



ITAB

# INTERIM REPORT – 9 MONTHS

## 1 January–30 September 2022

### THIRD QUARTER (1 Jul–30 Sep 2022)

- ▶ Net sales increased by 23 percent to SEK 1,750 million (1,425), of which currency-adjusted sales rose by 17 percent.
- ▶ Operating profit before depreciation and amortisation (EBITDA) excluding non-recurring items of SEK -1 million (-30) amounted to SEK 223 million (143).<sup>1)</sup>
- ▶ Operating profit amounted to SEK 163 million (44) and the operating margin was 9.3 percent (3.0). Operating profit was charged with non-recurring items of SEK -1 million (-30).<sup>1)</sup>
- ▶ Profit after financial items totalled SEK 148 million (36).
- ▶ Profit after tax amounted to SEK 101 million (19).
- ▶ Earnings per share totalled SEK 0.16 (0.09).<sup>2,3)</sup>
- ▶ Cash flow from operating activities amounted to SEK 136 million (-17).<sup>3)</sup>

### REPORTING PERIOD (1 Jan–30 Sep 2022)

- ▶ Net sales increased by 18 percent to SEK 5,166 million (4,365), of which currency-adjusted sales rose by 13 percent.
- ▶ Operating profit before depreciation and amortisation (EBITDA) excluding non-recurring items of SEK -29 million (-87) amounted to SEK 534 million (461).<sup>1)</sup>
- ▶ Operating profit amounted to SEK 312 million (181) and the operating margin was 6.0 percent (4.1). Operating profit was charged with non-recurring items of SEK -39 million (-87).<sup>1)</sup>
- ▶ Profit after financial items totalled SEK 272 million (117).
- ▶ Profit after tax amounted to SEK 185 million (75).
- ▶ Earnings per share totalled SEK 0.48 (0.42).<sup>2,3)</sup>
- ▶ Cash flow from operating activities amounted to SEK 73 million (-73).<sup>3)</sup>
- ▶ The equity/assets ratio at the end of the period was 47 percent (45).<sup>3)</sup>
- ▶ Net debt excluding lease liabilities amounted to SEK 806 million (488).<sup>4)</sup>

*"The year to date has been characterised by even growth, and our implemented price increases and cost-saving measures have strengthened our net sales and earnings, creating better balance between price levels and increased costs. Operating profit for the third quarter, which amounted to SEK 163 million, is the highest for a single quarter since 2017."*

**Andréas Elgaard**  
President & CEO

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### SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (1 Jan–30 Sep 2022)

- ▶ The acquisition of Checkmark, one of the leading suppliers of technology solutions in areas such as checkouts in the Nordic region, further strengthens ITAB's market position.
- ▶ Due to the invasion of Ukraine, a decision was made to discontinue ITAB's current operations in Russia.
- ▶ In connection with the annual financial statements for 2021, the Board adopted new financial targets focused on sustainable growth, increased profitability and capital efficiency. Read more on page 17.

### DISCONTINUED OPERATIONS

In this report, ITAB's Russian operations are recognised as Discontinued Operations in accordance with IFRS 5. Other operations comprise Continuing Operations. Comments and figures pertain to Continuing Operations, unless otherwise stated. Comparative figures in the consolidated income statement have been restated. For more information, refer to "Discontinued Operations" on page 12 and "Accounting policies" on page 10.

### THE GROUP IN SUMMARY

For definitions, see pages 15–16

	THIRD QUARTER			REPORTING PERIOD			FULL YEAR		
	JUL-SEP 2022	JUL-SEP 2021	Δ	JAN-SEP 2022	JAN-SEP 2021	Δ	ROLLING 12 MONTHS, 30 SEP 2022	JAN-DEC 2021	Δ
<b>CONTINUING OPERATIONS</b>									
Net sales, SEKm	1,750	1,425	23%	5,166	4,365	18%	6,888	6,087	13%
EBITDA excl. non-recurring items <sup>1)</sup> , SEKm	223	143	56%	534	461	16%	717	644	11%
EBITDA margin, %	12.7	10.0		10.3	10.6		10.4	10.6	
Operating profit excl. non-recurring items <sup>1)</sup> , SEKm	164	74	122%	351	268	31%	465	382	22%
Operating margin, %	9.4	5.2		6.8	6.1		6.8	6.3	
Profit after financial items excl. non-recurring items <sup>1)</sup> , SEKm	149	66	126%	311	204	52%	420	313	34%
Profit margin, %	8.5	4.6		6.0	4.7		6.1	5.1	
Profit after tax, SEKm	101	19	432%	185	75	147%	205	95	116%
Earnings per share <sup>2,3)</sup> , SEK	0.16	0.09	78%	0.48	0.42	14%	0.56	0.50	12%
Cash flow from operating activities <sup>3)</sup> , SEKm	136	-17	N/A	73	-73	N/A	-19	-165	N/A
Equity/assets ratio <sup>3)</sup> , %	47	45		47	45		47	46	
Interest-bearing net debt excl. lease liabilities <sup>4)</sup> , SEKm	806	488	318	806	488	318	806	609	197

<sup>1)</sup> Non-recurring items mainly consist of costs relating to transformation work under ITAB's One ITAB strategy. Refer to Note 4 on page 11.

<sup>2)</sup> In connection with ITAB's recapitalisation in 2021, the number of shares increased by 115,716,762 to a total of 218,100,192 shares.

<sup>3)</sup> Including Discontinued Operations.

<sup>4)</sup> Comparative periods have not been restated related to Discontinued Operations.

# HISTORICALLY STRONG QUARTER WITH INCREASED PROFITABILITY

The year to date has been characterised by even growth, and our implemented price increases and cost-saving measures have strengthened our net sales and earnings, creating better balance between price levels and increased costs. Altogether for the first nine months, our currency-adjusted net sales increased by 13 percent and operating profit (excluding non-recurring items) increased by 31 percent. Operating profit for the third quarter, which amounted to SEK 163 million, is the highest for a single quarter since 2017 and the operating margin for the quarter improved to 9.3 percent. We are achieving success with solutions that help our customers save energy, reduce waste or improve their operating efficiency. At the same time, the 2022 operating year have been characterised by a great deal of uncertainty and sweeping changes in the world around us, which have entailed operational challenges for ITAB. Some of our customers have expressed concern over the current economic trend and its impact on consumer priorities and the market's development.

## EVEN GROWTH IN MOST OF OUR MARKETS

Continued confidence from our customers and implemented price increases have resulted in organic growth of approximately 11 percent to date this year. Demand has been even in most of our geographic markets but we are noting reduced sales in the UK & Ireland. All customer groups have performed positively so far this year, and sales to our largest customer group, Grocery, increased approximately 8 percent. The largest sales increases were in the Fashion and Home Improvements customer groups.

Of ITAB's three solution areas, Retail Lighting and Retail Technology performed especially well during the third quarter. Our modern LED lighting solutions provide significant energy savings and reduced CO2 emissions for retailers, enabling us to help several customers lower their operating costs and climate impact during the year. We are seeing a clear trend where our solutions for reducing waste in food stores are attracting growing numbers of customers, since our solutions are unique in the market and also improve the customer experience and efficiency.

## MARGIN-STRENGTHENING MEASURES HAVE POSITIVE IMPACT ON EARNINGS

As we explained in our previous interim report, our margin-strengthening measures, including price adjustments and a continuous review of our cost structure, remain a priority. These measures, together with a more favourable product mix, collectively had a positive effect on the gross margin during the third quarter. Our assessment is that we are now in better balance with the cost increases and rapidly growing inflation that we have seen during the year given current demand. We are also starting to see the results of our initiative for increased capital efficiency through reduced inventory levels. During the third quarter, we had a positive cash flow of SEK 136 million from operating activities.

Adjusted for non-recurring items, EBITDA for the first nine months amounted to SEK 534 million (461), corresponding to an EBITDA margin of 10.3 percent (10.6). Corresponding profit after financial items increased by more than 50 percent to SEK 311 million (204). Adjusted profit after financial items increased by 126 percent to SEK 149 million (66) in the third quarter. Non-recurring items had only a marginal impact on the quarter since the first phase of the One ITAB transformation was completed in the second quarter, and our reported earnings after financial items increased by more than 300 percent to SEK 148 million (36).

## OUR PRIORITIES MOVING FORWARD

Our proximity to our customers and our ability to rapidly adapt to external changes are the key to ITAB's success, and our goal is to continue to strengthen our customers' competitiveness. Our operational priorities for the end of 2022 continue to be safeguarding our service level and delivery capacity by being proactive in our sales and purchasing efforts, while also continuously strengthening our earnings trend through adapted price increases and cost-saving measures. Our efforts to increase the efficiency of our operating activities and to reduce our working capital requirements are continuing as before. The current economic trend, with high inflation and higher interest-rate levels as well as a highly challenging energy situation, could lead to a cautious approach among customers and there is a risk of downturn in some of our markets in Europe. We are following the situation closely and will implement measures if needed.

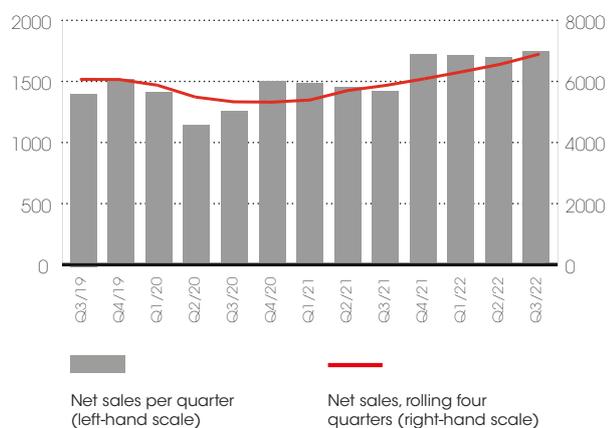


The challenging circumstances in our operating environment are strengthening the need to develop our operations and to invest in the transition to become the leading solution provider in the retail sector. As previously communicated, we are more than halfway through our transition and the heaviest measures to adapt our cost structure are behind us. We have navigated the challenges of the last few years by creating solutions that generate clear added value for our customers. Adjusted for non-recurring items, rolling 12 month EBITDA amounted to SEK 717 million at the end of the third quarter, and in our guidance from July 2020 we stated that our measures to adapt the cost structure, all other things being equal with the comparative year of 2019, would provide an underlying annualised EBITDA improvement of SEK 270 to 330 million (compared with EBITDA of SEK 516 million for 2019). We are confident that our measures have had the desired effect, since we have not yet realised all of the annualised savings. At the same time, we have managed challenges including supply chain disruptions, component shortages and cost increases due to the COVID-19 pandemic, all of which had a negative effect on our margins during this transformation. Hereby, we have created the conditions for ITAB to stand stronger in a period of great uncertainty. Our ambition is to continue increasing the proportion of services and solutions and to further strengthen our digital offerings. We are developing new capabilities to further streamline operations and make ITAB more scalable and flexible for a changing world.

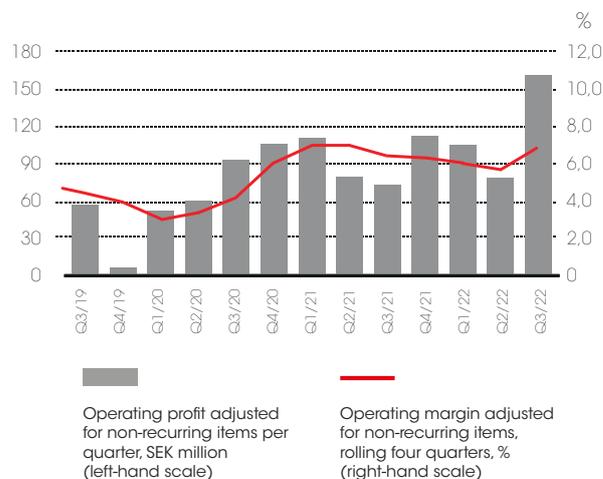
Jönköping, October 2022

**Andrés Elgaard**  
President & CEO  
ITAB Shop Concept AB

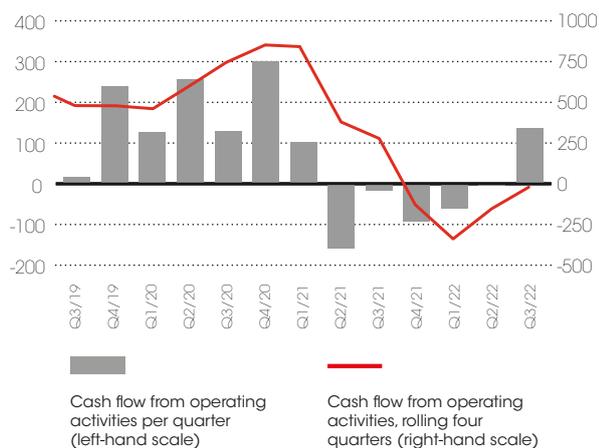
► **NET SALES** (SEK million)



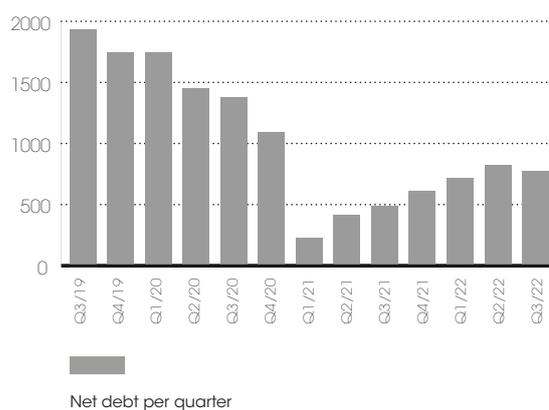
► **OPERATING PROFIT AND OPERATING MARGIN**  
(adjusted for non-recurring items <sup>1)</sup>)



► **CASH FLOW FROM OPERATING ACTIVITIES <sup>2)</sup>**  
(SEK million)



► **NET DEBT <sup>3)</sup>** (SEK million)  
(excluding lease liabilities)



<sup>1)</sup> Non-recurring items mainly consist of costs relating to transformation work under ITAB's One ITAB strategy. Refer to Note 4 on page 11.

<sup>2)</sup> Including Discontinued Operations.

<sup>3)</sup> Comparative periods have not been restated related to Discontinued Operations.

# DEVELOPMENT IN 2022



## JANUARY–SEPTEMBER

In this interim report, ITAB's Russian operations are recognised as Discontinued Operations in accordance with IFRS 5. Other operations comprise Continuing Operations. Comments and figures pertain to Continuing Operations, unless otherwise stated. Comparative figures for consolidated profit and loss items have been restated. Balance sheet items in comparative periods have not been restated related to Discontinued Operations. For more information, refer to "Discontinued Operations" on page 12 and "Accounting policies" on page 10.

### Net sales

#### Third quarter

The Group's net sales increased by 23 percent to SEK 1,750 million (1,425) in the third quarter of the year. Currency-adjusted sales increased by 17 percent, of which the acquisition of Checkmark in the first quarter contributed 2 percent and organic growth was 15 percent.

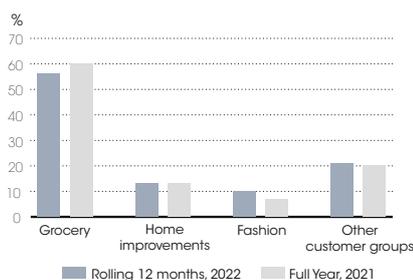
Most of the Group's sales increase compared with the corresponding quarter in the preceding year was attributable to implemented customer price increases to offset the continued rising costs for input goods. In addition, demand for the Group's lighting solutions increased during the quarter. Sales increased in all geographic markets except the UK & Ireland, where demand was more cautious and the market was characterised by increased uncertainty. Sales to all of the Group's customer groups increased.

#### Reporting period

Net sales for the full reporting period increased by 18 percent to SEK 5,166 million (4,365). Currency-adjusted sales increased by 13 percent, of which the acquisition of Checkmark in the first quarter contributed 2 percent and organic growth was 11 percent.

To date, organic growth during the year has mainly been the result of implemented price increases and stable underlying demand in most of the Group's geographic markets and customer groups. The shortages of raw materials and certain components as well as global logistics disruptions continued to impact ITAB's delivery capacity and had a certain negative impact on net sales, with postponed deliveries of customer projects in the first half of the year. The greatest sales increase so far during the year took place in Central Europe. Growth was largest in Fashion and Home Improvements, but sales to Grocery and Other customer groups have also increased during the year.

Sales by customer group and geographic area are shown in Note 3 on page 11.



### Earnings

#### Third quarter

Operating profit for the third quarter amounted to SEK 163 million (44). Profit was impacted by non-

recurring items of SEK -1 million (-30) pertaining to restructuring costs attributable to transformation work under the One ITAB strategy. Operating profit excluding these non-recurring items totalled SEK 164 million (74), corresponding to an operating margin of 9.4 percent (5.2). EBITDA excluding non-recurring items of SEK -1 million totalled SEK 223 million (143).

The implemented price increases and currency effects had a positive impact on earnings during the quarter, as did a more favourable customer and product mix, with increased sales of lighting solutions and Retail Tech solutions for reduced waste and increased efficiency in stores. This had a positive effect on the gross margin for the quarter, while operating costs (such as for energy) and inflation continued to rise. Personnel costs connected to the long-term incentive program for key individuals that was introduced in the Group following a resolution at the Annual General Meeting in May 2022 had a marginally negative impact on earnings for the quarter.

Profit after financial items increased to SEK 148 million (36) and profit after tax to SEK 101 million (19). Earnings per share including Discontinued Operations totalled SEK 0.16 (0.09).

#### Reporting period

The Group's operating profit for the full reporting period amounted to SEK 312 million (181). Net profit for the period was impacted by non-recurring items of SEK -39 million (-87), mainly pertaining to restructuring costs attributable to transformation work under the One ITAB strategy. Operating profit excluding these non-recurring items totalled SEK 351 million (268), corresponding to an operating margin of 6.8 percent (6.1). EBITDA excluding non-recurring items of SEK -29 million totalled SEK 534 million (461).

Profit for the full reporting period was positively impacted by the sales increase enabled by implemented price increases and currency effects. At the same time, shortages of certain electronic components and rapidly rising prices for raw materials, shipping and energy as well as lockdowns in China due to the COVID-19 pandemic negatively impacted the gross margin for the reporting period. The current economic trend, with high inflation and higher interest-rate levels as well as rising electricity prices and a challenging energy situation, could lead to a cautious approach among customers in terms of future investments and there is a risk of downturn in some of our markets in Europe. This is something we need to adapt to and, if necessary, take further measures to protect the gross margin and earnings.

Profit after financial items increased to SEK 272 million (117). Current financial expenses were lower in the period than in the preceding year, partly due to changed loan terms and the discontinuation of interest rate swaps that affected costs during the first quarter of 2021. Due to the refinancing carried out on 30 June 2022 (see below), financial expenses in the period were charged with a fee for early repayment of loans and the remainder of the accrued financing costs for previous loan agreements of approximately SEK 7 million during the second quarter.

Profit after tax increased to SEK 185 million (75). Earnings per share including Discontinued Operations totalled SEK 0.48 (0.42).

#### Guidance from 10 July 2020

On 10 July 2020, ITAB issued guidance regarding an earnings improvement and its total restructuring costs upon the implementation of the first phase of the Group's One ITAB strategy and transformation. The aim of this phase was to stabilise and strengthen the Group's earnings and financial position, partly through savings in purchasing, sales and administration and fixed costs for production. Based on the conditions prevailing at that time, the guidance indicated an underlying annualised EBITDA improvement of SEK 270-330 million (compared with EBITDA of SEK 516 million for 2019) once this phase of the One ITAB transformation is fully implemented, which was expected to take place in the middle of 2022. The total restructuring costs for One ITAB in the 2020-2022 financial years were estimated at SEK 275-325 million.

In mid-2022, we communicated that the first phase of the One ITAB transformation had been completed in accordance with our guidance. The measures taken have largely had the intended effect in terms of cost savings. Adjusted for non-recurring items, rolling 12 month EBITDA amounted to SEK 717 million at the end of the third quarter of 2022. At the same time, we have managed challenges including supply chain disruptions, component shortages and cost increases due to the COVID-19 pandemic, all of which had a negative effect on earnings. Additional estimated annualised savings are expected to be realised in the end of 2022 and 2023, mainly in the form of lower rental costs for discontinued production facilities. The measures implemented have made it possible for ITAB to remain strong in a time of significant external disruptions and are now enabling investments in new capabilities to make ITAB even stronger going forward.

### Cash flow, financing and liquidity

Cash flow from operating activities including Discontinued Operations amounted to SEK 136 million (-17) for the third quarter and SEK 73 million (-73) for the full reporting period. Cash flow in the beginning of the year was negatively impacted by an increase in inventories with the aim of satisfying customer needs despite disruptions to the supply of raw materials and component shortages combined with longer lead times. At the same time, rising raw material prices have impacted the value of inventories. Efforts to reduce the working capital requirements have started to achieve results in the third quarter, for example with reduced inventory levels. The Group's operations will continue to focus on this during the next quarters in order to normalise the situation. At the same time, accounts receivable increased during the third quarter due to increased sales, driven especially by strong sales in Southern and Central Europe with overall longer payment terms in general.

Net debt excluding lease liabilities amounted to SEK 806 million (488). Net debt including lease liabilities amounted to SEK 1,335 million (1,185). Indebtedness has increased during the last 12 months compared with a historically low level immediately following the recapitalisation. This is a consequence of the increased working capital requirement as a result of sales growth, supply disruptions and the rising prices of raw materials and components. ITAB's financial position remains strong.

The Group's cash and cash equivalents, including granted unutilised credits, amounted to SEK 1,019 million (880) on the balance sheet date on 30 September 2022. The equity/assets ratio including Discontinued Operations was 47 percent (45).

#### *New long-term and expanded credit agreements*

On 30 June 2022, ITAB signed new long-term, expanded agreements with Nordea Bank and Swedbank concerning credit facilities for the Group totalling approximately EUR 150 million. This corresponds to an increase of approximately EUR 40 million compared with the current level. The agreements pertain to both bank loans and operating credits and extend for three years, with an option for an extension of an additional one plus one year.

The new bank loan is a so-called unsecured bank loan, and upon repayment of the previous loans on 7 July 2022, all of the ITAB companies' previously pledged shares and corporate mortgages were thus released by Nordea Bank and the Swedish Export Credit Corporation. Thereafter, neither the Group nor the Parent Company have any pledged shares or corporate mortgages (refer also to Note 32 in ITAB's Annual Report for 2021).

#### **Investments**

The Group's net investments during the third quarter amounted to SEK 34 million (20), of which SEK 6 million (6) is attributable to corporate acquisitions. The Group's net investments for the full reporting period amounted to SEK 136 million (92), of which SEK 66 million (48) was attributable to corporate acquisitions during the year. For more information on corporate acquisitions, refer to Note 2 on page 10.

#### **Employees**

The average number of employees amounted to 2,840 (2,891) for the third quarter and 2,872 (2,927) for the full reporting period, of whom 132 in Discontinued Operations.

#### **Parent Company**

The parent company ITAB Shop Concept AB's operations mainly consist of Group-wide functions. The Parent Company's net sales pertain to revenue from subsidiaries and amounted to SEK 45 million (25) for the third quarter and SEK 129 million (117) for the entire reporting period. Profit after financial items totalled SEK 31 million (5) for the quarter and SEK -47 million (26) for the reporting period. Profit includes dividends from subsidiaries of SEK 0 million (0) for the quarter and SEK 8 million (46) for the full reporting period. Impairment of shares and receivables from subsidiaries had an impact of SEK 0 million (-1) on earnings for the quarter and SEK -89 million (-9) on earnings for the reporting period. Of this impairment for the reporting period, SEK -86 million pertained to the revaluation of intra-Group assets in Russia during the second quarter.

Due to the refinancing carried out on 30 June 2022 (see above), financial expenses for the reporting period were charged with a fee for early repayment

of loans and the remainder of the accrued financing costs for previous loan agreements of approximately SEK 7 million during the second quarter.

#### **Acquisitions**

On 28 February 2022, ITAB Group acquired, through its Finnish subsidiary ITAB Finland Holding Oy, all of the shares of Oy Checkmark Ltd. Checkmark is one of the leading suppliers of retail technology solutions for checkouts and store guidance for retailers in the Nordic region. The acquisition further strengthens ITAB's market position and creates opportunities for a broader product and solution offering for new and existing customers as well as providing distinct synergies.

Checkmark has annual sales of approximately EUR 12 million and 44 employees. Closing took place immediately and the acquisition was consolidated in the Group as of 1 March 2022.

Refer to Note 2 on page 10.

#### **Discontinuation of operations in Russia**

ITAB decided at the beginning of March 2022 to discontinue its operations in Russia due to the Russian regime's invasion of Ukraine. The Group has a production facility and sales offices in Russia with a total of some 130 employees. Total sales in Russia amounted to approximately SEK 160 million in 2021, corresponding to about 2.5 percent of ITAB's total annual sales.

The process of discontinuing the Russian operations is under way, and the aim is for this to be done in a controlled manner for our employees, customers and partners. Given that the Group's operations in the Russian subsidiary ITAB Rus JSC are being discontinued and it is deemed highly probable that the discontinuation will be completed and that it otherwise fulfils the stated criteria, this company is recognised as Discontinued Operations in accordance with IFRS 5 as of this interim report.

In conjunction with the transition to reporting in accordance with IFRS 5, the assets in the Russian company have been measured at fair value. While the value of the assets in the local currency (RUB) is deemed to be reasonable, the significant change in the RUB in relation to the Group's accounting currency (SEK) has resulted in an increase in value that does not correspond to the assessed fair value in the currencies of the owner companies (EUR and SEK). Accordingly, an impairment of SEK 53 million took place in the third quarter. This amount is included in profit/loss from Discontinued Operations. Previous impairment of the value of non-current assets in Russia of SEK 7 million, which was recognised as a non-recurring item in the Group in the second quarter of 2022, is also included in profit/loss from Discontinued Operations in the income statement. For more information, see Note 8 on page 12 and "Accounting policies" on page 10.

## **OTHER INFORMATION**

#### **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 ITAB's Annual Report for 2021. ITAB's business risks are associated with its own operations, customers, suppliers and other external factors. A summary of some of ITAB's significant business risks is available in the Annual Report for 2021 on pages 37-42. Sustainability risks are described on page 8 of the Group's Sustainability Report for 2021. In addition, the outcome of ongoing strategy and transition work within the framework of One ITAB, high inflation and rising interest rates as well as the ongoing discontinuation of operations in Russia may affect the future valuation of specific balance sheet items. Like other global companies, ITAB is affected by geopolitical conditions such as Russia's ongoing invasion of Ukraine and the COVID-19 pandemic. The risks that are most prominent from a short-term perspective are the continued impact of the war and the pandemic on the supply of components and other input goods, disruptions in supply chains, rising prices and the risk of energy and gas shortages as well as the impact of inflation and economic development on customers and suppliers.

#### **Estimates and judgements**

The preparation of the interim report requires Group management to make assessments and estimates as well as assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may deviate from these estimates and judgements. The ongoing military conflict in Ukraine and the subsequent sanctions between countries, the decision to discontinue ITAB's operations in Russia, the pandemic and restructuring in connection with One ITAB affect the Group's assessments of impairment of assets as well as estimates of lease liabilities and right of use when determining the lease term. Other critical assessments and sources of uncertainty in estimates when preparing this interim report are the same as in the most recent Annual Report.

#### **Related party transactions**

There have been no transactions between ITAB Shop Concept and related parties that have significantly affected the company's position and results during the reporting period.

In connection with the offset issue in the first quarter of 2021, SEK 100 million in shareholder loans was converted into equity and the remaining shareholder loan of SEK 40 million was repaid. For more information, see Note 6 on page 12.

#### **Events after the end of the reporting period**

No significant events have taken place after the end of the reporting period.

# THE GROUP IN SUMMARY



## ► INCOME STATEMENT

(SEK million)	Note	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Revenue from contracts with customers	3	1,750	1,425	5,166	4,365	6,888	6,087
Costs of goods sold		-1,239	-1,060	-3,751	-3,168	-5,024	-4,441
<b>Gross profit</b>		<b>511</b>	<b>365</b>	<b>1,415</b>	<b>1,197</b>	<b>1,864</b>	<b>1,646</b>
Selling expenses		-277	-244	-874	-779	-1,177	-1,082
Administrative expenses		-81	-76	-257	-231	-357	-331
Other operating income and expenses		10	-1	28	-6	17	-17
<b>Operating profit</b>	4	<b>163</b>	<b>44</b>	<b>312</b>	<b>181</b>	<b>347</b>	<b>216</b>
Financial income		0	2	8	6	15	14
Financial expenses	5	-15	-10	-48	-70	-60	-83
<b>Profit after financial items</b>	4	<b>148</b>	<b>36</b>	<b>272</b>	<b>117</b>	<b>302</b>	<b>147</b>
Tax expenses		-47	-17	-87	-42	-97	-52
<b>NET PROFIT FOR THE PERIOD - CONTINUING OPERATIONS</b>		<b>101</b>	<b>19</b>	<b>185</b>	<b>75</b>	<b>205</b>	<b>95</b>
<i>Discontinued Operations</i>							
ITAB Rus JSC							
Profit from Discontinued Operations, net after tax	8	-56	1	-56	4	-52	8
<b>NET PROFIT FOR THE PERIOD</b>		<b>45</b>	<b>20</b>	<b>129</b>	<b>79</b>	<b>153</b>	<b>103</b>
<b>Net profit for the period attributable to:</b>							
Parent Company shareholders		35	20	104	77	122	95
Non-controlling interests		10	0	25	2	31	8
Depreciation and amortisation for the period amount to		59	69	193	193	271	271
Tax expenses for the period account for		32%	46%	32%	36%	32%	35%
Earnings per share incl. Discontinued Operations <sup>1)</sup> , SEK		0.16	0.09	0.48	0.42	0.56	0.50
Earnings per share excl. Discontinued Operations <sup>1)</sup> , SEK		0.42	0.09	0.74	0.39	0.81	0.46
Average number of outstanding shares <sup>1)</sup> , thousand	6	218,100	218,100	218,100	183,385	218,100	191,396
Number of outstanding shares <sup>1)</sup> , thousand	6	218,100	218,100	218,100	218,100	218,100	218,100

<sup>1)</sup> On 9 February 2021, the Board decided to implement an offset issue and rights issue based on the issue authorisation decided at an Extraordinary General Meeting of ITAB Shop Concept AB on 15 January 2021. On 12 March 2021, ITAB announced that the recapitalisation had been fully completed and that the rights issue of SEK 768 million had been fully subscribed. The number of shares in ITAB increased by a total of 115,716,762 and totals 218,100,192 shares after the issues.

## ► STATEMENT OF OTHER COMPREHENSIVE INCOME

(SEK million)	Note	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS AS OF 30 SEP 2022	FULL YEAR JAN-DEC 2021
<b>NET PROFIT FOR THE PERIOD</b>		<b>45</b>	<b>20</b>	<b>129</b>	<b>79</b>	<b>153</b>	<b>103</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	-2
Tax relating to items not to be reclassified		-	-	-	-	0	0
		-	-	-	-	-2	-2
<b>Items that may be reclassified to the income statement</b>							
Translation differences		24	25	200	73	245	118
Hedging of net investments, net	5	-15	0	-23	0	-24	-1
Cash flow hedges, net	5	15	1	33	15	39	21
Tax on items that may be reclassified		0	0	-2	-3	-4	-5
		<b>24</b>	<b>26</b>	<b>208</b>	<b>85</b>	<b>256</b>	<b>133</b>
<b>Total other comprehensive income after tax</b>		<b>24</b>	<b>26</b>	<b>208</b>	<b>85</b>	<b>254</b>	<b>131</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>69</b>	<b>46</b>	<b>337</b>	<b>164</b>	<b>407</b>	<b>234</b>
<b>Comprehensive income for the period attributable to:</b>							
Parent Company shareholders		56	43	298	154	357	213
Non-controlling interests		13	3	39	10	50	21

## ► STATEMENT OF FINANCIAL POSITION

Assets and liabilities related to Discontinued Operations are recognised separately as "Assets held for sale" and "Liabilities attributable to assets held for sale" in the statement of financial position below. Comparative periods have not been restated. The financial accounts are prepared in accordance with IFRS 5.

(SEK million)	Note	30 SEP 2022	30 SEP 2021	31 DEC 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
<i>Intangible assets</i>				
Goodwill		1,756	1,629	1,644
Other intangible assets		104	126	112
		<b>1,860</b>	<b>1,755</b>	<b>1,756</b>
Property, plant and equipment		1,271	1,436	1,366
Participations in associated companies		10	11	11
Deferred tax assets		117	99	117
Financial non-current receivables		42	17	18
<b>Total non-current assets</b>		<b>3,300</b>	<b>3,318</b>	<b>3,268</b>
<b>Current assets</b>				
Inventories		1,227	1,076	1,176
Current receivables		1,529	1,276	1,372
Cash and cash equivalents		513	323	208
<b>Total current assets</b>		<b>3,269</b>	<b>2,675</b>	<b>2,756</b>
Assets held for sale	8	123		
<b>TOTAL ASSETS</b>		<b>6,692</b>	<b>5,993</b>	<b>6,024</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to Parent Company shareholders	6	2,954	2,595	2,654
Non-controlling interests		167	117	128
Deferred tax liabilities		44	40	45
Other non-current liabilities	5	1,671	1,262	1,143
Current liabilities	5	1,815	1,979	2,054
Liabilities attributable to assets held for sale	8	41		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,692</b>	<b>5,993</b>	<b>6,024</b>
Interest-bearing net debt		1,335	1,185	1,239
Interest-bearing net debt excluding lease liabilities		806	488	609

## ► STATEMENT OF CHANGES IN EQUITY

(SEK million)	Note	Share capital	Other contributed capital	Other reserves <sup>1)</sup>	Profit brought forward	Attributable to Parent Company shareholders	Attributable to non-controlling interests	Total equity
<b>EQUITY AS OF 1 JANUARY 2021</b>		43	304	-78	1,338	1,607	118	1,725
Net profit for the period					77	77	2	79
Other comprehensive income				77		77	8	85
<b>Comprehensive income January–September 2021</b>				<b>77</b>	<b>77</b>	<b>154</b>	<b>10</b>	<b>164</b>
Acquisition of non-controlling interests	2				1	1	-22	-21
Acquisition of partly owned companies	2						11	11
New and offset issue	6	48	785			833		833
<b>EQUITY AS OF 30 SEPTEMBER 2021</b>		<b>91</b>	<b>1,089</b>	<b>-1</b>	<b>1,416</b>	<b>2,595</b>	<b>117</b>	<b>2,712</b>
Net profit for the period					18	18	6	24
Other comprehensive income				43	-2	41	5	46
<b>Comprehensive income October–December 2021</b>				<b>43</b>	<b>16</b>	<b>59</b>	<b>11</b>	<b>70</b>
<b>EQUITY AS OF 31 DECEMBER 2021</b>		<b>91</b>	<b>1,089</b>	<b>42</b>	<b>1,432</b>	<b>2,654</b>	<b>128</b>	<b>2,782</b>
Net profit for the period					104	104	25	129
Other comprehensive income				194		194	14	208
<b>Comprehensive income January–September 2022</b>				<b>194</b>	<b>104</b>	<b>298</b>	<b>39</b>	<b>337</b>
Incentive programme			2			2		2
<b>EQUITY AS OF 30 SEPTEMBER 2022</b>		<b>91</b>	<b>1,091</b>	<b>236</b>	<b>1,536</b>	<b>2,954</b>	<b>167</b>	<b>3,121</b>

<sup>1)</sup> Other reserves consist of translation reserve and hedging reserve.

► STATEMENT OF CASH FLOWS <sup>1)</sup>

(SEK million)	Note	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
<b>Operating profit from Continuing Operations</b>		<b>163</b>	<b>44</b>	<b>312</b>	<b>181</b>	<b>347</b>	<b>216</b>
<b>Operating profit from Discontinued Operations</b>		<b>-58</b>	<b>1</b>	<b>-60</b>	<b>4</b>	<b>-56</b>	<b>8</b>
Interest paid and received, tax and adjustments for items not included in the cash flow		83	70	157	127	230	200
<b>Cash flow from operating activities before change in working capital</b>		<b>188</b>	<b>115</b>	<b>409</b>	<b>312</b>	<b>521</b>	<b>424</b>
<b>Change in working capital</b>							
Change in inventories		140	-119	-9	-335	-96	-422
Change in operating receivables		-27	-24	-89	-352	-131	-394
Change in operating liabilities		-165	11	-238	302	-313	227
<b>Cash flow from change in working capital</b>		<b>-52</b>	<b>-132</b>	<b>-336</b>	<b>-385</b>	<b>-540</b>	<b>-589</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>136</b>	<b>-17</b>	<b>73</b>	<b>-73</b>	<b>-19</b>	<b>-165</b>
<b>Investing activities</b>							
Acquisition/divestment of companies and operations	2	-6	-6	-66	-48	-58	-40
Other net investments		-28	-14	-70	-44	-89	-63
<b>Cash flow from investing activities</b>		<b>-34</b>	<b>-20</b>	<b>-136</b>	<b>-92</b>	<b>-147</b>	<b>-103</b>
<b>CASH FLOW AFTER INVESTING ACTIVITIES</b>		<b>102</b>	<b>-37</b>	<b>-63</b>	<b>-165</b>	<b>-166</b>	<b>-268</b>
<b>Financing activities</b>							
New share issue	6	-	0	-	733	-	733
Repayment of lease liabilities		-37	-39	-92	-99	-127	-134
Cash flow from other financing activities		152	-51	470	-864	482	-852
<b>Cash flow from financing activities</b>		<b>115</b>	<b>-90</b>	<b>378</b>	<b>-230</b>	<b>355</b>	<b>-253</b>
<b>CASH FLOW FOR THE PERIOD</b>		<b>217</b>	<b>-127</b>	<b>315</b>	<b>-395</b>	<b>189</b>	<b>-521</b>
<i>Of which, Cash flow from Discontinued Operations</i>	8	<i>0</i>		<i>18</i>		<i>17</i>	
Cash and cash equivalents at the start of the period		328	444	208	692	323	692
Translation differences on cash and cash equivalents		2	6	24	26	35	37
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>547</b>	<b>323</b>	<b>547</b>	<b>323</b>	<b>547</b>	<b>208</b>
<i>Of which, Cash &amp; cash equivalents from Discontinued Operations</i>	8	<i>34</i>		<i>34</i>		<i>34</i>	
<b>Cash flow from operating activities per share, SEK</b>		<b>0.63</b>	<b>-0.07</b>	<b>0.34</b>	<b>-0.40</b>	<b>-0.09</b>	<b>-0.86</b>

<sup>1)</sup> Including Discontinued Operations.

# THE PARENT COMPANY IN SUMMARY



## ► INCOME STATEMENT

(SEK million)	Note	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	FULL YEAR JAN-DEC 2021
Net sales <sup>1)</sup>		45	25	129	117	171
Costs of goods sold		-5	-4	-17	-15	-21
<b>Gross profit</b>		<b>40</b>	<b>21</b>	<b>112</b>	<b>102</b>	<b>150</b>
Selling expenses		-11	-9	-38	-33	-47
Administrative expenses		-14	-11	-47	-39	-56
Other operating income and expenses		6	4	16	5	4
<b>Operating profit</b>		<b>21</b>	<b>5</b>	<b>43</b>	<b>35</b>	<b>51</b>
Profit from participations in Group companies		0	-1	-81	37	-5
Financial income and expenses	5	10	1	-9	-46	-59
<b>Profit after financial items</b>		<b>31</b>	<b>5</b>	<b>-47</b>	<b>26</b>	<b>-13</b>
Year-end appropriations		-	-	-	-	-56
<b>Profit before tax</b>		<b>31</b>	<b>5</b>	<b>-47</b>	<b>26</b>	<b>-69</b>
Tax expenses for the period		-	-	-	-	15
<b>NET PROFIT FOR THE PERIOD</b>		<b>31</b>	<b>5</b>	<b>-47</b>	<b>26</b>	<b>-54</b>

## ► STATEMENT OF OTHER COMPREHENSIVE INCOME

Net profit/loss for the period	31	5	-47	26	-54
Other comprehensive income	-	-	-	-	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>31</b>	<b>5</b>	<b>-47</b>	<b>26</b>	<b>-54</b>

<sup>1)</sup> Pertains to revenue from subsidiaries.

## ► BALANCE SHEET

(SEK million)	Note	30 SEP 2022	30 SEP 2021	31 DEC 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		5	7	6
Financial assets		2,066	2,086	2,066
Deferred tax assets		32	17	32
<b>Total non-current assets</b>		<b>2,103</b>	<b>2,110</b>	<b>2,104</b>
<b>Current assets</b>				
Current receivables		765	366	502
Cash and bank balance		227	161	54
<b>Total current assets</b>		<b>992</b>	<b>527</b>	<b>556</b>
<b>TOTAL ASSETS</b>		<b>3,095</b>	<b>2,637</b>	<b>2,660</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Restricted equity		98	98	98
Non-restricted equity		1,678	1,805	1,725
<b>Total equity</b>	6	<b>1,776</b>	<b>1,903</b>	<b>1,823</b>
Non-current liabilities		1,171	588	541
Current liabilities		148	146	296
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,095</b>	<b>2,637</b>	<b>2,660</b>

## Note 1 – Accounting policies

ITAB applies International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting*, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 *Supplementary Accounting Rules for Groups* and RFR 2 *Accounting for Legal Entities*. The accounting policies applied correspond with the accounting policies used in the preparation of the most recent Annual Report, with the addition of the policies described below.

### Discontinued Operations

ITAB decided at the beginning of March 2022 to discontinue its operations in Russia due to the Russian regime's invasion of Ukraine. The process of discontinuing the Russian operations is under way, and the aim is for this to be done in a controlled manner for our employees, customers and partners. Given that the Group's operations in the Russian subsidiary ITAB Rus JSC are being discontinued and it is deemed highly probable that the discontinuation will be completed and that it otherwise fulfils the stated criteria for application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the Russian subsidiary is recognised as Discontinued operations as of this interim report. Discontinued operations are major lines of business that have been disposed of or comprise a disposal group held for sale. Profit after tax from discontinued operations is recognised separately in the income statement.

When a group of assets and liabilities is classified as held for sale, this means that their carrying amounts will be recovered principally through sale and not through use. All assets included in the group are presented separately under assets and all liabilities in the group are presented separately under liabilities. The group is measured at the lower of its carrying amount and fair value less selling expenses.

In the consolidated income statement, ITAB Rus JSC is therefore recognised separately under "Discontinued Operations" and comparative periods have been restated in accordance with the same policies. In the consolidated statement of financial position, the operation's net assets are recognised under "Assets held for sale" and "Liabilities attributable to assets held for sale". In accordance with IFRS, balance sheets for prior years have not been restated. More detailed financial statements for Discontinued Operations are presented in Note 8 – Discontinued Operations below.

Assets held for sale and discontinued operations are not presented separately in the Parent Company's income statement and balance sheet as the Parent Company's income statement and balance sheet are prepared in accordance with the Swedish Annual Accounts Act. In addition, depreciation and amortisation in the Parent Company is carried out in accordance with the Annual Accounts Act.

### Share-based payment

A long-term share incentive program for key individuals has been introduced in accordance with a resolution at the Annual General Meeting in May 2022. The program enables the employees to acquire shares in the Parent Company. The Group and the Parent Company report for the program in accordance with IFRS 2 *Share-based Payment*. The fair value of allocated share rights is reported as a personnel cost with a corresponding increase in equity. The fair value is calculated at the time of allocation and is distributed over the vesting period. The fair value of the allocated share rights is calculated taking into account market conditions and conditions that are not vesting conditions and the prerequisites that applied at the time of allocation. The cost recognised corresponds to the fair value of an estimate of the number of shares expected to be vested, taking into account service conditions and performance conditions that are not market conditions. This cost is adjusted in subsequent periods to ultimately reflect the actual number of shares vested. However, adjustment does not take place when forfeiture is only due to market conditions and/or conditions that are not vesting conditions not being met.

Social security contributions attributable to share-related instruments to employees as compensation for purchased services are expensed distributed over the periods during which the services are performed. The provision for social security contributions is based on the fair value of the share rights at the time of the report.

## Note 2 – Corporate acquisitions and divestments

### Acquisitions in 2022

On 28 February 2022, ITAB Group acquired, through its Finnish subsidiary ITAB Finland Holding Oy, all of the shares of Oy Checkmark Ltd. Checkmark is one of the leading suppliers of retail technology solutions for checkouts and store guidance for retailers in the Nordic region. Checkmark has its head office in Pieksämäki in Finland and has subsidiaries in Sweden, Norway and Denmark. The Checkmark group has annual sales of approximately EUR 12 million and 44 employees. Closing took place immediately and the acquisition was consolidated in the Group as of 1 March 2022.

Expenses in connection with the acquisition are recognised on an ongoing basis as expenses. The acquisition had an impact of SEK 0 million on operating profit, with an impact of SEK -20 million on cash flow in the first quarter and SEK -33 million in the second quarter. The preliminary effect of the acquisition was reported in Note 5 of ITAB's Annual Report for 2021.

Cash flow for the reporting period was also impacted by partial payments of acquisitions from 2021 by a total amount of SEK -13 million, of which SEK -6 million in the third quarter.

### Acquisitions in 2021

#### Cefla Retail Solutions

ITAB Shop Concept AB's Italian subsidiary La Fortezza s.p.a. entered into an agreement with Cefla soc. coop. on 8 October 2020 to acquire 81 percent of Cefla's business unit for retail solutions ("Cefla Retail Solutions"). Cefla Retail Solutions primarily offers interior design and checkout solutions to its customers, which predominantly operate in the grocery sector in southern Europe. 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 business unit was transferred to a newly established Italian limited liability company, Imola Retail Solution Srl. ITAB owns 81 percent of Imola Retail Solution and Cefla owns the remaining 19 percent. ITAB has the right to acquire Cefla's minority stake in the aforementioned company three years after the transaction date. The acquisition is consolidated from 1 January 2021. Expenses in connection with the acquisition were expensed on an ongoing basis and impacted operating profit by SEK -1 million. The acquisition impacted cash flow by SEK -23 million during the first quarter and by SEK -6 million during the third quarter of 2021. The final acquisition calculation was recognised in Note 5 of ITAB's Annual Report for 2021.

#### Acquisition of non-controlling interest

In April 2021, a subsidiary acquired the remaining 15 percent of the partly owned company La Fortezza Sudamericana S.A. (Argentina). The purchase consideration amounted to EUR 2 million. The difference between the valued non-controlling interest prior to the acquisition and the purchase consideration was recognised directly in equity attributable to Parent Company shareholders (SEK 1 million). Cash flow in the second quarter of 2021 was impacted in an amount of SEK -19 million. Refer also to Note 5 in the Annual Report for 2021.

### Divestments in 2021

In connection with the restructurings in the Group, ITAB sold 100 percent of the shares in the company Pulverlacken i Hillerstorp AB through a subsidiary in November 2021. The purchase consideration amounted to SEK 8 million. The divestment impacted operating profit by SEK 0 million and cash flow during the fourth quarter of 2021 by SEK 8 million. The final effects of the divestment were reported in Note 5 in the Annual Report for 2021.

### Note 3 – Revenue from contracts with customers by customer group and geographic area

Revenue recognition takes place when the Group satisfies a performance obligation 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 case 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 11 percent of external sales, and none of the ITAB Group's other customers account for more than 6 percent of external sales.

SALES BY CUSTOMER GROUP <sup>1)</sup>	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Grocery	913	852	2,801	2,625	3,845	3,669
Home Improvements	210	163	702	561	917	776
Fashion	257	120	574	296	683	405
Other customer groups	270	290	1,089	883	1,443	1,237
<b>TOTAL</b>	<b>1,750</b>	<b>1,425</b>	<b>5,166</b>	<b>4,365</b>	<b>6,888</b>	<b>6,087</b>

<sup>1)</sup> The customer groups are divided according to the industries in which the customers operate. Other customer groups largely consist of distributors, consumer electronics, pharmacies and health/beauty.

SALES BY GEOGRAPHIC AREA <sup>2)</sup>	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Northern Europe	345	321	1,285	1,118	1,665	1,498
Southern Europe	399	348	1,148	1,061	1,517	1,430
Central Europe	351	295	1,047	818	1,408	1,179
UK & Ireland	244	242	657	745	914	1,002
Eastern Europe	121	110	415	303	609	497
Rest of the World	290	109	614	320	775	481
<b>TOTAL</b>	<b>1,750</b>	<b>1,425</b>	<b>5,166</b>	<b>4,365</b>	<b>6,888</b>	<b>6,087</b>

<sup>2)</sup> Northern Europe consists of the Nordic countries. Southern Europe consists mainly of Italy, France and Spain. Central Europe's largest markets are Germany, the Netherlands and the Czech Republic. Eastern Europe's largest markets are the Baltic countries and Poland. USA, China, Argentina and Saudi Arabia account for almost half of the market in the Rest of the World.

### Note 4 – Non-recurring items

The Group's earnings were charged with non-recurring costs in accordance with the below. These primarily consist of restructuring costs in connection with the transformation work under ITAB's One ITAB strategy, of which approximately 50 percent pertains to personnel costs. Of the non-recurring items for the reporting period, approximately SEK 10 million pertained to the impairment of right-of-use assets in rental contracts in the first quarter.

NON-RECURRING ITEMS, SEK million	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS AS OF 30 SEP 2022	FULL YEAR JAN-DEC 2021
Restructuring	-1	-30	-39	-87	-118	-166
<b>Total non-recurring items</b>	<b>-1</b>	<b>-30</b>	<b>-39</b>	<b>-87</b>	<b>-118</b>	<b>-166</b>
<b>Impact of non-recurring items on profit and loss items in the income statement</b>						
Operating profit before depreciation and amortisation (EBITDA)	-1	-30	-29	-87	-99	-157
Operating profit	-1	-30	-39	-87	-118	-166
Profit after financial items	-1	-30	-39	-87	-118	-166

### Note 5 – Financial assets and liabilities

ITAB has derivative instruments measured at fair value. The derivative instruments consist of currency futures and interest rate swaps and are used for hedging purposes. All derivative instruments are classified in level 2 in accordance with IFRS 13 and fair value is calculated through discounted future cash flows according to the terms of the contracts and maturity dates, with all variables, such as discount rates and exchange rates, taken from market quotations for calculations.

The fair value of the derivative instruments for hedging purposes is recognised as a change in other comprehensive income. Any ineffective portion is recognised immediately in net financial items in the income statement.

In 2021, financial expenses were charged with SEK 6 million for hedges that have been assessed as ineffective after the refinancing in 2021, of which SEK 5 million during the first quarter and SEK 1 million during the second quarter.

Carrying amount is considered to be a reasonable estimate of fair value for all financial assets and liabilities. No financial assets and liabilities have been moved between the valuation categories and the valuation techniques are unchanged during the year. For other information, refer to ITAB's Annual Report for 2021.

## Note 6 - New and offset issues

On 9 February 2021, the Board decided to implement an offset issue and rights issue based on the issue authorisation decided at the Extraordinary General Meeting of ITAB Shop Concept AB (publ) on 15 January 2021. Previous shareholder loans were converted into equity in conjunction with the offset issue. For more information about this shareholder loan, see Note 34 in the Annual Report for 2021.

On 12 March 2021, ITAB announced that the recapitalisation had been fully completed and that the rights issue of SEK 768 million had been fully subscribed. Through these issues, the number of shares increased by a total of 115,716,762 and amounts to 218,100,192 shares after the issues.

	NO. OF SHARES	SHARE CAPITAL, SEK MILLION	SHARE PREMIUM RESERVE, SEK MILLION	TOTAL, SEK MILLION
New share issue	102,383,430	42	726	768
Offset issue	13,333,332	6	94	100
Issue costs			-35	-35
	<b>115,716,762</b>	<b>48</b>	<b>785</b>	<b>833</b>

## Note 7 - Pledged assets and contingent liabilities

On 30 June 2022, ITAB signed new long-term, expanded agreements with Nordea Bank and Swedbank concerning credit facilities for the Group totalling approximately EUR 150 million. The new bank loan is a so-called unsecured bank loan, and upon repayment of the previous bank loans on 7 July 2022, all of the ITAB companies' previously pledged shares and corporate mortgages were thus released by Nordea Bank and the Swedish Export Credit Corporation. Thereafter, neither the Group nor the Parent Company have any pledged shares or corporate mortgages. There have been no other significant changes in pledged assets and contingent liabilities in 2022. Refer also to Note 32 in ITAB's Annual Report for 2021.

## Note 8 - Discontinued Operations

ITAB decided at the beginning of March 2022 to discontinue its operations in Russia. The process of discontinuing the Russian operations is under way, and the aim is for this to be done in a controlled manner for our employees, customers and partners. Given that the Group's operations in the Russian subsidiary ITAB Rus JSC are being discontinued and it is deemed highly probable that the discontinuation will be completed and that it otherwise fulfils the stated criteria for application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the Russian subsidiary is recognised as Discontinued Operations. For more information, refer to "Discontinuation of operations in Russia" on page 5.

In conjunction with the transition to reporting in accordance with IFRS 5, the assets in the Russian company have been measured at fair value. While the value of the assets in the local currency (RUB) is deemed to be reasonable, the significant change in the RUB in relation to the Group's accounting currency (SEK) has resulted in an increase in value that does not correspond to the assessed fair value in the currencies of the owner companies (EUR and SEK). Accordingly, an impairment of assets amounting to SEK 53 million took place in the third quarter. This amount is included in profit/loss from Discontinued Operations in the consolidated income statement. Previous impairment of the value of non-current assets in Russia of SEK 7 million, which was recognised as a non-recurring item in the Group in the second quarter of 2022, is also included in profit/loss from Discontinued Operations.

INCOME STATEMENT FOR DISCONTINUED OPERATIONS IN SUMMARY (SEK million)	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Revenue from contracts with customers	32	39	134	110	182	158
Costs of goods sold	-27	-30	-113	-87	-150	-124
<b>Gross profit</b>	<b>5</b>	<b>9</b>	<b>21</b>	<b>23</b>	<b>32</b>	<b>34</b>
Selling expenses	-7	-6	-20	-14	-25	-19
Administrative expenses	-2	-2	-6	-5	-8	-7
Impairment of assets measured at fair value	-53		-53		-53	
Other operating income and expenses	-1	0	-2	0	-2	0
<b>Operating profit</b>	<b>-58</b>	<b>1</b>	<b>-60</b>	<b>4</b>	<b>-56</b>	<b>8</b>
Financial items	1	0	2	1	2	1
<b>Profit after financial items</b>	<b>-57</b>	<b>1</b>	<b>-58</b>	<b>5</b>	<b>-54</b>	<b>9</b>
Tax expenses for the period	1	-	2	-1	2	-1
<b>NET PROFIT FOR THE PERIOD</b>	<b>-56</b>	<b>1</b>	<b>-56</b>	<b>4</b>	<b>-52</b>	<b>8</b>

CASH FLOW STATEMENT FOR DISCONTINUED OPERATIONS IN SUMMARY (SEK million)	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Operating profit/loss	-58	1	-60	4	-56	8
Interest paid and received, tax and adjustments for items not included in the cash flow	60	4	79	-1	79	-1
Change in working capital	-2	-2	-1	-14	-6	-19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>0</b>	<b>3</b>	<b>18</b>	<b>-11</b>	<b>17</b>	<b>-12</b>

BALANCE SHEET FOR DISCONTINUED OPERATIONS IN SUMMARY (SEK million)	30 SEP 2022
<b>ASSETS</b>	
Non-current assets	0
Current assets	123
<b>TOTAL ASSETS</b>	<b>123</b>
<b>EQUITY AND LIABILITIES</b>	
Equity	82
Deferred tax liabilities	1
Current liabilities	40
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>123</b>
Interest-bearing net assets	34

## ► QUARTERLY OVERVIEW FOR THE GROUP

(SEK million)	PER QUARTER							
	JUL-SEP 2022	JUL-SEP 2021	APR-JUN 2022	APR-JUN 2021	JAN-MAR 2022	JAN-MAR 2021	OCT-DEC 2021	OCT-DEC 2020
Revenue from contracts with customers	1,750	1,425	1,700	1,455	1,716	1,485	1,722	1,507
Costs of goods sold	-1,239	-1,060	-1,255	-1,060	-1,257	-1,048	-1,273	-1,182
<b>Gross profit</b>	<b>511</b>	<b>365</b>	<b>445</b>	<b>395</b>	<b>459</b>	<b>437</b>	<b>449</b>	<b>325</b>
Selling expenses	-277	-244	-306	-273	-291	-262	-303	-281
Administrative expenses	-81	-76	-93	-84	-83	-71	-100	-82
Other operating income and expenses	10	-1	17	0	1	-5	-11	-8
<b>Operating profit</b>	<b>163</b>	<b>44</b>	<b>63</b>	<b>38</b>	<b>86</b>	<b>99</b>	<b>35</b>	<b>-46</b>
Financial items	-15	-8	-19	-23	-6	-33	-5	-39
<b>Profit after financial items</b>	<b>148</b>	<b>36</b>	<b>44</b>	<b>15</b>	<b>80</b>	<b>66</b>	<b>30</b>	<b>-85</b>
Tax expenses	-47	-17	-17	-7	-23	-18	-10	8
<b>NET PROFIT FOR THE PERIOD - CONTINUING OPERATIONS</b>	<b>101</b>	<b>19</b>	<b>27</b>	<b>8</b>	<b>57</b>	<b>48</b>	<b>20</b>	<b>-77</b>
Net profit for the period - Discontinued Operations	-56	1	-4	1	4	2	4	N/A
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>45</b>	<b>20</b>	<b>23</b>	<b>9</b>	<b>61</b>	<b>50</b>	<b>24</b>	<b>-77</b>
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	35	20	15	8	54	49	18	-76
Non-controlling interests	10	0	8	1	7	1	6	-1
Non-recurring items, SEKm	-1	-30	-17	-43	-21	-14	-79	-154
Operating profit excl. non-recurring items, SEKm	164	74	80	81	107	113	114	108
Operating margin excl. non-recurring items, %	9.4	5.2	4.7	5.6	6.2	7.6	6.7	7.2
Cash flow from operating activities <sup>1)</sup> , SEKm	136	-17	-4	-158	-59	102	-92	300
Earnings per share <sup>1,2)</sup> , SEK	0.16	0.09	0.07	0.03	0.25	0.38	0.09	-0.74
Equity per share <sup>2)</sup> , SEK	13.54	11.90	13.28	11.70	12.59	11.72	12.17	15.69
Return on equity per annum <sup>1)</sup> , %	4.9	3.1	2.1	1.2	8.0	9.5	2.8	neg.
Share price at the end of the period, recalculated after issues, SEK	7.70	13.44	10.16	15.70	12.40	16.84	13.42	11.75

<sup>1)</sup> Including Discontinued Operations.

<sup>2)</sup> In connection with ITAB's recapitalisation in 2021, the number of shares increased by 115,716,762 to a total of 218,100,192 shares.

## ► FULL-YEAR OVERVIEW FOR THE GROUP

(SEK million)	ROLLING 12 MONTHS AS OF							
	30 SEP 2022	30 JUN 2022	31 MAR 2022	31 DEC 2021	30 SEP 2021	30 JUN 2021	31 MAR 2021	31 DEC 2020
Revenue from contracts with customers	6,888	6,563	6,318	6,087	5,872	5,705	5,392	5,323
Costs of goods sold	-5,024	-4,845	-4,650	-4,441	-4,350	-4,178	-3,927	-3,906
<b>Gross profit</b>	<b>1,864</b>	<b>1,718</b>	<b>1,668</b>	<b>1,646</b>	<b>1,522</b>	<b>1,527</b>	<b>1,465</b>	<b>1,417</b>
Selling expenses	-1,177	-1,144	-1,111	-1,082	-1,060	-1,041	-998	-1,015
Administrative expenses	-357	-352	-343	-331	-313	-300	-283	-285
Other operating income and expenses	17	6	-11	-17	-14	-12	-14	-5
<b>Operating profit</b>	<b>347</b>	<b>228</b>	<b>203</b>	<b>216</b>	<b>135</b>	<b>174</b>	<b>170</b>	<b>112</b>
Financial items	-45	-38	-42	-69	-103	-127	-131	-112
<b>Profit after financial items</b>	<b>302</b>	<b>190</b>	<b>161</b>	<b>147</b>	<b>32</b>	<b>47</b>	<b>39</b>	<b>0</b>
Tax expenses	-97	-67	-57	-52	-34	-35	-31	-22
<b>NET PROFIT FOR THE PERIOD - CONTINUING OPERATIONS</b>	<b>205</b>	<b>123</b>	<b>104</b>	<b>95</b>	<b>-2</b>	<b>12</b>	<b>8</b>	<b>-22</b>
Net profit for the period - Discontinued Operations	-52	5	10	8	4	3	2	N/A
<b>NET PROFIT FOR THE PERIOD</b>	<b>153</b>	<b>128</b>	<b>114</b>	<b>103</b>	<b>2</b>	<b>15</b>	<b>10</b>	<b>-22</b>
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	122	107	100	95	1	13	8	-21
Non-controlling interests	31	21	14	8	1	2	2	-1
Non-recurring items, SEKm	-118	-147	-173	-166	-241	-223	-207	-205
Operating profit excl. non-recurring items, SEKm	465	375	376	382	376	397	377	317
Operating margin excl. non-recurring items, %	6.8	5.7	6.0	6.3	6.4	7.0	7.0	6.0
Cash flow from operating activities <sup>1)</sup> , SEKm	-19	-172	-326	-165	227	372	787	811
Earnings per share <sup>1,2)</sup> , SEK	0.56	0.49	0.46	0.50	0.00	0.09	0.08	-0.21
Equity per share <sup>2)</sup> , SEK	13.54	13.28	12.59	12.17	11.90	11.70	11.72	15.69
Return on equity per annum <sup>1)</sup> , %	4.4	4.0	3.8	4.0	0.0	0.6	0.5	neg.

<sup>1)</sup> Including Discontinued Operations.

<sup>2)</sup> In connection with ITAB's recapitalisation in 2021, the number of shares increased by 115,716,762 to a total of 218,100,192 shares.

# KEY RATIOS & DEFINITIONS



## ► KEY RATIOS

	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Revenue from contracts with customers, SEK million	1,750	1,425	5,166	4,365	6,888	6,087
EBITDA, SEK million	222	113	505	374	618	487
EBITDA margin, %	12.7	8.0	9.8	8.6	9.0	8.0
EBITDA excl. non-recurring items, SEK million	223	143	534	461	717	644
EBITDA margin excl. non-recurring items, %	12.7	10.0	10.3	10.6	10.4	10.6
Operating profit, SEK million	163	44	312	181	347	216
Operating margin, %	9.3	3.0	6.0	4.1	5.1	3.6
Operating profit excl. non-recurring items, SEK million	164	74	351	268	465	382
Operating margin excl. non-recurring items, %	9.4	5.2	6.8	6.1	6.8	6.3
Profit after financial items, SEK million	148	36	272	117	302	147
Profit margin, %	8.5	2.5	5.3	2.7	4.4	2.4
Profit after financial items excl. non-recurring items, SEK million	149	66	311	204	420	313
Profit margin excl. non-recurring items, %	8.5	4.6	6.0	4.7	6.1	5.1
Profit after tax – Continuing Operations, SEK million	101	19	185	75	205	95
Cash flow from operating activities <sup>1)</sup> , SEK million	136	-17	73	-73	-19	-165
Earnings per share, SEK <sup>1-2)</sup>	0.16	0.09	0.48	0.42	0.56	0.50
Cash flow from operating activities per share, SEK <sup>1-2)</sup>	0.63	-0.07	0.34	-0.40	-0.09	-0.86
Number of shares at the end of the period, <sup>2)</sup>	218,100,192	218,100,192	218,100,192	218,100,192	218,100,192	218,100,192
Average number of shares <sup>2)</sup>	218,100,192	218,100,192	218,100,192	183,385,163	218,100,192	191,396,324
Share price at the end of the period, recalculated after issues, SEK	7.70	13.44	7.70	13.44	7.70	13.42
Balance sheet total, <sup>1)</sup> , SEK million	6,692	5,993	6,692	5,993	6,692	6,024
Interest-bearing net debt <sup>3)</sup> SEK million	1,335	1,185	1,335	1,185	1,335	1,239
Interest-bearing net debt excl. lease liabilities <sup>3)</sup> , SEK million	806	488	806	488	806	609
Equity attributable to Parent Company shareholders <sup>1)</sup> , SEK million	2,954	2,595	2,954	2,595	2,954	2,654
Equity per share, SEK <sup>1-2)</sup>	13.54	11.90	13.54	11.90	13.54	12.17
Equity/assets ratio <sup>1)</sup> , %	46.6	45.3	46.6	45.3	46.6	46.2
Return on equity per annum <sup>1)</sup> , %	4.9	3.1	5.0	4.4	4.4	4.0
Return on capital employed per annum, %	13.4	4.4	9.3	5.8	8.1	5.4
Return on total capital per annum, %	10.4	3.1	7.0	4.2	5.9	3.9
Interest-coverage ratio, multiple	10.7	4.4	6.6	2.6	6.0	2.8
Net investments <sup>1)</sup> , SEK million	34	20	136	92	147	103
Net investments excl. corporate acquisitions <sup>1)</sup> , SEK million	28	14	70	44	89	63
Average number of employees <sup>1)</sup>	2,840	2,891	2,872	2,927	2,903	2,930

<sup>1)</sup> Including Discontinued Operations.

<sup>2)</sup> In connection with ITAB's recapitalisation in 2021, the number of shares increased by 115,716,762 to a total of 218,100,192 shares.

<sup>3)</sup> Comparative periods have not been restated related to Discontinued Operations.

## ▶ ALTERNATIVE PERFORMANCE MEASURES

Key ratios included in this report derive primarily from the disclosure requirements according to IFRS and the Swedish Annual Accounts Act. In addition, reference is made to a number of performance measures that are not defined in the IFRS regulations or directly in the income statement or balance sheet, with the aim of illustrating the company's profit trend and 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 performance measures presented in this report are EBITDA, interest-bearing net debt and return on equity, capital employed and total capital. The definitions of these as well as other key ratios can be found below.

### ▼ EBITDA (Operating profit before depreciation and amortisation)

Operating profit before depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

*A relevant profit measure to assess the profit trend of the company over time.*

(SEK million)	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Operating profit	163	44	312	181	347	216
Depreciation and amortisation	59	69	193	193	271	271
<b>EBITDA</b>	<b>222</b>	<b>113</b>	<b>505</b>	<b>374</b>	<b>618</b>	<b>487</b>
Reversal of non-recurring items, Note 4	1	30	29	87	99	157
<b>EBITDA EXCL. NON-RECURRING ITEMS</b>	<b>223</b>	<b>143</b>	<b>534</b>	<b>461</b>	<b>717</b>	<b>644</b>

### ▼ Interest-bearing net debt <sup>1)</sup>

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

*A relevant measure to show ITAB's total loan financing. This measure is included in the covenants in ITAB's loan agreements with the company's banks.*

(SEK million)	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Interest-bearing non-current liabilities	1,603	1,190	1,603	1,190	1,603	1,071
Interest-bearing current liabilities	270	320	270	320	270	380
Interest-bearing assets	-25	-2	-25	-2	-25	-4
Cash and cash equivalents	-513	-323	-513	-323	-513	-208
<b>INTEREST-BEARING NET DEBT</b>	<b>1,335</b>	<b>1,185</b>	<b>1,335</b>	<b>1,185</b>	<b>1,335</b>	<b>1,239</b>
Reversal of interest-bearing lease liabilities	-529	-697	-529	-697	-529	-630
<b>INTEREST-BEARING NET DEBT EXCL. LEASE LIABILITIES</b>	<b>806</b>	<b>488</b>	<b>806</b>	<b>488</b>	<b>806</b>	<b>609</b>

### ▼ Return on equity <sup>2)</sup>

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

*This measure shows the return on the shareholders' capital invested in the ITAB Group.*

(SEK million)	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Annualised net profit attributable to Parent Company shareholders	142	80	139	102	123	95
Equity attributable to Parent Company shareholders	2,954	2,595	2,954	2,595	2,954	2,654
Average equity attributable to Parent Company shareholders	2,925	2,574	2,812	2,327	2,769	2,393
<b>RETURN ON EQUITY, %</b>	<b>4.9</b>	<b>3.1</b>	<b>5.0</b>	<b>4.4</b>	<b>4.4</b>	<b>4.0</b>

<sup>1)</sup> Comparative periods have not been restated related to Discontinued Operations.

<sup>2)</sup> Including Discontinued Operations.

### ▼ Return on capital employed

Annualised profit after financial items for the period plus financial borrowing costs in relation to average balance sheet total less non interest-bearing liabilities.  
*This measure is relevant for assessing ITAB's efficiency and added value from the business.*

(SEK million)	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Annualised profit after financial items plus financial expenses	655	183	428	249	365	230
Average balance sheet total less non interest-bearing liabilities <sup>1)</sup>	4,872	4,185	4,608	4,275	4,531	4,266
<b>RETURN ON CAPITAL EMPLOYED, %</b>	<b>13.4</b>	<b>4.4</b>	<b>9.3</b>	<b>5.8</b>	<b>8.1</b>	<b>5.4</b>

### ▼ Return on total capital

Annualised profit after financial items for the period plus financial borrowing costs in relation to average total capital.  
*This measure is relevant for assessing the ability to generate profit on the Group's assets regardless of financing costs.*

(SEK million)	3 MONTHS JUL-SEP 2022	3 MONTHS JUL-SEP 2021	9 MONTHS JAN-SEP 2022	9 MONTHS JAN-SEP 2021	ROLLING 12 MONTHS, 30 SEP 2022	FULL YEAR JAN-DEC 2021
Annualised profit after financial items plus financial expenses	655	183	428	249	365	230
Average total capital <sup>1)</sup>	6,291	5,941	6,092	5,917	6,173	5,939
<b>RETURN ON TOTAL CAPITAL, %</b>	<b>10.4</b>	<b>3.1</b>	<b>7.0</b>	<b>4.2</b>	<b>5.9</b>	<b>3.9</b>

<sup>1)</sup> Comparative periods have not been restated related to Discontinued Operations.

## ► OTHER DEFINITIONS

PERFORMANCE MEASURE	DEFINITION	MOTIVE
<b>EQUITY PER SHARE</b>	Equity at the end of the period attributable to Parent Company shareholders in relation to the number of shares at the end of the period.	Measure to describe how much equity belongs to the shareholders of the Parent Company.
<b>CASH FLOW FROM OPERATING ACTIVITIES PER SHARE</b>	Cash flow from operating activities in relation to the average number of outstanding shares.	This measure highlights ITAB's ability to generate cash flow and pay dividends to its shareholders.
<b>AVERAGE NUMBER OF EMPLOYEES</b>	Number of worked hours divided by normal annual working time.	This measure shows the size of ITAB's workforce.
<b>EARNINGS PER SHARE</b>	Net profit for the period attributable to Parent Company shareholders in relation to the average number of ordinary shares.	A valuation measure that highlights ITAB's ability to pay dividends to its shareholders.
<b>INTEREST-COVERAGE RATIO</b>	Profit after financial items plus financial interest expenses in relation to financial borrowing costs.	Shows ITAB's ability to cover its financial expenses.
<b>OPERATING MARGIN</b>	Operating profit in relation to revenue.	Relevant for assessing ITAB's efficiency and added value.
<b>EQUITY/ASSETS RATIO</b>	Equity in relation to total capital.	This measure highlights financial risk.
<b>TOTAL CAPITAL</b>	Total equity and liabilities (balance sheet total).	This measure highlights the size of the company's total assets.
<b>CURRENCY-ADJUSTED SALES</b>	Translation of the foreign subsidiaries' income statements are conducted at each period's average exchange rate. For comparison of profit excluding currency effects, the companies are recalculated at the previous year's average exchange rate for the same period. ITAB uses the European Central Bank's average exchange rates for the entire period for the relevant currencies that the bank provides exchange rates for.	Relevant for showing the sales and earnings trend without any effect from currency rate fluctuations.
<b>PROFIT MARGIN</b>	Profit after financial items in relation to revenue.	Relevant for assessing ITAB's efficiency and added value.

**At ITAB we help customers turn consumer brand experience into physical reality with our know-how, solutions and ecosystem of partners. Together with our customers, we create effective solutions that contribute to versatile and inspirational experiences. Our offering includes solution design, customised shop fittings, checkouts, consumer flow solutions, professional lighting systems and digitally interactive solutions for the physical store.**

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. The business operations are founded on long-term business relationships and delivery reliability in combination with streamlined production resources. ITAB is today the market leader in checkouts for retailers in Europe, and one of Europe's largest suppliers of shop fitting concepts and lighting systems.

ITAB has operations in 24 countries and 15 production facilities in Europe and China. 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.

ITAB offers solutions in the following areas with services for analysis, insight, design, logistics, installation and maintenance:



### ► RETAIL INTERIOR

ITAB co-creates modern store experiences with its customers through an iterative design process. Solutions that better display products, enable efficiency for both the consumer and the store with the help of innovative solutions and both traditional and environmentally friendly materials.



### ► RETAIL TECHNOLOGY

ITAB offers efficient and inspiring solutions for entrance and exit as well as in-store guidance via both digital and physical solutions. Traditional checkout and self-checkout solutions based on consumer analysis and insights create effective solutions, optimal flows and experiences.



### ► RETAIL LIGHTING

In line with increased knowledge about the way light affects people, lighting has become an increasingly central part of the store concept. During refurbishments and new construction, energy efficiency is also becoming increasingly important. ITAB develops, manufactures and sells complete professional lighting systems, light planning and light services.

### ► FINANCIAL TARGETS

#### GROWTH

Average growth in net sales (CAGR) of 4-8 percent per annum over a business cycle. Growth is to be achieved by sustainable organic growth and strategic acquisitions.

# 4-8%

Sales growth

#### EARNINGS

Average EBIT margin (operating profit in relation to net sales) of 7-9 percent over a business cycle.

# 7-9%

EBIT margin

#### CAPITAL EFFICIENCY

Average cash conversion ratio (operational cash flow in relation to operating profit before depreciation and amortisation) of at least 80 percent over a business cycle.

# >80%

Cash conversion

#### DIVIDEND POLICY

Dividends over a longer period should follow the result and correspond to at least 30 percent of the company's profit after tax. However, dividends will be adjusted to the company's investment requirements and any share repurchase program.

# >30%

Proportion of profit after tax

Translation from the Swedish original.

# AUDITOR'S REVIEW REPORT

To the Board of Directors of ITAB Shop Concept AB (publ)  
Corp. Reg. No. 556292-1089

## Introduction

We have reviewed the condensed interim financial information (interim report) for ITAB Shop Concept AB (publ) as of 30 September 2022 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope and focus of the review

We conducted our review in accordance with the International Standard on Review Engagements *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity* (ISRE 2410). A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope compared with the focus and scope of an audit conducted in accordance with the International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant circumstances that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report for the Group has not, in all material aspects, been compiled in accordance with IAS 34 and the Swedish Annual Accounts Act, and the interim report for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Jönköping, 28 October 2021

Ernst & Young AB

Joakim Falck

Authorised Public Accountant

# ITAB

For further information:



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## SHARE INFORMATION

**Listing**  
Nasdaq Stockholm Mid Cap list

**ISIN**  
SE0015962097

**Ticker symbol**  
ITAB

**Share price on 30 Sep 2022**  
SEK 7.70

**Sector classification**  
Industrial Goods & Services

## FINANCIAL CALENDAR

Year-end report 2022 – 1 Jan–31 Dec 2022	8 February 2023
Annual Report 2022	March/April 2023
Interim report 3 months – 1 Jan–31 Mar 2023	10 May 2023
Annual General Meeting 2023	10 May 2023
Interim report 6 months – 1 Jan–30 Jun 2023	13 July 2023
Interim report 9 months – 1 Jan–30 Sep 2023	31 October 2023
Year-end report 2023 – 1 Jan–31 Dec 2023	7 February 2024

The information in this report is such that ITAB Shop Concept AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU Regulation No 596/2014). The information was submitted for publication, through the agency of the contact persons set out, **at 7:00 a.m. CEST on 28 October 2022.**

This report is in all respects a translation of the Swedish original interim report. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.