ITAB

ITAB Shop Concept AB (publ)

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YEAR-END REPORT 2022

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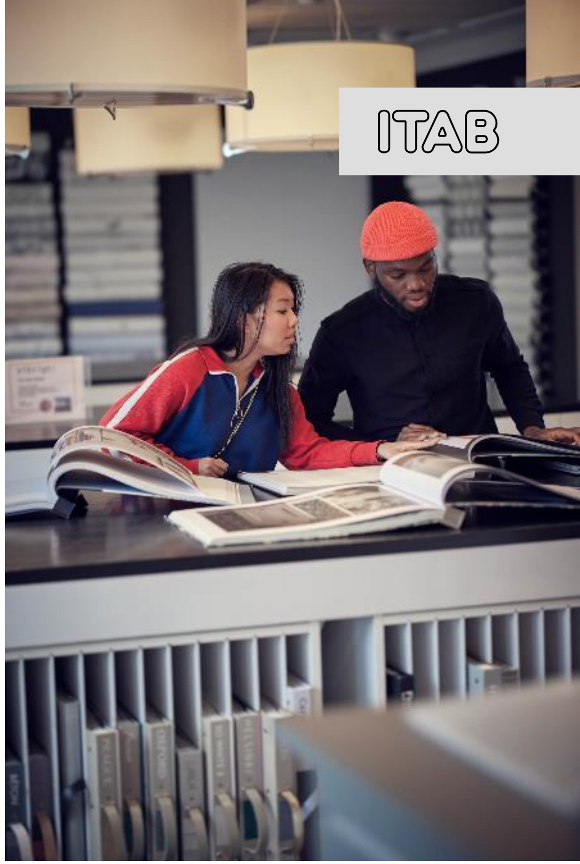
Introduction to ITAB



We are what we create together with our customers

ITAB

Leader in Europe with global reach

Grocery
SEK 3,700m
(54% of total sales)

ICA Morrisons Carrefour TESCO coop

Home Improvement
SEK 1,000m
(14% of total sales)

IKEA coop BYGG LEROY MERLIN BRICOMAN wilko TOKMANNI

Fashion
SEK 700m
(11% of total sales)

H&M UNIQLO C&A PANDORA

Other customers
SEK 1,500m
(21% of total sales)

expert COSTA COFFEE CIRCLE K APOTEK clas ohlson XXL

Note: All figures are approximatives and refer to full year 2022.

ITAB TODAY

- Strategic partner to retailers, co-creating retail experiences that drive measurable results that create return of investment
- Consolidated services range from concept creation, manufacturing and installation to end-to-end maintenance and after-care services
- Support multiple retailing sectors with focus on Grocery and DIY/Home Improvement
- Activities span 15 production facilities with some 2,900 employees in 24 countries
- Decision to discontinue all activity in Russia communicated in March 2022

One ITAB – Better Together

BUILT ON CONSUMER AND RETAIL INSIGHT

CONSUMER

- Greater choice of service
- Frictionless experiences
- More demanding expectations
- More informed on both product and price
- Investing more time in themselves and their social network

RETAIL

- Market disruption from online
- Changing investment priorities
- Reducing cost of in-store operations
- Investment in store experiences that differentiate their brand
- Keeping pace with the change needs of their customers

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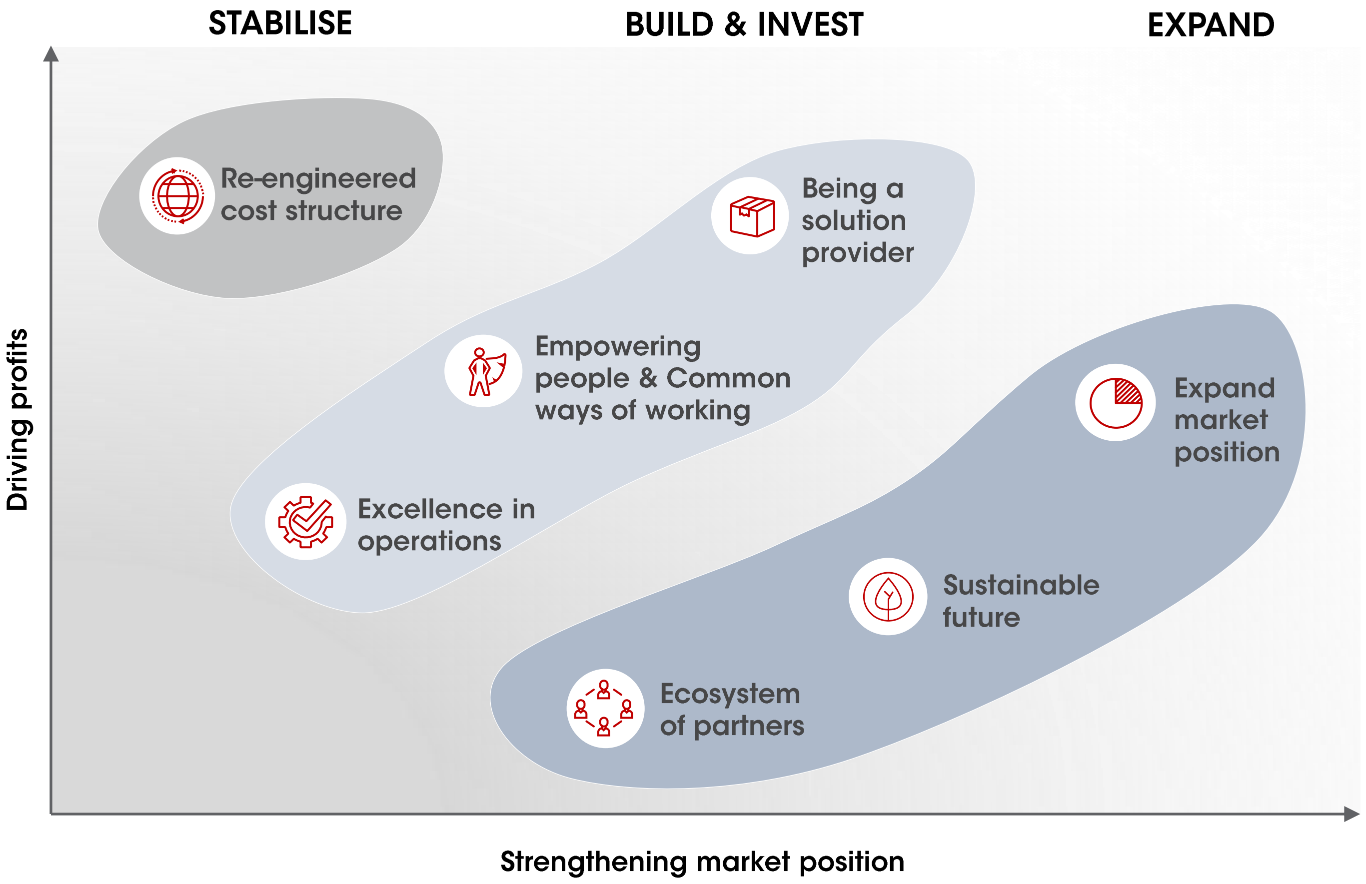
- Continual insight from consumer and customers across all regions
- Outcome based value proposition
- Solution provider driven by market insight
- Supported by a network of eco-partners to build outcome-based solutions
- Agile and flexible operations
- Global presence with local approach

ONE ITAB STRATEGIC PRIORITIES AIMED AT BECOMING THE LEADING SOLUTION PROVIDER



One ITAB execution is sequenced to mitigate risk and manage resources:

- *Stabilise* phase focus on securing a solid foundation for change with financial stability and funding of investments, 2020-2022
- *Build & Invest* focus on creating new capabilities aimed at transforming ITAB to become the leading solution provider, 2021-2023
- *Expand* leverage the new capabilities and aims at organic and acquired growth, 2022-2026

VALUE BASED OUTCOME APPROACH HELPS DRIVE MEASURABLE RESULTS

Together with our customers we help to identify:

- The changing needs of their consumers
- The benefits associated with addressing these needs
- An approach that delivers benefits in the short, medium and long term

ITAB supports with overall insights, know-how, solutions and leading best practice with proven return on investment.

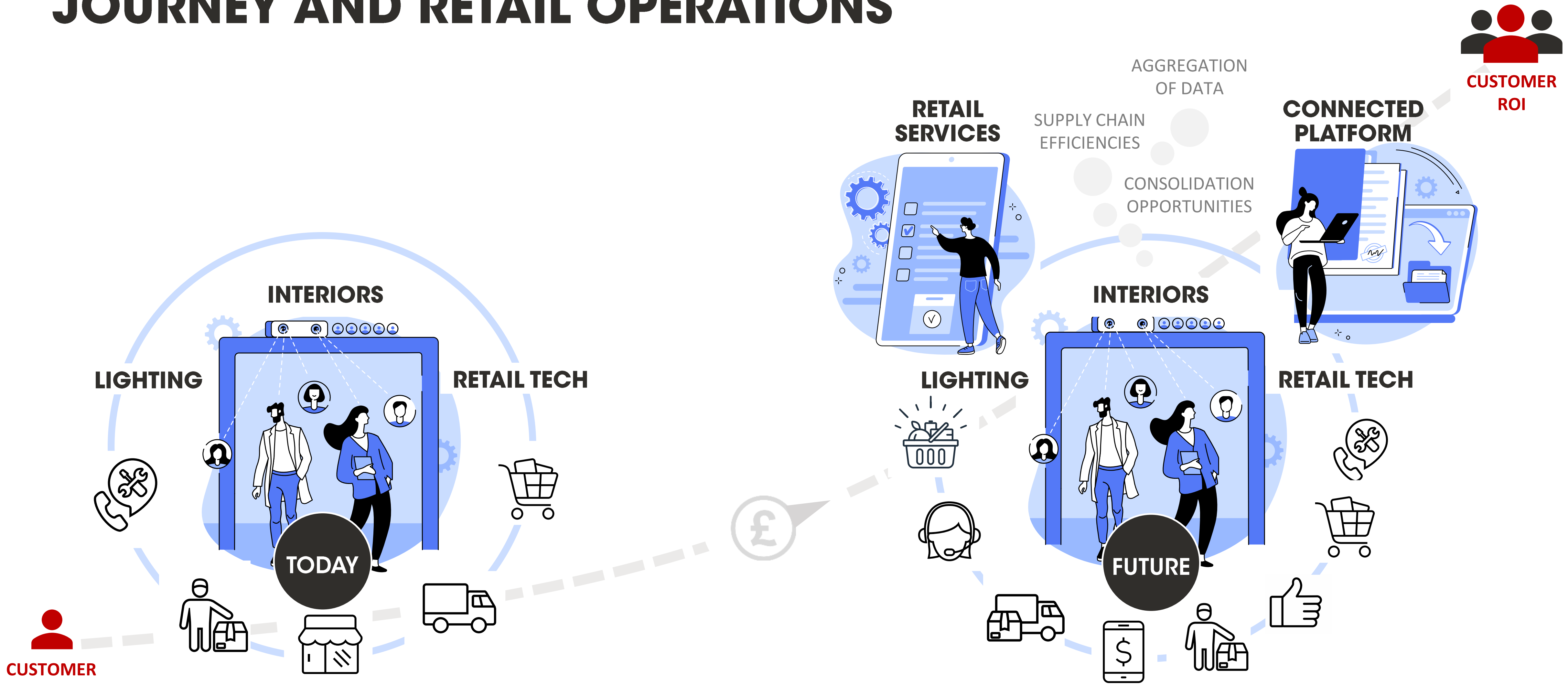
DESIRED CONSUMER BRAND EXPERIENCE
Translating the aspirations of the retailer's brand into the physical store experience, driving footfall and consumer retention

INCREASE CONVERSION AND SALES
Creating a store format, department or range experience that influences consumer buying behaviour

IMPROVE EFFICIENCIES AND SERVICE
Create a seamless consumer journey that increases throughput and improves service levels

REDUCE OPERATIONAL COST
Efficient consumer journeys can influence store operating models and staff efficiency reducing cost

ITAB'S EVOLVING INFLUENCE ON THE CONSUMER JOURNEY AND RETAIL OPERATIONS



Rethink Retail. Together.

TWO YEARS OF STRATEGY EXECUTION AND OUR PRIORITIES GOING FORWARD

STABILISE

Cost & capital restructuring

- Sourcing volume consolidation
- SG&A reduction
- Manufacturing footprint consolidation
- Reduced net debt
- Reduction of fixed cost
- Fighting covid and its consequences

SIMPLIFY

BUILD & INVEST

Solution provider capabilities

- Development of Value proposition
- Roll out of new Go-to-Market model with sales trainings
- Services, Technology and Solution sales ambitions set
- Excellence in Operations
- Implement One ITAB operating model supported by shared IT

AMPLIFY

EXPAND

Sustainable profitable growth

- Increase cross-selling to existing customers & penetration in existing markets
- Leverage our strengths and cross sector know-how incl. existing services across our regions
- Extend our technology & service offer to support more areas of the value chain that impact of the physical store

GROWTH

THREAT

Inflation & cost of capital

- Shortages in oil & gas, semi-conductors and raw material drive inflation rapidly
- Market interest rates goes up to balance inflation
- ITAB have few tools to manage the situation and we are not a bank
- Proactive pricing and capital control

FOCUS

OUR FINANCIAL TARGETS – SUSTAINABLE PROFITABLE GROWTH AND CAPITAL EFFICIENCY

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GROWTH

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

4-8%

Sales growth

EARNINGS

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

7-9%

EBIT-margin

CAPITAL EFFICIENCY

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

>80%

Cash conversion

DIVIDEND POLICY

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

>30%

Proportion of profit after tax

Note: ITAB's financial targets refer to the average performance over a business cycle.

WE ARE WELL ON OUR WAY

		2019	2022
STRENGTHENED GROCERY POSITION	➢ Grocery sector % of sales	49%	54%
INCREASED RATIO OF RETAIL TECHNOLOGY	➢ Retail Technology % of sales	22%	28%
SIGNIFICANTLY LOWER NET DEBT	➢ Net debt including leasing	2.5 BSEK	1.1 BSEK
IMPROVED PROFITABILITY	➢ EBIT margin	4.2%	5.9%

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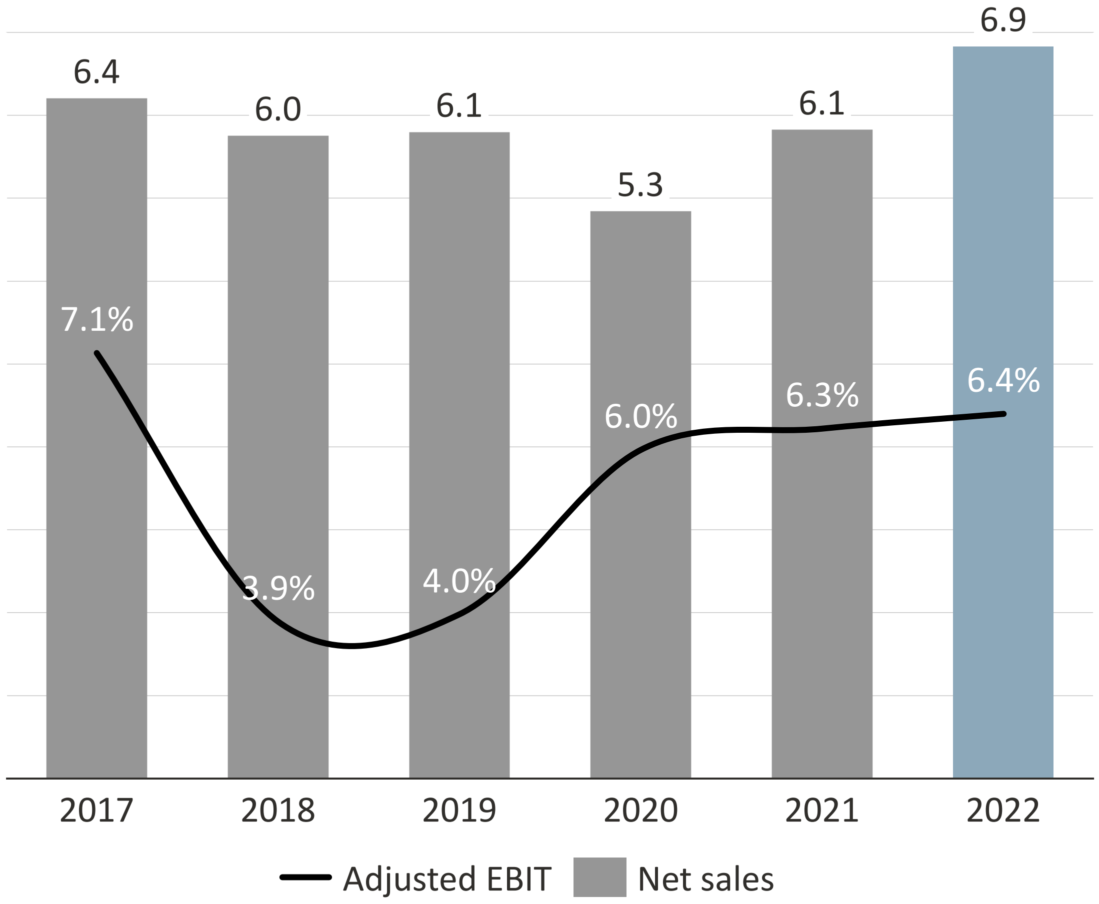
Year-End Report Q4 2022

January 1st – December 31st

DURING THE YEAR ADJUSTED EBIT GREW 16% AND OUR OPERATING CASH FLOW SIGNIFICANTLY IMPROVED

Net sales and adjusted EBIT (SEK billion, %)



SEK million	2022	2021	Change
Net sales	6,868	6,087	+13%
Adjusted EBITDA	704	645	+9%
Adjusted EBIT	443	382	+16%
Adjusted EBT	388	313	+24%
Operating cash flow [1)]	542	-165	N/A
Net debt excl. leasing [2)]	399	609	-210

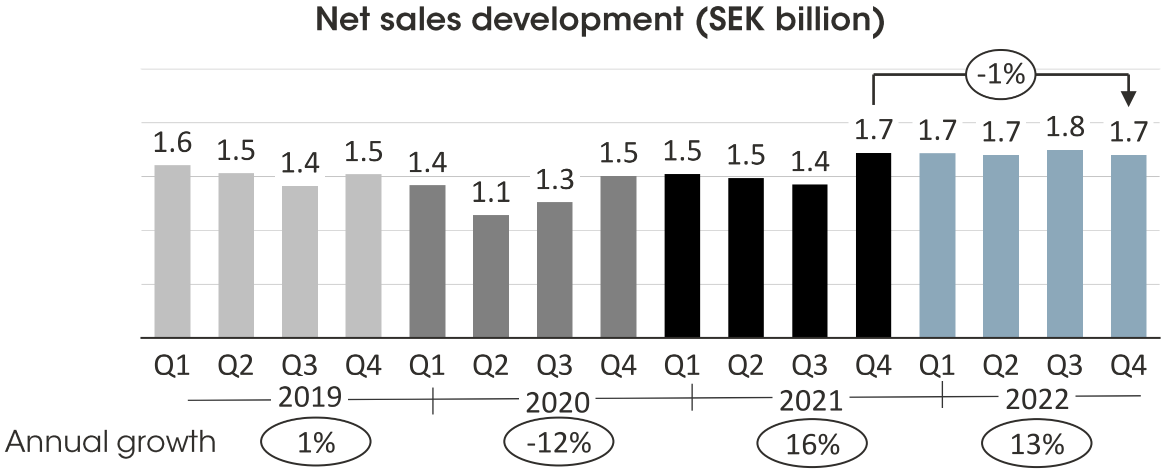
[1)] Including Discontinued Operations.
[2)] Comparative periods have not been restated related to Discontinued Operations.

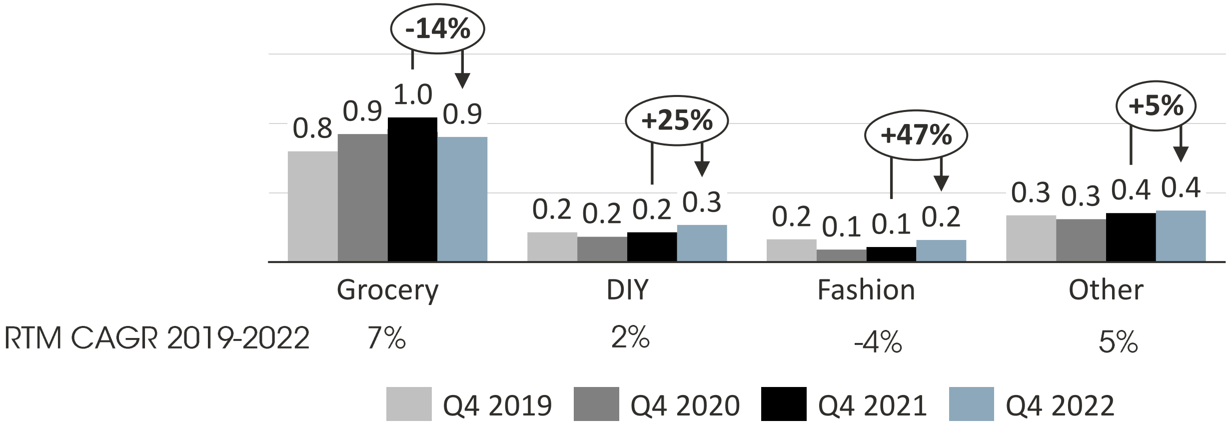
DISCONTINUED OPERATIONS
As of the Interim Report for the third quarter 2022, ITAB's Russian operations are recognised as Discontinued Operations in accordance with IFRS 5. Other operations comprise Continuing Operations. Comments and figures pertain to Continuing Operations, unless otherwise stated. Comparative figures in the consolidated income statement have been restated. For more information, refer to "Discontinued Operations" and "Accounting policies" in the Year-End Report.

Note: Sales and earnings excluding Discontinued Operations for 2021-2022.

STRONG GROWTH (13%) 2022 DUE TO PRICE INCREASES AND OUR RETAIL TECH- AND RETAIL LIGHTING SOLUTIONS

- Full year sales growth of 13%; with currency-adjusted growth being 8% whereof acquisition of Checkmark contributing 2%, and organic growth 6%
- Q4 sales decreased by 1% with organic growth being -8%, mainly driven by Grocery where Q4 last year was very strong
- Continued strong growth in Retail Lighting and Retail Tech loss preventing solutions where ITAB are well positioned
- Sales growth strongest outside of Grocery, and especially within Fashion (although growing from low level 2021)
- Since 2019, Grocery is the fastest growing sector



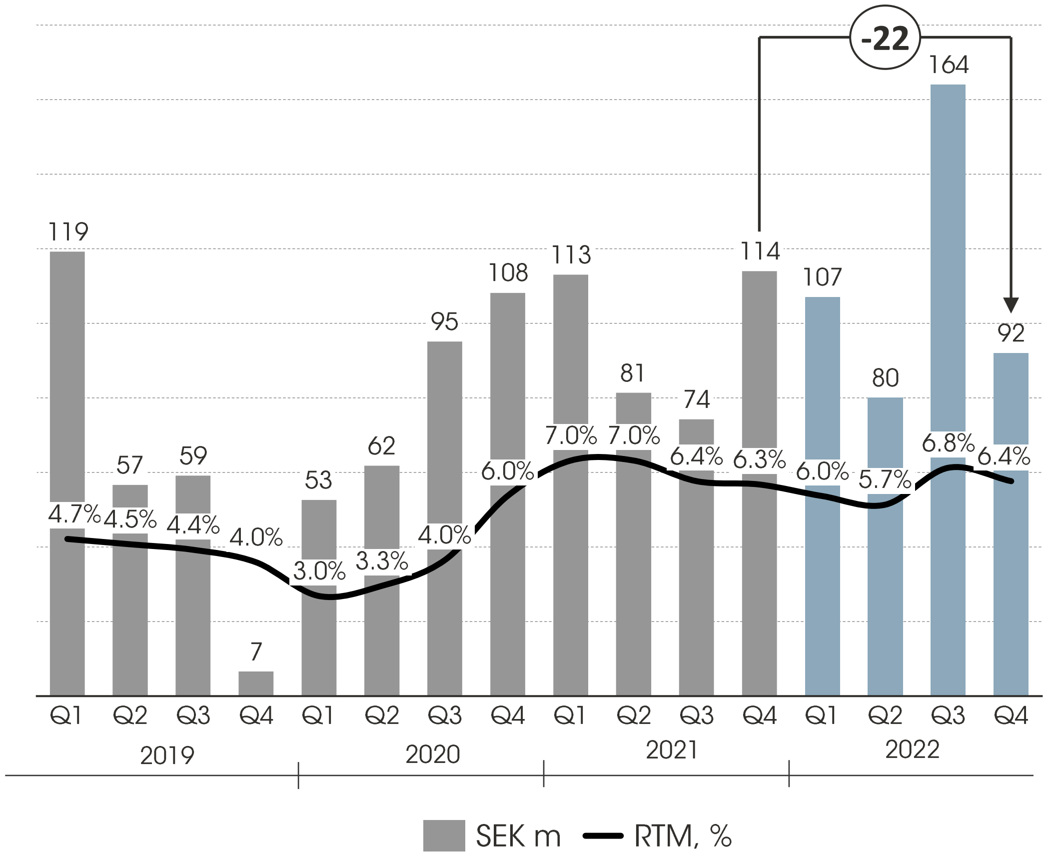


Note: Sales excluding Discontinued Operations for 2021-2022.

CONTINUED STRONG PROFITABILITY UNDERPINNED BY AN IMPROVING COST- AND PRICE BALANCE

- Adjusted EBIT somewhat behind last year due to strong comparable figures and a stronger Q3 this year. Full year adjusted EBIT grew 16%
- Reported EBIT of MSEK 403 (216) is significantly up due to the limited impact of non-recurring costs as we closed the first part of the One ITAB transformation during Q2 this year
- Price increases and cost savings are now more balanced with the significant cost increases in the market. Also, growth in Retail Technology and Retail Lighting have improved our product mix
- Uncertainties in the world continue to affect our operating environment and short term some customers are hesitant towards committing to investments. However, our underlying trend is continuously improving as we go further into execution of strategy

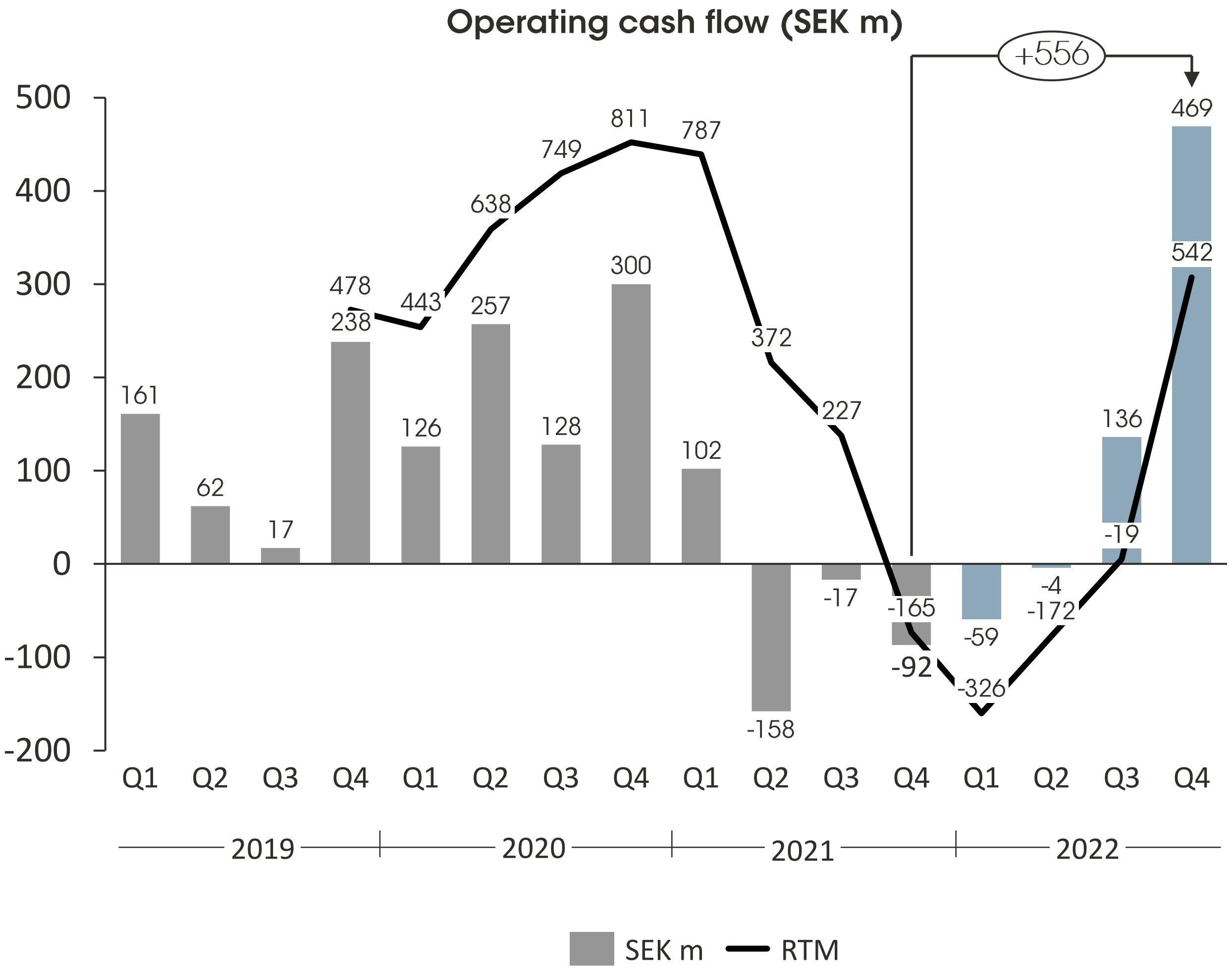
Adjusted EBIT (SEK m, %)



Note: Earnings excluding Discontinued Operations for 2021-2022.

STRONG CASH FLOW DEVELOPMENT IN Q4 DUE TO IMPROVED NET WORKING CAPITAL

- Dramatically improved cash flow in Q4 due to a stable result and a significant decrease in WC
- After 4 consecutive quarters with negative cash flow due to currency, supply chain disturbances, and rising material prices, we now have 2 quarters of strong cash flow and move towards a more normalised level of operating capital. Full year operating cash flow amounts to MSEK 542
- Our initiatives and actions to reduce operating capital are materialising, and our strong focus on this will continue in order to reach even higher capital efficiency



Note: Operating cash flow post IFRS 16, including Discontinued operations

MAIN TAKEAWAYS FROM THE REPORT

- Price increases and cost-savings have strengthened both net revenue and profit for 2022
- Sales growth in most markets and customer groups in 2022
- Price increases are in better balance with cost increases and the rising inflation – and favourable product and customer mix in the second half of the year
- Strong cash flow for the fourth quarter with positive effects from our efforts to reduce working capital
- Positive development for all of the Group's financial targets
- Acquisition of Checkmark in Finland and decision to discontinue the Group's operations in Russia
- Continued focus on margin improvement with price adjustments, co-ordinated purchasing and other cost-savings
- Uncertainties in the world continues to affect our operating environment
- Proposal for a dividend of SEK 0.50 per ordinary share for 2022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Thank you!