



YEAR-END REPORT – 12 MONTHS 1 January–31 December 2022

FOURTH QUARTER (1 Oct-31 Dec 2022)

- ▶ Net sales declined by 1 percent to SEK 1,702 million (1,722), of which currency-adjusted sales declined by 6 percent.
- ▶ Operating profit before depreciation and amortisation (EBITDA) excluding non-recurring items of SEK -1 million (-70) amounted to SEK 170 million (183).¹⁾
- ▶ Operating profit amounted to SEK 91 million (35) and the operating margin was 5.3 percent (2.1). Operating profit was charged with non-recurring items of SEK -1 million (-79).¹⁾
- ▶ Profit after financial items totalled SEK 76 million (30).
- ▶ Profit after tax amounted to SEK 58 million (20).
- ▶ Earnings per share before and after dilution totalled SEK 0.30 (0.09).^{2,3)}
- ▶ Cash flow from operating activities amounted to SEK 469 million (-92).³⁾

FINANCIAL YEAR (1 Jan-31 Dec 2022)

- ▶ Net sales increased by 13 percent to SEK 6,868 million (6,087), of which currency-adjusted sales rose by 8 percent.
- ▶ Operating profit before depreciation and amortisation (EBITDA) excluding non-recurring items of SEK -30 million (-157) amounted to SEK 704 million (644).¹⁾
- ▶ Operating profit amounted to SEK 403 million (216) and the operating margin was 5.9 percent (3.6). Operating profit was charged with non-recurring items of SEK -40 million (-166).¹⁾
- ▶ Profit after financial items totalled SEK 348 million (147).
- ▶ Profit after tax amounted to SEK 243 million (95).
- ▶ Earnings per share before and after dilution totalled SEK 0.78 (0.50).^{2,3)}
- ▶ Cash flow from operating activities amounted to SEK 542 million (-165).³⁾
- ▶ The equity/assets ratio at the end of the year was 48 percent (46).³⁾
- ▶ Net debt excluding lease liabilities amounted to SEK 399 million (609).⁴⁾

"It is gratifying to report a strong cash flow and improved earnings despite a challenging 2022. It is primarily our margin-strengthening measures with price adjustments, our continual review of the cost structure and a beneficial product mix that have strengthened our earnings during the year."

Andréas Elgaard
President & CEO

[Read more on page 2](#)

SIGNIFICANT EVENTS IN 2022

- ▶ Acquisition of Checkmark, one of the leading suppliers of technology solutions in areas such as checkouts in the Nordic region, further strengthens ITAB's market position.
- ▶ Due to the invasion of Ukraine, a decision was made to discontinue ITAB's operations in Russia.
- ▶ In connection with the annual financial statements for 2021, the Board adopted new financial targets focused on sustainable growth, increased profitability and capital efficiency. [Read more on page 17.](#)
- ▶ The Board of Directors proposes a dividend of SEK 0.50 (-) per ordinary share for 2022.

DISCONTINUED OPERATIONS

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

THE GROUP IN SUMMARY

For definitions, see pages 15–16

	FOURTH QUARTER		Δ	FULL YEAR		Δ
	OCT-DEC 2022	OCT-DEC 2021		JAN-DEC 2022	JAN-DEC 2021	
CONTINUING OPERATIONS						
Net Sales, SEKm	1,702	1,722	-1%	6,868	6,087	13%
EBITDA excl. non-recurring items ¹⁾ , SEKm	170	183	-7%	704	644	9%
EBITDA margin, %	10.0	10.6		10.2	10.6	
Operating profit excl. non-recurring items ¹⁾ , SEKm	92	114	-19%	443	382	16%
Operating margin, %	5.4	6.7		6.4	6.3	
Profit after financial items excl. non-recurring items ¹⁾ , SEKm	77	109	-29%	388	313	24%
Profit margin, %	4.5	6.4		5.7	5.1	
Profit after tax, SEKm	58	20	190%	243	95	156%
Earnings per share before and after dilution ^{2,3)} , SEK	0.30	0.09	233%	0.78	0.50	56%
Cash flow from operating activities ³⁾ , SEKm	469	-92	N/A	542	-165	N/A
Equity/assets ratio ³⁾ , %	48	46		48	46	
Interest-bearing net debt excl. lease liabilities ⁴⁾ , SEKm	399	609	-210	399	609	-210

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⁾ For information on new share issues and offset issues, refer to Note 6 on pages 11–12.

³⁾ Including Discontinued Operations.

⁴⁾ Comparative periods have not been restated related to Discontinued Operations.

STRONG CASH FLOW AND IMPROVED EARNINGS DESPITE A CHALLENGING 2022

Stable market demand and implemented price increases during the year contributed to a positive earnings trend and strengthened cash flow despite a surrounding world characterised by a great deal of uncertainty, which resulted in operational challenges and economic uncertainty for our customers and thereby also for ITAB. The currency-adjusted growth amounted to 8 percent in 2022, of which organic growth accounted for 6 percent and the acquisition of Checkmark at the beginning of the year contributed by 2 percent. Our focus is on contributing to improved operational efficiency for the retail sector with our solutions, which strengthened our market position during the year.

UNIQUE SOLUTIONS STRENGTHEN ITAB'S MARKET POSITION

Over the past few quarters, we have entered into several new agreements with both existing and new customers in various retail areas in all of our geographic markets for both new stores and upgrades of existing stores. More and more customers are noticing our unique, customised solutions that save energy, reduce stock losses, increase operational efficiency and improve customer interactions. All customer groups reported increased sales, and Central Europe was the largest contributor to the Group's sales increase in 2022 in geographic terms. Of ITAB's three solution areas, sales in Retail Technology and Retail Lighting performed especially well during the year.

POSITIVE EARNINGS TREND AND STRONG CASH FLOW

ITAB's net sales and earnings in the fourth quarter of 2022 did not quite reach the strong comparative figures of the corresponding quarter in 2021 adjusted for non-recurring items. However, reported operating profit rose from SEK 35 million to SEK 91 million. It is gratifying to highlight our strong cash flow in the fourth quarter of SEK 469 million.

Adjusted for non-recurring items, operating profit amounted to SEK 443 million (382) in 2022, corresponding to an operating margin of 6.4 percent (6.3). Corresponding profit after financial items increased by 24 percent to SEK 388 million (313). As we described in our last interim report, non-recurring items had only a marginal impact on the second half of the year since the first phase of the One ITAB transformation was completed in 2022. Our reported profit after financial items increased by 137 percent to SEK 348 million (147).

Our margin-strengthening measures and price adjustments, our continual review of the cost structure and a beneficial product mix with increased sales of our technical solutions, services and energy-efficient lighting solutions were the main factors underlying our improved earnings during the year. Our assessment continues to be that we have a better balance in relation to the cost increases we encountered during the year, but we are continuing to adjust our pricing when necessary on an ongoing basis.

FOLLOW-UP OF OUR FINANCIAL TARGETS

The Board adopted new financial targets for the Group in conjunction with the financial statements for 2021 (see page 17). The targets are measured as an average over a business cycle, but it is still gratifying to note that we made positive progress towards all of these targets over the past year. Our currency-adjusted net sales increased by 8 percent in 2022, which was well in line with the target of 4–8 percent in sales growth, while the EBIT margin increased from 3.6 to 5.9 percent, compared with the EBIT margin target of 7–9 percent. Our share of cash conversion during the year amounted to 81 percent, compared with the target of >80 percent. We are hereby continuing to focus on sustainable growth, increased profitability and capital efficiency over time. The dividend policy stipulates that at least 30 percent of the profit after tax is to be distributed over time and based on our strong financial position, the Board has decided to propose a dividend of SEK 0.50 per ordinary share for 2022, which corresponds to close to 65 percent of the profit for the year.



ITAB'S FOCUS IN 2023

Our goal is to strengthen our customers' competitiveness with our unique and competitive solutions for reduced energy consumption, increased operational efficiency and reduced costs for our customers. We are working continually on strengthening our earnings trend through adapted price increases and cost-saving measures. The current economic trend, with high inflation and higher interest-rate levels, is engendering uncertainty and a cautious approach among our customers, and at present we see signs of a downturn. We are following the situation closely and will implement measures if needed. At the same time, the current market situation and our strengthened financial position give us opportunities to grow further through strategic acquisitions.

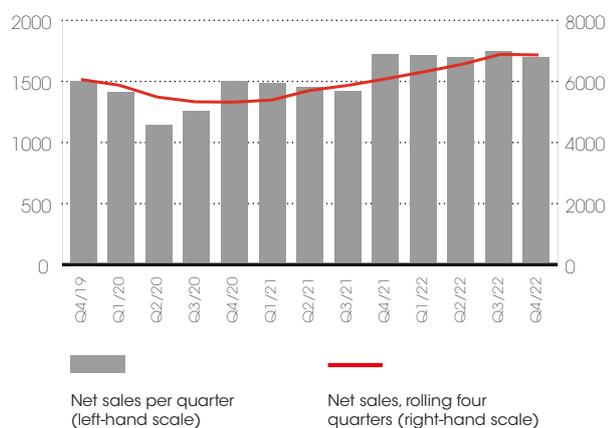
We are continuing to develop our operations and to invest in the transition to become the leading solution provider in the retail sector. Our ambition is to continue increasing the proportion of services and solutions and to further strengthen our digital offerings. We are developing new capabilities and a joint information landscape to support our new operating model in order to further streamline operations in the next three to four years and make ITAB more scalable and flexible for a changing world.

In conclusion, I would like to extend my sincere thanks to all of our customers and partners for their continued confidence in us – and to all of our employees for their many fine contributions in an eventful and challenging year. I would particularly like to highlight those employees who assembled 300 mobile field stoves in December for delivery to war-torn Ukraine!

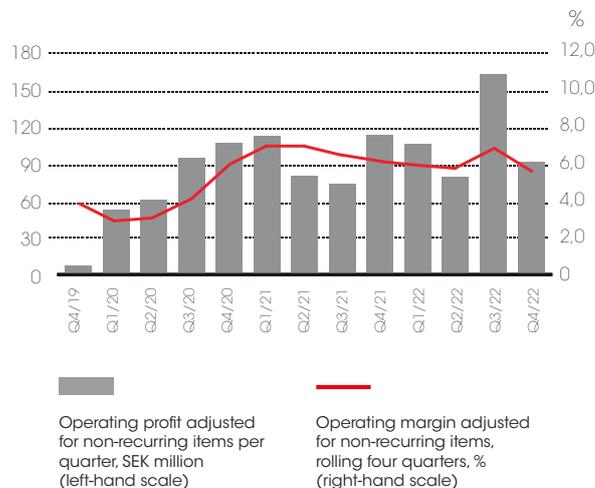
Jönköping, February 2023

Andrés Elgaard
President & CEO
ITAB Shop Concept AB

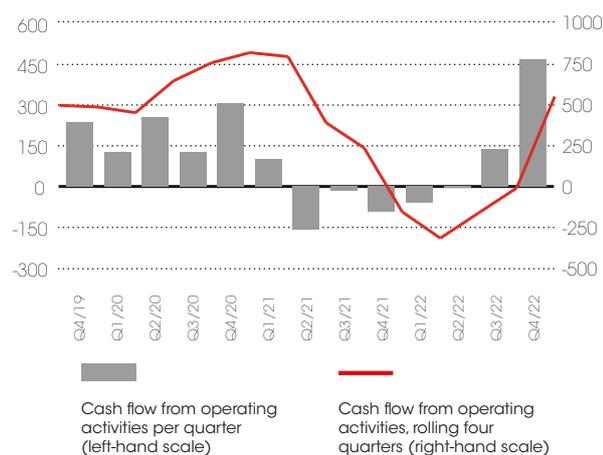
► **NET SALES** (SEK million)



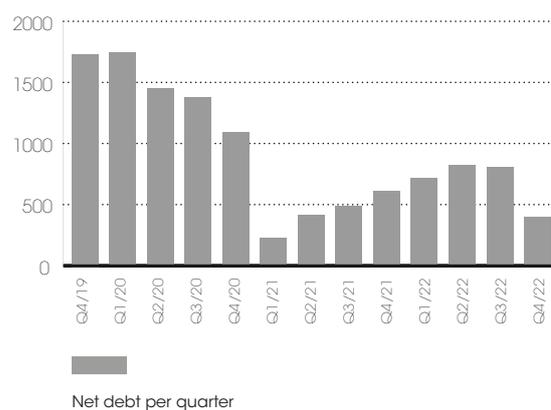
► **OPERATING PROFIT AND OPERATING MARGIN**
(adjusted for non-recurring items ¹⁾)



► **CASH FLOW FROM OPERATING ACTIVITIES ²⁾**
(SEK million)



► **NET DEBT ³⁾** (SEK million)
(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⁾ Including Discontinued Operations.

³⁾ Comparative periods have not been restated related to discontinued operations.

DEVELOPMENT IN 2022

JANUARY–DECEMBER

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

Net sales

Fourth quarter

The Group's net sales declined by 1 percent to SEK 1,702 million (1,722) in the fourth quarter of the year. Currency-adjusted sales declined by 6 percent, of which the acquisition of Checkmark in the first quarter contributed 2 percent and organic growth was -8 percent.

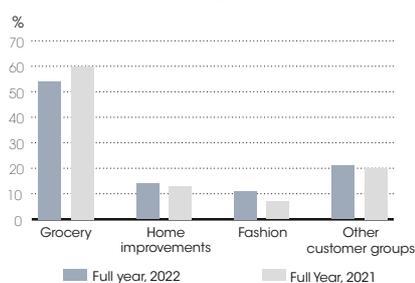
Stable demand and implemented price increases with the aim of compensating for rising costs for input goods and energy impacted net sales positively, even if sales did not reach the comparative figures for the corresponding quarter in the preceding year. Sales increased in all geographic markets except the UK & Ireland and Eastern Europe, where demand was more cautious and the market was characterised by increased uncertainty. Sales increased in Home Improvements and Fashion while demand in the Grocery sector declined slightly.

Financial year

Net sales for the financial year increased by 13 percent to SEK 6,868 million (6,087). Currency-adjusted sales increased by 8 percent for the year, of which the acquisition of Checkmark contributed 2 percent and organic growth was 6 percent.

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

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



Earnings

Fourth quarter

Operating profit for the fourth quarter amounted to SEK 91 million (35). Profit was impacted by non-recurring items of SEK -1 million (-79) pertaining to restructuring costs attributable to transformation work under the One ITAB strategy. Operating profit excluding these non-recurring items totalled SEK 92

million (114), corresponding to an operating margin of 5.4 percent (6.7). EBITDA excluding non-recurring items of SEK -1 million (-70) totalled SEK 170 million (183).

The implemented price increases and currency effects had a positive impact on earnings during the quarter, as did a more favourable customer and product mix, with increased sales of lighting solutions and Retail Tech solutions for reduced stock losses and increased efficiency in stores. This had a positive effect on the gross margin for the quarter, while inflation and operating costs (such as for energy) continued to rise.

Profit after financial items increased to SEK 76 million (30) and profit after tax to SEK 58 million (20). Earnings per share including Discontinued Operations before and after dilution totalled SEK 0.30 (0.09).

Financial year

The Group's operating profit for the full financial year amounted to SEK 403 million (216). Net profit for the year was impacted by non-recurring items of SEK -40 million (-166), mainly pertaining to restructuring costs attributable to transformation work under the One ITAB strategy. Operating profit excluding these non-recurring items totalled SEK 443 million (382), corresponding to an operating margin of 6.4 percent (6.3). EBITDA excluding non-recurring items of SEK -30 million (-157) totalled SEK 704 million (644).

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

Profit after financial items increased to SEK 348 million (147). Current financial expenses were lower year-on-year, partly due to changed loan terms and the discontinuation of interest rate swaps that affected costs during the first quarter of 2021. Due to the refinancing carried out on 30 June 2022 (see below), financial expenses in the year were charged with a fee for early repayment of loans and the remainder of the accrued financing costs for previous loan agreements of approximately SEK 7 million during the second quarter.

Profit after tax increased to SEK 243 million (95). Earnings per share including Discontinued Operations before and after dilution totalled SEK 0.78 (0.50).

Guidance from 10 July 2020

On 10 July 2020, ITAB issued guidance regarding an earnings improvement and its total restructuring costs upon the implementation of the first phase of the Group's One ITAB strategy and transformation. The aim of this phase was to stabilise and strengthen the Group's earnings and financial position, partly through savings in purchasing, sales and administration and fixed costs for production. Based on the conditions

prevailing at that time, the guidance indicated an underlying annualised EBITDA improvement of SEK 270–330 million (compared with EBITDA of SEK 516 million for 2019) once this phase of the One ITAB transformation is fully implemented, which was expected to take place in the middle of 2022. The total restructuring costs for One ITAB in the 2020–2022 financial years were estimated at SEK 275–325 million.

In mid-2022, we communicated that the first phase of the One ITAB transformation had been completed in accordance with our guidance. The measures taken have largely had the intended effect in terms of cost savings. Adjusted for non-recurring items, EBITDA amounted to SEK 704 million at the end of 2022. At the same time, we have managed challenges including supply chain disruptions, component shortages and cost increases due to the COVID-19 pandemic, all of which had a negative effect on earnings. Additional estimated annualised savings are expected to be realised in 2023, mainly in the form of lower rental costs for discontinued production facilities. The measures implemented have made it possible for ITAB to remain strong in a time of significant external disruptions and are now enabling investments in new capabilities to make ITAB even stronger going forward.

Cash flow, financing and liquidity

Cash flow from operating activities including Discontinued Operations amounted to SEK 469 million (-92) for the fourth quarter and SEK 542 million (-165) for the full financial year. Cash flow in the beginning of the year was negatively impacted by an increase in inventories with the aim of satisfying customer needs despite disruptions to the supply of raw materials and component shortages combined with longer lead times. At the same time, rising raw material prices have impacted the value of inventories. Efforts to reduce the working capital requirements achieved results in the second half of the year with reduced inventory levels. The Group's operations will continue to focus on this during the next quarters in order to further normalise the situation. In addition, during the fourth quarter, a large portion of the accounts receivable built up from the third quarter's strong sales were settled and we also have a seasonal decline in sales during the latter part of the fourth quarter, which had a positive impact on cash flow.

Net debt excluding lease liabilities amounted to SEK 399 million (609). Net debt including lease liabilities amounted to SEK 1,080 million (1,239).

The Group's cash and cash equivalents, including granted unutilised credits, amounted to SEK 1,449 million (746) on the balance sheet date on 31 December 2022. The equity/assets ratio including Discontinued Operations was 48 percent (46).

New long-term and expanded credit agreements

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

The new bank loan is a so-called unsecured bank loan, and upon repayment of the previous loans on 7 July 2022, all of the ITAB companies' previously pledged shares and corporate mortgages were thus released by Nordea Bank and the Swedish Export Credit Corporation. Thereafter, neither the Group nor the Parent Company have any pledged shares (refer also to Note 7 on page 12).

Investments

The Group's net investments in the fourth quarter amounted to SEK 14 million (11), of which SEK 0 million (-8) is attributable to corporate acquisitions and disposals. For the full financial year, the Group's net investments amounted to SEK 150 million (103), of which SEK 66 million (40) is attributable to corporate acquisitions during the year. For more information on corporate acquisitions, refer to Note 2 on page 10.

Employees

The average number of employees amounted to 2,827 (2,861) for the fourth quarter and 2,847 (2,930) for the full financial year, of whom 132 in Discontinued Operations.

Parent Company

The Parent Company ITAB Shop Concept AB's operations mainly consist of Group-wide functions. The Parent Company's net sales pertain to revenue from subsidiaries and amounted to SEK 45 million (54) for the fourth quarter and SEK 174 million (171) for the full financial year. Profit after financial items totalled SEK -10 million (-39) for the quarter and SEK -57 million (-13) for the financial year. Profit includes dividends from subsidiaries of SEK 0 million (0) for the quarter and SEK 31 million (46) for the full financial year. Impairment of shares and receivables from subsidiaries had an impact of SEK -2 million (-42) on earnings for the quarter and SEK -91 million (-51) on earnings for the financial year. Of this impairment for the financial year, SEK -86 million pertained to the revaluation of intra-Group assets in Russia during the second quarter and SEK -2 million during the fourth quarter.

Due to the refinancing carried out on 30 June 2022 (see above), financial expenses for the financial year were charged with a fee for early repayment of loans and the remainder of the accrued financing costs for previous loan agreements of approximately SEK 7 million during the second quarter.

Acquisitions

On 28 February 2022, ITAB Group acquired, through its Finnish subsidiary ITAB Finland Holding Oy, all of the shares of Oy Checkmark Ltd. Checkmark is one of the leading suppliers of retail technology solutions for checkouts and store guidance for retailers in the

Nordic region. The acquisition further strengthens ITAB's market position and creates opportunities for a broader product and solution offering for new and existing customers as well as providing distinct synergies.

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

Refer to Note 2 on page 10.

Discontinuation of operations in Russia

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

The process of discontinuing the Russian operations is under way, and the aim is for this to be done in a controlled manner for our employees, customers and partners. Given that the Group's operations in the Russian subsidiary ITAB Rus JSC are being discontinued and it is deemed highly probable that the discontinuation will be completed and that it otherwise fulfils the stated criteria, this company is recognised as Discontinued Operations in accordance with IFRS 5 as of the interim report for the third quarter of 2022.

In conjunction with the transition to reporting in accordance with IFRS 5, the assets in the Russian company were measured at fair value. While the value of the assets in the local currency (RUB) is deemed to be reasonable, the significant change in the RUB in relation to the Group's accounting currency (SEK) has resulted in an increase in value that does not correspond to the assessed fair value in the currencies of the owner companies (EUR and SEK). Accordingly, an impairment of SEK 52 million took place during the year. This amount is included in profit/loss from Discontinued Operations. Previous impairment of the value of non-current assets in Russia of SEK 7 million, which was recognised as non-recurring item in the Group in the second quarter of 2022, is also included in profit/loss from Discontinued Operations in the income statement. For more information, see Note 8 on page 12 and "Accounting policies" on page 10.

OTHER INFORMATION

Risks and uncertainties

The Group's significant risks and uncertainties include business risks, financial risks and sustainability risks. A more detailed account of the

Group's significant financial risks can be found in Note 4 of ITAB's Annual Report for 2021. ITAB's business risks are associated with its own operations, customers, suppliers and other external factors. A summary of some of ITAB's significant business risks is available in the Annual Report for 2021 on pages 37-42. Sustainability risks are described on page 8 of the Group's Sustainability Report for 2021. In addition, the outcome of ongoing strategy and transition work within the framework of One ITAB, high inflation and rising interest rates as well as the ongoing discontinuation of operations in Russia may affect the future valuation of specific balance sheet items. Like other global companies, ITAB is affected by geopolitical conditions such as Russia's ongoing invasion of Ukraine and the COVID-19 pandemic. The risks that are most prominent from a short-term perspective are the continued impact of the war and the pandemic on the supply of components and other input goods, disruptions in supply chains, rising prices and the risk of energy and gas shortages as well as the impact of inflation and economic developments on customers and suppliers.

Estimates and judgements

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

Related party transactions

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

In connection with the offset issue in the first quarter of 2021, SEK 100 million in shareholder loans was converted into equity and the remaining shareholder loan of SEK 40 million was repaid. For more information, see Note 6 on page 11-12.

Events after the end of the financial year

No significant events have taken place after the end of the financial year.

THE GROUP IN SUMMARY



► INCOME STATEMENT

(SEK million)	Note	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Revenue from contracts with customers	3	1,702	1,722	6,868	6,087
Costs of goods sold		-1,228	-1,273	-4,979	-4,441
Gross profit		474	449	1,889	1,646
Selling expenses		-304	-303	-1,178	-1,082
Administrative expenses		-87	-100	-344	-331
Other operating income and expenses		8	-11	36	-17
Operating profit	4	91	35	403	216
Financial income		8	8	16	14
Financial expenses	5	-23	-13	-71	-83
Profit after financial items	4	76	30	348	147
Tax expenses		-18	-10	-105	-52
NET PROFIT FOR THE PERIOD - CONTINUING OPERATIONS		58	20	243	95
<i>Discontinued Operations</i>					
ITAB Rus JSC					
Profit from Discontinued Operations, net after tax	8	3	4	-53	8
NET PROFIT FOR THE PERIOD		61	24	190	103
Net profit for the period attributable to:					
Parent Company shareholders		66	18	170	95
Non-controlling interests		-5	6	20	8
Depreciation and amortisation for the period amount to		78	78	271	271
Tax expenses for the period account for		24%	33%	30%	35%
Earnings per share incl. Discontinued Operations before dilution, SEK	6	0.30	0.09	0.78	0.50
Earnings per share incl. Discontinued Operations after dilution ¹⁾ , SEK	6	0.30	0.09	0.78	0.50
Earnings per share excl. Discontinued Operations before dilution, SEK	6	0.29	0.07	1.02	0.46
Average number of ordinary shares outstanding, thousands	6	218,100	218,100	218,100	191,396
Average number of ordinary shares outstanding after dilution ¹⁾ , thousands	6	219,558	218,100	219,558	191,396
Number of ordinary shares outstanding, thousands	6	218,100	218,100	218,100	218,100

¹⁾ For calculation of the number of shares after dilution, the average number of shares is adjusted taking into account the effects of dilutive potential ordinary shares, which, during the reporting periods in question, comprised rights to receive shares in ITAB within the framework of the LTIP 2022 long-term incentive programme. As of 31 December 2022, 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

(SEK million)	Note	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
NET PROFIT FOR THE PERIOD		61	20	190	103
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to the income statement					
Revaluation of defined-benefit pension commitments		5	-2	5	-2
Tax relating to items not to be reclassified		-1	0	-1	0
		4	-2	4	-2
Items that may be reclassified to the income statement					
Translation differences		-12	45	188	118
Hedging of net investments, net	5	4	-1	-19	-1
Cash flow hedges, net	5	-10	6	23	21
Tax on items that may be reclassified		1	-2	-1	-5
		-17	48	191	133
Total other comprehensive income after tax		-13	46	195	131
COMPREHENSIVE INCOME FOR THE PERIOD		48	66	385	234
Comprehensive income for the period attributable to:					
Parent Company shareholders		58	55	356	213
Non-controlling interests		-10	11	29	21

► STATEMENT OF FINANCIAL POSITION

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

(SEK million)	Note	31 DEC 2022	31 DEC 2021
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Goodwill		1,790	1,644
Other intangible assets		107	112
		1,897	1,756
Property, plant and equipment		1,408	1,366
Participations in associated companies		9	11
Deferred tax assets		104	117
Financial non-current receivables		40	18
Total non-current assets		3,458	3,268
Current assets			
Inventories		1,030	1,176
Current receivables		1,244	1,372
Cash and cash equivalents		756	208
Total current assets		3,030	2,756
Assets held for sale	8	88	
TOTAL ASSETS		6,576	6,024
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	6	3,012	2,654
Non-controlling interests		157	128
Deferred tax liabilities		44	45
Other non-current liabilities	5	1,624	1,143
Current liabilities	5	1,720	2,054
Liabilities attributable to assets held for sale	8	19	
TOTAL EQUITY AND LIABILITIES		6,576	6,024
Interest-bearing net debt		1,080	1,239
Interest-bearing net debt excluding lease liabilities		399	609

► STATEMENT OF CHANGES IN EQUITY

(SEK million)	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 2021		43		304	-78	1,338	1,607	118	1,725
Net profit for the period						95	95	8	103
Other comprehensive income					120	-2	118	13	131
Comprehensive income Jan-Dec 2021					120	93	213	21	234
Acquisition of non-controlling interests	2					1	1	-22	-21
Acquisition of partly owned companies	2							11	11
New and offset issue	6	48		785			833		833
EQUITY AS OF 31 DECEMBER 2021		91		1,089	42	1,432	2,654	128	2,782
Net profit for the period						170	170	20	190
Other comprehensive income					182	4	186	9	195
Comprehensive income Jan-Dec 2022					182	174	356	29	385
Share incentive programme				2			2		2
New share issue of Class C shares	6	2					2		2
Repurchase of own Class C shares			-2				-2		-2
EQUITY AS OF 31 DECEMBER 2022		93	-2	1,091	224	1,606	3,012	157	3,169

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

► STATEMENT OF CASH FLOWS ¹⁾

(SEK million)	Note	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Operating profit from Continuing Operations		91	35	403	216
Operating profit from Discontinued Operations		6	4	-54	8
Interest paid and received, tax and adjustments for items not included in the cash flow		21	73	178	200
Cash flow from operating activities before change in working capital		118	112	527	424
Change in working capital					
Change in inventories		193	-87	184	-422
Change in operating receivables		301	-42	212	-394
Change in operating liabilities		-143	-75	-381	227
Cash flow from change in working capital		351	-204	15	-589
CASH FLOW FROM OPERATING ACTIVITIES		469	-92	542	-165
Investing activities					
Acquisition/divestment of companies and operations	2	0	8	-66	-40
Other net investments		-14	-19	-84	-63
Cash flow from investing activities		-14	-11	-150	-103
CASH FLOW AFTER INVESTING ACTIVITIES		455	-103	392	-268
Financing activities					
New share issue	6	0	0	0	733
Repayment of lease liabilities		-48	-35	-140	-134
Cash flow from other financing activities		-177	12	293	-852
Cash flow from financing activities		-225	-23	153	-253
CASH FLOW FOR THE PERIOD		230	-126	545	-521
<i>Of which, Cash flow from Discontinued Operations</i>	8	<i>-19</i>		<i>-7</i>	
Cash and cash equivalents at the start of the period		547	323	208	692
Translation differences on cash and cash equivalents		-14	11	10	37
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		763	208	763	208
<i>Of which, Cash and cash equivalents from Discontinued Operations</i>	8	<i>7</i>		<i>7</i>	
Cash flow from operating activities per share, SEK		2.15	-0.42	2.49	-0.86

¹⁾ Including Discontinued Operations.

THE PARENT COMPANY IN SUMMARY



► INCOME STATEMENT

(SEK million)	Note	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Net sales ¹⁾		45	54	174	171
Costs of goods sold		-8	-6	-25	-21
Gross profit		37	48	149	150
Selling expenses		-20	-14	-58	-47
Administrative expenses		-22	-17	-69	-56
Other operating income and expenses		3	-1	19	4
Operating profit		-2	16	41	51
Profit from participations in Group companies		21	-42	-60	-5
Financial income and expenses	5	-29	-13	-38	-59
Profit after financial items		-10	-39	-57	-13
Year-end appropriations		-7	-56	-7	-56
Profit before tax		-17	-95	-64	-69
Tax expenses for the period		1	15	1	15
NET PROFIT FOR THE PERIOD		-16	-80	-63	-54

► STATEMENT OF OTHER COMPREHENSIVE INCOME

Net profit for the period	-16	-80	-63	-54
Other comprehensive income	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-16	-80	-63	-54

¹⁾ Pertains to revenue from subsidiaries.

► BALANCE SHEET

(SEK million)	Note	31 DEC 2022	31 DEC 2021
ASSETS			
Non-current assets			
Property, plant and equipment		5	6
Financial assets		2,066	2,066
Deferred tax assets		33	32
Total non-current assets		2,104	2,104
Current assets			
Current receivables		537	502
Cash and bank balance		402	54
Total current assets		939	556
TOTAL ASSETS		3,043	2,660
EQUITY AND LIABILITIES			
Equity			
Restricted equity		100	98
Non-restricted equity		1,662	1,725
Total equity	6	1,762	1,823
Non-current liabilities		1,029	541
Current liabilities		252	296
TOTAL EQUITY AND LIABILITIES		3,043	2,660

Note 1 – Accounting policies

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

Discontinued Operations

ITAB decided at the beginning of March 2022 to discontinue its operations in Russia due to the Russian regime's invasion of Ukraine. The process of discontinuing the Russian operations is under way, and the aim is for this to be done in a controlled manner for our employees, customers and partners. Given that the Group's operations in the Russian subsidiary ITAB Rus JSC are being discontinued and it is deemed highly probable that the discontinuation will be completed and that it otherwise fulfils the stated criteria for application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the Russian subsidiary is recognised as Discontinued Operations as of the Interim Report for the third quarter 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". In accordance with IFRS, balance sheets for prior years have not been restated. More detailed financial statements for Discontinued Operations are presented in Note 8 – Discontinued Operations below.

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

Share-based payment

A long-term incentive programme for key individuals was introduced following a resolution at the Annual General Meeting (AGM) in May 2022. The programme enables those employees to acquire shares in the Parent Company. The Group and the Parent Company recognise the programme in accordance with IFRS 2 *Share-based Payment*. The fair value of allotted share rights is recognised as a personnel cost with a corresponding increase of equity. Fair value is calculated at the time of allocation and is distributed over the vesting period. The fair value of the allocated share rights is calculated taking into account market conditions and conditions that are not vesting conditions as well as the prerequisites that applied at the time of allocation. The cost recognised corresponds to the fair value of an estimate of the number of shares expected to be vested taking into account service conditions and performance conditions that are not market conditions. This cost is adjusted in subsequent periods to ultimately reflect the actual number of shares vested. However, 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.

Note 2 – Corporate acquisitions and divestments

Acquisitions in 2022

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

Expenses in connection with the acquisition are recognised on an ongoing basis as expenses. The acquisition had an impact of SEK 0 million on operating profit, with an impact of SEK -20 million on cash flow in the first quarter and SEK -33 million in the second quarter. The preliminary effect of the acquisition is reported below.

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

Checkmark on the acquisition date	Preliminary fair values
Intangible assets	
Property, plant and equipment	1
Deferred tax assets	0
Inventories	22
Other current assets	55
Non-current liabilities	-2
Current liabilities	-21
Net identifiable assets and liabilities	55
Consolidated goodwill	26
Purchase consideration*	81
Less: Net cash and cash equivalents in acquired companies	-28
Impact on the Group's cash and cash equivalents for the year	53

* The final payment of the purchase consideration was made in the second quarter of 2022 after adjustment of net cash and normalised working capital.

Acquisitions in 2021

Cefla Retail Solutions

ITAB Shop Concept AB's Italian subsidiary La Fortezza s.p.a. entered into an agreement with Cefla soc. coop. on 8 October 2020 to acquire 81 percent of Cefla's business unit for retail solutions ("Cefla Retail Solutions"). Cefla Retail Solutions primarily offers interior design and checkout solutions to its customers, which predominantly operate in the grocery sector in southern Europe. Through the acquisition and collaboration with Cefla, ITAB strengthens its leading position in Southern Europe and creates opportunities to offer ITAB's solutions to a wider customer base.

The business unit was transferred to a newly established Italian limited liability company, Imola Retail Solution Srl. ITAB owns 81 percent of Imola Retail Solution and Cefla owns the remaining 19 percent. ITAB has the right to acquire Cefla's minority stake in the aforementioned company three years after the transaction date. The acquisition is consolidated from 1 January 2021. Expenses in connection with the acquisition were expensed on an ongoing basis and impacted operating profit by SEK -1 million. The acquisition impacted cash flow by SEK -23 million during the first quarter and by SEK -6 million during the third quarter of 2021. The final acquisition calculation was recognised in Note 5 of ITAB's Annual Report for 2021.

Acquisition of non-controlling interest

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

Divestments in 2021

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

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

Revenue recognition takes place when the Group satisfies a performance obligation by transferring promised goods and the customer gains control of the asset. This normally takes place on delivery in accordance with applicable delivery terms. In the case of concept sales where a service assignment is included, revenue recognition for the projects takes place over time. The projects are primarily short-term projects. The largest customer accounts for 10 percent of external sales, and none of the ITAB Group's other customers account for more than 6 percent of external sales.

SALES BY CUSTOMER GROUP ¹⁾	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Grocery	902	1,044	3,703	3,669
Home Improvements	268	215	969	776
Fashion	160	109	734	405
Other customer groups	372	355	1,462	1,237
TOTAL	1,702	1,722	6,868	6,087

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.

SALES BY GEOGRAPHIC AREA ²⁾	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Northern Europe	419	380	1,704	1,498
Southern Europe	382	369	1,530	1,430
Central Europe	387	361	1,434	1,179
UK & Ireland	224	257	881	1,002
Eastern Europe	110	194	525	497
Rest of the World	180	161	794	481
TOTAL	1,702	1,722	6,868	6,087

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. North America, China, Argentina and Saudi Arabia account for almost half of the market in the Rest of the World.

Note 4 – Non-recurring items

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

NON-RECURRING ITEMS, SEK million	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Restructuring	-1	-79	-40	-166
Total non-recurring items	-1	-79	-40	-166
Impact of non-recurring items on profit and loss items in the income statement				
Operating profit before depreciation and amortisation (EBITDA)	-1	-70	-30	-157
Operating profit	-1	-79	-40	-166
Profit after financial items	-1	-79	-40	-166

Note 5 – Financial assets and liabilities

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

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

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

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

Note 6 – New and offset issues

2022

With the support of the authorisation from the Annual General Meeting (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. 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 0 ordinary shares and 4,400,000 Class C shares in treasury.

	NO. OF CLASS C SHARES	SHARE CAPITAL, SEK MILLION	SHARE PREMIUM RESERVE, SEK MILLION	TOTAL SEK MILLION
New share issue	4,400,000	2	-	2

Note 6 - cont.

2021

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

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

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

Note 7 - Pledged assets and contingent liabilities

On 30 June 2022, ITAB signed new long-term, expanded agreements with Nordea Bank and Swedbank concerning credit facilities for the Group totalling approximately EUR 150 million. The new bank loan is a so-called unsecured bank loan, and upon repayment of the previous bank loans on 7 July 2022, all of the ITAB companies' previously pledged shares and corporate mortgages were thus released by Nordea Bank and the Swedish Export Credit Corporation. Thereafter, neither the Group nor the Parent Company have any pledged shares.

As of 31 December 2022, pledged assets amounted to SEK 4 million (1,898) in the Group and SEK 0 million (1,353) in the Parent Company and contingent liabilities amounted to SEK 13 million (12) in the Group and SEK 120 million (399) in the Parent Company.

Note 8 - Discontinued operations

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

In conjunction with the transition to reporting in accordance with IFRS 5, the assets in the Russian company have been measured at fair value. While the value of the assets in the local currency (RUB) is deemed to be reasonable, the significant change in the RUB in relation to the Group's accounting currency (SEK) has resulted in an increase in value that does not correspond to the assessed fair value in the currencies of the owner company (EUR and SEK). Accordingly, an impairment of assets amounting to SEK 52 million took place during the financial year. This amount is included in profit/loss from Discontinued Operations in the consolidated income statement. Previous impairment of the value of non-current assets in Russia of SEK 7 million, which was recognised as a non-recurring item in the Group in the second quarter of 2022, is also included in profit/loss from Discontinued Operations.

INCOME STATEMENT FOR DISCONTINUED OPERATIONS IN SUMMARY (SEK million)	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Revenue from contracts with customers	39	48	173	158
Costs of goods sold	-29	-37	-142	-124
Gross profit	10	11	31	34
Selling expenses	-5	-5	-25	-19
Administrative expenses	-2	-2	-8	-7
Impairment of assets measured at fair value	1		-52	
Other operating income and expenses	2	0	0	0
Operating profit	6	4	-54	8
Financial items	-2	0	0	1
Profit after financial items	4	4	-54	9
Tax expenses for the period	-1	0	1	-1
NET PROFIT FOR THE PERIOD	3	4	-53	8

CASH FLOW STATEMENT FOR DISCONTINUED OPERATIONS IN SUMMARY (SEK million)	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Operating profit	6	4	-54	8
Interest paid and received, tax and adjustments for items not included in the cash flow	-25	0	54	-1
Change in working capital	0	-5	-1	-19
CASH FLOW FROM OPERATING ACTIVITIES	-19	-1	-1	-12

BALANCE SHEET FOR DISCONTINUED OPERATIONS IN SUMMARY (SEK million)	31 DEC 2022
ASSETS	
Non-current assets	0
Current assets	88
TOTAL ASSETS	88
EQUITY AND LIABILITIES	
Equity	69
Deferred tax liabilities	1
Current liabilities	18
TOTAL EQUITY AND LIABILITIES	88
Interest-bearing net debt	-7

► QUARTERLY OVERVIEW FOR THE GROUP

(SEK million)	PER QUARTER							
	OCT-DEC 2022	OCT-DEC 2021	JUL-SEP 2022	JUL-SEP 2021	APR-JUN 2022	APR-JUN 2021	JAN-MAR 2022	JAN-MAR 2021
Revenue from contracts with customers	1,702	1,722	1,750	1,425	1,700	1,455	1,716	1,485
Costs of goods sold	-1,228	-1,273	-1,239	-1,060	-1,255	-1,060	-1,257	-1,048
Gross profit	474	449	511	365	445	395	459	437
Selling expenses	-304	-303	-277	-244	-306	-273	-291	-262
Administrative expenses	-87	-100	-81	-76	-93	-84	-83	-71
Other operating income and expenses	8	-11	10	-1	17	0	1	-5
Operating profit	91	35	163	44	63	38	86	99
Financial items	-15	-5	-15	-8	-19	-23	-6	-33
Profit after financial items	76	30	148	36	44	15	80	66
Tax expenses	-18	-10	-47	-17	-17	-7	-23	-18
NET PROFIT FOR THE PERIOD – CONTINUING OPERATIONS	58	20	101	19	27	8	57	48
Net profit for the period – Discontinued Operations	3	4	-56	1	-4	1	4	2
NET PROFIT FOR THE PERIOD	61	24	45	20	23	9	61	50
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	66	18	35	20	15	8	54	49
Non-controlling interests	-5	6	10	0	8	1	7	1
Non-recurring items, SEKm	-1	-79	-1	-30	-17	-43	-21	-14
Operating profit excl. non-recurring items, SEKm	92	114	164	74	80	81	107	113
Operating margin excl. non-recurring items, %	5.4	6.7	9.4	5.2	4.7	5.6	6.2	7.6
Cash flow from operating activities ¹⁾ , SEKm	469	-92	136	-17	-4	-158	-59	102
Earnings per share before and after dilution ^{1,2)} , SEK	0.30	0.09	0.16	0.09	0.07	0.03	0.25	0.38
Equity per share ^{1,2)} , SEK	13.81	12.17	13.54	11.90	13.28	11.70	12.59	11.72
Return on equity per annum ¹⁾ , %	8.9	2.8	4.9	3.1	2.1	1.2	8.0	9.5
Share price at the end of the period, recalculated after issues, SEK	11.00	13.42	7.70	13.44	10.16	15.70	12.40	16.84

¹⁾ Including Discontinued Operations.

²⁾ For information on new share issues and offset issues, refer to Note 6 on pages 11–12.

► FULL-YEAR OVERVIEW FOR THE GROUP

(SEK million)	ROLLING 12 MONTHS AS OF							
	31 DEC 2022	30 SEP 2022	30 JUN 2022	31 MAR 2022	31 DEC 2021	30 SEP 2021	30 JUN 2021	31 MAR 2021
Revenue from contracts with customers	6,868	6,888	6,563	6,318	6,087	5,872	5,705	5,392
Costs of goods sold	-4,979	-5,024	-4,845	-4,650	-4,441	-4,350	-4,178	-3,927
Gross profit	1,889	1,864	1,718	1,668	1,646	1,522	1,527	1,465
Selling expenses	-1,178	-1,177	-1,144	-1,111	-1,082	-1,060	-1,041	-998
Administrative expenses	-344	-357	-352	-343	-331	-313	-300	-283
Other operating income and expenses	36	17	6	-11	-17	-14	-12	-14
Operating profit	403	347	228	203	216	135	174	170
Financial items	-55	-45	-38	-42	-69	-103	-127	-131
Profit after financial items	348	302	190	161	147	32	47	39
Tax expenses	-105	-97	-67	-57	-52	-34	-35	-31
NET PROFIT FOR THE PERIOD – CONTINUING OPERATIONS	243	205	123	104	95	-2	12	8
Net profit for the period – Discontinued Operations	-53	-52	5	10	8	4	3	2
NET PROFIT FOR THE PERIOD	190	153	128	114	103	2	15	10
<i>Net profit for the period attributable to:</i>								
Parent Company shareholders	170	122	107	100	95	1	13	8
Non-controlling interests	20	31	21	14	8	1	2	2
Non-recurring items, SEKm	-40	-118	-147	-173	-166	-241	-223	-207
Operating profit excl. non-recurring items, SEKm	443	465	375	376	382	376	397	377
Operating margin excl. non-recurring items, %	6.4	6.8	5.7	6.0	6.3	6.4	7.0	7.0
Cash flow from operating activities ¹⁾ , SEKm	542	-19	-172	-326	-165	227	372	787
Earnings per share before and after dilution ^{1,2)} , SEK	0.78	0.56	0.49	0.46	0.50	0.00	0.09	0.08
Equity per share ^{1,2)} , SEK	13.81	13.54	13.28	12.59	12.17	11.90	11.70	11.72
Return on equity per annum ¹⁾ , %	6.0	4.4	4.0	3.8	4.0	0.0	0.6	0.5

¹⁾ Including Discontinued Operations.

²⁾ For information on new share issues and offset issues, refer to Note 6 on pages 11–12.

KEY RATIOS & DEFINITIONS



► KEY RATIOS

	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Revenue from contracts with customers, SEK million	1,702	1,722	6,868	6,087
EBITDA, SEK million	169	113	674	487
EBITDA margin, %	9.9	6.6	9.8	8.0
EBITDA excl. non-recurring items, SEK million	170	183	704	644
EBITDA margin excl. non-recurring items, %	10.0	10.6	10.2	10.6
Operating profit, SEK million	91	35	403	216
Operating margin, %	5.3	2.1	5.9	3.6
Operating profit excl. non-recurring items, SEK million	92	114	443	382
Operating margin excl. non-recurring items, %	5.4	6.7	6.4	6.3
Profit after financial items, SEK million	76	30	348	147
Profit margin, %	4.4	1.8	5.1	2.4
Profit after financial items excl. non-recurring items, SEK million	77	109	388	313
Profit margin excl. non-recurring items, %	4.5	6.4	5.7	5.1
Profit after tax – Continuing Operations, SEK million	58	20	243	95
Cash flow from operating activities ¹⁾ , SEK million	469	-92	542	-165
Earnings per share before and after dilution, SEK ^{1,2,3)}	0.30	0.09	0.78	0.50
Earnings per share excl. Discontinued Operations before dilution, SEK	0.29	0.07	1.02	0.46
Cash flow from operating activities per share, SEK ^{1,2)}	2.15	-0.42	2.49	-0.86
Number of ordinary shares outstanding at the end of the period ²⁾	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	191,396,324
Average number of ordinary shares outstanding after dilution ^{2,3)}	219,557,559	218,100,192	219,557,559	191,396,324
Share price at the end of the period, recalculated after issues, SEK	11.00	13.42	11.00	13.42
Balance sheet total ¹⁾ , SEK million	6,576	6,024	6,576	6,024
Interest-bearing net debt ⁴⁾ , SEK million	1,080	1,239	1,080	1,239
Interest-bearing net debt excl. lease liabilities ⁴⁾ , SEK million	399	609	399	609
Equity attributable to Parent Company shareholders ¹⁾ , SEK million	3,012	2,654	3,012	2,654
Equity per share, SEK ^{1,2)}	13.81	12.17	13.81	12.17
Equity/assets ratio ¹⁾ , %	48	46	48	46
Return on equity per annum ¹⁾ , %	8.9	2.8	6.0	4.0
Return on capital employed per annum, %	7.8	4.1	8.9	5.4
Return on total capital per annum, %	5.9	2.9	6.8	3.9
Interest-coverage ratio, multiple	4.5	3.4	6.0	2.8
Net investments ¹⁾ , SEK million	14	11	150	103
Net investments excl. corporate acquisitions ¹⁾ , SEK million	14	19	84	63
Average number of employees ¹⁾	2,827	2,861	2,847	2,930

¹⁾ Including Discontinued Operations.

²⁾ For information on new share issues and offset issues, refer to Note 6 on pages 11–12.

³⁾ For calculation of the number of shares after dilution, the average number of shares is adjusted taking into account the effects of dilutive potential ordinary shares, which, during the reporting periods in question, comprised rights to receive shares in ITAB within the framework of the LTIP 2022 long-term incentive programme. As of 31 December 2022, 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.

⁴⁾ Comparative periods have not been restated related to Discontinued Operations.

▶ ALTERNATIVE PERFORMANCE MEASURES

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

▼ EBITDA (Operating profit before depreciation and amortisation)

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

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

(SEK million)	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Operating profit	91	35	403	216
Depreciation and amortisation	78	78	271	271
EBITDA	169	113	674	487
Reversal of non-recurring items, Note 4	1	70	30	157
EBITDA EXCL. NON-RECURRING ITEMS	170	183	704	644

▼ 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.

(SEK million)	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Interest-bearing non-current liabilities	1,565	1,071	1,565	1,071
Interest-bearing current liabilities	296	380	296	380
Interest-bearing assets	-25	-4	-25	-4
Cash and cash equivalents	-756	-208	-756	-208
INTEREST-BEARING NET DEBT	1,080	1,239	1,080	1,239
Reversal of interest-bearing lease liabilities	-681	-630	-681	-630
INTEREST-BEARING NET DEBT EXCL. LEASE LIABILITIES	399	609	399	609

▼ 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.

(SEK million)	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Annualised net profit attributable to Parent Company shareholders	264	74	171	95
Equity attributable to Parent Company shareholders	3,012	2,654	3,012	2,654
Average equity attributable to Parent Company shareholders	2,983	2,625	2,852	2,393
RETURN ON EQUITY, %	8.9	2.8	6.0	4.0

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.

(SEK million)	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Annualised profit after financial items plus financial expenses	388	174	418	230
Average balance sheet total less non interest-bearing liabilities ¹⁾	4,989	4,227	4,688	4,266
RETURN ON CAPITAL EMPLOYED, %	7.8	4.1	8.9	5.4

▼ Return on total capital

Annualised profit after financial items for the period plus financial borrowing costs in relation to average total capital.

This measure is relevant for assessing the ability to generate profit on the Group's assets regardless of financing costs.

(SEK million)	3 MONTHS OCT-DEC 2022	3 MONTHS OCT-DEC 2021	FULL YEAR JAN-DEC 2022	FULL YEAR JAN-DEC 2021
Annualised profit after financial items plus financial expenses	388	174	418	230
Average total capital ¹⁾	6,634	6,008	6,189	5,939
RETURN ON TOTAL CAPITAL, %	5.9	2.9	6.8	3.9

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.
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 exchange rate. For comparison of profit excluding currency effects, the companies are recalculated at the previous year's average exchange rate for the same period. ITAB uses the European Central Bank's average exchange rates for the entire period for the relevant currencies that the bank provides exchange rates for.	Relevant for showing the sales and earnings trend without any effect from currency rate fluctuations.
PROFIT MARGIN	Profit after financial items in relation to revenue.	Relevant for assessing ITAB's efficiency and added value.

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

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

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

ITAB has operations in 24 countries and 15 production facilities in Europe and China. ITAB also has a network of partners across large parts of Europe. Working in close collaboration with the customer, ITAB contributes its experience and expertise to the customer's specific needs and requests.

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



► RETAIL INTERIOR

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



► RETAIL TECHNOLOGY

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



► RETAIL LIGHTING

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

► FINANCIAL TARGETS

GROWTH

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

4-8%

Sales growth

EARNINGS

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

7-9%

EBIT margin

CAPITAL EFFICIENCY

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

>80%

Cash conversion

DIVIDEND POLICY

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

>30%

Proportion of profit after tax

ANNUAL GENERAL MEETING 2023

ITAB Shop Concept AB's Annual General Meeting (AGM) will be held in Jönköping on Wednesday, 10 May 2023. The Annual Report for 2022 will be made available in digital format at the end of March/beginning of April on ITAB's website itabgroup.com and later also in printed format at ITAB's head office. The notice for the AGM will be published on itabgroup.com.

Proposal for dividend

The Board of Directors has resolved to propose to the AGM that a dividend of SEK 0.50 (-) per ordinary share be paid for the 2022 financial year. Calculated based on the number of ordinary shares outstanding at the end of the financial year, the proposed dividend amounts to a total of SEK 109 million.

Authorisation for repurchases of own shares

The Board of Directors will propose that the AGM grant the Board a renewed authorisation to decide on share repurchases. Such an authorisation would allow the Board to resolve on repurchases of company shares up until the next AGM. Any such repurchase may take place via the Stock Exchange or through offers to shareholders. The Board's mandate would include an option to convey repurchased shares within the framework of the law.

Authorisation for new share issues

The Board of Directors will propose that the AGM grant the Board renewed authorisation to make decisions regarding issues of new shares amounting to at most one-tenth of the company's issued shares. Such mandate would allow the Board to resolve on new share issues up until the next AGM. The terms and conditions of any issue, including the issue price, are to be based on a market valuation in which the issue price in each case is set as close to the market value as possible, less any discount that may be required to generate interest in the offering.

Nomination Committee

ITAB's AGM 2022 resolved that the company's Nomination Committee ahead of the next AGM is to comprise three members, and the Chairman of the Board was tasked with contacting the three largest shareholders and requesting that they appoint one member each. In accordance with this, Åsa Otterlund (appointed by Aeternum Capital AS), Ulf Hedlundh (appointed by Pomona-gruppen AB) and Petter Fägersten (appointed by Övre Kullen AB) were appointed in November 2022, with Åsa Otterlund as Chairperson. The Nomination Committee's tasks and other instructions are presented on itabgroup.com. Shareholders who wish to present proposals to the Nomination Committee may do so by e-mail at ir@itab.com or by post at: Nomination Committee, ITAB Shop Concept AB (publ), Box 9054, SE-550 09 Jönköping, Sweden.

Jönköping, 8 February 2023

ITAB Shop Concept AB (publ)

Board of Directors

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SHARE INFORMATION

Listing
Nasdaq Stockholm Mid Cap list

ISIN
SE0015962097

Ticker symbol
ITAB

Share price on 31 Dec 2022
SEK 11.00

Sector classification
Industrial Goods & Services

FINANCIAL CALENDAR

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

The information in this report is such that ITAB Shop Concept AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU Regulation No 596/2014). The information was submitted for publication, through the agency of the contact persons set out, **at 7:00 a.m. CET on 8 February 2023.**

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