

A photograph of a supermarket checkout area. In the foreground, there are several empty checkout counters with dark brown bases and light-colored tops. In the background, staff members in grey uniforms with red scarves and face masks are interacting with customers. A sign above the staff area reads "Frutta e Verdura". Above the checkout area, there are several hanging signs, including one that says "USCITA Senza acquisti". The ceiling is made of dark wood with recessed lighting.

# ITAB

## **2020** **YEAR-END REPORT** JANUARY-DECEMBER

## THE INTERIM PERIOD JANUARY–DECEMBER 2020

- ▶ Net sales decreased -12% to SEK 5,323 million (6,064)
- ▶ Operating profit amounted to SEK 112 million (257)
- ▶ Profit after financial items amounted to SEK 0 million (174)
- ▶ Profit after tax amounted to SEK -22 million (120)
- ▶ Earnings per share amounted to SEK -0,21 (1,17)
- ▶ Cash flow from operating activities amounted to SEK 811 million (478)

In 2020, non-recurring items impacted the profit after financial items by SEK -208 million (16).

- ▶ EBITDA excl. non-recurring items amounted to SEK 578 million (516)

During the quarter, we continued to focus on our customers and to transform ITAB according to plan, with shown results. Our solutions create clear added value for our customers while protecting their staff and consumers in a market that is challenging and dynamic.

**Andreas Elgaard**  
CEO & President

Read more on pg. 4

## OCTOBER–DECEMBER 2020

- ▶ Net sales decreased -1.0 % to SEK 1,507 million (1,517)
- ▶ Operating profit amounted to SEK -46 million (-39)
- ▶ Profit after financial items amounted to SEK 85 million (63)
- ▶ Profit after tax amounted to SEK -77 million (-58)
- ▶ Earnings per share amounted to SEK -0,74 (-0,57)
- ▶ Cash flow from operating activities amounted to SEK 300 million (238)

In the fourth quarter 2020, non-recurring items impacted the profit after financial items by SEK -154 million (-46).

- ▶ EBITDA excl. non-recurring items amounted to SEK 172 million (90)
- ▶ Net debt amounted to SEK 1,748 million (2,509)
- ▶ Net debt excl. lease liability amounted to SEK 1,092 million (1,746)

## KEY RATIOS JANUARY–DECEMBER

SEK **5,323** millions  
Net sales

SEK **112** millions  
Operating profit

**-0,21** kr  
Earnings per share

SEK **811** millions  
Cash flow  
Operating activities

## IMPORTANT EVENTS DURING JANUARY– DECEMBER 2020

- ▶ The interim period was overshadowed by the COVID-19 pandemic. Extensive measures in the form of cost adjustments, redundancy notices, temporary layoffs and redundancies has been made to adapt operations to the reduced demand (see pg. 5).

- ▶ ITAB has renegotiated terms of its credit facilities and entered into short-term shareholders' loans (see pg. 5).

Q1

- ▶ A new CFO and a new COO has been assigned.

- ▶ ITAB and Ombori have developed the next generation of Ombori Grid, a digital platform, that will support retailers in their ambitions to create seamless multichannel experiences.

Q2

- ▶ ITAB Group has appointed adviser with respect to its financial options to transform its business and consolidate its market position as the leading retail solution provider.

Q3

- ▶ ITAB's Board of Directors has decided to announce the intention to raise new capital in order to strengthen the company's balance sheet and provide additional financing flexibility, as well as to invest in the One ITAB transformation plan.

- ▶ ITAB Shop Concept AB's (publ) Italian subsidiary ITAB La Fortezza s.p.a. has on October 8th, 2020 entered into an agreement with Cefla soc. coop. to acquire 81% of Cefla's retail solutions business unit.

Q4

- ▶ ITAB announces its intention to conduct a recapitalisation through a rights issue of MSEK 768 and the entry of a new long-term and active main owner.

## KEY RATIOS OCTOBER–DECEMBER

SEK **1,507** millions  
Net sales

SEK **-46** millions  
Operating profit

**-0,74** kr  
Earnings per share

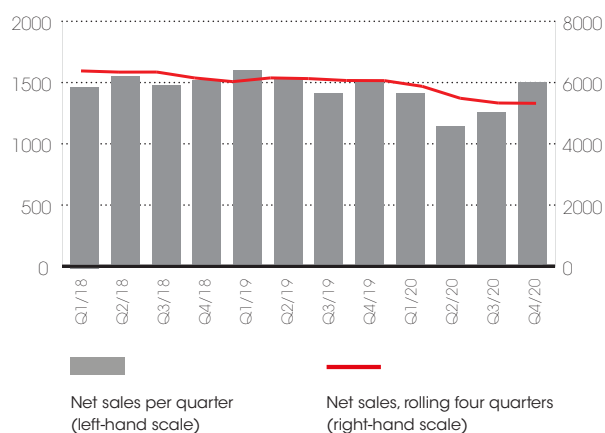
SEK **300** millions  
Cash flow  
Operating activities

SEK **1,092** millions  
Net debt  
Excl. leasing

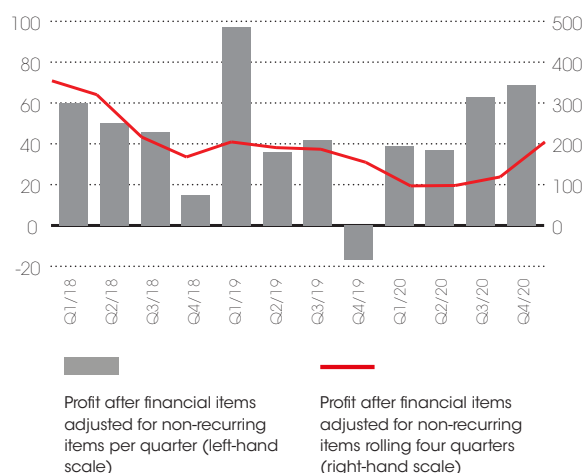
**31,3%**  
Equity/assets ratio

At ITAB we help customers turn consumer brand experience into physical reality with our know-how, solutions and ecosystem of partners.

## ► NET SALES (SEK Millions)



## ► PROFIT AFTER FINANCIAL ITEMS (SEK Millions) (adjusted for non-recurring items)



## ► ITAB GROUP IN FIGURES

	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	FULL-YEAR JAN-DEC 2020	FULL-YEAR JAN-DEC 2019
Net Sales, SEK million	1,507	1,517	5,323	6,064
EBITDA, SEK million	21	45	376	532
EBITDA, excl. non-recurring items, SEK million*	172	91	578	516
Operating profit, SEK million	neg	neg	112	257
Operating margin, %	-3.0	-2.6	2.1	4.2
Operating profit excl non-recurring items, SEK million*	108	6	317	241
Operating margin excl non-recurring items, %	7.2	0.4	6.0	4.0
Profit after net financial items, SEK million	-85	-63	0	174
Profit margin, %	neg	neg	0.0	2.9
Profit after net financial items excl non-recurring items, SEK million*	69	-18	208	158
Profit margin excl non-recurring items, %	4.5	neg	3.9	2.6
Profit after tax, SEK million	-77	-58	-22	120
Earnings per share, SEK	-0.74	-0.57	-0.21	1.17
Equity per share, SEK	15.69	17.07	15.69	17.07
Return on equity, %	neg	neg	neg	6.9
Equity/assets ratio, %	31.3	31.8	31.3	31.8
Share of risk-bearing capital, %	32.0	35.4	32.0	35.4
Cash flow from operating activities, SEK millions	300	238	811	478
Average no. employees, no.	2,881	3,241	3,030	3,247
<b>*Non-recurring items, SEK million</b>				
Structuring costs <sup>1)</sup>	-102	-48	-156	-70
Inventory write-down of non-recurring item	-52		-52	
Repayment of purchase price for the acquisition of the D. Lindner companies				42
Profits from sale of properties		2		44
<b>Total non-recurring</b>	<b>-154</b>	<b>-46</b>	<b>-208</b>	<b>16</b>
<b>Impact of non-recurring items in the income statement, SEK millions</b>				
EBITDA	-151	-46	-202	16
Operating profit	-154	-46	-205	16
Profit after net financial items	-154	-46	-208	16

<sup>1)</sup> Structuring costs mainly consists of expenses relating to the new strategy transformation known as One ITAB.

# CEO ANDRÉAS ELGAARD COMMENTS Q4

The fourth quarter can be summed up as being better than expected after an very eventful year, which started out with ITAB setting out the direction for the future with a new strategy, at the same time as a new virus made itself known. COVID-19 has affected the world, our sector and of course ITAB during 2020, and we are all still busy dealing with its consequences and adapting our lives and our operations safely. For ITAB, the year ended with the positive trend we had witnessed in Q3 being reinforced during the fourth quarter. The continued reduction of our net debt and the improvement of our underlying profitability are the clearest outcomes, resulting from the implementation of our strategy and transformation plan, One ITAB.

## FOURTH QUARTER

Sales in the fourth quarter ended up at SEK 1,507 million, which, currency adjusted, equates to an increase of 5 percent compared to Q4 2019 and a 20 percent compared to the third quarter of the year. This meant that EBITDA, stripping out non-recurring items, amounted to SEK 172 million, which is an increase of approximately 90 percent compared to Q4 2019. At the same time, the operational cash flow improved to SEK 300 million (238), which has contributed to reducing net debt excluding lease liability to SEK 1,092 million, compared to SEK 1,746 million at the end of the previous year. At the end of Q3 2020, net debt excluding lease liability amounted to SEK 1,378.

The trend of increased sales to our largest customer group, Grocery, also continued during the fourth quarter, with a rise of more than 25 percent compared to the third quarter. We have continued to deliver solutions from our traditional portfolio, supplemented with COVID-19 related solutions such as contact barriers and solutions to avoid overcrowding and queueing. Several important deals were secured during the quarter, including self-checkout systems and shop fittings for one of the world's leading grocery businesses, increased sales of gates to North America and a significant order for conventional checkouts to a leading Nordic player that has many stores in Poland. The volume of orders at the end of 2020 was greater than at the start of the year.

## 2020 AS A WHOLE CHARACTERISED BY MAJOR FLUCTUATIONS

As early as February, our business was being affected by the closures in China resulting from COVID-19, and in March wide-ranging lockdowns were implemented in many places around the world, which affected ITAB both directly due to the shutting down of production in several countries and indirectly through the closure of stores. Support measures for our customers and for ITAB have varied greatly from country to country, and have also fluctuated over the course of the year. Decisions and corrective decisions have been made at short notice, and as a result our business has been subjected to significant fluctuations with limited planning. We decided early on to run ITAB with a clear focus on liquidity. We immediately took decisions that reduced our costs, as well as launching a process with the aim of strengthening our balance sheet through the injection of new capital. Material supplies have been problematic at times, as have cross-border movements within Europe, both for our deliveries and our staff. At the start of the pandemic, our customers were incredibly busy ensuring a safe environment for their customers and staff, and had little time to think about the future. Grocery stores and pharmacies have been able to remain open throughout the year, with the effects of the pandemic mostly being felt by other retail businesses. Sales recovered during the summer and autumn, and this trend continued into the final quarter of the year. The positive sales trend, the improved underlying gross margin and the more rapid impact of implemented cost savings meant that the guidance in respect of adjusted EBITDA results, which was communicated in July 2020, was significantly exceeded.

## ACQUISITION OF CEFLA STRENGTHENING OUR POSITION IN THE GROCERY SECTOR

In October, ITAB announced its intention to acquire 81 percent of Cefla's business unit for retail

solutions, and this deal was concluded in January. This is a strategically important acquisition that is strengthening ITAB's market position in southern Europe, mainly within the Grocery sector. The acquisition is creating opportunities to offer ITAB's solutions to a wider group of customers and entails clear synergies for both ITAB and our customers. ITAB has the right to acquire the remaining 19 percent from 2024. I would like to take this opportunity to welcome all of Cefla's employees to the ITAB Group.

## RECAPITALISATION THROUGH RIGHTS ISSUE

At the start of December, ITAB announced its intention to conduct a rights issue amounting to SEK 768 million. We also announced that the current principal owners are selling the majority of their subscription rights in order to allow the potential for a new strategic principal owner.

The new principal owner will be Aeternum Capital A/S, a wholly owned subsidiary of WQZ Investments Group Ltd. After the issue, Aeternum Capital A/S will be the largest shareholder within ITAB, holding approximately 25 percent of the shares. The net proceeds from the issue will primarily be used to reduce our debt and secure long-term financing. ITAB's financial position is being strengthened ahead of the implementation of the One ITAB transformation plan, providing ITAB with a buffer during the period when the retail sector is recovering from the effects of COVID-19.

## IMPLEMENTATION OF ONE ITAB INFLUENCES THE ENTIRE ORGANISATION

Our new strategy, which was adopted in February 2020, has acted like a compass during the year and helped us with the right prioritise. To date, the implemented measures have had a number of positive impacts on profits, which can principally be seen in the form of reduced costs within sales and administration as well as through a relative reduction in our purchasing costs.

During the final quarter of the year, wide changes in a number of companies have been announced. For example, this relates to the closing down of production in France, the merging of two factories in China, the relocation of assembly and warehousing from Skellefteå to China and the Czech Republic, the relocation of production from the Netherlands to Latvia as well as the relocation of aspects of the production process from Jönköping to China and the Czech Republic. In all of these cases, this entails a combination of optimised capacity utilisation internally within ITAB, in addition to improved conditions for reducing lead times and costs as well as for coordinating purchasing and product development. The roll-out of a new CRM system along with training measures to launch the shift towards a larger share of solutions-focused sales have begun, at the same time as we have initiated a revision of internal working methods and an evaluation of the required system support. The costs of a non-recurring nature that we have incurred during the year derive principally from the restructuring of operational activities, such as shutting down and relocating businesses, stock reductions and redundancies.

Our culture and our employees have been the primary reason behind our ability to finish 2020 with better underlying profitability, an improved cash flow and higher order stock, despite the fact that we are fewer in number and our sales have decreased by



approximately SEK 700 million compared to 2019. The strong entrepreneurial spirit and the implementation capability within the organisation have been evident, despite the fact that we have been facing the toughest conditions imaginable. We have had to say goodbye to colleagues during the year, at the same time as experiencing an extensive workload, and the change to a new, more connected ITAB that has been challenging for many employees. I would therefore like to say a big THANK YOU to all our employees for the incredible efforts you have put in during 2020.

## ITAB'S FOCUS IN 2021

We will continue to work on our transformation, focusing on implementing and completing our restructuring activities. The strengthening of our balance sheet will enable us to focus on our transformation of ITAB.

Our costs will decrease over the coming years as a result of changed working methods, increased efficiency as well as through a simplified and less capital-intensive structure. During 2021, we will continue our work aimed at establishing common working methods and investing in a common information landscape, in order to provide the organisation with an overview and better control over operations, along with better tools for planning sales, purchasing and production. We will clarify our market approach, with the aim of taking the first steps becoming the leading solution provider within our industry through closer collaboration with our customers.

Without our focus on transforming ITAB, our results would not have developed in the same way. Over the coming years, we will be laying the foundations to strengthen our position as the leading partner to the Grocery sector in Europe.

Andréas Elgaard

CEO & President

ITAB Shop Concept AB



## JANUARY–DECEMBER

### Net sales

#### Full year

The Group's net sales decreased with 12 percent to SEK 5,323 million (6,064). Currency-adjusted sales decreased by 10 percent. Sales have decreased on all geographic markets, except for Central Europe, compared with last year. The largest decrease was in Eastern Europe, Southern Europe and Rest of the world. Sales have been greatly affected by the COVID-19 situation even though the Group had significant sales of products attributable to COVID-19 related solutions.

Sales per customer segment and per geographic area are presented in Note 2.

#### Fourth quarter

The Group's net sales decreased by 1 percent to SEK 1,507 million (1,517) compared to fourth quarter 2019 but the currency-adjusted sales increased by 5 percent. Sales increased most in Central and Northern Europe and decreased most in Southern Eastern Europe. Compared with the third quarter 2020, sales increased by approximately 20 percent, with the geographical areas; Northern, Central and Southern Europe increased most, mainly within the customer groups Grocery and Home improvements.

Sales per customer segment and per geographic area are presented in Note 2.

### Result

#### Full year

Operating profit decreased to SEK 112 million (257). Result after financial items decreased to SEK 0 million (174). Non-recurring items with impact on profit after fin. items amounted to SEK -208 million (16). Operating profit excl. non-recurring items amounted to SEK 317 million (241) and profit after financial items excl. non-recurring items amounted to SEK 208 million (158).

Earnings have been negatively affected, principally as a result of our reduced sales and currency effects, but an improved underlying gross margin and a faster effect of the cost-saving measures meant that the result excluding non-recurring items exceeded the corresponding result in 2019. Due to the COVID-19 outbreak, five of the Group's factories have been completely or partially closed during the interim period. Governmental support linked to COVID-19 has reduced costs in the order of SEK 63 million during the year, but this must be seen in the light of the COVID-19 situation's strongly negative impact on sales. Most of the non-recurring items this year comprise restructuring costs, attributed to the transformation work, in the form of a new strategy known as One ITAB. In addition to restructuring costs, non-recurring costs consist of SEK 52 million regarding inventory write-downs of slow-moving and obsolete products, which is primarily an effect of the reduced sales during the year.

#### Fourth quarter

Operating profit decreased to SEK -46 million (-39). Profit after financial items decreased to SEK -85 million (-63). Non-recurring items with impact on profit after fin. items amounted to SEK -154 million (-46). Operating profit excl. non-recurring items amounted to SEK 108 million (7) and profit after financial items excl. non-recurring items amounted to SEK 69 million (-17).

The result has been positively affected by a favorable product mix, improved underlying gross margin and the cost savings, mainly in the form of reduced staff that have been implemented during the past year. Government support linked to COVID-19 has reduced personnel costs with approximately SEK 13 million during the quarter. The result has been negatively affected by currency effects and a deteriorating net financial items attributable mainly to changed loan terms.

Fourth quarter non-recurring items comprise restructuring costs, attributed to the transformation work, in the form of a new strategy known as One ITAB and inventory write-down of slow-moving and obsolete products.

### Cashflow, Financing and liquidity

Cash flow from operating activities during the full year 2020 amounted to SEK 811 million (478) and for the fourth quarter to SEK 300 million (238). The improved cash flow is due to a reduced working capital partly attributable to lower sales, but mainly an effect of the organisation having had a strong focus on reducing working capital for a long time. The work of continuing to improve the processes with the aim of reducing the need for working capital is an integral part of the strategy work. Cash flow has also been positively affected by the fact that tax and VAT payments could be postponed in connection with COVID-19 related measures. Net debt excluding lease liability decreased to SEK 1,092 million (1,746). Net debt including lease liability amounted to SEK 1,748 million (2,509).

As previously communicated, ITAB and Nordea have reached an agreement regarding restructuring the current credit agreement. ITAB has also reached agreement to enter into a short-term shareholder loan amounting to SEK 140 million with related companies of three of the Board's members and principal owners. The shareholder loan, which is intended to safeguard liquidity in conjunction with the repayment of convertible loans to employees, is subject to approval at an Extraordinary General Meeting on 22 July 2020.

In December, the intention to implement and recapitalise, including, among other things, a rights issue of SEK 768 million, was communicated in order to strengthen the balance sheet, contribute to greater financial flexibility and finance the transformation plan One ITAB. The Board of Directors decided on 9 February 2021 on the implementation of the rights issue with support for emission authorisation as a decision on the Extraordinary General Meeting on 15 January 2021. In December it was also communicated that the current principal owners in connection with the recapitalisation will sell the majority of their rights in the rights issue, to enable the entry of the new strategic principal owner WQZ Investments Group Ltd. In January 2021, a supplementary agreement will be entered whereby all WQZ Investments Group Ltd's rights and obligations related to ITAB's recapitalisation will be taken over by the investment company Aeternum Capital A/S, which is a company related to WQZ Investments Group Ltd. Aeternum Capital A/S will thus be the new principal owner, which after the recapitalisation is expected to hold approx. 25 percent of the shares. The net proceeds from the corporate issue will primarily be used to pay off the debt and to secure low-term financing by repaying part of ITAB's short-term loans to Nordea and refinancing the remaining part. Furthermore, SEK 40 million will be used to repay part of the shareholder loans mentioned above. The remaining SEK 100 million of the shareholder loans will, as part of the recapitalisation and in accordance with the decision on the Extraordinary General Meeting on January 15, 2021, be set off against new Class B shares at a conversion price corresponding to the subscription price in the rights issue. The current principal owners who hold Class A shares have also, as part of the recapitalisation, entered into commitments to begin reclassifying all Class A shares to Class B shares in accordance with the Articles of Association, which means that ITAB will only have Class B shares outstanding after the recapitalisation.

The Group's cash and cash equivalents, including undrawn committed credit facilities, amounted to SEK 1,199 million (993) on the balance sheet date. Solidity amounted to 31 percent (32) and the share of risk-bearing capital was 32 percent (35).

### Investments

#### Full year

Consolidated net investments amounted to SEK 45 million (-34), of which SEK 0 million (-141) relates to properties and SEK 0 million (-27) is attributable to corporate transactions during the period.

For more information about corporate transactions, see Note 1 on page 12.

#### Fourth quarter

The Group's net investments amounted to SEK 6 million (26), of which SEK 0 million (-4) relates to properties during the period.

For more information about corporate transactions, see Note 1 on page 12.

### Employees

The average number of employees for the full year 2020 amounted to 3,030 (3,247) and for the fourth quarter to 2,881 (3,241).

### COVID-19

Our customers within Grocery and Pharmacy experience increased activity while most other customer segments experience a visible slowdown. It is difficult to predict the consequences of COVID-19 with any degree of certainty, but most of ITAB's companies noticed in the second quarter signals of decline in demand due to the current concern. During the year, ITAB had significant sales of products and solutions that facilitate stores' handling of the COVID-19 situation. We are monitoring the course of events closely, while following the recommendations and complying with the decisions by local authorities in order to continuously adapt our operations on the markets where we are active.

ITAB has made changes to its operations, e.g. by implementing a personnel reduction, during the year, the number of full-time employees decreased by 369 people. To a large extent, the reduction is a result of COVID-19's impact on ITAB, which also meant that the Group had up to 475 employees laid off during periods.

Other permanent as well as temporary measures that mainly includes:

- Reductions of approximately 200 temporary workers.
- Review and control of all purchasing, inventory and receivables.
- Review, simplification and streamlining of our operations while maintaining our ability to deliver.

### Parent company

The parent company ITAB Shop Concept AB's activities principally comprise Group-wide functions. The parent company's net sales for the full year 2020 amounted to SEK 169 million (166) and for the fourth quarter to SEK 55 million (49) and refers to income from subsidiaries. Profit after financial items for the full year 2020 amounted to SEK 15 million (134) and includes dividends from subsidiaries of SEK 50 million (221) and write-downs of shares and receivables from subsidiaries of SEK -106 million (-75) in connection with the restructurings that is being carried out. Profit after financial items for the fourth quarter amounted to SEK -38 million (-170). This includes impairment of shares and receivables from subsidiaries totalling SEK -98 million (-52) in connection with the restructuring operations that are being carried out.

### Estimates and judgements

The preparation of the interim report requires the management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may ultimately differ from those estimates and judgements.

Other critical judgements and sources of uncertainty in the estimates used in the preparation of this interim report are the same as in the most recent Annual Report.

- The ongoing pandemic may further influence assessments of the need for the impairment of assets, estimates of lease liabilities as well as the right to use when, and determination of leasing terms.

#### Acquisition

ITAB Shop Concept AB's Italian subsidiary ITAB La Fortezza s.p.a. entered October 8th, 2020 into an agreement with Cefla soc. coop. to acquire 81 percent of Cefla's retail solutions business unit. In January 2021, the transaction was completed and the business unit was carved-out from Cefla's existing structure and transferred to a newly established Italian limited liability company where ITAB owns 81 percent. The acquisition of Cefla will be consolidated from January 1, 2021. ITAB has the right to acquire Cefla's minority stake held in said company after three years from the transaction's completion date. Cefla is an Italian corporation headquartered in Imola and comprises multiple business units. Cefla's retail solutions business unit primarily offers interior and checkout solutions to its customers, who are predominantly located in southern Europe and within the Grocery sector. Cefla has taken a strategic decision to exit the retail solutions business and focus on its core business. Through the acquisition and collaboration with Cefla, ITAB strengthens its leading position in Southern Europe and creates opportunities to offer ITAB's solutions to a wider customer base. The positive EBITDA effect in 2021 for ITAB is estimated to at least SEK 30 million and the transaction will create opportunities for further synergy effects the coming years.

#### Important events after the reporting period

##### *Extraordinary General Meeting*

15 January 2021, the extraordinary general meeting made the resolution to carry out the recapitalisation that was communicated through a press release on 4 December 2020.

#### Guidance follow-up EBITDA 2020

Due to COVID-19 and its impact on our customers, preliminary EBITDA guidance was issued in a press release on July 10, 2020. The assessment was that ITAB's EBITDA for the financial year 2020 would be in the range between SEK 380 million and SEK 420 million before non-recurring items. Non-recurring items were estimated to amount to approximately SEK 100 million and mainly refer to restructuring costs. The outcome of EBITDA before non-recurring costs amounted to SEK 578 million for 2020, mainly due to increased sales, improved gross margin and earlier effects of the company's savings than previously anticipated. Non-recurring costs for 2020 amounted to SEK 202 million, of which SEK 150 million pertained to restructuring costs relating to One ITAB. The total restructuring costs regarding One ITAB are estimated at between SEK 275 million and SEK 325 million during the period 2020-2022.

#### Risks and uncertainties

The Group's significant risks and uncertainties include business risks, financial risks and sustainability risks. A more detailed account of the Group's significant financial risks can be found in Note 4 of the Annual Report for 2019, on page 70. ITAB's business risks are associated with the own operations, customers and suppliers, and other external factors. Some of the most significant business risks are summarised on page 55 of the 2019 Annual Report. Sustainability risks are described at page 25 of the 2019 Annual Report. In addition, the ongoing strategy work may have consequences for the future valuation of specific balance sheet items. ITAB is affected by pandemics, just like other global companies, and the Group is being affected by COVID-19. The

most prominent risks in the shorter perspective are the pandemic's impact on customers and suppliers, as well as price and currency risks.

#### Convertible debentures 2016/2020

ITAB's convertible debenture loan 2016/2020, signed by the employees, ran until 30 June 2020. No conversions were conducted and the nominal value of SEK 167,700,000 was repaid in all 30 June 2020.

#### Accounting policies

ITAB is applying the International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34, Interim Reporting, the Annual Accounts Act as well as the Swedish Financial Reporting Board's RFR 1, Supplementary Accounting Rules for Groups, and RFR 2, Accounting for Legal Entities. IAS 20 Accounting for Government Grants and Disclosure of Government Assistance – due to the extraordinary situation of COVID-19, ITAB has received government support in a number of companies. ITAB report these grants as a cost reduction on the posts to which the grants refer over the same period as to when the costs arise. The contributions are reported in income statement and balance sheet when it is reasonably certain that the grants will hold and any conditions for the grants are met. As regards other accounting policies that are applied, these correspond with the accounting policies that were used in the preparation of the most recent Annual Report.

#### Estimates and judgements

The preparation of the interim report requires the management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may ultimately differ from those estimates and judgements.

The ongoing pandemic affects assessments of the need for impairment of assets as well as estimates of lease liabilities and right of use in determining the leasing period. Other critical assessments and sources of uncertainty in estimates when preparing this Year-End Report are the same as in the most recent Annual Report.

#### Financial assets and liabilities

ITAB holds derivative financial instruments that are accounted for at fair value. The derivative instruments consist of foreign exchange forward contracts and interest rate swaps used for hedging purposes. All derivative instruments are categorised as Level 2, and fair value is calculated using discounted future cash flows according to the terms and due dates of the contracts. All variables for the calculations, such as discount rates and exchange rates, are obtained from market listings. Additional considerations are recognised as financial liabilities and categorised as Level 3. These are determined by the parameters of each contract, that mainly are linked to the anticipated performance of the acquired companies over the next few years. The additional considerations have been recognized at estimated fair value and are revaluated through the income statement. Recognised value is considered to constitute a reasonable estimate of the actual value of all financial assets and liabilities. No financial assets or financial liabilities have been transferred between the valuation categories and the same valuation techniques have been used throughout the year. For more information, please refer to the most recent Annual Report.

#### Related party transactions

During the third quarter, ITAB entered into short-term shareholder loans amounting to SEK 140 million with related companies to three of the Board members, also principal shareholders. The shareholder loans, with the aim of securing liquidity in connection with the repayment of convertible loans to employees, were approved at the Extraordinary General Meeting on July 22, 2020. The net proceeds of the Rights Issue, SEK 40 million, will be used to re-pay part of the shareholder loans mentioned above. The remainder amounting to SEK 100 million will, according to a decision at the Extraordinary General Meeting on January 15, 2021, be set-off against B shares at a conversion price corresponding to the the subscription price in the rights issue.

There have been no other transactions, in addition to this, between ITAB and related parties that have significantly affected the company's position and results.

## KEY RATIOS

Key figures included in this report derive primarily from the disclosure requirements according to IFRS and the Annual Accounts Act. In addition, reference is made to a number of key ratios that are not defined within the IFRS regulations or directly in the income statement or balance sheet, with the aim of illustrating the company's profit trend, financial position and how the company has invested its capital. These financial measures are not always calculated in the same way by all companies. The main alternative key ratios presented in this report are interest-bearing net debt, proportion of risk-bearing capital and return on equity, capital employed and total capital.

Key ratios are defined below. Further definitions and reconciliation can be found on page 52 of the Annual Report for 2019.

## DEFINITIONS

### Share of risk-bearing capital

Equity plus provisions for deferred tax liabilities as well as convertible debenture loans in relation to total capital.

### Return on equity

The net profit for the period attributable to the Parent Company's shareholders in relation to average equity attributable to the Parent Company's shareholders.

### Return on capital employed

Profit after financial items plus financial expenses in relation to average balance sheet total minus non interest-bearing liabilities.

### Return on total capital

Profit after financial items plus financial expenses in relation to average total capital.

### EBITDA

Operating profit before depreciation, amortisation and impairment of non current assets.

### Equity per share

Equity at the end of the period attributable to the Parent Company's shareholders in relation to the number of shares at the end of the period.

### Cash flow from operating activities per share

Cash flow from operating activities in relation to the average number of outstanding shares.

### Average number of employees

Number of worked hours divided by normal annual working time.

### Earnings per share

Net profit for the period attributable to the Parent Company's shareholders in relation to average number of shares.

### Earnings per share after dilution

Net profit for the period that is attributable to the Parent Company's shareholders plus costs attributable to convertible loans in relation to the number of shares, including shares that are added on conversion of outstanding convertibles.

### Interest-bearing net debt

Non-current and current interest-bearing liabilities, including lease liabilities, minus interest-bearing assets as well as cash and cash equivalents.

### Interest-bearing net debt excl. IFRS 16 Leasing

Non-current and current interest-bearing liabilities, excluding lease liabilities, minus interest-bearing assets as well as cash and cash equivalents.

### Interest coverage ratio

Income after financial items plus financial expenses in relation to financial expenses.

### Operating margin

Operating profit in relation to net sales.

### Equity/assets ratio

Equity in relation to total capital.

### Total capital

Total equity and liabilities (balance sheet total).

### Profit margin

Profit after financial items in relation to net sales.

## ► INCOME STATEMENT IN SUMMARY

(SEK millions)	Note	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	FULL-YEAR JAN-DEC 2020	FULL-YEAR JAN-DEC 2019
Revenue from contracts with customers	2	1,507	1,517	5,323	6,064
Costs of goods sold		-1,182	-1,155	-3,906	-4,441
<b>Gross Profit</b>		<b>325</b>	<b>362</b>	<b>1,417</b>	<b>1,623</b>
Selling expenses		-281	-326	-1,015	-1,183
Administrating expenses		-82	-75	-285	-286
Other operating income and expenses		-8	0	-5	103
<b>Operating profit</b>		<b>-46</b>	<b>-39</b>	<b>112</b>	<b>257</b>
Financial income		-1	0	5	7
Financial expenses		-38	-24	-117	-90
<b>Profit after financial items</b>		<b>-85</b>	<b>-63</b>	<b>0</b>	<b>174</b>
Tax expenses		8	5	-22	-54
<b>NET PROFIT FOR THE PERIOD</b>		<b>-77</b>	<b>-58</b>	<b>-22</b>	<b>120</b>
Net Profit for the period related to:					
Parent Company shareholders		-76	-58	-21	120
Non-controlling interests		-1	0	-1	0
Depreciation during the period amounts to		67	84	264	275
Tax rate during the period amounts to		11 %	8 %	ET	31 %
Earnings per share					
basic, SEK		-0.74	-0.57	-0.21	1.17
diluted, SEK		-0.74	-0.56	-0.21	1.17
Average number of outstanding shares <sup>1)</sup>					
before dilution, thousands		102,383	102,383	102,383	102,383
after dilution, thousands		102,383	104,333	102,383	104,333

<sup>1)</sup> Up until 30 June 2020, the Group had one outstanding convertible programme. The programme ran during the period 1 July 2016 to 30 June 2020 and conversion to a maximum of 1,950,000 Class B shares could take place during the period 1-12 June 2020 at a subscription price of SEK 86.00. No conversions were conducted and the convertible debenture was repaid 30 June 2020.

## ► STATEMENT OF OTHER COMPREHENSIVE INCOME IN SUMMARY

(SEK millions)	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	FULL-YEAR JAN-DEC 2020	FULL-YEAR JAN-DEC 2019
<b>Net profit for the period</b>	<b>-77</b>	<b>-58</b>	<b>-22</b>	<b>120</b>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to the income statement</b>				
Revaluation of defined-benefit pension commitments	2	-6	2	-6
Tax relating to items not to be reclassified	0	1	0	1
	2	-5	2	-5
<b>Items that may be reclassified to the income statement</b>				
Translation differences	-65	-36	-131	48
Hedging of net investments, net	3	4	5	-2
Cash flow hedges, net	3	16	-5	-12
Tax on items that may be reclassified	-1	-4	0	3
	-60	-20	-131	37
<b>Total other comprehensive income after tax</b>	<b>-58</b>	<b>-25</b>	<b>-129</b>	<b>32</b>
<b>Comprehensive income for the period</b>	<b>-135</b>	<b>-83</b>	<b>-151</b>	<b>152</b>
Comprehensive income for the period attributable to:				
Parent Company shareholders	-127	-79	-141	150
Non-controlling interests	-8	-4	-10	2



## ► STATEMENT OF FINANCIAL POSITION IN SUMMARY

(SEK millions)	Note	2020 31-DEC	2019 31-DEC
<b>Assets</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Goodwill		1,599	1,669
Other intangible assets		144	168
		1,743	1,837
Property, plant and equipment		1,367	1,606
Participations in associated companies		12	15
Deferred tax assets		101	107
Financial non-current assets		6	8
<b>Total non-current assets</b>		<b>3,229</b>	<b>3,573</b>
<b>Current assets</b>			
Inventory		698	926
Current receivables		900	1,095
Cash and cash equivalents		692	302
<b>Total current assets</b>		<b>2,290</b>	<b>2,323</b>
<b>TOTAL ASSETS</b>		<b>5,519</b>	<b>5,896</b>
<b>Equity and liabilities</b>			
Equity attributable to Parent Company's shareholders		1,607	1,748
Non-controlling interests		118	128
Deferred tax liabilities		41	48
Other non-current liabilities		1,283	1,989
Current liabilities	3	2,470	1,983
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,519</b>	<b>5,896</b>
Interest-bearing net debt amounts to		1,748	2,509
of which convertible debenture loans are included at		0	165
Net debt excluding lease liability		1,092	1,746

## ► SUMMARY OF STATEMENT OF CHANGES IN EQUITY

(SEK millions)	Note	Share capital	Other con- tributed capital	Other reserves <sup>*)</sup>	Profit brought forward	Attributable to Parent Company's sharehold- ers	Related to holdings without controlling influence	Total equity
<b>SHAREHOLDERS' EQUITY 1 JANUARY 2019</b>		<b>43</b>	<b>315</b>	<b>9</b>	<b>1,231</b>	<b>1,598</b>	<b>128</b>	<b>1,726</b>
Net profit for the period					120	120	0	120
Other comprehensive income				35	-5	30	2	32
<b>COMPREHENSIVE INCOME JANUARY-DECEMBER 2019</b>				<b>35</b>	<b>115</b>	<b>150</b>	<b>2</b>	<b>152</b>
Acquisition of non-controlling interests	1				0	0	-2	-2
<b>SHAREHOLDERS' EQUITY 31 DECEMBER 2019</b>		<b>43</b>	<b>315</b>	<b>44</b>	<b>1,346</b>	<b>1,748</b>	<b>128</b>	<b>1,876</b>
Net profit for the period					-21	-21	-1	-22
Other comprehensive income				-122	2	-120	-9	-129
<b>COMPREHENSIVE INCOME JANUARY-DECEMBER 2020</b>				<b>-122</b>	<b>-19</b>	<b>-141</b>	<b>-10</b>	<b>-151</b>
Effect of repayment convertible debenture loan KV5B			-11		11	0	0	0
<b>SHAREHOLDERS' EQUITY 31 DECEMBER 2020</b>		<b>43</b>	<b>304</b>	<b>-78</b>	<b>1,338</b>	<b>1,607</b>	<b>118</b>	<b>1,725</b>

\* Other reserves consist of translation reserve and hedging reserve.

## ► STATEMENT OF CASH FLOWS IN SUMMARY

(SEK millions)	Note	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	FULL-YEAR JAN-DEC 2020	FULL-YEAR JAN-DEC 2019
<b>Operating profit</b>		<b>-46</b>	<b>-39</b>	<b>112</b>	<b>257</b>
Paid and received interest, tax and adjustments for items not included in the cash flow.		166	79	305	28
<b>Cash flow from operating activities before changes in working capital</b>		<b>120</b>	<b>40</b>	<b>417</b>	<b>285</b>
<b>Changes in working capital</b>					
Changes in inventories		70	75	85	90
Changes in operating receivables		33	248	90	163
Changes in operating liabilities		77	-125	219	-60
<b>Cash flow from operating activities</b>		<b>180</b>	<b>198</b>	<b>394</b>	<b>193</b>
<b>Kassaflöde från den löpande verksamheten <sup>1)</sup></b>		<b>300</b>	<b>238</b>	<b>811</b>	<b>478</b>
<b>Investing activities</b>					
Acquisition of companies and operations	1	0	4	0	27
Disposal properties		-	0	-	141
Other sales / investments		-6	-30	-45	-134
<b>Cash flow from investing activities</b>		<b>-6</b>	<b>-26</b>	<b>-45</b>	<b>34</b>
<b>Cash flow after investing activities</b>		<b>294</b>	<b>212</b>	<b>766</b>	<b>512</b>
<b>Financing activities</b>					
Amortised convertible loan KV5B		0	0	-168	
Amortised lease liability		-30	-45	-122	-125
Cash flow from other financing activities		-52	-150	-53	-364
<b>Cash flow for the period</b>		<b>212</b>	<b>17</b>	<b>423</b>	<b>23</b>
Cash and cash equivalents at the start of the period		498	296	302	271
Translation differences on cash and cash equivalents		-18	-11	-33	8
<b>Cash and cash equivalents at the end of the period</b>		<b>692</b>	<b>302</b>	<b>692</b>	<b>302</b>
Cash flow from operating activities per share, SEK		2.92	2.34	7.92	4.68
<sup>1)</sup> Cash flow from operating activities excluding effect of IFRS16 leasing.		270	193	689	353

## ► KEY RATIOS

	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	FULL-YEAR JAN-DEC 2020	FULL-YEAR JAN-DEC 2019
EBITDA, SEK	21	44	376	532
Operating margin, %	neg	neg	2.1	4.2
Profit margin, %	neg	neg	0.0	2.9
Share price at the end of the period, SEK	18,24	16,82	18,24	16,82
Earnings per share before dilution, SEK	-0.74	-0.57	-0.21	1.17
Earnings per share after dilution, SEK	-0.74	-0.56	-0.21	1.17
Cash flow from operating activities per share, SEK	2,92	2,34	7,92	4,68
Number of shares at the end of the period, SEK	102,383,430	102,383,430	102,383,430	102,383,430
Balance sheet total, SEK millions	5,519	5,896	5,519	5,896
Interest-bearing net debt, SEK millions	1,748	2,509	1,748	2,509
Interest-bearing net debt excl. lease liability, SEK millions	1,092	1,746	1,092	1,746
Equity related to the Parent Company's shareholders, SEK millions	1,607	1,748	1,607	1,748
Equity per share, SEK	15,69	17,07	15,69	17,07
Equity/assets ratio, %	31.3	31.8	31.3	31.8
Share of risk-bearing capital, %	32.0	35.4	32.0	35.4
Return on equity p.a., %	neg	neg	-1.2	6.9
Return on capital employed p.a., %	neg	neg	2.5	5.4
Return on total capital p.a., %	neg	neg	2.0	4.3
Interest-coverage ratio, multiple	neg	neg	1.0	2.9
Net investments/divestments, SEK millions	6	26	45	-34
Net investments/divestments, (excl. business acquisitions), SEK millions	6	30	45	-7
Average no. employees, no.	2,881	3,241	3,030	3,247

## ► QUARTERLY INCOME STATEMENTS AND KEY RATIOS

(SEK millions)	2020 OCT-DEC	2019 OCT-DEC	2020 JUL-SEP	2019 JUL-SEP	2020 APR-JUN	2019 APR-JUN	2020 JAN-MAR	2019 JAN-MAR
Net Sales	1,507	1,517	1,258	1,413	1,142	1,531	1,416	1,603
Costs of goods sold	-1,182	-1,155	-888	-1,029	-809	-1,119	-1,027	-1,138
<b>Gross Profit</b>	<b>325</b>	<b>362</b>	<b>370</b>	<b>384</b>	<b>333</b>	<b>412</b>	<b>389</b>	<b>465</b>
Selling expenses	-281	-326	-225	-278	-230	-290	-279	-289
Administrating expenses	-82	-75	-63	-65	-67	-74	-73	-72
Other operating income and expenses	-8	0	1	4	-2	45	4	54
<b>Operating profit</b>	<b>-46</b>	<b>-39</b>	<b>83</b>	<b>45</b>	<b>34</b>	<b>93</b>	<b>41</b>	<b>158</b>
Financial items	-39	-24	-32	-16	-27	-21	-14	-22
<b>Profit after financial items</b>	<b>-85</b>	<b>-63</b>	<b>51</b>	<b>29</b>	<b>7</b>	<b>72</b>	<b>27</b>	<b>136</b>
Tax expenses	8	5	-18	-7	-3	-18	-9	-34
<b>NET PROFIT FOR THE PERIOD</b>	<b>-77</b>	<b>-58</b>	<b>33</b>	<b>22</b>	<b>4</b>	<b>54</b>	<b>18</b>	<b>102</b>
Net Profit for the period related to:								
Parent Company shareholders	-76	-58	32	22	3	54	20	102
Non-controlling interests	-1	0	1	0	1	0	-2	0
Operating margin, %	neg	neg	6.6	3.2	3.0	6.0	2.9	9.9
Earnings per share before dilution, SEK	-0.74	-0.57	0.30	0.22	0.04	0.52	0.19	1.00
Earnings per share after dilution, SEK	-0.74	-0.56	0.30	0.22	0.04	0.52	0.19	0.99
Return on equity, %	neg	neg	7.3	5.0	0.8	12.1	4.4	24.6
Equity per share, SEK	15.69	17.07	16.94	17.84	16.84	17.47	17.47	16.93
Cash flow from operating activities per share, SEK	2.92	2.34	1.26	0.17	2.51	0.59	1.23	1.58
Share price on closing day, SEK	18.24	16.82	13.56	23.75	11.30	29.20	7.87	20.25

## ► INCOME STATEMENT IN SUMMARY

(SEK millions)	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	FULL-YEAR JAN-DEC 2020	FULL-YEAR JAN-DEC 2019
Net sales <sup>1)</sup>	55	49	169	166
Costs of goods sold	-8	-3	-20	-15
<b>Gross Profit</b>	<b>47</b>	<b>46</b>	<b>149</b>	<b>151</b>
Selling expenses	-17	-14	-48	-56
Administrating expenses	-19	-11	-53	-45
Other operating income and expenses	3	-2	1	2
<b>Operating profit</b>	<b>14</b>	<b>19</b>	<b>49</b>	<b>52</b>
Result from participations in Group companies	-93	-52	-56	146
Financial income and expenses	41	16	22	-64
<b>Profit after financial items</b>	<b>-38</b>	<b>-17</b>	<b>15</b>	<b>134</b>
Year-end appropriations	-29	-7	-29	-7
<b>Profit before tax</b>	<b>-67</b>	<b>-24</b>	<b>-14</b>	<b>127</b>
Tax expenses for the period	-14	-1	-14	-1
<b>NET PROFIT FOR THE PERIOD</b>	<b>-81</b>	<b>-25</b>	<b>-28</b>	<b>126</b>
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME</b>				
Net profit for the period	-81	-25	-28	126
Other comprehensive income	-	-	-	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-81</b>	<b>-25</b>	<b>-28</b>	<b>126</b>

<sup>1)</sup> 100% of the Parent Company's income relates to subsidiaries.

## ► BALANCE SHEET IN SUMMARY

(SEK millions)	Note	2020 31-DEC	2019 31-DEC
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		7	8
Financial non-current assets		2,102	2,135
Deferred tax assets		17	31
<b>Total non-current assets</b>		<b>2,126</b>	<b>2,174</b>
<b>Current assets</b>			
Current receivables		251	934
Cash and bank balance		449	0
<b>Total current assets</b>		<b>700</b>	<b>934</b>
<b>TOTAL ASSETS</b>		<b>2,826</b>	<b>3,108</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Restricted equity		50	50
Non-restricted equity		994	1,022
<b>Total equity</b>		<b>1,044</b>	<b>1,072</b>
Non-current liabilities		626	1,260
Current liabilities	3	1,156	776
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,826</b>	<b>3,108</b>

## Note 1 - Acquisition and divestments

### Acquisition 2020

ITAB Shop Concept AB's Italian subsidiary ITAB La Fortezza s.p.a. entered October 8th, 2020 into an agreement with Cefla soc. coop. to acquire 81 percent of Cefla's retail solutions business unit. In January 2021, the transaction was completed and the business unit was carved-out from Cefla's existing structure and transferred to a newly established Italian limited liability company where ITAB owns 81 percent. The acquisition of Cefla will be consolidated from January 1, 2021. Cefla's retail solutions business unit primarily offers interior design and checkout solutions to its customers, who are predominantly located in southern Europe and within the grocery sector. Through the acquisition and collaboration with Cefla, ITAB strengthens its leading position in southern Europe and creates opportunities to offer ITAB's solutions to a wider customer base. The positive EBITDA effect in 2021 on ITAB is estimated to at least 30 MSEK and the transaction will create opportunities for further synergy effects the coming years.

### Acquisition 2019

Acquisitions and divestment have affected 2019's net investment by a total of SEK 27 million. The 2019 net investments include paid additional purchase sum from the acquisition of the subsidiary Pulverlacken in Hillerstorp AB in Sweden and Reklamepartner A / S in Norway from previous years' acquisitions of SEK 1 million.

### Acquisition of associated companies

In July 2019, ITAB acquired a 30 percent stake in Ombori Apps AB to a purchase price of SEK 15 million. Ombori has developed a platform that provides opportunities for interaction between a digital store and the consumer and can be quickly adapted for different applications in the store. With Ombori as a long-term strategic partner, ITAB, in combination with other products and services, can continue to design and deliver unique stores with unique customer experiences. During 2018, Ombori Apps AB had sales of approximately SEK 7 million. Holdings in Ombori are managed as associated companies according to the equity method and are initially valued at cost. ITAB's reported value of the holding includes intangible assets and goodwill identified at the

acquisition. Ombori conducts similar operations as the Group in general and the share of profit, including depreciation of surplus values, will therefore be reported in operating profit. Cash flow during the third quarter of 2019 was affected by the purchase price SEK 15 million.

### Acquisition of shares without controlling influence in 2019

In July 2019, the remaining 10% of the jointly owned company La Fortezza Asia SDN was acquired through subsidiaries. BHD. (Malaysia). The purchase price was SEK 2 million. For acquisitions, the unit view is applied, which means that all assets and liabilities, as well as income and expenses, are included in their entirety even for partly owned subsidiaries at the first acquisition, so no further goodwill is linked to the acquisition. The difference between valued holdings without controlling influence prior to acquisition and purchase price is reported directly in equity attributable to the Parent Company's shareholders (SEK 0m). Cash flow during the third quarter of 2019 was affected by the purchase price of SEK 2 million.

### Repayment of purchase price for the D. Lindner companies

In July 2017, through subsidiaries, ITAB acquired the companies D&L Lichtplanung GmbH and D. Lindner Lichttechnische Grosshandlung GmbH, which have their registered offices in Menden, Germany. During February 2019, part of the purchase price was repaid, with ITAB receiving EUR 4 million as a result of shortcomings in vendor guarantees in the purchase agreement. The cash flow and operating profit have consequently been positively impacted by approximately SEK 42 million during the first quarter.

### Divestment 2019

#### Divestment of subsidiary

In October 2019, ITAB, through subsidiaries, sold 100 percent of the shares in the property company Projektfinans in Hillerstorp AB to a purchase price of SEK 3 million. Sales have affected operating profit by SEK 2 million and cash flow during the fourth quarter of 2019 was affected by the purchase price SEK 3 million.

## Note 2 - Income from agreements with customers divided by customer group and geographic market

Revenue recognition takes place when the Group satisfies a performance commitment by transferring promised goods and the customer gains control of the asset. This normally takes place on delivery in accordance with applicable delivery terms. In the event of concept sales where a service assignment is included, revenue recognition for the projects takes place over time. The projects are primarily short-term projects. The largest customer accounts for 12 percent of external sales, but none of the other ITAB Group customers account for more than 7 percent of external sales.

	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	FULL-YEAR JAN-DEC 2020	FULL-YEAR JAN-DEC 2019
<b>Sales per customer group<sup>1)</sup></b>				
Grocery	924	800	3,094	3,053
Home improvements	184	216	733	913
Fashion	90	164	420	824
Other customer categories	309	337	1,076	1,274
	<b>1,507</b>	<b>1,517</b>	<b>5,323</b>	<b>6,064</b>

<sup>1)</sup> The customer groups are divided up according to the sectors within which the customers operate. Almost half of Other customer categories are made up of consumer electronics, pharmacies and health/beauty.

	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	FULL-YEAR JAN-DEC 2020	FULL-YEAR JAN-DEC 2019
<b>Sales per geographic area<sup>2)</sup></b>				
Northern Europe	414	393	1,500	1,635
UK & Ireland	310	318	1,054	1,145
Central Europe	309	243	1,031	1,008
Southern Europe	247	242	819	1,002
Eastern Europe	119	194	509	701
Rest of the world	108	127	410	573
	<b>1,507</b>	<b>1,517</b>	<b>5,323</b>	<b>6,064</b>

<sup>2)</sup> Northern Europe consists of the Nordic countries. Central Europe's largest markets are Germany, the Netherlands and the Czech Republic. Southern Europe mainly comprises Italy, France and Spain. Eastern Europe's largest markets are Russia, the Baltic States and Poland. The USA, Australia, China and Argentina make up almost half the market for Rest of the world.

## Note 3

### Shareholder loan

Short-term shareholder loan is included in Current liabilities to Pomona-gruppen AB (controlled by board member Fredrik Rapp), VIEM Invest AB (controlled by board member Anna Benjamin) and Övre Kullen AB (controlled by board member Petter Fägersten). The loans equals a total of SEK 140 million and has been approved at the Extraordinary General Meeting on 22 July 2020.

## Note 4

### Pledged assets and contingent liabilities

	THE GROUP 31 DEC 2020	THE GROUP 31 DEC 2019	PARENT COMPANY 31 DEC 2020	PARENT COMPANY 31 DEC 2019
Pledged assets	1,825	1,787	1,353	1,354
Contingent liabilities	22	46	123	855



# ABOUT ITAB

**ITAB Shop Concept sells, develops, manufactures and installs complete shop fitting concepts for retail chain stores. The all-inclusive offer includes custom-made fitting concepts, innovative solutions for the checkout area, professional lighting systems and interactive products. Customers include the major players throughout most of Europe.**

ITAB works within a number of different areas that all contribute to realising the experience of a brand in physical environments. The aim is to improve the customer experience, increase sales/service and reduce costs for our customers. The work is based on extensive experience of the sector, customised innovative solutions and a network of selected business partners.

Customers include the major players throughout most of Europe. Business operations are founded on long-term business relationships and delivery reliability in combination with streamlined production resources. ITAB is currently the market leader of checkouts to retailers in Europe, and one of Europe's largest suppliers of shop fitting concepts and lighting systems.

ITAB has operations in some 30 countries and has 18 production facilities in Europe, China and Argentina. ITAB also has a network of partners across large parts of Europe. Working in close collaboration with the customer, ITAB contributes its experience and expertise to the customer's specific needs and requests.



## ► ALL-INCLUSIVE OFFER

ITAB works according to a model that entails the assumption of responsibility for the entire process – from initial idea to turnkey concept. ITAB is working to develop and improve the environment for chain-based customers, with the aim of creating a better experience for the consumer as well as improving efficiency.

## ► CHECKING IN AND OUT

Guidance & Checkout relate to solutions that are associated with checking in and checkout out in the shop. The correct mix of more efficient systems and functions delivers higher throughput and better choice and service for the consumer. ITAB develops entry and exit systems, checkouts and self-checkout solutions for retail chains.

## ► LIGHTING

Lighting systems have become an increasingly central part of the shop concept. During refurbishments and new construction, energy efficiency is becoming increasingly important. ITAB develops, manufactures and sells complete professional lighting systems, light planning and light services for the food and non-food sectors.



## Annual General Meeting 2021

The Annual General Meeting will be held Tuesday 11th of May 2021 and is intended to be conducted by mandatory advance voting. The Annual Report for 2020 will be available in digital format on [www.itabgroup.com](http://www.itabgroup.com) at the end of March and later also printed at ITAB Shop Concept's head office. The Annual Report together with the material for the AGM will be published on [www.itabgroup.com](http://www.itabgroup.com).

### Proposal for dividend

The Board proposes to the Annual General Meeting that there will be no dividend for the financial year 2020.

### Authorisation of repurchase of company shares

The Board will propose the Annual General Meeting to provide the Board with a renewed mandate to decide on share repurchases. Such a mandate would allow the Board to resolve on repurchasing of company shares up until the next Annual General Meeting. Any such repurchase may take place via the stock exchange or through offers to shareholders. The Board's mandate would include the option to transfer repurchased shares within the framework of the law.

### Authorisation of new share issue

The Board of Directors will propose that the AGM grants the Board renewed authorisation to make decisions regarding the new issue of class B shares amounting to at most one-tenth of the company's issued shares. Such a mandate would allow the Board to resolve on new share issues up until the next AGM. The terms and conditions of an issue, including the issue price, will be based on a market evaluation in which the issue price in each case is set as close to the market value as possible, less any discount that may be required to generate interest in the offering.

### Nomination Committee

At the 2020 AGM, a Nomination Committee was appointed comprising Anders Rudgård as chairman, Fredrik Rapp and Ulf Hedlundh. The Nomination Committee's task for the 2021 AGM is to propose candidates for Chairman of the Board and Board members, for the post of meeting chairman and auditors, as well as fees and other remuneration for the Board and auditors.

Jönköping 9 February 2021  
ITAB Shop Concept AB (publ)  
The Board of Directors

## SHARE INFORMATION

<b>Listing</b>	<b>Sector classification</b>
Nasdaq Stockholm Mid Cap list	Industrial Goods & Services
<b>Ticker symbol</b>	<b>ISIN-code</b>
ITAB B	SE0008375117
<b>Trading lot</b>	<b>Share price on closing day</b>
1 share	SEK 18,24 (16,82)

## FINANCIAL CALENDAR

Annual Report published on <a href="http://itabgroup.com">itabgroup.com</a>	30 March 2021
Interim Report Jan-Mar 2021	11 May 2021
Årsstämma 2021	11 May 2021
Interim Report Jan-Jun 2021	12 July 2021
Interim Report Jan-Sep 2021	29 October 2021
Year-End Report 2021	7 February 2022

This document is a translation of the report for ITAB Shop Concept AB published in Swedish. In the event of discrepancy between the English text and the Swedish, the Swedish text shall prevail.

This information is information that ITAB Shop Concept AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication at **1 pm February 9, 2021**.

# ITAB



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