

salling group

Annual Report 2025

**EVERY
DAY
BETTER**

Rimi
SUPER

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Reader's Guide

The Report has been prepared in accordance with the IFRS Accounting Standards as adapted by the EU and additional requirements for Class C large enterprises of the Danish Financial Statements Act (DFSA).

- Our reporting in compliance with section 99a of the DFSA on statement on corporate social responsibility can be found on pages 10 and 19-40 for actions and results, and on pages 17 and 41-51 for business model, risks, policies, actions and results.
- Our reporting in compliance with section 99d of the DFSA on Data Ethics can be found on page 35.

Introduction



salling group

Introducing Salling private label in Rimi to differentiate our stores from competitors, and provide customers with high-quality everyday essentials at competitive prices. The Salling brand combines strong value for money with a clear focus on quality, food safety, and responsible sourcing.





Reflection on the Year

Dear all,

2025 was not just another busy year in retail – it was a historic and defining year for Salling Group. Guided by Aspire '28, we strengthened our core, accelerated our growth, and made bold moves that will shape our company for decades.

One of the most significant milestones in 2025 was the successful acquisition and integration of Rimi Baltic. We welcomed more than 11,000 talented new colleagues and

added 314 stores across Estonia, Latvia and Lithuania to our network. Together, we are unlocking new opportunities and strengthening our position as a leading retailer in Scandinavia.

At the same time, we continued to build strong momentum in our core business. In Denmark, we welcomed more customers into our stores, lifting Netto, føtex and Bilka to record-high market shares. BR delivered a record year both online and offline, while Salling department stores saw strong growth, driven in particular by high double-digit

online increases. In Poland, we turned an important corner and started growing our business, improved profitability and gained market share in a tough market. And in Germany, we welcomed a new CEO for Netto and began implementing a strategy designed to unlock the potential of our regional stores.

I am proud of what we achieved together in a demanding year – and I am confident that we are building a stronger Salling Group for the future.

Financial performance

With Rimi Baltic as part of the Salling Group family, and strong development in our core business, we delivered record revenue of DKK 83.2 billion, moving us closer to our ambition of reaching DKK 100 billion by 2028. Profit after tax was DKK 2 billion. This strengthened scale and earnings base makes Salling Group more robust and better positioned for the future. It gives us the capacity to keep investing – in our formats and concepts, in digital transformation and AI, and in our customers and colleagues – and to follow through on the ambitions we have set with Aspire '28.

Investing in customer experience

In 2025, we took important steps to make shopping with Salling Group easier and more inspiring. In Denmark, the approval from The Danish Competition and Customer Authorities of our agreement to acquire 33 former COOP stores allowed us to begin reopening them as new føtex and Netto stores, bringing a strong, modern grocery offer closer to even more customers. As we approach Salling's 120-year anniversary in 2026, we have also announced two new Salling department stores in the Copenhagen area – the first expansion of our department stores in more than 60 years.

Across our formats, we are sharpening propositions that matter in everyday life. føtex has set a clear ambition to make a healthy lifestyle easier and more accessible. Bilka strengthened its digital offer through BilkaToGo, now reaching 94% of Danish postal codes and showing that online convenience can go hand in hand with a profitable business. In Poland, we continued the roll-out of Netto 4.0 to 133 stores, tailoring the concept to Polish consumers and making shopping simpler while improving store

”
Together, we turned a historic year into a stronger future

performance. Rimi Baltic started the implementation of FOCUS strategy (Formula for Customer Savings) that will sharpen the value proposition through more private label, stronger value tier ranges and greater efficiency across stores, logistics and digital channels – making it easier for customers across the Baltics to find good quality at prices that fit their everyday budgets.

Growing together as one Salling Group

With Rimi Baltic now part of our family, we are close to 70,000 colleagues across six countries, united by the strong culture and clear purpose of Salling Group. Our scale is growing, and so is our responsibility to offer a modern, inclusive workplace where people feel welcome, proud and happy to come to work. Every colleague plays a part in this – from those meeting customers in our stores, to the teams in our warehouses keeping shelves stocked, and the colleagues in our offices supporting our business every day.

In 2025, we continued to invest in our culture through the Horizon project. Our culture – characterised by passion, integrity and decisive execution – is something we are immensely proud of and want to preserve. At the same time, Horizon is about evolving how we work together: staying curious, reflective and purposeful in everything we do, so that our culture remains a strength for the next chapter of Salling Group’s journey.

Acting responsibly for the future

As Salling Group grows, so does our responsibility to the societies we are part of. In 2025, we strengthened our role as critical infrastructure by committing to build emergency stores in Denmark, designed to operate for days without power or external connection. With 51 stores across the

country, this means that up to 80% of the population will have access to essential goods within 50 kilometres, even in a crisis.

We also took new steps to reduce our climate impact. In Aarhus, we initiated plans for a 50,000 m² solar farm expected to produce 10,000,000 kWh of renewable energy each year. At the same time, we continue to reduce emissions from our own operations, engage our suppliers, and empower customers and colleagues to make more sustainable choices.

Staying relevant on price and value

Even in a historic year for Salling Group, we remain very aware that many customers are concerned with the rising prices in a volatile world. Across our formats and markets, we worked to stay relevant on price and value – sharpening our private label offers, promotions and everyday prices on the products that matter most. In Netto, we launched targeted price initiatives against inflation on key everyday items to help customers stretch their budgets further. As we grow, and with Rimi Baltic now part of the Group, our increased scale gives us even better opportunities to negotiate, improve efficiency and pass value on to customers, while continuing to invest in quality and more low-impact products.

Looking ahead

As we look ahead, we do so from a stronger position than ever. We have a clear strategy in Aspire ’28, a broader and more robust business with Rimi Baltic on board, and strong momentum in our core formats. In 2026, we will continue the efforts by staying close to our customers, continuing to invest in our colleagues and capabilities, and keeping our focus on price, customer experience and innovation.

None of what we achieved in 2025 would have been possible without the dedication of our colleagues in stores, warehouses, offices and distribution centres. I would like to thank each of you for your contribution to this historic year for Salling Group. I am confident that, together, we will continue to improve everyday life for our customers, our colleagues and the societies we are part of – and write the next chapter in Salling Group’s story.

All the best,



Anders Hagh // CEO of Salling Group



15.7
million customers a week

83.2
billion turnover

69,823
employees

2,139
stores

Letter from the Chairman

Thank you!

Once again you delivered a record year for Salling Group. DKK 83.2 billion in revenue and DKK 6.4 billion in EBITDA are the highest we have ever achieved. Congratulations!

It is for us in the Board of Directors very impressive to see how management have managed to build Aspire´28 as a midterm strategy and at the same time continued to improve and execute the daily business so well.

The acquisition of Rimi Baltic was a brilliant move fitting perfectly to our midterm strategy, adding 314 stores, with 11,000 employees, a yearly revenue of approximately EUR 2 billion, and a very good management. The acquisition shows that we are not afraid to invest the money we gen-

erate to strengthen our business long term, and we are convinced the Baltics will be a great business for us.

Setting up Salling Seeds is another proof that we think long term. Hiring a team with expertise and then give them financial funds to find and invest in good ideas is another way to find innovation and growth vehicles for the future.

The business with Netto, Bilka and føtex in Denmark and Netto in Germany and Poland is of course our daily core business and where we need to constantly improve, and also here you have delivered.

Due to continuously improved customer experience combined with excellent operations we have never before achieved so high market shares in Denmark.

We are a clear market leader in Denmark, and in 2025 we improved and grew all three formats. I think it is right to say we are the best operating retail company in Denmark. We will of course continue to invest in our home market to make sure that all our formats will be the best for the Danish consumers. In 2026, we will even open two new Salling department stores in Copenhagen. This will further strengthen the presence of Salling as a retailer and also further support the great ecommerce growth we have with the Salling department stores. In Poland, we continued to roll out our Netto 4.0 concept, and our Polish leadership continued to

focus on making our offers more dedicated to the Polish consumers. There are big differences between the markets in Denmark and Poland, and historically we have not been good enough to focus on this. We still have a way to go but we see good initial results.

The same goes for the very competitive German market where we have hired a new CEO for Netto Germany and are implementing a new strategy to focus more on the local needs of the local consumers. Same issue here, we have a long way to go but we are convinced we are on the right track.

We are, as I have said many times, “lucky” not to be a public company but a private company owned by the Salling Foundations. This allows us to always do what is right for the business long term. We are of course ambitious, and we also want good results short term, but I can assure you that we always – when making decisions – think about the consequences for Salling Group and our people long-term. This is – in the volatile world we live in – a huge competitive advantage. That we are also allowed to see that the money we earn is either reinvested in the company or invested by the foundations in projects that are good for people in Denmark (sports, culture, etc.) makes it very good to be associated with the Group.

We in the Board of Directors are all proud to be in the board, we are proud of the work our employees are achiev-



ing, we are proud of the work we see done by the Salling Foundations and we all look very positively into 2026 and beyond.

Again, we want to thank you for an excellent job in 2025 and wish you a healthy and successful 2026!

Bjørn Gulden // Chairman of the Board



Our record results reflect bold investments and long-term commitment

Highlights 2025

Denmark's biggest triannual company party "Allin"



Salling Group ranked sixth in the Danish IFO Top 100 Image Analysis



Acquisition of Rimi Baltic



Re-organisation of top-management to reflect new strategy



Salling Seeds invests in Delphinus Venture Capital to promote start-ups and innovators



Acquisition of 33 COOP stores approved by the Danish Regulatory Authorities



Bilka Home Delivery expanded to cover 94% of Denmark



Introduction of black star label on price tags for European brands



Michael Linander appointed Head of Netto Germany



Approval of establishment of a solar farm at HQ in Aarslev, Denmark



79% participation in employee opinion survey, myVoice.



Financial 5-year Summary

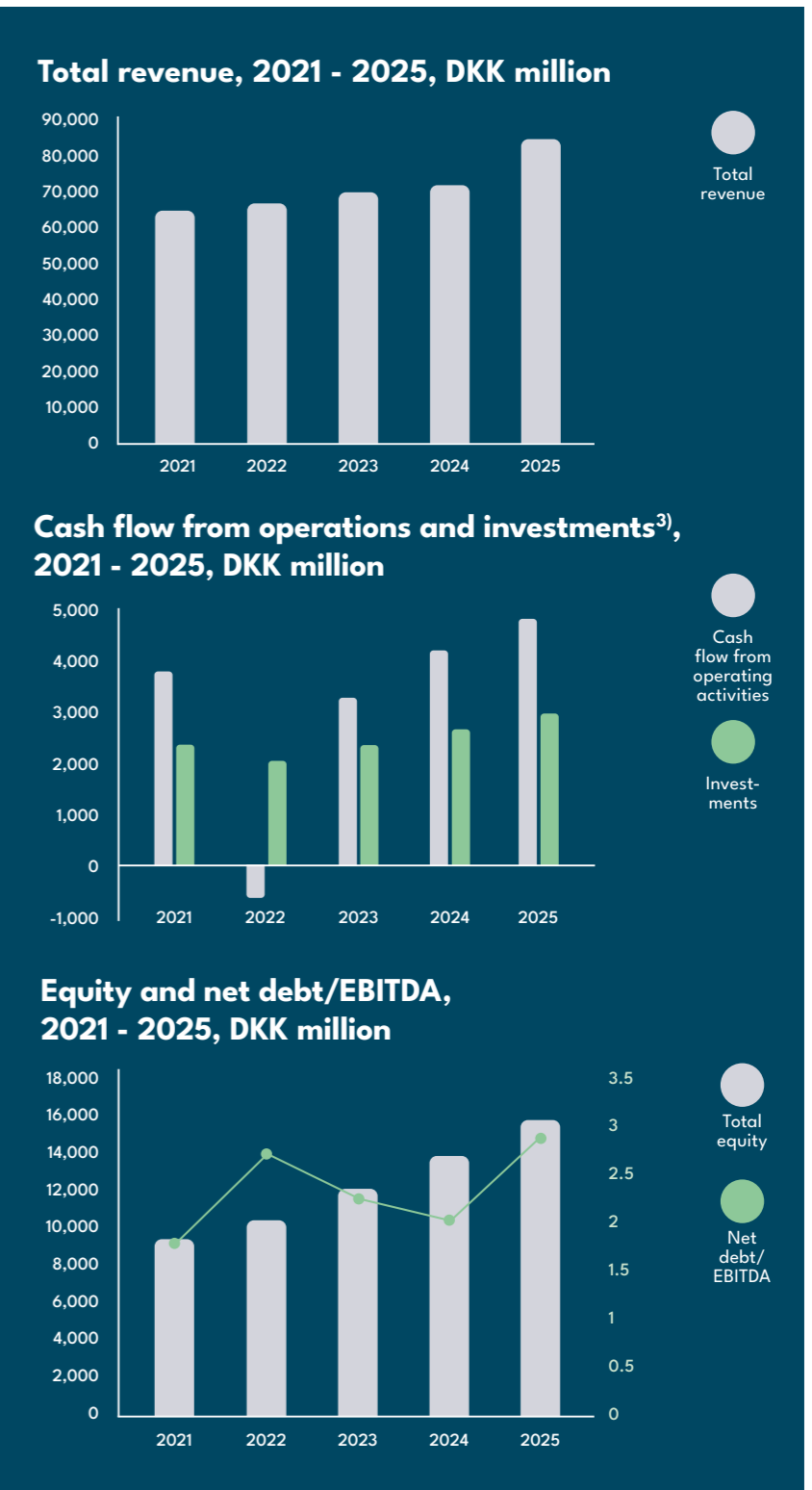
DKK million	2025	2024	2023	2022	2021 ¹⁾
Total revenue	83,168	72,176	70,260	66,521	66,202
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	6,445	5,222	4,951	4,324	5,193
Operating profit (EBIT)	3,245	2,693	2,421	1,940	2,952
Net financial items	-662	-407	-341	-580	-466
Total profit for the year	1,990	1,709	1,587	972	1,942
Net cash flows from operating activities	4,750	4,149	3,244	-587	3,719
Investments in property, plant and equipment, right-of-use assets, and investment properties	2,952	2,587	2,351	2,063	2,357
Total assets	53,265	40,426	38,961	38,030	40,719
Total equity	15,762	13,836	12,255	10,400	9,401
Net debt/EBITDA ²⁾	2.9	2.0	2.3	2.6	1.8
Operating margin	3.9%	3.7%	3.4%	2.9%	4.5%
Return on equity	13.4%	13.1%	14.0%	9.8%	22.8%

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

1) 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.

2) On 2 June 2025, the Group acquired Rimi Baltic AB. Rimi Baltic AB and its subsidiaries are included in the consolidated income statement from the acquisition date only. Based on a normalised result for the Group, in which the pro forma full-year EBITDA of Rimi Baltic AB is included, the net debt/EBITDA ratio would have been 2.7. This pro forma net debt/EBITDA ratio is presented for illustrative purposes only and does not necessarily reflect the financial position or performance that would have been achieved had the acquisition occurred on 1 January 2025.

3) Investments shown are equal to "Investments in property, plant and equipment, right-of-use assets, and investment properties" in the table above.



Financial 5-year Summary in EUR

EUR million	2025	2024	2023	2022	2021 ¹⁾
Total revenue	11,149	9,675	9,418	8,917	8,874
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	864	700	664	580	696
Operating profit (EBIT)	435	361	325	260	396
Net financial items	-89	-55	-46	-78	-62
Total profit for the year	267	229	213	130	260
Net cash flows from operating activities	637	556	435	-79	499
Investments in property, plant and equipment, right-of-use assets, and investment properties	396	347	315	277	316
Total assets	7,140	5,419	5,223	5,098	5,458
Total equity	2,113	1,855	1,643	1,394	1,260
Net debt/EBITDA ²⁾	2.9	2.0	2.3	2.6	1.8
Operating margin	3.9%	3.7%	3.4%	2.9%	4.5%
Return on equity	13.4%	13.1%	14.0%	9.8%	22.8%

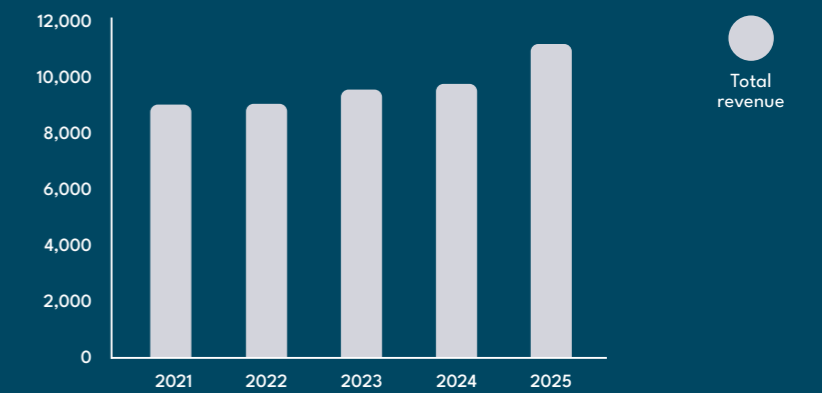
Numbers shown in EUR have been converted from DKK using a fixed exchange rate of 746 DKK/EUR. For definitions of main and key figures please refer to note 2 in the notes to the consolidated financial statements.

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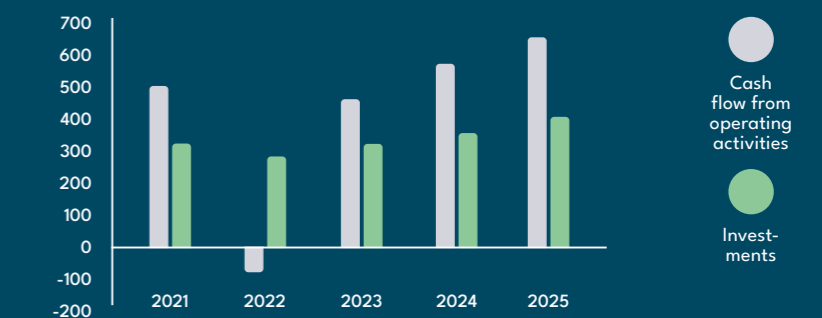
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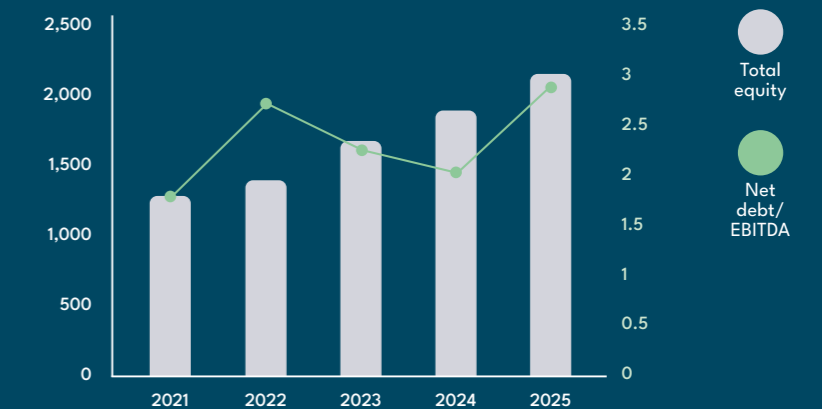
Total revenue, 2021 - 2025, EUR million



Cash flow from operations and investments³⁾, 2021 - 2025, EUR million



Equity and net debt/EBITDA, 2021 - 2025, EUR million



ESG 5-year Summary

	Units	2025	2024	2023	2022	2021 ¹⁾
Environment						
Scope 1 GHG emissions	tCO ₂ e	46,540	37,140	42,083	45,962	96,010
Scope 2 GHG emissions	tCO ₂ e	377,230	299,656	289,197	292,412	381,698
Scope 3 GHG emissions	tCO ₂ e	7,430,592	6,026,381	6,004,740	6,213,402	7,975,530
Total Scope 1, 2, and 3 GHG emissions	tCO ₂ e	7,854,362	6,363,177	6,336,020	6,551,776	8,453,238
GHG intensity ratio (revenue) (Scope 1+2) ²⁾	tCO ₂ e/tDKK	0.5	0.5	0.5	0.5	0.7
GHG intensity ratio (revenue) (Scope 3) ²⁾	tCO ₂ e/tDKK	8.9	8.3	8.5	9.4	12.0
GHG intensity ratio (m ²) (Scope 1+2)	tCO ₂ e/m ²	0.110	0.107	0.107	0.111	0.128
Consumption (electricity and heating)	MWh	852,125	609,470	636,625	662,171	979,576
Energy Efficiency ³⁾	MWh/m ²	0.199	0.194	0.206	0.214	0.235
Water Efficiency ³⁾	m ³ /m ²	0.175	0.171	0.172	0.166	0.175
Recycling	%	74.1	78.6	77.0	76.8	73.7
Food waste ⁴⁾	Tonnes	44,249	44,914	43,504	46,113	44,366
Food waste percentage ⁵⁾	%	1.7	1.8	1.7	1.7	1.7
Social						
Headcounts all	No.	69,823	56,669	58,903	59,696	61,874
Diversity: Group Leadership Team ⁶⁾	%	18.2	18.2	15.4	18.0	20.0
Diversity: Vice presidents	%	20.5	17.1	16.2	13.0	13.0
Diversity: Directors+	%	37.3	24.2	22.3	21.0	19.0
Diversity: Managers+	%	63.6	54.0	53.9	54.0	53.0
Diversity: All employees	%	59.4	55.4	55.1	56.0	57.0
Safety (LTIF) ⁷⁾	Ratio	9.1	10.3	10.8	11.4	12.3
Sickness absence	%	4.5	4.1	4.2	4.6	4.0
Employee turnover ⁸⁾	%	28.4	29.9	27.1	26.4	25.3
Food safety (DK only)	%	88.5	91.5	89.2	90.3	90.4
Governance						
Diversity: Board	%	33.3	0.0	20.0	20.0	20.0
Buyers trained in responsible procurement	%	80.7	80.0	64.0	71.0	61.0
Vendor satisfaction score	Score	4.4	4.3	4.4	4.3	4.2

1) Environmental metrics have been recalculated in accordance with our restatement policy.

2) The ratio is not representative because Rimi Baltics' emissions cover the full year, while revenue is only included from the acquisition date.

3) Excluding Rimi Baltic; for further details, read page 44. Additionally, Water Efficiency for 2024 was restated from 0.159.

4) Numbers have been restated from: 2024: 38,474, 2023: 36,481, 2022: 39,265, 2021: 38,407.

5) Numbers have been restated from: 2024: 1.8%, 2023: 1.7%, 2022: 1.8%, 2021: 1.8%.

6) As a consequence of Aspire '28, the Executive Committee has been renamed to Group Leadership Team.

7) Numbers have been restated from: 2024: 100, 2023: 99, 2022: 104, 2021: 104.

8) Including voluntary resignations, excluding involuntary terminations



Group Performance

In 2025, Salling Group completed the largest acquisition in its 119 year history with the acquisition of Rimi Baltic from ICA Gruppen. As at 31 December Rimi Baltic operates 315 stores across Estonia, Latvia and Lithuania and employs more than 11,000 colleagues. The acquisition fully supports the Group's Aspire '28 strategy, which aims to build a more robust and geographically diversified business with several strong commercial pillars.

The transaction received regulatory approval on 5 May 2025 and was closed on 2 June 2025, at which point Rimi Baltic was consolidated into the Group's financial statements.

Salling Group now operates across six countries with more than 2,100 stores, including Bilka, føtex, Netto, Salling and BR in Denmark, Netto in Germany and Poland, and Rimi in the Baltics. The Group's online activities include Bilka.dk, føtex.dk, Salling.dk, Flowr.dk, and Skagenfood.dk in Denmark and rimi.ee, rimi.lv, and rimi.lt in the Baltics. Salling Group also operates Starbucks, Carl's Jr., Matinique, HUGO, and BOSS as franchises.

Market development

The market environment in 2025 was characterised by moderate inflation and sustained consumer focus on competitive pricing, value for money and promotional activity. Salling Group continued strengthening its market position of being the largest retailer in Denmark and gained market shares in the Danish grocery market.

In Poland, the rollout of the Netto 4.0 store concept – tailored specifically to Polish consumer preferences – was

accelerated. Across Denmark, Germany and Poland, in total 159 Netto stores were refurbished, and customer feedback on the concept remained highly positive.

Store expansion continued across all six countries, including further development of Rimi Baltic's already strong footprint. Rimi is recognised for high store standards and a distinct customer focused operating model, supporting its position as the second largest retailer in the Baltic region. In total 64 new stores was opened across all markets.

Financial result

Revenue

The total revenue for 2025 amounts to DKK 83,168 million, an increase of DKK 10,992 million or 15,2% compared to 2024. The increase in revenue is driven by higher volumes and the acquisition of Rimi Baltic.

Operating profit before depreciation, amortisation and impairment losses (EBITDA)

EBITDA amounted to DKK 6,445 million, which is an increase of DKK 1,223 million compared to 2024. While EBITDA reached a record level, the result for 2025 is impacted by especially increasing payroll costs and theft in stores.

Operating profit (EBIT)

The increase in EBITDA is also reflected in the Operating profit (EBIT). EBIT amounts to DKK 3,245 million, an increase of DKK 552 million or 20.5% comparing to 2024.

The EBIT margin for the year is 3.9% comparing to 3.7% in 2024.



Profit before tax

Profit before tax is DKK 2,583 million, which is an improvement of DKK 297 million compared to 2024. The increase is impacted by the improved EBIT result and increased financial cost due to the acquisition of Rimi Baltic.

Profit for the year

Profit for the year is DKK 1,990 million, which is an improvement by DKK 281 million compared to 2024. Income tax for the year increased by DKK 16 million to DKK 593 million.

Follow up on outlook announced for 2025

Salling Group expected continued market share expansion, revenue growth and higher profitability in 2025 compared to 2024. Excluding Rimi Baltic, profit before tax remained within expectations, while consolidated revenue – including Rimi – exceeded the original forecast.

Cash flow

Net cash flows from operating activities amount to DKK 4,750 million compared to DKK 4,149 million in 2024.

Cash flow from investment activities amounted to DKK -9,177 million (2024: DKK -2,084 million). The increase was mainly driven by the acquisition of Rimi Baltic which is financed by bank and mortgage loans.

Investments

Investments in property, plant and equipment, right-of-use assets, and investment properties amount to DKK 2,952 million in 2025 (2024: DKK 2,587 million). The increase aligns with the Aspire '28 strategy, which prioritises:

- maintaining strong market leadership in Denmark

- upgrading all Netto stores in Germany to concept 3.0
- substantial expansion of Netto in Poland to build a strong national footprint
- strengthening Rimi Baltic's position in the Baltics.

Dividend

Salling Group's Board of Directors propose to the Annual General Meeting a dividend of DKK 250 million to be paid out for the year 2025 (2024: DKK 200 million).

Employees

In 2025, Salling Group employed 69,823 people (2024: 56,669). The average number of full time employees increased to 40,209 (2024: 29,405), primarily due to the addition of Rimi Baltic's 11,000 employees.

Particular risks

The Group's main financial risks relate to interest rate and currency exposure. 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

Salling Group expects to continue expanding its market position and increasing turnover compared to 2025. Supported by the integration of Rimi Baltic, ambitious investment plans and ongoing store conversions, the Group expects to realise a revenue in the level of DKK 89-91 billion and a result before tax in the level of DKK 2.5 billion in 2026.

Subsequent events

Rimi Baltic has in December 2025 entered into a purchase agreement to acquire HAVI Logistics under which Rimi Baltic acquires control and full ownership. The enterprise value is set at EUR 4 million on a debt-free basis.

HAVI Logistics Baltic provides logistics and warehousing services within the Baltic region. The acquisition is a strategic initiative to bring key warehousing and logistics capabilities in house, enhance supply chain efficiency, and standardise fulfilment processes across the Group's operations. As part of the transaction, approximately 800 employees will join the Group.

The acquisition was subject to regulatory approval in all Baltic countries, which was obtained in February 2026. The acquisition date, being the date on which the Group obtained control of HAVI Logistics Baltic, was 1 April 2026.

Our Strategy

Salling Group Strategy: Innovation, Curiosity, and Good Governance

The story of Salling Group is rooted in curiosity and innovation. Over more than a century, we have expanded our retail platforms and business step by step, tested new ideas in the market, and scaled what has proven valuable for customers and communities. As we enter 2026, we stand at an important moment in our history, marked by new steps forward and a continued commitment to responsible growth, operational strength, and meeting customer needs.

Over the past year, we have further strengthened our market position through the acquisition of Rimi Baltic and expanding our presence in Denmark, Poland, and Germany. The acquisition supports our long-term growth plans and ambition to be a leading retailer in Northern Europe. At the same time, we have launched Salling Seeds, our dedicated innovation fund, which allocates DKK 500 million to early-stage start-up companies within technology, sustainability and retail. The initiative reflects our view that curiosity and innovation are essential in developing future retail solutions. The first investment from Salling Seeds is directed to Delphinus, an investment fund focused on research-driven innovation and growth, in partnership with Aarhus University Research Foundation, HEARTLAND, and Norlys.

Our strategy, Aspire '28, is grounded in good governance, transparency and a culture that values both execution and exploration. We continue to invest in our people, IT systems, and store network, while also working to improve

energy efficiency and reduce our environmental footprint. Our focus on management development, mental health, and equal career opportunities across genders remains a consistent priority.

Aspire '28: Unlocking Potential for the Future

As a financially robust company, we are positioned to further develop and expand our business. Aspire '28 provides a clear strategic direction based on strategic investment plans designed to ensure a resilient and innovative foundation for the years. The key areas of our strategy are described below:

Strengthen Core Business and Growth

We expect to invest more than DKK 13 billion to maintain and expand our leading position in Denmark, to upgrade all stores in Germany to the 3.0 concept, and to expand our store network in Poland, establishing ourselves as a national player.

Increase Innovation

Through Salling Seeds, we aim to foster a culture of innovation by supporting start-ups and developing new solutions across our core business and emerging areas. We actively work to integrate innovation into our daily operations and our strategic investment decisions.

Make Targeted Acquisitions

We continue to explore mergers and acquisitions that align with our strengths and create new opportunities for growth. The acquisition of Rimi Baltic is an example of how we can accelerate growth.

ASPIRE '28

STRATEGIC INVESTMENTS



Strengthened core business



Growth in Poland



Increased innovation



Significant acquisitions

CORPORATE PRIORITIES (5K)



VALUES



In a context marked by geopolitical, economic, and environmental uncertainty, we remain committed to robust governance and responsible leadership. Aspire '28 serves as our framework for building resilience and ensuring Salling Group remains a decisive voice on societal issues such as climate, social responsibility, and health.

Our five corporate priorities – Customers, Colleagues, Gender Diversity, Culture, and Climate – along with our

core values – Integrity, Passionate, Agile, Competitive, and Efficient – guide how we work. Cultivating curiosity is at the heart of our approach, enabling us to find new solutions and foster a modern leadership mindset.

The overarching objective of Aspire '28 is clear: to become Scandinavia's largest retailer with the ambition of reaching an annual turnover of DKK 100 billion.



Acquisition of Rimi Baltic

Salling Group acquired Rimi Baltic from the Swedish retail group ICA Gruppen in 2025. The transaction was formally completed on 2 June 2025 following regulatory approval. The acquisition represented a significant development for Salling Group and constitutes the largest corporate acquisition in Salling Group’s history to date.

Rimi Baltic’s Business Model and Operations

Rimi Baltic is an established retailer headquartered in Riga and operating across Estonia, Latvia and Lithuania. Its business model includes multiple store formats – from hypermarkets to smaller convenience oriented stores

– supported by distribution centres, warehouses and an integrated e-commerce platform.

Rimi Baltic operates 315 stores across the three Baltic states, comprising 83 in Estonia, 145 in Latvia and 87 in Lithuania¹⁾. These stores form a substantial and geographically diverse retail network with a presence in urban, sub-urban and regional locations.

The company operates four primary retail formats: Rimi Hypermarket, Rimi Super, Rimi Mini and Rimi Express, each tailored to different shopping missions and customer needs. The online channel also plays a meaningful role in

its service offering, with dedicated pick up points and home deliveries integrated into its infrastructure.

Rimi Baltic employs more than 11,000 colleagues, who have joined Salling Group as part of the transaction. Rimi Baltic’s CEO, Giedrius Bandzevičius, reports directly to Salling Group’s CEO, Anders Hagh, and is part of Salling Group’s Group Leadership Team.

Strategic Context

The acquisition aligns with Salling Group’s Aspire ’28 strategy, including our objective to strengthen the Group through strategic acquisitions. With the addition of the

Baltic countries, Salling Group now operates 2,139 stores across six European markets, supported by a workforce of close to 70,000 colleagues across these markets. The integration of a sizeable Baltic retailer therefore represents a significant broadening of Salling Group’s international presence.

Rimi Baltic will continue to operate under its own brand and established store concepts. Building on this foundation, Salling Group plans to support the further development of the Rimi retail network, including potential new store openings and enhancements to customer facing concepts.

Integration Process

The integration of Rimi Baltic into Salling Group is actively underway and will continue over an extended period. Salling Group’s approach prioritises a gradual alignment of organisational practices and systems across countries and functions to support operational coherence and a stable transition for colleagues and customers.

While Rimi Baltic is included in Salling Group’s ESG data for the 2025 reporting year, their sustainability strategy and strong achievements are not yet fully incorporated into Salling Group’s sustainability strategy, targets, or Group wide initiatives for 2025. As a result, Rimi Baltic is not consistently referenced in the narrative descriptions of specific initiatives throughout the report. Full alignment with the Group’s sustainability strategy and complete inclusion in Group level qualitative reporting is expected from the 2026 reporting year.

1) At the time of the acquisition, Rimi Baltic operated 314 stores.



Ownership

Salling Group is 100% owned by the Salling Foundations, and profits are used for two purposes: reinvestment in the business for the benefit of customers, employees, and partners, and donations to worthy causes. Since 2012, the Salling Foundations have donated around DKK 2.5 billion to culture, sports, charity, the church, education, and research.

Salling Group and the Salling Foundations are named after our founder, Ferdinand Salling, who opened his draper's shop in Aarhus in 1906. The shop gradually expanded, and in 1948, the first part of the Salling department store was established. After Ferdinand's passing in 1953, his son, Herman Salling, took over the business, modernising and

expanding Salling's department stores. He introduced the supermarket format føtex in 1960, the hypermarket format Bilka in 1970, and the discount format Netto in Denmark in 1981, in Germany in 1990, and in Poland in 1995. Following a buyback of shares from A.P. Møller – Maersk, the Salling Foundations resumed full ownership in 2017 and subsequently renamed the company to its current name, Salling Group.

Today, Salling Group is Denmark's largest retail group, operating 2,139 stores and welcoming 15.7 million weekly customer visits across our stores and restaurants. In addition to føtex, Bilka, Netto in Denmark, Germany and Poland,

and now also the Rimi Baltic stores acquired in 2025, our portfolio includes Salling department stores, the BR toy stores, and Skagenfood. All physical stores, except Netto, have associated online stores. The company also operates the franchises Starbucks, Carl's Jr., Matinique, HUGO, and BOSS in the Danish market.

The year 2025 was marked by the acquisition of 314 Rimi Baltic stores and 33 COOP stores. As always, Salling Group aims to be where the customers are, recognising the potential for development not only in our existing business, which is continuously improved and innovated, but also in expanding with new brands.

Proud to be owned by the Salling Foundations

















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    graph TD
      KH[Købmand Herman Sallings Fond] -- 100% --> FI[F. Salling Invest A/S]
      KF[Købmand Ferdinand Sallings Mindefond] -- 70.81% --> FI
      KF -- 29.19% --> FH[F. Salling Holding A/S]
      FI -- 48.29% --> SG[Salling Group]
      FH -- 51.71% --> SG
  
```

The diagram illustrates the ownership structure of Salling Group. At the top level, two foundations own the company: Købmand Herman Sallings Fond (100%) and Købmand Ferdinand Sallings Mindefond (70.81%). The Mindefond also owns F. Salling Holding A/S (29.19%). F. Salling Invest A/S is owned by both foundations (100% from Herman's Fond and 70.81% from Ferdinand's Mindefond). F. Salling Invest A/S owns 48.29% of Salling Group, while F. Salling Holding A/S owns 51.71%.

salling group

Retail Formats in Salling Group

Brands		Number of stores	Characteristics
Netto  	Discount stores	578	Netto Denmark was founded in 1981 and today operates 578 stores across Denmark. Netto Denmark is known for its wide range of everyday products at low prices as well as great offerings in fresh produce, convenience, and organic products.
Netto  	Discount stores	341	Netto in Germany was founded in 1990 and today operates 341 stores across the country. Netto Germany is known for offering essential everyday items at low prices. Netto Germany focuses on providing a wide range of products under their own brands, ensuring both quality and affordability, but also on sourcing products locally where possible.
Netto  	Discount stores	695	Netto in Poland was founded in 1995 and today operates 695 stores across the country. Netto Poland focuses on meeting diverse customer needs by offering products that cater to various budgets. Netto's presence in Poland has expanded significantly, making Poland Salling Group's largest growth market.
Rimi  	Hypermarkets, Supermarkets, Minimarkets, and quick-stop convenience stores	315	Rimi Baltic was founded in 2004 and is one of the largest retail chains in the Baltics with stores in Estonia (83), Latvia (145), and Lithuania (87). Rimi Baltic's total of 315 stores across the Baltic countries includes 93 Rimi Hyper (hypermarkets), 108 Rimi Super (supermarkets), 94 Rimi Mini (small neighbourhood stores for quick and convenient shopping), and 20 Rimi Express (quick-stop convenience stores). They also run e-commerce including home deliveries in all three countries.
føtex 	Supermarkets	119	føtex was founded in 1960 and opened its first store in Aarhus offering the Danes a whole new way to shop; combining groceries, butcher's products, textiles and hardware in one store. Today, føtex operates 119 stores across the country, including 16 føtex Food, 16 føtex City, 1 føtex GO!, and an online store.
Bilka 	Hypermarkets	19	Bilka was founded in 1970 opening its first hypermarket near to Aarhus and is today the only hypermarket chain in Denmark. Bilka comprises 19 hypermarkets spread across the country, including an A-Z department store that focuses exclusively on non-food products, and an online universe that also offers Bilka ToGo, home deliveries and pick-up stations.
	Toy stores	31	BR was founded in 1963 and has been a well-known toy brand for Danish families ever since. 31 BR stores allow children and their families to enter an entire world of play both in physical stores and online.
Salling 	Department stores	2	Founded in 1906, Salling department stores form the cornerstone and flagship of the Salling Group. Today, Salling offers a premium shopping experience through its two department stores in Aarhus and Aalborg, along with a strong online presence. The award-winning rooftops at both locations have gained international acclaim, becoming must-visit tourist destinations in Denmark.
	Online meal boxes	1	The Danish meal box provider, Skagenfood, was established in 2001, partly acquired by Salling Group in 2019, and is now fully owned. Skagenfood offers home delivery of convenient meal solutions and supplies meal kits, seafood, and a range of other food products and gourmet items. The company works with local suppliers where possible.
Franchise divisions			
  BOSS  Matinique	Restaurants, coffee houses and brand stores	39	Salling Group operates Starbucks, Carl's Jr., Matinique, HUGO, and BOSS franchise stores in the Danish market, the two latter in a strategic partnership with Salling department stores.

Value Chain

Salling Group continually works to improve processes and operations across our own business and our value chain. This supports our ability to deliver a consistent shopping experience for customers. By developing long-term partnerships with suppliers and ensuring efficient operations and logistics, we work to maintain stable product availability.

Our warehousing and distribution systems are designed to streamline operations, reduce costs, and improve service levels. Additionally, the integration of our physical stores and online platforms enables us to quickly adapt to changing consumer preferences. Across the value chain, we focus on strengthening our responsible and ethical practices, as part of our overall governance approach.

Upstream

Raw materials and producers

We source our products directly from suppliers and their producers and strive to build strong, long-lasting partnerships with them. Responsible sourcing remains a central part of our upstream work. At the same time, establishing a value chain that meets operational, regulatory and stakeholder expectations is a complex process with inherent dilemmas.

Transportation

Efficient transportation is essential for maintaining supply chain performance. We use a variety of transportation methods to optimise the movement of goods from suppliers to our warehouses. With strategic logistics planning and tracking systems, we aim to ensure timely and reliable delivery while minimising delays and seeking to lower the environmental impact of transportation where possible.

Own Operations

Warehouses and distribution

Our warehousing and distribution systems are designed to ensure smooth product flow from suppliers to our stores and online platforms. Salling Group operates distribution centres that focus on accurate inventory management and fast order processing, allowing us to maintain optimal stock levels and quickly respond to market needs. This setup also supports packaging reduction and optimises transportation.

Stores and online platforms

Whether in our physical stores or on our online platforms, we aim to offer a seamless shopping experience. Salling Group operates a variety of retail formats – including Salling, Bilka, føtex, Netto, BR, and Rimi – across Denmark, Germany, Poland, Estonia, Latvia, and Lithuania. Our stores are strategically located to ensure broad accessibility and enhance the customer experience, while our online platforms offer the convenience of shopping from anywhere, with a wide range of products. Through BilkaToGo, we give customers

the flexibility of multiple delivery options. They can choose home delivery, pick up their groceries directly from their local Bilka drive-in, or collect their orders at designated pick-up stations. Rimi Baltic offers similar flexible delivery options.

Downstream

Customers

At the heart of our business are our customers. We continually seek ways to improve the customer experience by maintaining high service levels and product availability in our modern, well-located stores. Through various touchpoints, we engage with customers to gather feedback, refine our offerings, and improve satisfaction. By engaging with customers through various touchpoints, we collect insights that support customer satisfaction and retention, supporting our long-term success. Additionally, we aim to raise awareness about the environmental and health impacts of shopping choices, we seek to inspire customers to choose products with a lower climate footprint and make customers aware of healthier alternatives.

Upstream

Own Operations

Downstream



Raw Materials and Producers

Responsible sourcing and strong supplier partnerships to ensure compliance and corporate responsibility



Transportation

Efficient logistics and advance tracking to support timely delivery and reduced carbon footprint



Warehouses and Distribution

Streamlined operations supporting seamless product flow, accurate inventory management, and reduced waste



Stores and Online

Integration of physical and online platforms enabling a smooth and flexible omnichannel shopping experience



Customers

Understanding customer needs to deliver better solutions, improve experiences, and guide choices



Stakeholder Engagement

At Salling Group, stakeholder engagement is an integrated part of how we operate. We recognise that our stakeholders have different expectations, and we adapt our engagement accordingly. Our approach focuses on maintaining clear communication, addressing feedback, and ensuring constructive collaboration across our value chain and in the communities we serve.

- **Our stakeholder engagement activities centre on:**
- **Transparent communication:** Keeping relevant stakeholders informed about relevant issues, changes, and decisions that might impact them.

- **Responsiveness:** Addressing concerns or feedback and being proactive in solving problems before they escalate.
- **Building constructive relationships:** Developing long-term relationships based on honesty, integrity, and mutual respect.
- **Collaboration:** Working with stakeholders on shared objectives, including responsible business practices, product development, and community initiatives.
- **Social responsibility:** Demonstrating a commitment to ethical business practices and contributing positively to society.



Sustainability



From field to fork
Our collaboration with Tjele Gods brings more organic products to your shopping basket. Grown with care these products make it simple to choose organic.



Sustainability Strategy

In this report, we provide an overview of our main sustainability initiatives and achievements in 2025, highlighting the progress we have made and the challenges we continue to address. Salling Group recognises that working with sustainability is an ongoing process, and we remain committed to adapting our business to meet these challenges. By embedding sustainability within our core busi-

ness strategy, we aim to ensure that our growth is not only economically sound but also socially and environmentally responsible.

Key Priorities: Climate and Health

As a diverse retailer operating across Denmark, Poland, Germany and the Baltics, our sustainability strategy is

guided by two key priorities: Climate and Health. These priorities reflect topics of high importance for our operations and for the communities we serve.

Climate

Tackling climate change is among the most urgent challenges of our time. We are committed to reducing our carbon footprint through innovative solutions, improving energy efficiency, and promoting best practices across our operations. Addressing climate change demands sustained effort and collaboration.

Health

We influence the health and well-being of our customers and employees through the products we offer and the working environment we provide. Our goal is making health-oriented choices accessible and affordable.

Foundation: People and Products

Our sustainability strategy rests on two pillars: one focused on the people we employ and the customers who shop with us, and the other on the products we deliver. This dual approach is aimed at ensuring that sustainability is deeply embedded in our business and resonates with both our workforce and our customers.

Collaborative partnerships

Progress within sustainability requires collaboration. Our strategy is underpinned by strong partnerships and active engagement with customers, suppliers, communities, NGOs and other stakeholders. By working together, we can strengthen our initiatives and support progress across relevant areas.

Sustainability Strategy

KEY PRIORITIES



FOUNDATION



For more detailed information, please visit our website:

 <https://sallinggroup.com/en/sustainability>

Environment



Transition to renewable energy

This year we reached 500 solar panel installations across 500 sites as part of our commitment to invest in renewable energy and efficiency.

Climate Change

At Salling Group, we recognise that our operations and global supply chains have an environmental impact. While this impact cannot be eliminated entirely, we work to reduce emissions in relevant areas through targeted climate actions, responsible sourcing, and waste reduction.

ities. To address this, we prioritise supplier engagement through close collaboration and dialogue. We ask our largest suppliers by emissions to set science-based climate targets and collaborate on reducing emissions across the value chain.

In 2025, our primary efforts focused on:

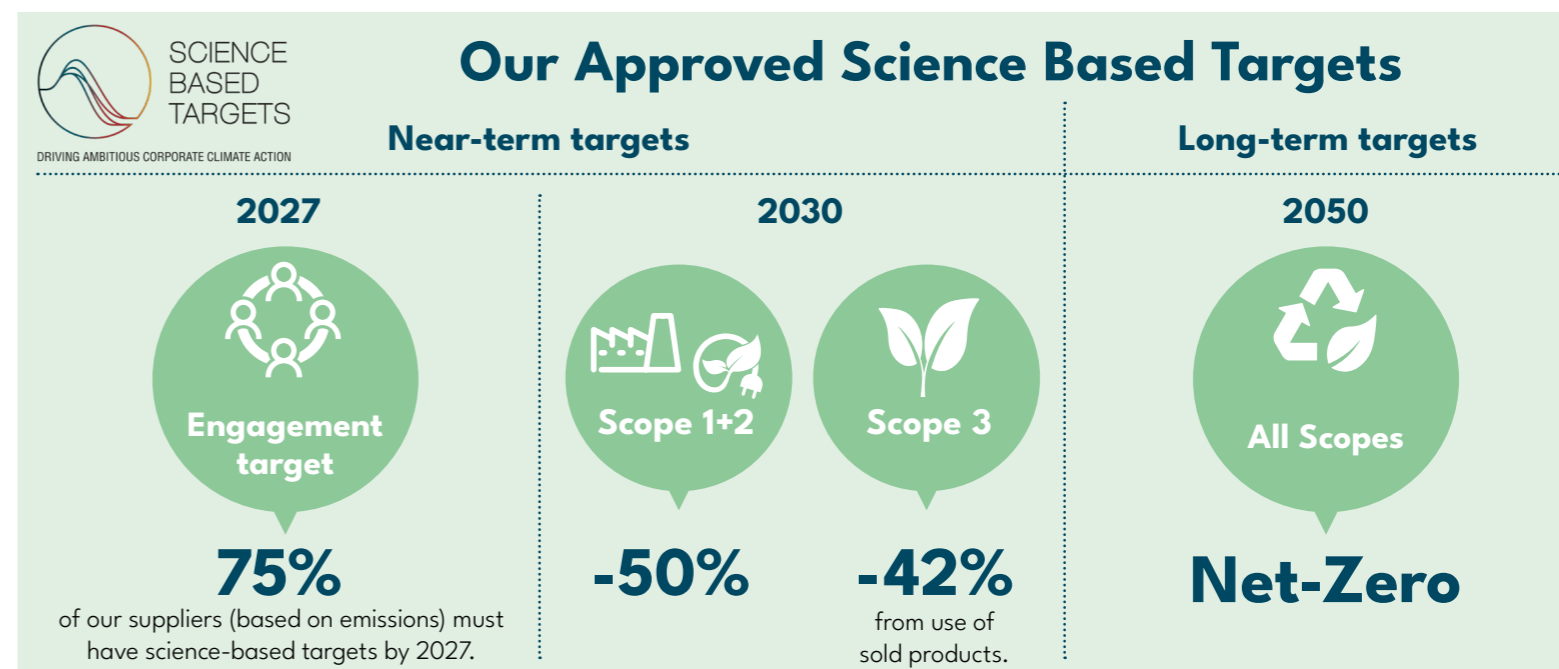
- Reducing emissions in own operations through renewable energy and energy efficiency measures.
- Engaging suppliers in climate-related initiatives to address upstream emissions.
- Reducing food waste across our operations.

Science-Based Climate Strategy

Our climate strategy includes science-based targets (SBTs) for Scope 1, 2, and 3 emissions, approved by the Science Based Targets initiative (SBTi) in 2023. These targets align with the Paris Agreement’s goal of limiting global temperature increases to 1.5°C.

Given the scale of our global supply chain, most of our environmental footprint originates from our upstream acti-

In 2025, our total reported emissions were approximately 7.9 million tons CO₂e, with Scope 3 accounting for 95% of the total footprint.



The targets were set before the acquisition of Rimi Baltic

To reach these goals, our strategy is structured around four strategic tracks:



Achieving our targets requires a structured transition plan and close collaboration with internal departments, suppliers and other relevant stakeholders.

When significant structural changes occur, such as acquisitions, we are required to recalculate our baseline in accordance with SBTi guidance and the Greenhouse Gas (GHG) Protocol. Following the acquisition of Rimi Baltic in 2025, we have therefore recalculated our 2021 baseline. As significant acquisitions are a core part of our Aspire '28 strategy, we will have to revisit our climate targets when the acquisitions occur to ensure they continue to reflect the full scale and structure of our business.

In 2026, we plan to start the revise of our near-term and long-term science-based targets to align with the latest

SBTi criteria and include both Forest, Land and Agriculture (FLAG) as well as non-FLAG targets with the intention of obtaining approval in 2027. These updates will support a consistent climate transition approach across our markets in Denmark, Germany, Poland, and the Baltics. We do not yet have a specific climate policy in place, but we plan to develop a Group Climate Policy, building on our climate strategy and aligned with our SBTi commitments.

Addressing Deforestation

Climate action is closely connected to land use and biodiversity. Deforestation is a key driver of global emissions and a key risk area in retail supply chains. Some of the raw materials used in our products are associated with deforestation risk, mainly from agricultural expansion.



We work with industry partners and alliances that support more responsible soy and palm oil to promote better solutions, recognising that collective action is needed.

As part of our climate ambition, we are committed to ensuring that our supply chains for primary deforestation-linked commodities¹⁾ are deforestation-free. In 2026, we will begin the process of integrating land-based emissions into our science-based targets through FLAG commitments, including a no-deforestation pledge.

We welcome the EU Deforestation Regulation (EUDR) as a step towards improving traceability and due diligence in supply chains. In 2025, we prepared for EUDR implementation by configuring a new digital compliance platform, updating internal processes and documentation, and preparing communication materials and onboarding plans for suppliers. Transparency and collaboration remain key to ensuring compliance. In 2026, we will start working with selected suppliers to comply with the upcoming regulation.

¹⁾ As defined by the EU Deforestation Regulation.

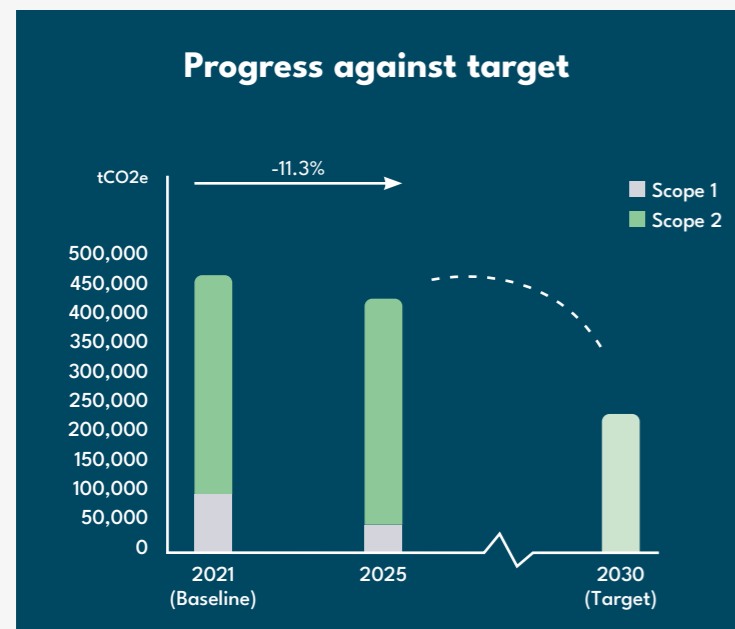
Emissions in Own Operations

We remain committed to our climate ambitions, guided by our SBTi targets. Our targets reflect both near-term actions and long-term responsibility:

- **50%** reduction in absolute Scope 1 and 2 GHG emissions by 2030, compared with a 2021 baseline.
- **95%** reduction by 2050, compared with a 2021 baseline.

In 2025, Scope 1 and 2 emissions totalled 423,770 tCO₂e, representing a 25.8% increase compared with 2024. This year's results reflect both progress and complexity: While efficiency improvements and electrification contributed to reductions, the acquisition of Rimi Baltic added new stores and distribution centres, increasing overall energy consumption and emissions.

Compared with our 2021-baseline, emissions have been reduced by 11.3%. Current reductions are below the annual



4.2% pathway required for a 1.5°C alignment, making further action a focus area for 2026. This is particularly relevant in light of the acquisition of Rimi Baltic, which requires Salling Group to revisit our climate strategy and transition plan. For a detailed breakdown of the drivers behind changes in Scope 1 and 2 emissions between 2024 and 2025, see the ESG statements on page 41.

Decarbonisation Levers

Our climate transition plan sets out four key levers for supporting reduced emissions in our own operations.

- **Electrification of heating** – replacing gas boilers with electric heat pumps.
- **Energy efficiency improvements** – installing doors on refrigerated display cases.
- **On-site renewable energy** – expanding solar panel installations.
- **Upgrading cooling systems** – modernising refrigeration technology.

These initiatives are part of our five-year investment plan launched in 2022 and expected to contribute to a 25% emissions reduction by 2028. To bridge the gap to our near-term ambition, we are exploring additional renewable energy sources within solar and wind, supporting our transition pathway.

Progress and Actions in 2025

In 2025, we expanded our energy efficiency and climate initiatives across all markets. Highlights include:

- Installed 15 electric heat pumps across all markets.
- Replaced cooling engines in 58 stores.
- Added solar panels to 75 locations, with strong progress in Denmark and continued roll-out in Poland.
- Fitted doors on refrigerated display cases in 83 additional stores, reducing electricity consumption.
- Reached our goal of installing 1,000 EV chargers
- Achieved ISO 50001 certification in Germany, underscoring our commitment to energy-efficient operations. This certification provides a solid foundation for continuous optimisation, improved data quality, and stronger control of energy consumption.

Navigating Challenges

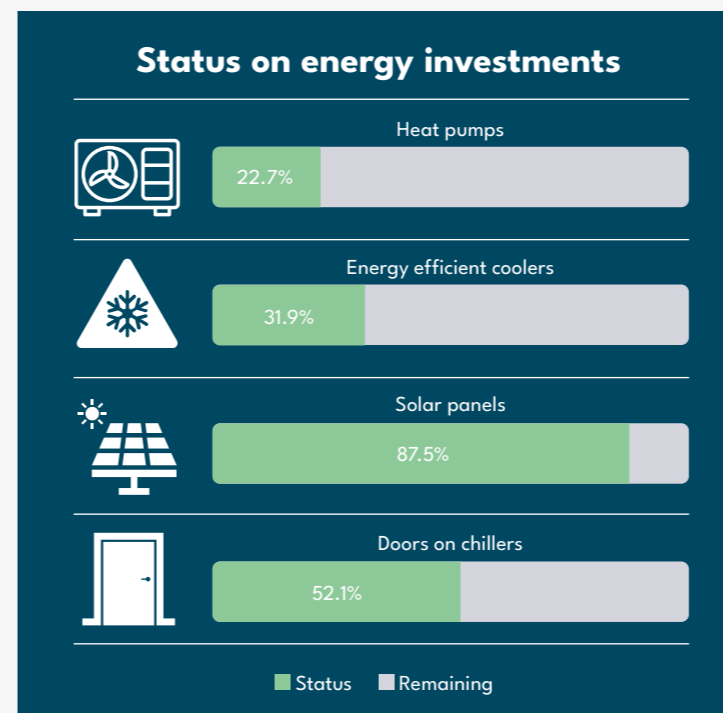
Our achievements illustrate both progress and challenges. Expanding solar capacity, for example, is not just about installing panels; it means navigating complex infrastructure and regulatory landscapes. Lengthy grid connection processes and inconsistent interpretations of regulations often delay deployment. Similarly, installing doors on refrigerated display cases reduces energy use but can create unintended effects: in warmer months, closed cases trap heat, raising store temperatures and requiring extra cooling – partly offsetting energy savings.

It's important to balance outcomes and avoid unintended operational effects affecting the customer experience or store performance.

Looking Ahead

In 2026, we will continue our transition to renewable energy and initiate the following activities:

- Commencing the revise of our near-term and long-term Scope 1 and 2 targets in line with latest SBTi criteria, including FLAG targets with the intention of obtaining approval in 2027.
- Aligning and updating our climate transition plan to integrate Rimi Baltic.
- Achieving and implementing ISO 50001 certification in Denmark.
- Establishing a solar farm near to our headquarters in Aarslev. The solar farm will cover approximately 50,000 square metres and is expected to have an annual production of around 10,000,000 kWh.





Emissions across our Value Chain

The majority of Salling Group’s climate footprint lies in Scope 3 emissions, making value chain decarbonisation essential for progressing towards our science-based targets validated by the Science Based Targets initiative (SBTi):

- **42%** reduction in absolute Scope 3 GHG emissions from the use of sold products by 2030, compared with a 2021 baseline.
- **75%** of suppliers by emissions to have set science-based targets by 2027, covering purchased goods, services, and upstream transportation.
- **90%** reduction in absolute Scope 3 GHG emissions by 2050, achieving net-zero across the value chain, compared with a 2021 baseline.

In 2025, Scope 3 emissions totalled 7,430,592 tCO₂e, reflecting a 23.3% increase compared to 2024 and a 6.8% reduction compared to the 2021-baseline. While progress continues, current reductions remain below the annual 3.1% Scope 3 pathway required to stay aligned with a 1.5°C pathway. This year’s development reflects both changes

in product mix and the acquisition of Rimi Baltic, which increased our carbon footprint. For a detailed overview of the key factors influencing changes in Scope 3 emissions between 2024 and 2025, please see the ESG statements on page 45.

Addressing this gap will be an area of focus in the years to come. In 2026, we will identify actions to realign with our trajectory and deliver on our net-zero ambition.

Understanding Scope 3

Upstream emissions – accounting for 88.2% of our total Scope 1, 2, and 3 emissions – is primarily linked to goods and services purchased from suppliers. The main contributors include categories such as meat and dairy as well as cotton for textiles.

Downstream emissions – representing 6.4% – occur after products are sold, primarily from their use and disposal by consumers (mainly electronics and home appliances).

■ Cat. 1	Purchased Goods and Services	89.2%	■ Cat. 6	Business Travel	0.0%
■ Cat. 2	Capital Goods	1.5%	■ Cat. 7	Employee Commuting	0.7%
■ Cat. 3	Fuel – and Energy Related Activities	0.7%	■ Cat. 11	Use of Sold Products	1.4%
■ Cat. 4	Upstream Transport	1.0%	■ Cat. 12	End-of-Life Treatment of Sold Products	5.2%
■ Cat. 5	Waste Generated in Operations	0.1%	■ Cat. 13	Downstream Leased Assets	0.2%

Upstream Emissions

As the majority of our emissions are upstream, supplier collaboration is essential, and we have set a target that, by the end of 2027, 75% of our suppliers, measured by emissions, must have set science-based targets.

In 2025:

- We invited 199 suppliers to disclose their climate performance through CDP, a globally recognised platform for climate data. The suppliers are identified as our largest suppliers in terms of emissions who have not yet set science-based targets.
- We refined our methodology to calculate supplier engagement based on emissions rather than spend, helping ensure that our efforts are directed towards the suppliers with the largest emissions contributions.
- We updated supplier sustainability information on our website, including SME-oriented guidance on climate.

By end December 2025, 39.5% of Salling Group’s suppliers in categories 1 and 4 had either set or committed to setting science-based targets.

These initiatives support progress towards our long-term climate objectives and, moreover, contribute to strengthening supply-chain resilience. We recognise the efforts made by our suppliers in this transition, realising that many SMEs face challenges due to lack of maturity with regard to climate but also financial and resource-wise.

Building on the progress made in 2025, we will explore new ways of supporting our suppliers in setting science-based targets.

Reducing Downstream Emissions

Downstream emissions represent 6.4% of our total Scope 1, 2, and 3 emissions and mainly stem from the use of sold products. In 2025, emissions from the use of sold products amounted to 102,933 tCO₂e, representing a 11% decrease compared to 2024. Compared to the baseline year 2021, emissions from the use of sold products have decreased by 46.4%. Although this reduction exceeds our SBTi target, it is largely driven by lower electricity emission factors and shifts in customer demand. Electrical products remain the largest emissions contributors.



In 2025, we identified the high-impact product groups within Scope 3 Category 11 (use-phase emissions). Our priority is to explore product design and innovation emphasising energy efficiency, durability, and repairability.

Moving forward, we will strengthen collaboration between Salling Group’s buying departments and suppliers to implement concrete measures that reduce emissions and deliver high-quality, low-impact products to customers.

Empowering Customers

Providing customers with information that supports climate-related choices is part of our Customer and Climate corporate priorities.

In 2025 we:

- Advocated for a Danish national climate label.
- Launched campaigns in Netto Denmark, Bilka, and futex promoting plant-based alternatives.

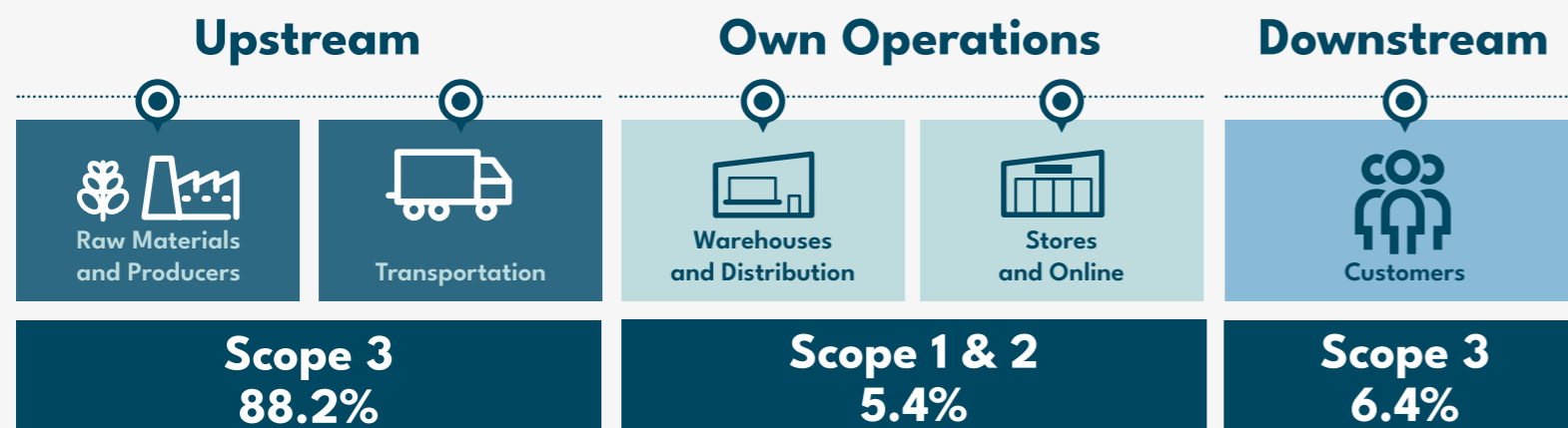
Surveys show growing desire from consumers, but behavioural change remains challenging – which increases the relevance of transparent climate information at point of purchase.

Embedding Sustainability Across Operations

Sustainability is increasingly guiding decisions across Salling Group.

Power-2-Trucks – Moving towards fossil-free transport:

In 2025, Salling Group announced plans to build one of Denmark’s largest privately owned charging facilities for electric trucks at our distribution centre in Køge. This represents a step towards reducing emissions from the transportation of goods in our operations and supports our ongoing efforts to lower the climate impact across our value chain. When fully implemented, the facility will enable a significant shift from diesel to electric trucks, reducing annual CO₂e emissions by approximately 3,500 tonnes.



Food Waste

Reducing food waste remains an important focus area across all areas of our business where we have operational control.

Salling Group has reported and publicly disclosed its food waste data annually since 2016. While our reporting initially covered only our Danish operations, the **scope** was expanded in 2019 to include Germany and Poland. In 2025, we restated our 2021-2024 data to align calculation methodologies, and to integrate Rimi Baltic. These updates provide a more accurate and transparent representation of food waste developments across Salling Group.

In 2025, our main initiative was increased redistribution of surplus food, which contributed to a lower food waste percentage of 1.7% compared to 1.8% in 2024. Food waste remains an area where further reductions are needed. Achieving this requires ongoing efforts across our operations. At the same time, it continues to be challenging to balance efforts to minimise waste with customers’

expectations for well-stocked shelves throughout store opening hours.

Food Waste Hierarchy

We follow our food waste hierarchy prioritising prevention, upcycling, and redistribution. In our stores we seek to prevent potential food waste by the use of Local Price Reduction (LPR) – an AI-based system that dynamically adjusts prices downwards for short-dated products. This system helps reduce unsold products and supports customers in making cost-effective choices.

Upcycling Surplus Food

We develop initiatives aimed at utilising surplus food. In 2025, Bilka and føtex bakeries expanded upcycling initiatives, using leftover bread for new products and collaborating with our partner FoodRemade, which transform surplus bread into crispbread, cereal topping and panko.

Focus on Surplus Food Donations

Because some surplus food is unavoidable, a key part of our approach is to redirect edible surplus food to social organisations wherever possible. In Denmark, we expanded our donation efforts through MadPlus – a partnership between Salling Group and organisations such as FødevareBanken, Wefood and Stop Spild Lokalt.

In 2025, MadPlus reached 400 stores, each connected to a permanent food-waste partner, and additional stores are expected to join in 2026. This development supports the establishment of a broader redistribution network that channels surplus food to social organisations.

In 2026, we plan to invite other retailers to participate, contributing to a wider national effort to reduce food waste through redistribution.

A Key Priority in all Markets

In 2025, Netto Poland continued the rollout of the “I don’t waste, and I profit” programme by introducing designated discount zones for short-dated products in all stores and by launching educational activities for customers and employees. Netto Poland is working on an ongoing basis with the Federation of Polish Food Banks, Caritas and additional NGO partners to cover areas not yet reached by existing food banks.

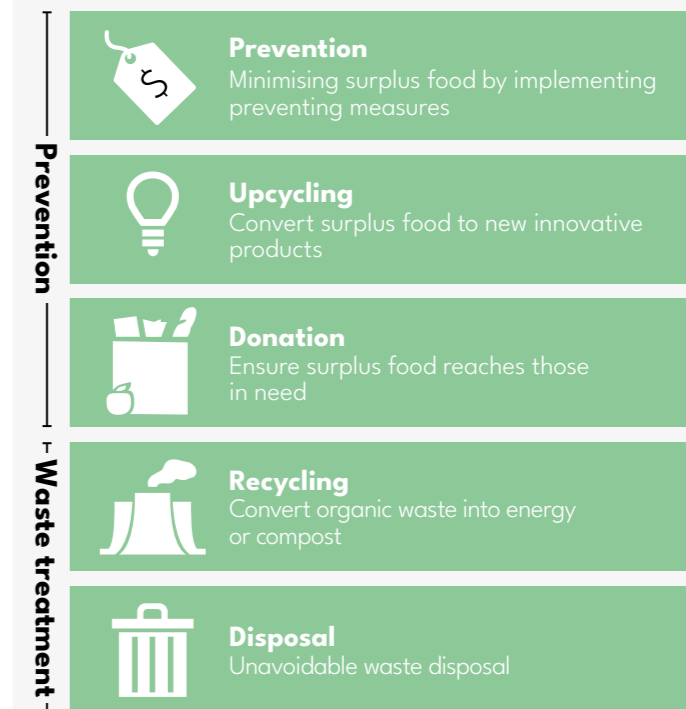
In 2025, Netto expanded its redistribution efforts across Germany by strengthening its work with the food banks and launching a new strategic partnership with foodshar-ing, a volunteer-driven network that saves and redistrib-utes surplus food. Netto Germany is also preparing to join the German Pact Against Food Waste, committing to future binding reduction targets.

Rimi Baltic continues to set a strong example when it comes to reducing food waste. This year, the main focus was to optimise internal processes and expand donations to local food banks. This important work not only supports Salling Group’s food waste target but also makes a difference in the Baltic countries.

Consumer Engagement

Households account for more than half of food waste in the EU. In 2025, we strengthened partnerships with Too Good

Salling Group Food Waste Hierarchy



To Go and ONETHIRD, running campaigns in Denmark, Germany, and Poland to educate customers on storage, freezing, and creative use of leftovers. These initiatives aim to make food waste reduction a shared responsibility across the value chain.

Looking Ahead

In 2026, we will update our food waste targets and baseline to reflect the full scope of Salling Group, comply with upcoming EU legislation, and align our ambitions with specific market conditions.



Social



Meet the bakery's first Keyhole-labelled rye bread

While many might think classic rye bread already fits the bill, most have too much salt for the label. Swapping salt for more sourdough we now offer the first of its kind to meet the Keyhole's standards.

People

Our colleagues and customers play a central role in Salling Group's development and in delivering on Aspire '28. Every day, almost 70,000 colleagues across our stores, distribution centres and offices serve 15.7 million customers a week in Denmark, Poland, Germany and the Baltic countries. Our People Strategy supports this work by strengthening leadership capabilities, building critical skills and fostering an inclusive, safe and collaborative working environment across all markets. We encourage a learning-oriented mindset that promotes curiosity, continuous improvement and new ways of solving tasks in our daily operations.

To support this development, Salling Group is progressing several strategic focus areas that enhance how we work and lead together. This includes continuing the Horizon programme to strengthen our company culture and advancing our strategic partnership with the Danish Football Association (DBU) in Denmark, which promotes initiatives linked to well-being, equality, diversity, recruitment and education.

Attracting and retaining talent – including young professionals – remains important in a competitive labour market. Providing colleagues with relevant training, clear development pathways and the support needed to meet changing customer expectations is essential to maintaining operational performance and building long-term organisational resilience. Our work with diversity, inclusion and human rights is integrated into this approach and supports a workplace culture built on collaboration, respect and capability building.

What this means in practice

- **Listening and learning:** Through the myVoice employee surveys thousands of colleagues share feedback that helps us improve every day. Participation in 2025 was

79% in the survey covering Denmark, Germany and Poland.

- **Human rights:** We work to respect human rights across our operations and supply chain. In 2025, we updated our Group-wide policy, re-affirming our commitment, and as part of our continuous screening process we covered 93.8% of our in-scope suppliers.
- **Health and well-being:** We continued workplace health initiatives and mental well-being programmes. In 2025, voluntary employee turnover decreased to 28.4%, down from 29.9% in 2024.
- **Diversity, inclusion and equal opportunities:** With colleagues from representing 117 nationalities, it is key to foster an environment where everyone can thrive and succeed. In 2025, we increased women in Director-level roles to 37.3%, up from 24.2% in 2024, launched bias training, had 1,138 interns in job training, and welcomed 420 new colleagues through internships in 2025.
- **Serving customers:** Everything we do starts with our customers – from delivering quality choices and value for millions of customers every day. In 2025, we responded to increased demand for regional sourcing by introducing the Black Star Label in Denmark and Netto Germany's private-label brand GO Regio in Germany.

Our Workforce at a Glance

<p>Total employees</p>  <p style="font-size: 2em; font-weight: bold;">69,823</p>	<p>Nationalities represented¹⁾</p>  <p style="font-size: 2em; font-weight: bold;">117</p>	<p>Employees under 25</p>  <p style="font-size: 2em; font-weight: bold;">50.7%</p>
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1) Not registered in the Baltics



Our Approach to Human Rights

Respecting human rights means treating everyone connected to our business – colleagues, suppliers, customers, and communities – with dignity and respect. This commitment focuses on safe workplaces, responsible procurement practices and clear governance to manage risks and address impacts.

In our own operations across Denmark, Poland, Germany and the Baltic countries, we work to provide safe, healthy and inclusive working conditions, free from discrimination and harassment, and to uphold freedom of association and fair treatment. As a retailer sourcing goods globally, we recognise salient issues in supply chains including forced labour, discrimination and unsafe working conditions and

we work to prevent and remediate adverse impacts through our due-diligence processes.

Our commitment is aligned with internationally recognised standards, including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines. We are a member of the UN Global Compact and work with initiatives such as amfori BSCI, Ethical Trade Denmark, and the International Accord to strengthen labour rights and safety in global supply chains. These frameworks provide guides for preventing harm and addressing adverse impacts when they occur.

How We Work with Human Rights

We aim to integrate human rights into our governance and daily operations. Our Group-wide Human Rights Policy sets expectations for employees, suppliers, and business

partners. This policy is supported by our Employee Code of Conduct, our Responsible Sourcing Policy, and the amfori BSCI Code of Conduct. While we adapt to local requirements – such as Germany’s Supply Due Diligence Chain Act (LkSG) – our goal is to maintain consistent practices across all markets.

Oversight of human rights lies with our Group Leadership Team and progress will be reviewed on an annual basis.

Human rights due diligence is an ongoing process. We aim to identify and prioritise the most significant risks, called salient issues, – risks with the greatest potential impact on people- using internal assessments and stakeholder input. We strive to engage with stakeholders such as employees, unions, NGOs, and experts to ensure our actions are informed by dialogue.

Preventing and mitigating risks involve practical steps: supplier audits, remediation plans, trainings, and participation in multi-stakeholder initiatives. We monitor progress through internal systems and encourage reporting of concerns through confidential channels. Each of our markets provides a whistleblower system in line with local legislation, available to all employees and business partners. In addition, workers in the supply chain can report concerns through external platforms such as the amfori Speak for Change and the International Accord. These mechanisms help create a safe way for employees and supply chain workers to raise concerns, and they support timely follow-up. For further details, see our business-wide due diligence process on page 37.

Respecting human rights is an ongoing responsibility

Key Human Rights Issues

Following the UN Guiding Principles, we focus on salient issues – those with the greatest potential impact on people and the environment. Current focus areas include:

- **The workplace (e.g., stores, warehouses):** Health and safety, fair treatment, non-discrimination and no harassment, equal opportunities for all colleagues, inclusion of people outside the job market, freedom of association, data protection and privacy.
- **Supply chains:** Prohibition of forced labour and child labour, prevention of excessive working hours, fair wages, health and safety, non-discrimination, and protection of migrant workers.
- **Customers:** Product safety, affordable and healthy food, accurate labelling, responsible marketing, including marketing to children, and data protection and privacy.
- **Communities:** Donations of surplus food to local communities and responsible sourcing practices that consider social impacts on farmers, workers and local stakeholders.

Progress and Actions in 2025

Our priorities in 2025 included among others strengthened governance, capacity-building and transparency:

- **Governance:** We updated and approved our Group-wide Human Rights Policy to clarify roles and responsibilities and to align with internationally recognised standards. Oversight remains with the Group Leadership Team, with operational execution embedded in relevant functions.
- **Capacity Building:** We conducted training and awareness activities for colleagues working with high-risk topics, including human rights and children’s rights. We screened high-risk suppliers, carried out audits and offered supplier training.
- **Transparency:** We launched new webpages outlining our policies, governance and actions regarding human rights and children’s rights, and we consolidated disclosures in our sustainability reporting.

Looking Ahead

In 2026, we will continue to integrate human rights risks into general risk assessments and prepare for new EU legislation, including the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD) to which we will be subject from 2027.

Number of risk screenings completed

1,679

Engagement and Well-being

Engaging Colleagues

We believe that committed colleagues contribute better customer experiences and strengthen our culture. Our annual employee engagement survey, in Denmark, Germany, and Poland, myVoice, remains a key tool for listening and learning from colleagues across the Group. In the Baltics, Rimi ran a different, one-off engagement survey in 2025, but the results are not comparable and therefore not included in this year’s consolidated engagement data.

In 2025, 79% of colleagues shared their views – a slight 1 percentage point decrease from last year with notable differences across countries: Poland 90%, Denmark 81%, and Germany 52%.

Our overall engagement score was favourable showing an increase of two percentage points in both indicators of employee satisfaction and motivation as well as loyalty from 2024. Colleagues continue to report a positive and supportive work environment, reflected in consistent improvements across all measures. In 2025, employees reported higher willingness to recommend the company as an employer, increased overall satisfaction, a stronger sense that we are approaching their vision of an ideal workplace, and greater pride in sharing where they work. These insights will guide our priorities for 2026.

Our Approach

We address myVoice results by reviewing them in teams and systematically following-up on local action plans. Each team reviews its own results and identifies strengths and

areas for improvement, encouraging all employees to contribute with their perspectives to workplace development.

Progress and Actions in 2025

- **Diversity and inclusion:** Diversity and inclusion remain key priorities. In 2025, we introduced new survey questions on equal opportunities regardless of age, gender or ethnicity. We scored well above the average percentiles from the industry of 70% on these questions with a score of 86%. However, we scored towards the end of the benchmark when it comes to age as we employ a large number of young people. Questions on minority representation provided further insights that will support ongoing inclusion efforts across our markets.
- **Psychological safety:** Scores on psychological safety improved to 78% favourable, up from 76% in 2024 reflecting progress of 8 percentage points since 2022. This aligns with our multi-year cultural change journey, Horizon, which aims to promote an open and trust-based culture grounded in curiosity and inclusive leadership.

Looking Ahead

We will continue our efforts to maintain high participation levels in Poland and aim to strengthen participation in Denmark and Germany. We plan to deepen inclusion efforts across all markets and prepare to include Rimi Baltic in the myVoice survey from 2026. Our ambition is to continue supporting increased participation and engagement while further embedding diversity and psychological safety into our culture.

Creating a safe and healthy workplace is essential for colleagues to thrive. We focus on preventing workplace accidents and health risks through clear standards, practical training, and consistent follow-up, while promoting



Employee Participation myVoice Survey

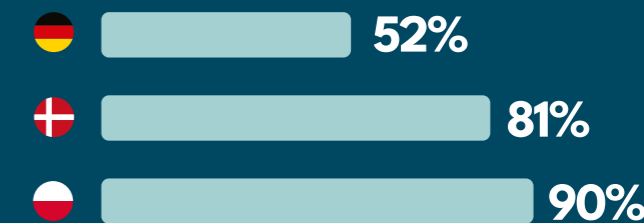
79%



Key indicators of employee engagement

- Motivation and satisfaction **71%** ▲ 2 pp
- Loyalty **78%** ▲ 2 pp

Country participation





Health and Safety

well-being and fair, balanced work schedules to help reduce short- and long-term absence.

Our Approach

At Salling Group, health and safety are organised across formats, logistics, headquarters and other functions in Denmark, while Poland, Germany and the Baltic countries maintain country-specific structures to comply with legislation.

Our Health & Safety Policy provides the framework for all sites in Denmark supported by a committee that meets quarterly to identify and assess risks and drive improvements. A Health & Safety workbook and resources on our internal intranet offer practical tools for managers and teams in Denmark. In addition, our health policy in

Denmark prioritises employee well-being by fostering a healthy work environment, supporting informed choices, and providing clear guidance and assistance during illness and sick leave.

Health and safety reporting follows a structured process according to legal requirements. In Denmark, workplace injuries are reported to insurance and the authorities. After visits in units from the authorities, we receive reports and agree with the unit on the planned actions. In Germany and Poland, employee sickness and absences are also tracked. In Germany, there is a legally required reintegration process after more than 42 days of absence. In the Baltics, reporting and follow-up also follow local regulatory requirements.

Progress and Actions in 2025

- **Safety:** Workplace injuries decreased slightly in 2025, driven by reduction in accidents in Poland and Germany. Across the Group, we recorded 694 lost time injuries, as reflected in our ESG disclosures, and our lost time injury frequency (LTIF) improved to 9.1 (2024: 10.3; 2023: 10.8), continuing the positive development of recent years.

In Denmark, there was an increase (6.8%) in accidents related to lifting injuries and injuries with falling objects. This trend is under review to identify root causes and follow-up. Insights from these analyses will inform targeted interventions to strengthen safety measures in high-risk areas.

In Poland, the reduction (22.2%) in workplace accidents is mainly a result of improved safety measures such as enhanced training on electric pallet truck use and the roll-out of safer step platforms in stores. These improvements reflect the managers' continued dedication to maintaining a safe working environment.

In Germany, the reduction (5.8%) in injuries is also notable. Short follow-up conversations will be conducted after short-term absences, following a step-based model defined in the internal works agreement in 2026.

- **Mental health initiatives:** In 2025, we expanded our Danish 'Act, Belong, Commit' (ABC) mental health programme with expert-led webinars, targeted training and a leadership toolbox. Over 300 leaders attended mental health webinars in Denmark. Apprentices were also introduced to the *Omtanke* (thoughtfulness) programme promoting conscious break zones.

In Poland, several initiatives have also been undertaken such as webinars covering topics like neurodiversity and other themes connected to awareness months.

In Germany, mental health is also a focus. Colleagues were provided with access to a wellbeing platform called Wellhub which includes offerings related to mental health. Furthermore, a new assessment of psychological stress factors (Gefährdungsbeurteilung psychische Belastung) will be introduced in 2026 to identify additional measures to support mental wellbeing.

In the Baltics employee mental health is supported, both directly and indirectly. An important mental-health programme is the emotional support line in partnership with Sonido (Rimi Latvia), while company-wide initiatives like flexible Work From Abroad, an Employee Support Fund, and wellbeing-focused strategies also contribute to mental and emotional well-being.

- **Customer interaction and well-being:** In Denmark, we continued initiatives reminding customers to treat colleagues with respect when they shop. This included a collaboration with the HK Trade Union and other retailers on the *Hold den gode tone* (keep a good tone) campaign in 2025. This campaign, comprised of four videos, reached over 4.5 million views.

Looking Ahead

Moving forward, we will continue to strengthen our health and safety practices by using reporting insights and local learning to support accident-prevention efforts.

Diversity, Inclusion, and Opportunities for All

Diversity is one of Salling Group’s five corporate priorities. With colleagues representing around 117 nationalities, our workforce aims to reflect the communities we serve, and different perspectives strengthen how we work and collaborate.

Our Approach

Our ambition is to create a workplace where all colleagues feel valued and have equal opportunities, regardless of background, age, gender, ethnicity, or physical and mental abilities. This means embedding inclusion into daily operations addressing structural challenges such as gender balance at senior levels, and equal opportunities for all.

Progress and Actions in 2025

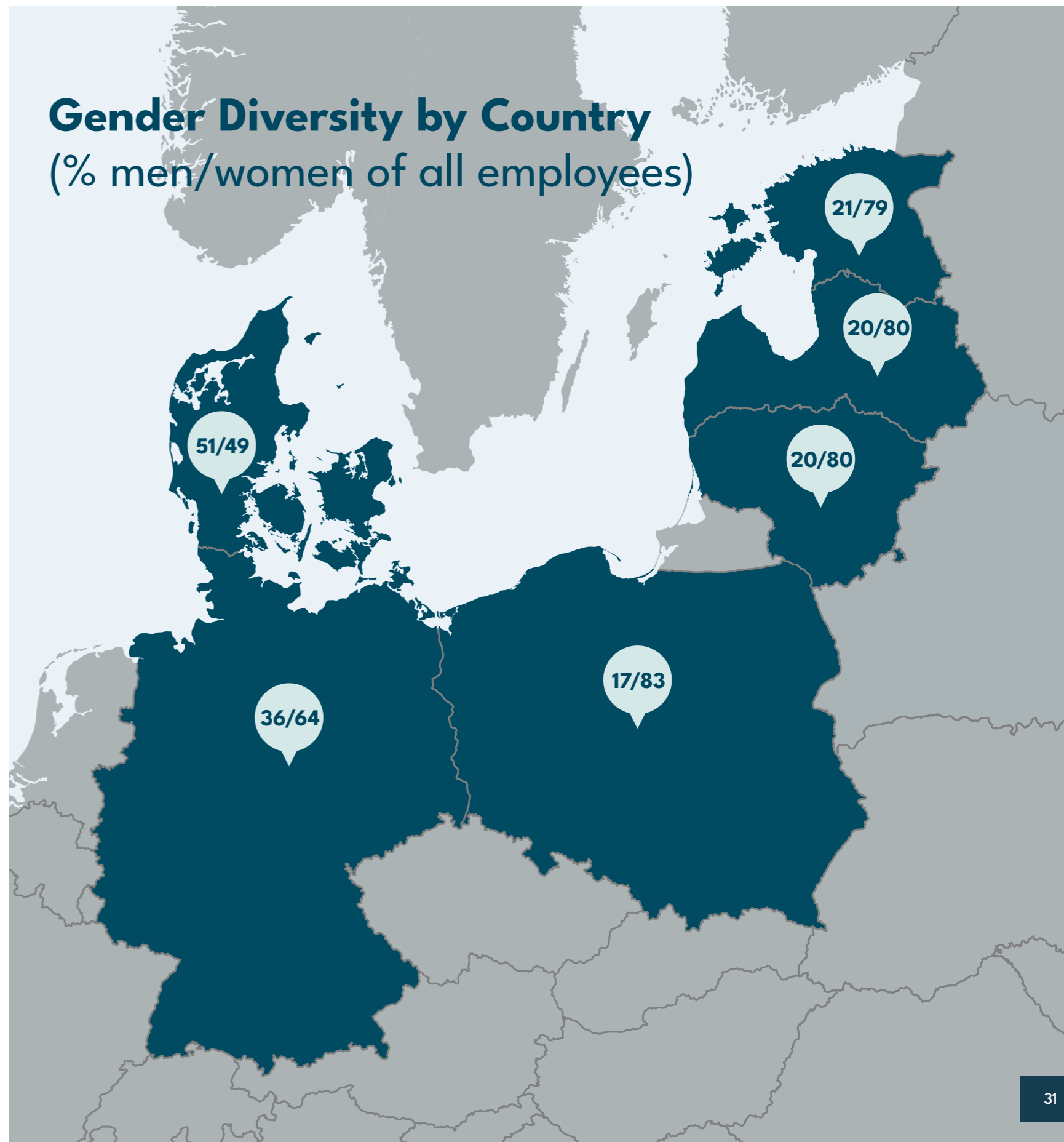
Advancing gender diversity and inclusion

In 2025, the appointment of two female Board members increased women’s representation on the Board to 33.3%. We continued to work towards our strategic goal of having 40% of our Director-level and above filled by women. To support this goal, we implemented individual annual targets for each format, aligning with our long-term objectives. By the end of 2025, women held 37.3% of director-level and above managerial positions, marking an increase from 2024 by 13.1 percentage points. This development is especially driven by the acquisition of Rimi Baltic, where 89.7% of managers are women. While the overall organisation met the 40/60 gender balance target across all combined employee levels, the Manager+ level did not fall within this range. At the end of 2025, women accounted for 63.6% of managers and 59.4% of all employees in Salling Group.

We also saw country differences in advancing gender diversity. In our Danish organisation, women continued to be slightly underrepresented, whereas the situation is reversed in Poland, Germany and the Baltics. In Denmark, women remained underrepresented at both Director+ and Manager+ levels. In Poland and Germany, the gap was only present at the Director+ level, while no underrepresentation was observed in the Baltics at either level.

To accelerate progress in 2025, we expanded inclusive leadership training and implemented inclusive language in job postings. Building on this, we also committed to implementing new recruitment guidelines for Senior Manager+ roles in Denmark, Germany, and Poland from January 1, 2026. All positions will be advertised internally and externally, with a 50/50 gender balance in screening and interview panels. By 2030, we aim for at least 40% representation of each gender in all Senior Manager+ roles. Finally, we introduced initiatives to advance gender diversity, including MiniGroup in Denmark, an internal parental leave network designed to maintain connection and belonging during leave periods, with plans to continue in 2026.

Our efforts to build an inclusive workplace continued in 2025 with initiatives such as an operational LGBT+ inclusion guide and expanded bias-conscious leadership training to foster an open and respectful environment. In collaboration with a leading external expert in DEI and bias-conscious leadership, we developed training to enhance leaders’ awareness of bias, including a dedicated session for our Local Leadership Team in Denmark. To



ensure long-term impact, the programme was anchored in People & Culture (our human resources department), and all People & Culture Business Partners were trained to facilitate it internally. In total, 74 senior leaders have completed the workshop in 2025, and training will be rolled out to additional leaders across Salling Group in 2026.

Creating opportunities for all

We provide tailored employment opportunities across our business units and, in some markets, collaborate with public institutions and organisations. For example, in Denmark, we have long-standing collaborations with municipalities to provide vulnerable groups facing barriers to employment, such as youth, people with disabilities, or those re-entering the workforce with opportunities.

Internships play an important role in supporting job seekers to gain skills and experience in Denmark, often leading to permanent employment. In 2025, we provided job training to 1,138 interns – creating 420 jobs and generating an estimated 87 million in social service saving in Denmark. We also entered into more than 25 agreements for junior master apprenticeships, a new scheme launched in August 2025. This programme provides students seeking practical experience with the opportunity to combine core



school subjects with a practical internship in a company. We expect a significant increase in these internships in 2026.

Currently, “Opportunities for All” initiatives focus on attracting and retaining young talent as part of our long-term resilience strategy. We are broadening this scope to include programmes for seniors.



Advancing an inclusive organisation through stronger leadership and broader opportunities

Looking Ahead

Our priorities in 2026 include reducing gender gaps in senior leadership, continuing bias-conscious training and introducing tailored initiatives for senior employees. We will also prepare for implementation of the EU Pay Transparency Directive and ensure compliance with its requirements on pay-equity reporting and transparency.

These efforts support our ambition to create a workplace where colleagues feel included, respected and able to contribute to our shared success.

Serving Customers

Our customers increasingly expect more than products – they look for quality, transparency, convenience and value. With food prices continuing to shape purchasing behaviour across Europe, affordability remains a key priority. At the same time, customers are showing greater interest in clear product information, healthier choices, and locally or regionally sourced products, alongside seamless shopping experiences that integrate online and in-store channels.

Across Denmark, Poland, Germany and the Baltic countries, we work to reflect these trends in our assortment, pricing and customer experience. Whether shopping at Bilka in Denmark, Netto in Poland or our other formats in Europe, customers encounter choices designed to balance price, quality, transparency and everyday convenience.

Our Approach

Customers are one of our five corporate priorities, and our public materials communicate a clear, consistent, and customer-centric framework across all chains. This framework is supported by dedicated contact systems and broader responsibility policies¹⁾. Our customer approach is moreover based on listening and responding to customer insight across markets. We engage with our customers through surveys, social media channels, and direct customer interactions, helping us identify emerging needs and adjust our offerings. The Net Promoter Score (NPS) remains our key measure of loyalty and satisfaction, guiding our improvements in service, store experience, and convenience.

Progress and Actions in 2025

Affordability and accessibility

Affordability is a primary driver of satisfaction for customers across all our markets. In 2025, we took concrete steps to

ensure that essential products remained within reach for all households across our markets. This included price reductions on everyday essentials and introduced price guarantees such as “Taniej się nie da” (“Cheaper is impossible”) in Poland. Expanding private-label ranges continued to support value for money, including dairy brand ‘Miletto’ in Poland and the locally sourced organic farm brand ‘Tjele Gods’ in Denmark that helped us offer affordable options while maintaining our product standards.

In the Baltics, Rimi launched its long-term #FOCUS (Formula for Customer Savings) strategy, centred on improving affordability through smart pricing, stronger promos, clearer assortment, and expanded economy range – responding to insights showing that 70% of shoppers prioritise saving money.

Regional sourcing also played an increasing role, reflecting growing customer interest in local and transparent supply chains. In Germany, our brand and private label range brought more than 400 regional products to customers, while Denmark’s black star label highlighted European brands, promoting transparency and regional value.

Convenience remains central to customer expectations. In Denmark, Bilka expanded home delivery coverage to 94% of customers, up from 64% the previous year, making it easier for families to access essentials without additional costs. We also introduced crisis preparedness boxes in line with national recommendations, ensuring customers could plan ahead during uncertain times.

¹⁾ <https://sallinggroup.com/en/policies>



Health-oriented choices

Supporting health-oriented choices is central to our sustainability strategy. Our ranges include fresh produce, organic products and allergy-friendly options, supported by recognised labels such as Nøglehullet (Keyhole) and Fuldkorn (Wholegrain) in Denmark and Nutri-Score in Germany. Our organic private label include Salling ØKO (428 products) and Netto ØGO (251 products) in Denmark; GO Regio (70+ products) and GO-Bio (100+ products) in Germany, and EKO (23 products) products in Poland. Allergy-friendly products carry the Nordic Swan Ecolabel.

Key actions in 2025 included our supermarket, føtex, setting ambitious health goals for 2030, aiming to expand Keyhole-labelled items by 40% and to reduce saturated fat and sugar by 1,400 tons in Denmark.

Moreover, partnerships for health amplified impact as the free blood-pressure screenings through our partnership with the Danish Stroke Association identified untreated high blood pressure in over 10% of participants. In Denmark, sales of Keyhole- and Wholegrain-labelled own brand remained broadly flat year-on-year (-1.3% and 0.2%). We are exploring addressing this by expanding healthy options and labelling.

Customer satisfaction highlights

In Denmark, our Net Promoter Score (NPS) matched the market average on value for money and exceeded average on product assortment. In Poland, customers continued to rate Netto Polska for “value for money” and attractive promotions, reinforcing its competitive position. According to Kundenmonitor Deutschland 2025, an independent

nationwide customer satisfaction study, customers rated Netto Germany highly across several service-related categories, and Netto achieved the best score in regional sourcing.

Transparency

Transparency is essential to customer trust. In 2025, a green claims compliance incident in Denmark highlighted the need for stronger controls. We are strengthening verification of sustainability and health-related claims, aligned with the EU with EU consumer-protection requirements and national regulations.

Product safety and quality

Ensuring the safety and quality of our products is fundamental. We apply structured processes for product safety

across all markets. This includes compliance with relevant regulations, the use of HACCP-based principles, regular supplier and in-store audits and collaboration with independent laboratories for product testing. All product recalls are published promptly online in accordance with legal requirements. These processes, supplier standards and communication procedures form the foundation of our product safety work.

Moreover, as required by law, we comply with product safety initiatives and relevant food safety authorities – such as the Danish Veterinary and Food Administration, Państwowa Inspekcja Sanitarna, Inspekcja Handlowa, and Główny Inspektorat Jakości Handlowej Artykułów Rolno-Spożywczych in Poland, and the Lebensmittelüberwachungsbehörden in Germany. As part of our commitment to children’s product safety, we engage in LEG Branchen, a Danish trade association working to maintain and develop a responsible toy industry in Denmark. Salling Group sits on the organisation’s board, while our retail format, BR is a member of the association.

Last year, our food safety score was 88.5%, down from 91.5% in 2024 in Denmark. We are actively investigating the causes and implementing targeted actions to address these challenges and prevent future issues. Germany, Poland, and the Baltics focus on food safety as well but do not have food safety schemes comparable to the Danish scheme.

Looking Ahead

In 2026, we will continue to focus on customer satisfaction by developing new benefits programmes, strengthening access to health-oriented product choices, and ensuring product safety and compliance through increased focus on labelling and transparency.

Governance

At Salling Group, governance forms the foundation for how we operate and supports accountability, transparency and alignment with our core values and strategic goals. Our governance practices help ensure that we act responsibly toward customers, colleagues and the communities in which we operate. By continuously strengthening our governance framework and promoting responsible business conduct, we aim to maintain the resilience needed to navigate emerging risks and opportunities.

Responsible Business Conduct

Responsible business conduct is a central part of our governance model. We follow clear ethical standards and compliance procedures that guide our interactions with suppliers, customers and other stakeholders. Our Code of Conduct sets out expectations related to integrity, fairness and respect for all employees and partners. Regular training and awareness initiatives support colleagues

in applying these standards in day-to-day decisions, while compliance mechanisms help identify and manage risks.

Anti-Corruption and Anti-Bribery Measures

Salling Group enforces a zero-tolerance policy towards corruption and bribery, striving to maintain a transparent and equitable corporate culture. We recognise that corruption in our supply chain can hinder economic and social development, particularly in developing countries, leading to higher costs for goods, which ultimately impact our customers. Additionally, we acknowledge potential risks within our own organisation, such as fraud, bribery for orders, or bribery to bypass delivery restrictions. To mitigate these risks, we integrate anti-corruption clauses into our Code of Conduct and general trade agreements with suppliers and service providers. We also have comprehensive whistleblower systems in place across the organisation, offering clear communication channels for reporting irregularities and establishing dedicated national units to handle and investigate reports professionally and confidentially. Whistleblower issues are predominantly associated with internal staff and workplace behaviour.

In 2026, Salling Group strengthens its governance framework by introducing a unified Speak Out process across all business units. The new setup allows employees and partners to report concerns confidentially or anonymously through a secure, encrypted channel, ensuring consistent handling of whistleblower cases. While reports continue

to be managed locally in line with national legislation, Salling Group maintains strong group-level transparency, governance oversight, and risk monitoring.

Policies

Our governance framework is built, among other elements, on a set of policies that guide how we operate. These policies help promote consistency, transparency, and accountability throughout our activities and decision-making processes. You can explore the list of policies here:

<https://sallinggroup.com/en/policies>

Data Ethics Policy

At Salling Group, we collect data from our customers when they interact with our stores and digital platforms. We use insights into customer behaviour to enhance our offerings, both in-store and online, providing better services and tailored offers. Our goal is to continually improve the customer experience and make every day better for our customers.

In addition to being a leading retailer, Salling Group is also a major employer. Our employees are invaluable to us and essential to the continued success of the group. We are committed to safeguarding their data and we invest significant effort in ensuring its protection.

Data Ethics and Responsible Data Processing

As Denmark's largest retailer, we carry a special responsibility to protect the trust that customers and employees

place in us when they share their data. Therefore, data ethics and data protection are core elements of our business practices and the foundation of our digital solutions.

Purpose of Our Data Work

We collect and process data solely to create value – for example, by improving customer experiences, supporting necessary internal processes, or ensuring the operation and quality of our digital services. We only process data when there is a legitimate and clearly defined purpose, and we ensure that users can always understand how and why their data is being used.

Data Ethics in Practice

Data ethics is an ongoing process across the organisation. Group Legal and relevant business functions collaborate to develop, strengthen, and embed policies, procedures, and technical solutions. If incidents occur, we act quickly, limit the impact, and use insights to further improve our security and processes moving forward.

To learn more about our statutory statement on data ethics, in accordance with section 99d of the Danish Financial Statements Act, please follow the link here:

<https://sallinggroup.com/en/policies>



Crownless pineapples

When you buy a pineapple in our stores, we have cut off the crown for you – using it to grow new pineapples instead of throwing it away.



Fair and Transparent Tax Practises

Contributing to society

As an integral part of acting with integrity, we conduct our business based on the principle that taxes and duties are crucial to our welfare society. In addition to embracing the obligation to contribute to the widest possible extent, we believe in the opportunity to create real and significant opportunities through our payments. At Salling Group, we view taxes and levies as a lever to improving public services and conditions for our employees, customers and business partners. Locally as well as globally, payment of taxes and duties by companies contributes to accelerating the green transition and to edging us closer to fulfilling the UN Sustainable Development Goals.

Salling Group's tax policy¹⁾ is based on five cornerstones:

- Tax compliance
- Tax transparency
- Tax risk management
- Tax structure and planning
- Tax governance

Underlining the importance, we attach an open and fair tax practice, overarching responsibility for Salling Group's tax policy is placed within the company's Board of Directors appointing Jens Bjerg Sørensen responsible for the tax policy. Responsibility for the tax risk management lies with the CFO. Salling Group does not operate businesses in any low tax jurisdictions²⁾, nor do we apply special tax optimisation models designed for tax avoidance.

Effective tax rate

The effective tax rate for the Group is 23.0% in 2025, in line with prior years having an average rate of 24.5% for the past 5 years. Our effective tax rate demonstrates that we pay taxes at a rate that contributes to society where we operate and we don't engage in aggressive tax planning or tax evasion. In Denmark, we are one of the largest corporate tax payers according to the published corporate tax records for 2024³⁾.

Total tax payment⁴⁾

In 2025, the total tax contribution from the Group amounted to DKK 10,430 million, compared to DKK 8,970

million in 2024. This includes both taxes paid indirectly by our company (taxes collected), such as VAT and employee income tax, and taxes paid directly (taxes borne), such as corporate income tax and property taxes.

Taxes and duties collected

Taxes and duties levied consist of VAT, withheld taxes and excise duties. The amount for VAT is calculated as net VAT payment to the state, which means VAT on sales minus VAT on purchases. Excise duties charged in Denmark (e.g., on chocolate and alcohol) are only for imported goods, as excise duties on locally produced goods are paid to the authorities by the manufacturing companies.

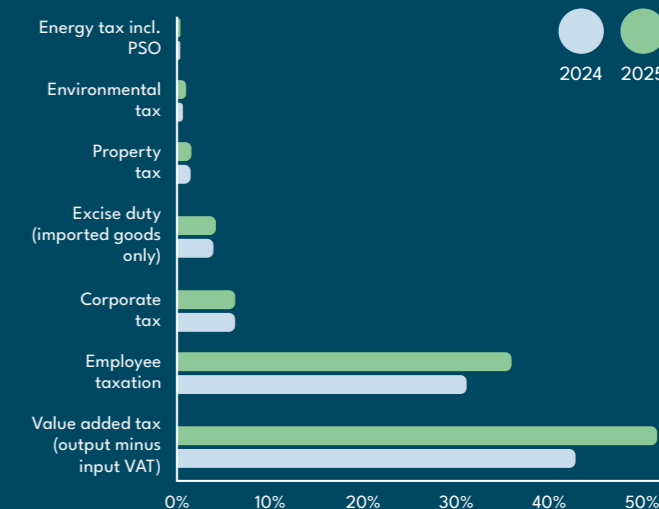
Taxes and duties borne

The company's own taxes and fees consist of corporate tax, energy tax, environmental tax and property tax. The largest share of own taxes and levies being corporate tax (66.8%). The Danish entities in the Group delivered a total corporate tax of DKK 497 million. In addition, company taxes totalling DKK 158 million were paid abroad.

Tax 2024-2025

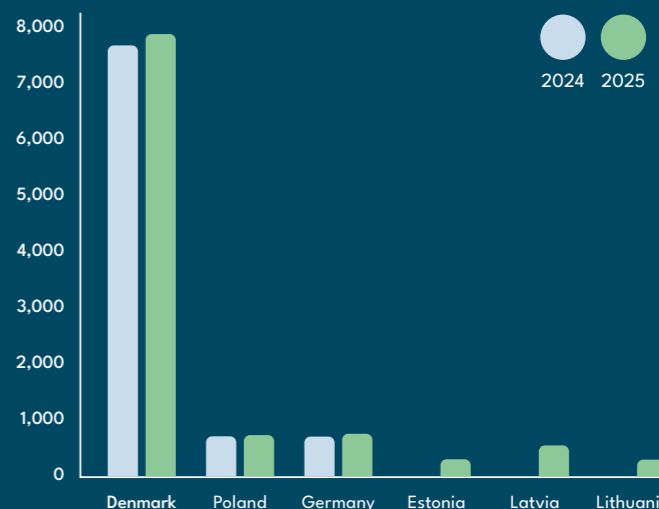
Total tax contribution – divided into categories

2024 total DKK 8,970 million and 2025 total DKK 10,430 million



Total tax contribution – divided by countries

2024 total DKK 8,970 million and 2025 total DKK 10,430 million



1) <https://sallinggroup.com/en/policies>

2) Salling Group has business activities in Denmark, Germany, Poland, Estonia, Latvia and Lithuania

3) Press release January 29, 2026 on 2024 corporate tax payments from the Danish Ministry of Taxation. F. Salling Holding A/S is responsible for paying all corporate tax to the authorities on behalf of the Danish companies in the Group, placed as the 18th largest corporate tax payer in DK

4) The presentation is made in accordance with the standardised Total Tax Contribution methodology

Due Diligence

Why Due Diligence Matters

Due diligence is a core element of responsible business conduct. It provides a structured way to identify, assess and manage risks across our operations and value chain. These risk areas include legal compliance, financial integrity and fraud prevention, operational resilience and loss prevention (e.g., theft and shrinkage), data protection and IT/cyber governance, ethical business practices, human rights (including children’s rights), and product safety.

This risk based approach reflects emerging EU rules that expect companies to embed due diligence across their own operations, subsidiaries and value chains (CSDDD), and to treat cybersecurity as a governance responsibility at board level, with clearer duties for risk management and incident reporting (NIS2).

Our Approach

Our due diligence system follows internationally recognised standards (OECD Guidelines, UN Guiding Principles, UN Global Compact) and is designed to:

- Integrate responsible practices into day to day decisions
- Identify and assess risks, including those raised by stakeholders and the public
- Prevent, mitigate and, where necessary, remediate impacts
- Monitor and report through structured KPIs and case-management systems

While due diligence applies everywhere, our upstream supply chains often present the most complex risks. We source products from a wide range of production systems – from smallholder agriculture and fisheries to large scale industrial processing and global commodity markets – each with distinct traceability, labour risks and documentation requirements.

In line with sector practice, tools such as independent third party audits, capacity building, corrective action plans and grievance mechanisms can help maintain visibility and drive improvement.

Risks also arise within our own operations. In 2025, we worked with several of these issues by reviewing loss prevention controls, product safety and recall procedures, expanded IT/cyber governance in line with NIS2 expectations, and conducting awareness and training on human rights, responsible marketing and data ethics.

Governance and Responsibilities

Oversight rests with the Board of Directors, supported by the Group Leadership Team. Day-to-day execution is carried out across specialised functions, including Operations, Internal Audit, Product Quality, Responsible Sourcing, IT, Finance, Legal, People & Culture, and Sustainability. To meet rising regulatory expectations and improve consistency, we are working towards implementing more uniform and systematic processes across the Group and strengthening cross functional integration. This will help support more consistent risk assessments, documentation and low-up actions, and provide a clearer basis for audit and regulatory review.

Our Due Diligence System

5. Communicating
Reporting through multiple channels, including our annual report

4. Monitoring & Tracking
Progress measured through compliance systems, and internal platforms such as the Responsible Sourcing platform



2. Risk Assessment
Annual and ongoing risk identification, informed by stakeholder engagement

3. Prevention, Mitigation & Remediation
Supplier engagement, audits, corrective actions, internal controls, grievance mechanisms and strengthened controls in our own operations

Key Progress in 2025

Training and capacity building

We broadened training on topics such as human rights (including children’s rights), workplace diversity and responsible marketing (e.g., marketing to children and green claims considerations in Poland and Denmark). We strengthened responsible sourcing training for managers and buyers and introduced climate related training on low carbon sourcing, given that Scope 3 accounts for most of our emissions.

Grievance mechanisms

Accessible reporting channels for workers in higher-risk upstream supply chains – including those offered through the International Accord and the amfori Speak for Change Programme – remain essential to our operations and supply chain due diligence.

Looking Ahead

In 2026, we aim to strengthen our risk management processes and work to integrate human rights and climate related risks more systematically. We will prepare for new EU legislation. As supply chain risks become more dynamic, we will focus on improving agility in our due diligence work, particularly upstream where visibility is limited and conditions can change quickly. Key priorities include enhancing supplier transparency, strengthening country risk monitoring and advancing cross functional alignment to support a more integrated Group wide approach.



Governance Structure

Leadership

Governance at Salling Group is anchored in a leadership structure designed to ensure strategic direction, operational excellence, and effective execution across an increasingly international business. The Board of Directors holds the overall responsibility for governance and is supported by two specialised committees. The Audit Committee oversees integrated reporting and the robustness of our risk management framework, while the Sustainability Committee provides strategic guidance, challenging us to raise our ambitions and strengthen progress across environmental and social priorities.

In 2025, we reinforced this governance setup by realigning our leadership model to better support the implementation of Aspire '28 and the Group's growing international footprint. The Group Leadership Team (GLT) was strengthened through the establishment of four new Local Leadership Teams (LLT) – one in each of our core markets: Denmark, Poland, Germany, and the Baltics. These teams bring leadership closer to customers, operations, and colleagues, ensuring fast, informed decision-making, and strong local ownership of day-to-day executive.

The GLT consists of the leaders of the four geographical markets as well as the heads of our central Group Functions, responsible for key cross-business processes within procurement, IT, logistics, finance and HR, alongside two strengthened functions for strategy and customer experience. Together, the GLT and LLTs form an integrated leadership system, all reporting to Group CEO, Anders Hagh.

This leadership model is designed not only to set strategic direction, but to translate that direction into clear, actionable plans – and to ensure that our ambitions are implemented efficiently, consistently and with high operational quality across all markets where Salling Group is present.

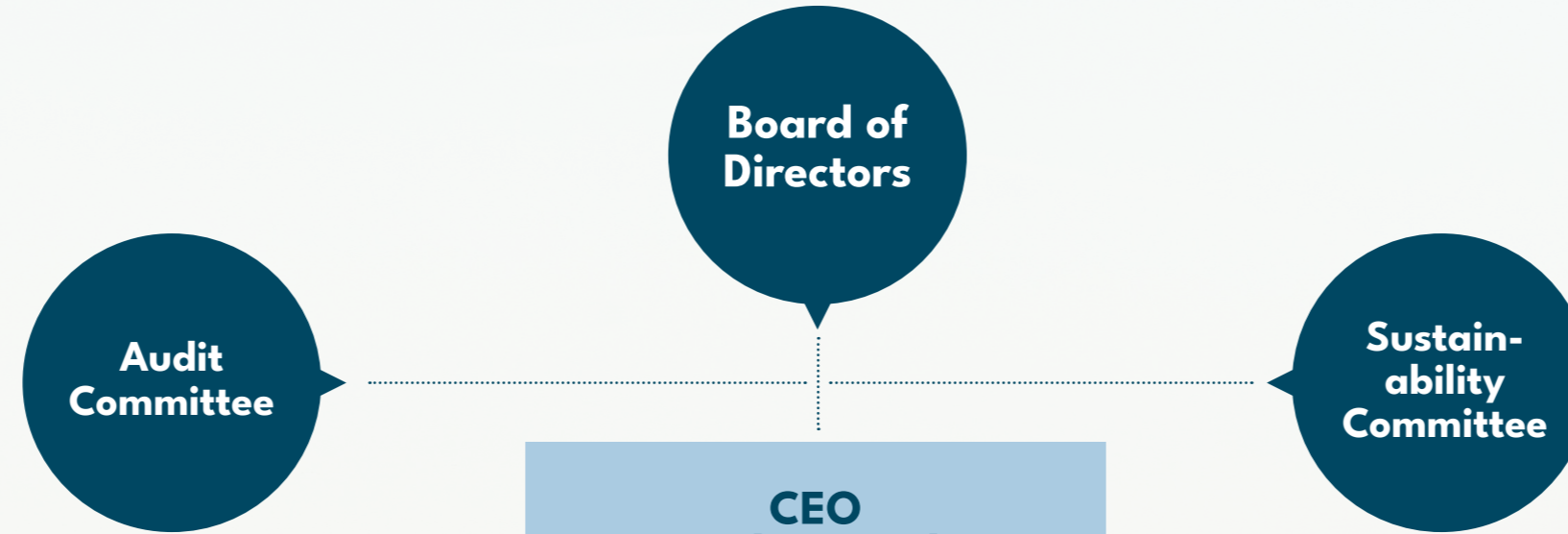
Audit Committee

- **Jens Bjerg Sørensen**
Deputy chairman (Committee Chair)
- **Freddy Mikael Sobin**
Board member
- **Thomas Børglum Jensen**
Executive Vice President, CFO¹⁾
- **Randi Toftlund**
Group Senior Vice President, Corporate Finance

Sustainability Committee

- **Bjørn Gulden**
Chairman of the Board (Committee Chair)
- **Thomas Carsten Alexander Tochtermann**
Board member
- **Lammeschien Boer**
Board member²⁾
- **Anders Hagh**
President, CEO (Sponsor)
- **Louise Gade**
Executive Vice President, People, Culture & Sustainability
- **Henrik Vinther Olesen**
Group Vice President, Sustainability, Communication & Public Affairs

1) as of 2nd of March 2026
2) as of 1st of January 2026



**CEO
Anders Hagh**

GLT

- Anders Hagh, Group CEO and Head of Denmark
- Thomas Børglum Jensen, CFO¹⁾
- Brian Nyeng Olesen, Head of Netto Poland
- Michael Linander, Head of Netto Germany
- Giedrius Bandzevicius, Head of Rimi Baltic
- Viktor Jegesi, Head of Group Commercial
- Louise Gade, Head of Group People, Culture & Sustainability
- Alan Jensen, Head of Group IT & Digital
- Heidi Wase Skovhus, Head of Group Customer & Marketing
- Andreas Møballe, Head of Group Strategy, Mergers & Acquisitions and Salling Seeds
- Nicolai Gradman, Head of Group Supply Chain & Logistics

LLT Denmark
CEO Anders Hagh

LLT Germany
Head of Netto DE
Michael Linander

LLT Poland
Head of Netto PL
Brian Nyeng Olesen

LLT The Baltics
Head of Rimi Baltic
Giedrius Bandzevicius

1) as of 2nd of March 2026

The Board of Directors



Bjørn Gulden

Chairman

Chair of Sustainability Committee

CEO, Adidas AG

Born 1965 – male
Appointed 2020

Member of the Supervisory Board of maxing-vest GmbH & Co. KGaA.



Jens Bjerg Sørensen

Deputy chairman

Chair of Audit Committee

CEO, Schouw & Co. A/S

Born 1957 – male
Appointed 2015

Holds a number of board positions in leading international companies and foundations. Chair of Købmand Herman Sallings Fond, Chair of F. Salling Invest A/S and F. Salling Holding A/S, Chair of Danfoss A/S, and Chair of A. Kirk A/S.



Freddy Mikael Sobin

Member of Audit Committee

Born 1981 – male
Appointed 2014

Chair of the Board of Bubbleroom Sweden and LENO Invest AB.



**Thomas Carsten
Alexander Tochtermann**

Member of Sustainability Committee

Born 1960 – male
Appointed 2016

Chair of the Board of Momox Holding SE, Member of the Advisory Committee of Jahr Holding GmbH & Co. KG. Chair of the Board of Global Fashion Agenda, Member of the Board of NorNorm, and Member of the Board of KSA Fashion, and Chair of the Board of matter GmbH.



Lammeschien Boer

Member of Sustainability Committee¹⁾

Born 1963 – female
Appointed 2025

Member of the Supervisory Board of Brewdog, Member of the Supervisory Board of Frankfurt School of Finance & Management, Member of the Supervisory Board of Nederlandse Spoorwegen.



Aliz Tepfenhart

Managing Director
karriere tutor GmbH

Born 1974 – female
Appointed 2025

Non-Executive Board Member of GEFRO GmbH & Co, Member of the Supervisory Board of TAKKT Group, Owner of Tepfenhart Digital UG.



Lars Lippert Laursen

Chairman of Lands-klubben Salling Group

Born 1961 – male
Appointed 2018

Employee representative with 25 years of experience in Salling Group.



Jonas-Tobias Andersen

Head of Service Unit
Bilka Kolding

Born 1978 – male
Appointed 2022

Employee representative with five years of experience in Salling Group.



Samuel Dam Rützou

Store manager
føtex Rødovre Centrum

Born 1982 – male
Appointed 2022

Employee representative with 22 years of experience in Salling Group.

¹⁾ as of 1st January 2026

Consolidated ESG Statements

Accounting Policies for the Consolidated ESG Statements

Basis for reporting

Salling Group's annual sustainability report complies with the statutory disclosure pursuant to Section 99a (2018) of the Danish Financial Statements Act.

Consolidated ESG Statements covers reporting on environmental, social, and governance (ESG) topics for Salling Group A/S and subsidiaries under its operational control. The consolidated ESG Statements include the formats Salling, føtex, Bilka, Netto in Denmark, Germany, and Poland, Rimi Baltic, BR, Skagenfood, Bodebjerg and franchises Starbucks, Carl's Jr., Matinique, HUGO, and BOSS. Properties owned by Salling Group but not under operational control are included in Scope 3.

The reporting period is 1 January – 31 December 2025.

Accounting policies

The accounting policies described have been applied consistently in preparing the consolidated ESG statements. Accounting policies for each metric are detailed under the respective environmental, social, and governance sections.

Emissions disclosures follow the Greenhouse Gas Protocol (2015), including the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

Data is reported in accordance with internal requirements and procedures.

Group standards are defined with internal requirements for reporting and documentation of data. ESG data owners have been assigned for all relevant departments and entities. Responsibility for ESG accounting and reporting rests within Finance to ensure that our ESG accounting, controlling, and reporting are aligned.

To ensure timely and consistent reporting, certain environmental data points may be estimated when actual data is unavailable at year-end. Estimates are based on comparable prior-year data and average data for new locations. These estimates are final and reported numbers are not subsequently adjusted.

Rimi Baltic included in ESG Statement

In accordance with our restatement policy, the acquisition of Rimi Baltic constitutes a structural change. Carbon emission data for Rimi Baltic Group is for 2025 included for a full 12 month period regardless of a shorter ownership period.

The year 2021 is baseline for Salling Group's SBTi target. As a consequence of the acquisition, the baseline is restated to include Rimi Baltic Group in the baseline numbers. A restatement is not made for the fiscal years 2022 – 2024. Rimi Baltic Group's ESG data have been recalculated and consolidated in accordance with Salling Group's ESG accounting policy for 2021 and 2025.

Following the acquisition of Rimi Baltic Group 2nd of June 2025, we initiated a review of historical ESG data

(environmental, social, and governance) to assess data availability, data quality, processes and applied methodologies. As a general principle, Salling Group's methodologies for the calculation and presentation of ESG metrics have been applied. Where Rimi Baltic has had access to more precise data, such data has been retained and used as the basis for the calculation. For both historical data and emission data in the current reporting period, Salling Group's sources for emission factors have been applied to ensure consistency across the Group. For social and governance data, Rimi Baltic previously reported under ICA Gruppen in accordance with CSRD. As Salling Group is only required to report under CSRD from the financial year 2027, Rimi Baltic's social and governance data have been incorporated in line with the Group's existing ESG accounting policies. Any exceptions are described under the respective metric descriptions.

Due to the acquisition of Rimi Baltic, total Scope 1 – 3 emissions for the baseline year 2021 have increased by 24.3% to 8,453,238 tCO₂e (excluding Rimi Baltic: 6,799,949 tCO₂e). For 2025, total Scope 1 – 3 emissions have increased by 23.7% to 7,854,362 tCO₂e (excluding Rimi Baltic: 6,350,444 tCO₂e). This recalculation also affects progress towards SBTi targets and Salling Group-specific sustainability targets. The internal targets for energy and water efficiency have not been restated, as they expire in 2025.

Table on page 42 summarises changes in baseline numbers.

Changes and improvements

Salling Group is continuously improving ESG reporting. For 2025, the following enhancements apply to environmental and social data:

- Energy consumption estimates for stores without actual readings now use monthly averages instead of a single aggregated period, improving seasonal accuracy.
- An error in the estimation of 2024 water consumption was identified, which triggered a restatement.
- Category 7 – Employee Commuting data for Denmark, Poland, and Germany was updated through a survey conducted in 2025 to reflect transport patterns for the reporting period.
- Food waste reporting in Germany now includes donations, previously unrecorded due to system limitations.
- Lost time injury frequency (LTIF) has been updated to align with general standards for calculating the KPI. This change triggered restatements for 2021 - 2024.

Reader's Guide

Tables in the ESG statements present prior-year figures excluding Rimi Baltic. To ensure transparency of the development of environmental KPIs, both aligned with SBTi and Salling Group-specific targets, descriptions include explanations of progress against base year targets. Explanations of year-on-year changes will focus on Salling Group excluding Rimi Baltic, providing a clear understanding of the impact of initiatives and factors influencing performance. According to the restatement policy, social and governance KPIs will not be benchmarked against the base year.

In addition, the following change does not affect the current reporting period and relates solely to previously reported historical results:

- Food waste results for 2021 - 2024 have been methodologically aligned. This change triggered restatements for 2021 - 2024. The impact of the changes is noted in table “ESG 5-year Summary” on page 10.

Restatement policy

The restatement policy is based on the principles and methodological guidance established by the GHG Protocol standards. Restatements are triggered by structural changes, methodological adjustments, GHG inventory changes, or errors. Baselines are reviewed every five years from the original target approval date (2021), unless significant changes require earlier recalculation.

Each year, Salling Group assesses whether changes meet the materiality threshold for restatement. Thresholds are defined for science-based targets as follows:

- Scope 1 and 2: 5% change in the total Scope 1 and 2 compared to the base year 2021.
- Scope 3: 5% change in total Scope 3 compared to the base year 2021.

- Scope 3, category 11 – Use of Sold Products: 5% change in the category compared to the base year 2021.

When significant changes occur, baseline figures and historical data are recalculated. Both original historical figures, and recalculated figures are disclosed to ensure transparency. Explanations will include the reason for restatement, the trigger, and the impact expressed in both percentage and absolute values.

Other sustainability figures are only restated if material errors above the 5% threshold are identified in prior reporting.

Acquisitions and divestments

Acquisitions or divestments are treated as structural changes. Baseline recalculation is carried out only if the acquisition or divestment leads to emission changes exceeding the defined materiality threshold. If base year data is not available for an acquisition, 12 months of consumption data from the year of acquisition are applied using base year emission factors.

ESG data from acquired entities is included for the entire year in the inventory from the financial year of consolidation, subject to the availability of sufficiently reliable data. Where data quality or availability is inadequate, acquisitions are included once sufficiently reliable data is available and no later than the end of the subsequent full financial year. ESG data is included for a full financial year regardless of a shorter ownership period. Environmental, social and governance indicators are reported as follows:

- Environmental indicators (emissions): Both the current reporting year and the base year are recalculated, subject to data availability.
- Social and governance indicators: Reported prospectively from the year of consolidation and not adjusted to the base year.

Restatement	Unit	2025	New Base year	Prior Base year	Dev. to base year	Target ¹⁾
Recycling	%	74.1	73.7	77.2	0.5%	85% (2030)
Total Scope 1 and 2 GHG emissions	tCO ₂ e	423,770	477,708	366,833	-11.3%	Δ -50% (2030)
Total Scope 3 GHG emissions	tCO ₂ e	7,430,592	7,975,530	6,433,116	-6.8%	Δ -90% (2050)
11 – Use of Sold Products	tCO ₂ e	102,933	192,110	181,029	-46.4%	Δ -42% (2030)

¹⁾ Description of SBTi targets read page 21. Recycling is defined as an absolute target and constitutes an entity-specific target for Salling Group.

Environment

Energy, water, and waste

	Unit	2025	2024	Dev. to LY	Dev. to base year	Target
Energy						
Consumption (electricity and heating)	MWh	852,125	609,470	39.8%		
Energy Efficiency (base year: 2020) ¹⁾	MWh/m ²	0.199	0.194	2.6%	-7.7%	Δ -10% (2025)
Water						
Water Efficiency (base year: 2022) ¹⁾	m ³ /m ²	0.175	0.171	2.2%	5.3%	Δ -5% (2025)
Waste						
Recycling (base year: 2021) ²⁾	%	74.1	78.6	-5.8%	0.5%	85% (2030)
Food waste						
Surplus food	Tonnes	55,784	53,801	3.7%		
Food donation	Tonnes	11,535	8,887	29.8%		
Food waste ³⁾	Tonnes	44,249	44,914	-1.5%		
Food waste percentage (base year: 2015) ⁴⁾	%	1.7	1.8	-0.8%	-38.0%	Δ -50% (2030)

1) Base year is 0.216 for Energy Efficiency and 0.166 for Water Efficiency. Energy Efficiency and Water Efficiency are excluding Rimi Baltic.

2) Restated base year for Recycling is 73.7.

3) Numbers have been restated in 2024, for surplus food from 44,329, donations from 5,855, food waste from 38,474 and food waste percentage from 1.8%.

4) Base year is 2.8, based on figures from formats in Denmark. A new Group target for food waste is planned to be calculated in 2026.

Energy efficiency remains an important means of achieving the Group's SBTi Scope 1 and 2 reduction targets and will continue to be addressed as a decarbonisation lever in the Environment section of the report (read page 23). In 2025, Salling Group continued the implementation of energy-reduction initiatives across the Group as part of the 2022-2028 renewable-energy investment strategy. Key drivers included the ongoing conversion of heating systems from gas and oil to electricity-based heat pumps and district heating, the installation of glass doors on chillers, and continued investments in solar panel installations.

Despite these initiatives, total energy consumption increased by 39.8% to 852,125 MWh (2024: 609,470 MWh),

primarily due to the acquisition of Rimi Baltic. Adjusted for the acquisition of Rimi Baltic, the energy consumption increased by 3.0% to 628,002 MWh. The increase primarily reflects the addition of new stores in 2025 and improved data accuracy.

The energy efficiency per square meter (excluding Rimi Baltic) increased by 2.6% to 0.199 MWh (2024: 0.194 MWh). The increase is primarily driven by a reassessment of tenant allocations increasing the share attributed to Salling Group. Compared to the 2020 baseline, energy efficiency has improved 7.7%, but remains below the target of a 10.0% improvement in 2025.

Salling Group (excluding Rimi Baltic) increased the consumption of electricity from own solar panels to 27,421 MWh in 2025 (2024: 12,388 MWh). In addition, the excess production from own solar panels sold back to the grid increased to 2,716 MWh in 2025 (2024: 1,052 MWh). In 2025, installed solar panel capacity increased by 15%, as a result of the installation of 75 new solar panels across Denmark and Poland. Electricity production and consumption from solar panels are expected to increase further going forward as Salling Group continues to invest in the installation of solar panels on stores, distribution centres and head offices where possible.

The KPI for energy efficiency will be discontinued from 2026, as energy performance will be monitored through Salling Group's energy management processes under the ISO 50001 standard. The KPI was originally introduced under previous voluntary reporting frameworks but is no longer assessed as strategically relevant. Any new targets and KPIs will be assessed in connection with the upcoming update of the Group's reporting framework under the CSRD for the reporting year 2027.

Water

The water efficiency per square meter (excluding Rimi Baltic) increased by 2.2% to 0.175 m³ in 2025 (2024: 0.171 m³). The increase is primarily driven by a higher water consumption in our stores. Compared to the 2022 baseline, water efficiency has increased by 5.3%, resulting in Salling Group not reaching the target.

The target for water efficiency in own operations expired in 2025 and the KPI will not be continued, as water consumption in own operations is not assessed as material for Salling Group in relation to the Group's strategic priorities. The water KPI was originally established under previous voluntary reporting frameworks, and any new targets and KPIs will be assessed in connection with the upcoming update of

the Group's reporting framework under the CSRD for the reporting year 2027.

Waste

Recycling percentage decreased by 4.5 percentage points to 74.1% in 2025 (2024: 78.6%). Adjusted for the acquisition of Rimi Baltic, the recycling percentage is unchanged compared to 2024. The decrease in recycling percentage is primarily driven by Rimi Latvia where the recycling percentage is 37.0%, driven by high incineration and landfill. Compared to the 2021 baseline year, the recycling percentage has increased by 0.4 percentage points.

Food waste

Food waste decreased by 1.5% to 44,249 tonnes in 2025 (2024: 44,914 tonnes), primarily driven by an increase in food donations. Reducing food waste is a strategic focus area for Salling Group, and several new initiatives were introduced in 2025 to reduce food waste. As a food retailer, we concurrently remain focused on ensuring high product availability for our customers.

Food donations increased by 29.8% to 11,535 tonnes in 2025 (2024: 8,887 tonnes), supporting both our food waste reduction efforts and the supply of surplus food to local organisations. The increase in food donations was partly attributable to the introduction of donation registration in Germany, as well as a continued strong focus on donations in Denmark. In 2025, MadPlus introduced a new application enabling volunteers to register collected donations directly at the point of collection in stores. This implementation has contributed to a measurable improvement in the completeness of our data reporting. In 2026, a new target for food waste will be established, covering all countries and formats.

Environment

Total GHG emissions (Scope 1 and 2)

	Unit	2025	2024	Dev. to LY	Dev. to base year	Target
Scope 1 and 2 GHG emissions						
Total Scope 1 and 2 GHG emissions¹⁾	tCO₂e	423,770	336,796	25.8%	-11.3% Δ -50% (2030)	
GHG intensity ratio (revenue tDKK)	tCO ₂ e/tDKK	0.5	0.5	9.2%		
GHG intensity ratio (m ²)	tCO ₂ e/m ²	0.110	0.107	2.1%		
Scope 1 GHG emissions						
Total Scope 1 GHG emissions	tCO₂e	46,540	37,140	25.3%		
Heating (natural gas)	tCO ₂ e	12,630	9,494	33.0%		
Fuel consumption	tCO ₂ e	6,354	4,727	34.4%		
Refrigerants	tCO ₂ e	25,874	22,465	15.2%		
Oil	tCO ₂ e	1,682	454	270.5%		
Scope 2 GHG emissions						
Total Scope 2 GHG emissions	tCO₂e	377,230	299,656	25.9%		
Electricity (location based)	tCO ₂ e	120,401	111,510	8.0%		
Electricity (market based)	tCO ₂ e	368,794	293,009	25.9%		
Heating (district heating)	tCO ₂ e	8,436	6,647	26.9%		

1) Restated base year for Total Scope 1 & 2 is 477,708 tCO₂e.

Total Scope 1 and 2 have increased by 25.8% to 423,770 tCO₂e in 2025 (2024: 336,796 tCO₂e). Adjusted for the acquisition of Rimi Baltic, total Scope 1 and 2 have decreased with 5.8% to 317,328 tCO₂e. Compared to baseline year 2021 total Scope 1 and 2 has decreased by 11.3%.

GHG intensity revenue ratio increased to 0.5 in 2025 primarily due to acquisition of Rimi Baltic. The revenue ratio is not representative because emission data for Rimi Baltics

cover the entire year, while revenue is only included from the acquisition date. Consequently, the ratio does not provide an accurate reflection of Salling Groups actual emission intensity for the reporting period.

The GHG intensity square meter ratio has increased by 2.1% to 0.110 tCO₂e/m² (2024: 0.107 tCO₂e/m²). Adjusted for the acquisition of Rimi Baltic, the ratio has decreased by 6.2% to 0.101 tCO₂e/m².

Scope 1 GHG emissions

Total emissions in Scope 1 have increased by 25.3% to 46,540 tCO₂e in 2025 (2024: 37,140 tCO₂e). Adjusted for the acquisition of Rimi Baltic, total Scope 1 emissions have increased by 1.1% to 37,539 tCO₂e primarily due to leakage of high-emitting refrigerants.

Natural gas consumption has increased by 33.0%. Adjusted for the acquisition of Rimi Baltic, natural gas consumption decreased by 10.9%. The decrease is due to liquid gas being correctly reclassified from natural gas to oil consumption in 2025, after a misclassification in prior years. The adjustment represents 0.3% of total Scope 1 and 2 emissions and is therefore not considered material for recalculation.

Fuel consumption has increased by 34.4% in 2025 primarily due to Rimi Baltic owning vehicles used for e-commerce operations. Adjusted for the acquisition of Rimi Baltic, the consumption has decreased by 10.0%, primarily due to the transition to electric vehicles.

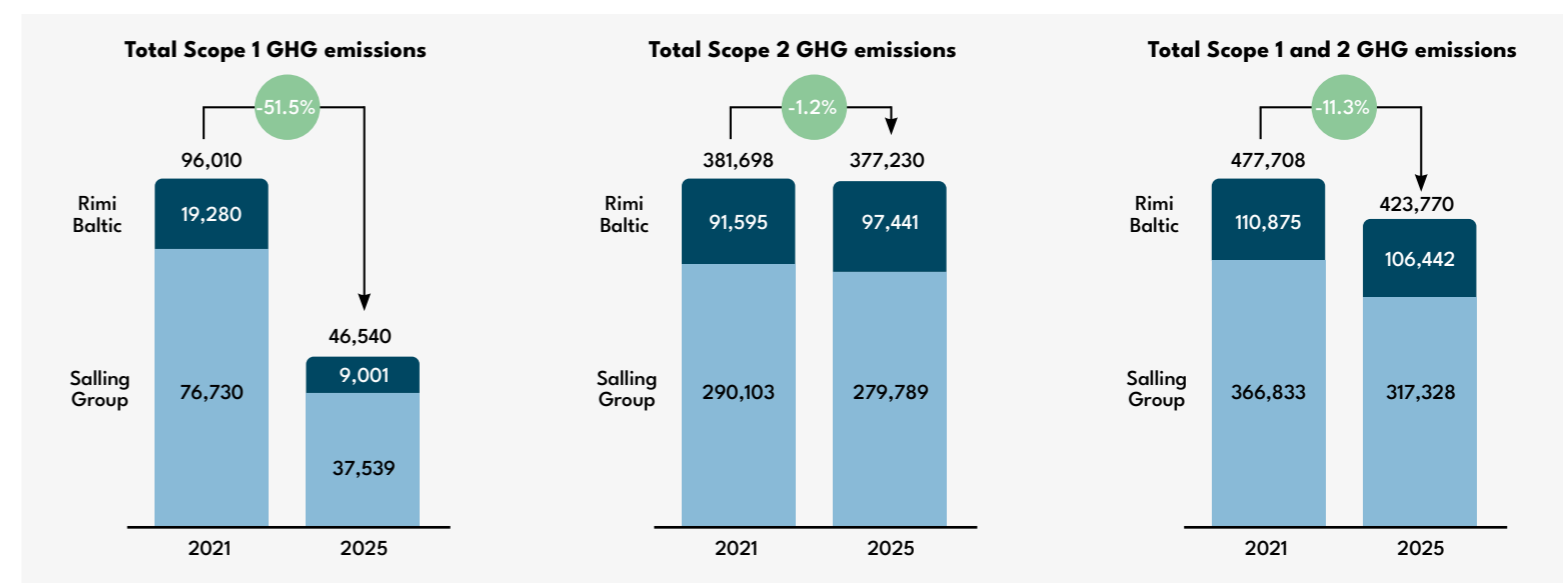
The leakage of refrigerants increased by 15.2% in 2025.

Adjusted for the acquisition of Rimi Baltic, refrigerant leakage has increased by 3.8%, primarily due to higher leakage from high-emitting refrigerants.

Oil consumption has increased by 270.5% in 2025. Adjusted for the acquisition of Rimi Baltic, oil consumption has increased by 231.5%. The increase is primarily due to the correction of historical misclassification of liquid gas. The adjustment represents 0.3% of total Scope 1 and 2 emissions and is therefore not considered material for recalculation.

Scope 2 GHG emissions

Total emissions in Scope 2 have increased by 25.9% to 377,230 tCO₂e in 2025 (2024: 299,656 tCO₂e). Adjusted for the acquisition of Rimi Baltic, total Scope 2 emissions have decreased by 6.6% to 279,789 tCO₂e. The decrease is primarily driven by a 6.1% reduction in market-based emissions. Location-based emissions from electricity and district heating decreased by 12.5%, primarily due to increased electricity generation from own solar panels and lower allocated emissions from district heating in Denmark.



Environment

Scope 3 GHG emissions

	Unit	2025	2024	Dev. to LY	Dev. to base year	Target
Scope 3 GHG emissions						
Total Scope 3 GHG emissions¹⁾	tCO ₂ e	7,430,592	6,026,381	23.3%	-6.8%	Δ-90% (2050)
GHG intensity ratio (revenue tDKK)	tCO ₂ e/tDKK	8.9	8.3	7.0%		
1 – Purchased Goods and Services	tCO ₂ e	6,625,702	5,320,219	24.5%		75% (2027) ²⁾
2 – Capital Goods	tCO ₂ e	109,319	101,164	8.1%		
3 – Fuel – and Energy Related Activities	tCO ₂ e	50,129	40,757	23.0%		
4 – Upstream Transport	tCO ₂ e	78,838	63,296	24.6%		75% (2027) ²⁾
5 – Waste Generated in Operations	tCO ₂ e	5,913	3,915	51.0%		
6 – Business Travel	tCO ₂ e	1,204	1,293	-6.9%		
7 – Employee Commuting	tCO ₂ e	54,633	61,502	-11.2%		
11 – Use of Sold Products ³⁾	tCO ₂ e	102,933	115,694	-11.0%	-46.4%	Δ-42% (2030)
12 – End-of-Life Treatment of Sold Products	tCO ₂ e	383,125	301,549	27.1%		
13 – Downstream Leased Assets	tCO ₂ e	18,796	16,992	10.6%		
Total Scope 1, 2, and 3 GHG emissions	tCO₂e	7,854,362	6,363,177	23.4%		

1) Restated base year for Total Scope 3 is 7,975,530 tCO₂e.
 2) Description of SBTi target of 75% read page 24.
 3) Restated base year for Scope 3, Category 11 is 192,110 tCO₂e.

Emissions from Scope 3 have increased by 23.3% to 7,430,592 tCO₂e in 2025 (2024: 6,026,381 tCO₂e). Adjusted for the acquisition of Rimi Baltic, Scope 3 emissions have increased by 0.1%. Compared to baseline year 2021 the total Scope 3 emissions have decreased by 6.8%.

GHG intensity revenue ratio increased to 8.9 in 2025 primarily due to acquisition of Rimi Baltic. The revenue ratio is not representative because emission data for Rimi Baltic covers the entire year, while revenue is only included from the acquisition date. Consequently, the ratio does not

provide an accurate reflection of Salling Groups actual emission intensity for the reporting period.

Category 1 (Purchased Goods and Services) has increased by 24.5% in 2025. Adjusted for the acquisition of Rimi Baltic, Category 1 has increased by 0.9%, primarily driven by higher volumes of purchased goods.

Category 2 (Capital Goods) has increased by 8.1% in 2025. Adjusted for the acquisition of Rimi Baltic, Category 2 has decreased by 9.1%.

Category 4 (Upstream Transport) has increased by 24.6% in 2025. Adjusted for the acquisition of Rimi Baltic, Category 4 has increased by 1.4% due to higher logistics activity based on increased sales volumes.

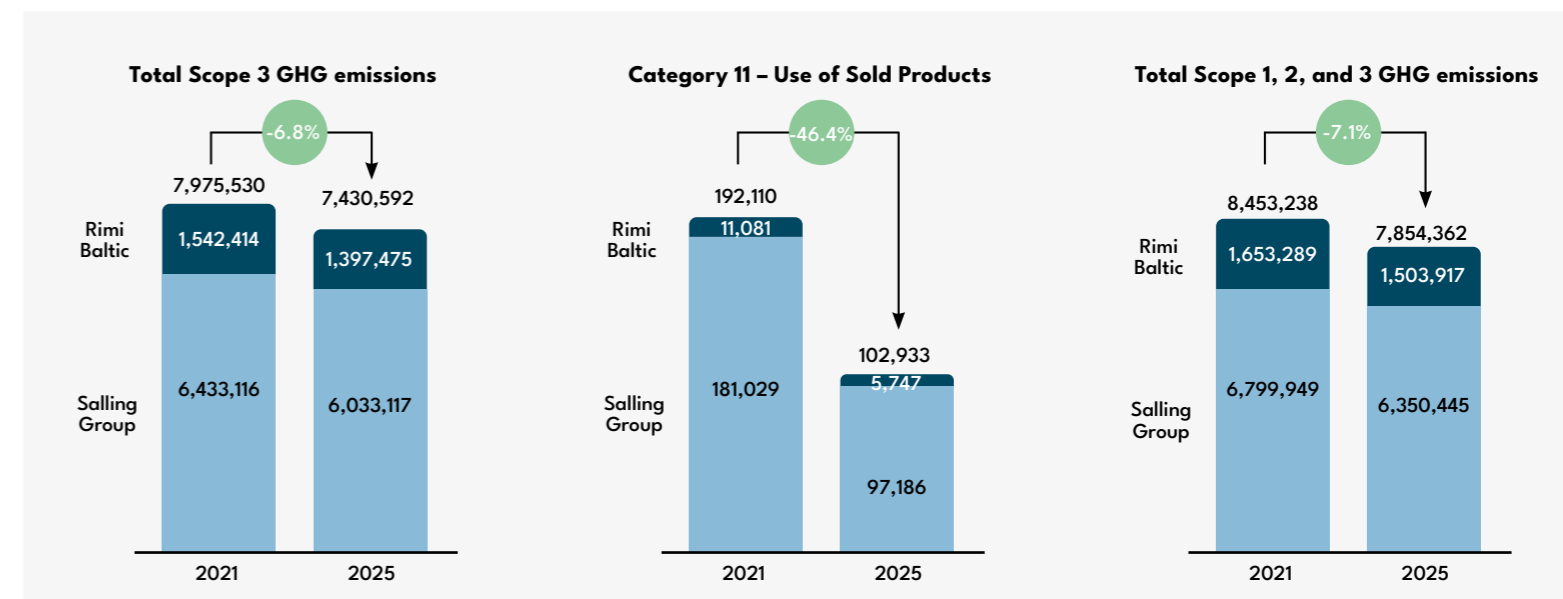
Category 7 (Employee Commuting) has decreased by 11.2% in 2025. Adjusted for the acquisition of Rimi Baltic, Category 7 has decreased by 26.2%. A new survey conducted

in 2025 shows that employees work more from home and drive fewer kilometres to their workplace.

Category 11 (Use of Sold Products) has decreased by 11.0% in 2025. Adjusted for the acquisition of Rimi Baltic, Category 11 has decreased by 16.0% in 2025, primarily due to lower emission factors and a change in the mix of products sold. Compared to baseline year 2021, Category 11 has decreased by 46.4%.

Although the reduction exceeds our SBTi target, it is largely attributable to a decrease in the electricity emission factors and to developments in customer demand. Salling Group will continue to pursue targeted efforts to achieve a long-term reduction in Category 11 towards 2030.

Category 12 (End-of-Life Treatment of Sold Products) has increased by 27.1% in 2025. Adjusted for the acquisition of Rimi Baltic, Category 12 has increased by 2.6%, primarily due to a change in the mix of products sold compared to 2024.



Social

	Unit	2025	2024	Dev. to LY	Target
People					
Headcounts all	No.	69,823	56,669	23.2%	
Diversity ¹⁾ : Group Leadership Team	%	18.2	18.2	0.0%	40% (2030)
Diversity: Vice presidents	%	20.5	17.1	19.7%	40% (2030)
Diversity: Directors+	%	37.3	24.2	54.3%	40% (2030)
Diversity: Managers+	%	63.6	54.0	17.9%	40% (constant)
Diversity: All employees	%	59.4	55.4	7.1%	40% (constant)
Safety (LTIF)	Ratio	9.1	10.3	-12.0%	
Sickness absence	%	4.5	4.1	10.8%	
Employee turnover	%	28.4	29.9	-5.1%	
People in job training (DK only)	No.	1,138	1,019	11.7%	
Products					
Risk screening activated	%	100.0	100.0	0.0%	100% (constant)
Risk screening completed	%	93.8	92.1	1.8%	
– Green	%	94.3	94.5	-0.2%	
– Yellow	%	1.5	0.9	66.7%	
– Red	%	4.0	4.6	-13.0%	
– Suspended	%	0.0	0.0		
Food safety (DK only)	%	88.5	91.5	-3.2%	100% (constant)

1) Diversity expresses the share of women

People

Diversity

Gender diversity remains part of Salling Group’s corporate priorities (5K) in 2025. In 2025, 59.4% of all employees are women (2024: 55.4%). Adjusted for the acquisition of Rimi Baltic, 55.5% of all employees are women.

For the group of Managers+ 63.6% of employees are women (2024: 54.0%). For Directors+ it is 37.3% (2024: 24.2%). This development is especially driven by the acquisition of Rimi Baltic, where 89.7% of managers are women.

Safety (LTIF)

The KPI safety decreased by 12.0% to 9.1 in 2025 (2024: 10.3). Adjusted for the acquisition of Rimi Baltic, safety decreased by 3.2%, indicating fewer injuries relative to the number of working hours in 2025.

Sickness absence

Sickness absence has increased by 0.4 percentage points to 4.5% in 2025 (2024: 4.1%). Adjusted for the acquisition of Rimi Baltic, sickness absence has decreased by 0.1 percentage points to 4.0%.

Employee turnover

Employee turnover has decreased by 1.5 percentage points to 28.4% in 2025 (2024: 29.9%) Adjusted for the acquisition of Rimi Baltic, employee turnover has decreased by 2.1 percentage point to 27.8%.

Products

Risk screening of suppliers

Risk screening completion increased by 1.7 percentage points to 93.8% in 2025 (2024: 92.1%). This KPI covers Salling Group’s operations excluding Rimi Baltic. This progress is driven by normal purchasing activity, onboarding of new suppliers, and follow-up on suppliers with incomplete documentation. The completion rate reflects the extent to which individual vendors have correctly registered their producers and uploaded the required documentation regarding compliance with our Code of Conduct and belonging requirements. A fully completed profile forms the basis for several due diligence processes, including monitoring, preventive measures, and remediation.

Vendor score distribution has remained broadly stable. The proportion of yellow and red scores is largely driven by expired documentation. This pattern is influenced by the audit cycle: many factories conclude their audits in December and renew their documentation at the last moment. As a result, a number of vendors temporarily appear with expired documents, which are typically replaced by updated audit reports early in the following year.

Food safety (DK)

The food safety score decreased by 3.0 percentage points to 88.5% in 2025 (2024: 91.5%). The development is influenced by a new control strategy from the Danish Veterinary and Food Administration, which has resulted in fewer inspections and only one follow-up visit instead of two in connection with ordinary sanctions. Food safety remains a high priority for Salling Group, and continuous follow-up is carried out, as food safety is an important KPI for all food business activities.

Governance

	Unit	2025	2024	Dev. to LY	Target
Governance					
Diversity: Board	%	33.3	0.0	-	40% (2026)
Buyers trained in responsible procurement	%	80.7	80.0	0.9%	80% (constant)
Vendor satisfaction score	Score	4.4	4.3	1.5%	

Diversity board

The Board of Directors underwent changes in 2025, as two female members were appointed to the Board. As of 2025, the Board consists of six individuals, two of whom are female corresponding to 33.3%

Buyers trained in responsible procurement

All Salling Group commercially related Category Managers and Category Buyers are required to complete a training programme on responsible procurement, covering the Code of Conduct, due diligence, human rights, the ILO principles, and responsible buying practices. In 2025, participation rate increased by 0.7 percentage points to 80.7% – primarily due to higher training frequency and updates to the training format and content.

Vendor satisfaction score

The vendor satisfaction score increased by 0.1 percentage points to 4.4 in 2025 (2024: 4.3) on a score from 1 to 5. Upon request from Salling Group, Rambøll has performed a supplier satisfaction survey. 493 suppliers were invited, of which 298 participated in the survey, corresponding to a response rate of 60.4% (2024: 392 out of 582 suppliers, corresponding to response rate of 67.4%). There were no changes to the survey distribution practice that could explain the lower response rate. The number of invited vendors may vary annually in line with changes in the overall vendor base.

ESG Statements Accounting policies

Environment

Energy

Electricity and heating data is primarily obtained through digital meter readings, manual readings, or supplier invoices, depending on local infrastructure and availability in all six countries. For locations with missing data or significant error-based deviations, estimates are based on monthly average consumption in comparable stores by format, country, and size. Consumption attributable to tenants is excluded. Reported electricity consumption includes usage from the company's own electric vehicles as well as electricity generated by onsite solar panels, including any surplus production sold back to the grid.

Energy efficiency is defined as energy consumption per square meter. It is calculated by dividing the total energy consumption (electricity and heating) in MWh by the total floor area with recorded electricity use.

Water

Water consumption data is collected in m³ via digital or manual meter readings or supplier invoices, depending on data availability. For locations with missing data or significant error-based deviations, estimates are based on monthly average consumption in comparable stores by format, country, and size. Water efficiency is defined as water consumption per square meter. It is calculated by dividing the total water consumption in m³ by the total floor area (in m²) for which energy consumption is recorded.

Waste

Waste data is primarily obtained from disposal suppliers at the point of collection, where weightings are performed. In cases where weightings are not available, estimates are based on average container weights or historical weightings. Some suppliers record waste volumes in m³ and convert these to weight using standard estimation methods. All suppliers report both the quantity and type of waste collected.

Food waste, surplus food and food donations

Food waste is calculated in tonnes and originates from stores and distribution centres in all six countries. The food waste statement follows the Food Loss and Waste Accounting and Reporting Standard (FLW Protocol, 2016).

Food waste is defined as surplus food minus food donations. The food waste percentage is calculated as food waste (tonnes) divided by food sold (tonnes).

Surplus food includes all registered wasted food, including food donations. Food sold through Too Good To Go (TGTG) and food reused through upcycling initiatives are excluded from wasted food.

Food donations are recorded as units in the ERP system. In cases where donations are not registered, reports from the food collectors, stating the weight of the collected donations, are used instead.

Total emissions (Scope 1 and 2)

Direct and indirect greenhouse gas (GHG) emissions (Scopes 1 and 2) are measured and reported in tonnes of CO₂ equivalents.

Scope 1 and 2 GHG intensity ratios

GHG intensity ratio (revenue tDKK) shows the percentage of total Scope 1 and 2 emissions (tCO₂e) divided by total revenue (tDKK).

GHG intensity ratio (m²) shows the percentage of total Scope 1 and 2 emissions (tCO₂e) divided by total floor space (m²).

Scope 1 GHG emissions

Scope 1 emissions relate to activities under Salling Group's operational control, including heating (natural gas and oil), fuel consumption for company vehicles, refrigerants and oil emissions from stores, warehouses and head offices.

Emission factors for calculating Scope 1 emissions are sourced from Department for Environment, Food & Rural Affairs (DEFRA) (updated November 2025).

Metrics are calculated based on the following data:

Heating (Natural gas)

Natural gas consumption for heating is measured in kWh or m³ and converted to MWh. Data is obtained from energy management systems, manual meter readings, or supplier invoices.

Heating (Oil)

Heating oil, including diesel and liquefied petroleum gas (LPG), is measured in liters and converted to MWh for

reporting purposes. Data is sourced from digital or manual readings and supplier invoices.

Fuel consumption

Fuel consumption for leased vehicles is measured in liters or kilometers. Reporting data is sourced from fuel and mileage reports provided by leasing suppliers, supplemented by invoice data, depending on availability at each location.

Refrigerants

Delimitation: Skagenfood and Bodebjerg do not use refrigerants and consequently have no refrigerant consumption.

Refrigerants are measured in kilograms and recorded by suppliers during leak-related refills. Salling Group accounts for emissions from all refrigerants, not only those listed under the Kyoto Protocol.

Refrigerant data is obtained from supplier reports and invoices documenting the quantities of refrigerants refilled.

Scope 2 GHG emissions

Scope 2 emissions relate to Salling Group's consumption of purchased electricity and district heating. Emissions from the company's own solar energy production are reported as zero, in accordance with standard accounting treatment. Additional information on electricity and heating data is available in the Energy section.

In accordance with the GHG Protocol, emissions are calculated using both the location-based and market-based methods. Total Scope 2 GHG emissions includes electricity market-based emissions and location-based district heating emissions.

Electricity

Electricity consumption is reported in MWh. Location-based emissions are calculated by multiplying electricity consumption with relevant grid emission factors from recognised national and international authorities (The General Electricity Declaration and AIB). Market-based emissions are calculated using supplier-specific electricity declarations where available, or residual mix emission factors from recognised national and international sources (Energinet and IEA).

Heating (District heating)

District heating consumption is measured in kWh, MWh or GJ, which are converted to MWh prior to emission calculation. Emissions are calculated by multiplying consumption with relevant district heating emission factors from recognised national and international sources (Kredsløb, HOFOR, IEA), taking into account regional differences where applicable.

Scope 3 GHG emissions

Scope 3 emissions refer to all indirect emissions (not included in Scope 2) that occur in the value chain of Salling Group, including upstream and downstream emissions. All categories of Scope 3 emissions were assessed, but only those material were included. The following Scope 3 categories were excluded as they were assessed to be non-material:

- Category 9 – Downstream Transportation and Distribution
- Category 10 – Processing of Sold Products
- Category 15 – Investments

Scope 3 GHG intensity ratio

GHG intensity ratio (revenue tDKK) shows the percentage of total Scope 3 emissions (tCO₂e) divided by total revenue (tDKK).

Category 1 – Purchased Goods and Services

Methodology: Average data method.

Delimitation: The category includes all goods for resale and smaller goods not for resale used in stores, excluding items covered under Category 2. Data centres and cloud solutions are also included, except those related to Rimi Baltic. No other services are included in the calculation. Skagen-food and Bodebjerg are not included in this category.

Salling Group’s total purchases during the financial period, measured in kilograms or pieces, are multiplied by relevant emission factors sourced from recognised national and international sources (Ecoinvent, Carbon Trust), and other product-specific LCAs.

Primary activity data for these calculations is extracted from Salling Group’s ERP system. Emission factors cover cradle-to-gate emissions, including upstream transportation.

Category 2 – Capital Goods

Methodology: Spend-based method.

The category includes all upstream (cradle to gate) emissions of purchased capital goods, and follows the financial accounting policy for property, plant and equipment and right-of-use assets, with data sourced from the asset register. Calculations are based on aggregated values for each asset class, multiplied by relevant supply chain emission factors provided by DEFRA (2011). The amounts are adjusted for inflation. The emission factors also take technological improvements into account by using the IEA “elec. & heat” world average.

Category 3 – Fuel and Energy-Related Activities not covered by Scope 1 and 2

Methodology: Average data method.

The category covers upstream emissions from fuel, gas, oil, heating and electricity, as well as transmission and distribution losses for all units not included in Scope 1 and Scope 2. Calculations are based on consumption activity data multiplied with emission factors sourced from DEFRA and IEA.

Category 4 – Upstream Transport and Distribution

Methodology: Distance-based and fuel-based methods are applied for transportation activities, while site-specific data is used for distribution activities.

Upstream transportation includes the movement of goods between distribution centres and stores, as well as return trips. Emissions are calculated based on kilometers driven and fuel consumption per kilometer, using data from internal transport management systems and, when available, fuel consumption data reported by subcontractors. For transportation managed by third-party logistics providers, reported CO₂e emissions are used where available.

Distribution activities relate to rented storage facilities. Emissions are calculated based on site-specific electricity consumption data obtained from third-party suppliers and multiplied by emission factors.

Fuel-related CO₂e emission factors are sourced from DEFRA, while electricity-related emission factors are obtained from recognised national and international sources (Energinet and IEA).

Category 5 – Waste Generated in Operations

Methodology: Waste type-specific method.

Delimitation: The category includes waste data from landfill and waste water emissions.

Calculations are based on data provided by suppliers on waste quantities, multiplied by relevant emission factors from DEFRA. Where applicable, emissions related to supplier-managed waste transport and handling are included based on calculations performed by the waste management providers. In countries where actual activity data is not available, waste-related quantities are estimated using the best available data.

Category 6 – Business Travel

Methodology: Distance-based method.

Delimitation: The category includes registered business travel by air, road, bus, and rail in all six countries.

Emissions from business travel are primarily derived from data provided by travel agencies and expense management systems.

Air travel emissions are determined based on the distance flown and fuel consumption data reported by airlines.

Emissions from road, bus, and rail travel are calculated using the number of kilometers travelled, based on official mileage records, travel reports, and booking systems.

Category 7 – Employee Commuting

Methodology: Distance-based method.

The calculation is based on most recent and available employee commuting survey results to capture travel distances and modes of transport. The surveys are used to determine average commuting patterns at an aggregated level. Emissions are calculated by applying relevant emission factors for different modes of transport, sourced from DEFRA.

Category 8 – Upstream Leased Assets

The leased cars and properties are included in Scope 1 and 2.

Category 11 – Use of Sold Products and Category 12 – End-of-Life Treatment of Sold Products

Methodology: Average data method.

Delimitation: Skagenfood and Bodebjerg are not included in both categories.

For Category 11, emissions are calculated only for electrical products. For Category 12, the total sales of goods during the financial period, measured in kilograms or pieces, are multiplied by emission factors sourced from recognised national and international sources (Ecoinvent, Carbon Trust), and other product-specific LCAs. Primary activity data for these calculations is extracted from Salling Group’s ERP system. The applied emission factors cover emissions from the use phase of a product (Category 11) and the end-of-life treatment of a sold product (Category 12).

Category 13 – Downstream Leased Assets

Methodology: Combination of average data and asset-specific data.

Calculations are based on the floor area (m²) of properties leased to third parties.

Energy consumption is determined using asset-specific data, such as meter readings and utility invoices, supplemented by estimates where direct measurements are unavailable. Where separate metering is not in place, consumption is estimated based on floor area and average energy use in comparable subleased properties.

The resulting energy consumption is multiplied by emission factors sourced from recognised national and international sources (Energinet, HOFOR, Kredsløb and IEA) to calculate the associated CO₂e emissions.

Category 14 – Franchise

The standalone stores are included in Scope 1 and 2.

Social

People

Headcounts

The average headcount for the year represents the total number of employees, including full-time, part-time, and temporary staff.

The calculation is based on the average end-of-month headcount.

Diversity

Diversity is expressed as a percentage and defined as the share of female employees relative to male employees. The representation of women is reported across different organisational levels, including Executive, Vice President, Director, Manager, and the overall employee population. Salling Group applies a shared framework to ensure clear and consistent definitions of roles and positions. This provides a solid foundation for responsibilities, competencies, and job levels across the organisation.

This metric is reported using a cascading effect, where Manager+ includes all corporate titles from manager level upwards, and Director+ includes all corporate titles from director level upwards, both up to and including the Group Leadership Team.

Data is sourced from the HR system and reflects the status as of the end of the reporting period.

Safety

Safety performance is measured using the Lost Time Injury Frequency (LTIF), defined as the number of reported work-related injuries resulting in more than one day of absence per 1,000,000 working hours during the reporting period.

Injury data is registered in internal incident reporting systems, while average headcount data are sourced from the HR system.

Sickness absence

Employee sickness absence is expressed as a percentage and calculated as the total hours of sickness absence divided by the total working hours, including paid overtime. Data are sourced from HR systems.

Employee turnover

Employee turnover rate is expressed as a percentage of the total average headcount. Voluntary employee resignations are reported across all countries. Data is sourced from HR systems.

People in job training

The KPI is only reported for Denmark and calculates people outside the labour market who are in unpaid internships within Salling Group sites in Denmark. The purpose is to provide practical job training to individuals and help determine their job readiness. The KPI is reported as an average and is sourced from the HR system.

Products

Risk screening of suppliers

The KPI measures the annual status of supplier risk screening within Salling Group’s Responsible Sourcing System. The KPI is excluding Rimi Baltic. The screening is to ensure that all in-scope suppliers, and their applied production sites live up to our requirements related to human rights and working conditions (which are included in our Code of Conduct), and best production practices. In-scope suppliers are those delivering corporate-brand products, including private label, no-name, tertiary brands or directly sourced products. “Risk screening activated” refers to the total number of suppliers identified for risk screening, and the percentage of whom risk screening procedures are in place, regardless of when the screening was first initiated. Risk screening completed defines the percentage of total risk screenings completed during the reporting period and with an assigned compliance risk score (either as green, yellow, red or suspended) relative to the total scope of risk screenings activated. Compliance status for completed profiles are categorised using colour-coded indicators, where green represents valid and approved documentation, yellow represents pending documentation, and red represents expired documentation. The distribution of compliance levels is reported as the percentage share of completed profiles in each category. Suspended suppliers are reported as a percentage of activated suppliers.

The KPI is based on monthly system data extracted from the Responsible Sourcing System and aggregated on an annual basis for ESG reporting.

Food safety (DK)

Food safety is reported only for Denmark and measures the share of inspections with a “happy smiley” (also referred

to as a “#1 result”, i.e., inspections without sanctions) out of the total number of food inspections in Danish stores performed by the The Danish Veterinary and Food Administration (DVFA) during the reporting period.

DVFA monitors compliance with food and feed legislation and inspects stores at varying frequencies based on risk level, consumer complaints, campaigns, etc. Each inspection results in a written report and an outcome graded with a smiley symbol from #1 to #4. A #1 result indicates full compliance without sanctions, while #2–#4 indicate inspections with sanctions, from minor deviations to more severe outcomes (e.g., fines, police reports, quarantine, or withdrawal of authorisation or registration). Only #1 results are included in our reporting.

Comparable data are not published in the same way in other countries, and we are therefore unable to report food safety performance outside Denmark on a similar basis. For Salling Group Denmark, DVFA inspects food businesses at different intervals depending on size and risk complexity, with an average inspection frequency of approximately one inspection per site per year. If a store does not receive a #1 result, DVFA will require a follow-up inspection.

Governance

Diversity Board

Board diversity is expressed as a percentage and defined as the proportion of female board members compared to male board members, excluding employee representatives. Data is reported as of the end of the reporting period.

Buyers trained in responsible procurement

The KPI measures the share of in-scope employees, as of the end of the reporting year, who have completed the mandatory Responsible Sourcing training either in the reporting year or the previous years. In scope employees refer to Category Buyers and Category Managers, who are commercial employees involved in buying processes across Salling Group’s formats and countries, excluding Rimi Baltic, Skagenfood, Bodebjerg and franchise operations. The training is offered several times a year through both physical sessions and online webinars.

Data is sourced from HR systems and validated against position titles, personnel areas, and corporate roles to ensure completeness. The result reflects actual participation within the defined employee scope and is aggregated annually for ESG reporting.

Vendor satisfaction score

The KPI is based on an annual vendor survey conducted in collaboration with Rambøll Management Consulting ApS. The survey is based on vendors covering the Danish market and targets the largest vendors by annual spend across categories, excluding vendors selling exclusively to Salling department stores. The survey is conducted annually in November and December, and the reported KPI reflects the anonymous results from the survey carried out in the reporting period. Suppliers are asked to rate their overall

satisfaction with their cooperation with Salling Group on a 5 point Likert scale, where 1 being Very dissatisfied and 5 being Very satisfied. The KPI represents the average of all valid responses received.

Consolidated Financial Statements





Consolidated Financial Statements

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Consolidated income statement

DKK million

Notes	2025	2024
Retail revenue	82,438	71,616
Other revenue	730	560
4 Total revenue	83,168	72,176
Cost of sales	-58,529	-51,045
Gross profit	24,639	21,131
5 Staff expenses	-10,822	-9,546
6 Other external expenses	-7,372	-6,363
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	6,445	5,222
7 Depreciation, amortisation and impairment losses, net	-3,283	-2,560
Net gain on disposal of investment properties, property, plant and equipment and intangible assets	83	31
Operating profit (EBIT)	3,245	2,693
8 Financial income	117	219
9 Financial expenses	-779	-626
Profit before tax	2,583	2,286
10 Income tax	-593	-577
Profit for the year	1,990	1,709

The profit for the year is attributable to the shareholders of Salling Group A/S.

Consolidated statement of other comprehensive income

DKK million

Notes	2025	2024
Profit for the year	1,990	1,709
Other comprehensive income, net of tax		
Items that will not be reclassified to the consolidated income statement		
Remeasurement of defined benefit plans	-7	-10
	-7	-10
Items that subsequently are or may be reclassified to the consolidated income statement		
Exchange rate differences on translating foreign operations	78	150
Cash flow hedges, value adjustment for the year	64	-9
Cash flow hedges, reclassified to financial expenses	1	-59
	143	82
Other comprehensive income for the year, net of tax	136	72
Comprehensive income for the year	2,126	1,781

The comprehensive income for the year is attributable to the shareholders of Salling Group A/S.

Consolidated balance sheet at 31 December

DKK million

Assets	2025	2024
Notes		
Non-current assets		
11 Intangible assets		
Goodwill	404	57
Software	503	418
Software development in progress	124	138
Brands	2,579	58
Customer loyalty programs	484	-
Other intangible assets	88	33
Total intangible assets	4,182	704
12 Property, plant and equipment		
Land and buildings	22,724	19,370
Fixtures, fittings, tools and equipment	4,135	3,365
Leasehold improvements	993	773
Assets under construction and prepayments	187	202
Total property, plant and equipment	28,039	23,710
13 Right-of-use assets		
Land and buildings	8,216	5,312
Fixtures, fittings, tools and equipment	155	111
Total right-of-use assets	8,371	5,423
14 Investment properties	540	462
Financial assets		
15 Equity investments	7	-
15 Other non-current financial assets	131	-
Total financial assets	138	-
16 Deferred tax assets	196	91
Total non-current assets	41,466	30,390

Consolidated balance sheet at 31 December

DKK million

Assets - continued	2025	2024
Notes		
Amount transferred	41,466	30,390
Current assets		
17 Inventories	7,496	6,247
Receivables		
15 Trade receivables	124	97
Income tax receivables	113	89
15 Other receivables	760	640
Prepayments	275	138
15 Other current financial assets	4	13
Total receivables	1,276	977
15 Securities	1,707	1,261
15 Cash and cash equivalents	1,320	1,543
18 Assets classified as held for sale	-	8
Total current assets	11,799	10,036
Total assets	53,265	40,426

Consolidated balance sheet at 31 December

DKK million

Equity and liabilities	2025	2024
Notes		
Equity		
Share capital	524	524
Foreign currency translation reserve	317	239
Cash flow hedge reserve	24	-41
Retained earnings	14,647	12,914
Proposed dividends	250	200
Total equity	15,762	13,836

Consolidated balance sheet at 31 December

DKK million

Equity and liabilities - continued	2025	2024
Notes		
Amount transferred	15,762	13,836
Liabilities		
Non-current liabilities		
19 Pensions	182	196
16 Deferred tax liabilities	967	666
20 Provisions	176	141
15 Mortgage loans	9,855	6,704
13, 15 Lease liabilities	7,804	5,256
15 Bank loans	1,500	-
15 Other non-current financial liabilities	26	74
Total non-current liabilities	20,510	13,037
Current liabilities		
20 Provisions	107	48
15 Mortgage loans	355	346
13, 15 Lease liabilities	1,474	905
15 Bank loans	1,000	-
15 Credit facilities	-	39
15 Other current financial liabilities	497	481
15 Trade payables	10,579	9,200
Income tax payable	79	7
15 Other payables	2,824	2,500
Deferred income	78	27
Total current liabilities	16,993	13,553
Total liabilities	37,503	26,590
Total equity and liabilities	53,265	40,426

Consolidated cash flow statement

DKK million

Notes	2025	2024
Profit before tax	2,583	2,286
21 Adjustments	3,980	2,957
22 Change in working capital	-597	-182
Net cash flows from operating activities before financial items and tax	5,966	5,061
Interest received	107	187
Interest paid	-779	-593
Income tax paid	-544	-506
Net cash flows from operating activities	4,750	4,149
11 Purchase of intangible assets	-247	-153
12 Purchase of property, plant and equipment	-2,189	-2,094
14 Purchase of investment properties	-9	-7
Proceeds from sale of investment properties, property, plant and equipment and intangible assets	201	131
26 Acquisition of businesses, net of cash received	-6,490	-
Purchase of securities	-770	-147
Sale of securities	334	186
Purchase of other financial assets	-7	-
Net cash flows from investment activities	-9,177	-2,084

Consolidated cash flow statement

DKK million

Notes	2025	2024
Amount transferred	-4,427	2,065
Payments of other financial liabilities	-4	-28
Payments to related parties	-49	-
Payments from related parties	21	65
13 Payments lease liabilities	-1,188	-821
Proceeds from bank loans	3,000	-
Repayments of bank loans	-500	-
Proceeds from mortgage loans	3,524	-
Repayments of mortgage loans	-364	-251
Dividends paid to the shareholders of the parent	-200	-200
Net cash flows from financing activities	4,240	-1,235
Net change in cash and cash equivalents	-187	830
Cash and cash equivalents at 1 January	1,504	676
Net foreign exchange difference	3	-2
23 Cash and cash equivalents at 31 December	1,320	1,504

Consolidated statement of changes in equity

DKK million

2025:

	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January	524	239	-41	12,914	200	13,836
Profit for the year	-	-	-	1,740	250	1,990
Remeasurement of defined benefit plans net of tax	-	-	-	-7	-	-7
Exchange rate differences on translating foreign operations	-	78	-	-	-	78
Cash flow hedges, value adjustment for the year	-	-	64	-	-	64
Cash flow hedges, reclassified to financial expenses	-	-	1	-	-	1
Other comprehensive income	-	78	65	-7	-	136
Total comprehensive income for the year	-	78	65	1,733	250	2,126
Payment of dividends	-	-	-	-	-200	-200
Total transactions with owners	-	-	-	-	-200	-200
Equity at 31 December	524	317	24	14,647	250	15,762

Consolidated statement of changes in equity

DKK million

2024:

	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January	524	89	27	11,415	200	12,255
Profit for the year	-	-	-	1,509	200	1,709
Remeasurement of defined benefit plans net of tax	-	-	-	-10	-	-10
Exchange rate differences on translating foreign operations	-	150	-	-	-	150
Cash flow hedges, value adjustment for the year	-	-	-9	-	-	-9
Cash flow hedges, reclassified to financial expenses	-	-	-59	-	-	-59
Other comprehensive income	-	150	-68	-10	-	72
Total comprehensive income for the year	-	150	-68	1,499	200	1,781
Payment of dividends	-	-	-	-	-200	-200
Total transactions with owners	-	-	-	-	-200	-200
Equity at 31 December	524	239	-41	12,914	200	13,836

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Notes to the consolidated financial statements

DKK million

1 General information

The primary business of Salling Group A/S and its subsidiaries (the Group) is the operation of various retail store formats and a number of e-commerce platforms. In Denmark, the Group operates the physical store formats Bilka, føtex, Netto, Salling and BR, while Netto stores are operated in Germany and Poland, and Rimi stores are operated in the three Baltic countries. The Group's online activities comprise Bilka.dk, føtex.dk, Salling.dk, flowr.dk and Skagenfood.dk. In addition, the Group operates Starbucks, Carl's Jr., Matinique, HUGO, and BOSS as franchises in Denmark.

The parent company, Salling Group A/S, covers all retail activities in Denmark, except for the sale of meal boxes, which is conducted through Skagenfood A/S.

Salling Group A/S is a limited company with its registered office at Rosbjergvej 33, 8220 Brabrand, Denmark.

2 Summary of material accounting policy information

The financial statements section of the annual report for the period 1 January – 31 December 2025 comprises the consolidated financial statements of the Group and the separate parent company's financial statements.

The consolidated financial statements of the Group and the separate parent company's financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further Danish requirements for class C large enterprises.

Effects of new or amended IFRS standards

Amendments and interpretations issued by the International Accounting Standards Board and endorsed by the European Union have become effective on or after 1 January 2025. These changes have not required any changes in the accounting policies. They have also not had a material impact on the consolidated financial statements or the separate parent company's financial statements. The 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

Reclassification of comparative figures

During the year, the Group reassessed the presentation of certain expenses in the income statement.

Costs of DKK 160 million relating to temporary staff and external consultants, previously recognised within staff expenses, have been reclassified to external expenses to better reflect the nature of these costs.

Cost reduction of DKK 371 million relating to own production, previously recognised within external expenses, has been reclassified to cost of sales.

The reclassifications has no impact on operating profit, profit for the year, total assets, total equity or cash flows.

The effect of the reclassification on the comparative figures 2024 is presented below:

- Cost of sales previously reported DKK 51,416 million is restated to DKK 51,045 million.
- Staff expenses previously reported DKK 9,706 million is restated to DKK 9,546 million.
- External expenses previously reported DKK 5,832 million is restated to DKK 6,363 million.

The reclassification was made to improve the comparability and transparency of the Group's expense presentation.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Basis of preparation

The functional currency of Salling Group A/S is Danish kroner (DKK). The presentation currency of the consolidated financial statements and the separate parent company's financial statements is Danish kroner (DKK). All amounts have been rounded to the nearest million, unless otherwise stated.

The consolidated financial statements and the separate parent company's financial statements 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.

Changes in group structure

In March 2025, Salling Group A/S entered into an agreement to acquire 100% of the shares in Rimi Baltic AB, which operates 314 retail stores through subsidiaries in Latvia, Estonia and Lithuania. Following regulatory approval, the transaction was completed on 2 June 2025. Rimi Baltic AB and its subsidiaries are included in the consolidated financial statements from the date of acquisition only. Due to the scale of the acquisition of Rimi Baltic, the 2025 figures are not directly comparable with previous years.

In June 2025 Skagenfood A/S exercised a call option and acquired the remaining 10% of Bodebjerg ApS. In accordance with the anticipated acquisition method, the transaction was accounted for as a settlement of a previously recognised NCI obligation. Skagenfood A/S holds 100% of the issued share capital and voting rights in Bodebjerg ApS as at 31 December 2025.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

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
Salling Group Ejendomme A/S	100%	Brabrand, Denmark
Salling Group Ejendomme II ApS	100%	Brabrand, Denmark
Salling Group Captiveforsikringselskab A/S	100%	Brabrand, Denmark
Dansk Netto Deutschland ApS	100%	Brabrand, Denmark
Skagenfood A/S	100%	Strandby, Denmark
Bodebjerg ApS ¹⁾	100%	Marslev, Denmark
Netto Supermarkt GmbH	100%	Stavenhagen, Germany
NETTO ApS & Co. KG ²⁾	100%	Stavenhagen, Germany
Netto sp. z o.o.	100%	Szczecin, Poland
Netto Indygo sp. z o.o.	100%	Szczecin, Poland
Rimi Baltic AB	100%	Solna, Sweden
Rimi Latvia SIA ³⁾	100%	Riga, Latvia
Rimi Baltic SIA ³⁾	100%	Riga, Latvia
Plesko Real Estate SIA ³⁾	100%	Riga, Latvia
Rimi Eesti Food AS ³⁾	100%	Tallinn, Estonia
Kinnisaravalduse AS ³⁾	100%	Tallinn, Estonia
Rimi Lietuva UAB ³⁾	100%	Vilnius, Lithuania
Hakonlita UAB ³⁾	100%	Vilnius, Lithuania

¹⁾ Subsidiary to Skagenfood A/S

²⁾ Subsidiary to Netto Supermarkt GmbH

³⁾ Subsidiary to Rimi Baltic AB

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

The following shareholders own more than 5% of the share capital and the voting rights in Salling Group A/S:

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

Salling Group A/S and its subsidiaries are included in the consolidated financial statements of Købmand Herman Sallings Fond, which is the ultimate controlling party of Salling Group A/S.

Accounting policies, income statement

Retail revenue

Retail revenue 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. Revenue from the sale of goods in physical stores is recognised at the point of sale (at delivery). Revenue from online sales is recognised at the time of collection in a store or upon delivery of the goods to the customer, 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.

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.

Comeback vouchers and other customer incentives give rise to a separate performance obligation, and the portion of the transaction price that is allocated to the customer loyalty programs 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 expected to be redeemed.

Other revenue

Other revenue comprises rental revenue and revenue from other income sources. Rental revenue arising from operating leases of properties and leases regarding in-store rental is recognised on a straight-line basis over the lease term.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Cost of sales

Cost of sales comprises the costs incurred in generating revenue, including supplier discounts attributable to the purchase price of the sold goods.

Staff expenses

Staff expenses comprise wages and salaries, post-employment benefits as well as staff 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 work year per employee.

Other external expenses

Other 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.

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.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

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 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.

Income tax

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

Salling Group A/S and its Danish subsidiaries 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.

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 at least 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.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

Software and software development in progress

Acquired software and software licences are measured on initial recognition at cost. Subsequent to initial recognition acquired software and software licences 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 measured reliably, and if the software is expected to generate probable future economic benefits.

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 impairment losses, if any.

Software development in progress is tested for impairment at least annually.

Brands, customer loyalty programs and other 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 impairment losses, if any. In cases where the useful life is indefinite, no amortisations takes place and an impairment test is performed at least once a year.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

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 with indefinite useful lives	No amortisation
Brands	15 years
Customer loyalty programs	10 years
Other intangible assets	3 - 10 years

Property, plant and equipment

Property, plant and equipment comprises land and buildings, fixtures, 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	10 - 40 years
Fixtures, 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 to 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 representing the obligation to make lease payments are recognised at the commencement date of the lease.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability measured at the present value of future lease payments, discounted using the interest rate implicit in the lease, if readily determinable, or otherwise an incremental borrowing rate. The cost also includes lease payments made at or before the commencement date, any initial direct costs and an estimate of costs to dismantle or restore the underlying asset, less any lease incentives received. Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairment losses, if any, and are adjusted for any remeasurement of the lease

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 - 99 years
Fixtures, 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.

Sale and leaseback transactions may occur in which an asset is sold and leased back under IFRS 16. A transaction is accounted for as a sale and leaseback only if the transfer of the asset qualifies as a sale under IFRS 15. Where the transfer qualifies as a sale, the asset is derecognised and a right-of-use asset for the right retained and a lease liability for the leaseback are recognised. Any gain or loss is recognised only to the extent that it relates to the rights transferred to the buyer-lessor.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

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 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.

Impairment testing of non-current assets

Goodwill, brands and software development in progress are tested for impairment annually. The carrying amount of other non-current assets are 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 fair value less costs to sell 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 amount 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 are 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 classification. Non-current assets are not depreciated or amortised once classified as held for sale.

Equity investments

The Group holds equity investments in unlisted companies that are not held for trading. Such equity investments are initially recognised and subsequently measured at fair value. At initial recognition, each equity investment is designated for recognition of changes in fair value either through the income statement or other comprehensive income. Changes in fair value recognised in other comprehensive income are presented in a separate reserve within equity. Dividends received from equity investments are recognised in the income

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 measured at amortised cost and classified 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

Other 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.

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.

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 that result from default events that are possible within the next 12 months are provided for. 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.

Cash and cash equivalents

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

Equity - Cash flow hedge reserve

The cash flow hedge reserve covers changes in the fair value of derivative financial instruments (interest rate swaps) designated as cash flow hedges.

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.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

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.

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. The Group has several lease contracts that contain obligations for interior reestablishment upon termination. The reestablishments do not have a significant impact for the Group. Provision for reestablishment and dilapidations are recognised where the Group has an obligation to reestablish its leased properties, when a decision to exit a lease has been made. The provisions are recognised based on historically settled dilapidations.

Provisions for the dismantling of plant and restoration of leasehold improvements on vacation of the premises are measured at the present value of the expected future restoration and dismantling costs at the end of the reporting period. Provisions are recognised as they arise and are adjusted on an ongoing basis in order to reflect changes in requirements and prices, etc. The present value of the costs is recognised in the cost of the property, plant and equipment in question and is depreciated with these assets. The increase of the present value due to the passage of time is recognised in the income statement as finance costs.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

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. Provisions for jubilee benefits are recognised based on expected future payments of jubilee benefits to current employees.

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. Derivatives, including 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. Most financial liabilities fall under this category. 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.

Notes to the consolidated financial statements

DKK million

2 Summary of material accounting policy information - continued

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.

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 interest rate implicit in the lease is used, if readily determinable, or otherwise an incremental borrowing rate is used. 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.

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 and deferred income tax relating to items recognised in the statement of other comprehensive income is also recognised in 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 changes in the size or composition of share capital and related costs as well as the raising of loans, repayment of interest-bearing debt including lease liabilities, and payment of dividends to shareholders.

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

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 the parent company, Salling Group A/S, and the subsidiaries in which Salling Group A/S directly or indirectly exercises control. Salling Group A/S exercises control, if Salling Group A/S 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 the parent company and the subsidiaries and are a pooling of accounting items of similar nature. On consolidation intra-group transactions are eliminated.

Business combinations

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 DKK 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 for the relevant period.

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.

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 effective portion of 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. Other changes in fair value of derivative financial instruments are recognised in the income statement. The positive and negative fair values of derivative financial instruments are included in other financial assets or other financial liabilities, respectively.

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, credit facilities, securities and cash and equivalents.

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:

Purchase price allocation

In connection with business combinations, the purchase price is allocated to identifiable assets and liabilities at their fair values as of the acquisition date through a Purchase Price Allocation (PPA). This process involves estimates and judgements that may affect the financial statements' content and presentation.

Key estimates related to the PPA include, but are not limited to:

Determination of fair value: The fair values of tangible and intangible assets and liabilities are assessed based on market data, valuation models, and expert appraisals. Common valuation techniques include discounted cash flow analyses, comparable market prices, or other relevant methods.

Identification and measurement of intangible assets: Judgements are required to identify and measure intangible that were not previously recognised in the acquired entity.

Goodwill: Goodwill is calculated as the excess of the purchase price over the fair value of identifiable net assets. It represents future economic benefits that cannot be individually identified and is subject to inherent uncertainty.

Liabilities and contingent liabilities: Estimates are made regarding liabilities, including provisions and contingent liabilities, which may impact the overall purchase price allocation.

These estimates and judgements are based on management's best knowledge at the acquisition date and may be revised as additional information becomes available during the measurement period (up to 12 months after acquisition). Changes in estimates may result in adjustments to the recognised amounts of assets, liabilities, and goodwill.

Notes to the consolidated financial statements

DKK million

3 Significant accounting judgements, estimates and assumptions - continued

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.

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.

Notes to the consolidated financial statements

DKK million

3 Significant accounting judgements, estimates and assumptions - continued

Valuation of intangible, tangible and right-of use assets

Intangible, tangible and right-of-use assets are tested for indications of impairment.

For goodwill, brands with indefinite useful lives and intangible assets that are not yet in use, annual impairment tests are performed. The impairment test is carried out for each cash-generating unit, typically individual stores. An impairment loss is recognised if the recoverable amount of an asset is lower than the asset's carrying amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a DCF model. The cash flows are derived from the five-year financial 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, tangible and right-of-use assets 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.

Notes to the consolidated financial statements

DKK million

3 Significant accounting judgements, estimates and assumptions - continued

Macroeconomic impact

Geopolitical turbulence

In 2025, the geopolitical risks and uncertainties remained elevated, most notably with the continuation of the war in Ukraine and the Israel-Palestine conflict.

The Group is not impacted directly by the war in Ukraine or the situation in the Middle East as the Group is not operating stores or other activities in the impacted areas. However, the Group is impacted by disturbances in global supply chains resulting in delays and increasing transport costs.

The continued tensions between Russia and the Western European countries have not materially impacted the Group's operations. However, a potential confrontation with Russia may cause a deterioration in the operating environment, especially in frontline states such as the Baltic countries and Poland, where the Group operates. Potential challenges could include lower consumer demand due to adverse impacts on the economy, increased operating costs due to supply chain disruptions, increased risk premiums and ultimately asset impairment risks.

In the Baltic countries, the Group operated 315 stores under the Rimi brand as at 31 December 2025. In Poland, the Group operated 693 stores under the Netto brand as at 31 December 2025.

The Group is of the view that the current risk of a confrontation with Russia is limited due to the existence of the Nato alliance but monitors the geopolitical situation in Europe on an ongoing basis and develops scenarios to mitigate risks, should tensions develop further.

Further, the increased trade frictions including tariffs may lead to higher operating costs due to changing sourcing patterns, higher energy and transport costs. The Group continues to monitor these developments and adapt to changes in the trading environment.

Notes to the consolidated financial statements

DKK million

3 Significant accounting judgements, estimates and assumptions - continued

Inflation

Headline inflation has fallen to 2% target in Europe and could fall below 2% in the medium-term due to easing wage pressure and stable energy prices. In Denmark a reduction in taxes on electricity will tend to pull inflation substantially lower in 2026 supporting an increase in consumers purchasing power after inflation.

Interests

The European central bank (ECB) has lowered its interest rates, bringing the depository rate down to 2% in 2025. The Danish Nationalbank has mirrored the policy from ECB. However, a weak DKK against EUR increases the risk of independent interest rate hike in 2026. ECB is expected to leave rates unchanged in 2026 as the growth outlook and the strong labour market conditions counter the inflation outlook.

The Group has increased its funding through long-term Danish mortgage loans, comprising both fixed-rate and floating-rate CIBOR-based loans, in connection with the acquisition of Rimi Baltic AB. To reduce interest rate risk and secure more fixed payments, part of the CIBOR-based loans is hedged using interest rate swaps with maturities of up to 10 years. In July, the Group entered a new interest rate swap for an amount of DKK 0.5 billion.

Notes to the consolidated financial statements

DKK million

4 Total revenue

	2025	2024
Retail revenue and e-commerce activities	82,438	71,616
Total retail revenue	82,438	71,616
Rental revenue, investment properties	77	79
Other rental revenue	472	309
Other revenue	181	172
Total other revenue	730	560
Total revenue	83,168	72,176
Geographical split		
Denmark	53,515	51,432
Abroad	29,653	20,744
Total revenue	83,168	72,176

The 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 material contract assets and liabilities or right of return assets and refund liabilities are recognised as at 31 December 2025 or 31 December 2024.

In a few situations primarily related to 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.

Notes to the consolidated financial statements

DKK million

	2025	2024
5 Staff expenses		
Wages and salaries incl. termination benefits	9,355	8,363
Post-employment benefits – defined contribution plans	644	497
Post-employment benefits – defined benefit plans	-5	-4
Social security costs	611	535
Other staff expenses	217	155
Total staff expenses	10,822	9,546
Average number of full-time employees	40,209	29,405

For a description of the key management personnel and an overview of their remuneration, refer to note 25.

6 Other external expenses

Fees paid to the auditors appointed at the annual general meeting:

Fee regarding statutory audit	5.9	3.8
Tax assistance	0.8	0.0
Assurance engagements	1.1	0.7
Other assistance	0.9	0.5
Total fee paid to the auditors appointed at the annual general meeting	8.7	5.0

In 2025, Salling Group A/S appointed Deloitte Statsautoriseret Revisionspartnerselskab as group auditor. In 2024, EY Godkendt Revisionspartnerselskab was the group auditor.

In 2025, fees for the statutory audit include DKK 2.4 million (DKK 0.3 million in 2024) paid to other auditors (the auditors appointed at the general meeting of Salling Group Captiveforsikringselskab A/S, Rimi Baltic AB and its subsidiaries).

In 2025, non-audit services provided by the group auditor amounted to DKK 2.8 million (DKK 1.2 million in 2024) and comprised advisory services, tax compliance services, and other assurance engagements, including ESG limited assurance.

Notes to the consolidated financial statements

DKK million

	2025	2024
7 Depreciation, amortisation and impairment losses, net		
Amortisation, Intangible assets	202	176
Depreciation, Property, plant and equipment	1,751	1,488
Depreciation, Right-of-use assets	1,265	874
Depreciation, Investment properties	14	12
Total	3,232	2,550
Impairment, Property, plant and equipment	27	5
Impairment, Right-of-use assets	22	3
Impairment, Investment properties	2	2
Total	51	10
Total depreciation, amortisation and impairment losses, net	3,283	2,560

8 Financial income

Interest income on loans and receivables	18	21
Net gain on derivatives not designated as hedging instruments	14	43
Net gain on financial instruments held for trading	35	47
Net foreign exchange gain	34	108
Other financial income	16	-
Total financial income	117	219

9 Financial expenses

Interest expense on mortgage loans	241	283
Cash flow hedges reclassified from other comprehensive income	1	-76
Interest expense on lease liabilities	424	360
Interest expense paid to banks	88	39
Interest expense on loans from entities with controlling influence	10	18
Other financial expenses	15	2
Total financial expenses	779	626

Notes to the consolidated financial statements

DKK million

10 Income tax

	2025	2024
Current income tax	-659	-491
Adjustment regarding prior years, current income tax	39	-2
Change in deferred tax	20	-58
Adjustment regarding prior years, deferred tax	-10	-4
Total income tax	-610	-555
Income tax recognised in the income statement	-593	-577
Income tax recognised in other comprehensive income	-17	22
Total income tax	-610	-555

Reconciliation of income tax recognised in the income statement

	2025		2024	
Tax on result for the year at the Danish income tax rate	-568	22.0%	-503	22.0%
Non-deductible costs	-156	6.0%	-57	3.2%
Non-taxable income	166	-6.4%	48	-2.7%
Deviating tax rates in foreign operations	-27	1.0%	-10	0.5%
Change in tax rates	-10	0.4%	-	0.0%
Adjustment to prior periods	29	-1.1%	-7	-0.5%
Not capitalised tax loss carry forwards	-25	1.0%	-48	2.7%
Other	-2	0.1%	-	0.0%
Income tax recognised in the income statement	-593	23.0%	-577	25.2%

Specification by country of the effective tax of 23.0% (25.2% in 2024) show above.

Denmark	20.8%	22.3%
Germany	41.5%	40.2%
Poland		
Netto sp. z o.o.	35.7%	22.9%
Netto Indygo sp. z o.o.	2.7%	1.6%
Estonia	50.4%	
Latvia	21.0%	
Lithuania	25.9%	

Notes to the consolidated financial statements

DKK million

10 Income tax - continued

Denmark

The corporate tax rate in Denmark is 22%. In 2025, the effective tax rate is 20.8 % mainly due to adjustment to tax audits from prior years, including the final settlement of a Mutual Agreement Procedure (MAP) between the German and Danish tax authorities (Transfer Pricing Audit).

Germany

The corporate tax rate in Germany is approximately 28%. In 2025, the effective tax is 41.5% mainly impacted by adjustments from tax audits related to prior years, including the final settlement of a Mutual Agreement Procedure (MAP) between the German and Danish tax authorities (Transfer Pricing Audit).

Poland

The corporate tax rate in Poland is 19%. In 2025, the effective tax rate for Netto sp. z o.o. is 35.7%, impacted by non-deductible costs and lower taxable income. In 2025, the effective tax rate for Netto Indygo sp. z o.o. is 2.7%, mainly impacted by tax losses not recognised. Netto Indygo sp. z o.o. was unprofitable, and the deferred tax asset related to the tax loss carryforward for 2025 and prior years has not been recognised due to uncertainty regarding future taxable profits. As at 31 December 2025, the tax value of the unrecognised tax losses amounts to DKK 690 million. Tax losses may be carried forward for five consecutive tax years, subject to restrictions under local tax rules on annual utilisation.

Estonia

The corporate tax rate in Estonia is 28.21%. In 2025, the effective tax rate is 50.4% due to high dividend distributions from Estonian subsidiaries. Tax is only recognised at the time of distribution, and no deferred tax is recognised in relation to undistributed profits. This results in a timing difference whereby tax is recognised in the financial year 2025 from dividend distributions exceeding the current financial year's earnings.

Latvia

The corporate tax rate in Latvia is 25%. In 2025, the effective tax rate is 21.0% due to low dividend distributions from Latvian subsidiaries. Tax is only recognised at the time of distribution, and no deferred tax is recognised in relation to undistributed profits. This results in a timing difference whereby tax is recognised in the financial year 2025 from dividend distributions that are lower than the current financial year's earnings.

Lithuania

The corporate tax rate in Lithuania is 16%. In 2025, the effective tax rate is 25.9% mainly due to non-deductable costs.

Notes to the consolidated financial statements

DKK million

10 Income tax - continued

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 under 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 on ensuring a global minimum level of taxation for multinational enterprise groups in the EU. There is no current tax impact for the year ended 31 December 2025.

Since 2024, the Group has applied the mandatory exception in IAS 12 and has not recognised or disclosed information about deferred tax assets and liabilities arising from Pillar Two income taxes.

The Group has assessed the potential exposure to Pillar Two income taxes based on the most recent tax filings, country-by-country reporting and financial statements for the Group. The effective tax rate is above 15% in Denmark, Germany, Estonia and Latvia. In Poland, the effective tax rate is below 15% due to tax losses in Netto Indygo Sp. z o.o. Lithuania passes the routine profit test and is therefore 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 statements.

Tax on other comprehensive income

	2025			2024		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Remeasurement of defined benefit plans	-10	3	-7	-13	3	-10
Exchange rate differences on translating foreign operations	78	-	78	150	-	150
Cash flow hedges, value adjustment for the year	84	-20	64	-11	2	-9
Cash flow hedges, reclassified to financial expenses	1	-	1	-76	17	-59
	153	-17	136	50	22	72

Notes to the consolidated financial statements

DKK million

11 Intangible assets

2025:

	Goodwill	Software	Software development in progress	Brands	Customer loyalty programs	Other intangible assets	Total
Cost							
Balance at 1 January	57	2,295	138	116	-	80	2,686
Foreign currency translation	2	-	-	4	-	-	6
Additions	-	96	86	-	-	65	247
Acquisitions through business combinations	345	43	11	2,525	514	-	3,438
Reclassifications	-	100	-111	-	-	-	-11
Balance at 31 December	404	2,534	124	2,645	514	145	6,366
Accumulated amortisation and impairment losses							
Balance at 1 January	-	-1,877	-	-58	-	-47	-1,982
Amortisation	-	-154	-	-8	-30	-10	-202
Balance at 31 December	-	-2,031	-	-66	-30	-57	-2,184
Carrying amount at 31 December	404	503	124	2,579	484	88	4,182

For information about acquisitions through business combinations, refer to note 26.

As at 31 December 2025, the Group recognised a brand with a carrying amount of DKK 2,529 million (2024: DKK 0 million) classified as brand with an indefinite useful life.

The brand is not amortised as management has assessed that it has an indefinite useful life. This assessment is based on the brand's strong market position, long-standing history, and continued investment in marketing and brand development, which support its ability to generate net cash inflows for the foreseeable future.

Management has not identified any legal, regulatory, contractual or economic factors that limit the useful life of the brand.

Notes to the consolidated financial statements

DKK million

11 Intangible assets - continued

2024:

	Goodwill	Software	Software development in progress	Brands	Customer loyalty programs	Other intangible assets	Total
Cost							
Balance at 1 January	57	2,235	74	116	-	76	2,558
Additions	-	26	121	-	-	6	153
Reclassifications	-	50	-57	-	-	-	-7
Disposals	-	-16	-	-	-	-2	-18
Balance at 31 December	57	2,295	138	116	-	80	2,686
Accumulated amortisation and impairment losses							
Balance at 1 January	-	-1,732	-	-49	-	-41	-1,822
Amortisation	-	-161	-	-9	-	-6	-176
Disposals	-	16	-	-	-	-	16
Balance at 31 December	-	-1,877	-	-58	-	-47	-1,982
Carrying amount at 31 December	57	418	138	58	-	33	704

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, German and Baltic retail activities.

Carrying amount of goodwill within the Group:

	2025	2024
Danish retail activities	18	18
German retail activities	40	39
Baltic retail activities	346	-
	404	57

The recoverable amount of goodwill 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 before tax applied to the cash flow projections is 6.5% - 7.5% (6.3% in 2024), 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 2024). As a result of the impairment test management did not identify any impairment losses regarding goodwill in 2025.

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 2026 - 2030.

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 by the Group's investors. 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 cash flows in order to reflect a 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 and Software development in progress

No impairment losses have been recognised regarding software and software development in progress in 2025 or 2024.

Brands

The test for impairment of brands is performed using the relief-from-royalty method and is based on the expected future cash flows generated from the royalty payments avoided for the individual brand for the next 10 years and projections for subsequent years. The discount rates before tax applied to the cash flow projections are 6.5%-7.5% (6.3% in 2024), and cash flows beyond the ten-year period are extrapolated using a 2% growth rate before tax, which is the expected long-term inflation rate (2% in 2024).

No impairment losses have been recognised regarding brands in 2025 or 2024.

Customer loyalty programs

No impairment losses have been recognised regarding customer loyalty programs in 2025.

Other intangible assets

No impairment losses have been recognised regarding other intangible assets in 2025 or 2024.

Notes to the consolidated financial statements

DKK million

12 Property, plant and equipment

2025:	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Assets under construction and prepayments	Total
Cost					
Balance at 1 January	29,791	10,440	2,032	202	42,465
Foreign currency translation	105	27	5	1	138
Additions	739	1,063	190	197	2,189
Acquisitions through business combinations	3,049	710	157	52	3,968
Reclassifications	83	19	21	-263	-140
Disposals	-130	-530	-7	-2	-669
Balance at 31 December	33,637	11,729	2,398	187	47,951
Accumulated depreciation and impairment losses					
Balance at 1 January	-10,421	-7,075	-1,259	-	-18,755
Foreign currency translation	-21	-15	-3	-	-39
Depreciation	-616	-1,005	-130	-	-1,751
Impairment losses	-5	-14	-20	-	-39
Reversals of impairment losses	11	-	1	-	12
Reclassifications	60	-	-	-	60
Disposals	79	515	6	-	600
Balance at 31 December	-10,913	-7,594	-1,405	-	-19,912
Carrying amount at 31 December	22,724	4,135	993	187	28,039

For information about acquisitions through business combinations, refer to note 26.

Notes to the consolidated financial statements

DKK million

12 Property, plant and equipment - continued

2024:	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Assets under construction and prepayments	Total
Cost					
Balance at 1 January	28,930	9,481	1,874	155	40,440
Foreign currency translation	144	34	6	1	185
Additions	670	1,081	170	173	2,094
Reclassifications	101	34	-	-127	8
Reclassified as held for sale	-8	-	-	-	-8
Disposals	-46	-190	-18	-	-254
Balance at 31 December	29,791	10,440	2,032	202	42,465
Accumulated depreciation and impairment losses					
Balance at 1 January	-9,909	-6,374	-1,164	-	-17,447
Foreign currency translation	-27	-19	-3	-	-49
Depreciation	-518	-868	-102	-	-1,488
Impairment losses	-	-	-10	-	-10
Reversals of impairment losses	4	1	-	-	5
Reclassifications	-1	-	2	-	1
Disposals	30	185	18	-	233
Balance at 31 December	-10,421	-7,075	-1,259	-	-18,755
Carrying amount at 31 December	19,370	3,365	773	202	23,710

Notes to the consolidated financial statements

DKK million

12 Property, plant and equipment - continued

Impairment losses

Land and buildings incl. right-of-use and leasehold improvements

An annual test of indications of impairment is performed on format and store levels, with each store considered as a single cash-generating unit (CGU), because the stores are largely independent from other assets and groups of assets. 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 plans for the next five years approved by management. The cash flow projections are prepared at store level, consistent with the CGU definition.

The discount rate before tax applied to the cash flow projections for land and buildings incl. right-of-use and leasehold improvements, is 6.5% (2024: 6.3%) in Denmark and Germany, 8.9% (2024: 8.9%) in Poland and 7.5%–7.9% in the Baltics. Cash flows beyond the financial budget periods are extrapolated using a 2% (2024: 2%) growth rate before tax, which is the expected long-term inflation rate.

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 2025, impairment losses have 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 six Danish stores, eleven German stores and twenty Polish stores in 2025. At the same time, impairment losses have been reversed for one Danish store, five German stores and three Polish stores where the profitability has increased sufficiently to cover the investments.

Notes to the consolidated financial statements

DKK million

13 Leases

Right-of-use assets

2025:

	Land and buildings	Fixtures, fittings, tools and equipment	Total
Cost			
Balance at 1 January	9,362	197	9,559
Foreign currency translation	25	-	25
Additions	659	95	754
Acquisitions through business combinations	3,239	18	3,257
Remeasurement of lease liabilities	227	4	231
Disposals	-43	-45	-88
Balance at 31 December	13,469	269	13,738
Accumulated depreciation and impairment losses			
Balance at 1 January	-4,050	-86	-4,136
Foreign currency translation	-6	-	-6
Depreciation	-1,197	-68	-1,265
Impairment losses	-32	-	-32
Reversals of impairment losses	10	-	10
Disposals	22	40	62
Balance at 31 December	-5,253	-114	-5,367
Carrying amount at 31 December	8,216	155	8,371

For information about acquisitions through business combinations, refer to note 26.

Notes to the consolidated financial statements

DKK million

13 Leases - continued

Right-of-use assets

2024:

	Land and buildings	Fixtures, fittings, tools and equipment	Total
Cost			
Balance at 1 January	8,654	214	8,868
Foreign currency translation	28	1	29
Additions	426	60	486
Remeasurement of lease liabilities	393	-2	391
Disposals	-139	-76	-215
Balance at 31 December	9,362	197	9,559
Accumulated depreciation and impairment losses			
Balance at 1 January	-3,316	-112	-3,428
Foreign currency translation	-7	-	-7
Depreciation	-826	-48	-874
Impairment losses	-13	-	-13
Reversals of impairment losses	10	-	10
Disposals	102	74	176
Balance at 31 December	-4,050	-86	-4,136
Carrying amount at 31 December	5,312	111	5,423

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.

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 information about impairment losses on right-of-use assets, refer to note 12.

Notes to the consolidated financial statements

DKK million

13 Leases - continued

Contractual maturity of lease liabilities

	2025	2024
Within 1 year	1,890	1,181
1 to 5 years	5,738	3,997
After 5 years	3,771	2,613
Total undiscounted payments	11,399	7,791

Carrying amount of lease liabilities

Non-current	7,804	5,256
Current	1,474	905
Balance at 31 December	9,278	6,161

Amounts recognised in the consolidated income statement

Interest expenses on lease liabilities	424	360
Expenses related to leases of low-value assets	102	76
Income from subleasing of right-of-use assets	112	70
Gains arising from sale and leaseback transactions	56	-

Variable lease payments not recognised as part of the lease liabilities and expenses related to short-term leases are immaterial in both 2025 and 2024.

In 2025 the Group paid DKK 1.714 million related to lease contracts (DKK 1.257 million in 2024), of which DKK 102 million relate to low-value assets (DKK 76 million in 2024), DKK 424 million relate to interest payments regarding recognised lease liabilities (DKK 360 million in 2024) and DKK 1.188 million relate to payment of recognised lease liabilities (DKK 821 million in 2024).

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

Notes to the consolidated financial statements

DKK million

	2025	2024
14 Investment properties		
Cost		
Balance at 1 January	1,177	1,294
Foreign currency translation	1	3
Additions	9	7
Acquisitions through business combinations	15	-
Reclassifications	151	-1
Disposals	-37	-126
Balance at 31 December	1,316	1,177
Accumulated depreciation and impairment losses		
Balance at 1 January	-715	-742
Foreign currency translation	-	-1
Depreciation	-14	-12
Impairment losses	-2	-2
Reclassifications	-60	-
Disposals	15	42
Balance at 31 December	-776	-715
Carrying amount at 31 December	540	462

For information about acquisitions through business combinations, refer to note 26.

Investment properties comprise shopping centres, flats and other buildings located adjacent to the Group's stores.

The estimated fair value of investment properties amounted to DKK 1,321 million at 31 December 2025 (DKK 1,233 million at 31 December 2024). 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 from real estate deals.

Notes to the consolidated financial statements

DKK million

	2025	2024
14 Investment properties - continued		
Rental income from investment properties	77	79
Direct operating expenses from investment properties that generated rental income	-23	-33
Direct operating expenses from investment properties that did not generate rental income	-1	-1
Profit arising from investment properties	53	45

15 Financial assets and financial liabilities

Financial assets comprise the following:

	Carrying amount		Fair value	
	2025	2024	2025	2024
Equity investments	7	-	7	-
Deposits	91	-	91	-
Derivatives designated as hedging instruments (cash flow hedges)	40	-	40	-
Other non-current financial assets	131	-	131	-
Trade receivables	124	97	124	97
Other receivables	760	640	760	640
Deposits	1	-	1	-
Loan receivables	3	10	3	10
Derivatives designated as hedging instruments (cash flow hedges)	-	3	-	3
Other current financial assets	4	13	4	13
Securities	1,707	1,261	1,707	1,261
Cash and cash equivalents	1,320	1,543	1,320	1,543

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Financial liabilities comprise the following:

	Carrying amount		Fair value	
	2025	2024	2025	2024
Mortgage loans - non-current	9,855	6,704	10,152	6,744
Mortgage loans - current	355	346	355	346
Mortgage loans	10,210	7,050	10,507	7,090
Lease liabilities - non-current	7,804	5,256		
Lease liabilities - current	1,474	905		
Lease liabilities	9,278	6,161		
Bank loans - non-current	1,500	-	1,500	-
Bank loans - current	1,000	-	1,000	-
Bank loans	2,500	-	2,500	-
Credit facilities	-	39	-	39
Deposits	13	-	13	-
Loans	13	17	13	17
Derivatives designated as hedging instruments (cash flow hedges)	-	57	-	57
Other non-current financial liabilities	26	74	-	57
Payables to entities with controlling influence	120	102	120	102
Payables to entities with significant influence	321	367	321	367
Deposits	32	-	32	-
Loans	13	12	13	12
Derivatives not designated as hedging instruments	2	-	2	-
Derivatives designated as hedging instruments (cash flow hedges)	9	-	9	-
Other current financial liabilities	497	481	497	481
Trade payables	10,579	9,200	10,579	9,200
Other payables	2,824	2,500	2,824	2,500

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Financial instruments by category

Financial assets at amortised cost:

	2025	2024
Trade receivables	124	97
Other receivables	760	640
Other financial assets excluding derivatives	95	10
Cash and cash equivalents	1,320	1,543

Financial assets at fair value through profit or loss:

	2025	2024
Securities	1,707	1,261

Financial assets at fair value through other comprehensive income:

	2025	2024
Equity investments	7	-
Derivatives designated as hedging instruments (cash flow hedges)	40	3

Financial liabilities measured at amortised cost:

	2025	2024
Mortgage loans	10,210	7,050
Lease liability	9,278	6,161
Bank loans	2,500	-
Credit facilities	-	39
Other financial liabilities excluding derivatives	512	498
Trade payables	10,579	9,200
Other payables	2,824	2,500

Financial liabilities - Derivatives measured at fair value through profit and loss:

	2025	2024
Derivatives not designated as hedging instruments	2	-

Financial liabilities measured at fair value through other comprehensive income:

	2025	2024
Derivatives designated as hedging instruments (cash flow hedges)	9	57

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Derivatives not designated 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 other comprehensive income include equity investments in unlisted companies.

Financial assets measured at fair value through profit or loss comprise securities representing investments in listed Danish mortgage bonds.

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

Financial liabilities: Interest-bearing mortgage loans and bank loans

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

	Carrying amount	Next interest rate fixing		
		Within 1 year	1 to 5 years	After 5 years
31 December 2025				
0 - 2%	4,433	-	3,200	1,233
2 - 4 %	8,277	4,421	750	3,106
Total	12,710	4,421	3,950	4,339

	Carrying amount	Next interest rate fixing		
		Within 1 year	1 to 5 years	After 5 years
31 December 2024				
0 - 2%	3,097	1,074	700	1,323
2 - 4 %	3,953	1,717	-	2,236
Total	7,050	2,791	700	3,559

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 Group uses interest rate swaps to manage some of its interest rate exposure. 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. 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.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

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 2025			
CIBOR-based mortgage and bank loans (hedged items)	10,440	10,440	Mortgage loans and bank loans
Interest rate swap contracts	5,950	-31	Other non-current and current financial items
31 December 2024			
CIBOR-based mortgage loans (hedged items)	5,766	5,766	Mortgage loans
Interest rate swap contracts	4,050	54	Other non-current and current financial items

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

	2025	2024
Within 1 year	-9	3
1 to 5 years	17	-32
After 5 years	23	-25
Total	31	-54

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 under financial income and expenses. 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. There was no ineffectiveness recognised in either 2025 or 2024.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Fair value

For cash and cash equivalents, 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.

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

Derivatives 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.

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

Fair value of the equity investments is not determined based on observable market data, and falls within level 3 of the fair value hierarchy.

Developments in equity investments may be illustrated as follows:

	2025	2024
Balance at 1 January	-	-
Additions	7	-
Balance at 31 December	7	-

No changes in fair value has been recognised in net profit for the year and other comprehensive income for asset held at 31 December 2025 or at 31 December 2024.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

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 has been no structural changes in the Group's risk exposure or risks compared to 2024. The policies for managing risk are explained below.

The overall framework for financial risk management is set out in the Group's financial policy which is 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 centralised management of financial risks undertaken by a Group Treasury function.

In accordance with policies, Group Treasury uses derivative financial instruments for the purpose of hedging exposures related to the Group's operations and its sources of financing. All derivative activities for risk management purposes are carried out by specialists with 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 to protect the Group against negative effects 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 recorded in a treasury management system with a high degree of system integration, control and process automation.

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 2025 and 2024. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates on the debt and derivatives, and the proportion of financial instruments in foreign currencies all remain constant, and on the basis of the hedge designations in place as at 31 December 2025.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

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 rates relates primarily to the Group's operating activities and the Group's net investments in foreign subsidiaries. The framework for hedging guidelines and the risk mandate is set out in the FX risk management policy.

The majority of purchases of goods for resale made by companies within the Group are denominated in the companies' functional currencies. However, some trade purchases are made in other currencies, primarily USD. It is the Group's policy to hedge known purchase orders in specific material currencies. At present, 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 for the hedging of purchase orders. In other words, changes in the fair value of the hedging instruments are recognised in the income statement under financial income and financial expenses on a continuous basis, which can result in timing differences.

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

According to the FX risk management policy, cash positions (internal and external) are hedged. According to the policy, exposures in EUR do not need to 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) with regard to foreign exchange exposures. Deviations from the risk-neutral position are summarised 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 ensuring compliance with thresholds and policies.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

The following overview illustrates the effect on the consolidated income statement and consolidated equity at the balance sheet date of reasonably possible changes in exchange rates for material currencies:

31 December 2025	EUR/DKK	GBP/DKK	PLN/DKK	SEK/DKK	USD/DKK
Financial assets	434	3	107	4	25
Financial liabilities	-	-	-12	-	-
Known USD purchase orders	-	-	-	-	-645
Net exposures before derivatives	434	3	95	4	-620
Derivatives	-269	-	-18	-	413
Net exposures after derivatives	165	3	77	4	-207
The net exposures relate to:					
Hedging of expected commercial cash flows, where hedge accounting is not used	165	3	77	4	-207
Applied sensitivity, increase	1%	5%	5%	5%	5%
Impact on the consolidated income statement	2	-	4	-	-10

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

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 used	558	8	1	3	-149
Applied sensitivity, increase	1%	5%	5%	5%	5%
Impact on the consolidated income statement	6	-	-	-	-7

The sensitivity analysis includes currency exposures arising from financial instruments and known USD purchase orders. 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, bank loans and its bond holdings. It is the Group's policy to limit fluctuations in interest rate expenses, and maintain a relatively 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.

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

31 December 2025	Carrying amount	Sensitivity	Profit before tax	Pre-tax equity
Securities	1,707	1%	14	14
Mortgage loans	10,210	1%	-78	-78
Bank loans	2,500	1%	-22	-22
Derivatives	31	1%	57	254
Other financial liabilities, interest-bearing	441	1%	-3	-3
Impact			-32	165

A general increase of 1%-point in interest rates is estimated, all other things being equal, to affect profit before tax by DKK -32 million (DKK 1 million in 2024), and pre-tax equity by DKK 165 million (DKK 81 million in 2024). Derivatives are partially hedging the floating rate mortgage and bank loans, i.e. an increase in interest rate payments would be partially offset by payments received from derivatives. The direct impact on pre-tax equity is due to changes in the fair value of the interest rate swaps.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

31 December 2024	Carrying amount	Sensitivity	Profit before tax	Pre-tax equity
Securities	1,261	1%	19	19
Mortgage loans	7,050	1%	-34	-34
Derivatives	54	1%	19	99
Other financial liabilities, interest-bearing	481	1%	-3	-3
Impact			1	81

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 receivables from and payables to entities with controlling influence and some 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 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 including estimated interest payments. The undiscounted cash flows differ from both the carrying amount and the fair value. For floating-rate financial liabilities, future interest payments are calculated using the interest rate applicable on the balance sheet date.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

	Within 1 year	1 to 5 years	After 5 years	Total
31 December 2025				
Mortgage loans	642	2,502	11,151	14,295
Lease liabilities	1,890	5,738	3,771	11,399
Bank loans	1,056	1,537	-	2,593
Financial liabilities excluding derivatives	486	26	-	512
Trade payables	10,579	-	-	10,579
Other payables	2,824	-	-	2,824
Derivatives	12	63	56	131
Total	17,489	9,866	14,978	42,333
31 December 2024				
Mortgage loans	555	2,299	6,318	9,172
Lease liabilities	1,181	3,997	2,613	7,791
Credit facilities	39	-	-	39
Financial liabilities excluding derivatives	481	17	-	498
Trade payables	9,200	-	-	9,200
Other payables	2,500	-	-	2,500
Derivatives	-3	32	25	54
Total	13,953	6,345	8,956	29,254

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 an external credit assessment tool and an internal credit policy which defines 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, as well as 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 that have 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 the Group's bond portfolio must be below 4.

The table below summarises the ageing analysis of trade receivables:

	2025	2024
Not due	106	85
< 30 days past due	12	10
30 to 90 days past due	3	1
> 90 days past due	3	1
Total trade receivables	124	97

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 the 31 December 2025 the provision amounts to DKK 18 million (31 December 2024: DKK 14 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.

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

Changes in assets and liabilities arising from financing activities

2025:

	1 January 2025	Cash flows	Other	31 December 2025
Other financial assets excluding derivatives	-10	-	-85	-95
Mortgage loans	7,050	3,160	-	10,210
Lease liabilities	6,161	-1,188	4,305	9,278
Bank loans	0	2,500	-	2,500
Credit facilities	39	-	-39	-
Other financial liabilities excluding derivatives	498	-32	46	512
Total change in assets and liabilities from financing activities	13,738	4,440	4,227	22,405

2024:

	1 January 2024	Cash flows	Other	31 December 2024
Other financial assets excluding derivatives	-	-	-10	-10
Mortgage loans	7,301	-251	-	7,050
Lease liabilities	6,114	-821	868	6,161
Credit facilities	156	-	-117	39
Other financial liabilities excluding derivatives	461	37	-	498
Total change in assets and liabilities from financing activities	14,032	-1,035	741	13,738

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

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 the 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, the 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	
<i>Carrying amount of liabilities part of supplier finance arrangements</i>	<u>2025</u>	<u>2024</u>
Presented in trade payables	2,261	2,140
Of which suppliers have received payment	2,097	1,989

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

Notes to the consolidated financial statements

DKK million

15 Financial assets and financial liabilities - continued

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.

Notes to the consolidated financial statements

DKK million

16 Deferred tax

Specification of deferred tax

	Consolidated income statement		Consolidated balance sheet	
	2025	2024	2025	2024
Intangible assets	7	-	-280	-140
Property, plant and equipment	-39	-59	-816	-780
Investment properties	-1	-2	13	14
Financial assets	-3	-11	9	12
Other assets	1	-7	-5	-6
Provisions	-1	-	84	77
Other liabilities	8	-5	52	44
Leases	6	10	50	126
Tax loss carryforward	24	1	87	55
Other	8	11	35	23
Deferred tax income/expense / Net deferred tax	10	-62	-771	-575

Reconciliation of net deferred tax

Opening balance at 1 January		-575	-513
Adjustment of deferred tax recognised in the income statement		10	-62
Adjustment of deferred tax recognised in other comprehensive income		-17	-
Deferred tax acquired in business combinations		-189	-
Closing balance at 31 December		-771	-575
Deferred tax assets		196	91
Deferred tax liabilities		-967	-666
Net deferred tax		-771	-575

As at 31 December 2025, the Group has an unrecognised deferred tax asset of DKK 690 million related to Netto Indygo sp. z o.o. (2024 DKK 1,002 million), primarily arising from tax losses. The deferred tax asset is not recognised due to uncertainty regarding future taxable profits against which the tax losses can be utilised. Tax losses may be carried forward for five consecutive tax years, subject to restrictions on their utilisation. Netto Indygo sp. z o.o. incurred losses in both 2025 and 2024.

Notes to the consolidated financial statements

DKK million

17 Inventories

	2025	2024
Goods held for resale	7,383	6,123
Consumables	113	124
Total inventories	7,496	6,247

In the income statement, as part of cost of sales, an expense of DKK 2,362 million has been recognised regarding losses and write-downs of inventories to net realisable value (DKK 1,972 million in 2024).

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

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

	2025	2024
19 Pensions		
<p>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 are defined contribution plans. For a few former employees and some members of the founder's 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.</p>		
<p>Changes in the present value of the defined benefit obligation:</p>		
Defined benefit obligation at 1 January	196	205
Interest expenses recognised as part of staff expenses	-5	-4
Actuarial gains / losses, demographic assumptions	5	3
Actuarial gains / losses, financial assumptions	-	6
Actuarial gains / losses, experience adjustments	4	3
Payments from the plan	-18	-17
Defined benefit obligation at 31 December	182	196
<p>The following significant actuarial assumptions are applied:</p>		
Discount rate	2.7%	2.1%
Price inflation	2.2%	2.0%

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

Notes to the consolidated financial statements

DKK million

	2025	2024
19 Pensions - continued		
<p>A quantitative sensitivity analysis for the significant actuarial assumptions is shown below:</p>		
<i>Discount rate:</i>		
Increase of 0.5% point	-6	-7
Decrease of 0.5% point	6	7
<i>Price inflation:</i>		
Increase of 0.5% point	6	7
Decrease of 0.5% point	-6	-7

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 2025 is 25 years (26 years in 2024). DKK 18 million is expected to be paid from the plans in 2026.

Notes to the consolidated financial statements

DKK million

20 Provisions

2025:

Balance at 1 January
Addition at business acquisition
Provisions made during the year
Provisions utilised during the year
Reversals during the year

Balance at 31 December

Non-current

Current

Balance at 31 December

2024:

Balance at 1 January
Provisions made during the year
Provisions utilised during the year
Reversals during the year

Balance at 31 December

Non-current

Current

Balance at 31 December

	Insurance	Other	Total
Balance at 1 January	134	55	189
Addition at business acquisition	-	6	6
Provisions made during the year	86	72	158
Provisions utilised during the year	-32	-12	-44
Reversals during the year	-21	-5	-26
Balance at 31 December	167	116	283
Non-current	104	72	176
Current	63	44	107
Balance at 31 December	167	116	283
	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

Notes to the consolidated financial statements

DKK million

20 Provisions - continued

The Group includes an insurance company which re-insures risks of the companies in the Group in relation to workers compensation, property and liability.

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 20 million is expected to fall due after more than 5 years (DKK 29 million in 2024).

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 is estimated based on the expected jubilees for current employees. No further information is provided regarding the provision for pending lawsuits as the information might harm the Group's position.

Other provisions of DKK 39 million is expected to fall due after more than 5 years (DKK 22 million in 2024).

2025 2024

Notes to the consolidated financial statements

DKK million

	2025	2024
21 Adjustments		
Financial income	-117	-219
Financial expenses	779	626
Depreciation, amortisation and impairment losses	3,283	2,560
Net gain on sale of non-current assets etc.	-83	-31
Other adjustments	118	21
Adjustments	<u>3,980</u>	<u>2,957</u>
22 Change in working capital		
Change in trade and other receivables and prepayments	-212	-82
Change in inventories	-369	-144
Change in trade and other payables	-16	44
Change in working capital	<u>-597</u>	<u>-182</u>
23 Cash and cash equivalents		
Cash and cash equivalents	1,320	1,543
Credit facilities	-	-39
Cash and cash equivalents at 31 December	<u>1,320</u>	<u>1,504</u>

Notes to the consolidated financial statements

DKK million

	2025	2024
24 Contingent assets and liabilities, other financial commitments and collateral		
<i>Contingent assets</i>		
Operating leases, the Group as 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	443	280
1 to 5 years	802	415
After 5 years	406	241
Total	<u>1,651</u>	<u>936</u>
<i>Commitments</i>		
The Group has entered into contractual commitments regarding acquisition and construction of property, plant and equipment of a total of DKK 691 million (DKK 1,398 million in 2024).		
The Group has entered into contractual commitments regarding acquisition of intangible assets of a total of DKK 71 million (DKK 122 million in 2024).		
The Group has entered into contractual commitments regarding equity investments of a total of DKK 93 million as at 31 December 2025 (DKK 0 million in 2024).		
On 30 December 2025, Rimi Baltic SIA entered into a share purchase agreement to acquire the shares in HAVI Logistics SIA. Completion of the transaction is subject to customary conditions, including approval from the Latvian Competition Council. For further information, refer to note 28.		

Notes to the consolidated financial statements

DKK million

24 Contingent assets and liabilities, other financial commitments and collateral - continued

Collateral

As security for mortgage loans, land and buildings with a carrying amount of DKK 8,184 million have been provided as collateral (DKK 5,722 million in 2024).

Contingent liabilities and guarantees

Companies in the Group are part of the joint registration with F. Salling Invest A/S regarding payment of VAT, PAYE taxes etc. and are thus jointly liable for the total liability of DKK 626 million at 31 December 2025 (DKK 615 million in 2024).

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 are 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.

Guarantees of DKK 228 million have been provided to credit institutions regarding related parties' mortgage loans (DKK 238 million in 2024).

The Group has entered into a suretyship in respect of guarantees provided by external parties of up to DKK 173 million (DKK 128 million in 2024) regarding lease and bank obligations.

The Group is party to a limited number of law suits, disputes and other legal claims. Its management's assessment that ongoing lawsuits, disputes and other legal claims will not have material impact on the Group's financial position, net profit or cash flow, in excess of items recognised in the statement of financial position.

Notes to the consolidated financial statements

DKK million

25 Related party disclosures

Transactions between Salling Group A/S and its subsidiaries have been eliminated in the consolidated financial statements and are not disclosed in this note.

The following related party transactions were carried out with related parties:

Entities with controlling influence over the Group:

	2025	2024
Sales of services	4	4
Lease payments	-32	-30
Interests paid	-10	-18
Dividends paid	-200	-200
Donations from Købmand Herman Sallings Fond	23	8

All outstanding balances with related parties as at 31 December are presented in note 15. All outstanding balances carry interest and are to be settled in cash within 1 year unless otherwise specified in note 15.

None of the outstanding balances are secured, and no provisions are held against the balances as at 31 December 2025 (DKK 0 in 2024). No expense has been recognised in 2025 or 2024 for bad or doubtful debts.

Notes to the consolidated financial statements

DKK million

25 Related party disclosures - continued

Key management personnel

Key management personnel include the Board of Directors, the Executive Board and employees in the Group Leadership Team. The Group Leadership Team comprised 11 individuals in 2025 (2024: 11 individuals). The key management personnel remuneration is shown below:

	2025	2024
Short-term employee benefits	75	86
Post-employment benefits - defined contribution plans	3	3
Other long-term benefits	12	10
Total remuneration	90	99

Short-term bonus plan

The Executive Board and the Group Leadership Team participate in short-term bonus plans, in which the bonus is dependent on profit for the year and other conditions.

Long-term incentive plan

For the periods 2023 - 2025, 2024 - 2026 and 2025 - 2027 long-term incentive plans have been granted to the Executive Board and the Group Leadership Team. The estimated provision expensed in 2025 amounts to DKK 12 million (DKK 10 million in 2024).

In 2025 the total remuneration of the Board of Directors and the Executive Board amounts to DKK 38.7 million of which DKK 7 million relates to other long-term benefits and DKK 0 million relates to post-employment benefits. In 2024 the total remuneration of the Board of Directors and the Executive Board amounts to DKK 37.8 million of which DKK 6.2 million relates to other long-term benefits and DKK 0 million relates to post-employment benefits.

Notes to the consolidated financial statements

DKK million

26 Business combinations

On 2 June 2025, Salling Group A/S acquired 100% of the issued share capital and voting rights in Rimi Baltic AB and its subsidiaries (Rimi Baltic).

Rimi Baltic is one of the largest retailers in the Baltic States and operates retail chains in Latvia, Lithuania and Estonia. The acquisition included 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-established company, operating high-standard stores that have delivered growth and strong results over the years. Rimi Baltic operates retail stores in four chains: Rimi Hyper, Rimi Super, Rimi Mini and Rimi Express.

The acquisition of Rimi Baltic is a significant step in advancing the Group's long-term growth strategy Aspire '28. The Group aims to strengthen and expand its business in both existing and new European markets.

The companies included in the acquisition are:

- Rimi Baltic AB, Sweden
- 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

The fair value of the total consideration transferred for Rimi Baltic amounts to DKK 6,768 million and was settled entirely in cash. The acquisition was financed by available liquidity, mortgage and bank loans.

Acquisition-related costs of DKK 22 million were incurred and recognised as an expense in the period ended 31 December 2025 and are presented within external expenses in the consolidated income statement.

Since the acquisition date of 2 June 2025, Rimi Baltic has contributed revenue of DKK 8,919 million and a result of DKK 202 million, which have been recognised in the Group's consolidated income statement for the period ended 31 December 2025.

If the acquisition had been completed on 1 January 2025, Rimi Baltic's pro forma revenue and result for the period ended 31 December 2025 would have been approximately DKK 14,952 million and DKK 293 million, respectively. These pro forma amounts are presented for illustrative purposes only and do not necessarily reflect the results that would have been achieved had the acquisition occurred on 1 January 2025.

Notes to the consolidated financial statements

DKK million

26 Business combinations - continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

Fair value recognised at date of acquisition

Intangible assets	3,093
Property, plant and equipment	3,968
Investment properties	15
Right-of-use assets	3,257
Inventories	865
Other non-current financial assets	6
Receivables	161
Cash and cash equivalents	278
Asset held for sale	11
Total assets	11,654
Financial liabilities	-5,941
Net identifiable assets acquired	5,713
Goodwill	345
Purchase price	6,058
Borrowings repayment at acquisition	710
Cash consideration transferred	6,768
Cash and cash equivalents acquired	-278
Cash used for acquisition of business, net	6,490

There are no contingent liabilities at the acquisition date.

The goodwill of DKK 345 million arising from the acquisition consists of expertise and knowhow of the workforce and expected synergies from the integration into the Group. Recognised goodwill is non-deductible for tax purposes.

The initial accounting for the acquisition of Rimi Baltic is, to some extent, still provisional, as the basis for the identification and measurement of certain assets is still being assessed. Adjustments may be made for a period of 12 months from the acquisition date.

Notes to the consolidated financial statements

DKK million

27 Capital management

The Group manages its capital to ensure that the entities in the Group will be able to continue as going concerns while maximising the return to the shareholders through the optimisation of the debt and equity balance. For the purpose of the 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 as at 31 December 2025 or as at 31 December 2024.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

Notes to the consolidated financial statements

DKK million

28 Events after the reporting period

On 30 December 2025, Rimi Baltic SIA entered into a share purchase agreement to acquire 100% of the shares in HAVI Logistics SIA, a Latvian entity, together with its subsidiaries in Lithuania and Estonia (HAVI Logistics Baltic).

HAVI Logistics Baltic provides logistics and warehousing services within the Baltic region. The acquisition is a strategic initiative to bring key warehousing and logistics capabilities in house, enhance supply chain efficiency, and standardise fulfilment processes across the

Group's operations. As part of the transaction, approximately 800 employees will join the Group.

The enterprise value is set at EUR 4 million on a debt-free basis. The acquisition is expected to be financed by available liquidity.

The acquisition will be classified as a business combination and will give the Group full ownership and voting rights in HAVI Logistics SIA and its subsidiaries.

Entities included in the purchase agreement:

- HAVI Logistics SIA, Latvia
- HAVI Logistics UAB, Lithuania
- HAVI Logistics OÜ, Estonia

The acquisition was subject to regulatory approval in all Baltic countries, which was obtained in February 2026. The acquisition date, being the date on which the Group obtained control of HAVI Logistics Baltic, was 1 April 2026.

The acquisition will be accounted for using the acquisition method in accordance with IFRS 3 – Business Combinations.

Given the timing of the approval from the authorities and the publication date of the Group's consolidated financial statements for 2025, it has not been possible to meet the full disclosure requirements of IFRS 3 on business combinations after the end of the reporting period but before the financial statements are authorised for issue, as the Group has not yet finalised the purchase price allocation. Information about the fair value of each major class of assets acquired and liabilities assumed is therefore not included in these financial statements.

If goodwill arises on completion, it will reflect synergies from integrating logistics operations, optimising supply chain processes and improving operational efficiency, and it will not be deductible for tax purposes.

Notes to the consolidated financial statements

DKK million

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.

Parent Company Financial Statements





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Parent company income statement

DKK million

Notes	2025	2024
Retail revenue	53,012	50,955
Other revenue	341	324
4 Total revenue	53,353	51,279
Cost of sales	-36,595	-35,288
Gross profit	16,758	15,991
5 Staff expenses	-7,311	-7,105
Other external expenses	-4,577	-4,280
Operating profit before depreciation, amortisation and impairment losses (EBITDA)	4,870	4,606
6 Depreciation, amortisation and impairment losses, net	-2,432	-2,310
Net gain on disposal of investment properties, property, plant and equipment and intangible assets	2	1
Operating profit (EBIT)	2,440	2,297
14 Share of profit from subsidiaries, net of tax	621	421
Profit before financing and income tax	3,061	2,718
7 Financial income	86	194
8 Financial expenses	-784	-813
Profit before tax	2,363	2,099
9 Income tax	-373	-390
Profit for the year	1,990	1,709
<i>Proposal for distribution of profit for the year:</i>		
Reserve for net revaluation under the equity method	621	421
Reserve for development projects	-222	-184
Retained earnings	1,341	1,272
Proposed dividends	250	200
Profit for the year	1,990	1,709

The profit for the year is attributable to the shareholders of Salling Group A/S.

Parent company statement of other comprehensive income

DKK million

Notes	2025	2024
Profit for the year	1,990	1,709
Other comprehensive income, net of tax		
Items that will not be reclassified to the income statement		
Remeasurement of defined benefit plans	-7	-10
	-7	-10
Items that subsequently are or may be reclassified to the income statement		
Exchange rate differences on translating foreign operations	78	150
Cash flow hedges, value adjustment for the year	7	-
14 Other comprehensive income to be reclassified in subsidiaries	58	-68
	143	82
Other comprehensive income for the year, net of tax	136	72
Comprehensive income for the year	2,126	1,781

Parent company balance sheet at 31 December

DKK million

Assets	2025	2024
Notes		
Non-current assets		
10 Intangible assets		
Goodwill	18	18
Software	447	414
Software development in progress	111	131
Brands	15	16
Other intangible assets	6	6
Total intangible assets	<u>597</u>	<u>585</u>
11 Property, plant and equipment		
Land and buildings	397	415
Fixtures, fittings, tools and equipment	2,193	2,148
Leasehold improvements	178	190
Assets under construction and prepayments	3	8
Total property, plant and equipment	<u>2,771</u>	<u>2,761</u>
12 Right-of-use assets		
Land and buildings	9,305	10,229
Fixtures, fittings, tools and equipment	108	86
Total right-of-use assets	<u>9,413</u>	<u>10,315</u>
13 Investment properties	<u>189</u>	<u>173</u>
Financial assets		
14 Investments in subsidiaries	21,545	15,510
15 Equity investments	7	-
15 Other non-current financial assets	869	57
Total financial assets	<u>22,421</u>	<u>15,567</u>
16 Deferred tax assets	<u>162</u>	<u>150</u>
Total non-current assets	<u>35,553</u>	<u>29,551</u>

Parent company balance sheet at 31 December

DKK million

Assets - continued	2025	2024
Notes		
Amount transferred	35,553	29,551
Current assets		
17 Inventories	<u>4,612</u>	<u>4,275</u>
Receivables		
15 Trade receivables	55	53
15 Other receivables	274	378
Prepayments	199	73
15 Other current financial assets	1,068	931
Total receivables	<u>1,596</u>	<u>1,435</u>
15 Securities	<u>1,390</u>	<u>943</u>
15 Cash and cash equivalents	<u>576</u>	<u>1,076</u>
Total current assets	<u>8,174</u>	<u>7,729</u>
Total assets	<u>43,727</u>	<u>37,280</u>

Parent company balance sheet at 31 December

DKK million

Equity and liabilities		2025	2024
Notes			
18	Equity		
	Share capital	524	524
14	Reserve for net revaluation under the equity method	2,074	2,097
	Cash flow hedge reserve	7	-
	Development projects reserve	76	298
	Retained earnings	12,831	10,717
	Proposed dividends	250	200
	Total equity	15,762	13,836

Parent company balance sheet at 31 December

DKK million

Equity and liabilities - continued		2025	2024
Notes			
	Amount transferred	15,762	13,836
	Liabilities		
	Non-current liabilities		
19	Pensions	182	196
20	Provisions	41	37
15	Mortgage loans	1,508	175
12, 15	Lease liabilities	9,271	10,251
15	Bank loans	1,500	-
15	Other non-current financial liabilities	49	74
	Total non-current liabilities	12,551	10,733
	Current liabilities		
20	Provisions	19	9
15	Mortgage loans	6	7
12, 15	Lease liabilities	1,706	1,562
15	Bank loans	1,000	-
15	Other current financial liabilities	3,407	1,771
15	Trade payables	7,268	7,256
	Income tax payable	26	46
15	Other payables	1,965	2,044
	Deferred income	17	16
	Total current liabilities	15,414	12,711
	Total liabilities	27,965	23,444
	Total equity and liabilities	43,727	37,280

Parent company cash flow statement

DKK million

Notes	2025	2024
Profit before tax	2,363	2,099
21 Adjustments	2,516	2,543
22 Change in working capital	-472	-408
Net cash flows from operating activities before financial items and tax	4,407	4,234
Interest received	69	181
Interest paid	-800	-810
Income tax paid	-403	-344
Net cash flows from operating activities	3,273	3,261
10 Purchase of intangible assets	-163	-148
11 Purchase of property, plant and equipment	-686	-829
13 Purchase of investment properties	-3	-6
Proceeds from sale of investment properties, property, plant and equipment and intangible assets	5	-
Acquisition of subsidiaries	-6,768	-17
14 Dividends received from subsidiaries	780	415
Purchase of securities	-769	-147
Sale of securities	324	186
Other financial assets	-7	-
Net cash flows from investment activities	-7,287	-546

Parent company cash flow statement

DKK million

Notes	2025	2024
Amount transferred	-4,014	2,715
Payments of other financial liabilities	-3	-12
Payments to related parties	-685	-724
Payments from related parties	2,124	277
12 Payments lease liabilities	-1,555	-1,435
Proceeds from bank loans	3,000	-
Repayments of bank loans	-500	-
Proceeds from mortgage loans	1,351	-
Repayments of mortgage loans	-18	-5
Dividends paid	-200	-200
Net cash flows from financing activities	3,514	-2,099
Net change in cash and cash equivalents	-500	616
Cash and cash equivalents at 1 January	1,076	460
Cash and cash equivalents at 31 December	576	1,076

Parent company statement of changes in equity

DKK million

2025:

	Share capital	Reserve for net revaluation under the equity method	Cash flow hedge reserve	Development projects reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January	524	2,097	-	298	10,717	200	13,836
Profit for the year	-	621	-	-222	1,341	250	1,990
Remeasurement of defined benefit plans net of tax	-	-	-	-	-7	-	-7
Exchange rate differences on translating foreign operations	-	78	-	-	-	-	78
Cash flow hedges, value adjustment for the year	-	-	7	-	-	-	7
Other comprehensive income to be reclassified in subsidiaries	-	58	-	-	-	-	58
Other comprehensive income	-	136	7	-	-7	-	136
Total comprehensive income for the year	-	757	7	-222	1,334	250	2,126
Dividends received from subsidiaries	-	-780	-	-	780	-	-
Payment of dividends	-	-	-	-	-	-200	-200
Total transactions with owners	-	-780	-	-	780	-200	-200
Equity at 31 December	524	2,074	7	76	12,831	250	15,762

Parent company statement of changes in equity

DKK million

2024:

	Share capital	Reserve for net revaluation under the equity method	Cash flow hedge reserve	Development projects reserve	Retained earnings	Proposed dividends	Total equity
Equity at 1 January	524	2,009	-	482	9,040	200	12,255
Profit for the year	-	421	-	-184	1,272	200	1,709
Remeasurement of defined benefit plans net of tax	-	-	-	-	-10	-	-10
Exchange rate differences on translating foreign operations	-	150	-	-	-	-	150
Other comprehensive income to be reclassified in subsidiaries	-	-68	-	-	-	-	-68
Other comprehensive income	-	82	-	-	-10	-	72
Total comprehensive income for the year	-	503	-	-184	1,262	200	1,781
Dividends received from subsidiaries	-	-415	-	-	415	-	-
Payment of dividends	-	-	-	-	-	-200	-200
Total transactions with owners	-	-415	-	-	415	-200	-200
Equity at 31 December	524	2,097	-	298	10,717	200	13,836

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Notes to the parent company financial statements

DKK million

1 General information

The primary business area of the parent company, Salling Group A/S, is, through the legal entity Salling Group A/S and its investments in subsidiaries, the operation of various retail store formats and a number of e-commerce platforms. The parent company's own activities comprise retail operations in Denmark only, while retail activities outside Denmark are carried out by subsidiaries.

Salling Group A/S is a limited company with its registered office at Rosbjergvej 33, 8220 Brabrand, Denmark.

2 Summary of material accounting policy information

For a summary of material accounting policy information, refer to note 2 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

Reclassification of comparative figures

During the year, the parent company reassessed the presentation of certain expenses in the income statement.

Costs of DKK 119 million relating to temporary staff and external consultants, previously recognised within staff expenses, have been reclassified to external expenses to better reflect the nature of these costs.

Cost reduction of DKK 371 million relating to own production, previously recognised within external expenses, has been reclassified to cost of sales.

The reclassifications has no impact on operating profit, profit for the year, total assets, total equity or cash flows.

The effect of the reclassification on the comparative figures for 2024 is presented below:

- Cost of sales as previously reported DKK 35,659 million is restated to DKK 35,288 million.
- Staff expenses as previously reported DKK 7,224 million is restated to DKK 7,105 million.
- External expenses as previously reported DKK 3,790 million is restated to DKK 4,280 million.

The reclassification was made to improve the comparability and transparency of the parent company's expense presentation.

Notes to the parent company financial statements

DKK million

2 Summary of material accounting policy information - continued

Accounting policies

Share of profit/loss from subsidiaries, net of tax and Investment in subsidiaries

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

Equity - Net revaluation under the equity method

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

Equity - Development projects reserve

The development projects reserve comprises an amount equalling the capitalised development projects, excluding payments for separable assets e.g. software licenses, and adjusted for the income tax effect. The reserve is an undistributable equity reserve and cannot be used for dividends or for covering any deficits. The reserve is reduced as the development projects are sold or amortised by way of a transfer from the development projects reserve to the distributable equity reserves.

3 Significant accounting judgements, estimates and assumptions

For a summary of significant accounting judgements, estimates and assumptions, refer to note 3 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

Notes to the parent company financial statements

DKK million

4 Total revenue

	2025	2024
Retail revenue and e-commerce activities	53,012	50,955
Total retail revenue	53,012	50,955
Rental revenue, investment properties	37	38
Other revenue	304	286
Total other revenue	341	324
Total revenue	53,353	51,279
Geographical split		
Denmark	53,333	51,279
Abroad	20	-
Total revenue	53,353	51,279

For descriptions related to revenue, refer to note 4 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

Notes to the parent company financial statements

DKK million

	2025	2024
5 Staff expenses		
Wages and salaries incl. termination benefits	6,495	6,378
Post-employment benefits – defined contribution plans	541	487
Post-employment benefits – defined benefit plans	-5	-4
Social security costs	172	158
Other staff expenses	108	86
Total staff expenses	7,311	7,105
Average number of full-time employees	18,777	18,132
Key management personnel		
For a description of the key management personnel and an overview of the key management personnel remuneration refer to note 25 in the consolidated financial statements which also applies to the parent company's financial statements.		
6 Depreciation, amortisation and impairment losses, net		
Amortisation, Intangible assets	142	159
Depreciation, Property, plant and equipment	657	608
Depreciation, Right-of-use assets	1,623	1,545
Depreciation, Investment properties	7	7
Total	2,429	2,319
Impairment, Property, plant and equipment	-	2
Impairment, Right-of-use assets	3	-11
Total	3	-9
Total depreciation, amortisation and impairment losses, net	2,432	2,310

Notes to the parent company financial statements

DKK million

	2025	2024
7 Financial income		
Interest income on other loans and receivables	14	23
Net gain on derivatives not designated as hedging instruments	15	43
Net gain on financial instruments held for trading	26	33
Net foreign exchange gain	24	94
Other financial income	7	1
Total financial income	86	194
8 Financial expenses		
Interest expense on mortgage loans	29	4
Interest expense on lease liabilities	56	67
Interest expense on lease liabilities from related parties	589	632
Interest expense paid to banks	88	36
Interest expense on loans from related parties	22	67
Other financial expenses	-	7
Total financial expenses	784	813

Notes to the parent company financial statements

DKK million

9 Income tax

	2025	2024
Current income tax	-422	-387
Adjustment regarding prior years, current income tax	37	2
Change in deferred tax	23	6
Adjustment regarding prior years, deferred tax	-11	-8
Total income tax	-373	-387
Income tax recognised in the income statement	-373	-390
Income tax recognised in other comprehensive income	-	3
Total income tax	-373	-387

Reconciliation of income tax recognised in the income statement

	2025		2024	
Tax on result for the year at the Danish income tax rate	-521	22.0%	-462	22.0%
Non-deductible costs	-33	1.4%	-21	1.0%
Received dividends – non-taxable income	137	-5.8%	91	-4.3%
Other non-taxable income	17	-0.7%	10	-0.5%
Adjustment to prior periods	26	-1.1%	-6	0.3%
Other	1	0.0%	-2	0.1%
Income tax recognised in the income statement	-373	15.8%	-390	18.6%

Tax on other comprehensive income

	2025			2024		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Remeasurement of defined benefit plans	-9	2	-7	-13	3	-10
Cash flow hedges, net	9	-2	7	-	-	-
	-	-	-	-13	3	-10

Notes to the parent company financial statements

DKK million

10 Intangible assets

2025:

	Goodwill	Software	Software development in progress	Brands	Other intangible assets	Total
Cost						
Balance at 1 January	18	2,289	131	26	23	2,487
Additions	-	83	78	-	2	163
Reclassifications	-	89	-98	1	-1	-9
Balance at 31 December	18	2,461	111	27	24	2,641
Accumulated amortisation and impairment losses						
Balance at 1 January	-	-1,875	-	-10	-17	-1,902
Amortisation	-	-139	-	-2	-1	-142
Balance at 31 December	-	-2,014	-	-12	-18	-2,044
Carrying amount at 31 December	18	447	111	15	6	597

For a description of the performed impairment tests, refer to note 11 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

Notes to the parent company financial statements

DKK million

10 Intangible assets - continued

	2024:					Total
	Goodwill	Software	Software development in progress	Brands	Other intangible assets	
Cost						
Balance at 1 January	18	2,212	73	27	17	2,347
Additions	-	24	118	-	6	148
Reclassifications	-	53	-60	-1	-	-8
Balance at 31 December	18	2,289	131	26	23	2,487
Accumulated amortisation and impairment losses						
Balance at 1 January	-	-1,717	-	-9	-17	-1,743
Amortisation	-	-158	-	-1	-	-159
Balance at 31 December	-	-1,875	-	-10	-17	-1,902
Carrying amount at 31 December	18	414	131	16	6	585

Notes to the parent company financial statements

DKK million

11 Property, plant and equipment

	2025:				Total
	Land and buildings	Fixtures, fittings, tools and equipment	Leasehold improvements	Assets under construction and prepayments	
Cost					
Balance at 1 January	943	7,180	882	8	9,013
Additions	4	666	14	2	686
Reclassifications	-12	8	-	-7	-11
Disposals	-	-376	-2	-	-378
Balance at 31 December	935	7,478	894	3	9,310
Accumulated depreciation and impairment losses					
Balance at 1 January	-528	-5,032	-692	-	-6,252
Depreciation	-10	-621	-26	-	-657
Disposals	-	368	2	-	370
Balance at 31 December	-538	-5,285	-716	-	-6,539
Carrying amount at 31 December	397	2,193	178	3	2,771

Notes to the parent company financial statements

DKK million

11 Property, plant and equipment - continued

2024:

	Land and buildings	Fixtures, fittings, tools and equipment	Leasehold improvements	Assets under construction and prepayments	Total
Cost					
Balance at 1 January	931	6,527	839	39	8,336
Additions	7	775	46	1	829
Reclassifications	5	34	1	-32	8
Disposals	-	-156	-4	-	-160
Balance at 31 December	943	7,180	882	8	9,013
Accumulated depreciation and impairment losses					
Balance at 1 January	-517	-4,616	-668	-	-5,801
Depreciation	-11	-571	-26	-	-608
Impairment losses	-	-	-2	-	-2
Disposals	-	155	4	-	159
Balance at 31 December	-528	-5,032	-692	-	-6,252
Carrying amount at 31 December	415	2,148	190	8	2,761

Notes to the parent company financial statements

DKK million

12 Leases

Right-of-use assets

2025:

	Land and buildings	Fixtures, fittings, tools and equipment	Total
Cost			
Balance at 1 January	17,951	152	18,103
Additions	420	72	492
Remeasurement of lease liabilities	240	3	243
Disposals	-27	-33	-60
Balance at 31 December	18,584	194	18,778
Accumulated depreciation and impairment losses			
Balance at 1 January	-7,722	-66	-7,788
Depreciation	-1,574	-49	-1,623
Impairment losses	-8	-	-8
Reversals of impairment losses	5	-	5
Disposals	20	29	49
Balance at 31 December	-9,279	-86	-9,365
Carrying amount at 31 December	9,305	108	9,413

Notes to the parent company financial statements

DKK million

12 Leases - continued

Right-of-use assets

2024:

	Land and buildings	Fixtures, fittings, tools and equipment	Total
Cost			
Balance at 1 January	16,846	171	17,017
Additions	537	50	587
Remeasurement of lease liabilities	736	-2	734
Disposals	-168	-67	-235
Balance at 31 December	17,951	152	18,103
Accumulated depreciation and impairment losses			
Balance at 1 January	-6,388	-93	-6,481
Depreciation	-1,505	-40	-1,545
Impairment losses	-4	-	-4
Reversals of impairment losses	15	-	15
Disposals	160	67	227
Balance at 31 December	-7,722	-66	-7,788
Carrying amount at 31 December	10,229	86	10,315

Remeasurement of lease liabilities comprises changes in the lease term (extension or shortening of the lease period) and changes in lease payments. The majority of the parent company's property leases are remeasured on a yearly basis through indexation of lease payments.

The parent company has entered into leases with external and internal parties and entities with significant influence over the Group regarding a number of stores, warehouses and some operational equipment. The leases have terms of between 1 month and 20 years. For some of the leases the parent company has the option to continue the lease of the assets beyond the agreed upon lease terms. The lease arrangements impose no restrictions on the parent company.

Notes to the parent company financial statements

DKK million

12 Leases - continued

Contractual maturity of lease liabilities

	2025	2024
Within 1 year	2,231	2,135
1 to 5 years	7,661	7,811
After 5 years	3,502	4,726
Total undiscounted payments	13,394	14,672

Carrying amount of lease liabilities

Non-current	9,271	10,251
Current	1,706	1,562
Balance at 31 December	10,977	11,813

Amounts recognised in the parent company income statement

Interest expense on lease liabilities	645	699
Expenses related to leases of low-value assets	21	17
Income from subleasing of right-of-use assets	2	2

Variable lease payments not recognised as part of the lease liabilities and expenses related to short-term leases are immaterial in both 2025 and 2024.

In 2025 the parent company paid DKK 2,221 million related to lease contracts (2024: DKK 2,151 million), of which DKK 645 million relate to interest payments regarding recognised lease liabilities (2024: DKK 699 million) and DKK 1,555 million relate to payment of recognised lease liabilities (2024: DKK 1,435 million).

Regarding situations, where the parent company is lessor, refer to note 24.

Notes to the parent company financial statements

DKK million

	2025	2024
13 Investment properties		
Cost		
Balance at 1 January	547	541
Additions	3	6
Reclassifications	20	-
Balance at 31 December	<u>570</u>	<u>547</u>
Accumulated depreciation and impairment losses		
Balance at 1 January	-374	-367
Depreciation	-7	-7
Balance at 31 December	<u>-381</u>	<u>-374</u>
Carrying amount at 31 December	<u>189</u>	<u>173</u>
Investment properties comprise shopping centres, flats and other buildings located adjacent to the parent company's stores.		
The estimated fair value of the investment properties amounted to DKK 755 million at 31 December 2025 (DKK 720 million at 31 December 2024). 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 from real estate deals.		
Rental income from investment properties	37	38
Direct operating expenses from investment properties that generated rental income	-10	-16
Profit arising from investment properties	<u>27</u>	<u>22</u>

Notes to the parent company financial statements

DKK million

	2025	2024
14 Investments in subsidiaries		
Cost		
Balance at 1 January	13,413	13,413
Additions	6,058	-
Balance at 31 December	<u>19,471</u>	<u>13,413</u>
Value adjustments		
Balance at 1 January	2,097	2,009
Dividends	-780	-415
Foreign currency translation	78	150
Other comprehensive income for the year	58	-68
Profit for the year	621	421
Balance at 31 December	<u>2,074</u>	<u>2,097</u>
Carrying amount at 31 December	<u>21,545</u>	<u>15,510</u>

For a list of subsidiaries, refer to note 2 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

For information about business combinations, refer to note 26 in the consolidated financial statements which also applies to the parent company's financial statements.

Notes to the parent company financial statements

DKK million

15 Financial assets and financial liabilities

Financial assets comprise the following:

	Carrying amount		Fair value	
	2025	2024	2025	2024
Equity investments	7	-	7	-
Receivables from subsidiaries	787	-	787	-
Deposits	42	-	42	-
Derivatives not designated as hedging instruments	34	57	34	57
Derivatives designated as hedging instruments (cash flow hedges)	6	-	6	-
Other non-current financial assets	869	57	869	57
Trade receivables	55	53	55	53
Other receivables	274	378	274	378
Receivables from subsidiaries	1,050	918	1,050	918
Loan receivables	4	-	4	-
Derivatives not designated as hedging instruments	12	13	12	13
Derivatives designated as hedging instruments (cash flow hedges)	2	-	2	-
Other current financial assets	1,068	931	1,068	931
Securities	1,390	943	1,390	943
Cash and cash equivalents	576	1,076	576	1,076

Notes to the parent company financial statements

DKK million

15 Financial assets and financial liabilities - continued

Financial liabilities comprise the following:

	Carrying amount		Fair value	
	2025	2024	2025	2024
Mortgage loans - non-current	1,508	175	1,099	143
Mortgage loans - current	6	7	6	7
Mortgage loans	1,514	182	1,105	150
Lease liabilities - non-current	9,271	10,251		
Lease liabilities - current	1,706	1,562		
Lease liabilities	10,977	11,813		
Bank loans - non-current	1,500	-	1,500	-
Bank loans - current	1,000	-	1,000	-
Bank loans	2,500	-	2,500	-
Deposits	2	-	2	-
Loans	13	17	13	17
Derivatives not designated as hedging instruments	34	57	34	57
Other non-current financial liabilities	49	74	49	74
Payables to entities with controlling influence	99	102	99	102
Payables to entities with significant influence	301	360	301	360
Payables to subsidiaries	2,976	1,294	2,976	1,294
Deposits	4	-	4	-
Loans	13	12	13	12
Derivatives not designated as hedging instruments	14	3	14	3
Other current financial liabilities	3,407	1,771	3,407	1,771
Trade payables	7,268	7,256	7,268	7,256
Other payables	1,965	2,044	1,965	2,044

Notes to the parent company financial statements

DKK million

	2025	2024
15 Financial assets and financial liabilities - continued		
Financial instruments by category		
Financial assets at amortised cost:		
Trade receivables	55	53
Other receivables	274	378
Other financial assets excluding derivatives	1,883	918
Cash and cash equivalents	576	1,076
Financial assets at fair value through profit or loss:		
Securities	1,390	943
Derivatives not designated as hedging instruments	46	70
Financial assets at fair value through other comprehensive income:		
Equity investments	7	-
Derivatives designated as hedging instruments (cash flow hedges)	8	-
Financial liabilities measured at amortised cost:		
Mortgage loans	1,514	182
Lease liabilities	10,977	11,813
Bank loans	2,500	-
Other financial liabilities excluding derivatives	3,408	1,785
Trade payables	7,268	7,256
Other payables	1,965	2,044
Financial liabilities at fair value through profit or loss:		
Derivatives not designated as hedging instruments	48	60

Notes to the parent company 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 and the changes in fair value of the interest rate swap contracts used by the Group to hedge CIBOR-based mortgage loans.

Financial assets at fair value through other comprehensive income include equity investments in unlisted companies.

Financial assets measured at fair value through profit or loss comprise securities representing investments in listed Danish mortgage bonds.

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

Financial liabilities: Interest-bearing mortgage loans and long-term bank loans

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

	Carrying amount	Next interest rate fixing		
		Within 1 year	1 to 5 years	After 5 years
31 December 2025				
0 - 2%	148	-	-	148
2 - 4 %	3,866	569	2,500	797
Total	4,014	569	2,500	945
31 December 2024				
0 - 2%	153	-	-	153
2 - 4 %	29	29	-	-
Total	182	29	-	153

Notes to the parent company financial statements

DKK million

15 Financial assets and financial liabilities - continued

Hedge accounting and derivatives

Cash flow hedging is used on Group level to ensure that part of Group's interest rate risk exposure is at a fixed rate. For further information about the use of hedge accounting, refer to note 15 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

Fair value

For cash and cash equivalents, 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.

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

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.

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

Fair value of the equity investments is not determined based on observable market data, and falls within level 3 of the fair value hierarchy.

Developments in equity investments may be illustrated as follows:

	2025	2024
Balance at 1 January	-	-
Additions	7	-
Balance at 31 December	7	-

No changes in fair value has been recognised in net profit for the year og other comprehensive income for asset held at 31 December 2025 or at 31 December 2024.

Notes to the parent company financial statements

DKK million

15 Financial assets and financial liabilities - continued

Risks arising from financial instruments

The parent company'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 parent company's financial counterparties. There has been no structural changes in the risk exposure or risks compared to 2024.

For an in-depth description of the policies for managing risks, refer to note 15 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

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 parent company's exposure to the risk of changes in foreign exchange rate relates primarily to the operating activities and the net investments in foreign subsidiaries. The framework for hedging guidelines and risk mandate is covered by the FX risk management policy.

For a description of the FX risk management, refer to note 15 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

Notes to the parent company financial statements

DKK million

15 Financial assets and financial liabilities - continued

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

31 December 2025	EUR/DKK	GBP/DKK	PLN/DKK	SEK/DKK	USD/DKK
Financial assets	434	3	107	4	25
Financial liabilities	-	-	-13	-	-
Known USD purchase orders	-	-	-	-	-541
Net exposures before derivatives	434	3	94	4	-516
Derivatives	-269	-	-18	-	413
Net exposures after derivatives	165	3	76	4	-103
The net exposure relates to:					
Hedging of expected commercial cash flows, where hedge accounting is not used	165	3	76	4	-103
Applied sensitivity	1%	5%	5%	5%	5%
Impact on the income statement	2	-	4	-	-5

Notes to the parent company financial statements

DKK million

15 Financial assets and financial liabilities - continued

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	-	-	-	-	-533
Net exposures before derivatives	558	8	-235	3	-501
Derivatives	-	-	236	-	457
Net exposures after derivatives	558	8	1	3	-44
The net exposure relates to:					
Hedging of expected commercial cash flows, where hedge accounting is not used	558	8	1	3	-44
Applied sensitivity	1%	5%	5%	5%	5%
Impact on the income statement	6	-	-	-	-2

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 parent company financial statements

DKK million

15 Financial assets and financial liabilities - continued

Interest rate risks

The parent company's exposure to risk of changes in market interest rates relates primarily to mortgage loans, bank loans, intercompany balances and bond holdings. For further descriptions of the overall interest rate risk management, refer to note 15 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

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

	Carrying amount	Sensitivity	Profit before tax	Pre-tax equity
31 December 2025				
Securities	1,390	1%	8	8
Other financial assets, interest-bearing	1,837	1%	14	14
Mortgage loans	1,514	1%	-4	-4
Bank loans	2,500	1%	-22	-22
Derivatives	-8	1%	22	38
Other financial liabilities, interest-bearing	3,376	1%	-29	-29
Impact			-11	5

A general increase of 1%-points in interest rates is estimated, all other things being equal, to affect profit before tax and pre-tax equity by DKK -11 million (DKK 8 million in 2024). Derivatives are partially hedging the floating rate mortgage and bank loans, i.e. an increase in interest rate payments would be partially offset by payments received from derivatives. The direct impact on pre-tax equity is due to changes in the fair value of the interest rate swaps.

	Carrying amount	Sensitivity	Profit before tax	Pre-tax equity
31 December 2024				
Securities	943	1%	15	15
Other financial assets, interest-bearing	918	1%	7	7
Mortgage loans	182	1%	-	-
Derivatives	-10	1%	-	-
Other financial liabilities, interest-bearing	1,768	1%	-14	-14
Impact			8	8

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 receivables from and payables to entities with controlling or significant influence, subsidiaries and some 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 parent company financial statements

DKK million

15 Financial assets and financial liabilities - continued

Liquidity risks

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

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

The overview below summarises the maturity profile of the parent company's financial liabilities based on contractual undiscounted payments including estimated interest payments. The undiscounted cash flows differ from both the carrying amount and the fair value. For floating-rate financial liabilities, future interest payments are calculated using the interest rate applicable on the balance sheet date.

	Within 1 year	1 to 5 years	After 5 years	Total
31 December 2025				
Mortgage loans	48	233	2,128	2,409
Lease liabilities	2,231	7,661	3,502	13,394
Bank loans	1,056	1,537	-	2,593
Financial liabilities excluding derivatives	3,393	15	-	3,408
Trade payables	7,268	-	-	7,268
Other payables	1,965	-	-	1,965
Derivatives	12	63	56	131
Total	15,973	9,509	5,686	31,168

	Within 1 year	1 to 5 years	After 5 years	Total
31 December 2024				
Mortgage loans	10	41	173	224
Lease liabilities	2,135	7,811	4,726	14,672
Financial liabilities excluding derivatives	1,768	17	-	1,785
Trade payables	7,256	-	-	7,256
Other payables	2,044	-	-	2,044
Derivatives	11	19	15	45
Total	13,224	7,888	4,914	26,026

Notes to the parent company 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 financial loss or a counterparty not being able to meet any other obligations leading to a financial loss. The parent company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The parent company prepares credit ratings of customers and counterparties on a regular basis. Credit risks are managed on the basis of an external credit assessment tool and an internal credit policy which defines 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 parent company 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 parent company's sales are made in cash, and therefore, the credit risks are very low. The parent company 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 the bond portfolio must be below 4.

The table below summarises the ageing analysis of trade receivables:

	2025	2024
Not due	49	50
> 30 days past due	6	3
Total	55	53

The parent company 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 2025 the provision amounts to DKK 6 million (31 December 2024: DKK 6 million). The maximum credit risk exposure at the reporting date is the carrying amount of each class of financial assets. The parent company does not hold collateral or other forms of credit insurance as security. The parent company assesses the concentration of credit risk with respect to receivables as low.

Notes to the parent company financial statements

DKK million

15 Financial assets and financial liabilities - continued

Changes in assets and liabilities arising from financing activities

	1 January 2025	Cash flows	Other	31 December 2025
Other financial assets excluding derivatives	-918	-255	-710	-1,883
Mortgage loans	182	1,333	-1	1,514
Lease liabilities	11,813	-1,555	719	10,977
Bank loans	-	2,500	-	2,500
Other financial liabilities excluding derivatives	1,785	1,691	-68	3,408
Total change in assets and liabilities from financing activities	12,862	3,714	-60	16,516

	1 January 2024	Cash flows	Other	31 December 2024
Other financial assets excluding derivatives	-592	-326	-	-918
Mortgage loans	187	-5	-	182
Lease liabilities	11,934	-1,435	1,314	11,813
Other financial liabilities excluding derivatives	1,945	-133	-27	1,785
Total change in assets and liabilities from financing activities	13,474	-1,899	1,287	12,862

Notes to the parent company financial statements

DKK million

15 Financial assets and financial liabilities - continued

Trade payables

The parent company has established a supplier finance arrangement, which is offered to a group of suppliers. For a description of the supplier finance arrangements, refer to note 15 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

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	
	2025	2024
Presented in trade payables	2,140	2,005
Of which suppliers have received payment	1,985	1,864

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

Notes to the parent company financial statements

DKK million

16 Deferred tax

Specification of deferred tax

Intangible assets	-4	4	-130	-126
Property, plant and equipment	1	-18	-101	-102
Provisions	-3	-2	40	43
Leases	14	29	319	305
Other	4	-15	34	30
Deferred tax income / Net deferred tax	12	-2	162	150

Reconciliation of net deferred tax

Opening balance at 1 January		150	152
Adjustment of deferred tax recognised in the income statement		12	-2
Closing balance at 31 December		162	150

Parent company income statement		Parent company balance sheet	
2025	2024	2025	2024
-4	4	-130	-126
1	-18	-101	-102
-3	-2	40	43
14	29	319	305
4	-15	34	30
12	-2	162	150

Notes to the parent company financial statements

DKK million

	2025	2024
17 Inventories		
Goods held for resale	4,534	4,193
Consumables	78	82
Total inventories	<u>4,612</u>	<u>4,275</u>

In the income statement, as part of cost of sales, an expense of DKK 1,465 million has been recognised regarding losses and write-downs of inventories to net realisable value (DKK 1,413 million in 2024).

18 Equity

Share capital

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

1,048,223 shares of DKK 500	524	524
Total share capital	<u>524</u>	<u>524</u>

There has been no changes to the share capital during 2021 - 2025. All shares have been fully paid.

Retained earnings

During the 2025 financial year an ordinary dividend of DKK 200 million has been paid (DKK 200 million in 2024). A dividend for the 2025 financial year of DKK 250 million is proposed. Payment of dividends to shareholders does not trigger taxes for the parent company.

Notes to the parent company financial statements

DKK million

	2025	2024
19 Pensions		

The parent company has entered into pension schemes and similar arrangements with most of the parent company's employees. The majority of the parent company's pension schemes are defined contribution plans. For a few former employees and some members of the founder's 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	196	205
Interest expenses recognised as part of staff expenses	-5	-4
Actuarial gains / losses, demographic assumptions	5	3
Actuarial gains / losses, financial assumptions	-	6
Actuarial gains / losses, experience adjustments	4	3
Payments from the plan	-18	-17
Defined benefit obligation at 31 December	<u>182</u>	<u>196</u>

The following significant actuarial assumptions are applied:

Discount rate	<u>2.7%</u>	<u>2.1%</u>
Price inflation	<u>2.2%</u>	<u>2.0%</u>

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

Notes to the parent company financial statements

DKK million

19 Pensions - continued

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

Discount rate:

	2025	2024
Increase of 0.5% point	-6	-7
Decrease of 0.5% point	6	7

Price inflation:

Increase of 0.5% point	6	7
Decrease of 0.5% point	-6	-7

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 2025 is 25 years (26 years in 2024). DKK 18 million is expected to be paid from the plans in 2026.

Notes to the parent company financial statements

DKK million

20 Provisions

	2025	2024
Balance at 1 January	46	42
Provisions made during the year	22	12
Provisions utilised during the year	-7	-4
Reversals during the year	-1	-4
Balance at 31 December	60	46
Non-current	41	37
Current	19	9
Balance at 31 December	60	46

The provisions comprise provision for warranties, returns, jubilee benefits and pending lawsuits. The warranty provision is recognised upon a sale of a product for which the parent company 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. No further information is provided regarding the provision for pending lawsuits, as the information might harm the parent company's position.

Provisions of DKK 22 million is expected to fall due after more than 5 years (DKK 22 million in 2024).

21 Adjustments

Financial income	-86	-194
Financial expenses	784	813
Depreciation, amortisation and impairment losses	2,432	2,310
Net gain/loss on sale of non-current assets etc.	-2	-1
Share of profit from subsidiaries, net of tax	-621	-421
Other adjustments	9	36
Adjustments	2,516	2,543

Notes to the parent company financial statements

DKK million

22 Change in working capital

	2025	2024
Change in trade and other receivables and prepayments	-51	-21
Change in inventories	-337	-212
Change in trade and other payables	-84	-175
Change in working capital	<u>-472</u>	<u>-408</u>

23 Acquisition of subsidiaries

As at 2 June 2025 Salling Group A/S acquired the Swedish retail group ICA Gruppen AB's Baltic activities, Rimi Baltic AB and its subsidiaries upon regulatory approval.

For further information, refer to note 26 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

24 Contingent assets and liabilities, other financial commitments and collateral

Contingent assets

Operating leases, the parent company as lessor

The parent company leases a number of properties, shops and flats as operating leases to external parties. The leases have terms of between 2 months 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	27	28
1 to 5 years	32	38
After 5 years	1	4
Total	<u>60</u>	<u>70</u>

Notes to the parent company financial statements

DKK million

24 Contingent assets and liabilities, other financial commitments and collateral - continued

Commitments

The parent company has entered into contractual commitments regarding acquisition and construction of property, plant and equipment of a total of DKK 31 million (DKK 36 million in 2024).

The parent company has entered into contractual commitments regarding acquisition of intangible assets of a total of DKK 68 million (DKK 97 million in 2024).

The parent company has entered into contractual commitments regarding equity investments of a total of DKK 93 million as at 31 December 2025 (DKK 0 million in 2024).

Collateral

As security for mortgage loans land and buildings with a carrying amount of DKK 573 million have been provided as collateral (DKK 258 million in 2024).

Contingent liabilities and guarantees

Companies in the Group are part of the joint registration with F. Salling Invest A/S regarding payment of VAT, PAYE taxes etc. and are thus jointly liable for the total liability of DKK 626 million at 31 December 2025 (DKK 615 million in 2024).

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

Guarantees of DKK 9,402 million have been provided to credit institutions regarding related parties' mortgage loans (DKK 7,146 million in 2024).

Guarantees of DKK 345 million have been provided to external parties regarding subsidiaries' lease obligations (DKK 251 million in 2024).

The parent company has entered into a suretyship in respect of guarantees provided by external parties of up to DKK 133 million (DKK 128 million in 2024) regarding lease and bank obligations.

Notes to the parent company financial statements

DKK million

	2025	2024
25 Related party disclosures		
The following related party transactions were carried out with related parties:		
Entities with controlling influence over the parent company:		
Sales of services	4	4
Lease payments	-21	-18
Lease interests paid	-11	-12
Interests paid	-10	-18
Dividends paid	-200	-200
Donations from Købmand Herman Sallings Fond	23	8
Subsidiaries:		
Sales of goods and services	150	129
Purchase of goods and services	-52	-48
Lease payments	-1,324	-1,196
Lease interests paid	-578	-595
Interests received/paid	-12	-49
Dividends received	780	415

All outstanding balances with related parties as at 31 December are presented in note 15. All outstanding balances carry interest and are to be settled in cash within 1 year unless otherwise specified in note 15.

None of the outstanding balances are secured, and no provisions are held against the balances as at 31 December 2025 (DKK 0 million in 2024). No expense has been recognised in 2025 or 2024 for bad or doubtful debts.

Guarantees that the parent company has provided for related parties are listed in note 24.

Notes to the parent company financial statements

DKK million

26 Capital management

For a description of capital management, refer to note 27 in the notes to the consolidated financial statements which also applies to parent company's financial statements.

27 Events after the reporting period

For a description of subsequent events, refer to note 28 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

28 Standards issued but not yet effective

For a description of standards issued but not yet effective, refer to note 29 in the notes to the consolidated financial statements which also applies to the parent company's financial statements.

salling group

Statements

Statement of the Board of Directors and Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Salling Group A/S for the financial year 1 January – 31 December 2025.

The annual report has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and

fair view of the Group’s and the parent company’s assets, liabilities and financial position at 31 December 2025 and of the results of the Group’s and the parent company’s operations and cash flows for the financial year 1 January – 31 December 2025.

Further, in our opinion, the Management’s review gives a fair review of the development in the Group’s and the parent company’s operations and financial conditions, the results of the Group’s and the parent company’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 parent company faces.

Furthermore, in our opinion, the Consolidated ESG Statements included in the Management Review has been prepared in accordance with the accounting policies for the consolidated ESG Statements basis for reporting, and the environmental, social and governance-related accounting policies. It provides a reasonable and fair presentation of the

Group’s environmental, social, and governance (ESG) activities and performance.

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

Brabrand, 23 April 2026

Executive Board

Anders Hagh
CEO

Board of Directors

Bjørn Gulden
Chairman

Jens Bjerg Sørensen

Freddy Mikael Sobin

Thomas Carsten Alexander Tochtermann

Lammeschien Boer

Aliz Tepfenhart

Samuel Dam Rützou
Employee representative

Jonas-Tobias Andersen
Employee representative

Lars Lippert Laursen
Employee representative

Independent Auditor's Report

To the shareholders of Salling Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of for the financial year 1 January - 31 December 2025, which comprise the 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 as well as the Parent. The consolidated financial statements and the parent financial statements 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 parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2025, and of the results of their operations and cash flows for the financial 1 January - 31 December 2025 – 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use

of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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 consolidated financial statements and the parent 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, 23 April 2026

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR no. 33963556

Jacob Nørmark

State Authorised Public Accountant
mne30176

Jakob Olesen

State Authorised Public Accountant
mne34492

Independent auditor's limited assurance report on selected disclosures in the ESG Statements

To the stakeholders of Salling Group A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the selected disclosures as presented in the tables in section "consolidated ESG Statements" on pages 42-47 (hereafter "ESG Statements") in the annual report of Salling Group A/S (hereafter "the Group") for the financial year 1 January – 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG Statements are not prepared, in all material respects, in accordance with associated accounting policies as described on pages 41-42 and 48-51.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have

been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

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. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative information for the ESG Statements of the Group for the financial year 1 January – 31 December 2024 was subject to a limited assurance engagement by

a former auditor. The limited assurance report for 2024 is published in the Annual Report 2024 of Salling Group A/S dated 23 April 2025. Our conclusion is not modified in respect of this matter.

Management's responsibilities for the sustainability report

Management of the Group is responsible for:

- Identifying the information to be reported in the ESG Statements as described in the accounting policies applied on pages 41-42 and 48-51;
- The preparation of the ESG Statements in accordance with accounting policies applied;
- Designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the ESG Statements, in accordance with accounting policies applied that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the selected disclosures in the ESG Statements is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our con-

clusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selected disclosures in the ESG Statements.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the ESG Statements include:

- Identification of disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to assessed risks of material misstatement at the disclosure level. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the selected disclosures in the ESG Statements.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the ESG Statements.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Group’s reporting processes relevant to the preparation of the selected disclosures in its ESG Statements by obtaining an understanding of the Group’s control environment, processes and information systems relevant to the preparation of the selected disclosures in the ESG Statements but not evaluating the design of particular control activities,

obtaining evidence about their implementation or testing their operating effectiveness;

- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the ESG Statements;
- Performed substantive assurance procedures on selected disclosures in the ESG Statements; and
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;

Other information

Management is responsible for other information. The other information comprises the remaining part of the info-

mation including targets, which is included in the annual report, and which is not included in the selected disclosures as presented on pages 42-47 in the ESG Statements and our report thereon.

Our conclusion on the selected disclosures as presented on pages 42-47 in the ESG Statements does not cover other information, and we do not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the ESG Statements as presented on pages 42-47, our responsibility is to read other information and, in doing so, consider whether other information is materially inconsistent with the

ESG Statements as presented on pages 42-47 in the ESG Statements or our knowledge obtained during the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Aarhus, 23 April 2026

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR no. 33 96 35 56

Jacob Nørmark

State Authorised Public Accountant

mne30176

Aida Sasivarevic

State Authorised Public Accountant

mne47817



Company Information

Company name	Salling Group A/S
Website	www.sallinggroup.com
Head office	Rosbjergvej 33, DK-8220 Brabrand
Primary brands	Salling, føtex, Bilka, Netto, BR, Rimi, and Skagenfood
Ownership and corporate form	Privately owned / non-listed
Total number of employees	69,823
Significant change in size, structure, ownership or supply chain during the reported period	Acquisition of Rimi Baltic AB
Externally developed charters, principles or initiatives signed or endorsed	UN Global Compact
Membership of associations and support organisations	<ul style="list-style-type: none"> • Amfori BSCI • Amfori BEPI • AMS Sourcing • Carbon Disclosure Project (CDP) • Danish Chamber of Commerce • Ethical Trade Denmark • FSC Denmark • GlobalG.A.P. • Science Based Targets initiative (SBTi) • The International Accord
Tax policy	Our tax policy is available on our website
Reporting period	1 January - 31 December 2025
Reporting principles	Consistent with IFRS and additional requirements (including sections 99a and 99d) of the Danish Financial Statements Act
Date of the most recent report	23 April 2025
Contact for enquiries about the report or its contents	Henrik Vinther Olesen, Group Vice President, Sustainability, Communication and Public Affairs

salling group

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