



INTERIM REPORT JANUARY – MARCH 2021

JANUARY – MARCH 2021

- ▶ Net sales increased by 7.6 % to SEK 1,523 million (1,416)
- ▶ Operating profit amounted to SEK 102 million (41)
- ▶ Profit after financial items amounted to SEK 69 million (27)
- ▶ Profit after tax amounted to SEK 50 million (18)
- ▶ Earnings per share amounted to SEK 0.38 (0.19)
- ▶ Cash flow from operating activities amounted to SEK 102 million (126)
- ▶ Net debt amounted to SEK 878 million (2,472)
- ▶ Net debt excl. lease liability decreased to SEK 222 million (1,741)

In 2021, non-recurring items impacted the profit after financial items by SEK -14 million (-12).

- ▶ EBITDA excluding non-recurring items amounted to SEK 179 million (121)

"The year started well with currency-adjusted growth of 13 percent, mainly driven by strong growth in Southern Europe, with largest increase in our largest customer category, Grocery. The acquisition of Cefla Retail Solutions contributed 9 percent and organic growth was 4 percent."

Andréas Elgaard
CEO & President

[Read more on pg. 3](#)

IMPORTANT EVENTS JANUARY – MARCH 2021

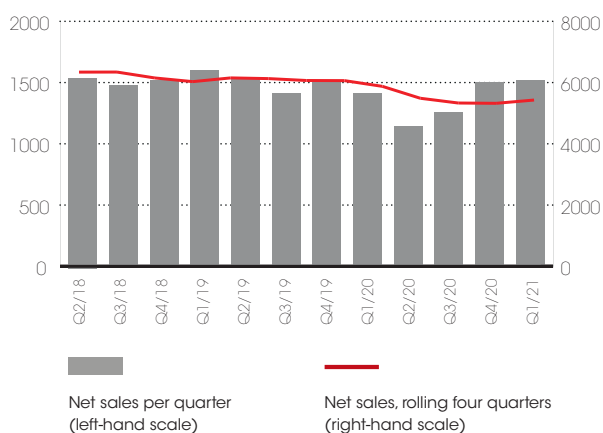
- ▶ ITAB's recapitalisation completed
 - The rights issue has contributed SEK 768 million before equity issue costs
 - The offset issue has contributed SEK 100 million to equity
 - All A shares have been reclassified to B shares
- ▶ Acquisition of 81% of Cefla's business unit for retail solutions completed.

THE GROUP IN SUMMARY

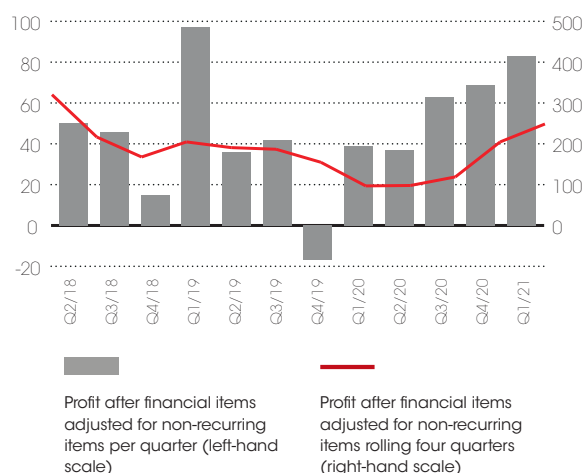
For definitions, see p. 12

	FIRST QUARTER		Δ	FULL YEAR		Δ
	2021	2020		APR-MAR ROLLING, 12 MONTHS	JAN-DEC 2020	
Net Sales, SEK millions	1,523	1,416	8%	5,430	5,323	2%
EBITDA excl. non-recurring items, SEK millions	179	121	48%	636	578	10%
EBITDA-margin, %	11.7	8.5		11.8	11.0	
Profit after net financial items excl. non-recurring items	83	39	113%	252	208	21%
Profit margin, %	5.4	2.7		4.5	3.9	
Profit after tax, SEK millions	50	18	178%	10	-22	ET
Earnings per share, SEK	0.38	0.19	0.19	0.08	-0.21	0.29
Cash flow from operating activities, SEK millions	102	126	-19%	787	811	-3%
Net debt, SEK millions	878	2,472	-1,594	878	1,748	-870
Net debt excluding lease liability, SEK millions	222	1,741	-1,519	222	1,092	-870

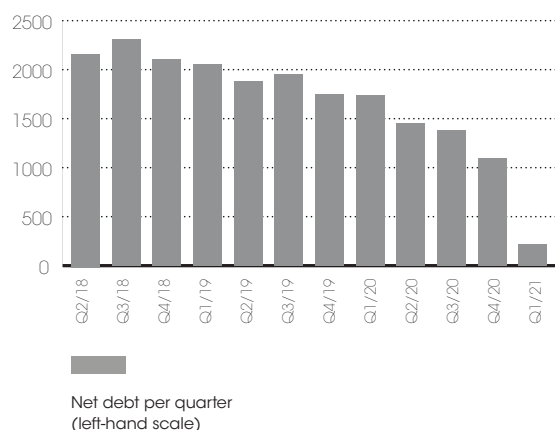
► NET SALES (SEK millions)



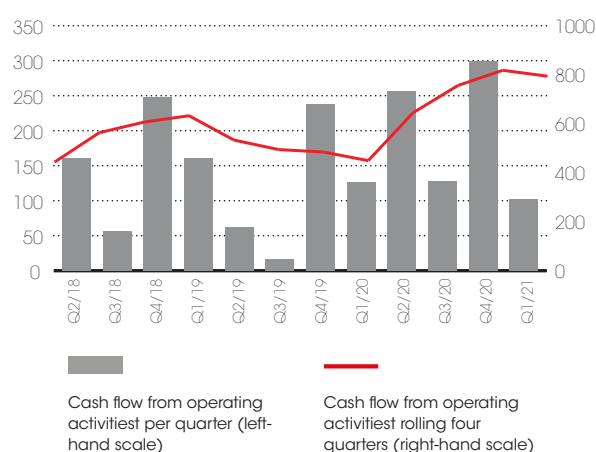
► PROFIT AFTER FINANCIAL ITEMS (SEK millions) (adjusted for non-recurring items)



► NET DEBT (SEK millions) (excl. leasing)



► CASH FLOW FROM OPERATING ACTIVITIES (SEK million) (2018 adjusted for the introduction of IFRS-16)



► ITAB GROUP IN FIGURES

Non-recurring items, SEK millions

	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	ROLLING 12 MONTHS APR-MAR 2020/2021	FULL YEAR JAN-DEC 2020
Structuring costs ¹⁾	-14	-12	-158	-156
Inventory write-down of a non-recurring nature	-	-	-52	-52
Total non-recurring	-14	-12	-210	-208

Impact of non-recurring items in the income statement, SEK millions

EBITDA	-14	-12	-204	-202
Operating profit	-14	-12	-207	-205
Profit after net financial items	-14	-12	-210	-208

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

GROWTH AND CONTINUED IMPROVEMENT IN PROFITABILITY - A GOOD START TO 2021



The year started well with currency-adjusted growth of 13 percent, mainly driven by strong growth in Southern Europe, with largest increase in our largest customer category, Grocery. The acquisition of Cefla Retail Solutions contributed 9 percent and organic growth was 4 percent. In terms of profitability, the Group continued its positive trend from the end of 2020, which is reflected in the fact that EBITDA adjusted for non-recurring items amounted to SEK 179 million, an increase of almost 50 percent compared to first quarter 2020. The improvement in profitability is mainly driven by sales growth and the ongoing transformation work with restructuring of the business and reduced costs, while currency development has had a negative effect on earnings. The consequences of the pandemic continue to be challenging, including day-to-day effects, restrictions to freedom of movement and new procedures for ensuring that everyone remains healthy. In addition to this, the steep price increase of steel and other important raw materials, as well as shortages when it comes to electronic and plastic components, are a concern.

STRENGTHENED BALANCE SHEET AFTER OVERSUBSCRIBED PRIORITY ISSUE

In March, we were pleased to report that our priority issue was oversubscribed, which meant that we were able to put an end to our recapitalisation work. The successful rights issue is strengthening our belief that there is solid support for our ambition of transforming ITAB into the leading solution provider in Europe. The impact of the rights issue, combined with a positive cash flow in first quarter, means that our net debt has decreased to SEK 222 million (excluding leasing), which is creating excellent conditions for further accelerating the implementation of One ITAB.

CONSISTENT IMPLEMENTATION OF THE TRANSFORMATION

The transformation work is progressing according to plan, and March saw the first anniversary of the internal launch of the One ITAB strategy and the beginning of the work. During the first quarter, we have implemented previously adopted activities as well as making preparations for further initiatives. Worth highlighting is the

fact that the majority of our customer facing employees have been trained in our Group-wide sales support system and associated training initiatives. This is not only positive as regards the transition towards a more solutions-oriented sales team, but also provides confirmation of our ability to rapidly implement and benefit from Group-wide working methods, information and systems.

OUTLOOK

The market continues to recover in the wake of the pandemic and even though there is still uncertainty about future developments, we see increased demand and business is starting to pick up. Supply disruptions and shortages in important components affect lead times worldwide and risk our ability to maintain high precision in our deliveries. Our customers are aware of the global disturbances and price developments for steel but have difficulty accepting price increases and we will be affected by this in the coming quarters unless the situation normalises. However, I am convinced that our work with One ITAB, which includes a repositioning to become a solution provider, lays the foundation for further growth with improved underlying profitability for ITAB.

In 2021, several major production relocations take place that pose risk of delivery disruptions, and we are now focusing on preventing and minimising these risks. We will continue with our training efforts and with taking the next step in connecting ITAB with the help of common ways of working and shared information to drive efficiency in both our market and operational activities. In the same way that we have succeeded in creating new Covid solutions together with our customers, we also focus on creating solutions that help both ITAB and our customers to create a sustainable future and have secured agreements for the renovation of store lighting systems to more energy efficient solutions. To further strengthen ITAB, we are starting an important Group wide collaboration with EcoVadis to clarify, in a concrete way, what we do well and in which areas we can continuously improve our own and our customers' environmental impact. We continue to focus on creating solutions that help our customers connect physical and digital consumer experiences. In 2021, we will further develop and better communicate our digital capabilities so more people understand the width in our offer and our ability to support our customers with tailored solutions.

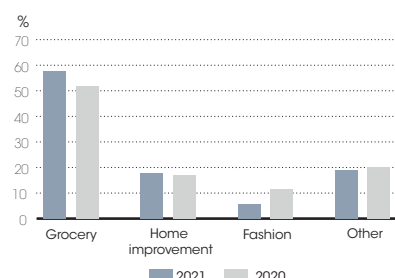
Andréas Elgaard
CEO & President
ITAB Shop Concept AB

JANUARY–MARCH

Net sales

The Group's net sales increased by 8 percent to SEK 1,523 million (1,416). Currency-adjusted sales increased by 13 percent, with the acquisition of Cefla Retail Solutions contributing 9 percent and organic growth being 4 percent. The recovery that began in the second half of 2020 in Northern Europe and Central Europe during the first quarter of the year has also begun in Southern Europe. Most of the Group's sales increase took place in Southern Europe, both through strong organic growth and through the acquisition of Cefla Retail Solutions. COVID-19 continues to affect our business and several countries are in lockdown, but customers' belief in the future is beginning to return. Sales to Grocery increased the most, while Fashion decreased sharply. Compared with fourth quarter 2020, the customer group Home improvements increased the most.

Sales per customer group and by geographical area are shown in Note 2.



Result

Operating profit increased to SEK 102 million (41). Profit after financial items increased to SEK 69 million (27). Non-recurring items that affected earnings after financial items amounted to SEK -14 million (-12). Operating profit excluding non-recurring items amounted to SEK 116 million (53) and profit after financial items excluding non-recurring items amounted to SEK 83 million (39). EBITDA excluding non-recurring items amounted to SEK 179 M (121). The result has been positively affected by the increased sales where the acquired Cefla Retail Solutions unit also made a positive contribution according to plan. At the same time, the gross margin has recovered, which is due to several factors such as the effects of restructuring of previously loss-making units, implemented price increases and a favorable product mix. Negatives have been the sharp rise in raw material prices that has affected all markets. The result was also negatively affected by currency effects and a deteriorating net financial items. The financial costs have been affected mainly by changed loan terms but also by the liquidation of interest rate swaps, which has burdened net financial items by approximately SEK 5 million. The lower indebtedness, partly as a result of the recapitalisation, will mean an improved net financial item in the future. As in the previous year, non-recurring items consist of restructuring costs attributable to the transformation work with the new One ITAB strategy.

The guidance on the Group's estimated EBITDA level and total restructuring costs that was notified on 10 July 2020 still applies. The guidance indicates an underlying EBITDA improvement of SEK 270-330 million at an annual rate compared with the full year 2019 when the One ITAB transformation is fully implemented, which is expected to be in the middle of 2022. The total restructuring costs for One ITAB are estimated at between SEK 275 and 325 million during the financial years 2020-2022. To date, these restructuring costs amount to SEK 170 million.

Cashflow, Financing and liquidity

Cash flow from operating activities for the first quarter amounted to SEK 102 million (126). Cash flow is affected by higher working capital as a result of higher sales at the end of the quarter and the short-term need for slightly higher inventory levels during the process of moving production operations as part of the work with One ITAB. Net debt excluding lease liabilities decreased to SEK 222 million (1,741). Net debt including leasing debt amounted to SEK 878 million (2,472). The reduction in net debt is mainly due to the past year's positive cash flow and to the new share issue completed during the first quarter.

In December 2020, ITAB announced the intention to carry out a recapitalisation, including a rights issue of SEK 768 million and a set-off issue of SEK 100 million to strengthen the balance sheet, contribute to greater financial flexibility and finance the transformation plan One ITAB. The Board of Directors decided on 9 February 2021 on the implementation of the set-off issue and the rights issue with the support of the issue authorisation decided on at the Extraordinary General Meeting on 15 January 2021. In December it was also announced that the current principal owners would sell the majority of their rights in the rights issue to enable the entry of the new strategic main owner WQZ Investments Group Ltd. In January 2021, a supplementary agreement was entered into whereby all WQZ Investments Group Ltd's rights and obligations related to ITAB's recapitalisation were taken over by the investment company Aeternum Capital A/S, which is a company related to WQZ Investments Group Ltd.

On March 12, 2021, ITAB announced that the recapitalisation has been fully completed and that the rights issue of SEK 768 million was fully subscribed. Furthermore, ITAB's set-off issue of SEK 100 million was fully subscribed and all A shares were reclassified to the corresponding number of B shares. Following the recapitalisation, ITAB has 218,100,192 Class B shares outstanding. Aeternum Capital A/S is ITAB's new principal owner with a holding of almost 25 percent of the shares.

The Group's cash and cash equivalents, including granted unutilized credits, amounted to SEK 1,503 million (1,017) on the balance sheet date. The equity/assets ratio was 43 percent (32) and the share of risk-bearing capital was 44 percent (35).

Investments

The Group's net investments amounted to SEK 35 million (20), of which SEK 23 million (0) is attributable to corporate transactions during the period. For more information on corporate transactions, see Note 1 on page 9.

Employees

The average number of employees for the interim period was 2,962 (3,183).

Parent company

The parent company ITAB Shop Concept AB's activities principally comprise Group-wide functions. The parent company's net sales amounted to SEK 46 million (13) and refer to income from subsidiaries. Profit after financial items amounted to SEK -41 million (-77) and includes dividends from subsidiaries of SEK 0 million (1) and write-downs of shares and receivables from subsidiaries of SEK -8 million (-1) in connection with the restructuring that is being carried out.

Acquisition

ITAB Shop Concept AB's Italian subsidiary La Fortezza s.p.a. entered into an agreement with Cefla soc on 8 October 2020 coop. to acquire 81 percent of Cefla's business unit for retail solutions. In January 2021, the transaction was completed and the business unit

was carved-out from Cefla's existing structure and transferred to a newly established Italian limited liability company where ITAB owns 81 percent. The acquisition of Cefla is consolidated from 1 January 2021. ITAB has the right to acquire Cefla's minority stake in the said company after three years from the completion of the transaction. Cefla is an Italian group headquartered in Imola and consists of several business units. Cefla's business unit for retail solutions mainly offers interior design and checkout solutions to its customers, mainly in Grocery in southern Europe. Cefla has made a strategic decision to cease its operations in retail solutions in order to focus on its core business. Through the acquisition and collaboration with Cefla, ITAB strengthens its market position in southern Europe and creates opportunities to offer ITAB's solutions to a wider customer base. The positive EBITDA effect for ITAB 2021 is estimated at at least SEK 30 million and the transaction will create opportunities for further synergy effects in the coming years.

OTHER INFORMATION

Risks and uncertainties

The Group's significant risk and uncertainty factors include business risks, financial risks and sustainability risks. A more detailed account of the Group's significant financial risks can be found in the Annual Report for 2020 in Note 4 on page 67. 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 can be found in the Annual Report for 2020 on page 47. Sustainability risks are described in the Annual Report for 2020 on page 17. In addition, the outcome of ongoing strategy work may affect future valuation of specific balance sheet items. Like other global companies, ITAB is affected by pandemics and the Group is affected by COVID-19. The risks that are most prominent in a shorter perspective are the pandemic's impact on customers and suppliers, as well as price and currency risks.

Estimates and judgements

The preparation of the interim report requires management to make assessments and estimates as well as assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimates and judgments. The ongoing pandemic and restructuring in connection with One ITAB affect assessments of impairment of assets as well as estimates of lease liabilities and right of use when determining the lease term. Other critical assessments and sources of uncertainty in estimates when preparing this interim report are the same as in the most recent Annual Report.

Related party transactions

During the third quarter, ITAB entered into short-term shareholder loans amounting to SEK 140 million with related companies to three of the Board members, also principal shareholders. The shareholder loans, with the aim of securing liquidity in connection with the repayment of convertible loans to employees, were approved at the Extraordinary General Meeting on July 22, 2020. The net proceeds of the Rights Issue, SEK 40 million, was used to repay part of the shareholder loans mentioned above. The remainder amounting to SEK 100 million will, according to a decision at the Extraordinary General Meeting on January 15, 2021, be set-off against B shares at a conversion price corresponding to the subscription price in the rights issue. There have been no other transactions, in addition to this, between ITAB and related parties that have significantly affected the company's position and results.

► INCOME STATEMENT IN SUMMARY

(SEK millions)	Note	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	ROLLING 12 MONTHS APR-MAR 2020/2021	FULL YEAR JAN-DEC 2020
Revenue from contracts with customers	3	1,523	1,416	5,430	5,323
Costs of goods sold		-1,078	-1,027	-3,957	-3,906
Gross Profit		445	389	1,473	1,417
Selling expenses		-266	-279	-1,002	-1,015
Administrating expenses		-72	-73	-284	-285
Other operating income and expenses	4	-5	4	-14	-5
Operating profit		102	41	173	112
Financial income		4	8	1	5
Financial expenses	5	-37	-22	-132	-117
Profit after financial items	4	69	27	42	0
Tax expenses		-19	-9	-32	-22
NET PROFIT FOR THE PERIOD		50	18	10	-22
Net Profit for the period related to:					
Parent Company shareholders		49	20	8	-21
Non-controlling interests		1	-2	2	-1
Depreciation during the period amounts to		63	68	259	264
Tax rate during the period amounts to		27%	34%	74%	ET
Earnings per share					
basic, SEK		0.38	0.19	0.08	-0.21
diluted, SEK		0.38	0.19	0.08	-0.21
Average number of outstanding shares ¹⁾	6				
before dilution, thousands		131,313	102,383	111,285	102,383
after dilution, thousands		131,313	104,333	111,285	102,383
Number of outstanding shares ¹⁾	6				
before dilution, thousands		218,100	102,383	218,100	102,383
after dilution, thousands		218,100	104,333	218,100	102,383

¹⁾ Until 30 June 2020, the Group had an outstanding convertible program. The program ran during the period 1 July 2016 to 30 June 2020 and conversion could take place to a maximum of 1,950,000 Series B shares during the period 1-12 June 2020 at a subscription price of SEK 86.00. No conversions were made and the convertible debenture loan was repaid on June 30, 2020.

The Board decided on February 9, 2021 on the implementation of the offset issue and the rights issue based on the issue authorization decided at the Extraordinary General Meeting on January 15, 2021. On March 12, 2021, ITAB announced full recapitalization completed and that the rights issue of SEK 768 million was fully subscribed. The number of shares increased by 115,716,762 and was 218,100,192 after the issue.

► STATEMENT OF OTHER COMPREHENSIVE INCOME IN SUMMARY

(SEK millions)	Note	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	ROLLING 12 MONTHS APR-MAR 2020/2021	FULL YEAR JAN-DEC 2020
Net profit for the period		50	18	10	-22
Other comprehensive income:					
Items that will not be reclassified to the income statement					
Revaluation of defined-benefit pension commitments		-	-	2	2
Tax relating to items not to be reclassified		-	-	0	0
		-	-	2	2
Items that may be reclassified to the income statement					
Translation differences		68	45	-108	-131
Hedging of net investments, net	5	0	-8	13	5
Cash flow hedges, net	5	5	-14	14	-5
Tax on items that may be reclassified		-1	5	-6	0
		72	28	-87	-131
Total other comprehensive income after tax		72	28	-85	-129
Comprehensive income for the period		122	46	-75	-151
Comprehensive income for the period attributable to:					
Parent Company shareholders		114	40	-67	-141
Non-controlling interests		8	6	-8	-10

► STATEMENT OF FINANCIAL POSITION IN SUMMARY

(SEK millions)	Note	2021 31-MAR	2020 31-MAR	2020 31-DEC
Assets				
Non-current assets				
<i>Intangible assets</i>				
Goodwill		1,637	1,745	1,599
Other intangible assets		138	169	144
		1,775	1,914	1,743
Property, plant and equipment		1,421	1,569	1,367
Shares in Associated Companies		11	15	12
Deferred tax assets		100	110	101
Financial non-current assets		18	8	6
Total non-current assets		3,325	3,616	3,229
Current assets				
Inventory		853	947	698
Current receivables		1,098	1,186	900
Cash and cash equivalents		993	290	692
Total current assets		2,944	2,423	2,290
TOTAL ASSETS		6,269	6,039	5,519
Equity and liabilities				
Equity attributable to Parent Company's shareholders	6	2,555	1,788	1,607
Non-controlling interests		137	134	118
Deferred tax liabilities		44	50	41
Other non-current liabilities	5	1,615	2,065	1,283
Current liabilities	5, 7	1,918	2,002	2,470
TOTAL EQUITY AND LIABILITIES		6,269	6,039	5,519
Interest-bearing net debt amounts to		878	2,472	1,748
of which convertible debenture loans are included at		0	166	0
Net debt excluding lease liability		222	1,741	1,092

► SUMMARY OF STATEMENT OF CHANGES IN EQUITY

(SEK millions)	Note	Share capital	Other contributed capital	Other reserves ^{*)}	Profit brought forward	Attributable to Parent Company's shareholders	Related to holdings without controlling influence	Total equity
SHAREHOLDERS' EQUITY 1 JAN 2020		43	315	44	1,346	1,748	128	1,876
Net profit for the period					20	20	-2	18
Other comprehensive income				20		20	8	28
COMPREHENSIVE INCOME JAN-MAR 2020				20	20	40	6	46
SHAREHOLDERS' EQUITY 31 MARCH 2020		43	315	64	1,366	1,788	134	1,922
Net profit for the period					-41	-41	1	-40
Other comprehensive income				-142	2	-140	-17	-157
COMPREHENSIVE INCOME APR-DEC 2020				-142	-39	-181	-16	-197
Effect on repayment convertible debenture loan KV5B			-11		11	0		0
SHAREHOLDERS' EQUITY 31 DECEMBER 2020		43	304	-78	1,338	1,607	118	1,725
Net profit for the period					49	49	1	50
Other comprehensive income				65		65	7	72
COMPREHENSIVE INCOME JAN-MARCH 2021				65	49	114	8	122
Acquisition of partly owned companies	2						11	11
New and offset issue	6	48	786			834		834
SHAREHOLDERS' EQUITY 31 MARCH 2021		91	1,090	-13	1,387	2,555	137	2,692

* Other reserves consist of translation reserve and hedging reserve.

► STATEMENT OF CASH FLOWS IN SUMMARY

(SEK millions)	Note	3 MONTHS JAN–MAR 2021	3 MONTHS JAN–MAR 2020	ROLLING 12 MONTHS APR–MAR 2020/2021	FULL YEAR JAN–DEC 2020
Operating profit		102	41	173	112
Paid and received interest, tax and adjustments for items not included in the cash flow.		32	24	313	305
Cash flow from operating activities before changes in working capital		134	65	486	417
Changes in working capital					
Changes in inventories		-106	-3	-18	85
Changes in operating receivables		-173	-50	-33	90
Changes in operating liabilities		247	114	352	219
Cash flow from change in working capital		-32	61	301	394
Cash flow from operating activities		102	126	787	811
Investing activities					
Acquisition of companies and operations	2	-23	0	-23	0
Other sales / investments		-12	-20	-37	-45
Cash flow from investing activities		-35	-20	-60	-45
Cash flow after investing activities		67	106	727	766
Financing activities					
Rights issue	6	734	-	734	-
Amortisation convertible loan KV5B		-	-	-168	-168
Amortization of lease liabilities		-30	-32	-120	-122
Cash flow from other financing activities		-501	-93	-461	-53
Cash flow for the period		270	-19	712	423
Cash and cash equivalents at the start of the period		692	302	290	302
Translation differences on cash and cash equivalents		31	7	-9	-33
Cash and cash equivalents at the end of the period		993	290	993	692
Cash flow from operating activities, per share		0.78	1.23	7.08	7.92

► INCOME STATEMENT IN SUMMARY

(SEK millions)	Not	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	FULL YEAR JAN-DEC 2020
Net sales ¹⁾		46	13	169
Costs of goods sold		-4	-4	-20
Gross Profit		42	9	149
Selling expenses		-9	-11	-48
Administrating expenses		-11	-12	-53
Other operating income and expenses		0	-2	1
Operating profit		22	-16	49
Result from participations in Group companies		-8	0	-56
Financial income and expenses	5	-55	-61	22
Profit after financial items		-41	-77	15
Year-end appropriations		-	-	-29
Profit before tax		-41	-77	-14
Tax expenses for the period		0	0	-14
NET PROFIT FOR THE PERIOD		-41	-77	-28

STATEMENT OF OTHER COMPREHENSIVE INCOME

Net profit for the period		-41	-77	-28
Other comprehensive income		-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD		-41	-77	-28

¹⁾ 100% of the Parent Company's income relates to subsidiaries.

► BALANCE SHEET IN SUMMARY

(SEK millions)	Not	2021 31 MAR	2020 31 MAR	2020 31 DEC
Non-current assets				
Property, plant and equipment		6	8	7
Financial non-current assets		2,104	2,134	2,102
Deferred tax assets		17	31	17
Total non-current assets		2,127	2,173	2,126
Current assets				
Current receivables		141	780	251
Cash and bank balance		738	3	449
Total current assets		879	783	700
TOTAL ASSETS		3,006	2,956	2,826
Shareholders' Equity				
Restricted equity		98	50	50
Non-restricted equity		1,739	945	994
Total equity	6	1,837	995	1,044
Non-current liabilities		947	1,361	626
Current liabilities	7	222	600	1,156
TOTAL EQUITY AND LIABILITIES		3,006	2,956	2,826

Note 1 - Accounting principles

ITAB applies International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Annual Accounts Act and the Swedish Financial Reporting Board RFR 1, supplementary accounting rules for the Group and RFR 2, Accounting for Legal Entities. The accounting principles applied are in accordance with the accounting principles used in the preparation of the most recent Annual Report.

Note 2 - Acquisition and divestments

Acquisition 2020

ITAB Shop Concept AB's Italian subsidiary La Fortezza s.p.a. entered October 8th, 2020 into an agreement with Cefla soc. coop. ("Cefla") to acquire 81 percent of Cefla's retail solutions business unit. In January 2021, the transaction was completed and the business unit was carved-out from Cefla's existing structure and transferred to a newly established Italian limited liability company Imola Retail Solution Srl. ITAB owns 81 percent of Imola Retail Solution and has the right to acquire Cefla's minority stake in the said company three years from the transaction date. The acquisition of Cefla are consolidated from January 1, 2021.

Cefla's retail solutions business unit primarily offers interior design and checkout solutions to its customers, who are predominantly located in southern Europe and

within the grocery sector. Through the acquisition and collaboration with Cefla, ITAB strengthens its leading position in southern Europe and creates opportunities to offer ITAB's solutions to a wider customer base. The positive EBITDA effect in 2021 on ITAB is estimated to at least 30 MSEK and the transaction will create opportunities for further synergy effects the coming years.

Expenses in connection with the acquisition are reported on an ongoing basis as expenses. The acquisition affected operating profit by SEK 1 million and cash flow during the first quarter by SEK 23 million. The effect of acquisitions is reported in the Annual Report 2020 Note 5.

Note 3 - Revenue from agreements with customers distributed by customer group and geographical area

Revenue recognition takes place when the Group satisfies a performance commitment by transferring promised goods and the customer gains control of the asset. This normally takes place on delivery in accordance with applicable delivery terms. In the event of concept sales where a service assignment is included, revenue recognition for the projects takes place over time. The projects are primarily short-term projects. The largest customer accounts for 13 percent of external sales, but none of the other ITAB Group customers account for more than 6 percent of external sales.

	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	FULL YEAR JAN-DEC 2020
Sales per customer group¹⁾			
Grocery	880	733	3,094
Home improvements	270	239	733
Fashion	85	161	420
Other customer categories	288	283	1,076
	1,523	1,416	5,323

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

	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	FULL YEAR JAN-DEC 2020
Sales per geographic area²⁾			
Northern Europe	427	434	1,500
Southern Europe	381	226	819
Central Europe	252	257	1,031
UK & Ireland	249	253	1,054
Eastern Europe	132	152	509
Rest of the world	82	94	410
	1,523	1,416	5,323

²⁾ Northern Europe consists of the Nordic countries. Southern Europe consists mostly 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, Poland and Russia. The USA, China, Argentina and Saudi Arabia account for almost half of the market in the rest of the world.

Note 4 - Non-recurring items

The result during the period is charged with non-recurring costs.

For the most part, these consist of restructuring costs in connection with the transformation work according to the new strategy One ITAB.

	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	ROLLING 12 MONTHS APR-MAR 2020/2021	FULL YEAR JAN-DEC 2020
Non-recurring items, SEK millions				
Structuring costs	-14	-12	-158	-156
Inventory write-down of a non-recurring nature	-	-	-52	-52
Total non-recurring	-14	-12	-210	-208
Impact of non-recurring items in the income statement				
Operating profit before depreciation (EBITDA)	-14	-12	-204	-202
Operating profit	-14	-12	-207	-205
Profit after net financial items	-14	-12	-210	-208

Note 5 - Financial assets and liabilities

ITAB has derivative instruments valued 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 and fair value is calculated through discounted future cash flows according to the terms of the contracts and due dates where all variables, such as discount rates and exchange rates, are taken from market quotations for calculations.

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

Financial expenses have been charged with SEK 5 million for hedges that have been assessed as ineffective after the refinancing in the first quarter of 2021.

Additional purchase payments are reported as financial liabilities and classified in level 3. These are dependent on parameters in the respective agreements, which are mainly linked to the expected result in the next few years for the acquired companies.

The additional purchase prices have been reported at assessed value and revaluation is made 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. In other respects, reference is made to the most recent annual report.

Note 6 - New and offset issue

The Board of Directors decided on 9 February 2021 on the implementation of the set-off issue and the rights issue with the support of the issue authorization decided at the Extraordinary General Meeting on 15 January 2021. On 12 March 2021, ITAB announced that the recapitalization had been fully completed and that the rights issue of SEK 768 million was fully subscribed. The number of shares increased by 115,716,762 and was 218,100,192 after the issue.

	NO. SHARES	SHARE- CAPITAL	SHARE PREMIUM FUND	TOTAL SEK MILLION
Rights issue	102,383,430	42	726	768
Offsetting issue	13,333,332	6	94	100
Issue costs			-34	-34
	115,716,762	48	786	834

Note 7 - Shareholder loans

Current liabilities at year-end 2020 include short-term shareholder loans to Pomona-Gruppen AB (related to board member Fredrik Rapp), VIEM Invest AB (related to board member Anna Benjamin) and Övre Kullen AB (related to board member Petter Fägersten). The loans amounted to a total of SEK 140 million and were approved at the Extraordinary General Meeting on July 22, 2020. In connection with the offset issue in March 2021, SEK 100 million was converted into equity. The remaining SEK 40 million was amortised in March 2021.

► CONSOLIDATED QUARTERLY DATA

(SEK millions)	2021 JAN-MAR	2020 JAN-MAR	2020 OCT-DEC	2019 OCT-DEC	2020 JUL-SEP	2019 JUL-SEP	2020 APR-JUN	2019 APR-JUN
Net Sales	1,523	1,416	1,507	1,517	1,258	1,413	1,142	1,531
Costs of goods sold	-1,078	-1,027	-1,182	-1,155	-888	-1,029	-809	-1,119
Gross Profit	445	389	325	362	370	384	333	412
Selling expenses	-266	-279	-281	-326	-225	-278	-230	-290
Administrating expenses	-72	-73	-82	-75	-63	-65	-67	-74
Other operating income and expenses	-5	4	-8	0	1	4	-2	45
Operating profit	102	41	-46	-39	83	45	34	93
Financial items	-33	-14	-39	-24	-32	-16	-27	-21
Profit after financial items	69	27	-85	-63	51	29	7	72
Tax expenses	-19	-9	8	5	-18	-7	-3	-18
NET PROFIT FOR THE PERIOD	50	18	-77	-58	33	22	4	54
Net Profit for the period related to:								
Parent Company shareholders	49	20	-76	-58	32	22	3	54
Non-controlling interests	1	-2	-1	0	1	0	1	0
Non-recurring items	-14	-12	-154	-46	-12	-13	-30	36
Profit after financial items excluding non-recurring items, SEK million	83	39	69	-17	63	42	37	36
Profit margin, % excluding non-recurring costs	5.4	2.7	4.5	neg	5.1	3.0	3.2	2.4
Earnings per share after dilution, SEK	0.38	0.19	-0.74	-0.57	0.30	0.22	0.04	0.52
Return on equity, %	9.5	4.4	neg	neg	7.3	5.0	0.8	12.1
Equity per share, SEK	11.72	17.47	15.69	17.07	16.94	17.84	16.84	17.47
Cash flow from operating activities per share, SEK	0.78	1.23	2.92	2.34	1.26	0.17	2.51	0.59
Share price on balance sheet date, SEK recalculated after issue	16.84	5.65	13.10	12.08	9.74	17.05	8.11	20.97

► CONSOLIDATED ROLLING 12 MONTHS

(SEK millions)	APR 2020 – MAR 2021	JAN 2020 – DEC 2020	OCT 2019 – SEP 2020	JUL 2019 – JUN 2020	APR 2019 – MAR 2020	JAN 2019 – DEC 2019	OCT 2018 – SEP 2019	JUL 2018 – JUN 2019
Net Sales	5,430	5,323	5,333	5,488	5,877	6,064	6,068	6,130
Costs of goods sold	-3,957	-3,906	-3,879	-4,020	-4,330	-4,441	-4,472	-4,520
Gross Profit	1,473	1,417	1,454	1,468	1,547	1,623	1,596	1,610
Selling expenses	-1,002	-1,015	-1,060	-1,113	-1,173	-1,183	-1,154	-1,141
Administrating expenses	-284	-285	-278	-280	-287	-286	-277	-287
Other operating income and expenses	-14	-5	3	6	53	103	124	126
Operating profit	173	112	119	81	140	257	289	308
Financial items	-131	-112	-97	-81	-75	-83	-80	-82
Profit after financial items	42	0	22	0	65	174	209	226
Tax expenses	-32	-22	-25	-14	-29	-54	-70	-74
NET PROFIT FOR THE PERIOD	10	-22	-3	-14	36	120	139	152
Net Profit for the period related to:								
Parent Company shareholders	8	-21	-3	-13	38	120	139	150
Non-controlling interests	2	-1	0	-1	-2	0	0	2
Non-recurring items	-210	-208	-100	-101	-35	16	19	32
Profit after financial items excluding non-recurring items, SEK millions	252	208	122	101	100	158	190	194
Profit margin, % excluding non-recurring costs	4.5	3.9	2.3	1.8	1.7	2.6	3.1	3.2
Earnings per share after dilution, SEK	0.08	-0.21	-0.04	-0.12	0.36	1.17	1.36	1.46
Return on equity, %	0.5	neg	neg	neg	2.1	6.9	8.1	8.9
Equity per share, SEK	11.72	15.69	16.94	16.84	17.47	17.07	17.84	17.47
Cash flow from operating activities per share, SEK	7.08	7.92	7.34	6.25	4.33	4.68	4.51	4.65

KEY RATIOS & DEFINITIONS



► KEY RATIOS

	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	ROLLING 12 MONTHS APR-MAR 2020/2021	FULL YEAR JAN-DEC 2020
Revenue from contracts with customer, SEK millions	1,523	1,416	5,430	5,323
EBITDA, SEK millions	165	109	432	376
EBITDA margin, %	10.8	7.7	8.0	7.1
EBITDA excl. non-recurring costs, SEK millions	179	121	636	578
EBITDA margin, % excluding non-recurring costs	11.7	8.5	11.8	11.0
Operating profit, SEK millions	102	41	173	112
Operating margin, %	6.7	2.9	3.2	2.1
Operating profit excluding non-recurring costs, SEK millions	116	53	380	317
Operating margin, % excluding non-recurring costs	7.6	3.7	6.9	6.0
Profit after net financial items, SEK millions	69	27	42	0
Profit margin, %	4.5	1.9	0.8	0.0
Operating profit after net financial items, excl. non-recurring items, SEK millions	83	39	252	208
Profit margin, % excluding non-recurring costs	5.4	2.7	4.5	3.9
Cash flow from operating activities, SEK millions	102	126	787	811
Profit after tax, SEK millions	50	18	10	-22
Share price at the end of the period, recalculated after issue, SEK	16.84	5.65	16.84	13.10
Earnings per share, SEK	0.38	0.19	0.08	-0.21
Cash flow from operating activities per share, SEK	0.78	1.23	7.08	7.92
Number of shares at the end of the period, SEK	218,100,192	102,383,430	218,100,192	102,383,430
Number of shares in average	131,312,621	102,383,430	111,284,719	102,383,430
Balance sheet total, SEK millions	6,269	6,039	6,269	5,519
Interest-bearing net debt, SEK millions	878	2,472	878	1,748
Interest-bearing net debt excl. lease liability, SEK millions	222	1,741	222	1,092
Equity related to the Parent Company's shareholders, SEK millions	2,555	1,788	2,555	1,607
Equity per share, SEK	11.72	17.47	11.72	15.69
Equity/assets ratio, %	42.9	31.8	42.9	31.3
Share of risk-bearing capital, %	43.6	35.4	43.6	32.0
Return on equity p.a., %	9.5	4.4	0.5	-1.2
Return on capital employed p.a., %	9.7	4.2	2.6	2.5
Return on total capital p.a., %	7.2	3.3	2.9	2.0
Interest-coverage ratio, multiple	2.9	2.2	1.3	1.0
Net investments, SEK millions	35	20	60	45
Net investments (excl. business acquisitions), SEK millions	12	20	37	45
Average no. employees, no.	2,962	3,183	2,920	3,030

► RECONCILIATION OF KEY RATIOS

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

▼ EBITDA (Operating profit before depreciation)

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

A central profit measure to assess the profit development for the company over time.

(SEK millions)	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	FULL YEAR JAN-DEC 2020
Operating profit	102	41	112
Depreciation and amortisation	63	68	264
EBITDA	165	109	376
Non-recurring items, note 4	-14	-12	-202
EBITDA EXCL. NON-RECURRING ITEMS	179	121	578

▼ Interest-bearing net debt

Non-current and current interestbearing liabilities minus interestbearing assets as well as cash and cash equivalents.

Measures to show ITAB's total loan financing.

(SEK millions)	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	FULL YEAR JAN-DEC 2020
Interest-bearing long-term liabilities	1,533	2,011	1,239
Interest-bearing current liabilities	338	751	1,202
Interest-bearing assets	0	0	-1
Cash and cash equivalents	-993	-290	-692
INTEREST-BEARING NET DEBT	878	2,472	1,748
Of which interest-bearing lease liabilities	656	731	656
INTEREST-BEARING NET DEBT EXCL. LEASING	222	1,741	1,092

▼ Share of risk-bearing capital

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

Relevant for assessing ITAB's potential to fulfil its financial obligations.

(SEK millions)	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	FULL YEAR JAN-DEC 2020
Equity attributable to Parent Company's shareholders	2,555	1,788	1,607
Equity related to non controlling interests	137	134	118
Provision for deferred tax liabilities	44	50	41
Convertible debenture loan	-	166	-
RISK-BEARING CAPITAL	2,736	2,138	1,766
Total capital	6,269	6,039	5,519
SHARE OF RISK-BEARING CAPITAL, %	43.6	35.4	32.0

▼ Return on equity

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

Relevant to assess how ITAB uses its assets to generate results in the company.

(SEK millions)	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	FULL YEAR JAN-DEC 2020
Net profit for the year attributable to Parent Company's shareholders	197	78	-21
Equity attributable to Parent Company's shareholders	2,555	1,788	1,607
Average equity attributable to Parent Company's shareholders	2,081	1,768	1,720
RETURN ON EQUITY, %	9.5	4.4	-1.2

▼ Return on capital employed

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

Relevant to assess ITAB's efficiency and value creation from the business.

(SEK millions)	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	FULL YEAR JAN-DEC 2020
Profit for the year after financial items plus financial borrowing costs	426	195	112
Average balance sheet total minus non interest-bearing liabilities	4,365	4,686	4,441
RETURN ON CAPITAL EMPLOYED, %	9.7	4.2	2.5

▼ Return on total capital

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

Relevant to assess the ability to generate results on the Group's assets regardless of financing costs.

(SEK millions)	3 MONTHS JAN-MAR 2021	3 MONTHS JAN-MAR 2020	FULL YEAR JAN-DEC 2020
Profit for the year after financial items plus financial borrowing costs	426	195	112
Average* total capital	5,894	5,967	5,727
RETURN ON TOTAL CAPITAL, %	7.2	3.3	2.0

► OTHER DEFINITIONS

► Return on equity

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

Relevant to assess how ITAB uses its assets to generate results in the company.

► Cash flow from operating activities per share

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

The measure highlights ITAB's ability to generate cash flow and pay its shareholders.

► Earnings per share

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

A valuation measure that highlights ITAB's ability to pay its shareholders.

► Earnings per share after dilution

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

A valuation measure that highlights ITAB's ability to pay its shareholders after conversion.

► Interest-bearing net debt

Non-current and current interestbearing liabilities minus interestbearing assets as well as cash and cash equivalents.

Measures to show ITAB's total loan financing.

► Profit margin

Profit after financial items in relation to net sales.

Relevant to assess ITAB's efficiency and added value.

► Equity/assets ratio

Equity in relation to total capital.

Highlights financial risk.

► Total capital

Total equity and liabilities (total assets)

The measure highlights the size of the company's total assets.

► Operating margin

Operating profit in relation to net sales.

Relevant to assess ITAB's efficiency and added value.

► Average number of employees

Number of worked hours divided by normal annual working time.

The measure shows the size of ITAB's workforce.

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

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

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

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



► ALL-INCLUSIVE OFFER

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



► RETAIL TECHNOLOGY

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



► LIGHTING

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

- MISSION STATEMENT -

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



ITAB



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SHARE INFORMATION

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Trading lot 1 share	Share price on closing day SEK 16.84 kr (5.65)

FINANCIAL CALENDAR

Annual General Meeting 2021	11 May
Interim Report Jan-Jun	12 July 2021
Interim Report Jan-Sep	29 October 2021
Year-End Report 2021	7 February 2022
Annual Report 2021	March/April 2022
Annual General Meeting 2022	May 2022

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

This information is such information that ITAB Shop Concept AB (publ) is obliged to make public under the EU's Market Abuse Regulation. The information was submitted for publication at **1 pm May 11, 2021**.