

Salling Group Ejendomme A/S

**Rosbjergvej 33
DK-8220 Brabrand**

Annual report

2022

CVR no. 21 50 38 94

The annual report has been presented
and approved on the company's
annual general meeting at / 2023

Chair

Table of contents

	<u>Page</u>
Management's review	
Financial highlights	1
Management's review	2
Statements	
Management's statement	4
Independent auditors' report	5
Financial statements	
Accounting policies	8
Income statement	12
Balance sheet	13
Statement of changes in equity	15
Notes to the financial statements	16

Financial highlights

DKK million	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Income from leaseholds	1,692	1,641	1,553	1,488	1,379
Result before financial items	741	660	644	613	673
Net financial items	-123	-128	-157	-176	-172
Result for the year	485	415	378	343	390
Total assets	10,922	10,881	11,136	10,577	12,304
Equity	3,078	2,653	2,494	2,378	2,297
Investment in property, plant and equipment	478	426	706	503	479
Profit margin (%)	43.8	40.2	41.5	41.2	48.8
Return on equity (%)	16.9	16.1	15.5	14.7	17.6

Profit margin is result before financial items divided by income from leaseholds.

Return on equity is the result for the year divided by the average equity (average of equity at the beginning of the year and at the end of the year).

Management's review

Primary business area

The company's primary business activity is leasing of property in Denmark to the parent company, Salling Group A/S.

Development during the financial year

In 2022 the company has realised a result for the year after tax of DKK 485 million against a result after tax of DKK 415 million in 2021.

The result for 2022 is in line with the expectations for the year.

Statutory reporting on corporate responsibility cf. §99a

Salling Group Ejendomme A/S considers social responsibility to be important for the company. Salling Group Ejendomme A/S is included in Salling Group's ESG reporting, which is available on: <https://salling-group.com/kontakt/presse/publikationer/>

Data ethics cf. §99d

Salling Group Ejendomme A/S is conscious of the responsibility related to the use of new technologies and increased amounts of data and wants to act in an ethically correct, responsible and transparent manner. It is essential to Salling Group Ejendomme A/S that customers, partners and the surroundings have confidence in the company's processing and storage of data.

Salling Group Ejendomme A/S adheres to Salling Group's data ethics policy, which is available on: <https://projectsunshineprod.blob.core.windows.net/media/3033/data-ethics-policy.pdf>

Gender distribution in management cf. §99b

In Salling Group Ejendomme A/S the target regarding the gender constitution of the Board of Directors is to have one person of one gender and two persons of the other gender elected by the general meeting. Today, there are 3 members of the Board of Directors two of which are men and one is a woman, all elected by the general meeting. The target regarding the under-represented gender must not compromise other recruitment criteria. The company has less than 50 full-time employees in 2022 and 2021 and no further target figures are therefore reported.

Particular risks

The company's financial risk is primarily related to interest rate risk. The interest rate risk concerns the company's mortgage loans, where the risk is hedged by interest rate swaps. The company has no other particular risks. The majority of the properties are rented out on contracts with long periods of irrevocability primarily to the parent company, Salling Group A/S.

Management's review

Expected development

The company expects that the result for the financial year 2023 will be in line with the result for the financial year 2022.

Events after the balance sheet date

No events have occurred after the balance sheet date that have a significant influence on the assessment of the annual report.

Management's statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of Salling Group Ejendomme A/S for the financial year 1 January – 31 December 2022.

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

It is our opinion that the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January – 31 December 2022.

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

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

Brabrand, 26 April 2023

Executive Board

Anders Hagh
CEO

Jakob Røddik Thøgersen

Board of Directors

Per Bank
Chairman

Anders Hagh

Randi Toftlund Pedersen

Independent auditors' reports

To the shareholder of Salling Group Ejendomme A/S

Opinion

We have audited the financial statements of Salling Group Ejendomme A/S for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the company at 31 December 2022 and of the results of the company's operations for the financial year 1 January – 31 December 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 additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

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

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

Independent auditors' report

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditors' report

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aarhus C, 26 April 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jes Lauritzen
State Authorised Public Accountant
mne10121

Jonas Busk
State Authorised Public Accountant
mne42771

Accounting policies

The annual report of Salling Group Ejendomme A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

In accordance with section 112, paragraph 1 of the Danish Financial Statements Act no consolidated statement has been prepared. The company is included in the consolidated financial statements for Salling Group A/S, Brabrand.

In accordance with section 86, paragraph 4 of the Danish Financial Statements Act no cash flow statement has been prepared. The company is included in the consolidated financial statements for Salling Group A/S, Brabrand.

The accounting policies are unchanged compared to last year.

Presentation currency

The financial statements are presented in Danish Kroner (DKK million).

Foreign currency translation

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

Receivables, 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 expenses.

Fixed assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a cash flow hedge are recognised in the equity, and are reclassified to the income statement in the periods when the hedged item affects the income statement. Changes in the fair value of other derivative financial instruments are recognised in the income statement. The positive and negative fair values of derivative financial instruments are included in other receivables or other payables, respectively.

Accounting policies

Income statement

Income from leaseholds

The company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from leasehold is recognised in the income statement during the lease term. Income from leaseholds is measured exclusive of VAT and taxes charged on behalf of third parties.

Other operating income

Other operating income primarily includes gain on disposal of property, plant and equipment.

Other external expenses

Other external expenses include direct and indirect costs related to leases, operating expenses regarding properties as well as office supplies etc.

Financial items

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise of interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on the result for the year

Tax on the result for the year comprises current tax for the year and adjustment in deferred tax.

The company is jointly taxed with the Danish companies in Købmand Herman Sallings Fond Group. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation).

Balance sheet

Intangible assets

Key money is measured at cost and is amortised on a straight-line basis based on an individual assessment over the estimated useful life, which in general is 3 – 10 years.

Accounting policies

Property, plant and equipment

Land and buildings and leasehold improvements 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.

Assets are depreciated on a straight-line basis over their estimated useful lives to residual value as follows:

Buildings:

Technical installations within the property	10 – 30 years
Foundation and bearing structure	80 years
Remaining property	40 years
Leasehold improvements	12 years

The residual values are reviewed at each financial year end and adjusted prospectively, if necessary.

Leases

The company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and any other leases are recognized in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other leases are disclosed under contingencies.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is evaluated annually for indications of impairment.

If indications of impairment exist, tests are performed to determine whether recognition of impairment losses is necessary for individual assets as well as groups of assets. If the recoverable amount is lower than an asset's carrying amount, an impairment loss is recognised so that the carrying amount is reduced to the recoverable amount.

The recoverable amount is the higher value of an asset's net sales price and its value in use. The value in use is assessed as the present value of the expected net cash flow from utilisation of the asset or the group of assets and expected net cash flow from disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost price less write-down for expected losses.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits.

Accounting policies

Equity – Cash flow hedge reserve

The cash flow hedge reserve comprises the accumulated net change in the fair value of the unrealised, derivative financial instruments designated as and qualifying for recognition as cash flow hedges. The cash flow hedge reserve is not an undistributable reserve, and the reserve can be a negative amount.

Equity – Proposed dividends

Proposed dividends are recognised as a liability at the date, when they are adopted at the annual general meeting. The expected dividend payment for the year is presented in a separate line item within equity.

Corporation tax and deferred tax

Corporation tax payable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Provision for deferred tax is made on differences between the accounting and tax values of assets and liabilities. Deferred tax assets are recognised at the value at which they are expected to be realised.

Liabilities other than provisions

Liabilities other than provisions are recognised as the net proceeds from the loan at the time of the raising of the loan. In the subsequent periods the debt is measured using amortisation of the cost price.

Other liabilities are measured at net realisable value.

Other provisions

Other provisions comprise onerous lease and rental contracts. Other provisions are recognised based on specific calculations.

Deferred income

Deferred income is measured at the consideration received or receivable.

Segment information

The company's main activity is leasing of property in Denmark to the parent company, Salling Group A/S. The company has no other significant activities.

Income statement

DKK million

<u>Notes</u>	<u>2022</u>	<u>2021</u>
Income from leaseholds	1,692	1,641
Other operating income	76	2
	<u>1,768</u>	<u>1,643</u>
1 Other external expenses	-737	-710
Gross profit	1,031	933
Amortisation, depreciation and impairment losses	-290	-273
Result before financial items	741	660
2 Financial income	16	15
3 Financial expenses	-139	-143
Result before tax	618	532
4 Tax on the result for the year	-133	-117
Result for the year	485	415

Balance sheet

DKK million

Assets

<u>Notes</u>	<u>31/12 2022</u>	<u>31/12 2021</u>
Key money	31	35
5 Intangible assets	31	35
Land and buildings	9,199	8,898
Leasehold improvements	323	347
Assets under construction	38	170
6 Property, plant and equipment	9,560	9,415
Other non-current financial assets	103	-
7 Total financial assets	103	-
Total non-current assets	9,694	9,450
8 Receivables from affiliated companies	1,051	1,387
Other receivables	79	44
7 Other current financial assets	92	-
Receivables	1,222	1,431
Cash and short-term deposits	6	-
Total current assets	1,228	1,431
Total assets	10,922	10,881

Balance sheet

DKK million

Equity and liabilities

<u>Notes</u>	<u>31/12 2022</u>	<u>31/12 2021</u>
Share capital	500	500
Retained earnings	2,022	1,937
Cash flow hedge reserve	156	-184
Proposed dividends	400	400
Total equity	3,078	2,653
9 Deferred tax	499	464
Other provisions	5	13
Total provisions	504	477
Mortgage credit institutions	7,096	7,269
Other non-current liabilities	-	138
7 Non-current liabilities other than provisions	7,096	7,407
7 Short-term part of non-current liabilities	145	248
Trade payables	36	41
Corporation tax	24	7
Other payables	37	44
Deferred income	2	4
Current liabilities other than provisions	244	344
Total liabilities other than provisions	7,340	7,751
Total equity and liabilities	10,922	10,881
10 Contractual obligations and contingencies, etc.		
11 Related party disclosures		
12 Events after the reporting period		

Statement of changes in equity

DKK million

<u>Notes</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Cash flow hedge reserve</u>	<u>Proposed dividends</u>	<u>Total</u>
Equity at 1 January 2022	500	1,937	-184	400	2,653
Dividends paid				-400	-400
Cash flow hedges (Interest rate swaps)			436		436
Tax on cash flow hedges (Interest rate swaps)			-96		-96
13 Result for the year		85		400	485
Equity at 31 December 2022	500	2,022	156	400	3,078

<u>Notes</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Cash flow hedge reserve</u>	<u>Proposed dividends</u>	<u>Total</u>
Equity at 1 January 2021	500	1,922	-303	375	2,494
Dividends paid				-375	-375
Cash flow hedges (Interest rate swaps)			153		153
Tax on cash flow hedges (Interest rate swaps)			-34		-34
13 Result for the year		15		400	415
Equity at 31 December 2021	500	1,937	-184	400	2,653

The share capital is composed as follows as at 31 December 2022 and 31 December 2021:

5,000,000 shares of DKK 100	500
	<u>500</u>

Notes to the financial statements

DKK million

	<u>2022</u>	<u>2021</u>
1 Other external expenses		
Fees to the statutory auditors:		
Fee for auditing	<u>0.2</u>	<u>0.2</u>
2 Financial income		
Interest from affiliated companies	<u>16</u>	<u>15</u>
	<u>16</u>	<u>15</u>
3 Financial expenses		
Interest expense on mortgage loans	59	40
Interest rate swaps	77	100
Other financial expenses	<u>3</u>	<u>3</u>
	<u>139</u>	<u>143</u>
4 Tax on the result for the year		
Current tax for the year	194	108
Adjustment of deferred tax for the year	<u>35</u>	<u>43</u>
	<u>229</u>	<u>151</u>
Income tax recognised in the income statement	133	117
Income tax recognised in equity	<u>96</u>	<u>34</u>
	<u>229</u>	<u>151</u>

Notes to the financial statements

DKK million

5 Intangible assets

2022:

	<u>Key money</u>
Cost	
1 January 2022	59
31 December 2022	<u>59</u>
Amortisation and impairment losses	
1 January 2022	-24
Amortisation for the year	-4
31 December 2022	<u>-28</u>
Carrying amount at 31 December 2022	<u>31</u>

2021:

	<u>Key money</u>
Cost	
1 January 2021	59
31 December 2021	<u>59</u>
Amortisation and impairment losses	
1 January 2021	-19
Amortisation for the year	-5
31 December 2021	<u>-24</u>
Carrying amount at 31 December 2021	<u>35</u>

Notes to the financial statements

DKK million

6 Property, plant and equipment

2022:	Land and buildings	Leasehold improvements	Assets under construction
Cost			
1 January 2022	15,213	586	170
Additions during the year	443	24	11
Transfers	140	3	-143
Disposals during the year	-107	-18	-
31 December 2022	<u>15,689</u>	<u>595</u>	<u>38</u>
Depreciation and impairment losses			
1 January 2022	-6,315	-239	-
Depreciation for the year	-239	-42	-
Impairment losses for the year	-5	-	-
Disposals during the year	69	9	-
31 December 2022	<u>-6,490</u>	<u>-272</u>	<u>-</u>
Carrying amount at 31 December 2022	<u>9,199</u>	<u>323</u>	<u>38</u>
2021:	Land and buildings	Leasehold improvements	Assets under construction
Cost			
1 January 2021	14,882	526	184
Additions during the year	320	60	46
Transfers	60	-	-60
Disposals during the year	-49	-	-
31 December 2021	<u>15,213</u>	<u>586</u>	<u>170</u>
Depreciation and impairment losses			
1 January 2021	-6,124	-198	-
Depreciation for the year	-226	-41	-
Impairment losses for the year	-1	-	-
Disposals during the year	36	-	-
31 December 2021	<u>-6,315</u>	<u>-239</u>	<u>-</u>
Carrying amount at 31 December 2021	<u>8,898</u>	<u>347</u>	<u>170</u>

Notes to the financial statements

DKK million

	2022	2021
7 Financial assets and non-current liabilities other than provisions		
<i>Financial assets comprise of the following:</i>		
Other non-current financial assets	195	-
	195	-
Short term part of non-current financial assets	-92	-
Total other non-current financial assets	103	-
<i>Non-current liabilities other than provisions comprise of the following:</i>		
Mortgage credit institutions	7,241	7,414
Other non-current liabilities	-	241
	7,241	7,655
Short term part of non-current liabilities	-145	-248
Total non-current liabilities other than provisions	7,096	7,407
<i>Due as follows:</i>		
Between 1 and 5 years	1,371	1,292
After 5 years	5,725	6,115
	7,096	7,407

Derivatives

The company has floating rate mortgage debt carrying a CIBOR based interest plus a loan specific spread. Consequently, the company is exposed to changes in interest payments due to changes in market interest rates (e.g. CIBOR). Other non-current liabilities consist of interest rate swaps used as hedging instruments in cash flow hedges. Cash flow hedging is used to ensure that part of the company's interest rate risk exposure is at a fixed rate. This is achieved by using interest rate swaps to hedge some of the floating-rate mortgage loans.

The parent company, Salling Group A/S, has executed the Group's hedging strategy by entering into interest rate swaps with external bank counterparties. The external interest rate swaps are completely mirrored by also making internal back-to-back interest rate swaps between Salling Group A/S and the company, thereby hedging the interest rate risk of the company's mortgage loan portfolio.

The hedged cash flows are expected to occur and affect the income statement during the coming 10 years. During the coming year DKK 92 million is expected to affect profit or loss (DKK -103 million in 2021), during 1 - 5 years DKK 98 million is expected to affect profit or loss (DKK -129 million in 2021), and after 5 years DKK 5 million is expected to affect profit or loss (DKK -9 million in 2021).

Notes to the financial statements

DKK million

7 **Financial assets and non-current liabilities other than provisions (continued)**

It is assessed and documented on a continuous basis, whether the interest rate swaps are effective.

The effective portion of the change in the fair value of the interest rate swaps is recognised in equity, while any ineffective portion is recognised immediately in the income statement. During both 2022 and 2021 all interest rate swaps were effective.

The fair value of the cash flow hedges is estimated using valuation techniques, which are based on market observable inputs, and thereby fall within level 2 of the fair value hierarchy. The most frequently applied valuation technique for interest rate swaps, i.e. a fixed rate swapped for a floating rate, is determining the present value of the fixed leg and the floating leg using a relevant swap curve.

A change in the level of the interest rates will affect profit and equity of the company. The effect on the interest rate swaps of a general increase of 1 %-point in interest rates is estimated, all other things being equal, to affect profit before tax by DKK 29 million (DKK 36 million in 2021), and pre-tax equity by DKK 78 million (DKK 144 million in 2021). The direct impact on pre-tax equity is due to changes in the fair value of the interest rate swaps.

The fair value of the interest rate swaps is currently positive for the company. This combined with the fact that there is no principal exchange in the interest rate swaps makes the credit risk in these transactions limited.

8 **Receivables from affiliated companies**

No part of the receivables from affiliated companies falls due after more than 1 year in 2022 or 2021.

Notes to the financial statements

DKK million

	2022	2021
9 Deferred tax		
Deferred tax at 1 January	464	421
Adjustment of deferred tax for the year recognised in the income statement	35	43
Deferred tax at 31 December	499	464
Deferred tax relates to:		
Intangible assets	3	2
Property, plant and equipment	497	465
Provisions and other liabilities	-1	-3
	499	464

10 Contractual obligations and contingencies, etc.

The company has entered contractual agreements about leasing of property to affiliated companies. The leaseholds normally run for 20 years. The total income from leaseholds during the contractual lease period is DKK 15 billion as of 31 December 2022 (31 December 2021: DKK 16 billion).

The company has entered contractual agreements about leasing of property to external parties. The leaseholds normally run for 10 years. The total income from leaseholds during the contractual lease period is DKK 153 million as of 31 December 2022 (31 December 2021: DKK 152 million).

The company has entered into leasing agreements with an usual duration of up to 10 years. The total leasing commitments amount to DKK 2,869 million as of 31 December 2022 (31 December 2021: DKK 3,018 million).

The company is part of the joint registration with companies in Salling Group and F. Salling Invest A/S regarding payment of VAT, PAYE taxes etc. and is thus jointly liable for the total liability of DKK 553 million at 31 December 2022 (31 December 2021: DKK 519 million).

Notes to the financial statements

DKK million

10 Contractual obligations and contingencies, etc. (continued)

The company is jointly taxed with the Danish companies in Købmand Herman Sallings Fond Group. As jointly taxed company, which is not wholly owned, the company has limited and subsidiary liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. However, the company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the Salling Group A/S subgroup. The total net taxes payable to the Danish Central Tax Administration by the companies included in the joint taxation is disclosed in the annual report of the administration company (F. Salling Holding A/S, CVR no. 41 94 01 15). Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends etc. may entail that the company's liability will increase.

As security for mortgage loans land and buildings with a carrying amount of DKK 5,519 million have been provided as collateral (31 December 2021: DKK 5,425 million).

The company has entered contractual commitments regarding acquisition and construction of properties of a total of DKK 202 million (31 December 2021: DKK 695 million).

11 Related party disclosures

Transactions with related parties take place at arm's length terms.

Controlling interest

The company is included in the consolidated financial statements for Salling Group A/S, Rosbjergvej 33, Brabrand and the consolidated financial statements for Købmand Herman Sallings Fond, Rosbjergvej 33-35, Brabrand, which has controlling interest.

Ownership

The company is 100 % owned by Salling Group A/S, Rosbjergvej 33, Brabrand.

12 Events after the reporting period

No subsequent events have occurred that affect the annual report for 2022.

	2022	2021
13 Proposal for distribution of result for the year		
Proposed dividends	400	400
Retained earnings	85	15
	485	415

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Jakob Røddik Thøgersen

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Navnet er skjult

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