

Press release

Solna, December 23, 2016

ICA Gruppen to acquire the Lithuanian grocery retail chain IKI

ICA Gruppen has signed an agreement to acquire UAB Palink, which operates the grocery retail business IKI, for a consideration of 213 million euro on a cash and debt free basis. The acquisition of IKI means that ICA Gruppen through Rimi Baltic will become the second largest player in the growing Lithuanian grocery retail market, from being the fourth largest currently.

- Lithuania is the largest market in the Baltic region, but also the country in which Rimi Baltic has had the lowest market share. This implies a quick upscaling of the business and enables significant cost synergies. IKI is characterised by well-developed stores with a high service level and a broad assortment. Moreover, IKI's store network is a good complement to Rimi's existing store network. The acquisition benefits Rimi's and IKI's customers and is creating value for ICA Gruppen's shareholders, says Per Strömberg, CEO of ICA Gruppen.

UAB Palink is acquired for 213 million euro on a cash and debt free basis, corresponding to an EBITDA-multiple of approximately 6.1 times and an EBIT-multiple of approximately 11.6 times for the twelve months ending in September 2016.

IKI is the second largest player in the Lithuanian grocery retail market with a market share of approximately 15 per cent during 2015 and a nationwide store network of approximately 230 stores. Rimi had a market share of approximately 8 per cent in Lithuania during 2015. IKI had net sales of 630 million euro, an EBITDA of 35 million euro and an EBIT of 18 million euro during the twelve months ending in September 2016.

The transaction is expected to generate yearly cost synergies of approximately 15 million euro when fully realized in 2020. The synergies are mainly related to increased purchasing volumes, more efficient logistics and marketing. The acquisition is expected to lead to one-off costs of approximately 40 million euro and related investments amounting to approximately 25 million euro during 2017-2019.

The transaction will be financed using a combination of ICA Gruppen's available cash and existing credit facilities. Completion is subject to competition authority approval, which is expected to be received no later than the fourth quarter 2017.

SEB Corporate Finance and SUMMA Advisers have acted as financial advisors and Gernandt & Danielsson and Valiunas Ellex have acted as legal advisors to ICA Gruppen in connection to the transaction.

Press and analyst telephone conference: A telephone conference about the transaction will be held by CEO Per Strömberg, CSO Liv Forhaug and CFO Sven Lindskog on Friday, the 23rd of December 2016 at 08:30. Dial-in details: UK: +442030089801, SE: +46856642662. You can also follow the conference on www.icagruppen.se

For further information, please contact:

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About Rimi Baltic

Rimi Baltic operates a grocery retail business in Estonia, Latvia and Lithuania through the store concepts Rimi Hypermarket, Rimi Supermarket as well as Supernetto and Säästumarket. There are 262 stores in total: 88 in Estonia, 118 in Latvia and 56 in Lithuania.

About IKI

IKI is one of Lithuania's leading grocery retail chains and was founded in 1991 by three brothers, George, Oliver and Nicolas Ortiz. The current owners are Rewe, Coop Switzerland, Colruyt Group, Unilec, CONAD, and UAB Baltisches Haus. The store network consists of approximately 230 stores and IKI has approximately 7,000 employees. IKI currently has three store formats: IKI Premium Supermarket, IKI Supermarket and IKI Express.

IKI key financials

EURm	2015	12 months Oct 2015 - Sep 2016*
Sales	596.7	629.8
EBITDA	28.8	35.1
EBITDA margin	4.8%	5.6%
EBIT	11.8	18.3
EBIT margin	2.0%	2.9%

*Unaudited financials

Lithuania

Lithuania has approximately three million inhabitants. The grocery retail market had sales of approximately four billion euro during the twelve months ending in September 2016 according to official Lithuanian country statistics.

This information is such that ICA Gruppen AB is obligated to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication at time 06.30 on Friday, December 23rd 2016.