



Increased market shares and strong cash flow

- ICA Sweden and Rimi Baltic retakes market shares in the fourth quarter
- Apotek Hjärtat's market share at all-time-high
- Logistics properties in Sweden and Latvia sold for SEK 2.1 billion
- Strong cash flow and reduced debt

Important events after the end of the quarter

- ICA Sweden announces SEK 1 billion investment in price reductions during 2024
- ICA Gruppen's Chairman of the Board Claes-Göran Sylvén, declines reelection ahead of the AGM on 26 April. The Nomination Committee proposes Magnus Moberg as his replacement

Key data

Group, SEKm	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
Net sales	38,273	35,558	7.6	147,645	136,288	8.3
Operating profit before depreciation/amortisation (EBITDA)	3,199	2,883	11.0	13,173	12,526	5.2
Operating profit	1,421	1,197	18.6	6,707	6,475	3.6
Operating profit excluding items affecting comparability	1,487	1,389	7.0	6,363	5,905	7.8
Operating margin excluding items affecting comparability, %	3.9	3.9	—	4.3	4.3	—
Profit before tax	931	185	>200	4,693	5,103	-8.0
Profit for the period	828	216	>200	4,250	4,518	-5.9
Cash flow from operating activities excluding ICA Bank	4,692	2,845	64.9	12,738	10,327	23.3
Return on capital employed, %	—	—	—	9.2	9.1	—
Return on equity, %	—	—	—	25.5	12.2	—
Net debt excl. ICA Bank and IFRS 16 Leases/EBITDA excl. IFRS 16 Leases	—	—	—	2.2	3.3	—

CEO's comments

It is clear that 2023 was a challenging year in many ways, but also a year when we were successful in a number of key areas. We achieved strong earnings for the full year in Apotek Hjärtat and ICA Bank while Rimi Baltic had its second-best year ever. During the year in a difficult market we completed a number of major real estate transactions and bond issues which, combined with a really strong cash flow, significantly improved our financial position. We are also pleased to note that at the end of the year for the first time in a long while we achieved positive volume growth in our grocery retail operations and took market shares in both Sweden and the Baltic region.



ICA Sweden – stable year-end with good growth and positive volume development. Strong year for Rimi Baltic

It has undeniably been a challenging market where continuing – although falling – food price inflation has resulted in declining volumes and a significantly greater focus on price. During the year we have worked intensively to meet customers' needs and strengthen our price position. It is therefore extremely gratifying to see higher sales and volume growth in the fourth quarter with a good inflow of customers in all our store formats, especially the Maxi stores. For the first time since the third quarter of 2021, ICA's store sales are also growing faster than the market with a 1 percentage point growth over the market. At the same time, food price inflation thankfully continues to fall and ended up for the quarter at just over 6%, significantly lower than the 12% which was the outcome for the full year 2023.

We now move forward and, as recently announced, are making additional investments totalling SEK 1 billion in regular prices during 2024. This is a major initiative which we are carrying out together with the ICA retailers to ensure continued good growth and to meet customers' price expectations, where price reductions will be made continually during the year starting in March. During the quarter we also took the restructuring costs for the previously announced organisational changes and the closure of Arendal, measures that release funds for carrying out the price investments, among other things. For the full year 2023 earnings are at the same level as 2022 which was achieved through strong sales and positive volume development in the fourth quarter not least due to a strong December.

2023 was the second-best year ever for Rimi Baltic (record earnings in Swedish kronor) – but with an expected weaker finish to the year due to very strong fourth quarter in the previous year. Following major price investments, sales growth has gradually strengthened during the year and in the fourth quarter we outgrew the total market. We outperformed the market by far in Estonia and Lithuania but did not quite make it in Latvia even though the gap to market growth continued to shrink. Food price inflation has also fallen significantly in the Baltic region and we showed positive volume growth during the fourth quarter. We have also successfully divested our warehouse in Riga.

Strong earnings for Apotek Hjärtat, improvement for ICA Bank and an intensive transaction year for ICA Real Estate

Apotek Hjärtat reported its best-ever full-year earnings by a wide margin and also reached an all-time-high market share of over 32%. A really strong year with good opportunities for a continued favourable performance with a highly competitive pharmacy network and an e-commerce platform with good development potential. Min Doktor also delivered significantly better earnings than the previous year.

ICA Bank's earnings strengthened during the fourth quarter despite a weak volume development and the year can be summed up with a record for the bank's operating profit. However, future earnings will obviously be affected by interest rate developments during 2024. Several large claims resulted in a somewhat weaker end to the year for ICA Insurance despite continued good sales development. At the beginning of 2024, ICA Bank launched a food insurance for the bank's card customers. An exciting example of the strength of ICA's ecosystem where combined offerings contribute to increased customer benefit.

ICA Real Estate successfully completed a number of major transactions during the year in a difficult market. These released over SEK 5 billion which has been used to reduce the Group's debt.

Continued uncertainty in our business environment

I recently had the opportunity in conjunction with the Folk och Försvar (Society and Defence) Annual National Conference to speak about the business environment situation, the climate crisis and uncertainty in our immediate surroundings and how these heighten the need for crisis preparedness. ICA wants and is able to accept considerable responsibility but at the same time is part of a global chain where we all have the same dependencies. It is together with our industry and through collaboration with the public sector that we can be really strong and more robust throughout our entire value chain. There are a number of areas where, in dialogue with the public sector, we need to move forward so that with our joint resources and planning we can secure in the long term the distribution of goods to consumers even in a crisis. A key area that demands increased attention in the years ahead.

Finally a big thank you to our employees, ICA retailers and partners for a year that has been challenging but turned out well in the end. An exciting new year awaits.

Nina Jönsson
CEO ICA Gruppen

Group performance – fourth quarter

Net sales

Consolidated net sales increased by 7.6% compared with 2022. In local currencies, the increase was 6.9%. A continued comparatively high inflation rate and higher interest rate levels contributed to the sales increase. The price effects for Rimi Baltic, however, were negative. Volume effects in sales were positive in the quarter for all businesses except for ICA Bank and ICA Real Estate. For ICA Real Estate, this is linked to divestments carried out in 2023.

Net sales per segment

SEKm	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
ICA Sweden	26,737	25,129	6.4	103,493	97,252	6.4
Rimi Baltic	5,545	5,088	9.0	21,039	18,482	13.8
Apotek Hjärtat	4,917	4,362	12.7	18,964	16,963	11.8
ICA Real Estate	846	743	13.9	3,179	2,893	9.9
ICA Bank	726	662	9.7	2,797	2,338	19.7
Other	324	331	-2.1	1,334	1,303	2.4
Internal sales	-821	-756	8.6	-3,161	-2,941	7.5
Net sales	38,273	35,558	7.6	147,645	136,288	8.3

Earnings performance

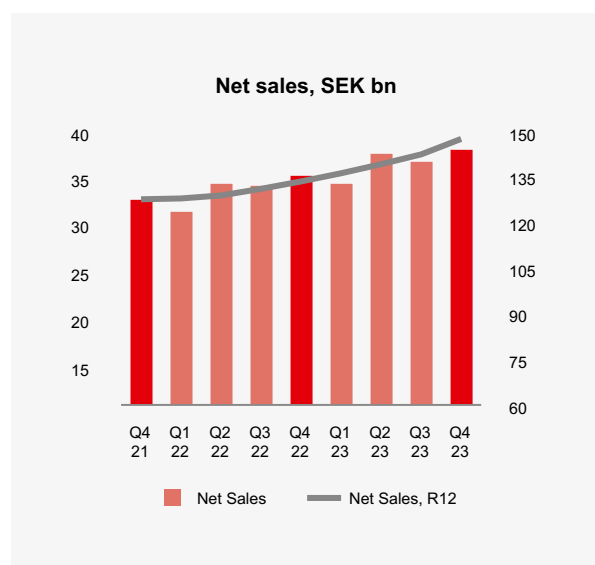
Operating profit excluding items affecting comparability and excluding IFRS 16 effects was SEK 21 million higher than in the same period last year. ICA Sweden, Apotek Hjärtat and ICA Bank had a higher operating profit than in the previous year while the earnings level in Rimi Baltic and ICA Real Estate was lower. ICA Sweden's earnings were charged with restructuring costs of approximately SEK 170 million. Joint-Group costs were lower. During the quarter, higher volumes in both ICA Sweden and Rimi Baltic had a positive earnings impact for the first time in long while. Otherwise, Rimi Baltic's earnings development during the quarter was affected by the price investments made in 2023. ICA Real Estate's earnings decreased as a result of completed divestments as well as non-recurring costs for discontinued projects of approximately SEK 55 million. The Group's gross profit increased overall while the gross margin was slightly lower than in the same period last year. IFRS 16 effects were more positive than in 2022, SEK +76 million, which is linked to the formation of the new joint venture company Delcore but also to higher interest rates. The operating margin excluding items affecting comparability amounted to 3.9% (3.9). Profit for the period includes capital gains from sales of properties including IFRS 16 leases of SEK 88 million (29) and the earnings impact from impairment losses of SEK -154 million (-221). Net financial items were significantly more positive than in the previous year, SEK -490 million (-1,013), since net financial items for 2022 were charged with interest expenses as a result of the merger with Murgröna Holding AB (1 November 2022) totalling approximately SEK 700 million. The effective tax rate was slightly lower than in the previous year and overall profit for the period increased by SEK 612 million to SEK 828 million (216).

Operating profit excluding items affecting comparability per segment

SEKm	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
ICA Sweden	971	767	26.6	3,731	3,769	-1.0
Rimi Baltic	138	292	-52.6	810	682	18.8
Apotek Hjärtat	171	98	73.8	689	543	26.9
ICA Real Estate	90	182	-50.4	554	690	-19.8
ICA Bank	99	93	7.3	458	367	24.9
Other	-143	-126	13.8	-400	-439	-8.8
Operating profit excluding items affecting comparability, excl. IFRS 16 Leases	1,327	1,306	1.6	5,841	5,611	4.1
IFRS 16 Leases	159	83	92.7	522	294	77.6
Operating profit excluding items affecting comparability, incl. IFRS 16 Leases	1,487	1,389	7.0	6,363	5,905	7.8

IFRS 16

The segments are reported excluding IFRS 16. The total effect of IFRS 16 is reported only on a consolidated basis at the ICA Gruppen level.



Net financial items and tax

The difference in net financial items between the years of SEK -523 million is mainly attributable to the merger with Murgröna in November 2022, which resulted in interest expenses of approximately SEK 700 million charged against the fourth quarter last year. Net financial items also include IFRS 16 lease interest of SEK -200 million (-108), an increase of SEK 92 million compared with the previous year. Excluding merger effects (plus charges) and IFRS 16, the underlying development represents some improvement in net financial items of approximately SEK 30 million. The improvement was attributable to repayment of a bridge loan and amortisation of loans which reduced the total level of debt. This was offset by sharp interest rate increases in 2023. Interest on loans for the quarter amounted to SEK -256 million (-295). Interest expenses for pension liabilities were also somewhat higher.

The effective tax rate was lower than the nominal level in the quarter due to tax-free capital gains from property divestments as well as a tax reduction in Rimi Baltic linked to earlier investments. The tax expense in the previous year was affected by positive tax effects derived from the merger with Murgröna. Paid tax was higher than last year which was essentially due to the difference in paid preliminary tax between the years.

Net financial items and tax

	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
Net financial items, SEKm	-490	-1,013	-51.6	-2,014	-1,372	46.8
Of which, interest expenses, SEKm	-517	-1,014	-49.0	-2,120	-1,410	50.4
Tax cost, SEKm	-103	31	>200	-443	-585	-24.4
Effective tax rate, %	11.1	-18.4	—	9.4	11.5	—
Paid tax, SEKm	-177	-114	55.3	-845	-822	2.9

Cash flow (excluding ICA Bank)

Cash flow from operating activities (excluding ICA Bank) increased by approximately SEK 1.8 billion during the quarter compared with the preceding year. In addition to a higher level of earnings, this development is explained by a positive change in operating capital of approximately SEK +1.4 billion. This change was partly due to a non-recurring effect with a lasting impact of approximately SEK +900 million and partly by favourable development of stock levels and accounts payable.

The year-on-year strong positive difference in cash flow from investing activities, approximately SEK +2 billion, is linked to sales of warehouse properties and offices in ICA Real Estate and Rimi Baltic (Latvia). This development was counteracted by a slightly higher level of investment in ICA Real Estate and Rimi Baltic.

Cash flow from financing activities was characterised by the extensive changes in recent years in the Group's outstanding loans and refinancing of these. In addition, interests payments and lease payments were significantly higher. Overall, the Group's cash flow for the period excluding ICA Bank was approximately SEK 2 billion higher than in the same period in 2022.

Dividend 2024

ICA Gruppen's Board has proposed to the Annual General Meeting that a dividend to ICA Gruppen's two owners, ICA-handlarnas Förbund and AMF, should total SEK 540 million (559). The dividend is expected to be paid in the second quarter.

Effect of IFRS 16 on cash flow

During the fourth quarter of 2023, lease payments (interest and principal) totalled SEK -1,178 million (-989).

Cash flow, Group excl. ICA Bank						
SEKm	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
From operating activities before change in working capital	3,101	2,692	15.2	11,579	10,513	10.1
Change in working capital	1,592	153		1,159	-186	
From operating activities	4,692	2,845	64.9	12,738	10,327	23.3
Investing activities, net	1,272	-708		2,798	-744	
Before financing activities	5,965	2,137	179.1	15,536	9,583	62.1
Financing activities, net	-4,234	-2,651		-18,437	-6,696	
Cash flow for the period	1,730	-515	>200	-2,901	2,887	>200

Investments

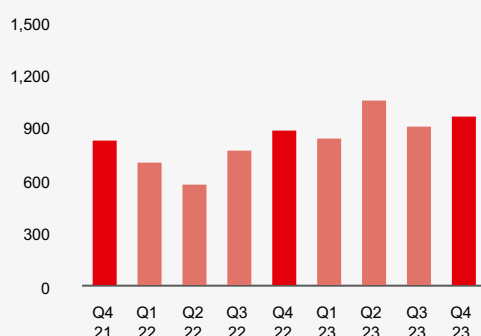
The Group's investments were approximately SEK 74 million higher than in the same period in 2022. The level of investment was slightly higher in ICA Real Estate and in Rimi Baltic, mainly attributable to investments in warehouse properties as well as a number of major store projects.

For 2024 the Group's investments are expected to amount to approximately SEK 4.0 billion, of which approximately SEK 2.0 billion in ICA Real Estate.

Investments (cash flow) by segment

SEKm	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
ICA Sweden	209	334	943	1,110
Rimi Baltic	206	133	666	465
Apotek Hjärtat	44	46	202	178
ICA Real Estate	413	317	1,734	960
ICA Bank	58	13	96	84
Other	31	46	119	146
Investments	962	888	3,759	2,942

Investments (cash flow), SEKm



Depreciation/amortisation by segment

SEKm	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
ICA Sweden	207	192	767	754
Rimi Baltic	117	118	462	458
Apotek Hjärtat	49	50	195	198
ICA Real Estate	116	123	448	563
ICA Bank	18	12	59	38
Other	40	39	154	146
Depreciation/amortisation by segment	547	534	2,084	2,158
IFRS 16 Leases	1,078	931	4,212	3,665
Depreciation/amortisation	1,625	1,465	6,296	5,822

Net debt and return on capital employed

The Group's net debt (excluding IFRS 16 Leases, ICA Bank and pension liabilities) was approximately SEK 20.7 billion (29.5) at the end of the quarter. Strong operating cash flows and sale of properties have enabled a comparatively large reduction in debt compared with 2022. In addition, the remaining debt has been refinanced through bond issues carried out during the year which among other things resulted in a considerably improved maturity profile. The Group's net debt including IFRS 16 (excluding ICA Bank and pension liabilities) amounted to approximately SEK 43.4 billion (47.1) at the end of the quarter. As per 31 December 2023, net debt in relation to EBITDA was 3.3 (3.8). Calculated on net debt excluding IFRS 16 Leases, ICA Bank and pension liabilities, and EBITDA excluding IFRS 16 Leases, the debt metric was 2.2 (3.3). According to the Group's long-term target for the level of debt, the latter metric is to be <2. Return on capital employed amounted to 9.2% (9.1) on a rolling 12-month basis.

In the fourth quarter, ICA Gruppen carried out a bond issue of SEK 500 million on 2 October. Thus, bond issues totalling SEK 11 billion were carried out in 2023.

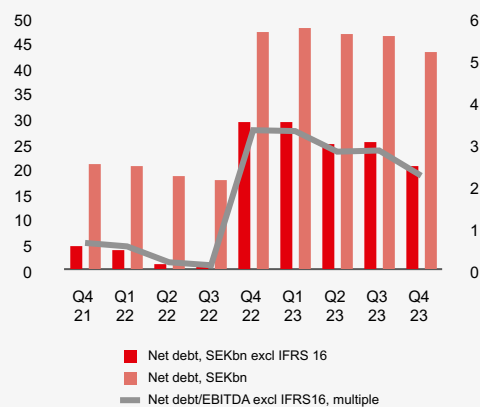
Both refinancing and amortisation of debt have taken place during the year which has affected maturities and the breakdown between non-current and current liabilities. A summary of the changes in interest-bearing liabilities during the year is provided in the table below. The average maturity for outstanding interest-bearing liabilities in the table was 21 months as per 31 December 2022 and 31 months as per 31 December 2023.

Interest-bearing liabilities excl. lease liabilities and ICA Bank	
SEKm	
Opening debt, 1/1/2023	
Non-current interest-bearing liabilities	16,943
Current interest-bearing liabilities	18,057
Total	35,000
Change	
Amortisation of bridge loan	-15,000
Amortisation of syndicated loan	-5,936
Bond issue	10,000
Maturity of bonds	-1,726
Bond raised with Svensk Exportkredit	1,000
Other changes in loans	-97
Closing debt, 31/12/2023	
Non-current interest-bearing liabilities	21,053
Current interest-bearing liabilities	2,188
Total	23,241
Maturity profile (excl unutilised facilities)	
2024	2,234
2025	4,814
2026	10,000
2027	2,000
2028	4,250
2029 and later	0

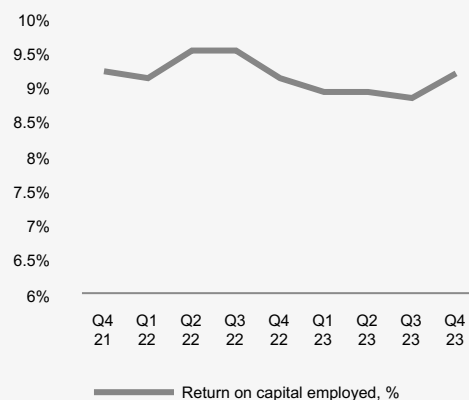
The difference in closing debt from the sum in the maturity profile is attributable to capitalised loan fees.

ICA Gruppen has financial covenants to meet. As per 31 December 2023 these were met.

Net debt and net debt/EBITDA



Return on capital employed, R12



Net debt and net debt/EBITDA ratio

SEKm	31 December	
	2023	2022
Net debt excl. ICA Bank	-43,424	-47,084
Net debt excl. ICA Bank and IFRS16 Leases	-20,659	-29,520
Net debt excl. ICA Bank and IFRS 16 Leases/EBITDA excl. IFRS 16 Leases	2.2	3.3
Net debt excl. ICA Bank/EBITDA	3.3	3.8

Performance for the period January–December 2023

ICA Gruppen's net sales increased by 8.3% during the year to SEK 147,645 million (136,288). The increase in local currencies was 7.2%. The sales increase in the grocery business was driven during the year by high inflation at the same time as volume development was negative. In Apotek Hjärtat and ICA Insurance, however, the volume effects were positive.

Operating profit excluding items affecting comparability increased overall by SEK 458 million to SEK 6,363 million (5,905) while the operating margin was unchanged at 4.3%. The increase includes an IFRS 16 effect of SEK +228 million, mainly driven by the formation of a new real estate joint venture company and a higher interest rate level. The operational earnings improvement of SEK +230 million was driven by a significantly improved operating profit in Apotek Hjärtat, Rimi Baltic and ICA Bank as well as lower joint-Group costs. ICA Sweden's earnings were slightly lower than in the previous year and affected by restructuring costs totalling approximately SEK -245 million and lower profit distribution from ICA stores of SEK 109 million. ICA Real Estate's earnings were also lower which was due to completed divestments and therefore lower revenues from owned properties as non-recurring costs, primarily linked to discontinued projects of approximately SEK 65 million. The higher interest rate level and the high rate of inflation during the year led to increased revenues in all the Group's operations and therefore positive earnings effects. Volume development, on the other hand, provided negative effects except in Apotek Hjärtat and ICA Insurance. The Group's gross profit increased while the gross margin fell.

Operating profit increased by SEK 232 million to SEK 6,707 million (6,475) and includes items affecting comparability from capital gains from property sales and net impairment losses of SEK 344 million (570).

Profit for the period decreased by SEK 268 million to SEK 4,250 million (4,518). In addition to the earnings changes described above, performance can be explained by a considerably more negative level of net financial items coupled to the higher level of debt after the merger with Murgröna, SEK -2,014 million (-1,372), a difference of SEK -642 million. This was partly countered by a lower effective tax rate than for 2022. The positive deviation in the tax rate is mainly due to year-on-year differences in tax effects from completed real estate transactions.

Important events during the quarter

16 October 2023 - ICA Gruppen announces that ICA Real Estate has sold the property that houses ICA's central warehouse in Västerås. At the same time, ICA Real Estate signed a 15-year lease agreement. The transaction releases approximately SEK 1.2 billion. See also ICA Gruppen's press release of 16 October 2023 at www.icagruppen.com.

17 October 2023 - ICA Gruppen announces the introduction of a new model for e-commerce in the Gothenburg region and that the e-commerce warehouse in Arendal will be closed down. See also ICA Gruppen's press release of 17 October 2023 at www.icagruppen.se.

7 December 2023 - Rimi Baltic sells its central logistics and office properties in Riga and thus releases approximately SEK 900 million. See also ICA Gruppen's press release of 7 December 2023 at www.icagruppen.se.

7 December 2023 - Karin Andrén is appointed as the new Chief HR Officer for ICA Gruppen. She will take up her position on 1 April 2024 at the latest.

19 December 2023 - Peter Muld is appointed as the new CIO of ICA Gruppen. He took up his position on 1 January 2024.

Important events after the end of the quarter

17 January 2024 - ICA Sweden and the ICA retailers are making a joint, long-term billion kronor investment to reduce regular prices in 2024.

7 February 2024 - ICA Gruppen's Chairman of the Board Claes-Göran Sylvén declines reelection ahead of the AGM on 26 April. The Nomination Committee proposes Magnus Moberg as new Chairman of the Board. See also ICA Gruppen press release of 7 February at www.icagruppen.se

Sustainability Report

Sustainability is an integral part of the daily activities of all of ICA Gruppen's operations. All segments work actively on improvements in the value chain – by setting standards for and working in cooperation with suppliers, working towards common goals and certifications, and by developing new, sustainable products and services that make it easier for customers to make healthy and sustainable choices. ICA Gruppen's sustainability reporting is broken down into five focus areas: Environment, Health, Local, Inclusion & diversity, and Quality.

ICA Gruppen's climate targets submitted to the Science Based Targets initiative for approval

ICA Gruppen's long-term ambition is to reduce the climate footprint in the entire value chain, in line with what is required to reach the Paris Agreement's 1.5 degree target. During the quarter, ICA Gruppen's climate targets were submitted to the Science Based Targets initiative (SBTi) for validation. The targets are formulated in accordance with the initiative's standard for net-zero targets, which means they include targets for 2030 and 2050, include all scopes according to the GHG Protocol and have different targets for emissions associated with land use, agriculture or forestry (so-called FLAG, Forest, Land and Agriculture emissions), and other emissions respectively. SBTi is expected to approve the targets in the first half of 2024.

In conjunction with submission of the new targets for approval, a decision was also made to adjust ICA Gruppen's ambition for emissions reductions from sold food to be in line with the FLAG target for 2030 which means that emissions are to decrease by 30% by 2030 compared with 2022.

Rimi Baltic principal sponsor of Baltic Sustainability Awards

In December, Rimi Baltic together with the innovation accelerator Helve, arranged the third occasion of the Baltic Sustainability Awards, which celebrate initiatives for change, innovation and leadership within sustainability. This year more than 200 contributions from the three Baltic countries competed with innovations within sustainability.

Environment

"We will minimise our environmental impact, move towards net zero climate impact and help our customers make more sustainable choices."



Environment indicators

	12 months	12 months
	Jan 2023 - Dec 2023	Jan 2022 - Dec 2022
Net zero emissions from own operations by 2030 (tonnes CO ₂ e)	92,887	92,575
Net zero emissions from own operations by 2030 (tonnes CO ₂ e / SEKm sales)	0.63	0.68
Cut the climate impact of customers' grocery purchases in half by 2030 (kg CO ₂ e/kg sold food)	1.71	1.79
Cut food waste in half by 2025 (food waste weight share)	1.35%	1.54%
Cut food waste in half by 2025 (development as % relative to base year 2016)	-26%	-16%

ICA Gruppen's climate impact from its own operations (stores, pharmacies, warehouses, offices and transports) is to be net zero by 2030. This requires reducing emissions as much as possible, at the same time that emissions that cannot be eliminated by 2030 will be offset by measures that result in a net zero effect on the atmosphere. Emissions from own operations during the period January 2023–December 2023 amounted to 92,887 tonnes of CO₂ equivalents (CO₂e), a minor increase compared to the previous 12 month-period. The emissions intensity, that is climate impact in relation to turnover, has however decreased. The greatest emissions increases have taken place in goods transports, owing to a smaller proportion of renewable fuel.

Reducing the carbon footprint of customers' grocery purchases is an important part of ICA Gruppen's climate ambition. Climate impact per kg sold food continued to decrease during the quarter, and was during the period January 2023–December 2023 1.71 kg CO₂e per kg sold food. This is mainly due to a lower share of sold meat. Current data pertains to ICA Sweden (Rimi Baltic will be included in future reporting).

ICA Gruppen has set a target to cut food waste in half by 2025. Since the base year 2016, food waste from warehouses and stores has decreased by 26%. The share of food waste by weight during the 12-month period was 1.35%. In Sweden, food waste in stores and in the e-commerce operations continued to decrease in the fourth quarter, compared to the same quarter last year, due among other things to improved forecasts which reduce food surpluses and the stores increasing close-out sales for products that otherwise were at risk of being discarded. In the Baltic region, continued significant reductions in food waste can also be seen in stores, among other things thanks to continued roll out of automatic markdowns of food with short expiry dates.

New collaboration around cultivated meat

In order to contribute to innovation within the food system and in line with the overall ambition to reduce the carbon footprint from the assortment, ICA Sweden started a new collaboration during the quarter with the scale-up company Re:meat related to Swedish cultivated meat. In an initial stage, the collaboration is about investigating consumer attitudes to cultivated meat. Together ICA and Re:meat will define the conditions that must be in place in order to create a demand that makes a difference from a sustainability perspective.

Agreement for substantial reduction in emissions from sea transport

ICA Gruppen is to have fossil-free road transport in Sweden by 2030. In addition to investments in electrification, ICA also collaborates around innovation within for example hydrogen-powered transport and fuels with less climate impact. During the quarter

an agreement was signed with Maersk to use bio-methanol for long-distance sea transport, which will reduce ICA's climate footprint from these transports by 80% during the contract period.

Nudging-study in ICA stores investigated methods to increase sales of organic food

During the quarter, six ICA stores took part in a nudging study designed to investigate how sales of organic food can be promoted. Different messaging about the added value of organic was tested for six different products. The result showed clear additional sales of up to over 80% for two of the products but no significant impact for the other four, which shows the importance of continuing to test and evaluate which initiatives have an effect. In parallel, 100 ICA stores took part in a communication campaign. The study was conducted by Beteendelabbet and commissioned by Organic Sweden within the framework of the Nudging Organic project.

Seminar for greater transparency about the climate impact of pharmaceuticals

For several years, Apotek Hjärtat has pursued the issue of increased knowledge and transparency about the impact of pharmaceutical production on the environment and climate. On 8 November, Apotek Hjärtat hosted a seminar and round table discussion where the Swedish Environmental Research Institute (IVL) presented a lifecycle analysis carried out on behalf of Bayer, in order to better understand the climate impact of different types of medicines. Politicians as well as representatives from authorities, pharmacy players and the pharmaceutical industry participated in the meeting.

Environmental certification, solar cell installations and optimisation of operations for more sustainable properties

ICA Real Estate is continuing the work of environmental certification of existing properties. During the quarter, an additional three properties were certified according to Miljöbyggnad iDrift (ICA Supermarket Telefonplan, Maxi ICA Stormarknad Moraberg and ICA Kvantum Sannegården) as well as one according to BREEAM-In-Use (ICA's warehouse in Helsingborg).

According to ICA's energy strategy, 25% of store properties are to have self-generated electricity by 2030. New solar cell systems were installed during the quarter at Maxi ICA Stormarknad Kristinehamn and Maxi ICA Stormarknad Välsviken. Each installation has an effect of 499kW, and an estimated production of 420,000 – 440,000 kWh/year.

ICA Real Estate has also continued to work with installation of a system that will reduce energy consumption through operational optimisation. During the quarter, 13 properties were connected to the system and 178 properties will be connected before 2025. The annual energy saving potential when all properties are connected and fine-tuned is estimated to be at least 21 GWh per year.

Health

"We will actively contribute to improved public health by leveraging the strength of our entire organisation."



Pink Ribbon: SEK 51 million to cancer research

ICA has supported Cancerfonden since the 1950s and the Pink Ribbon campaign since the start in 2003. Together with customers, ICA stores and Apotek Hjärtat collected SEK 51 million for Swedish cancer research in conjunction with Cancerfonden's Pink Ribbon campaign, of which SEK 42 million from ICA and SEK 9 million from Apotek Hjärtat.

Rimi principal sponsor of running events for children and adults

Rimi sponsors several of the largest running events in the Baltic countries and during the quarter was the principal partner to the World Athletic Road Running Championships in Riga, with more than 13,000 registered runners from over 100 countries. A running event for children, Rimi kids run, was also organised with more than 3,000 participants.

Local

"Taking the ICA Idea and the unique local circumstances as our starting point, together with our customers, partners and suppliers we will contribute to positive development in communities and a stronger food system throughout the grocery chain."



Cleaner local environment with Klara, färdiga, städa!

An environment without litter is the goal of the "Klara, färdiga, städa!" (Ready, steady, clean!) collaboration between Städa Sverige and the ICA Foundation, where ICA-sponsored sports associations are commissioned to clean their local area. During October, almost 2,000 participants from Gällivare in the north to Malmö in the south collected a total of 11 tonnes of litter at 94 locations in 31 municipalities. 33 local ICA retailers arranged the collections. Each sports association was rewarded for its support with a contribution to the club finances.

Collections and donations for charitable purposes in Sweden and the Baltic countries

Ahead of Christmas, ICA Sweden labels some products where part of revenues go to charity. During December a total of SEK 7.1 million was collected for the Swedish Red Cross, Swedish Save the Children and Majblomman.

In several of the Baltic countries, Rimi has a collaboration with local food banks where customers can donate food packages to people in need and during the quarter, food bank campaigns were conducted in all three countries. In Estonia, money was also collected through a proportion of sales of certain products being donated to the food bank.

In Latvia, money was also collected for the organisation Mentor Latvia, which supports young people, and Rimi products were donated to a number of different local events and organisations.

Inclusion & diversity

"We work actively with transparency, diversity and equality in order to be the most inclusive workplace and contribute to a more inclusive society."



Inclusion & diversity indicators

Q4 2023

50/50 gender balance in key positions, ICA Gruppen (women/men, %)

53/47

ICA's target is to achieve a 50/50 gender balance in key positions, which includes approximately 175 positions in ICA Gruppen. At the end of the quarter the breakdown of these positions was 53% women and 47% men.

Quality

"By being open and transparent we will actively take responsibility for quality and the impact of production on people, animals and the environment."



Quality indicators

	12 months	12 months
	Jan 2023 - Dec 2023	Jan 2022 - Dec 2022
Share of socially audited suppliers of ICA Gruppen's corporate brand products in high-risk countries (%) ¹	95	93
Share of suppliers of ICA Gruppen's corporate brand products in high-risk countries with a valid follow-up social audit (%)	91	91
Share of suppliers of ICA Gruppen's corporate brand products with quality certification (%) ¹	94	93

¹ Reported until further notice, new target under development.

At the end of the quarter, 95% of suppliers of ICA Gruppen's corporate brand products in high-risk countries had been socially audited, and 91% had undergone a valid follow-up social audit. 94% of suppliers of ICA Gruppen's corporate brand products were quality-certified.

Focus on animal welfare in chicken production

In autumn 2023, the media reported on unsatisfactory conditions at several players upstream in the poultry industry in Sweden. ICA takes what has been reported seriously and immediately contacted all chicken suppliers in order to follow up that they in turn ensure good animal welfare in the upstream chain. This is something that has already been included in agreements with suppliers. In November and December, ICA Sweden took part in and called several meetings with suppliers and trade associations. At these meetings, ICA demanded transparency and insight in order to ensure compliance with Swedish animal welfare legislation. In addition to dialogue about how ICA's suppliers set requirements and follow up on animal welfare in the upstream chain, ICA also held discussions with the chicken suppliers about their attitudes to slow-growing breeds.

Criticisms, media debates and dialogues

- ICA Gruppen's Chief Corporate Responsibility Officer, Kerstin Lindvall, was appointed during the quarter by the government as one of six new member of the Swedish Delegation for Circular Economy, and elected as the Swedish Food Retailers Federation's representative on the board of Svenskmärkning AB.
- In December, the Swedish Environmental Protection Agency's Director General and employees from the agency's Circular Economy Department were welcomed to ICA's warehouse in Kallhäll to gain insight into the consequences of the changes in the Waste Framework Directive which came into force in 2024 related to the separation of organic from packaging waste.
- ICA Real Estate was one of four principal partners to the Sweden Green Building Council's (SGBC) annual conference in Stockholm. Representatives from ICA Real Estate took part in panel discussions with a focus on choice of material and reuse among other things.
- Rimi was highlighted as a positive example in connection with an animal rights campaign in Estonia, based on the company's commitment to phase out cage eggs from the product range by 2025.
- ICA Gruppen, together with WWF, UN Global Compact Network Sweden, and a number of other companies, signed an article in conjunction with COP28 which called on the government to work for higher climate ambitions within the EU.

Awards and distinctions

- ICA's new packaging for mild household cheese (hushållsost) received a Packnorth Award, as winner in the Food Packaging category. The Skona bottle of recycled plastic and flowpack packaging for minced meat were also nominated.
- ICA's collaboration with Whywaste around an AI-based solution to reduce food waste was named Sustainability Initiative of the Year at DI Tech Excellence Awards.
- ICA was named Sweden's most vegan friendly food chain for the second year in a row by the organisation Djurens Rätt.
- Rimi in Latvia was recognised for its work within inclusion and diversity and awarded silver status in the Diversity Assessment Awards presented by the Society Integration Foundation.

About ICA Gruppen's sustainability report

This is a quarterly status report with information about ICA Gruppen's work with sustainability. The report highlights continuing developments during the year and covers all companies in ICA Gruppen. The criteria applied in preparation of this report are based on the annual sustainability report published by ICA Gruppen. ICA Gruppen publishes the actual Sustainability Report once a year, which provides a comprehensive picture of the Group's sustainability work, including boundaries and materiality analysis. The full 2022 report as well as current reporting principles can be found at ICA Gruppen's website: <https://www.icagruppen.se/en/sustainability/#/>.

ICA Sweden

ICA Sweden conducts grocery retail business in cooperation with independent ICA retailers. The retailers own and manage their stores, but have agreements with ICA Sweden in areas such as purchasing, logistics, market communication and store development. ICA Sweden also includes ICA Special, which is responsible for sales of non-food items at Maxi ICA Stormarknad stores.

Net sales

ICA Sweden's net sales increased by 6.4% in the fourth quarter. The continued relatively high food price inflation contributed to the increase in sales and for the first time in several quarters volume effects were positive.

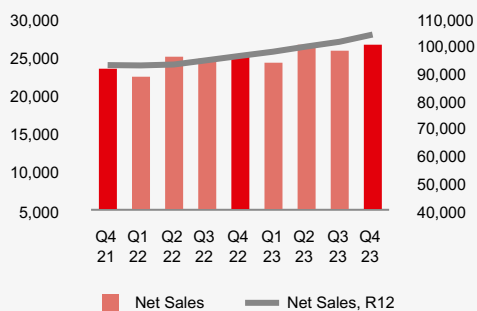
Earnings

Operating profit excluding items affecting comparability increased compared with the relatively weak fourth quarter of 2022. The increase was driven by higher sales where the highly negative volume effects seen previously in the year were positive in the fourth quarter. Other positive earnings effects come from lower food waste and selling costs as well as an improved operating profit for store subsidiaries, non-food and e-commerce. In addition, an accounting adjustment of anticipated profit share had a positive impact in the quarter. These items were countered by restructuring costs totalling approximately SEK 170 million coupled to the closure of the e-commerce warehouse in Arendal as well as completed efficiency improvement measures and organisational changes.

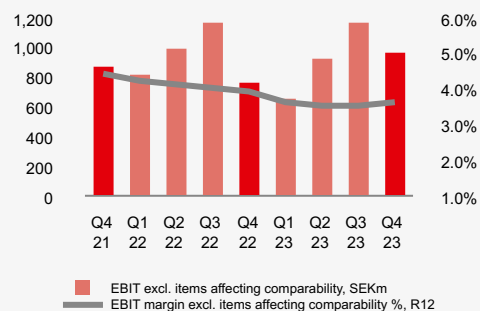
Key data

	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
Net sales, SEKm	26,737	25,129	6.4	103,493	97,252	6.4
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,179	959	22.9	4,497	4,524	-0.6
Operating profit excl. items affecting comparability, SEKm	971	767	26.6	3,731	3,769	-1.0
Operating margin excl. items affecting comparability, %	3.6	3.1	—	3.6	3.9	—
Investments, SEKm	209	334	-37.3	943	1,110	-15.1
Depreciation/amortisation, SEKm	207	192	8.0	767	754	1.6
Average number of employees	—	—	—	8,473	8,723	—
Private label share, %	26.9	26.6	—	27.0	26.7	—
Sales online, SEKm	1,100	1,085	1.4	4,115	4,614	-10.8
Share of sales online, %	2.9	3.1	—	2.8	3.4	—

Net sales, SEKm



EBIT and EBIT margin



ICA store sales and market development

Sales for ICA stores increased by 7.0% in the fourth quarter compared with the same period last year. This performance is explained by a higher customer footfall as well as higher average spend and an increased number of items. However, the number of items per customer visit remained lower than in the previous year except in the Maxi stores. Market growth during the quarter was 6.0% according to the Food Retail Index (DVI) and growth for ICA stores was therefore higher than for the market as a whole. Food price inflation remained high but the annual rate decreased in relation to the previous quarter and amounted to +6.0%. In the previous quarter, food price inflation was +9.1% while it amounted to 17.8% in the fourth quarter of 2022. Given the price trend and market growth, the volume/mix development was positive for the ICA stores for the first time in a long while.

Two new stores were opened in the fourth quarter. No stores were closed.

E-commerce performance

Online sales for ICA stores increased by 1.4% compared with the same period in 2022. According to the Food Retail Index (DVI), the online market for food in Sweden increased by 1.9% in the fourth quarter.



* DVI = Dagligvaruindex (Food Retail Index), which is published monthly by the Swedish Food Retailers Federation and HUI Research.

Store sales and growth in Sweden (incl. retailer-owned stores)

Store sales excl. VAT	Fourth quarter 2023			January-December 2023		
	SEKm	All stores, %	Like-for-like stores, %	SEKm	All stores, %	Like-for-like stores, %
Maxi ICA Stormarknad	12,677	10.4	8.9	47,668	8.2	7.0
ICA Kvantum	9,060	5.5	7.0	34,623	4.8	6.1
ICA Supermarket	10,379	5.7	4.7	41,299	5.8	4.8
ICA Nära	5,210	4.2	3.6	21,519	4.4	3.8
Total	37,327	7.0	6.5	145,110	6.1	5.7

Number of stores in Sweden (incl. retailer-owned stores)

Format	December 2022	New	Closed	December 2023
Maxi ICA Stormarknad	88	2	0	90
ICA Kvantum	130	1	-2	129
ICA Supermarket	423	4	-5	422
ICA Nära	626	8	-5	629
Total	1,267	15	-12	1,270

Rimi Baltic

Rimi Baltic conducts grocery retail business via 308 wholly owned stores in Estonia, Latvia and Lithuania. Store formats include Rimi Hyper, Rimi Super, Rimi Mini and Rimi Express. Rimi Baltic also includes the properties owned by the Group in the three Baltic countries.

Net sales

Rimi Baltic's net sales increased by 4.2% in the fourth quarter (in SEK net sales increased by 9.0%). The sales increase was entirely driven by positive volume effects while price effects were negative due to price investments made in 2023. Both total and like-for-like sales in stores increased in all three countries.

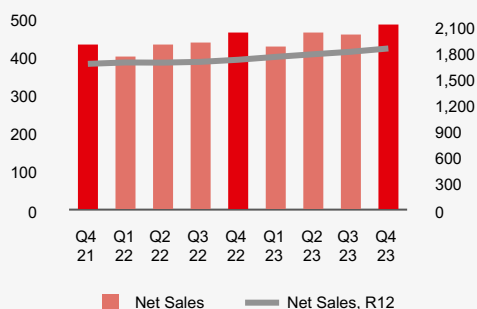
Earnings

Operating profit excluding items affecting comparability, as well as the operating margin, were considerably lower than in the preceding year. This development is largely explained by completed price investments which reduced both gross profit and gross margin. For the first time for a long while, however, volume effects were positive in the quarter. Operating profit was also affected by higher salary costs. In addition, other store costs were also higher such as selling and marketing costs. Lower energy costs could only partly offset this development. Overall, operating profit decreased by SEK 154 million and the operating margin fell by 3.2 percentage points to 2.5%.

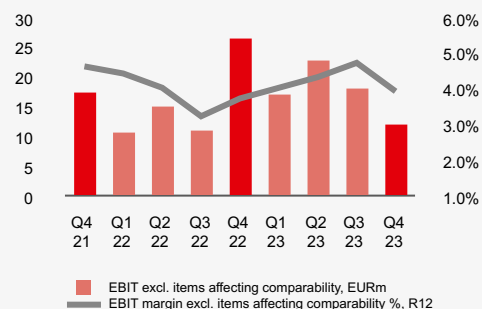
Key data

	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
Net sales, SEKm	5,545	5,088	9.0	21,039	18,482	13.8
Operating profit before depreciation/amortisation (EBITDA), SEKm	321	410	-21.7	1,338	1,162	15.2
Operating profit excl. items affecting comparability, SEKm	138	292	-52.6	810	682	18.8
Operating margin excl. items affecting comparability, %	2.5	5.7	—	3.9	3.7	—
Investments, SEKm	206	133	55.1	666	465	43.2
Depreciation/amortisation, SEKm	117	118	-1.0	462	458	0.9
Average number of employees	—	—	—	10,981	10,893	—
Private label share, %	26.1	25.0	—	26.0	24.3	—
Sales online, EURm	14.9	11.5	29.5	50.5	45.0	12.2
Share of sales online, %	3.1	2.5	—	2.8	2.6	—
EUR/SEK exchange rate, average	11.47	10.94	—	11.47	10.63	—

Net sales, EURm



EBIT and EBIT margin



Rimi store sales and market development

Market growth in the Baltic countries in the fourth quarter is judged to have reached 3.6% while Rimi Baltic's growth was 3.9%. Thus, for the first time in a long time, Rimi Baltic outgrew the market for a full quarter and retook market shares. Rimi in Estonia and in Lithuania grew faster than the market while Rimi in Latvia still lagged market growth. Food price inflation in the region fell sharply in the fourth quarter and was in each country (previous quarter in parentheses): Estonia 5.5% (13.0), Latvia 3.6% (8.3) and Lithuania 2.8% (10.5). During the quarter footfall increased in all three countries while average spend decreased.

During the quarter Rimi Baltic opened five new stores and closed one.

E-commerce performance

Rimi Baltic's online sales in local currencies increased by 29.5% during the quarter. The share of total sales was approximately 3.1%.



*) Source: Country statistics.

Sales breakdown by country

Store sales excl. VAT	Fourth quarter 2023			January-December 2023		
	EURm	All stores, %	Like-for-like stores, %	EURm	All stores, %	Like-for-like stores, %
Estonia	124.5	7.2	5.4	471.1	6.9	6.6
Latvia	231.7	1.9	0.5	884.3	4.1	3.3
Lithuania	121.1	4.7	0.1	453.4	6.4	2.2
Total	477.3	3.9	1.7	1,808.9	5.4	3.9

Number of stores per country

Country	December 2022	New	Closed	December 2023
Estonia	81	3	-2	82
Latvia	133	6	-1	138
Lithuania	83	7	-2	88
Total	297	16	-5	308

Apotek Hjärtat

Apotek Hjärtat is the largest actor in the Swedish pharmacy market, with 390 pharmacies. Apotek Hjärtat is also a part owner of the digital healthcare company Min Doktor.

Net sales

Net sales rose in the quarter by 12.7% and the increase was driven by both price and volume. Above all, as was the case earlier in the year, there was a clear impact from higher average prices for prescriptions. The volume effect was positive as it was earlier in the year.

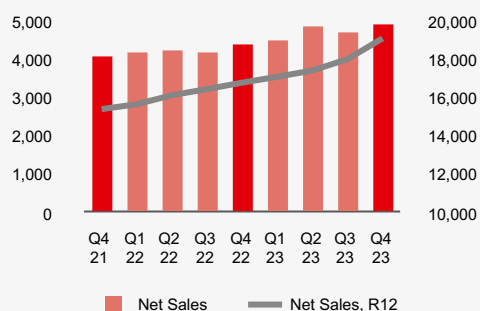
Earnings

Operating profit excluding items affecting comparability increased by SEK 73 million which meant that the full-year 2023 was a record year for Apotek Hjärtat in terms of earnings. The increase in the fourth quarter is mainly attributable to price and mix effects for self-care products as well as positive volume effects for prescriptions. The volume effect from self-care products was also positive and e-commerce's earnings contribution was significantly better than in the preceding year. The earnings improvement was dampened by higher costs for staff, rent of premises and IT. The operating margin rose to 3.5% (2.3). The share of profit from Min Doktor improved greatly, from SEK -23 million to SEK -3 million, mainly due to lower costs.

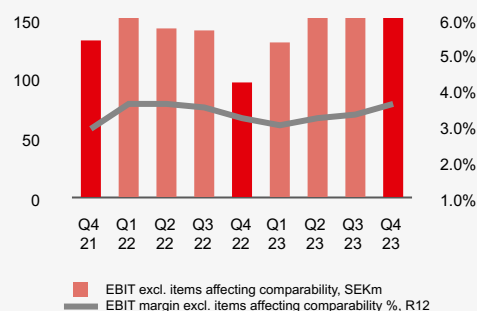
Key data

	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
Net sales, SEKm	4,917	4,362	12.7	18,964	16,963	11.8
Of which, prescription drugs	3,673	3,271	12.3	14,131	12,547	12.6
Of which, OTC drugs	443	419	5.7	1,728	1,588	8.8
Of which, other products and services	737	673	9.5	2,889	2,738	5.5
Operating profit before depreciation/amortisation (EBITDA), SEKm	220	148	48.5	884	741	19.2
Operating profit excl. items affecting comparability, SEKm	171	98	73.8	689	543	26.9
Of which, share of profit in Min Doktor	-3	-23	-86.6	-19	-81	-76.7
Operating margin excl. items affecting comparability, %	3.5	2.3	—	3.6	3.2	—
Investments, SEKm	44	46	-3.1	202	178	13.5
Depreciation/amortisation, SEKm	49	50	-1.7	195	198	-2.0
Average number of employees	—	—	—	3,245	3,203	—
Private label share, other products, %	18.6	17.0	—	18.6	17.0	—
Sales online, SEKm	499	426	17.1	1,946	1,657	17.5
Share of sales online, %	10.1	9.8	—	17.5	17.0	—

Net sales, SEKm



EBIT and EBIT margin



Pharmacy sales and market development

Apotek Hjärtat's pharmacy sales increased by 12.0% which can be compared to estimated market growth of 10.0%. Sales growth for physical pharmacies was 11.3% for Apotek Hjärtat during the quarter compared to estimated market growth of 8.1%. Seen over the last 12-month period, Apotek Hjärtat's market share is now just over 32% and Apotek Hjärtat's leading position has thereby further strengthened.

No pharmacies were opened or closed in the fourth quarter.

E-commerce performance

Apotek Hjärtat's online sales increased by 17% during the quarter compared with 18% for the market. The online share of the market increased to 21.4% (20) while Apotek Hjärtat's online share was 10.3% (9.8).

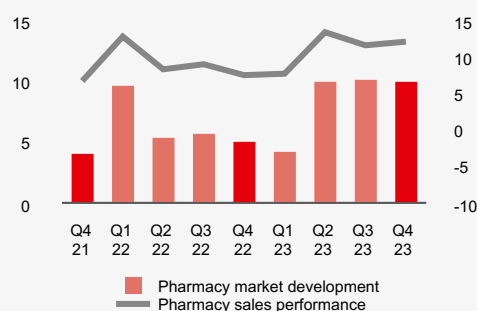
Key data

	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
Sales all pharmacies, SEKm	4,853	4,334	18,748	16,873
Sales growth, all pharmacies, %	12.0	7.4	11.1	9.2
Sales growth, like-for-like pharmacies, %	11.5	7.0	10.9	8.7

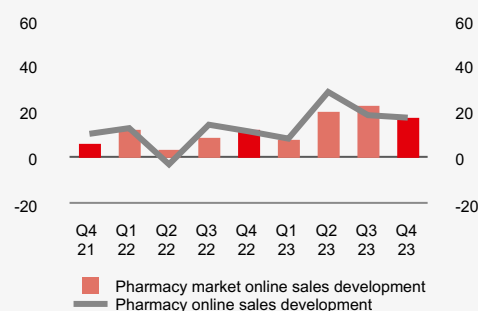
Number of pharmacies

	December 2022	New	Closed	December 2023
Apotek Hjärtat	390	5	-5	390

Pharmacy sales performance compared with pharmacy market development *, %



Pharmacy online sales performance compared with pharmacy market online sales development *, %



* Source: Sveriges Apoteksförening.

ICA Real Estate

ICA Real Estate's mission is to satisfy the Group's future need of logistics and store properties at attractive locations in Sweden. The real estate company is an active buyer and seller of properties and both develops shopping centres from scratch and buys strategic properties with existing ICA stores.

Net sales

Net sales in the quarter for owned properties decreased by SEK 87 million which is essentially linked to the formation of the new joint venture company Delcore at the beginning of the second quarter and the sale of warehouse properties at the end of 2022 and in the third quarter of 2023. The decline in sales was compensated to some extent by positive effects from increased rents driven by a higher rental index.

Earnings

Operating profit excluding items affecting comparability decreased by approximately SEK 92 million. Approximately SEK -55 million of the fall in earnings is explained by costs for discontinued projects as well as a provision to reserves for decontamination costs. Otherwise, the development of lower earnings is explained as set out above which was partly compensated by lower operating expenses and depreciation coupled to the formation of Delcore. Profit shares from joint ventures were SEK 8 million higher than in the previous year.

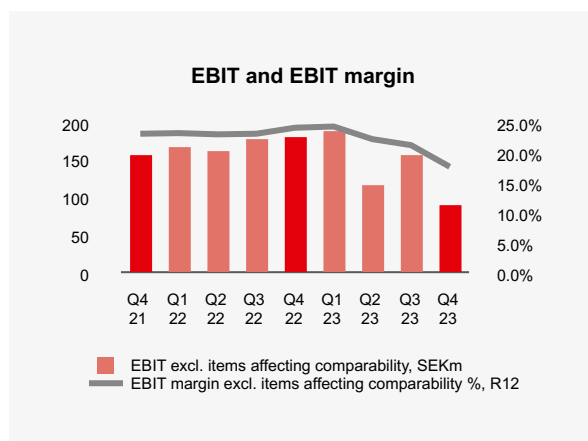
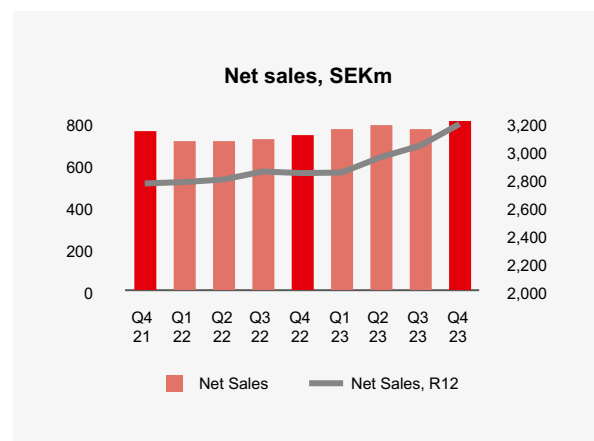
Investments, divestments items affecting comparability

The slightly higher level of investment in the quarter can be attributed to ongoing investments in a number of major store projects, a new freezer warehouse and a new mixed-use property with retail space in Brunnshög. The warehouse in Hacksta, Västerås, was sold in the fourth quarter.

ICA Real Estate's operating profit for the fourth quarter includes an earnings effect from impairment losses of approximately SEK -130 million.

Key data

	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
Net sales, SEKm	846	743	13.9	3,179	2,893	9.9
Of which, rental income from owned properties	253	340	-25.4	1,123	1,354	-17.0
Operating profit before depreciation/amortisation (EBITDA), SEKm	426	334	27.8	2,194	2,451	-10.5
Operating profit excl. items affecting comparability, SEKm	90	182	-50.4	554	690	-19.8
Of which, share in profit of JV companies	26	18	40.1	92	97	-5.7
Operating margin excl. items affecting comparability, %	10.7	24.5	—	17.4	23.9	—
Investments, SEKm	413	317	30.6	1,734	960	80.6
Divestments, SEKm	1,208	138	>200	5,442	588	>200
Depreciation/amortisation, SEKm	116	123	-5.9	448	563	-20.3
Yield, %	—	—	—	6.4	7.1	—
Occupancy rate, %	—	—	—	98.5	98.6	—
Number of owned properties	—	—	—	95	128	—
Number of owned square metres, 000 sq. m.	—	—	—	556	822	—
Average number of employees	—	—	—	112	116	—



Appraisal of property holdings including partly owned properties

A valuation of all Swedish wholly and partly owned properties was performed during the fourth quarter. The assessed market value of the properties, excluding Delcore, has decreased slightly during the year due to a weaker real estate market. ICA Real Estate's investments in 2023 amounted to SEK 1.7 billion and depreciation was approximately SEK 450 million.

The new joint venture company Delcore was formed together with AMF on 1 April 2023.

Key data

SEKm	2023		2022	
	Book value	Estimated market value	Book value	Estimated market value
Wholly owned Swedish properties	11.7	16.8	10.5	16.1
Properties partly owned through joint ventures, of which:	14.2	17.2	9.4	13.1
Ancore ¹⁾	5.4	8.2	5.4	8.7
Trecore ¹⁾	3.9	4.2	4.0	4.5
Delcore ¹⁾	4.9	4.9	—	—
Total, incl. partly owned properties	25.9	34.0	19.9	29.2
Total, ICA Real Estate ²⁾	18.9	25.4	15.2	22.7

¹⁾ Reported in accordance with the equity method.

²⁾ Wholly owned Swedish properties and 50% of partly owned properties.

ICA Bank

ICA Bank and ICA Insurance (which is part of ICA Bank's operations) offer a full range of financial services and insurance in Sweden. The goal is to increase customer loyalty to ICA and to reduce transaction costs for ICA stores and ICA Gruppen.

IFRS 17 Insurance Contracts is applied starting in 2023 with retrospective application, which entails restatement of 2022 figures. See also Note 1.

Net sales

ICA Bank's revenue, including ICA Insurance, increased by SEK 64 million during the quarter. The increase was driven mainly by net interest income which was positively affected by higher market interest rates compared with the same period last year. This development was partly countered by lower consumer loan and deposit volumes. Net commission was slightly higher than in 2022. Insurance revenues in ICA Insurance continued to develop in a positive direction and increased by SEK 21 million or 9.1%.

Earnings

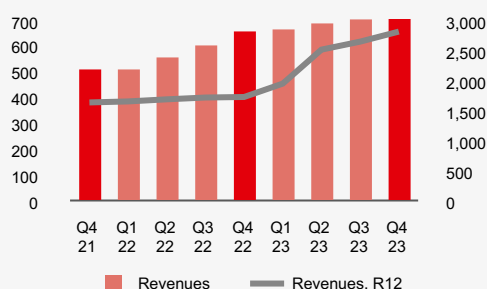
Operating profit excluding items affecting comparability increased by SEK 6 million. The bank's earnings were positively affected by higher revenue as reported above but higher costs, primarily IT and higher depreciation dampened the earnings increase. Credit losses were slightly lower than in the previous year, SEK -136 million (-139). Overall, the bank's operating profit, excluding the insurance company, increased by approximately SEK 25 million. The C/I ratio improved and over the last 12-month period the bank's business volume grew marginally.

ICA Insurance's profit was SEK 15 million lower than in the previous year. A continued positive development of premium revenue could not fully compensate for the negative effects from an unfavourable claims result with some major claims.

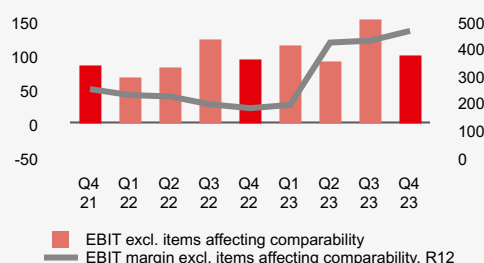
Key data

	Fourth quarter			Jan-Dec		
	2023	2022	%	2023	2022	%
Revenue, SEKm	726	662	9.7	2,797	2,338	19.7
Of which, net interest income	359	323	10.9	1,398	1,059	32.0
Of which, net commission income	87	82	6.6	295	290	1.6
Of which, insurance revenue	252	231	9.1	996	877	13.5
Operating profit before depreciation/amortisation (EBITDA), SEKm	118	105	12.3	517	405	27.7
Operating profit before items affecting comparability, SEKm	99	93	7.3	458	367	24.9
Of which, ICA Insurance	9	24	-63.3	59	100	-41.0
Of which, share in profit of JV (home mortgages)	-10	-8	17.4	-35	-16	120.6
C/I ratio, % (ICA Banken AB)	—	—	—	51.7	55.8	—
Return on equity, %	—	—	—	10.7	8.5	—
Credit loss ratio, %	—	—	—	-2.3	-1.8	—
Common Equity Tier 1 ratio, % (ICA Banken AB)	—	—	—	14.1	13.9	—
Business volume, SEKm (ICA Banken AB)	—	—	—	58,403	58,194	—
Average number of employees	—	—	—	514	485	—

Revenues, SEKm



EBIT excl. items affecting comparability, SEKm



Other, Group

Seasonal variations

The grocery retail trade is affected by the year's national holidays and when these occur. Christmas and Easter, in particular, are key holidays. For a large part of the retail sector the fourth quarter is seasonally the strongest quarter of the year.

Risks and uncertainties

ICA Gruppen works at the Group level to systematically identify and manage the risks associated with its operations. The risk management process is an integrated part of the strategy and planning work of each unit. Risks are consolidated, and risk management is reported to and monitored by ICA Gruppen's Executive Management and Board of Directors.

ICA Gruppen has significant exposure to the Swedish and Baltic grocery retail sector as well as to the Swedish pharmacy market. An economic downturn and political decisions are factors that could have a negative impact on the Group's sales and earnings. ICA Gruppen's finance policy stipulates how financial risks are to be managed and mitigated. The policy also provides a framework for the Group's treasury management. More information about risk management is provided on pages 111–117 in ICA Gruppen's 2022 Annual Report.

Related party transactions

No significant transactions have taken place between ICA Gruppen and related parties.

Parent Company – fourth quarter

The Parent Company's net sales totalled SEK 324 million (331). Financial expenses during the quarter amounted to SEK -563 million (-936). Profit after financial items was SEK -476 million (-93).

For comments on changes in loans and financial expenses, see the Group performance section.

Financial statements

Consolidated statement of comprehensive income, ICA Gruppen

SEKm	Note	Fourth quarter		Jan-Dec	
		2023	2022	2023	2022
Net sales		38,273	35,558	147,645	136,288
Cost of goods and services sold		-31,871	-29,539	-122,889	-113,230
Gross profit		6,402	6,019	24,755	23,058
Selling expenses		-3,853	-3,702	-14,584	-13,858
Administration expenses		-1,261	-1,031	-4,360	-3,919
Other operating income		186	117	514	623
Other operating expenses		—	—	—	—
Share of profits of associates and joint ventures	2	13	-13	38	1
Operating profit (EBIT) excl items affecting comparability		1,487	1,389	6,363	5,905
Capital gains/losses from sale of subsidiaries and non-current assets	3, 4	88	29	514	799
Impairment and impairment reversals	3	-154	-221	-170	-229
Operating profit	7	1,421	1,197	6,707	6,475
Financial income		27	28	107	38
Financial expenses	7	-517	-1,041	-2,120	-1,410
Net financial items		-490	-1,013	-2,014	-1,372
Profit before tax		931	185	4,693	5,103
Tax		-103	31	-443	-585
Profit for the period		828	216	4,250	4,518
Other comprehensive income, items that may not be reclassified to profit or loss, net after tax					
Remeasurement defined benefit pensions		-747	-175	-513	1,148
Other comprehensive income, items that may be reclassified to profit or loss, net after tax					
Change in translation reserve		-96	45	-34	208
Change in hedging reserve		-414	462	-506	663
Share of other comprehensive income of joint ventures		-77	-1	-68	53
Total items that may be reclassified to profit or loss		-587	507	-608	924
Comprehensive income for the period		-506	548	3,129	6,589
Profit for the period attributable to					
Owners of the parent		828	216	4,250	4,511
Non-controlling interests		—	—	—	7
Comprehensive income for the period attributable to					
Owners of the parent		-506	548	3,129	6,582
Non-controlling interests		—	—	—	7

Condensed consolidated statement of financial position, ICA Gruppen

SEKm	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Goodwill		16,301	16,301
Trademarks		12,979	12,985
Other intangible assets		2,399	2,269
Land, buildings and investment properties		14,573	14,051
Right of use assets	7	21,356	17,042
Interests in joint ventures and associates	2	1,305	1,162
ICA Bank's lending and investments		19,432	21,047
Deferred tax assets		60	59
Other non-current assets		3,419	3,908
Total non-current assets		91,822	88,823
Current assets			
Inventories		5,182	5,506
ICA Bank's lending and investments		4,441	3,707
Other current assets		8,793	8,796
Assets held for sale	4	1	4,236
ICA Bank's cash and cash equivalents		4,302	4,663
Cash and cash equivalents	5	2,582	5,480
Total current assets		25,301	32,389
TOTAL ASSETS		117,123	121,211
EQUITY AND LIABILITIES			
Equity		17,428	14,878
Non-current liabilities			
Provisions		3,603	2,815
Deferred tax liabilities		3,711	4,314
Non-current interest-bearing liabilities		21,053	16,943
Non-current lease liabilities		18,330	13,772
Other non-current liabilities		53	37
Total non-current liabilities		46,750	37,881
Current liabilities			
Current interest-bearing liabilities		2,188	18,057
Deposits ICA Bank		24,336	25,828
Current lease liabilities		4,436	3,793
Other current liabilities		21,986	20,775
Total current liabilities		52,945	68,453
TOTAL EQUITY AND LIABILITIES		117,123	121,211

Condensed consolidated statement of cash flows

SEKm	Note 5	Fourth quarter		Jan-Dec	
		2023	2022	2023	2022
Operating profit		1,421	1,197	6,707	6,475
Depreciation, amortisation and impairment		1,779	1,686	6,466	6,051
Dividend from joint ventures		25	25	75	75
Other non-cash items		171	44	-289	-849
Income tax paid		-177	-114	-845	-822
Cash flow from operating activities before change in working capital		3,219	2,839	12,114	10,931
Change in working capital:					
Inventories		275	31	284	-692
Current receivables		-133	-922	11	-666
Current liabilities		1,308	1,014	961	1,162
ICA Bank's net of deposits, lending and investments		-1,305	-344	-580	-572
Cash flow from operating activities		3,364	2,617	12,789	10,163
Acquisitions of property, plant and equipment and intangible assets		-962	-888	-3,759	-2,943
Sale of property, plant and equipment and intangible assets		2,145	163	6,399	667
Change in financial assets		-18	-23	-13	14
Interest received		45	31	100	36
Purchase and sale of properties in Secore/Trecore	2	—	—	—	1,452
Investments in joint ventures and associated companies		-6	-28	-258	-228
Cash flow from investing activities		1,205	-746	2,468	-1,001
Dividend paid to shareholders of ICA Gruppen AB		—	—	-559	—
Change in loans		-2,816	8,695	-11,876	7,991
Interest paid		-240	-1,111	-1,292	-1,147
Interest paid lease liabilities		-200	-108	-675	-383
Amortisation lease liabilities		-978	-881	-4,097	-3,572
Repurchase of own shares via former parent company ¹⁾		-1	-9,249	-21	-9,249
Capital contributions, acquisitions, and dividends relating to non-controlling interests		—	—	—	-331
Cash flow from financing activities		-4,234	-2,653	-18,520	-6,692
Cash flow for the period		335	-782	-3,262	2,470
Cash and cash equivalents at beginning of period		6,555	9,657	10,143	6,391
Merged cash and cash equivalents		—	1,258	—	1,258
Exchange differences in cash and cash equivalents		-6	10	3	24
Cash and cash equivalents at end of period		6,884	10,143	6,884	10,143

¹⁾ Effect attributable to Murgröna Holding AB's purchase of shares in ICA Gruppen AB in 2022. See further in Note 1 and Note 8.

Condensed consolidated statement of changes in equity

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2023	14,878	0	14,878
Dividend	-559	—	-559
Expenses attributable to buyouts from Nasdaq ¹⁾	-21	—	-21
Comprehensive income for the period	3,129	0	3,129
Closing equity, 31 December 2023	17,428	0	17,428

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2022	37,499	186	37,686
Change in principle in IFRS 17 Insurance Contracts	108	—	108
Opening equity after application of new principle	37,608	186	37,794
Change of non-controlling interest ²⁾	-138	-193	-331
Change in ownership of the group ³⁾	-29,174	—	-29,174
Comprehensive income for the period	6,582	7	6,589
Closing equity, 31 December 2022	14,878	0	14,878

¹⁾ Expenses attributable to buyouts buyout of ICA Gruppens shares from Nasdaq.

²⁾ Refers to the acquisition of Alecia's 50% share in Långeberga logistik AB. See also the ICA Gruppen press release of 2 May 2022 at www.icagruppen.se.

³⁾ The effect pertains to the downstream merger that was carried out in 2022, where ICA Gruppen AB's parent company, Murgröna Holding AB, was merged into ICA Gruppen AB. See further in Note 1 in ICA Gruppen's 2022 Annual Report.

Supplementary disclosures – Group

NOTE 1 | ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and calculation methods have been used as in the 2022 Annual Report, except with respect to IFRS 17 Insurance Contracts, which is applied as from 1 January 2023. See further below.

ICA Gruppen aktiebolag (AB) is a subsidiary of ICA-handlarnas Förbund (corporate identity number 802001-5577). ICA-handlarnas Förbund owns 87.3% of the shares in ICA Gruppen AB, and AMF Tjänstepension AB (AMF) owns 12.7%.

Murgröna Holding AB was formed in autumn 2021 to carry out the public buyout of ICA Gruppen AB. On 1 November 2022 the company was merged with ICA Gruppen AB in a downstream merger. For further information, see Note 1 in ICA Gruppen AB's 2022 Annual Report.

Disclosures in accordance with IAS 34:16A are provided – in addition to in the financial statements – also in other parts of the interim report. All amounts in this report are presented in millions of Swedish kronor (SEKm), unless stated otherwise. Rounding differences may occur.

New standards and pronouncements starting in 2023 and onwards with relevance for ICA Gruppen

IFRS 17 *Insurance Contracts* is applied starting in 2023 with retrospective application. ICA Insurance conducts insurance business. IFRS 17 changes principles for recognition and valuation of issued insurance contracts, which has a limited effect on ICA Gruppen's financial statements

Since IFRS 17 is applied retrospectively, the financial statements for 2022 have been amended in accordance with IFRS 17.

The transition effect on equity as per 1 January 2022, after the effect of deferred tax, is SEK +108 million.

On an accumulated basis, ICA Gruppen's statement of comprehensive income for 2022 has been amended as follows:

SEKm, accumulated	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Net sales	5	13	24	36
Cost of goods and services sold	17	-11	-9	-13
Gross profit	22	2	15	22
Operating profit	22	2	15	22
Tax	-5	—	-3	-5
Profit for the year	18	2	12	18

ICA Gruppen's balance sheet has been amended as follows:

SEKm	31/3/2022	30/6/2022	30/9/2022	31/12/2022
Current receivables	-483	-511	-512	-514
Total assets	-483	-511	-512	-514
Equity	126	110	121	126
Non-current liabilities	33	29	31	33
Current liabilities	-642	-650	-664	-673
Total equity and liabilities	-483	-511	-512	-514

Cash flow from operating activities, investing activities and financing activities for 2022 is unchanged by IFRS 17.

BEPS 2.0, rules on Global minimum tax and amendments to IAS 12 Income Taxes as a consequence of these rules

IASB has introduced amendments to IAS 12 as a consequence of the rules on global minimum tax (BEPS 2.0). These amendments provide a temporary, mandatory exemption from reporting deferred tax attributable to BEPS 2.0. The amendments apply with effect from 1 January 2023.

BEPS 2.0 is an extremely complicated set of rules with rules that are not unambiguous in their interpretation. BEPS 2.0 starts to apply from 1 January 2024 with the possibility to apply certain relief rules in the first year.

ICA Gruppen is conducting a project related to application of BEPS 2.0. At present the focus is on interpreting the meaning of the rules and assessing the effect on the various countries in which ICA Gruppen operates. The nominal tax rates in Estonia and Latvia are certainly zero but in the event of a dividend, taxation is around 15% or higher. Dividends usually take place every year which then means taxation. In Asia, ICA Gruppen's taxable operations are small. In Sweden and Lithuania, the nominal tax rates are 20.6% and 15.0% respectively.

Given the extreme complexity of this regulatory framework, and the fact that the rules in many parts are difficult to interpret, it is not possible at the moment to assess whether BEPS 2.0 will have any effect on current tax for ICA Gruppen in 2024.

New IASB standards to be applied starting in 2024 and onwards with relevance for ICA Gruppen

Minor amendments have been made of standards that have been approved for application starting in 2024, but none that are believed to affect ICA Gruppen's financial statements to a significant degree. The same applies for the interpretation pronouncements issued by the IFRS IC.

New IASB standards that have not been endorsed by the EU with relevance for ICA Gruppen

IAS 7 Cash Flow and IFRS 7 Financial Instruments: disclosures have been amended with respect to Supply Chain Finance. Disclosures are to be provided on arrangements covered by the definition introduced in IAS 7. Provided the amendments are endorsed by the EU, they will take effect as from 2024 provided disclosure is essential for ICA Gruppen's financial statements.

There are no other amendments issued by IASB with relevance for ICA Gruppen.

Important assumptions and assessments

Preparation of the financial statements in accordance with IFRS requires management to make assessments, estimates and assumptions that affect application of the accounting principles and the amounts reported in the income statement and carried on the balance sheet. Estimates and assumptions are based on historical experience and a number of factors that are considered to be reasonable based on the current circumstances. The results of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that are not readily apparent from other sources. The actual outcome may differ from these estimates and assessments.

NOTE 2 | INTERESTS IN JOINT VENTURES AND ASSOCIATES

Share of profit	Fourth quarter		Jan-Dec	
SEKm	2023	2022	2023	2022
Ancore Fastigheter AB	18	15	79	70
Trecore Fastigheter AB	6	3	14	19
Delcore Fastigheter AB	1	—	-1	—
Secore Fastigheter AB	—	—	—	8
Borgo AB (publ)	-10	-8	-35	-16
MD International AB (Min Doktor)	-3	-23	-19	-81
Fastighetsaktiebolaget Postgården AB	0	0	0	0
Total	13	-13	38	1

Book value	31 December 2023	31 December 2022
SEKm		
Ancore Fastigheter AB	727	769
Trecore Fastigheter AB	34	31
Delcore Fastigheter AB	3	—
Borgo AB (publ)	450	250
MD International AB (Min Doktor)	81	100
Fastighetsaktiebolaget Postgården AB	11	11
Total	1,305	1,162

Information regarding Ancore Fastigheter AB

Ancore Fastigheter AB is a joint arrangement between the pension insurance company Alecta and ICA Gruppen. The parties each own 50% of the company. All significant decisions about the operations of Ancore must be made as a joint understanding between the two owners. Ancore Fastigheter AB owns and manages properties at 33 marketplaces in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. Based on all relevant information in the joint arrangement, Ancore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

Ancore Fastigheter AB	Fourth quarter		Jan-Dec	
SEKm	2023	2022	2023	2022
Income	139	127	560	506
Expenses	-74	-66	-261	-242
Operating profit	65	61	299	264
Net financial items	-25	-21	-99	-79
Tax	-10	-9	-48	-43
Profit for the period	30	31	153	141
Other comprehensive income	-52	-7	-84	92
Comprehensive income for the period	-22	24	69	233
Non-current assets			5,471	5,582
Current assets			222	214
Total assets			5,693	5,796
Equity			1,401	1,483
Non-current liabilities			3,083	3,311
Current liabilities			1,208	1,002
Total equity and liabilities			5,693	5,796

Information regarding Trecore Fastigheter AB

Trecore Fastigheter AB is a joint arrangement between Bonnier Fastigheter and ICA Gruppen that was formed on 1 April 2022. The parties each own 50% of the company. All significant decisions about the operations of Trecore Fastigheter AB must be made as a joint understanding between the two owners. Trecore Fastigheter AB owns and manages properties at 45 marketplaces in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. Based on all relevant information in the joint arrangement, Trecore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

Trecore Fastigheter AB	Fourth quarter		Jan-Dec	
SEKm	2023	2022	2023	2022
Income	71	64	284	190
Expenses	-104	-63	-218	-128
Operating profit	-33	1	66	62
Net financial items	-33	-30	-131	-69
Tax	5	2	-10	-6
Profit for the period	-61	-27	-75	-12
Other comprehensive income	-28	3	-18	15
Comprehensive income for the period	-89	-23	-93	3
Non-current assets			3,944	4,050
Current assets			44	46
Total assets			3,988	4,096
Equity			996	1,089
Non-current liabilities			2,221	2,887
Current liabilities			771	120
Total equity and liabilities			3,988	4,096

Information regarding Delcore Fastigheter AB

Delcore Fastigheter AB is a joint arrangement between AMF and ICA Gruppen that was formed on 1 April 2023. The parties each own 50% of the company. All significant decisions about the operations of Delcore Fastigheter AB must be made as a joint understanding between the two owners. Delcore Fastigheter AB owns and manages properties at 30 marketplaces in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. Based on all relevant information in the joint arrangement, Delcore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

Delcore Fastigheter AB	Fourth quarter		Jan-Dec	
SEKm	2023	2022	2023	2022
Income	84	—	250	—
Expenses	-73	—	-164	—
Operating profit	11	—	86	—
Net financial items	-41	—	-124	—
Tax	3	—	-5	—
Profit for the period	-28	—	-44	—
Other comprehensive income	-73	—	-31	—
Comprehensive income for the period	-100	—	-74	—
Non-current assets			4,911	—
Current assets			114	—
Total assets			5,025	—
Equity			1,829	—
Non-current liabilities			3,118	—
Current liabilities			79	—
Total equity and liabilities			5,025	—

Information regarding Borgo AB (publ)

Borgo is a joint arrangement between ICA Bank, Ikano Bank, Söderberg & Partners and Ålandsbanken pertaining to a jointly owned mortgage company in the Swedish market. ICA Gruppen owns 19.9% of the company through ICA Bank. The jointly owned company is an associated company in ICA Gruppen, and accounting is conducted according to the equity method.

Borgo AB (publ)	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
SEKm				
Revenue	-18	-18	-72	-14
Expenses	-42	-33	-149	-126
Operating profit	-61	-51	-221	-141
Tax	13	11	45	29
Profit for the period	-48	-41	-176	-112
Other comprehensive income	-5	6	-6	-2
Comprehensive income for the period	-53	-35	-182	-114
Non-current assets			35,454	17,260
Current assets			2,663	1,068
Total assets			38,117	18,329
Equity			2,154	1,151
Non-current liabilities			26,395	12,716
Current liabilities			9,568	4,461
Total equity and liabilities			38,117	18,329

Information regarding MD International AB (Min Doktor)

MD International AB (Min Doktor) is a joint arrangement between ICA Gruppen and a number of other parties, including EQT Ventures Fund. ICA Gruppen owns 49.50% of the company through Apotek Hjärtat. All significant decisions pertaining to the operations of Min Doktor are made through joint agreement between the owners. Min Doktor is one of Sweden's largest actors in digital primary care services and operates a number of drop-in clinics located primarily adjacent to larger ICA stores. Based on all relevant information in the joint arrangement, Min Doktor is an associated company. Consolidation is done according to the equity method.

MD International AB (Min Doktor)	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
SEKm				
Revenue	76	77	308	320
Expenses	-82	-122	-346	-484
Operating profit	-6	-45	-37	-163
Net financial items	0	-1	-1	-1
Tax	—	0	—	0
Profit for the period	-6	-46	-38	-164
Other comprehensive income	—	—	—	—
Comprehensive income for the period	-6	-46	-38	-164
Non-current assets			263	276
Current assets			55	96
Total assets			318	372
Equity			249	287
Non-current liabilities			1	2
Current liabilities			67	82
Total equity and liabilities			318	372

NOTE 3 | ITEMS AFFECTING COMPARABILITY^{*)}

SEKm	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
Capital gains/losses net on sale of subsidiaries and non-current assets				
ICA Sweden	0	—	0	1
Rimi Baltic	66	0	66	22
Apotek Hjärtat	—	—	0	—
ICA Real Estate	220	29	1,192	1,199
ICA Bank	—	—	—	—
Internal profit regarding sale and leaseback according to IFRS16 Leases	-198	0	-744	-424
Other	—	—	—	—
Total	88	29	514	799
Impairment and impairment reversals				
ICA Sweden	—	-5	—	-5
Rimi Baltic	-24	-14	-40	-22
Apotek Hjärtat	—	-199	—	-199
ICA Real Estate	-131	-3	-131	-3
ICA Bank	—	—	—	—
Other	—	—	—	—
Total	-154	-221	-170	-229
Total items affecting comparability	-66	-191	344	570

*) See page 40 for definition of items affecting comparability

NOTE 4 | ASSETS AND LIABILITIES HELD FOR SALE

Pertains to properties in Sweden that are planned to be sold in 2024.

NOTE 5 | CASH FLOW STATEMENT (excl. ICA Bank)

SEKm	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
Cash flow from operating activities before change in working capital	3,101	2,692	11,579	10,513
Change in working capital:				
Inventories	275	31	284	-692
Current receivables	-28	-900	143	-685
Current liabilities	1,344	1,022	732	1,191
Cash flow from operating activities	4,692	2,845	12,738	10,327
Cash flow from investing activities	1,272	-708	2,798	-744
Cash flow from financing activities	-4,234	-2,651	-18,437	-6,696
Cash flow for the period	1,730	-515	-2,901	2,887
Cash and cash equivalents at the beginning of the period			5,480	1,310
Merged cash and cash equivalents			—	1,258
Exchange differences in cash and cash equivalents			3	24
Cash and cash equivalents at the end of the period			2,582	5,480

NOTE 6 | FINANCIAL INSTRUMENTS

As per 31 December 2023, financial assets at fair value in ICA Gruppen amounted to SEK 4,741 million (5,080). In the fair value hierarchy, the entire amount is attributable to Level 1. Financial liabilities measured at fair value amounted to SEK 245 million (79) as per 31 December 2023. The carrying amount corresponds to fair value for all assets and liabilities, except for bond issues, where the fair value is less than the carrying amount by SEK 158 million (less than the carrying amount by 24).

NOTE 7 | LEASES

Lease items in the income statement, SEKm	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
Total lease revenue incl. variable revenue	915	822	3,568	3,212
Variable lease expenses	-27	-19	-128	-100
Interest expenses, lease liabilities	-200	-108	-675	-383

There are leases of low value and leases with a term shorter than 12 months, for which the amounts are immaterial.

Total right-of-use assets, SEKm	Jan-Dec	
	2023	2022
At start of year	17,042	16,215
Changed and new contracts	8,557	4,242
Depreciation	-4,212	-3,665
Translation differences	-31	249
Book value	21,356	17,042

Right-of-use assets consist mainly of properties and premises, but also include automation equipment, forklifts, trucks and passenger cars.

NOTE 8 | EVENTS AFTER THE BALANCE SHEET DATE

ICA Gruppen and the parties which appealed against the arbitration decision have reached a settlement, after which the appeal has been withdrawn. The settlement involves no change in the redemption price for the shares (i.e. it is SEK 534 per share) nor any additional payment obligation for ICA Gruppen, neither for the redemption price nor the legal costs of the appealing parties, and that ICA Gruppen's legal costs are partially reimbursed. The compulsory redemption process is thus completed.

ICA Gruppen AB, condensed income statement

SEKm	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
Net sales ¹⁾	324	331	1,333	1,303
Cost of services sold	-322	-324	-1,254	-1,232
Gross profit	2	7	79	71
Administrative expenses	-162	-120	-547	-612
Operating profit/loss	-160	-113	-468	-541
Profit/loss from participations in Group companies	—	0	5,600	7,000
Financial income, Group companies	224	213	867	449
Financial income	23	731	99	823
Finansiella kostnader koncernföretag	0	12	0	-2
Financial expenses	-563	-936	-1,730	-974
Profit/loss after financial items	-476	-93	4,368	6,755
Appropriations	2,433	371	2,433	371
Profit before tax	1,957	278	6,801	7,126
Tax	-404	-32	-248	0
Profit for the period	1,553	247	6,553	7,126

¹⁾ Of net sales for the quarter, SEK 320 million (329) pertains to Group companies.

ICA Gruppen AB, condensed balance sheet

SEKm	31 December 2023	31 December 2022
ASSETS		
Non-current assets		
Investments in Group companies	30,841	30,621
Other intangible assets	197	178
Deferred tax assets	41	32
Non-current receivables from Group companies	835	1,404
Other non-current assets	547	1,062
Total non-current assets	32,460	33,297
Current assets		
Current receivables from Group companies	18,748	19,076
Other current assets	525	634
Cash and cash equivalents	2,142	5,070
Total current assets	21,415	24,780
TOTAL ASSETS	53,876	58,077
EQUITY AND LIABILITIES		
Equity	19,846	13,878
Untaxed reserves	412	—
Provisions	704	613
Non-current liabilities		
Non-current interest-bearing liabilities	21,046	16,935
Other non-current liabilities	17	2
Total non-current liabilities	21,063	16,936
Current liabilities		
Current interest-bearing liabilities	2,188	18,057
Current liabilities to Group companies	9,043	8,059
Other current liabilities	620	534
Total current liabilities	11,850	26,649
TOTAL EQUITY AND LIABILITIES	53,876	58,077

Key figures ICA Gruppen

	Fourth quarter		Jan-Dec	
	2023	2022	2023	2022
Operating profit before depreciation/amortisation (EBITDA), SEKm	3,199	2,883	13,173	12,526
Operating margin excl. items affecting comparability, %	3.9	3.9	4.3	4.3
Operating margin, %	3.7	3.4	4.5	4.8
Net margin, %	2.2	0.6	2.9	3.3
Return on capital employed, %	—	—	9.2	9.1
Return on equity, %	—	—	25.5	12.2
Equity/assets ratio, %	—	—	14.9	12.3
EBITDA excl IFRS 16 Leases	—	—	9,184	8,991
Net debt excl. ICA Bank and IFRS 16 Leases, SEKm	—	—	-20,659	-29,520
Net debt excl ICA Bank, SEKm	—	—	-43,424	-47,084
Net debt excl. ICA Bank and IFRS 16 Leases/EBITDA excl. IFRS 16 Leases	—	—	2.2	3.3
Net debt excl. ICA Bank/EBITDA	—	—	3.3	3.8
Average number of employees	—	—	23,763	23,877

Quarterly overview

Quarterly overview key ratios

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net sales, SEKm	31,600	34,586	34,544	35,558	34,605	37,823	36,943	38,273
Operating profit before depreciation/amortisation (EBITDA), SEKm	2,752	3,419	3,471	2,883	2,853	3,581	3,540	3,199
Operating profit excl. items affecting comparability, SEKm	1,298	1,511	1,707	1,389	1,293	1,629	1,955	1,487
Operating margin excl. items affecting comparability, %	4.1	4.4	4.9	3.9	3.7	4.3	5.3	3.9
Operating profit, SEKm	1,305	1,968	2,004	1,197	1,338	2,008	1,940	1,421
Operating margin, %	4.1	5.7	5.8	3.4	3.9	5.3	5.3	3.7
Profit before tax, SEKm	1,190	1,844	1,884	185	839	1,481	1,443	931
Profit for the period, SEKm	953	1,753	1,596	216	687	1,524	1,212	828
Return on equity, %	12.3	13.3	13.2	12.2	13.3	15.2	17.4	25.5
Return on capital employed, %	9.1	9.5	9.5	9.1	8.9	8.9	8.8	9.2
Cash flow from operating activities, SEKm	2,760	3,980	806	2,617	2,320	4,863	2,242	3,364
Investing activities (cash flow), SEKm	700	2,689	773	888	838	1,052	907	962
Capital employed excl. ICA Bank, average, SEKm	62,653	63,886	65,543	67,403	68,904	69,748	69,651	69,250
Net debt excl. ICA Bank and IFRS 16 Leases, SEKm	-4,066	-1,226	-618	-29,520	-29,289	-25,051	-25,294	-20,659
Net debt excl. ICA Bank, SEKm	-20,503	-18,846	-17,986	-47,084	-48,176	-46,920	-46,338	-43,424
Net debt excl. ICA Bank and IFRS 16 Leases/EBITDA excl. IFRS 16 Leases	0.5	0.1	0.1	3.3	3.3	2.8	2.8	2.2
Net debt excl. ICA Bank/EBITDA	1.8	1.6	1.5	3.8	3.8	3.7	3.6	3.3

Retrospective application of IFRS 17 Insurance Contracts has been made starting with Q1 2022. See further Note 1.

Quarterly data by segment

Net sales by segment

SEKm	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
ICA Sweden	22,411	24,936	24,777	25,129	24,285	26,666	25,805	26,737
Rimi Baltic	4,184	4,550	4,660	5,088	4,807	5,307	5,379	5,545
Apotek Hjärtat	4,179	4,240	4,182	4,362	4,503	4,832	4,712	4,917
ICA Real Estate	718	712	720	743	768	794	771	846
ICA Bank ¹⁾	512	558	605	662	671	691	709	726
Other	320	329	323	331	339	341	330	324
Intra-Group sales	-724	-738	-723	-756	-768	-809	-763	-821
Net sales ¹⁾	31,600	34,586	34,544	35,558	34,605	37,823	36,943	38,273

¹⁾ Retrospective application of IFRS 17 Insurance Contracts has been made starting with Q1 2022. See further Note 1.

Operating profit before depreciation/amortisation by segment (EBITDA)

SEKm	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
ICA Sweden	1,015	1,190	1,359	959	848	1,115	1,355	1,179
Rimi Baltic	225	295	232	410	302	379	336	321
Apotek Hjärtat	207	194	192	148	180	249	235	220
ICA Real Estate	323	1,167	627	334	361	1,135	272	426
ICA Bank ¹⁾	74	91	135	105	129	103	167	118
Other	-62	-79	-65	-86	-49	-65	-28	-103
Operating profit before depreciation/ amortisation (EBITDA) by segment ¹⁾	1,783	2,859	2,480	1,870	1,771	2,917	2,336	2,160
IFRS 16	969	560	992	1,014	1,082	664	1,204	1,039
Operating profit before depreciation/ amortisation (EBITDA) ¹⁾	2,752	3,419	3,471	2,883	2,853	3,581	3,540	3,199

¹⁾ Retrospective application of IFRS 17 Insurance Contracts has been made starting with Q1 2022. See further Note 1.

Operating profit excluding items affecting comparability by segment

SEKm	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
ICA Sweden	827	1,003	1,171	767	665	927	1,168	971
Rimi Baltic	114	159	117	292	193	264	215	138
Apotek Hjärtat	158	144	142	98	131	201	186	171
ICA Real Estate	169	162	177	182	188	117	158	90
ICA Bank ¹⁾	66	83	125	93	115	90	154	99
Other	-96	-114	-103	-126	-88	-103	-66	-143
Operating profit excluding items affecting comparability by segment ¹⁾	1,239	1,437	1,629	1,306	1,204	1,496	1,815	1,327
IFRS 16	59	75	78	83	89	133	140	159
Operating profit excluding items affecting comparability ¹⁾	1,298	1,511	1,707	1,389	1,293	1,629	1,955	1,487

¹⁾ Retrospective application of IFRS 17 Insurance Contracts has been made starting with Q1 2022. See further Note 1.

Operating margin excluding items affecting comparability, %, by segment

SEKm	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
ICA Sweden	3.7	4.0	4.7	3.1	2.7	3.5	4.5	3.6
Rimi Baltic	2.7	3.5	2.5	5.7	4.0	5.0	4.0	2.5
Apotek Hjärtat	3.8	3.4	3.4	2.3	2.9	4.2	3.9	3.5
ICA Real Estate	23.5	22.7	24.6	24.5	24.5	14.7	20.6	10.7
Group ¹⁾	4.1	4.4	4.9	3.9	3.7	4.3	5.3	3.9

¹⁾ Retrospective application of IFRS 17 Insurance Contracts has been made starting with Q1 2022. See further Note 1.

Financial key ratios

ICA Gruppen relies on a number of financial key ratios in its interim reporting, some of which are not defined in IFRS but are so-called Alternative Performance Measures (APMs). The aim is to provide additional information that contributes to a more thorough comparison of year-on-year development and to give an indication of the Group's performance and financial position. The APMs used by ICA Gruppen are generally recognised within the sectors that ICA Gruppen works in. The most important of these measures are those for which the Board of Directors has set financial targets. These are: to grow faster than the market in the grocery retail and pharmacy businesses; to achieve an operating margin (excluding items affecting comparability) of 4.5%; to achieve a return on capital employed of 7.5%; and to maintain net debt excl. ICA Bank and IFRS 16 Leases in relation to EBITDA excl. IFRS 16 Leases that is lower than a multiple of 2.

Reconciliation EBITDA				
	Fourth quarter		Jan-Dec	
SEKm	2023	2022	2023	2022
Operating profit (EBIT)	1,459	1,115	6,930	6,475
Depreciation/amortisation	547	534	2,084	5,822
Impairment and impairment reversals	154	221	170	229
Operating profit before depreciation/amortisation (EBITDA) excl. IFRS 16	2,160	1,870	9,184	8,991
IFRS 16 Operating profit	-39	83	-223	-130
IFRS 16 Depreciation/amortisation	1,078	931	4,212	3,665
Operating profit before depreciation/amortisation (EBITDA)	3,199	2,883	13,173	12,526

Reconciliation EBITDA								
SEKm	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Operating profit excl IFRS 16	1,246	2,317	1,927	1,115	1,267	2,403	1,800	1,459
Depreciation/amortisation excl IFRS 16	537	539	548	534	502	513	522	547
Impairment and impairment reversals	—	2	6	221	1	—	15	154
Operating profit before depreciation/amortisation (EBITDA) excl. IFRS 16 ¹⁾	1,783	2,859	2,480	1,870	1,771	2,917	2,336	2,160
IFRS 16 Operating profit	59	-349	78	83	71	-395	140	-39
IFRS 16 Depreciation/amortisation	911	909	914	931	1,011	1,059	1,064	1,078
Operating profit before depreciation/amortisation (EBITDA) ¹⁾	2,752	3,419	3,471	2,883	2,853	3,581	3,540	3,199

¹⁾ Retrospective application of IFRS 17 Insurance Contracts has been made starting with Q1 2022. See further Note 1.

Reconciliation net debt								
SEKm	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Non-current interest-bearing liabilities	-1,472	-1,473	-1,473	-16,943	-20,486	-23,994	-23,987	-21,053
Current interest-bearing liabilities	-2,981	-4,279	-3,872	-18,057	-14,499	-3,927	-2,165	-2,188
Cash and cash equivalents	387	4,527	4,727	5,480	5,695	2,869	858	2,582
Net debt excl. ICA Bank and IFRS 16 Leases	-4,066	-1,226	-618	-29,520	-29,289	-25,051	-25,294	-20,659
Non-current lease liabilities	-12,843	-13,967	-13,720	-13,771	-14,897	-17,519	-16,736	-18,329
Current lease liabilities	-3,593	-3,653	-3,648	-3,792	-3,989	-4,349	-4,308	-4,436
Net debt excl. ICA Bank	-20,503	-18,846	-17,986	-47,084	-48,176	-46,920	-46,338	-43,424

Reconciliation capital employed excluding ICA Bank								
SEKm	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Equity	39,425	41,520	43,504	14,878	15,478	16,720	17,935	17,428
Provisions for pensions	3,387	2,936	2,527	2,796	2,819	2,841	2,570	3,534
Other provisions	23	17	13	12	32	24	18	63
Non-current interest-bearing liabilities	1,472	1,473	1,473	16,943	20,486	23,994	23,987	21,053
Current interest-bearing liabilities	2,981	4,279	3,872	18,057	14,499	3,927	2,165	2,188
Other non-current liabilities	70	45	44	37	35	43	49	53
Non-current lease liabilities	12,843	13,967	13,720	13,771	14,897	17,519	16,736	18,329
Current lease liabilities	3,593	3,653	3,648	3,792	3,989	4,349	4,308	4,436
Capital employed	63,795	67,891	68,801	70,287	72,236	69,415	67,766	67,084
Average capital employed	62,653	63,886	65,543	67,403	68,904	69,748	69,651	69,250

¹⁾ Retrospective application of IFRS 17 Insurance Contracts has been made starting with Q1 2022. See further Note 1.

Definitions of key ratios

Business volume (ICA Bank)

Sum of lending, deposits, fund savings and home mortgages (including volume intermediated via collaborations).

Capital employed

Equity plus interest-bearing liabilities.

C/I ratio (ICA Bank)

Total costs in relation to total income.

Common Equity Tier I ratio (ICA Bank)

The bank's capital base in relation to risk-weighted assets.

Credit loss ratio (ICA Bank)

Credit losses in relation to average lending.

Divestments

Payments received for sold tangible and intangible non-current assets during the period according to the statement of cash flows.

EBITDA

Operating profit before depreciation, amortisation and impairment losses (Earnings Before Interest, Taxes, Depreciation and Amortisation).

EBITDA excl. IFRS 16 Leases

Operating profit before depreciation, amortisation and impairment losses (Earnings Before Interest, Taxes, Depreciation and Amortisation) excl EBITDA from IFRS 16 Leases.

Equity/assets ratio

Equity including non-controlling interests in relation to total assets.

Gross profit

Net sales less cost of goods sold.

Investments

Investments paid in tangible and intangible non-current assets during the period according to the statement of cash flows.

Items affecting comparability

Gain/loss on disposal of non-current assets, impairment of non-current assets and major structural changes.

Like-for-like store/pharmacy sales

Sales for stores/pharmacies that generated sales both in the reporting period and in the comparison period.

Net debt excl. ICA Bank

Interest-bearing liabilities excluding pensions, ICA Bank and cash and cash equivalents.

Net debt excl. ICA Bank and IFRS 16 Leases

Interest-bearing liabilities excluding lease liabilities, pensions, ICA Bank, and cash and cash equivalents.

Net debt excl. ICA Bank/EBITDA

Interest-bearing liabilities excluding pensions, ICA Bank, and cash and cash equivalents in relation to EBITDA, rolling 12 months.

Net debt excl. ICA Bank and IFRS 16 Leases/EBITDA excl. IFRS 16 Leases

Interest-bearing liabilities excluding pensions, ICA Bank, lease liabilities according to IFRS 16 Leases, and cash and cash equivalents in relation to EBITDA, excluding EBITDA from IFRS 16 Leases, rolling 12 months.

Net interest (ICA Bank)

The difference between the bank's interest income and interest expense.

Net margin

Profit for the period as a percentage of net sales.

Occupancy rate (ICA Real Estate)

Market rents for rented properties divided by total rental value (contracted annual rent + market rent for unrented premises).

Operating margin

Operating profit as a percentage of net sales.

Operating profit/loss

Profit/loss before net financial items and tax.

Return on capital employed

Operating profit plus financial income (rolling 12 months) in relation to average capital employed. ICA Bank's operations are excluded from both the income statement and balance sheet when calculating return on capital employed.

Return on equity

Profit for the period (rolling 12 months) in relation to average equity. ICA Bank's operations are excluded from both the income statement and balance sheet when calculating return on equity.

Yield (ICA Real Estate)

Operating net in relation to the average book value of properties.

This interim report and sustainability report has not been reviewed by the company's auditors.

Stockholm, 7 February 2024

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Calendar

23 February	Annual Report 2023
25 April	Interim report Q1
15 August	Interim report Q2
24 October	Interim report Q3

The information in this report is such that ICA Gruppen AB is obligated to disclose pursuant to the Swedish Securities Market Act. The information was submitted, by the agency of the contact person above, for publication at 07.00 CET on Wednesday, 7 February 2024.

ICA Gruppen AB (publ) is a leading retail company with a focus on food and health. The Group includes ICA Sweden and Rimi Baltic, which mainly conduct grocery retail, Apotek Hjärtat, which conducts pharmacy business, ICA Real Estate, which owns and manages properties, and ICA Bank, which offers financial services in Sweden.

For more information, visit icagruppen.se.

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