

Salling Group Ejendomme A/S

**Rosbjergvej 33
DK-8220 Brabrand**

Annual report

2023

CVR no. 21 50 38 94

The annual report has been presented and approved on the company's annual general meeting at 25/4-2024

Jakob Røddik Thøgersen

Chairman

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Financial highlights

DKK million	2023	2022	2021	2020	2019
Income from leaseholds	1,779	1,692	1,641	1,553	1,488
Result before financial items	695	741	660	644	613
Net financial items	-121	-123	-128	-157	-176
Result for the year	467	485	415	378	343
Total assets	10,812	10,922	10,881	11,136	10,577
Equity	3,013	3,078	2,653	2,494	2,378
Investment in property, plant and equipment	386	478	426	706	503
Profit margin (%)	39.1	43.8	40.2	41.5	41.2
Return on equity (%)	15.3	16.9	16.1	15.5	14.7

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

The expectations for 2023 was that the result would be In line with the result in 2022.

In 2023 the company has realised a result for the year after tax of DKK 467 million against a result after tax of DKK 485 million in 2022.

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://www.sallinggroup.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

<i>The Board of Directors</i>	<u>2023</u>
Total number of elected board members	3
Number of male members	2
Number of female members	1
Share of underrepresented gender	33%
Target for gender diversity (percentage)	33%

Pursuant to section 99b of the Danish Financial Statements Act, the table above reports the number of individuals and gender diversity of the Board of Directors in Salling Ejendomme A/S as of 31 December.

In Salling Group Ejendomme A/S the target regarding the gender constitution of the Board of Directors is to have an equal gender distribution in the Board of Directors elected by the general meeting. As the Board of Directors consists of three members an equal gender distribution is met when having one person of one gender and two persons of the other gender. The target regarding the under-represented gender must not compromise other recruitment criteria. The target regarding the under-represented gender is met as of 31 December 2023.

Management's review

<i>Other managerial levels</i>	<u>2023</u>
Total number of members	1
Number of male members	1
Number of female members	0
Share of underrepresented gender	0%

Pursuant to section 99b of the Danish Financial Statements Act, the table above reports the number of individuals and gender diversity of other managerial levels in Salling Ejendomme A/S as of 31 December.

The other managerial level consists of the Executive Board, Salling Group Ejendomme A/S has no other employees. Thus the company has less than 50 full-time employees in 2023 and 2022 and no target figures are reported regarding other managerial levels.

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.

Expected development

The company expects that the result for the financial year 2024 will be in line with the result for the financial year 2023.

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 2023.

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 2023 and of the results of the company's operations for the financial year 1 January – 31 December 2023.

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, 25 April 2024

Executive Board

Jakob Røddik Thøgersen
CEO

Board of Directors

Anders Hagh
Chairman

Jakob Røddik Thøgersen

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 2023, 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 2023 and of the results of the company's operations for the financial year 1 January – 31 December 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 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, 25 April 2024

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus Hammer-Pedersen
State Authorised Public Accountant
mne21334

Jonas Busk
State Authorised Public Accountant
mne42771

Income statement

DKK million

<u>Notes</u>	<u>2023</u>	<u>2022</u>
Income from leaseholds	1,779	1,692
Other operating income	18	76
	1,797	1,768
2 Other external expenses	-793	-737
Gross profit	1,004	1,031
4 Amortisation, depreciation and impairment losses	-309	-290
Result before financial items	695	741
5 Financial income	42	16
6 Financial expenses	-163	-139
Result before tax	574	618
7 Tax on the result for the year	-107	-133
Result for the year	467	485

Balance sheet

DKK million

Assets

Notes	31/12 2023	31/12 2022
Key money	35	31
8 Intangible assets	35	31
Land and buildings	9,196	9,199
Leasehold improvements	320	323
Assets under construction	73	38
9 Property, plant and equipment	9,589	9,560
Other non-current financial assets	-	103
10 Total financial assets	-	103
Total non-current assets	9,624	9,694
11 Receivables from affiliated companies	1,024	1,051
Other receivables	96	79
10 Other current financial assets	65	92
Corporation tax	3	-
Receivables	1,188	1,222
Cash and short-term deposits	-	6
Total current assets	1,188	1,228
Total assets	10,812	10,922

Balance sheet

DKK million

Equity and liabilities

Notes	31/12 2023	31/12 2022
Share capital	500	500
Retained earnings	2,089	2,022
Cash flow hedge reserve	27	156
Proposed dividends	400	400
Total equity	3,016	3,078
12 Deferred tax	528	499
Other provisions	-	5
Total provisions	528	504
Mortgage credit institutions	6,806	7,096
Other non-current liabilities	32	-
10 Non-current liabilities other than provisions	6,838	7,096
10 Short-term part of non-current liabilities	307	145
Trade payables	50	36
Corporation tax	-	24
Other payables	38	37
Deferred income	35	2
Current liabilities other than provisions	430	244
Total liabilities other than provisions	7,268	7,340
Total equity and liabilities	10,812	10,922
1 Summary of material accounting policy information		
3 Staff expenses		
13 Contractual obligations and contingencies, etc.		
14 Related party disclosures		
15 Events after the reporting period		

Summary of Notes to the financial statements

- 1 Summary of material accounting policy information

Notes to the income statement

- 2 Other external expenses
- 3 Staff expenses
- 4 Depreciation, amortisation and impairment losses, net
- 5 Financial income
- 6 Financial expenses
- 7 Tax on the result for the year

Notes to the consolidated

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- 9 Property, plant and equipment
- 10 Financial assets and non-current liabilities other than provisions
- 11 Receivables from affiliated companies
- 12 Deferred tax

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- 14 Related party disclosures
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- 16 Proposal for distribution of result for the year

Notes to the financial statements

DKK million

1 Summary of material accounting policy information

The annual report of Salling Group Ejendomme A/S for 2023 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 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.

Notes to the financial statements

DKK million

1 Summary of material accounting policy information (continued)

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).

Notes to the financial statements

DKK million

1 Summary of material accounting policy information (continued)

Accounting policies, 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.

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:

Land	No depreciation
Buildings:	
Technical installations within the property	10 – 30 years
Foundation and bearing structure	80 years
Remaining property	40 years

Leasehold improvements are depreciated over the shorter of the expected lease term of the related lease and the estimated useful lives of 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.

Notes to the financial statements

DKK million

1 Summary of material accounting policy information (continued)

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.

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.

Notes to the financial statements

DKK million

1 Summary of material accounting policy information (continued)

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.

Notes to the financial statements

DKK million

	2023	2022
2 Other external expenses		
Fees to the statutory auditors:		
Fee for auditing	0.2	0.2
3 Staff expenses		
By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
Average number of full-time employees	-	-
4 Depreciation, amortisation and impairment losses, net		
Depreciation, Land and buildings	251	239
Depreciation, Leasehold improvements	41	42
Amortisation, Intangible assets	3	4
Depreciation and amortisation, net	295	285
Land and building	3	5
Leasehold improvements	11	-
Impairment losses, net	14	5
Depreciation, amortisation and impairment losses, net	309	290
5 Financial income		
Interest from affiliated companies	42	16
	42	16
6 Financial expenses		
Interest expense on mortgage loans	256	59
Interest rate swaps	-96	77
Other financial expenses	3	3
	163	139

Notes to the financial statements

DKK million

	2023	2022
7 Tax on the result for the year		
Current tax for the year	57	194
Adjustment of deferred tax for the year	34	35
Adjustment to tax regarding previous years	-10	-
Adjustment of deferred tax regarding previous years	-5	-
	76	229
Income tax recognised in the income statement	107	133
Income tax recognised in equity	-31	96
	76	229
8 Intangible assets		
2023:		<u>Key money</u>
Cost		
Balance at 1 January 2023		59
Additions		7
Disposals		-6
Balance at 31 December 2023		<u>60</u>
Accumulated amortisation and impairment losses		
Balance at 1 January 2023		-28
Amortisation		-3
Disposals		6
Balance at 31 December 2023		<u>-25</u>
Carrying amount at 31 December 2023		35
2022:		<u>Key money</u>
Cost		
Balance at 1 January 2022		59
Balance at 31 December 2022		<u>59</u>
Accumulated amortisation and impairment losses		
Balance at 1 January 2022		-24
Amortisation		-4
Balance at 31 December 2022		<u>-28</u>
Carrying amount at 31 December 2022		31

Notes to the financial statements

DKK million

9 Property, plant and equipment

2023:	Land and buildings	Leasehold improvements	Assets under construction	Total
Cost				
Balance at 1 January 2023	15,689	594	38	16,321
Additions	283	47	56	386
Transfers	15	6	-21	-
Disposals	-56	-7	-	-63
Balance at 31 December 2023	15,931	640	73	16,644
Depreciation and impairment losses				
Balance at 1 January 2023	-6,490	-272	-	-6,762
Depreciation	-251	-41	-	-292
Impairment losses	-3	-11	-	-14
Disposals	9	4	-	13
Balance at 31 December 2023	-6,735	-320	-	-7,055
Carrying amount at 31 December 2023	9,196	320	73	9,589
2022:				
Cost				
Balance at 1 January 2022	15,213	586	170	15,969
Additions	443	24	11	478
Transfers	140	3	-143	-
Disposals	-107	-18	-	-125
Balance at 31 December 2022	15,689	595	38	16,322
Depreciation and impairment losses				
Balance at 1 January 2022	-6,315	-239	-	-6,554
Depreciation	-239	-42	-	-281
Impairment losses	-5	-	-	-5
Disposals	69	9	-	78
Balance at 31 December 2022	-6,490	-272	-	-6,762
Carrying amount at 31 December 2022	9,199	323	38	9,560

Notes to the financial statements

DKK million

	2023	2022
10 Financial assets and non-current liabilities other than provisions		
<i>Financial assets comprise of the following:</i>		
Derivatives designated as hedging instruments (cash flow hedges)	-	103
Other non-current financial assets	-	103
Derivatives designated as hedging instruments (cash flow hedges)	65	92
Other current financial assets	65	92
<i>Financial liabilities comprise the following:</i>		
Mortgage loans - non-current	6,806	7,096
Mortgage loans - current	307	145
Mortgage loans	7,113	7,241
Derivatives designated as hedging instruments (cash flow hedges)	32	-
Other non-current financial liabilities	32	-
<i>Non-current financial liabilities are due as follows:</i>		
Between 1 and 5 years	1,432	1,371
After 5 years	5,406	5,725
	6,838	7,096

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.

Notes to the financial statements

DKK million

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

The hedged cash flows are expected to occur and affect the income statement during the coming 10 years. During the coming year DKK 65 million is expected to affect profit or loss (DKK 92 million in 2022), during 1 - 5 years DKK -12 million is expected to affect profit or loss (DKK 98 million in 2022), and after 5 years DKK -20 million is expected to affect profit or loss (DKK 5 million in 2022).

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 2023 and 2022 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 22 million (DKK 29 million in 2022), and pre-tax equity by DKK 119 million (DKK 78 million in 2022). 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.

11 Receivables from affiliated companies

No part of the receivables from affiliated companies falls due after more than 1 year in 2023 or 2022.

Notes to the financial statements

DKK million

	2023	2022
12 Deferred tax		
Deferred tax at 1 January	499	464
Adjustment of deferred tax for the year recognised in the income statement	34	35
Adjustment of deferred tax regarding previous years recognised in the income statement	-5	-
Deferred tax at 31 December	528	499
Deferred tax relates to:		
Intangible assets	4	3
Property, plant and equipment	524	497
Provisions and other liabilities	-	-1
	528	499

13 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 2023 (31 December 2022: DKK 15 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 143 million as of 31 December 2023 (31 December 2022: DKK 153 million).

The company has entered into leasing agreements with an usual duration of up to 10 years. The total leasing commitments amount to DKK 3,089 million as of 31 December 2023 (31 December 2022: DKK 2,869 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 615 million at 31 December 2023 (31 December 2022: DKK 553 million).

Notes to the financial statements

DKK million

13 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 5,507 million have been provided as collateral (31 December 2022: DKK 5,519 million).

The company has entered contractual commitments regarding acquisition and construction of properties of a total of DKK 393 million (31 December 2022: DKK 202 million).

14 Related party disclosures

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

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.

15 Events after the reporting period

No subsequent events have occurred that affect the annual report for 2023.

16 Proposal for distribution of result for the year

Proposed dividends
Retained earnings

	2023	2022
	400	400
	67	85
	467	485

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Randi Toftlund Pedersen

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Jakob Røddik Thøgersen

Direktion

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2024-04-25 10:42:44 UTC



Anders Hagh

Bestyrelse

På vegne af: Salling Group Ejendomme A/S

Serienummer: anders.hagh@sallinggroup.com

IP: 148.64.xxx.xxx

2024-04-26 09:48:37 UTC

Jonas Busk Tangsgaard

EY Godkendt Revisionspartnerselskab CVR: 30700228

Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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Claus Hammer-Pedersen

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