

salling fondene
Ejer af Salling Group

Fondsrapport 2024

Vi gør hverdagen bedre

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Danmark
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www.sallingfondene.dk



salling fondene

Ejer af **salling** group

Indholds- fortegnelse

Forord fra bestyrelsesformanden	SF 3
Fonden fylder 60 år	SF 4
Uddelingsstrategi	SF 6
Bestyrelsen	SF 7
God fondsledelse	SF 8
Ejerskab	SF 9
Om Salling Group	SF 10
Salling Fondene ruten	SF 11
Donationer 2024	SF 12
Donationer gennem årene	SF 16
Gengivelse af Årsrapport 2024 (EN)	SF 17

FORORD FRA
BESTYRELSESFORMANDEN60 år
med
fonden

Købmand Herman Sallings Fond fyldte 60 år i 2024. Fonden har siden stiftelsen i 1964 udviklet sig markant og har støttet mange banebrydende projekter, der både gør hverdagen bedre og skaber glæde for mange.

Der er sket meget i fondens første 60 år fra ganske få føtex butikker og Salling stormagasiner til i dag, hvor Salling Group er en retailer i international klasse, med fonden som ejer.

Salling Group står et historisk sted
2024 var igen et aktivt år, hvor Salling Group lancerede den nye, visionære og ambitiøse strategi Aspire '28. Strategien sætter retningen for koncernens udvikling med henblik på at realisere det store potentiale med en ambition om 100 mia. kr. i omsætning i 2028.

Det var også et år med mange andre store projekter i Salling Group. Der blev indgået en aftale med Coop om overtagelse af 33 af deres butikker. I koncernens næststørste marked Polen, åbnede den første Netto 4.0 butik, og antallet af Netto butikker i Polen forventes at stige fra 676 til 1.000 frem mod 2028.

Donationer der gør en forskel

Det solide økonomiske fundament i Salling Group betød, at fonden igen i 2024 kunne uddele donationer til en række markante og banebrydende projekter. Fonden donerede i 2024 i alt 191 mio. kr. til projekter og initiativer, der gør hverdagen bedre.

Grundlaget for at foretage donationer er de mange loyale kunder, der hver dag handler i Salling Groups butikker, da det er en del af koncernens overskud, som fonden giver tilbage.

Siden 2012 har Salling Fondene samlet doneret over 2,3 mia. kr. tilbage til det samfund, vi er en del af.

Fonden donerede i 2024 yderligere 40 mio. kr. til opførelsen af det nye stadion i Aarhus for at sikre et stadion med en funktionalitet og et design i verdensklasse. Fonden har samlet doneret 290 mio. kr. til det nye Aarhus stadion. De første af i alt 100 søjler, som vil give stadionfacaden et unikt arkitektonisk udtryk, er nu rejst. Vi ser frem til, at stadion står klar i 2026 – til gavn og glæde for mange.



Foto: Aarhus Kommune

Det var virkelig spændende at opleve Viktor Axelsen vinde OL guld på imponerende vis til OL i Paris i sommers, hvor Danmark opnåede 9 medaljer, heraf to guldmedaljer. Fonden har siden 2009 støttet Team Danmark og de danske atleter i deres rejse mod at blive blandt verdens bedste.

Resultater skabes gennem mennesker, og Salling Groups succes skabes af de ca. 57.000 medarbejdere, som hver eneste dag arbejder hårdt for at give kunderne de bedste oplevelser. Jeg vil gerne takke alle medarbejdere på tværs af butikker, administration og lagre for den store indsats, som de yder hver dag.



Foto: Lars Møller

En stor fælles indsats af ledere og medarbejdere i hele koncernen har skabt udvikling og resultater, der skaber både stolthed og anerkendelse.

Salling Group har aldrig stået stærkere og Aspire '28 sætter en ny og visionær retning for de kommende år. Det er derfor forventningen, at fonden også fremadrettet vil støtte markante og banebrydende projekter på samme niveau som nu.



Jens Bjerg Sørensen
Bestyrelsesformand,
Købmand Herman Sallings Fond



Salling Fondene er eneejere af Danmarks største og mest mangfoldige detailhandelsvirksomhed, Salling Group, der driver Bilka, føtex, BR, Salling Stormagasiner, Skagenfood samt Netto på det polske, tyske og danske marked. Herudover drives franchise-kæderne Starbucks, Carl's Jr., Matinique og HUGO BOSS i Danmark.

Købmand Herman Sallings Fond udgør sammen med Købmand Ferdinand Sallings Mindefond Salling Fondene. Købmand Herman Sallings Fond ønsker gennem donationerne at gøre hverdagen bedre for alle danskere, forbedre deres livskvalitet samt give tilbage til fællesskabet.

Fonden blev i 1964 etableret af Købmand Herman Salling og det blev begyndelsen på det, der senere blev til Dansk Supermarked, som vi i dag kender som Salling Group. Der er sket meget i fondens og virksomhedens levetid – fra de første skridt i detailbranchen til i dag, hvor Salling Group er en international retailer i verdensklasse.

Siden etableringen har fonden udviklet sig markant og har støttet mange visionære og banebrydende projekter, der gør hverdagen bedre og skaber glæde for mange. Siden 2012 har Salling Fondene nu samlet doneret over 2,3 mia. kr. tilbage til det samfund, vi er en del af.

Fonden fylder 60 år



Foto: Bilka, Salling Group A/S

1970

Bilka åbner første varehus i Tilst ved Aarhus.



Foto: Netto, Salling Group A/S

1981

Netto åbner første butik på Godthåbsvej i København.



Netto, Salling Group A/S

1990

Netto ekspanderer til udlandet og åbner første butik i Tyskland.

fortsætter på næste side...

1964

Fonden etableres, og der indgås partnerskab med A.P. Møller – Mærsk om Jydsk Supermarked, etableret i 1960, der skifter navn til Dansk Supermarked.

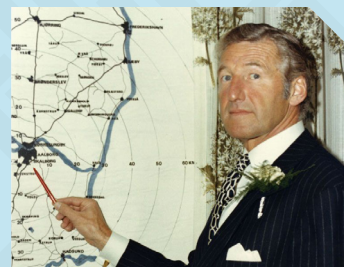


Foto: Salling Group A/S

1981

Salling Stormagasin har 75-års jubilæum.



Foto: Salling Group A/S

1985

føtex har 25-års jubilæum.



føtex, Salling Group A/S

Fonden fylder 60 år



Foto: Netto, Salling Group A/S

1995

Netto åbner første butik i Polen.



Foto: Ulendh fotograf/MSDA

2005

Købmand Herman Salling indvier Salling Stormagasinet i Aarhus efter en større renovering.



Foto: Michael Jaap

2012

Fonden donerer til flere store projekter i Aarhus.



Foto: Salling Group A/S

2017

Fonden køber de resterende aktier, og Salling Fondene ejer nu Dansk Supermarked 100%.



Illustration: Zaha Hadid Architects

2020-24

Salling Fondene fortsætter med at donere til en række banebrydende projekter.

1999

400 Netto-butikker i Danmark.



Netto, Salling Group A/S

2006

Købmand Herman Salling dør som 86-årig.



Foto: Jens-Kristian Søgaard, Aarhus Stadsarkiv

2014

Fonden køber størstedelen af aktierne i Dansk Supermarked tilbage fra A.P. Møller – Mærsk.



Foto: Michael Hansen

2018

Dansk Supermarked skifter navn til Salling Group.



Foto: Salling Group A/S

Scan QR-koden og læs mere om fondens historie.



Uddelings- strategi

Som erhvervsdrivende fond med almennyttige formål har Købmand Herman Sallings Fond to overordnede formål; dels at sikre Salling Group inkl. datterselskaber de bedst mulige vilkår for at drive forretning, dels sammen med søsterfonden at varetage fondenes uddelingsformål.

Alt overskud fra Salling Group geninvesteres enten i forretningen eller uddeles til almennyttige eller andre værdige formål. Salling Fondene har siden 2012 doneret over 2,3 mia. kr. tilbage til det samfund, som vi er en del af – til glæde og gavn for rigtig mange mennesker.

Fondens uddelingsstrategi følger af fondens formål om at støtte projekter og initiativer indenfor blandt andet kunst og kultur, uddannelse, sport samt velgørende og almennyttige formål.

Mål & strategi

Vi gør hverdagen bedre

Vi giver tilbage til gavn og glæde for borgere, kunder og medarbejdere

Ansvarlighed

Øget bæredygtighed og mindre klimapåvirkning

Fokus- områder 2025

Landmarks



Betydende og banebrydende projekter der sætter et varigt aftryk

Fællesskaber



Projekter der styrker fællesskabet gennem sport og fritid

Livskvalitet



Projekter der understøtter indsatsen for at højne livskvaliteten

Lokale initiativer



Projekter der gør en forskel i lokalsamfund rundt i hele Danmark*

Fundats- områder



Medarbejdere



Kunst og kultur



Sport



Folkekirken



Værdige formål



Uddannelse



Innovation

*Indstilles via Bilka og føtex – max 250.000 kr. pr. projekt

Bestyrelsen for Købmand Herman Sallings Fond

Fondsbestyrelsen har til ansvar at forvalte fondens midler i overensstemmelse med fondens formål. Blandt andet beslutter bestyrelsen, hvilke initiativer der tildeles støtte.



Jens Bjerg Sørensen
Bestyrelsesformand
CEO, Schouw & Co. A/S

Jens Bjerg Sørensen har været CEO i industrikonglomeratet Schouw & Co. siden 2000 og varetager sideløbende med denne position en række bestyrelsesposter i toneangivende internationale virksomheder. Han er blandt andet formand for Danfoss A/S, A. Kirk A/S og Biomar Group A/S, næstformand i Salling Group A/S samt bestyrelsesmedlem i AIDA A/S m.fl.

Med lang erfaring fra bestyrelsesarbejde, ledelse og innovation er Jens Bjerg Sørensen valgt til bestyrelsen grundet sine særlige forudsætninger for at kunne varetage fondens erhvervsformål. Som næstformand for Salling Group A/S har han endvidere indgående kendskab til aktiviteterne i koncernen.

Indtrådt i bestyrelsen i 2009.

Uafhængighed:
Anses ikke som uafhængigt medlem.



Karin Salling
Næstformand

Karin Salling har fast plads i bestyrelsen, jf. fondens fundats. Hun spiller via sit indgående kendskab til Salling Groups historie samt tilknytning til kirke, kultur, sport mv. i Aarhusområdet en nøglerolle i forhold til varetagelse af fondens uddelingsformål.

Karin Salling er i 2022 udnævnt til Kammerdame af Kongehuset.

Indtrådt i bestyrelsen i 1978.

Uafhængighed:
Anses ikke som uafhængigt medlem.



Nils Smedegaard Andersen
Bestyrelsesmedlem
Non-executive Director

Nils Smedegaard Andersen har en lang erhvervskarriere som CEO i globale virksomheder bag sig, blandt andet som CEO i A.P. Møller – Mærsk og Carlsberg Group. Han er en særdeles eftertragtet bestyrelseskandidat og er i dag bestyrelsesformand i ASML Holding N.V., Constellation Cold Logistics og SGL Group samt bestyrelsesmedlem i WWF Verdensnaturfonden. Nils Smedegaard Andersen har som tidligere bestyrelsesformand for Salling Group indgående kendskab til aktiviteterne i Salling Group og er udpeget til bestyrelsen grundet sine særlige ledelsesmæssige forudsætninger til at kunne varetage fondens erhvervsformål.

Indtrådt i bestyrelsen i 2014.

Uafhængighed:
Anses som uafhængigt medlem.



Carsten Lorentzen
Bestyrelsesmedlem
Partner, advokat, DLA Piper

Carsten Lorentzen beskæftiger sig som advokat og partner i DLA Piper fortrinsvis med virksomhedsoverdragelser, fast ejendom, rets- og voldgiftssager og immaterialret og har ført et betydeligt antal retssager for Højesteret, Landsretterne samt for voldgiftsretter. Han er aktiv i en lang række bestyrelser, herunder LINDBERG OPTIK A/S, Benjamin Capital ApS, Formula Automobile A/S, PNO Holding A/S m.fl. Carsten Lorentzen er udpeget til særligt at kunne varetage fondens uddelingsformål med baggrund i sin erfaring med erhvervsjuridiske forhold og bestyrelsesarbejde.

Indtrådt i bestyrelsen i 2015.

Uafhængighed:
Anses som uafhængigt medlem.



Michael Holm
Bestyrelsesmedlem
Bestyrelsesformand, Systematic A/S

Michael Holm er stifter af Systematic A/S, der har vokset sig til at blive den største privatejede softwarevirksomhed i Danmark med kunder i både den offentlige og private sektor. Michael Holm er bestyrelsesmedlem i Energinet og, AVK Holding A/S m.fl. Han er valgt til bestyrelsen for Købmand Herman Sallings Fond for særligt at kunne varetage fondens erhvervsformål via sin lange erfaring med ledelse, strategi, corporate governance og økonomi.

Indtrådt i bestyrelsen i 2018.

Uafhængighed:
Anses som uafhængigt medlem.

God Fondsledelse

Købmand Herman Sallings Fond er som erhvervsdrivende fond omfattet af Anbefalingerne for god Fondsledelse udarbejdet af Komitéen for god Fondsledelse, herunder vedrørende:

- Åbenhed og kommunikation
- Bestyrelsens opgaver og ansvar
- Bestyrelsens vederlag

Fondens bestyrelse forholder sig kontinuerligt til anbefalingerne, og hvert år udarbejdes og publiceres en redegørelse for god fondsledelse.

Bestyrelsen vurderer, at Købmand Herman Sallings Fond i alle væsentlige forhold følger anbefalingerne, der endvidere udgør en betydelig inspiration i fondens arbejde, ikke mindst i forhold til de løbende uddelinger.

Fondens redegørelse for god fondsledelse for 2024 findes på:

<https://www.sallingfondene.dk/om-fondene/redegoerelse-for-god-fondsledelse>





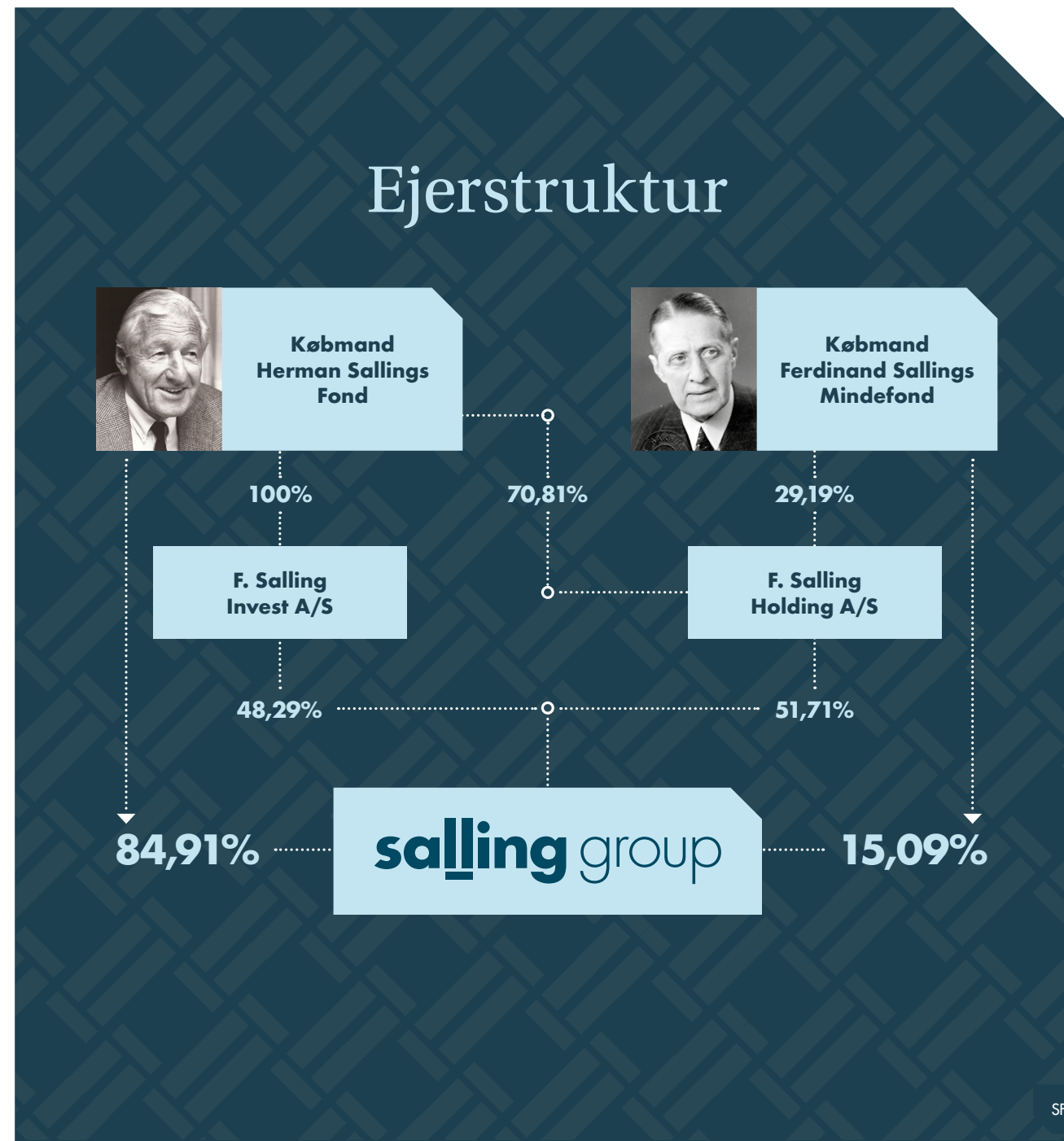
Ejerskab med fokus på samfund, ansvarlighed og fremtid

Salling Fondene – Købmand Herman Sallings Fond og søsterfonden Købmand Ferdinand Sallings Mindefond – er ultimative ejere af Salling Group. En unik og strategisk ejerstruktur, som sikrer, at Salling Groups overskud anvendes til to primære formål: at styrke og udvikle forretningen samt at yde betydelige donationer gennem Salling Fondene til projekter og initiativer inden for kunst, kultur, sport, kirke, uddannelse og andre velgørende formål. Dette skaber en god balance mellem forretningsmæssig vækst og samfundsmæssig ansvarlighed.

I 2024 markerede vi 60-års dagen for stiftelsen af Købmand Herman Sallings Fond. Fonden blev stiftet af købmand Herman Salling i 1964 som ejer af den virksomhed, vi i dag kender som Salling Group. Fra starten af sit virke havde Herman Salling blik for ikke

alene at gøre hverdagen bedre for sine kunder gennem god service og gode produkter, men også at tage ansvar for det samfund, forretningen var en del af. Værdier, som fortsat gennemsyner begge fonde og Salling Group.

Fra sin oprindelse som en lille manufakturhandel i Aarhus har Salling Group udviklet sig til nu at være Danmarks største dagligvarekoncern. Salling Fondene har ydet et væsentligt bidrag til denne udvikling ved at sikre, at forretningens overskud anvendes til både forretningsudvikling og filantropiske formål, der forbedrer hverdagen for mange. Ejerskabet understøtter en langsigtet strategi, der harmonerer med økonomisk robusthed med en dyb forpligtelse til samfundsansvar.





Hver kunde.
Hver kollega. Hvert indkøb.

Historien om Salling Group er en fortælling om et forretningseventyr, som strækker sig næsten 120 år tilbage – og en koncern som fortsat er i udvikling. Om nysgerrighed og innovation, modet til at udforske nye veje og en unik evne til at eksekvere.

I dag er Salling Group Danmarks største dagligvarekoncern med kæderne Netto i Danmark, Tyskland og Polen, føtex, Bilka, Salling, BR, Flowr, Skagenfood og franchise-kæderne Starbucks, Carl's Jr., Matinique og HUGO BOSS i Danmark. Men der er stadig et stort uudnyttet potentiale. Derfor lancerede Salling Group i 2024 en ny strategi, Aspire '28, med en ambition om flere butikker, opkøb og fusioner på eksisterende og nye markeder samt en ny innovationsfond, Salling

Seeds. Alt sammen for at tilbyde kunderne de bedste varer og løsninger.

Med ca. 57.000 medarbejdere og flere end 12 millioner kunder, som hver uge handler i koncernens 1.770 butikker, er Salling Group drevet af et klart formål om at gøre hverdagen bedre. For hver kunde, hver kollega og hvert indkøb.

Unikke og velkendte brands, produkter af høj kvalitet og priser til ethvert budget, gode indkøbsoplevelser, jobmuligheder til alle og ikke mindst donationer til værdige formål gennem Salling Fondene giver Salling Group en unik placering, i de samfund virksomheden er en del af.

Salling Groups finansielle nøgletal 2024

Omsætning 72.176 mio. kr.	EBITDA 5.222 mio. kr.	EBIT 2.693 mio. kr.
Årets resultat 1.709 mio. kr.	salling fondene Ejer af salling group	Aktiver i alt 40.426 mio. kr.
Egenkapital i alt 13.836 mio. kr.	Overskudsgrad 3,7 %	Egenkapitalforrentning 13,1 %

Salling Fondene ruten

Salling Fondene har gennem årene støttet en bred vifte af projekter i Aarhus inden for kunst, kultur, uddannelse, sport og øvrige velgørende formål, alle med det formål at skabe værdi og glæde for byens borgere. Fondene støtter initiativer, der styrker fællesskaber og skaber rammer, der forbedrer hverdagen.

Salling Fondene har introduceret en 8 km lang rute gennem Aarhus, der forbinder ni steder, som alle har modtaget støtte fra fondene, og hver især bidrager til byens liv og fællesskab.

Fra Musikhuset og Aarhus Teater til Havnebadet illustrerer ruten, hvordan donationerne har bidraget til at skabe gode rammer for kunst, kultur og sociale landmarks, der gør Aarhus unik. Med Salling Fondenes rute inviteres offentligheden til at udforske byen og opdage, hvordan fondenes støtte har medvirket til at styrke både kulturen og fællesskaber.

Uanset om du er til sightseeing, en gå- eller løbetur, har ruten noget for dig.



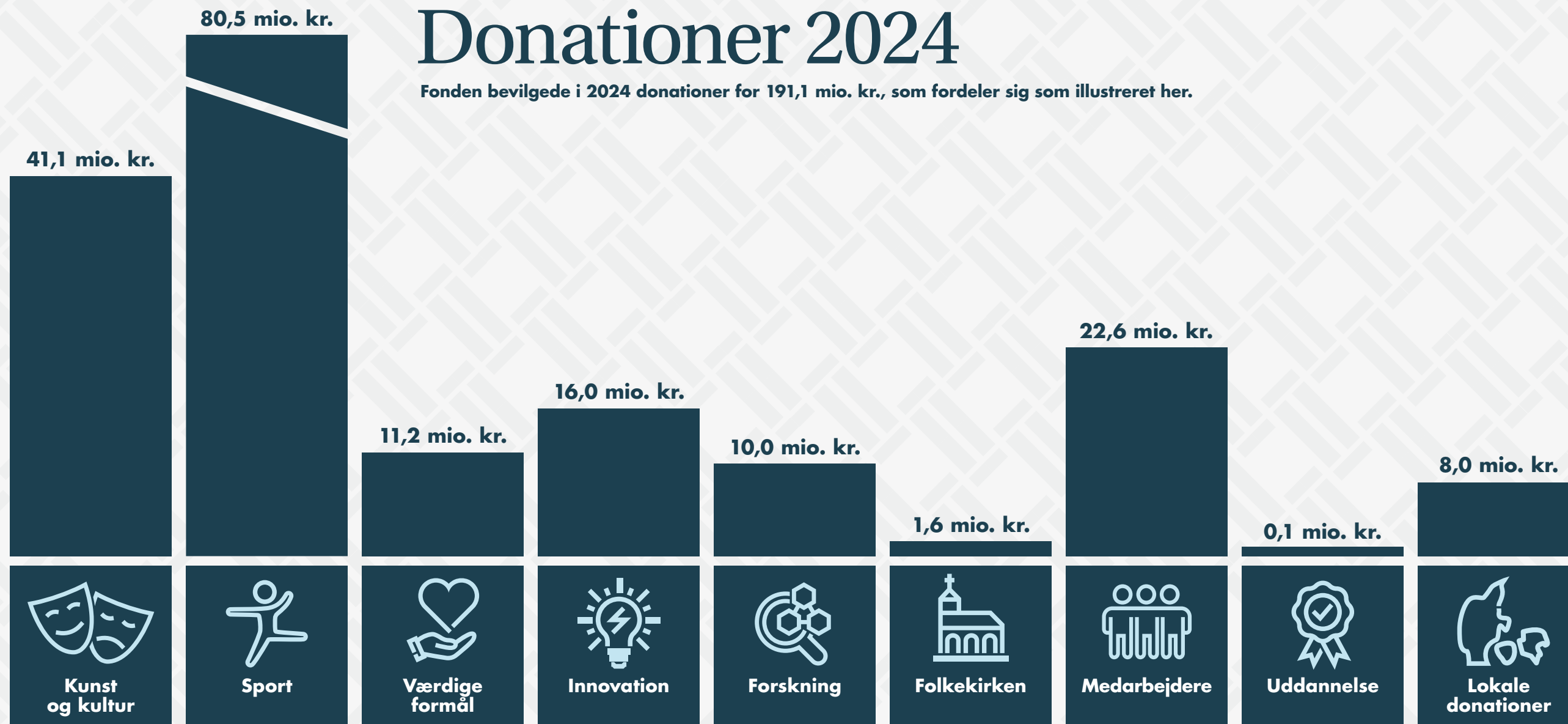
Scan QR-koden og læs mere
om ruten og de 9 donationer.





Donationer 2024

Fonden bevilgede i 2024 donationer for 191,1 mio. kr., som fordeler sig som illustreret her.



Total 191,1 mio. kr.



2024 i tal

191
mio. kr.
Donationer i alt

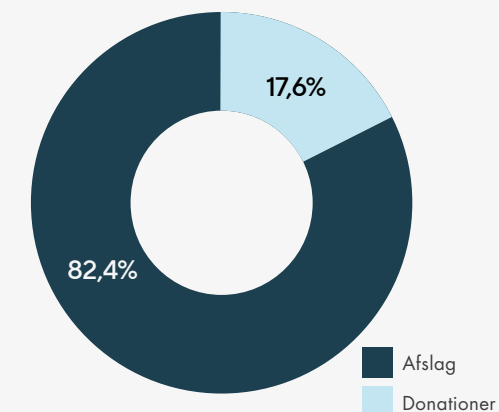
495
Ansøgninger
til projekter

40
mio. kr.
Største donation

87
Donationer
til projekter

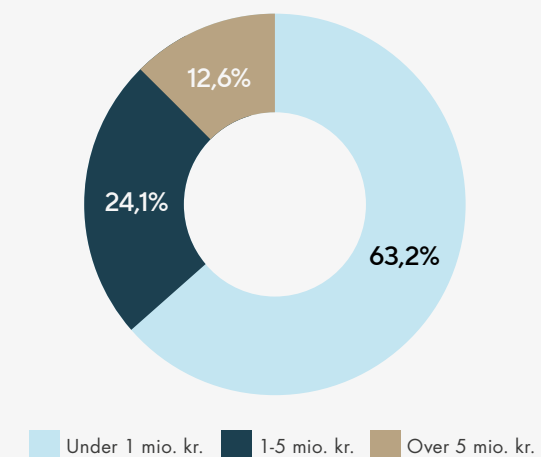
20.000
kr.
Mindste donation

Tilsagnsprocent



Fonden modtog i alt 495 ansøgninger i 2024, hvoraf 87 blev til donationer. Dette giver en tilsagnsprocent på 17,6%

Donationsstørrelser



Fonden støtter projekter og initiativer i alle størrelsesordener. 63% af donationerne er under 1 mio. kr.

Markante donationer 2024



Illustration: Arkitekt Zaha Hadid Architects

Nyt stadion

Aarhus kommune

Tillægsdonation i forlængelse af donationen på 250 mio. kr. i 2022 med henblik på at sikre, at det nye stadion realiseres med den ønskede funktionalitet og design med et markant og ikonisk udtryk.

2024 donation: 40 mio. kr.

40 mio. kr.



Illustration: DGI-Huset og SLETH

Idræts- og Sundhedstårn

Fonden DGI-Huset Aarhus

Opførelse af idræts- og sundhedstårn, hvorved DGI-Huset udvides med 2.200 m² idrætsfaciliteter fordelt på syv etager med fokus på breddeidræt. De nye faciliteter skaber bedre muligheder for fysisk aktivitet og fællesskab.

2024 donation: 15 mio. kr.

15 mio. kr.

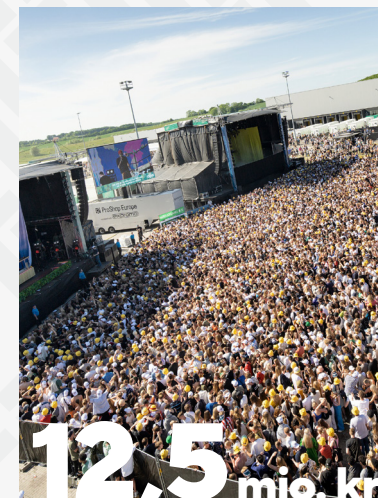


Foto: Salling Group

allin25

Salling Group

I 2025 inviterer Salling Group alle medarbejdere til Danmarks største firmafest, der hylder fællesskab og engagement på tværs af virksomheden. Med en festivalplads i Årlev skabes rammerne for en dag med musik, aktiviteter og samvær, hvor medarbejdernes indsats anerkendes og fejres.

2024 donation: 12,5 mio. kr.

12,5 mio. kr.

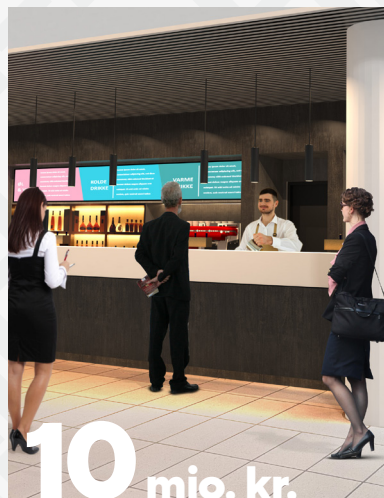


Foto: C.F. Møller Architects

Nye faciliteter

Musikhuset Aarhus

Etablering af en ny cafébar, foyerbar, cafékøkken samt flytning af garderoben, som tilsammen skaber mere plads, reducerer ventetid og forbedrer oplevelsen for husets besøgende. Disse tiltag vil sikre, at Musikhuset fortsat kan byde gæster velkommen med moderne og inspirerende faciliteter.

2024 donation: 10 mio. kr.

10 mio. kr.

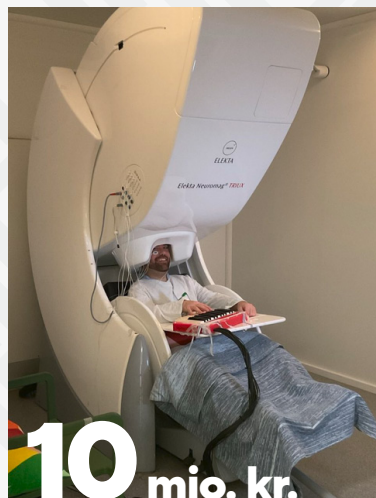


Foto: Music in the Brain

Music in the Brain

Aarhus Universitet

Nyt forskningsprojekt, hvor Center for Music in the Brain udforsker musikkens indvirkning på hjernen med særligt fokus på kreativitet og innovation. Forskningsprojektet undersøger hvordan musikalsk improvisation kan give indsigt i hjernens evne til at skabe nye idéer og kreativ tænkning.

2024 donation: 10 mio. kr.

10 mio. kr.



Foto: AU Foto, Roar Lava Paaske

Center for Erhvervsøkonomisk Forskning

Aarhus Universitet

Etablering af Center for Erhvervsøkonomisk Forskning og Analyse, som særligt vil fokusere på virksomheders præstationer, vilkår og samfundsøkonomiske bidrag.

2024 donation: 10 mio. kr.

10 mio. kr.

Markante donationer 2024



Foto: GirlTalk

Indsats mod mistrivsel

GirlTalk

Åbning af en ny afdeling af GirlTalk i Aarhus, der skal styrke indsatsen for piger og unge kvinder i risiko for mistrivsel. Afdelingen vil tilbyde gruppeforløb, etablere en digital ungerådgivning med op til 40 frivillige samt samarbejde med lokale skoler om foredrag og gruppeforløb.

2024 donation: 2,5 mio. kr.



Foto: Per Bille

Rethinkers i Aarhus' kulturliv

Visit Aarhus

Udvidelse af frivilligorganisationen Rethinkers' indsats for kultur- og eventlivet i Aarhus. Hvert år understøttes over 125 kulturinstitutioner og arrangementer af de 2.000 frivillige, der bidrager til at fastholde Aarhus som en attraktiv kultur- og turistby.

2024 donation: 6 mio. kr.



Illustration: Wvllum Pasgaard, WPASDK, Arkitekter og Ingeniører

Ny badmintonhal

Højbjerg Badminton Klub

Udvidelse af Højbjerg Badminton Klub med en ny hal, der skal sikre bedre faciliteter og øget kapacitet for både motionister, bredde- og elitebadminton. Hallen opføres i forlængelse af de eksisterende faciliteter og imødekommer den stigende efterspørgsel på spilletid.

2024 donation: 5 mio. kr.

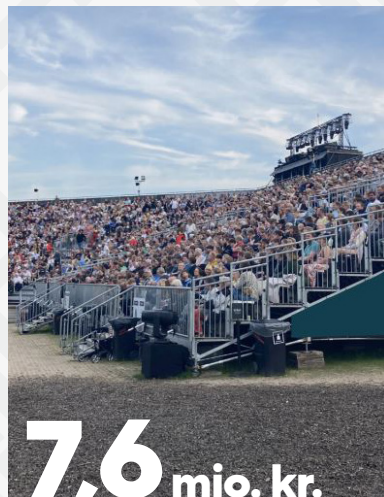


Foto: Det Kongelige Teater

Publikums- tribune ved Moesgaard

Det Kongelige Teater

Publikums-tribune i forbindelse med afholdelse af udendørsforestillinger ved Moesgaard i perioden 2026-2030. Tribunefaciliteterne giver mulighed for, at rigtig mange borgere kan opleve Det Kongelige Teaters forestillinger.

2024 donation: 7,6 mio. kr.



Foto: The Kitchen, Aarhus Universitet

Innovation og entreprenørskab

Aarhus Universitet, The Kitchen

Styrkelse og videreudvikling af indsats indenfor innovation og entreprenørskab blandt studerende og forskere. The Kitchen udbyder workshops, entreprenørskabsprogrammer og legater til startups i den tidlige fase.

2024 donation: 6 mio. kr.

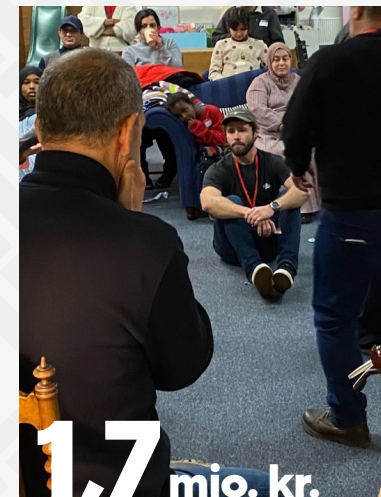


Foto: Røde Kors Aarhus

Udvidelse af familie- og netværkshus

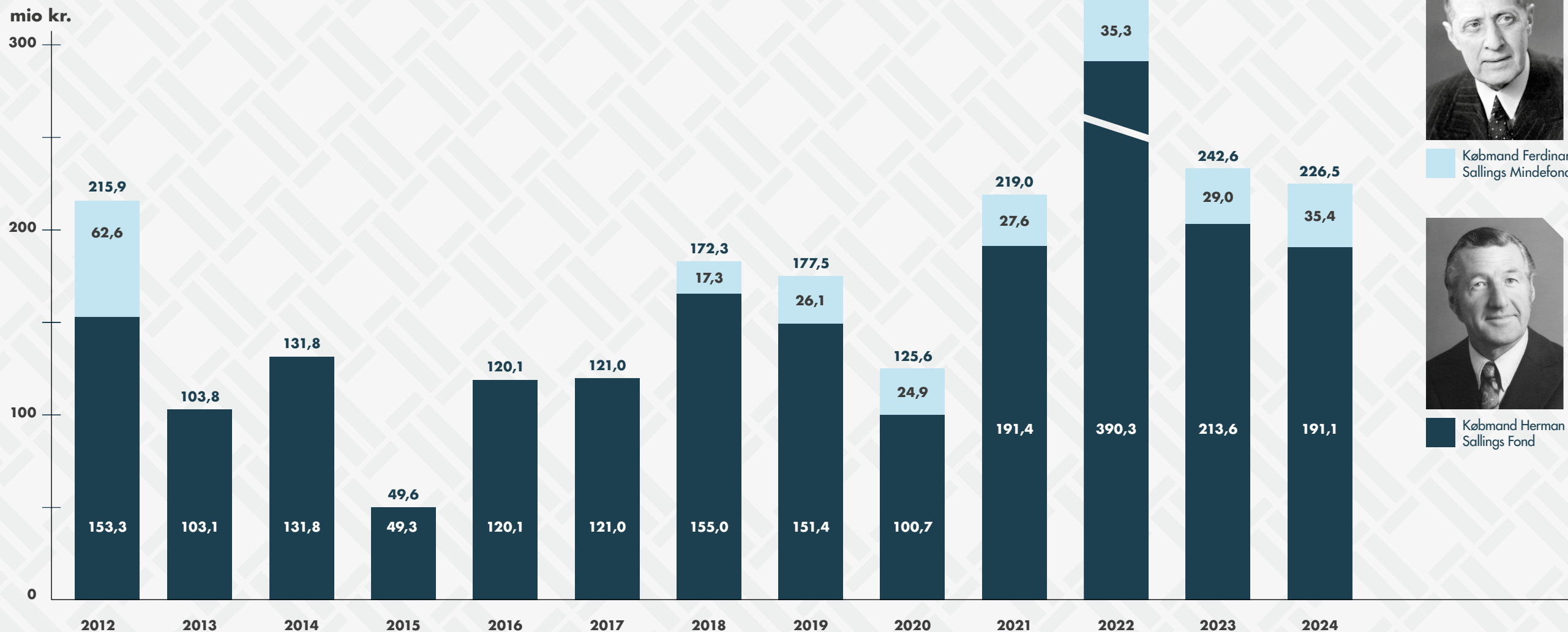
Dansk Røde Kors

Udvidelse af familie- og netværkshuset, som er et samlingspunkt for udsatte børnefamilier i Aarhus Vest, hvor familier mødes til fællesspisninger og aktiviteter. Aktiviteterne er drevet af frivillige og er med til at skabe et stærkere fællesskab i lokalområdet.

2024 donation: 1,7 mio. kr.

Donationer gennem årene

Salling Fondene har siden 2012 uddelt over 2,3 mia. kr. til projekter og initiativer indenfor blandt andet kunst og kultur, kirke, sport, uddannelse, forskning og øvrige værdige formål.



Gengivelse af Årsrapport 2024 (EN)

I tilfælde af forskelle mellem årsrapport som gengivet på de følgende sider og Købmand Herman Sallings Fonds officielle årsrapport er den officielle årsrapport det gældende dokument.

Købmand Herman Sallings Fond
Rosbjergvej 33
8220 Brabrand
Danmark

CVR-nummer 53520413





Table of contents

Management's review

- 2 Financial highlights for the Group
- 2 Management's review

Financial statements

Statements

- 4 Management's statement
- 4 Independent auditor's report

Købmand Herman Sallings Fond – Financial statements

- 6 Købmand Herman Sallings Fond – Income statement
- 6 Købmand Herman Sallings Fond – Statement of other comprehensive income
- 7 Købmand Herman Sallings Fond – Statement of financial position
- 8 Købmand Herman Sallings Fond – Cash flow statement
- 8 Købmand Herman Sallings Fond – Statement of changes in equity
- 9 Købmand Herman Sallings Fond – Notes to the financial statements

Consolidated financial statements

- 19 Consolidated income statement
- 19 Consolidated statement of other comprehensive income
- 20 Consolidated statement of financial position
- 22 Consolidated cash flow statement
- 23 Consolidated statement of changes in equity
- 25 Notes to the consolidated financial statements

Management's review

Consolidated main and key figures

DKK million

	2024	2023	2022	2021	2020
Total revenue	72,174	70,258	66,519	66,200	60,854
Operating profit before depreciation, amortisation and impairment losses (EBITDA)*	5,214	4,943	4,317	4,987	4,699
Operating profit (EBIT)	2,213	1,920	1,366	2,462	2,333
Net financial items	-388	-329	-568	-454	-466
Total profit/loss for the year	1,351	1,206	534	1,570	1,487
Net cash flows from operating activities	4,158	3,260	-587	3,722	4,295
Total assets	55,607	54,604	54,180	57,469	54,768
Total equity	27,365	26,158	24,703	24,351	22,943
Investments in property, plant and equipment, right-of-use assets, and investment properties	2,593	2,342	2,063	2,358	2,089
Net debt/EBITDA	2.0	2.3	2.7	1.8	1.5
Operating margin	3.1%	2.7%	2.1%	3.7%	3.8%
Return on equity	5.0%	4.7%	2.2%	6.6%	6.6%

For definitions of main and key figures please refer to note 2 in the notes to the consolidated financial statements.

*For the year 2021 EBITDA is positively affected by special items of DKK 201 million related to the acquisition of the UK retailer Tesco's Polish business.

Købmand Herman Sallings Fond – the foundation

Primary business area

Købmand Herman Sallings Fond is an independent Danish commercially operating foundation established on 30 December 1964 by the founder of Salling Group A/S, Herman Christian Salling, with the aim of ensuring the development of Salling Group A/S and its affiliated companies.

The purpose of the foundation is to own, protect and develop the strength and continuity of Salling Group. In addition to this the foundation also has charitable purposes to support:

- Groups of employees and present and former employees, initiative, ingenuity and the like in Danish business life and education of businessmen
- Ecclesiastical, sport, cultural and other worthy causes

Development during the financial year

The annual report for Købmand Herman Sallings Fond is presented in accordance with the provisions of the International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In 2024 the foundation has realised a profit for the year of TDKK 178,997 against a profit for the year of TDKK 174,966 in 2023. The profit for the year for 2024 is in line with expectations.

Distributions

For information about the foundations distribution policies, please refer to <https://www.sallingfondene.dk/om-fondene/uddelingspolitik>

A total of TDKK 190,969 (2023: TDKK 214,139) has been distributed, and is allocated on main categories in accordance with the purpose of the foundation:

- Groups of employees and present and former employees, initiative, ingenuity and the like in Danish business life and education of businessmen: TDKK 22,564
- Ecclesiastical, sport, cultural and other worthy causes: TDKK 168,405

Distributions from previous years of TDKK 6,106 (2023: TDKK 25,992) have been reversed.

Description of good foundation management

The foundation complies with most of the provisions for good foundation management. For further information, please refer to <https://www.sallingfondene.dk/om-fondene/redegoerelse-for-god-fondsledelse>.

The table showing information about the board members (recommendation no. 2.3.4) and the independence of the board members (recommendation no. 2.4.1) is provided in the notes.

Particular risks

The foundation has no particular risks.

Expected development and subsequent events

The foundation expects that the profit for the year 2025 will be at the same level as in 2024.

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

Købmand Herman Sallings Fond – the Group

Primary business area

The primary business area of the Group includes the primary business area of the foundation as described above and the primary business area of the subsidiaries in the Group, which is to operate retailing in Denmark, Germany and Poland.

Development during the financial year

The annual report for Købmand Herman Sallings Fond – the Group is presented in accordance with the provisions of the International Financial Reporting Standards (IFRS) as adopted by the EU.

Operating profit (EBIT) for 2024 amounts to DKK 2,213 million compared to DKK 1,920 million in 2023. Profit before tax is DKK 1,825 million compared to DKK 1,591 million in 2023. Total profit for the year for 2024 is DKK 1,351 million compared to DKK 1,206 million in 2023.

The result for 2024 is in line with announced expectations. The result for 2024 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

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

The primary activity of the foundation is the ownership of shares in Salling Group A/S and the charitable purposes. The Group as a whole does not have policies regarding social responsibility or data ethics either, as the primary activity within the Group takes place in the Group's subsidiaries. The subsidiary in the Group, 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 in the company's annual report and on the company's home page.

Particular risks

The retail activities' financial risks include interest and exchange rate risks. The interest rate risk is related to the Group's mortgage loans, where the risk is hedged by interest rate swaps. The exchange rate risk primarily concerns purchase of goods in USD, where the major part hereof is covered by short-term forward contracts.

Expected development and subsequent events

The Group 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. With the new strategy Aspire '28 and ambitious investment plans, the Group expects to realise a revenue in the level of DKK 73 - 76 billion and a result before tax in the level of DKK 1.8 – 2.1 billion in 2025.*

Subsequent events

Salling Group has in March 2025 entered into a purchase agreement with the Swedish retailer ICA Gruppen under which Salling Group acquires control and full ownership of The Baltic retailer Rimi. The enterprise value is set at EUR 1.3 billion on a debt-free basis. The agreement includes 314 stores, a strong e-commerce platform, warehouses and distribution centres across the Baltics, with more than 11,000 skilled employees.

The acquisition was subject to and conditioned upon regulatory approval, which was obtained on 5 May 2025. The closing date is expected to be 2 June 2025.

* The expected development for 2025 does not take into account the acquisition of Rimi Baltic, as the purchase is subject to regulatory approval, which entails uncertainties regarding the acquisition date.

Statement

Management’s statement

The Board of Directors have today discussed and approved the annual report of Købmand Herman Sallings Fond 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 consolidated financial statements and the financial statements of Købmand Herman Sallings Fond give a true and fair view of the Group’s and the foundation’s assets, liabilities and financial position at 31 December 2024 and of the re-sults of the Group’s and the foundation’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 Group’s and the foundation’s operations and financial conditions, the results of the Group’s and the foundation’s operations, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that the Group and the foundation faces.

Brabrand, 28 May 2025

Board of Directors

Jens Bjerg Sørensen
Chairman

Karin Salling

Nils S. Andersen

Carsten Lorentzen

Michael Holm

Independent auditor’s report

To the Board of Directors of Købmand Herman Sallings Fond

Opinion

We have audited the consolidated financial statements and the financial statements of Købmand Herman Sallings Fond 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 material accounting policy information, for the Group and the foundation. The consolidated financial statements and the financial statements of Købmand Herman Sallings Fond are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements of Købmand Herman Sallings Fond give a true and fair view of the financial position of the Group and the foundation at 31 December 2024 and of the results of the Group’s and the foundation’s operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with IFRS Accounting 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 consolidated financial statements and the financial statements of Købmand Herman Sallings Fond” (hereinafter collectively referred to as “the financial statements”) section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ 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 our procedures, 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 consolidated financial statements and foundation financial statements that give a true and fair view in accordance with IFRS Accounting 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 Group’s and the foundation’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 Group or the Foundation or to cease operations, or has no realistic alternative but to do so.

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 Group’s and the foundation’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 Group’s and the foundation’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 Group and the foundation 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 auditor’s report

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the foundation financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Aarhus C, 28 May 2025

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch
State Authorised Public Accountant
mne35420

Jonas Busk
State Authorised Public Accountant
mne42771



Købmand Herman Sallings Fond – Financial statements

Income statement

Amounts in TDKK

Notes	2024	2023
4 Staff expenses	-2,450	-2,450
External expenses	-4,482	-4,117
Operating loss (EBIT)	-6,932	-6,567
5 Financial income	185,936	181,539
6 Financial expenses	-7	-6
Total profit for the year	178,997	174,966
Proposal for distribution of profit for the year:		
Transferred to distribution reserve	170,000	164,000
Transferred to available capital	8,997	10,966
Total profit for the year	178,997	174,966

Statement of other comprehensive income

Amounts in TDKK

Profit for the year	178,997	174,966
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	178,997	174,966

Købmand Herman Sallings Fond – Financial statements

Balance sheet at 31 December

Amounts in TDKK

Assets			
Notes	2024	2023	
Non-current assets			
Financial assets			
7 Investments in subsidiaries	17,834	17,834	
Total financial assets	17,834	17,834	
Total non-current assets	17,834	17,834	
Current assets			
Receivables			
8 Other current financial assets	436,301	377,696	
Total receivables	436,301	377,696	
8 Cash and short-term deposits	9,504	6,560	
Total current assets	445,805	384,256	
Total assets	463,639	402,090	

Balance sheet at 31 December

Amounts in TDKK

Equity and liabilities			
Notes	2024	2023	
Equity			
Registered capital	22,219	22,219	
Available capital	29,710	20,713	
Distribution reserve	5,843	20,706	
Total equity	57,772	63,638	
Liabilities			
Current liabilities			
8 Other current financial liabilities	307	100	
8 Trade payables	-	5	
8 Other payables	405,560	338,347	
Total current liabilities	405,867	338,452	
Total liabilities	405,867	338,452	
Total equity and liabilities	463,639	402,090	

Købmand Herman Sallings Fond – Financial statements

Cash flow statement

Amounts in TDKK

Notes	2024	2023
Profit before tax	178,997	174,966
9 Adjustments	-185,929	-181,533
10 Change in working capital	-30	372
Net cash flows from operating activities before financial items and tax	-6,962	-6,195
Interest received	14,519	5,898
Interest paid	-7	-6
Net cash flows from operating activities	7,550	-303
Dividends received	169,811	169,811
Net cash flows from investment activities	169,811	169,811
Payments to subsidiaries	-56,793	-61,447
Net cash flows from financing activities	-56,793	-61,447
Distributions paid	-117,624	-111,307
Net change in cash and cash equivalents	2,944	-3,246
Cash and cash equivalents at 1 January	6,560	9,806
11 Cash and cash equivalents at 31 December	9,504	6,560

Statement of changes in equity

Amounts in TDKK

2024:	Registered capital	Available capital	Distribution reserve	Total equity
Equity at 1 January 2024	22,219	20,713	20,706	63,638
Profit for the year	-	8,997	170,000	178,997
Total comprehensive income for the year	-	8,997	170,000	178,997
Approved distributions	-	-	-190,969	-190,969
Reversed distributions payable	-	-	6,106	6,106
Other transactions	-	-	-184,863	-184,863
Equity at 31 December 2024	22,219	29,710	5,843	57,772
2023:	Registered capital	Available capital	Distribution reserve	Total equity
Equity at 1 January 2023	22,219	9,747	44,853	76,819
Profit for the year	-	10,966	164,000	174,966
Total comprehensive income for the year	-	10,966	164,000	174,966
Approved distributions	-	-	-214,139	-214,139
Reversed distributions payable	-	-	25,992	25,992
Other transactions	-	-	-188,147	-188,147
Equity at 31 December 2023	22,219	20,713	20,706	63,638



Købmand Herman Sallings Fond – Financial statements

Summary of notes to the financial statements

- 1 General information
- 2 Summary of significant accounting policies
- 3 Significant accounting judgements, estimates and assumptions

Notes to the income statement

- 4 Staff expenses
- 5 Financial income
- 6 Financial expenses

Notes to the balance sheet

- 7 Investments in subsidiaries
- 8 Financial assets and financial liabilities

Notes to the cash flow statement

- 9 Adjustments
- 10 Change in working capital
- 11 Cash and cash equivalents

Other notes

- 12 Income tax and deferred tax
- 13 Related party disclosures
- 14 Capital management
- 15 Events after the reporting period
- 16 Standards issued but not yet effective

Købmand Herman Sallings Fond – Financial statements

Notes to the financial statements

Amounts in TDKK

1 General information

Købmand Herman Sallings Fond is an independent Danish commercially operating foundation established on 30 December 1964 by the founder of Salling Group A/S, Herman Christian Salling, with the aim of ensuring the development of Salling Group A/S and its affiliated companies.

The purpose of the foundation is to own, protect and develop the strength and continuity of Salling Group. In addition to this the foundation also has charitable purposes to support:

- Groups of employees and present and former employees, initiative, ingenuity and the like in Danish business life and education of businessmen
- Ecclesiastical, sport, cultural and other worthy causes

Købmand Herman Sallings Fond is a commercially operating foundation with its registered office located at Rosbjergvej 33 - 35, 8220 Brabrand in Denmark.

Notes to the financial statements

Amounts in TDKK

2 Summary of significant accounting policies

For a summary of significant accounting policies please refer to note 2 in the notes to the consolidated financial statements.

The functional currency of Købmand Herman Sallings Fond is Danish kroner (DKK). The presentation currency of the financial statements of Købmand Herman Sallings Fond is Danish kroner (DKK). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Investments in subsidiaries

Investments in subsidiaries are measured at cost in Købmand Herman Sallings Fond's statement of financial position. If the cost exceeds the investment's recoverable amount, the carrying amount is reduced to this lower amount. Dividends from investments in subsidiaries are recognised as financial income, when the final right to receive the dividends is established.

3 Significant accounting judgements, estimates and assumptions

For a summary of significant accounting judgements, estimates and assumptions please refer to note 3 in the notes to the consolidated financial statements.

Købmand Herman Sallings Fond – Financial statements

Notes to the financial statements

Amounts in TDKK

	2024	2023
4 Staff expenses		
Fee, Board of Directors	2,450	2,450
Total staff expenses	2,450	2,450
Average number of full-time employees	0	0
5 Financial income		
Interest income from related parties	15,795	11,575
Dividends received	169,811	169,811
Interest income from banks	330	153
Total financial income	185,936	181,539

Notes to the financial statements

Amounts in TDKK

	2024	2023
6 Financial expenses		
Other financial expenses	7	6
Total financial expenses	7	6
7 Investments in subsidiaries		
Cost at 1 January	17,834	17,834
Cost at 31 December	17,834	17,834
Carrying amount at 31 December	17,834	17,834
For a list of subsidiaries please refer to note 2 in the notes to the consolidated financial statements.		

Købmand Herman Sallings Fond – Financial statements

Notes to the financial statements

Amounts in TDKK

8 Financial assets and financial liabilities

Financial assets comprise the following:

	Carrying amount		Fair value	
	2024	2023	2024	2023
Receivables from subsidiaries	436,301	377,696	436,301	377,696
Other current financial assets	436,301	377,696	436,301	377,696
Cash and short-term deposits	9,504	6,560	9,504	6,560

Financial liabilities comprise the following:

Payables to subsidiaries	307	100	307	100
Other current financial liabilities	307	100	307	100
Trade payables	-	5	-	5
Distributions payable	402,475	335,237	402,475	335,237
Other payables	3,085	3,110	3,085	3,110
Other payables	405,560	338,347	405,560	338,347

Notes to the financial statements

Amounts in TDKK

8 Financial assets and financial liabilities - continued

Financial instruments by category

Financial assets at amortised cost:

Other financial assets	436,301	377,696
Cash and short-term deposits	9,504	6,560

Financial liabilities measured at amortised cost:

Other financial liabilities	307	100
Trade payables	-	5
Other payables	405,560	338,347

Fair value

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

Risks arising from financial instruments

The foundation has no particular risks. There has been no structural changes in the risk exposure or risks compared to 2023.

For an in depth description of the policies for managing risks please refer to note 15 in the notes to the consolidated financial statements.

Currency risks

There is no foreign currency risk in Købmand Herman Sallings Fond.

Købmand Herman Sallings Fond – Financial statements

Notes to the financial statements

Amounts in TDKK

8 Financial assets and financial liabilities - continued

Interest rate risks

The foundation's exposure to risk of changes in market interest rates relates to internal loans and intercompany balances.

A general increase of 1%-point in interest rates is estimated, all other things being equal, to affect profit before tax and pre-tax equity by TDKK 3.487 (TDKK 2.694 in 2023).

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

	Carrying amount	Sensitivity	Profit before tax	Pre-tax equity
31 December 2024				
Other current financial assets	436,301	1%	3,489	3,489
Other current financial liabilities	307	1%	-2	-2
Impact			3,487	3,487
31 December 2023				
Other current financial assets	377,696	1%	2,695	2,695
Other current financial liabilities	100	1%	-1	-1
Impact			2,694	2,694

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

For receivables from and payables to subsidiaries 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.

Notes to the financial statements

Amounts in TDKK

8 Financial assets and financial liabilities - continued

Liquidity risks

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

Købmand Herman Sallings Fond ensures liquidity through flexibility and diversification of borrowing, maturity and renegotiation time points, as well as counterparts. Flexibility in cash resources ensures that the foundation can act appropriately in case of unforeseen changes in liquidity. The liquidity reserves consist of cash and securities if any. Købmand Herman Sallings Fond assesses the liquidity risk to be low.

The table below summarises the maturity profile of the 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.

	Carrying amount	Within 1 year	1 to 5 years	After 5 years
31 December 2024				
Other current financial liabilities	307	307	-	-
Trade and other payables	405,560	152,777	252,783	-
Total, current liabilities	405,867	153,084	252,783	-
31 December 2023				
Other current financial liabilities	100	100	-	-
Trade and other payables	338,352	121,511	216,841	-
Total, current liabilities	338,452	121,611	216,841	-

Købmand Herman Sallings Fond – Financial statements

Notes to the financial statements

Amounts in TDKK

8 Financial assets and financial liabilities - continued

Credit risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. Købmand Herman Sallings Fond is exposed to credit risk from its receivables and its financing activities, including deposits with banks. Købmand Herman Sallings Fond reduces its credit risks with banks by only doing business with banks with high credit ratings. No allowance for impairment of receivables is recognised, as the allowance regarding the financial assets is immaterial.

Changes in assets and liabilities arising from financing activities

	1 January 2024	Cash flows	Other	31 December 2024
Other current financial assets	377,696	57,000	1,605	436,301
Other current financial liabilities	-100	-207	-	-307
Total change in assets and liabilities from financing activities	377,596	56,793	1,605	435,994

	1 January 2023	Cash flows	Other	31 December 2023
Other current financial assets	310,866	61,000	5,830	377,696
Other current financial liabilities	-547	447	-	-100
Total change in assets and liabilities from financing activities	310,319	61,447	5,830	377,596

Notes to the financial statements

Amounts in TDKK

9 Adjustments

	2024	2023
Financial income	-185,936	-181,539
Financial expenses	7	6
Adjustments	-185,929	-181,533

10 Change in working capital

Change in trade and other payables (excl. distributions payable)	-30	372
Change in working capital	-30	372

11 Cash and cash equivalents

Cash and short-term deposits	9,504	6,560
Cash and cash equivalents	9,504	6,560

Købmand Herman Sallings Fond – Financial statements

Notes to the financial statements

Amounts in TDKK

12 Income tax and deferred tax

No income tax is recognised in the income statement, and no income tax receivable or payable or deferred tax is recognised in the balance sheet.

Reconciliation of income tax recognised in the income statement

	2024		2023	
Tax on result for the year at the Danish income tax rate	-39,379	22.0%	-38,493	22.0%
Tax value of non-taxable income	37,358	-20.9%	37,358	-21.4%
Not recognised tax loss carry forwards	2,021	-1.1%	1,135	-0.6%
Income tax recognised in the income statement	0	0.0%	0	0.0%

Notes to the financial statements

Amounts in TDKK

13 Related party disclosures

The following transactions were carried out with related parties:

Subsidiaries:

Purchase of goods and services	2,703	2,531
Interests received	15,795	11,575
Dividends received	169,811	169,811
Distributions paid	-8,212	-10,845

All outstanding balances with related parties as at 31 December are presented in note 8. All outstanding balances carry interest and are to be settled in cash within 1 year unless otherwise specified in note 8.

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

Key management personnel includes the Board of Directors. The key management personnel remuneration is shown below:

Short-term employee benefits	2,450	2,450
Total remuneration	2,450	2,450

Købmand Herman Sallings Fond – Financial statements

Notes to the financial statements

13 Related party disclosures – continued

Position	Jens Bjerg Sørensen Chairman	Karin Salling Vice chairman	Nils S. Andersen Board member	Carsten Lorentzen Board member	Michael Holm Board member
Age, gender, appointment period	Born 1957, male, appointment period 2009 - 2026.	Born 1943, female, appointment period 1978 - lifelong according to the foundation charter.	Born 1958, male, appointment period 2014 - 2026.	Born 1956, male, appointment period 2015 - 2027.	Born 1957, male appointment period 2018 - 2026.
Independency	Not considered independent.	Not considered independent.	Considered independent.	Considered independent.	Considered independent.
Managerial positions: Chairman	Danfoss A/S, BioMar Group A/S, GPV Group A/S, HydraSpecma A/S, Borg Automotive A/S, Fibertex Nonwovens A/S, Fibertex Personal Care A/S, A. Kirk A/S		ASML Holding N.V., SGL Group ApS, Constellation Cold Logistics.	Ørnstrand Holding A/S, Jacob Lee Ørnstrand Holding A/S, Benjamin Capital ApS, S. H. Holding 2025 ApS, JACO Supermarkeder A/S, Emiliehøj ApS, JACO Gruppen Holding A/S, Ejendomsselskabet Aarhus 2012 ApS, Ejendomsselskabet af den 4. januar 1999 A/S, Lægårdsvej ApS, Pantus Invest ApS, IPJ Invest A/S, Holmstruppgårdvej ApS, JNRP Invest ApS, Lindberg Optik A/S, Jaco Holding I ApS, Jacob PNO Holding A/S, Pam Holding A/S, MF Hansen Holding ApS, Give Sværgods A/S, Åben ApS, Ida Jakobsen Holding ApS.	Systematic A/S, Fonden for Aarhus Støtter Håndbolden
Vice chairman	Salling Group A/S.	Købmand Ferdinand Sallings Mindefond.			
Board member	Købmand Ferdinand Sallings Mindefond, Aida A/S, Ejendomsselskabet FMJ A/S, F.M.J. A/S.	Tivoli Friheden A/S.	WWF Verdensnaturfonden.	Benjamin Holding A/S, Formula Automobile A/S, Medital A/S, PHIRIK ApS, Søholt Hovedgård A/S, Bell Xpress A/S, Formula Leasing A/S, Formula Holding 2017 A/S, Intracair ApS, Pantus ApS, Foreningen KUSTOS af 1881, Aarhus Ridefond af 1996, Autoropa Holding AB, Formula Holding Norge AS.	Energinet, Cubedin A/S, AVK Holding A/S, Den Erhvervsdrivende Fond Bellevue-Hallerne, Water Valley Denmark.
Positions on executive boards	CEO at Aktieselskabet Schouw & Co., Jens Bjerg Sørensen Datterholding 1 ApS, Jens Bjerg Sørensen Holding ApS.			Partner, Lawyer, DLA Piper Denmark. Advokatpartnerselskab, Medital A/S, CLO 2018 ApS, LKC Holding 2020 ApS, LKC Invest ApS.	Systematic Holding ApS.
Other managerial positions				Positions as liquidator are not included.	DI Hovedbestyrelse.
Special competences	Appointed due to special managerial qualifications to handle the foundation's business purpose. Meets the requirement of close connection to Aarhus. Experience in board work, management and innovation among others in large, international corporations. Thorough knowledge of the activities within Salling Group.	Appointed to handle the foundation's distribution purpose. Thorough knowledge on the history of Salling Group and close connection to the local circles within church, culture, sports etc.	Appointed due to special managerial qualifications to handle the foundation's business purpose. Experience in board work and management among others in large, international corporations.	Appointed to handle the foundation's distribution purpose. Meets the requirement of close connection to Aarhus. Experience in corporate law and board work.	Appointed to handle the foundation's business purpose. Experience in management, strategy, corporate governance and finance.

Købmand Herman Sallings Fond – Financial statements

Notes to the financial statements

Amounts in TDKK

14 Capital management

For a description of the capital management please refer to note 27 in the notes to the consolidated financial statements.

15 Events after the reporting period

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

16 Standards issued but not yet effective

For a description of standards issued but not yet effective please refer to note 29 in the notes to the consolidated financial statements.

Købmand Herman Sallings Fond – the Group Consolidated financial statements

Consolidated financial statements

Consolidated income statement

DKK million

Notes	2024	2023
Revenue from contracts with customers	71,616	69,794
Other revenue	558	464
4 Total revenue	72,174	70,258
Cost of sales	-51,416	-50,524
Gross profit	20,758	19,734
5 Staff expenses	-9,708	-9,091
6 External expenses	-5,836	-5,700
Operating profit before depreciation, amortisation and impairment losses	5,214	4,943
7 Depreciation, amortisation and impairment losses	-3,013	-3,010
Net gain/loss on disposal of investment properties, property, plant and equipment and intangible assets	12	-13
Operating profit (EBIT)	2,213	1,920
8 Financial income	219	227
9 Financial expenses	-607	-556
Profit before tax	1,825	1,591
10 Income tax	-474	-385
Total profit for the year	1,351	1,206
The profit for the year is attributable to:		
Distribution reserve	170	164
Købmand Herman Sallings Fond (retained earnings)	971	856
Non-controlling interests	210	186
Total profit for the year	1,351	1,206

Consolidated statement of other comprehensive income

DKK million

Notes	2024	2023
Profit for the year	1,351	1,206
Other comprehensive income, net of tax		
Items that will not be reclassified to the consolidated income statement		
10 Remeasurement of defined benefit plans	-11	-15
	-11	-15
Items that subsequently are or may be reclassified to the consolidated income statement		
10 Exchange differences on translating foreign operations	150	611
10 Cash flow hedges, value adjustment for the year	-9	-55
10 Cash flow hedges, reclassified to financial expenses	-59	-75
	82	481
Other comprehensive income for the year, net of tax	71	466
Total comprehensive income for the year	1,422	1,672
The comprehensive income for the year is attributable to:		
Distribution reserve	170	164
Købmand Herman Sallings Fond	1,031	1,252
Non-controlling interests	221	256
Total comprehensive income for the year	1,422	1,672

Consolidated financial statements

Consolidated balance sheet at 31 December

DKK million

Assets		
Notes	2024	2023
Non-current assets		
11 Intangible assets		
Goodwill	7,496	7,496
Software	418	503
Software development in progress	138	74
Brands	1,158	1,204
Other intangible assets	33	35
Total intangible assets	9,243	9,312
12 Property, plant and equipment		
Land and buildings	25,780	25,856
Fixtures and fittings, tools and equipment	3,365	3,107
Leasehold improvements	773	710
Assets under construction and prepayments	202	155
Total property, plant and equipment	30,120	29,828
13 Right-of-use assets		
Land and buildings	5,141	5,145
Fixtures and fittings, tools and equipment	111	102
Total right-of-use assets	5,252	5,247
14 Investment properties	841	957
16 Deferred tax assets	98	104
Total non-current assets	45,554	45,448

Consolidated balance sheet at 31 December

DKK million

Assets - continued		
Notes	2024	2023
Amount transferred	45,554	45,448
Current assets		
17 Inventories	6,247	6,077
Receivables		
15 Trade receivables	97	120
Income tax receivables	96	90
15 Other receivables	640	525
Prepayments	138	151
15 Other current financial assets	13	70
Total receivables	984	956
15 Securities	1,261	1,285
15 Cash and short-term deposits	1,553	838
18 Assets classified as held for sale	8	-
Total current assets	10,053	9,156
Total assets	55,607	54,604

Consolidated financial statements

Consolidated balance sheet at 31 December

DKK million

Equity and liabilities		
Notes	2024	2023
Equity		
Registered capital	22	22
Retained earnings	22,840	21,880
Cash flow hedge reserve	-34	23
Foreign currency translation reserve	211	83
Distribution reserve	6	21
Equity attributable to Købmand Herman Sallings Fond	23,045	22,029
Non-controlling interests	4,320	4,129
Total equity	27,365	26,158

Consolidated balance sheet at 31 December

DKK million

Equity and liabilities - continued		
Notes	2024	2023
Liabilities		
Non-current liabilities		
19 Pensions	220	231
16 Deferred tax liabilities	2,307	2,354
20 Provisions	141	134
15 Mortgage loans	6,928	7,220
13, 15 Lease liabilities	5,079	5,089
15 Other non-current financial liabilities	74	77
Total non-current liabilities	14,749	15,105
Current liabilities		
20 Provisions	48	43
15 Mortgage loans	358	322
13, 15 Lease liabilities	885	807
15 Bank loans	39	156
15 Other current financial liabilities	12	16
15 Trade payables	9,200	8,904
Income tax payable	15	6
15 Other payables	2,907	3,048
Deferred income	29	39
Total current liabilities	13,493	13,341
Total liabilities	28,242	28,446
Total equity and liabilities	55,607	54,604

Consolidated financial statements

Consolidated cash flow statement

DKK million

Notes	2024	2023
Profit before tax	1,825	1,591
21 Adjustments	3,408	3,323
22 Change in working capital	-183	-755
Net cash flows from operating activities before financial items and tax	5,050	4,159
Interest received	254	209
Interest paid	-640	-553
Income tax paid	-506	-555
Net cash flows from operating activities	4,158	3,260
11 Purchase of intangible assets	-153	-100
Purchase of property, plant and equipment	-2,099	-1,901
14 Purchase of investment properties	-7	-1
Proceeds from sale of investment properties, property, plant and equipment and intangible assets	131	250
Purchase of securities	-147	-381
Sale of securities	186	210
Net cash flows from investment activities	-2,089	-1,923

Consolidated cash flow statement

DKK million

Notes	2024	2023
Amount transferred	2,069	1,337
Other current financial liabilities	-28	41
13 Payments lease liabilities	-803	-713
Payments bank loans	-	-501
Proceeds from borrowings	-	-38
Repayment of borrowings	-256	-134
Dividends paid	-30	-30
Net cash flows from financing activities	-1,117	-1,375
Distributions paid	-118	-111
Net change in cash and cash equivalents	834	-149
Cash and cash equivalents at 1 January	682	824
Net foreign exchange difference	-2	7
23 Cash and cash equivalents at 31 December	1,514	682

Consolidated financial statements

Consolidated statement of changes in equity

DKK million

	Equity attributable to Købmand Herman Sallings Fond						
	Registered capital	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Distribution reserve	Total	Non-controlling interests
2024:							
Equity at 1 January 2024	22	21,880	23	83	21	22,029	4,129
Profit for the year	-	971	-	-	170	1,141	210
Remeasurement of defined benefit plans	-	-11	-	-	-	-11	-
Exchange differences on translating foreign operations	-	-	-	128	-	128	22
Cash flow hedges, value adjustment for the year	-	-	-7	-	-	-7	-2
Cash flow hedges, reclassified to financial expenses	-	-	-50	-	-	-50	-9
Other comprehensive income	-	-11	-57	128	-	60	11
Total comprehensive income for the year	-	960	-57	128	170	1,201	221
Dividends paid to non-controlling interests	-	-	-	-	-	-	-30
Approved distributions	-	-	-	-	-191	-191	-
Reversed distributions payable	-	-	-	-	6	6	-
Other transactions	-	-	-	-	-185	-185	-30
Equity at 31 December 2024	22	22,840	-34	211	6	23,045	4,320

Consolidated financial statements

Consolidated statement of changes in equity

DKK million

Equity attributable to Købmand Herman Sallings Fond

2023:

	Registered capital	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Distribution reserve	Total	Non- controlling interests	Total equity
Equity at 1 January 2023	22	21,037	133	-437	45	20,800	3,903	24,703
Profit for the year	-	856	-	-	164	1,020	186	1,206
Remeasurement of defined benefit plans	-	-14	-	-	-	-14	-1	-15
Exchange differences on translating foreign operations	-	-	-	520	-	520	91	611
Cash flow hedges, value adjustment for the year	-	-	-46	-	-	-46	-9	-55
Cash flow hedges, reclassified to financial expenses	-	-	-64	-	-	-64	-11	-75
Other comprehensive income	-	-14	-110	520	-	396	70	466
Total comprehensive income for the year	-	842	-110	520	164	1,416	256	1,672
Dividends paid to non-controlling interests	-	-	-	-	-	-	-30	-30
Approved distributions	-	-	-	-	-214	-214	-	-214
Reversed distributions payable	-	-	-	-	26	26	-	26
Rounding	-	1	-	-	-	1	-	1
Other transactions	-	1	-	-	-188	-187	-30	-217
Equity at 31 December 2023	22	21,880	23	83	21	22,029	4,129	26,158



Consolidated financial statements

Summary of notes to the consolidated financial statements

- 1 General information
- 2 Summary of material accounting policy information
- 3 Significant accounting judgements, estimates and assumptions

Notes to the consolidated income statement

- 4 Total revenue
- 5 Staff expenses
- 6 External expenses
- 7 Depreciation, amortisation and impairment losses
- 8 Financial income
- 9 Financial expenses
- 10 Income tax

Notes to the consolidated balance sheet

- 11 Intangible assets
- 12 Property, plant and equipment
- 13 Leases
- 14 Investment properties
- 15 Financial assets and financial liabilities
- 16 Deferred tax
- 17 Inventories
- 18 Assets classified as held for sale
- 19 Pensions
- 20 Provisions

Notes to the consolidated cash flow statement

- 21 Adjustments
- 22 Change in working capital
- 23 Cash and cash equivalents

Other notes

- 24 Contingent assets and liabilities and other financial commitments
- 25 Related party disclosures
- 26 Business combinations
- 27 Capital management
- 28 Events after the reporting period
- 29 Standards issued but not yet effective

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

1 General information

The primary business area of the Group includes the primary business area of the foundation as described in note 1 in the notes to the financial statements of Købmand Herman Sallings Fond. The primary business area of the subsidiaries in the Group, is operating five different formats of retail stores, in addition to a number of e-commerce platforms. In Denmark, Bilka, føtex, Netto, Salling and BR are operated as physical stores, while in Germany and Poland, Salling Group is present with Netto stores. Online Salling Group operates with Bilka.dk, Salling.dk, føtex.dk, BR.dk, flowr.dk and Skagenfood.dk. Furthermore Salling Group operates Starbucks, Carl's Jr., Matinique and HUGO BOSS as franchises in Denmark.

Købmand Herman Sallings Fond is a commercially operating foundation with its registered office located at Rosbjergvej 33 - 35, 8220 Brabrand in Denmark.

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 consolidated financial statements of Købmand Herman Sallings Fond and its subsidiaries (the Group) and the separate financial statements of Købmand Herman Sallings Fond.

The consolidated financial statements of the Group and the financial statements of Købmand Herman Sallings Fond 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.

Effects of new or amended IFRS standards

The Group has implemented amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" regarding disclosures about supplier finance arrangements. The amendments to IAS 7 and IFRS 7 have resulted in additional disclosures in the notes, but none of the above changes have affected recognition and measurement in 2024 or are expected to affect the Group.

Other amendments and interpretations from the International Accounting Standards Board, endorsed by the European Union and effective from 1 January 2024, have not required any changes in the accounting policies. They have also not had a material impact on the consolidated financial statements or the financial statements of Købmand Herman Sallings Fond. Salling Group has not early adopted any standards, interpretations, or amendments that have been issued but are not yet effective.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Basis of preparation

The functional currency of Købmand Herman Sallings Fond is Danish kroner (DKK). The presentation currency of the consolidated financial statements is Danish kroner (DKK). All amounts have been rounded to the nearest million, unless otherwise indicated.

The consolidated financial statements and the financial statements of Købmand Herman Sallings Fond have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

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.

Basis of consolidation

The subsidiaries, which are consolidated in the Group, are:

	Share of issued share capital and voting rights	Principal place of business and country of incorporation
F. Salling Invest A/S	100.00%	Brabrand, Denmark
F. Salling Holding A/S	70.81%	Brabrand, Denmark
Associate of F. Salling Invest A/S: Salling Group A/S	48.29%	Brabrand, Denmark
Subsidiary of F. Salling Holding A/S: Salling Group A/S	51.71%	Brabrand, Denmark

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

	Share of issued share capital and voting rights	Principal place of business and country of incorporation
Subsidiaries within Salling Group:		
Salling Group Ejendomme A/S	100.00%	Brabrand, Denmark
Salling Group Ejendomme II ApS	100.00%	Brabrand, Denmark
Salling Group Captiveforsikringsselskab A/S	100.00%	Brabrand, Denmark
Dansk Netto Deutschland ApS	100.00%	Brabrand, Denmark
Skagenfood A/S	100.00%	Strandby, Denmark
Bodebjerg ApS*	90.00%	Marslev, Denmark
Netto Supermarkt GmbH	100.00%	Stavenhagen, Germany
NETTO ApS & Co. KG**	100.00%	Stavenhagen, Germany
Netto Sp. Z o.o	100.00%	Szczecin, Poland
Netto Indygo Sp. Z o.o.	100.00%	Szczecin, Poland

* Subsidiary to Skagenfood A/S

** Subsidiary to Netto Supermarkt GmbH

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

In 2024, Salling Group A/S acquired an additional 10% of Skagenfood A/S. Salling Group A/S holds a total of 100% of the issued share capital and voting rights in Skagenfood A/S at 31 December 2024.

A call option exists, according to which Skagenfood A/S can purchase the remaining 10% of Bodebjerg ApS. The call option can be exercised in 2025.

Non-controlling interests, where the Group has a call option, that gives the holder present access to the returns associated with the ownership interest, are considered to be purchased at the point in time when the call options are written. As a result, no non-controlling interests are recognised in the income statement, the statement of other comprehensive income, or equity regarding the non-controlling interests. Liabilities associated with these call options are initially recorded at fair value on the acquisition date and subsequently measured at amortised cost, as part of Other non-current financial liabilities.

Accounting policies, income statement

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services taking into account the amount of any trade discounts and expected returns, and excluding amounts collected on behalf of third parties such as sales taxes and value added taxes. Thus, revenue from the sale of goods is recognised at the point of sale (at delivery) in the store and for online purchases at collection in a store or at delivery of the goods, i.e. when the performance obligations are satisfied.

The Group provides customers with a right to return the goods within a specified period, and a refund liability and a right of return asset will be recognised if not immaterial. The Group uses historical return data to estimate the expected return percentages.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

In situations where the Group is acting as an agent the recognised revenue equals the amount of commission plus any other amounts received from the principal or other parties.

Customer loyalty programmes give rise to a separate performance obligation, and the portion of the transaction price that is allocated to the customer loyalty programmes based on the relative stand-alone selling prices is deferred, and is recognised as revenue when the obligations to supply the discounted products are fulfilled or no longer probable.

Other revenue comprises rental revenue and revenue from other income sources. Rental revenue arising from operating leases of buildings and investment properties and operating leases regarding in-store rental is recognised on a straight-line basis over the lease terms, and is recognised as part of Other revenue in the income statement.

Cost of sales

Cost of sales comprises the costs incurred in generating revenue. Supplier discounts attributable to the purchase price of the sold articles are recognised as a part of cost of sales.

Staff expenses

Staff expenses comprise wages and salaries, post-employment benefits as well as related expenses.

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits etc. are recognised in the year in which the associated services are rendered by employees. Where the company provides long-term employee benefits, the costs are accrued to match the rendering of the services by the employees concerned.

Average numbers of full-time employees is calculated based on the total number of compensable hours in a work year compared to the number of hours in a 'norm' work year.

External expenses

External expenses include direct and indirect costs related to short-term and low value leases, franchise fees, operating expenses regarding properties, sales and distribution costs as well as office supplies etc.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Depreciation, amortisation and impairment losses

Depreciation and amortisation comprise depreciation of property, plant and equipment, right-of-use assets and investment properties and amortisation of intangible assets.

Impairment losses comprises impairment losses and reversal of impairment regarding property, plant and equipment, right-of-use assets, investment properties and intangible assets.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as a deduction of the related expense. When the grant relates to an asset, it is recognised as a deduction of the carrying amount of the asset, and is recognised in the income statement as a deduction of the related depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expenses including interest expenses related to lease liabilities (all leases except for short-term leases and leases of low value assets), exchange rate gains and losses on transactions denominated in foreign currencies as well as fair value adjustments of financial assets held for trading. Moreover, financial income and expenses comprise amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme.

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

The Danish companies in the Group are 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.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Accounting policies, balance sheet

Intangible assets

Goodwill

Goodwill is measured initially at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the identifiable assets acquired and liabilities assumed. Subsequent to initial recognition goodwill is measured at cost net of accumulated impairment losses, if any.

Goodwill is tested for impairment annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the combination.

Software and software development in progress

Acquired software and software licenses are measured on initial recognition at cost. Subsequent to initial recognition acquired software and software licenses are measured at cost net of accumulated amortisation and accumulated impairment losses, if any.

Development costs, that are directly attributable to the design and testing of identifiable and unique software controlled by the Group, are recognised as software development in progress, if it is the intention to complete the software, if sufficient resources to complete the software are available, if the costs can be measure reliably, and if the software is expected to generate probable future economic benefits.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

The cost of the internally developed software comprises employee related costs, external costs as well as interest expenses during the period of production.

When internally developed software is available for use, it is reclassified from the line item software development in progress to the line item software. Internally developed software, which is available for use, is measured at cost net of accumulated amortisation and accumulated impairment losses, if any.

Brands and other separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost net of accumulated amortisation and accumulated impairment losses, if any.

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

Goodwill	No amortisation
Acquired software	3 - 10 years
Internally developed software	3 - 10 years
Software development in progress	No amortisation
Brands	10 - 40 years
Other separately acquired intangible assets	3 - 10 years

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Property, plant and equipment

Property, plant and equipment comprises land and buildings, fixtures and fittings, tools and equipment, leasehold improvements and assets under construction and prepayments. Property, plant and equipment is measured initially at cost comprising purchase price and any costs directly attributable to the acquisition until the date, when the asset is available for use. Government grants related to assets are deducted in arriving at the carrying amount of the asset. Subsequent to initial recognition property, plant and equipment is measured at cost net of accumulated depreciation and 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
Buildings, including investment properties:	
Technical installations within the property	10 - 30 years
Foundation and bearing structure	80 years
Remaining property	20 - 40 years
Fixtures and fittings, tools and equipment	3 - 25 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, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if necessary.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Right-of-use assets

At contract inception it is assessed whether a contract is, or contains, a lease. A single recognition and measurement approach is applied for all leases, except for short-term leases and leases of low value assets. Right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments are recognised.

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, if any, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and buildings	1 - 60 years
Fixtures and fittings, tools and equipment	1 - 5 years

The short-term lease recognition exemption is applied to short-term leases (leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The lease of low value assets recognition exemption is applied to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expenses on a straight-line basis over the lease term.

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 investment properties. The useful lives are similar to those of other buildings.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

Impairment testing of non-current assets

Goodwill and software development in progress are tested annually. The carrying amount of other 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 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 the expected net cash flow from disposal of the asset or the group of assets after the end of the useful life.

Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered primarily through a sales transaction rather than through continuing use. Such non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable, the asset is available for immediate sale in its present condition, and the sale is expected to occur within one year from the date of the classification. Non-current assets are not depreciated or amortised once classified as held for sale.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Inventories

Inventories are valued at the lower of calculated cost (weighted averages) and net realisable value.

Calculated cost comprises the purchase cost and other costs incurred in bringing the inventories to their present location and condition, which include cost of transportation from central warehouses to individual stores. Supplier discounts attributable to the articles in inventory reduce the calculated cost. Borrowing costs are not included in calculated cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Trade receivables, securities and other financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, 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. With the exception of trade receivables that do not contain a significant financing component, the Group 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. Trade receivables that do not contain a significant financing component are measured at transaction price.

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 Group, and generally it applies to trade and other receivables.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Subsequently financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value presented as financial expenses (negative net changes in fair value) or financial income (positive net changes in fair value) in the income statement. Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading, unless they are designated as effective hedging instruments. This category includes derivatives not designated as hedges and securities, as they are held for trading.

At present the category financial assets at fair value through other comprehensive income is not relevant for the Group.

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 Group 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 Group has either transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

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 Group 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. For trade receivables, the Group applies a simplified approach in calculating expected credit losses, and recognises a loss allowance based on lifetime expected credit losses at each reporting date irrespective of changes in credit risk using a provision matrix, which is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Prepayments

Prepayments are measured at cost price.

Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Equity - Cash flow hedge reserve

The cash flow hedge reserve covers interest rates associated with mortgage loans. Changes in the fair value of derivative financial instruments designated as cash flow hedges are recognised in this reserve.

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.

Equity - Distribution reserve

Distributions following the charter of the foundation and reversals of distributions payable, if any, made during the year are presented as an equity adjustment not as part of the proposal for distribution of profit/loss for the year. Approved distributions, which have not been paid at year-end, are recognised as part of other current financial liabilities.

Pensions

The Group has entered into defined contribution pension schemes and similar arrangements with the majority of the Group's employees. Contributions to defined contribution plans where the Group pays fixed pension payments to independent pension funds are recognised in the income statement in the period to which they relate, and any contributions outstanding are recognised in the balance sheet as other payables.

For defined benefit plans, an annual actuarial calculation (Projected Unit Credit method) is performed to determine the present value of future benefits under the defined benefit plan. The present value is determined based on assumptions about the future development in variables such as salary levels, interest rates, inflation, retirement age, and mortality. The actuarial present value is recognised in the balance sheet under pension obligations. Pension costs for the year are recognised in the income statement based on actuarial estimates at the beginning of the year. Any difference between the calculated development in plan liabilities and realised amounts determined at year end constitutes actuarial gains or losses and is recognised in other comprehensive income.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Provisions

Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is management's best estimate of the expenses required to settle the obligation. On measurement of provisions, the costs required to settle the obligation are discounted if the effect is material to the measurement of the obligation.

A provision for onerous contracts is recognised when the expected benefits to be obtained by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract. Provision for dilapidations are recognised where the Group has an obligation to reestablish its leased properties, when a decision to exit a lease has been made. At this point a reliable estimate of the expected cost for dilapidations can be made. The provisions are recognised based on historically settled dilapidations.

Insurance provisions include the actuarial estimated costs expected to be paid by the Group for insured events existing at the reporting date and risk margin. The estimate includes amounts expected to be incurred for the settlement of the obligations. Discounting is performed based on an estimate of the expected payment period.

Other provisions include among other things warranties and jubilee benefits. Provisions for warranty-related costs are recognised upon a sale of a product for which the Group is liable for future warranty costs. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

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 Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequently financial liabilities at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value presented as financial items in the income statement. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. The Group has not designated any financial liabilities as at fair value through profit or loss.

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 Group. This category generally applies to interest-bearing loans and borrowings.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. 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.

The Group classifies financial liabilities that arise from supplier finance arrangements as trade payables in the statement of financial position.

The supplier finance arrangements are part of the working capital used in the Group's normal operating cycle, as the level of security and terms of the liabilities provided for supplier finance arrangements are not substantially different from the terms of trade payables that are not part of the arrangements.

Cash flows related to liabilities arising from supplier finance arrangements, which are classified in trade payables in the consolidated statement of financial position, are included in operating activities in the consolidated statement of cash flows.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Lease liabilities

At the commencement date of leases, lease liabilities are recognised measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating the lease, if the lease term reflects that the option to terminate is exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the incremental borrowing rate at the lease commencement date is used unless the interest rate implicit in the lease is readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Deferred income

Deferred income is measured at the consideration received or receivable.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to 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 liabilities are recognised for all taxable temporary differences, and 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 and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, 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.

Notes to the consolidated financial statements

DKK million

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 cash and short-term deposits as well as bank overdrafts.

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 intangible assets, property, plant and equipment, investment properties and other non-current assets as well as acquisition and disposal of securities not classified as cash and cash equivalents.

Cash flows from financing activities comprise the raising of loans, repayment of interest-bearing debt including lease liabilities, and payment of dividends to minority 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.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Accounting policies, other

Consolidated financial statements

The consolidated financial statements comprise Købmand Herman Sallings Fond and the subsidiaries in which Købmand Herman Sallings Fond directly or indirectly exercises control. Købmand Herman Sallings Fond exercises control, if Købmand Herman Sallings Fond is exposed to or has rights to variable returns arising from its involvement in a company and may affect these returns through its power over the company.

The consolidated financial statements are prepared based on the accounts for Købmand Herman Sallings Fond and the subsidiaries and are a pooling of accounting items of similar nature. On consolidation intra-group transactions are eliminated.

Business combinations of entities under common control are accounted for using the pooling of interests method, and the comparative figures are restated.

Other business combinations are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the income statement. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Non-controlling interests comprised of call options that gives present access to the returns associated with that ownership interest are considered to be purchased at the point in time where the call options are written. An amount equal to the financial obligation is recognised as part of the cost price of the investments in subsidiaries. As a consequence no non-controlling interests are recognised in the income statement, the statement of other comprehensive income or the equity regarding the comprised non-controlling interests, as the non-controlling interests are regarded as purchased. The obligation regarding call options are recognised as part of Other non-current financial liabilities and is measured at fair value at initial recognition. Subsequently, the obligation regarding call options are measured at amortised cost.

Foreign currency translation

For each of the enterprises in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the enterprise operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions.

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange rate 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 at 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 the income statement as financial income or financial expenses.

Foreign consolidated enterprises' statements of financial position are translated to Danish kroner using the exchange rates at the reporting date, while the enterprises' income statements and the statement of other comprehensive income are translated using the average exchange rates.

Foreign exchange rate differences arising on translation of the opening equity of such foreign enterprises using the exchange rates at the reporting date and on translation of the income statements and the statement of other comprehensive income from the exchange rates at the transaction date to the exchange rates at the reporting date are recognised in other comprehensive income and in a separate translation reserve under equity.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently remeasured 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 other comprehensive income, and are reclassified to the income statement in the periods when the hedged item affects the income statement. The positive and negative fair values of derivative financial instruments are included in other financial assets or other financial liabilities, respectively.

Fair value measurement

The Group uses the fair value concept in connection with certain disclosure requirements and for recognition of some financial instruments. 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 Group 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 Group'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.

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 Group 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.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Main and key figures in the 5-year summary

The key figures that are included in the 5-year summary of financial highlight for the Group are calculated as follows:

- Operating margin is operating profit (EBIT) divided by total 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).
- Net debt/EBITDA is the net interest bearing debt divided by operating profit before depreciation, amortisation and impairment losses (EBITDA). Net interest bearing debt comprises mortgage loans, lease liabilities, bank loans, securities and cash and short-term deposits.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

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. Management perform its estimates and judgements based on historical experience, independent advice, external data sources and in-house specialists.

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:

Recognition of right-of-use assets and lease liabilities

In recognising right-of-use assets and lease liabilities the lease terms of the leases have to be determined. The lease term is the non-cancellable term of the lease together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Several lease contracts include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, all relevant factors that create an economic incentive to exercise either the renewal or termination are considered. After the commencement date, the Group reassesses the lease term, if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements).

For leases of land and buildings renewal periods are included as part of the lease term for leases with shorter non-cancellable periods. The renewal periods are included for the period that the Group expects to continue the lease taking into consideration that the retail business might look different in the future compared to the present set-up. The renewal periods for leases of land and buildings with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for no longer than the non-cancellable period and, hence, is not exercising any renewal options.

Notes to the consolidated financial statements

DKK million

3 Significant accounting judgements, estimates and assumptions - continued

The Group has entered into evergreen contracts where the leases have no contractual end date. The Group applies judgement in evaluating the expected termination date for the contracts. All relevant factors that create an economic incentive to continue or terminate the lease are considered. The Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its expected termination date.

Valuation of intangible assets, property, plant and equipment, right-of use assets and investment properties

Intangible assets, property, plant and equipment, right-of-use assets and investment properties are tested for indications of impairment. For goodwill and intangible assets that are not yet in use, annual impairment tests are carried out. 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 cost of disposal and value in use. The fair value less cost 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 cost for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the financial five-year plan. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the development in turnover and gross margins during the forecast period and the growth rate used for extrapolation purposes. For most intangible assets no fair value less cost of disposal exists. The key assumptions used to determine the recoverable amount are disclosed and further explained in the relevant notes.

The useful lives and residual values of intangible assets, property, plant and equipment, right-of-use assets and 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 amortisation and thereby the results for the year significantly.

Inventories

Inventories are valued at the lower of calculated cost (weighted averages) and net realisable value. The calculated cost comprises supplier discounts. Supplier discounts are recognised when it is probable that the economic benefits associated with the transaction will flow to the Group. A specific assessment of the need for write-down for obsolescence of inventories is made based on the future sales potential and expected shrinkage.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

3 Significant accounting judgements, estimates and assumptions - continued

Macroeconomic impact

Geopolitical turbulence

The war in Ukraine and the Israel-Palestine conflict continued in 2024. Overall, Salling Group is not impacted directly by the war in Ukraine or the situation in the Middle East as Salling Group is not operating stores or other activities in the impacted areas. We are however impacted by disturbances in the global supply chains leading to delays in deliveries and increasing transport cost.

Inflation

Headline inflation in Europe has developed fairly stable around 2-3% in 2024, however food prices has increased more due to factors such as a more expensive production/transportation and extreme weather and climate change affecting world market prices.

Interests

The Groups funding is based on mortgage loans with both fixed and floating interest rates (CIBOR based) secured by Danish properties. In order to reduce interest rate risk and secure more fixed payments, a part of the mortgage loans with floating interest rates are hedged using interest rate swaps with up to 10-years maturity.

In late 2024 the Group has entered into new forward-starting interest rate swaps for total of DKK 0.75 bn., which effectively prolong part of the interest swaps for a total of DKK 1.25 bn. that will mature during 2025.

Notes to the consolidated financial statements

DKK million

4 Total revenue

	2024	2023
Revenue from contracts with customers, retail and ecommerce activities	71,616	69,794
Total revenue from contracts with customers	71,616	69,794
Rental revenue, investment properties	81	78
Other rental revenue	309	268
Other revenue	168	118
Total other revenue	558	464
Total revenue	72,174	70,258
Geographical split		
Denmark	51,430	49,745
Abroad	20,744	20,513
Total revenue	72,174	70,258

The absolute majority of sales in the Group is cash at delivery. The credit term for the remaining sales is 30 days, and the trade receivables are non-interest bearing if paid when due. No contracts with customers have an expected duration of more than one year.

All revenue from contracts with customers is recognised at a point in time, and no revenue is recognised from performance obligations satisfied in previous years.

No material contract assets and liabilities or right of return assets and refund liabilities are recognised as at 31 December 2024 or 31 December 2023.

In a few situations primarily related to the online activities the Group acts as an agent, thus arranging for another party to transfer the goods to the customer. In all other situations the Group is responsible for delivering the goods and services sold in the stores and online.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

	2024	2023
5 Staff expenses		
Wages and salaries incl. termination benefits	8,365	7,912
Post-employment benefits – defined contribution plans	497	428
Post-employment benefits – defined benefit plans	-5	-6
Social security costs	535	474
Other staff expenses	316	283
Total staff expenses	9,708	9,091
Average number of full-time employees	29,405	29,591
For a description of the key management personnel and an overview of their remuneration please refer to note 25.		
6 External expenses		
Fees paid to the auditors appointed at the annual general meeting:		
Fee regarding statutory audit	4.1	3.7
Tax assistance	0.0	0.1
Assurance engagements	0.7	0.6
Other assistance	0.5	0.6
Total fee paid to the auditors appointed at the annual general meeting	5.3	5.0

In 2024 fee regarding statutory audit includes DKK 0.3 million (DKK 0.3 million in 2023) paid to other auditors (the auditors appointed at the annual general meeting in Salling Group Captiveforsikringselskab A/S). All other fees mentioned above are paid to EY.

Notes to the consolidated financial statements

DKK million

	2024	2023
7 Depreciation, amortisation and impairment losses		
<i>Depreciation and amortisation</i>		
Amortisation of intangible assets	213	277
Depreciation, Property, plant and equipment	1,903	1,843
Depreciation, Right-of-use assets	853	809
Depreciation, Investment properties	34	38
Depreciation, net	3,003	2,967
<i>Impairment losses</i>		
Intangible assets	-	7
Property, plant and equipment	5	21
Right-of-use assets	3	-2
Investment properties	2	17
Impairment losses, net	10	43
Depreciation, amortisation and impairment losses, net	3,013	3,010
8 Financial income		
Interest income on loans and receivables	21	13
Net gain on derivatives not designated as hedging instruments	43	81
Net gain on financial instruments held for trading	47	53
Net foreign exchange gain	108	80
Total financial income	219	227

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

9 Financial expenses

	2024	2023
Interest expense on mortgage loans	294	279
Cash flow hedges reclassified from other comprehensive income	-76	-96
Interest expense on lease liabilities	349	313
Interest expense paid to banks	38	53
Other financial expenses	2	7
Total financial expenses	607	556

10 Income tax

Current income tax	-491	-490
Adjustment regarding prior years, current income tax	-2	24
Change in deferred tax	45	116
Adjustment regarding prior years, deferred tax	-4	-
Total income tax	-452	-350
Income tax recognised in the income statement	-474	-385
Income tax recognised in other comprehensive income	22	35
Total income tax	-452	-350

Notes to the consolidated financial statements

DKK million

10 Income tax - continued

Reconciliation of income tax recognised in the income statement

	2024		2023	
Tax on result for the year at the Danish income tax rate	-402	22.0%	-349	22.0%
Non-deductible costs	-57	3.1%	-81	5.1%
Non-taxable income	48	-2.6%	71	-4.7%
Deviating tax rates in foreign operations	-10	0.5%	-3	0.3%
Adjustment to prior periods	-7	0.4%	24	-1.5%
Not capitalised tax loss carry forwards	-48	2.6%	-47	3.0%
Other	2	0.0%	-	0.0%
Income tax recognised in the income statement	-474	26.0%	-385	24.2%

Divided on countries, where the Group has operating activities, the effective tax rate of 26,0% (24.2% in 2023) shown above can be specified as follows:

	2024	2023
Denmark	22.2%	20.6%
Germany	40.2%	19.9%
Poland:		
Netto Sp. Z o.o.	22.9%	21.3%
Netto Indygo Sp. Z.o.o	1.6%	0.6%

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

10 Income tax - continued

The corporate tax rate in Germany is approximately 28%. In 2024, the effective tax is 40.2% mainly impacted by adjustments from tax audits related to prior years.

In 2024 and 2023 Netto Indygo Sp. Z o.o. has been unprofitable, and the deferred tax asset related to the tax loss carryforward for 2024 and 2023 has not been recognised.

Global minimum taxation (OECD Pillar Two)

In March 2022, the Organisation for Economic Co-operation and Development (OECD) issued technical guidance and overview of the potential impact of the OECD Pillar Two expansion on the financial statements in accordance with IAS 12 Income Taxes.

The main purpose of Pillar Two aims to address Base Erosion and Profit Shifting (BEPS) by introducing a global minimum tax rate of 15% and implementing tax legislation for the allocation of taxation rights.

Denmark has enacted new tax legislation to implement the global minimum top-up tax effective from 1 January 2024 in line with Council Directive (EU) 2022/2523 of 14 December 2022 ensuring a global minimum level of taxation for multinational enterprise groups in EU. There is no current tax impact for the year ended 31 December 2024.

The Group has applied a mandatory exception to IAS 12, and has not recognised and disclosed information about deferred tax assets and liabilities arising from Pillar Two Income taxes.

Notes to the consolidated financial statements

DKK million

10 Income tax - continued

The Group has assessed the potential exposure to Pillar Two income taxes based on the most recent tax fillings, country-by-country reporting and financial statements for the Group.

The effective tax rate is above 15% in Denmark and Germany. In Poland the effective tax rate is below 15% due to tax losses in Netto Indygo Sp. Z o.o. Poland passes the routine profit test and is not subject to Pillar Two “top-up” taxes.

The Group does not expect the amendments of Pillar Two Income taxes to have a material impact on the Group’s consolidated financial statement.

Tax on other comprehensive income

	2024			2023		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Remeasurement of defined benefit plans	-14	3	-11	-19	4	-15
Exchange differences on translating foreign operations	150	-	150	611	-	611
Cash flow hedges, value adjustment for the year	-11	2	-9	-65	10	-55
Cash flow hedges, reclassified to financial expenses	-76	17	-59	-96	21	-75
	49	22	71	431	35	466

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

11 Intangible assets

2024:

	Goodwill	Software	Software develop- ment in progress	Brands	Other in- tangible assets	Total
Cost						
Balance at 1 January	11,429	2,235	74	1,794	75	15,607
Additions	-	26	121	-	6	153
Reclassifications	-	50	-57	-	-	-7
Disposals	-	-16	-	-	-2	-18
Balance at 31 December	11,429	2,295	138	1,794	79	15,735
Accumulated amortisation and impairment losses						
Balance at 1 January	-3,933	-1,732	-	-590	-40	-6,295
Amortisation	-	-161	-	-46	-6	-213
Disposals	-	16	-	-	-	16
Balance at 31 December	-3,933	-1,877	-	-636	-46	-6,492
Carrying amount at 31 December	7,496	418	138	1,158	33	9,243

Notes to the consolidated financial statements

DKK million

11 Intangible assets - continued

2023:

	Goodwill	Software	Software develop- ment in progress	Brands	Other in- tangible assets	Total
Cost						
Balance at 1 January	11,429	2,318	51	1,794	75	15,667
Additions	-	38	55	-	7	100
Reclassifications	-	27	-32	-	-	-5
Disposals	-	-148	-	-	-7	-155
Balance at 31 December	11,429	2,235	74	1,794	75	15,607
Accumulated amortisation and impairment losses						
Balance at 1 January	-3,933	-1,621	-	-544	-44	-6,142
Amortisation	-	-228	-	-46	-3	-277
Impairment losses	-	-7	-	-	-	-7
Disposals	-	124	-	-	7	131
Balance at 31 December	-3,933	-1,732	-	-590	-40	-6,295
Carrying amount at 31 December	7,496	503	74	1,204	35	9,312

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

11 Intangible assets - continued

Impairment losses

Goodwill

For impairment testing goodwill acquired through business combinations is allocated to the cash generating units that benefit from the synergies resulting from the acquisitions. The goodwill amounts in the Group relate to the Danish and the German retail activities.

Carrying amount of goodwill within the Group:

	2024	2023
Retail activities within Salling Group	57	57
Repurchase of Salling Group	7,439	7,439
Goodwill	7,496	7,496

The recoverable amount of the goodwill related to the Group's activities has been determined based on a value in use calculation using cash flow projections from the financial five-year plan approved by management. The discount rate applied to the cash flow projections is 6.3% (6.5% in 2023), and cash flows beyond the five-year period are extrapolated using a 2% growth rate, which is the expected long-term inflation rate (2% in 2023). As a result of the impairment test, management did not identify any impairment losses regarding goodwill in 2024.

The calculation of value in use is most sensitive to the following key assumptions: Development in turnover and gross margins during the forecast period and growth rates used to extrapolate cash flows beyond the forecast period, as well as the discount rate used. Development in turnover and gross margins is based on expectations of an average growth for 2025 - 2029.

Notes to the consolidated financial statements

DKK million

11 Intangible assets - continued

Discount rates represent the current market assessment of the risks, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group, and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Management has considered and assessed reasonably possible changes for the key assumptions and has not identified any instances that would cause the carrying amount of the goodwill to exceed its recoverable amount.

Software

No impairment losses have been recognised regarding software in 2024 (2023: DKK 7 million).

Other intangible assets

No impairment losses have been recognised regarding other intangible assets in 2024 or 2023.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

12 Property, plant and equipment

2024:

	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improve- ments	Assets under construction and prepayments	Total
Cost					
Balance at 1 January	39,977	9,481	1,874	155	51,487
Foreign currency translation	144	34	6	1	185
Additions	675	1,081	170	173	2,099
Reclassifications	100	34	-	-127	7
Reclassified as held for sale	-8	-	-	-	-8
Disposals	-66	-190	-18	-	-274
Balance at 31 December	40,822	10,440	2,032	202	53,496
Accumulated depreciation and impairment losses					
Balance at 1 January	-14,121	-6,374	-1,164	-	-21,659
Foreign currency translation	-27	-19	-3	-	-49
Depreciation	-933	-868	-102	-	-1,903
Impairment losses	4	-	-10	-	-6
Reversals of impairment losses	-	1	-	-	1
Reclassifications	-2		2		-
Disposals	37	185	18	-	240
Balance at 31 December	-15,042	-7,075	-1,259	-	-23,376
Carrying amount at 31 December	25,780	3,365	773	202	30,120

Notes to the consolidated financial statements

DKK million

12 Property, plant and equipment - continued

2023:

	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improve- ments	Assets under construction and prepayments	Total
Cost					
Balance at 1 January	38,907	8,645	1,762	68	49,382
Foreign currency translation	578	124	24	-	726
Additions	765	959	109	119	1,952
Reclassifications	-160	27	6	-32	-159
Disposals	-113	-274	-27	-	-414
Balance at 31 December	39,977	9,481	1,874	155	51,487
Accumulated depreciation and impairment losses					
Balance at 1 January	-13,207	-5,737	-1,067	-	-20,011
Foreign currency translation	-98	-63	-9	-	-170
Depreciation	-907	-831	-105	-	-1,843
Impairment losses	-19	-3	-19	-	-41
Reversals of impairment losses	8	-	12	-	20
Reclassifications	72	-	1	-	73
Disposals	30	260	23	-	313
Balance at 31 December	-14,121	-6,374	-1,164	-	-21,659
Carrying amount at 31 December	25,856	3,107	710	155	29,828

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

12 Property, plant and equipment - continued

Impairment losses

Land, buildings and leasehold improvements

The recoverable amount of land and buildings incl. right-of-use and leasehold improvements has been determined based on a value in use calculation using cash flow projections from financial plan for the next three to five years approved by management. The discount rate before tax applied to the cash flow projections for land and buildings incl. right-of-use and leasehold improvements in Denmark and Germany is 6.3% (6.5% in 2023) and 8.9% in Poland (9.1% in 2023), and cash flows beyond the financial budget periods are extrapolated using a 2% growth rate before tax, which is the expected long-term inflation rate (2% in 2023).

The calculation of value in use is most sensitive to the following key assumptions: Development in turnover and gross margins during the forecast period and growth rates used to extrapolate cash flows beyond the forecast period, as well as the discount rate used.

During 2024, impairment losses has been recognised for a number of stores where, due to competitive pressure in the local areas, the stores have not been sufficiently profitable to cover the full carrying amount of the investments. The impairment losses are recognised for both land and buildings incl. right-of-use and leasehold improvements. In total, impairment losses were recognised regarding seven Danish stores, five German stores, and fifteen Polish stores in 2024. At the same time, impairment losses have been reversed for five Danish stores and one German store, where the profitability has increased sufficiently to cover the investments.

Fixtures and fittings, tools and equipment

No impairment losses have been recognised regarding fixtures and fittings, tools, and equipment in 2024 (2023: DKK 3 million).

Notes to the consolidated financial statements

DKK million

13 Leases

Right-of-use assets

2024:

	Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost			
Balance at 1 January	8,367	214	8,581
Foreign currency translation	28	1	29
Additions	427	60	487
Remeasurement of lease liabilities*	500	-2	498
Disposals	-242	-76	-318
Balance at 31 December	9,080	197	9,277
Accumulated depreciation and impairment losses			
Balance at 1 January	-3,222	-112	-3,334
Foreign currency translation	-8	-	-8
Depreciation	-805	-48	-853
Impairment losses	-13	-	-13
Reversals of impairment losses	10	-	10
Disposals	99	74	173
Balance at 31 December	-3,939	-86	-4,025
Carrying amount at 31 December	5,141	111	5,252

*Remeasurement of lease liabilities comprise changes in the lease term (extension or shortening of lease period) and changes of lease payments. The majority of the Group's property leases are remeasured on a yearly basis through indexation of lease payments. Remeasurement of lease liabilities in 2024 reflects a return to more normal levels, following the high inflation in 2022, which led to increased lease payments in 2023.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

13 Leases - continued

Right-of-use assets

2023:

	Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost			
Balance at 1 January	7,644	251	7,895
Foreign currency translation	93	2	95
Additions	316	73	389
Remeasurement of lease liabilities	705	1	706
Disposals	-391	-113	-504
Balance at 31 December	8,367	214	8,581
Accumulated depreciation and impairment losses			
Balance at 1 January	-2,634	-165	-2,799
Foreign currency translation	-21	-1	-22
Depreciation	-766	-43	-809
Impairment losses	2	-	2
Disposals	197	97	294
Balance at 31 December	-3,222	-112	-3,334
Carrying amount at 31 December	5,145	102	5,247

The Group has entered into leases with external parties and entities with significant influence over the Group regarding a number of stores, warehouses and some operational equipment. Under some of the leases the Group has the option to continue the lease of the assets beyond the agreed upon lease terms. The lease arrangements impose no restrictions on the Group.

Impairment losses

For further information please refer to note 12.

Notes to the consolidated financial statements

DKK million

13 Leases - continued

Lease liabilities

	2024		2023	
	Undis- counted payments	Present value of payments	Undis- counted payments	Present value of payments
Within 1 year	1,151	885	1,029	807
1 to 5 years	3,879	3,062	3,768	3,159
After 5 years	2,510	2,017	2,405	1,930
Total	7,540	5,964	7,202	5,896

Amounts recognised in the consolidated income statement

	2024	2023
Interest expense on lease liabilities	349	313
Expenses related to leases of low value assets	76	39
Income from subleasing of right-of use assets	70	76

Variable lease payments not recognised as part of the lease liabilities and expenses related to short-term leases are immaterial in both 2024 and 2023.

Specification of lease payments

Interest expense on lease liabilities	349	313
Payments regarding lease liabilities	803	713
Total payments lease liabilities	1,152	1,026

Regarding situations, where the Group is lessor, please refer to note 24.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

	2024	2023
14 Investment properties		
Cost		
Balance at 1 January	1,919	1,871
Foreign currency translation	5	19
Additions	7	1
Reclassifications	1	162
Disposals	-134	-134
Balance at 31 December	1,798	1,919
Accumulated depreciation and impairment losses		
Balance at 1 January	-962	-857
Foreign currency translation	-1	-3
Depreciation	-34	-38
Impairment losses	-2	-17
Reclassifications	-	-73
Disposals	42	26
Balance at 31 December	-957	-962
Carrying amount at 31 December	841	957

Investment properties comprise a shopping centre and flats located adjacent to Salling Group's stores.

During 2024 impairment losses has been recognised regarding one Polish investment property and one German investment property where the expected sales price of the investment property was lower than the carrying amount of the investment property. During 2023 impairment losses were recognised regarding four Polish investment properties.

The estimated fair value of investment properties amounts to DKK 1,254 million at 31 December 2024 (DKK 1,368 million at 31 December 2023). 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.

Notes to the consolidated financial statements

DKK million

	2024	2023
14 Investment properties - continued		
Rental income from investment properties	81	78
Direct operating expenses from investment properties that generated rental income	-33	-47
Direct operating expenses from investment properties that did not generate rental income	-1	-4
Profit arising from investment properties	47	27

15 Financial assets and financial liabilities

Financial assets comprise the following:

	Carrying amount		Fair value	
	2024	2023	2024	2023
Trade receivables	97	120	97	120
Other receivables	640	525	640	525
Derivatives designated as hedging instruments (cash flow hedges)	3	65	3	65
Other current financial assets	10	5	10	5
Other current financial assets	13	70	13	70
Securities	1,261	1,285	1,261	1,285
Cash and short-term deposits	1,553	838	1,553	838

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Financial liabilities comprise the following:

	Carrying amount		Fair value	
	2024	2023	2024	2023
Mortgage loans - non-current	6,928	7,220	6,975	7,241
Mortgage loans - current	358	322	358	322
Mortgage loans	7,286	7,542	7,333	7,563
Lease liabilities - non-current	5,079	5,089		
Lease liabilities - current	885	807		
Lease liabilities	5,964	5,896		
Bank loans - current	39	156	39	156
Bank loans	39	156	39	156
Derivatives designated as hedging instruments (cash flow hedges)	57	32	57	32
Other non-current financial liabilities	17	45	17	45
Other non-current financial liabilities	74	77	74	77
Derivatives not designated as hedging instruments	-	4	-	4
Other current financial liabilities	12	12	12	12
Other current financial liabilities	12	16	12	16
Trade payables	9,200	8,904	9,200	8,904
Other payables	2,907	3,048	2,907	3,048

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Financial instruments by category

Financial assets at amortised cost:

Trade receivables	97	120
Other receivables	640	525
Other financial assets excluding derivatives	10	5
Cash and short-term deposits	1,553	838

Financial assets at fair value through profit or loss:

Securities	1,261	1,285
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Financial assets at fair value through other comprehensive income:

Cash flow hedges	3	65
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Financial liabilities measured at amortised cost:

Mortgage loans	7,286	7,542
Lease liabilities	5,964	5,896
Bank loans	39	156
Other financial liabilities excluding derivatives	29	57
Trade payables	9,200	8,904
Other payables	2,907	3,048

Financial liabilities at fair value through profit or loss:

Derivatives not designated as hedging instruments	-	4
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Financial liabilities at fair value through other comprehensive income:

Derivatives designated as hedging instruments (cash flow hedges)	57	32
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Consolidated financial statements

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Derivatives not designed as hedging instruments reflect the positive or negative change in fair value of the foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk.

Financial assets at fair value through profit or loss include investments in listed Danish mortgage bonds. Fair values of the bonds are determined by reference to published price quotations in an active market.

Derivatives designed as hedging instruments reflect the negative change in fair value of the interest rate swaps, designated as cash flow hedges to hedge interest rate risk in CIBOR-based mortgage loans.

Financial liabilities: Interest-bearing mortgage loans including hedges

Overview of borrowings by interest rate levels (including the effect of related interest rate swaps):

	Next interest rate fixing			
	Carrying amount	Within 1 year	1 to 5 years	After 5 years
31 December 2024				
0 - 2%	3,105	1,074	700	1,331
2 - 4 %	4,172	1,936	-	2,236
4 % -	9	9	-	-
Total	7,286	3,019	700	3,567

	Next interest rate fixing			
	Carrying amount	Within 1 year	1 to 5 years	After 5 years
31 December 2023				
0 - 2%	7,024	3,836	1,800	1,388
2 - 4 %	1,293	293	-	1,000
4 % -	328	328	-	-
Total	8,645	4,457	1,800	2,388

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk is explained below.

Derivatives not designated as hedging instruments

The Group uses foreign currency-denominated forward contracts to manage some of its transaction exposures and intercompany balances. The foreign exchange forward contracts are not designated as cash flow hedging instruments and are typically entered into for periods of up to 3 months.

Derivatives designated as hedging instruments (cash flow hedges)

The hedged item is the highly probable interest rate payment on the Group's mortgage loan portfolio. The loan portfolio has been hedged in layers, where each layer is hedged by a single interest rate swap. The hedged item and the hedging instrument are identical in respect of the critical terms. To illustrate the robustness of the hedge relationship, a regression analysis using historical monthly swap rate, CIBOR and bond price data for a rolling 5 year period is performed. Hedge ineffectiveness can arise from:

- Unexpected changes to the size of hedged items from sale of properties with repayment of related mortgage loans,
- Counterparties not fulfilling their contractual obligations,
- Refinancing of underlying mortgage bonds, if known critical terms should be changed.

The impact of the hedging instruments and the hedged items on the balance sheet is, as follows:

	Notional amount	Carrying amount	Line item in the balance sheet
31 December 2024			
CIBOR-based mortgage loans (hedged items)	5,766	5,766	Mortgage loans
Interest rate swap contracts (active)	4,050	54	Other non-current and current financial liabilities

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

31 December 2023	Notional amount	Carrying amount	Line item in the balance sheet
CIBOR-based mortgage loans (hedged items)	5,963	5,963	Mortgage loans
Interest rate swap contracts (active)	5,300	-33	Other non-current and current financial liabilities

The hedged cash flows are expected to occur and affect the income statement during the coming 10 years. Expected affect to profit before tax:

	2024	2023
Within 1 year	3	65
1 to 5 years	-32	-13
After 5 years	-25	-19
Total	-54	33

The effective portion of the change in the fair value of the interest rate swaps is recognised in other comprehensive income, while any ineffective portion is recognised immediately in the income statement. The amount accumulated in other comprehensive income is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the income statement. No ineffectiveness was recognised in 2024 or 2023.

Fair value

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

Cash flow hedges and other derivatives not defined as hedges are valued 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.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

The fair value of securities is derived from quoted market prices in active markets, and falls within level 1 of the fair value hierarchy.

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 financial liabilities 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 Group's main risks are market risks relating to fluctuations in foreign exchange rates and interest rates, liquidity risk relating to the availability of funds to support business needs and credit risk relating to the undesirable event of a default among the Group's financial counterparties. There have been no structural changes in the Group's risk exposure or risks compared to 2023. The policies for managing risks are explained below.

The overall framework for financial risk management is set out in the Group's financial policy approved by the Board of Directors. The objective of the financial policy and the independent controls, that are established, is to minimise the potential adverse impact on the Group's financial performance. The financial policy is reviewed and updated on a regular basis. The Group has a centralised management of financial risks undertaken by Group Treasury.

In accordance with policies, Group Treasury uses derivative financial instruments with the purpose of hedging exposures related to the Group's operations and its source of financing. All derivative activities for risk management purposes are carried out by specialists that have the appropriate skills, experience and supervision. It is the Group's policy to minimise the potential adverse impact on the Group's financial performance and protect the Group against negative impact from market risks. Group Treasury has primarily used forward contracts to hedge foreign exchange exposures and interest rate swaps to hedge interest rate exposures. Treasury transactions and hedging activities are recognised in a Treasury management system with a high degree of system integration, control and automation of processes on treasury transactions.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; currency risk, interest rate risk and other price risks such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt, fixed income investments and derivative financial instruments.

The sensitivity analysis in the following sections relates to the positions as at 31 December 2024 and 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives, and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place 31 December.

Currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rate relates primarily to the Group's operating activities and the Group's net investments in foreign subsidiaries. The framework for hedging guidelines and risk mandate is covered by the FX risk management policy.

The majority of purchases of goods for resale made by the Group is denominated in the Group's functional currency DKK. However, some trade purchases are made in other currencies, primarily EUR and USD. It is the Group's policy to hedge known purchase orders in specific material currencies. Presently, USD is assessed to be a material currency, and purchase orders in USD are hedged. Purchase orders in other currencies are considered immaterial, and are therefore not hedged.

Hedge accounting has not been used regarding the hedging of purchase orders. In other words, changes in the fair value of the hedging instruments are recognised in the income statement on a continuous basis, which can result in timing discrepancies.

Material committed and uncommitted investments in foreign currency can be hedged. Hedge accounting is not used regarding such hedges.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

According to the FX risk management policy, cash positions (internal and external) are hedged. According to the policy exposures in EUR need not be hedged.

The Group's net currency exposure is the basis for determining the Group's risk. The hedging principles determine the risk neutral position (fully hedged) in regards of foreign exchange exposures. Deviations from the risk neutral position are summarized in an absolute VaR-based risk figure covering the various currency exposures. The foreign exchange exposures and the VaR-based risk figure are monitored and controlled on a daily basis, thereby securing compliance with thresholds and policies.

The following overview illustrates the effect on the consolidated income statement and the consolidated equity that would result at the balance sheet date, from changes in currency exchange rates that are reasonable possible for material currencies:

31 December 2024	EUR/DKK	GBP/DKK	PLN/DKK	SEK/DKK	USD/DKK
Financial assets	558	8	40	3	32
Financial liabilities	-	-	-275	-	-
Known USD purchase orders	-	-	-	-	-638
Net exposures before derivatives	558	8	-235	3	-606
Derivatives	-	-	236	-	457
Net exposures after derivatives	558	8	1	3	-149
The net exposures relate to:					
Hedging of expected commercial cash flows, where hedge accounting is not	558	8	1	3	-149
Applied sensitivity	1%	5%	5%	5%	5%
Impact on the consolidated income statement	6	-	-	-	-7

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

31 December 2023	EUR/DKK	GBP/DKK	PLN/DKK	SEK/DKK	USD/DKK
Financial assets	451	7	-	1	26
Financial liabilities	-	-	-401	-	-
Known USD purchase orders	-	-	-	-	-506
Net external exposures	451	7	-401	1	-480
Derivatives	89	-	378	-	587
Net exposures	540	7	-23	1	107
The net exposures relate to:					
Hedging of expected commercial cash flows, where hedge accounting is not	540	7	-23	1	107
Applied sensitivity	1%	5%	5%	5%	5%
Impact on the consolidated income statement	5	-	-1	-	5

The sensitivity analysis only includes currency exposures arising from financial instruments. The applied change in the exchange rates is based on historical currency fluctuations. A decrease in the foreign currencies would have the opposite effect as the impact shown in the above overview.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's mortgage loan financing and its bond holdings. It is the Group's policy to limit fluctuations in interest rate expenses, and maintain a relative high degree of certainty for future interest payments. This is obtained through a diversified loan portfolio, consisting of both fixed and floating rate mortgage loans in combination with interest rate hedges. The hedged loan portfolio is actively managed by Group Treasury reflecting ongoing risk assessment and expectations for the future development in interest rates.

Having a longer-term perspective for the mortgage loan portfolio, it is the Group's policy to keep an overall duration target for the mortgage loan portfolio in the range of 3 to 7. The potential impact on the equity ratio will be considered and controlled by balancing the maturity of the hedging instruments.

As at 31 December 2024, after taking into account the effect of interest rate swaps, approximately 65% of the Group's mortgage loan portfolio are at a fixed rate, compared to 91% as at 31 December 2023.

A general increase of 1%-point in interest rates is estimated, all other things being equal, to affect profit before tax by DKK 2 million (DKK 6 million in 2023), and pre-tax equity by DKK 82 million (DKK 103 million in 2023). The direct impact on pre-tax equity is due to changes in the fair value of the interest rate swaps.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

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

	Carrying amount	Sensitivity	Profit before tax	Pre-tax equity
31 December 2024				
Securities	1,261	1%	19	19
Other financial assets	10	1%	-	-
Mortgage loans	7,286	1%	-33	-33
Derivatives	54	1%	19	99
Other financial liabilities	12	1%	-3	-3
Impact			2	82
31 December 2023				
Securities	1,285	1%	22	22
Other financial assets	5	1%	-	-
Mortgage loans	7,542	1%	-35	-35
Derivatives	-33	1%	22	119
Other financial liabilities	12	1%	-3	-3
Impact			6	103

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

For other current financial assets 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.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Liquidity risks

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

The Group ensures liquidity through flexibility and diversification of borrowing, maturity and renegotiation time points, as well as counterparts. Flexibility in cash resources ensures that the Group can act appropriately in case of unforeseen changes in liquidity. The liquidity reserves consist of cash, securities and undrawn credit facilities. The Group currently has no covenants. The Group assesses the liquidity risk to be low.

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

	Within 1 year	1 to 5 years	After 5 years	Total
31 December 2024				
Mortgage loans	566	2,345	6,496	9,407
Lease liabilities	1,151	3,879	2,510	7,540
Bank loans	39	-	-	39
Trade and other payables	11,966	270	-	12,236
Total	13,722	6,494	9,006	29,222
31 December 2023				
Mortgage loans	419	1,838	6,380	8,637
Lease liabilities	1,029	3,768	2,405	7,202
Bank loans	156	-	-	156
Trade and other payables	11,747	262	-	12,009
Total	13,351	5,868	8,785	28,004

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Credit risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group prepares credit ratings of customers and counterparties on a regular basis. Credit risks are managed on the basis of internal credit ratings and credit lines for customers and financial counterparties. The credit lines are determined on the basis of the customers' and counterparties' creditworthiness and local market risks. Counterparty credit lines are reviewed on an ongoing basis and may be updated throughout the year subject to approval of management. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group is exposed to credit risks from trade and other receivables, balances with banks in the form of deposits and other financial instruments. The majority of the Group's sales are made in cash, and therefore, the credit risks are very low. The Group reduces its credit risks with banks by only doing business with banks with high credit ratings. Moreover, excess liquidity is deposited with banks or placed in liquid government and mortgage bonds with a rating of minimum Aa2. The overall duration of Salling Group's bond portfolio must be below 4.

The table below summarises the ageing analysis of trade receivables:

	2024	2023
Not due	85	108
< 30 days past due	10	10
30 to 90 days past due	1	1
> 90 days past due	1	1
Total	97	120

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

The Group recognises an allowance for impairment of receivables. The entire allowance for impairment of receivables relates to trade receivables, as the allowance regarding any other financial assets is immaterial. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due, and a provision is recognised for not due receivables as well as past due receivables. As at 31 December 2024 the provision amounts to DKK 14 million (31 December 2023: DKK 9 million). The maximum credit risk exposure at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral or other forms of credit insurance as security. The Group assesses the concentration of credit risk with respect to receivables as low.

Changes in liabilities arising from financing activities

	1 January	Cash flows	Other	31 December
2024:				
Mortgage loans	7,542	-256	-	7,286
Lease liabilities	5,896	-803	871	5,964
Bank loans	156	-	-117	39
Other financial liabilities excluding derivatives	57	-28	-	29
Total change in assets and liabilities from financing activities	13,651	-1,087	754	13,318

	1 January	Cash flows	Other	31 December
2023:				
Mortgage loans	7,676	-134	-	7,542
Lease liabilities	5,705	-713	904	5,896
Bank loans	534	-501	123	156
Other financial liabilities excluding derivatives	16	-	41	57
Total change in assets and liabilities from financing activities	13,931	-1,348	1,068	13,651

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial

Trade payables

The Group has established a supplier finance arrangement, that is offered to a group of suppliers. It is at the suppliers' own discretion to participate in the arrangement. Suppliers that participate in the supplier finance arrangement will receive early payment on invoices sent to the Group from the Group's external finance provider, while the Group benefits from extended payment terms. The agreement of earlier payment is a transaction between the supplier and the external finance provider and does not involve the Group. Commercial requirements, including payment terms and prices paid for goods, does not depend on whether a supplier has entered these arrangements.

If suppliers choose to receive early payment, they pay a fee to the financial institution, which the Group is not a party to. Before the financial institution settles a purchase invoice from a supplier, the underlying goods or services must have been delivered to the Group, and the invoice approved by the Group. The financial institution settles invoices with the suppliers, and Salling Group settles the original invoices with the financial institution according to the original payment terms.

The Group's obligations in supplier finance arrangements arise as part of the normal business cycle for the purchase of goods and services, and the payment terms with the financial institution do not significantly differ from the payment terms to other comparable suppliers not participating in such arrangements. Therefore, Salling Group's obligations in these arrangements are classified as trade payables in the balance sheet, and the associated payments are classified as cash flows from change in working capital.

Payment terms and accounting values as at the balance sheet date are shown below:

	Range of payment due dates
Liabilities that are part of supplier finance arrangements	60 - 120 days after invoice date
Trade payables that are not part of an arrangement	60 - 120 days after invoice date

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Carrying amount of liabilities part of supplier finance arrangements	2024
Presented in 'Trade payables'	2,093
Of which suppliers have received payment	1,353

The carrying amount of liabilities in supplier finance arrangements, presented as 'Trade payables' amounted to DKK 2.2 billion as per 1 January 2024.

There were no significant non-cash changes to the carrying amount of the trade payables included in the Group's supplier finance arrangement.

Concentration of liquidity risk related to supplier finance arrangements

The Group is exposed to a concentration risk concerning its supplier debt due to participation in supplier finance arrangements. The Group has assessed that the risk related to the supplier finance arrangements is insignificant. The Group has a strong liquidity position which ensures sufficient flexibility to meet its obligations under these arrangements.

Risk Management

The Group continuously monitors its involvement in supplier finance arrangements and conducts assessments of the concentration risk associated with such arrangements. The Group has assessed that the risk related to the supplier finance arrangements is insignificant. The Group has a strong liquidity position which ensures sufficient flexibility to meet its obligations under these arrangements.

Exposure

Several of the Group's suppliers are included in supplier finance arrangements, where the company has only one counterparty instead of multiple individual suppliers. This results in the Group settling significant amounts with one counterparty instead of several smaller amounts with multiple counterparties.

The Group's payment terms for these arrangements are comparable to the payment terms for the Group's other suppliers.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

16 Deferred tax

Specification of deferred tax

	Consolidated income statement		Consolidated balance sheet	
	2024	2023	2024	2023
Intangible assets	7	40	-382	-389
Property, plant and equipment	28	6	-2,097	-2,125
Investment properties	3	42	-66	-69
Financial assets	-11	10	12	23
Other assets	-7	2	-6	1
Provisions	-1	1	82	83
Other liabilities	-5	-10	44	49
Leases	15	9	126	111
Tax loss carryforward	1	3	55	54
Other	11	13	23	12
Deferred tax income / Net deferred tax	41	116	-2,209	-2,250

Notes to the consolidated financial statements

DKK million

16 Deferred tax - continued

Reconciliation of net deferred tax

	2024	2023
Opening balance at 1 January	-2,250	-2,320
Adjustment of deferred tax recognised in the income statement	41	116
Deferred tax acquired in business combinations	-	-46
Closing balance at 31 December	-2,209	-2,250
Deferred tax is recognised in the consolidated balance sheet as follows:		
Deferred tax assets	98	104
Deferred tax liabilities	-2,307	-2,354
Net deferred tax	-2,209	-2,250

In the Group an unrecognised deferred tax asset of DKK 1,012 million exists as at 31 December 2024 of which DKK 1,002 million is related to Netto Indygo Sp. Z o.o. (in 2023 DKK 930 of which DKK 920 million related to Netto Indygo Sp. Z o.o.). The deferred tax asset is unrecognised due to uncertainties regarding the future taxable profits against which the unused tax losses can be utilised. A significant part of the unrecognised deferred tax asset in Netto Indygo Sp. Z o.o. relates to tax losses. Tax losses may be carried forward for five consecutive tax years with restrictions on the utilization. Netto Indygo Sp. Z o.o. has suffered a loss in both 2024 and 2023.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

	2024	2023
17 Inventories		
Goods held for resale	6,123	5,946
Consumables	124	131
Total inventories	6,247	6,077

In the income statement, as part of cost of sales, an expense of DKK 2.0 bn has been recognised regarding losses and write-downs of inventories to net realisable value (DKK 1.9 bn in 2023).

18 Assets classified as held for sale

The major classes of assets classified as held for sale as at 31 December are as follows:

Land and buildings	8	-
Assets classified as held for sale	8	-

The properties classified as held for sale are recognised at carrying amount, since the fair value less costs to sell of the properties is higher than the carrying amount.

Notes to the consolidated financial statements

DKK million

	2024	2023
19 Pensions		

The Group has entered into pension schemes and similar arrangements with most of the Group's employees. The majority of the Group's pension schemes is defined contribution plans. For a few former employees and some members of the founders family defined benefit plans exist. The defined benefit plans are lifelong. The defined benefit plans guarantee fixed amounts per year adjusted for price inflation, and the plans are fully unfunded.

Changes in the present value of the defined benefit obligation:

Defined benefit obligation at 1 January	231	236
Interest expenses recognised as part of staff expenses	-5	-6
Actuarial gains / losses, demographic assumptions	3	1
Actuarial gains / losses, financial assumptions	7	17
Actuarial gains / losses, experience adjustments	3	2
Payments from the plan	-19	-19
Defined benefit obligation at 31 December	220	231

The following significant actuarial assumptions are applied:

Discount rate	2.1%	2.1%
Price inflation	2.0%	1.9%

Life expectations are based on the Danish FSA's longevity benchmarks for the individual financial years.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

19 Pensions - continued

A quantitative sensitivity analysis for the significant actuarial assumptions is shown below:

	2024	2023
Discount rate:		
Increase of 0.5% point	-8	-8
Decrease of 0.5% point	8	9
Price inflation:		
Increase of 0.5% point	8	9
Decrease of 0.5% point	-8	-8

The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

No contributions will be made to the plans in the future. The average duration of the defined benefit obligation as at 31 December 2024 is 26 years (27 years in 2023). DKK 20 million is expected to be paid from the plans in 2025.

Notes to the consolidated financial statements

DKK million

20 Provisions

2024:

	Insurance	Other	Total
Balance at 1 January	126	51	177
Provisions made during the year	48	18	66
Provisions utilised during the year	-29	-5	-34
Reversals during the year	-11	-9	-20
Balance at 31 December	134	55	189
Non-current	104	37	141
Current	30	18	48
Balance at 31 December	134	55	189

2023:

	Insurance	Other	Total
Balance at 1 January	149	51	200
Provisions made during the year	39	14	53
Provisions utilised during the year	-38	-4	-42
Reversals during the year	-24	-10	-34
Balance at 31 December	126	51	177
Non-current	99	35	134
Current	27	16	43
Balance at 31 December	126	51	177

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

20 Provisions - continued

The insurance provision comprises the estimated expenditure based on actuarial calculations that the Group expects to incur. The insurance provision is based on insured events that have taken place before year end. The estimate includes the direct and indirect amounts that the Group expects to pay to settle the outstanding claims. The provision is discounted based on estimates of the payment period, and DKK 29 million is expected to fall due after more than 5 years (DKK 29 million in 2023).

Other provisions comprise a provision for warranties, a provision for jubilee benefits and a provision for pending lawsuits. The warranty provision is recognised upon a sale of a product for which the Group is liable for future warranty costs. Initial recognition is based on historical experience. The existing provision will expire in 2032. The provision for jubilee benefits concerns the Danish employees, and is estimated based on the expected jubilees for current employees. Of the provision DKK 22 million is expected to fall due after more than 5 years (DKK 21 million in 2023). No further information is provided regarding the provision for pending lawsuits as the information might harm the Group's position.

Notes to the consolidated financial statements

DKK million

21 Adjustments

	2024	2023
Financial income	-219	-227
Financial expenses	607	556
Amortisation and impairment of intangible assets	3,013	3,010
Net gain on sale of non-current assets etc.	-12	13
Other adjustments	19	-29
Adjustments	3,408	3,323

22 Change in working capital

Change in trade and other receivables and prepayments	-82	114
Change in inventories	-144	-185
Change in trade and other payables	43	-684
Change in working capital	-183	-755

23 Cash and cash equivalents

Cash and short-term deposits	1,553	838
Current liabilities - bank loans	-39	-156
Cash and cash equivalents	1,514	682
Cash and cash equivalents available to the Group	1,514	682

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

	2024	2023
24 Contingent assets and liabilities and other financial commitments		
Operating leases, the Group is lessor		
The Group leases a number of properties, shops and flats as operating leases to external parties. The leases have terms of between 1 month and 18 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:		
Within 1 year	280	225
1 to 5 years	417	295
After 5 years	242	151
Total	939	671

Notes to the consolidated financial statements

DKK million

24 Contingent assets and liabilities and other financial commitments - continued
The Group has entered into contractual commitments regarding acquisition and construction of property, plant and equipment of a total of DKK 1,398 million (DKK 1,046 million in 2023).
The Group has entered into contractual commitments regarding acquisition of intangible assets of a total of DKK 122 million (DKK 6 million in 2023).
As security for mortgage loans land and buildings with a carrying amount of DKK 8,164 million have been provided as collateral (DKK 8,419 million in 2023).
The company has security for interest rate swap contracts with a positive carrying amount of DKK 16 million as collateral in 2024. In 2023 the company had security for interest rate swap contracts with a positive carrying amount of DKK 74 million as collateral.
The Danish companies in the Group excl. F. Salling Holding A/S are part of the joint registration regarding payment of VAT, PAYE taxes etc. and are thus jointly liable for the total liability of DKK 615 million at 31 December 2024 (DKK 615 million in 2023).
The Danish companies in Købmand Herman Sallings Fond Group are jointly taxed. As jointly taxed companies, which are not wholly owned, the companies in the Salling Group A/S subgroup have limited and subsidiary liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. However, Salling Group A/S' subsidiaries have 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 companies' liability will increase.
The Group has entered into a suretyship for guarantees provided by Tryg Garanti of a maximum of DKK 128 million (DKK 124 million in 2023).

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

	2024	2023
25 Related party disclosures		
Transactions between Købmand Herman Sallings Fond and its subsidiaries have been eliminated in the consolidated financial statements and are not disclosed in this note.		
The following transactions were carried out with related parties:		
Other related parties:		
Dividends paid to non-controlling interests in subsidiary	30	30
Key management personnel		
Key management personnel includes the Board of Directors. The key management personnel remuneration for the Group companies is shown below:		
Short-term employee benefits	3	3
Total remuneration	3	3

Of the total remuneration DKK 2 million (DKK 2 million in 2023) concerns payments from other Group companies.

Notes to the consolidated financial statements

DKK million

26 Business combinations

In 2024, Salling Group A/S acquired an additional 10% of Skagenfood A/S. Salling Group A/S holds a total of 100% of the issued share capital and voting rights in Skagenfood A/S at 31 December 2024.

A call option exists, according to which Skagenfood A/S can purchase the remaining 10% of Bodebjerg ApS. The call option can be exercised in 2025. As the call option gives Skagenfood A/S present access to the returns associated with the ownership interest, the non-controlling interests, that are comprised by the call option, are considered to be purchased at the point in time, when the call option are written. As a result, no non-controlling interests are recognised in the income statement, the statement of other comprehensive income or the equity regarding the non-controlling interests. A liability of DKK 1 million related to the call option is recognised in the Group as at 31 December 2024 (31 December 2023: DKK 1 million).

In 2023, Salling Group A/S acquired 100% of the share capital and the voting rights of Salling Group Ejendomme II ApS. The real-estate company Salling Group Ejendomme II ApS was acquired in order to buy the 10 properties in which BR previously was lessee.

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

27 Capital management

Købmand Herman Sallings Fond Group ensures the continuity within Salling Group A/S and affiliated companies. Distributions are based on the financial strength of Købmand Herman Sallings Fond Group taking the liquidity situation into account.

Købmand Herman Sallings Fond Group manages its capital to ensure that the entities in the Group will be able to continue as going concerns through the optimisation of the debt and equity balance. For the purpose of Købmand Herman Sallings Fond Group's capital management, capital includes total equity.

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

The Group has no covenants in relation to bank facilities or other financing activities, hence as at 31 December 2024 and 2023 no covenants exist.

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

Notes to the consolidated financial statements

DKK million

28 Events after the reporting period

In March 2025, Salling Group announced that they have entered into a purchase agreement with the Swedish retail group ICA Gruppen AB, which includes full ownership and control of ICA Gruppen AB's Baltic business, Rimi Baltic AB and its subsidiaries. The enterprise is set at EUR 1.3 bn on a debt-free basis. The acquisition is expected to be financed by free reserves, mortgage and bank loans.

Rimi Baltic is one of the largest retailers in the Baltic States and operates retail chains in Latvia, Lithuania and Estonia. The purchase agreement includes 314 stores, a strong e-commerce platform, warehouses and distribution centres across the Baltics, with more than 11,000 employees.

Rimi Baltic is a strong and well-run company, with high-standard stores that has show growth and strong results for many past years. Rimi operate stores in four chains; Rimi Hyper, Rimi Super, Rimi Mini and Rimi Express.

The acquisition is part of Salling Groups Aspire '28 strategy that was launched during 2024, and Salling Group wishes to strengthen Rimi Baltic and grow the business in the Baltic countries.

The acquisition is classified as a business combination and gives Salling Group full ownership and voting rights of the entities within Rimi Baltic AB. Entities included in the purchase agreement:

- Rimi Baltic AB, Stockholm
- Rimi Baltic SIA, Latvia
- Rimi Latvia SIA, Latvia
- Plesko Real Estate SIA, Latvia
- Rimi Lietuva UAB, Lithuania
- Hakonlita UAB, Lithuania
- Rimi Eesti Food AS, Estonia
- Kinnisvaravalduse AS, Estonia

Consolidated financial statements

Notes to the consolidated financial statements

DKK million

28 Events after the reporting period - continued

The acquisition was subject to and conditioned upon regulatory approval, which was obtained on 5 May 2025. The closing date is expected to be 2 June 2025.

As of the date of publication of the Annual Report for Købmand Herman Salling Fond for 2024, the Purchase Price Allocation (PPA) for the transaction cannot be completed. Therefore, it is not possible to fulfil the full disclosure requirements in IFRS 3 regarding business combinations.

The total purchase price will be allocated to the acquired assets and liabilities in accordance with IFRS 3 once the transaction is finalised and approved. Goodwill will be calculated as the difference between the purchase price and the identifiable net assets (after any adjustments to liabilities). Goodwill is expected to arise from the acquisition.

29 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.

salling fondene

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