. In FY 2021/22 they updated the Code of Ethics e-learning programme. All employees must complete Code of Ethics training every second year and BESTSELLER is developing a specialised training resource for colleagues exposed to certain risks.

NORMAL

KEY ACHIEVEMENTS:

Phased out all plastic carrier bags across NORMAL and introduced two non-woven alternatives.

A new warehouse opening in FY 2022/2023 is constructed in compliance with the DGNB (Green Building Council Denmark) gold medal standards, illustrating their focus on sustainability.

Developed cultural and operational onboarding programmes for new employees.

OUTLOOK FOR FY 2022/23
KEY GOALS:

Increase the purchase of products delivered in recycled or recyclable packaging.

Understand the environmental footprint of the company by establishing a baseline within energy and water consumption and transportation.

A digital onboarding programme in the employee app will be introduced.

INTRODUCTION

NORMAL is a Danish retailer selling completely normal goods at abnormally low prices. They are primarily focused on personal care and cosmetics, with a range of products from well-known brands in skin care, hair care, dental care, shampoo, makeup and cleaning.

However, NORMAL is much more than fixed, low prices on well-known brands. Their goal is that it should always be a new and unique experience to visit one of their stores.

That is why NORMAL — in addition to the regular range of well-known branded products — is constantly changing shelves and podiums, so there are always new products to discover. Their store labyrinth invites shoppers on a treasure hunt among the many exciting items from well-known and unknown brands, and it is easy to fill the shopping network - without emptying the bank account.

NORMAL opened its doors to the first store in Denmark in 2013, and since then they have has grown into a chain with more than 7,000 employees and 400 stores in Denmark, Norway, Sweden, the Netherlands, France and Finland.

HEARTLAND owns 74 percent of NORMAL.

ENVIRONMENTAL

NORMAL continuously strives to reduce energy and resource consumption in their daily operations and introduce new optimised approaches in their routines and products offered. They can impact the environment through their operation and maintenance of more than 400 stores, offices, and warehouses, and through the ingredients and packaging of the assortment of products offered to customers.
NORMAL has several focus areas that support their commitment to reduce energy and resource consumption. In FY 2021/22 they phased out all plastic carrier bags across their stores and introduced two non-woven alternatives. They will increase its portfolio with products that contains better ingredients and that aspire to sustainability and products that are delivered in recycled or recyclable packaging. They have initiated a project to establish a baseline for energy and water consumption, transportation and their CO2 impact. This will enable them to set realistic and ambitious goals for the future.

NORMAL sees it as an ongoing task to review policies and their sustainability strategy and to introduce more and ambitious sustainability goals.

SOCIAL

NORMAL is an international retailer with many suppliers across mulitiple markets. Working with such a diverse supply chain represents social and human rights risks to their business.

They recognise and respect all internationally acknowledged human rights and labour market conventions. All suppliers and business partners are expected to act accordingly and through the signature of their Code of Conduct commit to their Human Rights policy. They review the policy on a regular basis to assess risks, prevention, mitigation, and potential remediation.

It is crucial to NORMAL to attract and retain talented employees. Therefore, they strive to be a preferred workplace with a high level of job satisfaction and want to reflect their surrounding society, also in terms of workforce diversity. To achieve this, they have among other things implemented a leadership programme in all parts of the organisation and have established a programme for store manager side-by-side trainers, providing newly appointed managers with on-site training and a basic knowledge of successful management of a NORMAL store.

In addition, there is a strong focus on onboarding routines and ensuring a healthy and safe working environment for all employees and NORMAL has developed a cultural and operational onboarding programme. In FY 2022/23 a digital onboarding programme in the employee app will be introduced.

At NORMAL's warehouses various initiatives emphasise their social responsibility. For instance, NORMAL is working together with the local municipality and a socio-economic company, to provide jobs and internships helping challenged citizens with mental and physical disabilities and people finding themselves on the edge of the labour market.

GOVERNANCE

NORMAL has a zero-tolerance policy towards corruption and bribery both within the company and towards business partners and considers the business relationship with suppliers to pose the largest risk to the company. All employees receive and sign the internal Code of Ethics setting out their ethical guidelines and anti-corruption policy and all new employees have received and signed the Code of Ethics in FY 2021/22.
Likewise, in 2021/2022 all suppliers have either signed their Code of Conduct or referred to their own Codes of Conduct on terms that meet their requirements. High ethical standards are of high priority for NORMAL who will continuously focus on this subject.

nemlig.com

KEY ACHIEVEMENTS:

Increased the lifespan of thermal boxes, keeping customers' orders cooler more efficiently.

Established a certification program for independent transporters.

Established a whistle-blower system.

OUTLOOK FOR FY 2022/23 KEY GOALS:

Launched a new sustainability strategy with initiatives and specific goals for the future.

Increased customer communication to reduce food waste.

Nemlig.com will continue to focus on cooperation and communication with business partners for the purpose of upholding a safe and healthy working environment for employees.

INTRODUCTION

Nemlig.com is Denmark's largest online supermarket retailer, selling food and non-food groceries through their online platform.

Today, more than four out of five households can receive groceries and meal boxes from Nemlig.com.

With over 11,500 unique item numbers and a large assortment of organic products, Nemlig.com offers a wide selection of daily groceries for everyday use, and from over 25 unique farm and specialty shops.

Nemlig.com has more than 1,400 employees and partners with suppliers and transporters to buy and deliver groceries across Denmark.

In 2022 Nemlig.com opened a new, energy-efficient warehouse in Aarhus. As a result, Nemlig.com now has the two largest warehouses in Denmark dedicated to selling groceries online.

HEARTLAND owns 71 percent of Nemlig.com.

ENVIRONMENTAL

Nemlig.com's ambition is to be the most sustainable grocery store in Denmark. They work to document and improve their environmental impact across their value chain. They specifically focus on reducing food waste and reducing and optimising the packaging of groceries, as these areas have been identified as having a high risk of negatively impacting the environment.

In FY 2021/22, they increased the fight against food waste by working in three impact areas: Improving procurement order forecasting, donations of surplus goods to four non-profit organisations and Copenhagen Zoo, and by actively communicating with consumers on how to reduce food waste. Through the initiative 'Danmark mod madspild', they are committed to measure and report on food waste each year and give input to a best-practice catalogue for food producers and retailers.

One of the goals for Nemlig.com is to further reduce waste by 50 percent before 2030. In FY 2022/23 they will increase communication with consumers about food waste since this is where the largest amount of food waste takes place.

Nemlig.com has several ongoing projects with the purpose of reducing the amount of plastic packaging, both by cooperating with suppliers of goods and packaging and by reducing the use of plastic in-house. One of the projects has reduced the use of plastic bags for packaging inside thermal boxes and at the same time has optimised the lifespan of thermal boxes due to the use of an industrial washing machine.

In FY 2022/23 they will accelerate the ambition to be the most sustainable grocery store across their value chain by launching a new sustainability strategy with initiatives and specific goals for the future.

SOCIAL

Nemlig.com has a large focus on social responsibility and continuously promotes a safe and healthy workplace with a diverse, international and multicultural group of employees. Satisfaction surveys are carried out regularly which gives them the ability to measure how their employees thrive and thereby to improve the workplace accordingly.

Nemlig.com employs more than 60 different nationalities and people who seek integration into the Danish society and work-life. They offer employees the opportunity to learn Danish during working hours. 60 employees learnt Danish in FY 2021/22. They will evaluate the programme during FY 2022/23.

The importance and respect of human rights, labour rights and a safe and healthy working environment are not only essential to them in relation to their own employees but also in relation to people employed by business partners. This is stated in their Code of Conduct and part of the agreements and reviews with both suppliers and independent transporters.

With regards to the transporters, they have developed a certification programme with the purpose to uphold and improve the service and quality provided by the transporters. Four times a year, they meet with transportation companies. Once a year they conduct an audit that evaluates the cooperation, employee working conditions, public registrations and tax reports. In FY 2022/23 Nemlig.com will continue to focus on the cooperation and communication with business partners for the purpose of upholding a safe and healthy working environment for their employees.

GOVERNANCE

Nemlig.com has governance systems in place to support responsible business practice. Among others they have established a third-party whistle-blower system that invites both internal and external stakeholders to voice their concerns anonymously. Upholding ethical business practices is crucial to them. Their whistle-blower system can be a very useful tool to raise awareness about suspicious practices. They have a zero tolerance towards corruption, bribery and nepotism and though they have not experienced any cases, the biggest risk of unethical behaviour is in relation with business partners.

In the beginning of FY 2021/22 Nemlig.com made a comprehensive life cycle assessment (LCA) publicly available. The LCA was developed by a Danish technical consultancy firm, Force Technology, according to the ISO standard 14040/14044. The analysis was peer-reviewed by three independent experts. The report documents that shoppers ordering groceries from Nemlig.com which are home delivered results in a lower climate footprint compared to shoppers driving to a store to purchase groceries.

The report also shows that the climate footprint is lower in larger cities like Copenhagen and Odense with a delivery from Nemlig.com than if the shoppers walk or take the bike to a nearby grocery store. The report is the first step in finding the overall climate footprint and will be used as an important baseline for the ongoing work with the environment and climate.

In FY 2021/22 Nemlig.com opened a new warehouse in Aarhus. It will exclusively receive electricity from the solar power plant which is owned by HEARTLAND.

WHITEAWAY GROUP

KEY ACHIEVEMENTS:

Awarded by PriceRunner for providing customer support at a high level, guiding on new energy labels and reducing energy consumption.

All leaders were trained in diversity, inclusion and anti-discrimination.

Launched a whistle-blower system where corruption, bribery and human rights issues, etc. can be reported.

OUTLOOK FOR FY 2022/23
KEY GOALS:

Launching a subscription scheme by servicing, repairing and recirculating washing machines to customers.

Examine how to further prolong product life cycle.

Continue leadership programme for new and seasoned leaders to drive business success and employee satisfaction.

INTRODUCTION

Whiteaway Group is a Danish company purchasing and selling white goods and electrical household appliances from European manufacturers to shoppers and professional customers.

Their products are sold through their own operations and franchise stores across Denmark, Norway and Sweden. Over 240 employees work at Whiteaway Group and their mission is to serve customers and business partners in a way that creates measurable value and joy, today and tomorrow.

The company began as a hobby project for the founders and has grown to be the largest player on the Scandinavian market within white goods. Whiteaway Group owns Skousen, a Danish white goods retailer.

The company operates in a very competitive industry with a high degree of product transparency. Their intellectual capital resources are primarily attributable to two factors: staff and web platform.

The post Covid-19 impact on customer buying behaviour as well as market uncertainty have proven to impact their business adversely going into this year. They expect the overall market conditions to continue into the next financial year, and market growth is therefore expected to continue at a slower pace. However, they do not see the market conditions impacting Whiteaway Group to a higher degree than their competitors.

They expect that their market position, diversified channels and presence across Nordic countries will enable the group to grow next year.

HEARTLAND owns 54 percent of Whiteaway Group.

ENVIRONMENTAL

The protection of the environment and the reduction of greenhouse gas emissions (GHGe) is on top of the agenda in relation to suppliers, as well as improving their logistics set-up. Further initiatives include the disposal of products and the overall consumption of energy throughout office locations and across franchise stores. They strive to protect the environment and reduce GHGe relative to output and considers its energy consumption, particularly related to the goods sold, as a high risk of negatively affecting the environment. In this respect, they continuously focus on reducing their energy consumption in collaboration with last mile distribution partners, warehouse management partners as well as encourage product suppliers to strengthen the assortment of more energy efficient alternatives and focus on their overall environmental impact.

In 2022, Whiteaway moved to new offices in Denmark. The key criteria for the choice of location, as well as the design of the offices, was lowering the overall energy consumption of the office.

Another focus is guiding their customers to buy more energy efficient home appliances and to give advice on how to use the products correctly and how this can prolong the life span. This is supported by the full enrolment of the rescaled EU energy label, guides for customers across all web shops, instore guides with '10 tips to take care of your appliances', and training of store personnel. The Group Customer Consultants were educated to fully advise Scandinavian customers by mail, chat, or phone and in FY 2021/22 this work was recognised by PriceRunner as part of the reason why they won The Ecommerce Company of the Year Award in the white goods category.

To support the goal of prolonging the life span of white goods, in FY 2020/21 they started selling spare parts through a supplier to make it easier for customers to repair the products themselves. The level of spare parts sold in FY 2021/22 equals FY 2020/21. Further, in FY 2022/23 the company will launch a subscription scheme by servicing, repairing, and recirculating washing machines to customers who prefer subscribing over buying. By 2025 they aim to have 15,000 machines in circulation.

SOCIAL

Whiteaway Group is committed to social responsibility and wants to contribute to the well-being of their employees, offering them equal opportunities and strive towards having a value-based workplace that drives employee engagement and satisfaction.

Low levels of employee satisfaction and the ability to attract and retain talent are identified as a material risk to the company. In FY 2021/22 the employee satisfaction score dropped from 79 to 77.5 compared to FY 2020/21, however, the score was still higher than the industry average of 71. This drop combined with a higher employee turnover rate can be explained by a very volatile job market, combined with a very low level of exits in FY 2020/21. General focus on employee satisfaction will be part of the leadership development programme in FY 2022/23.

The company promotes an open, diverse, and inclusive environment, where employees are welcomed and can contribute regardless of background. Diversity is an important part of doing business which is also a focus area across leadership functions. Across C-level and next level leadership the split is 23 percent women

WHITEAWAY GROUP

(8) and 77 percent men (26). When recruiting for new leadership positions whether using internal or external recruitment, they require that both male and female candidates are presented in the process.

Whiteaway Group does not tolerate any discrimination or harassment based on religion, race, colour, gender, disabilities, age, sexual orientation, political orientation, or any other kind of harassment as stated in their employee handbook. Inclusion and non-discrimination are addressed at both recruitment workshops for leaders, a leadership development programme and value introduction for employees. All leaders were trained in the FY 2021/22, and new leaders will go through the same programme in FY 2022/23.

Whiteaway Group supports and respects internationally proclaimed human rights and works to identify risks, prevent, and mitigate negative impacts on human rights across their value chain. Forced labour and human trafficking have been identified as material risks, but human rights in general are addressed in their Code of Conduct. Their Code of Conduct is a mandatory part of business agreements and part of the annual negotiations with suppliers. The company has initiated a due diligence process consisting of risk assessments, where suppliers are categorised in four segments based on country risk and volume of purchase. All suppliers are continually reviewed.

GOVERNANCE

As stated in the Employee Handbook and the Supplier Code of Conduct, the company does not accept corruption in any form, including bribery and facilitation payments and has strict guidelines regarding entertainment and gifts. Operating internationally, they are exposed to risks associated with corruption and bribery and considers the most material risks exist in the supply chain. They have launched a whistle blower system where corruption and bribery issues can be reported.

GROUP

Consolidated financial statements

INCOME STATEMENT

1 August - 31 July

(mDKK)	Note	2021/22	2020/21
Revenue	1	**50,491**	**39,155**
Other operating income		322	483
Cost of sales		-27,579	-21,586
Other external costs		-8,164	-5,992
Gross profit		**15,070**	**12,060**
Staff cost	2	-7,540	-6,330
Depreciation, amortisation and impairment losses	8-9	-1,118	-1,701
Profit before net financials		**6,412**	**4,029**
Result from investments in associates	3	-2,895	2,026
Financial income	4	590	1,375
Financial costs	5	-1,906	-395
Profit before tax		**2,201**	**7,035**
Tax on profit for the year	6	-946	-1,111
Profit for the year		**1,255**	**5,924**

BALANCE SHEET
31 July

Assets (mDKK)	Note	2022	2021
Software		371	301
Goodwill		1,507	1,700
Key money/leasehold rights/trademark rights		66	69
Intangible assets	**8**	**1,944**	**2,070**
Land and buildings		12,903	11,702
Other fixtures and fittings, tools and equipment		1,863	977
Leasehold improvements		894	786
Property, plant and equipment in progress		2,448	1,484
Property, plant and equipment	**9**	**18,108**	**14,949**
Investments in associates	10	18,642	19,541
Other non-current investments	11	1,305	1,170
Deposits	11	238	205
Fixed financial assets		**20,185**	**20,916**
Total non-current assets		**40,237**	**37,935**

Assets (mDKK)	Note	2022	2021
Inventories		**10,609**	**6,843**
Trade receivables		3,581	2,958
Receivables from associates		137	0
Other receivables		1,776	1,047
Deferred tax asset	13	248	264
Corporation tax		170	273
Prepayments	12	460	401
Receivables		**6,372**	**4,943**
Securities		**885**	**1,608**
Cash and cash equivalents		**3,050**	**4,724**
Total current assets		**20,916**	**18,118**
Total assets		**61,153**	**56,053**

BALANCE SHEET
31 July

Equity and liabilities (mDKK)	Note	2022	2021
Share capital		80	80
Reserve for exchange rate adjustments		1,581	730
Reserve for hedging adjustment		366	0
Retained earnings		30,639	29,763
Equity before non-controlling interests		**32,666**	**30,573**
Non-controlling interests		1,255	1,007
Equity		**33,921**	**31,580**
Deferred tax	13	324	163
Other provisions	14	1,453	1,761
Total provisions		**1,777**	**1,924**
Mortgage loans		1,291	1,012
Credit institutions		3,050	0
Total non-current liabilities	**15**	**4,341**	**1,012**

Equity and liabilities (mDKK)	Note	2022	2021
Mortgage loans	15	477	144
Credit institutions		9,123	10,809
Trade payables		6,337	5,714
Corporation tax		1,184	1,255
Payables to associates		149	0
Other payables		3,725	3,494
Deferred income	16	119	121
Total current liabilities		**21,114**	**21,537**
Total liabilities		**25,455**	**22,549**
Total equity and liabilities		**61,153**	**56,053**

STATEMENT OF CHANGES IN EQUITY

(mDKK)	Share capital	Reserve for exchange rate adjustments	Reserve for hedging adjustments	Retained earnings	Equity before non-controlling interests	Non-controlling interests	Total
Equity at 1 August 2021	**80**	**730**	**0**	**29,763**	**30,573**	**1,007**	**31,580**
Exchange adjustments	0	851	0	0	**851**	-10	**841**
Ordinary dividend paid	0	0	0	0	**0**	-56	**-56**
Purchase of non-controlling shares	0	0	0	-384	**-384**	27	**-357**
Additions non-controlling interests	0	0	0	0	**0**	58	**58**
Fair value adjustment of hedging instruments	0	0	470	0	**470**	0	**470**
Tax on transactions on equity	0	0	-104	0	**-104**	0	**-104**
Other equity movements	0	0	0	234	**234**	0	**234**
Net profit for the year	0	0	0	1,026	**1,026**	229	**1,255**
Equity at 31 July 2022	**80**	**1,581**	**366**	**30,639**	**32,666**	**1,255**	**33,921**

THE SHARE CAPITAL CONSISTS OF:	Nominal Value
40,000 A shares of DKK 1,000	40,000
40,000 B shares of DKK 1,000	40,000
Total shares	**80,000**

The shares have equal voting rights.

ACCOUNTING POLICY

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 other 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.

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.

Reserve for hedging transactions
The reserve for hedging transactions includes the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future payment flows and the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging is no longer effective. The reserve does not represent a company law binding and may therefore be negative.

CASH FLOW STATEMENT

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ACCOUNTING POLICIES

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 equivalents.

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.

(mDKK)	Note	2021/22	2020/21
Net profit for the year		**1,255**	**5,924**
Adjustments	23	6,177	-356
Change in working capital	24	-3,993	-180
Corporation tax paid		-1,045	-462
Cash flows from operating activities		**2,394**	**4,926**
Purchase of intangible assets		-284	-146
Purchase of property, plant and equipment		-3,834	-2,240
Purchase of non-current investments		-1,604	-2,736
Sale of intangible assets		21	6
Sale of property, plant and equipment		65	534
Sale of non-current investments		31	608
Sale/purchase securities		-161	-417
Dividends received from associates		124	1,025
Deposits		-23	-30
Cash flows from investing activities		**-5,665**	**-3,396**
Repayment/raising of mortgage loans		572	-43
Repayment/raising of loans from credit institutions		1,323	-331
Sale/purchase of non-controlling shares		-299	-356
Dividend paid		-56	-30
Cash flows from financing activities		1,540	**-760**
Change in cash and cash equivalents		**-1,731**	**770**
Cash and cash equivalents at 1 August 2021		4,724	3,796
Purchase of subsidiary		0	159
Exchange adjustment of cash		57	-1
Cash and cash equivalents at 31 July 2022		**3,050**	**4,724**

TABLE OF NOTES

ACCOUNTING POLICIES

This section introduces HEARTLAND's accounting policies. A detailed description of accounting policies is disclosed in the respective notes.

The annual report 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 2021/22 is presented in mDKK.

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.

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 cf. the Group chart.

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 unrealised 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.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Equity investments in associates are recognised in the consolidated financial statements using the equity method.

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.

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.

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.

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.

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.

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 EXTERNAL COSTS

Other external costs comprise costs for distribution, marketing and administration, including office costs, etc.

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.

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.

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

LIABILITIES OTHER THAN PROVISIONS

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

FAIR VALUE

Fair value is determined based on the principal market. If no principal market exists, the fair value is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3 Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

NOTE 1

REVENUE

(mDKK)	2021/22	2020/21
Denmark	9,296	8,828
Rest of Europe	36,231	28,790
Rest of the world	4,964	1,537
Total revenue	**50,491**	**39,155**
Revenue related to sale of clothes	38,285	29,399
Revenue related to other activities	12,206	9,756
Total revenue	**50,491**	**39,155**

§

ACCOUNTING POLICY

Revenue from the sale of goods and services 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 and estimated returns.

NOTE 2

STAFF COSTS

(mDKK)	2021/22	2020/21
Wages and salaries	6,293	5,310
Pensions	330	293
Other social security costs	585	467
Other staff costs	332	260
	7,540	**6,330**
Average number of employees	23,904	21,208

Executive Board received remuneration of DKK 38.0 mDKK (2020/21: 21.6 mDKK).
The remuneration is dependent on the Group's profit. The Supervisory Board received no remuneration.

§

ACCOUNTING POLICY

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.

NOTE 3

RESULT FROM INVESTMENTS IN ASSOCIATES

(mDKK)	2021/22
Net loss for the year	-3,150
Realisation of investments in associates	255
	- 2,895

NOTE 4

FINANCIAL INCOME

(mDKK)	2021/22	2020/21
Income from other non-current investments	22	417
Fair value adjustment securities	0	294
Other financial income	568	664
	590	**1,375**

NOTE 5

FINANCIAL COSTS

(mDKK)	2021/22	2020/21
Loss regarding other non-current investments	813	92
Fair value adjustment securities	314	0
Other financial costs	779	303
	1,906	**395**

§

ACCOUNTING POLICY

Financial income and costs comprise interest income and costs, realised and unrealised 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.

NOTE 6

TAX ON PROFIT FOR THE YEAR

(mDKK)	2021/22	2020/21
Current tax for the year	929	1,179
Change in deferred tax for the year	55	-30
Adjustment of tax concerning previous years	-38	-38
	946	**1,111**

§

ACCOUNTING POLICY

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.

NOTE 7

DISTRIBUTION OF PROFIT

(mDKK)	2021/22	2020/21
Minority interests' share of net profit/loss of subsidiaries	229	10
Retained earnings	1,026	5,914
Profit for the year	**1,255**	**5,924**

NOTE 8

INTANGIBLE ASSETS

(mDKK)	Software	Goodwill	Key money Leasehold rights Trademark rights
Cost at 1 August 2021	**734**	**3,558**	**309**
Exchange adjustment	6	19	9
Additions for the year	191	70	23
Disposals for the year	-52	-125	-4
Cost at 31 July 2022	**879**	**3,522**	**337**
Impairment losses and amortisation at 1 August 2021	**433**	**1,858**	**240**
Exchange adjustment	4	10	3
Impairment losses for the year	0	0	11
Amortisation for the year	117	257	20
Reversal of amortisation of sold assets	-46	-110	-3
Impairment losses and amortisation at 31 July 2022	**508**	**2,015**	**271**
Carrying amount at 31 July 2022	**371**	**1,507**	**66**

§

ACCOUNTING POLICY

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.

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.

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.

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.

NOTE 9

PROPERTY, PLANT AND EQUIPMENT

(mDKK)	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 August 2021	**13,974**	**3,544**	**3,151**	**1,484**
Exchange adjustment	96	46	56	2
Additions for the year	975	587	462	1,819
Disposals for the year	-8	-156	-110	-9
Transfers for the year	228	519	101	-848
Cost at 31 July 2022	**15,265**	**4,540**	**3,660**	**2,448**
Impairment losses and depreciation at 1 August 2021	**2,272**	**2,566**	**2,365**	**0**
Exchange adjustment	21	33	43	0
Impairment losses and reversals for the year	-147	-13	71	0
Depreciation for the year	217	225	360	0
Reversal of depreciation of sold assets	-1	-134	-73	0
Impairment losses and depreciation at 31 July 2022	**2,362**	**2,677**	**2,766**	**0**
Carrying amount at 31 July 2022	**12,903**	**1,863**	**894**	**2,448**

§

ACCOUNTING POLICY

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:

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

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 period 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.

NOTE 10

INVESTMENTS IN ASSOCIATES

(mDKK)	2022	2021
Cost at 1 August 2021	**16,834**	**14,907**
Additions for the year	1,219	2,391
Disposals for the year	-140	-110
Transfers for the year	600	-354
Cost at 31 July 2022	**18,513**	**16,834**
Revaluations at 1 August 2021	**2,707**	**1,175**
Disposals for the year	75	27
Exchange adjustment	532	584
Result for the year	-3,150	2,026
Received dividend	-124	-1,025
Transfers for the year	-141	-156
Other equity movements, net	230	76
Revaluations at 31 July 2022	**129**	**2,707**
Carrying amount at 31 July 2022	**18,642**	**19,541**
Goodwill included in the above carrying amount at 31 July 2022	**5,717**	**6,938**

Ownership in associates, see group chart pages 55-61

ACCOUNTING POLICY

INVESTMENTS IN ASSOCIATES

All participating interests are associates and thus classified associates in the balance sheet. Investments in 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 associates 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 associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost.

Result from investmens in associates

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.

NOTE 11

NON-CURRENT INVESTMENTS

(mDKK)	Other non-current investment	Deposits
Cost at 1 August 2021	**2,220**	**205**
Exchange adjustment	0	10
Additions for the year	378	58
Transfers	570	0
Disposals for the year	-22	-35
Cost at 31 July 2022	**3,146**	**238**
Revaluations at 1 August 2021	**-1,050**	**-**
Revaluations for the year	-791	-
Revaluations at 31 July 2022	**-1,841**	**-**
Carrying amount at 31 July 2022	**1,305**	**238**

Fair value of other non-current investments is measured based on stock market price (Fair Value Level 1). Fair value at 31 July 2022, consitute 812 mDKK. Fair value adjustment in profit and loss statement constitute -727 mDKK, where 22 mDKK presented as financial income and 749 mDKK as financial cost.

§

ACCOUNTING POLICY

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.

NOTE 12

PREPAYMENTS

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

NOTE 13

DEFERRED TAX

(mDKK)	2022	2021
Deferred tax at 1 August	**101**	**39**
Exchange adjustment	-4	-4
Adjustment of deferred tax for the year	-55	30
Other movements on deferred tax	-129	29
Deferred tax concerning previous years	11	7
Deferred tax at 31 July	**-76**	**101**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	248	264
Deferred tax liabilities	-324	-163
	-76	**101**

§

ACCOUNTING POLICY

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.

NOTE 14

OTHER PROVISIONS

(mDKK)	2022	2021
Balance at beginning of year	1,760	2,031
Exchange adjustment	-3	-6
Provision in year	362	240
Applied in the year	-666	-504
	1,453	**1,761**

The expected due dates of other provisions are:		
Within one year	650	912
Between 1 and 5 years	684	709
Over 5 years	119	140
	1,453	**1,761**

Other provisions primarily compromise pending disputes, onerous lease contracts and other liabilities, etc.

ACCOUNTING POLICY

Provisions are measured at net realisable 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.

NOTE 15

LONG-TERM DEBT

Mortage loans (mDKK)	2022	2021
After 5 years	1,039	545
Between 1 and 5 years	252	467
Non-current portion	**1,291**	**1,012**
Within 1 year	477	144
Mortgage loans at 31 July	**1,768**	**1,156**

Credit institutions (mDKK)	2022	2021
After 5 years	0	0
Between 1 and 5 years	3,050	0
Non-current portion	**3,050**	**0**
Within 1 year	920	0
Credit institutions at 31 July	**3,970**	**0**

ACCOUNTING POLICY

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.

NOTE 16

DEFERRED INCOME

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

NOTE 17

EVENTS AFTER BALANCE SHEET DATE

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

NOTE 18

RENT & LEASE LIABILITIES

(mDKK)	2022	2021
Within 1 year	2,175	1,931
Between 1 and 5 years	4,316	3,759
After 5 years	854	628
	7,345	**6,318**

NOTE 19

CONTINGENT LIABILITIES

GUARANTEE COMMITMENTS

The group has issued guarantee commitments for 0.5 bDKK

OTHER CONTINGENT LIABILITIES

The group has entered into purchase agreements totaling 1.8 bDKK

The group has other obligations amounting to a total of 0.1 bDKK

The group has provided collateral for mortgage debt and bank debt totaling 4.5 bDKK (2020/21: 4.2 bDKK) which is secured by land and buildings, with a carrying amount of 7.3 bDKK (2020/21: 6.3 bDKK).

As collateral for bank debt of 3.0 bDKK, the group has provided security in shares in investments with a total book value of 9.5 bDKK.

The group has provided collateral for mortgage debt and bank debt with a mortgage deed of 0.6 bDKK.

NOTE 20

FINANCIAL INSTRUMENTS

Group
The Group uses hedging instruments such as forward exchange contracts, 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 2022, the group has entered into foreign exchange forward contracts relating to future transactions in foreign currency of 905 mUSD, 453 mCNY million and 100 mNOK.

At 31 July 2022, the value of the contracts is +517 mDKK before tax, which is recognised in the balance sheet.

At 31 July 2022, the group has also entered into foreign currency options. The market value amounts to 6 mDKK. The underlying asset spend (in USD) represents a higher value than the value of the foreign currency.

All transactions is to be realised within the next financial year 2022/23.

The agreements are made with the companys banking partners, Nordea and Danske Bank, as the counterparties, it is our assement that there is no payment risk associated with these counterparties.

(mDKK)	DERIVATE FINANCIAL INSTRUMENTS
Fair value, at 31 july 2022	517
Value adjustments in the income statement	47
Changes recognised in the reserve for hedging transactions	470

NOTE 21

RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest: Anders Holch Povlsen (Majority owner)

Transactions (mDKK)	2021/22
Sale of goods to other related parties	5,101.3
Sale of services to other related parties	422.5
Purchase of goods from other related parties	38.1
Purchase of services from other related parties	32.0
Interest income from other related parties	0.3
Capital contributions	1,070.0
Receivables from other related parties	137.0
Payables to other related parties	149.0

NOTE 22

FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

(mDKK)	2022	2021
EY Godkendt Revisionspartnerselskab:		
Fees regarding statutory audit	9	9
Assurance engagement	1	1
Tax assistance	1	1
Other assistance	1	2
	12	**13**

NOTE 23

CASH FLOW STATEMENT — ADJUSTMENTS

(mDKK)	2021/22	2020/21
Depreciation, amortisation and impairment losses	1,118	1,701
Result regarding other non-current investments	791	-508
Result from investments in associates	2,895	-2,026
Tax on profit for the year	946	1,110
Change in other provisions	-104	-283
Fair value adjustment on securites	314	-294
Other adjustments	217	-57
	6,177	**-357**

NOTE 24

CASH FLOW STATEMENT — CHANGE IN WORKING CAPITAL

(mDKK)	2022	2021
Change in inventories	-3,766	-2,045
Change in receivables	-929	-728
Change in trade payables, etc.	702	2,593
	-3,993	**-180**

PARENT

Financial statement

INCOME STATEMENT
1 August - 31 July

Revenue (mDKK)	**Note**	**2021/22**	**2020/21**
Other operating income		11	12
Other external costs		-125	-43
Gross profit		**-114**	**-31**
Staff costs	1	-35	-36
Depreciation, amortisation and impairment losses	6	-2	-2
Profit before net financials		**-151**	**-69**
Income from investments in subsidiaries	7	1,132	5,956
Financial income	2	46	38
Financial costs	3	-32	-18
Profit before tax		**995**	**5,907**
Tax on profit for the year	4	31	7
Profit for the year	5	**1,026**	**5,914**

BALANCE SHEET
31 July

Assets (mDKK)	Note	2022	2021
Land and buildings		187	78
Other fixtures and fittings, tools and equipment		2	1
Property, plant and equipment	6	**189**	**79**
Investments in subsidiaries	7	35,815	33,635
Receivables from group enterprises		600	148
Fixed financial assets		**36,415**	**33,783**
Total non-current assets		**36,604**	**33,862**
Receivables from group enterprises		3,923	690
Other receivables		19	3
Deferred tax asset	9	6	0
Corporation tax		24	8
Prepayments	8	2	1
Receivables		**3,974**	**702**
Cash at hand and in bank		236	61
Total current assets		**4,210**	**763**
Total assets		**40,814**	**34,625**

Equity and liabilities (mDKK)	Note	2022	2021
Share capital		80	80
Reserve for net revaluation under the equity method		10,273	10,697
Retained earnings		22,313	19,796
Equity		**32,666**	**30,573**
Mortgage loans	10	103	43
Credit institutions	10	3,050	0
Payables to group enterprises		17	12
Total non-current liabilities		**3,170**	**55**
Mortgage loans	10	3	2
Credit institutions		1,940	0
Trade payables		2	2
Payables to group enterprises		2,891	3,854
Corporation tax		16	0
Other payables		125	138
Deferred income	12	1	1
Total current liabilities		**4,978**	**3,997**
Total liabilities		**8,148**	**4,052**
Total equity and liabilities		**40,814**	**34,625**

STATEMENT OF CHANGES IN EQUITY

Equity (mDKK)	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 August 2021	**80**	**10,697**	**19,796**	**30,573**
Exchange adjustments	0	851	0	**851**
Other equity movements	0	216	0	**216**
Net profit for the year	0	1,132	-106	**1,026**
Distributed dividends from investments in subsidiaries	0	-2,623	2,623	**0**
Equity at 31 July 2022	**80**	**10,273**	**22,313**	**32,666**

THE SHARE CAPITAL CONSISTS OF:	Nominal Value
40,000 A shares of DKK 1,000	40,000
40,000 B shares of DKK 1,000	40,000
Total shares	**80,000**

§

ACCOUNTING POLICY

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.

TABLE OF NOTES

NOTES TO INCOME STATMENT

NOTES TO BALANCE SHEET

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ACCOUNTING POLICY

For a summary of the general accounting policies please refer to page 27 in the notes to the consolidated financial statements.

NOTE 1

STAFF COSTS

(mDKK)	2021/22	2020/21
Wages and salaries	33	34
Pensions	1	1
Other social security costs	0	0
Other staff costs	1	1
	35	**36**
Average number of employees	20	18

According to section 98 B(3) of the Danish Financial Statements Act, renumeration to the executive board has not been disclosed.

ACCOUNTING POLICY

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.

NOTE 2

FINANCIAL INCOME

(mDKK)	2021/22	2020/21
Financial income, group enterprises	28	37
Other financial income	18	1
	46	**38**

NOTE 3

FINANCIAL COSTS

(mDKK)	2021/22	2020/21
Financial costs, group	6	7
Other financial costs	26	11
	32	**18**

ACCOUNTING POLICY

Financial income and costs comprise interest income and costs, realised and unrealised 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.

NOTE 4

TAX ON PROFIT

(mDKK)	2022	2021
Current tax for the year	-23	-7
Change in deferred tax for the year	-6	0
Adjustment of tax concerning previous years	-2	0
	-31	**-7**

NOTE 5

DISTRIBUTION OF PROFIT

(mDKK)	2022	2021
Reserve for net revaluation under the equity method	1,132	5,956
Retained earnings	-106	-42
Profit for the year	**1,026**	**5,914**

ACCOUNTING POLICY

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.

NOTE 6

PROPERTY, PLANT AND EQUIPMENT

(mDKK)	Land and buildings	Operating equipment	Total
Cost at 1 August 2021	**83**	**1**	**84**
Additions	110	2	**112**
Disposals	0	-1	**-1**
Cost at 31 July 2022	**193**	**2**	**195**
Impairment losses and depreciation at 1 August 2021	**4**	**1**	**5**
Depreciation for the year	2	0	**2**
Reversal of depreciation of sold assets	0	-1	**-1**
Impairment losses and depreciation at 31 July 2022	**6**	**0**	**6**
Carrying amount at 31 July 2022	**187**	**2**	**189**

§

ACCOUNTING POLICY

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 lives:

Buildings: 10-100 years
Operationg equipment: 3-5 years

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 period 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.

NOTE 7

INVESTMENTS IN SUBSIDIARIES

(mDKK)	2022	2021
Cost at 1 August	**22,938**	**20,087**
Additions for the year	2,604	2,865
Disposals for the year	0	-14
Cost at 31 July	**25,542**	**22,938**
Revaluations at 1 August	**10,697**	**5,210**
Disposals for the year	0	5
Exchange adjustment	851	730
Net profit for the year	1,132	5,956
Received dividend	-2,623	-920
Other equity movements, net	216	-284
Revaluations at 31 July	**10,273**	**10,697**
Carrying amount at 31 July	**35,815**	**33,635**

Ownership in subsidiaries, see group chart pages 55-61.

NOTE 8

PREPAYMENTS

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

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ACCOUNTING POLICY

Investments in subsidiaries

Investments in subsidiaries 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 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 are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost.

Income from investmens in subsidiaries

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

NOTE 9

DEFERRED TAX

(mDKK)	2022	2021
Deferred tax at 1 August	**0**	**0**
Adjustment of deferred tax for the year	6	0
Deferred tax at 31 July	**6**	**0**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	6	0
Deferred tax liabilities	0	0
	6	**0**

ACCOUNTING POLICY

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 deerred net tax assets are measured at net realisable value.

NOTE 10

LONG-TERM DEBT

Mortage loans (mDKK)	2022	2021
After 5 years	90	36
Between 1 and 5 years	13	7
Non-current portion	**103**	**43**
Within 1 year	3	2
Mortgage loans at 31 July	**106**	**45**

Credit institutions (mDKK)	2022	2021
After 5 years	0	0
Between 1 and 5 years	3,050	0
Non-current portion	**3,050**	**0**
Within 1 year	920	0
Credit institutions at 31 July	**3,970**	**0**

ACCOUNTING POLICY

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.

NOTE 11

PAYABLES TO GROUP ENTERPRISES

(mDKK)	2022	2021
Between 1 and 5 years	17	12
Non-current portion	**17**	**12**
Within 1 year	2,891	3,854
Payables to group enterprises at 31 July	**2,908**	**3,866**

NOTE 12

DEFERRED INCOME

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

NOTE 13

EVENTS AFTER THE BALANCE SHEET DATE

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

NOTE 14

CONTINGENT LIABILITIES

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 603 mDKK at 31 July 2022. 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.

OTHER CONTINGENT LIABILITIES

The parent company has provided collateral for mortgage debt totaling DKK 106 mDKK at 31 July 2022 which is secured by land and buildings, with a carrying amount of 187 mDKK

The parent company has issued a letter of support to an affiliated company in the group for debt totaling 26 mDKK at 31 July 2022.

The parent company has issued a letter of intent to the bank for an affiliated company's obligations, which amounts to 3.0 bDKK at 31 July 2022.

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 128 mDKK at 31 July 2022.

NOTE 15

RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest: Anders Holch Povlsen
(Majority owner)

Transactions
Sale of services from group companies – 8.0 million
Sale of services to other related companies – 0.1 million

Purchase of services from group companies – 12.2 million

Interest income from subsidiaries – 28.2 million
Interest expense to subsidiaries – 6 million
Interest income from other related parties – 0.3 million

Capital contribution – 2,604.7 million
Sale of subsidiaries – 0.0 million
Received dividend – 2,623.0 million

Receivables from group companies – 3,923.0 million
Payables to group companies – 2,891.0 million
Receivables from other related parties – 17.0 million

NOTE 16

FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

Refers to the fee for the parent company which is included in the note for the group, and is thus covered by the exemption provision §96, subsection 3

MISC.

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 2021 - 31 July 2022.

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 2022 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 August 2021 - 31 July 2022.

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,
21 November 2022

EXECUTIVE BOARD

Lise Kaae

BOARD OF DIRECTORS

Anders Holch Povlsen
Chairman

Merete Bech Povlsen

Anne Kirstine Storm 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 2021 - 31 July 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies for both the group and the parent company, and a 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 2022 and of the results of the group and the parent company's operations as well as the consolidated cash flows for the financial year 1 August 2021 - 31 July 2022 in accordance with the Danish Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 and the IESBA Code.

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.

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. 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, 21 November 2022

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

HEARTLAND A/S
Store Torv 1
8000 Aarhus C

CVR no.: 28502370
Reporting period:
1 August 2021 - 31 July 2022

Domicile:
Aarhus

SUPERVISORY BOARD

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 SYMBOL OVERVIEW:

- • Subsidiary
- • • Subsidiary of subsidiary
- Etc.
- * Associated company

GROUP CHART

COMPANY	LOCATION	OWNERSHIP%
HEARTLAND A/S	**AARHUS, DENMARK**	**100%**
BESTSELLER UNITED A/S	AARHUS, DENMARK	100%
• BESTSELLER A/S	BRANDE, DENMARK	100%
•• 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	OLSO, NORWAY	100%
•• BESTSELLER LOGISTICS A/S	BRANDE, DENMARK	100%
•• BESTSELLER AUSTRALIA PTY LTD.	MOSMAN, AUSTRALIA	100%
•• BESTSELLER BIRLESIK TEKSTIL LTD.	ISTANBUL, TURKEY	90%
•• 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	VIENNA, AUSTRIA	100%
••• BESTSELLER HANDELS GMBH	VIENNA, AUSTRIA	100%

••• BESTSELLER MENA GMBH	VIENNA, 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	VIENNA, 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 SWEDEN AB	SOLNA, SWEDEN	100%
•••• ONLY STORES SWITZERLAND AG	GLATTBRUGG, SWITZERLAND	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, SWITZERLAND	100%
•• BESTSELLER STORES A/S	BRANDE, DENMARK	100%
•• BESTSELLER STORES BELGIUM BVBA	ANTWERP, BELGIUM	100%
••• BELALAN MEIR LEASEHOLD SRL	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%
•• BESTSELLER STORES GERMANY GMBH	HAMBURG, GERMANY	64%
•• 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%
•• BESTSELLER STORES LUXEMBOURG SARL	LUXEMBOURG, LUXEMBOURG	100%
•• BESTSELLER STORES NORWAY AS	BERGEN, NORWAY	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 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 FINLAND 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%
••• PARIS PROPERTY SASU	PARIS, FRANCE	100%
•• BESTSELLER WHOLESALE (IRELAND) LTD.	DUBLIN, IRELAND	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	VIENNA, 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%
••• 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%
•••• VILA GMBH	HAMBURG, GERMANY	100%
••• VILA SWEDEN AB	SOLNA, SWEDEN	100%
••• VILA WHOLESALE A/S	SKANDERBORG, DENMARK	100%
•• TOAST (MAIL ORDER) LIMITED	LONDON, UNITED KINGDOM	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 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%
• AKTIEBOLAGET AV 31.05.2021	GOTHENBURG, SWEDEN	100%
• AKTIESELSKABET AF 1.9.2021	LUNDERSKOV, DENMARK	100%
• AKSJESELSKAPET AV 31. MAI 2021	OLSO, NORWAY	100%
• BFG 2021 GMBH	HAMBURG, GERMANY	100%
•• BFR 2021 GMBH	HAMBURG, GERMANY	100%
• MIINTO HOLDING A/S	COPENHAGEN, DENMARK	76%
•• MIINTO A/S	COPENHAGEN, DENMARK	100%
•• MIINTO HOST A/S	COPENHAGEN, DENMARK	100%
•• MEINTO BENELUX B.V.	AMSTERDAM, NETHERLANDS	100%
•• MIINTO SWITZERLAND AG	GLATTBRUGG, SWITZERLAND	100%
•• MIINTO AB	STOCKHOLM, SWEDEN	100%
•• MIINTO.NO AS	OSLO, NORWAY	100%
•• MIINTO TECH PL. SP. Z O.O.	WARSAW, POLAND	100%
•• MIINTO.PL SP.Z.O.O	WARSAW, POLAND	100%
•• MIINTO BE BVBA	BRASSCHAAT, BELGIUM	100%
•• SHOWROOM SP. Z O.O.	WARSAW, POLAND	100%
• INVEST FWD A/S	AARHUS, DENMARK	100%
• BRAVEHEART INTERNATIONAL LTD.	LONDON, UNITED KINGDOM	100%
AKTIESELSKABET AF 21. NOVEMBER 2001	BRANDE, DENMARK	100%
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	60%
• 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%
•• AKTIESELSKABET AF 10.8.2021	AARHUS, DENMARK	100%
•• AKTIESELSKABET AF 5. OKTOBER 2020	BRØNDBY, DENMARK	100%
BRIGHTFOLK A/S	AARHUS, DENMARK	100%
• AKTIESELSKABET AF 9.1.2014	AARHUS, DENMARK	100%
•• INTERVARE A/S	BRØNDBY, DENMARK	71%
••• NEMLIG.COM A/S	BRØNDBY, DENMARK	100%
• AKTIESELSKABET AF 17.9.2014	AARHUS, DENMARK	100%
•• AKTIESELSKABET AF 1.12.2016	AARHUS, DENMARK	75%
••• NORMAL A/S	SKANDERBORG, DENMARK	100%
•••• NORMAL SWEDEN AB	STOCKHOLM, SWEDEN	100%
•••• NORMAL NETHERLANDS B.V.	AMSTERDAM, NETHERLANDS	100%
•••• NORMAL NORGE AS	KRISTIANSAND, NORWAY	100%
•••• NORMAL FRANCE SaS	PARIS, FRANCE	100%
•••• NORMAL FINLAND OY	HELSINKI, FINLAND	100%
•••• NORMALAS PORTUGAL	LISSABON, PORTUGAL	100%
••• EJENDOMSSELSKABET GODTHÅBSVEJ 41 A/S	SKANDERBORG, DENMARK	100%
••• AKTIESELSKABET AF 25.1.2021	AARHUS C, DENMARK	100%
•• AKTIESELSKABET AF 15.1.2021	SKANDERBORG, DENMARK	70%
• BRIGHTFOLK LIMITED	LONDON, UNITED KINGDOM	100%

•• AFRICAN LEADERSHIP UNIVERSITY (MAURITIUS) LTD.*	EBENE, MAURITIUS	20%
• HYPEZONE APS	AARHUS, DENMARK	100%
•• EMPLATE APS*	AARHUS, DENMARK	31%
• ANPARTSSELSKABET AF 2.6.2018	AARHUS, DENMARK	100%
• FOUNDERMENT A/S	AARHUS, DENMARK	50%
•• LANDFOLK A/S	AARHUS, DENMARK	47%
• UBSEND A/S	AARHUS, DENMARK	86%
•• UBSEND B.V.	AMSTERDAM, NETHERLANDS	100%
••• UBSEND GMBH	BERLIN, GERMANY	100%
•• UBSEND LIMITED	LONDON, UNITED KINGDOM	100%
• KYVEE A/S*	HOLSTEBRO, DENMARK	25%
• FOUNDERS A/S*	COPENHAGEN, DENMARK	33%
• 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	25%
• WHITEAWAY GROUP A/S	AARHUS, DENMARK	54%
•• WHITEAWAY A/S	RISSKOV, DENMARK	100%
••• WHITEAWAY AB	SOLNA, SWEDEN	100%
••• WHITEAWAY.NO AS	OSLO, NORWAY	100%
•••• SKOUSEN GLH AS	OSLO, NORWAY	100%
•••• SKOUSEN EJENDOMMER-NORGE AS	OSLO, NORWAY	100%
•• PANORAMA RETAIL AB	UMEÅ, SWEDEN	60%
•• TRETTI AB	JORDBRO, SWEDEN	100%
•• AKTIESELSKABET AF 25.2.2021	RISSKOV, DENMARK	100%
•• SKOUSEN ONLINE SERVICE A/S	RISSKOV, DENMARK	100%
••• SOS EJENDOMME 1 APS	RISSKOV, DENMARK	100%
• AKTIESELSKABET AF 20.3.2020	AARHUS, DENMARK	100%
•• KLARNA HOLDING AB*	STOCKHOLM, SWEDEN	10%
• AKTIESELSKABET AF 1.3.2017	AARHUS, DENMARK	100%
•• NUMIS CORPORATION PLC*	LONDON, UNITED KINGDOM	22%
• 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 1.7.2021	AARHUS, DENMARK	100%
• ANPARTSSELSKABET AF 30.12.2020	AARHUS, DENMARK	100%
• AKTIESELSKABET AF 12.12.2020	AARHUS, DENMARK	100%
• EASY LIVE SALES APS*	DRAGØR, DENMARK	25%
• ENTERTAINMENT TRADING A/S*	NØRRESUNDBY, DENMARK	25%
• TOUCHTECH AB*	GOTHENBURG, SWEDEN	26%
• LUNAR GROUP A/S*	AARHUS, DENMARK	12%
• LAST STUDIO A/S*	AARHUS, DENMARK	20%
• AKTIESELSKABET AF 10.6.2021	AARHUS, DENMARK	100%
• PLANDISC GROUP APS*	AARHUS, DENMARK	30%
• INVESTO CAPITAL I K/S*	AALBORG, DENMARK	50%
• SOLITWORK A/S*	VIBY J, DENMARK	20%
• NINE UNITED LOGISTICS A/S*	HORSENS, DENMARK	33%
• VARLEY INTERNATIONAL HOLDINGS LIMITED*	LONDON, UNITED KINGDOM	23%
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 AG	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, ROMANIA	100%
• S.C. WILDLAND S.R.L.	BRASOV, ROMANIA	100%
• 6A A/S	AARHUS, DENMARK	100%
• 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 KING-DOM	27%
••• INCHARVIE GROUP LIMITED*	LEVEN, UNITED KINGDOM	25%
•• KÍNRARA HOUSE LIMITED	AVIEMORE, UNITED KINGDOM	100%
•• WLLD 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%
•• SAPHIRE HOLDINGS LIMITED	EBENE, MARITIUS	50%
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%
• PLS A/S	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%

HEARTLAND