



Strengthened market positions and completed acquisition of City Gross

Fourth quarter summary

- Net sales totalled SEK 21,860 m (20,769), an increase of 5.3%.
- Retail sales totalled SEK 18,836 m (16,507), an increase of 14.1%. Excluding City Gross, retail sales increased 4.2%.
- Operating profit was SEK 629 m (744) including items affecting comparability of SEK -143 m (-71). The operating margin was 2.9% (3.6).
- Adjusted operating profit amounted to SEK 772 m (815). The adjusted operating margin was 3.5% (3.9).
- Net profit for the period amounted to SEK 361 m (533) and earnings per share before dilution to SEK 1.62 (2.42).
- The acquisition of City Gross Sverige AB was completed on 1 November.

Significant events after the balance sheet date

- The Board of Directors proposes an increased dividend of SEK 8.75 per share (8.50) to be split into two payments, SEK 4.50 per share in March 2025 and SEK 4.25 per share in September 2025.

Summary January - December

- Net sales totalled SEK 84,057 m (81,111), an increase of 3.6%.
- Retail sales totalled SEK 68,052 m (63,703), an increase of 6.8%. Excluding City Gross, retail sales increased 4.3%.
- Operating profit was SEK 3,290 m (3,353) including items affecting comparability of SEK -143 m (-249). The operating margin was 3.9% (4.1).
- Adjusted operating profit was SEK 3,433 m (3,602). The adjusted operating margin was 4.1% (4.4).
- Net profit for the period amounted to SEK 2,219 m (2,373) and earnings per share before dilution to SEK 10.16 (10.92).

Investments and store establishments in 2025

- Investments in 2025 are expected to amount to between SEK 1,600 m and SEK 1,700 m, excluding acquisitions and right-of-use assets.
- In 2025, Axfood plans to establish 10-15 new group-owned stores.

5.3%

Net sales growth for the fourth quarter 2024

14.1%

Retail sales growth for the fourth quarter 2024

Key ratios	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Net sales, SEK m	21,860	20,769	5.3%	84,057	81,111	3.6%
Retail sales, SEK m	18,836	16,507	14.1%	68,052	63,703	6.8%
Operating profit, SEK m	629	744	-15.5%	3,290	3,353	-1.9%
Operating profit excl. items affecting comparability, SEK m ¹⁾	772	815	-5.3%	3,433	3,602	-4.7%
Operating margin, %	2.9	3.6	-0.7	3.9	4.1	-0.2
Operating margin excl. items affecting comparability, % ¹⁾	3.5	3.9	-0.4	4.1	4.4	-0.4
Net profit for the period, SEK m	361	533	-32.2%	2,219	2,373	-6.5%
Earnings per share before dilution, SEK	1.62	2.42	-33.1%	10.16	10.92	-7.0%
Earnings per share before dilution excl. items affecting comparability, SEK ¹⁾	2.28	2.68	-14.9%	10.82	11.84	-8.6%
Cash flow from operating activities, SEK m	1,872	2,219	-15.7%	5,459	5,807	-6.0%
Equity ratio, %	20.9	23.9	-3.1	20.9	23.9	-3.1
Working capital R12, SEK m	-2,875	-2,620	9.8%	-2,875	-2,620	9.8%
Return on capital employed R12, %	16.6	20.3	-3.7	16.6	20.3	-3.7
Sustainability-labelled products, share of sales, % ²⁾	26.0	26.1	-0.1	27.2	26.7	0.6

1) See Note 8 Items affecting comparability for more information.

2) The key ratio has been restated and comparison figures have been recalculated. See sustainability key ratio definitions for more information.

For further information, please contact:
Alexander Bergendorf, Head of Investor Relations, tel. + 46 73 049 18 44

The information herein is such that Axfood AB (publ) is required to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person listed above, at 7:00 a.m. CET on 30 January 2025.

This interim report is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern.

CEO message

With a continued positive trend in customer traffic and higher volumes, Axfood is summarising a fourth quarter, and full year, characterised by stronger market positions. At the same time, strategically important investments were made during the year, and we have a clear plan going forward to further strengthen the Group. We are taking position in the attractive hypermarket segment through the acquisition of City Gross, and we have at full force initiated several improvement initiatives to develop the chain towards growth and profitability. In addition, we are seeing a gradual effect from the optimisation of the new logistics centre in Bålsta, which together with a focus on cost efficiency and productivity strengthens our competitiveness.

In Axfood, we are well positioned to navigate shifts and a changing market thanks to our strong and distinctive concepts. In 2024 we increased our market shares despite high comparison figures and in the fourth quarter we increased our presence in the hypermarket segment through the acquisition of City Gross. Retail sales growth was 14.1% in the quarter.

To us, the business logic to drive long-term growth and profitability in food retail is built upon customer traffic, loyalty and volume growth. Our strong development in all these areas is gratifying evidence that the customers appreciate our offerings.

Market dynamics is characterised by more cautious and price-conscious consumers as well as intense competition, which during the quarter had an impact on the gross margin. Our focus on productivity and cost efficiency has been intensified, and with our structure and the investments we are making in the base operations we have a good platform to gradually improve our competitiveness over time.

Strengthened market positions

Willys continued to grow more than the market during the final quarter of the year, with growth of 4.8%. Willys have never before had a stronger market position, and it is clear that its momentum is continuing with continued high customer traffic and increased loyalty. Willys is maintaining a high rate of new store establishments in order to further expand its presence and availability around the country, to reach more consumers looking for low prices and has the chain as their first choice.

The fourth quarter saw another strong development for Hemköp, with like-for-like growth of 4.6%. The chain has made great strides in recent years to strengthen its position in the market, and several new store establishments will create the conditions to further improve the position. Earnings for the quarter were charged with costs for new establishments, but the earnings and margin trends were strong for the year as a whole.

Snabbgross has been navigating a challenging café and restaurant market in the last few years, with increased volumes and a higher number of customers, resulting in a stronger market position and growing market share. This trend continued into the fourth quarter, with strong growth of 6.3% and earnings that were in line with the prior year.

Increased productivity in logistics

We have made extensive investments in logistics, aiming to streamline our operations and create capacity to continue to grow more than the market.

Following completion of the ramp-up of the new logistics centre in Bålsta in the autumn, our focus has been on optimising the operations. E-commerce flows are also being implemented in parallel with the optimisation of store flows. We are now seeing increased productivity and efficiency, and we expect a gradual improvement in productivity in the coming year.

In addition to the efforts in Bålsta, the expansion of the existing high-bay warehouse in Backa, Gothenburg and the optimisation of the fruit and vegetable warehouse in Landskrona have entered their final phases.



"To us, the business logic to drive long-term growth and profitability in food retail is built upon customer traffic, loyalty and volume growth. Our strong development in all these areas is gratifying evidence that the customers appreciate our offerings."

Significant events during the fourth quarter

- Volume growth and strengthened market positions
- Continued inflow of customers and high loyalty
- Completed acquisition of City Gross
- Increased productivity in logistics

Initiatives to strengthen City Gross

The acquisition of City Gross was completed during the quarter, and we took over as the new owner on 1 November. This acquisition gives us a clear presence in the hypermarket segment, the fastest-growing segment in the market after discount, and we see great potential in the chain. We have a clear plan and have since completing the acquisition introduced several initiatives to strengthen City Gross' competitiveness, including initiatives related to the brand and concept, the store operations and the assortment. To create a more healthy foundation, we are also planning structural measures at a handful of stores during the year, mainly pertaining to conversions to other concepts. Our ambition is to strengthen City Gross and the estimate is now that we will reach profitability at some point during the second half of 2026.

Important progress in sustainability

Important progress was made in sustainability in 2024. As we previously announced, we have chosen to accelerate the transition to renewable fuels in transports and to move the deadline for phasing out fossil fuels ahead by five years. This positive trend continued during the fourth quarter, resulting in a reduction of over 30% in the carbon footprint from our own transports since last year, and nearly 60% over a three-year period. We also reached our target of a 50% reduction in food waste in our own operations compared with the base year 2015, a full year ahead of schedule.

At the same time, household price awareness continued to have a negative impact on sustainable and healthy food consumption. We are working intently to reverse this trend by offering our customers a sustainable and healthy assortment of products and guiding them towards sustainable and healthy choices.

Customer focus to continue to challenge

To encourage even more customers to shop with us, we will continue to maintain a high rate of new store establishments in 2025 and beyond. Our ambition for 2025 is to expand the store network by 10–15 new Group-owned stores, the majority of which will be Willys.

Axfood has a strong financial position, and the Group's investment needs are expected to amount to between SEK 1.6 billion to 1.7 billion in 2025. The Board of Directors proposes that the Annual General Meeting approve an increased dividend of SEK 8.75 per share, to be paid out on two occasions.

We have now ended a year during which we increased our market share and took major steps to improve the customer meeting and strengthen our competitiveness. We are entering 2025 with a lot of energy and see major opportunities to further challenge, strengthen our positions and take advantage of our longer-term initiatives.

Simone Margulies
President and CEO, Axfood AB

Selection of press releases

15 October 2024

Axfood's acquisition of City Gross approved by the Swedish Competition Authority

4 November 2024

Patrick Grabenbauer new Managing Director of City Gross

10 December 2024

The Nominating Committee proposes Caroline Berg as new Chairman of Axfood

Financial calendar

- The 2025 Annual General Meeting will be held on 19 March 2025
- The interim report for the first quarter of 2025 will be published at 7:00 a.m. CET on 24 April 2025
- The interim report for the second quarter of 2025 will be published at 7:00 a.m. CET on 11 July 2025
- The interim report for the third quarter of 2025 will be published at 7:00 a.m. CET on 23 October 2025

Presentation of the year-end report

Axfood will present the year-end report for 2024 in a webcast at 9:30 a.m. CET today, Thursday, 30 January. The report will be presented by Simone Margulies, President and CEO, and Anders Lexmon, CFO.

A link to the webcast is available at axfood.com.

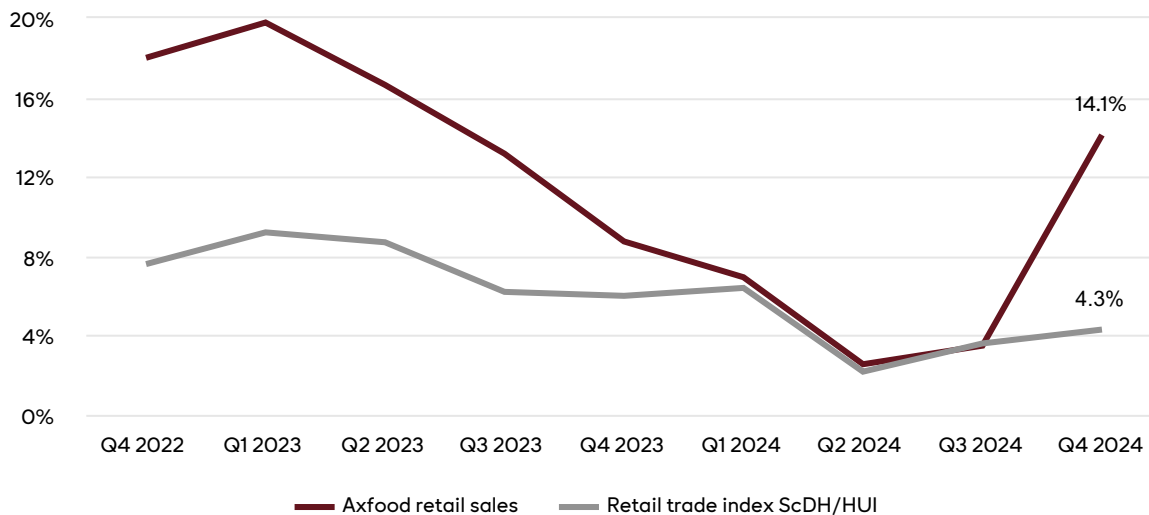
A link to register to participate via conference call is also available at axfood.com. Upon registration, a telephone number and conference ID for the conference call will be provided.

The Swedish food retail market

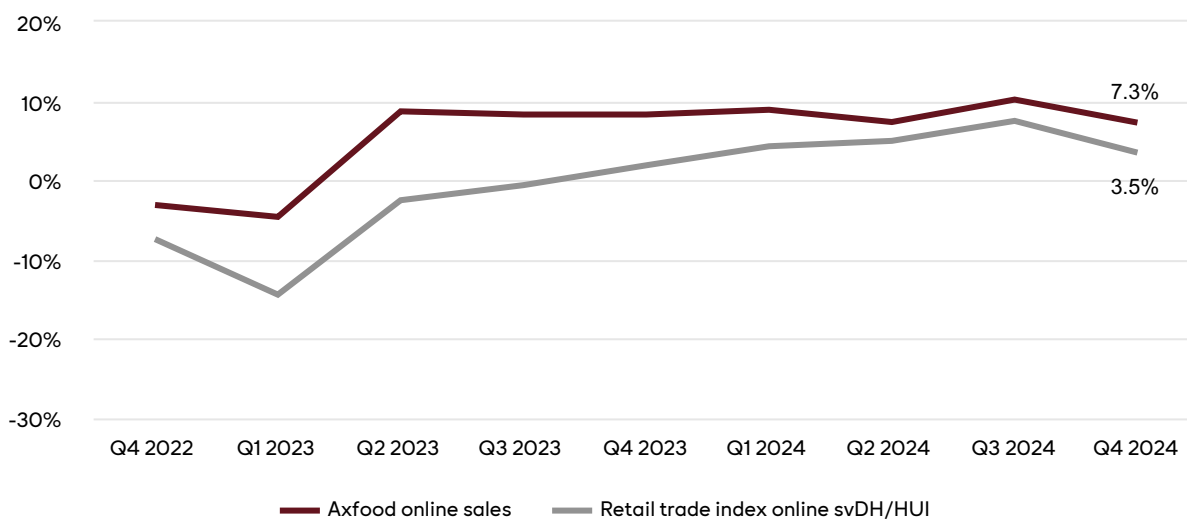
According to the Swedish Food Retail Index, total sales growth during the fourth quarter of 2024 amounted to 4.3%. The calendar effect during the quarter is estimated at 0.2%. The price trend for food amounted to 1.8% during the quarter according to Statistics Sweden, and 1.4% for the full year.

Sales growth amounted to 4.3% in physical stores. Growth in e-commerce was lower than growth in physical stores and amounted to 3.5%. The share of food retail sales from e-commerce was 4.2%.

Growth in Axfood's retail sales compared with the Swedish Food Retail Index



Growth in Axfood's online sales compared with the Swedish Food Retail Index



Group performance

Net sales

Fourth quarter

Net sales totalled SEK 21,860 m (20,769), an increase of 5.3%. Retail sales totalled SEK 18,836 m (16,507), an increase of 14.1%. Excluding City Gross, retail sales increased 4.2%, which compares to the market growth of 4.3%. Volume growth was the primary driver to this performance. Like-for-like sales grew 3.5% driven by a positive development for both Willys and Hemköp.

Online sales totalled SEK 945 m (881), an increase of 7.3% which compares to the market's growth of 3.5%. The increase was 4.6% excluding City Gross and the discontinued business Middagsfrid. The share of retail sales attributable to e-commerce was 5.0% (5.3), which was higher than the e-commerce penetration on the market of 4.2%.

The share of retail sales attributable to private label products was 32.3% (32.5).

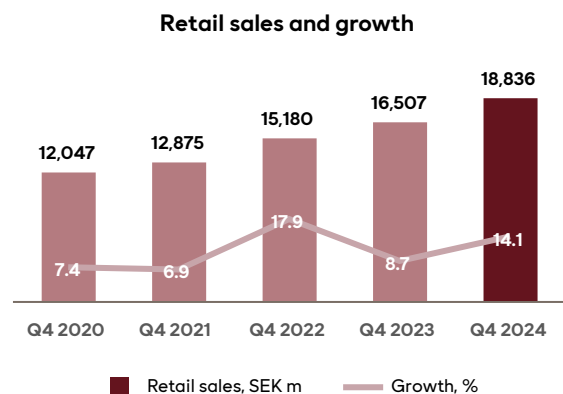
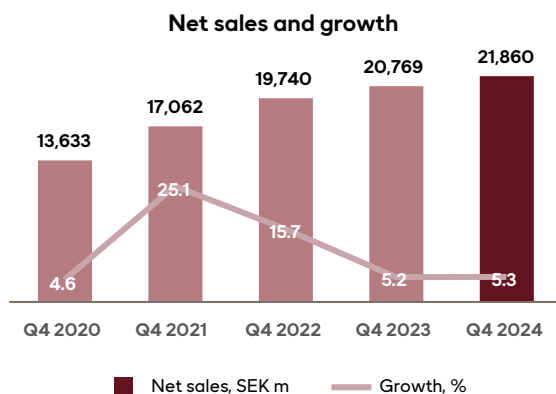
January - December

Net sales totalled SEK 84,057 m (81,111), an increase of 3.6%. Retail sales totalled SEK 68,052 m (63,703), an increase of 6.8%. Excluding City Gross, retail sales increased 4.3%, which compares to the market growth of 4.1%. Like-for-like sales grew 3.7%.

Online sales totalled SEK 3,559 m (3,285), an increase of 8.4% which compares to the market's growth of 4.9%. The increase was 7.6% excluding City Gross and the discontinued business Middagsfrid. The share of retail sales attributable to e-commerce was 5.2% (5.2), which was higher than the e-commerce penetration on the market of 4.1%.

The share of retail sales attributable to private label products was 32.6% (32.5).

Read about the performance of the Willys, Hemköp, City Gross, Snabbgross and Dagab operating segments on pages 9-13.



Net sales per segment

SEK m	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Willys	11,861	11,325	4.7%	45,775	43,757	4.6%
Hemköp	2,103	1,976	6.4%	7,878	7,432	6.0%
City Gross ¹⁾	1,646	–	100.0%	1,646	–	100.0%
Snabbgross	1,321	1,244	6.1%	5,533	5,317	4.1%
Dagab	19,824	19,007	4.3%	76,589	74,175	3.3%
Joint-Group	389	352	10.3%	1,519	1,365	11.3%
<i>Internal sales between segments</i>						
Dagab	-14,928	-12,834	16.3%	-53,565	-49,786	7.6%
Joint-Group/other	-355	-301	17.8%	-1,319	-1,148	14.9%
Total	21,860	20,769	5.3%	84,057	81,111	3.6%

1) Refers to the period 1 November 2024 - 31 December 2024.

Retail sales

SEK m	Q4 2024	Q4 2023	Change	Change like-for-like stores	12 mos. 2024	12 mos. 2023	Change	Change like-for-like stores
Willys	11,863	11,323	4.8%	3.0%	45,782	43,763	4.6%	3.1%
Hemköp ¹⁾	5,344	5,184	3.1%	4.6%	20,642	19,940	3.5%	5.1%
City Gross ²⁾	1,629	–	100.0%	–	1,629	–	100.0%	–
Total	18,836	16,507	14.1%	3.5%	68,052	63,703	6.8%	3.7%

1) Refers to Hemköp (Group-owned and retailer-owned) and Tempo.

2) Refers to the period 1 November 2024 - 31 December 2024.

Operating profit

Fourth quarter

Operating profit amounted to 629 m (744). Operating profit included items affecting comparability totalling SEK -143 m (-71), which pertained to a revaluation of the previous minority stake in City Gross in accordance with the valuation carried out in connection with the acquisition of the remaining shares in City Gross. Items affecting comparability in the prior year period pertained to parallel warehouse operations during the transition to the new logistics centre in Bålsta. The operating margin was 2.9% (3.6).

Operating profit excluding items affecting comparability amounted to SEK 772 m (815). Operating profit was negatively impacted by the newly acquired City Gross. Excluding City Gross, adjusted operating profit was in line with the prior year. Willys' profit decreased due to a somewhat lower gross margin and high cost inflation. Hemköp's profit decreased due to a lower gross margin, high cost inflation and costs for new store establishments. Snabbgross' profit was in line with the prior year, and Dagab's earnings development was positive which is partly explained by a lower cost level in logistics. The operating margin excluding items affecting comparability amounted to 3.5% (3.9).

Net financial items for the period amounted to SEK -123 m (-79). The increase was mainly due to higher interest expenses for leasing and increased debt in conjunction with the acquisition of City Gross. Profit after financial items amounted to SEK 506 m (665) and net profit for the period to SEK 361 m (533).

January - December

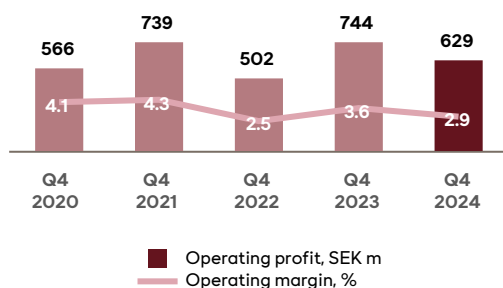
Operating profit amounted to SEK 3,290 m (3,353). Operating profit included items affecting comparability totalling SEK -143 m (-249), pertaining to a revaluation of the previous minority stake in City Gross. The prior year items affecting comparability pertained to parallel warehouse operations in Dagab. The operating margin was 3.9% (4.1).

Operating profit excluding items affecting comparability was SEK 3,433 m (3,602). The operating margin excluding items affecting comparability was 4.1% (4.4).

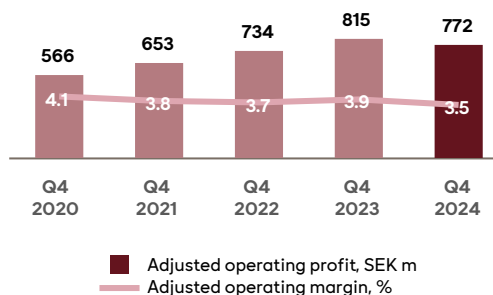
Net financial items for the period amounted to SEK -405 m (-315). Profit after financial items amounted to SEK 2,885 m (3,037) and net profit for the period to SEK 2,219 m (2,373).

Read about the performance of the Willys, Hemköp, City Gross, Snabbgross and Dagab operating segments on pages 9-13.

Operating profit and operating margin



Adjusted operating profit and adjusted operating margin



Operating profit per segment excluding items affecting comparability

SEK m	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Willys	443	469	-5.5%	1,992	2,077	-4.1%
Hemköp	61	77	-21.6%	343	300	14.4%
City Gross ¹⁾	-40	-	100.0%	-40	-	100.0%
Snabbgross	57	58	-1.5%	253	265	-4.7%
Dagab	329	319	3.2%	1,156	1,271	-9.0%
Joint-Group	-78	-108	-28.2%	-271	-311	-12.6%
Operating profit excl. items affecting comparability	772	815	-5.3%	3,433	3,602	-4.7%
Items affecting comparability ²⁾	-143	-71		-143	-249	
Operating profit	629	744	-15.5%	3,290	3,353	-1.9%
Net financial items	-123	-79		-405	-315	
Profit after financial items	506	665	-23.9%	2,885	3,037	-5.0%

1) Refers to the period 1 November 2024 - 31 December 2024.

2) Refers to the revaluation of previous minority interest in City Gross (previous year parallel warehouse operations). See Note 8 Items affecting comparability for more information.

Operating margin per segment excluding items affecting comparability

%	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Willys	3.7	4.1	-0.4	4.4	4.7	-0.4
Hemköp	2.9	3.9	-1.0	4.4	4.0	0.3
City Gross ¹⁾	-2.4	-	-2.4	-2.4	-	-2.4
Snabbgross	4.3	4.6	-0.3	4.6	5.0	-0.4
Dagab	1.7	1.7	0.0	1.5	1.7	-0.2
Operating margin excl. items affecting comparability	3.5	3.9	-0.4	4.1	4.4	-0.4
Operating margin	2.9	3.6	-0.7	3.9	4.1	-0.2

1) Refers to the period 1 November 2024 - 31 December 2024.

Capital expenditures

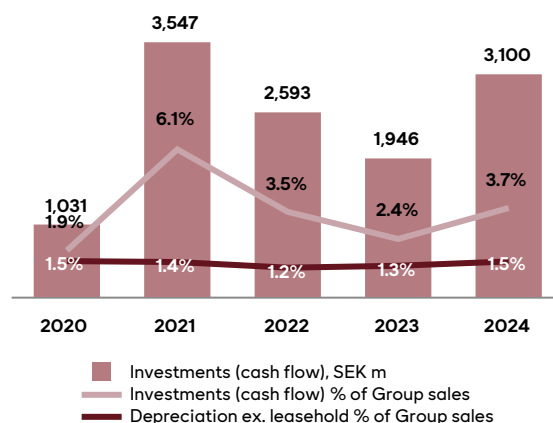
Total capital expenditures in intangible assets and property, plant and equipment during the January - December period amounted to SEK 1,539 m (1,946). Including acquisitions of operations, the total capital expenditures amounted to SEK 3,100 m (1,946), of which SEK 1,561 m related to the acquisition of the additional 90.1% of City Gross. Furthermore SEK 177 m (493) related to investments in automation.

Investments (cash flow) per segment

SEK m	Q4 2024	Q4 2023	12 mos. 2024	12 mos. 2023
Willys	147	121	485	511
Hemköp	39	55	140	126
City Gross ¹⁾	21	—	21	—
Snabbgross	20	7	46	35
Dagab	100	228	408	843
Joint-Group	1,715	117	1,999	430
Total investments (cash flow)	2,042	528	3,100	1,946
Of which investments in intangible and tangible fixed assets	481	528	1,539	1,946

1) Refers to the period 1 November 2024 - 31 December 2024.

Investments (incl. acquisitions, excl. IFRS 16)



Financial position and cash flow

Cash flow from operating activities amounted to SEK 5,459 m (5,807) during the January - December period. Changes in working capital had an impact of SEK -678 m (169) on cash flow during the period, primarily due to calendar effects. Net capital expenditures had an impact of SEK -3,184 m (-2,210) on cash flow, with an impact of SEK -1,561 m from the acquisition of City Gross. Excluding acquisitions, net capital expenditures were impacted primarily by lower investments in the new logistics centre in Bålsta. Cash flow from financing activities amounted to SEK -2,227 m (-3,468) during the period, impacted by loans raised in connection with the acquisition of City Gross.

Working capital (rolling 12 months) amounted to SEK -2,875 m, compared with -2,620 m at 31 December 2023. The change is attributable to ongoing work to improve the Group's working capital. Working capital as a share of net sales amounted to -3.4% compared with -3.2% as of 31 December 2023.

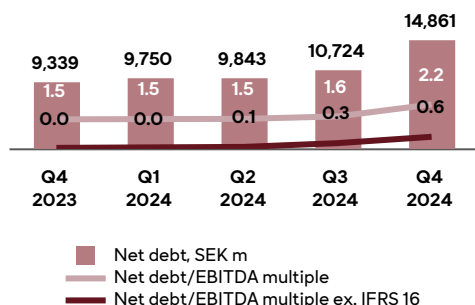
Cash and cash equivalents held by the Group amounted to SEK 735 m compared with SEK 688 m at 31 December 2023. Interest-bearing liabilities and provisions totalled SEK 15,596 m compared with SEK 10,027 m at 31 December 2023 as a result of loans raised and increased lease liabilities pertaining to the acquisition of City Gross. Interest bearing net debt amounted to SEK 14,861 m compared with SEK 9,339 m at 31 December 2023.

The return on capital employed was 16.6%, compared with 20.3% at 31 December 2023. This negative trend was primarily due to loans raised and increased lease liabilities in connection with the acquisition of City Gross.

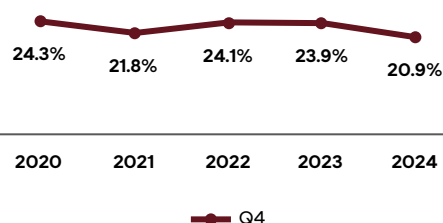
The equity ratio was 20.9% compared with 23.9% at 31 December 2023, in line with the Group's long-term financial target.

Net debt/EBITDA was 2.2 compared with 1.5 at 31 December 2023. Net debt/EBITDA excluding IFRS 16 was 0.6 compared with 0.0 at 31 December 2023.

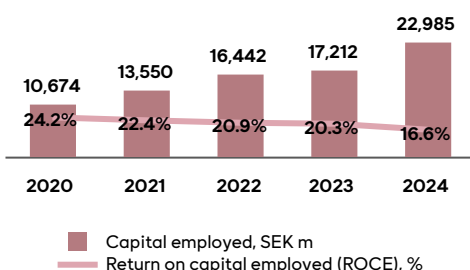
Net debt/EBITDA



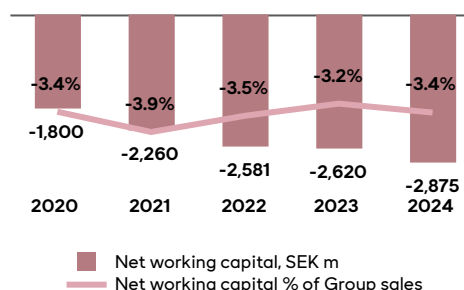
Equity ratio



Capital employed



Net working capital R12



Sustainable development

For Axfood, sustainable development is about seeing the whole picture and the relentless pursuit of improvements. Sustainability permeates all operations and encompasses the entire food supply chain, taking into account the environment, animal welfare, and the people who produce, sell and consume food.

During the quarter, Axfood intensified its efforts to adapt its sustainability report to the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). The Group also continued its work on setting science-based targets in line with the Paris Agreement through the Science-Based Targets initiative (SBTi).

Food

Axfood strives to make it easier for consumers to make sustainable and healthy choices through a broad and affordable assortment of sustainability-labelled products. The goal is also to promote more sustainable production and consumption of food.

Axfood reached its target of a 50% reduction in food waste as a share of retail sales. In 2024, the volume of food waste amounted to 0.9%, compared with 1.7% in the base year 2015. This reduction was primarily the result of increased clearance sales of goods, partnerships with charity organisations and new procedures in conjunction with the EU Waste Directive and its requirements for the separation of packaging and food. As of 2025, the new target is for the share of food waste to be below 0.7% by no later than 2030.

During the fourth quarter, the share of sales attributable to sustainability-labelled products was in line with the year-earlier period at 26.0% (26.1). However, on an annual basis the share increased to 27.2% (26.7).

Own initiatives and partnerships play an important role in efforts to offer a broad and affordable assortment of sustainability-labelled and healthy products. A healthy new snack product, comprising hydrothermally treated rye and residual products from white cheese, was launched at Urban Deli and selected Willys and Hemköp stores during the fourth quarter. A collaboration was also launched with Gäsene Mejeri and Volta Greentech to develop a cheese from Garant with a lower carbon footprint by giving cows a feed supplement to reduce methane emissions.

The share of sales attributable to organic products declined to 3.9% (4.5). Hemköp is the industry leader with regards to organic products and offers, for example, double bonus points on purchases of organic and KRAV-certified products for members of the Klubb Hemköp loyalty programme. The share of sales attributable to KRAV-certified meat decreased compared with the year-earlier period and amounted to 2.3% (3.3). This decline was primarily due to fewer in-store campaigns and a lower share of sales at the newly acquired City Gross.

Willys, Hemköp, City Gross and Snabbgross have already stopped selling eggs from caged hens. To promote animal

welfare, eggs from caged hens have also been removed as an ingredient from hundreds of private label products, an extensive initiative that has been ongoing for several years and finally concluded during the quarter.

Environment

Axfood is striving to reduce the climate impact of food production as far as possible. The Group's climate targets encompass both its own and suppliers' operations as well as reducing the climate impact per kilo of food sold.

In the quarter, the Group continued its efforts to reduce transport emissions. Initiatives such as replacing own trucks, creating more opportunities to use renewable diesel and renegotiating transport agreements have had positive results. Axfood aims to fully phase out fossil fuel, and the deadline for converting own and procured transports between warehouses and stores to renewable fuel or electricity has been moved ahead by five years to 2025. Emissions from the Group's own transports decreased by approximately 36% in the fourth quarter to 6.3 CO₂e per tonne of delivered goods (9.9) thanks to a major reduction in the use of diesel and transition to renewable fuel. CO₂ emissions from procured transports also decreased considerably. At the end of the year, 97% of the Group's own transports and just over 60% of procured transports were fossil-free.

Work is ongoing to reduce electricity consumption in the Group's operations, for example by optimising lighting and store refrigeration. The Group's energy intensity on an annual basis amounted to 248.7 kWh (244.6) per square meter. The increase was due to a revision of the total square metres of warehouse space.

People

Axfood aspires to be a positive force in society and is working to improve health, work and social conditions throughout the food supply chain, which includes customers, agricultural and production workers, and its own employees.

Social audits are conducted in all risk countries in order to ensure compliance with Axfood's Code of Conduct among suppliers of private label products. All except one of the 29 audits conducted during the quarter, 96.6% (92.9), had acceptable results. One supplier in Thailand did not meet the requirements due to marks for excessive working hours and poor health and safety standards. This has been followed up with an action plan.

Axfood is committed to diversity and inclusion, and firmly believes that a mix of skills and perspectives yields better results. Gender balance in senior positions is an important part of the work. The share of women/men in management positions during the quarter was 52.2/47.8% (51.2/48.8), and thus remained in line with the Group's long-term target.

During the fourth quarter, sickness-related absence decreased to 6.4% (6.6). Axfood's target is for sickness-related absence not to exceed 5.3%.

For more information on Axfood's sustainability work and key ratios, see the website and the 2023 Annual and Sustainability Report.

Sustainability key ratios	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Sustainability-labelled products, share of sales, % ¹⁾	26.0	26.1	-0.1	27.2	26.7	0.6
Organic products, share of sales, %	3.9	4.5	-0.6	4.2	4.6	-0.3
KRAV-certified meat, share of sales, %	2.3	3.3	-0.9	2.7	2.8	0.0
Share of approved social audits, %	96.6	92.9	3.7	97.9	94.5	3.4
Electricity consumption, kWh/m ²	—	—	—	248.7	244.6	4.2
CO ₂ e, kg/tonne of goods	6.3	9.9	-3.6	7.9	12.3	-4.4
Share of women/men in management positions, %	—	—	—	52.2/47.8	51.2/48.8	1.0/-1.0
Sickness-related absence, %	6.4	6.6	-0.2	6.2	6.4	-0.2

¹⁾ The key ratio has been restated and comparison figures have been recalculated. See sustainability key ratio definitions for more information.

Operating segment performance

Willys

Fourth quarter

Net sales totalled SEK 11,861 m (11,325), an increase of 4.7% against high comparison figures.

Growth in retail sales amounted to 4.8%, which was more than the market. Growth in the prior year period amounted to a 9.1% which compared to market growth of 6.0%. Growth in like-for-like sales amounted to 3.0%. Higher volumes were the main contributor to the development.

Willys is Sweden's leading discounter and the most recommended food retail chain among consumers. The position on the market is unique through the combination of low prices, a wide assortment, modern stores and e-commerce. During the quarter, the number of customers increased and loyalty among existing customers remained strong. The rate of increase in new members in the Willys Plus loyalty programme remained on a high level and the total number of members amounted to almost 3.8 million.

For Eurocash, both total and like-for-like sales growth was strong.

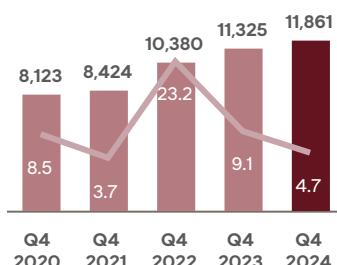
The number of stores in the segment amounted to 248 (241). The pace with new establishments was high in the quarter with two new Willys stores and two Willys Hemma. At the end of the quarter, online shopping was offered in 166 stores (158).

Operating profit totalled SEK 443 m (469), which corresponds to an operating margin of 3.7% (4.1). Increased sales volumes had a positive impact on earnings, however a somewhat lower gross margin and high cost inflation in primarily personnel and rental levels impacted the profit development negatively.

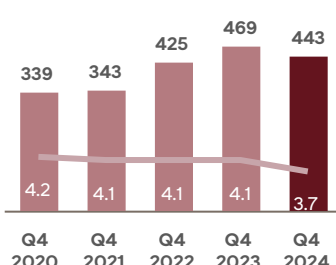
January - December

Net sales for the period totalled SEK 45,775 m (43,757), an increase of 4.6%. Growth in retail sales was 4.6%. Growth in like-for-like sales amounted to 3.1%. Operating profit amounted to SEK 1,992 m (2,077), which corresponds to an operating margin of 4.4% (4.7).

Net sales and growth



Operating profit and operating margin



■ Net sales, SEK m
— Growth, %

■ Operating profit, SEK m
— Operating margin, %



With the business concept of offering Sweden's cheapest bag of groceries, Willys is the country's leading discount grocery chain, offering a broad assortment both in Group-owned stores and online. The operating segment includes Willys, Willys Hemma and the partly owned cross-border grocery chain Eurocash.

Willys key ratios	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Net sales, SEK m	11,861	11,325	4.7%	45,775	43,757	4.6%
Operating profit, SEK m	443	469	-5.5%	1,992	2,077	-4.1%
Operating margin, %	3.7	4.1	-0.4	4.4	4.7	-0.4
Retail sales, SEK m	11,863	11,323	4.8%	45,782	43,763	4.6%
Like-for-like sales growth, %	3.0	7.0	-4.0	3.1	13.9	-10.8
Number of stores	—	—	—	248	241	7
of which, Willys	—	—	—	184	180	4
of which, Willys Hemma	—	—	—	57	54	3
of which, Eurocash	—	—	—	7	7	—
Stores offering online shopping	—	—	—	166	158	8
Private label products, share of sales, %	34.3	34.3	-0.1	34.6	34.2	0.4
Sustainability-labelled products, share of sales, %	27.3	27.7	-0.4	28.3	28.1	0.2
Organic products, share of sales, %	3.7	4.3	-0.6	4.0	4.2	-0.2
Average number of employees	—	—	—	7,273	7,052	221
Share of women in management positions, %	—	—	—	58.4/41.6	63.1/36.9	-4.7/4.7
Sickness-related absence, %	6.8	6.7	0.2	6.4	6.3	0.2

Hemköp

Fourth quarter

Net sales (including franchise fees) totalled SEK 2,103 m (1,976), an increase of 6.4%.

Growth in retail sales (including Tempo) amounted to 3.1%. Growth in like-for-like sales amounted to 4.6%, which was more than the market. Higher volumes were the main contributor to the development.

Hemköp is continuing to strengthen its position by focusing on price value, fresh products and meal solutions. Hemköp is also investing in modernising existing stores and strengthening its sustainability profile. The total number of members in the Klubb Hemköp loyalty programme amounted to close to 2.1 million.

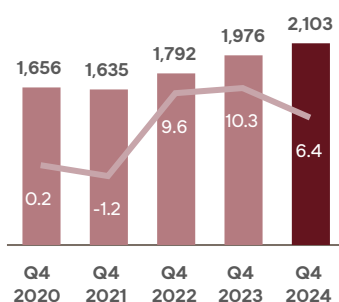
The number of stores in the segment amounted to 326 (326). One new group-owned Hemköp store and two retailer-owned Tempo stores were established during the quarter. At the end of the quarter, online shopping was offered in 67 (67) stores.

Operating profit was SEK 61 m (77), which corresponds to an operating margin of 2.9% (3.9). Increased sales volumes had a positive impact on earnings, however costs related to new store establishments impacted earnings negatively. In addition, a lower gross margin and high cost inflation in primarily personnel and rental levels impacted negatively.

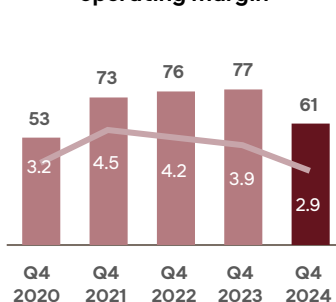
January - December

Net sales (including franchise fees) totalled SEK 7,878 m (7,432), an increase of 6.0%. Retail sales growth (including Tempo) amounted to 3.5%. Growth in like-for-like sales amounted to 5.1%. Operating profit totalled SEK 343 m (300), corresponding to an operating margin of 4.4% (4.0).

Net sales and growth



Operating profit and operating margin



■ Net sales, SEK m
— Growth, %

■ Operating profit, SEK m
— Operating margin, %



Hemköp offers a broad, attractively priced assortment with a rich offering of fresh products. Through Group-owned stores, retailer-owned stores and an online business, Hemköp inspires good meals. The Hemköp operating segment also includes Tempo, a mini-mart format comprising retailer-owned stores.

Hemköp key ratios	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Net sales, SEK m	2,103	1,976	6.4%	7,878	7,432	6.0%
Operating profit, SEK m	61	77	-21.6%	343	300	14.4%
Operating margin, %	2.9	3.9	-1.0	4.4	4.0	0.3
Retail sales, SEK m	5,344	5,184	3.1%	20,642	19,940	3.5%
Like-for-like sales growth, %	4.6	7.4	-2.8	5.1	7.9	-2.8
Number of stores ¹⁾	—	—	—	326	326	0
of which, Group-owned Hemköp/Tempo stores	—	—	—	68	66	2
of which, retailer-owned Hemköp stores	—	—	—	134	136	-2
of which, retailer-owned Tempo stores ¹⁾	—	—	—	124	124	0
Hemköp stores offering online shopping	—	—	—	67	67	0
Private label products, share of sales, %	26.6	27.1	-0.5	26.9	27.2	-0.3
Sustainability-labelled products, share of sales, %	26.1	25.9	0.2	27.2	26.7	0.5
Organic products, share of sales, %	5.8	6.4	-0.6	6.1	6.5	-0.5
Average number of employees	—	—	—	1,697	1,649	48
Share of women in management positions, %	—	—	—	49.3/50.7	50.7/49.3	-1.4/1.4
Sickness-related absence, %	5.8	6.2	-0.3	5.7	6.1	-0.4

¹⁾ Comparison figures for the number of retailer-owned Tempo stores have been adjusted down by 6 stores due to an adjustment of historical periods. The adjustment has not had any other effect on the financial reports.

City Gross

On 1 November the acquisition of City Gross Sverige AB was completed. Reported figures for 2024 pertains to the 1 November - 31 December period. Comparison figures are not presented. Information regarding 2023 refers to non-consolidated and non IFRS-adjusted figures.

Fourth quarter (November - December)

Net sales totalled SEK 1,646 m. Retail sales totalled SEK 1,629 m. Compared to the prior year period, growth in total retail sales amounted to -1.7%, and like-for-like growth was 0.1%. The development is mainly explained by decreased volumes and the closure of one store.

The number of stores in the segment amounted to 42. E-commerce is offered through all stores.

Operating profit amounted to SEK -40 m, which corresponds to an operating margin of -2.4%. The negative profit is explained by the weak growth in like-for-like sales in combination with a lower gross margin due to a negative inventory effect and an increased share of sales from campaigns.

Axfood's knowledge and experience provide the conditions to further develop and strengthen the City Gross concept as well as its competitive edge over other players in the hypermarket segment. The acquisition gives Axfood a clear presence in hypermarkets, the fastest-growing segment in the market after discount, thereby expanding the Group's reach.

In connection with the takeover, a new Board was appointed and Patrick Grabenbauer, previously Head of Marketing at Willys, was appointed as Managing Director, effective immediately. Work has since then been initiated to strengthen City Gross' competitiveness through several improvement initiatives to develop the customer offering and streamline operations in order to reach profitability at some point during the second half of 2026 and to thereafter gradually improve profitability.

Improvement initiatives pertain to developing the store concept and reviewing the customer offering with a focus on attractiveness, efficiency, price value and private label products. To streamline operations, a chain management structure is being implemented, including a new operational model as well as new routines and procedures. Structural measures are also planned at a handful of stores in 2025, mainly pertaining to conversions to other store concepts. These structural measures are expected to have an impact of approximately SEK 100 m on operating profit in 2025 and will be classified as items affecting comparability.



In City Gross' stores and e-commerce, customers are offered a combination of a food market hall and hypermarket together with one of the market's widest assortment of groceries.

City Gross key ratios ¹⁾	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Net sales, SEK m	1,646	–	–	1,646	–	–
Operating profit, SEK m	-40	–	–	-40	–	–
Operating margin, %	-2.4	–	–	-2.4	–	–
Retail sales, SEK m	1,629	–	–	1,629	–	–
Like-for-like sales growth, %	–	–	–	–	–	–
Number of stores	42	–	–	42	–	–
Private label products, share of sales, %	20.0	–	–	20.0	–	–
Sustainability-labelled products, share of sales, %	20.6	–	–	20.6	–	–
Organic products, share of sales, %	3.0	–	–	3.0	–	–
Average number of employees ²⁾	–	–	–	305	–	–
Share of women in management positions, %	–	–	–	55.5/44.5	–	–
Sickness-related absence, %	5.9	–	–	5.9	–	–

1) Refers to the period 1 November 2024 - 31 December 2024.

2) Refers to the average number of employees for the period 1 November 2024 - 31 December 2024 in relation to annual working hours. The average number of employees for the 12-month period amounts to 1828.

Snabbgross

Fourth quarter

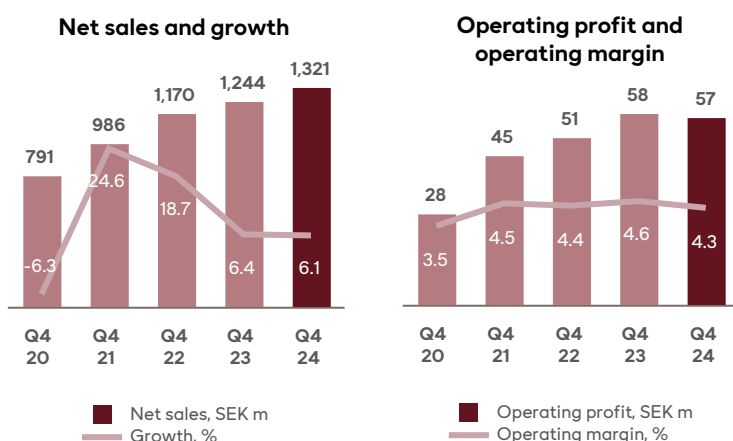
Net sales totalled SEK 1,321 m (1,244), an increase of 6.1%. Growth in like-for-like sales amounted to 5.3%. With the positive development and volume growth in the quarter, Snabbgross has strengthened its position and increased its market share, thereby navigating a challenging restaurant and café market. The number of B2B customers continued to increase and amounts to more than 100,000 in total. In addition, the trend in B2C sales through Snabbgross Club was strong. The number of members in Snabbgross Club continued to increase and now amounts to almost 120,000.

The number of stores in the segment amounted to 31 (30).

Operating profit amounted to SEK 57 m (58), which corresponds to an operating margin of 4.3% (4.6). Increased sales volumes had a positive impact on earnings, however a somewhat lower gross margin and high cost inflation in primarily personnel and rental levels impacted the profit development negatively.

January - December

Net sales for the period totalled SEK 5,533 m (5,317), an increase of 4.1%. Growth in like-for-like sales amounted to 3.3%. Operating profit for the period was SEK 253 m (265), which corresponds to an operating margin of 4.6% (5.0).



Snabbgross is one of Sweden's leading restaurant wholesalers with a customer base of restaurants, fast food operators and cafés. Snabbgross offers personal service, accessibility, and quality at its stores and online. The Snabbgross operating segment also includes the concept Snabbgross Club, which is directed at consumers.

Snabbgross key ratios	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Net sales, SEK m	1,321	1,244	6.1%	5,533	5,317	4.1%
Operating profit, SEK m	57	58	-1.5%	253	265	-4.7%
Operating margin, %	4.3	4.6	-0.3	4.6	5.0	-0.4
Wholesale sales, SEK m	1,326	1,248	6.3%	5,555	5,335	4.1%
Like-for-like sales growth, %	5.3	4.8	0.5	3.3	10.4	-7.1
Number of stores	–	–	–	31	30	1
of which, Snabbgross	–	–	–	21	23	-2
of which, Snabbgross Club	–	–	–	10	7	3
Sustainability-labelled products, share of sales %	20.5	19.6	0.9	20.7	19.9	0.8
Organic products, share of sales, %	1.6	1.2	0.3	1.6	1.3	0.3
Average number of employees	–	–	–	598	568	30
Share of women in management positions, %	–	–	–	44.4/53.6	40.7/59.3	3.7/-3.7
Sickness-related absence, %	7.4	6.0	1.3	6.7	6.3	0.3

Dagab

Fourth quarter

Net sales totalled SEK 19,824 m (19,007), an increase of 4.3%. Growth was mainly attributable to sales to Axfood's own concepts Willys, Hemköp and Snabbgross.

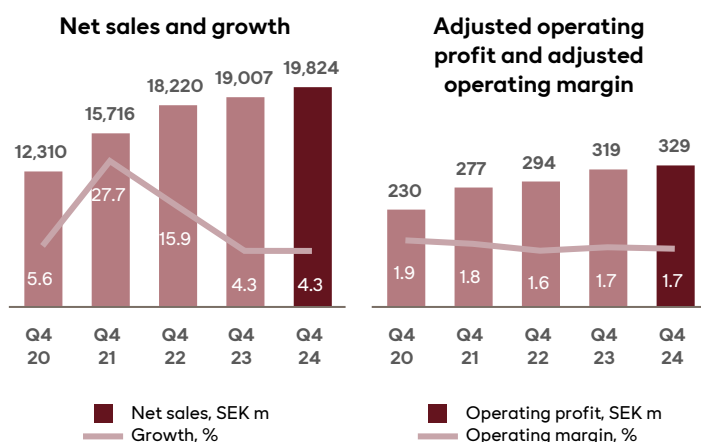
Operating profit amounted to SEK 329 m (248), corresponding to an operating margin of 1.7% (1.3). Operating profit in the prior year period included items affecting comparability of SEK -71 m, which pertained to parallel warehouse operations during the transition to the new logistics centre in Bålsta. Operational adjustments to the logistics centre is still ongoing with related costs during the fourth quarter, however since parallel warehouse operations have been phased out gradually during 2024, these costs are no longer deemed as affecting comparability.

Operating profit excluding items affecting comparability amounted to SEK 319 m (319), which corresponded to an operating margin excluding items affecting comparability of 1.7% (1.7). The profit development was primarily attributable to the growth in sales in combination with a lower cost level due to progress in the logistics restructuring.

Work on the Group's new warehouse and logistics structure is proceeding. Following completion of the ramp-up of store flows at the new logistics centre in Bålsta in the autumn, the focus has been on optimising the operations. Productivity and efficiency improved during the quarter, and productivity is expected to continue to gradually improve in the coming year. E-commerce flows are being implemented in parallel with the optimisation of store flows. In addition to the investments in Bålsta, the expansion of the existing high-bay warehouse in Backa, Gothenburg and the optimisation of the fruit and vegetable warehouse in Landskrona have entered their final phases to increase capacity and streamline operations.

January - December

Net sales for the period totalled SEK 76,589 m (74,175), an increase of 3.3%. Operating profit amounted to SEK 1,156 m (1,021), corresponding to an operating margin of 1.5% (1.4). Operating profit in the prior year included items affecting comparability of SEK -249 m. Operating profit excluding items affecting comparability amounted to SEK 1,156 m (1,271).



Dagab operates and develops the Group's assortment, purchasing and logistics, but also conducts sales to external customers. The Dagab operating segment also includes retailer-owned Handlar'n and Matöppet, the online pharmacy Apohem and the restaurant chain Urban Deli.

Dagab key ratios	Q4 2024	Q4 2023	Change	12 mos. 2024	12 mos. 2023	Change
Net sales SEK m	19,824	19,007	4.3%	76,589	74,175	3.3%
Operating profit, SEK m	329	248	32.5%	1,156	1,021	13.2%
Operating profit excl. items affecting comparability, SEK m ¹⁾	329	319	3.2%	1,156	1,271	-9.0%
Operating margin, %	1.7	1.3	0.4	1.5	1.4	0.1
Operating margin excl. items affecting comparability, %	1.7	1.7	0.0	1.5	1.7	-0.2
Average number of employees	—	—	—	3,208	3,351	-143
Share of women in management positions, %	—	—	—	32.3/67.7	30.0/70.0	2.3/-2.3
Sickness-related absence, %	6.3	7.4	-1.0	6.5	7.1	-0.6

¹⁾ See Note 8 Items affecting comparability for more information.

Other information

Acquisition of City Gross

On 1 November 2024, Axfood completed the acquisition of shares corresponding to 90.1 percent of City Gross Sverige AB ("City Gross"), entailing that Axfood increased its shareholding in City Gross from 9.9 percent to a 100 percent. The consideration amounted to SEK 2 billion on a cash and debt free basis.

Completion of the deal was subject to approval by the Swedish Competition Authority and the European Commission. On 10 September the review of the European Commission was completed, and on 15 October the Swedish Competition Authority announced that the acquisition is left without any further actions.

With Axfood's knowledge and experience, conditions are created to further develop and strengthen City Gross' concept. This will lead to strengthening of City Gross' competitiveness in comparison to the large players in the hypermarket segment. Acquiring City Gross gives Axfood a more distinct presence in the hypermarket segment, thereby expanding the Group's reach. Axfood intends to pursue a number of improvement initiatives to strengthen the customer offering, implement chain management and make operations more efficient, all with the purpose to strengthen City Gross. The estimate is now that City Gross will reach profitability at some point during the second half of 2026 and thereafter gradually strengthen its profitability.

The acquisition of City Gross entails a dilutive effect on the Axfood Group adjusted operating margin by approximately 0.2 percentage points during the fourth quarter. City Gross is expected to gradually contribute towards the Group's long term financial target of an operating margin of at least 4.5 percent. The acquisition is expected to contribute positively to earnings per share at some point during the second half of 2026.

Financial targets and capital expenditures

Axfood's long-term financial targets:

- Grow faster than the market
- Long-term operating margin of at least 4.5%
- Equity ratio of at least 20% at year-end

Axfood's dividend policy is that the shareholder dividend shall be at least 50% of profit after tax. The dividend is to be paid out on two occasions.

Investments in 2025 are expected to amount to between SEK 1,600 m and SEK 1,700 m, excluding acquisitions and right-of-use assets.

During 2025, Axfood plans to maintain a high pace of expansion and establish 10–15 new stores.

As part of the work to strengthen City Gross and achieve profitability at some point during the second half of 2026, operating profit for 2025 is expected to be charged with structural costs of SEK 100 m classified as items affecting comparability. The costs will be recognised in the City Gross segment and pertain primarily to structural measures for a handful of stores, mainly through changes of concept.

2025 Annual General Meeting

Axfood's 2025 Annual General Meeting (AGM) will be held on 19 March 2025 in Stockholm. All AGM documentation including the Annual and Sustainability Report will be available on the Company's website not later than three weeks before the AGM. The documents will be available at the Company's head offices and can be sent by post to shareholders who so request and provide their postal address.

The Nominating Committee proposes the re-election of directors Fabian Bengtsson, Caroline Berg, Mia Brunell Livfors, Christian Luiga, Peter Ruzicka and Sara Öhrvall. The Nominating Committee also proposes the election of Björn Annwall and Kristofer Tonström as new directors. Caroline Berg is proposed for election as Chairman of the Board.

Dividend

The Board proposes an increased dividend of SEK 8.75 per share (8.50) to be split into two payments, SEK 4.50 per share in March 2025 and SEK 4.25 per share in September 2025.

Long-term incentive program

The Board of Directors proposes that the AGM resolve to introduce a long-term share-based incentive programme to run over a three-year period, LTIP 2025. To ensure that the Group's long-term incentive programme is market-based and in line with stakeholder expectations, the Board carried out comprehensive benchmarking in autumn 2024 to review the scope and structure of the programme.

LTIP 2025 is proposed to include approximately 85 employees, consisting of the members of Axfood's Executive Committee, members of the management teams of Axfood's subsidiaries and certain other individuals in management positions. The programme entails the following in short:

- Participation requires a personal shareholding in Axfood that is allocated to LTIP 2025.
- The participants will be given the opportunity to be allotted a maximum of 4,700, 1,250 or 250 shares in the programme, depending on their participant category.
- After the set vesting period, the participants will be allotted shares in Axfood free of charge provided that certain conditions are met. To receive such shares, in short, certain performance targets must be met related to Axfood's share price, sales, earnings and sustainability, and participants must remain employed in the Axfood Group during the vesting period and continue to own shares in Axfood.
- The maximum combined number of shares in Axfood that may be allotted under LTIP 2025 is limited to 385,000.
- Based on an unchanged share price during the term of the programme, a three-year vesting period and certain other assumptions, the total cost for LTIP 2025 including social security contributions will be a maximum of SEK 70 m.

Essentially, LTIP 2025 resembles the long-term share-based incentive programme that the 2024 AGM resolved to establish, with the following revisions. The previous Series A (total shareholder return exceeding 0%), which included a performance share, was removed and, in its place, the previous Series C (total shareholder return in relation to reference group) was expanded to include an additional performance share. The total shareholder return target was also lowered from 10 to 8 percentage points in order to achieve maximum share allocation for the same series.

The Board of Directors will issue a notice of the AGM shortly and, in connection with this, make public its complete proposals for resolution. Three long-term share-based incentive programmes are currently in effect in Axfood. The first of these programmes, LTIP 2022, expires in April 2025.

This report has not been reviewed by Axfood's auditor.

Stockholm, 30 January 2025

Simone Margulies
President and CEO, Axfood AB

Financial statements, Group

Condensed statement of profit or loss and other comprehensive income

SEK m	Q4 2024	Q4 2023	12 mos. 2024	12 mos. 2023
Net sales	21,860	20,769	84,057	81,111
Cost of goods sold ¹⁾	-18,613	-17,909	-71,826	-69,785
Gross profit	3,247	2,859	12,231	11,326
Selling expenses	-1,306	-1,063	-4,388	-4,015
Administrative expenses	-1,384	-1,229	-5,087	-4,625
Share of profit in associated companies and joint ventures	-11	-20	-58	-59
Other operating income	234	198	768	743
Other operating expenses ¹⁾	-150	-2	-176	-18
Operating profit	629	744	3,290	3,353
Interest income and similar profit/loss items	13	25	51	69
Interest expense and similar profit/loss items ²⁾	-137	-104	-456	-384
Profit before tax	506	665	2,885	3,037
Tax	-144	-132	-666	-664
Net profit for the period	361	533	2,219	2,373
Other comprehensive income				
<i>Items that cannot be reclassified to profit or loss for the period, net after tax</i>				
Revaluation defined benefit pensions	-22	1	-42	8
Changes in holdings measured at fair value ³⁾	-22	—	-156	-273
<i>Items that can be reclassified to profit or loss for the period, net of tax</i>				
Changes in hedging reserve	4	-16	20	-64
Other comprehensive income for the period	-41	-15	-177	-329
Total comprehensive income for the period	321	518	2,042	2,044
<i>Net profit for the period attributable to</i>				
Owners of the parent	349	522	2,192	2,357
Non-controlling interest	12	11	27	16
<i>Total comprehensive income for the period attributable to</i>				
Owners of the parent	309	508	2,015	2,028
Non-controlling interest	12	11	27	16
Earnings per share before dilution, SEK	1.62	2.42	10.16	10.92
Earnings per share after dilution, SEK	1.61	2.41	10.11	10.87

1) Includes items affecting comparability, see Note 8 *Items affecting comparability* for more information.

2) Of which leasing interest expenses amounts to SEK -104 m (-80) for the fourth quarter, respectively SEK -364 m (-310) for the full year.

3) See Note 4 *Financial assets and liabilities* for more information.

Condensed statement of financial position

SEK m	31 Dec 2024	31 Dec 2023
Assets		
Goodwill	4,769	3,606
Other intangible assets	2,439	1,459
Property, plant and equipment	6,525	6,019
Right-of-use assets	12,488	9,210
Financial assets	178	625
Deferred tax assets	227	249
Total non-current assets	26,627	21,167
Inventories	4,887	4,247
Trade receivables	1,532	2,195
Other current assets	1,651	1,721
Cash and cash equivalents	735	688
Total current assets	8,805	8,851
Total assets	35,432	30,018
Equity and liabilities		
Equity attributable to owners of the parent	7,053	6,877
Equity attributable to non-controlling interests	335	308
Total equity	7,388	7,185
Non-current lease liabilities	10,161	7,497
Non-current interest-bearing liabilities	2,900	—
Provisions for pensions	300	262
Deferred tax liabilities	1,509	1,348
Other non-current liabilities	8	7
Total non-current liabilities	14,878	9,114
Current lease liabilities	2,233	1,748
Current interest-bearing liabilities	2	519
Trade payables	7,229	7,538
Other current liabilities	3,702	3,913
Total current liabilities	13,166	13,718
Total equity and liabilities	35,432	30,018

Condensed statement of cash flows

SEK m	Q4 2024	Q4 2023	12 mos. 2024	12 mos. 2023
Operating activities				
Operating profit	629	744	3,290	3,353
Depreciation, amortisation, impairment	944	779	3,375	2,993
Interest paid and similar items	-136	-101	-453	-381
Interest received and similar items	13	25	51	69
Adjustments for non-cash items	310	87	461	188
Paid tax	-180	-58	-587	-584
Changes in working capital	291	743	-678	169
Cash flow from operating activities	1,872	2,219	5,459	5,807
Investing activities				
Acquisitions of operations	-1,561	–	-1,561	-3
Acquisitions of intangible assets	-137	-101	-430	-423
Acquisitions of property, plant and equipment	-345	-428	-1,109	-1,523
Acquisitions of financial assets	-7	-33	-89	-274
Other changes in investing activities	0	2	5	13
Cash flow from investing activities	-2,049	-560	-3,184	-2,210
Financing activities				
Loans raised	2,702	219	4,682	3,558
Amortisation of debt	-1,356	-1,169	-2,715	-3,239
Amortisation of lease liability	-719	-531	-2,294	-1,969
Share repurchases	–	–	-66	-59
Dividend paid out	–	–	-1,834	-1,759
Cash flow from financing activities	627	-1,481	-2,227	-3,468
Cash flow for the period	450	178	47	129

Condensed statement of changes in equity

SEK m	31 Dec 2024	31 Dec 2023
Amount at start of year	7,185	6,901
Total comprehensive income for the period	2,042	2,044
Change in non-controlling interests	0	0
Share repurchases	-66	-59
Share-based payments	61	58
Dividend to shareholders	-1,834	-1,759
Amount at end of period	7,388	7,185

Financial statement, Parent Company

Condensed income statement

SEK m	Q4 2024	Q4 2023	12 mos. 2024	12 mos. 2023
Net sales	4	5	22	22
Selling and administrative costs	-171	-164	-658	-576
Other operating income	109	93	433	379
Operating profit	-58	-66	-203	-176
Net financial items ¹⁾	-414	-3	-304	725
Profit/loss after financial items	-472	-68	-508	550
Appropriations, net	2,132	2,818	2,132	2,818
Profit before tax	1,660	2,749	1,625	3,367
Tax	-417	-573	-427	-562
Net profit for the period	1,243	2,176	1,198	2,805
Total comprehensive income for the period	1,243	2,176	1,198	2,805

1) The financial net for 2024 includes a write-down of shares in subsidiaries of SEK -436 m, in 2023, a dividend of SEK 734 m from subsidiaries was included.

Condensed balance sheet

SEK m	31 Dec 2024	31 Dec 2023
Assets		
Property, plant and equipment	28	34
Participations in Group companies	4,020	4,421
Other financial assets	2	1
Deferred tax assets	7	7
Total non-current assets	4,057	4,463
Receivables from Group companies ¹⁾	10,189	8,123
Other current assets	40	26
Cash and cash equivalents	14	12
Total current assets	10,243	8,161
Total assets	14,300	12,624
Equity and liabilities		
Restricted equity	296	296
Non-restricted equity	4,466	5,107
Total equity	4,762	5,403
Untaxed reserves	4,032	3,965
Non-current interest-bearing liabilities	2,900	—
Other non-current liabilities	10	9
Non-current liabilities	2,910	9
Current interest-bearing liabilities	2	519
Trade payables	25	23
Liabilities to Group companies ²⁾	2,406	2,505
Other current liabilities	163	201
Total current liabilities	2,596	3,247
Total equity and liabilities	14,300	12,624
1) Of which, interest-bearing receivables	7,317	4,949
2) Of which, interest-bearing liabilities	1,727	2,447

Notes

Note 1 Accounting policies

Axfood applies the International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting policies, measurement principles and definitions applied correspond with those described in the 2023 Annual and Sustainability Report, except for what is stated below.

This interim report has been prepared for the Group in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company, the interim report has been prepared in accordance with recommendation RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR), and the Swedish Annual Accounts Act.

All amounts are rounded off to the nearest million kronor, unless stated otherwise. Totals may be affected by rounding.

New accounting policies effective in 2024 and later

Axfood has determined that new or amended standards and interpretations do not and will not have any material effect on the consolidated financial statements.

Significant estimates and assessments

Preparing the financial statements in accordance with IFRS requires the Board and Executive Committee to make judgements and estimates as well as assumptions that affect the application of the accounting policies and the Company's result and position as well as other disclosures in general. The actual outcome may deviate from these estimates and assessments.

Note 2 Other material information

Seasonal effects

Axfood's sales are affected to some degree by seasonal variations. Sales increase in the quarter in which Easter falls, which is either the first or second quarter. Sales also increase ahead of Midsummer during the second quarter as well as ahead of the major holiday season during the fourth quarter.

Transactions with related parties

The Axfood Group's transactions with related parties, aside from those covered by the consolidated financial statements, consist of transactions with associated companies and with subsidiaries within the Axel Johnson Group.

Significant risks and uncertainties

Like all business activities, Axfood's business is exposed to risks. The risks are broken down into operational, strategic and financial risks. Climate and environmental risks are included in operational risks. The risks that could have the greatest impact on the Group are the risk of disruptions in the logistics chain, IT and information security risks, and criminality. Axfood works continuously with risk identification and assessment. Major emphasis is placed on preventive work and on planning to maintain operating continuity in the event of unforeseen events. For a thorough account of the risks that affect the Group, please refer to the 2023 Annual and Sustainability Report.

Note 3 Operating segments

Segments have been defined based on how Axfood's Executive Committee monitors and governs the operations to evaluate performance and allocate resources. The operating segments that have been identified are Willys, Hemköp, City Gross, Snabbgross and Dagab. Joint-Group pertains to support functions, such as the Executive Committee, Accounting, Legal Affairs, HR, Communications, Business Development and IT.

The Executive Committee reviews the segments' operating profit or loss, both including and excluding items affecting comparability.

For information about Axfood's operating segments, see pages 9-13 of this interim report. For a more detailed description of the segments, please refer to the 2023 Annual and Sustainability Report. City Gross is a new segment from the fourth quarter 2024.

Note 4 Financial assets and liabilities

Financial assets measured at fair value amounted to SEK 8 m (134). SEK 1 m (–) is attributable to Level 2 of the fair value hierarchy and SEK 7 m (134) is attributable to Level 3. Financial liabilities measured at fair value amounted to SEK 0 m (45). The entire amount is attributable to Level 2 of the fair value hierarchy.

Forward exchange contracts are measured at fair value based on the Central Bank of Sweden's spot rates on the accounting date, which is assessed to be a reasonable approximation of fair value.

The carrying amount of the call option agreement entered into with City Gross in conjunction with the acquisition in 2021 has expired in its entirety in conjunction with the completion of the transaction on 1 November. The carrying amount of the call option agreement at 31 December 2023 was SEK 0 m.

During the first quarter of 2024 Mathem merged with Norwegian Oda and Axfood's shareholding in Mathem was thereby transferred to a shareholding in the combined

company Oda Group equivalent to the value of the previous shareholding in Mathem. The carrying amount of the participation in Oda Group (Mathem) amounted to SEK 7 m (134). Axfood's shareholding in Oda Group amounted to 2,3% (18.5). The holding in Oda Group was negatively revalued in the fourth quarter by SEK 22 m. The revaluation is an adjustment to the valuation of the company which was performed in connection with the rights issue that was conducted by the company during the third quarter.

Changes in the fair value of financial assets attributable to Level 3, SEK m

Amount at start of year	134
Revaluation via other comprehensive income	-156
Rights issue	29
Amount at end of period	7

Note 5 Acquired and divested operations

Acquired operations

During the second quarter of 2024, Axfood entered into an agreement with Bergendahl Food Holding AB to acquire 90.1% of the shares in City Gross Sverige AB ("City Gross"), which means that after the transaction Axfood's holding in City Gross increased from 9.9% to 100%.

Completion of the acquisition was subject to approval by the Swedish Competition Authority and the European Commission. The European Commission's investigation concluded on 10 September, and on 15 October, the Swedish Competition Authority announced that the acquisition had been left without any further actions, which meant that the deal had been approved. The acquisition was completed on 1 November. City Gross, which has been consolidated as of this date, was previously recognised as an associated company.

The purchase consideration for the 90.1% stake in City Gross amounted to SEK 2 billion on a cash and debt free basis, and the acquisition was financed through a combination of existing cash and credit facilities.

The total purchase consideration for 100% of City Gross Sverige AB amounted to SEK 1,823 m, which exceeded the net of the fair value of all identifiable assets and liabilities by SEK 1,847 m. Acquisition related costs of SEK 27 m were expensed as other operating expense in the consolidated statement of profit or loss and other comprehensive income. The surplus values are primarily attributable to brand (City Gross) and goodwill (buyer-specific synergies, future customers and market position) and, to a lesser extent, customer relationships (members of the Prio customer programme). Goodwill is not deemed to be tax deductible.

In connection with the completion of the transaction, the previous minority stake of 9.9% in City Gross was revalued in accordance with the valuation carried out in conjunction with the acquisition, which resulted in a negative earnings effect of SEK -143 m, which has recognised under other operating expenses and has been charged to the joint-Group segment. In the operational earnings follow-up, this item is recognised as an item affecting comparability.

The acquisition of City Gross had an impact of SEK 323 m on consolidated net sales and SEK -40 m on consolidated operating profit for the year, including adjustments for the transition to IFRS and consolidated amortisation of customer relationships but excluding the impact of acquisition costs and the revaluation of the previous minority stake. City Gross did not report according to IFRS prior to the acquisition. City Gross's net sales for the 1 January 2024 – 31 October 2024 period amounted to SEK 7,356 m and its operating loss to SEK -147 m, reported in accordance with previous accounting policies. Prior to the acquisition of the additional 90.1% of the shares, City Gross had been an external customer of several of the companies in the Axfood Group and had not reported according to IFRS. Additionally, the company's financial year changed in conjunction with the transaction, making the effect of the acquisition on Axfood Group if it had taken place on 1 January 2024 difficult to assess.

The fair value according to the preliminary purchase price allocation is presented in the table. The purchase price allocation may change after the valuation of the acquired assets is complete.

Fair value according to preliminary purchase price allocation, SEK m	
Brand	710
Customer relationships	8
Intangible assets	111
Property, plant and equipment	404
Right-of-use assets	2,016
Inventories	610
Trade receivables	7
Other current assets	196
Cash and bank balances	82
Deferred tax, net	-109
Lease liabilities	-2,016
Current financial liabilities	-416
Trade payables	-560
Other current liabilities	-350
Total acquired identifiable net assets	694
Goodwill	1,129
Total acquired identifiable net assets including goodwill	1,823

Purchase consideration paid, 100%	1,823
Deduct value of previously owned minority stake 9,9%	-180
Cash and cash equivalents in City Gross Sverige AB	-82
Change in consolidated cash and cash equivalents	1,561
Cash consideration paid	1,645

Divested operations

During the third quarter the meal kit company Middagsfrid was closed down. Closing down costs of SEK 11 million have been charged in the operating segment Dagab in the third quarter.

Note 6 Pledged assets and contingent liabilities

Group, SEK m	31 Dec 2024	31 Dec 2023	Parent Company, SEK m	31 Dec 2024	31 Dec 2023
Pledged assets	–	–	Pledged assets	–	–
Contingent liabilities	18	19	Contingent liabilities	275	264

During the fourth quarter, the group has made a renewed assessment regarding the probability of the guarantee commitments towards government authorities such as the Swedish Customs and the Swedish Board of Agriculture. The renewed assessment is that the probability that the commitments will be utilised is extremely unlikely, which is

why the commitments are no longer reported as a pledged asset or contingent liability. Corresponding assessment has already been made regarding the guarantee commitment towards NREP Licenters.

Note 7 Long-term share-based incentive programmes

The 2024 AGM resolved to adopt a new long-term share-based incentive programme that runs over a three-year period, LTIP 2024. The programme corresponds in all essential respects to LTIP 2023. Allotment of LTIP 2021 was carried out in April using treasury shares.

The 2024 AGM resolved to authorise Axfood's Board of Directors to decide on the purchase of a maximum of 385,000 own shares for the purpose of securing the Company's

obligations under LTIP 2024, which the Board has decided on. During the third quarter 2024 Axfood repurchased 148,000 shares for a total of SEK 38.6 m, at an average price of SEK 260.48 per share. The holding of treasury shares amounts to 1 098 345 shares, which is sufficient to secure the delivery of shares for all of the Company's incentive programmes.

For more information about incentive programmes, please refer to the 2023 Annual and Sustainability Report.

Note 8 Items affecting comparability

Items affecting comparability in the fourth quarter totalled SEK -143 m (-71), and cumulative SEK -143 m (-71). Items affecting comparability 2024 comprised in its entirety of the revaluation of the previous minority stake in City Gross which has been carried out in connection with the acquisition of the remaining shares in City Gross. The cost was included in other operating expenses.

Items affecting comparability in the fourth quarter and cumulative 2023 comprised in its entirety of parallel warehouse operations in Dagab. The costs mainly included premises and personnel costs and were entirely attributable to the transition to the new logistics centre in Bålsta. The costs were included in cost of goods sold.

	Segment	Q4 2024	Q4 2023	12 mos. 2024	12 mos. 2023
Revaluation of City Gross	Joint-Group	-143	—	-143	—
Parallel warehouse operations	Dagab	—	-71	—	-249
Total		-143	-71	-143	-71

Note 9 Significant events after the balance sheet date

The Board of Directors proposes an increased dividend of SEK 8.75 per share (8.50) to be split into two payments, SEK 4.50 per share in March 2025 and SEK 4.25 per share in September 2025.

Key ratios

Change in store structure

Number of stores	Dec 2023	New establishment/ acquisitions	Sales/ closures	Conversions	Dec 2024
Willys/Willys Hemma/Eurocash	241	8	-1	—	248
Hemköp/Tempo, Group-owned stores	66	3	—	-1	68
City Gross	—	42	—	—	42
Snabbgross/Snabbgross Club	30	1	—	—	31
Total, Group-owned stores	337	54	-1	-1	389
Hemköp, retailer-owned stores	136	—	-4	2	134
Tempo, retailer-owned stores ¹⁾	124	7	-6	-1	124
Total, retailer-owned stores	260	7	-10	1	258
Total, Group-owned and retailer-owned stores	597	61	-11	0	647

¹⁾ Comparison figures for the number of retailer-owned Tempo stores have been adjusted down by 6 stores due to an adjustment of historical periods. The adjustment has not had any other effect on the financial reports.

New group-owned establishments and acquisitions

First quarter

During the first quarter, no group-owned stores were established or acquired.

Second quarter

Snabbgross Norrköping
Willys Hemma Altplatsen Gothenburg
Willys Söderhamn
Willys Vagnhärad

Third quarter

Willys Hemma Heden Gothenburg
Hemköp Norrköping Ljura
Hemköp Mölndal C

Fourth quarter

City Gross, 42 stores
Willys Västerås Stenby
Willys Vällingby
Willys Hemma Gustavslund
Willys Hemma Enköping
Hemköp Järfälla Barkarbystaden

Key ratios and other data, Group

	12 mos. 2024	12 mos. 2023
Operating margin, %	3.9	4.1
Operating margin excl. items affecting comparability, %	4.1	4.4
Equity ratio, %	20.9	23.9
Net debt (+)/net receivable (-), SEK m	14,861	9,339
Net debt (+)/net receivable (-) excl. IFRS 16, SEK m	2,467	93
Net debt/EBITDA, multiple	2.2	1.5
Net debt/EBITDA excl. IFRS 16, multiple	0.6	0.0
Net debt-equity ratio (+)/net receivable-equity ratio (-), multiple	2.0	1.3
Net debt-equity ratio (+)/net receivable-equity ratio (-), excl. IFRS 16, multiple	0.3	0.0
Capital employed, SEK m	22,985	17,212
Return on capital employed R12, %	16.6	20.3
Return on equity R12, %	31.5	35.0
Average number of employees	13,709	13,185
Total capital expenditures, SEK m	6,516	4,087
Investments in intangible assets and in property, plant and equipment, SEK m	1,539	1,946
Depreciation/amortisation, SEK m	-3,369	-2,993
Number of shares outstanding at end of period	215,744,895	215,777,588
Average number of shares outstanding before dilution	215,787,900	215,798,253
Average number of shares outstanding after dilution	216,834,104	216,837,527
Key data per share		
Earnings per share before dilution, SEK	10.16	10.92
Earnings per share before dilution excl. items affecting comparability, SEK	10.82	11.84
Earnings per share after dilution, SEK	10.11	10.87
Ordinary dividend per share, SEK ¹⁾	8.75	8.50
Equity per share, SEK	32.69	31.87
Cash flow per share, SEK	0.22	0.60

1) Proposal by the Board of Directors, to be paid out on two occasions.

Quarterly overview, Group

SEK m	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net sales	21,860	20,902	21,044	20,252	20,769	20,293	20,797	19,252
Retail sales	18,836	16,426	16,509	16,281	16,507	15,873	16,098	15,225
Operating profit	629	1,007	836	817	744	1,036	878	695
Operating profit excl. items affecting comparability	772	1,007	836	817	815	1,095	942	750
Operating margin, %	2.9	4.8	4.0	4.0	3.6	5.1	4.2	3.6
Operating margin excl. items affecting comparability, %	3.5	4.8	4.0	4.0	3.9	5.4	4.5	3.9
Net profit for the period	361	715	582	560	533	738	631	472
Earnings per share before dilution, SEK	1.62	3.26	2.68	2.60	2.42	3.38	2.93	2.20
Earnings per share before dilution excl. items affecting comparability, SEK	2.28	3.26	2.68	2.60	2.68	3.60	3.16	2.40
Cash flow from operating activities	1,872	1,013	879	1,695	2,219	1,423	1,684	481
Cash flow from operating activities per share, SEK	8.68	4.69	4.07	7.86	10.28	6.59	7.80	2.23
Return on capital employed R12, %	16.6	19.6	21.0	21.5	20.3	20.5	20.6	20.3
Return on equity R12, %	31.5	36.2	40.7	45.7	35.0	34.8	37.4	47.1
Working capital R12	-2,875	-2,902	-2,870	-2,804	-2,620	-2,597	-2,645	-2,602
Equity ratio, %	20.9	23.7	21.1	19.4	23.9	22.7	19.9	18.1
Equity per share, SEK	32.69	31.17	28.30	26.11	31.87	29.44	26.11	23.44
Total capital expenditures (incl. IFRS 16)	3,508	923	907	1,178	1,242	594	835	1,417
Investments in intangible assets and property, plant and equipment	481	344	360	354	528	309	558	551
Depreciation/amortisation (incl. IFRS 16)	-944	-823	-806	-796	-779	-758	-756	-700
Depreciation/amortisation of intangible assets and property, plant and equipment	-341	-305	-299	-285	-279	-272	-264	-227
Items affecting comparability	-143	-	-	-	-71	-60	-64	-55
Net debt (+)/net receivable (-)	14,861	10,724	9,843	9,750	9,339	10,247	10,226	10,889
Share price, SEK	234.00	286.20	278.40	311.20	273.00	250.40	228.20	253.20

Financial key ratios

In addition to the financial key ratios prepared in accordance with IFRS, Axfood presents financial key ratios that are not defined by IFRS or by the Swedish Annual Accounts Act, so-called alternative performance measures (APMs). These APMs aim to provide supplementary information that contributes to analysing Axfood's operations and development. The APMs used are considered generally accepted in the industry. APMs should not be seen as a substitute for financial information presented in accordance with IFRS, but as a complement.

The APMs are defined below under the financial key ratio definitions. Certain APMs are also reported excluding IFRS 16 to enable a follow-up of operational development excluding the technical accounting effects as a result of IFRS 16. Some APMs are also reported excluding items affecting comparability since the adjusted performance measure provides a better understanding of the operations' underlying development when comparing between periods.

Reconciliation of EBITDA

SEK m	Q4 2024	Q4 2023	12 mos. 2024	12 mos. 2023
Operating profit	629	744	3,290	3,353
Depreciation, amortisation, impairment	944	779	3,375	2,993
EBITDA	1,573	1,523	6,665	6,345
IFRS 16 Lease fees	-682	-560	-2,452	-2,198
EBITDA excl. IFRS 16	891	963	4,213	4,148

For reconciliation of additional key ratios, see Axfood's website, axfood.com.

Financial key ratio definitions

Capital employed: Total assets less non-interest-bearing liabilities and non-interest-bearing provisions. Measures the Group's capital use and efficiency.

Cash flow from operating activities per share: Cash flow from operating activities for the period divided by the average number of shares outstanding before dilution. Indicates cash flow generated from operating activities.

Cash flow per share: Cash flow for the period divided by the average number of shares outstanding before dilution. Indicates cash flow generated per share.

Earnings per share (defined in IFRS): Net profit for the period attributable to owners of the parent divided by the average number of shares outstanding. Reported both before and after dilution. Earnings per share are also reported based on earnings excluding items affecting comparability.

EBITDA: Operating profit before depreciation, amortisation and impairment. Also reported excluding the effects of reporting in accordance with IFRS 16 as EBITDA excl. IFRS 16. Indicates the underlying development of the operations.

Equity per share: Share of equity attributable to owners of the parent divided by the number of shares outstanding at the end of the period. Indicates shareholders' share of the Company's total equity per share.

Equity ratio: Equity including non-controlling interests as a percentage of total assets. An equity ratio of at least 20% at year-end is one of Axfood's Group-wide strategic targets.

Items affecting comparability: Financial effects in connection with major acquisitions and divestments or other major structural changes as well as material non-recurring items that are relevant in order to understand the results when comparing between periods.

Net debt/EBITDA: Net debt divided by EBITDA on a rolling 12-month basis. Also reported excluding the effects of reporting in accordance with IFRS 16. Indicates the Group's ability to pay its debt.

Net debt-equity ratio/net receivable-equity ratio: Net debt/net receivable divided by equity including non-controlling interests. Also reported excluding the effects of reporting in accordance with IFRS 16. Indicates the Company's debt-equity ratio.

Net debt/net receivable: Interest-bearing non-current and current receivables and liabilities less cash and cash equivalents and interest-bearing financial assets. Net indebtedness is also referred to as net debt. Net receivable is also referred to as net receivables. Used to show the Company's net interest-bearing assets and liabilities.

Net debt/net receivable excluding IFRS 16: Interest-bearing non-current and current receivables and liabilities, excluding lease liabilities, less cash and cash equivalents and interest-bearing financial assets.

Operating margin: Operating profit as a percentage of net sales for the period. An operating margin of at least 4.5% is one of Axfood's strategic Group-wide targets.

Operating margin excluding items affecting comparability: Operating profit excluding items affecting comparability as a percentage of net sales for the period. Also referred to as adjusted operating margin.

Operating profit: Profit before net financial items and tax. Indicates profitability for operating activities.

Operating profit excluding items affecting comparability: Profit before net financial items and tax adjusted for items affecting comparability. Also referred to as adjusted operating profit.

Return on capital employed: Profit after financial items, plus financial expenses on a rolling 12-month basis as a percentage of average capital employed. Indicates profitability in both equity and borrowed capital in the Company.

Return on equity: The share of net profit for the period on a rolling 12-month basis attributable to owners of the parent as a percentage of the share of average equity attributable to owners of the parent. Indicates the return that owners receive on capital invested.

Sales growth: Percentage change in sales between two periods. Axfood monitors growth in both retail sales and net sales. One of Axfood's Group-wide strategic targets is to grow faster than the market and growth in retail sales is the target Axfood uses to measure this.

Working capital: Average current assets less current liabilities (adjusted for dividend), on a rolling 12-month basis. Indicates the average financing need for the group's working capital.

Operating key ratio definitions and glossary

Average number of employees: Total number of hours worked divided by the number of hours worked per year of 1,920. Also referred to as FTEs.

Joint-Group: Pertains to support functions, such as the Executive Committee, Finance/Accounting, Legal Affairs, Communications, Business Development, HR and IT.

Like-for-like sales: Sales in stores that existed and generated sales in the current period and the comparison period.

Online sales: Reported online sales of the concepts Willys, Hemköp Group-owned stores, Hemköp retailer-owned stores and City Gross.

Private label products, share of sales: Sales of private label products, excluding meat, fruits and vegetables, as a percentage of retail sales.

R12: The sum of the past 12 months determined on a rolling basis.

Retail sales: Reported store sales including online sales for the concepts Willys, Willys Hemma, Eurocash, Hemköp Group-owned stores, Hemköp retailer-owned stores, Tempo and City Gross, excluding adjustments mainly related to customer bonuses.

Share price: Closing share price.

Wholesale sales: Company and private customer sales including online for the concepts Dagab and Snabbgross (including Snabbgross Club).

Key ratio definitions for sustainability

Electricity consumption, kWh/m² (stores and warehouses): Reported as the number of kilowatt hours (kWh) of purchased electricity used per square metre (sq. m.). The selection includes electricity consumption under joint contracts for a total of 315 of Axfood's Group-owned stores and 10 warehouses. The number of square metres corresponds to the total area of all stores and warehouses in the selection. Reported data is presented on a rolling 12-month basis.

Earlier in 2024, an incorrect number of square meters for warehouses was specified. This means that the reported outcomes were somewhat higher in reality than what was reported. The correct figure is 335,083 sq. m., compared with the previously reported 399,340 sq. m.

CO₂e, per kg/tonne of goods: Emissions (kg CO₂e) from purchased fuel (litres) in relation to total transported goods (tonnes) between warehouses and stores or consumer. Transports between warehouses and consumers pertain to e-commerce transports and amounts to only a small share of the total. Reported data pertains only to goods delivered by own transports. Reported data is presented with a one-month lag.

KRAV-certified meat, share of sales: Sales from KRAV-certified meat items (fresh and frozen) as a percentage of the Axfood's total sales of meat products. The selection includes stores in the Willys, Eurocash, Hemköp (also retailer-owned), City Gross and Snabbgross store chains. City Gross is included for the period 1 November 2024 - 31 December 2024.

Organic products, share of sales: Sales from organic-labelled products with a valid country of origin marking as a percentage of Axfood's total food sales. The selection includes stores in the Willys, Eurocash, Hemköp (also retailer-owned), City Gross and Snabbgross store chains. City Gross is included for the period 1 November 2024 - 31 December 2024.

Share of approved social audits: Share of social audits where the supplier received a score of A, B or C on a scale of A to E, where A is without remarks and E is unacceptable. Social audits comprise on-site visits and inspections to ensure suppliers fulfil the requirements of Axfood's Code of Conduct. The selection includes on-site visits carried out by the organisation Amfori BSCI.

Share of women/men in management positions: The share of women/men in management positions at the end of the current period. Management positions are defined as employed managers with employee responsibility, including the Executive Committee.

Sickness-related absence: The number of reported hours of sickness-related absence in relation to scheduled work time. The selection includes active employees in Axfood. Active employees pertains to all employees in the Group except for employees of Urban Deli AB and Hall Miba AB. Internal consultants and employees on parental leave or leave of absence are not included. Reported data is presented with a one-month lag.

Sustainability-labelled products, share of sales: Sales from sustainability-labelled products with a valid country of origin marking as a percentage of retail and wholesale sales from the corresponding chains. The selection includes stores in the Willys, Eurocash, Hemköp (also retailer-owned), City Gross and Snabbgross store chains. Frozen fruits, berries and vegetables are included as of the first quarter 2024, which leads to a slight increase in the share of sustainable sales. As of the first quarter 2024, Eurocash is included in the outcome for the Willys segment. Comparison figures have been restated. City Gross is included for the period 1 November 2024 - 31 December 2024.

About Axfood

Axfood is a leader in food retail in Sweden and a family of different concepts in collaboration. The Group has more than 15,000 employees (FTEs) and net sales of more than SEK 80 billion. Axfood aspires to be a strong force in society that drives development toward more sustainable food production and consumption. The share is listed on Nasdaq Stockholm and the principal owner is Axel Johnson.

Purpose
Better quality
of life for
everyone.

Vision
A leader in
affordable,
good and
sustainable
food.

Business concept
A family of
different
concepts in
collaboration.



Business model and strategy

Axfood's business model covers purchasing and assortment, logistics and sales channels and concepts. The customer is always in focus and value is created for Axfood and the Group's stakeholders in every step. Axfood pursues a strategy of growth-promoting and efficiency enhancing priorities. The strategy is built on six strategic focus areas: customer offering, customer meeting, expansion, supply chain, work approach and people. To promote growth, the focus is on developing and offering an attractively priced assortment. Apart from growing sales at existing stores, key initiatives include continued expansion through the e-commerce roll-out and establishment of new formats and more stores. The Group strives to increase efficiency in the organisation through a more data-driven work approach and continuous development of logistics solutions of the future. To stay at the forefront, Axfood continues to build a culture that enables the industry's best employees to be attracted and developed. Axfood aspires to take the lead in promoting a sustainable food system and to be a strong force for change in society.

Financial targets and dividend policy

Axfood's long-term financial targets:

- Grow faster than the market
- Long-term operating margin of at least 4.5%
- Equity ratio of at least 20% at year-end

Axfood's dividend policy is that the shareholder dividend shall be at least 50% of profit after tax. The dividend is to be paid out on two occasions.

2030 targets

Axfood's purpose is to create a better quality of life for everyone. The Group works to improve and simplify life around food for everyone it impacts through its different concepts, operations and brands. The ambition is to, by 2030:

- be Sweden's most inclusive food company
- be the strongest driving force for sustainable food in Sweden
- have created a healthier Sweden
- be a leader in the development of the simplest and best food experiences

Operating segments

- Willys has the ambition to offer Sweden's cheapest bag of groceries and is the leading discount grocery chain. Willys aims to develop the discount segment in food retail with a wide assortment in Group-owned stores and online. The Willys operating segment includes the concepts Willys, Willys Hemma and the partly owned cross-border grocery chain Eurocash.
- Hemköp offers a broad and attractively priced assortment with a rich offering of fresh products. Through Group-owned stores, retailer-owned stores and an online business, Hemköp inspires good meals. The Hemköp operating segment also includes Tempo, a mini-mart format comprising retailer-owned stores.
- In City Gross' stores and e-commerce, customers are offered a combination of a food market hall and hypermarket together with one of the market's widest assortment of groceries.
- Snabbgross is one of Sweden's leading restaurant wholesalers with a customer base of restaurants, fast food operators and cafés. Snabbgross offers personal service, accessibility and quality at its stores and online. The Snabbgross operating segment also includes the concept Snabbgross Club, which targets consumers.
- Dagab operates and develops the Group's assortment, purchasing and logistics, but also conducts sales to external customers. The Dagab operating segment also includes retailer-owned Handlar'n and Matöppet, the online pharmacy Apohem and the restaurant chain Urban Deli.

Investment case

- The food retail market is relatively unaffected by economic swings and is driven largely by population growth and inflation. Axfood has a clear strategy for addressing the trends in the market through concrete priorities in six focus areas. The goal is to grow faster than the market with a long-term operating margin of at least 4.5%.
- To meet customers' varying needs, Axfood is a family of different concepts with strong market positions. With a clear expansion plan, a focus on the customer meeting in physical stores and in e-commerce as well as the development of meal solutions, customers' evolving behaviours in the market are being met.
- Economies of scale and cost efficiency are achieved through close collaboration between the central functions and Group companies. Dagab is the joint purchasing and logistics company, setting high demands for price, quality and sustainability. Axfood's common IT company has a crucial role in the Group's digital development, automation and data-driven work approach to meet future needs.
- Axfood has a solid balance sheet, and the business model generates stable cash flow with efficient management of working capital. During the last five years, the dividend yield has on average been slightly more than 3%.
- Axfood has long been working to be a positive force in society. Axfood is taking the lead in promoting a sustainable food system, and innovative and sustainable products are being launched through the private label assortment.

Axfood

Axfood AB, SE-107 69 Stockholm
Solnavägen 4
Telephone: +46 8-553 990 00
Corporate reg. number: 556542-0824
info@axfood.se, axfood.com
linkedin.com/company/axfood
Instagram: @axfoodkoncernen

WILLYS

Hemköp

CITY GROSS

tempo

HANDLARN

MATÖPPET

eurocash

Snabbgross

URBAN DELI

apohem

DAGAB