Bolagsverket
2023-02-28

20230301000111

# Årsredovisning

för

# IKEA Food Supply (Sweden) AB

556063-4072

Räkenskapsåret

2021-09-01 - 2022-08-31

## Fastställelseintyg

Undertecknad styrelseledamot i IKEA Food Supply (Sweden) AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 22.02.2023 Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen stämmer överens med originalen.

Pratteln

Magnus Holmquist

Internal

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076

20230301000013

# Årsredovisning

för

# IKEA Food Supply (Sweden) AB

556063-4072

Räkenskapsåret

2021-09-01 - 2022-08-31

**Innehållsförteckning**


| | |
|---|---|
| Förvaltningsberättelse | 1 |
| Resultaträkning | 4 |
| Balansräkning | 5 |
| Kassaflödesanalys | 7 |
| Noter | 8 |
| Underskrifter | 11 |

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



Styrelsen för IKEA Food Supply (Sweden) AB avger följande årsredovisning för räkenskapsåret 2021-09-01 - 2022-08-31.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inget annat anges redovisas alla belopp i tusentals kronor. Uppgifter inom parentes avser föregående år.

# Förvaltningsberättelse

## Information om verksamheten

Bolaget började sin nuvarande verksamhet år 1997 och har sitt säte i Helsingborg. Verksamheten har omfattat internationell verksamhet inom fyrpartslogistik (integrerade logistiktjänster).

Bolaget är ett helägt dotterbolag till IKEA Food Supply AG, CHE-453-342.665, med säte i Pratteln, Schweiz. IKEA Food Supply AG ingår i en koncern där Inter IKEA Holding BV, 27163852, med säte i Delft, Nederländerna, upprättar koncernredovisning för den största koncernen. IKEA Food Supply (Sweden) AB upprättar inte koncernredovisning med hänvisning till ÅRL 7 kap 2 §. Koncernredovisning kan erhållas hos Inter IKEA Holding BV, Olof Palmestraat 1, 2616 LN Delft, Nederländerna.

## Försäljning och resultat

Nettoomsättningen redovisas efter avdrag för fakturerade varuvärden utan vinstmarginal och efter avdrag för vidarefakturerade tjänster för kunds räkning.

Rörelseresultatet uppgick till -24 tkr jämfört med -79 tkr föregående år.

Resultatet efter finansiella poster redovisades till -29 tkr jämfört med -156 tkr föregående år.

## Viktiga förhållanden och väsentliga händelser

IKEA Food Supply (Sweden) AB har i princip inte haft någon verksamhet under räkenskapsåret till följd av beslut som fattades per den 31 augusti 2019 av Inter IKEA Group, det vill säga att flytta bolagets verksamhet samt dotterbolag till IKEA Food Supply AG. Man bedöms inte bedriva någon verksamhet under kommande räkenskapsår och man har inte några anställda kvar i bolaget.

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



20230301000013

| **Flerårsöversikt** (tkr) | **2021/22** | **2020/21** | **2019/20** | **2018/19** | **2018** (8 mån) |
|---|---|---|---|---|---|
| Nettoomsättning | 0 | 0 | 0 | 548 671 | 314 878 |
| Rörelseresultat | -24 | -79 | -13 326 | 36 181 | 20 539 |
| Resultat efter finansiella poster | -29 | -156 | -10 724 | 24 491 | 14 778 |
| Balansomslutning | 75 440 | 75 486 | 81 664 | 750 835 | 994 983 |
| Soliditet (%) | 79,3 | 79,2 | 73,4 | 9,4 | 5,2 |
| Medelantal anställda | 0 | 0 | 1 | 54 | 85 |

Soliditet beräknas enligt Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.
2018 avser ett förkortat räkenskapsår som motsvarar 8 månader, vilket har påverkat jämförelsen mot övriga perioder i tabellen ovan.

## Kassaflöde och finansiell ställning

Kassaflödet från den löpande verksamheten uppgick till 18 tkr jämfört med -205 tkr förgående år.
Likvida medel uppgick till 170 tkr vid årets utgång, jämfört med 69 tkr föregående år.

## Resultat och ställning

Resultatet av bolagets verksamhet samt den ekonomiska ställningen vid räkenskapsårets utgång framgår i övrigt av efterföljande resultaträkningar och balansräkningar med noter.

## Förändringar i eget kapital

| | **Aktie-kapital** | **Reserv-fond** | **Fritt eget kapital** | **Årets resultat** | **Summa eget kapital** |
|---|---|---|---|---|---|
| Ingående balans 2021-08-31 | 500 | 100 | 59 380 | -156 | **59 824** |
| Disposition enligt beslut av årsstämman: | | | -156 | 156 | **0** |
| Årets resultat | | | | -29 | **-29** |
| **Utgående balans 2022-08-31** | **500** | **100** | **59 224** | **-29** | **59 795** |

Aktiekapitalet uppgår till 5000 aktier till ett kvotvärde om 100.

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



## Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

| | |
|---|---|
| balanserad vinst | 59 223 834 |
| årets förlust | -28 889 |
| | **59 194 945** |

| | |
|---|---|
| disponeras så att | |
| i ny räkning överföres | 59 194 945 |

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



20230301000014

# Resultaträkning

Tkr

| | Not | 2021-09-01 -2022-08-31 | 2020-09-01 -2021-08-31 |
|---|---|---|---|
| | 1 | | |
| **Bruttoresultat** | | **0** | **0** |
| **Rörelsens kostnader** | | | |
| Försäljningskostnader | | -1 | -1 |
| Administrationsomkostnader | 3, 4 | -22 | -90 |
| Övriga rörelseintäkter | | 0 | 11 |
| | | **-24** | **-79** |
| **Rörelseresultat** | 5 | **-24** | **-79** |
| **Resultat från finansiella poster** | | | |
| Ränteintäkter och liknande resultatposter | 6 | 0 | 1 |
| Räntekostnader och liknande resultatposter | 7 | -5 | -77 |
| | | **-5** | **-77** |
| **Resultat efter finansiella poster** | | **-29** | **-156** |
| **Resultat före skatt** | | **-29** | **-156** |
| Skatt på årets resultat | 8 | 0 | 0 |
| **Årets resultat** | | **-29** | **-156** |

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



IKEA Food Supply (Sweden) AB
Org.nr 556063-4072

# Balansräkning

Tkr

| | Not | 2022-08-31 | 2021-08-31 |
|---|---|---|---|
| | 1 | | |
| **TILLGÅNGAR** | | | |
| **Anläggningstillgångar** | | | |
| ***Finansiella anläggningstillgångar*** | | | |
| Andelar i koncernföretag | 9, 10 | 75 032 | 75 032 |
| | | **75 032** | **75 032** |
| **Summa anläggningstillgångar** | | **75 032** | **75 032** |
| **Omsättningstillgångar** | | | |
| ***Kortfristiga fordringar*** | | | |
| Övriga kortfristiga fordringar | | 239 | 385 |
| | | **239** | **385** |
| ***Kassa och bank*** | 11 | 170 | 69 |
| **Summa omsättningstillgångar** | | **409** | **454** |
| **SUMMA TILLGÅNGAR** | | **75 440** | **75 486** |

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



20230301000015

# Balansräkning

Tkr

| | Not | 2022-08-31 | 2021-08-31 |
|---|---|---|---|
| | 1 | | |
| **EGET KAPITAL OCH SKULDER** | | | |
| **Eget kapital** | | | |
| ***Bundet eget kapital*** | | | |
| Aktiekapital | | 500 | 500 |
| Reservfond | | 100 | 100 |
| | | **600** | **600** |
| ***Fritt eget kapital*** | | | |
| Balanserat resultat | | 59 224 | 59 380 |
| Årets resultat | | -29 | -156 |
| | | **59 195** | **59 224** |
| **Summa eget kapital** | | **59 795** | **59 824** |
| **Kortfristiga skulder** | | | |
| Leverantörsskulder | | 6 | 0 |
| Övriga kortfristiga skulder | | 1 | 216 |
| Skulder till koncernföretag | | 15 200 | 15 100 |
| Skatteskulder | | 118 | 71 |
| Upplupna kostnader och förutbetalda intäkter | 12 | 320 | 275 |
| **Summa kortfristiga skulder** | | **15 646** | **15 662** |
| **SUMMA EGET KAPITAL OCH SKULDER** | | **75 440** | **75 486** |

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



IKEA Food Supply (Sweden) AB
Org.nr 556063-4072

# Kassaflödesanalys

Tkr

| | Not | 2021-09-01 -2022-08-31 | 2020-09-01 -2021-08-31 |
|---|---|---|---|
| | 1 | | |
| **Den löpande verksamheten** | | | |
| Resultat efter finansiella poster | | -29 | -156 |
| Betald skatt | | 47 | -49 |
| **Kassaflöde från den löpande verksamheten före förändring av rörelsekapital** | | **18** | **-205** |
| | | | |
| **Kassaflöde från förändring av rörelsekapitalet** | | | |
| Förändring av kortfristiga fordringar | | 147 | 24 |
| Förändring av leverantörsskulder | | 7 | -77 |
| Förändring av kortfristiga skulder | | -71 | -5 896 |
| **Kassaflöde från den löpande verksamheten** | | **101** | **-6 154** |
| | | | |
| **Årets kassaflöde** | | **101** | **-6 154** |
| | | | |
| **Likvida medel vid årets början** | 11 | | |
| Likvida medel vid årets början | | 69 | 6 223 |
| **Likvida medel vid årets slut** | | **170** | **69** |

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



20230301000016

# Noter

Tkr

## Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Bolagets redovisningsvaluta är svenska kronor.

### Fordringar

Fordringar med förfallodag mer än 12 månader efter balansdagen redovisas som anläggningstillgångar, övriga som omsättningstillgångar. Fordringar upptas till det belopp, som efter individuell bedömning, beräknas bli betalt.
Som fordringar redovisas handelsvaror för vidareförsäljning utan vinstmarginal. Varorna värderas, med tillämpning av först-in först-ut-principen, till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

### Skulder

Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde.

### Utländska valutor

Tillgångar och skulder i utländsk valuta värderas enligt balansdagens kurs. Vinster och förluster på fordringar och skulder av rörelsekaraktär nettoredovisas i nettoomsättningen. Vinster och förluster på finansiella fordringar och skulder redovisas i finansnettot.

### Inkomstskatter

Redovisade inkomstskatter innefattar skatt som skall betalas eller erhållas avseende aktuellt år, justeringar avseende tidigare års aktuella skatt samt förändringar i uppskjuten skatt.
Värdering av samtliga skatteskulder/-fordringar sker till nominella belopp och görs enligt de skatteregler och skattesatser som är beslutade eller som är aviserade och med stor säkerhet kommer att fastställas.
För poster som redovisas i resultaträkningen, redovisas även därmed sammanhängande skatteeffekter i resultaträkningen. Skatteeffekter av poster som redovisas direkt mot eget kapital redovisas mot eget kapital.
Uppskjuten skatt beräknas enligt balansräkningsmetoden på alla temporära skillnader som uppkommer mellan redovisade och skattemässiga värden på tillgångar och skulder.
Uppskjuten skattefordran redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

### Likvida medel och Kassaflödesanalys

Som likvida medel klassificeras kassa- och banktillgodohavanden.
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medför in- och utbetalningar.

### Eget kapital

Eget kapital delas in i bundet och fritt kapital, i enlighet med ÅRLs indelning.

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



## Not 2 Väsentliga uppskattningar och bedömningar

I bolagets bokslut har det inte funnits några väsentliga uppskattningar och bedömningar som haft betydande effekt på de redovisade beloppen i den finansiella rapporten.

## Not 3 Administrationskostnader

Bolaget har sedan tidigare befarade kundförluster, som bolaget till viss del har återvunnit. Återvunna kundförluster uppgår till 297 tkr (392 tkr).

## Not 4 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

| | 2021-09-01 -2022-08-31 | 2020-09-01 -2021-08-31 |
|---|---|---|
| **KPMG AB** | | |
| Revisionsuppdrag | 0 | 226 |
| Övriga tjänster | 0 | 60 |
| | **0** | **286** |

Bolaget har fr.o.m. räkenskapsåret 2021/2022 inte längre revision.

## Not 5 Transaktioner med närstående

Under året har inga koncerninterna inköp eller försäljningar ägt rum.

## Not 6 Övriga ränteintäkter och liknande poster

| | 2021-09-01 -2022-08-31 | 2020-09-01 -2021-08-31 |
|---|---|---|
| Ränteintäkter | 0 | 1 |
| Valutakursvinster | 0 | 0 |
| **Summa** | **0** | **1** |

## Not 7 Räntekostnader och liknande resultatposter

| | 2021-09-01 -2022-08-31 | 2020-09-01 -2021-08-31 |
|---|---|---|
| Räntekostnader | 0 | -67 |
| Valutakursförluster | -5 | -11 |
| | **-5** | **-78** |

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



20230301000017

## Not 8 Skatt på årets resultat

| | 2021-09-01 -2022-08-31 | 2020-09-01 -2021-08-31 |
|---|---|---|
| **Skatt på årets resultat** | | |
| Aktuell skatt | 0 | 0 |
| Justering avseende tidigare år | 0 | 0 |
| **Summa redovisad skatt** | **0** | **0** |

| | 2021-09-01 -2022-08-31 | | 2020-09-01 -2021-08-31 | |
|---|---|---|---|---|
| | **Procent** | **Belopp** | **Procent** | **Belopp** |
| Redovisat resultat före skatt | | -29 | | -156 |
| Skatt enligt gällande skattesats | 20,6 | 6 | 21,4 | 33 |
| Ej avdragsgilla kostnader | | 0 | | 0 |
| Förändring av underskottsavdrag utan motsvarande aktivering av uppskjuten skatt | -21,4 | -6 | | -33 |
| **Redovisad skatt** | **0,0** | **0** | **0,0** | **0** |

## Not 9 Andelar i koncernföretag

| | 2022-08-31 | 2021-08-31 |
|---|---|---|
| Ingående anskaffningsvärden | 75 032 | 75 032 |
| **Utgående ackumulerade anskaffningsvärden** | **75 032** | **75 032** |
| **Utgående redovisat värde** | **75 032** | **75 032** |

## Not 10 Specifikation andelar i koncernföretag

| Namn | Kapital-andel | Rösträtts-andel | Antal andelar | Bokfört värde |
|---|---|---|---|---|
| IKEA Food Supply (Germany) GmbH (HRB 129846 B) | 100 | 100 | 25 000 | 75 032 |
| | | | | **75 032** |

| | Säte |
|---|---|
| IKEA Food Supply (Germany) GmbH (HRB 129846 B) | Berlin, Germany |

DocuSign Envelope ID: 5B26BC74-AB5B-46D2-A16B-F849905D3076



## Not 11 Likvida medel

| | 2022-08-31 | 2021-08-31 |
|---|---|---|
| **Likvida medel** | | |
| Disponibla tillgodohavanden | 170 | 69 |
| | **170** | **69** |

## Not 12 Upplupna kostnader och förutbetalda intäkter

| | 2022-08-31 | 2021-08-31 |
|---|---|---|
| Övriga poster | 320 | 275 |
| | **320** | **275** |

## Not 13 Uppgifter om moderföretag

Bolaget är ett helägt dotterbolag till IKEA Food Supply AG, CHE-453-342.665, med säte i Pratteln, Schweiz.

## Not 14 Disposition av vinst eller förlust

| | 2022-08-31 |
|---|---|
| **Förslag till vinstdisposition** | |
| Styrelsen föreslår att till förfogande stående vinstmedel: | |
| balanserad vinst | 59 224 |
| årets förlust | -29 |
| | **59 195** |
| disponeras så att | |
| i ny räkning överföres | 59 195 |

Pratteln 2023- 2023-02-21 | 15:46 CET

Magnus Holmquist
Ordförande

Johan Hegethorn
Styrelseledamot

Björn Mullaart
Styrelseledamot

DocuSign

20230301000018

## Certificate Of Completion

Envelope Id: 5B26BC74AB5B46D2A16BF849905D3076 Status: Completed

Subject: Complete with DocuSign: IKEA Food Supply (Sweden) AB, Årserdovisning and Board_meeting notes

Source Envelope:

Document Pages: 13 Signatures: 6 Envelope Originator:

Certificate Pages: 2 Initials: 0 Erika Keber Mahr

AutoNav: Enabled IKEA Supply AG

EnvelopeId Stamping: Enabled Grüssenweg 15

Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna Pratteln, Basel-Land CH 4133

erika.keber.mahr@inter.ikea.com

IP Address: 94.16.167.23

## Record Tracking

Status: Original Holder: Erika Keber Mahr Location: DocuSign

2/21/2023 7:30:34 AM erika.keber.mahr@inter.ikea.com

| Signer Events | Signature | Timestamp |
|---|---|---|
| Björn Mullaart<br>Bjorn.Mullaart@vinge.se<br>Security Level: Email, Account Authentication (None) | Björn Mullaart<br>Signature Adoption: Pre-selected Style<br>Using IP Address: 84.17.219.30 | Sent: 2/21/2023 7:36:31 AM<br>Viewed: 2/21/2023 10:59:17 AM<br>Signed: 2/21/2023 10:59:52 AM |
| **Electronic Record and Signature Disclosure:**<br>Not Offered via DocuSign | | |
| Johan Hegethorn<br>johan.hegethorn@inter.ikea.com<br>Authorized Signatory<br>Security Level: Email, Account Authentication (None) | Johan Hegethorn<br>Signature Adoption: Pre-selected Style<br>Using IP Address: 95.114.122.171 | Sent: 2/21/2023 7:36:31 AM<br>Resent: 2/22/2023 3:22:13 PM<br>Viewed: 2/22/2023 3:24:50 PM<br>Signed: 2/22/2023 3:25:19 PM |
| **Electronic Record and Signature Disclosure:**<br>Not Offered via DocuSign | | |
| Magnus Holmquist<br>magnus.holmquist@inter.ikea.com<br>General Counsel<br>IKEA Supply AG<br>Security Level: Email, Account Authentication (None) | Signature Adoption: Pre-selected Style<br>Using IP Address: 192.71.69.83 | Sent: 2/21/2023 7:36:32 AM<br>Viewed: 2/21/2023 3:45:57 PM<br>Signed: 2/21/2023 3:46:03 PM |
| **Electronic Record and Signature Disclosure:**<br>Not Offered via DocuSign | | |

| In Person Signer Events | Signature | Timestamp |
|---|---|---|
| **Editor Delivery Events** | **Status** | **Timestamp** |
| **Agent Delivery Events** | **Status** | **Timestamp** |
| **Intermediary Delivery Events** | **Status** | **Timestamp** |
| **Certified Delivery Events** | **Status** | **Timestamp** |
| **Carbon Copy Events** | **Status** | **Timestamp** |

| Carbon Copy Events | Status | Timestamp |
|---|---|---|
| Daniella Mattila<br>daniella.mattila1@inter.ikea.com<br>Security Level: Email, Account Authentication (None)<br>**Electronic Record and Signature Disclosure:**<br>Not Offered via DocuSign | COPIED | Sent: 2/21/2023 7:36:32 AM |

| Witness Events | Signature | Timestamp |
|---|---|---|

| Notary Events | Signature | Timestamp |
|---|---|---|

| Envelope Summary Events | Status | Timestamps |
|---|---|---|
| Envelope Sent | Hashed/Encrypted | 2/21/2023 7:36:32 AM |
| Certified Delivered | Security Checked | 2/21/2023 3:45:57 PM |
| Signing Complete | Security Checked | 2/21/2023 3:46:03 PM |
| Completed | Security Checked | 2/22/2023 3:25:19 PM |

| Payment Events | Status | Timestamps |
|---|---|---|

DocuSign Envelope ID: 1457A946-AD41-4B23-AA38-DC06EFCBE5D0

20230311767



# Inter IKEA Holding B.V.

## Annual report FY22

# Contents

REPORT FROM THE MANAGEMENT BOARD ..... 3
CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2022 ..... 13
CONSOLIDATED PROFIT AND LOSS ACCOUNT FY22 ..... 14
CONSOLIDATED CASH FLOW STATEMENT FY22 ..... 15
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FY22 ..... 16
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ..... 17
COMPANY BALANCE SHEET AS AT 31 AUGUST 2022 ..... 46
COMPANY PROFIT AND LOSS ACCOUNT FY22 ..... 46
NOTES TO COMPANY FINANCIAL STATEMENTS ..... 47
OTHER INFORMATION ..... 53

20230331117674

# *REPORT FROM THE MANAGEMENT BOARD*

The Management Board of Inter IKEA Holding B.V. hereby presents its annual report for the 12-month period ended 31 August 2022.

## General

### Inter IKEA Group

Inter IKEA Holding B.V. ('the Company') is the ultimate parent company of the Inter IKEA Group ('the Group'). The Company is ultimately controlled by Interogo Foundation.

The Group consists of three core businesses: Franchise, Range and Supply. The three core businesses work together with franchisees and suppliers to co-create an even better IKEA offer and franchise system. The aim is to provide franchisees with best possible conditions for implementing and operating the IKEA Concept, and to create a strong platform for future expansion and growth.

As at 31 August 2022, 12 franchisees operate more than 500 IKEA locations, including traditional stores, small stores and pick-up points, plus several test formats. Franchisees implement the IKEA Concept by marketing and selling the IKEA product range. With the exception of the IKEA Delft store in the Netherlands, all IKEA stores and test locations operate under franchise agreements with Inter IKEA Systems B.V. Each franchisee has the responsibility to run, manage and develop its local business. All franchisees are independent from and unrelated to Inter IKEA Group.

### Franchise

Core Business Franchise includes Inter IKEA Systems B.V. – owner of the IKEA Concept and the IKEA franchisor – and its related businesses. Inter IKEA Systems B.V. continuously develops the IKEA Concept to ensure its successful implementation in new and existing markets. This enables IKEA to remain forward-looking in areas such as brand development, retail methods, sustainability, market potential and expansion. Core Business Franchise also includes IKEA Marketing & Communication AB, a company that creates and produces IKEA communication for customers and other IKEA organisations.

### Range

Core Business Range includes IKEA of Sweden AB and related businesses. Range works under assignments from Inter IKEA Systems B.V. and is mainly responsible for developing and designing the overall IKEA product range, including home furnishings and food.

### Supply

Core Business Supply includes IKEA Supply AG, IKEA Industry AB, IKEA Components AB and related businesses. Inter IKEA Systems B.V. assigns IKEA Supply AG to source, sell and distribute IKEA products to IKEA franchisees. The majority of IKEA products (89%) is sourced from external suppliers across the globe. The operational relationships with these suppliers are operated through purchasing offices, located close to where the suppliers are. IKEA Supply AG manages and operates the IKEA supply chain together with its wholesale subsidiaries and external business partners, such as transporters, warehouse providers and custom brokers. Our wholesale subsidiaries buy IKEA products from internal and external suppliers and sell them to IKEA franchisees.

IKEA Industry is a strategic IKEA manufacturer that produces IKEA home furnishing products and develops unique IKEA capabilities and capacities in relevant parts of the value chain (e.g. material and manufacturing). Industry produces approximately 11% of the total IKEA range, with its main focus on wood based furniture. Its operations are conducted through 36 production units that include forestry, sawmills, as well as production of board material, wood components and ready furniture.

IKEA Components develops, sources, packs and supplies components such as screws and wooden dowels that are used to assemble IKEA furniture.

**Governance structure**
The Group's governance is also organised through the three core businesses with the risk management structures, internal control and compliance tailored to their specific business characteristics. The Group's governance structure is based on two main considerations: to secure the growth and development opportunities of the IKEA Brand and the IKEA Concept, and to guarantee the Group's independence and ability to maintain a long-term perspective. The legal structure follows along the lines of governance with separate parent companies for each of the core businesses. The Company has two main governing bodies: the Management Board and the Supervisory Board.

## Financial information

These financial statements cover the 12-month period from 1 September 2021 to 31 August 2022 ('FY22'). Comparative figures reflect the 12-month period from 1 September 2020 to 31 August 2021 ('FY21').

**Profit and loss account**
Total operating income in FY22 amounts to EUR 27.6 billion (+7.7% compared to FY21), mainly generated through sales of goods to IKEA franchisees and through charged franchise fees. Operating income development is directly linked to the retail sales of all IKEA franchisees worldwide since these sales drive the Group's wholesale activities and form the base for the franchise fees.

In FY22, IKEA retail operations were less impacted by measures related to the Corona virus. Unlike in FY20 and FY21, most IKEA stores remained open without (severe) restrictions and store visitation went up compared to the years before. As a result and following retail price increases, an uplift in store sales is visible, while the online sales remain at a high level. Although there are still challenges to maintain the supply of furniture to the retailers, the availability of products for our customers has improved.

While sales grew in value, sales in volumes and number of products sold have not grown. Many households experience higher cost of living due to inflation and rising energy prices. This leads to thinner wallets which means fewer people can afford to shop at IKEA today. In FY22, prices for raw materials, commodities, transportation and logistics continued to increase, creating additional costs for the whole IKEA value chain and a need for the Group to increase sales prices to the IKEA franchisees.

Most of our operating expenses comprise cost of raw materials and consumables relating to the manufacturing and procurement of finished goods. Cost of raw materials and consumables also include direct transport, storage and handling cost. In FY22 – like in FY21 – an upward trend resulted in the cost of raw materials and consumables increasing at a faster pace than operating

20230331117675

Income (+10.7% cost increase compared to FY21). The remaining operating expenses include salary cost, utilities, fixed asset depreciation, rent and other costs related to day-to-day operations.

The organisation has grown in terms of operating expenses and co-workers during FY22. Firstly, more people were recruited to manage the supply chain complexities and inefficiencies, including those connected to the consequences of the war in Ukraine. Secondly, a continued build-up of resources has taken place to secure capability for the strategic and digital changes needed to improve the IKEA value chain and the (online) IKEA sales experience.

In February 2022, subsequent to the Russian invasion into Ukraine, the international community imposed economic sanctions (with the aim to stop most business interactions with Russia). As a consequence, Inter IKEA Group and its franchisee Ingka Group have been unable to continue operations. In June 2022, Inter IKEA Group and Ingka Group announced to scale down all business and operations in Russia and Belarus. Effectively this means that:

- IKEA retail operations in Russia are stopped;
- Import and export to and from Russia and Belarus is stopped and the two purchasing and logistics offices in Moscow and Minsk will close permanently by the end of 2022;
- IKEA Industry has reduced the workforce in its 4 Russian production units and started the process of finding new ownership. Expectation is that this will be concluded beginning of 2023.

As a result of the above, the tangible fixed assets (refer to note 5 of the consolidated financial statements), the supplier financing loans (refer to note 6 of the consolidated financial statements) and inventories relating to the Russian operations have been impaired and costs have been provided for. As the underlying (hedged) currency flows for the Russian operations were no longer valid, these derivatives no longer met the hedging criteria, were settled and transferred to the profit and loss account. The total combined net impact on the FY22 financial results is not material.

Financial income comprises income from hedging activities and favourable currency translation effects. Financial expenses comprise interest expenses connected to long- and short-term loans as well as unfavourable currency translation effects.

The effective tax rate for FY22 is 23.7%, following the nominal tax rates in the Netherlands, Sweden and Switzerland where the majority of the Group's businesses are located. The effective tax rate increased by 7.7% compared to the previous year, mainly due to significant changes in the profitability per core business. Given our financial strength, the Group's businesses did not make use of pandemic-related government support packages.

In December 2017, the European Commission opened a formal investigation, with their Opening Decision published on 6 April 2018 which was complemented by their Decision published on 10 July 2020, to examine whether decisions by the tax authorities in The Netherlands with regard to the corporate income tax paid by one of our subsidiaries, Inter IKEA Systems B.V., comply with European Union rules on state aid. The Company co-operates and responds to questions which the European Commission has in relation to this investigation.

At this moment, although management considers the risk of a cash out flow unlikely, it is not possible to assess a financial impact, if any, of the outcome of this EC investigation. The aforementioned outcome is not expected to have a material adverse impact on the financial

position of The Company. The Company is actively monitoring and addressing these developments and believes that its corporate income tax position is appropriately reflected in the financial statements.

Net profit for the year amounts to EUR 0.7 billion (FY21: EUR 1.4 billion). The reduction versus previous year is primarily the result of rising cost of purchasing and transportation which were absorbed in our financial results to limit sales price increases as much as possible.

**Balance sheet**

Most of the Group's balance sheet positions as per 31 August 2022 have not changed significantly when compared to 31 August 2021. Fixed assets primarily comprise the IKEA Proprietary Rights ("IP Rights"), relating to the IKEA trademark, protection rights, intellectual property rights and the rights to the IKEA catalogue, with a book value of EUR 9.4 billion.

The Group owns several property buildings, offices and distribution centres across the world, including the IKEA Delft store. Additionally, the Group owns 35 IKEA furniture production units, mostly located in Europe, as well as two factories that produce furniture components (screws, plugs, etc.). In FY22, investments were made in extending or improving existing production units. The process of finding new ownership for the 4 Russian production units is expected to be finalized beginning of 2023. Anticipating this sale, an estimation of the proceeds has been made and assets have been impaired.

Inventories mostly consist of IKEA products located in, or underway to distribution centres. Inventory levels were particularly low during FY20 and FY21 as transport constraints in combination with high customer demand posed a challenge in replenishing inventory to a desired level. During FY22, the Group increased its inventory levels securing a better availability of products for our customers. The high purchasing costs are reflected in inventory at the balance sheet date, leading to a large increase in value.

Receivables mainly relate to IKEA retailers for franchise fees and IKEA products sold and invoiced. The Group also holds receivables on related parties.

Group equity decreased from EUR 10.1 billion to EUR 9.8 billion in FY22. EUR 850 million will be distributed as a dividend to our shareholder, reducing retained earnings by EUR 140 million.

Provisions for the majority are recognized for deferred taxes, legal disputes and product related claims. The non-current liabilities relates to a loan received from Interogo Holding AG. Current liabilities consist of short-term loans, trade payables and tax payables. The payable to related parties increased significantly during the year, primarily to fund working capital needs.

Reduced Group equity (before dividend distribution) combined with an increase in our non-current liabilities result in a decline in equity ratio of 47% in FY21 to 40% in FY22.

**Cash flows**

The increase in inventory levels to improve the availability of products in combination with high purchasing cost has led to a negative cash flow from operating activities during FY22. This negative cash flow, as well as interest payments, tax payments and investments, was funded with short term financing provided by our non-controlling shareholder, Interogo Holding AG. During the year, the Group also repaid loans and distributed dividend to Interogo Holding AG.

20230331117676

The Group monitors its cash position by using a cash flow forecast model to ensure the cash position is always sufficient to meet the financial obligations towards staff members, creditors, tax authorities and other third parties. Our credit limits with Interogo Holding AG are sufficient to continue operations and Interogo Holding AG has confirmed they will fund our working capital needs for the next financial year as well.

## Risk management

**Approach**

The Group is committed to protect the IKEA Concept and Brand, our co-workers, visitors, customers, business partners and assets. Steering documents, frameworks, tools and working methods are in place to embed risk management and compliance activities in day to day operations:

- IKEA forever parts (vision, business idea, culture & values) are the foundation. The Group Code of Conduct and Policy House define Group-wide business requirements.
- Business requirements are further specified in core business steering documents and implemented in day-to-day operations as suitable in local regulatory contexts.
- Requirements imposed on IKEA franchisees and business partners are reflected in *corresponding agreements, IConduct and IWAY.*
- A common risk management methodology is used to identify and assess key risks, resulting in risk registers and action plans.
- Key internal control and compliance requirements are assessed across three lines of defence, using self-assessments, compliance reviews and internal audits. These requirements are also directed at preventing and detecting fraud.
- A Raising Concern Line, incident- and crisis management processes are designed to detect and manage issues as they occur, and evaluations are performed to enable learning and continuous improvement.

The Ethics Committee supervises and advises on the response to critical ethical dilemmas and handling of (potential) critical breaches of the IKEA business requirements. Legal entity Boards, the Inter IKEA Group Management Team (incl. Management Board) and the Audit Committee keep oversight and periodically discuss consolidated risk registers and compliance status.

**Key risks**

Key risks are described below. The Group's overall risk appetite is low. In areas such as product quality & safety, business ethics, health and safety & security, the risk appetite is very low.

*Business transformation*

The Group is on a journey to transform the business in an omnichannel reality. This transformation will enable us to meet customer expectations and digital growth, which is ever more important in an increasingly competitive environment, with expanding multichannel offerings, pure online players and price competitiveness.

*Wellbeing & co-worker engagement*

Co-worker wellbeing, engagement and leadership has been heavily challenged and stretched due to geopolitical circumstances, the war in Ukraine, high inflation, organisational changes and operational supply chain challenges due to the Corona virus. This continues to be a challenge going forward-also in respect of many ongoing business transformation priorities.

*Geopolitics, supply chain disruptions & resource scarcity*
Global supply chains face unprecedented pressure and the war in Ukraine has increased that pressure even more. Increasing scarcity and cost of raw materials are negatively impacting supply and affordability of our products and the profitability of Inter IKEA Group. Social and regulatory scrutiny of human rights and ethical sourcing across the supply chain reach new levels. All examples of risks that require collaboration efforts to prioritise and enable agility, sustainability, traceability and resilience across the value chain.

*Sustainability*
The IKEA sustainability strategy is built around three global sustainability challenges: climate change, workplace inequality and unsustainable consumption. The potential effects of these challenges are becoming increasingly visible in our business operations, for example through resource scarcity and energy shortages in factories.

There is also an increasing (legal) demand for companies to demonstrate their environmental and social contributions in a more comparable and quantifiable way. The EU has issued a new Corporate Sustainability Reporting Directive ('CSRD') that requires companies to publicly report on their ESG goals and impact, and to disclose the financial risks of climate change. CSRD will be applicable to the Group as from FY26. With the world facing increasing environmental challenges, growing public opinion expect that a company's success should be steered towards positive outcomes for people and planet, rather than financial growth and profits only. Failing to meet the requirements of laws, policies and treaties such as the Paris Agreement primarily poses the risk of brand and reputation damage. In some cases non-compliance can lead to business restrictions and financial exposures.

More information around these topics are included in the IKEA Sustainability Report and the IKEA Climate Report.

*Digital, information security & data privacy*
Adoption of new (digital) ways of working accelerated quickly, such as the use of new technologies in our range development (e.g. virtual prototyping), more digital interaction and information sharing with customers and suppliers in an omnichannel reality, and more remote working between co-workers. At the same time, cybersecurity threats continue evolving; lower barriers to entry for cyberthreat actors and more aggressive attack methods are all aggravating the risk. Protecting the business is a complex challenge with many technical, legal, organisational dimensions that require continuous focus. We are on a journey to transform our digital capabilities by making significant IT investments and embracing the opportunities from data & technology while continuously working on improving the way we protect and secure data.

*Business ethics, safety & security and regulatory compliance*
The Group operates in an international environment where practices vary in different local settings and, therefore, it is important to conduct business in an ethical manner in accordance with our code of conduct. Product safety is a top priority and an important basis to build customer trust. We are committed to sustainable and safe home furnishing and food products for our customers, safe and secure working environments for our co-workers across the value chain, and compliance with all regulatory requirements in any of our markets. In close cooperation with our franchisees and suppliers, the Group has clear processes in place to guarantee compliance with regulatory requirements in all markets. Despite having the highest standards we recognise the inherent risk to a breach in any of the above.

20230311767

*Finance: Reporting & compliance risks*
The Group faces financial (reporting & compliance) risks, such as foreign currency exchange, commodity price increases, credit and tax risks. Increased attention on taxation of multinational companies is addressed by implementing a Group-wide tax control framework, simplifying the Group structure and keeping tax, including transfer pricing and transparency high on the Group's agenda. The resilience of our financial operations and controls are being stress-tested in times of supply chain disruptions, pandemic and transformation, further complicated by ever increasing regulations. It is critical to continue to invest in sustainable financial infrastructures and capabilities while staying focused on delivery and control of running business. For more details on the risks regarding financial instruments, we refer to section 15 of the financial statements.

## Sustainability

**People & Planet Positive strategy**
The IKEA sustainability agenda is described in the sustainability strategy "People & Planet Positive". The strategy includes sustainability ambitions and commitments leading up to 2030, addressing the entire IKEA franchise system and value chain.

The IKEA sustainability strategy secures a common sustainability agenda for all stakeholders in the IKEA value chain with a long-term perspective on the business. Profitability and responsibility are not opposing forces, on the contrary, they are interdependent. Long-term profitability can only be ensured by acting in a way that creates positive impact and trust among all stakeholders.

The People & Planet Positive strategy provides a common framework for all trademark users and units to develop and integrate sustainability tactics and actions into their own business plans, but gives flexibility for local, market relevant approaches and solutions.

The strategy is built up around three focus areas:

1. Healthy and sustainable living
2. Circular & climate positive
3. Fair & equal

Progress on the People & Planet Positive strategy in all three focus areas is communicated through the IKEA Sustainability Report and a separate IKEA Climate Report.

**Suppliers**
The Group has a responsibility to secure good social, environmental and working conditions for the many people in the IKEA supply chain. The supplier code of conduct IWAY sets out our minimum requirements on environmental, social and working conditions. It is a starting point for developing shared values and expectations with our suppliers. Since its inception in 2000, IWAY has been regularly updated to address emerging social and environmental risks. IWAY entails a set of requirements applicable to every supplier. IKEA suppliers are responsible for communicating the content of the IKEA Supplier code of conduct to their employees and sub-suppliers and ensuring that all required measures are implemented at their own operations.

**Co-workers**
With the base of IKEA values and leadership, together with compensation and benefits, co-workers are provided with a safe working environment. The Inter IKEA Group code of conduct applies to all co-workers within the Group and can be found on our website.

The Group has presence in many different countries. Equality, inclusion and diversity increase our understanding of each other. That is why the Group recruits for and embraces diversity – to engage with co-workers of all ages, backgrounds, mind-sets and perspectives. In an environment of openness where everyone is important, and feels comfortable to experiment and try new ways.

Within the Group, women are largely represented in our co-worker and manager base. The composition of the Management Board and the Supervisory Board is evaluated regularly, taking into consideration a number of criteria including relevant knowledge and experience, as well as a balanced gender distribution. All aspects of diversity, equality and inclusion are actively pursued across the whole Group.

**Environmental issues**
No material environmental issues occurred during FY22. Especially within the production units, much attention is given to compliance with environmental regulations through regular equipment verification and condition checks, and through active air emission monitoring and documentation.

## Development and innovation

The Group continues to invest significant resources to make IKEA more affordable, accessible and sustainable for customers everywhere with the ambition to reach and interact with 3 billion people. To make that happen, the Group invests in new ways to shop, more sustainable ways of working, and an inspiring, functional and affordable IKEA product range.

**Meeting the customer**
In FY22, IKEA retailers opened three new markets, including the very first store and online channel in South America. IKEA Santiago de Chile opened on 10 August, and South American expansion will continue with Colombia and Peru during the coming years. During the last years, Inter IKEA Systems B.V. supported this opening with (among others) a dedicated team on location in Chile.

There is a strong desire among consumers to change their lifestyles for the better and the Group wants to make healthier and more sustainable living possible for the many people. A majority of the IKEA stores have implemented the updated Sustainable living shop which shows solutions and services to make changes in lifestyle that are easy and affordable, with focus on saving energy, water and waste; and on prolonging the life of products.

**Range development**
IKEA product range development delivered many new products this year. Some highlights are described below.

The iconic BILLY bookcase returned this year in a range of beautiful wood expressions. The product has undergone rejuvenation and has become more circular, more affordable and easier to assemble. It has a nail-free back panel to snap in and out of place more easily, thus enabling customers to disassemble and reassemble as needed. The new bookcases use less plastic compared to previous versions, and a high-quality paper foil printing technology means less wood is needed.

BILLY is just one example of an IKEA product that avoids unnecessary material consumption. Other examples include LACK tables and the PLATSA storage system, which use lightweight

20230331 17678

constructions. Recycled wood will play an even more important role going forward, and IKEA products will continue to include more and more recycled materials such aluminium, plastics and textiles. Additionally, the ÅBÄCKEN water nozzle provides an affordable solution to help customers cut down on water usage at home by up to 95% in mist mode.

**Manufacturing and distribution**

The Group is constantly looking for new ways to make production more sustainable and energy-efficient. Almost two-thirds of the IKEA climate footprint is directly connected to the supply chain, including production at suppliers.

In FY22, IKEA started to phase out plastic from consumer packaging solutions, a phase-out that will happen in steps, starting with an all new range by 2025, and running range by 2028. With this phase-out, IKEA aims to reduce plastic waste and pollution, and drive the industry agenda to develop packaging solutions centred around renewable and recycled materials.

IKEA Industry continues to invest in renewable energy sources. Significant milestones were made in Poland and China. In May 2022, IKEA Industry Zbąszynek officially launched the construction process of one of the largest solar farms for own use in Europe with a total capacity of 19 MW. In August 2022, the factory in Nantong (China) officially opened a new solar installation adding an extra 4.5 MW of energy production capacity to the existing 3.5 MW solar installation opened in 2015 on the same factory roof. The investments will save energy costs and lower the climate footprint of IKEA furniture manufacturing.

## Outlook for financial year FY23

FY23 will be another challenging year for the Group and the IKEA franchise system. The increasing purchasing cost and declining sales volumes create an uncertain environment for our business. Action is taken to address these developments with the goal to keep prices to the customers as low as possible. Key initiatives that create the most impact for our business will be prioritised and at the same time, initiatives with lower impact will be paused or stopped. Additionally, organisational changes will be made to reduce management layers and to create a better and more focused franchise system.

The expectation is that retail sales will grow in FY23, directly contributing to the Group's wholesale revenues and franchise fee income. The Group will be profitable in FY23.

During FY23, while remaining prudent and cost conscious, investments in research activities and development by the core businesses Franchise, Range and Supply will continue. The Group will finance these investments from its own funds.

## MANAGEMENT BOARD

DocuSigned by:
81C0DE02613B4A6...
Jon Abrahamsson Ring (Chairman)

DocuSigned by:
Martin van Dam
52B7DADD3DE14B7...
Martin van Dam

DocuSigned by:
Henrik Elm
8C059B7BCC924A4...
Henrik Elm

Delft, 31 October 2022

20230331117679

# *CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2022*

*(before profit appropriation, in millions of EUR)*

| | FY22 | FY21 |
|---|---|---|
| **Fixed assets** | | |
| Intangible fixed assets (4) | 9,369 | 9,711 |
| Tangible fixed assets (5) | 1,661 | 1,702 |
| Financial fixed assets (6) | 270 | 251 |
| **Total fixed assets** | **11,300** | **11,664** |
| | | |
| **Current assets** | | |
| Inventories (7) | 6,294 | 3,752 |
| Trade and other receivables (8) | 6,906 | 5,831 |
| Cash and cash equivalents (9) | 184 | 160 |
| **Total current assets** | **13,384** | **9,743** |
| | | |
| **TOTAL ASSETS** | **24,684** | **21,407** |
| | | |
| **Group equity (10)** | **9,847** | **10,115** |
| | | |
| **Provisions (11)** | **124** | **255** |
| | | |
| **Non-current liabilities (13)** | **5,533** | **5,429** |
| | | |
| **Current liabilities (14)** | **9,180** | **5,608** |
| | | |
| **TOTAL EQUITY AND LIABILITIES** | **24,684** | **21,407** |

*(See accompanying notes)*

# *CONSOLIDATED PROFIT AND LOSS ACCOUNT FY22*

*(in millions of EUR)*

| | FY22 | FY21 |
|---|---|---|
| Net turnover | 27,345 | 25,534 |
| Change in inventory of finished goods | 204 | 66 |
| Other operating income | 29 | 15 |
| **Total operating income (17)** | **27,578** | **25,615** |
| | | |
| Cost of raw materials and consumables | 23,404 | 21,137 |
| Cost of outsourced work and other external costs | 247 | 243 |
| Salaries and wages | 954 | 856 |
| Social charges | 235 | 210 |
| Pension expenses | 105 | 100 |
| Depreciation and amortisation (4,5) | 477 | 522 |
| Impairments of tangible and intangible fixed assets (4,5) | 149 | - |
| Other operating expenses | 973 | 691 |
| **Total operating expenses (18)** | **26,544** | **23,759** |
| | | |
| **Operating result** | **1,034** | **1,856** |
| | | |
| Financial income | 250 | 210 |
| Financial expense | 353 | 361 |
| **Financial income and expense (19)** | **(103)** | **(151)** |
| | | |
| **Result before tax** | **931** | **1,705** |
| | | |
| Income tax (20) | 221 | 272 |
| | | |
| **Net result** | **710** | **1,433** |

*(See accompanying notes)*

DocuSign Envelope ID: 1457A946-AD41-4B23-AA38-DC06EFCBE5D0

20230331117680

# *CONSOLIDATED CASH FLOW STATEMENT FY22*

*(in millions of EUR)*

| | FY22 | FY21 |
|---|---|---|
| **Operating result** | **1,034** | **1,856** |
| Adjusted for: | | |
| - Depreciation / amortisation (4,5) | 477 | 522 |
| - Impairments (4,5) | 149 | (11) |
| - Changes in provisions (11) | (127) | (67) |
| - Changes in financial fixed assets (6) | (15) | (1) |
| - Changes in working capital | (2,066) | 325 |
| *Cash flow from business operations* | *(548)* | *2,624* |
| Interest received | 9 | 8 |
| Interest paid | (351) | (343) |
| Income tax paid | (322) | (398) |
| **Cash flow from operating activities** | **(1,212)** | **1,891** |
| Investments in: | | |
| - Intangible fixed assets (4) | (3) | (42) |
| - Tangible fixed assets (5) | (233) | (187) |
| Disposals of: | | |
| - Tangible fixed assets (5) | 13 | - |
| Issuance of debt (6) | (16) | (10) |
| Repayment of borrowings (6) | 33 | 9 |
| **Cash flow from investing activities** | **(206)** | **(230)** |
| Repayment of long term financing (13) | (556) | (509) |
| Disbursement of long term financing (13) | 115 | - |
| Short term financing (8,14) | 2,882 | (364) |
| Dividend paid (10) | (1,000) | (850) |
| **Cash flows from financing activities** | **1,441** | **(1,723)** |
| **Net cash flow** | **23** | **(62)** |
| Exchange rate and translation differences on cash | 1 | (3) |
| **Changes in cash and cash equivalents** | **24** | **(65)** |
| Cash and cash equivalents at beginning | 160 | 225 |
| Cash and cash equivalents at end | 184 | 160 |
| **Net movement in cash** | **24** | **(65)** |

# *CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FY22*

*(in millions of EUR)*

| | FY22 | FY21 |
|---|---|---|
| Net result | 710 | 1,433 |
| Change in unrealised derivatives | (25) | (57) |
| Remeasurements of defined benefit pensions plans | 7 | 8 |
| Exchange rate differences | 38 | 33 |
| Other | 3 | 7 |
| **Total comprehensive income** | **733** | **1,424** |

20230331117681

# *NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*

## 1. CORPORATE INFORMATION

Inter IKEA Holding B.V. ('the Company'), was incorporated on 30 September 1992, is a private limited liability company under Dutch law and is registered as a financial holding under number 27163852 in the trade register and has its corporate seat at Olof Palmestraat 1 in Delft. Inter IKEA Holding B.V. is the ultimate parent of a group of companies that together form the Inter IKEA Group ('the Group').

The Company has issued 1 class A share and 125 class B shares. The class A share is held by Interogo Foundation, entitling Interogo Foundation to voting rights in the General Meeting. This share does not give right to a share in distributable profits and reserves. The class B shares are held by Interogo Holding AG. These shares do not entitle the holder to voting rights in the General Meeting, they only entitle the holder to a share in the distributable profits and reserves.

These financial statements cover the 12-month period which ended at 31 August 2022 ('FY22'). Comparative figures reflect the 12-month period which ended at 31 August 2021 ('FY21').

## 2. BASIS OF PREPARATION

Both the consolidated financial statements and the company financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. The accounting policies applied for measurement of assets and liabilities and the determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

***Application of Section 402, Book 2 of the Dutch Civil Code***
The Company's financial information is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Netherlands Civil Code, the separate profit and loss account of the Company exclusively states the share of the result of participating interests after tax and the other results after tax.

***Going Concern***
The financial statements have been prepared on the basis of the going concern assumption.

## 3. SIGNIFICANT ACCOUNTING POLICIES

***General***

Assets and liabilities are measured at nominal value, unless otherwise stated in the further principles.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits, that are attributable to the asset, will flow to the Company and the cost or value of the asset can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources

embodying economic benefits and the amount of the obligation can be measured reliably. Provisions are included in the liabilities of the company. Liabilities that are not recognized in the balance sheet are considered off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability.

An asset or liability is derecognised in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability being transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction. If assets are recognised of which the Company does not have the legal ownership, this fact will be disclosed.

***Functional and presentation currency***

The financial statements are presented in euros ('EUR'), which is also the Company's functional currency. All financial information in euros has been rounded to the nearest million, unless stated otherwise.

***Assumptions and estimates***

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that have an impact on the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. Estimates and the underlying assumptions are constantly assessed. Revisions to estimates are recognised prospectively.

The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumptions.

- The useful life of fixed assets;
- Obsolescence of stock;
- Impairments;
- Provisions; and
- Taxation (including uncertain tax positions).

Refer to the accounting policies of the respective balance sheet items for details on the assumptions made.

***Consolidation scope***

The consolidated financial statements include the financial information of the Company and its subsidiaries. Subsidiaries are participating interests in which the Company (and/or one or more of its subsidiaries) can exercise more than half of the voting rights in the general meeting, or can appoint or dismiss more than half of the managing directors or supervisory directors.

Newly acquired participating interests are consolidated as from the date that decisive influence (control) can be exercised. Participating interests disposed of, remain included in the consolidation until the date of loss of this influence.

For an overview of all subsidiaries included in the Group, reference is made to the listing of subsidiaries that has been filed by the Company at the Chamber of Commerce.

20230331117682

***Business combinations***

A business combination is a transaction whereby the Group obtains control over the assets and liabilities and the activities of the acquired party. Business combinations are accounted for using the 'purchase accounting' method on the date that control is transferred to the Group (the acquisition date). The transaction price is the cash consideration or equivalent agreed as part of the acquisition, or the fair value of the consideration transferred at the acquisition date. Transaction costs that are directly attributable to the business combination are allocated to the transaction price. In case of deferred payment of the consideration, the transaction price is the discounted value of the consideration.

The Group recognises the identifiable assets and liabilities of the acquired party at the acquisition date. These assets and liabilities are recognised individually at their fair values, provided that it is probable that future economic benefits will flow to the Group (assets) or settlement will result in an outflow of resources embodying economic benefits (liabilities), and the cost or fair value thereof can be measured with reliability.

***Consolidation principles***

The consolidated financial statements are prepared by using uniform accounting policies for measurement and determination of the result of the Group.

In the consolidated financial statements, intragroup shareholdings, liabilities, receivables and transactions are eliminated. Also, the results on transactions between group companies are eliminated to the extent that the results are not realised through transactions with third parties outside the Group and no impairment loss is applicable.

***Translation of foreign currencies***

At initial recognition, transactions denominated in a foreign currency are translated into the Company's functional currency at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into the functional currency at the spot exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognised in profit and loss in the period in which the exchange difference occurs. Exempt from this are exchange differences on monetary items that are part of a net investment in a foreign operation.

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost, are translated into the functional currency at the exchange rates as at the date of the transactions.

The assets and liabilities that are part of the net investment in a foreign operation are translated into the functional currency at the exchange rate prevailing on the reporting date. The income and expenses of such a foreign operation are translated into euros at the average exchange rate for the year. Currency translation differences are recognised in the translation reserve within equity.

***Financial instruments***

Financial instruments include trade and other receivables, cash, loans and other financing commitments, trade payables, other amounts payable and derivative financial instruments.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognised if a transaction results in a considerate part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract and accounted as a stand-alone derivative if its economic characteristics and risks are not closely related to those of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account. Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract. Derivatives separated from the host contract are, in accordance with the measurement policy for derivatives for which no cost price hedge accounting is applied, measured at cost or lower fair value.

A purchase or sale of non-derivative financial assets according to standard market conventions is, by class of financial assets and financial liabilities, systematically recognised or derecognised in the balance sheet on the settlement date (date of transfer).

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition. After initial recognition, financial instruments are valued in the manner described below.

*Loans granted and other receivables*

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

*Trade and other receivables*

Receivables are short-term in nature, initially measured at fair value and subsequently at amortised cost (except for derivatives) less allowance for uncollectible amounts.

*Non-current and current liabilities and other financial commitments*

Non-current and current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

Redemption payments regarding non-current liabilities that are due next year, are presented under current liabilities.

20230331117683

*Derivatives and hedge accounting*
Derivatives are measured at fair value with recognition of all changes in value in the profit and loss account, except where hedge accounting is used to hedge the variability of future cash flows that affect the profit and loss account (cash flow hedge accounting).

*Cash flow hedge*
If cash flow hedge accounting is used, the effective portion of the fair value changes of the derivatives is initially recognised in other comprehensive income. As soon as the expected future transactions lead to the recognition of gains or losses in the profit and loss account, the respective amounts are transferred from the hedging reserve of other comprehensive income to the profit and loss account. The net result of these gains and losses is recognised as financial income and expenses.

If a derivative no longer meets the conditions for hedge accounting, expires or is sold, or if the Company has decided to no longer apply hedge accounting, the hedging relationship is terminated. The deferred gains or losses recognised at the time of the termination of the hedging relationship remain in equity until the expected future transaction takes place. If the transaction is no longer expected to take place, the deferred gain or loss on the hedge recognised in equity is transferred to the profit and loss account.

*Conditions for hedge accounting*
The Company uses hedge accounting documentation, documenting the specific hedge relationships in the dedicated treasury management system and regularly assesses the effectiveness of the hedging relationships by establishing whether the hedge is effective or that there is no over-hedging.

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items as well as its risk management objective and strategy for undertaking hedge transactions together with methods selected to assess hedge effectiveness. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in future cash flows (the hedged items). The effectiveness test is performed by comparing the critical attributes of the hedging instrument with the hedged item, namely currency pair, maturity date and notional amount. If there is an over-hedge, the related value based on the lower of cost or fair value is recognised directly in the profit and loss account.

*Impairment of financial assets*
Financial assets (e.g. long-term loans receivable) are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security.

The entity considers evidence of impairment for financial assets measured at amortised cost. All individually significant assets are assessed individually for impairment.

An impairment loss in respect of a financial asset stated at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original amortised cost).

*Offsetting financial instruments*
A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

***Intangible fixed assets***
Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Intangible fixed assets are measured at acquisition or development cost, less accumulated amortisation and impairment losses.

Expenditures made after the initial recognition of an acquired or constructed intangible fixed asset are included to the acquisition or construction cost if it is probable that the expenditures will lead to an increase in the expected future economic benefits, and the expenditures and the allocation to the asset can be measured reliably. If expenditures do not meet these conditions, they are recognised as an expense in the profit and loss account.

The accounting principles for the recognition of an impairment are included under the section 'Impairment of fixed assets'.

*Proprietary Rights*
The Proprietary Rights include the IKEA trademark, protection rights, intellectual property rights and the rights to the IKEA catalogue.

The IKEA Brand and Concept have shown strong income and cash flow performance over the last decades. We have the intent and ability to support the IKEA Brand with marketplace spending for the foreseeable future. Applicable Dutch accounting principles require us to amortise these Proprietary Rights based on expected economic life. Determining an expected economic life of the Proprietary Rights requires management assessment and is based on a number of factors, including: expected usage of the IKEA Brand and Concept, development of our market share,

20230331117684

expectations on market development, consumer awareness and anticipated future expansion. Based on these factors, the expected economic life is set at 45 years.

At the end of each financial year, the recoverable amount of the Proprietary Rights is assessed for impairment, even if there is no indication of impairment.

*Development costs*
Internally developed software is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method and starts when the software is ready for usage. Internally developed software is capitalized if the following conditions are met: the intention exists to complete the asset and after completion to use or sell it (including the availability of adequate technical, financial and other resources to achieve this), it is probable that the asset will generate future economic benefits, and the costs during the development phase can be determined reliably. The useful life differs per software platform. A legal reserve is formed for the capitalised development costs that have not yet been amortised.

***Tangible fixed assets***
Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Land and buildings, machinery and equipment, construction in progress and other fixed operating assets are stated at cost less accumulated depreciation and impairment losses. The cost comprises the price of acquisition or manufacturing, plus other costs that are necessary to bring the assets to their location and in condition for their intended use. Investment grants are deducted from the cost of the assets to which the grants relate. Expenditure is only capitalised when it extends the useful life of the asset. Costs of major rebuilding, repairs or maintenance are capitalised at cost, when incurred and if the recognition criteria are met, using the component approach. All other repair and maintenance costs are charged directly to the profit and loss account.

The Company applies the component approach for tangible fixed assets if important individual components of a tangible fixed asset can be distinguished from each other. Taking into account differences in useful life or expected pattern of use, these components are depreciated separately.

Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taking into account any estimated residual value of the individual assets. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment. No depreciation is recognised on land.

***Financial fixed assets***
*Long-term loans receivable*
The accounting policies for Long-term loans receivable are included under the heading 'Financial instruments'

*Deferred tax assets*
The valuation of deferred tax assets is explained under the heading 'Corporate income tax'.

***Impairment of fixed assets***
Tangible and intangible fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit (CGU) to which the asset belongs.

When the carrying amount of an asset or CGU exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a CGU, the loss is first allocated to goodwill allocated to the CGU. Any residual loss is allocated to the other assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or CGU is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or CGU) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or CGU).

Contrary to what is stated before, at each reporting date the recoverable amount is assessed for the following assets (irrespective of whether there is any indicator of an impairment):

- intangible assets that have not been put into use yet;
- intangible assets that are amortised over a useful life of more than 20 years (counting from the moment of initial operation/use).

***Disposal of fixed assets***
Fixed assets available for sale are measured at the lower of their carrying amount and net realisable value.

***Inventories***
Inventories are valued at the lower of cost and net realisable value. Cost includes the expenses for acquisition or manufacturing, plus other expenditure to bring the inventories to their present location and condition. Net realisable value is based on the most reliable estimate of the sales proceeds the inventories will generate, less costs still to make. Valuation of purchased goods is calculated based on the 'first in – first out' (FIFO) method which assumes that the goods purchased first, are the first goods to be sold.

***Other receivables***
The accounting policies applied for the valuation of other receivables are disclosed under the heading 'Financial instruments'.

***Cash and cash equivalents***
Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this is taken into account in the measurement.

20230331117685

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate valid at that date. Reference is made to the accounting policies for foreign currencies.

***Shareholders' equity***

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

*Share Premium*

Amounts contributed by the shareholder(s) of the Company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of the Company.

*Translation reserve*

Exchange gains and losses arising from the translation of the functional currency of foreign operations to the reporting currency of the parent are accounted for in this legal reserve. In the case of the sale of a foreign operation, the associated accumulated exchange differences are transferred from the translation reserve to the profit and loss account.

*Legal reserve*

Other legal reserves consist of a legal reserve for capitalised development costs and a legal reserve for non-distributable profits.

***Provisions***

A provision is recognised if the following applies:

1. the Company has a legal or constructive obligation arising from a past event;
2. and the amount of the liability can be estimated reliably;
3. and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset.

If the time value of money is material and the period over which the cash outflows are discounted is more than one year, provisions are measured at the present value of the best estimate of the cash outflows that are expected to be required to settle the liabilities and losses. The provisions are measured at nominal value if the time value of money is not material or if the period over which the cash outflows are discounted is no longer than one year.

*Provision for deferred tax liabilities*

The valuation of deferred tax liabilities is explained under the heading 'Corporate income tax'.

*Pensions and other post-employment benefits*
The Company operates a number of pension plans, which have been established in accordance with the regulations and practices of the individual countries. The plans include both defined contribution plans and defined benefit plans. Accounting standard RJ 271 "Employee Benefits" offers the possibility to apply IFRS EU standards relating to the accounting treatment of pensions (IAS 19 "Employee Benefits") in financial statements that have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. This makes the IFRS standard for pension obligations a factual part of the Dutch guidelines (RJ 271.101). The Company applies IAS 19 to all post-employment benefits.

*Defined contribution plans*
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

*Defined benefit plans*
The net obligations in respect of defined benefit plans are calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Provision for claims, disputes and lawsuits*
A provision for claims, disputes and lawsuits is established when it is expected that the Company will be sentenced in legal proceedings. The provision represents the best estimate of the amount for which the claim can be settled, including the costs of litigation.

***Non-current liabilities***
The valuation of non-current liabilities is explained under the heading 'Financial instruments'.

20230331117686

***Revenue recognition***

*Sale of goods*

Revenue from the sale of goods is accounted for in net turnover at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer, the amount of the revenue can be determined reliably, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing involvement with the goods.

*Franchise fees*

Franchise fees are received for the use of the IKEA trademarks, patents and software. Revenue is recognised when the amount of the consideration receivable can be determined reliably and recovery is probable.

*Change in inventory of finished goods*

Changes in inventories of finished products is related to the manufacturing activities of Core Business Supply.

Revenue and expenses are allocated to the period to which they relate.

***Expenses***

Expenses, including interest, are determined with due observance of the aforementioned accounting policies and allocated to the year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised if known before the financial statements are prepared and provided all other conditions for the recognition of a provision are met.

***Employee benefits***

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

For benefits with accumulating rights and bonuses, the projected costs are taken into account during the employment. An expected payment resulting from profit-sharing and bonus payments is recognised if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made.

If a benefit is paid in case of non-accumulating rights (e.g., continued payment in case of sickness or disability), the projected costs are recognised in the period in which such benefit is payable. For existing commitments at the balance sheet date to continue the payment of benefits (including termination benefits) to employees who are expected to be unable to perform work wholly or partly due to sickness or disability in the future, a provision is recognised.

The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with

employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account.

The liability for benefits during employment is measured at present value of the expenditure expected to be required to settle the obligation.

***Leasing***

The Company may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

At inception of an arrangement, the Company assesses whether the lease classifies as a finance or operating lease.

If the Company acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised to the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

***Financial income and expenses***

Financial income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Financial expenses and similar expenses are recognised in the period to which they belong. Hedge results are recorded in financial income and expense on a net basis.

***Corporate income tax***

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years. If the carrying amounts of assets and liabilities for financial reporting differ from their values for tax purposes (tax base), this results in temporary differences. For taxable temporary differences, a provision for deferred tax liabilities is recognised.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For taxable temporary differences relating to group companies, foreign branches, associates and joint ventures, a deferred tax liability is recognised, unless it is probable that the temporary

20230331117687

difference will not reverse in the foreseeable future. The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

***Cash flow statement***

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value. Cash flows in foreign currency are translated into euros using the weighted average exchange rate for the reporting period. Currency translation differences with regard to cash and cash equivalents are presented separately in the cash flow statement.

Receipts and payments of interest and income taxes are presented within the cash flows from operating activities. Payments of dividends are presented within the cash flows from financing activities.

Cash flows from derivative financial instruments that are accounted for as fair value hedges or cash flow hedges, are classified in the same category as the cash flows from the hedged balance sheet items and are part of change working capital. Cash flows from derivative financial instruments whereby hedge accounting is no longer applied, are classified in accordance with the nature of the instrument, from the date at which hedge accounting is ended.

***Determination of fair value***

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

- The fair value of listed financial instruments is determined on the basis of the exit price.
- The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.
- The fair value of derivatives involving the exchange of collateral is determined without the credit or liquidity surcharges since this risk is mitigated by the collateral exchange.

***Related parties and related party transactions***

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

***Subsequent events***

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements. Events that provide no further information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects are disclosed in the financial statements.

## 4. INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets were as follows:

| | Proprietary rights | Developm. costs | Other | Total |
|---|---|---|---|---|
| Balance as at 1 September 2021: | | | | |
| Purchase price | 11,800 | 216 | 3 | 12,019 |
| Accumulated amortisation and impairment | (2,164) | (144) | - | (2,308) |
| **Carrying amount** | **9,636** | **72** | **3** | **9,711** |
| | | | | |
| Changes in carrying amount: | | | | |
| Additions | - | - | 2 | 2 |
| Impairments | - | (57) | - | (57) |
| Amortisation | (273) | (14) | - | (287) |
| **Balance** | **9,363** | **1** | **5** | **9,369** |
| | | | | |
| Balance as at 31 August 2022: | | | | |
| Purchase price | 11,800 | 216 | 5 | 12,021 |
| Accumulated amortisation and impairment | (2,437) | (215) | - | (2,652) |
| **Carrying amount closing** | **9,363** | 1 | **5** | **9,369** |
| | | | | |
| **Estimated useful life (years)** | 45 | 3-5 | 3 | |

***Proprietary Rights***

The Company (through its subsidiary Inter IKEA Systems B.V.), acquired the beneficial interest of the IKEA Proprietary Rights ("IP Rights") from Interogo Foundation for a total consideration of EUR 11,800 million. These Rights include the IKEA trademark, protection rights, intellectual property rights and the rights to the IKEA catalogue.

***Development costs***

Development costs relate to various internally developed software to gain economic benefits. The expected useful life is aligned with the expected economic benefits.

20230331117688

## 5. TANGIBLE FIXED ASSETS

Movements in tangible fixed assets were as follows:

| | Land and buildings | Mach. and equip. | Constr. in progress | Other | Total |
|---|---|---|---|---|---|
| Balance as at 1 September 2021: | | | | | |
| Purchase price | 1,418 | 1,091 | 104 | 101 | 2,714 |
| Accumulated depreciation and impairment | (357) | (579) | - | (76) | (1,012) |
| **Carrying amount** | **1,061** | **512** | **104** | **25** | **1,702** |
| | | | | | |
| Changes in carrying amount: | | | | | |
| Investments | 9 | 32 | 184 | 8 | 233 |
| Disposals | (2) | (5) | (6) | - | (13) |
| Translation differences | 40 | (4) | (1) | - | 35 |
| Transfers | 7 | 67 | (89) | 3 | (12) |
| Depreciation | (69) | (110) | - | (11) | (190) |
| Impairment | (47) | (42) | (3) | - | (92) |
| Other | - | 1 | (2) | (1) | (2) |
| **Balance** | **999** | **451** | **187** | **24** | **1,661** |
| | | | | | |
| Balance as at 31 August 2022: | | | | | |
| Purchase price | 1,472 | 1,182 | 190 | 111 | 2,955 |
| Accumulated depreciation and impairment | (473) | (731) | (3) | (87) | (1,294) |
| **Carrying amount** | **999** | **451** | **187** | **24** | **1,661** |
| | | | | | |
| **Estimated useful life (years)** | 0-25 | 3-15 | N/A | Various | |

Tangible fixed assets carried at cost do not include capitalised interest charges.

Tangible fixed assets include an amount of EUR 18 million (FY21: EUR 19 million), which is pledged for debts to credit institutions.

Construction in progress is mainly related to the factories and distribution center of Core business Supply.

## 6. FINANCIAL FIXED ASSETS

Movements in financial fixed assets were as follows:

| | Deferred tax asset | LT loans receivable | Other | Total |
|---|---|---|---|---|
| **Balance as at 1 September 2021:** | **177** | **61** | **13** | **251** |
| Changes in carrying amount: | | | | |
| Investments | - | - | 15 | 15 |
| Additions | 32 | - | - | 32 |
| New loans | - | 16 | - | 16 |
| Used | (16) | - | - | (16) |
| Released | (12) | - | - | (12) |
| Repayments | - | (9) | - | (9) |
| Translation differences | - | - | 1 | 1 |
| *From long-term to current portion* | - | (6) | - | (6) |
| Effect of tax rate changes | 10 | - | - | 10 |
| Reclassification of assets | (7) | 7 | 12 | 12 |
| Write-off | - | (26) | - | (26) |
| Other | 1 | 1 | - | 2 |
| **Balance** | **8** | **(17)** | **28** | **19** |
| **Balance as at 31 August 2022:** | **185** | **44** | **41** | **270** |

The deferred tax assets relate to deductible temporary differences. It is expected EUR 27 million will be offset within one year.

The long term loans receivable mainly encompass supplier financing with a gross amount of EUR 87 million (FY21: EUR 99 million), off-set by a provision of EUR 68 million (FY21: EUR 42 million) and a loan to one of our associates. The current part of the long term loans receivable has been presented under Receivables which is the gross outstanding amount.

Other financial fixed assets relate to investments in associates.

## 7. INVENTORIES

| | FY22 | FY21 |
|---|---|---|
| Raw materials | 295 | 243 |
| Work in progress | 67 | 56 |
| Finished goods | 536 | 332 |
| Trade goods | 5,396 | 3,121 |
| **Total** | **6,294** | **3,752** |

A limited part of the trade goods is valued at the net realizable value. All other inventories are valued at cost.

20230331117689

The movement in the provision for obsolescence for inventories is as follows:

| | FY22 | FY21 |
|---|---|---|
| Balance as at 1 September 2021: | 137 | 111 |
| Addition, charged to the profit and loss account | 32 | 47 |
| Write-offs charged against the provision | (3) | - |
| Release, credited to the profit and loss account | (35) | (21) |
| **Balance as at 31 August 2022:** | **131** | **137** |

## 8. TRADE AND OTHER RECEIVABLES

| | FY22 | FY21 |
|---|---|---|
| Trade receivables | 3,326 | 2,876 |
| Current portion of long-term loans receivable | 131 | 167 |
| Income tax receivable | 71 | 34 |
| Indirect tax receivable | 237 | 205 |
| Receivable on related parties | 2,889 | 2,287 |
| Derivatives assets | 70 | 50 |
| Prepaid expenses and accrued income | 104 | 137 |
| Other receivables | 78 | 75 |
| **Total** | **6,906** | **5,831** |

The trade and other receivables all have an estimated maturity shorter than one year, with the exception of the indirect tax receivable of which some 40% is expected to be received after 2-3 years.

The carrying values of the recognised receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognised, if necessary.

| | FY22 | FY21 |
|---|---|---|
| Amortised cost of outstanding receivables | 3,336 | 2,879 |
| Less: allowance for doubtful debts | (10) | (3) |
| Trade Receivables | **3,326** | **2,876** |

Receivables on related parties relate to regular notional account receivables with Interogo Holding AG.

## 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include an amount of EUR 19 million (FY21: EUR 37 million) relating to guarantees that are not immediately accessible.

## 10. GROUP EQUITY

For details on shareholders' equity, refer to note 5 in the Company financial statements.

## 11. PROVISIONS

Movements in provisions can be specified as follows:

| | Pension | Deferred tax liability | Tax | Legal Claims | Other | Total |
|---|---|---|---|---|---|---|
| **Balance as at 1 September 2021:** | **120** | **49** | **25** | **35** | **26** | **255** |
| Changes: | | | | | | |
| - Provisions made during the year | 3 | 25 | - | 5 | 16 | **49** |
| - Provisions used during the year | (21) | (9) | - | - | (5) | **(35)** |
| - Provisions released during the year | (96) | (7) | (13) | (19) | (3) | **(138)** |
| - Reclassification to assets | - | (7) | - | - | - | **(7)** |
| **Balance as at 31 August 2022:** | **6** | **51** | **12** | **21** | **34** | **124** |

The provision for tax expenses is recorded for potential unfavourable outcomes in tax audits and disputes.

The Company has recognised a provision for deferred taxes for differences between valuation principles for financial reporting purposes and for tax purposes mainly related to fixed assets. The deferred tax liabilities will not be utilized within one year.

For details on the provision for pensions commitments in Sweden, the Netherlands and Switzerland refer to note 12. The remaining amount is divided over several countries.

The provision in respect of claims, disputes and lawsuits mainly relates to product infringement claims involving the Company and/or its group companies.

## 12. PENSION AND OTHER POST-EMPLOYMENT BENEFITS

| | FY22 | FY21 |
|---|---|---|
| Defined benefit obligation - funded plans | 163 | 131 |
| Defined benefit obligation - unfunded plans | 58 | 247 |
| Fair value on plan assets | (248) | (272) |
| Effect of asset ceiling | 23 | - |
| **Net defined benefit liability** | **(4)** | **106** |

The Group has a number of defined benefit pension plans, predominantly in the Netherlands and Switzerland.

There are minimum funding requirements applicable for the pension plans in the Netherlands and Switzerland as set out by local legislation.

The pension obligations from the three remaining Swedish entities were transferred from PRI to Alecta during FY22. For most salaried employees in Sweden, the ITP 2 plan's defined-benefit pension commitments for old-age and family pensions are secured through insurance with Alecta. According to IAS 19, the pension plan ITP 2 financed through insurance with Alecta is a defined benefit plan that covers multiple employers. For the financial year ending 31 August 2022,

20230331117690

the company has not had access to information in order to be able to report its proportional share of the plan's obligations, plan assets and costs, which meant that the plan was not possible to report as a defined benefit plan. The ITP 2 pension plan that is secured through insurance with Alecta is therefore reported as a defined contribution plan. Premiums for the defined-benefit old-age and family pensions are calculated individually and are dependent on, among other things, salary, previously earned pension and expected remaining period of service.

The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions. The collective consolidation level should normally be allowed to vary between 125 and 175 percent. In order to strengthen the level of consolidation if it is deemed to be too low, one measure may be to increase the agreed price for new subscriptions and changes of existing benefits. If the consolidation level exceeds 150 percent, premium reductions can be introduced. At the end of June 2022, Alecta's surplus in the form of the collective consolidation level amounted to 185 percent (FY21: 165 percent).

***Movement in Net defined benefit liability***

| | Defined benefit obligation | | Fair value of plan assets | | Net defined benefit liability (asset) | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| **Balance at 1 September** | **378** | **392** | **(272)** | **(233)** | **106** | **159** |
| **Included in profit or loss** | | | | | | |
| Current service cost | 20 | 24 | - | - | 20 | 24 |
| Past service cost | 1 | (9) | - | - | 1 | (9) |
| (Gain) / loss on settlements | (14) | (12) | - | - | (14) | (12) |
| Interest cost | 4 | 5 | (3) | 3 | 1 | 8 |
| | **11** | **8** | **(3)** | **3** | **8** | **11** |
| **Included in OCI** | | | | | | |
| Remeasurements of defined benefit pensions plans: | | | | | | |
| - Actuarial loss (gain) arising from: | | | | | | |
| - demographic assumptions | 2 | (10) | - | - | 2 | (10) |
| - financial assumptions | (103) | 21 | - | - | (103) | 21 |
| - experience adjustment | 10 | (1) | - | - | 10 | (1) |
| - Return on plan assets excluding interest income | - | - | 60 | (25) | 60 | (25) |
| Effect of movements in exchange rates | 7 | 1 | (9) | - | (2) | 1 |
| Effect of asset ceiling | - | - | - | - | 23 | - |
| | **(84)** | **11** | **51** | **(25)** | **(10)** | **(14)** |
| **Other** | | | | | | |
| Contributions paid by the employer | (1) | (2) | (16) | (13) | (17) | (15) |
| Settlement payments by the employer | (91) | (32) | - | - | (91) | (32) |
| Settlement payments from plan assets | 2 | (5) | (2) | 5 | - | - |
| Participation contribution | 7 | 6 | (7) | (6) | - | - |
| Other | (1) | - | 1 | (3) | - | (3) |
| | **(84)** | **(33)** | **(24)** | **(17)** | **(108)** | **(50)** |
| **Balance at 31 August** | **221** | **378** | **(248)** | **(272)** | **(4)** | **106** |

The present value of the defined benefit liability is detailed as below:

***Plan assets***

The major categories of plan assets of the fair value of the total plan assets are, as follows:

| | FY22 | FY21 |
|---|---|---|
| Cash and cash equivalents | 4 | 6 |
| Equity instruments | 88 | 100 |
| Debt instruments | 113 | 130 |
| Real estate | 40 | 36 |
| Other | 3 | - |
| **Total** | **248** | **272** |

The plan assets do not include investments in shares, issued debt or property owned by the Company. Total plan assets with a quoted market prices amounts to EUR 248 million (FY21: EUR 272 million).

***Defined benefit obligation***

*Actuarial assumptions*

The principal weighted-average assumptions used in determining the defined benefit obligations are shown below:

| | FY22 | FY21 |
|---|---|---|
| Discount rate | 3.1% | 1.3% |
| Future salary increase rate | 2.2% | 2.4% |

The pre-retirement mortality assumption has been calculated per country, based on generally accepted mortality tables, such as DUS14 for Sweden and BVG2020 Generational for Switzerland.

The average duration of the defined benefit plan obligation at 31 August 2022 is 20 years (FY21: 25 years).

The Company expects to contribute EUR 17 million to its defined benefit pension plans in FY23.

*Sensitivity analysis*

Sensitivity analyses (in- and decrease by 0.5%) have been performed on both the discount rate and the salary increase rate, calculating the present value of the defined benefit obligation as at 31 August 2022.

| | Discount rate | | Salary increases | |
|---|---|---|---|---|
| | +50 bp | -50 bp | +50 bp | -50 bp |
| Present value defined benefit obligation | 202 | 244 | 224 | 218 |

## 13. NON-CURRENT LIABILITIES

| | FY22 | FY21 |
|---|---|---|
| Debts to related party | 5,414 | 5,426 |
| Other debts | 119 | 3 |
| **Closing Balance** | **5,533** | **5,429** |

20230331117691

The Group is financed, primarily, by a loan granted by the non-controlling shareholder Interogo Holding AG relating to the acquisition of the Proprietary Rights; EUR 5,400 million. This loan is due in December 2023. Interogo Holding AG has confirmed to refinance this loan. Refer to note 15 for more details on interest rates and conditions.

The debts to related party can be further disclosed as follows:

- Remaining duration < 1 year: EUR 14 million
- Remaining duration 1-5 year: EUR 5,414 million
- Remaining duration >5 year: EUR 0 million

The movements in debts to related party can be specified as follows:

| | FY22 | FY21 |
|---|---|---|
| Principal amount | 8,603 | 8,603 |
| Repaid until 31 August | (2,625) | (2,124) |
| *Outstanding principal amount as per 1 September* | *5,978* | *6,479* |
| Repayments | (556) | (506) |
| Difference in foreign currency translation | 6 | 5 |
| *Outstanding principal amount as at 31 August* | *5,428* | *5,978* |
| Current as at 31 August | (14) | (552) |
| **Non-current as at 31 August** | **5,414** | **5,426** |

## 14. CURRENT LIABILITIES

| | FY22 | FY21 |
|---|---|---|
| Current portion of long term debt | 14 | 552 |
| Short-term borrowings | 164 | 110 |
| Payable related parties | 5,791 | 2,308 |
| Accounts payable trade | 2,422 | 1,921 |
| Income taxes payable | 52 | 101 |
| Indirect tax payable | 217 | 155 |
| Payable staff | 144 | 150 |
| Derivatives liabilities | 17 | 13 |
| Bank overdraft | - | 2 |
| Accrued liabilities and deferred income | 240 | 185 |
| Other Liabilities | 119 | 111 |
| **Total** | **9,180** | **5,608** |

Short-term borrowings at different finance institutions bear market interest rates according to local conditions for currencies involved.

Payable related parties mainly relate to regular notional account borrowing from Interogo Holding AG amounting to EUR 5,639 million (FY21: EUR 2,196 million). Interogo Holding AG has confirmed to continue financing working capital needs for at least until 31 December 2023. Refer to note 15 for more details on interest rates and conditions.

All current liabilities have an estimated maturity shorter than one year.

## 15. FINANCIAL INSTRUMENTS

### General

During the normal course of business, the Company uses various financial instruments that expose it to currency, interest, cash flow, fair value, market, credit and liquidity risks. To control these risks, the Company has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company.

### Credit risk

Credit risk arises principally from the Company's loans and receivables presented under financial fixed assets, trade and other receivables and cash and cash equivalents. The maximum amount of credit risk that the Company incurs is EUR 7,360 million (FY21: EUR 6,242 million), consisting of EUR 270 million (FY21: EUR 251 million) financial fixed assets, EUR 6,906 million (FY21: EUR 5,831 million) trade and other receivables and EUR 184 million (FY21: EUR 160 million) cash and cash equivalents. The credit risk is concentrated to trade receivables for EUR 3,326 million (FY21: EUR 2,876 million) which mainly consists of 12 franchisees. Long standing relationships exist with these counterparties. Furthermore, the Company holds receivables of EUR 2,889 million (FY21: EUR 2,287 million) on related parties.

### Credit risk mitigating aspects

For derivatives traded with banking partners, there is a collateral management process where the net asset or liability value is exchanged in the form of cash collateral with each counterparty. At year-end 2022, EUR 238 million was received as collateral against the positive value of derivative contracts, EUR 404 million was delivered as collateral against the negative value of derivative contracts.

### Interest rate risk and cash-flow risk

The Company runs an interest rate risk on interest bearing assets and liabilities and on the refinancing of existing loans. For assets and liabilities with variable interest rate agreements, the Company runs a risk of future cash flows relating to the interest element. For fixed interest rate loans the Company runs a fair value risk.

The Company has liabilities and receivables with the following interest rates:

- Receivable on related parties EUR 2,889 million (daily floating %, currency specific base rate minus 5 basis points with a floor of 0%);
- Long-term debt to shareholder EUR 5,400 million (6% fixed EUR);
- Payable related parties EUR 5,791 million via notional account (daily floating %, currency specific base rate plus 60 basis points).

### Currency risk

The Company is exposed to currency risk on:

- Franchise fees: the franchise fees are partly earned outside of the Euro zone, where the euro is the Company's reporting currency. From a reporting perspective, the Company is therefore exposed to the volatility of foreign exchange market. The currency risk run on the positions is limited, considering the amounts involved and regular settlements combined.

20230331117692

- *Goods flows: the Company is exposed to foreign exchange rate risks arising from* purchase and sales of goods, freight and indirect materials and services transactions. The currencies in which these transactions primarily are denominated are CNY, PLN, GBP and USD. The Company's exchange rate risk is actively managed by using derivatives contracts.

At year-end 2022, the total net fair value of the derivatives used to manage exchange risk is EUR 228 million positive (FY21: EUR 43 million positive).

Hedge accounting is applied with the impact of effective hedging taken to other comprehensive income of EUR 51 million loss (FY21: EUR 26 million loss). The results of derivatives which did not meet the hedging criteria are directly reported under result from hedges in the profit and loss account and amount to EUR 265 million gain (FY21: EUR 7 million gain). The gain mainly relates to the Russian operations where underlying currency flows were no longer valid after economic sanctions were imposed by the international community.

The strategy to mitigate the currency risk is centralised and managed by the separate Treasury function within the Group, which is responsible for mitigating the Group's financial risks. Based on the forecasted business plan, the Treasury function determines and is responsible for the risk management strategy. As a consequence, the Company has opted to recognise the realised hedge results (gains and losses) in financial income and expenses.

The Company applies derivatives, including currency options and forward exchange contracts to control its risks. A minimum of 80% of the forecasted foreign exchange exposure should be hedged within 2 months of setting fixed rates.

In FY22, the result from hedging recognised in the profit and loss account amounted to a gain of *EUR 216 million (FY21: gain of EUR 202 million).*

**Liquidity Risk**
The Company monitors its cash position by using liquidity planning. Management ensures that the cash position and facilities are sufficient to meet the company's financial obligations towards creditors.

**Fair value**
The fair value of most of the financial instruments stated on the balance sheet, including receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount. The fair value of the debts to related party as reported under the non-current liabilities can be specified as follows, in billions:

| | Fair value | Carrying amount |
|---|---|---|
| Debts to related party | 5.6 | 5.5 |

The fair value is the present value of future cash-flows discounted on the interest rate that would apply at the balance sheet date for similar loans, including a risk premium for each individual loan. The average market interest rate applied was 4.14%.

## 16. COMMITMENTS AND CONTINGENT LIABILITIES

The commitments can be detailed as follows:

*Purchase commitments*
The Group has entered into purchase agreements with external suppliers for a total value of EUR 5,556 million at 31 August 2022 (FY21: EUR 6,260 million). These agreements have different remaining periods, ranging from 1 to 10 years.

*IT Services commitments*
The Group has entered into IT services agreements. This agreement includes both 'Agreed Services', such as maintenance, operations and infrastructure and 'Consultancy Services". The commitment for the coming year for these agreements amounts to approximately EUR 77 million (FY21: EUR 85 million).

*Distribution Services Commitments*
The Group has entered into agreements covering the services for distribution. These agreements have different remaining periods, ranging from 1 to 10 years. The commitment for the coming years for the distribution services amounts to approximately EUR 3,092 million (FY21: EUR 3,007 million).

*Construction commitments*
Commitments for the construction of tangible fixed assets amount to EUR 49 million at 31 August 2022 (FY21: EUR 4 million) mainly relating to the new Foshan distribution center.

*Operating leases – Group as lessee*
The Company and its subsidiaries have entered into several other lease and rental agreements for various periods. Future minimum rental payable under non-cancellable operating leases as at 31 August 2022 is as follows:

| | FY22 | FY21 |
|---|---|---|
| <1 year | 17 | 19 |
| 1-5 years | 15 | 33 |
| >5 years | 38 | 27 |
| **Total** | **70** | **79** |

Lease payments recognised as expenses in FY22 amount to EUR 23 million (FY21: EUR 19 million).

The contingent liabilities can be detailed as follows:

*Guarantees*
Issued guarantees towards external parties amounted to EUR 19 million at 31 August 2022 (FY21: EUR 37 million), mainly relating to national forests and customs office in Poland.

*Litigation*
The Company is or may become involved in legal proceedings, as well as in investigations (see also note 11) and disputes with respect to (f.e.) tax and product liability. When no estimate can be

20230331117693

made of the financial consequences, if any, or if the risk of a future cash outflow is less than probable, no provisions have been recognised in the balance sheet. Management believes, based on legal advice, that no pending litigation to which the Company is a party will have a material adverse effect on the financial position or the results from operations.

*Uncertain tax positions*
We refer to note 20 of the financial statements.

## 17. OPERATING INCOME

The breakdown of operating income by revenue categories is as follows:

| | FY22 | FY21 |
|---|---|---|
| Sales of goods | 26,148 | 24,282 |
| Franchise fees | 1,285 | 1,273 |
| Other revenue | 145 | 60 |
| **Total** | **27,578** | **25,615** |

The geographical distribution of operating income is as follows:

| | FY22 | FY21 |
|---|---|---|
| The Netherlands | 1,013 | 884 |
| European Union | 13,477 | 14,538 |
| Rest of the world | 13,088 | 10,193 |
| | **27,578** | **25,615** |

## 18. OPERATING EXPENSES

*Salaries and wages*
During FY22, the average number of staff employed with the Group, converted into full-time equivalents, amounted to 27,331 people (FY21: 25,900 people) of which 26,325 (FY21: 25,034) were employed outside the Netherlands.

The staffing level can be divided into the following staff categories:

| | FY22 | FY21 |
|---|---|---|
| Franchise | 2,034 | 1,517 |
| Range | 2,956 | 2,898 |
| Supply | 22,168 | 21,298 |
| Other functions | 173 | 187 |
| | **27,331** | **25,900** |

*Other operating expenses*
The main categories within the other operating expenses are IT (EUR 343 million), general administrative expenses (EUR 221 million), rent, maintenance and utilities (EUR 198 million), and other staff expenses (EUR 74 million).

## 19. FINANCIAL INCOME AND EXPENSE

The financial income and expense can be specified as follows:

| | FY22 | FY21 |
|---|---|---|
| Interest income | 9 | 8 |
| Result from hedges | 216 | 202 |
| Other financial income | 25 | - |
| **Total** | **250** | **210** |
| | | |
| Interest expense | 351 | 343 |
| Other financial expense | 2 | 18 |
| **Total** | **353** | **361** |

## 20. INCOME TAXES

The applicable weighted average tax rate is 23.7% (FY21: 16.0%), following the nominal tax rates in the Netherlands, Sweden and Switzerland where the majority of the Group's businesses are located. The effective tax rate increased by 7.7% compared to the previous year. This is mainly due to the decreased profitability in Switzerland (which has a lower nominal tax rate) resulting from sharp cost increases in the supply chain and the scaled down operations in Russia.

The tax expense recognised in the profit and loss account for FY22 amounts to EUR 221 million (FY21: EUR 272 million).

The reconciliation between the applicable and the effective tax rate is as follows:

| | FY22 | FY21 |
|---|---|---|
| Result before tax | 931 | 1,705 |
| | | |
| Income tax using the applicable tax rate in the Netherlands | 240 | 426 |
| Tax effect of: | | |
| - Other applicable tax rates abroad | (62) | (140) |
| - Exempt income | (5) | (6) |
| - Non-deductible expenses | 9 | 9 |
| (De)recognition of tax losses | 36 | 15 |
| Adjustment for prior periods | (12) | (6) |
| Changes in tax rates | 2 | (11) |
| Non-reclaimable withholding tax | 19 | 9 |
| Other | (6) | (24) |
| | | |
| **Tax expenses** | **221** | **272** |

The Group has unrecognised tax loss carry forwards available related to losses incurred in several countries for approximately EUR 157 million (FY21: EUR 71 million). No deferred tax asset has been recognised for these tax loss carry forwards due to uncertainty with respect to availability of taxable profits in the future within the limitations imposed in enacted tax legislation.

20230331117694

In case of a fiscal unity, the companies being part of the fiscal unity are treated as if they were independently taxable, including accounting of deferred taxes. Recharges between the Company and its subsidiaries are settled through current account positions.

*Uncertain tax positions*
Corporate income tax is actively addressed by international institutions and local governments and the taxation of large multinational companies receives continued media attention. The Company is also subject to tax audits in various geographies, and is working pro-actively with local tax authorities.

In December 2017, the European Commission opened a formal investigation, with their Opening Decision published on 6 April 2018 which was complemented by their Decision published on 10 July 2020, to examine whether decisions by the tax authorities in The Netherlands with regard to the corporate income tax paid by one of our subsidiaries, Inter IKEA Systems B.V., comply with European Union rules on state aid. The Company co-operates and responds to questions which the European Commission has in relation to this investigation. At this moment, although management considers the risk of a cash out flow unlikely, it is not possible to assess a financial impact, if any, of the outcome of this EC investigation. The aforementioned outcome is not expected to have a material adverse impact on the financial position of The Company.

The Company is actively monitoring and addressing these developments and believes that its corporate income tax position is appropriately reflected in the financial statements.

## 21. TRANSACTIONS WITH RELATED PARTIES

Related party transactions not on an arm's length basis have not occurred.

*Interogo Holding AG*
The Company has a regular cash pool and notional account structure for cash management and various loans from its non-controlling shareholder; Interogo Holding AG.

On 11 December 2011, the Proprietary Rights were acquired. The acquisition price was partly financed by a long term loan, amounting to EUR 5,400 million, with an interest rate of 6%, to be repaid in December 2023.

The Company paid a dividend of EUR 1,000 million to the shareholder.

*Group companies*
Since the company exercises influence on the business and financial policy, all companies belonging to the Group are treated as related parties.

The remuneration of the managing directors and supervisory directors is included in note 8 of the Company financial statements.

## 22. AUDITOR'S FEES

The following fees were charged by KPMG Accountants N.V. to the company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a(1) and (2) of the Netherlands Civil Code.

| EUR x 1,000 | KPMG Accountants N.V. | Other KPMG Network | Total KPMG |
|---|---|---|---|
| Audit of financial statements | 1,611 | 1,905 | 3,516 |
| Other audit engagements | 909 | 170 | 1,079 |
| Tax-related advisory | - | 1,098 | 1,098 |
| Other non-audit services | 306 | 474 | 780 |
| | **2,826** | **3,647** | **6,473** |

The fees mentioned in the table for the audit of the FY22 financial statements relate to the total fees for the audit of the FY22 financial statements, irrespective of whether the activities have been performed during FY22.

## 23. SUBSEQUENT EVENTS

There are no significant subsequent events.

20230331176955

## MANAGEMENT BOARD

DocuSigned by:
81C0DE02613B4A6...
Jon Abrahamsson Ring (Chairman)

DocuSigned by:
Martin van Dam
52B7DADD3DE14B7...
Martin van Dam

DocuSigned by:
Henrik Elm
8C059B7BCC924A4...
Henrik Elm

## SUPERVISORY BOARD

DocuSigned by:
79BA65083E1B4BD...
Anders Dahlvig (Chairman)

DocuSigned by:
Søren Hansen
14D975F58EA54FF...
Søren Hansen

DocuSigned by:
9F1F8AE1B3AF495...
Mathias Kamprad

DocuSigned by:
Véronique Laury
081584721F21464...
Véronique Laury

DocuSigned by:
292D428F448343A...
John Olie

Aline Santos

Delft, 31 October 2022

## *COMPANY BALANCE SHEET AS AT 31 AUGUST 2022*

*(before profit appropriation, in millions of EUR)*

| | FY22 | FY21 |
|---|---|---|
| **Fixed assets** | | |
| Financial fixed assets (3) | 11,565 | 11,787 |
| **Total fixed assets** | **11,565** | **11,787** |
| | | |
| **Current assets** | | |
| Receivables (4) | 25 | 16 |
| **Total current assets** | **25** | **16** |
| | | |
| **TOTAL ASSETS** | **11,590** | **11,803** |
| | | |
| **Shareholder's equity** | | |
| Additional paid in capital | 7,565 | 7,565 |
| Other legal reserves | 49 | 82 |
| Other reserves | 1,523 | 1,035 |
| Result for the year | 710 | 1,433 |
| **Total shareholder's equity (5)** | **9,847** | **10,115** |
| | | |
| **Current liabilities (6)** | **1,743** | **1,688** |
| | | |
| **TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES** | **11,590** | **11,803** |

*(See accompanying notes)*

## *COMPANY PROFIT AND LOSS ACCOUNT FY22*

*(in millions of EUR)*

| | FY22 | FY21 |
|---|---|---|
| Share in net result from part. interests | 715 | 1,441 |
| Other results, net of income taxes | (5) | (8) |
| **Net result** | **710** | **1,433** |

*(See accompanying notes)*

20230331117696

# *NOTES TO COMPANY FINANCIAL STATEMENTS*

## 1. GENERAL

The separate financial statements are part of the FY22 statutory financial statements of the Company. The financial information of the Company is included in the Company's consolidated financial statements.

If no further explanation is provided of items in the separate balance sheet and the separate profit and loss account, please refer to the notes to the consolidated balance sheet and profit and loss account.

## 2. ACCOUNTING POLICIES

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated financial statements, with the exception of the following principles:

***Financial instruments***
In the separate financial statements, financial instruments are presented on the basis of their legal form.

***Participating interests in group companies***
Participating interests where significant influence can be exercised over the business and financial policy, are valued according to the equity method on the basis of net asset value. If measurement at net asset value is not possible because the information required for this cannot be obtained, the participating interest is measured according to the visible equity.

The net asset value is calculated on the basis of the Company's accounting policies. If the Company transfers an asset or a liability to a participating interest that is measured according to the equity method, the gain or loss resulting from this transfer is recognised to the extent of the relative interests of third parties in the participating interest (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognised. Results on transactions involving transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realised.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any long-term receivables on the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If the company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

***Shareholders' equity***
As per year end, the financial instruments that have the legal form of equity, are presented in the equity of the separate financial statements. Refer to the accounting policies of the consolidated financial statements for accounting policies applied.

***Share of result of participating interests***
The share in the result of participating interests concerns the Company's share in the results of the participating interests.

If the Company transfers an asset or a liability to a participating interest that is measured according to the equity method, the gain or loss resulting from this transfer is recognised to the extent of the relative interests of third parties in the participating interest (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognised. Results on transactions involving transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realised.

The results of participating interests acquired or sold during the financial year are stated in the consolidated result from the date of acquisition or until the date of sale respectively.

***Corporate income tax***
The Company is the head of the fiscal unity. The Company recognises the portion of corporate income tax that it would owe as an independent tax payer, taking into account the allocation of the advantages of the fiscal unity. Settlement within the fiscal unity between the Company and its subsidiaries takes place through current account positions.

## 3. FINANCIAL FIXED ASSETS

The movement in financial fixed assets is as follows:

| | Investm. In part. Interests | Deferred tax asset | Total |
|---|---|---|---|
| Balance as at 31 August 2021: | 11,785 | 2 | 11,787 |
| Investments | 38 | - | 38 |
| Additions | - | 1 | 1 |
| Share in result of participating interests | 715 | - | 715 |
| Dividends received | (992) | - | (992) |
| Other | 16 | - | 16 |
| Balance as at 31 August 2022: | **11,562** | **3** | **11,565** |

Other includes movements in the equity of the participating interests relating to IAS19 pensions, derivatives and exchange rate differences.

In accordance with article 403, Book 2 of the Dutch Civil Code, the Company has guaranteed the liabilities of Inter IKEA Systems B.V., Inter IKEA Assets B.V., Inter IKEA Developments Holding B.V., Inter IKEA Development B.V., Inter IKEA Services B.V. and IKEA Social Entrepreneurship B.V.

Company financial statements of these subsidiaries are therefore not filed at the Trade Register of the Chamber of Commerce.

For an overview of capital interests, reference is made to the listing of subsidiaries that has been filed by the Company at the Chamber of Commerce.

20230331117697

## 4. RECEIVABLES

| | FY22 | FY21 |
|---|---|---|
| Income tax receivable | 15 | - |
| Receivable on participating interests | 10 | 16 |
| **Total** | **25** | **16** |

The receivables all have an estimated maturity shorter than one year.

## 5. SHAREHOLDERS' EQUITY

| | Share premium | Legal reserve | Transl. reserve | Other reserve | Unappr. profit | Total |
|---|---|---|---|---|---|---|
| Changes in financial year 2021: | | | | | | |
| Appropriation of result | - | - | - | 1,731 | (1,731) | - |
| Net result | - | - | - | - | 1,433 | 1,433 |
| Dividend paid | - | - | - | (850) | - | (850) |
| Addition to legal reserve | - | 47 | - | (47) | - | - |
| Change in unrealised result derivatives | - | - | - | (57) | - | (57) |
| Remeasurements of defined benefit pensions plans | - | - | - | 8 | - | 8 |
| Exchange rate differences | - | - | 33 | - | - | 33 |
| Other | - | - | - | 7 | - | 7 |
| **Balance as at 31 August 2021** | **7,565** | **128** | **(46)** | **1,035** | **1,433** | **10,115** |
| | | | | | | |
| Changes in financial year 2022: | | | | | | |
| Appropriation of result | - | - | - | 1,433 | (1,433) | - |
| Net result | - | - | - | - | 710 | 710 |
| Dividend paid | - | - | - | (1,000) | - | (1,000) |
| Transfer to / from legal reserve | - | (71) | - | 71 | - | - |
| Change in unrealised result derivatives | - | - | - | (25) | - | (25) |
| Remeasurements of defined benefit pensions plans | - | - | - | 7 | - | 7 |
| Exchange rate differences | - | - | 38 | - | - | 38 |
| Other | - | - | - | 3 | - | 3 |
| **Balance as at 31 August 2022** | **7,565** | **57** | **(8)** | **1,523** | **710** | **9,847** |

***Issued capital***

The Company's issued and outstanding share capital is comprised of 126 shares, each with a par value of EUR 1,000. The issued and paid-up share capital consists of 1 share class "A" and 125 shares class "B".

***Share premium***

The share premium concerns the income from the issuing of shares in so far as this exceeds the nominal value of the shares (above par income). This also includes additional capital contributions

by existing shareholders without the issue of shares or issue of rights to acquire shares of the Company.

The share premium mainly relates to acquisition of the Proprietary Rights, which has been partially financed by a share premium of EUR 6,400 million, and the additional paid in capital relating to the acquisition of range, supply and production activities.

***Legal reserve***
Other legal reserves mainly consist of a legal reserve for non-distributable profits in accordance with local legislation of EUR 51 million (FY21: EUR 46 million) legal reserve for capitalised development costs for the carrying amount of EUR 1 million (FY21: EUR 72 million).

***Translation reserve***
Exchange gains and losses arising from the translation of the functional currency of foreign operations to the reporting currency of the parent are accounted for in this reserve. In the case of the sale of a participating interest, the associated accumulated exchange differences are transferred to the profit and loss account. The translation legal reserve of EUR -8 million (FY21: EUR -46 million) relates to investments in participating interests in various countries.

***Other reserves***
The financial statements for the reporting year 2022 have been adopted by the General Meeting on 2 November 2022. The General Meeting has adopted the appropriation of profit after tax as proposed by the Board of Management.
The dividend relating to FY21 of EUR 1,000 million paid out in December 2021 has been deducted from other reserve in shareholders' equity.

***Unappropriated profit***
The General Meeting of Shareholders will be asked to approve the following appropriation of the FY22 net result: to add the net result to the other reserve and to pay out an amount of EUR 850 as dividend.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit in so far as (1) the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and (2) the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test). If not, the Company's management shall not approve the distribution.

## 6. CURRENT LIABILITIES

Current liabilities mainly relate to short term loans borrowing with Interogo Holding AG (EUR 1,736 million). Refer to note 15 in the consolidated financial statements for more details on interest rates and conditions.

20230331176988

## 7. OFF BALANCE SHEET ASSETS AND LIABILITIES

*Fiscal Unity*
The Company forms a fiscal unity for corporate income tax purposes together with Inter IKEA Systems B.V., Inter IKEA Assets B.V., Inter IKEA Developments Holding B.V., Inter IKEA Development B.V., Inter IKEA Services B.V. and IKEA Social Entrepreneurship B.V.

## 8. REMUNERATION MANAGEMENT AND SUPERVISORY BOARD

The emoluments, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, charged in the financial year to the company, its subsidiaries and consolidated other companies amounted to EUR 2.7 million (FY21: EUR 2.8 million) for previous and current management board members, and EUR 0.5 million (FY21: EUR 0.5 million) for supervisory board members.

## 9. SUBSEQUENT EVENTS

There are no significant subsequent events.

## MANAGEMENT BOARD

DocuSigned by:
81C0DE02613B4A6...
Jon Abrahamsson Ring (Chairman)

DocuSigned by:
Martin van Dam
52B7DADD3DE14B7...
Martin van Dam

DocuSigned by:
Henrik Elm
8C059B7BCC924A4...
Henrik Elm

## SUPERVISORY BOARD

DocuSigned by:
79BA65083E1B4BD...
Anders Dahlvig (Chairman)

DocuSigned by:
Søren Hansen
14D975F58EA54FF...
Søren Hansen

DocuSigned by:
9F1F8AE1B3AF495...
Mathias Kamprad

DocuSigned by:
Véronique Laury
081584721F21464...
Véronique Laury

DocuSigned by:
292D42BF448343A...
John Olie

Aline Santos

Delft, 31 October 2022

20230331176990

# *OTHER INFORMATION*

## Articles of association relating to the allocation of the result

In accordance with its Articles of Association, the Company keeps a Dividend Reserve A and a Dividend Reserve B. Holders of class A are entitled to Dividend Reserve A and holders of class B are entitled to Dividend Reserve B. In accordance with Article 4.1.2 of the Articles of Association, 5% of the total aggregate par value of the class A shares is added to the Dividend Reserves A and the remainder is added to dividend reserve B.

## Independent auditor's report

To: the General Meeting of Inter IKEA Holding B.V.

## Report on the audit of the accompanying financial statements

### *Our opinion*

We have audited the financial statements for the year ended as at 31 August 2022 of Inter IKEA Holding B.V. (hereafter also referred to as 'the Company'), based in Delft.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Inter IKEA Holding B.V. as at 31 August 2022 and of its result for the year ended on 31 August 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1 the consolidated and company balance sheet as at 31 August 2022;

2 the consolidated and company profit and loss account for the year ended on 31 August 2022;

3 the consolidated cash flow statement for the year ended on 31 August 2022;

4 the consolidated statement of comprehensive income for the year ended on 31 August 2022; and

5 the notes comprising a summary of the accounting policies and other explanatory information.

### *Basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Inter IKEA Holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

— is consistent with the financial statements and does not contain material misstatements;

20230331177700

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the Report from the Management Board and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the Report from the Management Board, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

**Description of the responsibilities for the financial statements**

***Responsibilities of the Management Board and The Supervisory Board for the financial statements***

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amstelveen, 31 October 2022

KPMG Accountants N.V.

R.J. Aalberts RA