



Q1

ITAB

"The indications of a downturn and the cautious approach from customers that we witnessed in the fourth quarter of 2022 negatively impacted sales. At the same time, implemented price increases and a beneficial product mix with increased sales of technical solutions led to a comparatively strong gross margin for the quarter."

Andréas Elgaard
President & CEO

[Read more on page 2.](#)

INTERIM REPORT – 3 MONTHS

1 January–31 March 2023

First quarter (1 Jan–31 Mar 2023)

- ▶ Net sales declined by 12 percent to MSEK 1,505 (1,716), of which currency-adjusted sales declined 15 percent.
- ▶ Operating profit before depreciation and amortisation (EBITDA) excluding non-recurring items of MSEK 0 (-11) amounted to MSEK 138 (168)¹⁾.
- ▶ Operating profit amounted to MSEK 70 (86)¹⁾, corresponding to an operating margin of 4.7 percent (5.0).
- ▶ Profit after financial items totalled MSEK 57 (80).
- ▶ Profit after tax amounted to MSEK 41 (57).
- ▶ Earnings per share before and after dilution totalled SEK 0.15 (0.25)²⁾
- ▶ Cash flow from operating activities amounted to MSEK -8 (-59)³⁾
- ▶ The equity/assets ratio at the end of the quarter was 53 percent (46)²⁾
- ▶ Net debt excluding lease liabilities amounted to MSEK 490 (718)³⁾

Events during the reporting period

- ▶ In March, ITAB launched Onred, our unique technology platform for retailers that links together the Group's portfolio of digital and physical solutions for increased efficiency and an improved store experience.
- ▶ During the quarter, new partnerships were signed with Raptitag, Signatrix and Theory+Practice with the aim of strengthening ITAB's ecosystem of partners that complement the Group's portfolio of innovative solutions.
- ▶ ITAB participated in EuroShop, the world's leading retail trade fair, in Düsseldorf at the turn of the month February-March, where the Group's technical solutions in exit systems, store guidance and checkouts attracted considerable attention from both new and existing customers.

Events after the end of the reporting period

- ▶ ITAB's 2023 Annual General Meeting will be held today, 10 May 2023, in Jönköping, Sweden. Among other resolutions, the Board of Directors proposes a dividend of SEK 0.50 (-) per ordinary share for 2022.

DISCONTINUED OPERATIONS

Due to the Russian regime's invasion of Ukraine in February 2022, ITAB has decided to discontinue its operations in Russia, which corresponded to approximately 2.5 percent of the Group's annual sales. In accordance with IFRS 5, ITAB's Russian operations are recognised as Discontinued Operations in the Group's financial reports until further notice. 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, see Note 8 Discontinued Operations on page 11.

THE GROUP IN SUMMARY

For definitions, see pages 14–15

	FIRST QUARTER			FULL YEAR		
	Jan–Mar 2023	Jan–Mar 2022	Δ	Rolling 12 months as of 31 Mar 2023	Jan–Dec 2022	Δ
CONTINUING OPERATIONS						
Net sales, MSEK	1,505	1,716	-12%	6,657	6,868	-3%
EBITDA excl. non-recurring items ¹⁾ , MSEK	138	168	-18%	674	704	-4%
EBITDA margin, %	9.2	9.8		10.1	10.2	
Operating profit excl. non-recurring items ¹⁾ , MSEK	70	107	-35%	406	443	-8%
Operating margin, %	4.7	6.2		6.1	6.4	
Profit after financial items excl. non-recurring items ¹⁾ , MSEK	57	101	-44%	344	388	-11%
Profit margin, %	3.8	5.9		5.2	5.7	
Profit after tax, MSEK	41	57	-28%	227	243	-7%
Earnings per share before and after dilution ²⁾ , SEK	0.15	0.25	-40%	0.68	0.78	-13%
Cash flow from operating activities ³⁾ , MSEK	-8	-59	N/A	593	542	9%
Equity/assets ratio ²⁾ , %	53	46		53	48	
Interest-bearing net debt excl. lease liabilities ³⁾ , MSEK	490	718	-228	490	399	91

¹⁾ EBITDA and operating profit for the comparative period (first quarter of 2022) was charged with non-recurring items of MSEK -11 and MSEK -21, respectively. Non-recurring items mainly consist of costs relating to transformation work under ITAB's One ITAB strategy. Refer to Note 4 on page 10.

²⁾ Including Discontinued Operations.

³⁾ Comparative periods have not been restated related to Discontinued Operations.

STRENGTHENED GROSS MARGIN DESPITE LOWER SALES IN THE FIRST QUARTER

The indications of a downturn and the cautious approach from customers that we witnessed in the fourth quarter of 2022 negatively impacted sales in most of our geographic markets during the first quarter of the year, and we are seeing a clear economic effect. Currency-adjusted sales declined 15 percent compared with a relatively strong first quarter in the preceding year. At the same time, implemented price increases and a beneficial product mix with increased sales of our technical solutions led to a comparatively strong gross margin for the quarter. Our focus in the quarters ahead will be on strengthening our earnings trend through adapted cost-saving measures and targeted sales initiatives.

The decrease in sales was expected following cautious demand at the end of 2022, and we commenced activities to stimulate sales and adapt our costs already at year-end. It is gratifying to see that our unique and customer-adapted solutions are continuing to attract interest among our customers, not least those designed for loss and theft prevention, increased operational efficiency and reduced energy consumption for the retail sector. However, due to the current economic trend with high inflation and increased interest rates, many retailers are taking a cautious approach to investing in new stores and upgrading their existing stores.

ITAB's participation in EuroShop, the world's leading retailer trade fair, at the turn of the month February-March was a major success and ITAB was awarded the best exhibitor by the over 81,000 visitors to the fair. EuroShop marked the first time that our strategy was communicated in physical form to our customers through a number of custom-made solutions. The new partnerships and solutions presented received considerable attention from both new and existing customers, and we are now working intensely to turn this attention into new business opportunities. We can also note an increasing interest in our solutions from customers outside of Europe, primarily in North America and Australia.

EARNINGS PERFORMANCE UNDER STRAIN IN THE FIRST QUARTER

The decline in sales negatively impacted our earnings performance, which could not be fully offset by our relatively strong gross margin. Operating profit for the quarter amounted to MSEK 70 (86), corresponding to an operating margin of 4.7 percent (5.0). The cost for participating in EuroShop negatively impacted earnings for the quarter.

Our margin-strengthening measures and price adjustments, our continual review of the cost structure and a beneficial product mix with increased sales of our technical solutions, services and energy-efficient lighting system were the main factors that have strengthened our gross margin in the past year. Our assessment continues to be that we have a better balance in relation to the cost increases we have encountered, but we are continuing to adjust our pricing when necessary on an ongoing basis. To strengthen our earnings performance, we are adapting our costs related to production, administration and sales.

OUR PRIORITIES GOING FORWARD

The proximity to our customers and our ability to rapidly adapt to external changes are the key to ITAB's success, and this is more important than ever in the current economic climate. In addition to our sales initiatives with particular focus on the considerable customer interest following EuroShop and various cost-saving measures, we are therefore continuing to develop our operations in line with our strategy. Our efforts to increase our production efficiency and reduce our working capital requirements continue to yield results.

We are investing in becoming the leading solution provider in the retail sector with the aim of strengthening our customers' competitiveness with unique and competitive solutions, even when faced with more challenging times. Our ambition is to continue increasing the pro-



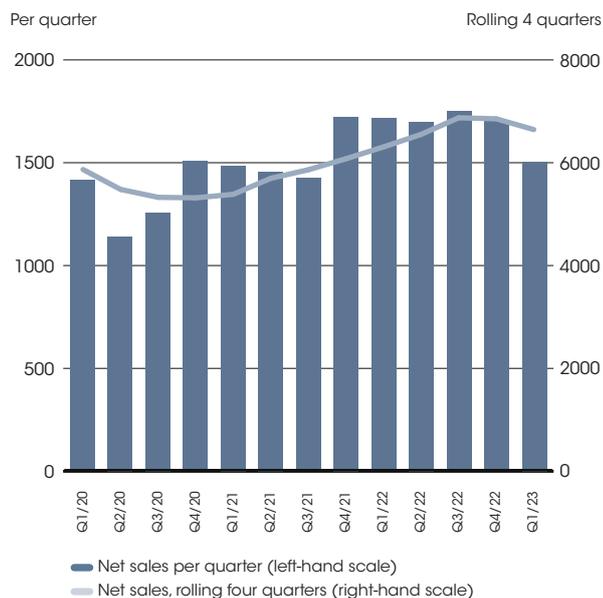
portion of services and technical solutions and to further strengthen our digital offerings. In line with this, we launched Onred during the quarter, our unique technology platform for retailers that creates a more cohesive and improved store experience. The software platform links together ITAB's portfolio of digital and physical solutions, from self-service counters and Click & Collect lockers to automatic exit systems and visual monitoring to combat theft. Onred also links together solutions from our partners and, at the start of the year, we strengthened our ecosystem of partners that complement the Group's portfolio of innovative solutions, which is an important aspect of our strategic direction. The new long-term partnerships with RapiTag, Signatrix and Theory+Practice will create added value for retailers through pioneering technology and AI (artificial intelligence) solutions for improved store experiences, increased store efficiency, increased sales and higher conversion rates, and loss prevention.

Our new capabilities and a future joint information landscape will support ITAB's new operating model in order to further streamline operations in the next three to four years and make the Group more scalable and flexible for a changing world. The future economic trend remains uncertain, but ITAB has a stable financial basis, a clear direction that is attractive to customers, and employees who continue to create new opportunities. Combined, this allows us to successfully respond to any challenges that arise. In the short term, our clear focus will be on operational efficiency as we consciously drive sales efforts, enhance the efficiency of operations, and reduce tied-up capital.

Jönköping, May 2023

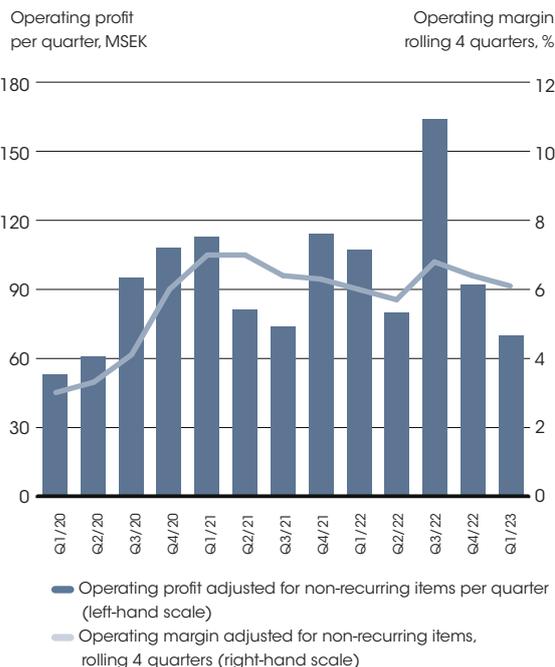
Andréas Elgaard
President & CEO
ITAB Shop Concept AB

NET SALES (MSEK)

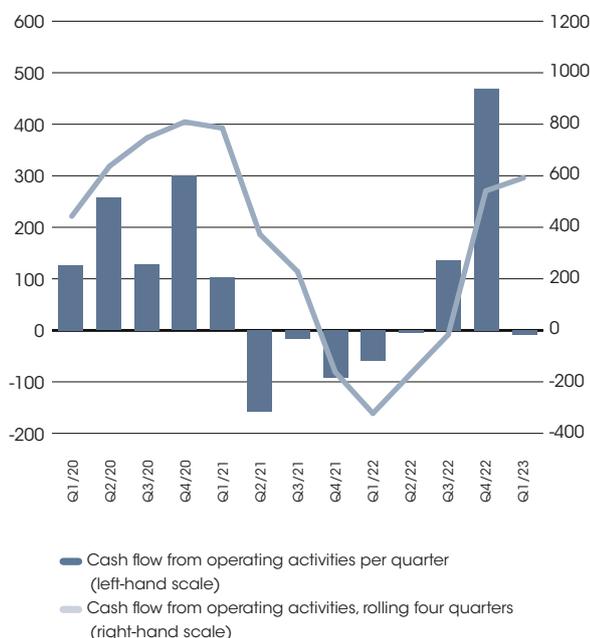


OPERATING PROFIT AND OPERATING MARGIN ¹⁾

(adjusted for non-recurring items)

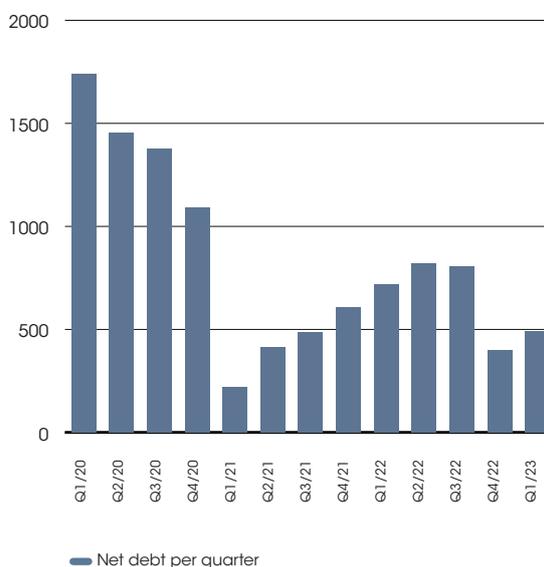


CASH FLOW FROM OPERATING ACTIVITIES ²⁾ (MSEK)



NET DEBT ²⁾ (MSEK)

(excluding lease liabilities)



¹⁾ Non-recurring items mainly consist of costs relating to transformation work under ITAB's One ITAB strategy. Refer to Note 4 on page 10.

²⁾ Comparative periods have not been restated related to Discontinued Operations.

DEVELOPMENT IN 2023

JANUARY–MARCH

NET SALES

The Group's net sales declined by 12 percent to MSEK 1,505 (1,716) in the first quarter of the year. Currency-adjusted sales fell by 15 percent.

Weaker demand negatively impacted net sales for the quarter in most of the Group's geographic markets and in all customer categories. ITAB's solutions for loss and theft prevention, increasing in-store operational efficiency and reducing energy consumption are continuing to attract considerable interest from customers. However, due to the current economic trend, many retailers are now taking a cautious approach to investing in the establishment of new stores and upgrading existing stores. Targeted sales measures are ongoing in all of the Group's operations and markets. During the quarter, only sales to markets outside Europe ("Rest of the World") increased.

Sales per customer group and geographic area are shown in Note 3 on page 9.

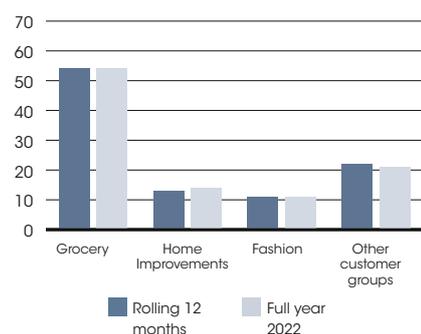
EARNINGS

Operating profit for the first quarter amounted to MSEK 70 (86). Profit was impacted by non-recurring items of MSEK 0 (-21) pertaining to restructuring costs attributable to transformation work under the One ITAB strategy. Operating profit corresponded to an operating margin of 4.7 percent (5.0). EBITDA excluding non-recurring items of MSEK 0 (-11) totalled MSEK 138 (168).

Earnings for the quarter were negatively impacted by lower sales and rising cost inflation. The implemented price increases, measures taken to reduce costs and a more favourable product mix with increased sales of Retail Tech solutions for loss prevention and increased in-store efficiency had a positive impact on the gross margin for the quarter. The cost for participating in the EuroShop trade fair negatively impacted earnings for the quarter.

Profit after financial items amounted to MSEK 57 (80) and profit after tax to MSEK 41 (57). Earnings per share including Discontinued Operations before and after dilution totalled SEK 0.15 (0.25).

Refer also to Note 2 on page 9.



CASH FLOW, FINANCING AND LIQUIDITY

Cash flow from operating activities for the first quarter amounted to MSEK -8 (-59). Cash flow was negatively impacted in an amount of approximately MSEK -70 pertaining to tax liabilities settled. Efforts to reduce the working capital requirements are having a positive impact, and the Group's operations will continue to focus on this during the coming quarters in order to further normalise the situation.

Net debt excluding lease liabilities amounted to MSEK 490 (718). Net debt including lease liabilities amounted to MSEK 1,138 (1,311).

The Group's cash and cash equivalents, including granted unutilised credits, amounted to MSEK 1,355 (647) on the balance sheet date on 31 March 2023. The equity/assets ratio including Discontinued Operations was 53 percent (46).

INVESTMENTS

The Group's net investments amounted to MSEK 18 (35) during the first quarter, of which MSEK 6 (26) was attributable to corporate acquisitions. For more information on corporate acquisitions, refer to Note 2 on page 9.

EMPLOYEES

The average number of employees for the quarter was 2,726 (2,888), of whom 136 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 MSEK 32 (44) for the first quarter. Profit after financial items for the quarter totalled MSEK -36 (11). Earnings include impairment of shares and receivables from subsidiaries of MSEK 0 (-2) for the quarter.

ACQUISITIONS

To date, ITAB Group has not completed any new acquisitions in 2023.

Refer also to Note 2 on page 9.

DISCONTINUING 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 MSEK 170 in 2022, 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. In accordance with IFRS 5, ITAB's Russian subsidiary ITAB Rus JSC is recognised as Discontinued Operations in the Group's financial reports until further notice. Other operations comprise Continuing Operations. For more information, see Note 8 Discontinued Operations on page 11.

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 2022. ITAB's business risks are associated with its own operations, customers, suppliers and other external factors. A summary of some of the significant business risks is described in the Annual Report for 2022 on pages 37–42. Sustainability risks are described in the 2022 Annual Report on pages 23–24. The risks that are most prominent from a short-term perspective are the inflation's and the economy's impact on customers and suppliers, and the continued impact of the war in Ukraine in the form of disruptions in supply chains, rising prices, and the risk of energy and gas shortages.

Estimates and assessments

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 and restructurings in the Group affect assessments of impairment of assets as well as estimates of lease liabilities and right-of-use assets 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.

Transactions with related parties

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.

Events after the end of the reporting period

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

INCOME STATEMENT

(MSEK)	Note	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Revenue from contracts with customers	3	1,505	1,716	6,657	6,868
Costs of goods sold	1	-1,106	-1,334	-5,058	-5,286
Gross profit		399	382	1,599	1,582
Selling expenses	1	-243	-214	-900	-871
Administrative expenses		-82	-83	-343	-344
Other operating income and expenses		-4	1	31	36
Operating profit	4	70	86	387	403
Financial income		10	6	23	16
Financial expenses	5	-23	-12	-85	-71
Profit after financial items	4	57	80	325	348
Tax expenses		-16	-23	-98	-105
NET PROFIT FOR THE PERIOD – CONTINUING OPERATIONS		41	57	227	243
Discontinued Operations – ITAB Rus JSC					
Profit/loss from Discontinued Operations, net after tax	8	-7	4	-64	-53
NET PROFIT FOR THE PERIOD		34	61	163	190
Net profit for the period attributable to:					
Parent Company shareholders		33	54	149	170
Non-controlling interests		1	7	14	20
Depreciation and amortisation for the period amount to		68	71	268	271
Tax expenses for the period account for		28%	29%	30%	30%
Earnings per share incl. Discontinued Operations before dilution, SEK	6	0.15	0.25	0.68	0.78
Earnings per share incl. Discontinued Operations after dilution ¹⁾ , SEK	7	0.15	0.25	0.68	0.78
Earnings per share excl. Discontinued Operations before dilution, SEK	6	0.18	0.23	0.97	1.02
Average number of ordinary shares outstanding, thousands	6	218,100	218,100	218,100	218,100
Average number of ordinary shares outstanding after dilution ¹⁾ , thousands	7	219,558	218,100	219,558	219,558
Number of ordinary shares outstanding, thousands	6	218,100	218,100	218,100	218,100

¹⁾ For calculation of the number of shares after dilution, the average number of shares is adjusted taking into account the effects of dilutive potential ordinary shares, which, during the reporting periods in question, comprised rights to receive shares in ITAB within the framework of the LTIP 2022 long-term incentive programme. As of 31 March 2023, only matching share rights held by employees are considered dilutive, while the right to receive shares with performance conditions are not considered dilutive since set performance targets are yet to be met. Adjustment of the number of dilutive shares is based on the hypothetical number of shares that could have been purchased with the value of remaining positions within the framework of the incentive programme.

STATEMENT OF OTHER COMPREHENSIVE INCOME

(MSEK)	Note	3 MONTHS Jan-Mar 2022	3 MONTHS Jan-Mar 2021	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
NET PROFIT FOR THE PERIOD		34	61	163	190
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to the income statement					
Revaluation of defined-benefit pension commitments		-	-	5	5
Tax relating to items not to be reclassified		-	-	-1	-1
		-	-	4	4
Items that may be reclassified to the income statement					
Translation differences		11	31	168	188
Hedging of net investments, net	5	3	-2	-14	-19
Cash flow hedges, net	5	-1	14	8	23
Tax on items that may be reclassified		0	-3	2	-1
		13	40	164	191
Total other comprehensive income after tax		13	40	168	195
COMPREHENSIVE INCOME FOR THE PERIOD		47	101	331	385
Comprehensive income for the period attributable to:					
Parent Company shareholders		46	91	311	356
Non-controlling interests		1	10	20	29

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 statements have been prepared in accordance with IFRS 5.

(MSEK)	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS				
Non-current assets				
<i>Intangible assets</i>				
Goodwill		1,814	1,675	1,790
Other intangible assets		108	107	107
		1,922	1,782	1,897
Property, plant and equipment		1,361	1,318	1,408
Participations in associated companies		9	10	9
Deferred tax assets		105	112	104
Financial non-current receivables		38	17	40
Total non-current assets		3,435	3,239	3,458
Current assets				
Inventories		1,040	1,315	1,030
Current receivables		1,214	1,489	1,244
Cash and cash equivalents		337	254	756
Total current assets		2,591	3,058	3,030
Assets held for sale	8	85	-	88
TOTAL ASSETS		6,111	6,297	6,576
EQUITY AND LIABILITIES				
Equity attributable to Parent Company shareholders	6	3,059	2,745	3,012
Non-controlling interests		158	138	157
Deferred tax liabilities		44	45	44
Other non-current liabilities	5	1,277	1,083	1,624
Current liabilities	5	1,547	2,286	1,720
Liabilities attributable to assets held for sale	8	26	-	19
TOTAL EQUITY AND LIABILITIES		6,111	6,297	6,576
Interest-bearing net debt		1,138	1,311	1,080
Interest-bearing net debt excl. lease liabilities		490	718	399

STATEMENT OF CHANGES IN EQUITY

(MSEK)	Note	Share capital	Repurchased shares	Other contributed capital	Other reserves ¹⁾	Profit brought forward	Attributable to Parent Company shareholders	Attributable to non-controlling interests	Total equity
EQUITY AS OF 1 JANUARY 2022		91		1,089	42	1,432	2,654	128	2,782
Net profit for the period						54	54	7	61
Other comprehensive income					37		37	3	40
Comprehensive income January–March 2022					37	54	91	10	101
EQUITY AS OF 31 MARCH 2022		91		1,089	79	1,486	2,745	138	2,883
Net profit for the period						116	116	13	129
Other comprehensive income					145	4	149	6	155
Comprehensive income April–December 2022					145	120	265	19	284
Share incentive programme	7			2			2		2
New share issue of Class C shares	6	2		0			2		2
Repurchase of own Class C shares	6		-2				-2		-2
EQUITY AS OF 31 DECEMBER 2022		93	-2	1,091	224	1,606	3,012	157	3,169
Net profit for the period						32	32	1	33
Other comprehensive income					13		13		13
Comprehensive income January–March 2023					13	32	45	1	46
Share incentive programme	7			1			1		1
EQUITY AS OF 31 MARCH 2023		93	-2	1,092	237	1,638	3,058	158	3,216

¹⁾ Other reserves consist of translation reserve and hedging reserve.

STATEMENT OF CASH FLOWS ¹⁾

(MSEK)	Note	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Operating profit from Continuing Operations		70	86	387	403
Profit from Discontinued Operations, net after tax		-7	4	-64	-53
Interest paid and received, tax and adjustments for items not included in the cash flow		-3	48	126	177
Cash flow from operating activities before change in working capital		60	138	449	527
Change in working capital					
Change in inventories		0	-107	291	184
Change in operating receivables		17	-107	336	212
Change in operating liabilities		-85	17	-483	-381
Cash flow from change in working capital		-68	-197	144	15
CASH FLOW FROM OPERATING ACTIVITIES		-8	-59	593	542
Investing activities					
Acquisition/divestment of companies and operations	2	-6	-26	-46	-66
Other net investments		-12	-9	-87	-84
Cash flow from investing activities		-18	-35	-133	-150
CASH FLOW AFTER INVESTING ACTIVITIES		-26	-94	460	392
Financing activities					
Repayment of lease liabilities		-38	-31	-147	-140
Cash flow from other financing activities		-346	169	-222	293
Cash flow from financing activities		-384	138	-369	153
CASH FLOW FOR THE PERIOD		-410	44	91	545
<i>Of which, Cash flow from Discontinued Operations</i>	8	<i>N/A</i>	<i>6</i>	<i>N/A</i>	<i>-1</i>
Cash and cash equivalents at the start of the period		756	208	254	208
Adjusted for Cash and cash equivalents from Discontinued Operations	8	-	-	-7	-7
Translation differences on cash and cash equivalents		-8	2	0	10
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		338	254	338	756
Cash flow from operating activities per share, SEK		-0.04	-0.27	2.72	2.49

¹⁾ Excluding Discontinued Operations from 2023.

THE PARENT COMPANY IN SUMMARY

INCOME STATEMENT

(MSEK)	Note	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	FULL YEAR Jan-Dec 2022
Net sales ¹⁾		32	44	174
Costs of goods sold		-7	-5	-25
Gross profit		25	39	149
Selling expenses		-27	-12	-58
Administrative expenses		-19	-14	-69
Other operating income and expenses		0	2	19
Operating profit		-21	15	41
Profit from participations in Group companies		0	-2	-60
Financial income and expenses	5	-15	-2	-38
Profit after financial items		-36	11	-57
Year-end appropriations		-	-	-7
Profit before tax		-36	11	-64
Tax expenses for the period		1	0	1
NET PROFIT FOR THE PERIOD		-35	11	-63

STATEMENT OF OTHER COMPREHENSIVE INCOME

Net profit for the period		-35	11	-63
Other comprehensive income		-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD		-35	11	-63

¹⁾ Pertains to revenue from subsidiaries.

BALANCE SHEET

(MSEK)	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
ASSETS				
Non-current assets				
Property, plant and equipment		1	6	5
Financial assets		2,065	2,066	2,066
Deferred tax assets		33	32	33
Total non-current assets		2,099	2,104	2,104
Current assets				
Current receivables		475	619	537
Cash and bank balance		26	36	402
Total current assets		501	655	939
TOTAL ASSETS		2,600	2,759	3,043
EQUITY AND LIABILITIES				
Equity				
Restricted equity		100	98	100
Non-restricted equity		1,628	1,736	1,662
Total equity	6	1,728	1,834	1,762
Non-current liabilities		713	537	1,028
Current liabilities	7	159	388	253
TOTAL EQUITY AND LIABILITIES		2,600	2,759	3,043

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.

Shipping costs to customers

ITAB announced in the 2022 Annual Report that the Group, as of the 2022 financial year, would recognise shipping costs to customers in profit or loss

under "Costs of goods sold". Shipping costs to customers are part of the costs that arise in contracts with customers, and the assessment has therefore been made that these costs should be recognised under "Costs of goods sold". These costs were previously recognised in profit or loss under "Selling expenses". Comparative figures in this interim report have also been restated as a result of this. Shipping costs to customers impacted Costs for sold goods by MSEK -65 (-77) in the first quarter of 2023 and MSEK -307 (-286) for the full year 2022, respectively.

NOTE 2 Corporate acquisitions and divestments

Acquisitions in 2023

To date, ITAB Group has not completed any new acquisitions in 2023.

Cash flow for the first quarter of 2023 was impacted in an amount of MSEK -6 by partial payments of acquisitions from 2021.

Acquisitions in 2022

On 28 February 2022, the ITAB Group acquired, through its Finnish subsidiary ITAB Finland Holding Oy, all shares in 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 acquisition has strengthened ITAB's competence and market position in concept sales in the Nordic markets. The Checkmark Group had annual sales of approximately MEUR 12 and 44 employees on the acquisition date. The purchase is assessed to have had a marginally positive effect on earnings per share.

Closing took effect immediately and the acquisition is consolidated in the Group as of 1 March 2022. The integration of Checkmark with ITAB's existing operations began immediately after the acquisition. The assessed impact

on the Group's sales in 2022 amounted to MSEK 114. Acquired net assets assessed at fair value amounted to MSEK 81 on the date of acquisition, of which goodwill accounted for MSEK 26. Goodwill that arose in the transaction primarily comprised the value of expected synergies in terms of product supply and know-how, which are not recognised separately. The purchase consideration amounted to MSEK 81, of which MSEK 48 was paid in the first quarter and final payment of the remaining amount took place in the second quarter of 2022 after adjustments of net cash and normalised operating capital.

Expenses in connection with the acquisition are recognised on an ongoing basis as expenses. The acquisition had an impact of MSEK -0 on operating profit, with an impact of MSEK -20 on cash flow in the first quarter of 2022 and MSEK -33 in the second quarter. The assets and liabilities included in the acquisition are specified in the final acquisition analysis presented in Note 5 of ITAB's 2022 Annual Report.

Cash flow for the first quarter of 2022 was impacted in an amount of MSEK -6 by partial payments of acquisitions from 2021. For the full year 2022, cash flow was impacted by a total of MSEK -13.

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 approximately 8 percent of external sales, and none of the ITAB Group's other customers account for more than 3 percent of external sales.

	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
SALES BY CUSTOMER GROUP ¹⁾				
Grocery	809	927	3,585	3,703
Home Improvements	208	282	896	969
Fashion	149	165	718	734
Other customer groups	339	342	1,458	1,462
TOTAL	1,505	1,716	6,657	6,868

¹⁾ 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.

	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
SALES BY GEOGRAPHIC AREA ²⁾				
Northern Europe	409	483	1,630	1,704
Southern Europe	342	362	1,510	1,530
Central Europe	293	359	1,368	1,434
UK & Ireland	151	233	799	881
Eastern Europe	113	148	490	525
Rest of the World	197	131	860	794
TOTAL	1,505	1,716	6,657	6,868

²⁾ 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. Rest of the World comprises all countries outside Europe, with North America, Australia, China, Argentina and Saudi Arabia accounting for just over 50 percent of sales.

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.

Non-recurring items for the first quarter of 2022 comprised approximately MSEK 10 from the impairment of right-of-use assets in rental contracts.

	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
NON-RECURRING ITEMS, MSEK				
Restructuring	0	-21	-19	-40
Total non-recurring items	0	-21	-19	-40
Impact of non-recurring items on profit items in the income statement				
Operating profit before depreciation and amortisation (EBITDA)	0	-11	-19	-30
Operating profit	0	-21	-19	-40
Profit after financial items	0	-21	-19	-40

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 ineffectiveness is recognised immediately in net financial items in the income statement.

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 the latest Annual Report.

NOTE 6 New share issue

2022

With the support of the issue authorisation from the AGM held on 10 May 2022, the Board of Directors resolved on 14 December 2022 on a directed cash issue of 4,400,000 Class C shares to Nordea Bank at a subscription price corresponding to the quotient value of the shares, whereby the share capital increased by MSEK 2. Moreover, the Board of Directors resolved to immediately repurchase all 4,400,000 Class C shares from Nordea Bank at the same price as the subscription price. The purpose of the issue and repurchase was to secure delivery of ordinary shares to the employees in the ITAB Group who participate in the LTIP 2022 performance-based incentive programme that was adopted by the AGM on 10 May 2022 by ITAB later converting the Class C shares to ordinary shares.

After the issue, the total number of shares amounts to 222,500,192, of which 218,100,192 are ordinary shares and 4,400,000 are Class C shares. All ordinary shares entitle the holder to an equal share of ITAB's assets and earnings, and entitle holders to one vote per share at general meetings of shareholders. The Class C shares do not carry the right to any dividend and entitle the holder to 1/10 of a vote each. ITAB currently holds no ordinary shares and 4,400,000 Class C shares in treasury.

NOTE 7 Share incentive programme and number of shares after dilution

The 2022 AGM resolved on a new long-term incentive programme for key individuals (LTIP 2022) extending from June 2022 until June 2025. For information about LTIP 2022, see Note 8 of ITAB's Annual Report for 2022.

The Group and the Parent Company recognise the programme in accordance with IFRS 2 *Share-based Payment*. The fair value of allocated share rights is recognised as a personnel cost with a corresponding increase of equity. Fair value was calculated at the time of allocation and is distributed over the vesting period. 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. This cost is adjusted in subsequent periods to ultimately reflect the actual number of shares vested. However, an adjustment is not made 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-based instruments for employees as remuneration for purchased services are expensed distributed over the periods in which the services are rendered. Provisions for social security contributions are based on the fair value of the share rights on the reporting date.

For calculation of the number of shares after dilution, the average number of shares is adjusted taking into account the effects of dilutive potential ordinary shares, which, during the reporting periods in question, comprised rights to receive shares in ITAB within the framework of LTIP 2022. As of 31 March 2023, only matching share rights held by employees are considered dilutive, while the right to receive shares with performance conditions are not considered dilutive since set performance targets are yet to be met. Adjustment of the number of dilutive shares is based on the hypothetical number of shares that could have been purchased with the value of remaining positions within the framework of the incentive programme.

	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	FULL YEAR Jan-Dec 2022
Average number of ordinary shares outstanding	218,100,192	218,100,192	218,100,192
Effect of LTIP 2022	1,457,367	-	1,457,367
Number of shares after dilution	219,557,559	218,100,192	219,557,559

NOTE 8 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 Group has a production facility and sales offices in Russia with a total of some 130 employees. Total sales in Russia amounted to approximately MSEK 170 in 2022, 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 fulfilled the stated criteria in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in the third quarter of 2022, this company is recognised as Discontinued Operations as of the interim report for the third quarter of 2022.

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" as of the third quarter of 2022. In accordance with IFRS, balance sheets for prior periods have not been restated. As a consequence of this, the Group's cash flow is recognised as of 2023 excluding Discontinued Operations. Financial statements for Discontinued Operations are presented 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 are carried out in accordance with the Swedish Annual Accounts Act.

INCOME STATEMENT FOR DISCONTINUED OPERATIONS IN SUMMARY

(MSEK)	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Revenue from contracts with customers	27	57	143	173
Costs of goods sold	-25	-41	-126	-142
Gross profit	2	16	17	31
Selling expenses	-4	-7	-22	-25
Administrative expenses	-2	-2	-8	-8
Impairment of assets measured at fair value	-4		-56	-52
Other operating income and expenses	0	-1	1	0
Operating profit	-8	6	-68	-54
Financial items	0	1	-1	0
Profit after financial items	-8	7	-69	-54
Tax expenses for the period	1	-3	5	1
NET PROFIT FOR THE PERIOD	-7	4	-64	-53

CASH FLOW STATEMENT FOR DISCONTINUED OPERATIONS IN SUMMARY

(MSEK)	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Operating profit	-8	6	-68	-54
Interest paid and received, tax and adjustments for items not included in the cash flow	5	-2	61	54
Change in working capital	29	2	26	-1
CASH FLOW FROM OPERATING ACTIVITIES	26	6	19	-1

BALANCE SHEET FOR DISCONTINUED OPERATIONS IN SUMMARY

(MSEK)	31 Mar 2023	31 Dec 2022
ASSETS		
Non-current assets	0	0
Current assets	54	81
Cash and cash equivalents	31	7
TOTAL ASSETS	85	88
EQUITY AND LIABILITIES		
Equity	59	69
Deferred tax liabilities	0	1
Current liabilities	26	18
TOTAL EQUITY AND LIABILITIES	85	88

NOTE 9 Pledged assets and contingent liabilities

For pledged assets and contingent liabilities, refer to the Group's latest Annual Report since no other major changes have taken place to date this year.

QUARTERLY OVERVIEW FOR THE GROUP

(MSEK)	PER QUARTER							
	Jan-Mar 2023	Jan-Mar 2022	Oct-Dec 2022	Oct-Dec 2021	Jul-Sep 2022	Jul-Sep 2021	Apr-Jun 2022	Apr-Jun 2021
Revenue from contracts with customers	1,505	1,716	1,702	1,722	1,750	1,425	1,700	1,455
Costs of goods sold	-1,106	-1,334	-1,301	-1,355	-1,316	-1,128	-1,335	-1,128
Gross profit	399	382	401	367	434	297	365	327
Selling expenses	-243	-214	-231	-221	-200	-176	-226	-205
Administrative expenses	-82	-83	-87	-100	-81	-76	-93	-84
Other operating income and expenses	-4	1	8	-11	10	-1	17	0
Operating profit	70	86	91	35	163	44	63	38
Financial items	-13	-6	-15	-5	-15	-8	-19	-23
Profit after financial items	57	80	76	30	148	36	44	15
Tax expenses	-16	-23	-18	-10	-47	-17	-17	-7
NET PROFIT FOR THE PERIOD - CONTINUING OPERATIONS	41	57	58	20	101	19	27	8
Net profit for the period - Discontinued Operations	-7	4	3	4	-56	1	-4	1
NET PROFIT FOR THE PERIOD	34	61	61	24	45	20	23	9
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	33	54	66	18	35	20	15	8
Non-controlling interests	1	7	-5	6	10	0	8	1
Non-recurring items, MSEK	0	-21	-1	-79	-1	-30	-17	-43
Operating profit excl. non-recurring items, MSEK	70	107	92	114	164	74	80	81
Operating margin excl. non-recurring items, %	4.7	6.2	5.4	6.7	9.4	5.2	4.7	5.6
Cash flow from operating activities ¹⁾ , MSEK	-8	-59	469	-92	136	-17	-4	-158
Earnings per share before and after dilution ^{2,3)} , SEK	0.15	0.25	0.30	0.09	0.16	0.09	0.07	0.03
Equity per share ^{2,3)} , SEK	14.02	12.59	13.81	12.17	13.54	11.90	13.28	11.70
Return on equity per annum ²⁾ , %	4.4	8.0	8.9	2.8	4.9	3.1	2.1	1.2
Share price at the end of the period, recalculated after issues, SEK	12.26	12.40	11.00	13.42	7.70	13.44	10.16	15.70

¹⁾ Excluding Discontinued Operations from 2023.

²⁾ Including Discontinued Operations.

³⁾ Refer to Note 7 on page 10 for information about the number of shares after dilution.

FULL-YEAR OVERVIEW FOR THE GROUP

(MSEK)	ROLLING 12 MONTHS AS OF							
	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021
Revenue from contracts with customers	6,657	6,868	6,888	6,563	6,318	6,087	5,872	5,705
Costs of goods sold	-5,058	-5,286	-5,340	-5,152	-4,945	-4,727	-4,622	-4,440
Gross profit	1,599	1,582	1,548	1,411	1,373	1,360	1,250	1,265
Selling expenses	-900	-871	-861	-837	-816	-796	-788	-779
Administrative expenses	-343	-344	-357	-352	-343	-331	-313	-300
Other operating income and expenses	31	36	17	6	-11	-17	-14	-12
Operating profit	387	403	347	228	203	216	135	174
Financial items	-62	-55	-45	-38	-42	-69	-103	-127
Profit after financial items	325	348	302	190	161	147	32	47
Tax expenses	-98	-105	-97	-67	-57	-52	-34	-35
NET PROFIT FOR THE PERIOD - CONTINUING OPERATIONS	227	243	205	123	104	95	-2	12
Net profit for the period - Discontinued Operations	-64	-53	-52	5	10	8	4	3
NET PROFIT FOR THE PERIOD	163	190	153	128	114	103	2	15
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	149	170	122	107	100	95	1	13
Non-controlling interests	14	20	31	21	14	8	1	2
Non-recurring items, MSEK	-19	-40	-118	-147	-173	-166	-241	-223
Operating profit excl. non-recurring items, MSEK	406	443	465	375	376	382	376	397
Operating margin excl. non-recurring items, %	6.1	6.4	6.8	5.7	6.0	6.3	6.4	7.0
Cash flow from operating activities ¹⁾ , MSEK	593	542	-19	-172	-326	-165	227	372
Earnings per share before and after dilution ^{2,3)} , SEK	0.68	0.78	0.56	0.49	0.46	0.50	0.00	0.09
Equity per share ^{2,3)} , SEK	14.02	13.81	13.54	13.28	12.59	12.17	11.90	11.70
Return on equity per annum ²⁾ , %	5.1	6.0	4.4	4.0	3.8	4.0	0.0	0.6

¹⁾ Excluding Discontinued Operations from 2023.

²⁾ Including Discontinued Operations.

³⁾ Refer to Note 7 on page 10 for information about the number of shares after dilution.

KEY RATIOS & DEFINITIONS

KEY RATIOS	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Revenue from contracts with customers, MSEK	1,505	1,716	6,657	6,868
EBITDA, MSEK	138	157	655	674
EBITDA margin, %	9.2	9.1	9.9	9.8
EBITDA excl. non-recurring items, MSEK	138	168	674	704
EBITDA margin excl. non-recurring items, %	9.2	9.8	10.1	10.2
Operating profit, MSEK	70	86	387	403
Operating margin, %	4.7	5.0	5.8	5.9
Operating profit excl. non-recurring items, MSEK	70	107	406	443
Operating margin excl. non-recurring items, %	4.7	6.2	6.1	6.4
Profit after financial items, MSEK	57	80	325	348
Profit margin, %	3.8	4.7	4.9	5.1
Profit after financial items excl. non-recurring items, MSEK	57	101	344	388
Profit margin excl. non-recurring items, %	3.8	5.9	5.2	5.7
Profit after tax - Continuing Operations, MSEK	41	57	227	243
Cash flow from operating activities ³⁾ , MSEK	-8	-59	593	542
Cash conversion, %	N/A	N/A	91	80
Earnings per share before and after dilution, SEK ^{1, 2)}	0.15	0.25	0.68	0.78
Earnings per share excl. Discontinued Operations before dilution, SEK	0.18	0.23	0.97	1.02
Cash flow from operating activities per share, SEK ³⁾	-0.04	-0.27	2.72	2.49
Number of ordinary shares outstanding at the end of the period	218,100,192	218,100,192	218,100,192	218,100,192
Average number of ordinary shares outstanding	218,100,192	218,100,192	218,100,192	218,100,192
Average number of ordinary shares outstanding after dilution ²⁾	219,557,559	218,100,192	219,557,559	219,557,559
Share price at the end of the period, SEK	12.26	12.40	12.26	11.00
Balance sheet total ¹⁾ , MSEK	6,111	6,297	6,111	6,576
Interest-bearing net debt ³⁾ MSEK	1,138	1,311	1,138	1,080
Interest-bearing net debt excl. lease liabilities ³⁾ , MSEK	490	718	490	399
Equity attributable to Parent Company shareholders ¹⁾ , MSEK	3,059	2,745	3,059	3,012
Equity per share, SEK ¹⁾	14.02	12.59	14.02	13.81
Equity/assets ratio ¹⁾ , %	53	46	53	48
Return on equity per annum ¹⁾ , %	4.4	8.0	5.1	6.0
Return on capital employed per annum, %	6.4	8.5	6.2	8.9
Return on total capital per annum, %	4.9	6.0	6.4	6.8
Interest-coverage ratio, multiple	3.7	7.4	5.1	6.0
Net investments ¹⁾ , MSEK	18	35	133	150
Net investments excl. corporate acquisitions ¹⁾ , MSEK	12	9	87	84
Average number of employees ¹⁾	2,726	2,888	2,766	2,847

¹⁾ Including Discontinued Operations.

²⁾ For calculation of the number of shares after dilution, the average number of shares is adjusted taking into account the effects of dilutive potential ordinary shares, which, during the reporting periods in question, comprised rights to receive shares in ITAB within the framework of the LTIP 2022 long-term incentive programme. As of 31 March 2023, only matching share rights held by employees are considered dilutive, while the right to receive shares with performance conditions are not considered dilutive since set performance targets are yet to be met. Adjustment of the number of dilutive shares is based on the hypothetical number of shares that could have been purchased with the value of remaining positions within the framework of the incentive programme.

³⁾ 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, cash conversion, interest-bearing net debt, and return on equity, capital employed and total capital. The reconciliation of these as well as the definitions of 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 company's profit trend over time.

(MSEK)	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Operating profit	70	86	387	403
Depreciation and amortisation	68	71	268	271
EBITDA	138	157	655	674
Reversal of non-recurring items, Note 4	0	11	19	30
EBITDA EXCL. NON-RECURRING ITEMS	138	168	674	704

Cash conversion

Operational cash flow in relation to EBITDA

A relevant measure to assess capital efficiency. This measure is included in ITAB's financial target.

(MSEK)	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Operational cash flow (cash flow from operating activities)	-8	-59	593	542
EBITDA	138	157	655	674
CASH CONVERSION, %	N/A	N/A	91	80

Interest-bearing net debt ¹⁾

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.

(MSEK)	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Interest-bearing non-current liabilities	1,217	1,013	1,217	1,565
Interest-bearing current liabilities	282	558	282	296
Interest-bearing assets	-23	-6	-23	-25
Cash and cash equivalents	-338	-254	-338	-756
INTEREST-BEARING NET DEBT	1,138	1,311	1,138	1,080
Reversal of interest-bearing lease liabilities	-648	-593	-648	-681
INTEREST-BEARING NET DEBT EXCL. LEASE LIABILITIES	490	718	490	399

Return on equity ²⁾

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.

(MSEK)	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Annualised net profit attributable to Parent Company shareholders	133	217	149	171
Equity attributable to Parent Company shareholders	3,059	2,745	3,059	3,012
Average equity attributable to Parent Company shareholders	3,036	2,700	2,933	2,852
RETURN ON EQUITY, %	4.4	8.0	5.1	6.0

¹⁾ Comparative periods have not been restated related to Discontinued Operations.

²⁾ 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.

(MSEK)	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Annualised profit after financial items plus financial borrowing costs	312	371	403	418
Average balance sheet total less non interest-bearing liabilities ¹⁾	4,853	4,344	6,555	4,688
RETURN ON CAPITAL EMPLOYED, %	6.4	8.5	6.2	8.9

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.

(MSEK)	3 MONTHS Jan-Mar 2023	3 MONTHS Jan-Mar 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Annualised profit after financial items plus financial borrowing costs	312	371	403	418
Average total capital ¹⁾	6,344	6,160	6,307	6,189
RETURN ON TOTAL CAPITAL, %	4.9	6.0	6.4	6.8

¹⁾ Comparative periods have not been restated related to Discontinued Operations.

OTHER DEFINITIONS

PERFORMANCE MEASURE	DEFINITION	MOTIVE
Equity per share	Equity at the end of the period attributable to Parent Company shareholders in relation to the number of ordinary shares at the end of the period.	Measure to describe how much equity belongs to the shareholders of the Parent Company.
Cash flow from operating activities per share	Cash flow from operating activities in relation to the average number of outstanding ordinary shares.	This measure highlights ITAB's ability to generate cash flow and pay dividends to its shareholders.
Average number of employees	Number of worked hours divided by normal annual working time.	This measure shows the size of ITAB's workforce.
Earnings per share after dilution	Net profit for the period attributable to Parent Company shareholders in relation to the average number of ordinary shares after dilution. For calculation of earnings per share after dilution, the average number of shares is adjusted taking into account the effects of dilutive potential ordinary shares, which, during the reporting periods in question, comprised rights to receive shares in ITAB within the framework of the LTIP 2022 long-term incentive programme. Matching share rights held by employees as of the reporting date are considered dilutive. Moreover, the right to receive shares with performance conditions is dilutive only to the extent that set performance targets are met as of the reporting date. Adjustment of the number of dilutive shares is based on the hypothetical number of shares that could have been purchased with the value of remaining positions within the framework of the incentive programme.	A valuation measure that highlights ITAB's ability to pay dividends to its shareholders.
Earnings per share before dilution	Net profit for the period attributable to Parent Company shareholders in relation to the average number of ordinary shares before dilution.	A valuation measure that highlights ITAB's ability to pay dividends to its shareholders.
Interest-coverage ratio	Profit after financial items plus financial interest expenses in relation to financial borrowing costs.	Shows ITAB's ability to cover its financial expenses.
Operating margin / EBIT margin	Operating profit in relation to revenue.	Relevant for assessing ITAB's efficiency and added value. This measure is included in ITAB's financial targets.
Equity/assets ratio	Equity in relation to total capital.	This measure highlights financial risk.
Total capital	Total equity and liabilities (balance sheet total).	This measure highlights the size of the company's total assets.
Currency-adjusted sales	Translation of the foreign subsidiaries' income statements are conducted at each period's average currency rate. For comparison of profit excluding currency effects, the companies are recalculated at the previous year's average currency rate for the same period. ITAB applies the European Central Bank's average rates for the whole period.	Relevant to show the sales and profit trend without any effects from currency rates fluctuations.
Profit margin	Profit after financial items in relation to revenue.	Relevant for assessing ITAB's efficiency and added value.

ABOUT ITAB

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

4-8%
SALES GROWTH

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.

>80%
CASH CONVERSION

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.

7-9%
EBIT MARGIN

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

>30%
PROPORTION OF PROFIT AFTER TAX

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 programme.

ITAB

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SHARE INFORMATION

Listing	ISIN
Nasdaq Stockholm Mid Cap list	SE0015962097
Ticker symbol	Share price on 31 Mar 2023
ITAB	SEK 12.26
Sector classification	
Industrial Goods & Services	

FINANCIAL CALENDAR

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 10 May 2023.**

This report is in all respect 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.