



Strong quarter – market normalising

- Higher operating profit and strengthening of operating margin
- ICA Sweden – stable margin, higher market share
- Continued earnings improvement for Apotek Hjärtat and higher market shares
- Rimi Baltic – higher market shares with stable, high earnings
- ICA Bank – Forex acquisition and ICA Insurance boost earnings

Events after the end of the quarter:

- Payout of funding capital from Afa Insurance will have a SEK +70 million earnings effect for ICA Sweden in the fourth quarter

Key data

Group, SEKm	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
Net sales	32,094	31,401	2.2	95,098	93,690	1.5	127,690	126,283
Operating profit before depreciation/amortisation (EBITDA)	3,197	3,026	5.7	8,664	8,425	2.8	11,380	11,141
Operating profit excluding items affecting comparability	1,818	1,698	7.0	4,528	4,460	1.5	5,899	5,831
Operating profit	1,815	1,686	7.7	4,572	4,449	2.8	5,896	5,774
Operating margin excluding items affecting comparability, %	5.7	5.4	—	4.8	4.8	—	4.6	4.6
Profit before tax	1,713	1,572	9.0	4,270	4,093	4.3	5,485	5,308
Profit for the period	1,389	1,302	6.6	3,511	3,254	7.9	4,430	4,173
Cash flow from operating activities excluding ICA Bank	2,318	1,752	32.4	7,275	6,672	9.0	11,047	10,444
Return on capital employed, %	—	—	—	9.4	9.1	—	9.4	9.2
Return on equity, %	—	—	—	12.2	12.0	—	12.2	11.7
Earnings per share, SEK	6.87	6.45	6.6	17.37	16.11	7.8	21.91	20.65

CEO's comments

The third quarter was strong, with earnings improvements in all of the Group's operations except for ICA Sweden, which had a stable quarter with an unchanged margin at the same time that the comparison figures were challenging. With subsiding pandemic effects, we can ascertain that the market in Sweden is on its way to normalising, with – among other things – a continued higher share of sales online than before the pandemic.



The Swedish grocery retail market grew by 1.2% during the third quarter – twice as high growth as during the preceding quarter. Following a period of negative food price inflation, as expected it once again turned positive as from August and also for the entire quarter. Our view in the Baltic countries is that growth was good during the third quarter despite a slight negative effect from renewed restrictions at the end of the period. The pharmacy market in Sweden showed favourable growth for the second quarter in a row following a long period during which the pandemic dampened growth. Self-care products in particular showed good growth.

ICA Sweden – e-commerce warehouse in Stockholm soon operating

ICA Sweden grew more than the market following strong performance during the summer. The online share of sales, which grew rapidly during the pandemic, has remained at a higher level than before the pandemic. We are convinced that it will grow further, even though growth in the months immediately ahead will be lower given the very challenging comparison figures. ICA Sweden is now in the midst of an intensive period with the rollout of a new e-commerce platform and where the new, automated e-commerce warehouse in Stockholm is set to begin operating. With this we are building greater capacity to meet higher demand, and above all we are increasing the efficiency of our online channel in a decisive way. We are also obtaining new capacities that are enabling us to seriously begin the shift that will give us the position as the leading omnichannel actor, where we are tying together physical shopping at stores with online shopping so that we can meet our customers in the way and with the offerings they are looking for.

Rimi Baltic – record quarter, opening of Lidl stores in Latvia in October

Rimi Baltic delivered yet another quarter with very strong earnings and where we took market shares. Unfortunately, the spread of Covid-19 in the Baltic countries is going in the entirely wrong direction, and new strict restrictions in Latvia and Lithuania will have a negative impact on sales during the fourth quarter.

In early October Lidl opened 15 stores in Latvia. The initial impact on our sales has been limited, but the analysis is made harder by the renewed pandemic effect.

Apotek Hjärtat – strong improvement

Apotek Hjärtat delivered yet another strong quarter and continues to take market shares. The pharmacy market continues to be characterised by a shift to the online channel, and of course it's important that we continue to maintain a high tempo and strong focus in order to take advantage of opportunities and minimise risks in this transformation. A strong customer focus in which we utilise our pharmacy network at the same time that we sharpen our online channel will be decisive for providing a leading omnichannel experience and stronger competitiveness. Here our new e-commerce warehouse, which will begin operating in the autumn of 2022, is also an important piece of the puzzle.

ICA Bank – Forex strengthened earnings. ICA Real Estate signs new agreement on ownership in Secore

The acquisition of Forex's bank business in the preceding quarter gave a good earnings boost to ICA Bank. The next step in ICA Bank's development is the launch of its home mortgage offering, which will take place shortly. ICA Insurance's favourable earnings improvement during the quarter was also gratifying.

During the third quarter ICA Real Estate signed an agreement to acquire Första AP-fonden's ownership stake in Secore on 1 April next year. This gives us an opportunity to optimise parts of the real estate portfolio with the ambition to find a new, long-term partner for this ownership.

Sustainability – new products launched, ICA Gruppen wins UN award

As a result of ICA's initiative to support and develop sustainable, Swedish-made, plant-based foods (ICA Växa), in September the first products were launched under the new "ICA Swedish plant-based" concept. We are also happy to note that the UN will be presenting an award to ICA Gruppen for our Beyond Climate Neutrality climate ambition. The award will be presented in connection with the UN COP26 Climate Change Conference in Glasgow in November.

As we near the end of 2021, hopefully we can look forward to a normal Christmas holiday shopping season. Approaching 2022, much of our focus is on continuing to be the leading omnichannel actor in all of our markets and ensuring that we in Sweden build the strongest ecosystem surrounding food, with all that ICA Gruppen can offer together with our partners.

Per Strömberg
CEO ICA Gruppen

Group performance – third quarter

Net sales

Consolidated net sales increased by 2.2% during the quarter compared with 2020. In local currencies the increase was 2.4%. This performance is explained by positive volume effects especially in ICA Sweden's wholesale operations, Rimi Baltic, Apotek Hjärtat and ICA Bank as well as positive price effects especially in Rimi Baltic. Overall, Covid-19 is estimated to have had a continued positive effect on sales growth, but to a lower degree than during the same period in 2020.

Net sales per segment

SEKm	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
ICA Sweden	23,192	23,035	0.7	68,642	67,961	1.0	92,364	91,684
Rimi Baltic	4,225	3,946	7.1	12,605	12,095	4.2	16,882	16,373
Apotek Hjärtat	3,846	3,648	5.4	11,475	11,373	0.9	15,280	15,178
ICA Real Estate	691	699	-1.2	2,075	2,095	-0.9	2,820	2,840
ICA Bank	521	434	20.0	1,421	1,259	12.9	1,861	1,699
Other	322	323	-0.4	1,002	964	4.0	1,320	1,282
Internal sales	-702	-686	2.3	-2,123	-2,058	3.1	-2,838	-2,773
Net sales	32,094	31,401	2.2	95,098	93,690	1.5	127,690	126,283

Operating profit

Operating profit excluding items affecting comparability was 7% higher than a year ago. Operating profit for Apotek Hjärtat and ICA Bank, in particular, was considerably higher than a year ago. ICA Bank's result includes the effect of the acquisition of Forex's customer portfolios, by approximately SEK +30 million. ICA Sweden's operating profit, which was level with 2020, includes a one-off item related to an insurance settlement of approximately SEK +25 million. Operating profit a year ago included one-off items in ICA Bank and ICA Real Estate together totalling approximately SEK -40 million. For the Group as a whole, both the volume and price effects were positive. Gross profit and the gross margin strengthened. The operating margin excluding items affecting comparability grew to 5.7% (5.4%) and was also higher than the same period in 2019, when it was 5.4%. Profit for the period totalled SEK 1,389 million (1,302). Profit includes the result of divestments and impairment losses totalling SEK -2 million (-13). Earnings per share increased to SEK 6.87 (6.45).

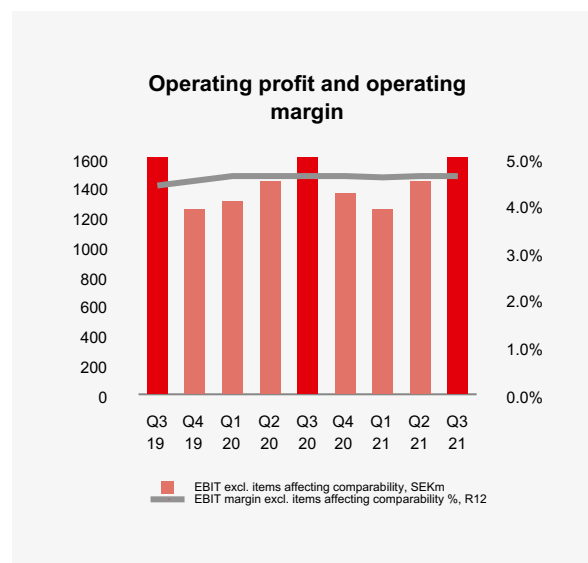
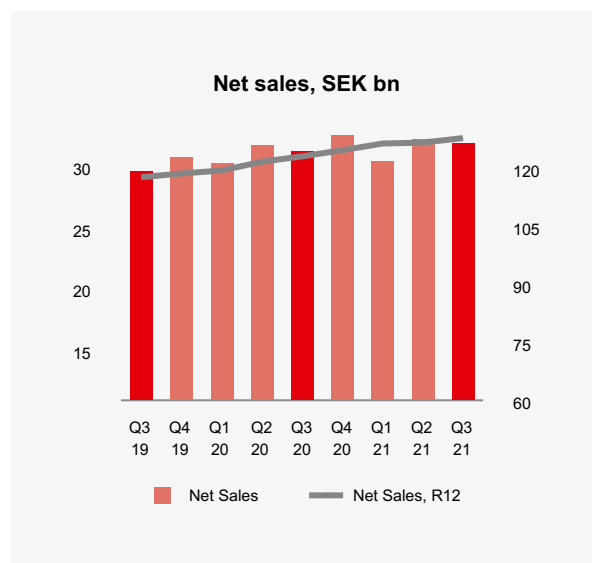
Covid-19 is estimated to have had a marginally positive effect on consolidated operating profit. In the preceding year it was estimated to have had a slightly negative effect.

Operating profit excluding items affecting comparability per segment

SEKm	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
ICA Sweden	1,198	1,207	-0.7	3,147	3,237	-2.8	4,150	4,240
Rimi Baltic	232	227	2.1	605	526	14.9	782	703
Apotek Hjärtat	157	101	54.7	311	297	4.5	396	383
ICA Real Estate	166	143	16.7	491	439	11.9	655	603
ICA Bank	88	47	85.4	95	114	-16.4	155	174
Other	-74	-71	5.5	-267	-283	-5.7	-430	-446
Operating profit excluding items affecting comparability per segment	1,767	1,655	6.7	4,383	4,331	1.2	5,709	5,657
IFRS 16 Leases	51	43	18.2	145	129	12.3	191	175
Operating profit excluding items affecting comparability	1,818	1,698	7.0	4,528	4,460	1.5	5,899	5,831

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

Net financial items improved by SEK 12 million during the quarter, mainly owing to lower interest expenses related to refinancing of loans at lower interest rates, lower interest on the pension liability and lower interest costs for lease liabilities.

The effective tax rate was higher than in 2020, mainly owing to the fact that, starting in December 2020, tax on dividends received from Rimi Baltic is booked through monthly provisions. Previously it was booked on one occasion, which in 2020 was during the second quarter. Paid tax was at the same level as in 2020.

Net financial items and tax	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
Net financial items, SEKm	-102	-114	10.7	-302	-356	-15.3	-412	-466
Of which, interest expenses, SEKm	-101	-117	13.4	-307	-367	-16.4	-423	-483
Tax cost, SEKm	-325	-269	-20.6	-759	-839	-9.6	-1,055	-1,135
Effective tax rate, %	19.0	17.1	—	17.8	20.5	—	18.7	21.4
Paid tax, SEKm	-212	-207	-2.7	-794	-912	-13.0	-960	-1,078

Cash flow (excluding ICA Bank)

Cash flow from operating activities during the quarter (excluding ICA Bank) increased by SEK 566 million compared with a year ago. The increase is mainly attributable to a calendar-related less unfavourable development of working capital than a year ago.

Cash flow from investing activities was affected by a lower level of investment in ICA Real Estate and Rimi Baltic, while the difference in cash flow from financing activities between the years consists essentially of a SEK 1.2 billion decrease in dividends paid than in 2020, as the dividend was paid in two parts – half during the second quarter and the other half during the third quarter.

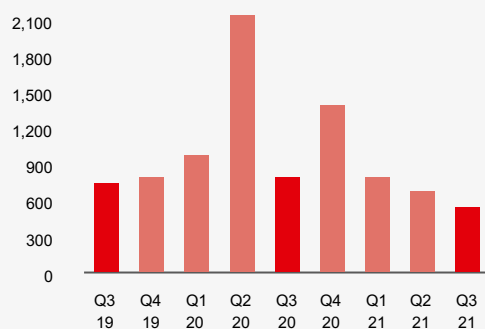
Effect of IFRS 16 on cash flow

During the third quarter of 2021, lease payments (interest and principal) amounted to SEK -896 million (-885).

Cash flow, Group excl. ICA Bank

SEKm	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
From operating activities before change in working capital	2,927	2,761	6.0	7,752	7,502	3.3	10,383	10,133
Change in working capital	-609	-1,010		-477	-830		663	310
From operating activities	2,318	1,752	32.4	7,275	6,672	9.0	11,047	10,444
Investing activities, net	-534	-781		-1,639	-3,771		-3,052	-5,184
Before financing activities	1,785	971	83.9	5,637	2,900	94.3	7,996	5,259
Financing activities, net	-1,633	-2,081		-6,419	-2,930		-8,291	-4,802
Cash flow for the period	151	-1,111	-113.6	-783	-30	>200	-296	457

Investments (cash flow), SEKm



Investments

The Group's investments were lower than in the same period in 2020, mainly owing to a lower level of investment in ICA Real Estate and Rimi Baltic. At the same time, the investment level in ICA Sweden was higher, mainly owing to several projects in online logistics and IT. Total investments in 2021 are expected to amount to approximately SEK 3.5 billion, including SEK 1.5 billion in ICA Real Estate. Major capex projects include purchases of logistics properties, future store locations, new establishments, investments in the Group's e-commerce and IT investments.

Investments (cash flow) by segment

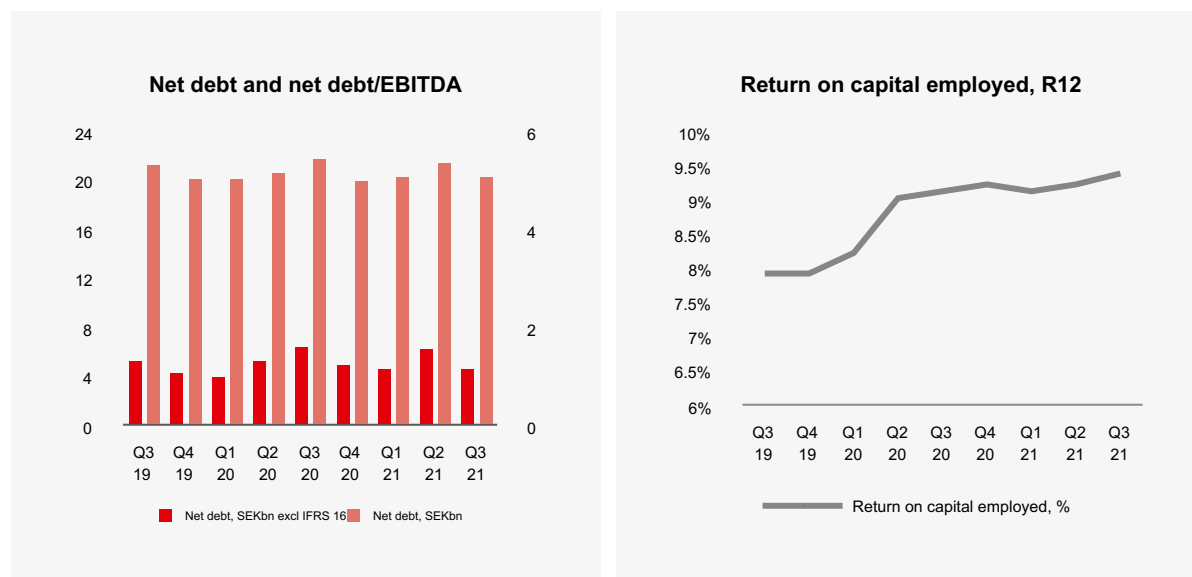
SEKm	Third quarter		Jan-sep		12 months	Full year
	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
ICA Sweden	191	144	707	567	965	825
Rimi Baltic	146	310	393	879	582	1,068
Apotek Hjärtat	45	45	161	160	213	212
ICA Real Estate	125	249	583	2,176	1,412	3,005
ICA Bank	18	15	72	56	104	88
Other	28	38	131	124	181	174
Investments	553	802	2,047	3,961	3,458	5,372

Depreciation/amortisation by segment

SEKm	Third quarter		Jan-sep		12 months	Full year
	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
ICA Sweden	175	154	500	449	662	611
Rimi Baltic	113	100	332	298	439	405
Apotek Hjärtat	46	42	135	121	180	167
ICA Real Estate	147	139	437	392	578	533
ICA Bank	6	7	16	19	20	24
Other	40	36	111	105	150	144
Depreciation/amortisation by segment	527	477	1,530	1,384	2,030	1,884
IFRS 16 Leases	849	850	2,540	2,575	3,386	3,421
Depreciation/amortisation	1,376	1,327	4,071	3,960	5,416	5,305

Net debt and return on capital employed

The Group's net debt (excluding IFRS 16 lease liabilities, ICA Bank and pension liabilities) was nearly SEK 1 billion lower at the end of the quarter than a year ago. The lower level of net debt is mainly attributable to strong cash flow from operating activities and a lower level of investment, and to some extent to completed property sales. The Group's net debt including IFRS 16 (excluding ICA Bank and pension liabilities) amounted to SEK 20.2 billion (21.7) at the end of the quarter. At 30 September 2021, net debt in relation to EBITDA was 1.8 (2.0), which is well in line with the Group's long-term target of <3.0. Return on capital employed was 9.4% (9.1%) on a rolling 12-month basis.



Net debt (excl. ICA Bank and pension liability)

SEKm	30 September		12 months	Full year
	2021	2020	Oct 2020 - Sept 2021	2020
Net debt	-20,207	-21,734	-20,207	-19,901
Net debt excl. IFRS16	-5,408	-6,367	-5,408	-4,904
Net debt/EBITDA	1.8	2.0	1.8	1.8

Important events during the quarter

10 September – It is announced that Fredrik Hägglund has left the ICA Gruppen board of directors following an announcement by ICA-handlarnas Förbund that he has left his position as CEO of the association.

16 September – It is announced that ICA Gruppen's CIO Maria Lundberg will be leaving ICA Gruppen in February 2022 for a position with Volvo Group.

30 September – ICA Real Estate enters into agreement with Första AP-fonden to acquire its stake in the jointly owned company Secore Fastigheter AB. See further information in press release at www.icagruppen.se.

Important events after the end of the quarter

1 October – Fora informed via its website that Afa Insurance has decided to pay out funding capital from AGS contractual group disability insurance. For ICA Gruppen this entails a payment of approximately SEK 70 million, which will be recognised in the ICA Sweden segment in the fourth quarter.

Performance for the period January-September 2021

ICA Gruppen's net sales increased by 1.5% during the period to SEK 95,098 million. Excluding currency effects the increase was 2.0%. The increase is attributable to both positive volume and price effects.

Operating profit excluding items affecting comparability totalled SEK 4,528 million and was SEK 68 million higher than for the same period in 2020. Both the price and volume effects were positive. Operating profit for Rimi Baltic, ICA Real Estate and Apotek Hjärtat was higher, while ICA Sweden and ICA Bank posted lower operating profit than a year ago. The acquisition of Forex's customer portfolios contributed approximately SEK 40 million to ICA Bank's operating profit during the period.

ICA Sweden's operating profit includes a one-off item related to an insurance settlement of approximately SEK +25 million, and ICA Bank's operating profit includes SEK -60 million related to the acquisition of Forex's customer portfolios, for a combined total of SEK -35 million. Operating profit a year ago included similar items for a combined total of SEK -20 million. The operating margin excluding items affecting comparability was unchanged at 4.8% (4.8%).

The calendar effect of the Easter holiday was SEK -20 million (+25), and the effect from the leap year day in 2020 was SEK +15 million.

Profit for the period totalled SEK 3,511 million (3,254), and earnings per share were SEK 17.37 (16.11). Profit includes the combined result of divestments/impairment charges totalling SEK 44 million (-11).

Covid-19 is estimated to have had a continued effect on the Group's sales during the first nine months of the year, but to a lower extent than during the same period a year ago. The effect on operating profit for the period is estimated to have been slightly positive. In the preceding year the effect was estimated to have been marginally negative. Covid-19 effects include certain general government assistance payments, mainly compensation for sick pay, totalling approximately SEK 55 million (100).

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.

Important events during the quarter

Environment

"We will minimise our environmental impact, go from climate neutral to net zero emissions in our own operations, and help our customers make more sustainable choices."



Environment indicators

	12 months	12 months
	Oct 2020 - Sept 2021	Oct 2019 - Sept 2020
Net zero emissions from own operations by 2030 (tonnes CO ₂ e)	83,255	95,626
Net zero emissions from own operations by 2030 (tonnes CO ₂ e / SEKm sales)	0.65	0.77
Cut the climate impact of customers' grocery purchases in half by 2030 (kg CO ₂ e/kg sold food)	1.79	1.80 ¹
Cut food waste in half by 2025 (food waste weight share)	1.66%	1.60%
Cut food waste in half by 2025 (development as % relative to base year 2016)	-9%	-12%

¹ Pertains to full year 2020 (data for 2019 not available)

ICA Gruppen's climate impact from its own operations (stores, pharmacies, warehouses, offices and transports) shall be net zero by 2030. This means that emissions are to be reduced as much as possible. At the same time, 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 continued to decrease during the third quarter and amounted to 83,255 tonnes of CO₂ equivalents (CO₂e) for the last 12 months, mainly due to decreased emissions from goods transports in Sweden.

ICA's ambition is to cut the carbon footprint of customers' grocery purchases in half by 2030. The average carbon footprint during the quarter was 1.79 kg CO₂e per kg sold food (R12), compared with the benchmark measurement of 1.80 kg CO₂e per kg sold food and the ambition to reduce this to 0.90 kg CO₂e per kg sold food in 2030. The calculation methods for this target were adjusted slightly during the quarter, which led to an updated figure also for the benchmark measurement and target for the ambition. Current data pertains to ICA Sweden (Rimi Baltic will be included in future reporting).

ICA has set a target to cut food waste in half by 2025 (base year 2016). In total, food waste amounted to 1.66% of sold food (R12), representing a decrease of 9% since 2016 but an increase compared with the preceding quarter. The higher level of food waste is partly attributable to improved measurement, but also to the opening of a new e-commerce warehouse and a higher level of waste from fruits and vegetables. Improved methods for data collection introduced during the year, including measurement down to the item level, lead to more waste being registered correctly. This is resulting in higher figures short-term, but is a prerequisite for being able to direct preventive measures correctly and thereby reduce food waste over time. For fruits and vegetables, a shift in weather at the end of the summer led to forecasts of melon sales being wrong, which had a relatively large impact on the food waste indicator, since this is reported by weight in kilos.

Cooperation for better understanding of environmental impact of pharmacy products

Apotek Hjärtat has started a research project together with IVL (Svenska Miljöinstitutet), IDUN Minerals and Perrigo to take a closer look at the lifecycle analyses of skin creams. The study is part of Apotek Hjärtat's efforts to reduce the environmental impact of pharmacy products, for example by setting relevant sustainability requirements for suppliers and guiding customers towards sustainable choices.

Health

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



Health indicators

Q3 2021

Customers' daily consumption of fruits and vegetables is to correspond to 500 g per customer by 2025, ICA Sweden (grams)	n/a*
Number of products with reduced sugar, ICA Sweden ¹	6

¹ Target under development.

During the quarter, six products with reduced sugar content were launched, bringing the total up to ten for the year (Jan-Sep). The new products during the quarter were two yoghurt drinks under the new Bra Snack ("Good Snack") concept, a hazelnut cream with 50% less sugar, a ketchup with zero added sugar, and two new flavours of jam in squeeze bottles with more berries and 30% less sugar.

*To estimate how much fruit and vegetables ICA's customers in Sweden consume, a calculation is performed based on sales data for the customers who are assumed to do most of their grocery shopping with ICA. Due to a need to update the calculation methods, reporting of the indicator has been paused and will be resumed when a new model is in place.

Start of the year's Pink Ribbon campaign

ICA has been a Pink Ribbon supporter since the start in 2003, and this year's campaign started at the end of September. In addition to sales of pink ribbons and bracelets at ICA stores and Apotek Hjärtat pharmacies, more than 100 products have switched to pink packaging to show that a share of the price will be donated to Cancerfonden. Research shows that healthy eating habits and physical activity can lower the risk for cancer, and ICA therefore wants to also promote "pink habits" among its customers by making healthy habits simple and easy.

Easier to eat healthily with Bra snack ("Good Snack") and Keyhole-labelled recipes

Children and young people are a prioritised target group in ICA's health ambition. At the end of September ICA Sweden's new snack concept Bra snack was launched, featuring tasty, convenient and nutritious snacks designed for growing children aged 7–15. The products in the Bra snack range must meet certain requirements, such as containing more fibre, more vegetables or less added sugar.

To make it easier for customers to make healthy choices, ICA Sweden has also launched a collection of Keyhole-labelled recipes, which can be easily found at ica.se and in the ICA app. To earn the Keyhole label a recipe must meet certain criteria, such as for using less sugar and salt, more whole grains and fibre, and healthier fats.

Free therapy in connection to accidents to promote mental health

Stress and anxiety stemming from an accident or financial problems can lead to mental illness and work absences. To address this issue, on 1 July ICA Insurance included therapy as a free benefit in its accident insurance. Through the BlueCall app customers can chat or talk with a therapist to protect their mental health. Therapy is already offered to customers with home mortgages or personal loans backed by loan protection from ICA Insurance.

Blood glucose measurements at pharmacies to help detect undiagnosed diabetes

Estimates show that roughly 200,000 people in Sweden live with undiagnosed diabetes, which is a major strain on the body. To be able to identify and help customers with elevated blood sugar, in September a pilot blood glucose measurement programme was launched at 11 Apotek Hjärtat pharmacies. Hjärtat's pharmacists can provide simpler dietary advice, but all persons exhibiting glucose levels that indicate a risk for type 2 diabetes are referred to their local healthcare clinics for further examination and treatment.

Physical activity for more people

Encouraging physical activity is a central feature of ICA's health ambition. During the summer, football schools engaged youths in Sweden – through the Swedish national football team's football school, of which ICA is a main sponsor – as well as in Estonia, through Rimi football camp. Rimi has also been engaged for several years in the largest marathons in the three Baltic capital cities, all of which were held during the summer with a high level of participation.

Local

"We will actively contribute to the local communities where we operate."

**First products from ICA Svenskt växtbaserat ("ICA Swedish Plant-based") in stores**

As a result of ICA's efforts to support and develop sustainable, Swedish-made plant-based foods (ICA Växa), the first products in the new ICA Svenskt växtbaserat ("ICA Swedish plant-based") concept were launched. The products have been developed in cooperation with smaller producers and innovative food entrepreneurs, and include a canola oil, various types of lentil and bean mixes, and pea soup.

Expanded cooperation with Ståda Sverige – now also in rescue initiative for apples

To take care of fruit at risk of going to waste in home gardens, ICA Stiftelsen, Rscued and Ståda Sverige started the collaboration project Klara, färdiga, plocka! ("Ready, set, pick!"), where apples are picked by sports clubs, crushed and pressed by Rscued and sold as garden cider at local ICA stores. The sports clubs that participate earn money for their teams. ICA Sweden and ICA Stiftelsen already cooperate with Ståda Sverige in the Klara, färdiga, ståda! ("Ready, set, clean!") project, where 1,034 young people from 44 teams participated during the quarter in the year's second litter clean-up day together with local ICA retailers.

Inclusion & diversity

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



Inclusion & diversity indicators	Q3 2021
50/50 gender balance in key positions, ICA Gruppen (women/men, %)	50/50

ICA's target is to achieve a 50/50 gender balance in key positions, which includes approximately 230 positions in ICA Gruppen. At the end of the quarter the breakdown of these positions was 50% women and 50% men.

Several reports highlighting inequalities in household economies

During the quarter ICA Bank released two reports addressing inequalities in Swedish consumers' household economies. One report highlighted differences in ways that women and men choose to save. The other, "Pengakollen: Svensken och relationsekonomin", shows that Swedish households are worse than they believe at building an equal household economy by, for example, compensating for a partner's loss of income and pension contributions during parental leave.

Quality

"We will ensure that quality and social responsibility always guide our operations and our business relationships."



Quality indicators	12 months	12 months
	Oct 2020 - Sept 2021	Oct 2019 - Sept 2020
Share of socially audited suppliers of ICA Gruppen's corporate brand products in high-risk countries (%) ¹	93	93
Share of suppliers of ICA Gruppen's corporate brand products in high-risk countries with a valid follow-up social audit (%) ¹	88	86
Share of suppliers of ICA Gruppen's corporate brand products with quality certification (%) ¹	93	91

¹ Reported until further notice, new target under development.

After the Covid-19 pandemic had made it difficult to conduct social audits of suppliers, we are now seeing a gradual return to a more normal situation. At the end of the quarter, 93% of suppliers of ICA Gruppen's corporate brand products in high-risk countries had been socially audited, and 88% had undergone a valid follow-up social audit. 93% of suppliers of ICA Gruppen's corporate brand products were quality-certified.

Criticism, media debates and dialogues

- Following reports of poor control over the Swedish Football Association use of funds from the equality project Alla är olika – olika är bra, ICA Sweden has paused payment of this year's donations pending completion of an independent investigation.
- Rimi Estonia's CEO and Sustainability manager have participated in numerous seminars and dialogue forums on environmental issues, e.g. based on Rimi's cooperation with start-ups in the food waste area.

Awards and distinctions

- ICA Gruppen was named as one of 11 winners of this year's UN Global Climate Action Awards, which will be presented at COP26, the UN Climate Change Conference, in November. ICA is being awarded for its work on achieving climate neutral operations and its ambition to drive change along the entire value chain.
- ICA Sweden's fibre-based burger tray packaging won an award in the "Save the Planet" category in the European Carton Excellence Awards.

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 2020 report as well as 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 (Hypermarket) stores.

Net sales

ICA Sweden's net sales were slightly higher compared with 2020 despite challenging comparison figures given the preceding year's very strong pandemic-driven sales increase. Price and especially volume effects were positive in the wholesale operations, and non-food sales showed favourable performance. The Covid-19 pandemic is estimated to have continued contributing to higher sales, but to a much lower degree than a year ago.

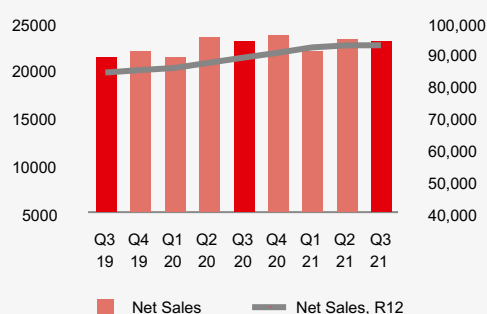
Earnings

Operating profit excluding items affecting comparability was slightly lower than in 2020. In the wholesale operations, price and volume effects were positive. The ongoing growth project in online, which is now in an active implementation phase, resulted in a continued high level of costs during the quarter compared with a year ago. Over time these projects will increase capacity and efficiency in ICA Sweden's e-commerce operations. This was partly compensated by higher profit distribution from ICA stores. Profit distribution was driven by a generally higher level of profitability in many stores following the strong sales increase that took place due to the pandemic primarily in 2020. Operating profit includes a one-off item of approximately SEK +25 million related to an insurance settlement. Other overheads decreased slightly, and overall the operating margin remained at the same level as during the third quarter a year ago and in 2019. Overall, the earnings effect from Covid-19 is estimated to have been lower than a year ago.

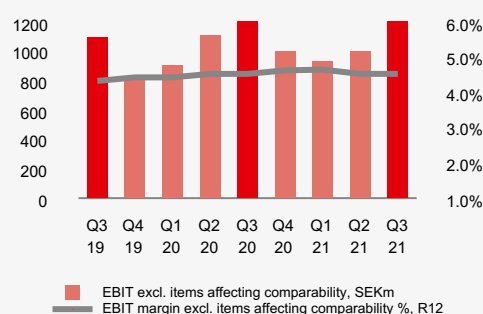
Key data

	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
Net sales, SEKm	23,192	23,035	0.7	68,642	67,961	1.0	92,364	91,684
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,373	1,361	0.9	3,647	3,686	-1.1	4,812	4,851
Operating profit excl. items affecting comparability, SEKm	1,198	1,207	-0.7	3,147	3,237	-2.8	4,150	4,240
Operating margin excl. items affecting comparability, %	5.2	5.2	—	4.6	4.8	—	4.5	4.6
Investments, SEKm	191	144	33.0	707	567	24.8	965	825
Depreciation/amortisation, SEKm	175	154	13.7	500	449	11.4	662	611
Average number of employees	—	—	—	8,613	8,329	3.4	—	8,412

Net sales, SEKm



EBIT and EBIT margin



ICA store sales and market development

Sales for ICA stores increased by 1.6% compared with a year ago despite high comparison figures. Compared with the same quarter in 2019 the increase was 7.8%. Sales continued to be driven by a higher average spend, while customer visits remained at the same level as a year ago. Small stores in areas with many vacation homes was the store format that showed particularly positive performance. In pace with the pandemic subsiding, stores at urban locations near residential areas experienced weaker growth. Market growth during the quarter was 1.2% according to the Food Retail Index (DVI), entailing that growth for ICA stores was higher than for the market as a whole following strong sales during the summer. Food price inflation during the quarter was +0.3% and is now once again showing a rising level after being negative during the preceding quarter at -0.6%.

One store was opened and two were closed during the third quarter. A total of seven to nine new stores are planned to be established in 2021, mainly in metropolitan areas.

E-commerce performance

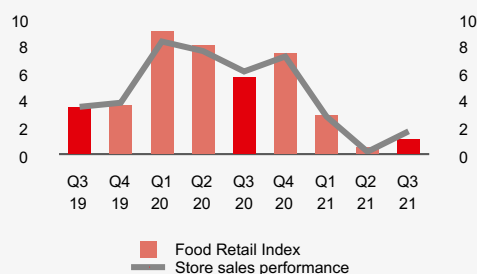
Online sales decreased by 0.8%, with marginally lower sales than a year ago despite the very high rate of growth, 124%, during the third quarter of 2020. The change is explained by the fact that no sales were made of meal kits in July. Sales from e-commerce warehouses increased. Compared with the third quarter of 2019, online sales increased by 122.5%. According to the Food Retail Index (DVI), the market for groceries online in Sweden grew by 3.0% during the third quarter. The lower growth rate for ICA can mainly be attributed to the very fast capacity increase for e-commerce that the ICA stores carried out in 2020 and that resulted in higher growth for ICA's online sales than for the market as a whole.

Key data, ICA stores

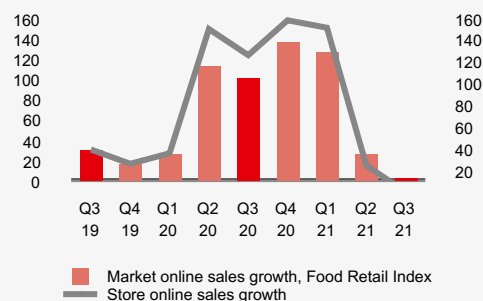
	Third quarter		Jan-sep		Full year
	2021	2020	2021	2020	2020
Sales growth, all stores	1.6	6.0	1.4	7.2	7.2
Sales growth, like-for-like stores	1.4	5.8	1.2	7.0	7.0
Calendar effect, %	0.2	0.0	-0.5	0.3	0.3
Food price inflation, %	0.3	1.5	0.1	2.4	2.1
Volume growth, total store sales ¹⁾	1.1	4.5	1.7	4.5	4.8
Volume growth, like-for-like stores	0.9	4.3	1.5	4.3	4.6
Private label share, %	26.2	26.5	26.9	27.0	26.9
Sales online, SEKm	1,117	1,126	4,781	3,312	4,975
Share of sales online, %	3.3	3.4	4.9	3.4	3.8
Number of stores offering e-commerce (groceries online)	—	—	433	347	374

¹⁾ Volume- and calendar adjusted.

Store sales performance compared with Food Retail Index*,



Store online sales compared with Food Retail Index*, %



* 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 ¹	Third quarter 2021			January-September 2021		
	SEKm	All stores, %	Like-for-like stores, %	SEKm	All stores, %	Like-for-like stores, %
Maxi ICA Stormarknad	10,558	1.6	0.9	31,746	2.4	1.7
ICA Kvantum	7,890	0.9	0.4	23,708	0.9	0.4
ICA Supermarket	9,712	1.4	1.5	28,159	0.4	0.4
ICA Nära	5,283	3.2	3.8	14,932	2.1	2.9
Total	33,442	1.6	1.4	98,546	1.4	1.2

¹⁾ Starting in 2021, store sales also include online fees, mainly for home delivery. For the sake of comparison, figures for 2020 have been adjusted.

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

Format	December 2020	New	Closed	September 2021
Maxi ICA Stormarknad	87	1	0	88
ICA Kvantum	129	0	0	129
ICA Supermarket	422	1	-2	421
ICA Nära	628	2	-2	628
Total	1,266	4	-4	1,266

Rimi Baltic

Rimi Baltic conducts grocery retail business via 289 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 8.8% during the quarter (7.1% in SEK). The increase was driven mainly by volume, but also prices to some extent. The picture was similar, with favourable growth, in all three countries. Covid-19 continued to affect performance, but to a lesser degree than a year ago and earlier this year. In Lithuania, new restrictions for larger stores had a negative impact towards the end of the quarter.

Earnings

Operating profit excluding items affecting comparability increased slightly in local currencies during the quarter, while the operating margin was slightly lower than the relatively strong margin during the third quarter of 2020. Price and volume effects remained positive. However, adjustment of price positions ahead of Lidl's store openings in Latvia limited the price effect, and the gross margin was level with the preceding year. Added to this were higher store overheads coupled to wage inflation, significantly higher electricity costs, online expansion and investments in the store network. Marketing costs were also higher owing to increased activity ahead of Lidl's store openings. Covid-19 has continued to affect earnings performance, but the negative effects this year are estimated to be lower than in the third quarter a year ago. Due to a rise in transmission, new restrictions have been introduced, which will likely result in a continued pandemic impact during the remainder of the year.

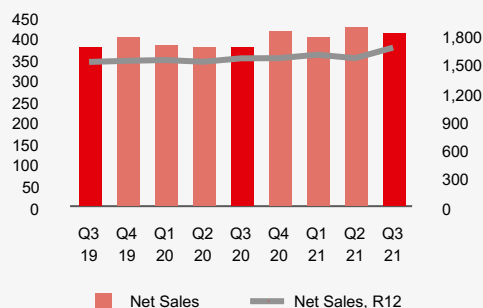
Other

Operating profit for the quarter includes a net result of SEK -3 million (-5) from sales/impairment losses.

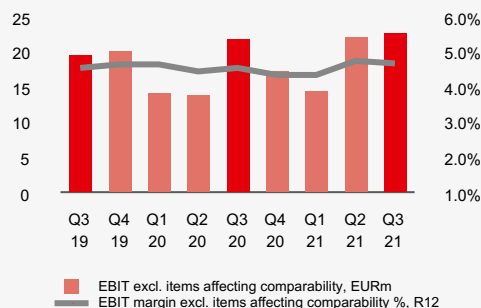
Key data

	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
Net sales, SEKm	4,225	3,946	7.1	12,605	12,095	4.2	16,882	16,373
Operating profit before depreciation/amortisation (EBITDA), SEKm	346	328	5.7	960	827	16.1	1,244	1,111
Operating profit excl. items affecting comparability, SEKm	232	227	2.1	605	526	14.9	782	703
Operating margin excl. items affecting comparability, %	5.5	5.8	—	4.8	4.4	—	4.6	4.3
Investments, SEKm	146	310	-52.7	393	879	-55.3	582	1,068
Depreciation/amortisation, SEKm	113	100	13.3	332	298	11.5	439	405
Average number of employees	—	—	—	11,280	10,534	—	—	10,647
EUR/SEK exchange rate, average	10.20	10.36	-1.6	10.15	10.56	-3.9	10.18	10.48

Net sales, EURm



EBIT and EBIT margin



Rimi store sales and market development

Final market data for the three countries will not be available until early November, but the assessment is that Rimi Baltic gained market shares during the third quarter, above all in Latvia and Lithuania. On 7 October Lidl opened 15 stores in Latvia. The openings have initially had a limited impact on Rimi's store sales in Latvia, but the analysis has been complicated by reinstated pandemic restrictions.

Customer visits to Rimi's stores in Estonia and Lithuania increased during the third quarter, while they decreased in Latvia and also to like-for-like stores in Lithuania. At the same time, the average spend increased comparatively sharply, especially in Latvia. A rise in transmission due to low vaccination rates has led to the reinstatement of restrictions in all three countries, which will likely negatively impact performance during the fourth quarter.

Rimi Baltic opened five stores during the quarter. A total of 18 to 20 store openings are planned for 2021.

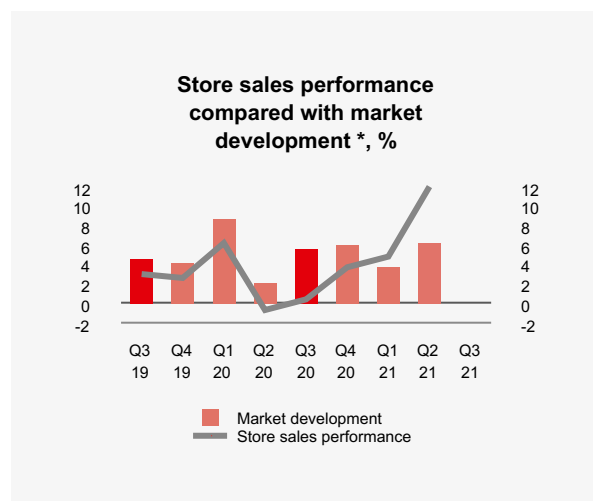
E-commerce performance

Rimi Baltic's online business continued to grow sharply and increased by 125% during the quarter. The share of total sales during the quarter was 2.0%, with the highest share in Estonia.

Key data, Rimi stores

	Third quarter		Jan-sep		Full year
	2021	2020	2021	2020	2020
Sales growth, all stores	8.8	0.3	8.4	1.8	2.3
Sales growth, like-for-like stores	6.0	-3.1	3.9	-1.0	-1.3
Food price inflation, % ¹⁾	2.7	1.7	—	—	1.9
Volume growth, total store sales ¹⁾	6.1	-1.3	—	4.5	0.4
Volume growth, like-for-like stores ¹⁾	3.3	-4.7	—	4.3	-3.2
Private label share, %	22.3	22.4	23.2	23.6	23.4
Sales online, EURm	8.4	3.8	31.4	9.7	18.7
Share of sales online, %	2.0	1.0	2.6	0.9	1.2

¹⁾ Market data and YTD food inflation not available as per report date.



*) Source: Country statistics.

Sales breakdown by country

Store sales excl. VAT	Third quarter 2021			January-September 2021		
	EURm	All stores, %	Like-for-like stores, %	EURm	All stores, %	Like-for-like stores, %
Estonia	101.8	7.8	7.4	298.3	6.3	4.7
Latvia	211.6	8.2	5.9	641.9	8.1	3.2
Lithuania	97.0	11.2	4.8	290.3	11.6	4.8
Total	410.4	8.8	6.0	1,230.5	8.4	3.9

Number of stores per country

Country	December 2020	New	Closed	September 2021
Estonia	84	1	-2	83
Latvia	131	2	-2	131
Lithuania	68	8	-1	75
Total	283	11	-5	289

Apotek Hjärtat

Apotek Hjärtat is the largest actor in the Swedish pharmacy market, with 387 pharmacies. Apotek Hjärtat is also a part owner of the digital healthcare company Min Doktor.

Net sales

Net sales increased by slightly more than 5% during the quarter in a market that continued to show favourable growth and in which Apotek Hjärtat took market shares this quarter as well. The increase was mainly volume-driven, but with certain, positive price effects in prescriptions, while volume growth was particularly strong for self-care products.

Earnings

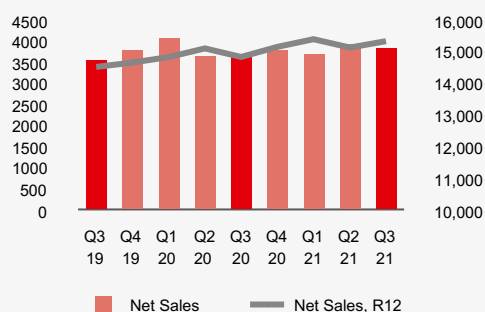
Operating profit excluding items affecting comparability increased by SEK 56 million. In addition to positive volume and price effects, an increase in parallel imports and lower logistics costs also contributed to the improved operating profit. These positive effects were countered to some extent by higher costs mainly coupled to e-commerce expansion projects, including the establishment of a new warehouse in 2022. In other respects, cost-cutting made a positive contribution to earnings.

Operating profit for the quarter includes SEK -14 million (-6) for Min Doktor. This performance is mainly attributable to higher costs in connection with the reopening of several physical clinics.

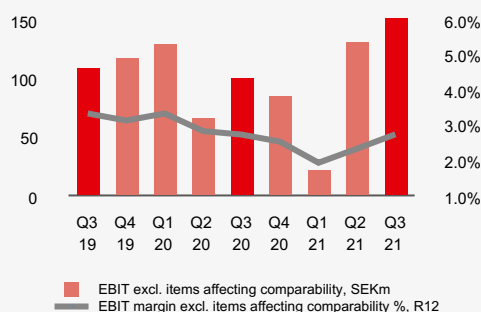
Key data

	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
Net sales, SEKm	3,846	3,648	5.4	11,475	11,373	0.9	15,280	15,178
Of which, prescription drugs	2,870	2,756	4.1	8,557	8,503	0.6	11,438	11,384
Of which, OTC drugs	342	310	10.3	1,024	1,076	-4.8	1,337	1,389
Of which, other products and services	635	582	9.1	1,895	1,794	5.6	2,506	2,405
Operating profit before depreciation/amortisation (EBITDA), SEKm	203	144	41.7	445	419	6.4	577	550
Operating profit excl. items affecting comparability, SEKm	157	101	54.7	311	297	4.5	396	383
Of which, share in profit in Min Doktor	-14	-6	-133.3	-33	-31	-6.5	-45	-43
Operating margin excl. items affecting comparability, %	4.1	2.8	—	2.7	2.6	—	2.6	2.5
Investments, SEKm	45	45	-0.1	161	160	0.7	213	212
Depreciation/amortisation, SEKm	46	42	10.2	135	121	11.0	180	167
Average number of employees	—	—	—	3,046	3,080	—	—	3,067

Net sales, SEKm



EBIT and EBIT margin



Pharmacy sales and market development

Growth in the pharmacy market during the quarter was 4.7%. Apotek Hjärtat's pharmacy sales increased by 5.4%, and Apotek Hjärtat thereby gained market shares. Apotek Hjärtat's sales of traded goods increased by 8.8%, while the market grew by 8.5%. Market growth for physical pharmacies remained positive, with a growing number of customers visiting pharmacies, and growth was approximately 2%, while the corresponding growth for Apotek Hjärtat was approximately 4%. Seen over the last 12-month period, Apotek Hjärtat's market share was just over 30%, entailing that Apotek Hjärtat continues to be the market leader.

No pharmacies were opened during the quarter and three were closed. Six to eight new pharmacies are planned to open in 2021, all at locations near ICA stores.

E-commerce performance

The shift to the online channel is continuing, and market growth during the quarter was approximately 18%. Apotek Hjärtat continues to take market shares online, with growth of more than 20%. The online share for the market was approximately 18% during the quarter, while Apotek Hjärtat's online share was just over 9%.

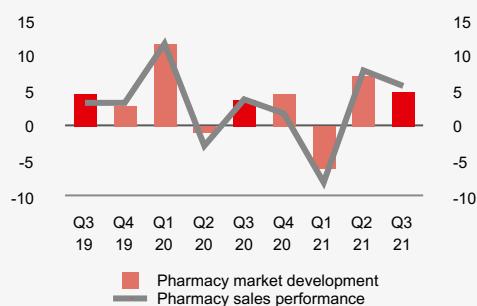
Key data

	Third quarter		Jan-sep		12 månader	Full year
	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Stores sales	3,824	3,627	11,412	11,273	15,199	15,060
Sales growth, all pharmacies	5.4	3.5	1.2	3.8	—	3.2
Sales growth, like-for-like pharmacies	5.1	2.8	1.0	3.0	—	2.5
Private label share, other products, %	17.5	18.4	17.5	18.4	—	18.5
Sales online, SEKm	356	296	1,147	857	1,496	1,206
Share of sales online, %	9.3	8.1	10.1	7.6	—	8.0

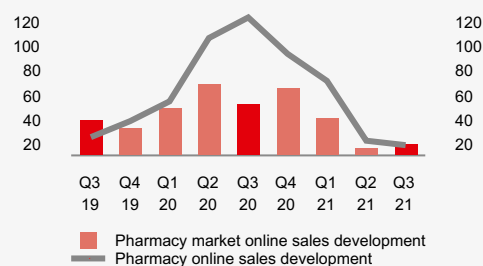
Number of pharmacies

	December 2020	New	Closed	September 2021
Apotek Hjärtat	391	3	-7	387

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

Underlying net sales increased by slightly more than SEK 20 million, driven by completed investments and to some extent by higher sales-based rents. The slightly lower level of total net sales is attributable to transfers of leases between ICA Real Estate and ICA Sweden. These transfers have no earnings effect but have some bearing on the operating margin.

Earnings

Operating profit excluding items affecting comparability increased by SEK 23 million during the quarter. The result for the preceding year included on-off items related to disputes and settlements for a combined total of SEK -12 million. Apart from the quarter's revenue growth, the underlying earnings growth is attributable to a favourable cost level, partly owing to seasonally slightly lower maintenance costs.

Other and investments

Operating profit for the quarter includes a net earnings effect of SEK -1 million (-7) from property sales/impairment losses. Investments during the quarter were lower than a year ago, mainly owing to a high level of investment in 2020. No property sales were carried out during the third quarter.

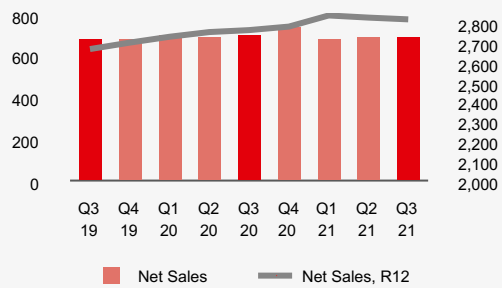
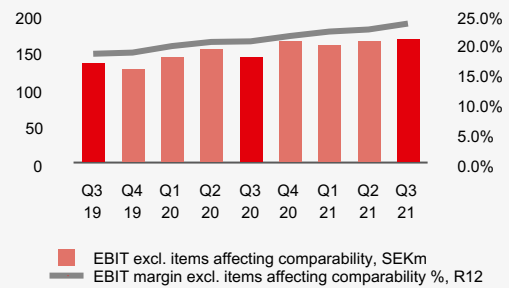
On 30 September, ICA Real Estate entered into an agreement with Första AP-fonden (AP1) to acquire AP1's stake in the jointly owned company Secore Fastigheter on 1 April 2022. The acquisition gives ICA Real Estate an opportunity to optimise its property portfolio with the ambition to establish a new collaboration with a long-term partner in connection with the closing of the deal.

Change in communication of property values

Starting in 2021 the market value of ICA Real Estate's property portfolio will be communicated in connection with publication of the year-end report. The year-end report for 2021 will be published on 9 February 2022.

Key data

	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
Net sales, SEKm	691	699	-1.2	2,075	2,095	-0.9	2,820	2,840
Of which, rental income from owned properties	329	309	6.7	985	879	12.0	1,319	1,213
Operating profit before depreciation/amortisation (EBITDA), SEKm	315	282	11.8	975	833	17.1	1,280	1,138
Operating profit excl. items affecting comparability, SEKm	166	143	16.7	491	439	11.9	655	603
Of which, share in profit of JV companies Ancore and Secore	27	26	3.7	75	71	4.6	97	94
Operating margin excl. items affecting comparability, %	24.1	20.4	—	23.7	20.9	—	23.3	21.2
Investments, SEKm	125	249	-49.9	583	2,176	-73.2	1,412	3,005
Divestments, SEKm	0	0	—	198	29	>200	198	29
Depreciation/amortisation, SEKm	147	139	5.9	437	392	11.5	578	533
Yield, %	—	—	—	7.0	7.0	—	—	7.0
Occupancy rate, %	—	—	—	98.4	98.4	—	—	98.5
Number of owned properties	—	—	—	130	131	—	—	136
Number of owned square metres, 000 sq. m.	—	—	—	829	824	—	—	822
Average number of employees	—	—	—	117	110	—	—	111

Net sales, SEKm**EBIT and EBIT margin**

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.

Net sales

ICA Bank's revenue, including ICA Insurance, increased by SEK 87 million during the quarter. Most of all, net interest income improved as a result of the completed acquisition of Forex's customer portfolios in May 2021. Net commission income increased somewhat driven by higher revenues from bank cards. Premium revenue in ICA Insurance increased by SEK 24 million.

Earnings

Operating profit excluding items affecting comparability increased by SEK 41 million during the quarter, of which SEK 10 million is attributable to ICA Insurance. Loan losses totalled SEK 72 million (57). Loans losses a year ago included a one-off amount of approximately SEK -30 million related to the renewal of a forward flow contract for the bank's credit portfolio. The outcome this year has been affected by a volume effect from the customer portfolio acquisition and continuing loan losses that were higher than a year ago given the terms of the forward flow contract that now applies.

The acquisition of customer portfolios made a net contribution of approximately SEK 30 million to operating profit, entailing a slight improvement in underlying operating profit. Covid-19 has continued to have a negative effect on the bank's revenue, but to a lower degree than previously.

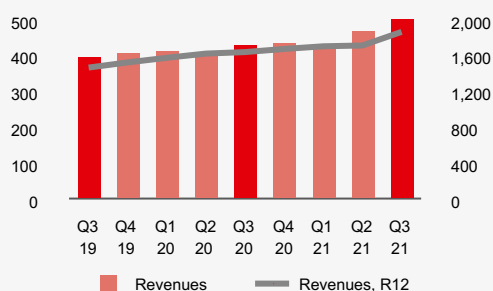
ICA Insurance's improved operating profit was driven by strong volume growth and good cost control.

Key data

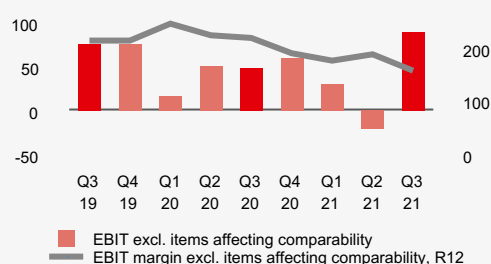
	Third quarter			Jan-sep			12 months	Full year
	2021	2020	%	2021	2020	%	Oct 2020 - Sept 2021	2020
Revenue, SEKm	521	434	20.0	1,421	1,259	12.9	1,861	1,699
Of which, net interest income	236	179	31.8	612	520	17.7	792	700
Of which, net commission income	65	59	9.8	180	186	-2.9	247	252
Of which, premium revenue	191	167	14.5	546	470	16.1	710	634
Operating profit before depreciation/amortisation (EBITDA), SEKm	94	54	72.6	111	133	-16.8	175	197
Operating profit before items affecting comparability, SEKm	88	47	85.4	95	114	-16.4	155	174
Of which, ICA Insurance	17	7	123.5	11	0	>200	12	1
C/I ratio, %	—	—	—	76.3	78.2	—	—	78.5
Return on equity, % ¹⁾	—	—	—	4.3	6.3	—	—	5.6
Loan loss ratio, %	—	—	—	-1.6	-1.4	—	—	-1.3
Common Equity Tier 1 ratio, % (ICA Banken AB)	—	—	—	13.9	13.8	—	—	14.0
Business volume, SEKm	—	—	—	54,392	45,211	—	—	38,722
Average number of employees	—	—	—	449	439	—	—	440

¹⁾ Calculation of the return on equity for ICA Bank is adjusted for the effect of Group contributions. The definition of return on equity for ICA Bank has been changed in 2021, and the value for 2020 has been recalculated according to the new definition.

Revenues, SEKm



EBIT excl. items affecting comparability, SEKm



Other, Group

Seasonal variations

Grocery retail sales are 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 43-48 in ICA Gruppen's 2020 Annual Report.

Related party transactions

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

Parent Company – third quarter

The Parent Company's net sales amounted to SEK 301 million (300). Profit after financial items totalled SEK -28 million (-14). The change compared with the corresponding period a year ago is mainly attributable to lower interest income from Group companies. This effect was countered in part by a decrease in interest expenses attributable to bonds compared with the preceding year in connection with refinancing.

Share information

ICA Gruppen's share capital amounts to SEK 502,866,988 distributed among 201,146,795 shares, each with a share quota value of SEK 2.50. All shares have the same voting rights and carry equal entitlement to dividends. During 2021 through 30 September the share price decreased by 2.1% to SEK 402. The OMX Stockholm index was +20.7% during the same period.

Ownership structure – largest identified shareholders in ICA Gruppen as per 30 September 2021

	Number of shares	Share of capital and votes, %
ICA-handlarnas Förbund	108,643,330	54.0 %
Spiltan Fonder	5,218,100	2.6 %
Black Rock	4,513,476	2.2 %
Handelsbanken Fonder	2,659,640	1.3 %
Vanguard	2,458,898	1.2 %
SEB Fonder	1,408,618	0.7 %
Leif Jönsson	1,279,601	0.6 %
Livförsäkringsbolaget Skandia	1,258,090	0.6 %
Första AP-fonden	1,155,395	0.6 %
Swedbank Robur	1,049,343	0.5 %
Ten largest shareholders total	129,644,491	64.5 %
Other shareholders	71,502,304	35.5 %
Total	201,146,795	100.0 %
Of which, foreign shareholders in total	37,450,775	18.6 %

Source: Euroclear Sweden AB and Modular Finance AB (the table may include sums of holdings per owner).

Annual General Meeting 2022

The 2022 Annual General Meeting will be held on 20 April in Stockholm.

Nomination Committee appointed

In accordance with a resolution by the 2021 Annual General Meeting, ICA Gruppen's nomination committee shall be composed of four members who represent the three largest shareholders that have expressed an interest in nominating a member(s) for the Nomination Committee. Of these three shareholders, the largest in terms of voting rights is entitled to appoint two members and the next two largest shareholders in terms of voting rights are entitled to appoint one member each. The Nomination Committee will draft recommendations to the 2022 Annual General Meeting for a person to serve as AGM chairman, board members, the Chairman of the Board, and the auditor or auditors. The members of ICA Gruppen's nomination committee ahead of the 2022 Annual General Meeting are Tomas Emanuelz and Anna-Karin Liljeholm, both representing ICA-handlarnas Förbund, Patrik Jönsson, representing SEB Investment Management, and Emma Englén, representing Spiltan Fonder.

In all the Nomination Committee represents approximately 57% of the votes and capital in ICA Gruppen (based on the list of shareholders provided by Euroclear Sweden AB as per the last trading day in August 2021).

Shareholders who wish to submit proposals to the Nomination Committee are requested to do so by not later than 31 December 2021, and shareholders who want to have a matter taken up for consideration at the Annual General Meeting are requested to send such request to the company by 3 March 2022 at the latest. Proposals for the Nomination Committee and requests to have a matter taken up for consideration by the Annual General Meeting can be sent by email to arsstamma@ica.se or by letter to ICA Gruppen AB, attn. Per Behm, SE-169 04 Solna, Sweden.

Financial statements

Consolidated statement of comprehensive income

SEKm	Note	Third quarter		Jan-sep		12 months	Full year
		2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Net sales		32,094	31,401	95,098	93,690	127,690	126,283
Cost of goods and services sold		-26,477	-25,944	-78,789	-77,639	-105,889	-104,739
Gross profit		5,617	5,456	16,309	16,051	21,802	21,544
Selling expenses		-3,079	-3,010	-9,500	-9,288	-12,781	-12,569
Administration expenses		-884	-888	-2,722	-2,656	-3,701	-3,635
Other operating income		155	120	410	312	539	441
Share of profits of associates and joint ventures	2	8	20	30	40	40	50
Operating profit (EBIT) excl items affecting comparability		1,818	1,698	4,528	4,460	5,899	5,831
Capital gains/losses from sale of subsidiaries and non-current assets	3, 4	3	1	66	6	66	6
Impairment and impairment reversals	3	-6	-13	-22	-16	-69	-63
Operating profit	7	1,815	1,686	4,572	4,449	5,896	5,774
Financial income		0	3	5	11	11	17
Financial expenses	7	-102	-117	-307	-367	-423	-483
Net financial items		-102	-114	-302	-356	-412	-466
Profit before tax		1,713	1,572	4,270	4,093	5,485	5,308
Tax		-325	-269	-759	-839	-1,055	-1,135
Profit for the period		1,389	1,302	3,511	3,254	4,430	4,173
Other comprehensive income, items that may not be reclassified to profit or loss, net after tax							
Remeasurement defined benefit pensions		—	-216	398	-431	730	-99
Other comprehensive income, items that may be reclassified to profit or loss, net after tax							
Change in translation reserve		20	14	37	32	-70	-75
Change in hedging reserve		24	8	191	-87	121	-157
Share of other comprehensive income of joint ventures		2	1	7	2	9	4
Total items that may be reclassified to profit or loss		45	23	235	-53	60	-228
Comprehensive income for the period		1,435	1,110	4,145	2,770	5,221	3,846
Profit for the period attributable to							
Owners of the parent		1,383	1,297	3,494	3,240	4,407	4,153
Non-controlling interests		6	6	18	14	24	20
Comprehensive income for the period attributable to							
Owners of the parent		1,429	1,104	4,127	2,753	5,197	3,823
Non-controlling interests		6	6	18	17	24	23
Earnings per share, SEK							
Earnings per share		6.87	6.45	17.37	16.11	21.91	20.65

Condensed consolidated statement of financial position

SEKm	Note	30 September 2021	30 September 2020	31 December 2020
ASSETS				
Non-current assets				
Goodwill		16,301	16,301	16,301
Trademarks		12,908	12,937	12,895
Other intangible assets		2,095	1,936	1,990
Land, buildings and investment properties		18,082	17,445	17,936
Right of use assets	7	14,823	15,486	15,054
Interests in joint ventures and associates	2	1,279	1,202	1,287
ICA Bank's lending and investments		20,749	14,725	15,591
Deferred tax assets		50	56	62
Other non-current assets		2,743	2,595	2,629
Total non-current assets		89,029	82,683	83,744
Current assets				
Inventories		4,821	4,594	4,731
ICA Bank's lending and investments		3,906	3,820	3,063
Other current assets		7,765	7,461	8,108
Assets held for sale	4	1	167	157
ICA Bank's cash and cash equivalents		5,723	3,190	3,276
Cash and cash equivalents		537	827	1,309
Total current assets		22,750	20,059	20,644
TOTAL ASSETS		111,779	102,743	104,388
EQUITY AND LIABILITIES				
Equity		36,721	34,165	35,226
Non-current liabilities				
Provisions		3,950	4,642	4,272
Deferred tax liabilities		4,075	3,720	3,970
Non-current interest-bearing liabilities		3,759	4,173	4,173
Non-current lease liabilities		11,531	12,064	11,903
Other non-current liabilities		113	137	183
Total non-current liabilities		23,428	24,737	24,500
Current liabilities				
Current interest-bearing liabilities		2,185	3,021	2,040
Deposits ICA Bank		26,832	19,074	19,293
Current lease liabilities		3,269	3,304	3,096
Other current liabilities		19,343	18,442	20,233
Total current liabilities		51,630	43,841	44,661
TOTAL EQUITY AND LIABILITIES		111,779	102,743	104,388

Condensed consolidated statement of cash flows

SEKm	Note 5	Third quarter		Jan-sep		12 months	Full year
		2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Operating profit		1,815	1,686	4,572	4,449	5,896	5,774
Depreciation, amortisation and impairment		1,382	1,340	4,092	3,976	5,484	5,368
Dividend from joint ventures		30	25	55	75	80	100
Other non-cash items		-5	-46	-94	-9	44	129
Income tax paid		-212	-207	-794	-912	-960	-1,078
Cash flow from operating activities before change in working capital		3,010	2,798	7,831	7,579	10,545	10,293
Change in working capital:							
Inventories		-91	64	-137	-17	-319	-199
Current receivables		513	84	428	117	-233	-544
Current liabilities		-983	-1,113	-559	-776	1,360	1,143
ICA Bank's net of deposits, lending and investments		414	-507	1,541	826	1,665	950
Cash flow from operating activities		2,863	1,328	9,104	7,730	13,015	11,641
Acquisitions of property, plant and equipment and intangible assets		-553	-802	-2,047	-3,961	-3,458	-5,372
Sale of property, plant and equipment and intangible assets		3	4	260	77	264	81
Change in financial assets		-2	-1	77	49	113	85
Interest received		0	1	1	4	2	5
Investments in joint ventures and associated companies		-5	—	-10	-11	-107	-108
Cash flow from investing activities		-557	-798	-1,719	-3,842	-3,186	-5,309
Dividend paid to shareholders of ICA Gruppen AB		—	-1,207	-2,615	-2,414	-2,615	-2,414
Change in loans		-710	41	-274	2,188	-1,223	1,239
Interest paid		-15	-15	-60	-56	-113	-109
Interest paid lease debts		-74	-80	-228	-244	-305	-321
Amortisation lease debts		-821	-806	-2,508	-2,478	-3,285	-3,255
Capital contributions, acquisitions, and dividends relating to non-controlling interests		-15	-15	-35	-35	-50	-50
Cash flow from financing activities		-1,636	-2,081	-5,720	-3,038	-7,593	-4,911
Cash flow for the period		670	-1,551	1,665	850	2,237	1,422
Cash and cash equivalents at beginning of period		5,585	5,567	4,584	3,157	4,017	3,157
Exchange differences in cash and cash equivalents		5	1	11	10	6	5
Cash and cash equivalents at end of period		6,260	4,017	6,260	4,017	6,260	4,584

Condensed consolidated statement of changes in equity

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2021	35,013	213	35,226
Dividend	-2,615	-35	-2,650
Comprehensive income for the period	4,127	18	4,145
Closing equity, 30 September 2021	36,525	196	36,721

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2020	33,604	240	33,844
Dividend	-2,414	-35	-2,449
Comprehensive income for the period	2,753	17	2,770
Closing equity, 30 September 2020	33,944	221	34,165

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 2020 Annual Report. There are no new or amended IFRSs or IFRS IC pronouncements that have an effect on the 2021 financial statements.

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 IASB standards to be applied after 2021 with relevance for ICA Gruppen

There are no new or amended, endorsed IFRSs that are believed will affect the financial statements after 2021. It is believed that IFRS 17 Insurance Contracts, which has not yet been endorsed by the EU, will have a limited effect on ICA Gruppen's financial statements upon adoption. A project is currently being conducted within ICA Gruppen that is monitoring the approval process for IFRS 17 and assessing the need for changes in systems, how calculations and valuations need to be changed, and the impacts on disclosures and presentation.

Estimated effects of the Covid-19 pandemic

The estimated effects of the Covid-19 pandemic are described in the business review of ICA Gruppen including the segments.

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. Estimated effects of the Covid-19 pandemic have been taken into account. The results of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that are now readily apparent from other sources. Actual results may differ from these estimates and assessments.

NOTE 2 | INTERESTS IN JOINT VENTURES AND ASSOCIATES

Share of profit	Third quarter		Jan-sep		12 months	Full year
SEKm	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Ancore Fastigheter AB	18	17	52	46	69	64
Secore Fastigheter AB	9	9	23	25	28	30
MD International AB (Min Doktor)	-14	-6	-33	-31	-45	-43
Fastighetsaktiebolaget Postgården AB	0	0	0	0	0	0
IISÅ Holdco AB	-5	—	-11	—	-11	—
Total	8	20	30	40	40	50

Book value, SEKm	30 September 2021	30 September 2020	31 December 2020
Ancore Fastigheter AB	734	730	725
Secore Fastigheter AB	156	134	138
MD International AB (Min Doktor)	358	315	391
Fastighetsaktiebolaget Postgården AB	7	7	7
IISÅ Holdco AB	24	17	26
Total	1,279	1,202	1,287

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	Third quarter		Jan-sep		12 months	Full year
SEKm	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Income	122	123	365	369	488	492
Expenses	-54	-54	-169	-155	-225	-211
Operating profit	68	69	196	214	263	281
Net financial items	-19	-22	-57	-87	-77	-107
Tax	-12	-11	-33	-32	-45	-44
Profit for the period	37	35	105	94	140	129
Other comprehensive income	3	2	14	4	19	9
Comprehensive income for the period	40	37	120	98	160	138
Non-current assets			5,453	5,478		5,475
Current assets			214	195		188
Total assets			5,667	5,673		5,663
Equity			1,409	1,399		1,390
Non-current liabilities			3,495	4,100		4,120
Current liabilities			763	174		153
Total equity and liabilities			5,667	5,673		5,663

Information regarding Secore Fastigheter AB

Secore Fastigheter AB is a joint arrangement between Första AP-fonden and ICA Gruppen. The parties each own 50% of the company. All significant decisions about the operations of Secore Fastigheter AB must be made as a joint understanding between the two owners. Secore Fastigheter AB owns and manages properties at 40 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, Secore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

ICA Real Estate has entered into an agreement to acquire Första AP-fonden's 50% stake in Secore on 1 April 2022. See also Note 8.

Secore Fastigheter AB	Third quarter		Jan-sep		12 months	Full year
SEKm	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Income	46	46	138	137	184	183
Expenses	-22	-21	-77	-67	-110	-100
Operating profit	24	24	61	70	75	84
Net financial items	-6	-8	-19	-22	-25	-28
Tax	-4	-5	-11	-13	-13	-15
Profit for the period	13	13	31	36	36	41
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	13	13	31	36	36	41
Non-current assets			2,342	2,360		2,365
Current assets			89	48		49
Total assets			2,432	2,408		2,414
Equity			809	783		788
Non-current liabilities			964	1,081		1,565
Current liabilities			659	544		61
Total equity and liabilities			2,432	2,408		2,414

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, through Apotek Hjärtat, 46.51% of the company. 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 and is consolidated according to the equity method.

Information regarding IISÅ Holdco AB

In partnership with Ålandsbanken, Ikano Bank, Söderberg & Partners and Borgo, ICA Bank has continued work in 2021 on establishing a jointly owned mortgage company in the Swedish market. The necessary permits have been received from the Swedish Financial Supervisory Authority. Operations are planned to commence during the fourth quarter of 2021. The jointly owned company is an associated company in ICA Gruppen, and accounting is conducted according to the equity method.

NOTE 3 | ITEMS AFFECTING COMPARABILITY

SEKm	Third quarter		Jan-sep		Full year
	2021	2020	2021	2020	2020
Capital gains/losses net on sale of subsidiaries and non-current assets					
Rimi Baltic	1	1	23	3	3
ICA Real Estate	1	0	42	2	2
Other	—	—	—	1	1
Total	3	1	66	6	6
Impairment and impairment reversals					
Rimi Baltic	-4	-6	-20	-9	-12
ICA Real Estate	-2	-7	-2	-7	-7
ICA Bank	—	—	—	—	-8
Other	—	—	—	—	-37
Total	-6	-13	-22	-16	-63
Total items affecting comparability	-2	-13	44	-11	-58

NOTE 4 | ASSETS AND LIABILITIES HELD FOR SALE

Assets held for sale pertain to properties in Sweden and the Baltic countries.

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

SEKm	Third quarter		Jan-sep		12 months	Full year
	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Cash flow from operating activities before change in working capital	2,927	2,761	7,752	7,502	10,383	10,133
Change in working capital						
Inventories	-91	64	-137	-17	-319	-199
Current receivables	497	103	444	191	-160	-413
Current liabilities	-1,014	-1,177	-785	-1,004	1,141	922
Cash flow from operating activities	2,318	1,752	7,275	6,672	11,047	10,444
Cash flow from investing activities	-534	-781	-1,639	-3,771	-3,052	-5,184
Cash flow from financing activities	-1,633	-2,081	-6,419	-2,930	-8,291	-4,802
Cash flow for the period	151	-1,111	-783	-30	-296	457
Cash and cash equivalents at the beginning of the period			1,309	846		846
Exchange differences in cash and cash equivalents			11	10		5
Cash and cash equivalents at the end of the period			537	827		1,309

NOTE 6 | FINANCIAL INSTRUMENTS

As per 30 September 2021, financial assets at fair value in ICA Gruppen amounted to SEK 3,052 million (2,657). In the fair value hierarchy, the entire amount is attributable to Level 1. Financial liabilities measured at fair value amounted to SEK 78 million (224) as per 30 September 2021. The carrying amount corresponds to fair value for all assets and liabilities, except for bond issues, where the fair value is higher than the carrying amount by SEK 20 million (less than the carrying amount by 2).

NOTE 7 | LEASES

Lease items in the Income statement, SEKm	Third quarter		Jan-sep		Full year
	2021	2020	2021	2020	2020
Total lease revenue incl variable revenue	765	718	2,288	2,163	2,914
Variable lease expenses	-37	-24	-96	-83	-115
Interest expenses, lease liabilities	-74	-80	-228	-244	-321

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	Third quarter		Full year
	2021	2020	2020
At start of year	15,054	16,142	16,142
Changed and new contracts	2,266	1,891	2,438
Depreciation	-2,540	-2,575	-3,421
Translation differences	43	28	-105
Book value	14,823	15,486	15,054

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

NOTE 8 | ACQUISITIONS

ICA Real Estate has entered into an agreement to acquire Första AP-fonden's 50% stake in the jointly owned company Secore Fastigheter AB (Secore), which was announced in a press release on 30 September 2021. The purchase price for the shares will amount to SEK 738 million. All else equal, the acquisition, which will close on 1 April 2022, will increase ICA Gruppen's net debt by SEK 0.9 billion and the key ratio EBITDA/Net debt by 0.1, until an arrangement with a new long-term partner has begun.

In May 2021 ICA Bank acquired a portfolio of customer deposit and consumer loan business from Forex, which was announced in a press release on 22 December 2020. Further information about the acquisition is provided in the sections about the Group and ICA Bank.

NOTE 9 | EVENTS AFTER THE BALANCE SHEET DATE

On 1 October, the collectively agreed pensions and insurance administration company Fora informed via its website that Afa Insurance, which is owned by the Confederation of Swedish Enterprise and the Swedish Trade Union Confederation (LO), has decided to pay out funding capital held within the AGS insurance scheme. Payment is administered by Fora and Pensionsvalet and applies for companies that on 15 December 2020 had an insurance agreement in force with Afa Insurance for AGS contractual group disability insurance and which previously had received a refund of AGS premiums for the years 2004–2008.

ICA Gruppen received information about the actual amounts after the book-closing for the interim period, and the payment is thereby regarded as an event after the balance sheet date. For ICA Gruppen this entails a payment of approximately SEK 70 million, which will be recognised in the ICA Sweden segment during the fourth quarter.

Condensed parent company income statement

	Third quarter		Jan-sep		12 months	Full year
SEKm	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Net sales ¹⁾	301	300	933	898	1,227	1,192
Cost of services sold	-276	-269	-866	-838	-1,165	-1,137
Gross profit	25	31	67	60	62	55
Administrative expenses	-88	-96	-313	-320	-453	-460
Operating profit/loss	-63	-65	-246	-260	-391	-405
Profit/loss from participations in Group companies	—	—	1,850	3,500	1,850	3,500
Financial income, Group companies	49	76	152	208	229	287
Financial income	4	2	22	7	27	12
Financial expenses	-18	-27	-51	-92	-71	-112
Profit/loss after financial items	-28	-14	1,727	3,364	1,646	3,283
Appropriations	—	—	—	—	211	211
Profit before tax	-28	-14	1,727	3,364	1,857	3,494
Tax	7	4	27	29	-2	—
Profit for the period	-21	-10	1,754	3,393	1,855	3,494

¹⁾ Of net sales for the third quarter, SEK 300 million (298) pertains to Group companies.

Condensed parent company balance sheet

SEKm	30 September 2021	30 September 2020	31 December 2020
ASSETS			
Non-current assets			
Investments in Group companies	30,402	29,702	29,702
Other intangible assets	155	132	143
Deferred tax assets	26	25	28
Non-current receivables from Group companies	1,379	1,130	1,357
Other non-current assets	254	215	223
Total non-current assets	32,216	31,203	31,452
Current assets			
Current receivables from Group companies	17,159	19,702	20,079
Other current assets	320	324	505
Cash and cash equivalents	306	587	877
Total current assets	17,786	20,613	21,461
TOTAL ASSETS	50,002	51,816	52,912
EQUITY AND LIABILITIES			
Equity	35,836	36,597	36,692
Provisions	470	451	456
Non-current liabilities			
Non-current interest-bearing liabilities	3,750	3,250	3,250
Other non-current liabilities	71	89	136
Total non-current liabilities	3,821	3,339	3,386
Current liabilities			
Current interest-bearing liabilities	1,273	3,021	2,040
Current liabilities to Group companies	8,208	7,934	9,824
Other current liabilities	395	475	514
Total current liabilities	9,877	11,430	12,379
TOTAL EQUITY AND LIABILITIES	50,002	51,816	52,912

Key figures ICA Gruppen

	Third quarter		Jan-sep		12 months	Full year
	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Operating profit before depreciation/amortisation (EBITDA), SEKm	3,197	3,026	8,664	8,425	11,380	11,141
Operating margin excl. items affecting comparability, %	5.7	5.4	4.8	4.8	4.6	4.6
Operating margin, %	5.7	5.4	4.8	4.7	4.6	4.6
Net margin, %	4.3	4.1	3.7	3.5	3.7	3.3
Return on capital employed, %	—	—	9.4	9.1	9.4	9.2
Return on equity, %	—	—	12.2	12.0	12.2	11.7
Equity/assets ratio, %	—	—	32.9	33.2	32.9	33.7
Net debt excl IFRS 16, SEKm	—	—	-5,408	-6,367	-5,408	-4,904
Net debt, SEKm	—	—	-20,207	-21,734	-20,207	-19,901
Net debt/EBITDA	—	—	1.8	2.0	1.8	1.8
Average number of employees	—	—	24,043	23,005	—	23,196
Share data						
Earnings per share, SEK	6.87	6.45	17.37	16.11	21.91	20.65
Share price at the end of period, SEK	—	—	402.10	455.30	402.10	410.90
Dividend per ordinary share, SEK	—	—	—	—	—	13.00
Dividend, SEKm	—	—	—	—	—	2,615
Dividend payout ratio, %	—	—	—	—	—	63
Equity per share, SEK	—	—	181.59	168.75	181.59	174.07
Cash flow from operating activities per share, SEK	14.23	6.60	45.26	38.43	64.71	57.88
Number of shares	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795
Average number of shares	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795
Average number of shares after dilution	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795

Quarterly overview

Quarterly overview key ratios

	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Net sales, SEKm	30,850	30,366	31,924	31,401	32,593	30,602	32,401	32,094
Operating profit before depreciation/amortisation (EBITDA), SEKm	2,576	2,624	2,774	3,026	2,716	2,631	2,836	3,197
Operating profit excl. items affecting comparability, SEKm	1,267	1,310	1,452	1,698	1,371	1,264	1,446	1,818
Operating margin excl. items affecting comparability, %	4.1	4.3	4.5	5.4	4.2	4.1	4.5	5.7
Operating profit, SEKm	1,249	1,309	1,454	1,686	1,325	1,290	1,466	1,815
Operating margin, %	4.0	4.3	4.6	5.4	4.1	4.2	4.4	5.7
Profit before tax, SEKm	1,122	1,183	1,338	1,572	1,215	1,191	1,365	1,713
Profit for the period, SEKm	915	976	976	1,302	919	984	1,139	1,389
Earnings per share, SEK	4.52	4.83	4.83	6.45	4.54	4.86	5.64	6.87
Equity per share, SEK	167.06	172.79	169.26	168.75	174.07	181.96	174.49	181.59
Share price at the end of period, SEK	437.20	417.90	441.80	455.30	410.90	427.00	398.30	402.10
Return on equity, %	10.1	10.6	11.8	12.0	11.7	11.6	12.2	12.2
Return on capital employed, %	7.9	8.2	9.0	9.1	9.2	9.1	9.2	9.4
Cash flow from operating activities, SEKm	3,096	2,381	4,021	1,328	3,911	3,034	3,206	2,863
Cash flow per share from operating activities, SEK	15.39	11.84	19.99	6.60	19.45	15.08	15.95	14.23
Investing activities (cash flow), SEKm	811	992	2,167	802	1,411	799	695	553
Capital employed excl. ICA Bank, average, SEKm	59,278	59,799	60,102	60,821	61,355	61,631	61,518	61,485
Net debt, SEKm	-20,117	-20,134	-20,573	-21,734	-19,901	-20,164	-21,375	-20,207
Net debt/EBITDA	2.0	1.9	1.9	2.0	1.8	1.8	1.9	1.8

Quarterly data by segment

Net sales by segment

SEKm	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
ICA Sweden	22,020	21,430	23,496	23,035	23,723	22,074	23,376	23,192
Rimi Baltic	4,279	4,098	4,051	3,946	4,278	4,067	4,313	4,225
Apotek Hjärtat	3,813	4,087	3,638	3,648	3,805	3,706	3,923	3,846
ICA Real Estate	688	700	696	699	745	689	696	691
ICA Bank	410	417	408	434	440	426	474	521
Other	309	319	322	323	318	349	331	322
Intra-Group sales	-668	-684	-687	-686	-715	-709	-712	-702
Net sales	30,850	30,366	31,924	31,401	32,593	30,602	32,401	32,094

Operating profit before depreciation/amortisation by segment (EBITDA)

SEKm	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
ICA Sweden	980	1,061	1,264	1,361	1,165	1,100	1,175	1,373
Rimi Baltic	306	249	250	328	284	257	356	346
Apotek Hjärtat	152	168	107	144	131	65	177	203
ICA Real Estate	248	266	285	282	305	334	326	315
ICA Bank	81	23	56	54	64	34	-16	94
Other	-91	-58	-85	-35	-125	-50	-72	-34
Operating profit before depreciation/ amortisation (EBITDA) by segment	1,674	1,709	1,878	2,134	1,825	1,739	1,947	2,297
IFRS 16	901	916	896	892	892	892	889	900
Operating profit before depreciation/ amortisation (EBITDA)	2,576	2,624	2,774	3,026	2,716	2,631	2,836	3,197

Operating profit excluding items affecting comparability by segment

SEKm	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
ICA Sweden	827	916	1,113	1,207	1,003	942	1,007	1,198
Rimi Baltic	213	152	147	227	177	148	225	232
Apotek Hjärtat	117	130	66	101	86	22	132	157
ICA Real Estate	126	142	154	143	164	160	165	166
ICA Bank	74	17	50	47	60	29	-21	88
Other	-133	-92	-120	-71	-163	-85	-108	-74
Operating profit excluding items affecting comparability by segment	1,223	1,266	1,410	1,655	1,326	1,216	1,400	1,767
IFRS 16	42	44	42	43	46	48	47	51
Operating profit excluding items affecting comparability	1,267	1,310	1,452	1,698	1,371	1,264	1,446	1,818

Operating margin, %, by segment

SEKm	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
ICA Sverige	3.8	4.3	4.7	5.2	4.2	4.3	4.3	5.2
Rimi Baltic	5.0	3.7	3.6	5.8	4.1	3.6	5.2	5.5
Apotek Hjärtat	3.1	3.2	1.8	2.8	2.2	0.6	3.4	4.1
ICA Fastigheter	18.3	20.3	22.1	20.4	22.1	23.2	23.7	24.1
Group	4.1	4.3	4.5	5.4	4.2	4.1	4.5	5.7

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. 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. Data on these APMs and definitions is also provided at <https://www.icagruppen.se/en/investors/#!/financial-data/lb/en/investors/financial-data/definitions/>. 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 in relation to EBITDA that is lower than a multiple of 3. In addition, the Group has set a target to distribute at least 50% of net profit for the year in shareholder dividends. More information about this is available on ICA Gruppen's website, www.icagruppen.se.

Reconciliation EBITDA

	Third quarter		Jan-sep		12 months	Full year
SEKm	2021	2020	2021	2020	Oct 2020 - Sept 2021	2020
Operating profit	1,815	1,686	4,572	4,449	5,896	5,774
Depreciation/amortisation	1,376	1,327	4,071	3,960	5,416	5,305
Impairment and impairment reversals	6	13	22	16	69	63
Operating profit before depreciation/amortisation (EBITDA)	3,197	3,026	8,664	8,425	11,380	11,141

Reconciliation EBITDA

SEKm	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Operating profit excl IFRS 16	1,207	1,265	1,412	1,643	1,279	1,243	1,424	1,765
Depreciation/amortisation excl IFRS 16	452	441	466	477	500	493	510	527
Impairment and impairment reversals	15	3	—	13	47	4	12	6
Operating profit before depreciation/amortisation (EBITDA) excl IFRS 16	1,674	1,709	1,878	2,134	1,825	1,739	1,947	2,297
IFRS 16 Operating profit	42	43	42	43	46	48	42	51
IFRS 16 Depreciation/amortisation	859	872	854	850	846	844	847	849
Operating profit before depreciation/amortisation (EBITDA)	2,576	2,624	2,774	3,026	2,716	2,631	2,836	3,197

Reconciliation Net debt excluding ICA Bank

SEKm	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Non-current interest-bearing liabilities	-2,713	-3,761	-4,673	-4,173	-4,173	-4,671	-3,759	-3,759
Current interest-bearing liabilities	-2,340	-3,414	-2,512	-3,021	-2,044	-1,875	-2,885	-2,185
Cash and cash equivalents	846	3,256	1,937	827	1,309	1,937	381	537
Net debt excl IFRS 16	-4,207	-3,919	-5,248	-6,367	-4,904	-4,610	-6,264	-5,408
Non-current lease liabilities	-12,521	-12,790	-12,011	-12,063	-11,902	-12,265	-11,855	-11,531
Current lease liabilities	-3,389	-3,425	-3,314	-3,303	-3,095	-3,290	-3,256	-3,268
Net debt	-20,117	-20,134	-20,573	-21,734	-19,901	-20,165	-21,375	-20,207

Reconciliation Capital employed excluding ICA Bank

SEKm	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Equity	33,844	35,001	34,277	34,165	35,226	36,820	35,302	36,721
Provisions for pensions	3,928	3,979	4,301	4,623	4,256	3,807	3,859	3,911
Other provisions	37	31	30	13	7	24	21	30
Non-current interest-bearing liabilities	2,713	3,761	4,673	4,173	4,173	4,671	3,759	3,759
Current interest-bearing liabilities	2,340	3,414	2,512	3,021	2,044	1,875	2,885	2,185
Other non-current liabilities	87	63	151	137	183	90	108	113
Non-current lease liabilities	12,521	12,790	12,011	12,063	11,902	12,265	11,855	11,531
Current lease liabilities	3,389	3,425	3,314	3,303	3,095	3,290	3,256	3,268
Capital employed	58,859	62,465	61,270	61,500	60,887	62,843	61,046	61,520
Average capital employed	59,278	59,799	60,102	60,821	61,355	61,631	61,518	61,485

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.

Cash flow from operating activities per share

Cash flow from operating activities for the period divided by the average number of shares outstanding.

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.

Divestments

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

Earnings per share

Profit for the period, excluding non-controlling interests, divided by the average number of shares outstanding.

EBITDA

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

Equity/assets ratio

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

Equity per share

Equity, excluding non-controlling interests, divided by the total number of shares outstanding.

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.

Loan loss ratio (ICA Bank)

Loan losses in relation to average lending.

Net debt

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

Net debt excl. IFRS 16

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

Net debt/EBITDA

Interest-bearing liabilities excluding pensions, ICA Bank and cash and cash equivalents in relation to EBITDA 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 been reviewed by the company's auditors.

Stockholm, 28 October 2021

Per Strömberg
CEO ICA Gruppen

Review report

ICA Gruppen AB (publ)
Corporate identity number 556048-2837

Introduction

We have reviewed the condensed interim financial information (interim report) of ICA Gruppen AB (publ.) as of 30 September 2021 and the nine-month period then ended. The condensed interim financial information of the company are included on pages 1–8 and 12–39 in this document. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 28 October 2021
KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

Auditor's Review Report on Sustainability Report

To ICA Gruppen AB (publ), corporate identity number 556048-2837

Introduction

We have been engaged by the Board of Directors of ICA Gruppen AB to review ICA Gruppen AB's Sustainability Report for the period 1 January–30 September 2021. The Sustainability Report is included on pages 9-11 in this document.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for ongoing activities regarding the environment, health & safety, quality, social responsibility and sustainable development, and for the preparation and presentation of the quarterly report in accordance with the applicable criteria, as explained in the paragraph "About this report" in the quarterly report. As stated in the paragraph "About this report", ICA Gruppen AB's Sustainability Report for the period January–September 2021 is not a complete GRI report, but is a status report on the material areas reported on in the 2020 Sustainability Report for ICA Gruppen AB. The Sustainability Report for the period January–September 2021 is therefore a complement to the 2020 Sustainability Report and should be read in connection to this.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Report January–September 2021 based on the procedures we have performed.

We have performed our review in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information, issued by IFAC. A review consists of making inquiries, primarily of persons responsible for the preparation of the quarterly report, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with IAASB's Standards on Auditing and Quality Control and other generally accepted auditing standards in Sweden. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Our assurance does not comprise the assumptions used, or future oriented information (e.g., goals, expectations and ambitions). The criteria on which our review is based on are stated in the section "About this report". We consider these criteria suitable for the preparation of ICA Gruppen AB's Sustainability Report January–September 2021.

Our review has, based on an assessment of materiality and risk, e.g. including the following procedures:

- a. an update of our knowledge and understanding of ICA Gruppen AB's organisation and activities
- b. assessment of the suitability and application of criteria in respect to stakeholders' need of information
- c. read internal and external documents to assess if the reported information is complete, correct and sufficient
- d. analytical review of reported information
- e. overall impression of the quarterly report and its format
- f. reconciliation of the reviewed information against the sustainability information in ICA Gruppen AB's Sustainability Report for 2020

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusions

Based on our review, nothing has come to our attention that cause us to believe that the information in ICA Gruppen AB's Sustainability Report for the period 1 January–30 September 2021 has not, in all material respects, been prepared in accordance with the above stated criteria.

Stockholm, 28 October 2021

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

Torbjörn Westman
Expert Member of FAR

Contacts and calendar

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Conference call for the media and financial market

ICA Gruppen will hold a webcast conference call at 10.00 CET on Thursday, 28 October, during which CEO Per Strömberg and CFO Sven Lindskog will present the interim report. The conference call will be conducted in English and can be followed at www.icagruppen.se/investerare. To participate, call tel. Sweden +46856642695 or UK +443333009270.

Calendar

14 December 2021	Capital Markets Day
9 February 2022	Year-end report 2021
20 April 2022	Annual General Meeting
28 April 2022	Interim report Q1 2022
17 August 2022	Interim report Q2 2022
27 October 2022	Interim report Q3 2022
8 December 2022	Capital Markets Day

The information in this report is such that ICA Gruppen AB is obligated to disclose pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted, by the agency of the contact person above, for publication at 07.00 CET on Thursday, 28 October 2021.

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 operations, 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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