



Stable performance – challenging world

- Very high inflationary pressure on food prices
- Strong cost inflation in the Baltics
- Stable earnings performance
- New real estate joint venture company formed – Trecore
- Capital gains from property divestments, SEK 436 million included in Operating profit
- ICA Gruppen and Murgröna signed a new credit facility of SEK 22.5 billion as part of refinancing term loans

Key data

Group, SEKm	Second quarter			Jan-Jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
Net sales	34,578	32,401	6.7	66,173	63,004	5.0	131,127	127,957
Operating profit before depreciation/amortisation (EBITDA)	3,438	2,836	21.3	6,169	5,467	12.8	12,110	11,408
Operating profit excluding items affecting comparability	1,531	1,446	5.9	2,807	2,710	3.6	5,923	5,826
Operating profit	1,988	1,466	35.6	3,271	2,756	18.7	6,391	5,876
Operating margin excluding items affecting comparability, %	4.4	4.5	—	4.2	4.3	—	4.5	4.6
Profit before tax	1,864	1,365	36.5	3,032	2,557	18.6	5,953	5,478
Profit for the period	1,768	1,139	55.2	2,703	2,123	27.4	5,135	4,554
Cash flow from operating activities excluding ICA Bank	3,233	3,181	1.6	5,358	4,957	8.1	10,055	9,654
Return on capital employed, %	—	—	—	9.5	9.2	—	9.5	9.2
Return on equity, %	—	—	—	13.3	12.2	—	13.3	12.7
Net debt	—	—	—	-18,846	-21,375	—	-18,846	-20,915

CEO's comments



Global unease and uncertainty continue to characterise the world around us, and of course there is strong focus on the high food price inflation, which continues to increase and reached a full 13.5% in July. Together with other cost increases, this is putting a heavy strain on the entire value chain, with major consequences for our customers, where we need to work even harder to counter the negative effects.

Food price inflation in Sweden was 8.9% for the second quarter, with a rising trend. In the Baltic countries, the rate of price growth is even higher and ranged from 17% to 25% in the three countries. The markets in Sweden and the Baltic countries are growing strongly, but growth is lower than inflation, which means that volumes are decreasing. ICA's store sales were slightly weaker than for the market, and performance this year is mainly related to the fact that compared to our competitors, we are opening fewer stores in a relative sense and that ICA is disadvantaged by the strongly growing cross-border shopping, which has now had a resurgence following the pandemic. Online sales continued to decline, but in this respect it should be kept in mind that our current level of sales is double that before the pandemic. Our assessment remains – over the long term e-commerce will be an important part of the food market. Apotek Hjärtat continues to take market shares in a growing market, above all owing to very strong sales in our physical pharmacies.

Operating profit slightly stronger, driven by continued improvement in Apotek Hjärtat and higher earnings for ICA Bank

Operating profit excl. items affecting comparability strengthened slightly this quarter, too, with stable performance for ICA Sweden and ICA Real Estate, improved earnings for Apotek Hjärtat, and better underlying earnings for ICA Bank. ICA Bank's performance was driven to a large extent by the acquisition of Forex's customer portfolios we made a year ago, which has made a very good earnings contribution.

Challenging cost inflation in the Baltics

Earnings declined for Rimi Baltic, where we are encountering two major challenges. On the one hand, we need to deal with the very high cost inflation – not least energy prices – which is eating away at profitability. A number of activities are being carried out to counter these cost increases. On the other hand, in Latvia we are working on generating sales growth, which has been affected both by Lidl's entry to the market and by changed customer behaviours following the pandemic, where customers are returning to our large stores to a lesser extent than expected.

Sustainable, healthy and local also in tougher times

The cost trend is affecting ICA Gruppen in its entirety – all the way from suppliers and Sweden's agriculture down to our customers, who are seeing thinner wallets. We have a unique position when it comes to the opportunity to offer affordable choices that are sustainable, healthy and local. From this position we can guide our customers to choices that are sound, climate-smart and local – even in tougher times – and in this sense our mission to make every day a little easier is more relevant than ever. What we can see right now is that even though shopping behaviours and priorities vary among our various customer categories, more and more customers on the whole are choosing promotional products and more attractively priced alternatives, including private label products, which is why it is important that healthy alternatives also have the right price point and that we maintain well aligned campaigns in which fruits and vegetables have high priority. Along these lines, during the quarter a number of campaigns were carried out to promote Swedish and local products, where the customer response was positive. ICA Bank is seeing rising concern among customers, and in this respect we offer both advice and measures to help customers maintain a sound and sustainable personal economy with secured ability to pay over time.

A tougher everyday for everyone – ICA taking double societal responsibility

We find ourselves in a tough situation that is not showing signs of easing in the immediate future. On the contrary, we have likely not yet seen the full effects of continued strained value chains, interest rate hikes and rising inflation. Many are already feeling the effects of this difficult situation, and no one, including ICA Gruppen, will remain unaffected going forward. We are taking a double societal responsibility in this challenging climate. Through a number of various measures we are rallying for Swedish food and Swedish food production at the same time that we are working hard to give customers the best price value despite the growing inflation.

Per Strömberg
CEO ICA Gruppen

Group performance – second quarter

Net sales

Consolidated net sales increased by 6.7% compared with 2021. In local currencies the increase was 6.3%. Price effects – driven by high food price inflation – were comparatively strong especially for Rimi Baltic and ICA Sweden. Volume effects were mainly positive for Apotek Hjärtat, but also for ICA Bank. On the other hand, volume effects were negative for ICA Sweden and to an even higher degree for Rimi Baltic.

Net sales per segment

SEKm	Second quarter			Jan-jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
ICA Sweden	24,936	23,376	6.7	47,347	45,450	4.2	94,139	92,242
Rimi Baltic	4,550	4,313	5.5	8,733	8,380	4.2	17,344	16,991
Apotek Hjärtat	4,240	3,923	8.1	8,419	7,629	10.3	16,321	15,531
ICA Real Estate	712	696	2.3	1,430	1,385	3.3	2,878	2,833
ICA Bank	550	474	16.1	1,057	900	17.4	2,088	1,931
Other	329	331	-0.7	649	680	-4.5	1,303	1,334
Internal sales	-738	-712	3.7	-1,462	-1,421	2.9	-2,946	-2,904
Net sales	34,578	32,401	6.7	66,173	63,004	5.0	131,127	127,957

Operating profit

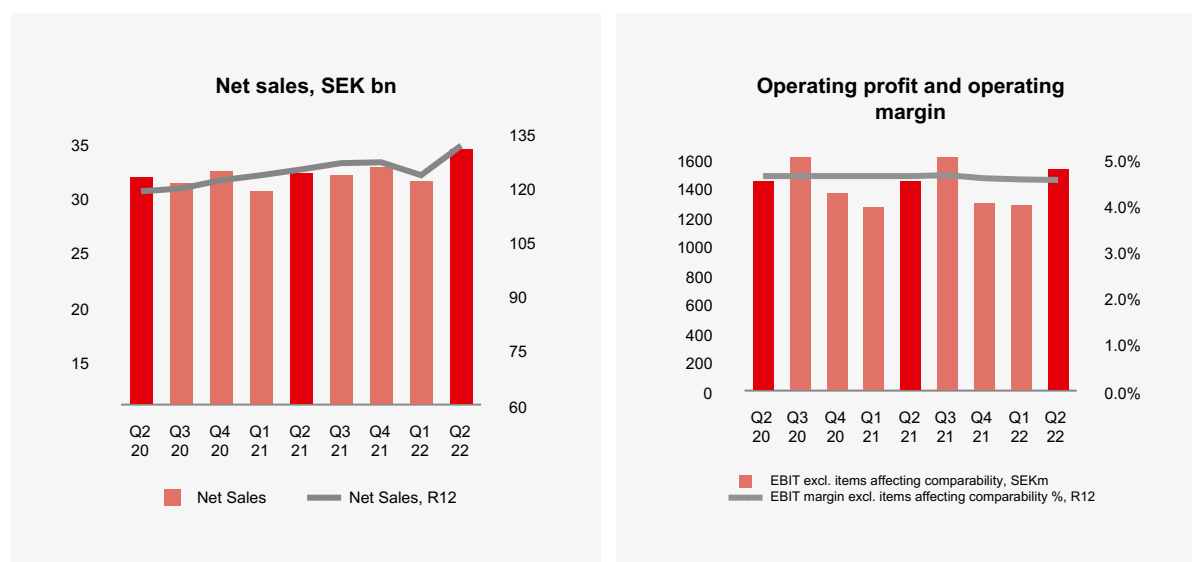
Operating profit excluding items affecting comparability was slightly higher than a year ago, which to some degree was driven by continued improvement in Apotek Hjärtat, but above all by higher earnings for ICA Bank, where earnings in the preceding year were charged with a one-off accounting item for loan losses of SEK -60 million associated with the acquisition of Forex's customer portfolios. In addition to this, ICA Insurance had a positive earnings effect of slightly more than SEK 30 million during the second quarter in connection with the dissolution of a claims reserve. In Rimi Baltic, weak sales performance in Latvia combined with strong cost inflation led to a decrease in operating profit by SEK 66 million. Overall, price effects in operating profit were positive, while volume effects were negative. Gross profit increased, while the gross margin narrowed slightly, mainly owing to fewer consolidated subsidiary stores in ICA Sweden. The operating margin excluding items affecting comparability was 4.4% (4.5). Profit for the period increased by SEK 629 million to SEK 1,768 million (1,139), which is explained by capital gains and a lower tax cost. The net result of divestments and impairment losses totalled SEK +457 million (+20) during the period, where the outcome for the year is mainly coupled to capital gains from property divestments.

Operating profit excluding items affecting comparability per segment

SEKm	Second quarter			Jan-jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
ICA Sweden	1,003	1,007	-0.4	1,831	1,949	-6.1	3,901	4,019
Rimi Baltic	159	225	-29.4	273	373	-26.8	685	784
Apotek Hjärtat	144	132	9.5	302	154	96.5	592	444
ICA Real Estate	162	165	-2.0	331	325	1.9	656	650
ICA Bank	102	-21	>200	147	8	>200	320	181
Other	-114	-108	5.9	-210	-192	9.2	-464	-446
Operating profit excluding items affecting comparability, excl. IFRS 16 Leases	1,456	1,400	4.1	2,673	2,616	2.2	5,689	5,632
IFRS 16 Leases	75	47	59.7	133	94	41.4	233	194
Operating profit excluding items affecting comparability, incl. IFRS 16 Leases	1,531	1,446	5.9	2,807	2,710	3.6	5,923	5,826

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 worsened during the quarter by SEK 24 million. Apart from an IFRS 16 effect of SEK -15 million, the worsening is mainly attributable to a higher pension liability and higher associated interest expenses, which were partly compensated by a positive effect from lower bond debt.

The effective tax rate was considerably lower than in 2021, owing to the completed property sales during the second quarter of this year, which generated tax-exempt capital gains. In addition, tax cost in SEK is lower, which in large part is attributable to the formation of Trecore. Paid tax was slightly lower than a year ago, mainly owing to difference in paid preliminary taxes between the years which in part was offset by higher paid tax on dividends from Rimi Baltic.

Net financial items and tax

	Second quarter			Jan-jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
Net financial items, SEKm	-124	-100	23.8	-239	-199	20.3	-439	-399
Of which, interest expenses, SEKm	-123	-104	18.0	-242	-205	17.9	-440	-404
Tax cost, SEKm	-96	-226	-57.6	-328	-434	-24.3	-818	-924
Effective tax rate, %	5.2	16.6	—	10.8	17.0	—	13.7	16.9
Paid tax, SEKm	-269	-309	-12.8	-540	-581	-7.1	-934	-976

Cash flow (excluding ICA Bank)

Cash flow from operating activities (excluding ICA Bank) increased slightly during the second quarter compared with a year ago. The increase is attributable to slightly improved underlying earnings and a marginally more favourable change in working capital.

The year-on-year difference in cash flow from investing activities is essentially coupled to the formation of Trecore, which entailed a net effect of approximately SEK +1.5 billion. In addition, the level of investment was generally lower than a year ago.

The change in cash flow from financing activities between the years is mainly due to the preceding year's outcome, which included payment of SEK 2.6 billion in shareholder dividends and a capital contribution to ICA Bank of approximately SEK 700 million during the second quarter of 2021.

During the second quarter, ICA Gruppen and Murgröna signed a new credit facility worth SEK 22.5 billion. The facility is the first step in the refinancing of the bridge financing of SEK 39.5 billion that was secured by Murgröna in connection with the public takeover offer for ICA Gruppen that was made on 10 November 2021. The facility encompasses two loans for Murgröna of SEK 8.75 billion each with maturities of three and four years, respectively, and a revolving credit facility of SEK 5 billion for ICA Gruppen and Murgröna with a maturity of four years.

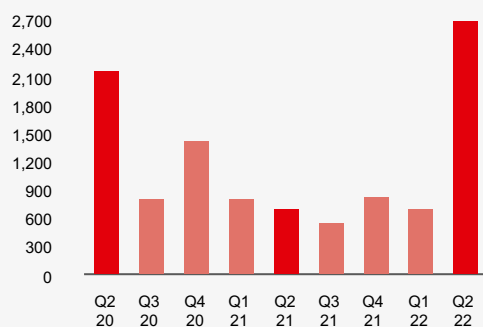
Effect of IFRS 16 on cash flow

During the second quarter of 2022, lease payments (interest and principal) amounted to SEK -968 million (-897).

Cash flow, Group excl. ICA Bank

SEKm	Second quarter			Jan-jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
From operating activities before change in working capital	2,628	2,590	1.5	4,931	4,825	2.2	10,407	10,301
Change in working capital	605	591		427	131		-351	-647
From operating activities	3,233	3,181	1.6	5,358	4,957	8.1	10,055	9,654
Investing activities, net	925	-566		268	-1,105		-1,009	-2,382
Before financing activities	4,158	2,615	59.0	5,626	3,852	46.1	9,047	7,272
Financing activities, net	-27	-4,171		-2,421	-4,786		-4,917	-7,282
Cash flow for the period	4,131	-1,556	>200	3,205	-934	>200	4,129	-10

Investments (cash flow), SEKm



Investments

The Group's underlying investments were lower than in the same period in 2021, mainly owing to a lower level of investment in ICA Sweden and Rimi Baltic. The considerably higher level of investment in ICA Real Estate is coupled to the formation of the new real estate joint venture company Trecore.

Large investment projects include capacity investments in logistics properties, new establishments, and investments in the Group's e-commerce and IT.

Investments (cash flow) by segment

SEKm	Second quarter		Jan-jun		12 months	Full year
	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
ICA Sweden	197	255	447	516	932	1,000
Rimi Baltic	77	118	201	246	461	507
Apotek Hjärtat	49	64	110	116	202	208
ICA Real Estate	2,296	172	2,527	458	2,957	889
ICA Bank	26	29	49	54	101	106
Other	44	57	56	104	115	162
Investments	2,689	695	3,389	1,494	4,767	2,872

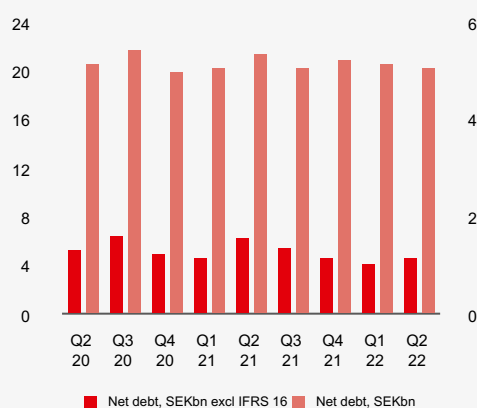
Depreciation/amortisation by segment

SEKm	Second quarter		Jan-jun		12 months	Full year
	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
ICA Sweden	187	168	373	326	737	689
Rimi Baltic	113	110	225	219	448	442
Apotek Hjärtat	50	45	99	88	195	184
ICA Real Estate	146	145	293	290	613	610
ICA Bank	9	6	16	10	28	22
Other	35	36	69	71	148	150
Depreciation/amortisation by segment	539	510	1,076	1,003	2,169	2,097
IFRS 16 Leases	909	847	1,819	1,691	3,532	3,403
Depreciation/amortisation	1,448	1,357	2,895	2,694	5,701	5,500

Net debt and return on capital employed

As per the end of the quarter the Group's net debt (excluding IFRS 16 lease liabilities, ICA Bank and pension liabilities) was slightly more than SEK 5 billion lower than a year ago. The lower level of net debt is attributable to completed divestments, a lower underlying level of investment and continued stable cash flow from operating activities. The Group's net debt including IFRS 16 (excluding ICA Bank and pension liabilities) amounted to SEK 18.8 billion (21.4) at the end of the quarter. As per 30 June 2022, net debt in relation to EBITDA was 1.6 (1.9), which is well in line with the Group's long-term target of <3.0. Return on capital employed was 9.5% (9.2) on a rolling 12-month basis. The change in the return is mainly attributable to the sale of properties to Trecore. For further comments on net debt and net debt in relation to EBITDA, see the section on Murgröna below.

Net debt and net debt/EBITDA



Return on capital employed, R12



Net debt (excl. ICA Bank and pension liability)

SEKm	30 June		12 months	Full year
	2022	2021	Jul 2021 - Jun 2022	2021
Net debt	-18,846	-21,375	-18,846	-20,915
Net debt excl. IFRS16	-1,226	-6,264	-1,226	-4,680
Net debt/EBITDA	1.6	1.9	1.6	1.8

Murgröna

On 6 May 2022 Murgröna Holding AB ("Murgröna") received advance access to all of the shares in ICA Gruppen AB through a compulsory buyout process. The companies have thereafter decided that ICA Gruppen will take over all of Murgröna's assets and liabilities through a reverse merger by way of absorption. The merger is expected to be executed during the fourth quarter of 2022.

If the merger had taken place as per 30 June, it would have had an effect above all on the Group's balance sheet and level of debt, net financial items, and cash flow from financing activities (excl. ICA Bank), as outlined below (incl. IFRS 16). ICA Gruppen's reported figures for the second quarter of 2022 are shown in parentheses.

The Group's net debt (excl. ICA Bank) would have amounted to approximately SEK 48.3 billion (18.8), and the debt multiple Net debt/EBITDA (excl. ICA Bank) would have been 4.0 (1.6). Cash flow from financing activities (excl. ICA Bank) would have amounted to approximately SEK -266 million (-27), and net financial items would have been approximately SEK -311 million (-124).

Murgröna does not conduct any operating activities.

Important events during the quarter

1 April 2022 – ICA Real Estate signs agreement with Bonnier Fastigheter on the formation of a new, jointly owned property company, Trecore AB. See also the ICA Gruppen press release of 1 April at www.icagruppen.se.

2 May 2022 – ICA Real Estate acquires Alecta's 50% stake in Långeberga Logistik AB. See also the ICA Gruppen press release of 2 May at www.icagruppen.se.

6 May 2022 – Murgröna receives advance access to and ownership of all shares in ICA Gruppen.

13 June 2022 – Extraordinary General Meeting of ICA Gruppen is held, at which among other things Tomas Emanuelz is elected as a new director on the ICA Gruppen board. He succeeds Bo Sandström, who left the Board on 1 July.

14 June 2022 – ICA Gruppen and Murgröna sign a new credit facility for a combined amount of SEK 22.5 billion. See also the ICA Gruppen press release of 14 June at www.icagruppen.se.

Important events after the end of the quarter

No significant events have taken place after the end of the quarter.

Performance for the period January–June 2022

ICA Gruppen's net sales increased by 5.0% during the period to SEK 66,173 million (63,004). In local currencies the increase was 4.6%. The increase is attributable to positive price effects in all operations and positive volume effects in Apotek Hjärtat and ICA Bank, which were countered by negative volume effects in ICA Sweden and Rimi Baltic.

Operating profit excluding items affecting comparability totalled SEK 2,807 million (2,710). Positive volume effects led to significantly improved earnings for Apotek Hjärtat, and ICA Bank's earnings also improved. ICA Bank's earnings in the preceding year included a one-off accounting item of SEK -60 million coupled to the acquisition of Forex's customer portfolios, and earnings in the current year include approximately SEK +30 million for the dissolution of a claims reserve in ICA Insurance. ICA Sweden's earnings performance has been significantly affected by the start-up of e-commerce projects, such as the new, automated e-commerce warehouse in Stockholm and the higher costs associated with this. Rimi Baltic's earnings are also lower than a year ago. This development is attributable in part to lower sales in Latvia and in part to very strong cost inflation with respect to energy and wages. The lower sales in Latvia can be attributed to the increased competition that Lidl's entry to the market has entailed as well as to lingering pandemic effects, as customers have still not returned to large stores to do their shopping in the same way as before the pandemic.

The operating margin excluding items affecting comparability was 4.2% (4.3).

Profit for the period was SEK 2,703 million (2,123). In addition to the earnings changes described above, the improvement can be explained by capital gains during the second quarter in connection with the formation of the new joint venture property company Trecore. Added to this is a lower tax cost, which can also be credited to the formation of Trecore. This development was countered to some extent by a worsening of net financial items. Earnings include the net result of divestments/impairment losses totalling SEK +464 million (+46).

Comments concerning the war in Ukraine

The direct exposure to Ukraine, Russia and Belarus is of an immaterial character and with low impact on the product range and sourcing. ICA Bank has stopped trading in Russian funds. In addition, vendors and products with ties to Russia and Belarus have been blocked in accordance with directives from the EU and local authorities.

The war is increasing forward-looking uncertainties coupled to European food production, cyber threats, energy supply and financial stability (inflation and interest rate levels). Added to this are risks related to component shortages in IT, automation and properties, and the ability to comply with sanctioning requirements.

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.

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
	Jul 2021 - Jun 2022	Jul 2020 - Jun 2021
Net zero emissions from own operations by 2030 (tonnes CO ₂ e)	81,408	85,808
Net zero emissions from own operations by 2030 (tonnes CO ₂ e / SEKm sales)	0.62	0.68
Cut the climate impact of customers' grocery purchases in half by 2030 (kg CO ₂ e/kg sold food)	1.78	1.79
Cut food waste in half by 2025 (food waste weight share)	1.59%	1.62%
Cut food waste in half by 2025 (development as % relative to base year 2016)	-13%	-11%

ICA Gruppen's climate impact from its own operations (stores, pharmacies, warehouses, offices and transports) are to be net zero by 2030. This requires reducing emissions as much as possible, at the same time that emissions that cannot be eliminated by 2030 will be offset by measures that result in a net zero effect on the atmosphere. Emissions from own operations during the period July 2021–June 2022 amounted to 81,408 tonnes of CO₂ equivalents (CO₂e). The greatest emissions reductions have been achieved in refrigerants.

ICA's ambition is to cut the carbon footprint of customers' grocery purchases in half by 2030. During the period July 2021–June 2022 the carbon footprint of the food sold in ICA stores was 1.78 kg CO₂e per kg sold food. The base year for this target is 2020, for which a carbon footprint of 1.80 kg CO₂e per kg sold food was measured. The decrease is mainly attributable to a shift towards lower sales of climate-intensive foods compared with the base year. Current data pertains to ICA Sweden (Rimi Baltic will be included in future reporting).

ICA Gruppen has set a target to cut food waste in half by 2025 (base year 2016). Since the base year 2016, food waste from warehouses and stores has decreased by 13%. The share of food waste by weight during the 12-month period was 1.59%. The decrease compared with the preceding 12-month period can be credited in part to improved routines in both warehouses and stores.

Store of the future

For the sixth year in a row, during the quarter ICA Sweden published its report on future trends in the grocery retail industry. This year's edition, "Din matbutik 2032 – en lokal och elastisk affär" ("Your grocery store – a local and elastic business"), focuses on physical stores of the future. The report concludes that stores will differ in appearance from each other more than today, based on increasingly diverse customer preferences and needs. What they will share in common, however, is that they will be considerably more sustainable and circular than today. Areas pointed out in the report include greater use of nudging, cooperation in the value chain, so-called cooptation (cooperation between competitors in the same sector), and sustainable construction. The report is available in its entirety at icagruppen.se.

Further steps to reduce food waste

During the quarter, ICA Sweden and Rimi Baltic continued working in various ways to reduce food waste in stores, warehouses and among consumers. During the quarter Rimi Estonia launched a smart solution for marketing and selling food products with short expiration dates at discounted prices. A newly developed app allows customers to find products nearing their best-before dates. The solution has been developed together with the startup company Food4All. Another measure involves Matmissionen, a social supermarket concept created by Stockholms Stadsmission. The four stores that have been opened to date are part of a partnership between Stockholms Stadsmission, Svensk Dagligvaruhandel and Dagligvaruleverantörernas Förbund. The stores sell groceries at sharply reduced prices from – among other sources – ICA Sweden's warehouses and e-commerce warehouses in the greater Stockholm area that would otherwise risk going to waste.

Sustainable food systems of the future – vertically grown fresh herbs

During the quarter, deliveries began to stores of vertically grown herbs, including basil, dill and chives. The herbs are grown in Oh My Greens' vertical garden in Söderfors, between Gävle and Stockholm. The technology is based on a recirculating watering and nutrient system, which offers ideal opportunities to limit water use. The herbs are grown indoors in a controlled system with renewable electricity from wind power. The garden is situated in a formerly vacant industrial building, which means that no use of new farmland has been needed. The cooperation with Oh My Greens is also helping to secure ICA Sweden's access to supply of Swedish-grown herbs. In all, approximately 2.7 million pots will be delivered to ICA yearly.

Ready, steady, clean!

An environment without litter – that is the goal of Klara, färdiga, städa! ("Ready, steady, clean!"), a partnership between the environmental organisation Städa Sverige and ICA Stiftelsen in which ICA-sponsored sport clubs are engaged to help clean up their immediate environment. During the month of May nearly 2,900 participants from Haparanda in the north to Trelleborg in the south picked up a total of 20 tonnes of litter at 132 locations in 53 municipalities. Sixty-nine local ICA retailers sponsored the clean-up effort. For their work, each of the sport clubs is rewarded with a contribution to its team account.

Rimi Latvia launches "Open your heart, open your closet"

Together with a number of partners, Rimi Latvia is helping to facilitate responsible sorting of textiles. Under the framework of the "Open your heart, open your closet" campaign, Rimi is providing donation stations. The campaign aims to educate the general public about recycling and reuse of clothes and textiles – something that has gained added impetus by the ongoing war in Ukraine.

ICA Real Estate continues to build in accordance with Miljöbyggnad standards

During the quarter, ground was broken for a new ICA Kvantum store in the Brunnshög neighborhood of Lund. In cooperation with Lund Municipality, ICA Real Estate has developed a joint sustainability programme for the neighborhood, which in addition to the new Kvantum store will include an Apotek Hjärtat pharmacy, a Systembolaget spirits dispensary, a Friskis & Svette's gym and 258 rental apartments. The project will be certified according to the Miljöbyggnad Silver environmental standard, and surplus heat generated by the ICA store's refrigeration systems will be used to supply the store and the other commercial space in the building with energy.

During the quarter, the ICA Maxi store in Ulricehamn was certified according to Miljöbyggnad Guld. Achieving such certification requires an elevated environmental profile and a superb indoor environment.

Easier to choose sustainable products at pharmacies

To make it easier for customers to choose sustainable products, in June Apotek Hjärtat launched a "Conscious Choices" ("Medvetna val") category, which gathers Apotek Hjärtat's entire offering of products with sustainability labels as well as products that meet the pharmacy's own criteria, even without labelling. These include products that bear labels such as KRAV, GOTS, EcoCert, Svanen, Vegan Society, Fairtrade and Asthma Allergy Nordic, among others.

Health

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



Health indicators

Q2 2022

Number of products with reduced sugar, ICA Sweden¹

2

¹ Target under development.

During the quarter, two sugar-free products were launched in the beverages category: sugar-free pear soda and sugar-free passion fruit soda.

Campaign focusing on physical wellbeing among the elderly

As part of Apotek Hjärtat's cooperation with the mental health organisation Mind, its pharmacies handed out copies of Mind's brochure "Livets glada dagar" ("Life's happy days"). The brochure provides practical advice on how to deal with various mental health issues and on where to seek help for such.

Talk support included with all insurance

Starting in mid-June, ICA Insurance offers talk support via Bluecall as a benefit for all of its insurances. This gives customers the opportunity to chat or talk with a therapist on various mental health issues. The aim is to help customers in situations in which they could use a little extra support.

Local

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



Continued donations to the Red Cross's work in Ukraine

ICA Stiftelsen, ICA Gruppen, ICA Sweden, Apotek Hjärtat, ICA Bank, ICA Insurance, ICA Real Estate and ICA-handlarnas Förbund continue to support the Red Cross's humanitarian work for people in Ukraine and who have been displaced. In total approximately SEK 17 million has been donated to the Red Cross to date. In addition, the donations have been followed up by a high level of engagement throughout the entire Group, where independent ICA retailers have contributed with own donations, ICA Bank has achieved a record high level of donations via its "donate button", and customers have donated money themselves to the Red Cross via collections at pharmacies and stores.

ICA's Entrepreneur Award presented

ICA presents its own Entrepreneur Award to small business owners who work in the spirit of the ICA retailers and who through their drive and entrepreneurship make a positive impact on those around them. The award is presented in two categories: Local Hero of the Year and Local Junior Hero of the Year.

The Local Hero of the Year 2022 award was presented to Tegelbrukets Hantverksmejeri and its owners Emma and Sebastian Gröndal. When the pandemic put a stop to their event-based business, the couple decided to nevertheless put the ice cream machine they had already purchased to work. With milk from a local farmer and berries from Mockträsk, they began selling ice cream in cups directly to private people. Their ice cream is now sold via numerous retailers in the Norrbotten region.

The Local Junior Hero of the Year award was presented to Azad Ali and his furniture and design company AXD Sweden. From the time he first arrived in Sweden from Kurdistan as a 17 year old, Azad dreamed of being a furniture maker. Through Junior Achievement, his entrepreneur journey gained momentum, and after graduating from high school Azad began making environment-friendly lamps at home in his flat. Today, 24 year old Azad's company makes a number of products, has six employees, and a 3,000 sq.m. shop.

Major marketing effort to promote Swedish and local products

The past year has been tough for Swedish agriculture, with many farmers encountering sharply rising costs – a situation that has intensified dramatically during the past half-year by the ongoing war in Ukraine. During the quarter, one of our most intensive marketing campaigns was therefore started, where ICA is urging its customers to continue choosing Swedish products and contribute to a better future for a thriving Swedish agricultural sector.

Inclusion & diversity

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



Inclusion & diversity indicators	Q2 2022
50/50 gender balance in key positions, ICA Gruppen (women/men, %)	51/49

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 51% women and 49% men.

Gala for everyone's equal value

As part of the Glada Hudik Theatre's school project "Children aren't born with biases – Catwalk at school", 9,000 students and adults participated in a major celebration of everyone's equal value at a gala held at Avicii Arena. ICA Stiftelsen funded the school project and also enabled the six winning classes in the "Good deeds" competition to participate free of charge.

Focus on diversity at Rimi Lithuania

The month of May was dedicated to diversity at Rimi Lithuania. During the month, Rimi communicated externally as well as internally about the organisation's diversity work surrounding age, nationality, and functional and physical disabilities, among other things. The month included a number of activities coupled to Rimi's initiative to promote diversity in society, and the company's employees were given a platform to share personal experiences coupled to diversity in Rimi's channels.

Quality

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



Quality indicators	12 months	12 months
	Jul 2021 - Jun 2022	Jul 2020 - Jun 2021
Share of socially audited suppliers of ICA Gruppen's corporate brand products in high-risk countries (%) ¹	94	92
Share of suppliers of ICA Gruppen's corporate brand products in high-risk countries with a valid follow-up social audit (%) ¹	90	87
Share of suppliers of ICA Gruppen's corporate brand products with quality certification (%) ¹	93	92

¹ Reported until further notice, new target under development.

At the end of the quarter, 94% of suppliers of ICA Gruppen's corporate brand products in high-risk countries had been socially audited, and 90% had undergone a valid follow-up social audit. 93% of suppliers of ICA Gruppen's corporate brand products were quality-certified.

Awards and distinctions

ICA recognised for its commitment to sustainable seafood

ICA is the Swedish grocery retailer that sells the most MSC- and ASC-certified seafood. For this and other reasons, in May ICA was presented with a "Goldfish" award by MSC (the Marine Stewardship Council) and ASC (the Aquaculture Stewardship Council). The jury's citation also highlighted ICA's work with traceability certification of fish products – from boat to table.

Sweden's ICA retailers and ICA Stiftelsen named as Fundraiser of the Year 2021

Stiftelsen Lärhjälpen, ICA Stiftelsen and Sweden's ICA retailers won the Swedish Fundraising Association's 2021 Fundraiser of the Year award in the Company Collaboration category. With ICA Stiftelsen's support, the nonprofit tutoring foundation Lärhjälpen was able to make 100 new tutoring spots available. Lärhjälpen's FICA project aims to create conditions for better equality in schools. ICA retailers provided snacks and refreshments to students for extra energy and camaraderie during holiday tutorials.

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 2021 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 increased by 6.7% during the second quarter, and the increase was entirely price-driven. Volume effects were negative, which were enhanced to some degree by fewer consolidated subsidiary stores than in 2021.

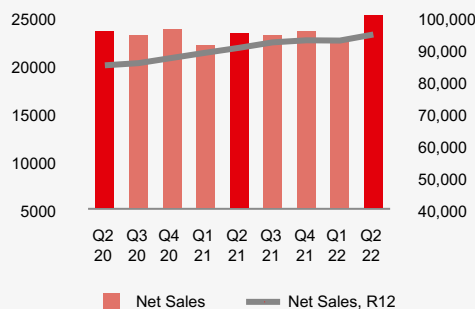
Earnings

Operating profit excluding items affecting comparability was at the same level as a year ago. Price effects during the quarter were overall positive, while volume effects were negative. Cost inflation and negative effects from large volume variations resulted in higher logistics costs during the quarter. Added to this, costs during the ongoing build-up phase for e-commerce and the new online warehouses in Stockholm and Gothenburg remained high, which had a negative earnings impact also during the second quarter compared with 2021. This development was countered by higher operating profit for non-food and higher store profit distribution. The development for store profit distribution is strongly linked to the store profit development in 2020/21 driven by the pandemic.

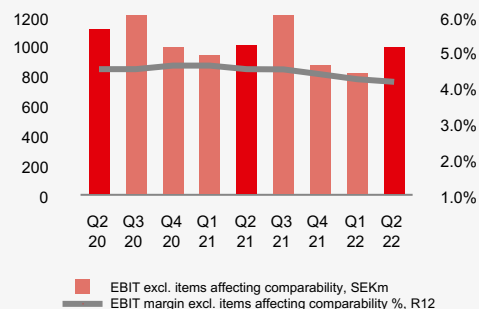
Key data

	Second quarter			Jan-jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
Net sales, SEKm	24,936	23,376	6.7	47,347	45,450	4.2	94,139	92,242
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,190	1,175	1.3	2,206	2,274	-3.0	4,639	4,708
Operating profit excl. items affecting comparability, SEKm	1,003	1,007	-0.4	1,831	1,949	-6.1	3,901	4,019
Operating margin excl. items affecting comparability, %	4.0	4.3	—	3.9	4.3	—	4.1	4.4
Investments, SEKm	197	255	-22.7	447	516	-13.2	932	1,000
Depreciation/amortisation, SEKm	187	168	11.3	373	326	14.7	737	689
Average number of employees	—	—	—	8,714	8,517	—	—	8,662
Private label share, %	26.2	26.7	—	26.9	27.3	—	—	26.7
Sales online, SEKm	1,152	1,754	-34.3	2,596	3,664	-29.1	5,002	6,070
Share of sales online, %	3.3	5.2	—	3.9	5.6	—	—	4.6

Net sales, SEKm



EBIT and EBIT margin



ICA store sales and market development

Sales for ICA stores increased by 4.4% during the second quarter compared with the same period a year ago. Sales were driven by a sharp increase in customer visits, which was countered by a lower average spend despite higher average prices. The lower average spend was largely a consequence of lower online sales. Market growth during the quarter was +5.4% according to the Food Retail Index (DVI), entailing that growth for ICA stores was lower than for the market as a whole. Food price inflation grew sharply during the quarter and was +8.9%. In the preceding quarter it was +3.9%, while during the second quarter a year ago it was -0.6%. Given the price trend and market growth, volume development was thus negative during the quarter for ICA stores as well as for the market as a whole.

Four stores were opened and four were closed during the second quarter.

E-commerce performance

Online sales for ICA stores decreased by 34% during the quarter compared with the same period in 2021. According to the Food Retail Index (DVI), the market for groceries online in Sweden decreased by 28% during the second quarter.



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

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

Store sales excl. VAT	Second quarter 2022			January-June 2022		
	SEKm	All stores, %	Like-for-like stores, %	SEKm	All stores, %	Like-for-like stores, %
Maxi ICA Stormarknad	11,420	3.4	3.4	21,609	2.0	1.7
ICA Kvantum	8,502	4.5	4.2	16,214	2.5	2.2
ICA Supermarket	10,022	5.0	4.8	19,040	3.2	3.0
ICA Nära	5,344	5.3	4.9	10,012	3.8	3.4
Total	35,288	4.4	4.2	66,875	2.7	2.4

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

Format	December 2021	New	Closed	June 2022
Maxi ICA Stormarknad	88	0	0	88
ICA Kvantum	130	0	0	130
ICA Supermarket	422	1	-2	421
ICA Nära	627	6	-5	628
Total	1,267	7	-7	1,267

Rimi Baltic

Rimi Baltic conducts grocery retail business via 292 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 2.1% during the second quarter (increase of 5.5% in SEK). Sales were buttressed by positive price effects, which were partly countered by negative volume development. Both Estonia and Lithuania had good sales growth, while sales in Latvia were lower than in the same period a year ago. Development in Latvia is mainly attributable to the effect of newly opened Lidl stores in the country and lingering pandemic effects, where customers have still not returned to large stores to the same extent as before the pandemic.

Earnings

Operating profit excluding items affecting comparability as well as the operating margin decreased during the quarter. Positive price effects were partly countered by negative volume effects. Logistics costs continued to develop in a positive direction, and gross profit was slightly higher overall, while the gross margin remained at the same level as a year ago. Greater competition associated with the Lidl store openings has entailed negative volume and earnings effects, especially in Latvia. In other respects, performance can be explained by very high large increases in energy costs along with continued wage inflation and higher IT costs. Actions are being taken to bring about a long-term improvement in sales performance and efficient cost levels.

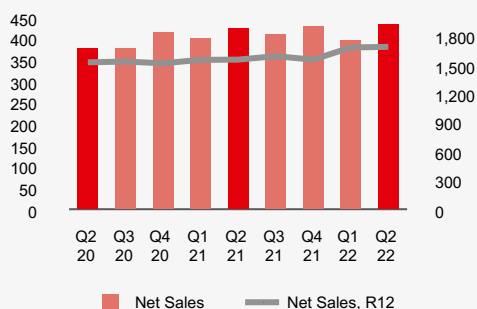
Other

Operating profit for the quarter includes a net result of SEK 21 million (9) from divestments/impairment losses.

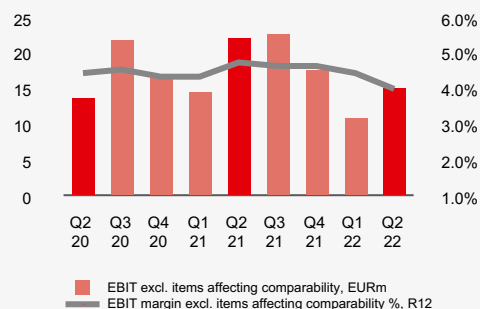
Key data

	Second quarter			Jan-jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
Net sales, SEKm	4,550	4,313	5.5	8,733	8,380	4.2	17,344	16,991
Operating profit before depreciation/amortisation (EBITDA), SEKm	295	356	-17.3	520	613	-15.2	1,171	1,264
Operating profit excl. items affecting comparability, SEKm	159	225	-29.4	273	373	-26.8	685	784
Operating margin excl. items affecting comparability, %	3.5	5.2	—	3.1	4.5	—	3.9	4.6
Investments, SEKm	77	118	-34.9	201	246	-18.6	461	507
Depreciation/amortisation, SEKm	113	110	2.7	225	219	3.0	448	442
Average number of employees	—	—	—	10,927	11,184	—	—	11,175
Private label share, %	24.0	23.5	—	24.1	23.7	—	—	23.1
Sales online, EURm	9.8	10.8	-8.9	22.8	22.9	-0.5	43.3	43.4
Share of sales online, %	2.3	2.6	—	2.8	2.8	—	—	2.6
EUR/SEK exchange rate, average	10.47	10.14	—	10.48	10.14	—	10.32	10.14

Net sales, EURm



EBIT and EBIT margin



Rimi store sales and market development

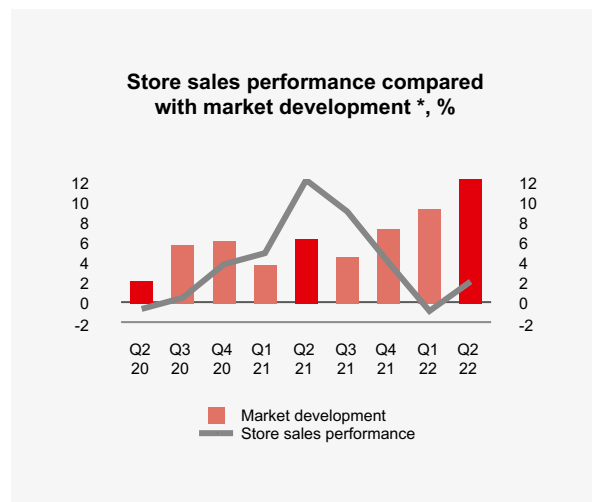
Market growth in the Baltic countries was +14.5% during the second quarter and +12% for the first half of year. Growth was highest in Latvia, at slightly more than 18%. Growth was entirely price-driven, with steadily rising food price inflation in the region during 2022, and during the second quarter food price inflation was at a very high level across the entire region: 17% in Estonia, 19% in Latvia and 25% in Lithuania. Total weighted inflation for the entire Baltic region was 21.3% during the second quarter.

The average spend increased in Lithuania during the quarter but was lower in Estonia and Latvia. Customer visits increased in all three countries. Apart from the impact of the Lidl store openings, the number of customer visits mainly to large stores in Latvia has not recovered after the pandemic. On the whole this is having a negative effect on Rimi's store sales, and Rimi's market share has fallen in 2022.

Rimi Baltic did not open any stores during the quarter, while two were closed.

E-commerce performance

Rimi Baltic's online sales decreased by approximately 9% during the quarter in local currency. The share of total sales was slightly lower, 2.3% compared to 2.6%, compared with a year ago. The share was slightly lower in Lithuania than in the other two countries.



*) Source: Country statistics.

Sales breakdown by country

Store sales excl. VAT	Second quarter 2022			January-June 2022		
	EURm	All stores, %	Like-for-like stores, %	EURm	All stores, %	Like-for-like stores, %
Estonia	109.4	7.9	7.5	212.3	8.0	8.0
Latvia	213.7	-3.9	-4.8	408.3	-5.1	-5.7
Lithuania	106.3	8.8	2.7	203.3	5.2	-1.3
Total	429.5	1.9	-0.2	824.0	0.5	-1.5

Number of stores per country

Country	December 2021	New	Closed	June 2022
Estonia	82	1	-1	82
Latvia	133	0	-2	131
Lithuania	79	0	0	79
Total	294	1	-3	292

Apotek Hjärtat

Apotek Hjärtat is the largest actor in the Swedish pharmacy market, with 391 pharmacies. Apotek Hjärtat is also a part owner of the digital healthcare company Min Doktor.

Net sales

Net sales increased by slightly more than 8% during the quarter in a market with favourable growth and in which Apotek Hjärtat continued to take market shares despite lower growth online. As previously, this development was mainly volume-driven, while higher average prices for prescription drugs also contributed to the increase. Volume growth was particularly strong for self-care products.

Earnings

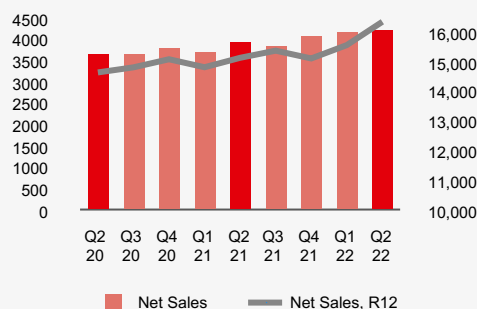
Operating profit excluding items affecting comparability increased by SEK 12 million during the quarter, driven by both volume and price. Positive mix effects with a higher share of sales derived from physical pharmacies contributed to stronger margins, which led to increases in both gross profit and the gross margin despite higher logistics costs. This development was countered by higher store costs, mainly associated with higher sales volume and an increase in customer visits to pharmacies, higher IT costs and a larger negative share of profit in Min Doktor, which taken together entailed that the operating margin remained at the same level as for the same period a year ago.

Operating profit for the quarter includes SEK -15 million (-7) for Min Doktor. This development is explained by lower pandemic-related sales, which were partly countered by lower overheads.

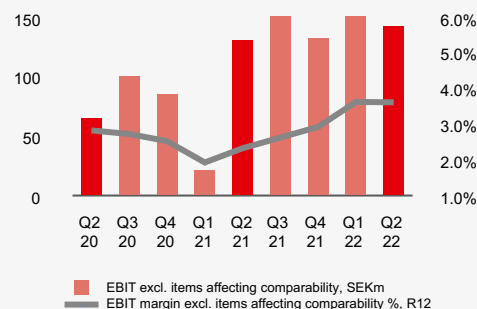
Key data

	Second quarter			Jan-jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
Net sales, SEKm	4,240	3,923	8.1	8,419	7,629	10.3	16,321	15,531
Of which, prescription drugs	3,136	2,894	8.4	6,192	5,687	8.9	12,063	11,558
Of which, OTC drugs	425	373	13.9	798	682	17.0	1,516	1,400
Of which, other products and services	680	656	3.7	1,430	1,260	13.5	2,744	2,574
Operating profit before depreciation/amortisation (EBITDA), SEKm	194	177	9.8	401	242	65.9	787	627
Operating profit excl. items affecting comparability, SEKm	144	132	9.5	302	154	96.5	592	444
Of which, share of profit in Min Doktor	-15	-7	113.0	-44	-19	127.5	-81	-56
Operating margin excl. items affecting comparability, %	3.4	3.4	—	3.6	2.0	—	3.6	2.9
Investments, SEKm	49	64	-23.1	110	116	-5.2	202	208
Depreciation/amortisation, SEKm	50	45	10.5	99	88	12.6	195	184
Average number of employees	—	—	—	3,127	2,988	—	—	3,049
Private label share, other products, %	16.3	17.5	—	16.3	17.5	—	—	17.4
Sales online, SEKm	388	402	-3.5	825	790	4.3	1,566	1,531
Share of sales online, %	9.1	10.2	—	9.8	10.4	—	—	9.9

Net sales, SEKm



EBIT and EBIT margin



Pharmacy sales and market development

Apotek Hjärtat's sales grew by 8.2% during the quarter, which can be compared with an estimated market growth of 5.5%. Apotek Hjärtat's sales of traded goods increased by 3.4%, while market growth was an estimated 4.3%. Sales growth for physical pharmacies was 9.5% for Apotek Hjärtat during the quarter, compared with an estimated market growth of 5.9%. Seen over the last 12-month period, Apotek Hjärtat's market share is now slightly higher than 31%, and Apotek Hjärtat's market-leading position has thereby strengthened.

The number of pharmacies was unchanged during the second quarter. No new pharmacies were opened and none were closed.

E-commerce performance

The online channel continued to grow during the second quarter, increasing by 4.1%. The online channel thus grew at a slower pace than for sales in physical pharmacies. At the same time, Apotek Hjärtat's online sales decreased by 3.5%. The online share for the market was just under 19%, while Apotek Hjärtat's online share was slightly higher than 9%.

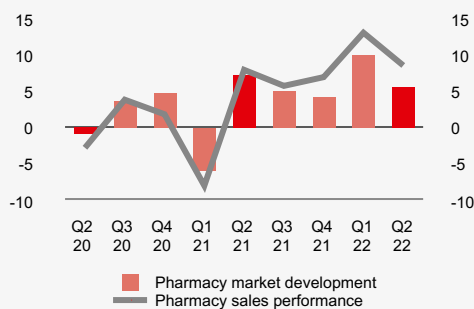
Key data

	Second quarter		Jan-jun		12 months	Full year
	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Store sales, SEKm	4,219	3,901	8,374	7,588	16,233	15,447
Sales growth, all pharmacies, %	8.2	7.6	10.4	-0.8	—	2.6
Sales growth, like-for-like pharmacies, %	7.7	7.2	9.8	-1.1	—	2.3

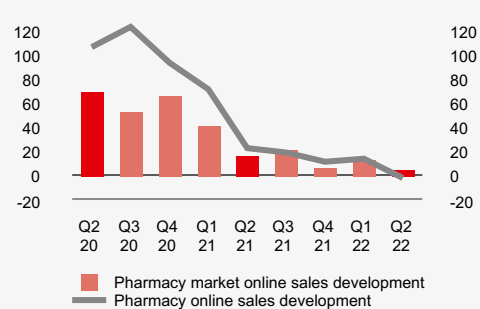
Number of pharmacies

	December 2021	New	Closed	June 2022
Apotek Hjärtat	390	1	0	391

Pharmacy sales performance compared with pharmacy market development *, %



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



* Source: Sveriges Apoteksförning.

ICA Real Estate

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

Net sales

Net sales during the quarter were slightly higher than in the preceding year due to investments in warehouses, such as the e-commerce warehouse in Brunna, and certain positive price effects. This was countered by the sale of properties to the new joint venture company Trecore, which explains the decrease in rental income from owned properties.

Earnings

Operating profit excluding items affecting comparability was slightly lower than in the same period a year ago. In addition to higher sales, the share in profit of joint venture companies also increased, mainly associated with the formation of Trecore. However, this was countered by higher maintenance costs during the quarter.

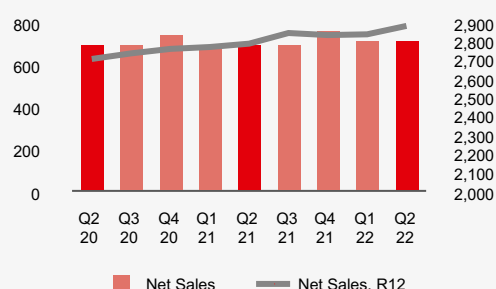
Other and investments

Operating profit include the result of property sales totalling SEK +860 million, net (+16). This year's result mainly pertains to the Trecore/Secore transaction. After elimination of internal profits, the corresponding earnings effect for ICA Gruppen was approximately SEK +436 million. The higher level of investment and divestments during the quarter is associated with the same transaction, which entailed an investment of SEK 2,108 million (50% of Secore) and a concurrent divestment of SEK 3,560 million to the new joint venture company Trecore. See also the ICA Gruppen press releases of 1 April 2022 and 30 September 2021 at www.icagruppen.se.

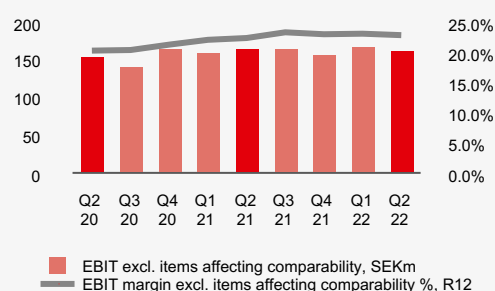
Key data

	Second quarter			Jan-jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
Net sales, SEKm	712	696	2.3	1,430	1,385	3.3	2,878	2,833
Of which, rental income from owned properties	331	332	-0.2	679	656	3.4	1,352	1,329
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,167	326	>200	1,490	660	125.8	2,138	1,308
Operating profit excl. items affecting comparability, SEKm	162	165	-2.0	331	325	1.9	656	650
Of which, share in profit of JV companies	30	24	26.9	54	48	14.3	104	97
Operating margin excl. items affecting comparability, %	22.7	23.7	—	23.1	23.4	—	22.8	22.9
Investments, SEKm	2,296	172	>200	2,527	458	>200	2,957	889
Divestments, SEKm	3,560	41	>200	3,568	198	>200	3,592	221
Depreciation/amortisation, SEKm	146	145	0.3	293	290	1.1	613	610
Yield, %	—	—	—	7.1	7.0	—	—	7.0
Occupancy rate, %	—	—	—	98.5	98.5	—	—	98.5
Number of owned properties	—	—	—	128	130	—	—	132
Number of owned square metres, 000 sq. m.	—	—	—	822	856	—	—	855
Average number of employees	—	—	—	118	117	—	—	117

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 76 million during the quarter. Net interest income improved as a result of the completed acquisition of Forex's customer portfolios in May 2021, which contributed to higher lending volume. An increase in deposits also had positive volume and margin effects on net interest income. Net commission income also grew, driven by higher revenues from bank cards. Premium revenue for ICA Insurance continued to develop in a positive direction and increased by SEK 22 million.

Earnings

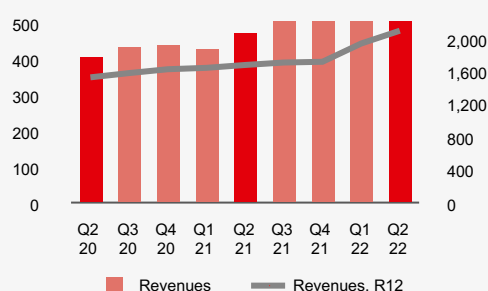
Operating profit excluding items affecting comparability increased by SEK 123 million during the quarter, of which SEK 43 million pertained to ICA Insurance. Operating profit for the same period a year ago included one-off accounting item of SEK -60 million for loan losses associated with the acquisition of Forex's customer portfolios. Underlying earnings growth for the bank was thus approximately SEK 20 million. The increase was driven by the higher revenue reported above, which was countered by slightly higher IT-related operating expenses and higher loan losses of SEK -78 million, compared with SEK -58 million a year ago (excluding the one-off item above).

ICA Insurance's operating profit was positively affected by the dissolution of a claims reserve, totalling SEK +32 million. Underlying operating profit showed favourable development and improved by SEK 11 million as a result of higher revenue, favourable claims experience and good cost control.

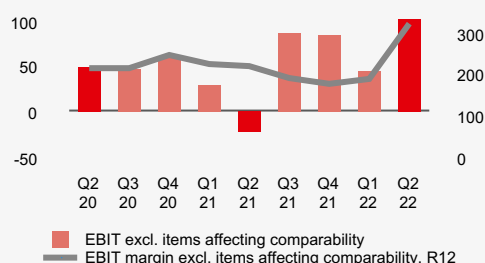
Key data

	Second quarter			Jan-jun			12 months	Full year
	2022	2021	%	2022	2021	%	Jul 2021 - Jun 2022	2021
Revenue, SEKm	550	474	16.1	1,057	900	17.4	2,088	1,931
Of which, net interest income	237	203	17.1	455	376	21.1	915	835
Of which, net commission income	74	60	23.0	138	115	20.2	273	250
Of which, premium revenue	206	184	12.2	398	354	12.3	777	733
Operating profit before depreciation/amortisation (EBITDA), SEKm	111	-16	>200	163	18	>200	348	203
Operating profit before items affecting comparability, SEKm	102	-21	>200	147	8	>200	320	181
Of which, ICA Insurance	45	2	>200	45	-5	>200	88	38
Of which, share in profit of JV (home mortgages)	-6	-6	-5.6	-5	-6	-23.6	-11	-13
C/I ratio, %	—	—	—	70.7	81.0	—	—	74.5
Return on equity, %	—	—	—	8.1	3.3	—	—	4.9
Loan loss ratio, %	—	—	—	-1.5	-1.8	—	—	-1.5
Common Equity Tier 1 ratio, % (ICA Banken AB)	—	—	—	13.0	13.9	—	—	13.9
Business volume, SEKm	—	—	—	58,144	53,845	—	—	54,489
Average number of employees	—	—	—	476	447	—	—	452

Revenues, SEKm



EBIT excl. items affecting comparability, SEKm



Other, Group

Seasonal variations

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

Risks and uncertainties

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

ICA Gruppen has significant exposure to the Swedish and Baltic grocery retail sector as well as to the Swedish pharmacy market. An economic downturn and political decisions are factors that could have a negative impact on the Group's sales and earnings. ICA Gruppen's finance policy stipulates how financial risks are to be managed and mitigated. The policy also provides a framework for the Group's treasury management. More information about risk management is provided on pages 59-65 in ICA Gruppen's 2021 Annual Report.

Related party transactions

No significant transactions have taken place between ICA Gruppen and related parties, apart from the acquisition of Första AP-fonden's 50% stake in the jointly owned company Secore Fastigheter AB and the formation on 1 April 2022 of a new jointly owned property company together with Bonnier Fastigheter, see further in Note 8.

In April, ICA Gruppen AB borrowed SEK 1.6 billion from Murgröna Holding AB.

Parent Company – second quarter

The Parent Company's net sales amounted to SEK 329 million (312). Profit after financial items totalled SEK 6,968 million (1,791). The change compared with the corresponding period a year ago is mainly attributable to higher received dividends from subsidiaries.

Financial statements

Consolidated statement of comprehensive income, ICA Gruppen

SEKm	Note	Second quarter		Jan-jun		12 months	Full year
		2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Net sales		34,578	32,401	66,173	63,004	131,127	127,957
Cost of goods and services sold		-28,777	-26,872	-55,001	-52,312	-108,753	-106,064
Gross profit		5,802	5,529	11,172	10,692	22,374	21,894
Selling expenses		-3,474	-3,309	-6,765	-6,421	-13,311	-12,967
Administration expenses		-979	-927	-1,907	-1,838	-3,748	-3,679
Other operating income		174	143	302	256	625	579
Other operating expenses		—	—	—	—	-28	-28
Share of profits of associates and joint ventures	2	8	10	5	22	12	28
Operating profit (EBIT) excl items affecting comparability		1,531	1,446	2,807	2,710	5,923	5,826
Capital gains/losses from sale of subsidiaries and non-current assets	3, 4	459	32	466	62	486	82
Impairment and impairment reversals	3	-2	-12	-2	-16	-18	-31
Operating profit	7	1,988	1,466	3,271	2,756	6,391	5,876
Financial income		—	4	4	6	2	5
Financial expenses	7	-124	-104	-243	-205	-439	-404
Net financial items		-124	-100	-239	-199	-439	-399
Profit before tax		1,864	1,365	3,032	2,557	5,953	5,478
Tax		-96	-226	-328	-434	-818	-924
Profit for the period		1,768	1,139	2,703	2,123	5,135	4,554
Other comprehensive income, items that may not be reclassified to profit or loss, net after tax							
Remeasurement defined benefit pensions		396	—	960	398	819	257
Other comprehensive income, items that may be reclassified to profit or loss, net after tax							
Change in translation reserve		85	-27	110	17	138	44
Change in hedging reserve		173	3	240	167	330	257
Share of other comprehensive income of joint ventures		20	2	42	5	48	12
Total items that may be reclassified to profit or loss		278	-22	392	190	515	313
Comprehensive income for the period		2,442	1,116	4,056	2,710	6,470	5,125
Profit for the period attributable to							
Owners of the parent		1,766	1,134	2,697	2,111	5,116	4,531
Non-controlling interests		2	6	7	12	19	23
Comprehensive income for the period attributable to							
Owners of the parent		2,440	1,110	4,049	2,698	6,451	5,101
Non-controlling interests		2	6	7	12	19	24

Condensed consolidated statement of financial position, ICA Gruppen

SEKm	Note	30 June 2022	30 June 2021	31 December 2021
ASSETS				
Non-current assets				
Goodwill		16,301	16,301	16,301
Trademarks		12,948	12,902	12,910
Other intangible assets		2,172	2,094	2,090
Land, buildings and investment properties		17,826	18,064	18,186
Right of use assets	7	17,167	15,159	16,215
Interests in joint ventures and associates	2	1,339	1,293	1,316
ICA Bank's lending and investments		20,885	20,984	21,272
Deferred tax assets		56	54	58
Other non-current assets		3,806	2,700	2,951
Total non-current assets		92,499	89,551	91,298
Current assets				
Inventories		5,361	4,722	4,757
ICA Bank's lending and investments		3,846	3,991	3,771
Other current assets		9,017	8,235	8,416
Assets held for sale	4	249	2	2
ICA Bank's cash and cash equivalents		6,095	5,204	5,081
Cash and cash equivalents	5	4,527	381	1,310
Total current assets		29,095	22,535	23,337
TOTAL ASSETS		121,594	112,086	114,635
EQUITY AND LIABILITIES				
Equity				
		41,410	35,302	37,686
Non-current liabilities				
Provisions		2,961	3,888	4,170
Deferred tax liabilities		4,225	4,026	4,094
Non-current interest-bearing liabilities		1,473	3,759	3,760
Non-current lease liabilities		13,968	11,856	12,742
Other non-current liabilities		45	108	61
Total non-current liabilities		22,672	23,637	24,826
Current liabilities				
Current interest-bearing liabilities		4,279	2,886	2,230
Deposits ICA Bank		27,487	26,739	26,682
Current lease liabilities		3,653	3,256	3,494
Other current liabilities		22,092	20,266	19,717
Total current liabilities		57,512	53,148	52,123
TOTAL EQUITY AND LIABILITIES		121,594	112,086	114,635

Condensed consolidated statement of cash flows

SEKm	Note 5	Second quarter		Jan-jun		12 months	Full year
		2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Operating profit		1,988	1,466	3,271	2,756	6,391	5,876
Depreciation, amortisation and impairment		1,451	1,369	2,898	2,710	5,719	5,531
Dividend from joint ventures		25	25	25	25	85	85
Other non-cash items		-464	12	-575	-89	-517	-31
Income tax paid		-269	-309	-540	-581	-934	-976
Cash flow from operating activities before change in working capital		2,730	2,564	5,079	4,821	10,744	10,486
Change in working capital:							
Inventories		-50	87	-595	-46	-619	-69
Current receivables		-579	50	-409	-85	-530	-207
Current liabilities		1,241	456	1,547	423	852	-272
ICA Bank's net of deposits, lending and investments		637	50	1,118	1,127	995	1,004
Cash flow from operating activities		3,980	3,206	6,740	6,241	11,441	10,942
Acquisitions of property, plant and equipment and intangible assets		-582	-695	-1,282	-1,494	-2,660	-2,872
Sale of property, plant and equipment and intangible assets		32	99	62	257	112	307
Change in financial assets		2	5	34	79	30	75
Interest received		1	0	1	1	2	1
Purchase and sale of properties in Secore/Trecore	8	1,452	—	1,452	—	—	—
Investments in joint ventures and associated companies		-32	—	-157	-5	-227	-74
Cash flow from investing activities		873	-591	110	-1,162	-1,291	-2,563
Dividend paid to shareholders of ICA Gruppen AB		—	-2,615	—	-2,615	—	-2,615
Change in loans		1,302	88	-292	436	-959	-231
Interest paid		-22	-28	-26	-45	-52	-71
Interest paid lease debts		-93	-78	-175	-154	-325	-304
Amortisation lease debts		-875	-819	-1,804	-1,687	-3,430	-3,313
Capital contributions, acquisitions, and dividends relating to non-controlling interests		-331	-20	-331	-20	-361	-50
Cash flow from financing activities		-19	-3,472	-2,628	-4,085	-5,127	-6,585
Cash flow for the period		4,834	-856	4,222	994	5,023	1,795
Cash and cash equivalents at beginning of period		5,780	6,441	6,391	4,584	5,585	4,584
Exchange differences in cash and cash equivalents		7	0	8	6	14	11
Cash and cash equivalents at end of period		10,622	5,585	10,622	5,585	10,622	6,391

Condensed consolidated statement of changes in equity

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2022	37,499	187	37,686
Change of non-controlling interest ¹⁾	-138	-193	-331
Comprehensive income for the period	4,049	7	4,056
Closing equity, 30 June 2022	41,410	0	41,410

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	-20	-2,635
Comprehensive income for the period	2,698	12	2,710
Closing equity, 30 June 2021	35,096	205	35,302

¹⁾ Refers to the acquisition of Alecia's 50 percent share in Långeberga logistik AB. See also ICA Gruppen's press release on 2 May at icagruppen.se

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 2021 Annual Report. There are no new or amended IFRSs or IFRS IC pronouncements that have an effect on the 2022 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.

Effective 16 December 2021, ICA Gruppen aktiebolag (AB) is a subsidiary of Murgröna Holding AB, which is a subsidiary of ICA-handlarnas Förbund, corporate identity number 802001-5577. Plans have been made in 2022 for a merger of Murgröna Holding AB into ICA Gruppen AB. Murgröna Holding AB is approximately 87%-owned by ICA-handlarnas Förbund and approximately 13%-owned by AMF. ICA Gruppen's shares have been delisted from Nasdaq Stockholm, and the last day of trading in the shares was 13 January 2022.

New IASB standards to be applied from 2023 and onwards with relevance for ICA Gruppen

IFRS 17 Insurance Contracts was endorsed by the EU in November 2021 and is to be applied starting in 2023. IFRS 17 sets principles for reporting, valuation and disclosures of issued insurance contracts. The subsidiary ICA Försäkring AB (ICA Insurance) conducts insurance business, and the financial statements for ICA Gruppen will be affected to a limited extent by the changed reporting under IFRS 17 for ICA Insurance.

The Group will have complete, retrospective application of IFRS 17. It is estimated that the transition effect as per 1 January 2022 will be SEK 110-170 million. The transition from IFRS 4 Insurance Contracts to IFRS 17 Insurance Contracts entails that insurance liabilities will be recognised overall at a lower value in the opening balance according to IFRS 17 than reporting according to IFRS 4. The impact on the transition balance is mainly related to adoption of the item Fulfilment cash flows, and the discounting effect and risk adjustment that is calculated for the Liability for incurred claims. In addition, the Liability for remaining coverage is affected by any loss components.

There are a few IFRS amendments that have been approved for application starting in 2023, but none that are believed to affect ICA Gruppen's financial statements to a significant degree. The same applies for the interpretation pronouncements issued by the IFRS IC.

Estimated effects of the war in Ukraine

The estimated effects of war in Ukraine are described in the business review for ICA Gruppen on p. 7.

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. Financial consequences of the war in Ukraine 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 not readily apparent from other sources. The actual outcome may differ from these estimates and assessments.

NOTE 2 | INTERESTS IN JOINT VENTURES AND ASSOCIATES

Share of profit	Second quarter		Jan-jun		12 months	Full year
SEKm	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Ancore Fastigheter AB	19	19	35	34	69	67
Trecore Fastigheter AB	11	—	11	—	11	—
Secore Fastigheter AB	—	5	8	14	—	30
IISÄ Holdco/Borgo	-6	-6	-5	-6	-11	-13
MD International AB (Min Doktor)	-15	-7	-44	-19	-81	-56
Fastighetsaktiebolaget Postgården AB	0	0	0	0	0	0
Total	8	10	5	22	12	28

Book value, SEKm	30 June 2022	30 June 2021	31 December 2021
Ancore Fastigheter AB	783	739	728
Trecore Fastigheter AB	19	—	—
Secore Fastigheter AB	—	152	158
IISÄ Holdco/Borgo	191	24	87
MD International AB (Min Doktor)	336	372	334
Fastighetsaktiebolaget Postgården AB	11	7	7
Total	1,339	1,293	1,316

Information regarding Ancore Fastigheter AB

Ancore Fastigheter AB is a joint arrangement between the pension insurance company Alecia 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	Second quarter		Jan-jun		12 months	Full year
SEKm	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Income	126	121	252	243	495	486
Expenses	-56	-53	-120	-114	-236	-230
Operating profit	71	69	132	128	260	256
Net financial items	-19	-19	-38	-38	-76	-76
Tax	-12	-12	-22	-22	-44	-44
Profit for the period	39	38	71	69	139	137
Other comprehensive income	42	4	90	11	102	23
Comprehensive income for the period	81	42	161	79	242	160
Non-current assets			5,422	5,463		5,442
Current assets			247	201		213
Total assets			5,670	5,664		5,655
Equity			1,511	1,419		1,400
Non-current liabilities			3,671	4,109		4,096
Current liabilities			488	136		159
Total equity and liabilities			5,670	5,664		5,655

Information regarding Trecore Fastigheter AB

Trecore Fastigheter AB is a joint arrangement between Bonnier Fastigheter and ICA Gruppen that was formed on 1 April 2022. See also Note 8. The parties each own 50% of the company. All significant decisions about the operations of Trecore Fastigheter AB must be made as a joint understanding between the two owners. Trecore Fastigheter AB owns and manages properties at 44 marketplaces in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. Based on all relevant information in the joint arrangement, Trecore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

Trecore Fastigheter AB	Second quarter		Jan-jun		12 months	Full year
SEKm	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Income	63	—	63	—	—	—
Expenses	-32	—	-32	—	—	—
Operating profit	31	—	31	—	—	—
Net financial items	-12	—	-12	—	—	—
Tax	-6	—	-6	—	—	—
Profit for the period	13	—	13	—	—	—
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	13	—	13	—	—	—
Non-current assets			3,962	—		—
Current assets			64	—		—
Total assets			4,026	—		—
Equity			1,099	—		—
Non-current liabilities			2,864	—		—
Current liabilities			64	—		—
Total equity and liabilities			4,026	—		—

Information regarding Secore Fastigheter AB

ICA Real Estate acquired Första AP-fonden's 50% stake in Secore on 1 April 2022, and in connection with this all properties except 3 small properties were transferred to the new joint arrangement in Trecore Fastigheter AB. See also Note 8.

Secore Fastigheter AB was previously a joint arrangement between Första AP-fonden and ICA Gruppen. The parties each owned 50% of the company. All significant decisions about the operations of Secore Fastigheter AB were made as a joint understanding between the two owners. Secore Fastigheter AB owned and managed 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 was classified as a joint venture. Consolidation was done according to the equity method.

Secore Fastigheter AB	Second quarter		Jan-jun		12 months	Full year
SEKm	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Income	—	46	48	92	—	184
Expenses	—	-32	-25	-55	—	-104
Operating profit	—	14	23	37	—	80
Net financial items	—	-6	-6	-13	—	-25
Tax	—	-2	-4	-6	—	-14
Profit for the period	—	5	12	18	—	41
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	—	5	12	18	—	41
Non-current assets			—	2,343		2,354
Current assets			—	77		77
Total assets			—	2,420		2,432
Equity			—	806		809
Non-current liabilities			—	1,562		1,560
Current liabilities			—	52		63
Total equity and liabilities			0	2,420		2,432

Information regarding Borgo AB (publ)

Borgo is a partnership between, among others, ICA Bank, Ikano Bank, Söderberg & Partners, Ålandsbanken to establish a jointly owned mortgage company in the Swedish market. During 2022 Borgo concluded a funding round of SEK 1.3 billion, which increased its ownership base. The company is an associated company in ICA Gruppen, and accounting is conducted according to the equity method.

Borgo AB	Second quarter		Jan-Jun		12 months	Full year
SEKm	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Revenue	9	—	9	—	9	—
Expenses	-69	-12	-69	-24	-102	-57
Operating profit	-60	-12	-60	-24	-93	-57
Net financial items	—	—	—	—	—	—
Tax	12	—	12	—	24	12
Profit for the period	-48	-12	-48	-24	-69	-46
Other comprehensive income	-13	—	-13	—	-13	—
Comprehensive income for the period	-61	-12	-61	-24	9	46
Non-current assets			14,703	3		933
Current assets			1,024	19		1,358
Total assets			15,727	22		2,291
Equity			841	17		257
Non-current liabilities			11,668	—		2,021
Current liabilities			3,217	6		13
Total equity and liabilities			15,727	22		2,291

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, 49.50% 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.

NOTE 3 | ITEMS AFFECTING COMPARABILITY

SEKm	Second quarter		Jan-jun		Full year
	2022	2021	2022	2021	2021
Capital gains/losses net on sale of subsidiaries and non-current assets					
ICA Sweden	—	—	2	—	—
Rimi Baltic	23	21	22	22	38
ICA Real Estate	860	16	867	46	48
Internal profit regarding sale and leaseback according to IFRS16 Leasing	-424	-5	-424	-5	-5
Other	—	—	—	—	1
Total	459	32	466	62	82
Impairment and impairment reversals					
Rimi Baltic	-2	-12	-2	-16	-26
ICA Real Estate	—	—	—	—	-6
Total	-2	-12	-2	-16	-31
Total items affecting comparability	457	20	464	46	50

NOTE 4 | ASSETS AND LIABILITIES HELD FOR SALE

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

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

SEKm	Second quarter		Jan-jun		12 months	Full year
	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Cash flow from operating activities before change in working capital	2,628	2,590	4,931	4,825	10,407	10,301
Change in working capital						
Inventories	-50	87	-595	-46	-619	-69
Current receivables	-539	72	-325	-53	-459	-187
Current liabilities	1,194	433	1,347	230	727	-391
Cash flow from operating activities	3,233	3,181	5,358	4,957	10,055	9,654
Cash flow from investing activities	925	-566	268	-1,105	-1,009	-2,382
Cash flow from financing activities	-27	-4,171	-2,421	-4,786	-4,917	-7,282
Cash flow for the period	4,131	-1,556	3,205	-934	4,129	-10
Cash and cash equivalents at the beginning of the period			1,310	1,309		1,309
Exchange differences in cash and cash equivalents			11	6		11
Cash and cash equivalents at the end of the period			4,527	381		1,310

NOTE 6 | FINANCIAL INSTRUMENTS

On 13 January ICA Gruppen announced a voluntary repurchase offer for Notes worth a combined total of SEK 3,750 million in accordance with the applicable terms of the Notes in connection with the delisting of ICA Gruppen's shares from Nasdaq Stockholm. The repurchase offer expired on 14 February, and the offer was accepted for Notes corresponding to a nominal amount of SEK 560 million. The settlement date was 14 March.

Unutilised, confirmed credit facilities in the form of a syndicated bank loan of SEK 5 billion were discontinued during the second quarter. New financing is provided from Murgröna Holding AB.

As per 30 June 2022, financial assets at fair value in ICA Gruppen amounted to SEK 4,480 million (2,848). In the fair value hierarchy, the entire amount is attributable to Level 1. Financial liabilities measured at fair value amounted to SEK 708 million (75) as per 30 June 2022. The carrying amount corresponds to fair value for all assets and liabilities, except for bond issues, where the fair value is less than the carrying amount by SEK 18 million (less than the carrying amount by 7).

NOTE 7 | LEASES

	Second quarter		Jan-jun		Full year
	2022	2021	2022	2021	2021
Lease items in the Income statement, SEKm					
Total lease revenue incl variable revenue	797	772	1,595	1,523	3,057
Variable lease expenses	-27	-34	-55	-59	-123
Interest expenses, lease liabilities	-93	-78	-175	-154	-304

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

	Second quarter		Full year
	2022	2021	2021
Total right-of-use assets, SEKm			
At start of year	16,215	15,054	15,054
Changed and new contracts	2,651	1,774	4,515
Depreciation	-1,819	-1,691	-3,403
Translation differences	120	23	50
Book value	17,167	15,159	16,215

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

NOTE 8 | ACQUISITIONS AND DIVESTMENTS

In a press release published on 30 September 2021 ICA Real Estate announced that it had entered into an agreement to acquire Första AP-fonden's 50% stake in the jointly owned company Secore Fastigheter AB (Secore). Possession was transferred on 1 April 2022.

A press release published on 1 April announced the formation of a jointly owned property company, Trecore Fastigheter AB, by ICA Real Estate and Bonnier Fastigheter. Initially the company acquired 44 store properties from ICA Real Estate, and possession was transferred on 1 April 2022. The deal was a natural step 2 in the acquisition of Secore Fastigheter, which ICA Gruppen announced on 30 September 2021. The net effect on the Group's cash flow during the second quarter of 2022 was approximately SEK 1.4 billion. The Group's net debt (excluding ICA Bank) decreased at the same time by SEK 1.4 billion excluding IFRS 16 Leases. Including IFRS Leases, net debt is unchanged. The deal has had only a marginal impact on consolidated operating profit excluding items affecting comparability, including IFRS 16 Leases. However, a capital gain of approximately SEK 436 million has arisen, which is recognised as an item affecting comparability in consolidated operating profit for the second quarter.

ICA Gruppen AB, condensed income statement

	Second quarter		Jan-jun		12 months	Full year
SEKm	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Net sales ¹⁾	329	312	649	632	1,266	1,249
Cost of services sold	-313	-301	-614	-591	-1,213	-1,190
Gross profit	16	11	35	41	53	59
Administrative expenses	-124	-112	-365	-224	-615	-474
Operating profit/loss	-108	-101	-330	-183	-562	-415
Profit/loss from participations in Group companies	7,000	1,850	7,000	1,850	7,000	1,850
Financial income, Group companies	55	49	99	102	198	202
Financial income	37	9	84	18	95	29
Finansiella kostnader koncernföretag	-6	0	-6	0	-6	0
Financial expenses	-9	-17	-31	-33	-63	-65
Profit/loss after financial items	6,968	1,791	6,816	1,754	6,663	1,601
Appropriations	—	—	—	—	233	233
Profit before tax	6,968	1,791	6,816	1,754	6,896	1,834
Tax	7	13	38	20	25	7
Profit for the period	6,975	1,804	6,854	1,775	6,920	1,841

¹⁾ Of net sales for the first quarter, SEK 327 million (311) pertains to Group companies.

ICA Gruppen AB, condensed balance sheet

SEKm	30 June 2022	30 June 2021	31 December 2021
ASSETS			
Non-current assets			
Investments in Group companies	30,402	30,402	30,402
Other intangible assets	166	155	161
Deferred tax assets	31	27	33
Non-current receivables from Group companies	1,380	1,369	1,321
Other non-current assets	1,041	258	237
Total non-current assets	33,019	32,210	32,154
Current assets			
Current receivables from Group companies	19,414	17,389	17,141
Other current assets	578	313	350
Cash and cash equivalents	4,185	113	908
Total current assets	24,177	17,816	18,398
TOTAL ASSETS	57,197	50,026	50,552
EQUITY AND LIABILITIES			
Equity	42,783	35,855	35,924
Provisions	588	465	475
Non-current liabilities			
Non-current interest-bearing liabilities	1,464	3,750	3,750
Other non-current liabilities	5	64	19
Total non-current liabilities	1,469	3,814	3,769
Current liabilities			
Current interest-bearing liabilities	2,050	1,974	1,318
Current liabilities to Group companies	8,905	7,530	8,572
Other current liabilities	1,402	388	494
Total current liabilities	12,358	9,892	10,385
TOTAL EQUITY AND LIABILITIES	57,197	50,026	50,552

Key figures ICA Gruppen

	Second quarter		Jan-jun		12 months	Full year
	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Operating profit before depreciation/amortisation (EBITDA), SEKm	3,438	2,836	6,169	5,467	12,110	11,408
Operating margin excl. items affecting comparability, %	4.4	4.5	4.2	4.3	4.5	4.6
Operating margin, %	5.7	4.4	4.9	4.4	4.9	4.6
Net margin, %	5.1	3.5	4.1	3.4	3.5	3.6
Return on capital employed, %	—	—	9.5	9.2	9.5	9.2
Return on equity, %	—	—	13.3	12.2	13.3	12.7
Equity/assets ratio, %	—	—	34.1	31.5	34.1	32.9
Net debt excl IFRS 16, SEKm	—	—	-1,226	-6,264	-1,226	-4,680
Net debt, SEKm	—	—	-18,846	-21,375	-18,846	-20,915
Net debt/EBITDA	—	—	1.6	1.9	1.6	1.8
Average number of employees	—	—	23,820	23,791	—	23,994
Number of shares	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795

Quarterly overview

Quarterly overview key ratios

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Net sales, SEKm	31,401	32,593	30,602	32,401	32,094	32,860	31,595	34,578
Operating profit before depreciation/amortisation (EBITDA), SEKm	3,026	2,716	2,631	2,836	3,197	2,744	2,730	3,438
Operating profit excl. items affecting comparability, SEKm	1,698	1,371	1,264	1,446	1,818	1,298	1,276	1,531
Operating margin excl. items affecting comparability, %	5.4	4.2	4.1	4.5	5.7	4.0	4.0	4.4
Operating profit, SEKm	1,686	1,325	1,290	1,466	1,815	1,305	1,283	1,988
Operating margin, %	5.4	4.1	4.2	4.4	5.7	4.0	4.1	5.7
Profit before tax, SEKm	1,572	1,215	1,191	1,365	1,713	1,208	1,168	1,864
Profit for the period, SEKm	1,302	919	984	1,139	1,389	1,043	935	1,768
Return on equity, %	12.0	11.7	11.6	12.2	12.2	12.7	12.3	13.3
Return on capital employed, %	9.1	9.2	9.1	9.2	9.4	9.2	9.1	9.5
Cash flow from operating activities, SEKm	1,328	3,911	3,034	3,206	2,863	1,839	2,760	3,980
Investing activities (cash flow), SEKm	802	1,411	799	695	553	825	700	2,689
Capital employed excl. ICA Bank, average, SEKm	60,821	61,355	61,631	61,518	61,485	61,735	62,626	63,830
Net debt, SEKm	-21,734	-19,901	-20,165	-21,375	-20,207	-20,915	-20,503	-18,846
Net debt/EBITDA	2.0	1.8	1.8	1.9	1.8	1.8	1.8	1.6

Quarterly data by segment

Net sales by segment								
SEKm	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
ICA Sweden	23,035	23,722	22,074	23,376	23,192	23,600	22,411	24,936
Rimi Baltic	3,946	4,278	4,067	4,313	4,225	4,387	4,184	4,550
Apotek Hjärtat	3,648	3,805	3,706	3,923	3,846	4,056	4,179	4,240
ICA Real Estate	699	744	689	696	691	757	718	712
ICA Bank	434	440	426	474	521	510	507	550
Other	323	318	349	331	322	332	320	329
Intra-Group sales	-686	-714	-709	-712	-702	-782	-724	-738
Net sales	31,401	32,593	30,602	32,401	32,094	32,860	31,595	34,578

Operating profit before depreciation/amortisation by segment (EBITDA)								
SEKm	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
ICA Sweden	1,361	1,166	1,100	1,175	1,373	1,061	1,015	1,190
Rimi Baltic	328	284	257	356	346	304	225	295
Apotek Hjärtat	144	131	65	177	203	182	207	194
ICA Real Estate	282	305	334	326	315	333	323	1,167
ICA Bank	54	64	34	-16	94	92	52	111
Other	-35	-125	-50	-72	-34	-140	-62	-79
Operating profit before depreciation/ amortisation (EBITDA) by segment	2,134	1,825	1,739	1,947	2,297	1,832	1,761	2,878
IFRS 16	892	891	892	889	900	912	969	560
Operating profit before depreciation/ amortisation (EBITDA)	3,026	2,716	2,631	2,836	3,197	2,744	2,730	3,438

Operating profit excluding items affecting comparability by segment								
SEKm	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
ICA Sweden	1,207	1,003	942	1,007	1,198	872	827	1,003
Rimi Baltic	227	176	148	225	232	179	114	159
Apotek Hjärtat	101	85	22	132	157	133	158	144
ICA Real Estate	143	165	160	165	166	158	169	162
ICA Bank	47	59	29	-21	88	86	44	102
Other	-71	-163	-85	-108	-74	-179	-96	-114
Operating profit excluding items affecting comparability by segment	1,655	1,326	1,216	1,400	1,767	1,249	1,217	1,456
IFRS 16	43	45	48	47	51	49	59	75
Operating profit excluding items affecting comparability	1,698	1,371	1,264	1,446	1,818	1,298	1,276	1,531

Operating margin excluding items affecting comparability, %, by segment								
SEKm	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
ICA Sweden	5.2	4.2	4.3	4.3	5.2	3.7	3.7	4.0
Rimi Baltic	5.8	4.1	3.6	5.2	5.5	4.1	2.7	3.5
Apotek Hjärtat	2.8	2.2	0.6	3.4	4.1	3.3	3.8	3.4
ICA Real Estate	20.4	22.1	23.2	23.7	24.1	20.9	23.5	22.7
Group, excl ICA Bank	5.4	4.2	4.1	4.5	5.7	4.0	4.0	4.4

Financial key ratios

ICA Gruppen relies on a number of financial key ratios in its interim reporting, some of which are not defined in IFRS but are so-called Alternative Performance Measures (APMs). The aim is to provide additional information that contributes to a more thorough comparison of year-on-year development and to give an indication of the Group's performance and financial position. The APMs used by ICA Gruppen are generally recognised within the sectors that ICA Gruppen works in. The most important of these measures are those for which the Board of Directors has set financial targets. These are: to grow faster than the market in the grocery retail and pharmacy businesses; to achieve an operating margin (excluding items affecting comparability) of 4.5%; to achieve a return on capital employed of 7.5%; and to maintain net debt in relation to EBITDA that is lower than a multiple of 3.

Reconciliation EBITDA

	Second quarter		Jan-jun		12 months	Full year
SEKm	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
Operating profit	1,988	1,466	3,271	2,756	6,391	5,876
Depreciation/amortisation	1,448	1,357	2,895	2,694	5,701	5,500
Impairment and impairment reversals	2	12	2	16	18	31
Operating profit before depreciation/amortisation (EBITDA)	3,438	2,836	6,169	5,467	12,110	11,408

Reconciliation EBITDA

SEKm	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Operating profit excl IFRS 16	1,643	1,279	1,243	1,424	1,765	1,256	1,224	2,337
Depreciation/amortisation excl IFRS 16	477	499	493	510	527	567	537	539
Impairment and impairment reversals	13	47	4	12	6	10	—	2
Operating profit before depreciation/amortisation (EBITDA) excl IFRS 16	2,134	1,825	1,739	1,947	2,297	1,832	1,761	2,878
IFRS 16 Operating profit	43	46	48	42	51	49	59	-349
IFRS 16 Depreciation/amortisation	850	846	844	847	849	863	911	909
Operating profit before depreciation/amortisation (EBITDA)	3,026	2,716	2,631	2,836	3,197	2,744	2,730	3,438

Reconciliation Net debt excluding ICA Bank

SEKm	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Non-current interest-bearing liabilities	-4,173	-4,173	-4,671	-3,759	-3,759	-3,760	-1,472	-1,473
Current interest-bearing liabilities	-3,021	-2,044	-1,875	-2,885	-2,185	-2,230	-2,981	-4,279
Cash and cash equivalents	827	1,309	1,937	381	537	1,310	387	4,527
Net debt excl IFRS 16	-6,367	-4,904	-4,610	-6,264	-5,408	-4,680	-4,066	-1,226
Non-current lease liabilities	-12,063	-11,902	-12,265	-11,855	-11,531	-12,741	-12,843	-13,967
Current lease liabilities	-3,303	-3,095	-3,290	-3,256	-3,268	-3,493	-3,593	-3,653
Net debt	-21,734	-19,901	-20,165	-21,375	-20,207	-20,915	-20,503	-18,846

Reconciliation Capital employed excluding ICA Bank

SEKm	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Equity	34,165	35,226	36,820	35,302	36,721	37,686	39,299	41,410
Provisions for pensions	4,623	4,256	3,807	3,859	3,911	4,139	3,387	2,936
Other provisions	13	7	24	21	30	23	23	17
Non-current interest-bearing liabilities	4,173	4,173	4,671	3,759	3,759	3,760	1,472	1,473
Current interest-bearing liabilities	3,021	2,044	1,875	2,885	2,185	2,230	2,981	4,279
Other non-current liabilities	137	183	90	108	113	61	70	45
Non-current lease liabilities	12,063	11,902	12,265	11,855	11,531	12,741	12,843	13,967
Current lease liabilities	3,303	3,095	3,290	3,256	3,268	3,493	3,593	3,653
Capital employed	61,500	60,887	62,843	61,046	61,520	64,133	63,669	67,781
Average capital employed	60,821	61,355	61,631	61,518	61,485	61,735	62,626	63,830

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 half-year interim report provides a true and fair view of the Parent Company's and the Group's operations, financial position and earnings, and describes material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 17 August 2022

Claes-Göran Sylvén
Chairman of the Board

Jan Amethier Göran Blomberg Bengt Kjell Magnus Moberg

Fredrik Persson Katarina Romberg Tomas Emanuelz Charlotte Svensson

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Calendar
27 October 2022 Interim report Q3 2022
9 February 2023 Year-end report 2022

The information in this report is such that ICA Gruppen AB is obligated to disclose pursuant to the Swedish Securities Market Act. The information was submitted, by the agency of the contact person above, for publication at 07.00 CET on Wednesday, 17 August 2022.

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

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