F. Salling Invest A/S

Rosbjergvej 33 - 35
DK-8220 Brabrand

Annual report

2024

CVR no. 24 57 46 28

The annual report has been presented and approved on the company's annual general meeting at 28 May 2025

Jakob Røddik Thøgersen

Chairman

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Financial highlights for the company

Main and key figures

DKK million

	2024	2023	2022	2021	2020
Rental revenue	32	33	31	31	30
Operating profit (EBIT)	20	21	19	19	18
Share of profit from associates, net of tax	702	639	322	811	771
Net financial items	-48	-37	-12	-9	-8
Total profit for the year	680	627	329	821	783
Investments in investment properties	4	4	1	-	5
Total assets	13,143	12,473	11,633	11,515	10,841
Total equity	11,747	11,128	10,372	10,029	9,482
Operating margin	62.5 %	63.6 %	61.3 %	61.3 %	60.0 %
Return on equity	5.9 %	5.8 %	3.2 %	8.4 %	8.5 %

Definitions:
Operating margin is operating profit (EBIT) divided by rental revenue.

Return on equity is total profit 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 the ownership of shares in the associate, Salling Group A/S, and the ownership of investment properties.

Development during the financial year

The annual report for F. Salling Invest A/S is presented in accordance with the provisions of the International Financial Reporting Standards (IFRS) as adopted by the EU.

In 2024 the company has realised a result for the year after tax of DKK 680 million against a result after tax of DKK 627 million in 2023.

The result for 2024 is in line with expectations. The result is impacted by the result from the share of profit from Salling Group A/S.

Statutory reporting on corporate responsibility cf. §99a and data ethics cf. §99d

The company does not have policies regarding social responsibility or data ethics, as the company has not identified any material risks within the areas of human rights, environment, social and employee conditions and anti-corruption. Also, the company does not have a data ethics policy, as the company has not identified any material risks related to the company's processing and storage of data.

The primary activity of the company is the ownership of shares in the associate, Salling Group A/S, and Salling Group A/S has policies regarding social responsibility and prepares a report on social responsibility in connection with the annual report. Salling Group A/S also has a data ethics policy, which is available on the company's home page.

Particular risks

The company's financial risks are primarily related to investments in Salling Group A/S.

Expected development

The company expects, that the result in 2025 will improve, as it is expected that Salling Group A/S will continue expanding its markets position and increasing turnover as well as profit compared to 2024, due to a new strategy and ambitious investment plans. As a consequence, F. Salling Invest A/S is expected to realise a result before tax in the level of DKK 680-750 million for the year 2025. F. Salling Invest A/S is expected to realise a rental income as the same level as in 2024.

Subsequent events

No subsequent events have occurred that affect the annual report for 2024.

Management's statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of F. Salling Invest A/S for the financial year 1 January – 31 December 2024.

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in 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 2024 and of the company's operations and cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the company's operations and financial conditions, the results of the company's operations, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that the company faces.

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

Brabrand, 28 May 2025

Executive Board

Anders Hagh
CEO

Board of Directors

Jens Bjerg Sørensen Chairman	Karin Salling	Nils S. Andersen
Carsten Lorentzen		

Independent auditor's report

To the shareholder of F. Salling Invest A/S

Opinion

We have audited the financial statements of F. Salling Invest A/S for the financial year 1 January – 31 December 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 2024 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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.

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 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 Statements Act. We did not identify any material misstatement of the Management's review.

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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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 auditor's 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.

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.

Aarhus C, 28 May 2025

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch	Jonas Busk
State Authorised Public Accountant	State Authorised Public Accountant
mne35420	mne42771

Income statement

DKK million

Notes		2024	2023
8	Rental income	32	33
	External expenses	-3	-3
8	Depreciation	-9	-9
	Operating profit (EBIT)	20	21
9	Share of profit from associates, net of tax	702	639
5	Financial income	13	10
6	Financial expenses	-61	-47
	Profit before tax	674	623
7	Income tax	6	4
	Total profit for the year	680	627
	Proposal for distribution of profit for the year:		
	Proposed dividends	97	97
	Reserve for net revaluation under the equity method	702	639
	Retained earnings	-119	-109
	Total profit for the year	680	627

Statement of other comprehensive income

DKK million

Notes		2024	2023
	Profit for the year	680	627
	Other comprehensive income, net of tax:		
	Items that will not be reclassified to the income statement:		
9	Other comprehensive income not to be reclassified in associates	-5	-6
		-5	-6
	Items that subsequently are or may be reclassified to the income statement:		
9	Exchange differences on translating foreign operations in associates	74	295
9	Other comprehensive income to be reclassified in associates	-33	-63
		41	232
	Other comprehensive income for the year, net of tax	36	226
	Total comprehensive income for the year	716	853

Balance sheet at 31 December

DKK million

Assets

Notes		2024	2023
	Non-current assets		
8	**Investment properties**	455	460
	Financial assets		
9	Investments in associates	12,311	11,670
	Total financial assets	12,311	11,670
10	**Deferred tax assets**	2	4
	Total non-current assets	**12,768**	**12,134**
	Current assets		
	Receivables		
	Income tax receivables	8	5
11	Other current financial assets	367	334
	Total receivables	375	339
	Total current assets	**375**	**339**
	Total assets	**13,143**	**12,473**

Balance sheet at 31 December

DKK million

Equity and liabilities

Notes		2024	2023
	Equity		
12	Share capital	3	3
	Reserve for net revaluation under the equity method	3,455	2,888
	Foreign currency translation reserve	125	51
	Retained earnings	8,067	8,089
	Proposed dividends	97	97
	Total equity	**11,747**	**11,128**
	Liabilities		
	Non-current liabilities		
11	Mortgage loans	224	233
	Total non-current liabilities	224	233
	Current liabilities		
11	Mortgage loans	11	9
11	Other current financial liabilities	1,160	1,102
11	Other payables	1	1
	Total current liabilities	1,172	1,112
	Total liabilities	**1,396**	**1,345**
	Total equity and liabilities	**13,143**	**12,473**

Cash flow statement

DKK million

Notes		2024	2023
	Profit before tax	674	623
13	Adjustments	-645	-593
	Net cash flows from operating activities before financial items and tax	29	30
	Financial income received	13	10
	Financial expenses paid	-62	-32
	Income tax	5	-
	Net cash flows from operating activities	**-15**	**8**
8	Purchase of investment properties	-4	-4
9	Dividends received	97	97
	Net cash flows from investment activities	**93**	**93**
	Proceeds from borrowings	57	61
	Repayment of borrowings	-64	-52
	Dividends paid	-97	-97
	Net cash flows from financing activities	**-104**	**-88**
	Net change in cash and cash equivalents	-26	13
	Cash and cash equivalents at 1 January	50	37
14	**Cash and cash equivalents at 31 December**	**24**	**50**

Statement of changes in equity

DKK million

	Share capital	Reserve for net revaluation under the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2024	3	2,888	51	8,089	97	11,128
Profit for the year	-	702	-	-119	97	680
Other comprehensive income not to be reclassified in associates	-	-5	-	-	-	-5
Exchange differences on translating foreign operations in associates	-	-	74	-	-	74
Other comprehensive income to be reclassified in associates	-	-33	-	-	-	-33
Other comprehensive income	-	-38	74	-	-	36
Total comprehensive income for the year	**-**	**664**	**74**	**-119**	**97**	**716**
Dividends received from associates	-	-97	-	97	-	-
Payment of dividends	-	-	-	-	-97	-97
Total transactions with owners	**-**	**-97**	**-**	**97**	**-97**	**-97**
Equity at 31 December 2024	**3**	**3,455**	**125**	**8,067**	**97**	**11,747**

	Share capital	Reserve for net revaluation under the equity method	Foreign currency translation reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2023	3	2,415	-244	8,101	97	10,372
Profit for the year	-	639	-	-109	97	627
Other comprehensive income not to be reclassified in associates	-	-6	-	-	-	-6
Exchange differences on translating foreign operations in associates	-	-	295	-	-	295
Other comprehensive income to be reclassified in associates	-	-63	-	-	-	-63
Other comprehensive income	-	-69	295	-	-	226
Total comprehensive income for the year	**-**	**570**	**295**	**-109**	**97**	**853**
Dividends received from associates	-	-97	-	97	-	-
Payment of dividends	-	-	-	-	-97	-97
Total transactions with owners	**-**	**-97**	**-**	**97**	**-97**	**-97**
Equity at 31 December 2023	**3**	**2,888**	**51**	**8,089**	**97**	**11,128**

Summary of notes to the financial statements

Notes to the financial statements

DKK million

1 General information

F. Salling Invest A/S' primary business areas are ownership in the associate, Salling Group A/S and the ownership of properties.

F. Salling Invest A/S is a limited company with its registered office located at Rosbjergvej 33-35, 8220 Brabrand in Denmark.

The following shareholder owns more than 5 % of the share capital and the voting rights in F. Salling Invest A/S:

Købmand Herman Sallings Fond, Rosbjergvej 33-35, Brabrand, Denmark

F. Salling Invest A/S is included in the consolidated financial statements of Købmand Herman Sallings Fond, which is the ultimate controlling party of F. Salling Invest A/S.

2 Summary of material accounting policy information

The financial statements section of the annual report for the period 1 January – 31 December 2024 comprises the financial statements of F. Salling Invest A/S.

The financial statements of F. Salling Invest A/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and further Danish requirements for class C large enterprises.

Several amendments and interpretations issued by the International Accounting Standards Board and endorsed by the European Union have become effective on or after 1 January 2024. The company has assessed the changes, and it has been concluded that the application of the changes did not had a material impact on the financial statements in 2024, and no significant impact on future periods from the changes is expected. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Basis of preparation

The functional currency of F. Salling Invest A/S is Danish kroner (DKK). The presentation currency of the financial statements is Danish kroner (DKK). All amounts have been rounded to the nearest million, unless otherwise indicated.

The financial statements have been prepared on the historical cost basis.

The summary of material accounting policy information have been prepared using a consideration of materiality. The accounting policy information is considered material if the related amounts are material, if the nature of the related transactions are material, or if the information is needed to understand other material information in the financial statement.

Accounting policies, income statement

Rental revenue
Rental revenue arising from operating leases on investment properties is recognised on a straight-line basis over the lease terms. Revenue is measured at the fair value of the consideration received or receivable, and excluding amounts collected on behalf of third parties such as sales taxes and value added taxes.

Notes to the financial statements

DKK million

2 Summary of material accounting policy information - continued

External expenses

External expenses primarily include operating expenses regarding investment properties as well as consultants fees etc.

Depreciation and impairment losses

Depreciation comprises depreciation of investment properties.
Impairment losses comprise impairment losses and reversal of impairment regarding investment properties.

Share of profit/loss from associates, net of tax

Investments in associates are measured in the balance sheet using the equity method. The share of profit/loss from associates after elimination of unrealised gains and losses resulting from transactions between the parent company and the associates and including the effect of depreciation of fair value adjustments recognised as part of business combinations is recognised in the income statement.

Financial income and expenses

Financial income and expenses comprise interest income and expenses and exchange gains and losses on transactions denominated in foreign currencies. Moreover, financial income and expenses comprise amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax.

Borrowing costs from general borrowing or loans directly related to acquisition, construction or development of qualifying assets are allocated to the cost of such assets.

Income tax expense

The company is included in the joint taxation in Købmand Herman Sallings Fond Group. Tax for the year is allocated between the jointly taxed companies in proportion to their taxable income (full allocation). The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense is recognised in the income statement, other comprehensive income or directly in equity.

Accounting policies, balance sheet

Investment properties

Investment properties are properties held to earn rentals or for capital appreciation or both, not for use in the supply of goods or services or for administrative purposes. Investment properties are measured initially at cost comprising purchase price and any directly attributable expenditure including transaction costs. Subsequent to initial recognition investment properties are measured at cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Land	No depreciation
Investment properties:	
Technical installations within the property	10 - 30 years
Foundation and bearing structure	80 years
Remaining property	20 - 40 years

The residual values, useful lives and methods of depreciation of investment properties are reviewed at each financial year end and adjusted prospectively, if necessary.

Notes to the financial statements

DKK million

2 Summary of material accounting policy information - continued

Investments in associates
Investments in associates are measured in the balance sheet using the equity method. The share of profit/loss from associates, net of tax is recognised in the income statement.

Impairment testing of non-current assets
The carrying amount of non-current assets 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 assets 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 the expected net cash flow from disposal of the asset or the group of assets after the end of the useful life.

Other current financial assets
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss, based on two criteria: the business model for managing the assets, and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. Purchases or sales of financial assets are recognised on the trade date. The company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired. This category is most relevant for the company, and generally it applies to all the receivables.

A financial asset or a part of a financial asset is derecognised from the balance sheet, when the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and the company has either transferred substantially all the risks and rewards of the asset, or the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment is recognised as an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. The expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include any cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to the financial statements

DKK million

2 Summary of material accounting policy information - continued

Equity - Net revaluation under the equity method

The net revaluation of investments in subsidiaries is recognised as a reserve for net revaluation under equity according to the equity method to the extent that the carrying value exceeds the cost price. The reserve can be eliminated in the event of losses, realisation of investments, or changes in accounting estimates. Subsidiary dividends are transferred from the net revaluation to the distributable reserves at the time of distribution. The reserve cannot be recognised at a negative amount.

Equity - Foreign currency translation reserve

The foreign currency translation reserve comprises exchange rate adjustments arising from translation of the financial statements of foreign entities with a currency that is not the Group's presentation currency.

Loans, trade payables and other financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings.

After initial recognition, interest-bearing loans, borrowings and payables are measured at amortised cost using the effective interest method. Accordingly, any difference between the proceeds and the nominal value is recognised in the income statement as financial expenses over the term of the loan or at derecognition. This category is most relevant for the company. This category generally applies to interest-bearing loans, borrowings and payables.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Taxes

Current income tax assets are measured at the amount expected to be recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement or the statement of other comprehensive income.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are measured at the tax rates that are expected to apply in the year when the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in the statement of other comprehensive income or directly in equity.

2 Summary of material accounting policy information - continued

Accounting policies, cash flow statement

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

Cash and cash equivalents comprise receivables from the associate, Salling Group A/S. Any deposits with the associate are excluded.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquired businesses are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of businesses are recognised up until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as the profit before tax adjusted for non-cash operating items, changes in working capital, interest payments and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of businesses and of investment properties, dividends received and other non-current assets.

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

Cash flows in other currencies than the functional currency are translated using average exchange rates unless these deviate significantly from the rate at the transaction date.

Accounting policies, other

Foreign currency translation
On initial recognition, foreign currency transactions are translated to the functional currency using the exchange rates 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 expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency using the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date at which the receivable or payable arose or the rates in the latest annual report is recognised in profit or loss as financial income or financial expenses.

Fair value measurement
The company uses the fair value concept in connection with certain disclosure requirements and in connection with business combinations. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants ("exit price").

The fair value is a market-based and not an entity-specific valuation. The company uses the assumptions that the market participants would use for the pricing of the asset or liability based on existing market conditions, including assumptions relating to risks. The company's intention to own the asset or settle the liability is thus not taken into consideration, when the fair value is determined.

The fair value measurement is based on the primary market. If a primary market does not exist, the measurement is based on the most favourable market, which is the market that maximises the price of the asset or liability less transaction and transportation costs.

Notes to the financial statements
DKK million

2 Summary of material accounting policy information - continued

To the widest possible extent, the fair value measurement is based on market values in active markets (level 1) or alternatively on values derived from observable market information (level 2). If such observable information is not available or cannot be used without significant modifications, fair values are based on generally accepted valuation methods and reasonable estimates (level 3).

The company determines, whether transfers have occurred between levels in the hierarchy, by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Valuation of investment properties
Investment properties are tested for indications of impairment. An impairment loss is recognised if the recoverable amount of an asset is lower than the asset's carrying amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the long-term plans. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Depreciation
The useful lives and residual values of investment properties are reviewed annually based on available information. If necessary, they are adjusted prospectively. Changes to estimates of useful lives and residual values may affect the annual depreciation and thereby the results for the year significantly.

Valuation of financial assets
Investments in associates are recognised according to the equity method. The carrying amount includes goodwill and other fair value adjustments arising as part of business combinations. Investments in associates are tested for impairment annually. An impairment loss is recognised if the recoverable amount of an asset is lower than the asset's carrying amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the long-term plans for Salling Group A/S. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Notes to the financial statements

DKK million

		2024	2023
4	**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	-	-
5	**Financial income**		
	Interest income on loans to related parties	13	10
	Total financial income	13	10
6	**Financial expenses**		
	Interest expense on mortgage loans	10	9
	Interest expense on loans from related parties	51	38
	Total financial expenses	61	47
7	**Income tax**		
	Current income tax	8	5
	Change in deferred tax	-2	-1
	Total income tax	6	4

Reconciliation of income tax recognised in the income statement

	2024		2023	
	DKK		DKK	
Tax on result for the year at the Danish income tax rate	-148	22.0 %	-137	22.0 %
Non-deductible costs and non-taxable income	154	-22.8 %	141	-22.6 %
Not capitalised tax loss carry forwards	-	0.0 %	-	0.1 %
Income tax recognised in the income statement	6	-0.8 %	4	-0.5 %

Notes to the financial statements
DKK million

8 Investment properties

	2024	2023
Cost		
Balance at 1 January	544	540
Additions	4	4
Balance at 31 December	548	544
Accumulated depreciation and impairment losses		
Balance at 1 January	-84	-75
Depreciation	-9	-9
Balance at 31 December	-93	-84
Carrying amount at 31 December	455	460

Investment properties primarily comprise stores that are leased as operating leases by Salling Group A/S. The remaining investment properties are leased to external parties as operating leases. The estimated fair value of investment properties amounts to DKK 508 million at 31 December 2024 (DKK 508 million at 31 December 2023). The estimated fair value equals the estimated price that would be received if selling the investment properties in an orderly transaction between market participants. The estimated fair value is not based on a valuation by an independent valuer. Most of the investment properties are held to earn rentals not with the purpose of being sold in the near future. No impairment losses have been recognised since the value in use is higher than the carrying amount for any investment properties for which there is an indication that the properties may be impaired.

The fair value of the investment properties falls within level 3 of the fair value hierarchy. The fair value is based on a rate of return compared with a price per square metre. The rate of return is based on experience with real estate deals.

	2024	2023
Rental income from investment properties	32	33
Direct operating expenses from investment properties that generated rental income	-3	-3
Profit arising from investment properties	29	30

No part of the rental income stems from variable lease payments in 2024 or 2023.

Notes to the financial statements

DKK million

		2024	2023
9	**Investments in associates**		
	Cost		
	Balance at 1 January	8,731	8,731
	Balance at 31 December	8,731	8,731
	Value adjustments		
	Balance at 1 January	2,939	2,171
	Dividends	-97	-97
	Foreign currency translation	74	295
	Other comprehensive income	-38	-69
	Profit for the year	702	639
	Balance at 31 December	3,580	2,939
	Carrying amount at 31 December	12,311	11,670

Specification of investments in associates:

	Share of issued share capital and voting rights	Principal place of business and country of incorporation
Salling Group A/S	48.29 %	Brabrand, Denmark

10 Deferred tax assets

Specification of deferred tax

	Balance sheet	
	2024	2023
Investment properties	2	4
Deferred tax expense/income / Net deferred tax	2	4

Reconciliation of net deferred tax

	2024	2023
Opening balance at 1 January	4	5
Adjustment of deferred tax recognised in the income statement	-2	-1
Closing balance at 31 December	2	4

The company has a deferred tax asset of DKK 10 million at 31 December 2024, which is not recognised in the balance sheet (DKK 10 million in 2023). The deferred tax asset has not been recognised due to uncertainties regarding the future taxable profits against which the unused tax losses can be utilised.

Notes to the financial statements

DKK million

11 Financial assets and financial liabilities

	Carrying amount		Fair value	
	2024	2023	2024	2023
Financial assets comprise the following:				
Receivables from associates	367	334	367	334
Other current financial assets	367	334	367	334
Financial liabilities comprise the following:				
Mortgage loans - non-current	224	233	231	238
Mortgage loans - current	11	9	11	9
Mortgage loans	235	242	242	247
Payables to entities with controlling influence	436	378	436	378
Payables to other related parties	724	724	724	724
Other current financial liabilities	1,160	1,102	1,160	1,102
Other payables	1	1	1	1

Financial instruments by category

	2024	2023
Financial assets at amortised cost:		
Other financial assets	367	334
Financial liabilities measured at amortised cost:		
Mortgage loans	235	242
Other financial liabilities	1,160	1,102
Other payables	1	1

Fair value

For other payables the carrying amount is a reasonable approximation of fair value, largely due to the short-term maturities of the financial instruments.

The fair value of mortgage loans is derived from quoted market prices in active markets, and falls within level 1 of the fair value hierarchy. Fair value of the remaining borrowing items falls within level 2 of the fair value hierarchy, and is calculated on the basis of discounted interests and instalments.

Risks arising from financial instruments

The company's main risks are market risks relating to fluctuations in interest rates. There has been no structural changes in the risk exposure or risks compared to 2023.

Notes to the financial statements

DKK million

11 Financial assets and financial liabilities - continued

The overall framework for financial risk management is defined in Salling Group A/S' financial policy, which also comprises F. Salling Invest A/S. The companies have a centralised management of financial risks undertaken by the Group's Treasury Department. The financial policy is reviewed and updated on a regular basis. The companies do not engage in speculation in financial risks. The companies' financial strategy is directed solely towards the management and mitigation of financial risks that are a direct result of the operating, investing and financing activities.

Interest rate risks

The company's exposure to risk of changes in market interest rates relates to loans to and from related parties and mortgage loans. The mortgage loan portfolio is actively managed by Group Treasury in Salling Group.

A general increase of 1 %-point in interest rates is estimated, all other things being equal, to affect profit before tax by DKK 5 million (DKK 5 million in 2023), and pre-tax equity by DKK 5 million (DKK 5 million in 2023).

Sensitivity analysis based on a 1 %-point increase in interest rates:

31 December 2024	Carrying amount	Sensitivity	Profit before tax	Pre-tax equity
Financial assets	367	1 %	14	14
Financial liabilities	1,396	1 %	-9	-9
Impact			5	5

31 December 2023	Carrying amount	Sensitivity	Profit before tax	Pre-tax equity
Financial assets	334	1 %	14	14
Financial liabilities	1,345	1 %	-9	-9
Impact			5	5

The sensitivity analysis has been prepared on the basis of the amount of net debt and the ratio of fixed to floating interest rate of the net debt in place as at 31 December.

For receivables from and payables to related parties interest rates are fixed based on the relevant interbank rate with a debit or credit margin. Other receivables or payables are not interest-bearing if they are paid when due.

Overview of borrowings by interest rate levels:

		Next interest rate fixing		
31 December 2024	Carrying amount	Within 1 year	1 to 5 years	After 5 years
0 - 2 %	8	-	-	8
2 - 4 %	654	654	-	-
4 % -	733	733	-	-
Total	1,395	1,387	-	8

Notes to the financial statements

DKK million

11 Financial assets and financial liabilities - continued

31 December 2023	Carrying amount	*Next interest rate fixing* Within 1 year	1 to 5 years	After 5 years
0 - 2 %	8	-	-	8
2 - 4 %	59	59	-	-
4 % -	1,277	1,277	-	-
Total	1,344	1,336	-	8

Liquidity risks

Liquidity risk is the risk that the company will not be able to settle its financial liabilities, when they fall due.

The associate, Salling Group A/S, acts as a financial coordinator for the company to ensure the funding of the operating and investing activities at all time. The company considers the liquidity risk to be low.

The overview below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments. The undiscounted cash flows can differ from both the carrying amount and the fair value. Floating rate interest is estimated using the prevailing rate at the balance sheet date.

31 December 2024	On demand	Within 1 year	1 to 5 years	After 5 years	Total
Mortgage loans	-	11	46	178	235
Other current financial liabilities	436	724	-	-	1,160
Other payables		1			1
Total	436	736	46	178	1,396

31 December 2023	On demand	Within 1 year	1 to 5 years	After 5 years	Total
Mortgage loans	-	19	81	252	352
Other current financial liabilities	378	724	-	-	1,102
Other payables	-	1	-	-	1
Total	378	744	81	252	1,455

Notes to the financial statements

DKK million

11 Financial assets and financial liabilities - continued

Changes in assets and liabilities arising from financing activities

	1 January 2024	Cash flows	Other	31 December 2024
Mortgage loans	242	-7	-	235
Other current financial liabilities	1,102	57	1	1,160
Other current financial assets	-334	-57	24	-367
Total change in assets and liabilities from financing activities	1,010	-7	25	1,028

	1 January 2023	Cash flows	Other	31 December 2023
Mortgage loans	243	-1	-	242
Other current financial liabilities	1,017	-51	136	1,102
Other current financial assets	-261	61	-134	-334
Total change in assets and liabilities from financing activities	999	9	2	1,010

12 Equity

Share capital

As at 31 December, the share capital, which consists of one share class, comprises:

	2024	2023
10 shares of TDKK 1	0	0
29 shares of TDKK 10	0	0
1 share of TDKK 445	0	0
1 share of TDKK 446	1	1
1 share of TDKK 1,809	2	2
Total share capital	3	3

There has been no changes to the share capital during 2020 - 2024. All shares have been fully paid.

Retained earnings

During the 2024 financial year an ordinary dividend of DKK 97 million has been paid (in 2023 an ordinary dividend of DKK 97 million were paid). A dividend for the 2024 financial year of DKK 97 million is proposed. Payment of dividends to the shareholder does not trigger taxes for the company.

Notes to the financial statements

DKK million

		2024	2023
13	**Adjustments**		
	Financial income	-13	-10
	Financial expenses	61	47
	Share of profit from associates, net of tax	-702	-639
	Depreciation, investment properties	9	9
	Adjustments	-645	-593
14	**Cash and cash equivalents**		
	Receivables from associates, excluding loans	24	50
	Cash and cash equivalents available to the company	24	50

15 Contingent assets, liabilities and other financial commitments

Operating leases, the company is lessor

The company leases a number of properties, shops and flats as operating leases to related and external parties. The leases have terms of between 1 year and 12 years. Under some of the leases the external parties have the option to continue the lease of the assets beyond the agreed upon lease terms.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2024	2023
Within 1 year	32	30
1 to 5 years	128	121
After 5 years	103	128
Total	263	279

Contingent liabilities and financial commitments

No contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements exist (DKK 0 million in 2023).

As security for mortgage loans, investment properties with a carrying amount of DKK 378 million have been provided as collateral (DKK 380 million in 2023).

The company is part of the joint registration with companies in the Salling Group regarding payment of VAT, PAYE taxes etc. and is thus jointly liable for the total liability of DKK 615 million at 31 December 2024 (DKK 615 million in 2023).

The company is jointly taxed with the Danish companies in Købmand Herman Sallings Fond Group. As a group company, the company has joint and several unlimited liability together with the other group companies for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. 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.

Notes to the financial statements

DKK million

16 Related party disclosures

All related party transactions take place at an arm's length basis. The following transactions were carried out with related parties:

	2024	2023
Entities with controlling influence over the company:		
Interests paid	-15	-11
Dividend paid	97	97
Associates:		
Leasing income	30	30
Dividend received	97	97
Other related parties:		
Interests paid	-36	-27

All outstanding balances with related parties as at 31 December are presented in note 11. All outstanding balances carry interest and are to be settled in cash within 1 year unless otherwise specified in note 11.

None of the outstanding balances are secured, and no provisions are held against the balances as at 31 December 2024 (DKK 0 in 2023). No expense has been recognised in 2024 or 2023 for bad or doubtful debts.

Key management personnel

F. Salling Invest A/S does not incur costs related to remuneration of key management personnel.

17 Capital management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. For the purpose of the company's capital management, capital includes total equity.

The company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholder or issue new shares.

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

Notes to the financial statements

DKK million

18 Events after the reporting period

No subsequent events have occurred that affect the annual report for 2024.

19 Standards issued but not yet effective

New or amended IFRS Accounting Standards and interpretations issued by the IASB that have not yet become effective are not adopted until they become effective and are endorsed by European Union. Management does not anticipate any significant impact on the Consolidated financial statements in the period of initial application from the adoption of the new standards and amendments, apart from IFRS 18 "Presentation and Disclosure in Financial Statements", which was issued by the IASB in 2024.

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 "Presentation of Financial Statements" and is effective from January 1, 2027. The Group has started, but not yet completed, the analysis of the impact of IFRS 18. IFRS 18 is expected to change the presentation of the income statement, as the standard requires the classification of income and costs into three newly defined categories: operating, investing, and financing activities. Furthermore, IFRS 18 also includes new disclosure requirements, but the standard will not change any accounting policies on recognition and measurement and will not change reported net results or equity upon implementation.

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