Normal

Annual report | 2022/23

NORMAL A/S
Godthåbsvej 41
8660 Skanderborg
CVR no. 34883793

As adopted at the annual
general meeting on
24 November 2023

Jan Lehrmann
Chairman

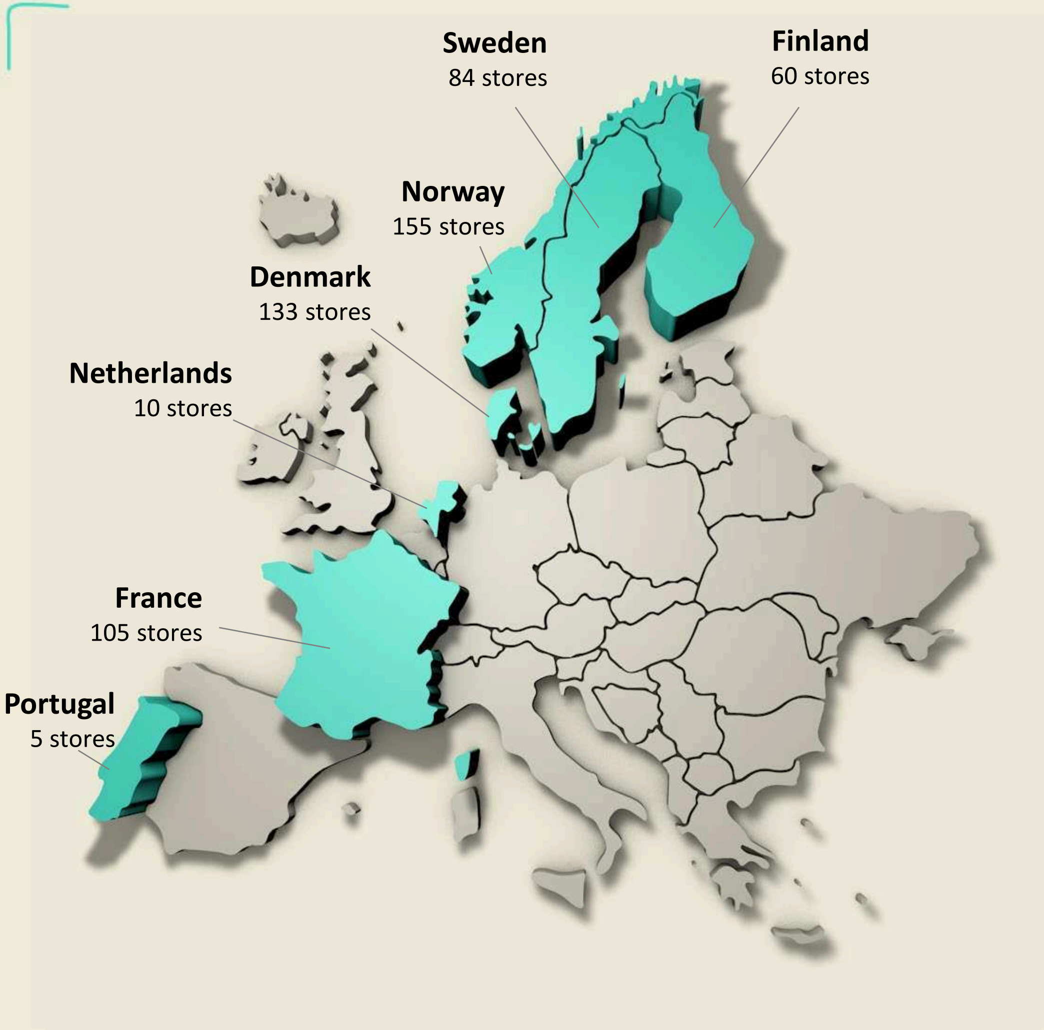
Contents

Welcome to Normal

Revenue (mDKK)	Stores	Markets	Approx number of employees
8,642	552	7	10.400

NORMAL's business activities comprise retail trade, primarily within personal care and cosmetics, and are pursued through more than 550 stores across seven markets: Denmark, Norway, Sweden, the Netherlands, France, Finland and Portugal. NORMAL also operates a central warehouse located in Jutland, Denmark.

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



The Normal concept

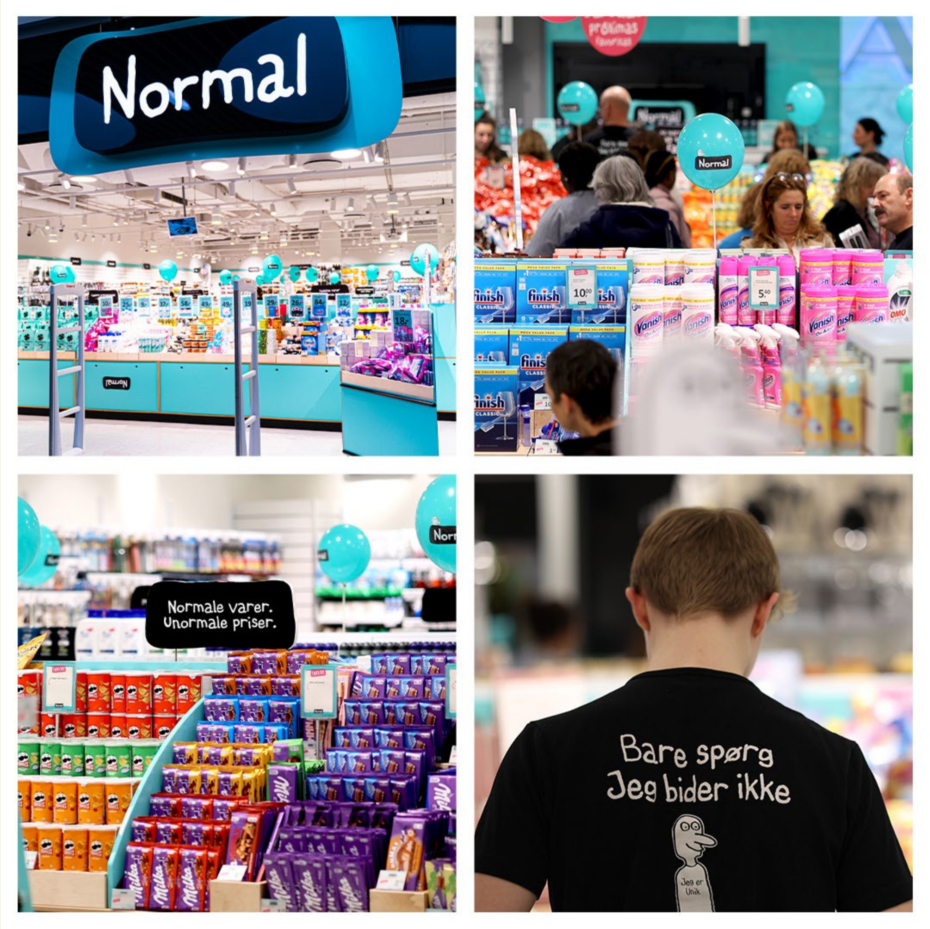
"At Normal, we sell normal products at abnormal prices"

NORMAL's product range comprises well-known brands within categories such as skin care, oral care, shampoo, makeup and cleaning agents, all of which we sell at fixed low prices. But NORMAL is much more than fixed low prices and branded goods.

Constant focus is kept on providing unique and exciting shopping experiences to the customers. The stated goal is that it should always be a new and unique shopping experience to visit one of the stores, and therefore the permanent assortment of well-known branded goods is continuously supplemented by new and exciting items, and also new and not yet known brands. The maze-like store set-up invites customers to go treasure hunting and allows the stores to work creatively with all the new products.

Employees at NORMAL are met by an informal tone of communication and a wide range of personal responsibility. We meet our colleagues on equal terms, are ambitious and celebrate initiative. Even the initiatives that may not be successful at first.

At NORMAL, we believe that tasks and projects are most likely to succeed when solved jointly by committed and devoted parties, each taking ownership of her/his area and being equally responsible for our business.



Our journey

2012

NORMAL was founded by Torben Mouritsen and Bo Kristensen.

April 2013

First NORMAL store opens in Denmark

SILKEBORG

October 2014

Anders Holch Povlsen enters as co-owner in NORMAL

2016

Roll-out in Denmark accelerated – 51 stores opened in 2016

June 2017

First NORMAL store opens in Norway

Kristiansand

January 2018

First NORMAL store opens in Sweden

Malmö

100

March 2018

May 2018

First NORMAL store opens in the Netherlands

Utrecht

August 2019

First NORMAL store opens in France

Paris

250

November 2020

February 2021

First NORMAL store opens in Finland

Helsinki

October 2022

First NORMAL store opens in Portugal

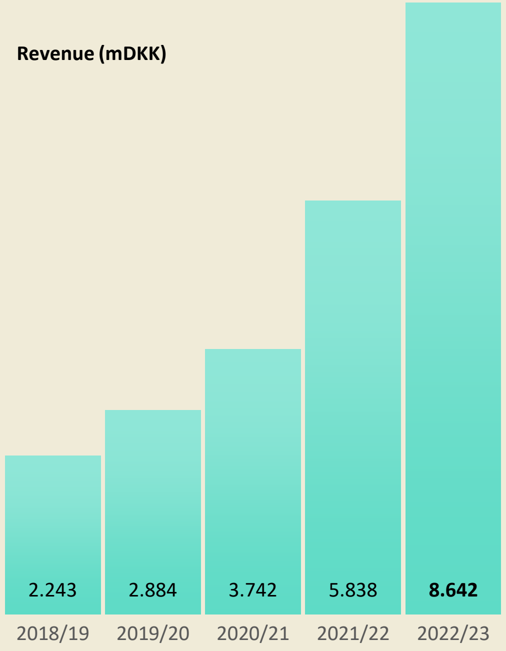
Lisbon

500

May 2023

Financial highlights

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



(tDKK)	2022/23	2021/22	2020/21	2019/20	2018/19
Profit/loss					
Revenue	8.641.840	5.838.230	3.741.922	2.883.944	2.243.092
Gross profit	2.409.234	1.733.375	1.059.898	778.981	559.848
Profit before net financials (EBIT)	761.833	599.627	345.569	222.432	83.440
Net financials	-458	-7.860	5.749	-10.522	-11.824
Profit before tax	761.375	591.767	351.318	211.909	71.616
Profit for the year	597.407	463.237	274.930	165.197	55.294
Balance sheet					
Total assets	3.694.522	2.516.538	1.607.321	1.144.045	967.570
Investment in property, plant and equipment	646.487	262.173	264.175	104.822	196.116
Equity	1.573.559	1.005.732	581.711	303.669	192.086
Financial ratios					
Gross profit ratio	27.9%	29,7%	28,3%	27,0%	25,0%
EBIT ratio	8,8%	10,3%	9,2%	7,7%	3,7%
Solvency ratio	42,6%	40,0%	36,2%	26,5%	19,9%
Number of stores	552	411	306	235	208

DEFINITIONS OF FINANCIAL RATIOS

Gross profit ratio:

$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

EBIT ratio:

$$\frac{\text{EBIT} \times 100}{\text{Revenue}}$$

Solvency ratio:

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

Management review

During this financial year NORMAL celebrated its 10th birthday, opened store number 500 and now have more than 10,000 enthusiastic colleagues. Together, we have achieved good results this year, and this is proof of the hard work and efforts contributed by everyone at NORMAL. Despite challenging market conditions, we have worked to limit the impacts of inflation and turbulence on our business and particularly our customers, who have responded with great loyalty and fantastic engagement across all our markets.

After 10 years, we are thrilled that our customers continue to value our concept, and our customers' support has made it possible for NORMAL to be where we are today. We remain curious and work to continuously introduce our concept into new markets, while also developing existing markets that still hold much potential for further expansion. During this financial year we opened 141 new stores, and in the coming year our plan is to open even more.

An increasing number of new stores means an equally increasing number of new colleagues. Keeping a constant focus on employee engagement and development therefore remains a crucial point for us, alongside our culture and corporate values that we must protect and preserve as the organization grows.

In addition to the general market conditions, logistics has been a challenge for us this year, as we await the commissioning of our new logistics center in Hedensted, Denmark. We are delighted with our new and improved premises that will enable us to offer improved facilities for our colleagues at the warehouse, and to provide better service to our colleagues in the stores.

Sustainability is an important topic for us, and we are proud of the initiatives that we have taken, as well as the plans we have going forward. At NORMAL, our approach to sustainability is to do things that work, make a real difference and can be shared across our organization. We take our share of the responsibility to be part of the solution, and we take the necessary steps to be a sustainable business.

We are satisfied with this year's financial results, and we have all our fantastic colleagues and customers to thank for that. Looking ahead to next year, we expect to still be facing challenging market conditions, but also a lot of potentials and new stores. We expect growth in our revenue of the same nominal level in DKK as this year and a result in line with this year.

Torben Mouritsen
CEO and co-founder of NORMAL A/S

SUSTAINABILITY

The following statement constitutes NORMAL's statutory reporting on corporate responsibility in accordance with s. 99a of the Danish Financial Statements Act

Sustainability

FY2022/23 marked an important step in our journey towards a more sustainable future. We worked together to find new exciting solutions and have gained an even better understanding of how to incorporate sustainability across NORMAL. The next year will be spent launching a range of initiatives that will help us engage the entire organization even further. At NORMAL, our approach to sustainability remains to do things that work, make a real difference and can be shared across our organization.

Being an international company with more than 10,000 employees across seven markets, NORMAL's main social responsibility remains the safety and well-being of our employees as well as the sourcing and distribution of products. In short, NORMAL strives to operate a responsible business across the organization and value chain, supporting our workforce as well as the communities and people that we impact.

NORMAL has the ambition to continuously increase our focus on all aspects of ESG (Environment, Social & Governance) in line with our company concept described in page 4. At NORMAL, we encourage all parts of the organization to think sustainably in their daily work, and we have seen positive results through exciting initiatives, both small and large, giving us a useful indication of the type of actions that can be taken to incorporate sustainability even more into the daily operation of our business.

In FY2023/24, we look forward to expanding our sustainability approach through a more comprehensive sustainability strategy that will be anchored in our corporate strategy. We will introduce our new sustainability strategy during FY2023/24, with the purpose of creating even better alignment, engagement and compliance across all our markets, now and in the future.

To make the best possible strategy, NORMAL plans to further engage both external and internal stakeholders to identify additional relevant and material areas for NORMAL as a business. As we gain a deeper understanding of these areas, we will lay the foundation for our sustainability reporting going forward, and it will become an integral part of our overall sustainability strategy.

Within sustainability, we work with three main areas: Environment, Social and Governance, and we do our best to ensure that all initiatives are anchored throughout our organization and everyday activities. In the coming sections, we will share our policies, plans and initiatives for each topic.

Environment

§ Policy

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

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

The internal perspective comprises the operation and maintenance of our more than 550 stores. Here, NORMAL continuously strive to reduce energy and resource consumption in our daily operations, and to introduce new sustainable approaches in its routines, wherever possible. Based on these insights, NORMAL will continue to review the policy and sustainability strategy and introduce more ambitious goals.

Climate baseline
One of our major goals for the coming financial year is to gain a better understanding of our climate baseline. We continuously work to reduce our impact through various initiatives, and a more detailed baseline will further enable NORMAL to gain a deeper understanding of its footprint and give us the opportunity to share more detailed data and goals going forward.

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

As mentioned in the previous section, NORMAL has the ambition to gain an even better understanding of its footprint, and, naturally, the products sold in NORMAL stores constitute a significant part of the footprint. NORMAL has plans to better understand the impact of our assortment, however, as our product assortment evolves and the number of sustainable products increases, we maintain the approach of listening to our customers in terms of what products are in demand.

NORMAL has launched an initiative where we – together with our suppliers – identify the optimal packaging materials and solutions for a range of products to make sure that we minimize waste and have the most optimal solutions for our stores. We started out with a limited part of our assortment but will continue to work closely with our suppliers to continuously find the best solutions going forward.

Operation and maintenance
In addition to our products, our daily operation and maintenance of the store network also have an environmental impact – from logistical setup to the expansion and maintenance of NORMAL's stores. We continue to implement new initiatives to reduce the impact and expenses.

One such initiative is a platform that allows us to track and review the electricity consumption for our stores in real time. This has already enabled us to act on irregularities and thus leads to savings both in terms of climate and money. It will be a valuable tool, not only in reporting on the total impact, but also in identifying ways to further reductions it in the future.

The daily operations of our stores and the handling of goods at our warehouse naturally results in a large amount of waste, mainly various types of plastics and cardboard. In FY22/23 we separated more waste for recycling than ever before, and in the coming year we plan to implement a new standard for waste separation across all our locations, one that will enable us to not only optimize our waste management but also comply with regulations.

We also plan to engage further with our suppliers to minimize the amount of waste we generate in the shipping and handling of goods – to optimize the flow across our warehouse and stores, but primarily to reduce NORMAL's waste impact.

Social

§ Policy

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

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

Cultural fit tool
Plans have been launched to introduce a cultural fit tool across NORMAL's people organization, encompassing both recruitment processes, onboarding flows, and employee retention initiatives, to ensure that NORMAL will be able to continuously succeed in attracting and retaining human resources that represent a perfect match for the company, also in terms of culture and shared values.

Our most material risk regarding social and employee relations is the ability to attract and retain key talent, and therefore we are constantly striving to be and remain a workplace characterized by a strong sense of community, common culture and shared values.

Land of NORMAL Opportunities

In FY2022/23, NORMAL has continued to invest in people, focusing on the training and development of human resources under the conceptual framework "Land of NORMAL Opportunities".

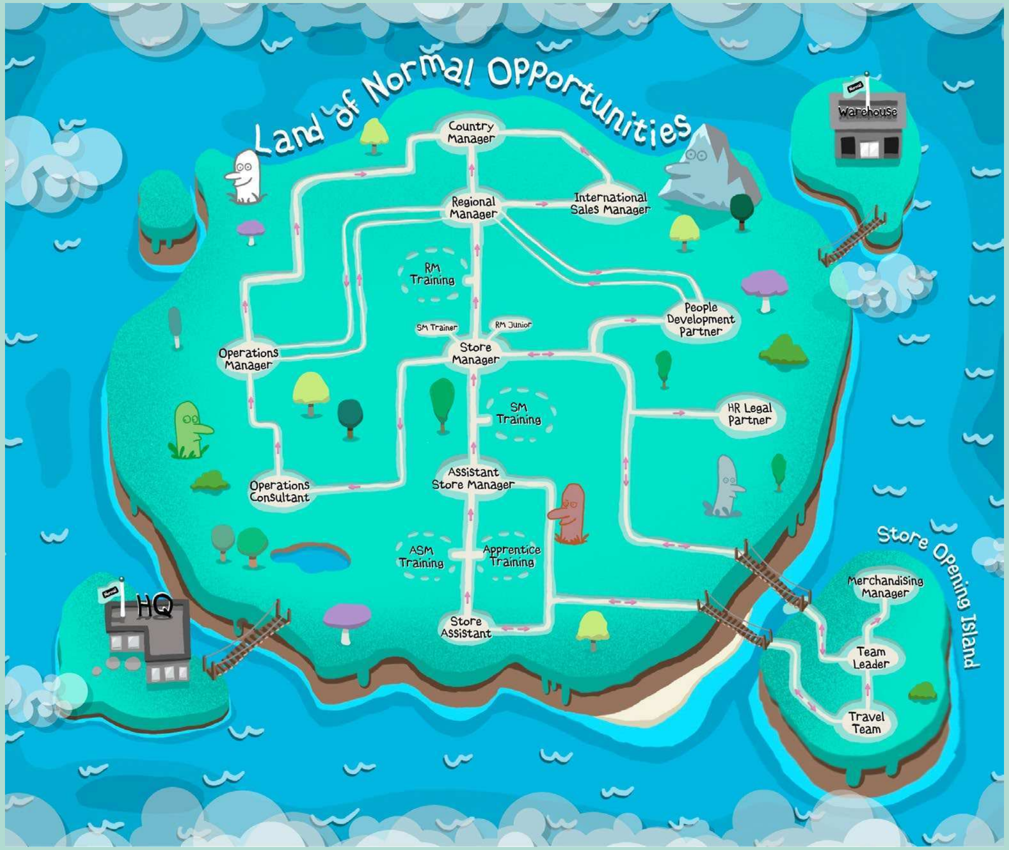
"Land of NORMAL Opportunities" maps NORMAL's organization, emphasising the options and possibilities offered in terms of professional and personal development, knowledge-building and training across the organization.

One example of such "NORMAL Opportunity" is the store manager training concept launched in earlier years. In FY2022/23, the concept has been pursued in Denmark with much success and positive response, and recent roll-outs include Sweden and Finland. More countries will be added to the store manager training portfolio next year.

Similar role-specific training concepts are being developed and rolled out for assistant store managers and mid-level managers at Warehouse. Plans for the coming year includes the launch of leadership training courses targeted at Danish HQ employees. In addition, a store trainee programme was launched in Denmark.

In addition to the leadership programmes pursued across NORMAL's organisation, strong focus is maintained on retaining and continuously developing internal competencies and human resources through the principle of "life-long learning".

The setting up of a well-functioning and efficient internal pipeline across the organization and on all levels of employment is an important part of this work, making NORMAL's organization even more robust and allowing even more colleagues to move and develop across the map of NORMAL Opportunities.



Two days for charity in Denmark

NORMAL continues to pursue a strategy of dedicating two days every year where colleagues at the Danish headquarters work together to support charitable organisations. One of such organisations is LykkeLiga, a Danish network of handball teams for handicapped children and young people working for securing equal opportunities for children with special needs to engage in local sports clubs and communities. NORMAL intends to further develop the cooperation with LykkeLiga in the coming year, potentially also abroad.

The second day of charitable work for the Danish headquarters includes project “Santa’s Workshop”, an all-day event where all colleagues make Christmas presents for shelters, group homes, drop-in centres, hospital wards, and various public and private charitable initiatives. Donations come from NORMAL’s own warehouse and from our suppliers.

Charitable initiatives in other markets

During FY2022/23, NORMAL has also launched various charitable initiatives initiated by the local headquarters of NORMAL’s markets: In Sweden, NORMAL produced and sold soft toys shaped like the Unique Man in the stores for the benefit of the suicide prevention work pursued by a dedicated Swedish organization. In France, NORMAL colleagues from stores and HQ participated in a charity run to the benefit of a team of hospital clowns which made it possible for them to continue their work of spreading joy and smiles at hospitals across France for the rest of 2023. And in Finland, NORMAL packed and delivered 1,200 kits for children in hospitals, containing not only toiletries but also toys and other fun items to brighten up their hospital stay.
The work on further developing such local projects and entering into new charitable cooperations on all markets will be pursued in the coming year.

Governance

§ Policy

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

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

NORMAL's goal for FY2023/24, is to continuously increase its focus on human rights across our value chain. NORMAL will continue to review the policy and strategy and introduce more and ambitious goals.

Code of Conduct

The main risk associated with the violation of human rights relates to the collaboration with external suppliers. To accommodate such risks, NORMAL has enacted a Code of Conduct stipulating the human rights policies, and this Code of Conduct is being enforced on a continuous basis. In FY 2022/23, all new suppliers have either signed the NORMAL Code of Conduct or signed their own Code of Conduct on terms that meet or exceed the requirements set out in the NORMAL Code of Conduct. In FY2022/23, no violations of the NORMAL Code of Conduct have been detected.

The principal risk of corruption is associated with the interaction with NORMAL's suppliers. NORMAL's risk, however, remains limited due to its range of suppliers being located within the EU and based on the multinational brand reputation of most suppliers. NORMAL's ambition remains that all suppliers must either sign our Code of Conduct or have their own in place that meet our requirements. We will update our Code of Conduct regularly as new regulatory requirements come into force.

Code of Ethics

NORMAL has implemented a Code of Ethics setting out ethical guidelines and anti-corruption policies to be complied with by all employees of NORMAL. All new employees of NORMAL are requested to make themselves acquainted with the Code of Ethics and sign the document. In FY2022/23, all new employees signed the Code of Ethics. We continuously update our Code of Ethics to reflect new regulatory requirements.

Data Ethics

We respect and protect the personal rights of our customers, colleagues and business partners. We safeguard the personal data that we process and have implemented data protection and IT security policies and guidelines. We are aware that digitalization and the use of new technology are evolving fast, and therefore, we consider data protection to be of key importance. Our use of data is responsible and appropriate, meaning that we only collect data from reliable sources and only process it for relevant business purposes.

NORMAL strives to be transparent, and we want ensure that information about our use of data is honest, genuine and easily accessible to our customers, colleagues, and business partners.

Our customers will always have the possibility of receiving customer service and complaints handling by a physical human being.

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

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

Account of the gender composition of management

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

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

The gender distribution at NORMAL is not equal: At department and store management level, NORMAL has a current over-representation of female employees who account for a total of 79 % of all employees. This is solely attributable to the current recruitment situation in retail.

Consequently, NORMAL has a current under-representative of male employees in executive positions other than the executive board. The management team of NORMAL comprises 674 persons, including the executive board, department managers of various functions, and store managers.

Persons of both genders are encouraged to apply for managerial positions at NORMAL. Male executives on this management level account for 21 %. Male employees account for a total of 18 % of all employees at NORMAL.

GROUP

Consolidated financial statements

Income statement

1 August – 31 July

(tDKK)	Note	2022/23	2021/22
Revenue	1	8.641.840	5.838.230
Cost of sales		-5.003.757	-3.255.271
Other external costs		-1.228.849	-849.584
Gross profit		**2.409.234**	**1.733.375**
Staff cost	2	-1.426.696	-968.342
Depreciation, amortisation and impairment losses	7-8	-220.705	-165.406
Profit before net financials		**761.833**	**599.627**
Financial income	3	6.528	1.660
Financial costs	4	-6.986	-9.520
Profit before tax		**761.375**	**591.767**
Tax on profit for the year	5	-163.968	-128.530
Profit for the year		**597.407**	**463.237**

Balance sheet

31 July

Assets (tDKK)	Note	2023	2022
Software		31.998	39.287
Key money/leasehold rights/trademark rights		35.748	28.174
Development projects in progress		29.639	0
Intangible assets	7	**97.385**	**67.461**
Other fixtures and fittings, tools and equipment		620.231	397.140
Leasehold improvements		381.667	292.236
Property, plant and equipment in progress		170.053	61.365
Property, plant and equipment	8	**1.171.951**	**750.741**
Receivables from group entities		26.789	28.933
Deposits	9	82.452	59.154
Fixed financial assets		**109.241**	**88.087**
Total non-current assets		**1.378.577**	**906.289**

Assets (tDKK)	Note	2023	2022
Inventories		**1.868.229**	**1.308.745**
Other receivables		213.465	151.471
Deferred tax asset	11	6.300	12.514
Prepayments	10	117.637	88.492
Receivables		**337.402**	**252.478**
Cash and cash equivalents		**110.314**	**49.027**
Total current assets		**2.315.945**	**1.610.249**
Total assets		**3.694.522**	**2.516.538**

Balance sheet

31 July

Equity and liabilities (tDKK)	Note	2023	2022
Share capital		533	533
Retained earnings		1.163.026	1.005.199
Dividends proposed for the year		410.000	0
Equity		**1.573.559**	**1.005.732**
Deferred tax	11	7.523	10.830
Other provisions	12	2.073	2.073
Total provisions		**9.596**	**12.903**

Equity and liabilities (tDKK)	Note	2023	2022
Credit institutions		268.716	243.059
Trade payables		1.246.141	807.322
Corporation tax		165.217	140.900
Payables to group entities		3.791	427
Other payables		417.425	299.342
Deferred income	13	10.077	6.852
Total current liabilities		**2.111.367**	**1.497.903**
Total liabilities		**2.111.367**	**1.497.903**
Total equity and liabilities		**3.694.522**	**2.516.538**

Statement of changes in equity

(tDKK)	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity as at 1 August 2022	533	1.005.199	0	1.005.732
Exchange adjustments	0	-29.580	0	-29.580
Net profit for the year	0	187.407	410.000	597.407
Equity as at 31 July 2023	**533**	**1.163.026**	**410.000**	**1.573.559**

THE SHARE CAPITAL CONSISTS OF:	Nominal value
533,333 shares of DKK 1	533

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ACCOUNTING POLICY

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.

Cash flow statement

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ACCOUNTING POLICY

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.

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 and 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.

(tDKK)	Note	2022/23	2021/22
Net profit for the year		597.407	463.238
Adjustments	19	371.098	309.634
Change in working capital	20	-87.132	-193.128
Corporation tax paid		-126.004	-95.404
Cash flows from operating activities		**755.369**	**484.340**
Purchase of intangible assets		-50.786	-35.439
Purchase of property, plant and equipment		-646.487	-371.571
Change in non-current investments		2.144	-28.933
Change in deposits		-23.227	4.473
Cash flows from investing activities		**-718.356**	**-431.470**
Repayment/raising of loans		0	-158.000
Repayment/raising of loans from credit institutions		25.657	145.639
Dividend paid		0	-52.600
Cash flows from financing activities		**25.657**	**-64.961**
Change in cash and cash equivalents		62.670	-12.091
Cash and cash equivalents as at 1 August 2022		49.027	60.683
Exchange adjustment of cash		-1.383	435
Cash and cash equivalents as at 31 July 2023		**110.314**	**49.027**

Normal

Table of notes

Accounting policies

This section introduces NORMAL's accounting policies. A detailed description of accounting policies is disclosed in the relevant 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 2022/23 is presented in tDKK.

BASIS OF RECOGNITION AND MEASUREMENT

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Group and the Parent company, 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 instalments 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 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.

Accounting policies

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 errors.

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.

Accounting policies

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the Parent company Normal 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.

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.

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 year, 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 average exchange rates to closing rate are taken directly to the equity.

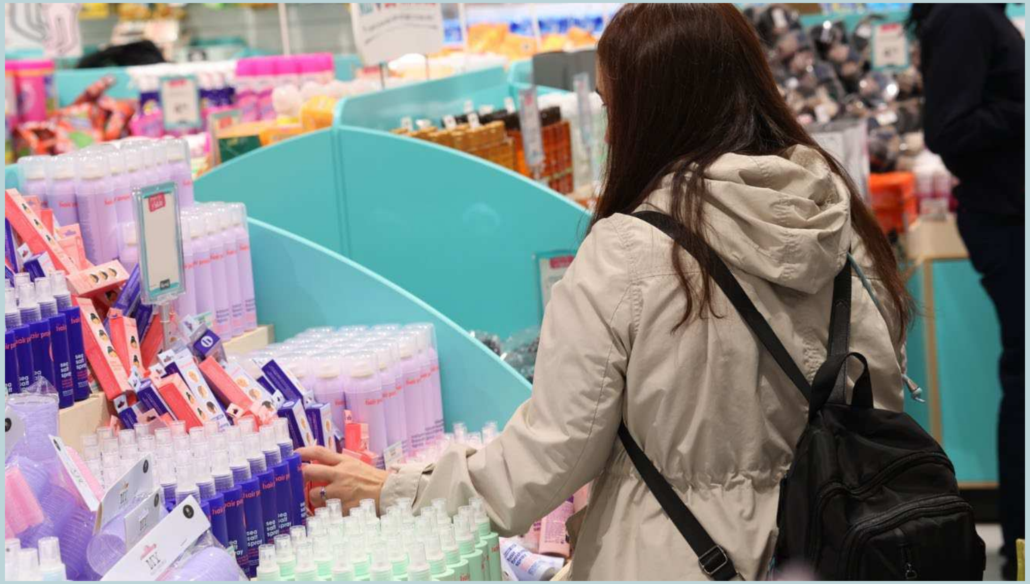
Accounting policies

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.

Assets, for which it is not possible to calculate an individual capital value as the asset 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 affect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Accounting policies

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.

Note 1 - REVENUE

(tDKK)	2022/23	2021/22
Denmark	2.415.793	1.880.480
Rest of Europe	6.226.047	3.957.750
	8.641.840	**5.838.230**

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ACCOUNTING POLICY

Revenue from the sale of goods and services is recognized according to IAS11/18 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

(tDKK)	2022/23	2021/22
Wages and salaries	1.236.761	849.803
Pensions	58.904	35.234
Other social security costs	74.011	47.387
Other staff costs	57.020	35.918
	1.426.696	**968.342**
Average number of employees	4.658	3.053

Executive Board received remuneration of DKK 7.305 tDKK (2021/22: 6.208 tDKK).

According to section 98 B(1) of the Danish Financial Staments Act, renumeration for the Executive Board and Board of Directors has been disclosed combined as only one member of the Board of Directors receive renumeration

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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 – FINANCIAL INCOME

(tDKK)	2022/23	2021/22
Other financial income	6.528	1.660
	6.528	**1.660**

Note 4 – FINANCIAL COSTS

(tDKK)	2022/23	2021/22
Other financial costs	6.986	9.520
	6.986	**9.520**

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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 5 – TAX ON PROFIT FOR THE YEAR

(tDKK)	2022/23	2021/22
Current tax for the year	161.864	126.158
Change in deferred tax for the year	3.069	2.372
Adjustment of tax concerning previous years	-965	0
	163.968	**128.530**

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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 – DISTRIBUTION OF PROFIT

(tDKK)	2022/23	2021/22
Retained earnings	187.407	463.237
Proposed dividend for the year	410.000	0
Profit for the year	**597.407**	**463.237**

Note 7 – INTANGIBLE ASSETS

(tDKK)	Software	Key money Leasehold rights Trademark rights	Development projects in progress
Cost as at 1 August 2022	**90.576**	**45.838**	**0**
Exchange adjustment	-570	-626	0
Additions for the year	5.247	15.900	29.639
Disposals for the year	-1.114	-2.500	0
Cost as at 31 July 2023	**94.139**	**58.612**	**29.639**
Impairment losses and amortisation as at 1 August 2022	**51.289**	**17.664**	**0**
Exchange adjustment	-354	-246	0
Amortisation for the year	12.320	7.946	0
Reversal of amortisation of sold assets	-1.114	-2.500	0
Impairment losses and amortization as at 31 July 2023	**62.141**	**22.864**	**0**
Carrying amount as at 31 July 2023	**31.998**	**35.748**	**29.639**

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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.

Leasehold rights/key money/trademark rights is amortized according to the straight-line method of the non-terminable lease term. In case such term does not exist, the leasehold right/key money/trademark rights is amortized over 5 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 8 – PROPERTY, PLANT AND EQUIPMENT

(tDKK)	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost as at 1 August 2022	**682.022**	**442.570**	**61.365**
Exchange adjustment	-33.345	-15.784	45
Additions for the year	366.880	170.964	108.643
Disposals for the year	-14.068	-2.125	0
Cost as at 31 July 2023	**1.001.489**	**595.625**	**170.053**
Impairment losses and depreciation as at 1 August 2022	**284.883**	**150.334**	**0**
Exchange adjustment	-17.373	-6.912	0
Depreciation for the year	127.777	72.661	0
Reversal of depreciation of sold assets	-14.029	-2.125	0
Impairment losses and amortisation as at 31 July 2023	**381.258**	**213.958**	**0**
Carrying amount as at 31 July 2023	**620.231**	**381.667**	**170.053**

§

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:

Other fixtures and fittings, tools and equipment: 3-7 years
Leasehold improvements: 3-7 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

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

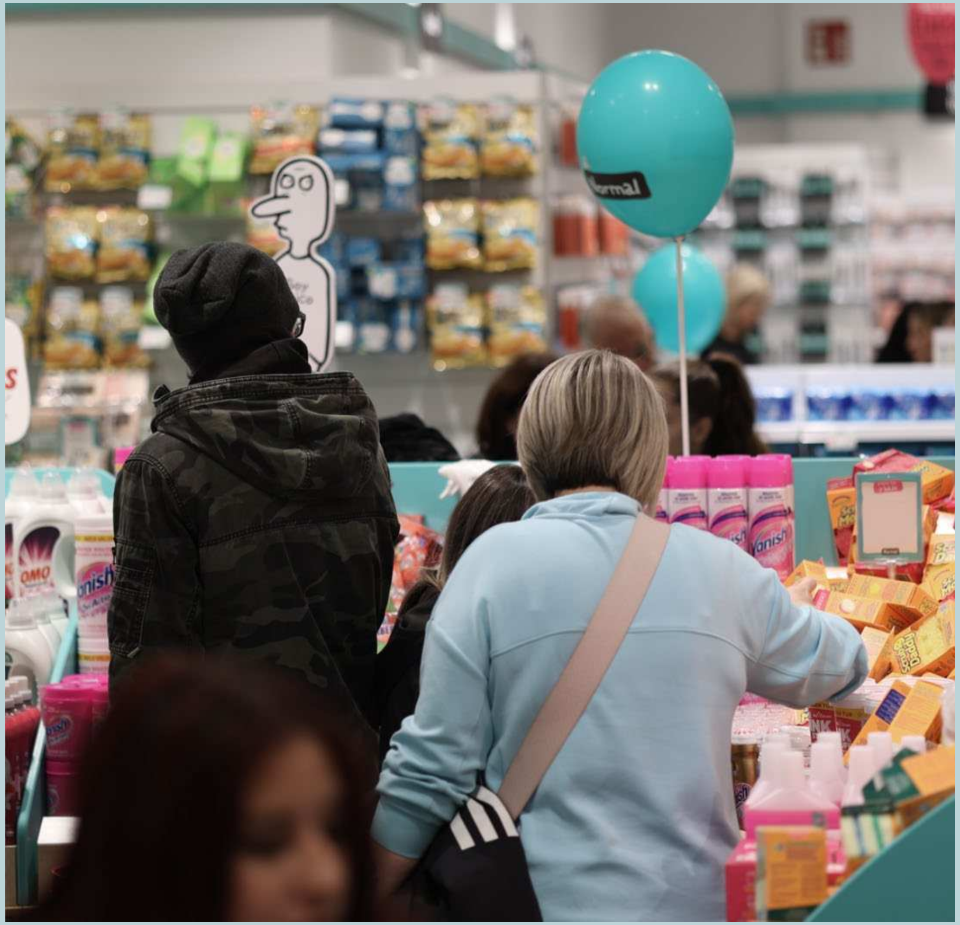
Gains or losses from the disposal of property, plant and equipment are recognized in the income statement as other operating income or other operating expenses, respectively.

Note 9 – Fixed financial assets

(tDKK)	Deposits	Receivables from group entities
Cost as at 1 August 2022	**59.154**	**28.933**
Exchange adjustment	71	0
Additions for the year	25.494	0
Disposals for the year	-2.267	-2.144
Cost as at 31 July 2023	**82.452**	**26.789**
Carrying amount as at 31 July 2023	**82.452**	**26.789**

Note 10 – PREPAYMENTS

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



Note 11 – DEFERRED TAX

(tDKK)	2023	2022
Deferred tax as at 1 August 2022	**1.684**	**-689**
Exchange adjustment	162	1
Adjustment of deferred tax for the year	-3.069	2.372
Other movements on deferred tax	0	0
Deferred tax as at 31 July 2023	**-1.223**	**1.684**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	6.300	12.514
Deferred tax liabilities	-7.523	-10.830
	-1.223	**1.684**

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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 12 – OTHER PROVISIONS

(tDKK)	2023	2022
Balance at beginning of year	2.073	2.073
	2.073	**2.073**
The expected due dates of other provisions are:		
Within one year	0	0
Between 1 and 5 years	2.073	2.073
Over 5 years	0	0
	2.073	**2.073**

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

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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 13 – DEFERRED INCOME

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

Note 14 – EVENTS AFTER BALANCE SHEET DATE

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

Note 15 – RENT & LEASE LIABILITIES

(tDKK)	**2023**	**2022**
Within 1 year	755.351	482.172
Between 1 and 5 years	1.968.458	1.026.821
Over 5 years	273.448	135.009
	2.997.257	**1.644.002**

Note 16 – CONTINGENT LIABILITIES

GUARANTEE COMMITMENTS

The Group has issued guarantee commitments for 207.557 tDKK.

OTHER CONTINGENT LIABILITIES

As security for the Group´s debt to credit institutions, the Group has provided collateral to the bank in the form of a floating change of 22.250 tDKK secured on trade receivables, inventories, fixtures and fittings, tools and equipment, as well as goodwill and acquired intangible assets.

Note 17 – RELATED PARTIES AND OWNERSHIP STRUCTURE

Parties exercising control
Aktieselskabet af 1.12.2016 (Parent company and shareholder), Store Torv 1, 3, 8000 Aarhus C

Transactions
Purchase of goods from other related parties – 5.3 mDKK
Interest income from other related parties – 1.0 mDKK

Receivables from other related parties – 26.8 mDKK
Payables to other related parties – 0.1 mDKK

Note 18 – FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

(tDKK)	2022/23	2021/22
EY Godkendt Revisionspartnerselskab:		
Fees regarding statutory audit	1.323	765
Tax assistance	112	105
Other assistance	474	372
	1.909	**1.242**

Note 19 – CASH FLOW STATEMENT — ADJUSTMENTS

(tDKK)	2022/23	2021/22
Depreciation, amortisation and impairment losses	220.705	165.406
Tax on profit for the year	163.968	128.530
Other adjustments	-13.575	15.698
	371.098	**309.634**

Note 20 – CASH FLOW STATEMENT — CHANGE IN WORKING CAPITAL

(tDKK)	2022/23	2021/22
Change in inventories	-559.484	-561.053
Change in receivables	-91.138	-95.530
Change in trade payables, etc.	563.490	463.455
	-87.132	**-193.128**

PARENT

Financial statements

Income statement

1 August – 31 July

(tDKK)	Note	2022/23	2021/22
Revenue	1	6.744.156	4.454.027
Cost of sales		-5.390.645	-3.419.105
Other external costs		-290.523	-239.393
Gross profit		**1.062.988**	**795.529**
Staff cost	2	-647.356	-454.621
Depreciation, amortisation and impairment losses	7-8	-52.920	-47.604
Profit before net financials		**362.712**	**293.304**
Result from investments in subsidiaries	9	305.836	237.466
Financial income	3	17.243	2.353
Financial costs	4	-6.940	-6.746
Profit before tax		**678.851**	**526.377**
Tax on profit for the year	5	-81.444	-63.140
Profit for the year	6	**597.407**	**463.237**

Balance sheet

31 July

Assets (tDKK)	Note	2023	2022
Software		26.818	35.719
Key money/leasehold rights/trademark rights		3.693	1.150
Development projects in progress		29.639	0
Intangible assets	7	**60.150**	**36.869**
Other fixtures and fittings, tools and equipment		141.116	76.433
Leasehold improvements		55.755	41.125
Property, plant and equipment in progress		99.356	24.430
Property, plant and equipment	8	**296.227**	**141.988**
Investments in subsidiaries	9	920.009	652.502
Receivables from group entities	10	26.789	28.933
Deposits	10	30.117	29.756
Fixed financial assets		**976.915**	**711.191**
Total non-current assets		**1.333.292**	**890.048**

Assets (tDKK)	Note	2023	2022
Inventories		**1.075.772**	**821.861**
Receivables from group entities		442.671	256.996
Other receivables		182.542	110.234
Prepayments	11	37.582	31.525
Receivables		**662.795**	**398.755**
Cash and cash equavivalents		**9.542**	**7.815**
Total current assets		**1.748.109**	**1.228.431**
Total assets		**3.081.401**	**2.118.479**

Balance sheet

31 July

Equity and liabilities (tDKK)	Note	2023	2022
Share capital		533	533
Reserve for net revaluation under the equity method		204.959	108.703
Retained earnings		958.067	896.496
Proposed dividend for the year		410.000	0
Equity		**1.573.559**	**1.005.732**
Deferred tax	12	20.404	14.853
Other provisions		2.073	2.073
Total provisions		**22.477**	**16.926**

Equity and liabilities (tDKK)	Note	2023	2022
Credit institutions		272.118	243.067
Trade payables		1.025.822	670.898
Payables to group enterprises		20.299	51.724
Corporation tax		66.859	61.431
Other payables		93.530	65.213
Deferred income	13	6.737	3.488
Total current liabilities		**1.485.365**	**1.095.821**
Total liabilities		**1.485.365**	**1.095.821**
Total equity and liabilities		**3.081.401**	**2.118.479**

Statement of changes in equity

(tDKK)	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity as at 1 August 2022	533	108.703	896.496	0	1.005.732
Exchange adjustments	0	-29.580	0	0	-29.580
Net profit for the year	0	305.836	-118.429	410.000	597.407
Distributed dividends from investments in subsidiaries	0	-180.000	180.000	0	0
Equity as at 31 July 2023	**533**	**204.959**	**958.067**	**410.000**	**1.573.559**

THE SHARE CAPITAL CONSISTS OF:	Nominal Value
533.333 shares of DKK 1	533

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ACCOUNTING POLICY

Reserve for net revaluation according to the equity method
The reserve for net revaluation according to the equity method in the Parent company's financial statements comprises net revaluation of investments in subsidiaries 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.

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ACCOUNTING POLICY

For a summary of the general accounting policies please refer to page 23 in the notes to the consolidated financial statements.

Note 1 – REVENUE

(tDKK)	2022/23	2021/22
Denmark	2.415.793	1.880.480
Rest of the world	4.328.363	2.573.547
	6.744.156	**4.454.027**

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ACCOUNTING POLICY

Revenue from the sale of goods and services is recognised according to IAS11/18 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

(tDKK)	2022/23	2021/22
Wages and salaries	578.741	407.033
Pensions	32.939	22.973
Other social security costs	9.145	7.357
Other staff costs	26.531	17.258
	647.356	**454.621**
Average number of employees	1.471	1.270

Executive Board received remuneration of DKK 7.305 tDKK (2021/22: 6.208 tDKK).

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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 – FINANCIAL INCOME

(tDKK)	2022/23	2021/22
Financial income, group entities	10.385	519
Other financial income	6.858	1.834
	17.243	**2.353**

Note 4 – FINANCIAL COSTS

(tDKK)	2022/23	2021/22
Financial costs, group entities	254	4.927
Other financial costs	6.686	1.819
	6.940	**6.746**

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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 5 – TAX ON PROFIT FOR THE YEAR

(tDKK)	2022/23	2021/22
Current tax for the year	75.893	66.700
Change in deferred tax for the year	5.551	-3.560
	81.444	**63.140**

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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 – DISTRIBUTION OF PROFIT

(tDKK)	2022/23	2021/22
Reserve for net revaluation under the equity method	305.836	44.611
Retained earnings	-118.429	418.627
Proposed dividend for the year	410.000	0
Profit for the year	**597.407**	**463.238**

Note 7 – INTANGIBLE ASSETS

(tDKK)	Software	Key money, leasehold rights, trademark rights	Development projects in progress
Cost as at 1 August 2022	**83.837**	**9.416**	**0**
Additions for the year	2.236	2.968	29.639
Disposals for the year	-1.114	-2.500	0
Cost as at 31 July 2023	**84.959**	**9.884**	**29.639**
Impairment losses and amortisation as at 1 August 2022	**48.118**	**8.266**	**0**
Amortisation for the year	11.137	425	0
Reversal of amortisation of sold assets	-1.114	-2.500	**0**
Impairment losses and amortisation as at 31 July 2023	**58.141**	**6.191**	**0**
Carrying amount as at 31 July 2023	**26.818**	**3.693**	**29.639**

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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.

Leasehold rights/key money/trademark rights is amortized according to the straight-line method of the non-terminable lease term. In case such term does not exist, the leasehold right/key money/trademark rights is amortized over 5 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 8 – PROPERTY, PLANT AND EQUIPMENT

(tDKK)	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost as at 1 August 2022	**184.820**	**95.812**	**24.430**
Additions for the year	93.298	27.392	74.926
Disposals for the year	-6.326	-839	0
Cost as at 31 July 2023	**271.792**	**122.365**	**99.356**
Impairment losses and depreciation as at 1 August 2022	**108.387**	**54.687**	**0**
Depreciation for the year	28.595	12.762	0
Reversal of depreciation of sold assets	-6.306	-839	0
Impairment losses and amortisation as at 31 July 2023	**130.676**	**66.610**	**0**
Carrying amount as at 31 July 2023	**141.116**	**55.755**	**99.356**

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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:

Other fixtures and fittings tools and equipment: 3-7 years
Leasehold improvements: 3-7 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

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 recognized in the income statement as other operating income or other operating expenses, respectively.

Note 9 – INVESTMENTS IN SUBSIDIARIES

(tDKK)	2023	2022
Cost as at 1 August	**543.799**	**461.968**
Additions for the year	171.251	81.831
Cost as at 31 July	**715.050**	**543.799**
Revaluations as at 1 August	**108.703**	**64.092**
Exchange adjustment	-29.580	13.384
Result for the year	305.836	237.682
Dividend distributed	-180.000	-206.455
Revaluation as at 31 July	**204.959**	**108.703**
Carrying amount as at 31 July	**920.009**	**652.502**

Group entities

Company	Location	Ownership%
Normal Norway AS	Kristiansand, Norway	100%
Normal Sweden AB	Stockholm, Sweden	100%
Normal Finland Oy	Helsinki, Finland	100%
Normal France S.A.S	Paris, France	100%
Normal Netherlands B.V.	Utrecht, The Netherlands	100%
Normalas Portugal LDA	Lisbon, Portugal	100%
Normal Retail Spain, S.L	Malaga, Spain	100%

§

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 investments in subsidiaries

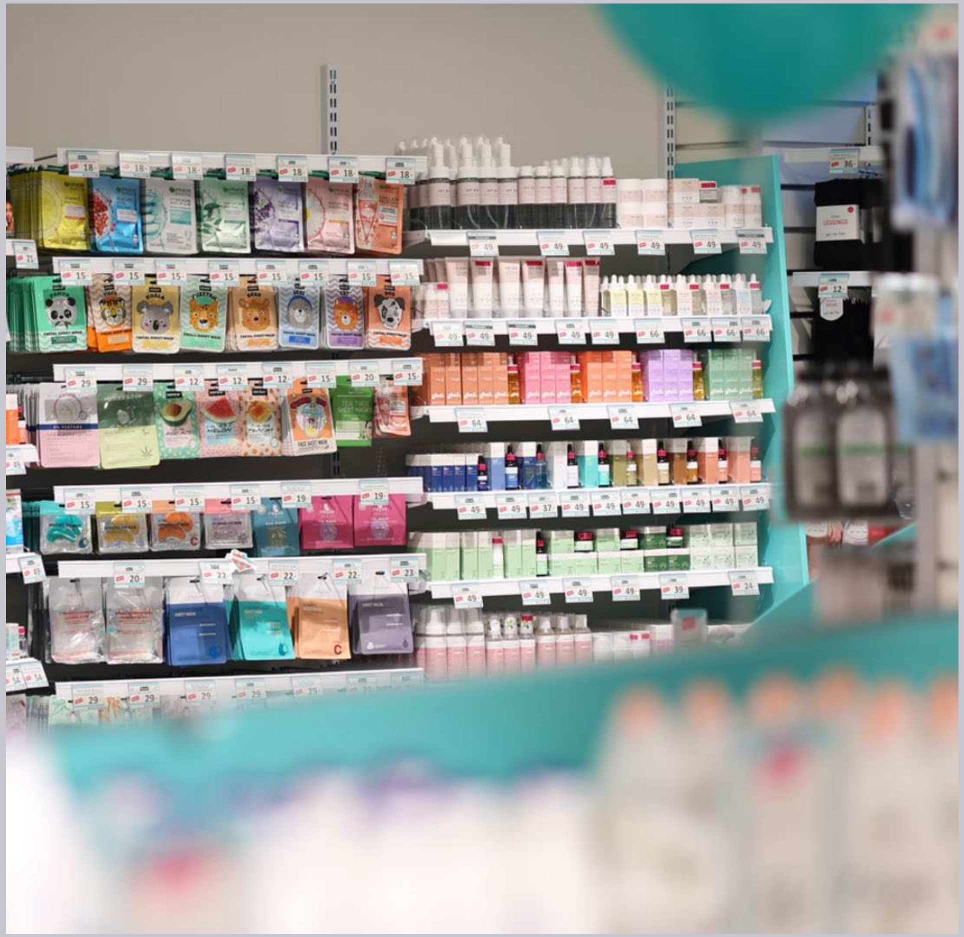
The proportionate share of the profit/loss for the year after tax of subsidiaries is recognised in the Parent company's income statement after full elimination of intra-group profits/losses and amortisation of goodwill. In situations of sales of subsidiaries gains/losses are recognised in the income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

Note 10 – FINANCIAL FIXED ASSETS

(tDKK)	Receivables from group entities	Deposits
Cost as at 1 August 2022	**28.933**	**29.756**
Additions for the year		2.562
Disposals for the year	-2.144	-2.201
Cost as at 31 July 2023	**26.789**	**30.117**
Carrying amount as at 31 July 2023	**26.789**	**30.117**

Note 11 – PREPAYMENTS

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



Note 12 – DEFERRED TAX

(tDKK)	2023	2022
Deferred tax as at 1 August 2022	**-14.853**	**-18.413**
Adjustment of deferred tax for the year	-5.551	3.560
Deferred tax as at 31 July 2023	**-20.404**	**-14.853**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax liabilities	-20.404	-14.853
	-20.404	**-14.853**

§

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 13 – DEFERRED INCOME

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

Note 14 – EVENTS AFTER THE BALANCE SHEET DATE

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

Note 15 – CONTINGENT LIABILITIES

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

OTHER CONTINGENT LIABILITIES

No collateral has been given as at 31 July 2023.

As security for the subsidiary's rent liability, the Parent company has provided a joint and several guarantee for a maximum amount of tDKK 104.877.

Note 16 – RELATED PARTIES AND OWNERSHIP STRUCTURE

Parties exercising control
Aktieselskabet af 1.12.2016 (Parent company and shareholder), Store Torv 1, 3, 8000 Aarhus C

Transactions
Purchase of goods from other related parties – 5.3 mDKK
Interest income from other related parties – 1.0 mDKK
Receivables from other related parties – 26.8 mDKK
Payables to other related parties – 0.1 mDKK

Note 17 – FEE TO THE AUDITORS APPOINTED AT THE GENERAL MEETING

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

Miscellaneous

Normal

Statement by the management on the annual report

Today, the board of directors and executive board have discussed and approved the annual report of NORMAL A/S for the financial year 1 August 2022 – 31 July 2023.

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

Skanderborg,

20 November 2023

EXECUTIVE BOARD

Torben Mouritsen
CEO

Steen O. Hansen
CFO

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 as at 31 July 2023 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 August 2022 - 31 July 2023.

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

The management recommends that the annual report be approved by the company at the general meeting.

BOARD OF DIRECTORS

Jan Lehrmann
Chariman

Lise Kaae

Paul Brian McGreevy

Torben Mouritsen

Independent Auditor's Report

To the shareholders of NORMAL A/S

OPINION

We have audited the consolidated financial statements and the parent company financial statements of Normal A/S for the financial year 1 August 2022 - 31 July 2023, 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 as at 31 July 2023 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 2022 - 31 July 2023 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.

Independent Auditor's Report

— 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, 20 November 2023

EY GODKENDT REVISIONSPARTNERSELSKAB
CVR NO. 30 70 02 28

Morten Friis
State Authorised Public Accountant — mne32732

Jan Mortensen
State Authorised Public Accountant — mne40030

Company details

NORMAL A/S
Godthåbsvej 41
8660 Skanderborg

CVR no. 34883793
Reporting period:
1 August 2022 – 31 July 2023

Domicile:
Skanderborg

BOARD OF DIRECTORS

Jan Lehrmann
Lise Kaae
Paul Brian McGreevy
Torben Mouritsen

EXECUTIVE BOARD

Torben Mouritsen, CEO
Steen O. Hansen, CFO

AUDITORS

EY Godkendt Revisionspartnerselskab
Værkmestergade 25
8000 Aarhus C

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"By my signature I confirm all dates and content in this document."

Steen Overholdt Hansen
CFO
On behalf of: NORMAL A/S
Serial number: b8c2f47b-80ac-417e-9665-ed45ef1fb25e
IP: 185.107.xxx.xxx
2023-11-20 13:09:12 UTC
MitID

Torben Østergaard Mouritsen
CEO
On behalf of: NORMAL A/S
Serial number: 5b601923-50c0-4923-a833-436cbbab70b4
IP: 185.107.xxx.xxx
2023-11-20 13:12:30 UTC
MitID

Torben Østergaard Mouritsen
Board of Directors
On behalf of: NORMAL A/S
Serial number: 5b601923-50c0-4923-a833-436cbbab70b4
IP: 185.107.xxx.xxx
2023-11-20 13:12:30 UTC
MitID

Paul Brian McGreevy
Board of Directors
On behalf of: NORMAL A/S
Serial number: paul.mcgreevy2013@outlook.com
IP: 93.145.xxx.xxx
2023-11-20 16:14:44 UTC
Paul Brian McGreevy

Jan Dal Lehrmann
Chairman
On behalf of: NORMAL A/S
Serial number: 7b08d388-2a9e-4ef6-83c5-f302a77cd79e
IP: 2.108.xxx.xxx
2023-11-20 17:01:06 UTC
MitID

Lise Kaae
Board of Directors
On behalf of: NORMAL A/S
Serial number: f5d5be1e-917b-463b-89c1-66e1e3a05ba5
IP: 83.151.xxx.xxx
2023-11-20 22:00:27 UTC
MitID

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Morten Kronborg Friis
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 3ea90d00-0e6d-4f1a-89e0-5335f4e20203
IP: 165.225.xxx.xxx
2023-11-21 07:56:47 UTC

Jan Krarup Mortensen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 2d946145-2f21-41bc-8976-7544bbd25537
IP: 165.225.xxx.xxx
2023-11-21 08:41:49 UTC

Jan Dal Lehrmann

Chair of the meeting

On behalf of: NORMAL A/S

Serial number: 7b08d388-2a9e-4ef6-83c5-f302a77cd79e

IP: 152.115.xxx.xxx

2023-11-24 08:02:34 UTC