

Q2

ITAB

"The first half of 2023 was characterised by growing interest in our technical solutions. However, the current economic climate is creating caution regarding new investments among ITAB's customers. The measures taken have allowed us to successfully compensate for lower sales and strengthen our gross margin with a favourable product mix and lower fixed costs."

Andreas Elgaard
President & CEO

Read more on page 2. ▶



INTERIM REPORT – 6 MONTHS 1 January–30 June 2023

Second quarter (1 Apr–30 Jun 2023)

- ▶ Net sales declined by 12 percent to MSEK 1,504 (1,700). Currency-adjusted sales declined by 15 percent.
- ▶ Operating profit before depreciation and amortisation (EBITDA) excluding non-recurring items of MSEK 0 (-17) increased by 11 percent to MSEK 159 (143)¹⁾.
- ▶ Operating profit amounted to MSEK 91 (63)¹⁾, corresponding to an operating margin of 6.0 percent (3.7).
- ▶ Profit after financial items totalled MSEK 78 (44).
- ▶ Profit after tax amounted to MSEK 53 (27).
- ▶ Earnings per share before and after dilution totalled SEK 0.26 (0.07)²⁾
- ▶ Cash flow from operating activities amounted to MSEK 213 (-4)³⁾

Reporting period (1 Jan–30 Jun 2023)

- ▶ Net sales declined by 12 percent to MSEK 3,009 (3,416). Currency-adjusted sales declined by 15 percent.
- ▶ Operating profit before depreciation and amortisation (EBITDA) excluding non-recurring items of MSEK 0 (-28) amounted to MSEK 297 (311)¹⁾.
- ▶ Operating profit amounted to MSEK 161 (149)¹⁾, corresponding to an operating margin of 5.3 percent (4.4).
- ▶ Profit after financial items totalled MSEK 135 (124).
- ▶ Profit after tax amounted to MSEK 94 (84).
- ▶ Earnings per share before and after dilution totalled SEK 0.41 (0.32)²⁾
- ▶ Cash flow from operating activities amounted to MSEK 205 (-63)³⁾
- ▶ The equity/assets ratio at the end of the period was 50 percent (46)²⁾
- ▶ Net debt excluding lease liabilities amounted to MSEK 489 (820)³⁾

Events during the reporting period

- ▶ In January, ITAB signed an agreement for the delivery of checkouts and merchandising solutions to a leading European grocery chain for a total value of at least MEUR 12 over three years.
- ▶ In February, new partnerships were signed with Rapitag, Signatrix and Theory+Practice with the aim of strengthening ITAB's ecosystem of partners.
- ▶ ITAB participated in the world's leading retail trade fair, EuroShop 2023, in Düsseldorf at the turn of the month February-March.
- ▶ In March, ITAB launched Onred, a 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.
- ▶ In May, ITAB signed an agreement with a leading grocery chain in Argentina for the delivery of interiors and checkouts for a total value of approximately MEUR 13 MEUR over two year.
- ▶ In cooperation with its local partner, ITAB began delivering smart gates for entrance and exit solutions in approximately 650 stores for one of Australia's largest grocery chains. The value of the installed products amounts to approximately MEUR 25 for the Group over two years.

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 12.

THE GROUP IN SUMMARY

For definitions, see pages 15–16.

	SECOND QUARTER			REPORTING PERIOD			FULL YEAR		
	Apr–Jun 2023	Apr–Jun 2022	Δ	Jan–Jun 2023	Jan–Jun 2022	Δ	Rolling 12 months as of 30 Jun 2023	Jan–Dec 2022	Δ
CONTINUING OPERATIONS									
Net sales, MSEK	1,504	1,700	-12%	3,009	3,416	-12%	6,461	6,868	-6%
EBITDA excl. non-recurring items ¹⁾ , MSEK	159	143	11%	297	311	-5%	690	704	-2%
EBITDA margin, %	10.6	8.4		9.9	9.1		10.7	10.2	
Operating profit excl. non-recurring items ¹⁾ , MSEK	91	80	14%	161	187	-14%	417	443	-6%
Operating margin, %	6.0	4.7		5.3	5.5		6.4	6.4	
Profit after financial items excl. non-recurring items ¹⁾ , MSEK	78	61	28%	135	162	-17%	361	388	-7%
Profit margin, %	5.2	3.6		4.5	4.8		5.6	5.7	
Profit after tax, MSEK	53	27	96%	94	84	12%	253	243	4%
Earnings per share before and after dilution ²⁾ , SEK	0.26	0.07	271%	0.41	0.32	28%	0.87	0.78	12%
Cash flow from operating activities ³⁾ , MSEK	213	-4	N/A	205	-63	N/A	810	542	49%
Equity/assets ratio ²⁾ , %	50	46		50	46		50	48	
Interest-bearing net debt excl. lease liabilities ³⁾ , MSEK	489	820	-331	489	820	-331	489	399	90

¹⁾ EBITDA and operating profit for the comparative periods were charged with non-recurring items of MSEK -17 (second quarter of 2022) and MSEK -28 and MSEK -38, respectively (full 2022 reporting period). Non-recurring items mainly consist of costs relating to transformation work under ITAB's One ITAB strategy. Refer to Note 4 on page 11.

²⁾ Including Discontinued Operations.

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

STRONG OPERATING MARGIN DESPITE THE ECONOMIC DOWNTURN IN THE FIRST HALF OF 2023

The first half of 2023 was characterised by growing interest in our loss prevention solutions and low-energy lighting systems. The solutions clearly address retailers' needs to reduce their costs while also improving the store experience. The current economic climate and interest rates are creating uncertainty and caution regarding new investment decisions among ITAB's customers in most of our geographic markets, which had a negative impact on sales of the Group's products and services. Currency-adjusted sales for the year to date declined by 15 percent compared with the preceding year. The measures we have taken have allowed us to successfully compensate for the lower sales and strengthen our gross margin with a favourable product mix and lower fixed costs. The reported operating margin for the reporting period increased to 5.3 percent (4.4), and our focus is on continuing to improve our profit trend in the coming quarters through cost adjustments and targeted sales initiatives.

The negative economic effects have been clearest in our geographic markets in northern and central Europe as well as the UK, while sales in southern Europe have been less affected so far. Rising inflation and interest rates, in combination with the war in Ukraine, are influencing consumer behaviour and customers' willingness to invest. At the same time, this is creating a dynamic that means that our unique and modern solutions to improve our customers' efficiency and competitiveness, not least by preventing theft and shrinkage and reducing energy consumption, are continuing to generate interest among retailers in a variety of segments all around the world. During the year, we have begun several new projects, including projects related to smart gates for entrance and exit solutions for grocery chains, efficient lighting systems, and staffed checkouts and self-checkout solutions for retailers within and outside Europe. What makes these solutions unique is their modern sensor technology together with self-learning software that creates a better experience for consumers while reducing shrinkage.

IMPROVED GROSS MARGIN WITH FAVOURABLE PRODUCT MIX

The decrease in sales had a negative impact on the profit trend, but we initiated activities to stimulate sales and adapt our prices already at the end of 2022. Our price adjustments, adaptation of the cost structure and beneficial product mix have strengthened our gross margin in the past year. We have reduced our fixed costs over the last few years, which has also helped.

During the second quarter, our cash flow improved to MSEK 213, mainly driven by the gross margin and our operations' efforts to reduce working capital with lower inventory levels. We will continue to implement measures to further increase our capital efficiency in the coming quarters.

The reported operating profit for the first six months of the year amounted to MSEK 161 (149), corresponding to an operating margin of 5.3 percent (4.4). Costs for participating in the retail trade fair EuroShop 2023 had a negative impact on profit for the reporting period, while the comparative period included non-recurring costs totalling MSEK 38. Profit after financial items totalled MSEK 135 (124).

CONTINUED FOCUS ON IMPROVING EARNINGS AND NEW CAPABILITIES

Although the future economic trend remains uncertain, ITAB has built a stable financial basis, and has a clear direction that is attractive to customers and employees who continue to create new business for the Group. We also see new opportunities attributable to the fact that customers have noticed that we are positioning ourselves differently than in the past and in relation to our competitors. Combined, this allows us to successfully respond to any



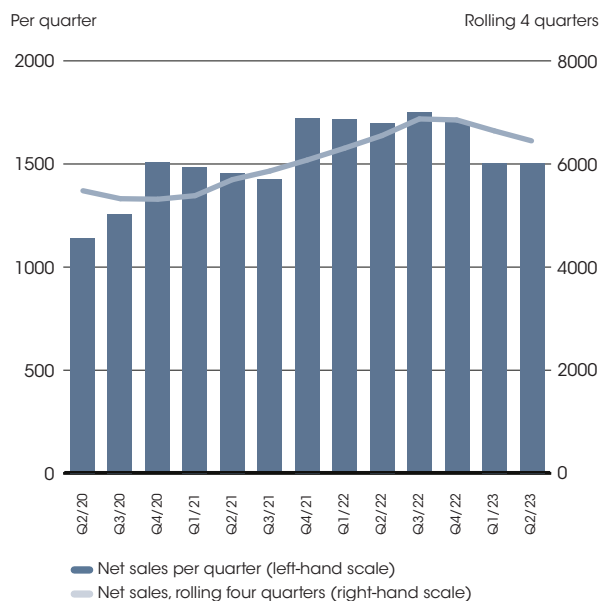
challenges that arise. In the short term, our clear focus will be on operational efficiency as we consciously drive sales efforts, enhance the efficiency of operations and reduce tied-up capital. The proximity to our customers and our ability to rapidly adapt to external changes are the key to ITAB's success, and this is more important than ever in the current economic climate.

In addition to our sales initiatives and various cost-saving measures, we are continuing to develop our operations in line with our strategy. We are investing in becoming the leading solution provider in the retail sector with the aim of strengthening our customers with unique and competitive solutions. The modernisation of ITAB is continuing through investments in shared values, capabilities, ways of working, and modern operational support.

Jönköping, July 2023

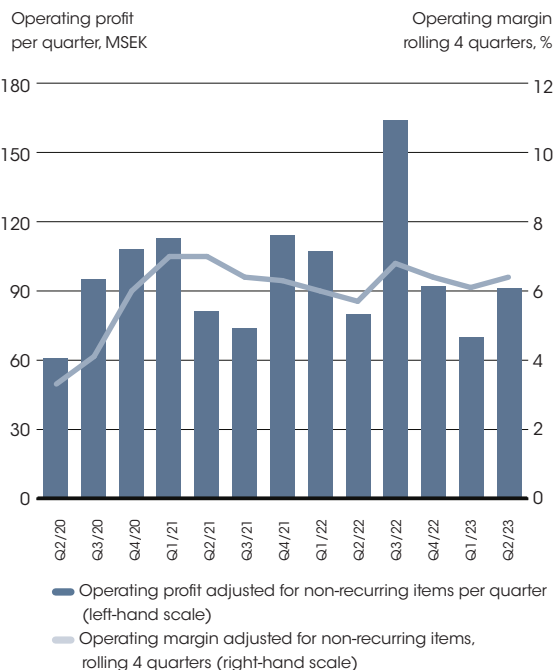
Andréas Elgaard
President & CEO
ITAB Shop Concept AB

NET SALES (MSEK)

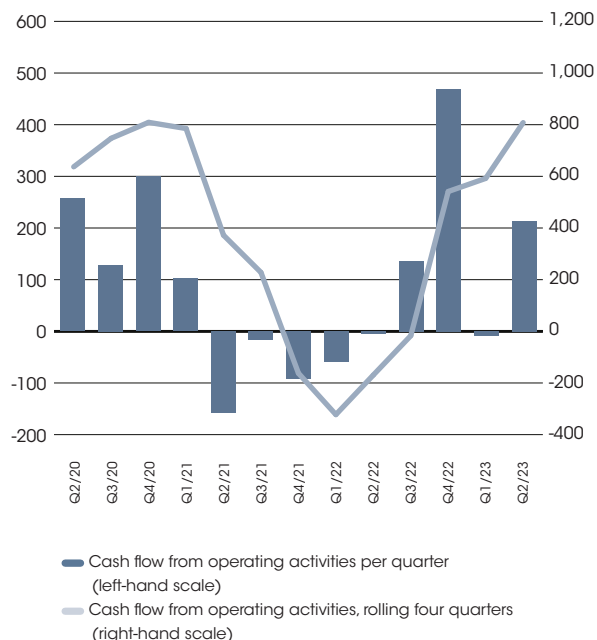


OPERATING PROFIT AND OPERATING MARGIN ¹⁾

(adjusted for non-recurring items)

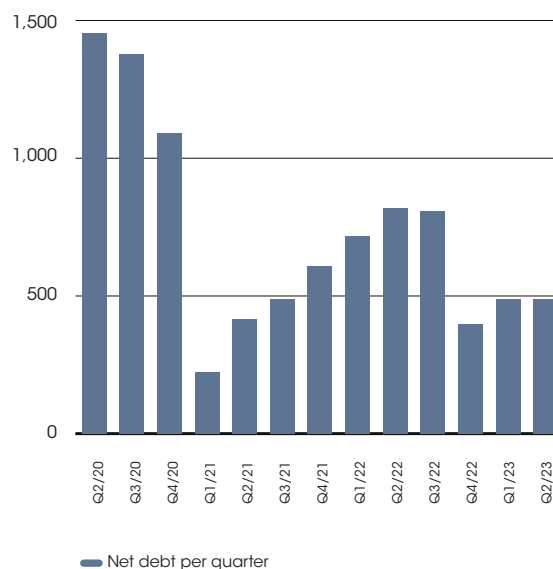


CASH FLOW FROM OPERATING ACTIVITIES ²⁾ (MSEK)



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 11.

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

DEVELOPMENT IN 2023

JANUARY–JUNE

NET SALES

Second quarter

The Group's net sales declined by 12 percent to MSEK 1,504 (1,700) in the second quarter of the year. Currency-adjusted sales fell by 15 percent.

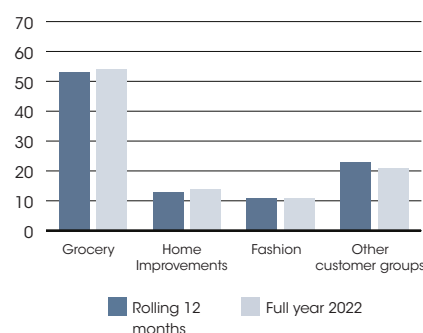
Weaker demand during the quarter had a negative impact on net sales in most of the Group's geographic markets and customer categories. ITAB's solutions for preventing shrinkage and theft, increasing in-store operational efficiency and reducing energy consumption continued to attract considerable interest from customers. However, many retailers are now taking a cautious approach to investing in the establishment of new stores and upgrading existing stores due to the current economic trend. Targeted sales measures were carried out in all of the Group's operations and markets.

Reporting period

The Group's net sales for the full reporting period decreased by 12 percent to MSEK 3,009 (3,416). Currency-adjusted sales fell by 15 percent during the period.

The negative economic effects so far this year have been clearest in the Group's geographic markets in northern and central Europe as well as the UK, while sales in southern Europe have been less affected. ITAB's unique and competitive technological and digital solutions in loss prevention, energy-efficient lighting systems and improved consumer experiences have attracted considerable interest among customers during the beginning of the year, not least after the EuroShop 2023 retail trade fair. However, rising inflation and interest rates, in combination with the war in Ukraine, have influenced consumer behaviour and retailers' overall willingness to invest. Targeted sales measures are ongoing in all of the Group's operations and markets. Of ITAB's customer groups, the negative effects primarily impacted Home Improvements and Grocery.

Sales per customer group and geographic area are shown in Note 3 on page 10.



EARNINGS

Second quarter

Operating profit for the second quarter amounted to MSEK 91 (63). Profit for the corresponding quarter 2022 was impacted by non-recurring items of MSEK -17 pertaining to restructuring costs attributable to transformation work under the One ITAB strategy. Operating profit corresponded to an operating margin of 6.0 percent (3.7).

Earnings for the quarter were negatively impacted by lower sales and rising cost inflation. A more favourable product mix with increased sales of Retail Tech solutions for loss prevention and improved consumer experiences in stores, as well as measures implemented for increased efficiency and cost reductions had a positive impact on the gross margin for the quarter.

Profit after financial items amounted to MSEK 78 (44) and profit after tax to MSEK 53 (27). Earnings per share including Discontinued Operations before and after dilution totalled SEK 0.26 (0.07).

Reporting period

Operating profit for the full reporting period amounted to MSEK 161 (149). Profit for the corresponding period 2022 was impacted by non-recurring items of MSEK -38 pertaining to restructuring costs attributable to transformation work under the One ITAB strategy. Operating profit corresponded to an operating margin of 5.3 percent (4.4).

Earnings for the year to date 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 had a positive impact on the gross margin for the period. The cost for participating in the EuroShop trade fair negatively impacted earnings.

Profit after financial items amounted to MSEK 135 (124) and profit after tax to MSEK 94 (84). Earnings per share including Discontinued Operations before and after dilution totalled SEK 0.41 (0.32) for the reporting period.

CASH FLOW, FINANCING AND LIQUIDITY

Cash flow from operating activities amounted to MSEK -213 (-4) for the second quarter and MSEK -205 (-63) for the full reporting period. The strong gross margin and efforts to reduce working capital with more normalised inventory levels had a positive impact on cash flow. The Group's operations are continuing to implement measures to further increase their capital efficiency in the coming quarters. Cash flow for the reporting period was negatively impacted in an amount of approximately MSEK -90 as a result of paid tax liabilities during the period.

Net debt excluding lease liabilities amounted to MSEK 489 (820). Net debt including lease liabilities amounted to MSEK 1,126 (1,388).

The Group's cash and cash equivalents, including granted unutilised credits, amounted to MSEK 1,472 (977) on the balance sheet date on 30 June 2023. The equity/assets ratio including Discontinued Operations was 50 percent (46).

INVESTMENTS

The Group's net investments/divestments amounted to MSEK 18 (67) during the second quarter, of which MSEK -15 (34) was attributable to corporate acquisitions/divestments. For the full reporting period, the Group's net investments amounted to MSEK 36 (102), of which net MSEK -9 (60) was attributable to corporate acquisitions/divestments. For more information on corporate acquisitions and divestments, refer to Note 2 on page 10.

EMPLOYEES

The average number of employees amounted to 2,683 (2,884) during the quarter and 2,696 (2,904) in the full reporting period. The number of employees in Discontinued Operations was 137.

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 40 (40) for the second quarter and MSEK 72 (84) for the full reporting period. Profit after financial items amounted to MSEK -61 (-89) for the quarter and MSEK -97 (-78) for the reporting period. The profit includes dividends from subsidiaries of MSEK 3 (8) for both the quarter and the full reporting period. Impairment of shares and receivables from subsidiaries had an impact of MSEK 0 (-87) on earnings for the quarter and MSEK 0 (-89) on earnings for the reporting period. Of this impairment for the comparative year, MSEK -86 pertained to the revaluation of intra-Group assets in Russia during the second quarter and MSEK -2 during the fourth quarter of 2022.

ACQUISITIONS AND DIVESTMENTS

To date, ITAB Group has not completed any new acquisitions in 2023. During the second quarter, ITAB's 21-percent shareholding in the associated company OmboriGrid AB (Priv) was divested. The purchase consideration for the shares sold amounted to MSEK 15.

Refer also to Note 2 on page 10.

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 140 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 12.

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 for the Group have taken place after the end of the reporting period.

Board member Jan Frykhammar stepped down from the Board of ITAB Shop Concept AB in early July 2023, effective immediately, at his own request.

The Board of Directors and the President hereby verify that the six-month report for the 1 January–30 June 2023 period provides a true and fair view of the Parent Company's and the Group's operations, financial position and results, and describes significant risks and uncertainties that the Parent Company and the companies in the Group face.

Jönköping, 13 July 2023

Anders Moberg
Chairman of the Board

Karin Eriksson
Board member

Petter Fägersten
Board member

Madeleine Persson
Board member

Fredrik Rapp
Board member

Vegard Søråunet
Board member

Andréas Elgaard
President & CEO

THE GROUP IN SUMMARY

INCOME STATEMENT

(MSEK)	Note	3 MONTHS Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
Revenue from contracts with customers	3	1,504	1,700	3,009	3,416	6,461	6,868
Costs of goods sold	1	1,103	-1,335	-2,209	-2,669	-4,826	-5,286
Gross profit		401	365	800	747	1,635	1,582
Selling expenses	1	-236	-226	-479	-440	-910	-871
Administrative expenses		-81	-93	-163	-176	-331	-344
Other operating income and expenses		7	17	3	18	21	36
Operating profit	4	91	63	161	149	415	403
Financial income		11	2	21	8	32	16
Financial expenses	5	-24	-21	-47	-33	-88	-71
Profit after financial items	4	78	44	135	124	359	348
Tax expenses		-25	-17	-41	-40	-106	-105
NET PROFIT FOR THE PERIOD – CONTINUING OPERATIONS		53	27	94	84	253	243
Discontinued Operations – ITAB Rus JSC							
Profit from Discontinued Operations, net after tax	8	5	-4	-2	0	-55	-53
NET PROFIT FOR THE PERIOD		58	23	92	84	198	190
Net profit for the period attributable to:							
Parent Company shareholders		56	15	89	69	190	170
Non-controlling interests		2	8	3	15	8	20
Depreciation and amortisation for the period amount to		68	63	136	134	273	271
Tax expenses for the period account for		31%	37%	30%	32%	30%	30%
Earnings per share incl. Discontinued Operations before dilution, SEK	6	0.26	0.07	0.41	0.32	0.87	0.78
Earnings per share incl. Discontinued Operations after dilution ¹⁾ , SEK	7	0.26	0.07	0.41	0.32	0.87	0.78
Earnings per share excl. Discontinued Operations before dilution, SEK	6	0.24	0.09	0.42	0.32	1.12	1.02
Average number of ordinary shares outstanding, thousands	6	218,100	218,100	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	218,100	219,558	219,558
Number of ordinary shares outstanding, thousands	6	218,100	218,100	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 30 June 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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
NET PROFIT FOR THE PERIOD		58	23	92	84	198	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		67	145	78	176	90	188
Hedging of net investments, net	5	4	-6	7	-8	-4	-19
Cash flow hedges, net	5	0	4	-1	18	4	23
Tax on items that may be reclassified		-1	1	-1	-2	0	-1
		70	144	83	184	90	191
Total other comprehensive income after tax		70	144	83	184	94	195
COMPREHENSIVE INCOME FOR THE PERIOD		128	167	175	268	292	385
Comprehensive income for the period attributable to:							
Parent Company shareholders		124	151	170	242	284	356
Non-controlling interests		4	16	5	26	8	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	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS				
Non-current assets				
<i>Intangible assets</i>				
Goodwill		1,893	1,735	1,790
Other intangible assets		131	106	107
		2,024	1,841	1,897
Property, plant and equipment		1,349	1,340	1,408
Participations in associated companies		–	10	9
Deferred tax assets		105	99	104
Financial non-current receivables		43	17	40
Total non-current assets		3,521	3,307	3,458
Current assets				
Inventories		984	1,426	1,030
Current receivables		1,289	1,519	1,244
Cash and cash equivalents		584	328	756
Total current assets		2,857	3,273	3,030
Assets held for sale	8	85	–	88
TOTAL ASSETS		6,463	6,580	6,576
EQUITY AND LIABILITIES				
Equity attributable to Parent Company shareholders	6	3,076	2,896	3,012
Non-controlling interests		162	154	157
Deferred tax liabilities		45	45	44
Other non-current liabilities	5	1,510	1,160	1,624
Current liabilities	5	1,647	2,325	1,720
Liabilities attributable to assets held for sale	8	23	–	19
TOTAL EQUITY AND LIABILITIES		6,463	6,580	6,576
Interest-bearing net debt		1,126	1,388	1,080
Interest-bearing net debt excl. lease liabilities		489	820	399

STATEMENT OF CHANGES IN EQUITY

(MSEK)	Note	Share capital	Repurchased own 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						69	69	15	84
Other comprehensive income					173		173	11	184
Comprehensive income January–June 2022					173	69	242	26	268
EQUITY AS OF 30 JUNE 2022		91		1,089	215	1,501	2,896	154	3,050
Net profit for the period						101	101	5	106
Other comprehensive income					9	4	13	-2	11
Comprehensive income July–December 2022					9	105	114	3	117
Share incentive programme	7			2			2		2
New share issue of Class C shares	6	2		0			2		2
Repurchases 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						89	89	3	92
Other comprehensive income					81		81	2	83
Comprehensive income January–June 2023					81	89	170	5	175
Dividends						-109	-109		-109
Share incentive programme	7			3			3		3
EQUITY AS OF 30 JUNE 2023		93	-2	1,094	305	1,586	3,076	162	3,238

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

STATEMENT OF CASH FLOWS ¹⁾

(MSEK)	Note	3 MONTHS Apr–Jun 2023	3 MONTHS Apr–Jun 2022	6 MONTHS Jan–Jun 2023	6 MONTHS Jan–Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan–Dec 2022
Operating profit from Continuing Operations		91	63	161	149	415	403
Profit from Discontinued Operations, net after tax			-4		0		-53
Interest paid and received, tax and adjustments for items not included in the cash flow		32	24	22	72	74	177
Cash flow from operating activities before change in working capital		123	83	183	221	489	527
Change in working capital							
Change in inventories		83	-42	83	-149	416	184
Change in operating receivables		-20	45	-3	-62	271	212
Change in operating liabilities		27	-90	-58	-73	-366	-381
Cash flow from change in working capital		90	-87	22	-284	321	15
CASH FLOW FROM OPERATING ACTIVITIES		213	-4	205	-63	810	542
Investing activities							
Acquisition/divestment of companies and operations	2	15	-34	9	-60	3	-66
Other net investments		-33	-33	-45	-42	-87	-84
Cash flow from investing activities		-18	-67	-36	-102	-84	-150
CASH FLOW AFTER INVESTING ACTIVITIES		195	-71	169	-165	726	392
Financing activities							
Dividends to shareholders		-109	-	-109	-	-109	-
Repayment of lease liabilities		-37	-24	-75	-55	-160	-140
Cash flow from other financing activities		200	149	-146	318	-171	293
Cash flow from financing activities		54	125	-330	263	-440	153
CASH FLOW FOR THE PERIOD		249	54	-161	98	286	545
<i>Of which, Cash flow from Discontinued Operations</i>	8	<i>N/A</i>	<i>12</i>	<i>N/A</i>	<i>18</i>	<i>N/A</i>	<i>-1</i>
Cash and cash equivalents at the start of the period		338	254	756	208	328	208
Adjusted for Cash and cash equivalents from Discontinued Operations	8	-	-	-	-	-7	-7
Translation differences on cash and cash equivalents		-3	20	-11	22	-23	10
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		584	328	584	328	584	756
Cash flow from operating activities per share, SEK		0.98	-0.02	0.94	-0.30	3.73	2.49

¹⁾ Excluding Discontinued Operations from 2023.

THE PARENT COMPANY IN SUMMARY

INCOME STATEMENT

(MSEK)	Note	3 MONTHS Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	FULL YEAR Jan-Dec 2022
Net sales ¹⁾		40	40	72	84	174
Costs of goods sold		-7	-7	-14	-12	-25
Gross profit		33	33	58	72	149
Selling expenses		-16	-15	-43	-27	-58
Administrative expenses		-18	-19	-37	-33	-69
Other operating income and expenses		-4	8	-4	10	19
Operating profit		-5	7	-26	22	41
Profit from participations in Group companies		3	-79	3	-81	-60
Financial income and expenses	5	-59	-17	-74	-19	-38
Profit after financial items		-61	-89	-97	-78	-57
Year-end appropriations		-	-	-	-	-7
Profit before tax		-61	-89	-97	-78	-64
Tax expenses for the period		0	-	1	-	1
NET PROFIT FOR THE PERIOD		-61	-89	-96	-78	-63

STATEMENT OF OTHER COMPREHENSIVE INCOME

Net profit for the period		-61	-89	-96	-78	-63
Other comprehensive income		-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD		-61	-89	-96	-78	-63

¹⁾ Pertains to revenue from subsidiaries.

BALANCE SHEET

(MSEK)	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS				
Non-current assets				
Property, plant and equipment		1	6	5
Financial assets		2,052	2,066	2,066
Deferred tax assets		33	32	33
Total non-current assets		2,086	2,104	2,104
Current assets				
Current receivables		345	717	537
Cash and bank balance		285	58	402
Total current assets		630	775	939
TOTAL ASSETS		2,716	2,879	3,043
EQUITY AND LIABILITIES				
Equity				
Restricted equity		98	98	100
Non-restricted equity		1,461	1,647	1,662
Total equity	6	1,559	1,745	1,762
Non-current liabilities		961	629	1,028
Current liabilities	7	196	505	253
TOTAL EQUITY AND LIABILITIES		2,716	2,879	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 of goods sold by MSEK -61 (-81) in the second quarter and MSEK -126 (-158) for the full reporting period 2023. Costs of goods sold were charged with shipping costs of MSEK -307 (-286) for the full year 2022.

NOTE 2 Corporate acquisitions and divestments

Acquisitions and divestments in 2023

To date, ITAB Group has not completed any new acquisitions in 2023. During the second quarter of 2023, ITAB Shop Concept AB's 21-percent shareholding in the associated company OmboriGrid AB (Priv) was divested. The purchase consideration for the shares divested amounted to MSEK 15, which impacted cash flow in the second quarter of 2023.

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

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 2022 was also impacted by partial payments of acquisitions from 2021 in a total amount of MSEK -13, of which MSEK -1 in the second quarter and MSEK -7 for the full reporting period.

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 6 percent of external sales, and none of the ITAB Group's other customers account for more than 5 percent of external sales.

	3 MONTHS Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
SALES BY CUSTOMER GROUP ¹⁾						
Grocery	783	961	1,592	1,888	3,407	3,703
Home Improvements	151	210	359	492	837	969
Fashion	178	152	327	317	744	734
Other customer groups	392	377	731	719	1,473	1,462
TOTAL	1,504	1,700	3,009	3,416	6,461	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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
SALES BY GEOGRAPHIC AREA ²⁾						
Northern Europe	342	457	751	940	1,515	1,704
Southern Europe	382	387	724	749	1,505	1,530
Central Europe	312	337	605	696	1,343	1,434
UK & Ireland	136	180	287	413	755	881
Eastern Europe	111	146	224	294	455	525
Rest of the World	221	193	418	324	888	794
TOTAL	1,504	1,700	3,009	3,416	6,461	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 and Argentina 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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
NON-RECURRING ITEMS, MSEK						
Restructuring	0	-17	0	-38	-2	-40
Total non-recurring items	0	-17	0	-38	-2	-40
Impact of non-recurring items on profit items in the income statement						
Operating profit before depreciation and amortisation (EBITDA)	0	-17	0	-28	-2	-30
Operating profit	0	-17	0	-38	-2	-40
Profit after financial items	0	-17	0	-38	-2	-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 30 June 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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	FULL YEAR Jan-Dec 2022
Average number of ordinary shares outstanding	218,100,192	218,100,192	218,100,192	218,100,192	218,100,192
Effect of LTIP 2022	1,457,367	-	1,457,367	-	1,457,367
Number of shares after dilution	219,557,559	218,100,192	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 140 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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
Revenue from contracts with customers	26	45	53	102	124	173
Costs of goods sold	-21	-45	-46	-86	-102	-142
Gross profit	5	0	7	16	22	31
Selling expenses	-5	-6	-9	-13	-21	-25
Administrative expenses	-1	-2	-3	-4	-7	-8
Impairment of assets measured at fair value	5		1		-51	-52
Other operating income and expenses	0	0	0	-1	1	0
Operating profit	4	-8	-4	-2	-56	-54
Financial items	1	0	1	1	0	0
Profit after financial items	5	-8	-3	-1	-56	-54
Tax expenses for the period	0	4	1	1	1	1
NET PROFIT FOR THE PERIOD	5	-4	-2	0	-55	-53

CASH FLOW STATEMENT FOR DISCONTINUED OPERATIONS IN SUMMARY

(MSEK)	3 MONTHS Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
Operating profit	4	-8	-4	-2	-56	-54
Interest paid and received, tax and adjustments for items not included in the cash flow	12	21	17	19	52	54
Change in working capital	-18	-1	11	1	9	-1
CASH FLOW FROM OPERATING ACTIVITIES	-2	12	24	18	5	-1

BALANCE SHEET FOR DISCONTINUED OPERATIONS IN SUMMARY

(MSEK)	30 Jun 2023	31 Dec 2022
ASSETS		
Non-current assets	0	0
Current assets	58	81
Cash and cash equivalents	27	7
TOTAL ASSETS	85	88
EQUITY AND LIABILITIES		
Equity	62	69
Deferred tax liabilities	0	1
Current liabilities	23	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							
	Apr-Jun 2023	Apr-Jun 2022	Jan-Mar 2023	Jan-Mar 2022	Oct-Dec 2022	Oct-Dec 2021	Jul-Sep 2022	Jul-Sep 2021
Revenue from contracts with customers	1,504	1,700	1,505	1,716	1,702	1,722	1,750	1,425
Costs of goods sold	-1,103	-1,335	-1,106	-1,334	-1,301	-1,355	-1,316	-1,128
Gross profit	401	365	399	382	401	367	434	297
Selling expenses	-236	-226	-243	-214	-231	-221	-200	-176
Administrative expenses	-81	-93	-82	-83	-87	-100	-81	-76
Other operating income and expenses	7	17	-4	1	8	-11	10	-1
Operating profit	91	63	70	86	91	35	163	44
Financial items	-13	-19	-13	-6	-15	-5	-15	-8
Profit after financial items	78	44	57	80	76	30	148	36
Tax expenses	-25	-17	-16	-23	-18	-10	-47	-17
NET PROFIT FOR THE PERIOD – CONTINUING OPERATIONS	53	27	41	57	58	20	101	19
Net profit for the period – Discontinued Operations	5	-4	-7	4	3	4	-56	1
NET PROFIT FOR THE PERIOD	58	23	34	61	61	24	45	20
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	56	15	33	54	66	18	35	20
Non-controlling interests	2	8	1	7	-5	6	10	0
Non-recurring items, MSEK	0	-17	0	-21	-1	-79	-1	-30
Operating profit excl. non-recurring items, MSEK	91	80	70	107	92	114	164	74
Operating margin excl. non-recurring items, %	6.0	4.7	4.7	6.2	5.4	6.7	9.4	5.2
Cash flow from operating activities ¹⁾ , MSEK	213	-4	-8	-59	469	-92	136	-17
Earnings per share before and after dilution ^{2,3)} , SEK	0.26	0.07	0.15	0.25	0.30	0.09	0.16	0.09
Equity per share ^{2,3)} , SEK	14.10	13.28	14.02	12.59	13.81	12.17	13.54	11.90
Return on equity per annum ²⁾ , %	7.4	2.1	4.4	8.0	8.9	2.8	4.9	3.1
Share price at the end of the period, recalculated after issues, SEK	9.74	10.16	12.26	12.40	11.00	13.42	7.70	13.44

¹⁾ Excluding Discontinued Operations from 2023.

²⁾ Including Discontinued Operations.

³⁾ Refer to Note 7 on page 11 for information about the number of shares after dilution.

FULL-YEAR OVERVIEW FOR THE GROUP

(MSEK)	ROLLING 12 MONTHS AS OF							
	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Revenue from contracts with customers	6,461	6,657	6,868	6,888	6,563	6,318	6,087	5,872
Costs of goods sold	-4,826	-5,058	-5,286	-5,340	-5,152	-4,945	-4,727	-4,622
Gross profit	1,635	1,599	1,582	1,548	1,411	1,373	1,360	1,250
Selling expenses	-910	-900	-871	-861	-837	-816	-796	-788
Administrative expenses	-331	-343	-344	-357	-352	-343	-331	-313
Other operating income and expenses	21	31	36	17	6	-11	-17	-14
Operating profit	415	387	403	347	228	203	216	135
Financial items	-56	-62	-55	-45	-38	-42	-69	-103
Profit after financial items	359	325	348	302	190	161	147	32
Tax expenses	-106	-98	-105	-97	-67	-57	-52	-34
NET PROFIT FOR THE PERIOD – CONTINUING OPERATIONS	253	227	243	205	123	104	95	-2
Net profit for the period – Discontinued Operations	-55	-64	-53	-52	5	10	8	4
NET PROFIT FOR THE PERIOD	198	163	190	153	128	114	103	2
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	190	149	170	122	107	100	95	1
Non-controlling interests	8	14	20	31	21	14	8	1
Non-recurring items, MSEK	-2	-19	-40	-118	-147	-173	-166	-241
Operating profit excl. non-recurring items, MSEK	417	406	443	465	375	376	382	376
Operating margin excl. non-recurring items, %	6.4	6.1	6.4	6.8	5.7	6.0	6.3	6.4
Cash flow from operating activities ¹⁾ , MSEK	810	593	542	-19	-172	-326	-165	227
Earnings per share before and after dilution ^{2,3)} , SEK	0.87	0.68	0.78	0.56	0.49	0.46	0.50	0.00
Equity per share ^{2,3)} , SEK	14.10	14.02	13.81	13.54	13.28	12.59	12.17	11.90
Return on equity per annum ²⁾ , %	6.4	5.1	6.0	4.4	4.0	3.8	4.0	0.0

¹⁾ Excluding Discontinued Operations from 2023.

²⁾ Including Discontinued Operations.

³⁾ Refer to Note 7 on page 11 for information about the number of shares after dilution.

KEY RATIOS & DEFINITIONS

KEY RATIOS	3 MONTHS Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
Revenue from contracts with customers, MSEK	1,504	1,700	3,009	3,416	6,461	6,868
EBITDA, MSEK	159	126	297	283	688	674
EBITDA margin, %	10.6	7.4	9.9	8.3	10.7	9.8
EBITDA excl. non-recurring items, MSEK	159	143	297	311	690	704
EBITDA margin excl. non-recurring items, %	10.6	8.4	9.9	9.1	10.7	10.2
Operating profit, MSEK	91	63	161	149	415	403
Operating margin, %	6.0	3.7	5.3	4.4	6.4	5.9
Operating profit excl. non-recurring items, MSEK	91	80	161	187	417	443
Operating margin excl. non-recurring items, %	6.0	4.7	5.3	5.5	6.4	6.4
Profit after financial items, MSEK	78	44	135	124	359	348
Profit margin, %	5.2	2.6	4.5	3.6	5.6	5.1
Profit after financial items excl. non-recurring items, MSEK	78	61	135	162	361	388
Profit margin excl. non-recurring items, %	5.2	3.6	4.5	4.8	5.6	5.7
Profit after tax - Continuing Operations, MSEK	53	27	94	84	253	243
Cash flow from operating activities ³⁾ , MSEK	213	-4	205	-63	810	542
Cash conversion, %	135	N/A	69	N/A	118	80
Earnings per share before and after dilution, SEK ^{1, 2)}	0.26	0.07	0.41	0.32	0.87	0.78
Earnings per share excl. Discontinued Operations before dilution, SEK	0.24	0.09	0.42	0.32	1.12	1.02
Cash flow from operating activities per share, SEK ³⁾	0.98	-0.02	0.94	-0.30	3.73	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	218,100,192	218,100,192
Average number of ordinary shares outstanding	218,100,192	218,100,192	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	218,100,192	219,557,559	219,557,559
Share price at the end of the period, SEK	9.74	10.16	9.74	10.16	9.74	11.00
Balance sheet total ¹⁾ , MSEK	6,463	6,580	6,463	6,580	6,463	6,576
Interest-bearing net debt ³⁾ , MSEK	1,126	1,388	1,126	1,388	1,126	1,080
Interest-bearing net debt excl. lease liabilities ³⁾ , MSEK	489	820	489	820	489	399
Equity attributable to Parent Company shareholders ¹⁾ , MSEK	3,076	2,896	3,076	2,896	3,076	3,012
Equity per share, SEK ¹⁾	14.10	13.28	14.10	13.28	14.10	13.81
Equity/assets ratio ¹⁾ , %	50	46	50	46	50	48
Return on equity per annum ¹⁾ , %	7.4	2.1	5.9	5.0	6.4	6.0
Return on capital employed per annum, %	8.0	5.6	7.1	7.0	6.3	8.9
Return on total capital per annum, %	6.1	4.0	5.5	5.0	6.9	6.8
Interest-coverage ratio, multiple	5.3	3.1	4.5	4.8	5.7	6.0
Net investments ¹⁾ , MSEK	18	67	36	102	84	150
Net investments excl. corporate acquisitions ¹⁾ , MSEK	33	33	45	42	87	84
Average number of employees ¹⁾	2,683	2,884	2,696	2,904	2,743	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 30 June 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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
Operating profit	91	63	161	149	415	403
Depreciation and amortisation	68	63	136	134	273	271
EBITDA	159	126	297	283	688	674
Reversal of non-recurring items, Note 4	0	17	0	28	2	30
EBITDA EXCL. NON-RECURRING ITEMS	159	143	297	311	690	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 targets.

(MSEK)	3 MONTHS Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
Operational cash flow (cash flow from operating activities)	213	-4	205	-63	810	542
EBITDA	159	126	297	283	688	674
CASH CONVERSION, %	135	N/A	69	N/A	118	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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
Interest-bearing non-current liabilities	1,447	1,087	1,447	1,087	1,447	1,565
Interest-bearing current liabilities	287	639	287	639	287	296
Interest-bearing assets	-25	-10	-25	-10	-25	-25
Cash and cash equivalents	-583	-328	-583	-328	-583	-756
INTEREST-BEARING NET DEBT	1,126	1,388	1,126	1,388	1,126	1,080
Reversal of interest-bearing lease liabilities	-637	-568	-637	-568	-637	-681
INTEREST-BEARING NET DEBT EXCL. LEASE LIABILITIES	489	820	489	820	489	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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
Annualised net profit attributable to Parent Company shareholders	226	58	179	138	191	171
Equity attributable to Parent Company shareholders	3,076	2,896	3,076	2,896	3,076	3,012
Average equity attributable to Parent Company shareholders	3,067	2,821	3,049	2,765	2,999	2,852
RETURN ON EQUITY, %	7.4	2.1	5.9	5.0	6.4	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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 31 Mar 2023	FULL YEAR Jan-Dec 2022
Annualised profit after financial items plus financial borrowing costs	385	259	348	315	435	418
Average balance sheet total less non interest-bearing liabilities ¹⁾	4,823	4,615	4,885	4,488	6,911	4,688
RETURN ON CAPITAL EMPLOYED, %	8.0	5.6	7.1	7.0	6.3	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 Apr-Jun 2023	3 MONTHS Apr-Jun 2022	6 MONTHS Jan-Jun 2023	6 MONTHS Jan-Jun 2022	ROLLING 12 MONTHS as of 30 Jun 2023	FULL YEAR Jan-Dec 2022
Annualised profit after financial items plus financial borrowing costs	385	259	348	315	435	418
Average total capital ¹⁾	6,287	6,438	6,383	6,300	6,346	6,189
RETURN ON TOTAL CAPITAL, %	6.1	4.0	5.5	5.0	6.9	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 30 Jun 2023
ITAB	SEK 9.74
Sector classification	
Industrial Goods & Services	

FINANCIAL CALENDAR

Interim Report 9 months – 1 Jan–30 Sep 2023	31 October 2023
Year-End Report 2023 – 1 Jan–31 Dec 2023	7 February 2024
Annual Report 2023	March/April 2024
Annual General Meeting 2024	15 May 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) and is published in accordance with the Swedish Securities Act (2007:528). The information was submitted for publication, through the agency of the contact persons set out, **at 7:00 a.m. CEST on 13 July 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.