



ANNUAL REPORT FOR FINANCIAL YEAR 2025



Ingka Holding B.V.

This report was adopted by the
Shareholder on 5 November 2025



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ANNUAL REPORT FOR FINANCIAL YEAR 2025

Ingka Holding B.V.

Report from the Board of Managing Directors (in millions of EUR, unless otherwise indicated)

Introduction

To Stichting INGKA Foundation, our sole owner,

In 1982, IKEA founder Ingvar Kamprad transferred the ownership of Ingka Group to the INGKA Foundation, to secure longevity for the business. This structure empowers us to focus on the IKEA Retail business long term and make purpose-driven decisions. Our profits can only be reinvested into the business or paid as dividends to the INGKA Foundation to support the charitable activities of the IKEA Foundation.

Together, we continue to deliver on our shared purpose and create positive impact for generations to come.

1. Corporate information

Ingka Holding B.V. ('the Company') is the parent company of Ingka Group of companies ('Ingka Group') and is located at Bargelaan 20, 2333 CT in Leiden, the Netherlands. Ingka Group's financial year covering the 12-month period ending 31 August 2025, is referred to as '2025'. The comparable year is referred to as '2024'. For more corporate information, please refer to note 1 of the consolidated financial statements.

Ingka Group operates **three businesses**: IKEA Retail, Ingka Centres, and Ingka Investments.

IKEA Retail is the core business that operates 411 IKEA stores including city stores, as well as 209 other formats (e.g. IKEA planning studios) in 31 countries and IKEA e-commerce and digital solutions. IKEA Retail operates under franchise agreements with Inter IKEA Systems B.V., the worldwide IKEA franchisor. Ingka Centres is a global developer and operator of retail-led destinations for the many people that we call 'meeting places'. Ingka Centres has 52 years of experience in shopping centres and works with more than 2,600 brands across its portfolio of 37 assets in 14 markets. Ingka Investments makes investments and acquisitions that secure Ingka Group's long-term financial strength and support our growth, business transformation, sustainability, and societal commitments.

Key figures	2025	2024
Revenue (EUR million)	41,451	41,846
Number of employees	166,460	166,732
Number of IKEA stores:		
Blue box stores	375	375
City stores	36	25
Other formats	209	174
Countries with IKEA stores and other customer meeting points owned by the Company	31	31
Number of meeting places (shopping centres)	37	35
Countries with meeting places owned by the Company	14	13

2. Vision, strategy, and value creation

At Ingka Group, we are purpose driven and determined to deliver to the **IKEA vision** of creating a better everyday life for the many people. We are passionate about life at home and love bringing inspiring and affordable home furnishing products and solutions to people with big dreams and needs.

To realise our vision, we are in an on-going transformation to create an IKEA that is more affordable, accessible, and sustainable while operating in an omnichannel environment. We measure and manage performance holistically, in four Value Creation dimensions: **Better homes** for our customers, **Better lives** for the many people and our co-workers, a **Better planet** for all, and a **Better company** now and for future generations.

In this report, we focus on our financial performance and investments – how we constantly strive to be a Better company. Our upcoming Annual Summary and Sustainability Report (ASSR), available at the end of January 2026, will share data and examples related to all Value Creation Areas. We are working towards one integrated report, in line with how we seek to drive value creation as a company.

3. Summary of financial year 2025; resilience and reinvention

For over 80 years, IKEA has been a part of everyday life at home. We've been there through life's many transitions: moving in and moving out, falling in love, changing careers, and starting families. These moments have taught us that change isn't just a challenge – it's an opportunity to create a better everyday life. With our deep understanding of life at home, we continue to design smart, sustainable, and affordable solutions for real people and real lives.

Our own business has also evolved significantly. We've embraced major transformations: from our iconic blue box stores to a diverse range of smaller stores, pick-up points, IKEA Pre-owned and our IKEA app, we've adapted to meet our customers online and offline. We've brought home furnishing knowledge and inspiration to their fingertips, making IKEA more accessible than ever.

Financial year 2025 was a challenging year. With high economic uncertainty, demand for home furnishing was lower than expected and we experienced all-time-low consumer confidence in key markets such as Germany and the USA. On top of this, the year started with disruptions in our global supply chain, which were then further intensified by trade tensions, limiting us from acting fully on our commercial opportunities. Yet, these challenges highlighted our resilience and we managed to turn things around, serving more customers and selling higher quantities, ending the year with good sales momentum.

We brought IKEA to more people and more people to IKEA, giving people the opportunity to meet their needs and dreams for **Better homes**. We continued to invest in expansion, opened 54 new customer meeting points and piloted a smaller store format in towns across the UK, USA and Poland. This store offers thousands of home furnishing products, food, and planning services, but it's designed for a quicker, simpler shopping experience, closer to where people live. In IKEA Shanghai Linkong, we integrated digital displays with on-site experiences to blend online and offline shopping. At the Soroksár store in Budapest, we redesigned our classic format for omnichannel retailing by dedicating an entire floor to online orders. We also opened a new store in Italie Deux, a mixed-use meeting place in central Paris, acquired by Ingka Centres in 2023. We updated the IKEA app, introducing new features for product visualisation, design exploration, membership benefits, and in-store experiences like Shop & Go, Food Mobile, and Express Checkout. We use artificial intelligence (AI) to unlock our customers' creativity and make interior design available for the many, to enable them to plan and buy home projects and bring their dream spaces to life. In London, we opened an iconic city-centre store on Oxford Street, following major renovation by Ingka Investments. We tested a digital peer-to-peer second-hand marketplace in Madrid and Oslo, quickly expanding it across Spain and Norway, and later launching in Portugal. With enhanced algorithms we optimized order fulfilment and reduced

delivery lead times. To support affordability, we temporarily halved restaurant prices in many markets, where we offer hundreds of millions with healthier, more sustainable food options. These improvements across physical and digital touchpoints led to a new all-time high in customer satisfaction.

At Ingka, we think in decades, not quarters, allowing us to focus on creating long-term value for a **Better company**. Being owned by a foundation, we are not listed on the stock market and don't depend on investors. This lets us think and invest in the long term and ensure that purpose and profit always go hand in hand, focusing on co-workers, customers, and stakeholders. We invested heavily in improving our business model and made big steps in our retail development plan: in developing a more personal shopping experience, offering a marketplace for home improvement services, and providing online support for complex purchases – around 25,000 remote planning meetings take place monthly.

Our profit in Ingka Group can only be used in two ways: 85% of our 2025 net income will be reinvested in the company, and 15% will be paid as dividends to our sole owner, Stichting INGKA Foundation, which has a charitable purpose to provide funding to the IKEA Foundation. The IKEA Foundation is an independent, strategic philanthropy that focuses its grant making efforts on fighting global warming with and for the many people. From January to December 2024, the IKEA Foundation granted EUR 349 million through 119 active partners. One of its key initiatives is a EUR 45 million, five-year collaboration with development organisation SNV to strengthen food and energy systems in East Africa. The partnership combines renewable energy with regenerative agriculture, an approach that restores soil health, boosts biodiversity, and supports more sustainable farming. The IKEA Foundation's work is shared through ambassadorship programmes, enabling co-workers from all areas and roles to visit projects and share their experiences across the organisation.

We remain committed to responsible tax practices and consider a responsible approach to taxation to be a key component of good corporate citizenship. Each year, we publish our transparent Tax Report detailing our country-by-country tax contributions. As a signatory of the B Team Responsible Tax Principles since 2022, we join a global coalition of companies, civil society, and institutions committed to advancing responsible tax practices. By endorsing these principles, we commit continuously to improve how we manage and report tax, which promotes trust and accountability in tax behaviour.

Our people are at the heart of everything we do. We believe in a strong connection between values and business performance and are happy to see our Values & Leadership scores increasing. Ingka Group co-hosted an event with UN Refugee Agency (UNHCR) in Brussels to promote refugee integration and advocate for inclusive labour markets, as we recognise that millions of refugees face barriers to employment. We're committed to giving everyone a fair chance to work, belong, and thrive, hereby contributing to **Better lives** for co-workers and customers. We continued our Responsible Wage Practices framework and our systematic approach to closing the Gender Equal Pay gap so that all co-workers are paid equally for work of equal value. We continued to build an inclusive and engaging workplace through initiatives such as a global music competition that resulted in a playlist used by stores worldwide. Through our Bloom leadership development programme, 73 young leaders from 35 nationalities accelerated their growth towards becoming Market Managers – some of the youngest-ever appointments to the role. Our Leadership by All approach is designed to empower every co-worker to lead in an evolving and uncertain reality. These examples reflect our deeply rooted commitment to a diverse, fun, supportive, and empowering workplace. Our employer reputation continues to attract interest from potential applicants. For example, our new Oxford Street store in London received an impressive 3,700 applications for 150 positions within just five days.

We continue to invest and transform Ingka in a more sustainable way, successfully. In the spring, we launched the *Do Something. Change Everything* initiative. With the initiative, we inspire customers and co-workers to spark meaningful change through small, thoughtful choices in design, sustainability, inclusivity, and everyday life. We have a big responsibility and many

opportunities to create a **Better planet**. We've proven that it's possible to reduce our climate footprint while growing the business – through the way we run our operations, our customer offer, our investments, and our role beyond the IKEA value chain. We acknowledged that the road to 100% zero-emission deliveries within our operations by 2025 proved to be more challenging than expected due to wider global challenges in the electric vehicle sector, lack of charging infrastructure, differing local policies, and a limited range of freight electric vehicles. However, we're proud of the work motivated by our initial target, and have now reformulated our target to achieve more than 90% of home deliveries made by zero-emissions vehicles by 2028. At the start of 2025, this figure measured 41.1% globally. Also at that time, we measured that we sourced renewable energy to match 96.6% of our electricity consumption across Ingka sites. These figures will be updated in our ASSR published in January 2026. We reach millions of people through our customer meeting points, giving us an opportunity to make healthy and sustainable living more affordable, attractive, and accessible for as many people as possible. For example, customers can prolong the life of products through our Buyback programme and spare parts services.

As part of a EUR 7.5 billion initiative to support renewable energy consumption across the value chain and beyond, Ingka Investments has invested and committed EUR 4.3 billion into renewable energy projects in wind and solar power. Ingka Investments has a broad portfolio of investments in renewable energy assets worldwide, with 44 wind farms and 17 solar farms in operation across 15 countries. 2025 was also the year we accelerated our investments to support the transition towards a circular economy. Ingka Investments is aiming to invest in companies that are developing technology or growing capacity to prevent and/or recycle waste, such as opening a new RetourMatras recycling facility in France. Since 2017, we estimate that our portfolio companies have recycled around 2.7 million tonnes of materials.

Ingka Group financial performance

Total Ingka Group revenue for financial year 2025 amounted to EUR 41.5 billion, a decline of 0.9% compared to 2024. Within this total, IKEA Retail sales were EUR 39.0 billion in 2025, a decrease of 1.6% compared to last year (EUR 39.6 billion) mainly due to availability disruption in the supply chain as well as Ingka's strategic decision to continue to keep prices low. Quantities sold increased by 1.6%. Lower Retail sales were partially offset by increased rental income, as well as revenue in Ikano Bank which is now consolidated. Despite the pressure on top-line growth, the Group delivered a solid operating income of EUR 1.5 billion, representing 3.5% of sales, an improvement from 3.0% in 2024. This uplift was driven by favourable effects from the goods and food margin as well as store fulfilment efficiency.

Income before tax was EUR 2.1 billion (EUR 1.6 billion in 2024). The effective tax rate of 32.8% is significantly lower than 48.7% in 2024, corresponding to EUR 0.7 billion corporate income taxes (2024: EUR 0.8 billion). The normalised effective tax rate is within our 25-30% band. The net profit of 2025 was EUR 1.4 billion (2024: EUR 0.8 billion).

Cash flow from operating activities was EUR 4.0 billion (2024: EUR 2.9 billion). The total cash flow for 2025 was EUR 0.4 billion positive (EUR 0.1 billion positive in 2024). Our capital expenditure was EUR 3.4 billion, reflecting continued investments in business transformation, fulfilment capabilities, customer experiences, real estate development, renewable energy, and sustainable forestry. Total assets increased to EUR 61.5 billion (EUR 57.6 billion in 2024), largely due to the acquisition of Ikano Bank. Our equity position increased to EUR 48.4 billion at year-end (2024: EUR 47.9 billion) due to the result of the year, partially offset by foreign currency translation of foreign activities.

IKEA Retail

Performance summary

IKEA Retail recognised sales of EUR 39.0 billion for 2025, a decrease of 1.6% compared to last year (EUR 39.6 billion in 2024), with an increase in quantities sold by 1.6%. Store visitation increased by 1.3% and online visitors by 4.6%.

We continued to grow our presence in the market and reach more of the many people by making significant investments in upgrading existing stores, expansion, and enhancing digital capabilities. For a better customer experience, we piloted and implemented new fulfilment innovations and AI-based predictive technologies that improve order collection, delivery, and product availability.

2025 highlights

- Launched the new edition of our popular STOCKHOLM collection: modern Scandinavian design of the highest quality.
- Commercial focus centred on Complete Sleep, offering a wide range of affordable sleeping essentials, supported by Upptäcka: in-store self-service kiosks that provide a variety of sleep combinations to suit any sleeping style and price point.
- Continued to develop more accessible urban formats with new store openings in Paris (Italie Deux), London (Oxford Street), Stockholm (Mall of Scandinavia) and Shanghai (Livat meeting place).
- Started IKEA Pre-owned, a peer-to-peer platform to help our customers connect, buy, and sell second-hand IKEA products in Spain, Norway, and Portugal.
- Piloted a smaller store format in the UK, USA and Poland, that will allow us to open doors in just a few weeks and expand faster to more IKEA locations in the near future,
- Continued our investment to build all new units with renewable heating and cooling, and retrofitting over 150 existing properties by 2030; part of a EUR 1.5 billion investment in renewable energy transformation.
- Partnered with electronics retailer Best Buy in the USA to pilot new in-store shopping and planning experiences.
- Integrated TaskRabbit further into IKEA selling tools in all eight markets where TaskRabbit and IKEA operate so that customers can seamlessly book assembly as part of their shopping journey.
- Introduced 24/7 pick-up lockers, for home furnishing accessories or entire kitchens, available at a new customer distribution centre in Finland.

Ingka Centres

Performance summary

Ingka Centres delivered a strong performance, exceeding expectations across key areas and reinforcing their role in supporting IKEA and serving the many people. Our meeting places continued to attract more visitors and drive value for tenants, with standout visitation results in markets such as Shanghai, Paris, and Stockholm. Strategic openings and upgrades, from new IKEA stores to revitalised food courts, clearly boosted engagement and local relevance. These results reflect the strength of our commercial strategy and our ability to adapt to local needs while staying aligned with the IKEA vision. At the same time, we see continued opportunities to deepen the connection between our meeting places and IKEA stores - creating even more meaningful everyday visits.

2025 highlights

- Opened Livat Shanghai, the largest investment in China to date, combining a 21,620 m² IKEA store with over 200,000 m² of retail space and five Livat Office buildings.
- Introduced Livli, a new consumer brand aimed at transforming European destinations into vibrant meeting places that go beyond shopping. Livli enriches the brand portfolio consisting of Livat in China, Lykli in India, and concepts such as Hej!Workshop, Saluhall, and Circuit.

- Announced the development of Lykli Noida, the second meeting place in India and first ever to include a hotel, that's expected to generate more than 9,000 jobs.
- Acquired Pasing Arcaden, a popular shopping centre in Munich, Germany, thereby expanding the portfolio of urban meeting places.
- Welcomed more than 320 million visits to our meeting places globally in 2025 – an increase of 18% from 2024 and a strong signal of continued relevance.

Ingka Investments

Performance summary

Ingka Investments is the investment arm of Ingka Group managing six different portfolios: Real Estate Investments, Renewable Energy Investments, Forestland Investments, Business Acquisition and Venture Investments, Circular Investments, and Financial Markets Investments. Ingka investments acquires and manages businesses and invests to create financial returns and strategic value for the Ingka Group.

Most of the assets were invested in marketable securities via the Financial Markets Investments portfolio. Specifically, the conservative asset allocation took advantage of the interest rate cycle, delivering significant results (EUR 0.9 billion). The other portfolios have more nuanced results in 2025, affected by impairments (EUR 0.3 billion). Renewable Energy delivered lower revenues due to lower production and decreased electricity prices.

2025 highlights

- Completed the full acquisition of Ikano Bank to become its sole owner and support IKEA customers with integrated financial services. Ikano Bank is also founded by Ingvar Kamprad and shares a common heritage.
- Made our first solar park acquisition in the Netherlands, comprising three parks that will cover the energy needs of more than 24,000 households.
- Allocated 16,000 hectares of forest in Latvia, for research to test and scale improved forestry practices in collaboration with European Forest Institute and Preferred By Nature.
- With nine facilities in three countries, RetourMatras, backed by Ingka Investments since 2019, can now recycle up to 2.5 million mattresses a year.
- Became the lead investor in RECO, an end-to-end food and commercial waste recycling company in South Korea, and Re-Mall, a plastics recycler in China. Celebrated the groundbreaking of a new plastics recycling facility in Belgium, with Morsinkhoff-Rymoplast Group, which we have invested in since 2017.

Environmental and personnel information

Environmental

Sustainability and resource efficiency are part of our DNA. Guided by our vision and customer expectations, we continue to reduce our environmental impact across the value chain, through renewable energy, circularity, and smarter use of resources. In February 2025, we published our first Net Zero Transition Plan, which outlines a clear roadmap for decarbonisation and reinforces our commitment to the Science Based Targets Initiative – to limit global warming to 1.5°C above pre-industrial levels and to reduce absolute greenhouse gas emissions from the value chain by at least 50% by 2030 (compared to 2016 baseline). Climate change is highly complex, and we don't pretend to have all the answers. We've aimed to be transparent about our challenges, dependencies, and innovation gaps to inspire others and lead conversations that will support us in reaching our goals.

Personnel

At Ingka, our position is clear: we want every co-worker and customer to feel valued and included. We have a diverse workforce and strive to reflect the communities we serve. Last year, our Inclusion Index rose to 80%, reflecting progress in our efforts to create an environment where everyone has the opportunity to grow and thrive. Of all co-workers, 53.4% are women. Of all

managers across the company, 49.8% are women. Across all management positions Ingka Group continues to aim for equal representation of women and men. In our governing bodies and senior leadership, we have a female/ male split of 25/75 (of 8) in Supervisory Board, 0/100 (of 2) in Management Board, and 46/54 (of 11) in Group Management. For country-level leadership, 50% of CEOs are women, and in our Country Boards 47.5% are women.

Environmental, Social, and Governance (ESG) reporting requirements

At Ingka Group, we've always been committed to transparency via voluntary reporting, and we welcome the Corporate Sustainability Reporting Directive (CSRD) that will advance comparability and transparency across companies. Ingka is well positioned for ESG reporting given our own value creation performance framework of Better homes, Better lives, Better planet, and Better company. In 2025, we invested in data quality and automation for our most material topics and KPIs as part of our phased approach towards an integrated report by financial year 2028 when this is legally mandated for non-listed large companies.

Research and development

We focus our research and development on omnichannel retailing; on bringing IKEA closer to the many people, through fulfilment services, new retail formats, and digital technology; and on developing sustainable solutions. We always work towards the IKEA vision to create a better everyday life for the many people by improving our meeting with the customer, providing more home furnishing inspiration, and strengthening our understanding of life at home. *Xplore* was established with the purpose of strengthening creativity, strategic exploration, innovation, and partnership. Furthermore, leveraging Ingka Centres' leasing expertise and New Business & Innovation capabilities, we launched *Ingka Centres Futures*. It's a long-term platform to connect and attract forward-thinking partners to co-create meeting places where people can shop, eat, work, live, and play in affordable, sustainable, inclusive, community-friendly ways. Throughout these developments we commit to responsible and trustworthy use of data and technology, to work with AI in a way that benefits people, communities, and the environment, and for this we joined the Partnership on AI (PAI) and signed the European Commission's AI Pact, pledging to be an early adopter of the EU AI Act.

Governance

Ingka Group has two ultimate governing bodies: a Management Board and a Supervisory Board, supported by Committees at both levels. Our governance and legal structure are designed to: secure that each Ingka Group company is well-governed and managed; ensure that each Ingka Group company is efficient, lean, and simple with respect to decision-making; and comply with laws, regulations, and organisational requirements. We also rely on strong values and a culture that promotes the responsibility of everyone to do the right thing – as summarised in our IKEA key values and communicated to co-workers in our Code of Conduct.

Risk management

Ingka Group takes a balanced, forward-looking approach to risk management to support delivery of our Value Creation Goals. We actively identify and respond to key risks through mitigation measures embedded in the business and regular follow-up at board level. At the group level, we monitor and report to the management board on a tertial basis, while continuously assessing emerging risks to strengthen business resilience. Below is a high-level summary of our most significant risks and the actions taken or underway. These risks are long term in nature and require ongoing, multi-layered responses.

Geopolitics, macroeconomics and supply chains

Geopolitical instability and macroeconomic pressures continue to disrupt Ingka's operations. Trade tensions and ongoing conflicts in Ukraine and the Middle East are driving up the costs of doing business, slowing economic growth, and increasing inflation. In turn, consumer demand

and operational efficiency are impacted, challenging pricing and affordability. These challenges are compounded by global supply chain risks, including shipping disruptions in key routes, raw material volatility, and concentrated supplier exposure in certain regions. Ingka Group navigates these risks through scenario planning, geopolitical monitoring, investment portfolio rebalancing, and agile cost and supply chain strategies that strengthen resilience and business continuity while maintaining low prices for our customers. More information on financial risk management is described in note 23 to the consolidated financial statements.

Shifting consumer expectations

Shifting consumer expectations continue to reshape the retail landscape. Economic uncertainty can prompt customers to delay major purchases and seek budget or second-hand options. Changing housing trends, such as slower real estate sales and smaller living spaces, can influence demand. At the same time, digital marketplaces and direct-to-consumer brands are intensifying price competition, and sustainability is becoming a core expectation, especially among younger consumers who prefer circular models like repair, recycling, and rental. Through the IKEA Retail strategy, supported by Ingka Centres and Ingka Investments, we are advancing our omnichannel journey, transforming operations, and leveraging deep market insights to stay relevant and meet customer needs.

Cybersecurity and data privacy

Cybersecurity and data privacy are growing concerns for the retail industry, driven by geopolitical tensions, economic uncertainty, and rapid digital transformation. The threat of ransomware is rising with cybercriminals becoming more sophisticated, leveraging AI and offering ransomware-as-a-service. Increasing reliance on third-party technology providers adds complexity and risk. The expansion of our online sales and operations increases exposure to cyber threats, data privacy issues, and digital ethics challenges. We respond through a multi-year cybersecurity strategy, proactive threat monitoring and collaboration with retail organisations on risk mitigation. We are also focused on raising awareness across the organisation and remain committed to using data responsibly as we navigate the evolving digital world.

Compliance with changing regulations

As Ingka continues to grow across digital and geographic dimensions, the complexity of our operations and our exposure to regulatory, and compliance risks are increasing. The regulatory environment is evolving quickly, with new requirements emerging across markets. To stay ahead, our risk management approach focuses on identifying and assessing compliance risks early. We respond through horizon scanning, internal controls, and clear governance frameworks, supported by steering documents and targeted training. These measures help safeguard our integrity and ensure we remain compliant and resilient in a fast-changing landscape.

Recruiting, retaining and supporting the well-being of our people

At Ingka, attracting, retaining, and supporting talent is central to our long-term success. As we continue to grow and transform, we recognise that change can bring challenges, such as shifting priorities, increased workload, and evolving workforce expectations. To stay ahead, we've strengthened our talent strategy by refreshing the Ingka Talent agenda and enhancing our employee value proposition. Ingka actively promotes internal mobility, helping co-workers grow their careers within the organisation. Alongside this, we remain committed to fair pay, improved benefits, and greater flexibility.

Equally, we prioritise the health, safety, and overall well-being of our co-workers. Our global Health and Well-being framework, implemented across all markets, supports mental, physical, and financial health, including access to an Employee Assistance Programme. Targeted initiatives, such as exoskeletons for physically demanding roles, and ongoing training and support help ensure our workforce remains resilient, engaged, and empowered.

Climate change

Climate change is a strategic risk for Ingka. More frequent and severe weather events such as hurricanes, floods, and wildfires negatively impact sourcing, logistics, access to our physical

locations, and insurance costs. At the same time, rising pressure to decarbonise and the carbon intensity of furniture production are increasing expectations from both customers and regulators. Ingka is investing in renewable energy, circularity, and responsible forestry across our value chain. In 2024, we conducted a Climate Risk and Opportunity assessment aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework to deepen our understanding across all three Ingka Group businesses. To further strengthen resilience, on-site assessments of our physical locations are planned to start in financial year 2026. This work supports our broader climate strategy and ensures we remain proactive and adaptive.

Outlook for financial year 2026

We began the new fiscal year with a significant leadership transition. After 30 years at IKEA, including eight as President and CEO, Jesper Brodin decided to move on. Under his leadership, Ingka navigated unprecedented times, transforming into a truly omnichannel retailer, embedding sustainability into the business, and expanding into new markets and formats. His contribution has been remarkable. We thank him for guiding us and inspiring us through times of great change.

Looking ahead, our foundation is strong, and our ambitions remain bold. We're confident and excited about the future. Juvencio Maeztu will take over as President and CEO on 5 November 2025 and with his long IKEA history and retail experience as well as his strong commitment to business, people, and the planet, Juvencio is well positioned to lead us.

As we enter this new chapter, we remain guided by our culture and values. We're serving more people in better ways than ever before, and we're in a good place to continue transforming IKEA into the future. Speed and simplicity will be key to how we work, enabling faster decision-making, more agile ways of operating, and a stronger connection to our customers. With a commercial focus on cooking and eating, we're well prepared to present inspiring solutions that bring joy and functionality to one of the most important areas of life at home.

Our ambition is to be the first choice and omni-destination for the home – offering inspiration, planning, and solutions that help make dreams a reality. We'll continue to make our products, services, and experiences more accessible, sustainable, and affordable for many more people. At the same time, we'll evolve the IKEA business model to enable growth, promote simplicity and lower costs to make our business more resilient in an increasingly dynamic and complex world. We'll also accelerate our efforts to create positive change for people and the planet. From circularity to climate action, we aim to lead with a nature-smart, resource-smart, and people-smart approach across the entire value chain. We'll continue our digital transformation, building a modern, cost-smart, and AI-powered IKEA landscape that is personalised and uniquely IKEA. Affordability and financial health remain central to our strategy, supported by a cost transformation across the business. With strong leadership, a clear purpose, and a growing movement for sustainability, we're confident in our ability to build a better IKEA for generations to come.

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST (before profit appropriation)

(in millions of EUR)	2025	2024
Intangible fixed assets (4)	3,482	3,675
Tangible fixed assets (5)	24,641	24,541
Financial fixed assets (6)	4,418	2,824
Total fixed assets	32,541	31,040
Inventories (7)	2,326	2,237
Trade and other receivables (8)	4,398	2,572
Securities (9)	21,620	21,315
Cash and short-term deposits (10)	595	434
Total current assets	28,939	26,558
TOTAL ASSETS	61,480	57,598
(in millions of EUR)	2025	2024
Capital Stock	1	1
Additional paid-in capital	51	51
Revaluation reserves	171	184
Legal reserves participations	550	511
Other reserves	46,209	46,369
Result of the year	1,411	806
Total shareholder's equity (11)	48,393	47,922
Minority interest	21	9
Total Group equity	48,414	47,931
Provisions (12)	1,381	1,627
Non-current liabilities (14)	1,110	963
Current liabilities (15)	10,575	7,077
GROUP EQUITY AND LIABILITIES	61,480	57,598

(The accompanying notes on pages 14 to 52 are an integral part of these consolidated financial statements)

CONSOLIDATED INCOME STATEMENT**Year ended 31 August**

(in millions of EUR)	2025	2024
Retail - sale of goods	39,005	39,643
Service income	1,385	1,224
Rental income	800	710
Renewable energy and forestland income	261	269
Revenue (16)	41,451	41,846
Cost of sales and services (17)	(27,030)	(27,986)
Gross profit	14,421	13,860
Selling expenses	(10,185)	(9,751)
General and administrative expenses	(3,022)	(3,250)
Total operating expenses (18)	(13,207)	(13,001)
Other income (19)	250	394
Operating income	1,464	1,253
Income/expense from investments	(309)	(976)
Interest income and similar income	573	457
Changes in value of investments	416	859
Interest expenses and similar charges	(46)	(22)
Total financial income and expense (20)	634	318
Income before income taxes and minority interests	2,098	1,571
Income taxes (21)	(689)	(765)
Income before minority interests	1,409	806
Minority interests	2	-
Net income	1,411	806

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**Year ended 31 August**

(in millions of EUR)	2025	2024
Net income	1,411	806
Translation differences foreign activities	(894)	(142)
Remeasurements IAS 19	1	(25)
Change in unrealised derivatives	-	-
Realised revaluations through income statement	74	832
Other	-	-
Total of items recognised directly in shareholders' equity	(819)	665
Total result of the legal entity	592	1,471

(The accompanying notes on pages 14 to 52 are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF CASH FLOWS**Year ended 31 August**

(in millions of EUR)	2025	2024
Operating income	1,464	1,253
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment of fixed assets	2,438	2,195
Movements in provisions	(260)	137
Gains and losses on disposal of fixed assets	40	1
Movements in minority interest	13	-
Changes in working capital	257	(328)
Other	17	(217)
<i>Cash flow from operations</i>	<i>3,970</i>	<i>3,041</i>
Interest received	573	457
Interest paid	(8)	(29)
Corporate income tax paid	(488)	(535)
Cash flow from operating activities	4,047	2,934
Additions fixed assets	(3,404)	(3,436)
Disposals fixed assets	316	304
Dividend received	23	-
Issue of loans receivable	1,599	988
Proceeds from repayment of loans receivable	(1,336)	(1,079)
Acquisition of subsidiaries	(491)	(23)
Divestment of subsidiaries	-	440
Sales and purchases of equities	(5)	(234)
Cash flow from investing activities	(3,298)	(3,040)
Proceeds from short- and long-term loans payable	(91)	259
Repayment of short- and long-term loans payable	(126)	(134)
Dividends paid	(121)	(226)
Cash flow from financing activities	(338)	(101)
Revaluations of securities excl. equity investments	324	612
Exchange gain/(loss)	(382)	(328)
Increase/(decrease) cash and cash equivalents	353	77
Cash and cash equivalents at beginning	20,454	20,377
Cash and cash equivalents at end	20,807	20,454
Net movement in cash and cash equivalents	353	77
The cash and cash equivalents included in the cash flow statements consist of: (in millions of EUR)	2025	2024
Cash and short-term deposits	595	434
Securities, excl. equity investments	20,212	20,020
Total	20,807	20,454

(The accompanying notes on pages 14 to 52 are an integral part of these consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in EUR million, unless otherwise indicated)

1. CORPORATE INFORMATION

Ingka Group ownership

Ingka Holding B.V. (‘the Company’), Bargelaan 20, 2333 CT Leiden, is the ultimate parent company of the Ingka Group of companies (‘Ingka Group’). The Company was incorporated on 14 July 1982, registered in Amsterdam, the Netherlands. The Company is a private limited liability company under Dutch law and is registered in the trade register under number 33173748. Ingka Group’s financial year covering the 12-months period ended 31 August 2025, is referred to as ‘2025’ and the comparable year is referred to as ‘2024’.

Ingka Group is owned by a Dutch Foundation, Stichting INGKA Foundation. INGKA Foundation does not have any owners. It also does not have any beneficial owners but holds its assets only on its own behalf. This means that nobody is entitled to the assets of the Foundation.

Ingka Group’s long-term focus on customers, business, people, society and planet

Our structure together with a financial approach based on 80+ years of earning money before we spend it, allows us to be financially independent and purpose-driven in our decisions. We think in generations not quarters and invest in the long-term good of our customers, our business, people, society, and our planet. To secure that we make IKEA more affordable, accessible, and sustainable, 85% of net income is re-invested in the company.

The remaining 15% is paid as dividend to the owner of the Ingka Group, Stichting INGKA Foundation, which has a charitable purpose that is achieved by providing funding to IKEA Foundation. The IKEA Foundation is an independent, strategic philanthropy that focuses its grant making efforts on fighting global warming with and for the many people. There is no dividend going to any private shareholder.

We are committed to being a responsible taxpayer and recognise the effect of our tax contribution on the development of local economies and communities. Our transparent tax report explains our approach to tax and publishes the Group’s country-by-country tax data. In 2022, Ingka Group signed the B-team Responsible Tax Principles, which commits us to working alongside other companies, civil society groups, and international institutions to advance responsible tax practices and transparency via reporting.

Ingka Group operations and franchise agreement

Ingka Group operates three businesses: IKEA Retail, Ingka Centres, and Ingka Investments. IKEA Retail is the core business, and as the largest IKEA franchisee, it operates 411 IKEA stores including city stores and 209 other formats in 31 countries.

Ingka Centres is a global developer and operator of retail-led destinations for the many people that we call “meeting places”. Ingka Centres has 52 years of experience in shopping centres and today works with more than 2,600 brands across its portfolio of 37 assets in 14 markets.

Ingka Investments makes investments and acquisitions that secure Ingka Group’s long-term financial strength and support our growth, business transformation, and sustainability and societal commitments.

Ingka Group operates under franchise agreements with Inter IKEA Systems B.V., the worldwide IKEA franchisor. The financial statements in this report contain the financial information of both the Company and the consolidated companies of the Company.

2. BASIS OF PREPARATION

Both the company financial statements and the consolidated financial statements have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code. The financial statements were prepared on November 4, 2025.

The financial information of the Company is included in the consolidated financial statements. For this reason, the Company presents a condensed Company Income Statement, using the exemption of Article 402 of Part 9, Book 2, of the Dutch Civil Code.

The consolidated financial statements of the Company are presented in euro (EUR), which is the Company's functional currency. All amounts have been rounded to the nearest million. The financial statements of the company have been prepared on the basis of the going concern assumption.

3. ACCOUNTING POLICIES

General

Assets and liabilities are measured at historical cost, 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. A liability is recognised in the balance sheet when the settlement of an existing obligation is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably. Assets and liabilities that are not recognised in the balance sheet are considered off-balance sheet items.

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 no longer recognised in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all 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.

Income is recognised in the income statement when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, of which the size can be measured with sufficient reliability.

Revenue and expenses are allocated to the period to which they relate. Revenues (sale of goods, service income, rental income, and renewable and forestland income) are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer respectively when the services have been performed.

OECD Pillar Two model rules

OECD has designed Pillar Two rules as Global Anti-Base Erosion Model Rules in 2021. The Council of the EU adopted the Pillar Two Directive (the Global Anti-Base Erosion Proposal – GloBE – EU Directive 2022/2523). Many other countries outside of EU, including those where Ingka is operative, have implemented or are in the process with the implementation of the Pillar Two rules. When applied, Pillar Two mandates multinational corporations to determine their effective tax rate based on GloBE model rules and pay a minimum level of 15% tax in each tax jurisdiction in which it operates. The Pillar Two Directive is introduced in several EU

countries in which Ingka is operative. As of financial year 2025, the Pillar Two Directive will come into effect for Ingka Group.

For the current year 2025 the company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 August 2025 in any jurisdiction in which the group operates and no deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements. The Company recognises Pillar 2 income tax in the reporting period in which it is payable or refundable.

Management closely monitors the developments with respect to Pillar Two rules in countries where Ingka is operative and addresses the implications accordingly as soon as these are applicable to Ingka.

For further Pillar Two related disclosures refer to Note 21.

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 principal judgements and estimates, including underlying assumptions, relate to the useful life of fixed assets, fair value disclosure of investment property, provisions, impairments, recoverability of deferred tax assets, and the estimates related to acquisitions.

Basis of consolidation

The consolidated financial statements include the financial information of the Company and its group companies as at 31 August 2025 and the year then ended. Group companies are legal entities and companies over which the Company exercises control. In assessing whether the Company has control, financial instruments containing potential voting rights that can be exercised immediately are also considered.

Group companies are fully consolidated as from the date on which control is obtained and until the date that control no longer exists.

A list containing the Company's investments is filed at the Chamber of Commerce.

Consolidation method

The items in the consolidated financial statements are determined in accordance with consistent accounting policies. All significant intercompany balances, transactions, and profits are eliminated. If transactions take place with a non-consolidated participating interest, the gain or loss resulting from this transfer is recognised directly and in full in the consolidated income statement.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are stated separately in the consolidated financial statements.

Joint ventures

Joint ventures are activities in which the Group has a joint controlling influence over the operational and financial management through collaborative agreement with one or more parties. In the consolidated accounts, joint ventures are accounted for on a net asset value basis.

Mergers, acquisitions, and divestments

Acquisitions are accounted for using the purchase accounting method. This means that any assets and liabilities acquired are carried at fair value as at the acquisition date. The difference between cost of the acquisition (transaction price) and the Company's share of the fair value of the identifiable assets and liabilities acquired at the time of the transaction of a participating interest is recognised as goodwill. The transaction price is the cash consideration or equivalent agreed as part of the acquisition and transaction costs that are directly attributable to the acquisition are allocated to the transaction price. In case of deferred payment of the consideration, the transaction price is the discounted value of the consideration.

An agreed possible adjustment to the purchase price that is contingent on future events is included in the purchase price if the adjustment is probable and the amount can be measured reliably. It is also possible that a previous estimate of the adjustment to the purchase price must be revised. Such adjustments to the purchase price, that are recorded as changes in estimates, will also result in an adjustment to (positive or negative) goodwill. The adjusted goodwill is amortised prospectively from the date of the adjustment of the purchase price. Comparative figures are not adjusted.

In the event of a common control transaction, it is accounted for using the pooling of interest method.

In the event of a sale, the difference between the consideration and the carrying amount is recorded in financial income and expense. The value of the consideration is subject to judgmental factors, including potential provisions and indemnifications included in the sale and purchase agreement.

In the event of a discontinued operation upon disposal of a segment of the business, the Company defines a business segment a part of the business in which the activities and cash flows are largely dependent on other activities.

Translation of foreign currencies

The consolidated financial statements are prepared in euro, the functional and presentation currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions denominated in foreign currencies are initially carried at the functional exchange rates at the date of transaction. Monetary balance sheet items denominated in foreign currencies are translated at the functional exchange rates at the balance sheet date. Non-monetary balance sheet items that are measured at historical cost in a foreign currency are translated at the functional exchange rates at the date of transaction. Non-monetary balance sheet items that are measured at current value are translated at the functional exchange rates ruling at the date of valuation.

Exchange differences arising on the settlement or translation of monetary items denominated in foreign currencies are taken to the income statement, apart from exchange differences resulting from net investments in foreign activities or from loans taken out to finance or effectively hedge net investments in foreign activities. These exchange differences are taken directly to the foreign currency translation reserve.

Exchange differences arising on the translation of non-monetary balance sheet items denominated in foreign currencies that are carried at current value are taken directly to the revaluation reserve, provided the changes in value of the non-monetary items are likewise taken directly to reserves.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign activity are treated as assets and liabilities of the foreign activity and translated at the rate of exchange ruling at the balance sheet date.

The assets and liabilities of foreign activities are translated into the functional currency at the rate of exchange ruling at the balance sheet date, and the income and expenses of these foreign activities are translated at the average rate of exchange for the year (when this is an appropriate proxy for the rate of exchange at transaction date). Resulting exchange differences are taken directly to the foreign currency translation reserve. On the disposal of a foreign activity, the cumulative exchange differences, taken directly to the reserves, are taken to the income statement as part of the gain or loss on the sale.

The following exchange rates for 2025 and 2024 are used, where the average rate of exchange for the year was an appropriate proxy for the rate of exchange at transaction date:

	Spot rate 31/8/25	Spot rate 31/8/24	Average rate 31/8/25	Average rate 31/8/24
EUR/USD	0.85	0.90	0.91	0.93
EUR/RMB	0.12	0.13	0.13	0.13
EUR/SEK	0.09	0.09	0.09	0.09

Note: only the most relevant exchange rates which resulted in high impact are depicted in table above.

Financial instruments

Financial instruments include: investments in shares and bonds; trade and other receivables; finance and operating lease receivables; cash and cash equivalents; loans to credit institutions and to the public entities; deposits and other financing commitments; derivatives, trade payables and other amounts payables, interest-bearing (issued) securities; loans and receivables granted; and other financial liabilities and derivatives.

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 considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

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 income statement at the initial recognition. After initial recognition, financial instruments are valued in the manner described below.

In case a financial asset is waived, and an asset is taken over as a security to protect the receivable, the carrying amount of the defaulted financial asset on the reporting date becomes the asset's acquisition value. Subsequent measurement of the asset taken over to secure the receivable are valued in accordance with the applicable valuation principles for the asset class.

Securities

Securities consist of investments in shares and bonds and, following initial measurement, are carried at fair value without deduction of any transaction costs on sale. Gains and losses arising from changes in the fair value of securities that are not part of trading portfolio are taken to equity (revaluation reserve).

Receivables

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

Financial liabilities

Financial liabilities are recognised initially at fair value, which includes directly attributable transactions costs, and subsequently carried at amortised cost.

Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to their fair value (except for options), taking into account the credit risk arising from default of the counterparty (Credit Valuation Adjustment, CVA) in the case of derivatives holding a positive fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques (such as discounted cash flow models and option pricing models), as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument.

The commercial flows of the Company are subject to currency risk. As part of its treasury activities, the Company designates certain derivatives as hedges of highly probable future cash flows attributable to a forecast transaction in foreign currencies. No hedge accounting is applied for derivatives designated in this way.

Several loan portfolios (deposits and borrowed loans) of the Company are subject to interest rate risk. The Company designates certain derivatives as hedges of highly probable future cash flows and fair value changes attributable to a forecast transaction subject to reference interest rate change.

As from 2025 hedge accounting is used for derivatives designated in hedging the underlying interest rate risk connected to the hedged items provided certain criteria are met. 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 at least at each balance sheet date, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in future cash flows (the hedged items).

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. Amounts accumulated in equity are recognised to the income statement in the periods in which the hedged item will affect net profit. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the income statement. The changes in the fair value of the fair value derivatives are recognised simultaneously with any gains or losses on the hedged positions that arise from the fair value change related to the specific risk of the hedged item or position. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity or on the balance sheet at that time remains in equity or on the balance sheet until the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Embedded derivatives

The Company separates an embedded derivative from the host contract if the following conditions are met:

- There is no close relationship between the economic characteristics and risks of the embedded derivative and those of the host contract
- A separate instrument having the same characteristics as the embedded derivative would be classified as a derivative; and
- The compound instrument is not measured at fair value with changes in fair value recognised through the income statement.

Separable embedded derivatives are recognised at fair value in the balance sheet upon inception of the contract. Changes in fair value are recorded in the income statement.

Impairment of financial assets

Financial assets, e.g. long-term loans receivable, which are measured at (amortised) cost, 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.

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.

Fair value

The fair value of the financial instruments is determined using available market information or estimation methods. Under these estimating methods, the fair value is estimated:

- on the basis of the fair value of its components or a similar instrument if the fair value of its components or similar instruments can be reliably measured; or
- by using generally accepted valuation models and techniques.

Amortised cost

Amortised cost is calculated using the effective interest rate method less any reductions for impairment or uncollectible amounts. The calculation considers any discounts as well as transaction cost at the transaction date.

Offsetting

Assets and liabilities are only offset in the financial statements, if and to the extent that:

- an enforceable legal right exists to offset the assets and liabilities and settle them simultaneously; and
- the firm intention is to settle the assets and liabilities on a net basis or simultaneously.

Intangible fixed assets

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

Costs relating to intangible fixed assets not meeting the criteria for capitalisation (for example, cost of research, internally developed brands, logos, trademark rights, and client databases) are taken directly to the income statement account.

Intangible fixed assets are carried at the lower of cost of acquisition or production net of accumulated amortisation and impairment losses and their recoverable amount (being the higher of value in use and fair value less costs to sell). Intangible fixed assets, except for (land) lease rights, are amortised on a straight-line basis over their expected useful economic lives, subject to a maximum of 20 years. The (land) lease rights are amortised over the contractually agreed period. If the estimated useful life exceeds 20 years, an impairment test is performed at each financial year-end.

Expenditures made after the initial recognition of an intangible fixed asset are included to the 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 determination and recognition of impairments are included under the section 'Impairments of fixed assets'.

Development costs

Development costs are capitalised if they satisfy the technical, commercial, financial feasibility criteria set for them and the Company has the ability to use or sell the assets and it is probable that the asset will generate future economic benefits.

Goodwill

Goodwill represents the difference between the cost of a business combination and the fair value at the transaction date of the acquired equity value of the company. Goodwill is capitalised and amortised over its expected useful life.

(Land) lease rights

(Land) lease rights recognised as an intangible fixed asset relates to an ownership of a temporary right to lease land and/or real estate, which has been paid in advance.

Green and carbon certificates

Green and carbon certificates are measured at cost or lower market value. Green and carbon certificates are not amortised.

Tangible fixed assets

A tangible fixed asset is recognised in the balance sheet if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be reliably measured. Tangible fixed assets (both assets in use by the Company and investment properties) are carried at the cost of acquisition or production (less any investment grants) net of accumulated depreciation and accumulated impairment losses. The cost comprises the price of acquisition or construction, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalised when it extends the useful life of the asset.

Investment property is property held to earn rental income and/or for capital appreciation, rather than for own use.

Maintenance costs are expensed when they occur unless they are related to major pluriannual maintenance costs, which are capitalised in the book value of the asset if they meet the requirements for capitalisation.

Depreciation is calculated on a straight-line basis over their expected useful economic lives, taking into account their residual value. Changes in the expected depreciation method, useful life, and/or residual value over time are treated as changes in accounting estimates. No depreciation is recognised on land, tangible fixed assets under construction, and prepayments on tangible fixed assets. Depreciation starts as soon as the asset is available for its intended use and ends at decommissioning or divestment.

The costs of dismantling, removing, and restoring after the use of an asset are recognised as part of the carrying amount of the asset, with a provision being formed for an equal amount at the same time.

Retired tangible fixed assets are carried at the lower of cost and their fair value less costs.

A tangible fixed asset is recognised upon sale or when no further economic benefits are expected from its continued use or sale. Gains or losses on disposal or decommissioning are determined based on the difference between the net proceeds and the carrying amount of the asset and are recognised in the income statement.

Financial fixed assets

The Company has the following subcategories for financial fixed assets:

Long-term loans receivable

Loans granted and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these loans and receivables are carried at amortised cost based on the effective interest rate method.

Gains and losses are taken to the income statement when the receivables are transferred to a third party or impaired.

Investment in participating interests

Participating interests over which financial and operating policies the Company exercises significant influence are valued using the equity method. Under this method, participating interests are carried at the Company's share of their net asset value plus its share in the results of the participating interests from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements. The Company's share in the results of the participating interests is recognised in the income statement. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve.

In assessing whether the Company has significant influence over the business and financial policies of a participating interest, all facts, circumstances, and contractual relationships, including potential voting rights, are considered.

Other investments

Other investments, not forming part of a trading portfolio, are carried at the lower of cost or market value. Gains and losses are taken to the income statement when the investments are transferred to a third party or impaired. Dividends are taken to the income statement when declared.

Impairment of fixed assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair

value less costs to sell and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the income statement under other general and administrative expenses.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a market based pre-tax discount rate. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. For Ingka Centres' investment properties an external valuation is performed on a yearly basis to determine the fair value.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited up to the amount of the original cost, net of depreciation, if no impairment loss had been recognised in prior years. Such reversal is recognised in the income statement.

For all categories of financial assets carried at amortised cost, the Company assesses at each balance sheet date whether that asset or group of financial assets is impaired. Only if there is objective evidence of impairment will the impairment loss be recorded in the income statement.

Inventories

Inventories mainly comprise finished products and are carried at the lower of cost (first-in, first-out basis) or net realisable value, net of a provision for obsolescence. Cost includes the expenses for acquisition, plus other expenditures to bring the inventories to their present location and condition. Net realisable value is based on estimated selling price, less further costs expected to be incurred for completion and disposal.

Cash and short-term deposits

Cash and cash equivalents are carried at nominal value, which are readily available within 12 months.

Shareholder's equity

Amounts contributed by the shareholder of the Company in excess of the nominal share capital are accounted for as share premium.

The revaluation reserve does not exceed the difference between the carrying value based on historical cost and the carrying value based on fair value. The revaluation reserve is reduced by any realised revaluation (in connection with systematic depreciation or amortisation of the asset). Decreases in the value of the asset in question other than due to systematic depreciation or amortisation are charged against the revaluation reserve. If an asset is sold, any revaluation reserve pertaining to that asset is released and credited to other reserves. Any related deferred tax liability, calculated at the current tax rate, is offset against the revaluation reserve.

Minority interests are valued at the proportionate share of third parties in the net value of the assets and liabilities of a consolidated entity, determined in accordance with the Company's measurement principles.

Provisions

A provision is formed for a legal or constructive obligation (including claims, disputes, and lawsuits), arising from a past event if it is probable that they will have to be settled and the

amount of the liability can be reliably estimated. The amount of the provision is determined based on a best estimate of the amounts required to settle the liabilities and losses concerned at the balance sheet date.

Provisions are carried at non-discounted value except for:

- the provision for pensions which is carried at discounted value; and
- provisions for other employee benefits carried at discounted value if the effect of the time value is material.

If expenses required to settle a provision are probable to be reimbursed by a third party, the reimbursement is recognised as a separate asset.

In certain cases, the criteria for recognising a provision or liability in the balance sheet of the Company may not be met. Under contingencies and commitments, the Company discloses contingent liabilities where there is a potential material impact on the financial statements dependent on the occurrence of uncertain future events.

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.

Estimates of future cash flows and discount rate measured at present value should consistently reflect assumptions about price increases due to inflation. This means that estimates of future cash flows and discount rate should therefore be expressed either both in nominal terms or both in real terms. In both methods, the present value of the provision is the same.

Pensions and other post-employment benefits

The Company operates several 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. The Company applies IAS 19 to all post-employment benefits.

Defined contribution plans

The contributions related to defined contribution plans are charged to the income statement in the period to which these contributions relate.

Defined benefit plans

The net obligations of defined benefit plans are determined as the difference between the benefit obligations and the plan assets. Defined benefit plan pension commitments are calculated in accordance with the projected unit credit method of actuarial cost allocation. Under this method, the present value of pension commitments is determined on the basis of the number of active years of service up to the balance sheet date and the estimated employee salary at the time of the expected retirement date and is discounted using the market rate of interest on high-quality corporate bonds with lifetimes that corresponds to the Group's pension obligations. The net obligation comprises the discounted present value of the total earned future salaries less the fair value of any plan assets.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding any changes recorded as net interest and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet and equity (retained earnings). Remeasurements are not reclassified to the income statement in subsequent periods.

Past service costs are recognised in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation under 'general and administrative expenses' in the consolidated income statement:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments, and non-routine settlements.
- Net interest expense or income.

Non-current liabilities

The valuation of non-current liabilities is explained under the section 'Financial instruments'.

Current liabilities

The valuation of current liabilities is explained under the section 'Financial instruments'.

Income taxes

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.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted in accordance with local tax legislation or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax liabilities and deferred tax assets are carried on the basis of the tax consequences of the realisation or settlement of assets, provisions, liabilities or accruals and deferred income as planned by the Company at the balance sheet date. Deferred tax liabilities and deferred tax assets are carried at non-discounted value.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences and carry-forward losses, to the extent that it is probable that future taxable profit will be available for set-off.

Deferred and other tax assets and liabilities are netted off if the general conditions for netting off are met.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax legislation) that have been enacted or subsequently enacted at the balance sheet date.

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.

Assessing whether an agreement contains a lease is based on the substance at the inception date of the agreement. The agreement is regarded as a lease if the fulfilment of the agreement depends on the use of a specific asset and the lease contains the right of use of a specific asset.

Operating leases

As a lessee under operating leases, the lease payments are charged to the income statement on a straight-line basis over the term of the lease.

As a lessor under operating leases, the lease income is taken on a straight-line basis to the income statement over the term of the lease. Initial direct costs are amortised over the term of the lease against the lease income.

Finance leases

As lessee under finance leases, the Group records the leased asset and corresponding liability at the lower of fair value or present value of minimum lease payments. Assets are depreciated over the lease term or useful life. Lease payments are allocated between interest and principal.

As lessor under finance leases, lease receivables are recognized at the net investment in the lease. Lease income is recognized over the lease term using a constant rate of return.

Income

The Company usually recognises revenue at the level of separate contracts. The Company recognises revenue for the amount to which the Company expects to be entitled in exchange for transferring promised goods or services, which is the transaction price. This amount excludes amounts received on behalf of third parties. When determining the transaction price, the Company does not take credit risk into account. Any write-downs as a result of the credit risk are charged to the profit and loss account. In determining the transaction price, the Company assumes that the goods or services will be provided in accordance with the relevant agreement and that this agreement will not be cancelled, extended, or otherwise modified.

When determining the transaction price, the Company takes into account, among other things, the effects of variable fees, due to discounts, sales returns, refunds, or other similar elements that may vary in size. The Company estimates the amount of variable compensation as part of the total compensation and applies the prudence principle in doing so.

The Company recognises revenue per separate performance obligation. A performance obligation is a commitment in a contract to supply:

- a distinct good or service or a combination of goods or services which are collectively distinguishable from other commitments in the contract; or
- a range of distinct services that are largely the same.

Loyalty programs shall be recorded as a separate component of a sales transaction if:

- the credits acquired by the customer can be redeemed for goods or services that the entity delivers as part of its ordinary activity; and
- the value of the credits is not insignificant compared to the value of the sales for which those credits were issued.

In this case the credits must be recognised as deferred revenue, and the revenue is to be recognised in the period that the credits are used.

Revenue consists of sale of goods, service income, certain interest income, rental income, construction contracts income, renewable energy income, forestland income and leasing income.

Sale of goods

Sale of goods represents the proceeds from the supply of goods and services, net of returns and discounts. The Company generates and recognises net sales to retail customers at the point of sale in its stores or pick-up points and upon delivery to home shopping customers.

Service income

Service income represents the consideration received or receivable, net of allowances and rebates. Service income is recognised in the income statement when the service is performed and the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, and the costs already incurred.

Service income also comprises net interest income derived from leased assets within our financial services operations.

Rental income

Rental income is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted to lessees are recognised as an integral part of total rental income, over the term of the lease.

Renewable energy income and forestland income

Renewable energy income represents the consideration received for produced electricity and related products and services. Renewable energy income is recognised in the income statement in the period to which it relates (e.g. when the electricity was produced and delivered). Forestland income represents the income of sales of timber and is recognised when the risks and rewards of the ownership are transferred to the buyer and the quantity sold is determinable.

Interest

Interest income is recognised on an accrual basis in the income statement using the effective interest rate method, provided the income can be measured and the income is probable to be received.

Commission

Commission income from payment service, lending and others is recognised when the performance commitment has been fulfilled by performing the service and the control of the service is transferred to the customer. Total commission income is distributed for each service, and revenue recognition depends on whether performance commitments for the services are fulfilled at a certain specific time or over time.

Expenses

Expenses that are incurred in order to generate revenues and other operating income, insofar these costs have been charged by third parties, including interest, are determined with due observance of the aforementioned accounting policies and allocated to the year to which they relate. Employee benefits are charged to the income statement in the period in which the employee services are rendered.

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognised as a liability and an expense when the Company is demonstrably and unconditionally committed to make the payment of the benefit. If the termination is part of a restructuring, the costs of the termination benefits are part of the restructuring provision.

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 forming provisions are met. These include loan losses net of incurred loss provision originating from the Company's financial services activities.

Commission expense

Costs for services received and lending, to the extent that they cannot be considered as interest, are reported as commission expenses.

Cash flow statement

Cash and cash equivalents are defined as cash on hand, demand deposits, and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. The above definition has been used for the cash flow statements, which has been prepared using the indirect method.

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. Receipt of dividends are presented within the cash flows from investing activities.

The consideration of acquired group companies is presented under the cash flows from investment activities, for the considerations paid in cash and cash equivalents. The cash and cash equivalents obtained through the acquired group companies at the acquisition date are deducted from the consideration paid.

Cash flows in foreign currencies are translated at the average rate of exchange for the year. Currency translation differences are presented separately in the statement of cash flows.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. If the grant relates to an asset, it reduces the carrying amount and is recognised as income over the useful life of the asset as reduced depreciation charge.

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 of 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

	2025	2024
(Land) lease rights	1,847	2,015
Goodwill	885	1,097
Software	702	526
Other	48	37
Total	3,482	3,675

	(Land) lease rights	Goodwill	Software	Other	Total
Cost					
Opening balance	2,521	1,435	766	126	4,848
Translation adjustment	(146)	(14)	16	(5)	(149)
Additions	-	18	302	28	348
Acquisitions	-	39	35	-	74
Disposals	-	(71)	(84)	(8)	(163)
Divestments	-	-	-	-	-
Impairments	-	(121)	-	-	(121)
Other	-	-	(2)	-	(2)
Closing balance	2,375	1,286	1,033	141	4,835
Accumulated amortisation					
Opening balance	506	338	240	89	1,173
Translation adjustment	(33)	(5)	6	(3)	(35)
Additions	55	81	145	3	284
Disposals	-	(13)	(60)	-	(73)
Divestments	-	-	-	-	-
Other	-	-	-	4	4
Closing balance	528	401	331	93	1,353
Net book value	1,847	885	702	48	3,482

Estimated useful life (years)	30-95	3-20	3-5	0-20
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The useful life of goodwill ranges from 3-20 years in accordance with the timeline of anticipated future economic benefits arising in the investment. The estimated useful life of (land) lease rights ranges from 30-95 years in accordance with the contractually agreed period.

Other intangible fixed assets mainly consist of capitalised franchise fees and intangible assets for capitalised renewable energy and carbon incentives.

The amortisation of intangible fixed assets is included under general and administrative expenses in the income statement.

Research and development costs charged to the profit and loss account amount to EUR 145 million. The additions in goodwill are mainly related to the acquisitions as disclosed in note 6.

5. TANGIBLE FIXED ASSETS

	2025	2024
Land and buildings	19,273	19,179
Building improvements	1,881	1,662
Machinery and equipment	1,485	1,419
Construction in progress	2,002	2,281
Total	24,641	24,541

	Land and buildings	Building improvements	Machinery and equipment	Construction in progress	Total 2025	Total 2024
Cost						
Opening balance	30,678	5,073	5,053	2,259	43,063	43,235
Translation adjustment	(693)	(79)	(100)	(89)	(961)	38
Additions	857	218	349	1,361	2,785	2,652
Acquisitions	43	-	13	32	88	17
Disposals	(128)	(130)	(291)	(184)	(733)	(987)
Divestments	(1)	-	-	-	(1)	(1,584)
Impairments	(225)	5	(24)	(1)	(245)	(250)
Transfer	910	296	196	(1,401)	1	-
Other	20	1	1	4	26	(58)
Closing balance	31,461	5,384	5,197	1,981	44,023	43,063
Accumulated depreciation						
Opening balance	11,499	3,411	3,634	(22)	18,522	18,495
Translation adjustment	(230)	(54)	(72)	1	(355)	17
Additions	921	285	409	-	1,615	1,569
Disposals	(39)	(123)	(276)	-	(438)	(723)
Divestments	-	-	-	-	-	(819)
Transfer	8	(17)	10	-	1	-
Other	29	1	6	-	37	(17)
Closing balance	12,188	3,503	3,712	(21)	19,382	18,522
Net book value	19,273	1,881	1,485	2,002	24,641	24,541

Estimated useful life (years) 25 10 3-15

Land and construction in progress are not depreciated.

Tangible fixed assets carried at costs do not include capitalised interest charges. Land and buildings include windfarms and forestlands for a net book value of EUR 1,578 million. The company holds the legal ownership of all material tangible fixed assets.

Of the depreciation of EUR 1,615 million, an amount of EUR 1,114 million (2024: EUR 1,063 million) is included in the selling expenses and the residual amount of EUR 501 million (2024: EUR 506 million) is mainly allocated to cost of sales and services.

During 2025 investments in, amongst others, wind- and solar farms and a bank resulted in an increase in tangible fixed assets of EUR 88 million and an increase in intangible fixed assets of EUR 74 million. Total consideration paid amounts to EUR 491 million, which includes the acquisition of the bank. Refer to Note 6 for further details. The Company received investment grants in different jurisdictions. The investment grants received during 2025 were not material.

During 2025, impairments on tangible fixed assets to recoverable amounts have been recorded for an amount of EUR 280 million (2024: EUR 264 million). Reversals of previous years' impairments for an amount of EUR 35 million (2024: EUR 14 million) have been recognised, resulting in a net loss of EUR 245 million (2024: EUR 250 million loss) recognised in the income statement relating to assets and Cash Generating Units ('CGU') within the following lines of business:

Description	Assets/ CGUs	Valuation approach	Forecasting period and discount rate value in use	Amount in millions of EUR
Renewable energy and forestland	10 ¹	Value in use	3-26 years; 5.8% - 8.5%	50
Retail market & mixed-use projects	27 ²	Market value / Value in use	5 years; 4.6% - 10.3%	208
Investment property	5 ¹	Market value	-	(13)

¹ Note that the CGU amount comprises the CGU with an impairment and reversal.

² Note that there are also impairments related to land plots, which are not included in the CGUs presented in table above.

The impairments are driven by Ingka's activities mainly in China, USA and UK,. Reversals of impairments were mainly driven by improved business performance of real estate properties in France and Centres in France and Sweden.

Investment properties

The investment properties, rented out to third party tenants, form an integral part of the tangible fixed assets and have the following book value:

	2025	2024
Land and buildings	4,027	3,463
Building improvements	453	332
Machinery and equipment	31	17
Construction in progress	279	688
Total	4,790	4,500

	Land and buildings	Building improvements	Machinery and equipment	Construction in progress	Total 2025	Total 2024
Cost						
Opening balance	4,726	919	60	688	6,393	7,322
Translation adjustment	(57)	(14)	(1)	(32)	(104)	56
Additions	416	68	2	177	663	573
Acquisitions	-	-	-	-	-	-
Disposals	(4)	(7)	(2)	(74)	(87)	(27)
Divestments	-	-	-	-	-	(1,558)
Impairments	13	-	(1)	-	12	(8)
Transfer	331	97	29	(456)	1	1
Other	16	15	1	(24)	8	34
Closing balance	5,441	1,078	88	279	6,886	6,393
Accumulated depreciation						
Opening balance	1,263	587	43	-	1,893	2,426
Translation adjustment	(15)	(12)	(1)	-	(28)	19
Additions	153	74	6	-	233	245
Disposals	-	(7)	(2)	-	(9)	(8)
Divestments	-	-	-	-	-	(799)
Transfer	6	(17)	11	-	-	-
Other	7	-	-	-	7	10
Closing balance	1,414	625	57	-	2,096	1,893
Net book value	4,027	453	31	279	4,790	4,500
Estimated useful life (years)	25	10	3-15			

Land and construction in progress are not depreciated.

The estimated useful lives of these investment properties are comparable to the estimated useful lives of the operational tangible fixed assets.

Rental income from third party tenants related to investment properties amounted to EUR 800 million (2024: EUR 710 million).

The estimated market value of the investment property amounts to EUR 8.7 billion (2024: EUR 8.5 billion) and is mainly based on external appraisal conducted yearly by an independent appraiser. This amount includes related land lease rights with a net book value of EUR 0.8 billion (2024: EUR 0.9 billion). The estimated market value remained stable versus 2024 because the increase from a new meeting place in Germany was partially offset by a slight decline in valuations of meeting places in India and China. The valuation is determined based on open-market valuations, considering the size, nature, state, and use of the investment property.

Operating leases – Group as lessor

The Group has entered into operating leases relating to investment property. The future minimum lease receipts on these non-cancellable leases can be broken down as follows:

	2025	2024
Within one year	949	516
After one year but no more than five years	2,573	1,719
More than five years	2,813	2,350
Total	6,335	4,585

6. FINANCIAL FIXED ASSETS

	2025	2024
Long-term loans & receivables	1,806	869
Deferred tax asset	518	459
Investment in participating interest	810	1,074
Other investments	376	422
Leased assets	908	-
Total	4,418	2,824

	Long-term loans & receivables	Deferred tax asset	Investm. in part. interests	Other investments	Leased assets	Total
Cost						
Opening balance (incl. due in one year)	1,017	459	1,074	422	-	2,972
Translation adjustment	(3)	(10)	(19)	(3)	(17)	(52)
Additions	3,642	144	252	30	1,274	5342
Disposals	-	-	(553)	-	-	(553)
Utilised	-	(54)	-	-	-	(54)
Amortisation	-	-	-	-	(349)	(349)
Released	-	(30)	-	-	-	(30)
Impairments	(62)	-	-	(111)	-	(173)
Share in result of part. interest	-	-	29	32	-	61
Repayments	(1,014)	-	-	-	-	(1,014)
Amounts due within one year	(1,774)	-	-	-	-	(1,774)
Dividend	-	-	(23)	-	-	(23)
Transfer	-	-	-	-	-	-
Other	-	9	50	6	-	64
Net book value	1,806	518	810	376	908	4,418

Additional investments in participating interests and other investments (EUR 252 million and EUR 30 million, respectively) relate mainly to investments to (follow on) minority interests in companies

specialised in real estate development, recycling and offshore wind park developments.

Additional long-term loans & receivables includes long-term loans to the public (EUR 1,235 million) and leased assets of EUR 387 million originating from the Company's financial services activities. In 2025 Ingka financed (construction of) USA premises of EUR 155 million as presented in long-term loan receivables.

Ikano Bank Acquisition

Long term loans receivables acquired as per the acquisition of the bank amounts to EUR 2,180 million, and leased assets of EUR 887 million. Additionally, an amount of EUR 2,681 of long-term debt has been acquired. Please refer to note 14 for further details. Disposed investment (EUR 533 million) in participating interest relates to the acquisition of Ikano Bank by investing in remaining 51% share in the company shifting from participating interest into 100% owned investments in FY25. Invested 49% is consequently divested.

The consolidated revenue of Ikano amounts to EUR 235 million and is presented as Service Income. Please refer to note 16 for further details.

For further details on the deferred tax assets refer to Note 12.

Long-term loans and receivables

Annual maturities of long-term loans & receivables scheduled for repayment during the next years are as follows:

Financial Year	Amount
2026	1,774
2027	669
2028	391
2029	356
2030	389
Thereafter	909
Total	4,488

Capital interests

The group has the following significant capital interests:

Name	Registered office	Share in issued capital
Veja Mate Offshore Beteiligungsgesellschaft	Munich, Germany	33%
Sponsor VKI HoldCo LLC (Sage Solar Project)	USA	49%
Sponsor Misae I HoldCo LLC (Misae Solar Project)	USA	49%
Mopet Beheer BV	the Netherlands	45%
Ventyr SN II AS	Norway	49%
FAD Member LLC	USA	33%
Ikano Insurance Holding AG	Zug, Switzerland	49%

Leased assets

Leased assets of EUR 908 million comprise owned office equipment, vehicles and manufacturing equipment that are leased to customers. The minimum lease payments and their present value resulting from finance lease contracts can be specified as follows:

	As at 31 August 2025	
	Gross Investment	Present value of minimum lease payments
Gross investment in the lease	855	
Unearned interest	25	
Present value of future minimum lease payments	830	
Within one year	150	143
After one year but no more than five years	664	647
More than five years	41	40

7. INVENTORIES

The inventory consists of finished goods and amounts to EUR 2,412 million (2024: EUR 2,237 million). The provision for obsolescence amounts to EUR 86 million as at 31 August 2025 (2024: EUR 92 million).

8. TRADE AND OTHER RECEIVABLES

	2025	2024
Trade debtors, less allowance	999	590
Current portion of long-term loans receivable	1,774	148
Short-term loans and receivables	411	585
Income tax receivable	219	195
Other receivables	451	573
Prepaid expenses and accrued income	544	481
Total	4,398	2,572

The other receivables can be broken down as follows:

	2025	2024
VAT receivable	190	173
Receivable on suppliers	19	14
Other receivables	210	386
Trade receivables leasing	32	0
Total	451	573

Prepaid expenses and accrued income can be broken down as follows:

	2025	2024
Interest	20	4
Derivatives	27	21
Insurance premiums	29	31
Other prepaid and accrued income	468	425
Total	544	481

Derivatives include the unrealised gains on derivative financial instruments related to the management of interest rate and currency risk. For more information on financial risk management, refer to note 23. Trade receivables leasing comprises trade receivables held as collateral to secure financing.

9. SECURITIES

The Company is actively managing its excess cash liquidity through its securities trading business. As at 31 August 2025, total securities amounted to EUR 21,620 million (2024: EUR 21,315 million). Securities, excluding equity and fund investments amounted to EUR 18,668 million (2024: EUR 18,686 million), consisting mainly of highly creditworthy listed debt securities with a credit rating of at least AA as shown below. The amount attributable to listed equities was EUR 1,408 million as at 31 August 2025 (2024: EUR 1,295 million).

Maximum exposure limits of EUR 300 million and EUR 200 million are set for individual financial counterparties and non-financial counterparties respectively, as long as their credit rating is at least A-. Below A-, exposure limits of EUR 100 million apply to all counterparties with a BBB+ or BBB rating and EUR 50 million for those rated BBB-. No limits apply for government securities or their 100% owned agencies, unless the government's rating is below BBB where limits of EUR 500 million apply. A maximum exposure of EUR 50 million and a stricter approval process are applied to non-investment grade debt securities.

The credit risk profile of the debt securities portfolio is as follows (in %):

	2025	2024
AAA to AA	40	51
AA- to A-	38	28
BBB+ to BBB-	16	14
Non-investment grade	6	7
	100	100

The debt securities are diversified over the following issuer categories (in %):

	2025	2024
Sovereign	38	34
Government sponsored	21	24
Financial corporation	24	23
Asset backed securities	1	1
Non-financial corporate	8	9
Covered Bonds	8	9
	100	100

The income statement includes a EUR 251 million profit (2024: EUR 540 million profit) from the increase in value of debt securities. This amount is included in the financial income and expenses under revaluation gain/(loss). Changes in value of listed securities are not included in the revaluation reserve.

As at 31 August 2025, no bonds were pledged as collateral for short-term borrowings (2024: no bonds). Refer to Note 6 for the disclosure of long term borrowings.

10. CASH AND SHORT-TERM DEPOSITS

The total balance amounts to EUR 595 million as at 31 August 2025 (2024: EUR 434 million). The cash balance does not include amounts that are not immediately accessible.

11. SHAREHOLDER'S EQUITY

For details on shareholder's equity, refer to note 3 in the Company financial statements.

12. PROVISIONS

	2025	2024
Deferred tax liabilities	609	602
Provision for pension commitments	256	278
Other	516	747
Total	1,381	1,627

For details on the provision for deferred taxation, refer to note 21. For details on the provision for pension commitments, refer to note 13.

The movement in the other provisions is as follows:

	2025	2024
Opening balance	747	597
Currency translation	(14)	-
Additions	43	374
Utilised	(133)	(149)
Released	(121)	(72)
Transfer	-	(3)
Other	(6)	-
Closing balance	516	747

Other provisions include warranty and return (EUR 130 million), tax (EUR 21 million), restructuring (EUR 5 million), and other provisions (EUR 359 million). The other provisions are related to VAPS provision (EUR 72 million) and acquisition related earn-outs of EUR 64 million.

Of the total balance, an amount of EUR 102million (2024: EUR 289 million) is due within one year. Other provisions are measured at nominal value when discounting is not material or the expected cash outflows occur within one year; otherwise, they are measured at fair value.

13. PENSION AND OTHER POST-EMPLOYMENT BENEFITS

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

The nature of the benefits provided by the Company is based on final salary pension plans (52%), contribution-based plans with guarantee (41%) and other (7%).

There are minimum funding requirements for the pension plans in Belgium, the Netherlands, and Switzerland as set out by local legislation. The minimum funding requirements for these plans are met as per balance sheet date.

New Dutch Pension Law

A mandatory transition from a defined benefit to a defined contribution scheme will take effect on January 1, 2028. The transition plan is ongoing for the Group. The financial impact of this change has not been recognized as of 2025 year-end.

The key defined benefit plans with regards to the present value of net obligations are as follows:

	Netherlands	Switzerland	Other	Total
Defined benefit obligation	(717)	(358)	(325)	(1,401)
Fair value of plan assets	949	356	103	1,409
Effect of asset ceiling	(249)	(5)	-	(254)
Net Defined Benefit Asset		-	8	8
Net Defined Benefit Liability	(17)	(7)	(230)	(255)

Net expense

The following table shows the pension and other post-employment benefit expenses recognised in the income statement.

	2025	2024
Current service cost	66	57
Past service cost	0	37
Company service cost	66	94
Net interest cost	4	10
Defined benefit plans	70	104
Defined contribution plans	276	250
Total expense	346	354

Liability for defined benefit obligations

	2025	2024
Defined benefit obligation – funded plans	1,176	1,214
Defined benefit obligation – unfunded plans	225	222
Less: Fair value of plan assets	(1,409)	(1,349)
Deficit	(8)	87
Restriction due to asset ceiling	254	171
Net Defined Benefit Liability and Defined Benefit Asset	246	258

The movements in the asset and liability for the net defined benefit obligations are as follows:

	2025	2024
Opening balance	258	266
Net expense for the year	71	106
Remeasurement (gain)/loss	5	21
Employer contributions	(73)	(66)
Net transfer in/out	(0)	-
Benefits paid directly by the Company	(13)	(70)
Reimbursement rights	1	1
Currency translation	(4)	-
Closing balance	246	258

The fair value of the reimbursement rights amounts to EUR 11 million at 31 August 2025 (2024: EUR 10 million).

Assets and liabilities

The following table shows the changes in benefit obligations and plan assets of the employee benefit plans.

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

	2025		2024	
	Defined benefit obligation	Fair value plan assets	Defined benefit obligation	Fair value plan assets
Opening balance	1,435	1,177	1,268	1,002
Company service cost	66	-	94	-
Net interest	40	38	41	40
Benefits paid	(51)	(53)	(51)	(52)
Plan participant contributions	18	18	17	17
Employer contributions	-	85	(59)	76
Return on plan assets	-	(30)	-	82
Changes due to employee transfers	(0)	-	-	-
Changes in demographic assumptions	5	-	(8)	-
Changes in financial assumptions	(127)	-	106	-
Experience adjustments	18	-	17	-
Currency translation	(1)	2	10	9
Changes in effect of asset ceiling	-	(83)	-	3
Closing balance	1,401	1,154	1,435	1,177
			2025	2024
Final salary pension plans			724	788
Contribution based plans with a guarantee			579	550
Other			97	97
Closing balance			1,401	1,435

Allocation of plan assets

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

	2025		2024	
	Quoted	Unquoted	Quoted	Unquoted
Cash and cash equivalents	64	-	60	-
Equity instruments	498	-	464	-
Government bonds	522	-	524	-
Corporate bonds	-	-	-	-
Real estate	-	103	-	96
Insurance contracts	33	103	36	98
Other	85	2	68	2
Total	1,202	208	1,152	196

The plan assets do not include investments in shares, issued debt, or property owned by the Company.

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If the return on the plan assets is less than the return on the liabilities implied by this assumption, this will create a deficit.

Interest rate risk

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' fixed rate instruments.

Inflation risk

Some of the pension obligations are linked to inflation. Higher inflation will lead to higher liabilities. The majority of the plan assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation will increase the deficit.

Life expectancy

The majority of the plans are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Assumptions

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

	2025	2024
Discount rate	3.2%	2.8%
Future salary increases	2.5%	2.8%

The average duration of the defined benefit plan obligation at 31 August 2025 is 15.3 years (2024: 16.5 years).

The Company expects to contribute EUR 88 million to its defined benefit pension plans in 2026.

Sensitivity analysis

	Discount rate		Salary increases	
	0.50%	(0.50%)	0.50%	(0.50%)
Impact on defined benefit obligation	(92)	106	13	(12)

The methodology applied for the sensitivity analysis in the above table is equal to prior year.

14. NON-CURRENT LIABILITIES

The non-current liabilities of EUR 1,110 million (2024: EUR 963 million) consist of long-term debt of EUR 789 million (2024: EUR 795 million), other non-current payables of EUR 321 million (2024: EUR 168 million) including deposits from the public of EUR 135 million. The majority of the long-term debt includes finance facilities related to the Company's investments in land and buildings, as well as financing aimed at maintaining funding and liquidity connected to the Company's acquired bank. The interest rates on these local currency facilities of the total loan portfolio range between 2.33% (2024: 2.62%) and 4.36% (2024: 4.90%) with a weighted average of 3.32% in 2025 (2024: 4.18%). Of the non-current portion of the total loan portfolio all loans have a floating interest rate.

	2025	2024
Opening balance (including short-term portion)	1,026	903
Translation adjustment	(56)	8
Additions	4,417	267
Repayments	(1,605)	(152)
Amount due within one year	(2,672)	(63)
Closing balance	1,110	963

Annual maturities of debt scheduled for repayment during the next years are as follows:

Financial Year	Amount
2025	239
2026	101
2027	153
2028	102
Thereafter	515
Total	1,110

Pledged assets amount to EUR 1,211 million (2024: EUR 1,240 million) and mainly consist of property pledged (EUR 1,119 million) as collateral for external liabilities.

15. CURRENT LIABILITIES

	2025	2024
Current portion of long-term debt	2,672	62
Short-term borrowings	17	21
Accounts payable	3,059	3,049
Income tax payable	271	191
Other liabilities	1,992	1,548
Accrued liabilities and deferred income	2,564	2,206
Total	10,575	7,077

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

Other liabilities can be broken down as follows:

	2025	2024
VAT payable	489	386
Wage tax payable	44	47
Other taxes payable	240	250
Deposits received	9	49
Other liabilities	1,210	816
Total	1,992	1,548

The other liabilities mainly relate to unused vouchers, advance payments from customers, and accrued settlements of trading book transactions. The increase is primarily driven by the timing of these trading book transaction settlements.

Accrued liabilities and deferred income can be broken down as follows:

	2025	2024
Accrued wages	732	670
Accrued franchise fee	266	288
Accrued interest expense	44	6
Derivatives	9	10
Other accruals and deferred income	1,513	1,232
Total	2,564	2,206

The accrued liabilities and deferred income balance at 31 August 2025 include a net amount receivable of EUR 17 million (2024: EUR 10 million receivable) related to the fair value of derivatives, which are used to hedge foreign exchange risk of the expected purchase and sales transactions, i.e. the commercial flows, of the Group for the next financial year. Other items included in the other accruals and deferred income balance are, amongst other things, related to pension related payables, accrued professional fees, accrued supplier invoices, deferred income and short-term portion of deposits from the public.

16. REVENUE

The geographical distribution of revenues is as follows:

Geographical region	2025	2024
Europe	30,656	30,494
North America	6,925	7,419
Asia and Pacific	3,870	3,933
Total	41,451	41,846

17. COST OF SALES AND SERVICES

Cost of sales and services, amounting to EUR 27,030 million as at 31 August 2025 (2024: EUR 27,986 million), relates to the retail sales, service income, rental income, renewable energy income, forestland income and loan losses originating from the Company's financial services related activities.

The retail cost of sales of EUR 25,963 million (FY24: EUR 26,996 million) consists mainly of the purchase price of the products sold and other costs incurred in bringing the inventories to the location and condition ready for sale.

18. OPERATING EXPENSES

Selling expenses of EUR 10,185 million (2024: EUR 9,751 million) represent retail core-business related cost, including marketing cost and the relevant portion of staff cost, operational cost, and depreciation.

General and administrative expenses of EUR 3,022 million (2024: EUR 3,250 million) are related to non-retail activities, which are not (directly) associated with generating service income and rental income.

Personnel expenses

	2025	2024
Salaries and wages	5,706	5,405
Social charges	1,071	993
Pension expense	346	354
Total	7,124	6,752

Employees

The geographical distribution of the employees (based on average numbers) is as follows:

Geographical region	2025	2024
The Netherlands	6,681	6,662
Europe (excluding the Netherlands)	113,257	113,334
North America	23,815	23,835
Asia and Pacific	22,707	22,901
Total	166,460	166,732

19. OTHER INCOME

Other income of EUR 250 million (2024: EUR 394 million) includes gain on sale of fixed assets (EUR 69 million) and service fees (EUR 8 million), payment service and lending commission net income (EUR 14 million), VAT refunds of previous years (EUR 31 million) and others.

20. FINANCIAL INCOME AND EXPENSE

	2025	2024
Income from investments	(309)	(976)
Interest income and similar income	573	457
Changes in value of investments	416	859
Interest expenses and similar charges	(46)	(22)
Total	634	318

The income from investments and change in value of investments can be broken down as follows:

	2025	2024
Share in profit participating interests	29	(15)
Result on sale of subsidiaries	(20)	(6)
Other financial income/(expense)	(319)	(955)
Income from investments	(309)	(976)
Currency gain/(loss)	(16)	(4)
Revaluation gain/(loss)	432	863
Change in value of investments	416	859

Share in profit of associates represents the share in the result of investments in participating interests (refer to note 6 – financial fixed assets). Result on sale of subsidiaries is the result on the sales of investment property. Other financial income/(expense) includes amongst others recycling of currency translation reserve into the income statement.

Interest income and similar income include accrued interest for the financial year relating to financial assets. Change in value of investments includes Currency gains and losses and Revaluation gains and losses. Currency gains and losses show the result of managing the currency rate risk on commercial flows and other currency translation in the Group (refer to note 23 – exchange rate risk). Revaluation gains and losses represent the fair value development of securities and derivatives. Interest expenses and related charges relate to accrued interest for financial liabilities and net accruals on derivatives used to hedge internal funding (refer to note 23 – interest rate risk).

The governmental approval of the sale of the last remaining Russian entities was obtained in financial year 2025 (November 2024). This sale marks the conclusion of our business operations in Russia.

As per the moment of disposal the carrying amounts in millions of EUR of the discontinued operations were as follows:

	<u>2025</u>
Total assets	4
Total liabilities	19
Total net assets	(15)

As a result of the sale, the foreign currency translation reserve in equity is released in the income statement at the amount of EUR 88 million (loss). In addition, EUR 15 million loss is recognized as a result of the discontinued operations at moment of sale.

21. INCOME TAXES

Deferred income tax assets are mainly related to timing differences, primarily in connection with the valuation of pension provisions and depreciation. Deferred tax assets arising from tax loss carry forwards amount to EUR 40 million and are only recognised if recovery is reasonably certain. EUR 135 million of deferred tax assets (2024: EUR 139 million) is expected to be used for set-off within one year.

The Group is subject to the global minimum top-up tax ('Pillar 2') legislation. The top-up tax relates mainly to the Group's activities in Ireland, where the statutory tax rate is 12.5 percent. The minimum top-up tax included in the tax expense due to the applicable tax legislation amounts to EUR 20 million (2024: nil) primarily due to the country's low statutory tax rate. The effective tax rate calculated under the Pillar 2 legislation without the use of the temporary scheme, is anticipated to meet the minimum threshold of 15 percent and hence no top-up tax is accounted for. For the remaining countries, the Group makes use of the temporary Country-by-Country Reporting safe harbour scheme based on which the top-up tax is deemed to be nil/zero.

The Group has applied the mandatory exemption under RJ 272 to not recognise deferred tax assets and liabilities related to Pillar 2 income taxes and recognises income tax in the reporting period in which it is payable or refundable. In March 2023, Ireland enacted new tax legislation to implement a domestic minimum top-up tax, which is effective after December 31, 2023. As a result, from 2025, the Irish group entities will be liable for the top-up tax related to its activities instead of the parent entity.

The Group has unrecognised tax loss carry forwards available related to losses incurred in several countries approximating EUR 3,995 million (2024: EUR 3,237 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 tax legislation in order to utilise the tax losses.

The movements in deferred tax assets are set out below:

	2025	2024
Opening balance	459	615
Currency translation	(10)	3
Additions	144	104
Utilised	(54)	(74)
Released	(30)	(157)
Other	10	(32)
Closing balance	519	459

Deferred taxation is provided for, using the balance sheet method, for all timing differences between tax and financial reporting. Provisions are substantially long term in nature.

The movements in deferred tax liabilities are set out below:

	2025	2024
Opening balance	602	600
Currency translation	(8)	5
Acquisitions	-	-
Additions	28	34
Utilised	(3)	(15)
Released	(8)	(9)
Other	(2)	(13)
Closing balance	609	602

Of the movements in deferred tax, EUR 3 million impacted equity directly as per August 31, 2025 (2024: EUR 5 million) relating to actuarial remeasurements relating to the defined benefit pension obligation.

The major components of current income tax expense are as follows:

	2025	2024
Current income tax expense	695	640
Deferred tax expense	(6)	125
Tax expense based on changes in prior periods	-	-
Total tax expense	689	765

The reconciliation between the effective tax rate and the applicable tax rate in the Netherlands which is applicable to the consolidated financial statements is as follows (in %):

	2025	2024
Applicable tax rate in the Netherlands	25.8	25.8
Different tax rates outside the Netherlands	(14.8)	14.4
Non-deductible expenses	15.9	6.3
Tax-exempt income	(0.9)	(2.2)
Utilisation of previously unrecognised tax losses	(0.8)	-
Unrecoverable losses	9.1	13.7
Adjustment income tax previous years	(0.8)	(3.0)
Other	(0.5)	(6.3)
Effective tax rate	32.8	48.7

The effective tax rate is much lower compared to previous year due to the currency translation effect from the completion of the sale of the Russian shopping Centres in 2024. The normalised effective tax rate is within our 25-30% band, considering losses in a few countries and performance of the FMI portfolio. Ingka Group pays taxes in all countries where it operates.

22. COMMITMENTS AND CONTINGENCIES

Ingka Group is subject to corporate income and other taxes in various jurisdictions and exposed to tax uncertainties. Ingka Group is subject to various tax audits, in relation to direct as well as indirect taxes. With regard to uncertainties, a provision is recognised if, as a result of a past event, Ingka Group has an obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Uncertainties that do not meet these criteria give rise to contingent liabilities that could have a future impact on recorded assets and liabilities but are not considered probable.

As per year-end, the Company and its subsidiaries have agreements to provide services in future years relating to distribution, storage, and handling of inventory in distribution centres with third parties. Remuneration is variable and will be determined on a cost-plus basis for most of the agreements. The commitments can be detailed as follows:

Guarantees

Issued guarantees towards external parties amounted to EUR 250 million as at 31 August 2025 (2024: EUR 227 million).

Construction commitments

Commitments for the construction of tangible fixed assets, including investment property, amounted to EUR 489 million as at 31 August 2025 (2024: EUR 925 million).

Purchase commitments

The Group has not entered into purchase agreements with significant commitments outside the normal course of business as 31 August 2025 (2024: EUR nil).

Investment commitments

The Company is committed to invest in several developments in the area of renewable energy and circularity. These relate to commitments of development costs, acquisitions, and additional investments in participating interests. These commitments amount to EUR 1,081 million as at 31 August 2025 (2024: EUR 1,181 million).

Legal proceedings

The Company is from time to time involved in legal proceedings in the ordinary course of business.

Management believes that no pending litigation to which the Company is a party will have a material adverse effect to the financial position or the results from operations.

Ikano Bank loan commitments

As of 31 August 2025, the bank has irrevocable loan commitments totalling EUR 155 million. Revocable loan commitments, which may be withdrawn at the Bank's discretion, amounted to EUR 63 million.

As of 31 August 2025, the bank has granted credit facilities to customers with a total unused portion amounting to EUR 1.8 billion.

Operating leases – Group as lessee

The Company and its subsidiaries have entered into lease and rental agreements for various periods. Future minimum rental payable under non-cancellable operating leases as at 31 August is as follows:

	2025	2024
Within one year	154	206
After one year but no more than five years	336	364
More than five years	958	864
Total	1,448	1,434

Total lease payments of EUR 146 million (2024: EUR 173 million) are recorded in the income statement.

23. FINANCIAL RISK MANAGEMENT

General

The use of financial instruments is closely related to the commercial flows and the cash flows of the business. Treasury and Financial Market Investments operations are centralised and executed according to the Ingka Group Policy and Rules set by the Board.

Interest rate risk

The Company has defined rules to limit interest rate risk exposure arising from its financial market activities. The interest rate risk is limited to a modified duration of maximum five years on financial assets and liabilities.

The financial assets mainly consist of listed securities, which the Company marks to market on a daily basis. Thus, no hedge accounting is applied to the securities portfolio nor to the related derivatives. Treasury companies received fixed interest rates on internal funding provided to Ingka Group entities. The fair value risk which is considered in those internal funding positions has been partly swapped with external banks, and the fair value movements of those derivatives are reported through the income statement.

The Company has borrowings at variable interest for which interest rate risk arises due to mismatches in interest rate periods. Cash flow hedge accounting is applied to a portion of the borrowing's portfolio. Additionally, the Company has loans at fixed interest rates for which interest rate risk arises due to changes in reference interest rates. The portfolio method for hedge accounting is applied. This method entails that the loans are distributed in different time intervals based on expected maturity dates. In each time interval t, an appropriate amount is allocated to hedging based on the Company's strategy.

The following sensitivity analysis relates to the securities portfolio and derivatives for which no hedge accounting is applied as described above.

Sensitivity analysis Interest rate

	2025		2024	
	+1%	(1%)	+1%	(1%)
Impact on Total financial income (EUR million)	(478)	478	(491)	491

Non-current liabilities

Refer to note 14 for details on non-current liabilities.

Credit risk

The Company manages its credit risks on individual counterparties. Counterparty limits are based on credit ratings and the aggregated exposure to counterparties is in proportion to the Company's net liquidity. The Company's policy is that bank accounts are held with investment grade rated financial institutions. Credit risk on all derivative positions is covered using collateral margining process according to Credit Support Annex agreements in place with all external counterparties.

Credit risk arises principally from the Company loans and receivables presented under financial fixed assets, trade and other receivables, cash and the positive fair value of derivatives. The maximum amount of credit risk that the Company incurs is equal to the carrying amount of each financial instrument as reflected on the balance sheet. The credit risk is diversified against a large number of counterparties.

Liquidity and cash flow risk

The Company manages its liquidity and cash flow risk by liquidity planning with the objective to maintain readily available liquid assets equal to a percentage of the Group's revenues.

Equity price risk

In addition to interest bearing securities, the Company holds a portfolio of listed equities, whose market value was EUR 1,408 million on 31 August 2025 (2024: EUR 1,295 million). The Company is exposed to equity price risk, which is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks.

Exchange rate risk

The Company is exposed to foreign exchange rate risks arising from purchase and sales transactions as well as holding net positions denominated in foreign currency. The exchange rate risk of the Company is actively managed by using derivative contracts, except for long term I/C loans denominated in foreign currency.

At 31 August 2025, the total fair value of the derivatives used to manage exchange rate risk is EUR 10 million (2024: positive EUR 11 million). The fair value of these derivatives are part of the derivatives position in notes 8 and 15. The remainder of the total fair value in these two notes relates to interest rate derivatives.

The EUR 10 million can be broken down in the following portfolios:

	2025	2024
Internal funding	5	4
Investment portfolio hedge	(2)	-
Currency diversification	7	7
Total	10	11

The following sensitivity analysis relates to all currency derivatives for which no hedge accounting is applied. The +1% and (1%) indicate the weakening and strengthening of the euro or US dollar, depending on the entity denominated currency versus other currencies.

	2025		2024	
	+1%	(1%)	+1%	(1%)
Impact on Total financial income and expense (derivative) (in EUR million)	8	(8)	7	(7)

Commercial flows

Purchase and sales transactions are denominated in many different currencies. Management no longer uses forward foreign currency derivatives to hedge the future related foreign currency flows.

Internal funding and investment portfolio

The exchange rate risk associated with internal funding and securities (investment portfolio) in foreign currency is managed by use of currency derivatives. For existing internal funding and securities in foreign currency, currency derivatives are in place with an underlying amount of negative EUR 623 million (2024: negative 755 million). This change is due to a greater proportion of the funding to subsidiaries comprising short term loans, whose associated foreign currency risk is hedged.

The derivatives mainly relate to the following currencies (in EUR million):

Currency	Derivative	Internal Funding	Investment Portfolio
USD	-409	-409	-
GBP	-227	-12	-215
SEK	-151	-36	-116
CHF	-112	2	-114
PLN	101	101	-
RON	87	87	-
CZK	55	55	-
NOK	-42	-24	-18

*EUR exposure in a company with functional currency in US dollar.

Fair value

The fair value of most of the financial instruments recognised on the balance sheet, including receivables, securities, cash and short-term deposits, long-term and current liabilities, is approximately equal to their carrying amount, unless otherwise disclosed within these financial statements. The fair value of the financial instruments recognised on the balance sheet which materially differs from their respective carrying values are separately disclosed in the notes to the balance sheet.

Ikano Bank

Risk management framework

Ikano Bank operates as an independent entity within the Company's Group with its own set of financial risk management policies and procedures. The Bank has implemented a comprehensive risk management framework (RMF) spanning operational, tactical, and strategic levels and covers both financial and non-financial risks. RMF covers all functions and markets in the Bank. The RMF provides documented minimum standards for managing material financial and non-financial risks within the risk appetite set by the Board of Directors. It includes both

current and emerging risks as well as upside and downside risks. The financial risks are credit, liquidity, market and capitalisation risk.

Credit risk

Credit risk is defined as the risk that a counterparty does not meet the agreed payments on Ikano Bank's claim and the risk that the pledged collateral does not cover the claims. Credit risk includes concentration risk, counterparty risk and settlement risk. Credit risk arises in lending operations, investing the Bank's operating liquidity, overnight placement and for derivatives with positive market values.

Counterparty risk is the risk that the counterparty in a financial transaction may be unable to fulfil its payment obligations or deliver the securities in accordance with what has been agreed upon. Exposure per counterparty group is limited by internal limits and risk levels, netting agreements, and collaterals.

The Bank's lending operations consist of leasing and factoring to corporate customers and credit card loans and non-collateralised loans to private customers. The Bank applies scoring models in the assessment of credit risk. The assessment is supplemented with details from credit information agencies before the credit is finally approved. The independent risk control function monitors exposures against set tolerance limits. The Bank's risk appetite for credit risk is updated annually and approved by the Board.

The Bank has a diversified loan portfolio in terms of customer, product and geographical market which means that no significant credit concentration risks exist.

Liquidity risk

Ikano Bank defines liquidity risk as the risk that the Bank cannot meet its liquidity commitments on due date without significantly increased cost or ultimately being unable to meet obligations as they fall due. The definition is also linked to the risk of being unable to receive renewed financing on maturity, so-called refinancing risk.

The matching of assets and liabilities, both in terms of maturity and volume, along with a good access to multiple funding sources forms the basis of the Bank's liquidity and financing strategy. The liquidity level must always be sufficient. This means there should always be a liquidity reserve, and the Bank should always be able to fulfil its payment commitments and be able to strengthen liquidity without delay when necessary. The Bank's management and control of liquidity risks are centralised, handled by the Bank's central Treasury function in close cooperation with the local business units, and the liquidity risk is reflected in the Bank's internal pricing.

The management of liquidity risk is monitored by the independent Risk Control function. The Bank's Board of Directors and management receive regularly reporting on liquidity positions and development of liquidity.

The Bank has a contingency funding plan containing action plans if disruptions in the liquidity supply occurs. The contingency funding plan is used if three or more of the Bank's defined internal risk indicators signal a heightened risk.

Market risk

Market risk is defined as the risk of loss or reduction in market value of on- and off-balance sheet positions arising from movements in the market rate or price. Market risk is divided into market risk arising from changes in foreign exchange rates and interest rates.

Interest rate risk

The interest rate risk of Ikano Bank's banking book occurs when having a mismatch in interest rates durations on assets and liabilities. Interest rate risk is calculated from the fair value or future cash flows from a financial instrument. The Bank's deposits and lending are primarily short-term with a maturity period no longer than three months.

In accordance with the Bank's steering documents, interest rate risk should be minimised to limit any possible effect on the result. The Bank's risk tolerance to interest rate risk is defined as profit and loss effect at 200-250 basis point shifts of all yield curves. This amount shall not exceed 3.5 percent of the Bank's own funds.

The main part of the Bank's interest rate risk stems from mismatches in interest rate periods for assets and liabilities. This interest rate risk is hedged with derivatives aimed at reducing the interest rate sensitivity and achieving better matching interest rate periods.

Foreign exchange risk

Foreign exchange risk (FX) occurs through Ikano Bank's international operations and by transactions made through payables and receivables (transaction exposure) and by translation of net assets and accrued operating results in foreign currencies (translation exposure). Foreign exchange risk is the risk that the fair value or future cash flows from the Bank's assets will fluctuate because of changes in exchange rates. For Ikano Bank, currency exposure arises in the context of net investment in foreign operations as well as the payment flows in loans and investments in foreign currency and borrowing in foreign currency. Most of the Bank's cash flows in all currencies are managed in a common cash pool.

Net exposures are managed centrally by the Treasury function and are mainly mitigated by currency derivatives.

Capital analysis

The capital requirements regulations help to strengthen resilience against financial losses and thereby protect the Bank's customers. The Bank's own funds must cover the regulatory minimum requirements, called Pillar 1 requirements, for credit risk, credit valuation adjustment risk (CVA risk), operational risk and foreign exchange risk. In addition, the own funds requirements include further identified risks in the operations, in accordance with the Bank's internal capital adequacy assessment and the requirements set by the Board of Directors, called Pillar 2 requirements as well as statutory requirements for capital buffers. The Bank also follows the Financial Supervisory Authority's recommendation regarding Pillar 2 guidance.

Ikano Bank has, as a part of its risk appetite framework, quantified tolerance levels for the Common Equity Tier 1 ratio and Total capital ratio above regulatory requirements. The margins represent buffers adapted to the Bank's risk profile to cover identified risks based on probability and financial impact, to meet the anticipated lending expansion, maintain strategic freedom of action and handle external changes.

To ensure that Ikano Bank's capital situation is satisfactory to cover the risks that the Bank is or may be exposed to, an internal capital and liquidity adequacy assessment (ICAAP/ILAAP) is conducted at least annually. The ICAAP/ILAAP is the Board's tool for assessing the own fund's requirement in the business. In the assessment process, stress tests and scenario analyses are carried out to assess potential additional own funds requirements, including strategic decisions or external events that affect the business and its development. As a part of this process, a risk analysis is performed to ensure underlying risks are adequately addressed and reflect the Bank's actual risk profile and capital requirements. The risk control function is responsible for monitoring the process of the Bank's capital adequacy assessment. The capital requirements resulting from the ICAAP are regularly reported to the Swedish Financial Supervisory Authority (SFS).

24. RELATED PARTIES

Transactions with related parties are entered into at arm's length prices.

COMPANY BALANCE SHEET AS AT 31 AUGUST (before profit appropriation)

(in millions of EUR)	2025	2024
Financial fixed assets - Participating interests in Group Companies (2)	48,405	47,968
Total fixed assets	48,405	47,968
Receivable from subsidiaries	49	25
Other receivables	46	24
Total current assets	95	49
TOTAL ASSETS	48,500	48,017
(in millions of EUR)	2025	2024
Capital stock	1	1
Additional paid-in capital	51	51
Revaluation reserves	171	184
Legal reserves participations	550	511
Other reserves	46,209	46,369
Result of the year	1,411	806
Total shareholder's equity (3)	48,393	47,922
Provisions (4)	8	29
Other payables to subsidiaries	92	64
Other payables and accrued liabilities	8	2
Current liabilities	100	66
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	48,500	48,017

(The accompanying notes on pages 55 to 59 are an integral part of these company financial statements.)

COMPANY INCOME STATEMENT**Year ended 31 August**

(in millions of EUR)

	2025	2024
Share in result of participating interests, after tax	1,437	845
Other income and expenses, after tax	(26)	(39)
Net income	1,411	806

(The accompanying notes on pages 55 to 59 are an integral part of these company financial statements.)

NOTES TO THE COMPANY FINANCIAL STATEMENTS

(all amounts in EUR million, unless otherwise indicated)

The company (separate) financial statements are part of the 2025 statutory financial statements of the Company. The financial information of the Company is included in the Company's consolidated financial statements.

The financial information of the Company is included in the consolidated financial statements. For this reason, the Company presents a condensed Company Income Statement, using the exemption of Article 402 of Part 9, Book 2, of the Dutch Civil Code.

1. ACCOUNTING POLICIES

The accounting policies are the same as for the consolidated financial statements.

In addition, participating interests in group companies are accounted for in the separate financial statements according to the equity accounting method on the basis of net asset value. For details, we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

The share of result of participating interests concerns the Company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realised.

The Company is the head of the Dutch fiscal unity. The Company recognises the portion of corporate income tax that it would owe as an independent taxpayer, 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.

2. FINANCIAL FIXED ASSETS – Participating interests in group companies

Changes in participating interests in group companies are as follows:

	2025	2024
Opening balance	47,968	46,305
Foreign currency translation adjustment	(894)	(142)
Capital contributions	1,140	4,252
Share in net income for the year	1,437	846
Dividends received	(1,315)	(4,098)
IAS 19 remeasurement	1	(25)
Realisation through income statement	74	832
Other	(6)	(2)
Total	48,405	47,968

In accordance with Article 403, Book 2 of the Civil Code of the Netherlands, the Company has guaranteed the liabilities of certain Dutch majority-owned subsidiaries. Separate financial statements of these subsidiaries are therefore not filed at the Trade Register of the Chamber of Commerce. In relation to the financial year 2025, 403-statements have been issued for the following companies:

- Ingka Holding Europe B.V.
- Ingka Investments B.V.
- Ingka Services B.V.
- Ingka Pro Holding B.V.
- IKEA Vastgoed B.V.
- Ingka Centres Europe B.V.
- Ingka Centres Asia B.V.
- Ingka Capital B.V.
- FIXIT Investments I B.V.
- Ingka Centres China B.V.
- Ingka Centres Investment Four B.V.
- Ingka Centres Investment Five B.V.
- Ingka Centres Investment Six B.V.
- Ingka Centres India B.V.
- Ingka Centres Holding B.V.
- Republic Holding I B.V.
- Ingka NB Holding B.V.
- Ingka Centres UK Hammersmith B.V.
- Ingka Centres UK Car Park B.V.
- Ingka Digital Netherlands B.V.
- Ingka Investments Real Estate B.V.
- Ingka Centres Toronto B.V.
- Ingka Centres Berlin B.V.

3. SHAREHOLDER'S EQUITY

The issued and outstanding share capital of the Company is comprised of 726,000 ordinary shares, each with a par value of EUR 1.

Changes in shareholder's equity for the year ended 31 August 2025 and 31 August 2024 are as follows:

2024	Capital stock	Additional Paid in Capital	Revaluation reserve	Legal reserves participations	Translation reserves	Other reserves	Result of the year	Total 2024
Opening balance	1	51	195	380	(1,328)	45,871	1,507	46,667
Net income	-	-	-	-	-	-	806	806
Foreign translation	-	-	-	-	(142)	-	-	(142)
Dividend paid	-	-	-	-	-	(226)	-	(226)
Hedging reserve	-	-	-	-	-	-	-	-
Pension reserve	-	-	-	-	-	(25)	-	(25)
Realisation in income statement	-	-	(11)	-	843	-	-	832
Appropriation of result	-	-	-	-	-	1,507	(1,507)	-
Transfer	-	-	-	131	-	(131)	-	-
Other	-	-	-	-	-	-	-	-
Closing balance	1	51	184	511	(627)	46,996	806	47,922
2025	Capital stock	Additional Paid in Capital	Revaluation reserve	Legal reserves participations	Translation reserves	Other reserves	Result of the year	Total 2025
Opening balance	1	51	184	511	(627)	46,996	806	47,922
Net income	-	-	-	-	-	-	1,411	1,411
Foreign translation	-	-	-	-	(894)	-	-	(894)
Dividend paid	-	-	-	-	-	(121)	-	(121)
Hedging reserve	-	-	-	-	-	-	-	-
Pension reserve	-	-	-	-	-	1	-	1
Realisation in income statement	-	-	(13)	-	87	-	-	74
Appropriation of result	-	-	-	-	-	806	(806)	-
Transfer	-	-	-	39	-	(39)	-	-
Other	-	-	-	-	-	-	-	-
Closing balance	1	51	171	550	(1,434)	47,643	1,411	48,393

The Company's issued capital, amounting to EUR 0.7 million, consists of 0.7 million shares of EUR 1.

In determining the revaluation reserve for tangible fixed assets, an amount was deducted for deferred tax liabilities, calculated at the current tax rate.

The legal reserves participations at 31 August 2025 are not available for dividend distributions and represent retained earnings set aside by law in certain countries.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the reporting of foreign activities.

4. PROVISIONS

	2025	2024
Provision for pension commitments	8	29
Total	8	29

The provision for pension commitments is related to international pension plans for expats. We refer to note 13 of the consolidated financial statements for detailed information on the net pension expense, movement overview and allocation of the plan assets, defined benefit obligation, and the principal assumptions used in determining the defined benefit obligations for the pension plans.

5. AUDIT FEES

The fees in relation to financial year 2025 by KPMG Accountants N.V. and Dutch member firms as Dutch auditor to legal entities within the group in connection with the audits of the statutory financial statements of these entities amount to EUR 2.6 million (2024: EUR 2.5 million). Audit related fees for services provided in financial year 2025 amount to EUR 0.3 million (2024: EUR 0.3 million). Non-audit fees, including tax, for services amount to EUR 0.2 million (2024: EUR 0.1 million).

6. INCOME TAXES

Since 1 October 2004, the Company is head of a fiscal unit with the Dutch subsidiaries with respect to Dutch income tax. This implies that the Company is individually liable for Dutch income Tax of the fiscal unit as a whole. Income taxes are accounted for as if each entity in the fiscal unity would have been taxable for its own results.

7. COMMITMENTS AND CONTINGENCIES

As part of the Transaction in 2016, Ingka Holding B.V. has provided certain indemnifications and warranties to the buyer in relation to the sold entities, including, but not limited to, corporate information, accounts, guarantees, assets, intellectual property, information technology, contracts and other agreements, employees, legal compliance, environment matters, litigation, insurance, products and taxes. All indemnifications and warranties have expired except for a tax exposure in one country. No provisions are recognised.

8. EMPLOYEES

The Company has 2 employees as at 31 August 2025 (31 August 2024: 2).

9. REMUNERATION BOARD OF DIRECTORS

Management Board

The management board of Ingka Group consists of the Group's CEO and Deputy CEO/CFO. The CEO and Deputy CEO/CFO are remunerated for all their tasks and duties for Ingka Group through their salary as employees of Ingka Holding B.V. These tasks and duties include membership of certain boards and committees, including the board of directors of Ingka Holding B.V.

As a general principle, employees of the Ingka Group (i.e. Ingka Holding B.V. and its (in)direct subsidiaries) are remunerated through payment of salary, which consists of base salary, incentive plans, employer's pension commitments and any other periodic contributions. As appropriate for their roles, the task and duties of certain employees of Ingka Group may include that they will assume board positions in Ingka Group companies or committees/councils. As a principle, no remuneration additional to employee salary is granted for such board, committee, or council memberships for reason that this is part of the tasks and duties of the employee.

In accordance with the principle above, the CEO and Deputy CEO/CFO do not receive any remuneration in addition to their salary for their task to act as management board of Ingka Holding B.V.

The total compensation (consisting of the salary elements mentioned above) to the current CEO and CFO amounts to EUR 8.7 million for 2025 (2024: EUR 5.2 million) of which EUR 1.7 million relates to bonus payments (2024: EUR 0.9 million), EUR 25 thousand is related to social securities (2024: EUR 23 thousand) and EUR 0.9 million to pensions (2024: EUR 0.9 million).

Supervisory Board

Each member of the Supervisory Board receives a fixed annual fee. The total remuneration of the members of the Company's board of Supervisory directors amounts to EUR 1.6 million for 2025 (2024: EUR 1.3 million).

10. INVESTMENTS

A list containing the Company's investments is filed at the Chamber of Commerce.

The following affiliated companies, which are included in the consolidated group financial statements of Ingka Holding B.V. are in accordance with § 264b German Commercial Code ("HGB") relieved of drawing up, auditing and disclosing their financial statements, notes and management reports in line with the regulations on the second paragraph within the third book of the German Commercial Code:

- IKEA Holding Deutschland GmbH & Co. KG
- IKEA Deutschland GmbH & Co. KG
- IKEA Distribution Services GmbH & Co. KG

11. PROPOSED PROFIT APPROPRIATION

The financial statements and the appropriation of profit after tax for the reporting year 2024, as proposed by the Management Board, 2024 have been adopted at the General Meeting on 20 November 2024.

The Management Board, with the consent of the Supervisory Board, proposes to the General Meeting to appropriate the profit after tax for 2025 as follows:

	2025	2024
Dividend	212	121
Additions to reserves	1,199	685
Total	1,411	806

12. SUBSEQUENT EVENTS

In October 2025, Ingka Investments has agreed to acquire 153,000 hectares of forest land in Latvia and Estonia, subject to regulatory approval. The acquisition would position Ingka as a leading private forest owner in Latvia.

**BOARD OF MANAGING
DIRECTORS**

Leiden, 4 November 2025

J. Brodin (Chairman)

J.P. Maeztu Herrera

**BOARD OF SUPERVISORY
DIRECTORS**

L-J. Jarnheimer (Chairman)

T. Bertilsson

L. Delgado

L. Fønss Schrøder

J. Kamprad

P. Kamprad

M. Newton-Jones

I. Worling

OTHER INFORMATION

NET INCOME APPROPRIATION

According to Article 12 of the Company's statutes, the annual meeting of shareholders will decide on the appropriation of the net income for the year.

Independent auditor's report

The financial statements have been audited, and the independent auditor's report is included on the next pages.



Independent auditor's report

To: the Shareholder and the Supervisory Board of Ingka Holding B.V.

Report on the audit of the financial statements included in the annual report

Our opinion

We have audited the financial statements for the year ended as at 31 August 2025 of Ingka Holding B.V., registered in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Ingka Holding B.V. as at 31 August 2025 and of its result for the year ended on 31 August 2025 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise of:

- 1 the consolidated and company balance sheet as at 31 August 2025;
- 2 the consolidated and company income statement for the year ended on 31 August 2025;
- 3 the consolidated statement of comprehensive income for the year ended on 31 August 2025;
- 4 the consolidated statement of cash flows for the year ended on 31 August 2025; and
- 5 the notes to the consolidated and company financial statements 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 Ingka 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 designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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



Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In the annual report, the Board of Managing Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance.

Our procedures included, among other things, assessing the Company's code of conduct and the whistle-blower policy and incidents reported, internal audit reports, the company's anti-bribery and corruption policy and procedures and its procedures to investigate indications of possible fraud and non-compliance.

Furthermore, we performed relevant inquiries with the Board of Managing Directors, the Audit Committee of the Supervisory Board and other departments, such as Internal Audit, Legal & Governance and Business Risk and Compliance.

We also incorporated elements of unpredictability in our audit, such as revised scoping on account level, a change in audit approach for certain accounts and additional test of details. We involved forensic specialists in our audit procedures.

As part of our audit procedures, we:

- obtained an understanding of how the company uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
- evaluated investigation reports on indications of possible fraud and non-compliance;
- evaluated correspondence with supervisory authorities and regulators as well as legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements: anti-bribery and corruption laws, data protection and privacy legislation, tax regulations, employment laws and sanction laws.

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud and non-compliance risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management can be in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, including those related to journal entries and accounting estimates (tax and pension provisions, valuation of tangible fixed assets, bonds and equity investments).

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries and accounting estimates.
- We performed data analytical procedures over high-risk journal entries related to significant risk areas and post-closing entries. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We evaluated accounting estimates (and judgments) for bias by the Company's management, including the involvement of specialists and performed retrospective reviews of prior years' estimates with respect to certain of the identified accounting estimates.

Revenue recognition (a presumed risk)**Risk:**

We identified a fraud risk in relation to the recognition of online revenues. The roll out and implementation of multichannel solutions within Ingka Group brings along complexity. Several platforms and e-Commerce solutions are used and the various customer journeys require different recognition criteria as well as manual handling. This risk is identified for the cut off period, which is based on the average delivery term.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as controls ensuring that revenues are recognized in the correct accounting period, in accordance with the relevant incoterms.
- We performed procedures to assess the average delivery time for online orders, in order to determine the relevant cut off period.
- We reconciled the online revenue sub-ledger with the general ledger for the cut-off period to assess completeness of the population.
- We performed substantive audit procedures over revenues in the cut off period to determine the fulfillment of performance obligations (revenue recognition) by assessing the incoterms and vouching revenues recorded to the underlying sales transactions and supporting documentation such as delivery documents.

Compliance with anti-bribery and corruption laws and regulations**Risk:**

We identified compliance to anti-bribery and corruption laws and regulations as a significant risk of material misstatement. The Company has construction projects and investments ongoing in certain jurisdictions, which can be perceived as potentially unethical based on the Corruption Perception Index of Transparency International. These projects and investments are non-recurring and, in certain cases, require interaction with (local) governments to obtain licenses and permits

Responses:

We have obtained an understanding of the relevant laws and regulations applicable to the Company and, where relevant, involved specialists in the performance of below procedures;

- We read the minutes of meetings of management and those charged with governance which may be relevant in relation to non-compliance and/or anti-bribery and corruption.
- We performed inquiries with management, compliance and internal audit departments and relevant process owners regarding licenses and/or construction permits application and other agreements with government bodies and authorities.
- We assessed the design and implementation of internal controls that respond to the risk of non-compliance with laws and regulations, including adherence to the anti-bribery and corruption policy and code of conduct.
- We performed detailed testing of selected expense accounts regarding granted licenses and /or construction permits to identify transactions with government bodies and authorities.

Where relevant, procedures are performed on the identified payments such as (corroborative) inquiries, reconciliation to supporting contracts and invoices and verification of authorizations.

- We obtained written representations from management that all known instances of non-compliance with laws and regulations have been disclosed to us.
- We obtained legal letters from legal advisors and determined whether there are any ongoing disputes and/or claims and litigations.

We communicated our risk assessment, audit responses and results to the Board of Managing Directors and the Audit Committee of the Supervisory Board. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Board of Managing Directors has prepared the financial statements based on the going concern assumption. To evaluate the Board of Managing Directors use of the going concern assumption, we have performed the following procedures:

- we discussed with the Board of Managing Directors the basis for the use of the going concern assumption, including whether all relevant information of which we are aware as a result of our audit has been considered;
- we analysed the financial position of the company as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Managing Directors 's use of the going concern assumption.

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 that consist of:

- report from the Board of Managing Directors;
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

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

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the report from the Board of Managing Directors and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 Board of Managing Directors is responsible for the preparation of the other information, including the Report from the Board of Managing Directors, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Board of Managing Directors and the Supervisory Board for the financial statements

The Board of Managing Directors 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 Board of Managing Directors is responsible for such internal control as the Board of Managing Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Managing Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Managing Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Managing Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Managing Directors 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 Board of Managing Directors;
- concluding on the appropriateness of the Board of Managing Directors' 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 responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.



We communicate with the Supervisory Board 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, 4 November 2025

KPMG Accountants N.V.

A. el Hessaïni RA

