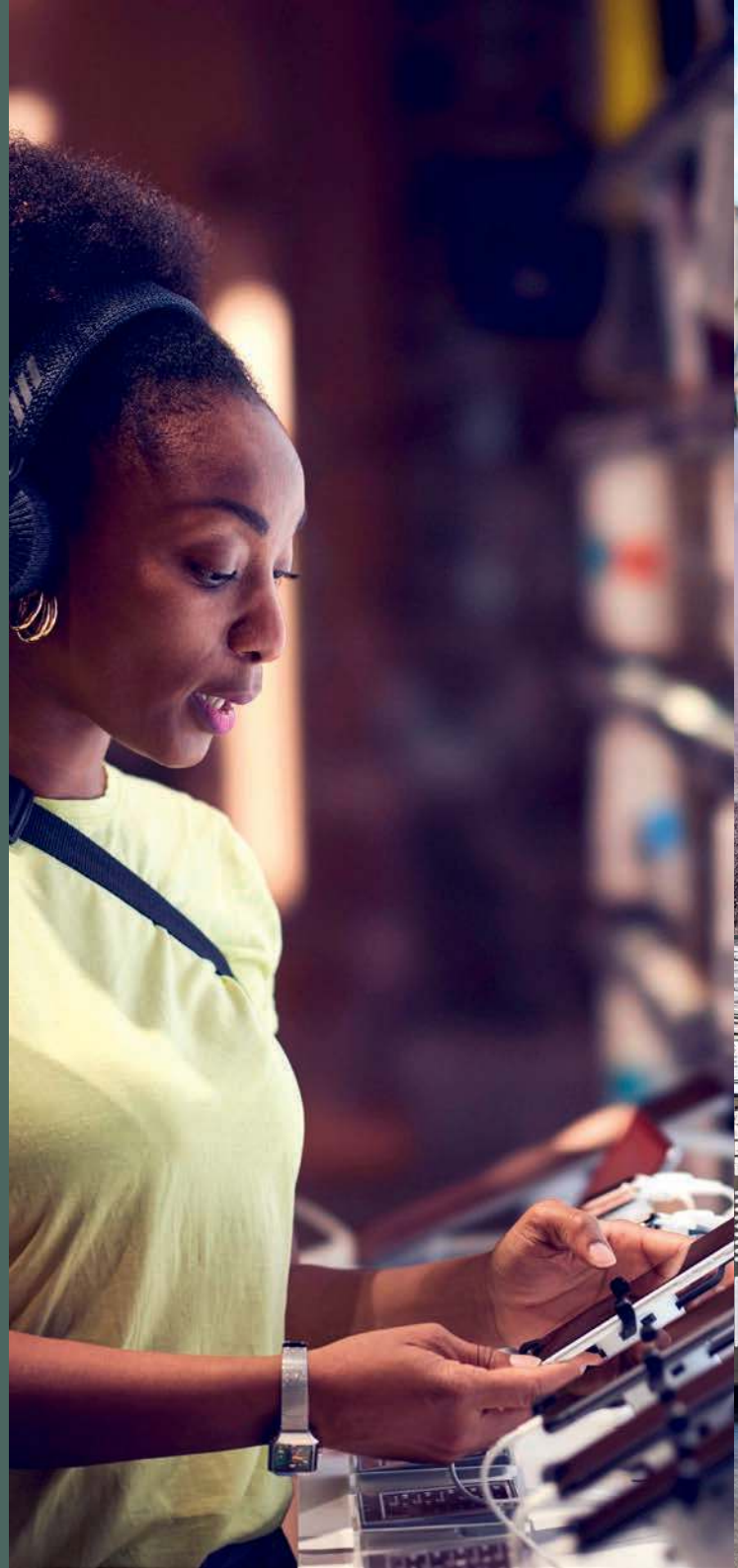
ITAB

ANNUAL & SUSTAINABILITY REPORT 2023

ITAB Shop Concept AB

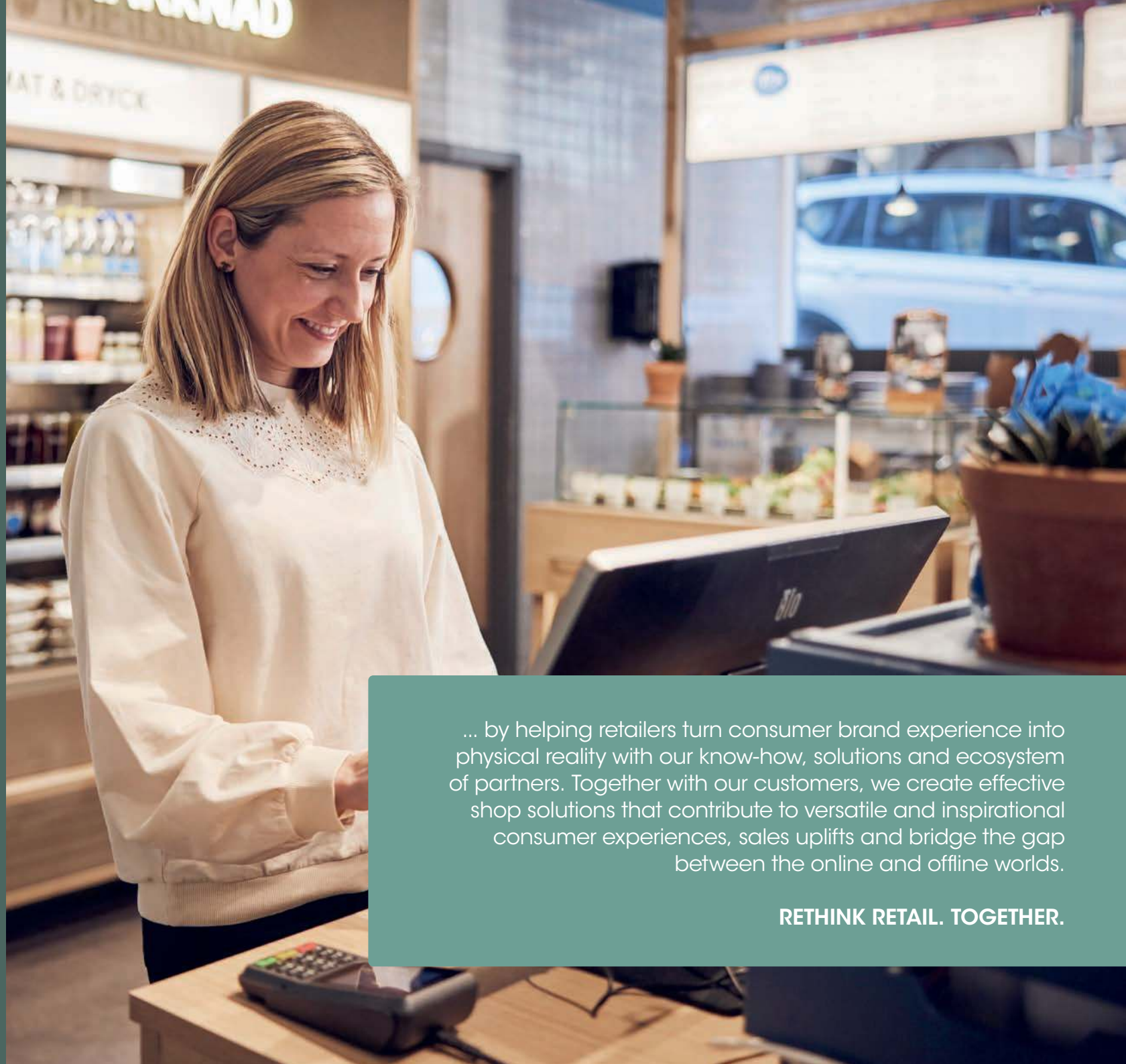


RETHINK RETAIL. TOGETHER.

CONTENT

ITAB GROUP	3
2023 in brief	4
President's statement	5
Strategy & Business model	7
Market & Growth potential	8
Financial & Sustainability targets	9
Operations	10
SUSTAINABILITY REPORT	15
Sustainable business for the future	16
Good working conditions	19
Business ethics	20
Efficiency in the value chain	21
Sustainable business development	22
ITAB SHARE	23
FINANCIAL INFORMATION	26
Administration Report with Corporate Governance Report	27
Board of Directors	38
Group management	39
Financial review - 5 years in summary	40
Financial tables	43
Financial notes	50
Reconciliation of Alternative Performance Measures	81
Definitions	82
Signatures of the Board of Directors	83
Auditor's Report	84
Auditors	86
IN-DEPTH SUSTAINABILITY INFORMATION	87
Sustainability risks	90
Reporting on EU Taxonomy Objectives	92
Reporting on GRI	96
ANNUAL GENERAL MEETING 2024	98

This Annual & Sustainability Report 2023 is in all respects a translation of the Swedish original Annual & Sustainability Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.



... by helping retailers turn consumer brand experience into physical reality with our know-how, solutions and ecosystem of partners. Together with our customers, we create effective shop solutions that contribute to versatile and inspirational consumer experiences, sales uplifts and bridge the gap between the online and offline worlds.

RETHINK RETAIL. TOGETHER.

THIS IS ITAB

ITAB develops, manufactures, sells and installs a broad range of solutions and services in interior fixtures, in-store technology and lighting for the retail sector. ITAB Group has operations in 24 countries with approximately SEK 6.2 billion in annual sales, some 2,500 employees, and 15 production facilities in Europe and China.

RETHINKS RETAIL TOGETHER WITH THE CUSTOMERS
ITAB creates in-store experiences that meet consumers' demands for improved shopping experiences in the physical environment.

SOLUTIONS THAT INFLUENCE BUYING BEHAVIOUR
By designing the complete consumer journey that helps influence buying behaviour, ITAB supports retailers to sales upflifts, improved efficiency and lower costs.

OUR OFFER

RETAIL **TECH**

ITAB offers efficient and inspiring solutions for self-service and -checkouts, smart gates, in-store guidance, and traditional checkouts.

READ MORE ON PAGES 12

RETAIL **INTERIOR**

ITAB co-creates modern store experiences with retailers through an iterative design process.

READ MORE ON PAGES 11

RETAIL **LIGHTING**

ITAB's offering includes complete professional lighting systems, light planning and services for the retail sector.

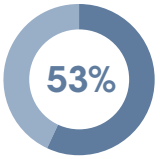
READ MORE ON PAGES 13

RETAIL **SERVICES**

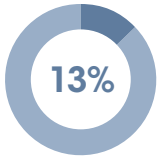
Concept creation, store and solution design, and installation are examples of ITAB's service offering.

READ MORE ON PAGES 14

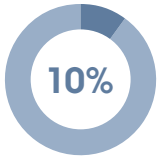
CUSTOMER OVERVIEW



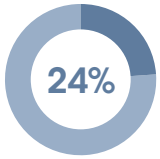
GROCERY
ITAB's largest customer group mainly comprises grocery retailers and food stores.



HOME IMPROVEMENTS
The customer group refers primarily to DIY, furniture, and home furnishings stores.



FASHION
This customer group includes stores selling ready-to-wear clothing and shoes, etc.



OTHER CUSTOMER GROUP
Other customer groups include pharmacies, health & beauty, consumer electronics, sport & leisure, service stations, hotels, offices, brands, industry, cafés and restaurants.

WHY INVEST IN ITAB

THE LEADING SOLUTION PROVIDER
ITAB builds new capabilities by investing in skills, partnerships, modern operational support systems, and common ways of working to improve the Group's competitiveness and growth. As a Solution Provider, ITAB will deliver a wider and more relevant portfolio of products and services, driving more strategic partnerships with retailers. This enables increased service revenues and re-occuring revenue streams.

GROWTH OPPORTUNITIES AHEAD
ITAB's focus is on profitable growth by penetrating the Group's core market with increased cross-selling initiatives, extending the offer with new retail tech solutions, and expanding into new geographical markets and customer segments. The Group's strong financial position is also providing ITAB with the opportunity for further growth through strategic acquisitions.

2023 IN BRIEF

Net sales gradually stabilised starting in the autumn, and a favourable product mix strengthened the profit margin for the full year. 2023 was otherwise characterised by high inflation and interest-rate levels, which had a negative impact on demand. In total, the operating margin increased to 7.0 percent despite a reduction in net sales by over MSEK 700, and the cash flow increased by close to 50 percent for the year

INCREASED PROFITABILITY AND STRONG CASH FLOW DESPITE LOWER SALES

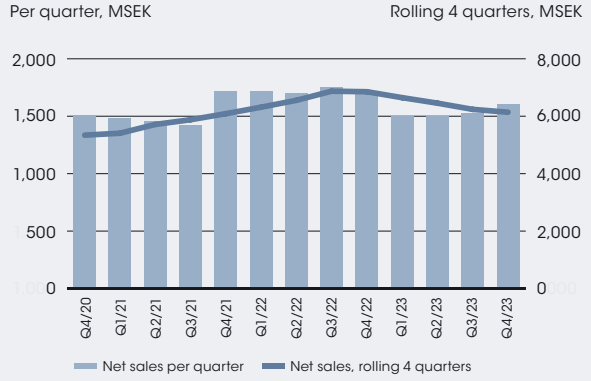
2023 was characterised by uncertainty concerning the future economic trend, impacting both consumer behaviour and the retail sector's general willingness to invest. At the same time, ITAB's solutions for loss prevention, increased efficiency and lower in-store costs, as well as for improved consumer experiences continued to attract considerable interest among customers. Currency-adjusted net sales fell by 15 percent for the full year, with a gradual stabilisation in demand starting in the autumn.

ITAB's increased share of sales for loss prevention and other technical solutions, implemented price increases and measures to reduce Group expenses gradually strengthened the profit margins during the year. Lower net sales had a negative impact on capacity utilisation and profitability at the production facilities and cost adaptations were carried out. Efforts to reduce the working capital requirements continued and contributed to strong cash flow for the year.

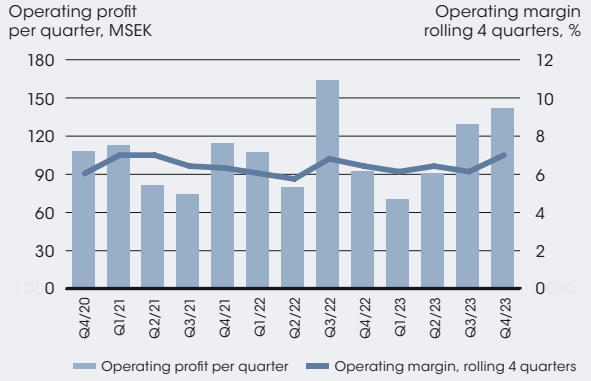
SIGNIFICANT EVENTS IN 2023

ITAB signed a number of larger customer agreements for the delivery of solutions for loss prevention with gates and guidance, self-checkouts, traditional shop fittings and checkouts, and lighting systems to leading grocery chains in Europe, Australia and South America. New partnerships with Rapitag, Signatrix and Theory+Practice to strengthen the Group's ecosystem of partners. Exhibitor of the year at the world's leading retail trade fair, EuroShop 2023, in Düsseldorf. Launch of Onred, a unique technology platform for retailers that links together ITAB's portfolio of digital and physical solutions for increased efficiency and an improved store experience. ITAB initiated a share buyback programme with a maximum purchase amount of MSEK 50.

NET SALES



OPERATING PROFIT AND OPERATING MARGIN [1]



1) Excluding non-recurring items.

ITAB GROUP IN FIGURES [2]

	2023	2022
Net sales, MSEK	6,139	6,868
Currency adjusted sales growth, %	-15	+8
Operating profit excl. non-recurring items, MSEK	432	443
Operating profit, MSEK	432	403
Operating margin (EBIT margin), %	7.0	5.9
Profit after financial items, MSEK	385	348
Profit margin, %	6.3	5.1
Proft after tax,MSEK	292	243
Cash flow from operating activities [2], MSEK	810	542
Cash conversion [3], %	118	80
Return on equity [3], %	8.8	6.0
Interest-bearing net debt excl. lease liabilities, MSEK	45	399
Equity/assets ratio [3], %	56	48
Average number of employees	2,533	2,715
Per share data		
Earnings per share before dilution, SEK	1.24	0.78
Dividend per share, SEK	0.75 [4]	0.50
Equity per share [3], SEK	14.01	13.81

2) All figures refer to Continuing Operations unless otherwise stated.
3) Comparative year 2022 includes Discontinued Operations.
4) Pursuant to the Board of Directors' proposed dividend for the 2023 financial year.

HIGH PROFITABILITY AND STRONG CASH FLOW IN A YEAR CHARACTERISED BY ECONOMIC DOWNTURN

2023 was characterised by high inflation and interest-rate levels, which negatively impacted the retail sector's willingness to invest and the demand for ITAB's products and solutions. However, a favourable product mix and more stabilised sales trends towards the end of the year strengthened our profit margins for the full year despite a reduction in net sales by over MSEK 700. In parallel, we also continued to reduce the Group's working capital and strengthened our cash flow by close to 50 percent.

FOCUS ON LOSS PREVENTION SOLUTIONS

In total, ITAB's currency-adjusted net sales declined by 15 percent in 2023. The negative economic development that characterised 2023 was most evident in ITAB's geographic markets in the Nordic region and the UK. Sales declined most substantially in traditional shop fittings and checkouts as new establishments and renovations of existing stores in the retail sector were cut back because of increased uncertainty and higher capital expenses. The retail sector's investments are primarily focused on various preventative measures to reduce the risk of theft and loss and to boost efficiency. Consequently, customer interest in our loss prevention solutions is rising, and there is also a clear ambition to increase the share of self-service and other measures to improve efficiency and reduce costs. We also note increased interest in our unique solutions among customers in Australia and the US.

POSITIVE EARNINGS TREND DESPITE THE DECLINE IN SALES

The reported operating profit for 2023 increased to MSEK 432 (403), corresponding to an operating margin of 7.0 percent (5.9). Profit after financial items totalled MSEK 385 (348). The comparative period includes non-recurring costs totalling MSEK 40.

The profit margins were positively impacted by the favourable product mix with increased share of sales for our technical solutions and services, as well as by price adjustments. At the same time, lower sales and capacity utilisation in our production facilities negatively impacted earnings. Due to this, cost adaptations were carried out, and part of our operations were able to shift some of their capacity to products in growth areas in the Retail Tech offering, such as security gates.

Cash flow increased by 49 percent to MSEK 810 (542), mainly driven by the positive gross margin trend and our efforts to reduce working capital with lower inventory levels. Our financial

> **Customer interest in our loss prevention solutions is rising**

position is stronger than ever before, and we will continue our focus on capital efficiency in the coming years.

Focus on sustainable growth, increased profitability and positive cash flow

STRONG FINISH TO THE YEAR
At the end of 2023, we saw indications of customers becoming more willing to invest in previously postponed projects with the aim of improving the customer experience in their stores. The decline in currency- adjusted net sales recovered somewhat in the fourth quarter of the year.

The customers' increased willingness to invest was exemplified by the two major agreements that we announced at the start of 2024. We have begun the delivery of 7,200 self-check-outs to a leading grocery chain in Europe, and signed an agreement with a leading European fashion chain for the delivery of customised interiors, checkouts and fitting rooms for the refurbishment of existing stores and in upcoming new stores over three years. We hope to see more of similar investment decisions in all our geographical markets in 2024.

POSITIVE STEPS TOWARD OUR FINANCIAL TARGETS
To sum up 2023, our performance during the year resulted in a couple of clearly positive steps toward our financial targets despite a decline in growth compared with our target of currency-adjusted sales growth of 4–8 percent per year. The increase in the Group's operating margin (EBIT) from 5.9 to 7.0 percent meant that we just reached our target of 7–9 percent. At the same time, our share of cash conversion, which measures capital efficiency in the Group, increased to 118 percent (80) compared with the target of >80 percent. In accordance with our financial target of achieving a payout ratio of at least 30 percent of profit after tax over time, the Board also resolved to propose a dividend of SEK 0.75 (0.50) per ordinary share for 2023, corresponding to 60 percent of earnings per share.

Going forward, we are continuing to focus on sustainable growth, increased profitability, positive cash flow and favourable returns to our shareholders over time.

CREATING A STRONGER ITAB
ITAB's ambition is to deliver improved operational efficiency, reduced costs and increased competitiveness for the retail sector through our solutions. This has strengthened our position in the market over the past few years despite a weaker economy and we will continue our efforts to develop competitive and relevant solutions for our customers going forward.

At the same time, we are continuing to develop our capabilities in line with our strategy. We are investing in the transition to become the leading solution provider in the retail sector which require capabilities to make us more flexible, scalable and efficient to keep up with an increasingly dynamic world. We will continue to invest in becoming both more sustainable within ITAB and more relevant in our service offer that enables our customers to become more sustainable. The current market situation and our strong financial position are also providing us with the opportunity for further growth through strategic acquisitions.

Opportunity for further growth through strategic acquisitions

IN CONCLUSION
I would like to extend my sincere thanks to all our customers, partners and employees for their many outstanding contributions in another eventful and challenging year. When reflecting on the past four years, it is impressive how well our employees have succeeded in strengthening ITAB's position while balancing global challenges and customer expectations with ITAB's internal transition. I look forward to 2024 together with all of you.

Jönköping, March 2024

Andréas Elgaard
President & CEO

OUR FOCUS IN 2024

We see signs of an increased willingness to invest among our customers and our focus in 2024 will be on continuing the positive trend and investing for the future.

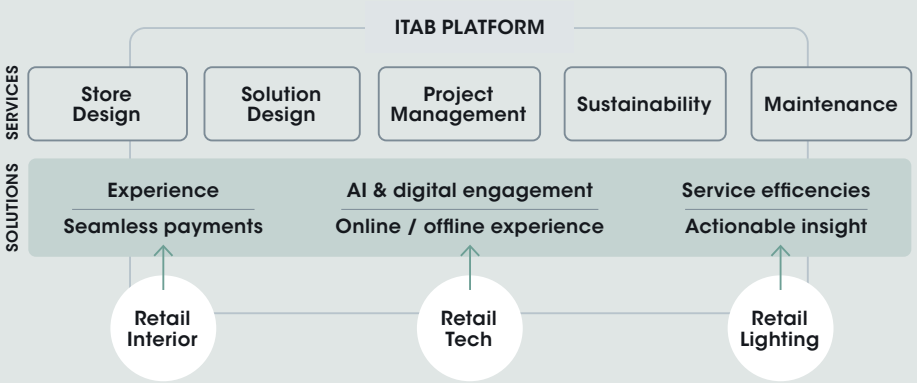
COMMERCIAL & OPERATIONAL EFFICIENCY
Our primary short-term focus is to invest in commercial and operational efficiency as we continue to carry out targeted sales efforts, enhance the efficiency of our operations and reduce our tied-up capital.

INCREASED ESG EFFORTS
Our sales of various sustainability services to the retail sector are increasing. We will intensify our environmental, social and corporate governance (ESG) efforts.

MODERNISATION OF OUR OPERATIONS
We will continue to invest in shared values, capabilities, ways of working and modern operational support systems with the aim of making ITAB more scalable and flexible for the future.

A STRONG FOUNDATION FOR BECOMING THE LEADING SOLUTION PROVIDER

ITAB's versatile and inspirational portfolio of solutions and services supports the retail sector to meet their challenges of today, and to take full advantage of new opportunities for the future.



ITAB is a well positioned to help retailers rethink retail, and to improve their business.

OUTCOME BASED VALUE PROPOSITION

With a focus on a value based outcome ITAB's aim is to deliver measurable results to its customers. The process starts with the consumer to understand their evolving needs and how they shop across different sectors. This is coupled with an understanding of the retailers' challenges and investment priorities.

The Group uses these retail insights, store know-how, a breadth of solutions, and leading best practice with proven return on investment to create consumer journeys that influence buying behavior. This helps retailers differentiate from their competitors,increase sales, and contribute to changing the way physical shops are operated.

Desired Consumer Brand Experience
Improving the physical store experience, driving footfall and consumer retention.

Increased Sales & Converison
Creating an experience that influences consumer buying behaviour.

Improved Efficiencis & Service
Seamless consumer journeys that increase throughput and service levels.

Reduced Operatiomal Cost
Efficient operating models to help reduce in-store running costs.

ONE ITAB STRATEGY TO TRANSFORM THE BUSINESS

The seven strategic priorities in the One ITAB strategy focus on transforming ITAB into the leading Solution Provider with differentiating capabilities. The re-engineering of the cost structure and strengthening of the financial position of the Group over the last couple of years now enable investments in new capabilities and expansion.

BEING A SOLUTION PROVIDER
Build on the Group's shared knowledge base and our success in delivering innovative solutions.

EMPOWERING PEOPLE & COMMON WAYS OF WORKING
Our aim is to make all ways of working parallel, collaborative, cross functional and transparent.

EXPAND MARKET POSITION
By making our strengths in know-how, customer relations, and comprehensive portfolio a reality in all regions.

SUSTAINABLE FUTURE
Our ambitions for sustainable business development, efficiency in the value chain, good working conditions, and business ethics.

RE-ENGINEERED COST STRUCTURE
Our focus is to continue ensuring profitable and sustainable growth going forward.

ECOSYSTEM OF PARTNERS
To deliver complete solutions to our customers at lower costs with less complexity.

EXCELLENCE IN OPERATIONS
We focus on reducing lead times, improving quality, and eliminating waste in our business..

OPPORTUNITY TO GROW IS SUBSTANTIAL

The retail market is in transformation, driven by short and long term macrotrends and changing consumer expectations. To keep ut with the changing demands and expectations, modern retailers in Europe are estimated to invest approximately SEK 1,300 billion in supply chain, stores, online, and other areas each year. Approximately 15 percent of this is allocated to in-store investments. Hence, the total "addressable" market for ITAB in Europe is estimated at some SEK 110 billion. [1)]

Depending on geography and portfolio of solutions, products and services, ITAB's current and potential sales are driven by each customer's:

- Store population, number and size
- Expansion programme
- Refurbishment rate
- Refurbishment spend per sqm
- Maintenance spend

Modern retailers are estimated to invest approximately 3 percent of their annual revenues in supply chain, stores, online, and other areas, of which some 15 percent is allocated to in-store investments. Based on an estimate of total annual revenue for the European retail market of SEK 44,000 billion, the total "adressable" market for ITAB in Europe is estimated at SEK 110 billion. [1)]

This European market is fragmented with a large number of national and international manufacturers and suppliers. The market is facing continued consolidation and, according to an overall assessment, ITAB is one of the three largest players in Europe, none of which has a market share of more than 10 percent. This gives ITAB substantial opportunity to grow by penetrating the core markets further with increased cross-selling initiatives in the Group, extending the offer with new retail tech solutions, and expanding into new geographical markets and customer segments.

Total "addressable" market for ITAB is estimated at SEK 110 billion per annum

PENETRATE CORE MARKET

- Cross-sell existing products and services portfolio to existing customer base.
- Gain new customers in the focus segments grocery, home improvements and fashion.

EXPAND WITH NEW OFFERINGS

- Retail Tech solutions e.g. OnRed platform, mobile checkout, online/offline integration, smart shelves/ inventory, etc.
- Services within tech solution integration, logistics, installation and maintenance.

EXPAND TO NEW MARKETS AND SEGMENTS

- Geographical white spots in Eastern and Southern Europe.
- Increased distribution into regions outside of European footprint.

1) *Source*: Adge by Ascential

ITAB'S TARGETS FOCUS ON SUSTAINABLE GROWTH & PROFITABILITY

FINANCIAL TARGETS

ITAB established new financial targets for the Group in 2022. The focus is on sustainable growth, increased profitability and capital efficiency. The targets are measured as an average over a business cycle, but the Group has continued to make positive progress in 2023.

4-8%
SALES GROWTH

GROWTH

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

Outcome for 2023: -15 percent

>80%
CASH CONVERSION

CAPITAL EFFICIENCY

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

Outcome for 2023: 118 percent

7-9%
EBIT MARGIN

EARNINGS

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

Outcome for 2023: 7.0 percent

>30%
PROPORTION OF PROFIT AFTER TAX

DIVIDEND POLICY

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

Proposal for 2023: 60 percent

SUSTAINABILITY TARGETS

Sustainable future is one of ITAB's strategic priorities and the on-going efforts to achieve the targets in our four focus areas continued in 2023. For 2024 we have intensified our environmental, social and corporate governance (ESG) efforts with the aim of preparing the Group for a review of our sustainability targets during the year and increased ESG reporting requirements.

GOOD WORKING CONDITIONS

A pleasant and attractive workplace with equal opportunities and a safe and healthy environment.
READ MORE ON PAGE 19

BUSINESS ETHICS

Fair and honest relations with business partners and zero tolerance towards corruption and cartels.
READ MORE ON PAGE 20

EFFICIENCY IN THE VALUE CHAIN

Monitoring and benchmarking the value chain's efficiency, energy consumption, and carbon emissions.
READ MORE ON PAGE 21

SUSTAINABLE BUSINESS DEVELOPMENT

Create in-store solutions that assist retailers in offering energy-efficient and cost-effecitve products.
READ MORE ON PAGE 22

LEADER IN EUROPE WITH GLOBAL REACH

ITAB is the market leader in checkouts for retailers in Europe, and one of the largest suppliers of shop fitting concepts, gates and guidance, and retail lighting solutions. The market position is based on close, long-term collaborations with customers and business partners. The primary geographic market is Europe with 86 percent of the Group's sales. Grocery is the largest customer group with 53 percent of sales.

GROCERY

Grocery retailers and food stores. *Customers* include ICA, Morrisons, Carrefour, Coop and Tesco.

3,226 MSEK

HOME IMPROVEMENT

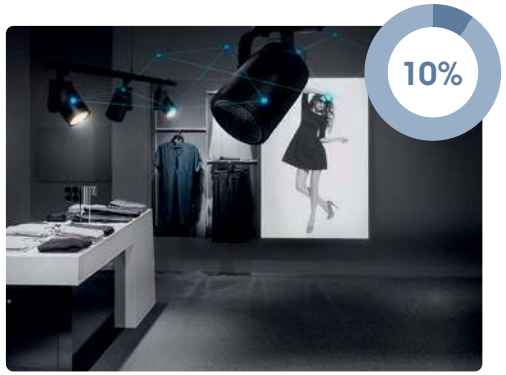
Retail chains and stores for DIY, furniture, and home furnishings. *Customers* include IKEA, Coop Bygg, Leroy Merlin, Bricoman and Tokmanni.

769 MSEK

FASHION

Retail chains and stores selling ready-to-wear clothing, shoes, and jewellery, etc. *Customers* include H&M, Uniqlo, C&A and Pandora.

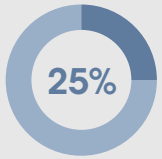
589 MSEK



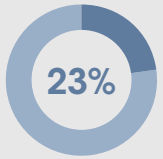
OTHER CUSTOMER GROUPS

Pharmacies, health & beauty, consumer electronics, sport & leisure, service stations, hotels, offices, brands, industry, cafés and restaurants. *Customers* include Expert, Costa, Circle K, Apotek Hjärtat and XXL.

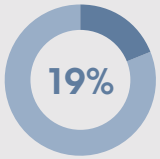
1,555 MSEK



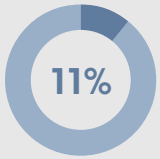
NORTHERN EUROPE
All Nordic countries.



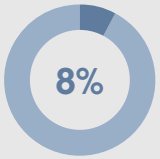
SOUTHERN EUROPE
Main markets in Italy, France, and Spain.



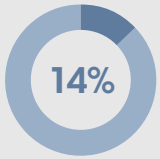
CENTRAL EUROPE
Largest markets include Germany, Netherlands, and Czech Republic.



UNITED KINGDOM & IRELAND



EASTERN EUROPE
Main markets in Baltic countries, Poland, Romania, and Slovakia.



REST OF THE WORLD
All countries outside Europe. USA, Australia, China, and Argentina account for over 50 percent of sales.

All percentages refer to share of ITAB Group's net sales in 2023.

DESIGN LED **CONSUMER EXPERIENCES**

ITAB co-creates modern in-store experiences together with its customers through an iterative design process. The Group's customised displays are aimed at improving the consumer experience, whilst improving the efficiency and running costs of the store. All delivered with the help of innovative solutions and environmentally friendly materials to support the retailers in reducing their carbon footprint.

With a focus on designing end-to-end solutions, ITAB's solution design approach enables the customers to co-create differentiating store experiences alongside ITAB through an iterative process. Through strong know-how and retail industry experience, the Group's solution designers are able to share and leverage ideas to help maximise the Return on Investment irrespective of the customer's specific product offering or target consumers. The outcome approach is always to improve the consumer journey, increase efficiency, prevent stock losses, and reduce store costs – and to ultimately result in increased sales and conversions.

INTEGRATED SERVICE MODEL

ITAB is able to maintain a high level of service through an integrated connected service model that spans the entire value chain - from standard displays to specialist fittings, and covering different types of interactive and merchandising aids in between.

ITAB's commitment to our customers encompasses both the Group's own production facilities, and our external suppliers and manufacturers. In addition, the Group also offers a comprehensive service portfolio, helping to improve the life cycle of the products sold and installed - thereby reducing waste and costs for the customers over time.

TOGETHER

CASE **CO-CREATED INTERIOR SOLUTION**

The fast-paced grocery sector is always evolving and a tough sector to achieve the right level of design versus practicality of use for the consumer and the retailer when it comes to both shopping and managing the displays. In this case ITAB collaborated with the retailer, to co-create an interior solution within the fresh produce department that helped deliver a more engaging display for the consumer, both on category range display and overall product level merchandising to display navigation.

IMPROVED CONSUMER JOURNEY

Then for the retailer ITAB concentrated on creating multiple efficiencies by reducing time for the restocking of the display by creating intuitive in-display stocking solutions that helped reduce labour modelling within their category. Plus, improving produce wastage by maximising the stock density, resulting in improved produce throughput across the complete category.

Simple but well-designed solution that has helped improve the consumer journey, increase efficiency and reduce store costs.

CONNECTING **RETAIL ENVIRONMENT THROUGH TECHNOLOGY**

ITAB seamlessly merges the physical and digital to empower an immersive in-store consumer experience. Through offering a cutting-edge suite of digital and physical technology solutions, from self-service order points, checkouts, and in-store guidance to automated gates, vision fraud detection, and Click & Collect lockers. These solutions can be connected through ITAB's unified software platform – Onred. The Group's market leading solutions create frictionless consumer journeys and experiences. By connecting in-store brand touchpoints digitally, we help customers gain data-driven insights for operational optimisation and influencing consumer behaviour.

Optimising consumer flows and service levels are important factors in attracting consumers to the physical store. To create the best solutions that reduce the store's operating costs, improve throughput and contribute to a frictionless consumer journey, ITAB has an in-depth understanding of existing and future consumer behaviours.

OPTIMISED SOLUTIONS ENHANCE RETAIL EXPERIENCES

ITAB offers market leading solutions for protecting store entry and exits, checkouts and self-checkout solutions, self-service stations, and store guidance solutions for the retail sector. The solutions can be connected, updated, and maintained using ITAB's new Onred platform.

ITAB's solution design approach is a creative process where we co-create alongside our customers, with the aim of finding the optimum solution that focuses on improved store efficiency, loss prevention, guiding customers properly, and creating flows that drive sales.

Through cutting-edge data analysis and Artificial Intelligence (AI) integrated in ITAB's solutions, service levels and layout of the store can be optimised.

E-COMMERCE AND PHYSICAL STORES WORKING TOGETHER

New types of solutions for fast, safe and efficient delivery have been on the agendas for most retailers. ITAB offers solutions for Click & Collect, with alternatives ranging from basic pick-up points to fully automated lockers.

RETHINK

CASE **DRIVING SALES GROWTH**

ITAB's quick serve solution that allows for consumer self-serve within the grocer's fast-food offering. One seamless system that is linked to real time dynamic digital menus helping to support in-store service levels by displaying menu options that are available in store at that time. This dynamic digital display approach changes real time depending on what ingredients are available, and what promotions are to be pushed on the day. All resulting in a reduction in food waste for the retailer and a 24-hour labour overhead reduction per store, per week due to the end-to-end efficiencies in operations.

INCREASED BASKET SIZE PER CONSUMER

ITAB's intuitive quick serve ordering solution and personalised menu suggestions has led towards over 80 percent adoption in the new format and a double digit increase in basket size per consumer. A real game-changer when it comes to driving efficiencies in-store for the retailer.

The quick serve solution is managed on the ITAB Onred platform that is able to deliver actionable personalised data insights, connecting the retail and consumer experience, and resulting in an improved understanding of the consumer and operations of the store and driving sales growth and reduction in operation costs for the retailer.

SUSTAINABLE LIGHTING SOLUTIONS
ENHANCING THE IN-STORE EXPERIENCE

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 increasingly important. ITAB develops, manufactures and sells complete professional lighting systems, light planning, and light services.

Energy consumption represents a large proportion of a store's total costs. Energy efficiency is thus central to the development of ITAB's lighting products and systems. With rising energy prices and requirements for sharply reducing CO_2 emissions and on using recyclable materials, ITAB sees great opportunities to collaborate closely with the Group's customers to add substantial value in the transition to more economic and sustainable solutions.

KEY FOCUS WHEN DEVELOPING LIGHTING SOLUTIONS
As well as lighting being a critical element of store design, the importance of light for our well-being is gaining increasing focus in the design of physical environments and has a major impact on purchasing decisions and the work environment of store staff. Consumer behaviour and the well-being of employees are thus our key focus when developing lighting solutions.

We at ITAB have succeeded to improve our LED spotlights significantly during the past 5 years with substantially lower energy consumption, for the benefit of our customers.

Shops often use more than one type of lighting to create the right atmosphere. Through its range of lighting solutions, ITAB can be an all-inclusive supplier for retail shops and chains.

SALES TO MORE THAN 90 COUNTRIES
The Group sells and distributes lighting products to more than 90 countries, both through its own companies and through national distributors, in order to provide customers with local support in respect of imports, certification and local service/maintenance.

RETAIL

CASE **CONTRIBUTING TO FUNCTIONALITY AND AESTHETICS**

Complex project designed to not only deliver the retailer with a revised lighting solution to help improve the in-store experience for their consumers, suited to all types of stores formats within their estate. But to also help deliver a number of key savings against their carbon footprint strategy by over 12.5 tonnes of CO_2 emissions, plus helping to reduce their store operating costs by double digits.

MOMENT OF TRUTH
The revised lighting solution has played a crucial role in contributing towards the overall functionality and aesthetics of the in-store space. From enhancing the ambiance, helping set the mood and feeling of the store format, enhancing both merchandise and layout. Through improved functionality and spatial perception with the balanced lighting techniques, creating the right mix of ambient versus directional lighting dependant on the consumer journey and moments of truth required within the consumer experience.

RETAIL TRANSFORMATION **SERVICES**

ITAB's services range from concept creation, store and solution design, sustainability, project management, manufacturing, and installation to end-to-end maintenance and after-care services. All designed to ensture the store remains connected 24-7.

ITAB understands the importance of an end-to-end service which provides peace of mind and support when needed. The Group's portfolio of services include:

SOLUTION DESIGN
Our Solution Design methodology is used to co-create in-store solutions with our customers that truly deliver value both to the consumers' shopping journey and ensuring a strong Return on Investment for our customers. Solution Design commences with the consumers including data, trends and market analysis of them for all types of solutions. This ensures that our design thinkers are able to develop the end-to-end consumer journey by experiencing through the consumer and retailers lenses. Which in turn provides solutions that are fully measurable and curated to drive measurable results for our partners. This type of approach will deliver benefits in the short and long term and help grow the level of customer relationships.

RETAIL TRANSFORMATION SERVICES
A critical success factor for our customer is our ability to deliver right the first time. Our retail transformation services support our customers with all the implementation services required for the execution of a successful project, including store design and format development, project managment, equipment consolidation and in-store implementation. By offerring this combination of services we can help our customers reduce project timescales and minimise impact on trading and customer disruption.

SUSTAINABILITY SERVICES
As part of our design process, we measure and benchmark the carbon footprint of the in-store environment. Together with the customer we co-design positive improvements to support the customer's journey to achieve carbon reduction objectives. The benchmarking includes materials, longevitey of the equipment, circularity of the equipment, etc.

MAINTENANCE AND AFTER-CARE
ITAB's aim is to always be close to the customers and maintain a long-term relationship even after a project has been completed. Ensuring that our customers' equipment is operating at the highest level with minimal downtime and working together on further developments is a natural continuation in a partnership with ITAB.

RETHINK

CASE **CONNECTED RETAILER OUTLETS**

Working cross-region and in partnership with the customer to create one of the first connected services initiatives that will help drive their business towards connecting its network of many retailer outlets ensuring that the consultative in-store experience is seamlessly connected throughout the consumer journey and into its successful installation, maintenance and after-care service.

ITABs connected services offering enables all retailers within their network to remotely connect their sales into the ITABs connected portal that is a webbased platform managing the next stage of the consumer journey, from delivery through to the installation of the end solution and after-care.

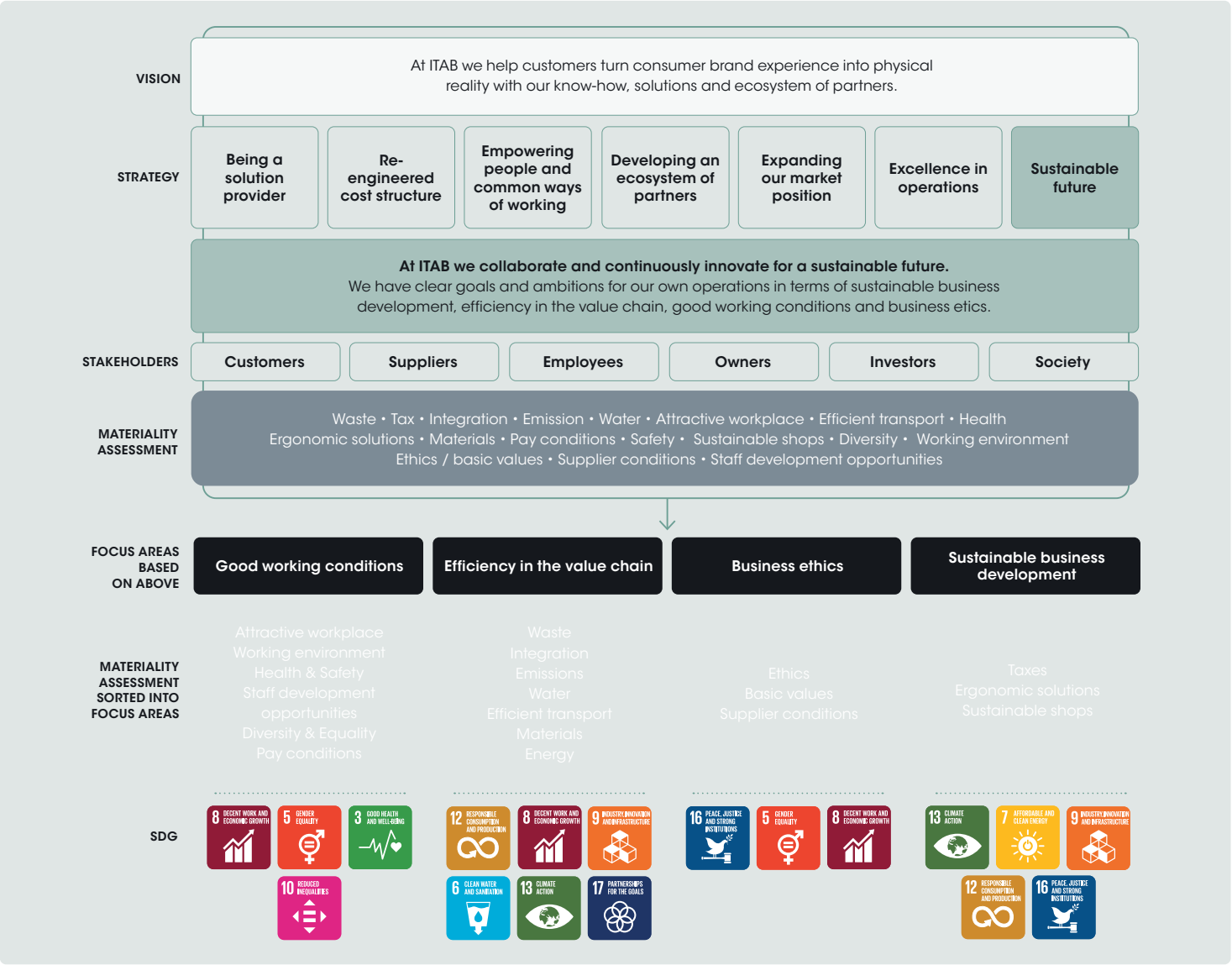
UNIFIED PORTAL FOR END-TO-END VISIBILITY
The unified portal allows for end-to-end visibility of the sale for both the retailer and the consumer, ensuring on-time, to quality service that is managed through an intuitive dashboard management system, creating data transparency and a right first-time service.

Once the solution is installed the consumer is able to scan the QR code to activate their maintenance and after-care service which is consolidated as part of the online portal. One centralised portal that is connected to all aspects of the consumer purchase and after-care service, creating convivence, control and efficiency for managing the end-to-end service for both retailer and consumer.

SUSTAINABILITY REPORT

SUSTAINABLE BUSINESS **FOR THE FUTURE**

Sustainability, in the context of development, entails meeting present needs without compromising the ability of future generations to meet their own requirements. As an advocate for sustainable development, ITAB acknowledges the responsibility to ensure that its pursuit of profitability aligns with ethical and environmentally conscious practices. This commitment extends across the entire value chain, encompassing manufacturers, suppliers, and ultimately, consumers. ITAB aims to integrate responsible practices at every stage to contribute positively to both the present and the future.



MATERIALITY ANALYSIS AND STAKEHOLDER DIALOGUE

Sustainability is seamlessly woven into our business ethos, and ITAB aligns itself with the 2030 Agenda for Sustainable Development, specifically embracing the Sustainable Development Goals ("SDGs") designed to gauge the success of this agenda. Through a comprehensive analysis involving vision, strategy, stakeholders, and materiality assessment, ITAB has identified four primary focus areas crucial to the Group's sustainability journey. The focus areas have been decided by the Group management and approved by the Board of Directors. Each of the areas is intricately linked to a key SDG and concurrently contributes to the advancement of other SDGs, as outlined in the illustration.

The requirements and expectations of stakeholders identified through dialogues with them

have then further helped us in the evaluation and prioritisation of sustainability actions needed both in the short- and long-term.

For more information on ITAB's reporting and follow-up, stakeholder dialogue, sustainability risks, and EU Taxonomy and GRI-reporting, please refer to the In-depth Sustainability Information section on pages 87-97.

SUSTAINABILITY SERVICES

In addition to sustainability being incorporated internally, ITAB has developed and deployed a number of Sustainability Services. These are designed to partner with the customers because the goods we provide for them do not only create our Scope 1 GHG emissions, but our activities and products are their Scope 3 GHG emissions.

The services cover carbon reporting but can also focus on water, waste, end of life, etc. Based upon the customer priorities we monitor and benchmark all metrics needed. The benchmarking then allows informed design recommendations for the customer, looking at materials, longevity of the equipment, circularity of the equipment, amongst other things. There is also an equipment return, refurbishment and reuse service (refer to Sustainable Business Development on page 22).

REDUCING THE CARBON IMPACT OF THE IN-STORE ENVIRONMENT

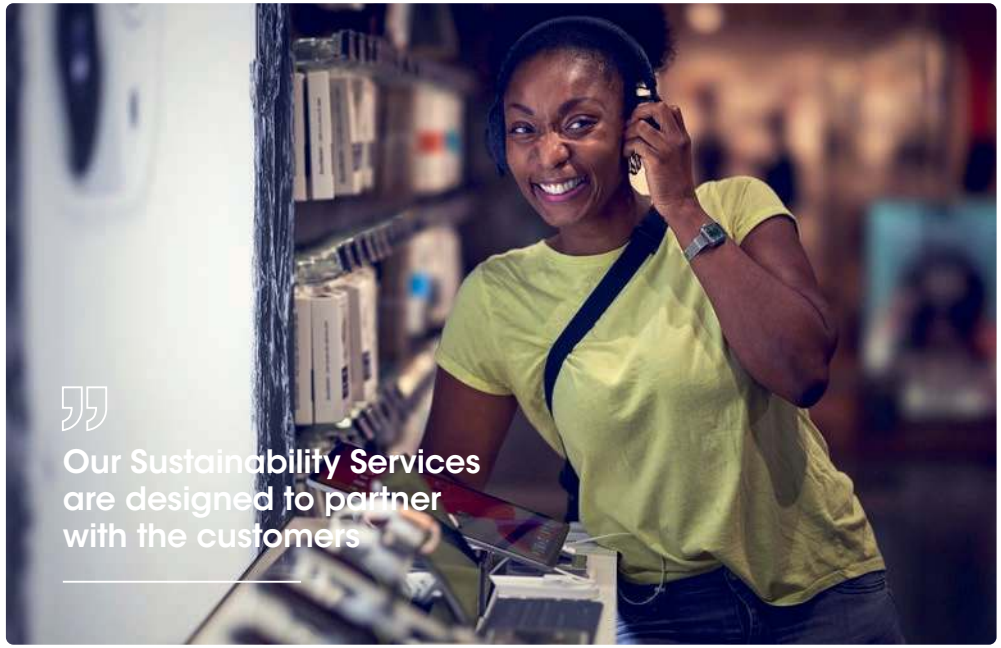
Through using our sustainability services we have been able to complete a full carbon inventory of all of the installations made in 2022 for a leading coffee shop chain in the UK. This allows them to make accurate carbon disclosures and to start looking at the next generation of counters and equipment to be installed.

We have also worked with a leading grocery retailer in the Netherlands to reduce the carbon associated with transport, resulting in a saving of 12.5 tonnes of carbon per year from distribution activities. We were also able to offer a lighting

BRONZE 2023 ecovadis Sustainability Rating

ECOVADIS RATING **FOR 2023**

Our yearly performance is assessed by an external entity, EcoVadis, recognized as an independent provider of business sustainability ratings, intelligence, and collaborative tools for enhancing performance across global supply chains. In May 2023, ITAB achieved a bronze medal with a score of 58/100, marking a noteworthy improvement compared to previous years. ITAB has crafted comprehensive road map aimed at achieving sustainability objectives, and the positive trajectory in our EcoVadid score is indicative of our ongoing commitment to advancing sustainability practices. This roadmap is expected to have a positive impact on our EcoVadis rating in the coming years as we continue to implement and enhance our sustainability initiatives.



INTERNATIONAL CERTIFICATIONS & RATINGS

EcoVadis

Science Based Targets

Climate Disclosure Participant

ISO 14001

Forest Stewardship Council

ISO 45001

package that would result in a total cost of ownership reduction of GBP 27,000 and a 19-tonne reduction in carbon. Finally, working with the in-store team ITAB was able to identify existing pieces of equipment that could be reused in the next generation of equipment.

ECONOMIC VALUE GENERATED AND DISTRIBUTED TO STAKEHOLDERS

Economic value serves as a metric that illustrates the value generated by all our operations and how that value is distributed among our stakeholders. Our stakeholders encompass suppliers, employees, banks, owners, and society. The graph visually represents the distribution of the economic value for the year 2023, highlighting the allocation of value to each stakeholder group. This depiction provides transparency and insight into the ways in which the generated value contributes to and impacts various segments of our broader community.

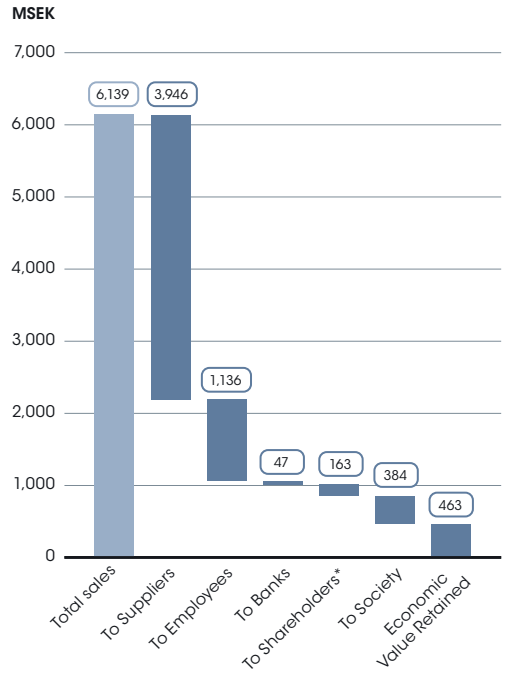
IN PREPARATION FOR CSRD

ITAB remains committed to mitigating environmental and social risks throughout its value chain. The assessment of sustainability risks plays a crucial role in the materiality analysis, forming the foundation for the sustainability program and prioritizing sustainable goals. A comprehensive Double Materiality Assessment has been performed in 2023 to account for significant changes in business and market dynamics since the previous assessment and complete requirement by the Corporate Sustainability Reporting Directive (CSRD) being introduced in the EU from 2024.

The output from the double materiality analysis will allow new sustainability targets and long-term goals to be developed and published, alongside a revision of current targets and goals to align with the double materiality analysis findings. This work is planned to be completed in early 2024.

> **ITAB is committed to mitigating environmental and social risks throughout its value chain**

ECONOMIC VALUE GENERATED 2023



*As proposed by the Board of Directors.

GOOD WORKING CONDITIONS

Individuals play a central role in all our endeavours at ITAB; our employees stand out as our primary asset. We are committed to taking substantial measures to uphold our responsibility as an employer, actively striving to recruit, keep, and nurture talent. ITAB strives to provide a welcoming and good working conditions, equal opportunities, and a safe and healthy environment.

ITAB Group's Code of Conduct ("CoC") establishes the essential principles for all employees to uphold human rights in accordance with international conventions. This entails a strict zero-tolerance stance against forced labour, child labour, and any work conducted under coercion or threats of violence. Throughout our supply chain, there were no documented instances of child or forced labour in 2023. The CoC also emphasizes the significance of diversity within our workforce, explicitly condemning discrimination based on gender, marital status, ethnicity or national origin, sexual orientation, gender identity, religion, age, or disability.

ITAB implemented an extensive training programme for all Group employees in 2023, covering CoC and new whistleblowing directives, as well as equality and diversity training. By the end of 2023, over 99 percent of all emplyees in the Group had completed the training and signed the CoC. The complete CoC can be downloaded at itabgroup.com.

EQUALITY AND DIVERSITY

ITAB is actively pursuing a more equitable gender balance, recognizing its contribution to fostering a positive work environment and a dynamic workplace. The Group consistently assists recruiting managers in adhering to professional processes aligned with local legislation, while actively promoting diversity among candidates.

For 2023, 28 percent (27) of the workforce identified as female. Women in senior management comprised 25 percent, which was a 2 percentage points increase from 2022. This figure falls below the target range of 40 to 60 percent for female representation among senior management, underscoring the ongoing commitment to further improve gender diversity within the organization.

HEALTH & SAFETY ("H&S")

Within the ITAB Group, each company bears the responsibility for maintaining a secure workplace in accordance with local laws and regulations. To establish consistent standards throughout the Group, ITAB has formulated a H&S Framework and has initiated its implementation at the local level. Internal bodies overseeing H&S include employee representation, emphasizing a collaborative approach to ensure the well-being and safety of all employees across the organisation.

In 2022, ITAB developed the capability to report a Total Frequency Rate (TFR) for accidents and a Lost Time Severity Rate (LTSR). For 2023 the TFR was 8.23 (12.8), and the LTSR was 0.29 (0.28). This is a positive reduction in the number of accidents. We continue towards our target of zero accidents.

WELL-BEING

In 2023 ITAB has seen an overall reduction of 1.3 percent points to 3.6 percent overall sick leave for the Group, of which Blue Collar workers were at 4.9 percent and White Collar at 2.1 percent. Long term sick leave amounted to 1.1 percent in 2023, corresponding to 30 percent of total sick leave.

Compared to the baseline in 2022, local units with higher rates of sick leave have been identified and the management teams in each respective country, working together with local and Group People & Culture representatives, have initiated action plans to address the high rates. These plans have resulted in the improvement of sick leave throughout the targeted countries.

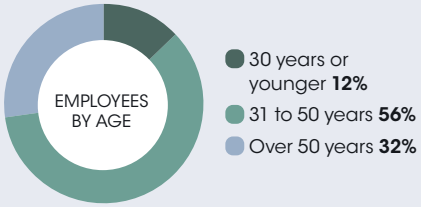
Employee engagement and appraisals are import to ITAB. At the end of 2023, 47 percent of our employees had received an appraisal from their line manager, which is an increase of 7 percent from 2022. An important part of the appraisal is an ongoing dialogue about well-being and work life balance for that individual. We will strive to improve these figures over the coming years.

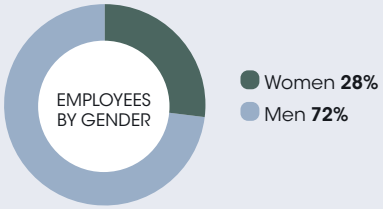
ITAB supports ongoing skills and professional development. For 2023, the Group reported an average of 6.2 training hours per employee.

	LONG-TERM GOAL	2024 ACTIVITY
Well-being	Develop programme to support well-being	People & Culture roadmap progression
Accidents	Zero Lost Time accidents	Annual risk assessment reviews Accident Root Cause Investigation
Women in Senior Management	40-60%	People & Culture roadmap progression

GROUP EMPLOYEES

The average number of employees in 2023 was 2,533.





KEY FACTS 2023

Over 99 percent of Group employees underwent equality and diversity training

The coverage rate of ITAB's Health & Safety Induction was 100 percent

BUSINESS ETHICS

Through ITAB Group's Code of Conduct ("CoC"), all employees are provided with explicit guidelines regarding various aspects, including business ethics. In 2022, the CoC underwent a thorough review and revision, and an extensive training programme on the updated CoC and new whistleblowing directives was initiated for all Group employees in 2023.

CODE OF CONDUCT

ITAB Group's CoC establishes the essential principles on which all business in the Group should be conducted, built on trust, honesty and transparency. According to the CoC, ITAB has a zero-tolerance policy regarding all forms of bribery and corruption. The complete CoC can be downloaded at itabgroup.com.

Following an extensive training programme in the Group on the updated CoC and new whistleblowing directives in 2023, over 99 percent of all employees have signed the CoC to date. The goal remains to have 100 percent of all Group employees to commit to the CoC by formally signing the document.

WHISTLEBLOWING

A whistleblowing service is an important tool for reducing risks and fostering high business ethics and thereby maintaining customer and public confidence in our operations. To this end, ITAB has established a broad and public whistleblowing process in accordance with the EU directives and national legislation and regulations, specifying the scope of acceptance and handling procedures. We encourage whistleblowers to use the dedicated service and to report illegal and disciplinary violations. The process maintains strict confidentiality for any whistleblower. Whistleblowing directives and processes are part of the extensive training programme in ITAB Group.

In 2023, ITAB has received and concluded one whistleblowing report.

ANTI-CORRUPTION

ITAB adheres to a zero-tolerance policy towards fraud, continuously improving our anti-corruption and bribery management mechanisms. Should any signs arise from routine work investigations or reports, the Group will conduct thorough investigations. Cases reaching a criminal amount will be transferred to local judicial departments. For cases not reaching the required amount, we will rely on company departmental systems to impose different levels of disciplinary action according to the degree of harm to the Group company's interests. In 2023, ITAB has not encountered any corruption lawsuits or violations, ensuring stakeholders' rights to the greatest extent possible. In 2022, all of ITAB's senior management participated in anti-bribery training. Our goal is to maintain a 100 percent senior management training coverage rate in 2024.

In addition, ITAB requires suppliers to sign integrity commitment clauses via the Supplier Code of Conduct, stipulating that partners comply with anti-corruption and anti-bribery laws and regulations, committing never to engage in any form of commercial bribery. In 2023, all of category managed suppliers had signed ITAB Group's Supplier Code of Conduct.

AUDITS OF CATEGORY MANAGED SUPPLIERS

ITAB has committed to 100 percent of all suppliers under category management to be audited by the end of 2025. In 2023, 50 percent of the category managed suppliers received an onsite audit from ITAB. The remaining of these suppliers are being targeted for an audit in 2024.

BUSINESS ETHICS TRAINING IN HIGH-RISK COUNTRIES

ITAB has committed to training 100 percent of Group employees in high-risk countries. At present, Argentina is the only country chategorised as "high-risk" in which the Group has operations. As part of ITAB's extensive training programme covering the Group's CoC, whistleblowing and business ethics, all of the Group employees in Argentina have completed the training and signed the CoC.

KEY FACTS 2023

All senior management in ITAB Group has completed anti-bribery training

Close to 100 percent of all employees have signed ITAB Group Code of Conduct

All Group employees in high risk countries have completed business ethics training and signed ITAB Group Code of Conduct

100 percent of the category managed suppliers have signed ITAB Group's Supplier Code of Conduct

	LONG-TERM GOAL	2024 ACTIVITY
Code of Conduct	CoC signed by 100% of all employees	Continue training on CoC where required and for new employees
Whistleblowing	Monitoring of the whistleblowing process and the reporting of any identified and investigated whistleblowing incidents	Ongoing monitoring
Audits of Suppliers in High-Risk Countries	100% Suppliers under Category Management to be audited by end 2024	Continue audit plan through category managed suppliers
Business Ethics training in High-Risk Countries	Training for 100% of Group employees by 2025	Continue training on CoC where required and for new employees

EFFICIENCY IN THE VALUE CHAIN

During 2023 a focus has been placed on the refinement of the data capture to allow the calculation of the Scope 1 and 2 greenhouse gas emissions and finding a suitable model to allow the estimation of ITAB's Scope 3 emissions. The supply chain focus has turned to the new Carbon Border Adjustment Mechanism ("CBAM") legislation and ITAB completed a pre-study for this legislation ensuring we can comply with the law moving forward.

CARBON BORDER ADJUSTMENT MECHANISM
From 1 October 2023, EU's CBAM legislation has entered into effect. It covers several sectors, but the import of iron, steel and aluminium are the prevalent ones for ITAB. CBAM is designed to avoid carbon leakage, the process where materials are produced in less carbon emission stringent countries, meaning that higher impact materials can be brought into the EU. From January 2024, all local ITAB countries will report their import of these materials to local authorities.

SUPPLIER CODE OF CONDUCT ("SCOC")
Throughout 2023, the Group's category managers, working with the local procurement functions, have ensured that close to 1,500 supplier have signed ITAB Group's Supplier Code of Conduct.

All of the suppliers on the category managed lists have signed the SCoC. Throughout 2023, supplier audits have been taking place in order to address our supply chain environmental and social risk management. ITAB has committed to all of the suppliers under category management to be audited by the end of 2025. In 2023, 50 percent of the category managed supplier were audited and we are on target for completion in 2024.

ENERGY CONSUMPTION
ITAB's target within energy is to have 100 percent electricity generated from renewable sources by 2025.

For 2023, ITAB Group's electrical consumption amounted to 25,967 MWh ,of which 9,953 MWh were procured from renewable sources. This means that over 38 percent was sustainably generated.

CO_2 EMISSIONS
ITAB has committed to a 50 percent reduction in CO_2e in Scope 1 and 2 emissions by 2030. During 2023, ITAB's Scope 1 emissions were 5,935 tonnes of CO_2e. This is a reduction of approximately 1,800 tonnes of CO_2e, equivalent to a 23 percent reduction compared to 2022. The CO_2 was generated through the burning of natural gas within our production facilities, primarily for heating and for heating painting lines. Calculated in line with the GHG Protocol Scope 1 reporting, using the WRI GHG Protocol Emission Factor from Cross Sector Tools (March 2017), stationary combustion for ITAB Scope 2 emissions were 7,856 tonnes of CO_2e for 2023. This is decrease of 10 percent from 2022. Scope 2 have been calculated in accordance with the GHG Protocol Scope 2 Market Based Methodology.

Scope 3 emission monitoring is being developed throughout 2024 in order to comply with the CSRD legislation. During 2024 and in line with the CSRD legislation ITAB will develop methodology to report the full value chain CO_2 emissions.

Refer also to the in-depth sustainability information on page 91 for more information on MWh of energy consumption by source and CO_2e emissions.

WATER RESOURCE MANAGEMENT
ITAB recognizes that protecting water resources is a common responsibility of the whole society. This places water conservation at an important position in the corporate development. The Group has established a baseline water consumption for 2023 of 40,609 m^3 and we are now adopting a series of water use measures in production and daily life, regulating water use, rationally developing, utilizing, and recycling to protect water resources.

Water conservation measures implemented include:

- Strictly prevent all drips and leaks in production and daily life.
- Strengthen the daily maintenance management of water-using equipment.
- Promptly identify and resolve water waste issues.

KEY FACTS 2023

Onsite audits performed with 50 percent of all category managed suppliers

38 percent of the Group's energy consumption was sustainably generated

Scope 1 CO_2e emissions reduced by 23 percent

10 percent lower Scope 2 CO_2e emissions

ITAB's water consumption was 40,609 m^3

	LONG-TERM GOAL	2024 ACTIVITY
Energy Consumption % renewable **Energy Consumption Absolute**	100% sustainable sourced electricity	Progress roadmap to achieve 100 % renewable electricity
Emissions **Scope 1 GHG** **Scope 2 GHG** **Scope 3 GHG**	50% reduction in Scope 1 & 2 by 2030	Increase monitoring in line with CSRD Technology research to investigate replacement of gas use in factories
Supplier Code of Conduct	SCoC 2021 signed by all local and category managed suppliers	Continue rollout plan through all local procurement functions

SUSTAINABLE BUSINESS DEVELOPMENT

ITAB Group's commitment to sustainable business development is evident in its strategy to create in-store solutions that support customers by offering energy-efficient and cost-effective products. The Group focuses on incorporating increasingly sustainable materials into its solution and product portfolio, aiming to minimize the environmental impact. This approach reflects ITAB's dedication to providing innovative and eco-friendly solutions for the benefit of both customers and the environment.

ITAB is committed to build sustainability into design of products and services

SUSTAINABILITY SERVICES

ITAB has developed and deployed a number of Sustainability Services. These are designed to partner with the customers because the goods we provide for them do not only create our Scope 1 GHG emissions, but our activities and products are their Scope 3 GHG emissions. Refer also to the introduction on page 17.

To support our customers in their long-term sustainable goals, ITAB is committed in the short term to develop a Carbon Dioxide equivalent (CO_2e) assessment service, and in the long-term to build sustainability into the design by using this assessment to help our customers achieve their Carbon Zero goals. ITAB can create a baseline of the current equipment to ensure that future equipment is delivering incremental improvements. By incorporating these insights from benchmarking, we can recommend design changes to improve the sustainability of the equipment.

CO_2 reporting is becoming more and more important to our customers and with that in mind ITAB has now partnered with Design Conformity, who provide an independent quality and sustainability design standard for retail display equipment and are able to assess the (CO_2e) of all the products we design and supply to our customers.

Our goal is to include CO_2e as part of the quote and working with the design team in the Netherlands and our Partners Design Conformity multiple quotes have now been tendered with CO_2 information to help the tender process.

ITAB has also certified the core Lighting and Gates and Guidance equipment so that a full carbon certificate is available for these. Check-outs will be completed in 2024.

'RESTORE' PROGRAM

Very little consideration is given to end of life for equipment, with new suppliers often tasked with disposing of old displays. These typically go to landfill. One example of the Sustainability Services that have been developed by ITAB, to avoid this landfill waste is the 'ReStore' program.

'ReStore' seeks to increase the opportunity to 're-pair, re-used or re-furnishment' existing equipment.

	LONG-TERM GOAL	2024 ACTIVITY
CO_2e in design	Sustainability in design CO_2e quoted CO_2e installed Working with our customers to achieve their carbon zero goals	Continue to deliver Sustainability Services to all markets to ensure we can work with our customers to achieve their carbon zero goals

CASE 'RESTORE'

Working with a leading high street retailer, ITAB's sustainable design team reviewed the existing gondola design and using the Design Conformity circular design principles proposed a new design that allowed for:

- 92 percent of the materials to be reused;
- All waste parts to be recycled; and
- 4-5 potential lives rather than single product.

Once the design was approved, seven stores were identified for the pilot project and ITAB arranged collection of 697 gondolas. A dedicated processing line was set up to receive and inventory the gondolas which were then disassembled and cleaned. Plastic wheels and fabric were removed from the displays. The remaining steel frames were then adapted to accept a new longer-life, timber panel. The frames where then powder coated, and a new MDF timber back panel added. The new gondolas were then collected and shipped back to the original seven stores.

The pilot showed that refurbishing the gondolas, rather than manufacturing the new design reduced the carbon footprint from 39.4 Kg to 11.4 Kg, a saving of 71 percent, and a reduction of 84 percent on the original design, saving 19.5 tonnes of CO_2.

ITAB SHARE

ITAB's shares were registered on Nasdaq First North in 2004, and the shares have been listed in the Mid Cap segment on Nasdaq Stockholm since 2008. In 2023, ITAB shares for approximately MSEK 108 were traded and the share price increased by 10 percent. On 31 December 2023, ITAB's market capitalisation totalled MSEK 2,639.

MARKET LISTING
ITAB's ordinary shares were registered on Nasdaq First North on 28 May 2004 and have been listed in the Nasdaq Stockholm Mid Cap segment since 2008. ITAB's shares are traded under the ticker ITAB.

THE ITAB SHARE'S PERFORMANCE IN 2023
In 2023, the ITAB share price increased by 10 percent to a final price paid of SEK 12.10 as of 31 December 2023. During the same period, the OMX Stockholm PI increased by 15 percent. The highest and lowest prices paid for the year were SEK 13.24 (closing price on 6 March) and SEK 8.30 (closing price on 20 September), respectively.

ITAB's total market capitalisation at 31 December 2023 was MSEK 2,639. Approximately 10 million ITAB ordinary shares were traded during the year at a total value of MSEK 108. Calculated against the average number of shares outstanding, this corresponds to a turnover rate of 5 percent. Calculated per trading day, an average of approximately 42,000 ITAB shares were traded per day at an average value of approximately MSEK 0.5.

SHARE CAPITAL
On 31 December 2023, the share capital amounted to MSEK 93. The total number shares was 222,500,192, of which 218,100,192 were ordinary shares and 4,400,000 were 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.

DIVIDENDS
ITAB's dividend policy states that dividends over a longer period are to follow the Group's results and correspond to at least 30 percent of the Group's profit after tax. However, dividends are to be adjusted to the Group's investment requirements and any share repurchase program.

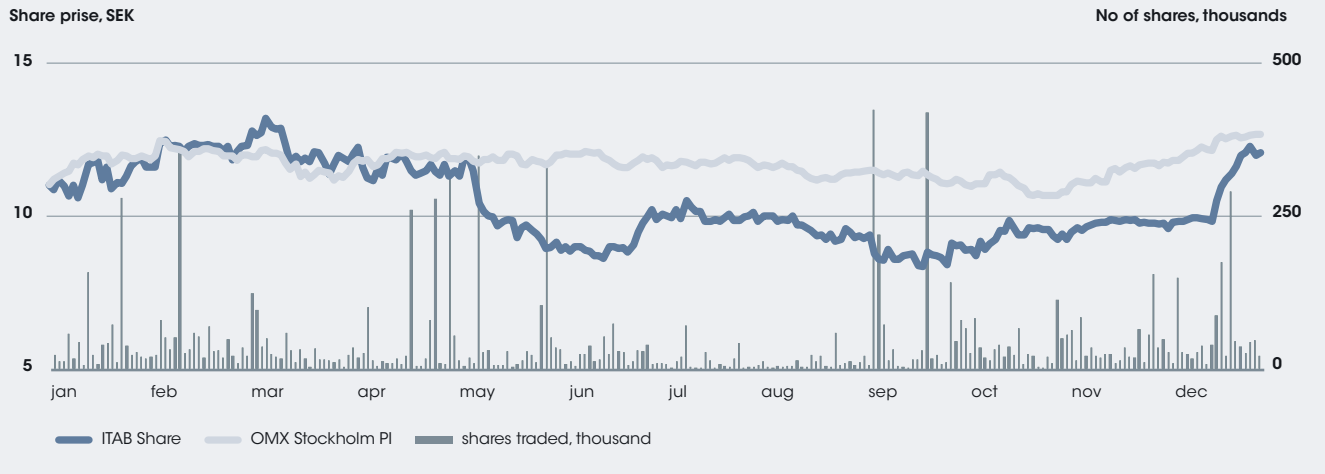
The Board of Directors proposes that a dividend of SEK 0.75 (0.50) per ordinary share be paid for the 2023 financial year. Calculated based on the number of ordinary shares outstanding at the end of the financial year, the proposed dividend amounts to a total of MSEK 163.

OWNERSHIP STRUCTURE
On 31 December 2023, ITAB had 5,021 shareholders. Legal entities, including equity funds, insurance companies and pension funds, etc. in Sweden and abroad owned approximately 80 percent of the total number of shares. Foreign ownership accounted for approximately 4 percent of the total number of shares. The largest shareholders at 31 December 2023 are presented in the table on page 24.

As of 31 December 2023, ITAB held 541,748 ordinary shares and all 4,400,000 Class C shares in treasury.

FURTHER INFORMATION
ITAB's website, itabgroup.com, is continuously updated with information about price trends, changes in ownership, etc

SHARE PERFORMANCE 2023



THE ITAB ORDINARY SHARE [1]	2023	2022	2021	2020	2019
Share price at year-end, SEK	12.10	11.00	13.42	11.75	10.84
Market capitalisation at year-end, MSEK	2,639	2,399	2.927	1,203	1,110
Dividend, SEK	0.75 [4]	0.50	0.00	0.00	0.00
Payout ratio of net earnings	60% [4]	64%	–	–	–
Average number of shares outstanding before dilution, thousand [2]	218,015	218,100	191,396	102,383	102,383
Average number of shares outstanding after dilution, thousand [2]	219,275	219,558	218,100	102,383	102,383
Number of shares outstanding at year-end, thousand [2]	217,558	218,100	218,100	102,383	102,383
Number of shareholders at year-end	5,021	5,181	5,308	4,341	4,369
Highest share price during the year, SEK	13.24	16.00	19.90	14.69	20.52
Lowest share price during the year, SEK	8.30	7.65	10.50	4.77	6.84
Dividend yield [3]	6.2% [4]	4.5%	–	–	–
Earnings per share before dilution, SEK	1.24	0.78	0.50	-0.21	1.17
Equity per share, SEK	14.01	13.81	12.17	15.69	17.07

1) All data refer to ITAB's ordinary shares listed on Nasdaq Stockholm.
2) As of 31 December 2023, ITAB Shop Concept AB held 541,748 ordinary shares in treasury.
3) Dividend divided by share price at year-end.
4) Pursuant to the Board of Directors' proposed dividend for the 2023 financial year.

LARGEST SHAREHOLDERS AT 31 DECEMBER 2023

	Number of			
Shareholder	**Ordinary shares**	**Class C shares**	**Shares (%)**	**Votes (%)**
ACapital ITAB HoldCo AB	54,354,496		24.98	24.98
Pomona-gruppen AB	37,945,397		17.44	17.44
Petter Fägersten, with companies and family	24,720,262		11.36	11.36
Anna Benjamin, with companies and family	14,208,693		6.53	6.53
Svolder AB	13,195,880		6.07	6.07
Stig-Olof Simonsson, with companies	10,992,410		5.05	5.05
Öhman Funds	5,267,946		2.42	2.42
Försäkringsaktiebolaget Avanza Pension	4,486,733		2.06	2.06
Third AP Fund	3,000,000		1.38	1.38
Kennert Persson	2,882,200		1.32	1.32
Other Shareholders - total	46,504,427		21.39	21.39
Total number of shares outstanding	**217,558,444**	**–**	**100.00**	**100.00**
Repurchased shares held in treasury by ITAB Shop Concept AB	541,748	4,400,000		
Total number of shares	**218,100,192**	**4,400,000**		

DISTRIBUTION OF SHARES AT 31 DECEMBER 2023

		Number of		Proportion of	
Share holding	**Number of Shareholders**	**Ordinary shares**	**Class C shares**	**Shares (%)**	**Votes (%)**
1-1,000	3,215	813,778		0,37	0,37
1,001-5,000	1,041	2,549,253		1.15	1.17
5,001-10,000	297	2,179,734		0.98	1.00
10,001-50,000	339	7,689,513		3.46	3.52
50,001-100,000	49	3,479,676		1.56	1.59
100,001-	80	201,388,238 [5]	4,400,000 [5]	92.48	92.35
Total	**5,021**	**218,100,192**	**4,400,000**	**100.00**	**100.00**

[5] As of 31 December 2023, ITAB Shop Concept AB held 541,748 ordinary shares and all 4,400,000 Class C shares in treasury.

FINANCIAL INFORMATION

FINANCIAL INFORMATION

ADMINISTRATION REPORT WITH CORPORATE GOVERNANCE REPORT

Administration Report	27
Proposed Allocation of Profits	29
Significant risks and risk management	30
Corporate Governance Report	34
Board of Directors	38
Group management	39
Financial review – Five years in summary	40
Comments on five years in summary	42

GROUP

Income Statement	43
Statement of Other Comprehensive Income	43
Statement of Financial Position	44
Statement of Changes in Equity	45
Statement of Cash Flows	46

PARENT COMPANY

Income Statement	47
Statement of Other Comprehensive Income	47
Balance Sheet	47
Statement of Changes in Equity	48
Statement of Cash Flows	49

NOTES

Note 1 General information	51
Note 2 Material information on accounting policies	51
Note 3 Important estimates and assessments	55
Note 4 Financial risk management	55
Note 5 Corporate acquisitions, divestments and discontinued operations	57
Note 6 Revenue from contracts with customers	59
Note 7 Purchases and sales between Parent Company and subsidiaries	59
Note 8 Personnel and senior executives	60
Note 9 Remuneration to auditors	64
Note 10 Depreciation, amortisation and impairment losses	64
Note 11 Costs divided by type of cost	64
Note 12 Other operating income and expenses	64
Note 13 Profit from participations in Group companies	65
Note 14 Financial income and expenses	65
Note 15 Year-end appropriations	65
Note 16 Tax	66
Note 17 Earnings per share	67
Note 18 Intangible assets	68
Note 19 Property, plant and equipment	69
Note 20 Participations in Group companies & associated companies	70
Note 21 Financial assets and liabilities	72
Note 22 Leases	76
Note 23 Inventories	76
Note 24 Prepaid expenses and accrued income	76
Note 25 Equity	77
Note 26 Allocation of profits	78
Note 27 Repurchases of own shares and new share issue	79
Note 28 Overdraft facilities	79
Note 29 Provisions for pensions	79
Note 30 Other provisions	80
Note 31 Accrued expenses and prepaid income	80
Note 32 Pledged assets	80
Note 33 Contingent liabilities	80
Note 34 Transactions with related parties	80
Note 35 Inflation adjustment Argentina	80
Note 36 Events after the balance sheet date	80
Reconciliation of Alternative Performance Measures	81
Definitions	82

THE BOARD'S SIGNATURES	**83**
AUDITOR'S REPORT	**84**

ITAB SHOP CONCEPT AB (PUBL)

Parent Company: ITAB Shop Concept AB
Registered limited liability company
Corp. reg. no.: 556292-1089
Domicile: Jönköping
Address: Box 9054, SE-550 09 Jönköping, Sweden

ITAB Shop Concept AB develops, manufactures, sells, and installs complete store concepts for retail chain stores.

ADMINISTRATION REPORT WITH CORPORATE GOVERNANCE REPORT

The Board of Directors and the Chief Executive Officer (CEO) of ITAB Shop Concept AB (publ), corp. reg. no. 556292-1089, based in Jönköping, hereby submit the annual accounts and consolidated accounts for the 1 January to 31 December 2023 financial year. The subsequent Corporate Governance Report, Income Statements, Statements of Comprehensive Income, Financial Position and Changes in Equity, Cash Flow Statements and Notes are integral components of the Annual Report and were reviewed by the company's auditors. Pursuant to the Swedish Annual Accounts Act, the statutory Sustainability Report can be found on pages 15-22 and 87-97.

OPERATIONS

ITAB Shop Concept develops, manufactures, sells and installs complete store concepts for retail chain stores. The comprehensive offering includes solution and store design, customised concept fittings, checkouts, customer-flow solutions, professional lighting systems, and digitally interactive solutions for physical stores. Customers include leading retailers in Europe operating in the global market. ITAB has operating subsidiaries in Argentina, Chile, China, Czechia, Denmark, Dubai, Estonia, Finland, France, Germany, Hong Kong, India, Italy, Latvia, Lithuania, Malaysia, the Netherlands, Norway, Poland, Spain, Sweden, the United Kingdom and the USA. The Group's operations in Russia are being discontinued (see below).

Working in close collaboration with the customer, ITAB contributes its experience and expertise to the customer's specific needs and requests. 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.

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 140 employees. Total sales in Russia amounted to approximately MSEK 85 in 2023, corresponding to about 1.5 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 was deemed highly probable that the discontinuation will be completed and that it otherwise fulfilled the stated criteria during the third quarter of 2022, this company was recognised as Discontinued Operations in accordance with IFRS 5 as of the interim report for the third quarter of 2022. For more information, see Note 2 and Note 5. Other operations comprise Continuing Operations.

Comments and figures in this Administration Report pertain to Continuing Operations, unless otherwise stated. Comparative figures for consolidated profit and loss items for 2022 have been restated related to Discontinued Operations.

COMMENTS ON THE GROUP'S PERFORMANCE IN 2023

The year was characterised by rising inflation and interest-rate levels, which negatively impacted the retail sector's willingness to invest and demand for ITAB's products and solutions. However, the Group's sales gradually stabilised starting in the autumn, and a favourable product mix with an increased share of sales of ITAB's technical solutions strengthened the gross margin for the full year. In parallel, ITAB also continued to reduce its need for working capital and strengthened its cash flow. In total, the Group posted a higher operating margin despite a reduction in net sales by over MSEK 700 during the year and cash flow from operating activities increased by nearly 50 percent.

SALES AND PROFIT

The Group's net sales decreased by 11 percent to MSEK 6,139 (6,868). Currency-adjusted sales fell by 15 percent during the year.

Uncertainty concerning the future economic trend impacted both consumer behaviour and the retail sector's general willingness to invest in existing stores and new establishments At the same time, new unique and competitive technological and digital solutions in loss prevention, increased efficiency and lower in-store costs as well as in improved consumer experiences attracted considerable interest among customers. Targeted sales measures in all of the Group's operations and markets positively impacted sales of smart gates and various types of self-service solutions in stores.

The economic effects during the year negatively impacted sales in all of the Group's geographic markets except for countries outside Europe where sales increased by 13 percent. Europe currently accounts for a total of 86 percent of net sales. In terms of customer groups, the sales trend was negative in Grocery (-13 percent), Home Improvements (-21 percent) and Fashion (-20 percent) compared with the preceding year. Sales to other customer groups, such as retailers in pharmacies, consumer electronics, and health & beauty, increased by 6 percent. The Group's largest customer group, Grocery, accounted for 53 percent of sales.

The Group's operating profit amounted to MSEK 432 (403). Profit for the comparative year 2022 was impacted by non-recurring items of MSEK -40 pertaining to restructuring costs attributable to transformation work under the One ITAB strategy. Operating profit corresponded to an operating margin of 7.0 percent (5.9).

The Group's increased share of sales of loss prevention and other technical solutions, implemented price increases and measures to reduce Group expenses gradually strengthened both the gross margin and the operating margin during the year. At the same time, lower net sales had a negative impact on capacity utilisation and profitability at the Group's production facilities. Due to this, cost adaptations were carried out, and the operations were able to shift some of their production capacity to products in growth areas in the Retail Tech offering, such as security gates.

Earnings were negatively impacted by the cost for participating in the EuroShop trade fair at the start of the year and adjustments for the effects of the devaluation of the Argentinian peso in the autumn. ITAB has partially made adjustments for this devaluation in the financial statements for its Argentinian subsidiary in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies*. Sales for the Argentinian subsidiary correspond to less than 2 percent of ITAB's total annual sales. See also Note 35.

Profit after financial items amounted to MSEK 385 (348) and profit after tax to MSEK 292 (243).

CASH FLOW, FINANCING AND LIQUIDITY

Cash flow from operating activities amounted to MSEK 810 (542). The strong gross margin and measures taken to reduce working capital with more normalised inventory levels continued to have a positive impact on cash flow. The Group's operations are continuing to implement measures to further increase their capital efficiency. Cash flow for the financial year was negatively impacted in an amount of approximately MSEK -137 as a result of paid tax liabilities.

Net debt excluding lease liabilities amounted to MSEK 45 (399). Net debt including lease liabilities amounted to MSEK 591 (1,080). The Group's cash and cash equivalents, including granted unutilised credits, amounted to MSEK 1,783 (1,449) on the balance sheet date on 31 December 2023. The equity/assets ratio including Discontinued Operations was 56 percent (48).

For information on cash flow in Discontinued Operations, refer to Note 5.

INVESTMENTS
The Group's net investments/divestments amounted to MSEK 107 (150), of which MSEK -9 (66) was attributable to corporate acquisitions/divestments. ITAB's current investments include common operational support systems for the Group, which corresponded to approximately 16 percent of total investments in 2023. For more information on corporate acquisitions and divestments, refer to Note 5.

DATA PER SHARE
Earnings per share including Discontinued Operations totalled SEK 1.24 (0.78) before dilution and SEK 1.23 (0.78) after dilution for the financial year. Equity per share amounted to SEK 14.01 (13.81).

EMPLOYEES
The average number of employees amounted to 2,533 (2,715), excluding Discontinued Operations. The number of employees in Discontinued Operations was 138. For more information, refer to Note 8.

PARENT COMPANY
The Group's Parent Company, ITAB Shop Concept AB, does not conduct any operational activities. Its operations mainly comprise Group-wide functions. The Parent Company's net sales pertain to revenue from subsidiaries and amounted to MSEK 184 (174). The Parent Company posted a loss after financial items of MSEK -69 (-57). This loss includes dividends from subsidiaries of MSEK 27 (31). Impairment of shares and receivables from subsidiaries had an impact of MSEK -32 (-91) on earnings. Of the impairment for the comparative year 2022, MSEK -88 pertained to the revaluation of intra-Group assets in Russia. Net divestments/investments totalled MSEK 0 (0).

ACQUISITIONS AND DIVESTMENTS
ITAB did not complete any new acquisitions during the year. During the second quarter, ITAB's 21-percent shareholding in the associated company OmboriGrid AB (Priv) was divested. The purchase consideration for the divested shares amounted to MSEK 15.

See Note 5 for information about acquisitions and divestments.

SUSTAINABILITY REPORT
ITAB works consciously with the Group's environmental, social and financial responsibility as part of meeting the ambitions of the Paris Agreement and the UN Sustainability Development Goals (SDGs). Through its sustainability efforts, ITAB wants to contribute to sustainable development that the planet can manage while at the same time securing favourable social conditions, profitability and long-term economic growth. In dialogue with its stakeholders, ITAB has identified material sustainability issues – areas where the Group can make a difference linked to its customer offering and own operations. ITAB also takes into account the risks that are associated with its own operations and the world in which the Group operates. By doing so, ITAB creates a strong and resilient company that contributes to the necessary transition of society. The Group's sustainability efforts are focused on four prioritised sustainability targets: Good Working Conditions, Business Ethics, Efficiency in the Value Chain and Sustainable Business Development. The Group does not pursue any reporting activities according to the Swedish Environmental Code in the Parent Company or any of the Swedish subsidiaries.

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, ITAB has prepared its statutory sustainability report for 2023 as a separate report from its legal Annual Report. The statutory Sustainability Report can be found on pages 15-22 and 87-96 of this Annual Report.

As of 1 January 2022, ITAB is eligible to disclose certain information about its operations in accordance with the EU Taxonomy for sustainable investments. The ITAB Group presents this information for 2023 in the in-depth sustainability information on pages 92-95.

ITAB's sustainability reports are also available on the company's website, itabgroup.com.

The company's auditors review the sustainability reporting to the extent required to make a statement regarding the preparation of the statutory sustainability report (refer to page 97), but do not otherwise review the sustainability data.

Ahead of 2024, ITAB intensified its environmental, social and corporate governance (ESG) efforts with the aim of preparing the Group for a review of its sustainability targets and increased ESG reporting requirements under the EU Corporate Sustainability Reporting Directive (CSRD).

RESEARCH AND DEVELOPMENT
The Group companies carry out continuous product development – partly in collaboration with customers and partly in-house – to develop new products and improve existing products. Most of the Group's product development relates to self-checkout and lighting products as well as digital solutions for physical stores. In 2023, MSEK 23 (18) was capitalised as development expenditure and recognised as intangible assets. Amortisation of development costs totalling MSEK 22 (20) was charged to earnings.

THE SHARE AND OWNERSHIP STRUCTURE
ITAB's shares were admitted to trading on the First North exchange in 2004. Since July 2008, the company's ordinary shares have been listed on Nasdaq Stockholm. On 31 December 2023, the total number of shares amounted to 222,500,192, of which 218,100,192 were ordinary shares and 4,400,000 were 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. The Articles of Association stipulate no limitations on the number of votes each shareholder may cast at a general meeting. Refer also to Note 25.

The 2023 Annual General Meeting (AGM) resolved to authorise the Board of Directors, on one or more occasions, and with or without deviation from the shareholders' preferential rights, to decide on a new issue of shares up to a maximum of 10 percent of the company's outstanding shares. The purpose of the authorisation to decide on a new share issue is to increase the company's financial flexibility and to give the company opportunities for corporate acquisitions.

Pursuant to Chapter 6, Section 2a of the Swedish Annual Accounts Act, listed companies are required to disclose information concerning certain circumstances that may affect opportunities to take over the company through a public takeover bid pertaining to shares in the company. ITAB's creditors are entitled to terminate granted credit facilities if the company's shares are delisted from Nasdaq Stockholm, or in the event of a public takeover bid if the bidder secures a holding of more than 30 percent of the number of shares in the company or controls at least 30 percent of the votes in the company. In other respects, the company has not entered into any significant agreements with suppliers or employees that would take effect or change or cease to apply or stipulate payment of financial compensation should the control of the company change due to a public offer for the shares in the company.

At 31 December 2023, ACapital ITAB HoldCo AB held 24.4 percent of the shares and 24.9 percent of the votes, Pomona-gruppen AB held 17.1 percent of the shares and 17.4 percent of the votes, and Övre Kullen AB held 11.1 percent of the shares and 11.3 percent of the votes in ITAB. No other shareholder had any direct or indirect holdings in the company that represented more than one tenth of the total number of votes. On 31 December 2023, ITAB had 5,021 (5,181) shareholders.

Further information about ITAB's shares, share price development and ownership structure as of 31 December 2023 is presented in the section "ITAB share" on pages 23-24.

Repurchases of own shares
The 2023 AGM resolved to authorise the Board to make decisions on the acquisition and conveyance of own shares. The authorisation is intended to give the Board increased leeway in its work with the company's capital structure and, if deemed appropriate, to enable share-based incentive programmes for the Group's employees or the acquisition of businesses through payments with the company's shares. The Board of Directors shall, on one or more occasions, be able to make such decisions ahead of the 2024 AGM. For repurchased treasury shares, all rights associated with the shares cease to apply until the shares are reissued.

On 28 September 2023, ITAB initiated a share buyback programme with a maximum purchase amount of MSEK 50. The share buyback programme will run from 29 September 2023 until 14 May 2024 and will be carried out in accordance with the EU Market Abuse Regulation ("MAR") and the EU Commission's Delegated Regulation 2016/1052 (the so-called "Safe Harbour Regulation"). The purpose of the buyback programme is to optimise the capital structure with the aim of reducing ITAB's share capital by cancelling repurchased shares.

At 31 December 2023, ITAB held 541,748 ordinary shares and all 4,400,000 Class C shares in treasury. Refer also to Notes 25 and 27.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES
The Board shall prepare proposals for guidelines for remuneration to senior executives at least every four years, or before that if there is a need for significant adjustments, and present the proposal for resolution at the AGM. The guidelines shall apply until new guidelines have been adopted by an AGM. The guidelines shall promote the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability.
The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits

and other benefits. The level of remuneration for individual executives must be based on factors such as position, competence, experience and performance. Additionally, a general meeting of shareholders may – irrespective of these guidelines – resolve on, among other things, share-based or share price-based remuneration.

The current guidelines for remuneration and other employment conditions for senior executives were adopted by the 2021 AGM in accordance with the Board's proposal. The guidelines are presented in full in Note 8 on page 61.

The Board of Directors has no intention to propose any amendments to the guidelines for remuneration of senior executives ahead of the AGM in 2024.

Remuneration Report 2022

ITAB's Remuneration Report 2022 provides an overview of how the guidelines for remuneration to senior executives, as adopted by the 2021 AGM, have been applied during the year. The Remuneration Report was adopted by the 2023 AGM and is available on ITAB's website, itabgroup.com.

DIVIDEND POLICY AND DIVIDENDS 2023

Over a longer period, dividends should follow the result and correspond to at least 30 percent of the Group's profit after tax. However, dividends will be adjusted to the Group's investment requirements and any share buyback programme.

The Board of Directors proposes to the Annual General Meeting 2024 that a dividend of SEK 0.75 (0.50) per ordinary share be paid for the 2023 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 MSEK 163.

Statement by the Board regarding the proposed dividend

The proposed dividend constitutes 9.6 percent of the Parent Company's equity and 5.3 percent of the Group's equity attributable to the Parent Company shareholders. After payment of the proposed dividend, the equity/assets ratio is reassuring against the background that the company's and the Group's operations continue to be conducted with profitability. Liquidity in the company and the Group is deemed to be able to be maintained on a continued reassuring level.

The Board's opinion is that the proposed dividend is justifiable in relation to the requirements the Group operations' nature, scope, and risks place on the Group's equity and the Group's needs for consolidation, liquidity and position in general, and that the dividend does not prevent the Parent Company or the other Group companies from meeting their short- and long-term obligations or to complete required investments. The proposed dividend can thus be defended with regard to what is stated in Chapter 17, Section 3, Paragraphs 2-3 of the Swedish Companies Act (precautionary rule).

RISKS AND RISK MANAGEMENT

Risk is defined as an uncertainty that an event will occur, which could impact ITAB's capacity to achieve the objectives the Group has set. Risks are inherent to all operations and must be managed continually and prevented effectively. This is essential to safeguard the business and create profitability and value.

Risk management

ITAB intends to maintain a risk management that is integrated into the Group's corporate governance. The aim of the risk management is to, in a balanced manner, avoid, prevent and limit risks that adversely impact the operations. The risk management process involves ensuring that risks are carefully identified, reported, analysed and monitored on an ongoing basis.

ITAB performs an overall risk assessment annually, through which the Group identifies and assesses risks that are detrimental to the attainment of ITAB's goals. Identified risks are assessed based on two criteria:

- The probability that the risk will occur
- The consequences for ITAB if the risk scenario should occur

ITAB's Group management identifies conceivable events that could impact the company's operations. These events are evaluated and a number of control activities established (risk-limiting measures) with the aim of managing and counteracting the identified risks. For each identified risk, a corresponding activity to counteract, limit, control and manage the risk concerned is then developed. An assessment of the efficiency of control activities is performed annually. The Group's CFO is responsible for presenting the results of the assessment to the Audit Committee and the Board.

Insurance

ITAB uses a centrally procured global insurance programme for the Group as a risk management tool. The programme includes insurance coverage for risks related to ITAB's operations, such as general liability, property, operational disruptions, accidents, transport, business travel and Board and management liability. Insurable risks and coverage are continuously evaluated as part of ITAB's ongoing loss prevention.

Significant risks and uncertainties

The risks, uncertainties and important circumstances that are deemed significant for the Group's operations and future development are described on pages 30-33. The risks relate to ITAB's operations, industry and markets, and are categorised as follows: strategic risks, operational risks, financial risks, compliance and regulatory risks, and sustainability risks. More information on sustainability risks is presented in the in-depth sustainability information on pages 89-90. Financial risks are managed by the finance policy adopted by the Board of Directors. An account of the Group's significant financial risks can be found in Note 4.

FUTURE OUTLOOK

ITAB's overall objective is to strengthen its customers' businesses and competitiveness with its unique solutions for increased operational efficiency in stores, reduced risk of theft and lower energy consumption. In parallel, ITAB continuously works to strengthen its own earnings performance through adapted price increases as well as increased efficiency and lower costs in its operations. The Group currently sees signs of an increased willingness to invest among its customers and its focus in 2024 will be on continuing the positive performance of its operations and ITAB's profit.

ITAB is also continuing to develop its operations and to invest in the transformation within the framework of the Group's One ITAB strategy with the aim of becoming the leading solutions provider in the retail sector. The ambition is to continue increasing the proportion of services and technical solutions, and to further strengthen the Group's digital offerings. The operations are developing new capabilities and a common information landscape to support the Group's new operating model in order to further streamline operations in the next three to four years. This will make ITAB more scalable and flexible in an increasingly dynamic world. At the same time, the prevailing market situation and the Group's improved financial position are providing ITAB with an opportunity for further growth through strategic acquisitions.

The One ITAB strategy and the Group's financial targets are laying the foundation for strengthening the position as the leading solutions provider for the European retail market with a focus on sustainable growth and increased profitability.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

ITAB's share buyback programme was initiated on 29 September 2023 was completed on 22 March 2024 as the maximum amount for share buybacks of MSEK 50 was reached. In total, 3,079,659 ordinary shares were repurchased within the programme.

No other significant events for the Group have occurred after the end of the financial year.

PROPOSED ALLOCATION OF PROFITS

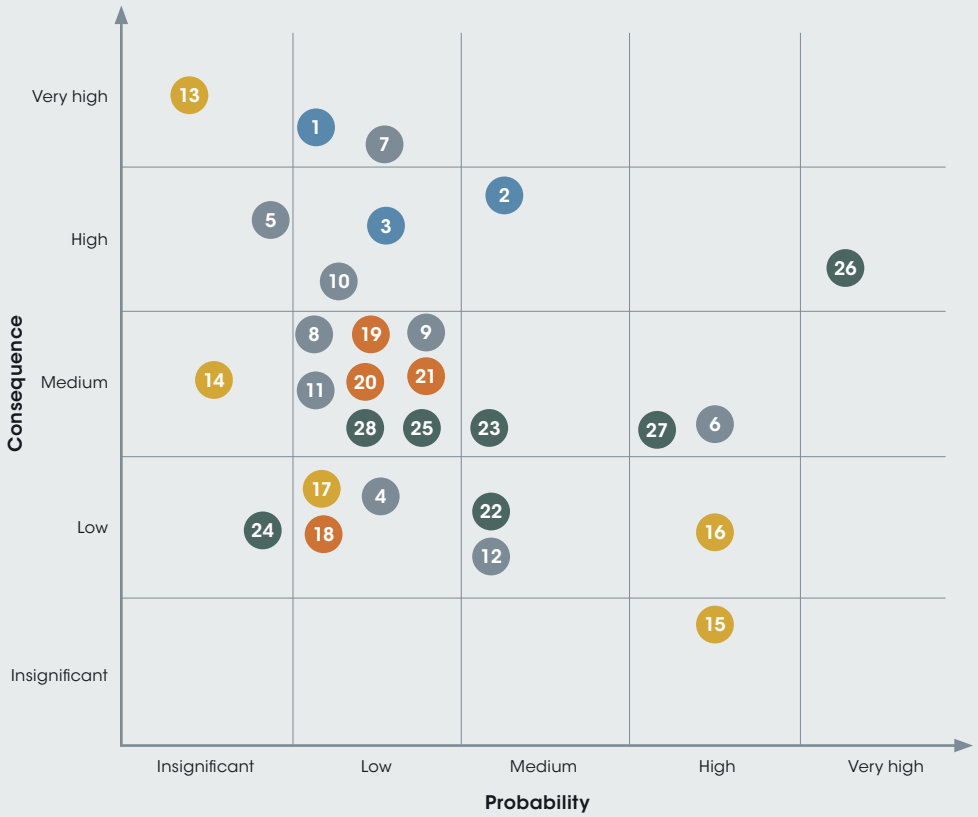
PARENT COMPANY	2023
The following funds are at the disposal of the Annual General Meeting (SEK):	
Share premium reserve	1,083,224,816
Profit brought forward	466,303,992
Net profit for the year	41,254,750
TOTAL	1,590,783,558
The Board of Directors and CEO propose that these funds be distributed as follows (SEK):	
SEK 0.75 per ordinary share to be distributed to shareholders	163,168,833[1)]
To be carried forward	1,427,614,725
TOTAL	1,590,783,558

1) Calculated based on the number of ordinary shares outstanding at the end of the financial year on 31 December 2023, taking 541,748 repurchased ordinary shares into consideration.

SIGNIFICANT RISKS AND RISK MANAGEMENT

ITAB's operations, like all business activities, are associated with risks. Risks can have a negative impact on the business, but can also add value if properly managed. The way risks are managed is therefore very important. The risks, uncertainties and important circumstances that are deemed significant for the Group's operations and future development are described below.

The risks relate to ITAB's operations, industry and markets, and are categorised as follows: strategic risks, operational risks, financial risks, compliance and regulatory risks, and sustainability risks. Each risk is assessed based on the probability that the risk will occur and the consequences for ITAB if the risk were to occur. More information on sustainability risks is presented in the in-depth sustainability information on pages 89-90. An account of the Group's significant financial risks can be found in Note 4. See page 29 for a more detailed description of the Group's overall risk management process and insurance programme.



Note: The position of the risks in each square in the risk matrix above should be interpreted in no particular order.

Strategic risks

1 Changes in the retail market and non-relevant products
2 Macroeconomic factors
3 Geopolitical and political risks

Operational risks

4 Supply chain, distribution and logistics
5 Production and production facilities
6 Raw material prices
7 IT security risk
8 Customer concentration and business relationships
9 Acquisition and integration risk
10 Goodwill and participations in Group companies
11 Failed implementation and integration of new ERP system
12 Employee risk

Financial risks

13 Liquidity risk
14 Refinancing risk
15 Interest risk
16 Currency risk
17 Credit risk

Compliance and regulatory risks

18 Existing and new laws and regulations
19 Corruption risk
20 Intellectual property
21 Tax risk and regulations

Sustainability risks

22 Social sustainability
23 Health & Safety
24 Environment
25 Fair and ethical business culture
26 Energy and greenhouse gases
27 Materials, waste and circular economy
28 Child and forced labour

STRATEGIC RISKS

Significant risks	Description	Risk management
1 **Changes in the retail market and non-relevant products**	The retail market is competitive and changing, with the emergence of online shopping in the last decade affecting consumer preferences and behaviour. There has been a transition in large parts of the market from large, solely physical stores to smaller stores with digital elements and interconnection with online stores. Changing consumer preferences and behaviours require not only attractive and effective solutions and products for shop fittings and design, but also new types of solutions and concepts.	It is crucial for ITAB to be able to predict and adapt to the changing preferences and behaviours of consumers, and in turn customers, in a timely manner, in order to be able to retain its current customers and attract new customers. To respond to the changing retail market, ITAB has developed the One ITAB strategy, which focuses on adapting operations so that the Group can successfully meet the needs and future demands of the retail sector. This includes improved flexibility in production and delivery, increased internal efficiency and an improved organisational structure. Successful implementation of the strategy requires that ITAB closely follow developments in consumer behaviour and the retail market and, based on this, develop and offer technical and sustainable solutions and products that meet the needs of customers in the market.
2 **Macroeconomic factors**	The demand for ITAB's solutions, products and services is affected by general macroeconomic factors and other factors, including recession, high inflation, rising interest rates, higher energy prices and new consumption patterns. Any uncertainties regarding future economic prospects that affect consumer spending habits could have an adverse effect on consumer purchases in the retail sector, particularly in physical stores, which in turn would adversely affect retailers' willingness to invest for the future.	The Group's operations monitor macroeconomic developments closely and continuously implement measures if needed. ITAB's overall goal is to strengthen its customers' competitiveness with unique and competitive solutions that reduce the risk of theft and shrinkage, improve operational efficiency, reduce costs in stores and enable lower energy consumption in the retail sector.
3 **Geopolitical and political risks**	Changes in the political situation could materially impact the sales of ITAB's shop solutions, products and services. Examples of such situations include war and armed conflicts, political decisions, trade wars, and economic sanctions affecting an industry, region or country where ITAB operates.	ITAB operates in a total of 24 countries and through partners in other markets. Of the Group's net sales for 2023, sales to customers in Europe accounted for approximately 90 percent. ITAB's suppliers of metal, which is an important raw material for ITAB's operations, are found mainly in Italy, Sweden and Czechia. ITAB's production is mainly located in Scandinavia and Central Europe. ITAB closely monitors geopolitical developments in the world and makes business decisions accordingly, as necessary. One example is the Group's decision in March 2022 to discontinue its operations in Russia due to the Russian regime's invasion of Ukraine.

OPERATIONAL RISKS

Significant risks	Description	Risk management
4 **Supply chain, distribution and logistics**	ITAB relies heavily on dependable and orderly supply chain processes in order to provide customers in Europe and the rest of the world with its comprehensive solutions, including everything from ideas for store concepts, development and production to on-site installation at the customer's premises. Any disruptions or interruptions in the supply chain could have an adverse effect on the Group's operations and sales.	ITAB's supply chain processes are continuously reviewed within the framework of the One ITAB strategy in order to improve and address any shortcomings. This includes, among other things, contact and coordination with relevant suppliers, such as suppliers of raw materials and transport services, and relevant production facilities, product testing, packaging, and installation. ITAB also has insurance for costs arising from disruptions or incidents during transportation.
5 **Production and production facilities**	ITAB's production facilities are a central function in the Group and are in continuous operation. Disruptions or total stoppages in production caused by operational errors, accidents, fires, theft, burglaries, machine failures or other incidents could entail that the Group is unable to fulfil its obligations to the customer in a timely manner or at all.	ITAB develops business continuity plans for its production facilities and carries out contingency exercises, risk analyses and prevention work in accordance with these plans. Prolonged disruptions or interruptions in production could also mean that ITAB needs to adapt its working methods and production to meet its commitments to customers. In order to reduce the financial impact of any damages and production interruptions, the ITAB Group has a centrally procured global insurance programme. The programme includes standard insurance coverage such as general liability, property and business interruption insurance.
6 **Raw material prices**	ITAB is dependent on raw materials and energy in its production. Price variations and supply disruptions for these raw materials can affect production costs in the short and long term. Raw material prices fluctuate based on supply and demand in the world market, which in turn is affected by factors such as transport and production chain dynamics as well as wars, regulatory, political and country-specific factors.	A large part of ITAB's business with customers is project-based and priced using a price on application (POA) approach. Many of the Group's customer contracts also contain clauses that protect against major changes in the price of raw materials. Significant, long-term increases in the price of relevant raw materials or supply disruptions may entail that ITAB needs to adapt its working methods and choice of raw materials in order to maintain an attractive customer offering.
7 **IT security risk**	ITAB's business and operations are dependent on the reliability, function and continued development of the Group's IT systems regarding all data communication and the enterprise systems that the Group uses for its workflow, from orders and warehousing to delivery. The Group engages several external third parties who assist in efficiently managing these systems. If the IT systems do not work as expected due to operational errors by ITAB or its suppliers, or due to external factors such as different types of cyberattacks or malware, the Group could be affected by production and administration disruptions. This in turn could entail that deliveries to the customer do not take place in a timely manner or at all, that sales or market share are lost or that ITAB's reputation is damaged.	ITAB has IT policies and guidelines to maintain the operation of its IT systems and to mitigate security risks related to these systems. The Group works according to the National Institute of Standards and Technology (NIST) framework, under which each ITAB site measures and structures its work according to a 60-point scale in order to reduce security risks. This includes working with modern protection and penetration testing solutions and regularly testing recoveries of backups. Security training for all employees in the Group is another important and ongoing aspect of its IT security processes. Two-factor authentication is used for all external or administrative access. The Group also conducts regular audits of critical IT systems delivered by third parties as well as external audits of ITAB's own IT systems and processes.

OPERATIONAL RISKS, cont.

Significant risks	Description	Risk management
8 **Customer concentration and business relationships**	Most of ITAB's customers in terms of sales are major chain stores that operate in the retail trade, many of which have international operations and stores in several countries. If a major customer reduces its use of the Group's solutions, products or services, terminates an existing agreement or terminates the relationship with ITAB in its entirety, this could adversely affect the operations. During 2023, sales to ITAB's single largest customer accounted for approximately 6 percent of the Group's total sales. Apart from the largest customer, sales to any other individual customer did not account for more than 4 percent.	ITAB is dependent on maintaining good, long-term relationships with its customers, often through framework agreements. Specific customer contracts are often signed for each individual shop solution, product and/or service. Customer contracts that regulate a long-term commitment for the customer to purchase shop solutions, products and/or services from the Group are only entered into to a limited extent. ITAB's reputation thus is an important asset that contributes to distinguishing its solutions, products and services from those of its competitors. The Group's reputation also contributes to retaining and attracting customers, employees and suppliers in the markets where the Group operates. ITAB regularly carries out customer surveys and interviews in order to strengthen and develop the collaboration over time.
9 **Acquisition and integration risk**	ITAB's growth strategy includes both sustainable organic growth and strategic acquisitions. Accordingly, the Group intends to carry out acquisitions in order to expand its offering and/or geographic presence to support future growth and profitability. If the assumptions and judgements ITAB makes based on its due diligence of an acquisition candidate and other information available at the time of acquisition, including assumptions on future income and operating costs, prove to be incorrect, ITAB may not be able to achieve all of the benefits expected from the acquisition. Moreover, acquisitions of companies could expose the Group to risks associated with the integration of the acquisitions.	Acquisition risks are managed through strategies and plans decided by the Board of Directors and Group management. ITAB also relies on external specialists before and during the implementation of an acquisition. Thus, risks are carefully identified and analysed in the pre-acquisition due diligence process and are continuously monitored during the acquisition and integration phase. In acquisitions, ITAB emphasises the importance of a well-executed integration and retaining key personnel in the acquired company through well-developed plans and preparations.
10 **Goodwill and participations in Group companies**	Goodwill is a significant asset item in the Group's balance sheet, corresponding to more than 30 percent of total assets in 2023. Similarly, participations in Group companies account for approximately 75 percent of total assets in the Parent Company's balance sheet. Any impairment of goodwill and participations in Group companies could affect ITAB's financial position.	In accordance with the significant accounting policies described in Note 2, ITAB tests goodwill for impairment annually, or more often if there are any indications of a need for impairment. This impairment test is based on a number of assumptions and sensitivity analyses, as described in Note 18. No impairment requirement has been identified.
11 **Failed implementation and integration of new ERP system**	In line with the One ITAB strategy, ITAB has a need for integrated and coordinated work processes across the Group. ITAB is now in a phase where a number of local business/ERP systems are being replaced by a common global system. There is a risk that the implementation and integration of ERP systems may take longer time and require more resources than expected, which could increase costs.	The Group-wide ERP system is based on a well-established ERP solution from IFS, in which adaptations are made based on a well-developed project plan, prototype and common ERP template. The system is being implemented in stages in different parts of the Group based on experience from completed pilot installations, which minimises the risk of an unsuccessful integration. The project is a high priority for ITAB's Group management and other management teams, and the project plan is subject to regular follow-ups. The project is currently deemed to have sufficient resources to be successfully implemented in accordance with the established project plans.
12 **Employee risk**	ITAB's operations and future success are highly dependent on attracting and retaining dedicated and competent employees and key individuals. If one or more key individuals leave the Group, or if ITAB fails to attract and retain qualified employees in areas such as research and development or production on acceptable terms, this could have an adverse effect on the Group's operations and future prospects, and lead to postponements in the development of new solutions, products and services.	ITAB devotes considerable focus to offering all employees a pleasant and attractive workplace characterised by good working conditions, equal opportunities, diversity, and a safe and healthy environment – all in accordance with ITAB's Group-wide Code of Conduct. All workplaces are to be free from all forms of discrimination and victimisation. To counteract the negative effects of the loss of key individuals, the Group works continuously on skills development and succession planning.

FINANCIAL RISKS

Significant risks	
13 **Liquidity risk**	ITAB is exposed to financial risks in the form of liquidity risks, refinancing risks, interest risks, currency risks and credit risks. Each year, the Board of Directors adopts a Group-wide finance policy that governs the management of these risks. For information about financial risks, refer to Note 4.
14 **Refinancing risk**	
15 **Interest risk**	
16 **Currency risk**	
17 **Credit risk**	

COMPLIANCE AND REGULATORY RISKS

Significant risks	Description	Risk management
18 **Existing and new laws and regulations**	ITAB's operations are subject to various laws and regulations in a number of different countries and jurisdictions. Accordingly, the Group is also exposed to risks related to the implementation of new or amended laws or regulations in these countries and jurisdictions. Non-compliance with laws and regulations related to the environment or data protection or other laws and regulations applicable to, among other things, the Group's production, work environment and certification could mean that ITAB becomes subject to fines, penalties and other sanctions, third party claims, lost reputation or loss of current customers, or have an adverse impact on potential new customers' inclination to enter into agreements with the Group.	ITAB has a central legal function that is responsible for monitoring and ensuring that the Group complies with various regulations and laws. The central function continuously monitors changing and new laws and regulations in order to recommend and ensure adjustments are made to the operations where necessary. The central function also sets guidelines for regulatory compliance and contractual terms within the Group, which means that each company within the ITAB Group also has a responsibility to comply with local laws and regulations.
19 **Corruption risk**	ITAB's geographic spread exposes the Group to risks attributable to sanctions and corruption. ITAB's marketing and sales in certain high-risk areas, such as countries in South America and Asia, increases its exposure to corruption. Corruption risks are particularly high in connection with procurement procedures for contracts of significant value. The risk of corruption is further increased by the fact that ITAB, often due to local practice in the country concerned, uses agents in some of its markets, including Italy and the Middle East.	ITAB has implemented a Group-wide Code of Conduct that regulates zero-tolerance of all forms of bribes, bribery and corruption. If the Group's employees or agents do not comply with this Code of Conduct and if undue benefits are offered or requested, the Group, its employees and Board members may be subject to criminal sanctions under applicable anti-corruption law. In addition to the Code of Conduct, ITAB also has other policies, such as a sustainable procurement policy, that relegate corruption in several areas of ITAB's value chain and its business relationships.
20 **Intellectual property**	ITAB's operations are dependent on a number of intellectual property rights, including trademarks, patents, other protected information and company secrets. If the Group does not protect its intellectual property rights effectively or if a third party takes legal action against ITAB for infringement of intellectual property rights, this may have an adverse effect on the Group's operations.	ITAB has established an Intellectual Property Rights Forum to identify and manage risks and issues related to the Group's rights. Furthermore, employees in the Group who work on these issues are provided with training and skills development.
21 **Tax risk and regulations**	The handling of tax issues, such as corporate tax, VAT and transfer pricing for transactions within the Group, is based on interpretations of applicable, relevant and new taxation legislation, tax treaties and other tax regulations, and the positions of the authorities concerned. If, for example, such legislation, agreements and regulations change or ITAB's interpretation and application proves to be incorrect, the Group's past and present handling of tax issues may be called into question. If tax authorities successfully present such claims, this could lead to increased tax expenses, fees, interest, and internal and external consultancy costs for ITAB.	ITAB conducts regular internal audits to evaluate the interpretation and outcome of tax issues both at Group level and locally in each subsidiary. The Group regularly obtains advice on tax issues from independent tax experts. ITAB and its subsidiaries are also occasionally subject to external tax audits and reviews. The management of matters regarding transfer pricing within the Group is based on the OECD's guidelines and national regulations for transfer pricing as well as documented principles for determining prices in related party transactions in accordance with market terms.

SUSTAINABILITY RISKS (ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE – ESG)

Significant risks	
22 **Social sustainability**	ITAB is exposed to sustainability risks in a number of environmental, social and corporate governance (ESG) areas. For information on risks related to sustainability, see the section "In-depth sustainability information" on pages 89-90.
23 **Health & Safety**	
24 **Environment**	
25 **Fair and ethical business culture**	
26 **Energy and greenhouse gases**	
27 **Materials, waste and circular economy**	
28 **Child and forced labour**	

CORPORATE GOVERNANCE REPORT 2023

SWEDISH CORPORATE GOVERNANCE CODE AND ITAB'S CORPORATE GOVERNANCE REPORT

ITAB Shop Concept AB (publ) is a Swedish public, registered limited liability company, whose overall ambition is to create long-term value for shareholders and other stakeholders. ITAB's shares are listed on Nasdaq Stockholm in the Mid Cap segment.

ITAB applies the Swedish Corporate Governance Code (hereinafter referred to as the "Code"). The Code is a component of self-regulation within the Swedish business sector and is based on a "comply or explain" principle. This means that a company that applies the Code may deviate from individual rules if it is deemed to result in better corporate governance, but must then explain the reasons for each deviation reported.

This Corporate Governance Report for the 2023 financial year describes ITAB's corporate governance, management and administration as well as internal controls of financial reporting, and is prepared in accordance with the Code's recommendations. The Corporate Governance Report constitutes part of the formal Annual Report documentation and was reviewed by the company's auditors pursuant to Swedish Annual Accounts Act.

CORPORATE GOVERNANCE, DIVISION OF RESPONSIBILITIES AND ARTICLES OF ASSOCIATION

Good corporate governance involves ensuring that companies are managed sustainably, responsibly and as efficiently as possible for the shareholders. Trust among legislators and in society that companies are acting responsibly is crucial to the freedom of companies to realise their strategies in order to create value. Trust among existing and potential investors that this is taking place is decisive for their interest in investing in the companies. In this way, the business sector's freedom to develop and its supply of venture capital and expertise are safeguarded.

The aim of corporate governance in Swedish listed companies is to create a clear division of roles and responsibilities between shareholders, the Board of Directors, Board committees and executive management, and it is regulated by a combination of written rules and practices. At first instance, ITAB is to apply the Swedish Companies Act and the rules that apply in the regulated market in which the company's shares are listed for trading (Nasdaq Stockholm) as well as best practices in the stock market. The disclosure requirements to which ITAB is subject are found in the Rule Book for Issuers published by Nasdaq Stockholm, and the Code is a component of this regulatory framework. ITAB shall, at the same time, in the course of its operations abide by the provisions stipulated in the company's articles of association. The Articles of Association can be found in their entirety on ITAB's website, itabgroup.com.

Deviations from the Code

There are no deviations from the Code to report for 2023.

ITAB'S CORPORATE GOVERNANCE STRUCTURE

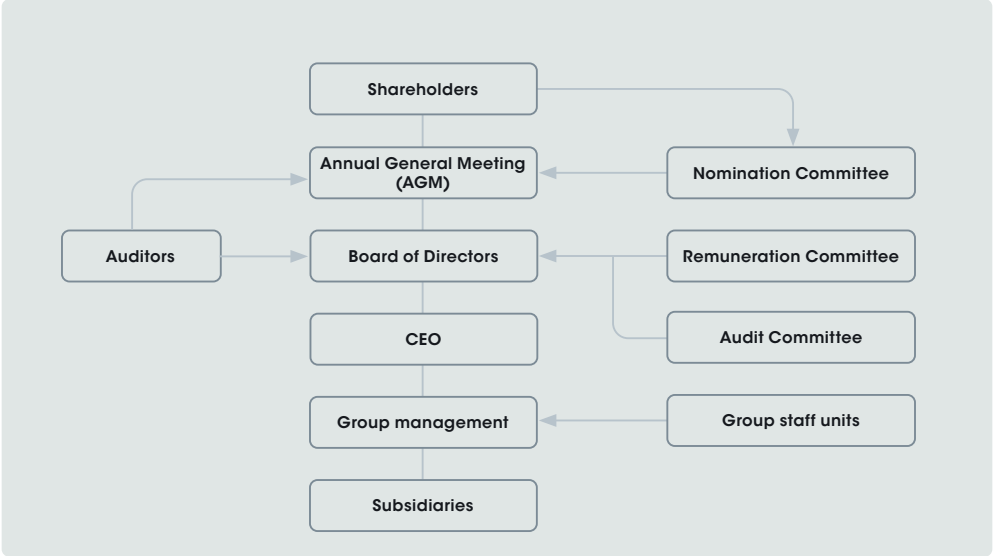
The Swedish Companies Act states that there should be three decision-making bodies in the company: the General Meeting of Shareholders, the Board of Directors and the CEO. There must also be an inspection body – an auditor that is appointed by the Annual General Meeting. The Act specifies the duties of each body and the responsibility of the individuals included in the company's bodies.

Refer to pages 23-24 for information about the ITAB share and ownership structure.

GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders is the highest decision-making body through which shareholders exercise their influence over the company. The body is superior in relation to the company's Board of Directors and CEO. According to the Articles of Association, notices for a general meeting shall be published by means of an announcement in Post- och Inrikes Tidningar (Official Swedish Gazette) and on the company's website. Information that notification has been issued must be announced in Dagens Industri. The statutory Annual General Meeting (AGM) passes resolutions on the adoption of annual accounts and consolidated accounts, discharge the Board of Directors and CEO from liability, appropriation of profits for the past year, election of the Board and, when required, auditors, and other matters in accordance with the Swedish Companies Act and the Articles of Association.

All shareholders registered in the share register and who have given notice of attendance may participate in the meeting and vote according to the number of shares owned. Shareholders who are unable to attend in person may exercise their rights by proxy. The company does not apply any special arrangements regarding the function of the general meeting due to provisions in the Articles of Association or, insofar as is known to the company, due to shareholder agreements.



Annual General Meeting 2023

ITAB's AGM was held on Wednesday, 10 May 2023. At the AGM, 41 shareholders participated, together representing approximately 160 million votes, corresponding to just over 73 percent of the total number of shares and votes outstanding in the company. The following main resolutions were passed:

- Discharge from liability for the Board of Directors and CEO for their administration in the 2022 financial year.
- Re-election of Board members Jan Frykhammar, Petter Fägersten, Anders Moberg, Fredrik Rapp and Vegard Sørauner, and election of Karin Eriksson and Madeleine Persson as new Board members.
- Anders Moberg was re-elected as Chairman.
- The registered auditing company Ernst & Young AB was elected as auditors, with authorised public accountant Joakim Falck as auditor in charge.
- Fees to the Board of Directors and auditors, and Remuneration Report for 2022 were adopted.
- Authorisation to the Board to decide on the purchase and conveyance of own shares.
- Authorisation of the Board to decide on new issues of shares up to a maximum of 10 percent of the company's outstanding shares.

Annual General Meeting 2024

ITAB's AGM will be held on Wednesday, 15 May 2024 in Jönköping, Sweden. Further information can be found on page 97.

NOMINATION COMMITTEE

In accordance with Code, ITAB shall have a Nomination Committee. The Nomination Committee is the general meeting's body for proposals to the meeting's decisions regarding appointment issues in order to provide good conditions for the meeting's decisions on these issues.

At the 2022 AGM, revised instructions for the Nomination Committee were adopted. In accordance with these instructions, the Chairman of the Board is tasked with contacting the largest shareholders and requesting that they appoint three members to form the Nomination Committee. The selection of shareholders to contact is to be based on the share register maintained by Euroclear Sweden as of 31 August each year. Unless otherwise agreed by the members, the Chairman of the Nomination Committee is to be the member appointed by the largest shareholder. The composition of the Nomination Committee is to be announced not later than six months prior to the Annual General Meeting. The instructions apply until further notice.

In accordance with this, the then largest shareholders Aeternum Capital AS, Pomona-gruppen AB and Övre Kullen AB each appointed one member of the Nomination Committee ahead of the 2024 AGM. This Nomination Committee comprises Åsa Otterlund (appointed by Aeternum Capital AS), Ulf Hedlundh (appointed by Pomona-gruppen) and Petter Fägersten (appointed by Övre Kullen) with Åsa Otterlund as Chairman. The members of the Nomination Committee were appointed for the period up to and including the 2024 AGM. In the event that a member steps down from the Nomination Committee before its work is completed, the remaining members are tasked with appointing a new member.

Ahead of the AGM 2024, the Nomination Committee is assigned with preparing and presenting proposals for the Chairman of the Meeting, Board members and the Chairman of the Board, fees to members of the Board and committees, and where applicable, the election of and fees to auditors. The Nomination Committee shall in other respects fulfil its tasks in accordance with the Code. In its assessment of the Board's evaluation and in its proposals, the Nomination Committee shall pay particular attention to the requirement for diversity and breadth in the Board and strive for an even gender distribution in accordance with the diversity policy according to rule 4.1 in the Code. The Nomination Committee's proposals shall be included in the notice to attend the 2024 AGM. In conjunction with the Board issuing the notice for the AGM, the Nomination Committee shall ensure that the company publishes the Nomination Committee's proposals and reasoned statement as well as information about how the Nomination Committee has conducted its work on ITAB's website, itabgroup.com.

No fees are paid for the Nomination Committee assignment.

Ahead of the 2024 AGM, the Nomination Committee has evaluated relevant aspects of Board's work and, to date, has held five minuted meetings with all members present, and had several other contacts.

BOARD OF DIRECTORS

The tasks of the Board of Directors are to manage the company's affairs on behalf of the shareholders. According to ITAB's Articles of Association, the Board of Directors must comprise at least three and at most nine Board members with no more than nine deputies.

Board members

At the end of 2023, the Board of Directors of ITAB Shop Concept AB consisted of six regular members appointed by the AGM on 10 May 2023: Anders Moberg (Chairman), Karin Eriksson, Petter Fägersten, Madeleine Persson, Fredrik Rapp and Vegard Sørraunet. A presentation of these Board members, including information about their other assignments, is presented on page 38 as well as on ITAB's website, itabgroup.com. The CEO and other officers of the Group participate in Board meetings, acting as rapporteur or in administrative functions.

All of the Board members are independent in relation to the company and its senior executives. Three of the Board members are independent in relation to the major shareholders. The Board thereby fulfils the requirements for independence pursuant to regulatory frameworks. The Articles of Association do not contain any special conditions for appointment and dismissal of Board members or change of the Articles of Association.

In accordance with the AGM's resolution in May 2023, Directors' fees totalled SEK 2,080,000, of which SEK 520,000 was paid to the Chairman of the Board and SEK 260,000 to each of the other Board members.

See below for a summary of the Board members and their committee membership(s), attendance at Board meetings, independence and Directors' fees.

Chairman of the Board

The Chairman of the Board is tasked with ensuring that the Board's work is well organised and efficiently conducted, and that the Board fulfils its assignments. The Chairman shall, in particular, organise and lead the Board's work to create the best possible conditions for the Board's work. The Chairman is tasked with ensuring that a new Board member participates in requisite introductions and other training that the Board's Chairman and the Board member deem to be appropriate, that the Board continuously updates and deepens its knowledge of the company, that Board meetings are held when required and that satisfactory information and supporting material for decisions is obtained for its work, that the proposed agendas for Board meetings are adopted in consultation with the CEO, that the Board's resolutions are implemented, and that the Board's work is evaluated annually. The Chairman is responsible for contacts with shareholders regarding shareholder issues and for conveying the views of shareholders to the Board.

Board duties

The Board of Directors has ultimate responsibility for the company's organisation and the administration of the company's affairs in the interests of the company and all shareholders, pursuant to the laws, ordinances and agreements that the company is subject to. The Board shall also, based on an analysis of the business environment, pass resolutions on strategic issues.

The Board annually adopts written rules of procedures that regulate the Board's work and its division of responsibilities, including its committees, decision-making bodies within the Board, the Board's meeting plan, and the Chairman's tasks, as well as instructions for the financial reporting. The Board has also issued instructions to the CEO, which includes decision authority for investments, corporate acquisitions and divestments as well as financing matters. The Board has also adopted a number of policies for the Group's operations, such as a Code of Conduct.

The Board monitors the CEO's work by continuously following up operations during the year and is responsible for ensuring that the organisation, management and guidelines for the administration of the company's affairs are appropriately structured and that company has good internal controls and efficient systems for the follow-up and control of the company's operations and compliance with laws and regulations that are applicable to the company's operations. The company's auditor attends at least one of the Board's meetings annually. On such occasions, the auditor's observations concerning the company's accounts, procedures and internal con-

THE BOARD OF DIRECTORS' AND COMMITTEES' COMPOSITION, INDEPENDENCE, ATTENDANCE AND FEES 2023

		Committee		Independent in relation to[1]		Participation in			
Name	**Assignment**	**Remuneration**	**Audit**	**Company and executive management**	**Major shareholders**	**Board meetings** (total number)	**Remuneration Committee** (total number)	**Audit Committee** (total number)	**Directors' fees incl. committee fees (SEK)**
Anders Moberg	Chairman	Chairman	–	Yes	Yes	14 (15)	3 (3)	–	560,000
Karin Eriksson[2]	Board member	–	Member	Yes	Yes	11 (11)	–	4 (4)	310,000
Jan Frykhammar[3]	Board member	–	Chairman[3]	Yes	Yes	7 (7)	–	4 (4)	65,000
Petter Fägersten	Board member	Member	–	Yes	No	14 (15)	3 (3)	–	290,000
Madeleine Persson[2]	Board member	–	Member	Yes	Yes	11 (11)	–	4 (4)	310,000
Fredrik Rapp	Board member	–	Chairman[4]	Yes	No	15 (15)	–	3 (3)	365,000
Vegard Sørraunet	Board member	Member	–	Yes	No	15 (15)	3 (3)	–	290,000

1) In accordance with the definitions of the Swedish Corporate Governance Code.
2) Karin Eriksson and Madeleine Persson were elected as Board members at the Annual General Meeting on 10 May 2023.
3) Jan Frykhammar was a Board member during the period 1 January to 3 July 2023.
4) Fredrik Rapp assumed the role of Chairman of the Audit Committee on 3 July 2023.

trol are reported and reviewed.The Board is also responsible for the determination, development and follow-up of the company's goals and strategy, decisions about acquisitions and divestments of businesses, major investments, repurchases of own shares as well as the appointment and remuneration of executive management. The Board of Directors and CEO submit the annual accounts to the AGM.

Furthermore, the Board is responsible for preparing an annual Corporate Governance Report that shall include the Board of Directors' actions to follow up on internal controls related to the financial reporting and on how reporting to the Board has worked. The Corporate Governance Report shall be reviewed by the company's auditor. In connection with this, the Board shall annually assess and decide whether the company should have a special review function (internal audit). This decision shall be justified in the Corporate Governance Report.

The Board conducts an annual evaluation of its work, whereby a questionnaire is sent out to all its members. The results are compiled by the Chairman of the Nomination Committee, who then provides feedback to each Board member. The Board continuously evaluates the CEO's work.

Each Board member shall independently assess the matters that are to be addressed by the Board and request the information that the Board member deems necessary for the Board to make a well-informed decision. Each Board member shall continuously acquire knowledge of the company's operations, organisation, markets and similar information required for their assignment.

The Board's work

The Board's work follows an annual plan. In addition to the statutory meeting held in connection with the AGM, the Board normally meets seven times a year (regular meetings). Extraordinary meetings are convened as needed. Every meeting follows an agenda that is provided together with other underlying documentation to Board members prior to each Board meeting. Board resolutions are passed following a discussion led by the Chairman. Committees appointed by the Board are tasked with preparing matters for resolution by the Board (see below).

The agenda of the statutory Board meeting includes adoption the Board's rules of procedures, decisions about company signatories and the approval of minutes. The regular meeting held in February addresses the annual accounts, proposals on the appropriation of profits and the Year-End Report. In conjunction with this, the company's auditors submit a report to the Audit Committee with their findings and assessments of the conducted audit. Every regular meeting generally includes several other fixed items for presentation, such as a report on the current financial outcome of the operations.

The Board held seven regular meetings, of which one was a statutory meeting, and eight extraordinary Board meetings in 2023. The attendance at Board meetings and committee meetings is presented in the summary on page 37. Essential subjects that have been discussed during the year include:

- Strategic direction for the operations
- Business plans, financial plans and forecasts
- Follow-up of work to discontinue the Group's operations in Russia
- Investments
- Long-term financing
- Policies and guidelines
- Risk management and internal control
- Interim reports and annual accounts
- Reports from the Board's committees
- Sustainability work
- External audit follow-up

Audit Committee

The Board of Directors has appointed an Audit Committee that, without impacting the Board's responsibilities and assignments in general, is to prepare the Board's work of quality-assuring the company's financial reporting, continually meet with the company's auditors to obtain information about the focus and scope of the audit as well as discuss coordination between the external audit and the internal control and views of the company's risks. The Audit Committee is also responsible for establishing guidelines regarding which services other than audits the company may procure from the company's auditors, evaluate the audit work and notify the company's Nomination Committee about the results of the evaluation as well as assist the Nomination Committee in preparing proposals for the election of auditors and the payment of fees for the audit work.

ITAB's Audit Committee comprises Fredrik Rapp (Chairman of the Committee), Karin Eriksson and Madeleine Persson. All members of the committee are independent of the company and its executive management, and two members are independent of the company's major shareholders. Fredrik Rapp has financial reporting qualifications. The company thus fulfils the requirements of the Swedish Companies Act. In 2023, the Audit Committee held seven minuted meetings, and maintained ongoing contact with the company's auditors. The Audit Committee also had a number of contacts with Group management. In 2023, fees for the Audit Committee's work comprised SEK 125,000 to the Chairman of the Committee and SEK 50,000 to each of the other members.

Remuneration Committee

The Remuneration Committee's primary tasks are preparing the Board's decisions on issues regarding remuneration principles, remuneration and other terms of employment for executive management, monitoring and evaluating ongoing schemes and schemes concluded during the year regarding variable remuneration to executive management, as well as monitoring and evaluating the application of the guidelines for remuneration to senior executives decided by the AGM and current remuneration structures and remuneration levels in the company. ITAB's Remuneration Committee has also been tasked with preparing issues regarding remuneration and other employment terms for the managing directors of other companies in the Group.

The tasks of the Remuneration Committee include preparing the Board's decisions on proposals for guidelines for remuneration of senior executives, and drafting the Board of Directors' annual remuneration report on the application of the company's remuneration guidelines for approval at the AGM. The Board shall prepare proposals for new guidelines at least every four years or before that if there is a need for significant adjustments, and present the proposal for resolution at the AGM. The guidelines shall apply until new guidelines have been adopted by the AGM. The current guidelines were adopted by the 2021 AGM (see Note 8). The Board does not intend to propose any adjustments to these guidelines prior to the 2024 AGM. The 2022 Remuneration Report adopted by the 2023 AGM is available on ITAB's website, itabgroup.com.

ITAB's Remuneration Committee comprises Anders Moberg (Chairman of the Committee), Petter Fägersten and Vegard Sørauner. The CEO is co-opted at committee meetings.

In 2023, the Remuneration Committee held three minuted meetings. During the year, fees for the Remuneration Committee's work comprised SEK 40,000 to the Chairman of the Committee and SEK 30,000 to each of the other members.

CEO AND GROUP MANAGEMENT

The CEO is appointed by the Board to be responsible for the company's day-to-day management in line with the Swedish Companies Act and within the framework established by the Board. The CEO's decision authority with respect to investments, corporate acquisitions and divestments as well as financing issues is subject to rules adopted by the Board. In consultation with Chairman of the Board, the CEO prepares the requisite information and supporting material for decisions in advance of Board meetings, presents agenda items and motivate proposed resolutions. The current CEO, Andréas Elgaard, took up his position in September 2019.

The CEO leads the work of Group management and makes decisions in consultation with other members of senior management. ITAB's Group management comprises President & CEO Andréas Elgaard, Chief Financial Officer Ulrika Bergmo Sköld, Senior Vice President – MBU Nordic Jan Andersson, Senior Vice President – MBU South Europe Andrea Ciotti, Senior Vice President – MBU UK & Baltics Roy French, Chief Commercial Officer Nick Hughes, General Counsel Frida Karlsson, Senior Vice President – People & Culture Pernilla Lorentzon, Chief Operating Officer Mikael Nadelmann, and Senior Vice President – MBU Central Europe Klaus Schmid.

A more detailed presentation of the CEO and Group management can be found on page 38. Remuneration of the CEO and Group management in the 2023 financial year is presented in Note 8 on page 62.

Group staff units

Group staff units that report directly to Group management have responsibility for business development, finance, insurance, HR, purchasing, IT, information, marketing, production, development, investor relations, legal affairs, communications, consolidation of accounts and Group-wide administration. Projects that cover all or the majority of the Group's companies are controlled and coordinated from here. Within each area, handbooks and policies are drawn up that regulate the work in the subsidiaries.

AUDITORS

To examine the company's annual accounts, consolidated accounts and accounting records as well as the administration of the Board of Directors and CEO, a registered auditing company or one or two authorised public accountants shall be appointed by the AGM according to the Articles of Association. The

auditors report to the shareholders at the AGM via their auditor's report.

The regular election of auditors in ITAB took place at the 2023 AGM and pertained to the term up to and including the 2024 AGM. The company's auditor is the registered auditing company Ernst & Young AB, with authorised public accountant Joakim Falck as auditor in charge. Joakim Falck has been the auditor for ITAB since 2018. His other audit assignments include Nolato AB, Absolent Group AB, Garo AB, Hexpol AB, Nefab AB, One Partner Group AB and Gyllensvaans Möbler AB.

The company's auditor works in accordance with an audit plan that incorporates the views of the Board and its Audit Committee. The auditor then reports his/her observations to executive management teams, Group management and ITAB's Board and its Audit Committee during the course of the audit and in conjunction with the adoption of the annual accounts. The company's auditor also participates at the AGM and describes and expresses his opinion about the audit work. The independence of the external auditor is regulated by special instructions adopted by the Board, which stipulate the areas in which the external auditor may be engaged on matters beyond regular audit work. Ernst & Young continuously tests its independence in relation to the company and submits a written affirmation to the Board every year, stating that the auditing firm is independent from ITAB.

In 2023, a total of MSEK 1 (1) was paid in fees for Ernst & Young's services in addition to the audit assignment.

ETHICAL GUIDELINES

ITAB strives to ensure that its business operations adhere to stringent demands on integrity and ethics. The Board has adopted a so-called Code of Conduct for Group operations, which also includes ethical guidelines. The Code of Conduct emphasises the importance of each and every employee, that the Group is to offer a safe and healthy work environment, and that ITAB works continuously to reduce its environmental impact. It also points out that ITAB stands for straightforward, honest communication and that all employees have to respect commercial confidentiality. If an issue relating to business ethics arises at company level, there is a system in place detailing how employees should report directly to the Group and how such issues will be handled. In accordance with the Code of Conduct, ITAB has a zero-tolerance policy regarding all forms of bribery and corruption. The Group's operations have whistleblowing systems for reporting any whistleblowing cases from both internal and external stakeholders.

ITAB regularly reviews and evaluates internal controls in all subsidiaries, which provides reasonable assurance of an appropriate and effective operation, reliable financial reporting and compliance with laws and ordinances. The internal audit also includes a follow-up of the sustainability programme and the Code of Conduct. The managing director of each individual company within the ITAB Group is responsible for ensuring compliance with local regulations. All of ITAB's employees are covered by the Group-wide Code of Conduct and have signed it to confirm that they are complying with this code.

No known cases of corruption were discovered in the Group in 2023. During the year, ITAB provided training in the Group's Code of Conduct and anti-corruption in all operations in the Group. Since the end of 2017, there is also a separate Group-wide supplier policy containing fundamental business ethics requirements that ITAB imposes on its suppliers. In order to ensure that ITAB is complying with GDPR, training has been conducted for employees who process personal data as part of their work.

INTERNAL CONTROLS FOR THE FINANCIAL REPORTING

According to the Swedish Companies Act and the Code, the Board is responsible for internal controls aimed at protecting the company's assets and thereby the investments of its owners. This responsibility includes annually assessing the financial reporting that the Board receives and setting requirements for its content and presentation to ensure the quality of the reporting. This requirement entails that financial reporting must be appropriate, applying the relevant accounting rules and other requirements for listed companies. The following description is limited to ITAB's internal controls of the financial reporting.

The internal controls should provide reasonable assurance of an appropriate and effective operation, reliable financial reporting, and compliance with laws and ordinances. The basis for the internal control of financial reporting is the control environment, including the organisation, decision-making paths, authorisations and responsibilities that are documented and communicated in the governing documents below. ITAB's tool for internal control is based on the COSO framework. COSO is a framework for evaluating a company's internal control over financial reporting. The framework streamlines the work with internal controls.

The Group's risk matrix (see pages 30-33) was reviewed during the year and forms the basis of the internal audit programme. In addition to the business risks, the internal controls have focused on formalities, procedures and processes linked to the updated risk matrix.

Financial reporting

All subsidiaries submit monthly reports concerning financial outcomes, in accordance with the Group's internal finance manual. The reporting is consolidated and constitutes the basis for quarterly reports and operational follow-ups.

This operational follow-up is carried out in accordance with an established structure where invoicing, liquidity, profit, tied-up capital and other key figures of importance for the Group are collated and form the basis for analysis and measures by management and controllers at various levels. Other important, Group-wide aspects of the internal control include business plans and the annual forecast process.

For communication with external parties, the Group has an information policy intended to ensure that all disclosure requirements are complied with correctly and in full.

Control environment

The Audit Committee's primary task is to monitor the accounting and reporting processes and to ensure the quality of these reports and processes. The responsibility for maintaining an effective control environment, day-to-day risk management and internal controls in terms of financial reporting has been delegated to the CEO. Executives at various levels of the company are in turn responsible within their respective areas. Responsibilities and authorisations are defined in instructions to the CEO, instructions concerning attestation rights, manuals, and other policies and procedures.

The Board determines the Group's policies regarding information, credit and finance. Group management determines other instructions, and the responsible Group functions issue guidelines and oversee the application of the regulatory framework. The Group's accounting and reporting rules are stipulated in an accounting handbook that is available to all accounting staff. Together with laws and other external regulatory frameworks, the organisational structure and internal regulatory frameworks constitute the control environment.

Risk assessment

ITAB works continually with risk analyses as a basis for revisions of the Group's risk matrix. Financial, operational and strategic risks are charted. The Audit Committee reviews the current risk matrix when necessary and at least once a year, as well as ongoing and planned activities linked to the respective risk, and revisions are undertaken if necessary.

Control activities

The purpose of control activities is to identify, prevent and correct errors and deviations. Policies and guidelines are particularly important for accurate accounting, reporting and information dissemination and also define which control activities should be conducted. ITAB regularly updates its policies and guidelines, in writing and at meetings. Control activities include approval procedures, reconciliation of accounts, analytical follow-up and control of IT systems.

Follow-up

Group management and controllers regularly follow up economic and financial reporting as well as key business events. At each Board meeting, financial performance is monitored against forecasts, and reviews are conducted of how well investments are proceeding according to plan. The follow-up of results is an important complement to the controls and reconciliations implemented in the financial processes themselves. The Audit Committee regularly evaluates the internal control, the Code and significant accounting issues.

Opinion on internal audit function

The Board has opted not to have a special function for internal audits. The assessment is based on the Group's size and operations as well as existing internal control processes where the work with internal controls is conducted in an internal audit programme that covers all subsidiaries according to an established plan. If necessary, external advisers are used for internal control projects on behalf of the Audit Committee. Parts of the internal control are regularly examined by the auditors.

VIOLATIONS

The company has not committed any violations of the regulatory framework of the stock market where the company's shares are traded nor breached any stock market best practices.

BOARD OF DIRECTORS

ANDERS MOBERG
(born 1950)
Chairman of the Board since 2018 and Board member since 2011.

Other Board assignments: Chairman of the Board of Byggmax AB. Board member of Bergendahl & Son AB, Boconcept A/S, Stichting INGKA Foundation and ZetaDisplay AB.
Independence: Independent in relation to the company and its senior executives. Independent in relation to the major shareholders.
Shareholding: 1,850,012 ordinary shares (endowment policy)

PETTER FÄGERSTEN
(born 1982)
Board member since 2016.

Other Board assignments:
Board member of Inev AB, XANO Industri AB, Idyllum AB, Skanditape AB, Övre kullen AB, and others.
Independence: Independent in relation to the company and its senior executives. Dependent in relation to the major shareholders.
Shareholding: 24,720,262 ordinary shares (via Övre Kullen and with family)

KARIN ERIKSSON
(born 1968)
Board member since 2023.

CEO of OKQ8 Scandinavia.

Other Board assignments: Board member of Coop Butiker & Stormarknader AB and RFSU Aktiebolag, and others.
Independence: Independent in relation to the company and its senior executives. Independent in relation to the major shareholders.
Shareholding: –

MADELEINE PERSSON
(born 1969)
Board member since 2023.

Advisor, Board Member and Executive Mentor.

Other Board assignments: Board member of Aim Apparel AB.
Independence: Independent in relation to the company and its senior executives. Independent in relation to the major shareholders.
Shareholding: –

FREDRIK RAPP
(born 1972)
Board member since 2013.

CEO of Pomona-gruppen AB.

Other Board assignments:
Chairman of the Board of Argynnis Group AB, Estinvest AB, Serica Consulting AB, XANO Industri AB, and others. Board member of Ages Industri AB, Corem Property Group AB, Pomona-gruppen AB, AB Segulah, and others.
Independence: Independent in relation to the company and its senior executives. Dependent in relation to the major shareholders.
Shareholding: 37,945,397 ordinary shares (via Pomona-gruppen and with family)

VEGARD SØRAUNET
(born 1980)
Board member since 2021.

CEO & Investment Director at Aeternum Management AS.

Other Board assignments:
Chairman of the Board of ACapital ITAB HoldCo AB (owner of 54,354,496 ordinary shares in ITAB). Board member of SkiStar AB, and others. CEO and Chairman of the Board of Sørauner Invest AS.
Independence: Independent in relation to the company and its senior executives. Dependent in relation to the major shareholders.
Shareholding: 54,354,496 ordinary shares (via ACapital ITAB HoldCo)

OTHER INFORMATION: Refer to ITAB's website, itabgroup.com, for a more detailed presentation of each Board member, including education and work experience. Information about the number of shares refers to shareholdings as of 29 February 2024.

GROUP MANAGEMENT

ANDRÉAS ELGAARD
(born 1972)
President & CEO

Employed by the Group: 2019
Education: Master of Science, Lund Institute of Technology.
Work experience: Senior positions within IKEA, Ballingslöv, Sperian, Icopal and Saint-Gobain Isover.
Shareholding: 700,000 ordinary shares

JAN ANDERSSON
(born 1979)
Senior Vice President – MBU Nordic

Employed by the Group: 2013
Shareholding: 150,000 ordinary shares

ULRIKA BERGMO SKÖLD
(born 1967)
Chief Financial Officer

Employed by the Group: 2020
Shareholding: 103,480 ordinary shares

ANDREA CIOTTI
(born 1971)
Senior Vice President – MBU South Europe

Employed by the Group: 2016
Shareholding: 20,000 ordinary shares

ROY FRENCH
(born 1965)
Senior Vice President – MBU UK & Baltics

Employed by the Group: 2010
Shareholding: –

NICK HUGHES
(born 1969)
Chief Commercial Officer

Employed by the Group: 2010
Shareholding: 30,000 ordinary shares

FRIDA KARLSSON
(born 1984)
General Counsel

Employed by the Group: 2021
Shareholding: –

PERNILLA LORENTZON
(born 1969)
Senior Vice President – People & Culture

Employed by the Group: 2015
Shareholding: 4,770 ordinary shares

MIKAEL NADELMANN
(born 1967)
Chief Operating Officer

Employed by the Group: March 2024
Shareholding: –

KLAUS SCHMID
(born 1965)
Senior Vice President – MBU Central Europe

Employed by the Group: 2018
Shareholding: 8,000 ordinary shares

OTHER INFORMATION: Information about the number of shares refers to shareholdings as of 29 February 2024.

FINANCIAL REVIEW – FIVE YEARS IN SUMMARY

Income statements (MSEK)	**2023**	**2022**	**2021**	**2020**	**2019**
Revenue from contracts with customers	6,139	6,868	6,087	5,323	6,064
Cost of goods sold	-4,420	-5,286	-4,727	-4,137	-4,725
GROSS PROFIT [1]	**1,719**	**1,582**	**1,360**	**1,186**	**1,339**
Selling expenses	-935	-871	-796	-784	-899
Administrative expenses	-327	-344	-331	-285	-286
Other operating income and expenses	-25	36	-17	-5	103
OPERATING PROFIT [1]	**432**	**403**	**216**	**112**	**257**
Financial items	-47	-55	-69	-112	-83
PROFIT AFTER FINANCIAL ITEMS [1]	**385**	**348**	**147**	**0**	**174**
Tax on net profit for the year	-93	-105	-52	-22	-54
NET PROFIT FOR THE YEAR – CONTINUING OPERATIONS	**292**	**243**	**95**	**-22**	**120**
Profit from Discontinued Operations, net after tax	-12	-53	8	–	–
NET PROFIT FOR THE YEAR	**280**	**190**	**103**	**-22**	**120**
Attributable to:					
Parent Company shareholders	270	170	95	-21	120
Non-controlling interests	10	20	8	-1	0
Balance sheets (MSEK)					
Assets					
Intangible assets	1,919	1,897	1,756	1,743	1,837
Property, plant and equipment	1,222	1,408	1,366	1,367	1,606
Other non-current receivables	157	153	146	119	130
NON-CURRENT ASSETS	**3,298**	**3,458**	**3,268**	**3,229**	**3,573**
Inventories	793	1,030	1,176	698	926
Current receivables	1,033	1,244	1,372	900	1,095
Cash and cash equivalents	578	756	208	692	302
CURRENT ASSETS	**2,404**	**3,030**	**2,756**	**2,290**	**2,323**
Assets held for sale	66	88	–	–	–
TOTAL ASSETS	**5,768**	**6,576**	**6,024**	**5,519**	**5,896**
Equity and liabilities					
Equity	3,208	3,169	2,782	1,725	1,876
Deferred tax liabilities	39	44	45	41	48
Other non-current liabilities	1,057	1,624	1,143	1,283	1,989
Other current liabilities	1,447	1,720	2,054	2,470	1,983
Liabilities attributable to assets held for sale	17	19	–	–	–
TOTAL EQUITY AND LIABILITIES	**5,768**	**6,576**	**6,024**	**5,519**	**5,896**
Cash flow (MSEK)					
Cash flow before change in working capital	523	527	424	417	285
Change in working capital	287	15	-589	394	193
CASH FLOW FROM OPERATING ACTIVITIES	**810**	**542**	**-165**	**811**	**478**
Cash flow from investing activities	-107	-150	-103	-45	34
CASH FLOW AFTER INVESTING ACTIVITIES	**703**	**392**	**-268**	**766**	**512**
Cash flow from financing activities	-810	153	-253	-343	-489
CASH FLOW FOR THE YEAR	**-107**	**545**	**-521**	**423**	**23**

1) For more information about non-recurring items, see the tables on page 41.

As of 2022, ITAB's Russian subsidiary ITAB Rus JSC is recognised as Discontinued Operations in accordance with IFRS 5. Comparative figures in the consolidated income statement have been restated for 2021.
In 2022, a new interpretation was made with respect to the recognition of outward shipping, which is now recognised under "Cost of goods sold" instead of "Selling expenses". All reported years have been adjusted.

FINANCIAL REVIEW – FIVE YEARS IN SUMMARY

Key ratios	2023	2022	2021	2020	2019
EBITDA, MSEK	686	674	487	376	532
EBITDA margin, %	11.2	9.8	8.0	7.1	8.8
EBIT margin, %	7.0	5.9	3.6	2.1	4.2
Profit margin, %	6.3	5.1	2.4	0.0	2.9
Interest-coverage ratio, multiple	6.0	6.0	2.8	1.0	2.9
Equity attributable to Parent Company shareholders, MSEK	3,049	3,012	2,654	1,607	1,748
Interest-bearing net debt, MSEK	591	1,080	1,239	1,748	2,509
Interest-bearing net debt excl. lease liabilities, MSEK	45	399	609	1,092	1,746
Equity/assets ratio, %	56	48	46	31	32
Cash conversion, %	118	80	N/A	215	90
Return on equity, %	8.8	6.0	4.0	Neg	6.9
Return on capital employed, %	9.6	8.9	5.4	2.5	5.4
Return on total capital, %	7.4	6.8	3.9	2.0	4.3
Depreciation according to plan, MSEK	254	271	271	264	275
Net investments, MSEK	107	150	103	45	-34
- of which, attributable to corporate acquisitions & divestments, MSEK	-9	66	40	0	-27
Average number of employees	2,533	2,715	2,930	3,030	3,247

As of 2022, ITAB's Russian subsidiary ITAB Rus JSC is recognised as Discontinued Operations in accordance with IFRS 5. Comparative figures in the consolidated income statement have been restated for 2021.
In 2022, a new interpretation was made with respect to the recognition of outward shipping, which is now recognised under "Cost of goods sold" instead of "Selling expenses". All reported years have been adjusted.

Items that do not belong to regular operations, known as non-recurring items

	2023	2022	2021	2020	2019
Acquisition, integration and restructuring costs	–	-40	-166	-156	-70
Inventory impairment of non-recurring character	–	–	–	-52	–
Revaluation/settlement, additional purchase considerations for acquisitions	–	–	–	–	42
Sale of property and restructuring in Belgium	–	–	–	–	44
	–	**-40**	**-166**	**-208**	**16**

Impact of non-recurring items on the income statement

	2023	2022	2021	2020	2019
Gross profit	–	-19	-59	-121	-31
EBITDA	–	-30	-157	-202	16
Operating profit	–	-40	-166	-205	16
Profit after net financial items	–	-40	-166	-208	16

COMMENTS ON FIVE YEARS IN SUMMARY

SALES

Total net sales have remained largely unchanged over the past five years, but with substantial differences in outcomes between years.

During the five-year period, ITAB has signed numerous long-term agreements with leading retail chains in Europe. These have laid the foundation for ITAB's position as the market-leading supplier of checkouts to retailers and one of the largest suppliers of shop fittings and lighting systems in Europe.

In 2019, sales grew by MSEK 33, corresponding to +1 percent. Currency-adjusted sales fell by 1 percent. Sales increased slightly in Southern Europe, Eastern Europe and the UK, while Northern Europe declined. Sales to the largest customer group, Grocery, increased, while Fashion and Home Improvements decreased.

In 2020, sales decreased by MSEK 741, corresponding to -12 percent. Currency-adjusted sales fell by 10 percent. A substantial part of the reduction was caused by the strict measures taken to reduce the spread of COVID-19, especially during the first six months of the year. Sales recovered somewhat during the second half of the year due to, among other things, increased sales of various protective products for stores. Sales decreased in all geographic markets except Central Europe. Grocery sales increased, while sales to Other customer groups decreased.

In 2021, sales grew by MSEK 764, corresponding to +14 percent. Currency-adjusted sales increased by 19 percent, with organic growth accounting for 8 percent and the acquisition of Cefla Retail Solutions contributing 11 percent. The sales trend was favourable throughout the entire year as societies and retailers opened up after lockdowns due to the pandemic. Sales to the Grocery and Home Improvements customer groups increased, while sales in Fashion were unchanged compared with the preceding year. The most significant growth took place in Southern and Eastern Europe.

In 2022, sales grew by MSEK 781, corresponding to +13 percent. Currency-adjusted sales increased by 8 percent, with organic growth accounting for 6 percent and the acquisition of Checkmark in February 2022 contributing 2 percent. Organic growth was mainly attributable to implemented price increases and stable underlying demand. The greatest sales increase took place in Central Europe. Growth was largest in Fashion and Home Improvements, but sales to Grocery and Other customer groups also increased.

In 2023, sales decreased by MSEK 729, corresponding to -11 percent. Currency-adjusted sales fell by 15 percent. Sales of the Group's loss prevention solutions increased during the year, while the year in other aspects was characterised by uncertainty regarding future economic trends, with rising inflation and interest rates. This had a negative impact on overall demand. The decline in sales was evident in all geographic markets except for non-European countries. Sales in Grocery, Home Improvements and Fashion were negatively impacted, while Other customer groups developed more positively.

PROFITABILITY

During the five-year period, operating profit varied between a minimum of MSEK 112 (2020) and a maximum of MSEK 432 (2023). The operating margin during the period also varied between 2.1 and 7.0 percent. Profit after net financial items amounted to between MSEK 0 (2020) and MSEK 385 (2023), and the profit margin was between 0.0 and 6.3 percent. Profit for 2019-2022 was negatively impacted by non-recurring items.

Profit in 2019 was in line with the preceding year. Profit was negatively impacted by restructuring costs related to the growth and efficiency programme launched in 2018. Impairment of assets as well as organisational changes and staff reductions also had an adverse impact on profit. Capital gains on property sales and repayments of purchase considerations for acquisitions had a positive impact on earnings.

Operating profit for 2020 declined to MSEK 112, corresponding to an operating margin of 2.1 percent. The decrease in sales and currency effects had a negative impact on profit, while an improved gross margin and effects of cost-saving measures had a positive effect. Profit was negatively affected by MSEK -205 in non-recurring items, most of which were attributable to restructuring costs and inventory impairment.

Profit for 2021 was positively impacted by increased sales and the ongoing efforts to transform the operations under One ITAB, including completed production relocations and cost adaptations, more common ways of working, and more efficient and flexible market cultivation. At the same time, the sharp increase in raw material prices and shortages of certain components during the first two quarters of the year had a negative impact on all of the Group's markets. Profit was negatively impacted by non-recurring items of MSEK -166 pertaining to restructuring costs.

Profit for 2022 was positively impacted by the sales increase enabled by implemented price increases and currency effects. At the same time, 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 had a negative impact on the gross margin. Profit was negatively impacted by non-recurring items of MSEK -40 pertaining to restructuring costs.

In 2023, the increased share of sales of loss prevention and other technical solutions, implemented price increases and measures to reduce Group expenses gradually strengthened both the gross margin and the operating margin. At the same time, lower net sales had a negative impact on capacity utilisation and earnings in the Group. Profit was not impacted by any non-recurring items.

The Group's return on equity during the period averaged approximately 5.1 percent.

INVESTMENTS

During the period, net investments, excluding corporate acquisitions, amounted to a maximum of 1.9 percent of sales. The Group's investments have mainly consisted of machinery with a focus on automated operations, high utilisation of resources, sustainability and cutting-edge technical development as well as generated development costs for proprietary products and solutions. In 2021, the Group invested in common production facilities in Czechia within the framework of One ITAB with the aim of securing sustainable and efficient production and assembly.

Investments attributable to corporate acquisitions have focused on strengthening the Group's position as a market-leading supplier of shop fittings to the Group's selected customer groups and geographic markets, and on strengthening and supplementing the services and product portfolio in certain areas.

FINANCIAL DEVELOPMENT

The balance sheet total was MSEK 5,364 at the start of 2019 and MSEK 5,768 at year-end 2023. The changes in the balance sheet total are attributable to completed corporate acquisitions, investments in production facilities and property sales. The expansion was achieved through positive cash flow from operating activities, bank financing and the recapitalisation and completed share issues in 2021. Interest-bearing net debt (excluding lease liabilities) amounted to MSEK 1,746 at year-end 2019 and declined to MSEK 45 at year-end 2023.

The Group's equity/assets ratio amounted to 31–32 percent for 2019–2020, but has improved to 56 percent at year-end 2023.

INCOME STATEMENT
GROUP

(MSEK)	Note	2023	2022
Revenue from contracts with customers	6	6,139	6,868
Cost of goods sold	8, 9, 10, 11	-4,420	-5,286
GROSS PROFIT		**1,719**	**1,582**
Selling expenses	8, 9, 10, 11	-935	-871
Administrative expenses	8, 9, 10, 11	-327	-344
Other operating income	12	52	79
Other operating expenses	12	-77	-43
OPERATING PROFIT		**432**	**403**
Financial income	14	34	16
Financial expenses	14	-81	-71
PROFIT AFTER FINANCIAL ITEMS		**385**	**348**
Tax expenses for the year	16	-93	-105
NET PROFIT FOR THE YEAR – CONTINUING OPERATIONS		**292**	**243**
Profit from Discontinued Operations, net after tax	5	-12	-53
NET PROFIT FOR THE YEAR		**280**	**190**
Net profit for the year attributable to:			
Parent Company shareholders		270	170
Non-controlling interests		10	20
EARNINGS PER SHARE, SEK	17		
Including Discontinued Operations before dilution		1.24	0.78
Including Discontinued Operations after dilution		1.23	0.78
Excluding Discontinued Operations before dilution		1.29	1.02

STATEMENT OF OTHER COMPREHENSIVE INCOME
GROUP

(MSEK)	Note	2023	2022
NET PROFIT FOR THE YEAR		**280**	**190**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to the income statement:			
Revaluation of defined-benefit pension commitments	29	0	5
Tax relating to items not to be reclassified	16	0	-1
		0	**4**
Items that may be reclassified to the income statement:			
Translation difference on translation of foreign operations		-144	188
Change in fair value of hedges of net investments		26	-19
Change in fair value of cash flow hedges		-9	39
Change in fair value of cash flow hedges transferred to net profit for the year		2	-16
Tax on items that may be reclassified	16	-4	-1
	25	**-129**	**191**
TOTAL OTHER COMPREHENSIVE INCOME		**-129**	**195**
COMPREHENSIVE INCOME FOR THE YEAR		**151**	**385**
Comprehensive income for the year attributable to:			
Parent Company shareholders		149	356
Non-controlling interests		2	29

STATEMENT OF FINANCIAL POSITION
GROUP

(MSEK)	Note	2023	2022
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	18	1,786	1,790
Other intangible assets	10, 18	133	107
	6	**1,919**	**1,897**
Property, plant and equipment			
Buildings and land	10, 19, 22	884	1,069
Plant and machinery	10, 19, 22	226	240
Equipment, tools and installations	10, 19, 22	90	92
Construction in progress and advance payments for property, plant and equipment	19	22	7
	6	**1,222**	**1,408**
Financial assets			
Participations in associated companies	20	0	9
Non-current derivative receivables	21	12	21
Long-term investments	21, 35	49	–
Other financial non-current receivables	21	18	19
		79	**49**
Deferred tax assets	16	78	104
TOTAL NON-CURRENT ASSETS		**3,298**	**3,458**
Current assets			
Inventories	23	793	1,030
Accounts receivable	21	861	1,062
Current tax assets		35	21
Current derivative receivables	21	6	4
Other receivables	21	63	62
Prepaid expenses and accrued income	6, 21, 24	68	95
Cash and cash equivalents	21	578	756
TOTAL CURRENT ASSETS		**2,404**	**3,030**
Assets held for sale	5	66	88
TOTAL ASSETS		**5,768**	**6,576**

(MSEK)	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Share capital		93	93
Other contributed capital		1,093	1,091
Other reserves		103	224
Profit brought forward including net profit for the year		1,760	1,604
Equity attributable to Parent Company shareholders		**3,049**	**3,012**
Non-controlling interests		159	157
TOTAL EQUITY	25, 26, 27	**3,208**	**3,169**
Non-current liabilities			
Liabilities to credit institutions	21	595	1,047
Non-current lease liabilities	21, 22	406	518
Other non-current liabilities	21	13	12
Provisions for pensions and similar obligations	29	29	34
Provision for deferred tax liabilities	16	39	44
Other non-current provisions	30	14	13
NON-CURRENT LIABILITIES		**1,096**	**1,668**
Current liabilities			
Liabilities to credit institutions	21	75	49
Current lease liabilities	21, 22	140	163
Overdraft facilities	21, 28	20	57
Current derivative liabilities	21	0	27
Advance payments from customers	6, 21	50	65
Accounts payable	21	692	785
Current tax liabilities		16	76
Other liabilities	21	90	114
Accrued expenses and prepaid income	6, 21, 31	356	370
Current provisions	30	8	14
TOTAL CURRENT LIABILITIES		**1,447**	**1,720**
Liabilities attributable to assets held for sale	5	17	19
TOTAL EQUITY AND LIABILITIES		**5,768**	**6,576**

STATEMENT OF CHANGES IN EQUITY
GROUP

(MSEK)	Note	Share capital	Repurchased own shares	Other contributed capital	Other reserves (see Note 25)	Profit brought forward	Attributable to Parent Company shareholders	Attributable to non-controlling interests	Total equity
EQUITY AS OF 1 JANUARY 2022	25, 26	**91**		**1,089**	**42**	**1,432**	**2,654**	**128**	**2,782**
Net profit for the year						170	170	20	190
Revaluation of defined-benefit pension commitments						4	4	0	4
Translation difference, foreign operations					179		179	9	188
Hedging of net investment					-15		-15		-15
Hedging of cash flow					18		18		18
COMPREHENSIVE INCOME FOR THE YEAR					**182**	**174**	**356**	**29**	**385**
Share incentive programme	8			2			2		2
New share issue of Class C shares	27	2		0			2		2
Repurchase of own Class C shares	27		-2				-2		-2
EQUITY AS OF 31 DECEMBER 2022	25, 26	**93**	**-2**	**1,091**	**224**	**1,606**	**3,012**	**157**	**3,169**
Net profit for the year						270	270	10	280
Revaluation of defined-benefit pension commitments						0	0	0	0
Translation difference, foreign operations					-137		-137	-8	-145
Hedging of net investment					22		22		22
Hedging of cash flow					-6		-6		-6
COMPREHENSIVE INCOME FOR THE YEAR					**-121**	**270**	**149**	**2**	**151**
Dividends						-109	-109		-109
Share incentive programme	8			2			2		2
Repurchase of own ordinary shares	27		-5				-5		-5
EQUITY AS OF 31 DECEMBER 2023	25, 26	**93**	**-7**	**1,093**	**103**	**1,767**	**3,049**	**159**	**3,208**

STATEMENT OF CASH FLOWS
GROUP

Indirect method (MSEK)	Note	2023	2022
Operating activities			
OPERATING PROFIT FROM CONTINUING OPERATIONS		**432**	**403**
PROFIT FROM DISCONTINUED OPERATIONS, NET AFTER TAX	5		**-53**
Adjustment for items not included in the cash flow			
depreciation and amortisation	10, 22	254	271
depreciation, amortisation and impairment losses – Discontinued Operations		9	55
impairment losses of current assets		36	25
adjustment for pensions and other provisions		-7	-22
participations in associated companies	5	6	2
other items		-28	-6
TOTAL		**702**	**675**
Interest received		34	15
Interest paid		-76	-63
Tax paid		-137	-100
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**523**	**527**
Change in working capital			
Change in inventories (increase -/decrease +)		181	184
Change in operating receivables (increase -/decrease +)		201	212
Change in operating liabilities (increase +/decrease -)		-95	-381
Total change in working capital		**287**	**15**
CASH FLOW FROM OPERATING ACTIVITIES		**810**	**542**
Investing activities			
Acquisition of Group companies, effect on cash and cash equivalents	5	-6	-66
Divestment of associated companies	5	15	–
Investments in intangible assets	18	-58	-22
Investments in property, plant and equipment	19	-86	-83
Divestment of property, plant and equipment	12, 19	28	21
Cash flow from investing activities		**-107**	**-150**
CASH FLOW AFTER INVESTING ACTIVITIES		**703**	**392**
Financing activities			
Repurchases of own shares	27	-5	0
Repayment of loans	21	-656	-438
Repayment of lease liabilities	21	-131	-140
New loans raised	21	140	731
Change in operating receivables		-49	–
Dividends received		-109	–
Cash flow from financing activities		**-810**	**153**
CASH FLOW FOR THE YEAR		**-107**	**545**
Of which, Cash flow from Discontinued Operations	5		*-1*
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR		**756**	**208**
Cash and cash equivalents from Discontinued Operations	5	–	-7
Translation differences on cash and cash equivalents		-71	10
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**578**	**756**

INCOME STATEMENT
PARENT COMPANY

(MSEK)	Note	2023	2022
Net sales	7	184	174
Cost of goods sold	7, 8, 9, 11	-31	-25
GROSS PROFIT		**153**	**149**
Selling expenses	7, 8, 9, 11	-81	-58
Administrative expenses	7, 8, 9, 10, 11	-78	-69
Other operating income	12	9	32
Other operating expenses	12	-26	-13
OPERATING PROFIT		**-23**	**41**
Income from participations in Group companies	13	27	31
Expenses from participations in Group companies	13	-32	-91
Financial income	14	45	44
Financial expenses	14	-86	-82
PROFIT AFTER FINANCIAL ITEMS		**-69**	**-57**
Year-end appropriations	15	125	-7
PROFIT BEFORE TAX		**56**	**-64**
Tax expenses for the year	16	-15	1
NET PROFIT FOR THE YEAR		**41**	**-63**

STATEMENT OF OTHER COMPREHENSIVE INCOME
PARENT COMPANY

(MSEK)	Note	2023	2022
Net profit for the year		41	-63
Other comprehensive income		–	–
COMPREHENSIVE INCOME FOR THE YEAR		**41**	**-63**

BALANCE SHEET
PARENT COMPANY

(MSEK)	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment			
Equipment, tools and installations	10, 19	4	5
Financial assets			
Participations in Group companies	20	2,046	2,051
Participations in associated companies	20	–	15
Non-current receivables		1	0
Other non-current assets			
Deferred tax assets	16	18	33
TOTAL NON-CURRENT ASSETS		**2,069**	**2,104**
Current assets			
Receivables with Group companies	21	342	522
Current tax assets		3	3
Other receivables	21	1	3
Prepaid expenses and accrued income	24	14	9
Cash and bank balance	21	292	402
TOTAL CURRENT ASSETS		**652**	**939**
TOTAL ASSETS		**2,721**	**3,043**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		93	93
Statutory reserve		7	7
		100	**100**
Non-restricted equity			
Share premium reserve		1,083	1,083
Profit brought forward		466	642
Net profit for the year		41	-63
		1,590	**1,662**
TOTAL EQUITY	25, 26, 27	**1,690**	**1,762**
Non-current liabilities			
Liabilities to credit institutions		589	1,028
Provision for pensions		1	0
NON-CURRENT LIABILITIES	21	**590**	**1,028**
Current liabilities			
Overdraft facilities	28	21	36
Accounts payable		4	3
Liabilities to Group companies		383	183
Other liabilities		1	1
Accrued expenses and prepaid income	31	32	30
TOTAL CURRENT LIABILITIES	21	**441**	**253**
TOTAL EQUITY AND LIABILITIES		**2,721**	**3,043**

STATEMENT OF CHANGES IN EQUITY
PARENT COMPANY

		Restricted equity		Non-restricted equity			
(MSEK)	Note	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Net profit for the year	Total equity
EQUITY AS OF 1 JANUARY 2021		91	7	1,084	695	-54	**1,823**
Previous year's profit transferred					-54	54	**0**
Net profit for the year						-63	**-63**
Share incentive programme	8				2		**2**
New share issue of Class C shares	27	2		-1	1		**2**
Repurchase of own Class C shares	27				-2		**-2**
EQUITY AS OF 31 DECEMBER 2022	25, 26	**93**	**7**	**1,083**	**642**	**-63**	**1,762**
Previous year's profit transferred					-63	63	**0**
Net profit for the year						41	**41**
Dividends paid					-109		**-109**
Share incentive programme	8				1		**1**
Repurchase of own ordinary shares	27				-5		**-5**
EQUITY AS OF 31 DECEMBER 2023	25, 26	**93**	**7**	**1,083**	**466**	**41**	**1,690**

STATEMENT OF CASH FLOWS
PARENT COMPANY

(MSEK)	Note	2023	2022
Operating activities			
OPERATING PROFIT		**-23**	**41**
Adjustment for items not included in the cash flow			
depreciation charged to operating profit		1	1
other items		3	4
TOTAL		**-19**	**46**
Dividends received from subsidiaries		27	31
Interest received		45	44
Interest paid		-55	-34
Tax paid		-2	-3
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**-4**	**84**
Change in working capital			
Change in operating receivables (increase -/decrease +)		-4	-6
Change in operating liabilities (increase +/decrease -)		3	-17
Total change in working capital		**-1**	**-23**
CASH FLOW FROM OPERATING ACTIVITIES		**-5**	**61**
Investing activities			
Divestment of associated companies	20	15	–
Investments in property, plant and equipment	19	-3	0
Divestment of property, plant and equipment	14	4	–
Cash flow from investing activities		**16**	**0**
CASH FLOW AFTER INVESTING ACTIVITIES		**11**	**61**
Financing activities			
Repurchases of own shares		-5	–
Repayment of loans		-653	-393
New loans raised		198	768
Lending from/to Group companies		323	-81
Group contributions	15	125	-7
Paid dividend to shareholders		-109	–
Cash flow from financing activities		**-121**	**287**
CASH FLOW FOR THE YEAR		**-110**	**348**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR		402	54
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**292**	**402**

NOTES

Note 1 General information	51
Note 2 Material information on accounting policies	51
Note 3 Important estimates and assessments	55
Note 4 Financial risk management	55
Note 5 Corporate acquisitions, divestments and discontinued operations	57
Note 6 Revenue from contracts with customers	59
Note 7 Purchases and sales between Parent Company and subsidiaries	59
Note 8 Personnel and senior executives	60
Note 9 Remuneration to auditors	64
Note 10 Depreciation, amortisation and impairment losses	64
Note 11 Costs divided by type of cost	64
Note 12 Other operating income and expenses	64
Note 13 Profit from participations in Group companies	65
Note 14 Financial income and expenses	65
Note 15 Year-end appropriations	65
Note 16 Tax	66
Note 17 Earnings per share	67
Note 18 Intangible assets	68
Note 19 Property, plant and equipment	69
Note 20 Participations in Group companies & associated companies	70
Note 21 Financial assets and liabilities	72
Note 22 Leases	76
Note 23 Inventories	76
Note 24 Prepaid expenses and accrued income	76
Note 25 Equity	77
Note 26 Allocation of profits	78
Note 27 Repurchases of own shares and new share issue	79
Note 28 Overdraft facilities	79
Note 29 Provisions for pensions	79
Note 30 Other provisions	80
Note 31 Accrued expenses and prepaid income	80
Note 32 Pledged assets	80
Note 33 Contingent liabilities	80
Note 34 Transactions with related parties	80
Note 35 Inflation adjustment Argentina	80
Note 36 Events after the balance sheet date	80

NOTE 1 GENERAL INFORMATION

ITAB Shop Concept AB, corporate registration number 556292-1089, is a Swedish-registered limited liability company with its registered office in Jönköping, Sweden. The address of the company's head office is Instrumentvägen 2, Jönköping, Sweden.

The Parent Company's ordinary shares are listed on Nasdaq Stockholm.

The consolidated accounts include the Parent Company and its subsidiaries, jointly referred to as the Group. These consolidated accounts were approved for publication by the Board of Directors on 26 March 2024.

NOTE 2 MATERIAL INFORMATION ON ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND LAWS

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Furthermore, relevant sections of the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 have been applied.

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. For more information, refer to the section "Parent Company accounting policies".

BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Parent Company's functional currency is Swedish krona (SEK). This means that the financial statements for the Parent Company and the Group are presented in the reporting currency SEK, rounded off to the nearest million SEK.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS INTRODUCED 2023

The company management's assessments of relevant amendments and interpretations of existing standards that entered into force as of 1 January 2023 are presented below.

Amendments to IAS 1 *Presentation of Financial Statements* replaced the requirement in IAS 1 to disclose significant accounting policies with a requirement to disclose material accounting policies. As a result of the amendments, the amount of text related to standardised and immaterial disclosures of accounting policies has been reduced.

Amendments to IAS 12 *Income Taxes* clarify that the exemption, whereby deferred tax is not recognised on temporary differences arising on initial recognition of an asset or liability, does not apply to transactions that give rise to both an asset and a liability, such as right-of-use assets and lease liabilities. As a result of the amendments, deferred tax attributable to right-of-use assets and lease liabilities have been recognised gross in Note 16 *Tax*, while they continue to be recognised net in the balance sheet.

ITAB is not affected by BEPS II and therefore does not apply the exemption in IAS 12 to recognise and disclose deferred tax assets and liabilities related to income tax under Pillar II. Other amendments have not had any significant impact on the Group's or the Parent Company's financial statements.

ISSUED NEW AND AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET BEEN APPLIED BY THE GROUP

A number of new standards and interpretations will enter into force for financial years commencing on 1 January 2024 or later and have not been applied in the preparation of this financial report. No new standards, amended standards or IFRIC interpretations published by the IASB are expected to have any material impact on the financial statements of the Group or the Parent Company.

CONSOLIDATED ACCOUNTS

The consolidated accounts include the Parent Company, ITAB Shop Concept AB, and the companies in which ITAB Shop Concept AB, directly or indirectly, has a controlling influence as of the balance sheet date.

Business combinations

Business combinations are recognised in accordance with the acquisition method. In the case of acquisitions of partly owned subsidiaries, non-controlling interests are recognised at a proportionate share of the identified net assets.

For acquisitions, the entity approach has been applied, which means that all assets and liabilities as well as income and expenses are included in their entirety, including for partly owned subsidiaries, which impacts recognised goodwill linked to the acquisition. Goodwill that has arisen in a corporate acquisition is assessed at least annually if there is an impairment requirement. See also the section on intangible assets below.

Discontinued Operations

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 from September 2022.

In the consolidated income statement, ITAB Rus JSC is recognised separately under "Discontinued Operations" and comparative years up to and including 2021 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", respectively. In accordance with IFRS 5, balance sheets before September 2022 have not been restated. The group is measured at the lower of its carrying amount and fair value less selling expenses. More detailed financial statements for Discontinued Operations are presented in Note 5 *Corporate acquisitions, divestments and discontinued operations*.

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.

ASSOCIATED COMPANIES

Associated companies are companies in which ITAB has a significant influence, but not a controlling influence. A significant influence means the opportunity to influence the operational and financial governance of the company and is achieved when ITAB's participation amounts to between 20 and 50 percent of the voting rights.

From the time the significant influence is achieved, participations in associated companies are recognised in accordance with the equity method in the consolidated accounts.

TRANSLATION OF FOREIGN CURRENCY

Functional currency and reporting currency

Items in the financial statements for the various Group units are measured in the currency used in the financial environment where each company primarily conducts its business (functional currency). The consolidated accounts employ SEK, which is the Parent Company's functional currency and thus the Group's reporting currency. ITAB uses the exchange rates of the European Central Bank (ECB) when converting foreign currencies.

Transactions and balance sheet items in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate from ECB prevailing on the transaction date.

Exchange rate gains and losses incurred when paying for such transactions and when converting monetary assets and liabilities in foreign currency at the closing day rate are recognised in profit or loss. Exceptions include when monetary assets and liabilities comprise hedging of net investments in foreign operations, in which case exchange rate differences are recognised in "Other comprehensive income". A prerequisite is that the hedging transactions satisfy the necessary requirements as regards hedge accounting. Exchange rate differences on interest-bearing loan receivables and borrowings are recognised as financial income and expenses; other exchange rate differences are recognised in operating profit.

Foreign Group companies

The profit and financial position of all Group companies with a functional currency other than the reporting currency are translated to the Group's reporting currency as follows:

(i) assets and liabilities for each balance sheet are translated at the closing day rate,

(ii) income and expenses for each income state-

NOTE 2 cont.

ment are translated at the average exchange rate (unless this average rate is not a reasonable approximation of the accumulated effect of the rates prevailing on the transaction date, in which case income and expenses are translated as of the transaction date),

(iii) all translation differences that arise are recognised in "Other comprehensive income".

Countries with a hyperinflationary currency are recognised in accordance with IAS 29, with all components of the subsidiaries' financial statements restated at the closing day rate. The translation difference arising from translation to SEK is transferred to other comprehensive income. In 2023, Argentina was defined as a country with a hyperinflationary currency. See also Note 35.

Goodwill and other assets and liabilities that arise when acquiring foreign operations are treated as assets and liabilities for these operations and translated at the closing day rate.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue when the commitments to supply promised goods or services are fulfilled according to identified customer contracts, excluding VAT, discounts and returns and after elimination of intra-Group sales.

The ITAB Group sells, develops, produces and distributes shop fittings and equipment to chain-based customers. Most of ITAB's customers are major chain stores that operate internationally and have stores in several countries. As ITAB sells customised store concepts and often sets a price for a combined product and service, the revenue types are not recognised separately.

Revenue recognition for sales takes place in the period when control has passed to the customers, which normally takes place when all material risks and rewards associated with ownership have been transferred to the buyer. As a result, the Group no longer has any involvement that is associated with ownership and does not exercise any real control. In the event of revenue from concept sales including service assignments, revenue recognition takes place over time based on the degree of completion on the balance sheet date, when the Group will probably receive economic benefits associated with the assignment and reliable calculations can be performed. The degree of completion is determined on the basis of expenditure incurred in relation to calculated total costs. Anticipated losses are expensed immediately.

SHIPPING COSTS TO CUSTOMERS

As of the 2022 financial year, ITAB presents shipping costs to customers in profit or loss under "Cost of goods sold". These costs were previously presented in the row "Selling expenses". Shipping costs to customers are part of the costs that arise in connection with contracts with customers, and the assessment has therefore been made that these costs should be presented under "Cost of goods sold". All comparative figures have been restated.

PENSIONS

The Group's pension plans are mostly defined-contribution plans. The costs for these plans are recognised as personnel costs in operating profit during the period in which the employees perform the services to which the contribution refers. The Swedish subsidiaries have a defined-benefit ITP plan via Alecta. At present, Alecta cannot provide the required information for the Group to be able to recognise this plan in the balance sheet in accordance with IAS 19. Pension commitments that have not been taken over by insurance companies or secured in some other way with an external party are recognised as provisions in the balance sheet.

INTANGIBLE ASSETS

Capitalised expenses for development work

Development expenses where the results are used to plan or create production of new or greatly improved processes or products are capitalised if it is deemed that the process or product is technically and commercially viable. The expenses are recognised as an asset in the balance sheet from the time when the technical and commercial feasibility of the product has been established, the company has the resources to complete the development process to thereafter use or sell the intangible asset, and it is feasible that the product will generate future economic benefits. The carrying amount includes expenses for material, direct expenses and indirect expenses that can reasonably and consistently be attributed to the asset.

Capitalised development expenditure is recognised at cost less accumulated amortisation and any impairment. Amortisation is recognised in profit or loss over the estimated useful life of the capitalised development expenditure. Amortisation commences from the time the asset is available for use. The estimated useful life varies between three and ten years. Estimated useful lives are reassessed every year.

Trademarks, patents and similar rights

Trademarks, patents and similar rights are recognised at cost less accumulated amortisation. Amortisation is carried out on a straight-line basis over the estimated useful life of five to ten years. Estimated useful lives are reassessed every year.

Goodwill

The factors that constitute ITAB's recognised goodwill are primarily synergy effects in production, logistics, staff, know-how and effective organisation. Goodwill is recognised as an intangible asset with an indeterminable useful life and is tested for impairment annually at year-end or when there is an indication of possible impairment losses; see also the section on Impairment in Note 3.

A cash-generating unit (IAS 36) is defined as the smallest identifiable group of assets that, in continuous use, generates cash inflows that are essentially independent of other assets or groups of assets. No distribution of the Group's goodwill has been performed since all ITAB companies' activities and cash inflows are highly dependent on each other.

The recoverable value has been determined based on the unit's value in use, which consists of the present value of estimated future cash flows. Identification of projected cash flows is based in part on an assessment of the expected rate of growth of the business in accordance with forecasts prepared by company management for the next four years. The company uses weighted average cost of capital (WACC) to discount projected cash flows and estimate the cash-generating unit's value in use, see also Note 18.

LEASES

ITAB is only a lessee, not a lessor. At the commencement date of a lease, the company determines the lease term as the non-cancellable period, together with periods covered by an extension or termination option if it is reasonably certain that the option will be exercised. The lease liability is measured at the present value of the lease payments that were not paid at the commencement date. Lease payments are discounted with the rate implicit in the lease if it can be determined; otherwise ITAB's incremental borrowing rate at the commencement date is used.

ITAB's lease portfolio consists mainly of real estate, machinery and vehicles. ITAB applies the practical exemptions in IFRS 16 regarding short-term leases, which are defined as leases where the initial lease term is a maximum of 12 months after consideration of extension options, and leases where the underlying asset is of a low value, which in the Group includes office equipment. ITAB does not apply IFRS 16 for intangible assets. Non-lease components are expensed and are not recognised as part of the right of use or lease liability.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less deductions for accumulated depreciation according to plan and any impairment losses.

Depreciation is carried out systematically over the assets' expected useful life and commences after the non-current asset has been taken into operation. The Group applies component depreciation, which means that each part of property, plant and equipment with a cost that is significant in relation to the combined cost of the asset is depreciated separately. Land is not depreciated.

Depreciation plan

Buildings	10–40 years
Land improvements	10–20 years
Improvements to others' property	10–20 years
Machinery and equipment	3–10 years

Depreciation plan for right-of-use assets

Buildings, production	8–15 years
Buildings, offices and warehouses	3–10 years
Machinery and equipment	3–10 years

The useful life and residual values of assets are reviewed regularly and adjusted regularly as needed.

FINANCIAL INSTRUMENTS

Financial instruments include cash and cash equivalents, loan receivables, accounts receivable, accounts payable, current and non-current borrowings and derivative instruments.

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

A financial instrument is classified on initial recognition according to the purpose for which the instrument was acquired. The Group divides up its financial assets and liabilities into debt instruments, equity instruments and derivatives such as hedging instruments in hedge accounting.

NOTE 2 cont.

Debt instruments
The classification of financial assets that are debt instruments is based on the Group's business model for the management of the asset and the nature of the asset's contractual cash flows. The instruments are classified at: amortised cost or fair value through profit or loss. Financial liabilities are classified at amortised cost or at fair value through profit or loss.

Financial assets measured at amortised cost are non-derivative financial assets with payments that are established or can be established and that are not traded on an active market. Receivables of this type normally arise when the Group pays cash to a counterparty or supplies a customer with goods or services without the intent of converting the receivable that arises. Loan receivables, cash and cash equivalents, and accounts receivable are recognised at the amount that is expected to be received after deductions for expected credit losses. All loan receivables and accounts receivable are assessed individually. The anticipated maturity of accounts receivable is short, which is why the value is recognised at the nominal amount.

Financial assets measured at fair value through profit or loss include financial assets available for sale and financial assets that have been identified as being measured at fair value through profit or loss. Financial instruments in this category are initially recognised at fair value. Changes in fair value are recognised in profit or loss. Derivatives are classified at fair value through profit or loss if the instrument has not been identified as a hedging instrument in hedge accounting or is ineffective.

Financial liabilities measured at amortised cost. This category includes loans, other financial liabilities, accounts payable and financial accrued expenses and prepaid income. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. After initial recognition, they are measured at amortised cost according to the effective interest method.

Financial liabilities measured at fair value through profit or loss include financial liabilities that have initially been attributed to the relevant category as well as derivative liabilities if the instrument has not been identified as a hedging instrument in hedge accounting or is ineffective. Changes in the fair value of financial instruments are recognised in profit or loss for the period in which they arise. Additional purchase considerations in connection with business combinations are classified as financial liabilities measured at fair value through profit or loss.

Equity instruments
The Group classifies equity instruments at fair value through profit or loss.

Derivatives as hedging instruments in hedge accounting
Hedging of net investments in foreign operations and future cash flows are recognised according to the principles for hedge accounting. When the transaction is entered into, the relationship between the hedging instrument and the hedged item is assessed and analysed against the Group's objective for risk management in respect of hedging. An assessment of whether the hedging instruments used in hedging transactions are effective when it comes to countering changes in fair value or the cash flows that are attributable to the hedged items is performed when hedging is entered into and continually during the hedging period.

Hedging of net investments in foreign operations. Investments in foreign subsidiaries (net assets including goodwill) have to a certain extent been hedged through loans in foreign currency. The exchange rate gain or loss in respect of borrowing that is deemed to be effective hedging is recognised as a translation difference when translating foreign operations in other comprehensive income. The ineffective portion is recognised immediately in net financial items in the income statement. Profit that has been recognised under other comprehensive income is transferred to the income statement when the foreign operation has been divested.

In addition to loans in foreign currencies, the Group uses currency futures to hedge net assets in foreign currencies. The fair value of currency hedges is recognised as a change in the fair value of hedges of net investments in other comprehensive income. Any ineffectiveness is recognised immediately in net financial items in the income statement.

Hedging of future cash flows. The derivative instruments used for hedging projected interest expenses and forecast cash flow in a foreign currency are recognised in the balance sheet at fair value. Any gain or loss is recognised as a change in the fair value of cash flow hedges in other comprehensive income until the hedged flow is recognised in the income statement, at which time the hedged instrument's accumulated change in value is transferred to net profit for the year to meet the earnings effects of translated foreign cash flows.

Impairment of financial assets
The Group's financial assets, apart from those that are classified at fair value through profit or loss, are covered by impairment for expected credit losses. In addition to this, the impairment covers lease receivables and contract assets that are not measured at fair value through profit or loss. Impairment for credit losses according to IFRS 9 is forward-looking, and a loss allowance is made when there is exposure to credit risk, normally on initial recognition. Expected credit losses reflect an objective, probability-weighted outcome that gives consideration to most scenarios based on reasonable and verifiable forecasts for the anticipated remaining term.

The financial assets are recognised in the balance sheet at amortised cost, meaning net of gross value and loss allowance. Changes in the loss allowance are recognised in profit or loss.

INVENTORIES
Inventories are measured at the lower of cost or net realisable value and in accordance with first-in, first-out (FIFO) method. For manufactured goods and work in progress, cost includes a reasonable portion of the indirect costs based on a normal capacity. Deductions are made for internal gains that arise through sales between companies in the Group.

An assessment of the provision for obsolescence is conducted on an ongoing basis for inventories that have not moved for more than 12 months, alternatively if other relevant circumstances. The assessment of value is carried out for individual items.

TRANSACTIONS WITH RELATED PARTIES
Related companies are defined as those companies included in the Group as well as companies in which related physical persons have a controlling, joint controlling or significant influence. Related physical persons are defined as Board members, senior executives and close family members of such persons. Information about transactions with related parties is presented in Note 34. The current Board and Group management are presented on pages 38-39.

SHARE-BASED PAYMENT
ITAB has long-term share-based incentive programmes that enable employees to acquire shares in the Parent Company. The Group and the Parent Company recognise these programmes in accordance with IFRS 2 *Share-based Payment*. The fair value of allocated share rights is recognised as a personnel cost with a corresponding increase of equity. Fair value 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.

Disclosures on share-based payment are presented in Note 8 Personnel and senior executives as well as Notes 25 and 27.

OPERATING SEGMENTS
Identification of operating segments has been performed in four stages: identifying the company's chief operating decision-maker, identifying the business activities, determining whether discrete financial information is available for the business activities, and determining whether this information is reviewed regularly by the company's chief operating decision-maker. The definition according to IFRS 8 has thereafter been used to define the Group's operating segments.

The company's chief operating decision-maker is identified as the Board of Directors, see page 38.

Profit at company level, or aggregated company level, are not used as a basis for decisions on the allocation of resources. Various parameters in customer projects based primarily on strategic aspects are used as a basis instead. The majority of the Group's sales are made to major global customers, which is why the ITAB Group has a local presence in many countries. Decisions are made at Group level, meaning, for example, that pricing takes place in relation to a particular customer. Pricing can entail an uneven allocation of resources between different

NOTE 2 cont.

Group units in order for the Group to win an order. The various units' level of revenue and profit are consequently highly dependent on the Group's other companies, which is one reason why profit is not used as a basis for decisions on the allocation of resources.

Another reason is that the supporting data for decisions on the allocation of production resources is not determined by the various units' profit, rather by the conditions that exist in various customer projects as regards the most effective production for the Group as a whole. This can entail that certain units are allocated resources for production that are not favourable from the individual unit's perspective, but that are deemed to be the best decision from a Group perspective. The corresponding argument also applies to other parameters, such as design, construction, marketing, installation, development, etc.

This business model entails that a large portion of the decisions that affect the Group's various companies are taken centrally. ITAB does not have any independent financial information regarding products or product groups since the majority of sales take the form of concept sales, with a combination of several products and services.

These conditions mean that profit is not used as a basis for decisions regarding the allocation of resources to various parts of the company, and that the Group only comprises one operating segment.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. The Swedish Financial Reporting Board's recommendations for listed companies have also been applied.

Presentation of income statement and balance sheet

The Parent Company uses the presentation formats specified in the Swedish Annual Accounts Act, which means for example that a different presentation of equity is applied and that provisions are recognised under a separate heading in the balance sheet. For the Parent Company, equity is presented divided into non-restricted and restricted equity.

Leases

In the Parent Company, IFRS 16 is not applied. Instead, lease payments are recognised as an expense on a straight-line basis over the lease term.

Group contributions, shareholder contributions and dividends

Group contributions are recognised according to RFR 2's alternative rule, which means that received and paid Group contributions are recognised as year-end appropriations in the income statement.

Shareholder contributions are recognised directly against equity for the recipient and capitalised in shares and participations for the provider to the extent impairment is not required.

Dividends received are recognised as revenue when the right to receive dividends has been determined.

Participations in subsidiaries

Participations in subsidiaries are recognised in the Parent Company according to the acquisition method. The investments' impairment requirements are tested annually or when there is a risk that the carrying amount of the investment is higher than the replacement cost.

Dividends from subsidiaries are recognised as financial income. When dividends stem from gains earned before the acquisition, the item must be tested for impairment.

Financial instruments

As a result of the relationship between accounting and taxation, the rules relating to financial instruments are not applied according to IFRS 9 in the Parent Company as a legal entity. Instead, the Parent Company applies the cost method in accordance with the Swedish Annual Accounts Act. In the Parent Company, financial non-current assets are thus measured at cost and financial current assets according at the lower of cost or net realisable value, with impairment of expected credit losses applied according to IFRS 9 in respect of assets that are debt instruments. For other financial assets, impairment is based on market values. Derivatives are recognised according at the lower of cost or net realisable value.

NOTE 3 IMPORTANT ESTIMATES AND ASSESSMENTS

The preparation of financial reports requires that the company management makes assessments and uses estimates and assumptions that affect recognised amounts in the consolidated accounts. These estimates, assessments and related assumptions are based on experience and other factors that are deemed reasonable in the prevailing circumstances. The actual results may deviate from these estimates. The estimates, assessments and assumptions are reassessed regularly. Changes to estimates and assessments are recognised in the period in which the change takes place as well as in future periods if these periods are affected.

Below are the estimates and assessments that, in the company management's opinion, are important for recognised amounts in the financial statements and for which there is a significant risk that future events or new information could result in them changing.

BUSINESS COMBINATIONS

The measurement of identifiable assets and liabilities in conjunction with the acquisition of subsidiaries or operations involves items in the acquired company's balance sheet, as well as items that have not been recognised in the acquired company's balance sheet such as customer relationships, being measured at their fair value. There are normally no publicly listed prices for the assets and liabilities that are to be measured, whereupon various measurement techniques must be applied. These measurement techniques are based on a number of different assumptions. For a production-intensive company like ITAB, non-current assets, inventories and accounts receivable are significant items in the balance sheet that can be difficult to measure and assess.

The measurement of identifiable assets and liabilities is also dependent on the accounting environment in which the acquired company/business has operated. Assessments are made regarding the extent of the adaptations that are required to the Group's accounting policies, the frequency with which final accounts are prepared as well as access to data that may be required to measure identifiable assets and liabilities. All balance sheet items are thereby subject to estimates and assessments. This also means that a preliminary measurement is performed and subsequently adjusted. All acquisition calculations are subject to final adjustment at the latest one year after the time of the acquisition. With due consideration to the above description and the practical potential to compile and present all individual adjustments in a way that benefits the person reading the Annual Report, ITAB has decided, provided this is not a case of material adjustments, not to specify separately for each individual acquisition the reasons why the initial reporting of the business combination is preliminary, nor the assets and liabilities for which the initial reporting is preliminary.

IMPAIRMENT TESTING FOR GOODWILL, OTHER INTANGIBLE ASSETS AND OTHER NON-CURRENT ASSETS

Important sources of uncertainty in estimates

Goodwill is not amortised, rather impairment testing is performed annually instead. Other intangible assets and other non-current assets are amortised or depreciated over the period in which company management estimates that the asset will be used. In addition, regular assessments are performed as to whether there is any indication of a need for impairment. Impairment testing is based on a review of the recoverable amount. The value is estimated based on company management's calculations of future cash flows, which are based on internal business plans and forecasts.

Estimates and assessments

Company management's judgement is required when it comes to impairment, particularly when assessing:

– whether an event has occurred that can affect the values of the assets,

– whether an asset's carrying amount can be confirmed by the discounted present value of future cash flows, which are estimated based on the continued use of the asset in the operations,

– that adequate assumptions are used when preparing cash flow forecasts, and

– the discounting of these cash flows.

Changes to the assumptions that are made by company management when determining any level for impairment can affect the financial position and operating profit.

IMPAIRMENT TESTING FOR FINANCIAL ASSETS

Important sources of uncertainty in estimates

Impairment for credit losses of financial assets according to IFRS 9 is forward-looking, and a loss allowance is made when there is exposure to credit risk, normally on initial recognition. Expected credit losses reflect an objective, probability-weighted outcome that gives consideration to most scenarios based on reasonable and verifiable forecasts for the anticipated remaining term.

Estimates and assessments

ITAB's credit risk is almost exclusively attributable to accounts receivable. The basis for expected credit losses comprises an assessment of the unpaid receivables. The loss allowance for expected credit losses is based on a calculation according to the internal regulatory framework in combination with an individual assessment. The assessment is performed on the basis of the circumstances that could have a significant impact in the valuation process, such as important customers' financial position and ability to pay that are known on the balance sheet date.

LEASES

Important sources of uncertainty in estimates

ITAB applies IFRS 16 *Leases* as of 1 January 2019. Lease liabilities attributable to long-term leases, which previously would have been classified as operating leases in accordance with IAS 17, are valued at the present value of the remaining lease payments, discounted using the incremental borrowing rate. ITAB initially recognises a right-of-use asset as a non-current asset at an amount corresponding to the lease liability. The establishment of the lease term and incremental borrowing rate entails judgements that affect the value of the lease liability and right-of-use asset.

Estimates and assessments

When determining the lease liability and right-of-use asset, the most significant assessments are attributable to the establishment of the lease terms. The majority of ITAB's leases include options to either extend or terminate the agreement. When the term of the lease is established, ITAB takes into consideration all facts and circumstances that provide a financial incentive to utilise an option to extend or waive an option to terminate the agreement. Examples of factors that are considered include strategic plans, restructuring programmes, the importance of the underlying asset to ITAB's operations and/or costs attributable to not extending or terminating leases.

DEFERRED TAX

Important sources of uncertainty in estimates

Deferred tax assets/liabilities are recognised for temporary differences between the reported amounts for assets and liabilities and the relevant taxable values as well as unutilised capitalised loss carryforwards. Deferred tax assets are recognised on the basis of company management's estimates of future taxable profit in various tax jurisdictions.

The actual results may differ from the estimates due to changes in business climate, ownership and tax legislation.

Estimates and assessments

For example, company management estimates future taxable income in order to determine the value of deferred tax.

Estimate/Assessment	Note
Business combinations	5
Impairment testing for goodwill, other intangible assets and other non-current assets	18, 19
Impairment testing for financial assets	21
Leases	22
Deferred tax	16

NOTE 4 FINANCIAL RISK MANAGEMENT

ITAB's risk management aims to identify, control, prevent and minimise the Group's risk mapping. ITAB's financial risks are described below. For other business-related risks, see pages 30-33.

Financial risks are managed by the finance policy adopted by the Board of Directors. Financial activities such as risk management, liquidity management and borrowing are handled centrally by the Parent Company. This allows the Group to optimise the financial risks and make use of economies of scale and synergy effects. The Group's identified financial risks are currency, interest, credit, liquidity and refinancing risks.

NOTE 4 cont.

CURRENCY RISK

ITAB Shop Concept is exposed to currency risks through its international business activities. These can be divided into transaction risk, risk when translating foreign subsidiaries' income statements, and risk when translating foreign subsidiaries' balance sheets.

Transaction risk

Commercial payment flows that occur in a currency other than the respective subsidiary's local currency entail a transaction risk. To reduce currency exposure, efforts are made to match the inflow and outflow in different currencies, for example by issuing invoices in the same currency in which purchases are made. In line with the finance policy, each individual Group company decides whether to hedge transaction exposure, which in that case occurs with ITAB Shop Concept AB as the counterparty. External currency exposure hedging is thereafter performed by the Parent Company ITAB Shop Concept AB, with due consideration for the Group's currency exposure within the next 12 months. According to ITAB's finance policy, 50–75 percent of the currency risk within the next upcoming 12 months is hedged through forward agreements. It is also possible to adjust prices for currency fluctuations through clauses in a number of customer contracts. As a result of the hedging strategy, the impact on ITAB's profit from a reasonable fluctuation in exchange rates is deemed to be small, whereupon the currency risk analysis regarding the transaction flows is not deemed to be significant. Hedging activities to reduce transaction exposure are classified as cash flow hedges. At the end of 2023, there were cash flow hedges of projected flows in EUR, GBP, CZK, NOK, and CNH. The fair value of the forward agreements used to hedge forecast flows amounted to MSEK -1 (-6), net. The year's change in fair value, MSEK -5 (-10) after tax, has been recognised in comprehensive income. The realised results of the forward agreements for 2023 amounted to MSEK -13 (18) before tax, which has been recognised as other operating income and expenses in the income statement.

Risks when translating the income statements of foreign subsidiaries

The income statements of foreign subsidiaries that are not located in hyperinflationary countries are translated at the average exchange rate for the respective period. In countries considered to be hyperinflationary, the translation of the income statement is instead recognised at the closing day rate and earnings in the local currency are adjusted according to local indexes. Given the invoicing and net profit of 2023, a 5 percent change in the SEK exchange rate to all currencies would affect invoicing by approximately MSEK 271 (310) and net profit by approximately MSEK 12 (13).

Risks when translating the balance sheets of foreign subsidiaries

The foreign subsidiaries' balance sheets are translated at the closing day rate. The translation risks relate to exchange rate fluctuations that affect the value of the net foreign assets when translating to SEK. The value of net foreign assets amounted to MSEK 2,063 (1,959) as of the balance sheet date. Investments in net foreign assets are partly financed by raising loans in foreign currencies, which reduces the translation risks. To reduce the net assets in foreign currencies and thereby reduce the currency risks, assets are financed locally in the foreign subsidiaries, in local currency, where this is commercially possible. However, some financing is arranged via the Parent Company ITAB Shop Concept AB. In addition to loans in foreign currencies, the Group uses currency futures to hedge net assets in foreign currencies. The fair value of the currency hedges is recognised against comprehensive income and can be reclassified as a financial gain or loss when currency futures are ineffective. Realised results from currency futures amounted to MSEK 22 (-15) after tax in 2023, which was recognised against comprehensive income in the Group. Exchange rate fluctuations in 2023 had an impact of MSEK -123 (173) after tax on the Group's comprehensive income. At the end of 2023, the fair value of the currency futures is estimated at MSEK 7 (-20).

The value of the Group's foreign net assets after hedging per currency:

Currency (MSEK)	31 Dec 2023	31 Dec 2022
CZK	328	370
NOK	120	53
GBP	100	63
EUR [1)]	927	741
USD, HKD and CNY	480	602
Other	108	130
	2,063	**1,959**

1) EUR also refers to currencies linked to EUR.

Currency hedges

At the end of the year, the Group had hedged the following net amount via currency futures for the purpose of hedging cash flows and net assets. The gross volumes below are stated per currency in the local currency (million) measured at nominal value. All contracts have a term of less than 12 months.

Currency	31 Dec 2023	31 Dec 2022
SEK	332	567
NOK	-40	-10
CNH	86	120
CZK	11	-358
GBP	-4	-3
EUR	-33	-48

Average exchange rate, currency futures	31 Dec 2023
EUR/SEK	11.3809
EUR/CZK	24.7515
EUR/CNH	7.7702
GBP/SEK	12.6624
NOK/SEK	1.0001
SEK/CZK	2.1346

INTEREST RISK

The interest risk consists of interest rate changes having a negative impact on the Group's profit through increased borrowing costs. In order to reduce the interest risk, interest rates can be fixed via restricted loans or through interest rate swap agreements. The Group's interest-bearing net debt, which refers to borrowing less cash and cash equivalents and interest-bearing assets, amounted to MSEK 591 (1,080) on the balance sheet date, of which MSEK 322 (644) is financed with variable interest. The remaining MSEK 269 (436) is restricted through interest rate swap agreements and has an average fixed rate period of 29 months (29). The average interest rate for outstanding interest-bearing liabilities including interest rate swaps was 4.02 percent (2.97) at year-end. A 1 percentage point change in interest would affect net profit by approximately MSEK 2 (5) annually. The change in the fair value of interest rate swap agreements is recognised in comprehensive income until the hedged flow is transferred to net profit for the year. The change in comprehensive income amounts to MSEK -13 (35) for 2023, of which MSEK -12 (2) has been transferred to net profit for the year. No hedges were assessed as ineffective in 2023.

Derivative instruments

Interest rate swap agreements	31 Dec 2023 Nom. amount (MSEK)	31 Dec 2022 Nom. amount (MSEK)
Duration less than 1 year	–	167
Duration 1-3 years	–	130
Duration 3-5 years	269	139
	269	**436**

LIQUIDITY AND REFINANCING RISK

Liquidity risk refers to the risk that a company has insufficient cash and cash equivalents or unutilised credit facilities to fulfil its payment obligations. Refinancing risk is the risk that a company cannot raise, or has difficulty raising, capital or refinancing its existing loans on acceptable terms. ITAB Shop Concept strives to maintain a high level of financing readiness, for example by monitoring and managing the Group's combined capital financing centrally within the Parent Company. The majority of the Group's borrowing takes place between banks and ITAB Shop Concept AB. Subsidiaries in turn borrow from ITAB Shop Concept AB on market terms. Some local borrowing from banks in the relevant company's local currency may occur. Refinancing of existing loans should be carried out in good time before maturity or be covered by guaranteed unutilised credit facilities. Time analysis of financial liabilities is presented in Note 21.

CREDIT RISK

Credit risk refers to the risk that the counterparty in a financial transaction is unable to fulfil its obligations. ITAB Shop Concept's credit risk is almost exclusively attributable to accounts receivable. The Group has historically had low losses on accounts receivable.

The company's customers are primarily large, well-established companies with sound payment capacity distributed across several geographic markets. The risk of losses on accounts receivable is managed through set procedures for credit restrictions, reminder procedures and penalty interest invoicing. Credit insurance policies exist in conjunction with sales to customers in certain countries. The amount that best represents the maximum exposure to credit losses, without consideration for any security provisions and VAT, is the outstanding accounts receivable on the balance sheet date of MSEK 861 (1,062).

Credit risk from balances in banks and financial institutes is managed by the Parent Company in accordance with the Group's policy. The Group's total financial assets amount to MSEK 1,594 (1,933). See also Note 21.

NOTE 5 CORPORATE ACQUISITIONS, DIVESTMENTS AND DISCONTINUED OPERATIONS

Information on purchase consideration and acquired/divested net assets:

Purchase consideration	2023	2022
Total purchase consideration excluding acquisition costs:	–	81
of which, purchase consideration not paid during the year	–	–

Expenses in connection with acquisitions are recognised as expenses in operating profit.

Acquisitions and divestments affected net investments in 2023 by MSEK 9, of which MSEK 15 relates to the divestment of the associated company Ombori Apps AB. Net investments in 2023 also include partial payment from acquisitions in 2021 of MSEK -6. Acquisitions and divestments had a total impact of MSEK -66 on net investments for 2022, of which the acquisition of Oy Checkmark Ltd accounted for MSEK -53 and partial payments of acquisitions of previous years' acquisitions for MSEK -13.

ACQUISITIONS AND DIVESTMENTS IN 2023

ITAB Group did not complete any new acquisitions in 2023. During the second quarter of 2023, ITAB Shop Concept AB's 21-percent shareholding in the associated company OmboriGrid AB (Priv) was divested. The purchase consideration for the divested shares amounted to MSEK 15. The sale had an impact of MSEK 6 on the ITAB Group's profit and MSEK 15 on cash flow during 2023.

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

A dormant company in the Netherlands was also wound up in 2023.

DISCONTINUED OPERATIONS IN 2023

ITAB decided at the beginning of March 2022 to discontinue its operations in Russia due to the Russian regime's invasion of Ukraine. The Group has a production facility and sales offices in Russia with a total of some 140 employees. Total sales in Russia amounted to approximately MSEK 85 in 2023, corresponding to about 1.5 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 was deemed highly probable that the discontinuation will be completed and that it otherwise fulfilled the stated criteria for application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* during the third quarter 2022, the Russian subsidiary was 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 from 2021 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", respectively, as of the third quarter 2022. In accordance with IFRS, balance sheets for prior periods have not been restated. As a consequence of this, the Group's cash flow is recognised excluding Discontinued Operations as of 2023. Financial statements for Discontinued Operations are presented below.

Income statement for Discontinued Operations in summary (MSEK)	2023	2022
Revenue from contracts with customers	85	173
Costs of goods sold	-79	-142
Gross profit	**6**	**31**
Selling expenses	-16	-25
Administrative expenses	-6	-8
Impairment of assets measured at fair value	-1	-52
Operating profit	**-17**	**-54**
Financial items	2	0
Profit after financial items	**-15**	**-54**
Tax expenses	3	1
NET PROFIT FOR THE YEAR	**-12**	**-53**

Cash flow statement for Discontinued Operations in summary (MSEK)	2023	2022
Operating profit	-17	-54
Interest paid and received, tax and adjustments for items not included in the cash flow	9	54
Change in working capital	17	-1
Cash flow from operating activities	**9**	**-1**

Balance sheet for Discontinued Operations in summary (MSEK)	2023	2022
ASSETS		
Non-current assets	0	0
Current assets	56	81
Cash and cash equivalents	13	7
Total assets	**69**	**88**
EQUITY AND LIABILITIES		
Equity	52	69
Deferred tax	0	1
Current liabilities	17	18
Total equity and liabilities	**69**	**88**

NOTE 5 cont.

ACQUISITIONS IN 2022

On 28 February 2022, the ITAB Group acquired, through its Finnish subsidiary ITAB Finland Holding Oy, all shares in Oy Checkmark Ltd. Checkmark is one of the leading suppliers of retail technology solutions for checkouts and store guidance for retailers in the Nordic region. Checkmark has its head office in Pieksämäki in Finland and has subsidiaries in Sweden, Norway and Denmark. Through the acquisition, ITAB strengthened its competence and market position in concept sales in the Nordic market. The Checkmark group had annual sales of approximately MEUR 12 and 44 employees on the acquisition date. The acquisition had a marginal positive effect on earnings per share.

Closing took effect immediately and the acquisition is consolidated in the Group as of 1 March 2022. Immediately after the acquisition, the integration process of Checkmark with ITAB's existing operations started. The estimated impact on the Group's net sales in 2022 amounted to MSEK 114. Acquired net assets at assessed fair value at the time of acquisition amounted to MSEK 81, of which goodwill was MSEK 26. Goodwill that has arose in the transaction mainly consisted of the value from expected synergies in the product supply and know-how, which are not reported separately. The purchase consideration amounted to MSEK 81, of which MSEK 48 was settled during the first quarter and the remaining amount was finally settled during the second quarter of 2022 after adjustments of net cash and normalised operating capital. Expenses in connection with the acquisition are reported on an ongoing basis as costs.

The acquisition had an impact of MSEK -0 on operating profit and MSEK -53 on cash flow in 2022. The exchange rate for the translation of the acquisition to SEK was EUR/SEK 10.6055.

Cash flow for 2022 was also impacted by partial payments of acquisitions from 2021 in a total amount of MSEK -13.

Effect of the acquisition of the shares in Oy Checkmark Ltd in 2022

According to the final acquisition analysis, the assets and liabilities included in the acquisition after the end of the financial year amount to the following:

	Final estimated fair values
Property, plant and equipment	1
Deferred tax assets	0
Inventories	22
Accounts receivable	25
Other current assets	30
Non-current liabilities	-2
Current liabilities	-21
Net identifiable assets and liabilities	**55**
Consolidated goodwill [1)]	26
Purchase consideration [2)]	**81**
Less net cash and cash equivalents in acquired companies	-28
Impact on the Group's cash and cash equivalents for the year	**53**

1) Goodwill comprises primarily synergy effects in terms of product supply, logistics, personnel, know-how and an effective organisation. No portion of goodwill is expected to be tax deductible.
2) Purchase consideration was finally settled during the second quarter 2022 after adjustments of net cash and normalised operating capital.

DIVESTMENTS IN 2022

In 2022, two dormant companies in the UK were wound up.

NOTE 6 REVENUE FROM CONTRACTS WITH CUSTOMERS

BUSINESS SEGMENTS AND GEOGRAPHIC AREAS

The ITAB Group comprises some 40 operating companies that sell, develop, produce and distribute shop fittings and equipment to chain-based customers. The largest customer accounts for approximately 6 percent of external sales, and none of the Group's other customers account for more than 4 percent of external sales. Most of ITAB's customers are major chain stores that operate internationally and have stores in several countries. Several of the Group's companies are involved in most business deals.

Because sales largely involve different customised store concepts, customer sales are often conducted with resources from several Group companies in order to fulfil the customer's various needs in the best possible way. Development and production of the various store concept segments are carried out by different Group companies depending on where the best conditions exist. This business model entails that a large portion of the decisions that affect the Group's various companies are taken centrally.

As ITAB sells customised store concepts and often sets a price for a combined product and service, ITAB performs no division between product groups. These circumstances mean that the profit or loss is not used as a basis for deciding on the allocation of resources to different parts of the company, and that ITAB makes no allocation according to operating segments or business segments. See more about the business operations on pages 10-14.

EXTERNAL REVENUE[1)]

Group	2023	2022
Italy	971	1,002
United Kingdom	654	845
Germany	653	798
Norway	527	645
Sweden	410	472
Finland	402	430
France	242	282
Australia & New Zealand	211	44
The Netherlands	188	220
Denmark	156	150
Czechia	155	252
USA	118	147
Argentina	107	80
Spain	100	135
Switzerland	86	59
Other	1,159	1,307
	6,139	**6,868**

1) The allocation basis for deciding the country for external sales is the country where the product is delivered and/or service is performed.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Group	2023	2022
Sweden	295	304
China incl. Hong Kong	208	279
Italy	197	241
Czechia	183	192
Finland	100	77
Norway	91	100
United Kingdom	77	93
Lithuania	60	66
Germany	56	75
Latvia	27	34
USA	21	3
Other	40	51
Goodwill	1,786	1,790
	3,141	**3,305**

REVENUE FROM CONTRACTS WITH CUSTOMERS DIVIDED BY CUSTOMER GROUP AND GEOGRAPHIC MARKET

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. Payment terms vary since they are adapted according to different conditions in different geographic markets.

Sales per customer group [2)]	2023	2022
Grocery	3,226	3,703
Home Improvements	769	969
Fashion	589	734
Other customer groups	1,555	1,462
	6,139	**6,868**

2) 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 per market [3)]	2023	2022
Northern Europe	1,508	1,704
Southern Europe	1,408	1,530
Central Europe	1,169	1,434
United Kingdom & Ireland	680	881
Eastern Europe	475	525
Rest of the World	899	794
	6,139	**6,868**

3) 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 Czechia. Eastern Europe's largest markets are the Baltic countries, Poland, Romania and Slovakia. Rest of the World comprises all countries outside of Europe, with the US, Australia, China and Argentina accounting for more than 50 percent of sales.

CONTRACT ASSETS AND CONTRACT LIABILITIES

ITAB's contract assets comprise goods and services that have been delivered but not yet invoiced, normally in the event of concept sales over time, where additional performance commitments must be fulfilled. Contract liabilities comprise advance payments from customers, allocations from customer loyalty programmes and invoicing in addition to performances not yet fulfilled in the event of concept sales over time. ITAB applies the practical expedient in accordance with IFRS 15.121 as ITAB's performance commitments are part of contracts that have a term of 1 year maximum.

Contract assets	2023	2022	2021
Accrued income	7	9	12
Contract liabilities			
Advance payments from customers	50	65	75
Accrued expenses	29	32	30
Prepaid income	5	7	2
	84	**104**	**107**

The Group's recognised revenue includes:

	2023	2022
Revenue included in the opening balance in the item contract liabilities	55	64
Revenue attributable to commitments wholly or partially executed during previous periods	2	1

NOTE 7 PURCHASES AND SALES BETWEEN PARENT COMPANY AND SUBSIDIARIES

Of the Parent Company's invoiced sales, 100 percent consisted of invoicing to subsidiaries. Purchases from subsidiaries relate primarily to IT, design, marketing and administration services. No goods were purchased from subsidiaries.

Profit from participations in subsidiaries as well as financial income and expenses from Group companies are presented in Notes 13 and 14, respectively.

Parent Company	2023	2022
Sales of services to subsidiaries	184	174
Purchases of services from subsidiaries	-83	-55

NOTE 8 PERSONNEL AND SENIOR EXECUTIVES

Average number of employees		2023	Of which men	Of which women	2022	Of which men	Of which women
Parent Company [1]	**Sweden**	**18**	**61%**	**39%**	**20**	**55%**	**45%**
Subsidiaries	Argentina	81	94%	6%	80	94%	6%
	Chile	2	100%	–	2	100%	–
	Denmark	26	62%	38%	26	58%	42%
	Estonia	9	67%	33%	10	80%	20%
	Finland	142	82%	18%	133	83%	17%
	France	35	71%	29%	42	76%	24%
	United Arab Emirates	8	75%	25%	7	86%	14%
	India	1	100%	–	1	100%	–
	Italy	359	76%	24%	359	77%	23%
	China and Hong Kong	384	50%	50%	439	74%	26%
	Latvia	93	80%	20%	107	83%	17%
	Lithuania	137	83%	17%	144	85%	15%
	Malaysia	11	82%	18%	11	82%	18%
	The Netherlands	66	88%	12%	64	89%	11%
	Norway	151	77%	23%	165	76%	24%
	Poland	9	67%	33%	10	70%	30%
	Spain	11	64%	36%	10	60%	40%
	United Kingdom	150	75%	25%	178	73%	27%
	Sweden	216	69%	31%	218	74%	26%
	Czechia	363	67%	33%	428	69%	31%
	Germany	255	83%	17%	255	82%	18%
	USA	6	–	100%	6	17%	83%
CONTINUING SUBSIDIARIES – TOTAL		**2,515**	**72%**	**28%**	**2,695**	**73%**	**27%**
GROUP TOTAL – CONTINUING OPERATIONS		**2,533**	**72%**	**28%**	**2,715**	**73%**	**27%**
Discontinued Operations	Russia	138	78%	22%	132	75%	25%
GROUP TOTAL INCL. DISCONTINUED OPERATIONS		**2,671**	**73%**	**27%**	**2,847**	**73%**	**27%**

Salaries, other remuneration & social security expenses [2]	2023	2023	2022	2022
(MSEK)	Salaries and remuneration	Social security expenses	Salaries and remuneration	Social security expenses
Parent Company [1]	39.7	23.2	37.1	20.9
(of which pension costs) [3]		6.9		7.4
Subsidiaries	1,096.5	287.1	1,046.4	263.7
(of which pension costs)		85.6		77.3
	1,136.2	**290.5**	**1,083.5**	**284.6**
Costs for long-term incentive programmes	2.5	1.1	3.2	1.1
Group total	**1,138.7**	**291.6**	**1,086.7**	**285.7**
(of which pension costs) [4]		88.6		84.7

1) Most of the Parent Company's employees moved their employment to a subsidiary in the fourth quarter of 2023. The information refers to the time when the employees were employed by the Parent Company, ITAB Shop Concept AB.
2) Refers to Continuing Operations.
3) Of the Parent Company's pension costs, MSEK 1.6 (1.5) pertains to the Board and CEO. The company's outstanding pension commitments to these persons amount to MSEK 0 (0).
4) Of the Group's pension costs, MSEK 7.3 (7.5) pertains to the Board and CEO. The Group's outstanding pension commitments to these persons amount to MSEK 0 (0).

Salaries and other remuneration divided per country and between Board members/CEO and other employees	2023 Board and CEO	2023 Other employees	2022 Board and CEO	2022 Other employees
Parent Company in Sweden	**11.9**	**27.8**	**11.1**	**26.0**
(of which bonuses)	4.2		3.5	
Subsidiaries in Sweden	**2.3**	**114.4**	**4.5**	**116.2**
Subsidiaries outside Sweden				
Argentina	0.1	13.6	–	15.3
Chile	–	1.4	–	1.0
Denmark	2.3	23.7	1.9	21.5
Estonia	–	2.9	–	2.0
Finland	2.3	74.3	3.8	65.1
France	3.0	20.7	2.5	20.7
United Arab Emirates	1.0	3.4	0.9	2.9
India	0.2	0.0	0.2	0.0
Italy	7.4	167.1	5.9	154.1
China and Hong Kong	4.9	63.7	4.5	67.4
Latvia	–	24.8	–	24.5
Lithuania	1.8	46.8	1.1	38.9
Malaysia	0.1	1.6	0.2	1.7
The Netherlands	2.4	38.8	2.9	33.9
Norway	9.8	110.1	7.5	114.8
Poland	1.1	4.2	0.7	4.3
Spain	1.2	3.7	1.3	2.9
United Kingdom	7.8	97.7	8.7	95.0
Czechia	3.2	86.3	2.8	80.7
Germany	2.9	139.6	2.5	127.3
USA	–	3.9	–	4.3
CONTINUING SUBSIDIARIES – TOTAL	**53.8**	**1,042.7**	**51.9**	**994.5**
(of which bonuses)	8.5		5.6	
GROUP TOTAL – CONTINUING OPERATIONS	**65.7**	**1,070.5**	**63.0**	**1,020.5**
(of which bonuses)	12.7		9.1	

NOTE 8 cont.

REMUNERATION TO SENIOR EXECUTIVES

Directors' fees

In accordance with the resolution at the 2023 Annual General Meeting (AGM), the fee for elected Board members amounted to a total of SEK 2,080 thousand, of which SEK 520 thousand to the Chairman of the Board and SEK 260 thousand to each of the other six elected Board members.

In addition, selected Board members receive a fee for their work on the Remuneration Committee and the Audit Committee. These fees, which are distributed between the committee members, total SEK 100 thousand for the Remuneration Committee and SEK 225 thousand for the Audit Committee. Besides these fees, ITAB paid no other remuneration to Board members.

Guidelines for remuneration to senior executives

These guidelines include the individuals who are part of executive management of ITAB Shop Concept AB (publ), currently the CEO and other members of Group management. To the extent a Board member performs work for ITAB in addition to the Board assignment, these guidelines shall also apply to any remuneration (such as consultant's fees) for such work. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2021 AGM. These guidelines do not apply to any remuneration decided or approved by a general meeting of shareholders.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

In short, ITAB's business strategy is the following. ITAB shall offer complete store concepts for retail chain stores. With its expertise, long-term business relationships and innovative products, ITAB will secure a market-leading position in selected markets. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain management with good competence and the capacity to achieve set goals. To this end, it is necessary that the company offers competitive remuneration, which these guidelines enable.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The level of remuneration for individual executives shall be based on factors such as position, competence, experience and performance. Additionally, a general meeting of shareholders may – and irrespective of these guidelines – decide on, for example, share and share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration for the CEO may amount to not more than 75 percent of the fixed annual cash salary. The variable cash remuneration for other members of Group management may amount to not more than 50 percent of the fixed annual cash salary. For the CEO, pension benefits, including health insurance, shall be premium-defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary.

For other executives, pension benefits, including health insurance, shall be premium-defined unless the individual concerned is subject to defined-benefit pension under mandatory local legislation or collective agreement provisions.

Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory local legislation or collective agreement provisions for the individual concerned. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical care insurance and company cars. Premiums and other costs due to such benefits may amount to not more than 12 percent of the fixed cash salary.

For employment governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted to ensure compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment

The notice period may not exceed 12 months if notice of termination of employment is made by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for two years for the CEO, and one year for other members of executive management. The period of notice may not to exceed six months without any right to severance pay when termination is made by the executive.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualised, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The extent to which the criteria for awarding variable cash remuneration have been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable cash remuneration to executive management.

For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Consultant's fees to Board members

If a Board member performs services for ITAB in addition to Board work, a special fee may be paid for this (consultant's fee), provided that such services contribute to the implementation of ITAB's business strategy and safeguard ITAB's long-term interests, including its sustainability. This also applies to such services that ITAB receives through a company wholly owned by a Board member. The annual consultant's fee for each Board member may never exceed the annual Directors' fee. The consultant's fee shall be on market terms and determined in relation to the benefit of ITAB.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to senior executives. The Board shall prepare proposals for new guidelines at least every four years or before that if there is a need for significant adjustments, and present the proposal for resolution at the AGM.

The guidelines shall apply until new guidelines have been adopted by the AGM. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and its executive management. The CEO and other members of executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Guidelines adopted by ITAB's Annual General Meeting on 11 May 2021.

NOTE 8 cont.

Remuneration and benefits to senior executives
Costs are recognised as remuneration for the period during which each person held their role.

2023	Directors' fee [1] / Fixed salary	Short-term variable salary	Long-term incentive programmes	Other remuneration and benefits [2]	Total salary and fees	Pensions costs	Total incl. pension [3]
Board of Directors							
Anders Moberg	0.6				**0.6**		**0.6**
Anna Benjamin [4]	0.1				**0.1**		**0.1**
Karin Eriksson [5]	0.2				**0.2**		**0.2**
Jan Frykhammar [6]	0.1				**0.1**		**0.1**
Petter Fägersten	0.3				**0.3**		**0.3**
Roberto Monti [4]	0.1				**0.1**		**0.1**
Madeleine Persson [5]	0.2				**0.2**		**0.2**
Fredrik Rapp	0.3				**0.3**		**0.3**
Vegard Sørаunet	0.3				**0.3**		**0.3**
TOTAL – BOARD OF DIRECTORS	**2.2**				**2.2**		**2.2**
Group management							
CEO	5.5	4.2	0.8	0.2	**10.7**	1.6	**12.3**
Other senior executives in Group management (9 people)	19.5	9.6	0.8	1.4	**31.3**	4.9	**36.2**
TOTAL – GROUP MANAGEMENT	**25.0**	**13.8**	**1.6**	**1.6**	**42.0**	**6.5**	**48.5**

2022							
Board of Directors							
Anders Moberg	0.5				**0.5**		**0.5**
Anna Benjamin	0.3				**0.3**		**0.3**
Jan Frykhammar	0.3				**0.3**		**0.3**
Petter Fägersten	0.2				**0.2**		**0.2**
Eva Karlsson [4]	0.1				**0.1**		**0.1**
Roberto Monti	0.3				**0.3**		**0.3**
Fredrik Rapp	0.3				**0.3**		**0.3**
Vegard Sørаunet	0.3				**0.3**		**0.3**
Rutger de Vries [4]	0.1				**0.1**		**0.1**
TOTAL – BOARD OF DIRECTORS	**2.4**				**2.4**		**2.4**
Group management							
CEO	5.2	3.5	0.9	0.2	**9.8**	1.5	**11.3**
Other senior executives in Group management (9 people)	20.7	6.9	1.3	0.3	**29.2**	3.0	**32.2**
TOTAL – GROUP MANAGEMENT	**25.9**	**10.4**	**2.2**	**0.5**	**39.0**	**4.5**	**43.5**

1) Directors' fee including remuneration for committee work to Board members concerned.
2) Benefits refer to taxable benefits for cars, medical care insurances, etc.
3) Salaries and fees are recognised excluding employer's contributions. Pension costs are recognised excluding special payroll tax.
4) Board member stepped down in conjunction with ITAB's 2023 and 2022 AGMs, respectively.
5) Board member assumed the role in conjunction with ITAB's 2023 AGM.
6) Board member during the period 1 January to 3 July 2023.

Long-term incentive programme 2022
The 2022 AGM resolved on a long-term incentive programme (LTIP 2022) extending from June 2022 until June 2025. To participate in LTIP 2022, participants must own a predetermined number of shares in ITAB throughout the entire duration of the programme and remain an employee of ITAB throughout the entire period. For each share held by the participant within the framework of LTIP 2022, the company will award the participant a minimum of one and a maximum of three new ordinary shares in ITAB Shop Concept AB free of charge.

The CEO was entitled to participate with a maximum of 296,368 ITAB shares, corresponding to a total maximum of 889,104 share rights under the programme. Other members of Group management were entitled to participate with a maximum of 148,184 ITAB shares per person, corresponding to a total maximum of 444,552 share rights per person.

In addition, certain key individuals in the Group were invited to participate in the programme with a maximum of 25,467 ITAB shares per person, corresponding to a maximum of 76,401 share rights per person.

The number of ordinary shares allocated under LTIP 2022 depends on how well the predetermined performance targets are met. All participants have the same performance targets. Performance target 1 is for the Group's average EBIT margin for the 2023–2024 period to reach a certain level, and performance target 2 is for the Group's average net growth for the 2022–2024 period to reach a certain level. Any allocations of ordinary shares will take place after the publication of the interim report for the second quarter of 2025.

NOTE 8 cont.

SHARE-BASED INCENTIVE PROGRAMME LTIP 2022	
Number of participants still employed as of 31 December 2023	28 people
Performance target 1 – EBIT margin	The Group's average EBIT margin during the measurement period
Vesting period for performance target 1	January 2023–December 2024
Performance target 2 – Sales growth	Average annual net growth during the measurement period
Vesting period for performance target 2	January 2022–December 2024
Fair value per share right	SEK 10.16*

** The fair value of the share rights is calculated as the share price at the start of the programme.*

No. of share rights LTIP 2022 at the start of the programme	Number of participants	Maximum number		
		Retention share rights	Performance share rights	Total number
LTIP 2022	31	1,114,102	2,228,204	3,342,306

No. of share rights allocated / forfeited in 2023	Maximum number
No. of share rights as of 1 January 2023	3,342,306
Allocated during the year	–
Forfeited during the year	-454,350
No. of share rights as of 31 December 2023	**2,887,956**

Recognised cost for LTIP 2022, MSEK	2023	2022
LTIP 2022	2	2

The cost for the share-based incentive programme is included in operating profit and is recognised in the balance sheet as equity and accrued expenses (social security contributions). The cost is based on the fair value of the share rights expected to be allocated. Fair value is determined at the time of the participants' investment at the share price. Fair value for the cost for social security contributions is calculated on each balance sheet date.

Gender distribution of Board members/senior executives at year-end

	2023	2023	2022	2022
Group	**Of which women**	**Of which men**	**Of which women**	**Of which men**
Board members	15%	85%	12%	88%
Senior executives	25%	75%	23%	77%
Parent Company				
Board members	33%	67%	14%	86%
Senior executives	33%	67%	30%	70%

Personnel costs divided by function

Group	2023	2022
Cost of goods sold	-686	-759
Selling expenses	-622	-586
Administrative expenses	-174	-175
	-1,482	**-1,520**
Parent Company		
Cost of goods sold	-13	-10
Selling expenses	-28	-23
Administrative expenses	-35	-29
	-76	**-62**

REMUNERATION COMMITTEE 2023

In 2023, the Remuneration Committee comprised Anders Moberg (Chairman), Petter Fägersten and Vegard Søraunet, with the CEO co-opted to attend committee meetings.

NOTE 9 REMUNERATION TO AUDITORS

Shown below are the fees for audit assignments and other assignments that are expensed during the year. Audit assignment refers to reviewing the annual accounts and the accounting records as well as the management of the Board of Directors and the CEO. Audit activities other than the audit assignment refer to other quality assurance services that are performed in accordance with applicable regulatory requirements. Tax consultancy includes both advice and checking of compliance within the tax field. Other services are other assignments. The audit was mainly performed by Ernst & Young AB (EY).

	Group				Parent Company	
	2023	2023	2022	2022	2023	2022
	Fees to EY	Fees to other auditors	Fees to EY	Fees to other auditors	Fees to EY	Fees to EY
Audit assignment	7	4	7	4	1	1
Audit activities other than audit assignment	0	0	0	0	0	0
Tax consultancy	1	2	1	2	1	1
Other services	0	1	0	1	0	0
	8	**7**	**8**	**7**	**2**	**2**

NOTE 10 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

Depreciation and amortisation divided per function

Group	2023	2022
Cost of goods sold	-164	-176
Selling expenses	-74	-73
Administrative expenses	-16	-22
	-254	**-271**

Parent Company	2023	2022
Administrative expenses	-1	-1

Depreciation and amortisation divided per asset type

Group	2023	2022
Capitalised development expenditure	-22	-20
Patents and other intellectual property rights	-9	-9
Buildings	-137	-156
Plant and machinery	-46	-42
Equipment, tools and installations	-40	-44
	-254	**-271**
Of which leases	-136	-138

Parent Company	2023	2022
Equipment	-1	-1

NOTE 11 COSTS DIVIDED BY TYPE OF COST

Costs of goods sold, selling expenses and administrative expenses divided by cost type:

Group	2023	2022
Costs for direct materials	-2,421	-3,195
Shipping costs to customers	-264	-307
Personnel costs	-1,482	-1,520
Depreciation, amortisation and impairment losses	-254	-271
Other expenses	-1,261	-1,208
	-5,682	**-6,501**

Parent Company	2023	2022
Personnel costs	-76	-62
Depreciation, amortisation and impairment losses	-1	-1
Other expenses	-113	-89
	-190	**-152**

Government grants are recognised as a cost reduction of the items to which the grants relate when there is reasonable assurance that the grant will be received, and that the Group will meet the conditions associated with the grant. The grants are systematically accrued in the same way and over the same periods as the costs the grants are intended to compensate for. Grants received during the year amounted to approximately MSEK 9 (2), most of which comprised energy grants in 2023.

NOTE 12 OTHER OPERATING INCOME AND EXPENSES

Other operating income

Group	2023	2022
Operation's exchange rate differences	39	58
Capital gain on divestment of associated companies	7	–
Capital gain on divestment of non-current assets	2	12
Other [1]	4	9
	52	**79**

Parent Company	2023	2022
Operation's exchange rate differences	9	32
	9	**32**

Other operating expenses

Group	2023	2022
Operation's exchange rate differences	-73	-36
Capital loss on divestment of intangible assets	0	-1
Capital loss on divestment of property, plant and equipment	-1	-2
Participations in associated companies	-1	-2
Other	-2	-2
	-77	**-43**

Parent Company	2023	2022
Operation's exchange rate differences	-26	-13
	-26	**-13**

1) The item other operating income includes rental income of MSEK 1 (2).

NOTE 13 PROFIT FROM PARTICIPATIONS IN GROUP COMPANIES

Parent Company	2023	2022
Income from participations in Group companies		
Dividends received	27	31
	27	**31**
Expenses from participations in Group companies		
Impairment of current receivables in Group companies [1)]	–	-4
Impairment of shares in subsidiaries [2)]	-32	-87
	-32	**-91**

1) Impairment of receivables for loss coverage in Group companies in 2022 refers to ITAB Rus JSC in Russia (MSEK -2) and La Fortezza SpA in Italy (MSEK -2).
2) Impairment of shares in subsidiaries in 2023 refers to impairment in connection with shareholder contributions of MSEK -27 and a further MSEK -5 after impairment testing.Impairment of shares in subsidiaries in 2022 refers to impairment in connection with shareholder contributions of MSEK -87. Of the total impairment of shares and receivables in 2022, MSEK -88 is a direct effect of the revaluation of intra-Group assets in Russia. For more information, see Note 20.

NOTE 14 FINANCIAL INCOME AND EXPENSES

Financial income

Group	2023	2022
Interest income	34	13
Exchange rate differences	–	3
	34	**16**

Parent Company	2023	2022
Interest income, Group companies	40	44
Interest income, other	5	0
	45	**44**

Financial expenses

Group	2023	2022
Interest expenses from interest rate derivatives	-12	-2
Interest expenses leases	-14	-14
Other interest expenses	-36	-33
Exchange rate differences	-5	0
Other financial expenses	-14	-22
	-81	**-71**

Parent Company	2023	2022
Interest expenses, Group companies	-19	-2
Other interest expenses	-43	-24
Interest expenses from interest rate derivatives	12	-2
Exchange rate differences	-30	-40
Other financial expenses	-6	-14
	-86	**-82**

NOTE 15 YEAR-END APPROPRIATIONS

Parent Company	2023	2022
Group contributions received	154	42
Group contributions paid	-29	-49
	125	**-7**

NOTE 16 TAX

Group	2023	2022
Current tax expenses		
Tax expenses for the year	-79	-85
Adjustment of tax attributable to previous years	2	-9
	-77	**-94**
Deferred tax expenses (-)/tax income (+)		
Deferred tax attributable to temporary differences	9	4
Deferred tax attributable to previous years	-3	0
Deferred tax attributable to loss carryforwards	-22	-15
Deferred tax as a result of changes in tax rates	0	0
	-16	**-11**
TOTAL RECOGNISED TAX EXPENSE IN THE INCOME STATEMENT	**-93**	**-105**

Parent Company	2023	2022
Current tax for the year	0	0
Deferred tax attributable to loss carryforwards	-15	1
TOTAL RECOGNISED TAX EXPENSE IN THE INCOME STATEMENT	**-15**	**1**

Difference between Swedish income tax rate and the effective tax rate

Group	2023	2023	2022	2022
Reported profit before tax	**385**		**348**	
Tax at Swedish income tax rate	-79	-20.6%	-72	-20.6%
Tax effect of				
Adjustment of previous years' tax	-1	-0.3%	-9	-2.6%
Other tax rates for foreign Group companies	-20	-5.2%	-14	-4.1%
Deductible temporary differences	1	0.2%	6	1.7%
Loss carryforwards	-1	-0.4%	-9	-2.6%
Altered tax rates	0	0.1%	0	0.0%
Non-taxable income and non-deductible expenses	7	2.0%	-7	-2.0%
RECOGNISED TAX EXPENSE	**-93**	**-24.2%**	**-105**	**-30.2%**

Tax items recognised in other comprehensive income	2023	2022
Tax on cash flow hedges	2	-5
Tax on hedging of net investments	-6	4
Deferred tax on pension commitments	0	-1
	-4	**-2**

Changes in deferred tax

Group	2023	2022
Start of the year	60	72
Items recognised in other comprehensive income	0	-1
Translation differences	-5	0
Recognised in net profit for the year	-16	-11
End of the year	**39**	**60**

The deferred tax assets and liabilities recognised in the balance sheet are attributable to the following:

Group	Receivables 2023	Receivables 2022	Liabilities 2023	Liabilities 2022
Non-current assets [1]	60	6	89	40
Inventories	18	13	1	-1
Current receivables	2	1	0	0
Provisions for pensions and similar obligations	1	2	0	0
Loss carryforwards [2]	49	72	–	–
Untaxed reserves	–	–	2	2
Other	7	10	6	3
	137	**104**	**98**	**44**

1) Amendments to IAS 12 Income Taxes clarify that the exemption, whereby deferred tax is not recognised on temporary differences arising on initial recognition of an asset or liability, does not apply to transactions that give rise to both an asset and a liability, such as right-of-use assets and lease liabilities. As a result of the amendments, deferred tax attributable to right-of-use assets and lease liabilities have been recognised gross in the note, while they continue to be recognised net in the balance sheet. The comparative period has not been restated.

2) Of the deferred tax assets for loss carryforwards recognised in the balance sheet, there are loss carryforwards of MSEK 17 for which utilisation is subject to time restrictions. Of these loss carryforwards, MSEK 3 matures in 2024, MSEK 12 matures in 2025 and the remaining MSEK 2 matures in 2026.

The Group has loss carryforwards equivalent to a nominal amount of MSEK 506 (420), which are not recognised as a deferred tax asset. This is partially an effect of present value calculation and partially attributable to the fact that certain loss carryforwards are not deemed to be utilised within a reasonable time. For a small proportion of these loss carryforwards, there are restrictions as regards utilisation per year as well as time limits.

Parent Company	Receivables 2023	Receivables 2022
Loss carryforwards	18	33
	18	**33**

NOTE 17 EARNINGS PER SHARE

Group

Earnings per share before dilution	2023	2022
Net profit for the period attributable to Parent Company shareholders, MSEK	269.6	170.5
Average number of ordinary shares outstanding	218,015,094	218,100,192
EARNINGS PER SHARE BEFORE DILUTION, SEK PER SHARE	**1.24**	**0.78**
Earnings per share for Continuing Operations before dilution		
Net profit for the period for Continuing Operations attributable to Parent Company shareholders, MSEK	281.3	223.1
EARNINGS PER SHARE FOR CONTINUING OPERATIONS BEFORE DILUTION, SEK PER SHARE	**1.29**	**1.02**
Earnings per share after dilution		
Net profit for the period attributable to Parent Company shareholders, MSEK	269.6	170.5
Average number of ordinary shares outstanding	218,015,094	218,100,192
Effect of long-term incentive programme [1)]	1,260,208	1,457,367
Average number of ordinary shares outstanding after dilution	**219,275,302**	**219,557,559**
EARNINGS PER SHARE AFTER DILUTION, SEK PER SHARE	**1.23**	**0.78**
Actual number of ordinary shares at the end of the year		
before dilution	217,558,444	218,100,192
after dilution	218,818,652	219,557,559

On 14 December 2022, the Board decided to issue 4,400,000 new Class C shares intended for the long-term incentive programme. Moreover, the Board of Directors resolved to immediately repurchase all 4,400,000 Class C 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. The Class C shares do not carry the right to any dividend and entitle the holder to 1/10 of a vote each. For more information about the new share issue, see Note 27.

On 28 September 2023, ITAB initiated a share buyback programme with a maximum purchase amount of MSEK 50. The share buyback programme runs from 29 September 2023 until 14 May 2024 and is carried out in accordance with the EU Market Abuse Regulation ("MAR") and the EU Commission's Delegated Regulation 2016/1052 (the so-called "Safe Harbour Regulation"). The purpose of the buybacks is to optimise the capital structure and the aim is to reduce ITAB's share capital by cancelling repurchased shares.

At 31 December 2023, ITAB held 541,748 ordinary shares and all 4,400,000 Class C shares in treasury.

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 2023, only matching share rights held by employees are considered dilutive, while the right to receive shares with performance conditions are not considered dilutive since set performance targets are yet to be met. Adjustment of the number of dilutive shares is based on the hypothetical number of shares that could have been purchased with the value of remaining positions within the framework of the incentive programme. Refer to Note 8 Personnel and senior executives for a description of the long-term incentive programmes adopted.

SHARE CAPITAL DEVELOPMENT

Year	Transaction	Change in share capital (SEK thousand)	Total share capital (SEK thousand)	Total no. of ordinary shares	Total no. of Class C shares	Total no. of shares	Quotient value per share (SEK)
1987	Formation of the company	50	50	500		500	100
1997	New share issue	50	100	1,000		1,000	100
1998	New share issue	8,500	8,600	86,000		86,000	100
2004	Bonus issue	8,600	17,200	172,000		172,000	100
2004	Split 20:1	–	17,200	3,440,000		3,440,000	5
2004	New share issue	16,281	33,481	6,696,200		6,696,200	5
2006	New share issue	1,500	34,981	6,996,200		6,996,200	5
2007	Split 2:1	–	34,981	13,992,400		13,992,400	2.5
2008	New share issue	725	35,706	14,282,400		14,282,400	2.5
2008	Conversion	0	35,706	14,282,500		14,282,500	2.5
2009	Conversion	9	35,715	14,285,940		14,285,940	2.5
2010	Conversion	0	35,715	14,285,952		14,285,952	2.5
2012	Conversion	6,668	42,383	16,953,205		16,953,205	2.5
2014	Split 2:1	–	42,383	33,906,410		33,906,410	1.25
2016	Split 3:1	–	42,383	101,719,230		101,719,230	0.417
2016	Conversion	277	42,660	102,383,430		102,383,430	0.417
2021	New share issue	42,660	85,320	204,766,860		204,766,860	0.417
2021	Offset issue	5,556	90,876	218,100,192		218,100,192	0.417
2022	New share issue Class C shares	1,833	92,709	218,100,192	4,400,000	222,500,192	0.417
Of which repurchased shares held in treasury				*541,748*	*4,400,000*	*4,941,748*	

NOTE 18 INTANGIBLE ASSETS

2023 Group	Capitalised development expenditure	Patents and other intellectual property rights	Goodwill	Total
Accumulated cost				
Start of the year	214	85	1,790	2,089
Additions	52	6	–	58
Sales and disposals	-9	-12	–	-21
Translation differences for the year	–	-1	-4	-5
	257	**78**	**1,786**	**2,121**
Accumulated amortisation according to plan				
Start of the year	-138	-54	–	-192
Sales and disposals	9	12	–	21
Amortisation according to plan for the year	-22	-9	–	-31
Translation differences for the year	–	0	–	0
	-151	**-51**	**–**	**-202**
CARRYING AMOUNT AT THE END OF THE YEAR	**106**	**27**	**1,786**	**1,919**

2022 Group	Capitalised development expenditure	Patents and other intellectual property rights	Goodwill	Total
Accumulated cost				
Start of the year	198	95	1,644	1,937
Acquisitions of subsidiaries, see Note 5	–	0	26	26
Additions	18	4	–	22
Sales and disposals	-2	-21	–	-23
Translation differences for the year	–	7	120	127
	214	**85**	**1,790**	**2,089**
Accumulated amortisation according to plan				
Start of the year	-119	-62	–	-181
Sales and disposals	1	21	–	22
Amortisation according to plan for the year	-20	-9	–	-29
Translation differences for the year	–	-4	–	-4
	-138	**-54**	**–**	**-192**
CARRYING AMOUNT AT THE END OF THE YEAR	**76**	**31**	**1,790**	**1,897**

Intangible assets

Capitalised expenses for development work primarily comprise internally generated, capitalised costs for the development of checkouts. Investments for the year also include development work in preparation for the replacement of the Group's business system. Other intellectual property rights primarily consist of valued customer relationships as well as patents.

Amortisation of intangible assets excluding goodwill is recognised in the income statement over the estimated useful lives of the assets. Amortisation commences from the date the asset is available for use. Estimated useful lives are reassessed every year. No impairment losses or reversal of impairment losses took place in 2023.

The Group's goodwill comprises primarily synergy effects in terms of production, logistics, personnel, know-how and an effective organisation.

Impairment testing of goodwill

The Group assesses goodwill for impairment annually, or more often if there are any indications of a need for impairment, in accordance with the accounting policies described in Note 2. No distribution of the Group's goodwill has been performed since all Group companies' activities and cash inflows are highly dependent on each other.

The recoverable amount for the unit has been determined based on the value in use, which consists of the present value of the estimated projected cash flow. The estimate of projected cash flow is based on an assessment of expected growth in accordance with a cautious starting point in the forecasts prepared by management for the coming four years. The forecasts are based on experience from previous years, but with due consideration for future expected developments. According to the forecasts, average growth in the organisation, after a period affected by the war in Ukraine as well as rising inflation and interest rates, is expected to amount to 2 percent (2) per year during 2024–2027. The cash flows beyond this four-year period have been extrapolated with the aid of an estimated rate of growth of 2 percent (2) per year, which corresponds to estimated long-term inflation.

The assumption of projected growth is the most important assumption and is based on external assessments of the market's growth, past trends and corporate management's assessment of market shares. The margins in the operations are an estimate that also has an impact on the testing. The EBITDA margin is an important assumption on which management bases its assessment.

When assessing impairment in 2023, a figure of 10.8 percent was used for 2024 and 10.0 percent for 2025 and onwards. Average interest rates have been assumed at the same levels as the outcome for 2023. The forecast cash flows have been converted to present value using a discount rate of 12.0 percent (12.2) before tax, which corresponds to 9.5 percent (10.0) after tax.

The discount factor, WACC, has been determined through the Capital Asset Pricing Model (CAPM). As a part of the discount factor, a risk-free rate of interest corresponding to the yield on ten-year government bonds has been used, with an addition for the equity market's average risk premium. Required return is also affected by the debt ratio in an optimal capital structure. The risk-free rate of interest has historically been low but has increased in recent years. Although the risk-free rate increased during the year, the overall discount rate for 2023 decreased compared to 2022 since the risk premium has decreased.

The recoverable amount exceeds the carrying amount, which means there is no need for impairment.

In order to support the impairment assessment that has been performed for goodwill within the Group, an overall assessment has been performed of the sensitivity of the variables used in the model. If the sustainable rate of growth is set at 0 percent or if the EBITDA margin is lowered by 3.5 percentage points, there is still no indication of an impairment need with an unchanged WACC.

NOTE 19 PROPERTY, PLANT AND EQUIPMENT

2023 Group	Buildings	Machinery	Equipment	Construction in progress	Total
Accumulated cost excl. leases					
Start of the year	700	704	337	7	1,748
Additions	10	35	18	23	86
Sales and disposals	-20	-13	-38	0	-71
Reclassifications	2	3	2	-7	0
Translation differences for the year	-24	-18	-5	-1	-48
	668	**711**	**314**	**22**	**1,715**
Accumulated depreciation according to plan excl. leases					
Start of the year	-272	-465	-267	–	-1,004
Sales and disposals	2	12	30	–	44
Depreciation according to plan for the year – Continuing Operations	-19	-45	-23	–	-87
Translation differences for the year	7	13	4	–	24
	-282	**-485**	**-256**	**–**	**-1,023**
TOTAL	**386**	**226**	**58**	**22**	**692**
Right-of-use assets [1]	498	0	32	–	530
CARRYING AMOUNT AT THE END OF THE YEAR	**884**	**226**	**90**	**22**	**1,222**

2022 Group	Buildings	Machinery	Equipment	Construction in progress	Total
Accumulated cost excl. leases					
Start of the year	690	683	326	17	1,716
Acquisitions of subsidiaries	–	1	–	–	1
Additions	4	48	15	16	83
Sales and disposals	-2	-67	-30	-2	-101
Adjustment for Discontinued Operations	-51	-21	-5	-1	-78
Reclassifications	1	12	11	-24	0
Translation differences for the year	58	48	20	1	127
	700	**704**	**337**	**7**	**1,748**
Accumulated depreciation according to plan excl. leases					
Start of the year	-242	-472	-244	–	-958
Sales and disposals	2	62	24	–	88
Reclassifications	0	8	-7	–	1
Depreciation and impairment losses – Discontinued Operations	-43	-10	-1	-1	-55
Adjustment for Discontinued Operations	51	21	5	1	78
Depreciation according to plan for the year – Continuing Operations	-19	-42	-28	–	-89
Translation differences for the year	-21	-32	-16	–	-69
	-272	**-465**	**-267**	**0**	**-1,004**
TOTAL	**428**	**239**	**70**	**7**	**744**
Right-of-use assets [1]	641	1	22	–	664
CARRYING AMOUNT AT THE END OF THE YEAR	**1,069**	**240**	**92**	**7**	**1,408**

1) For more information about right-of-use assets, see Note 22.

Parent Company	2023 Equipment	2022 Equipment
Accumulated cost		
Start of the year	16	16
Additions	3	0
Sales and disposals	-9	–
	10	**16**
Accumulated depreciation according to plan		
Start of the year	-11	-10
Depreciation according to plan for the year	-1	-1
Sales and disposals	6	–
	-6	**-11**
CARRYING AMOUNT AT THE END OF THE YEAR	**4**	**5**

NOTE 20 PARTICIPATIONS IN GROUP COMPANIES AND ASSOCIATED COMPANIES

Parent Company	**2023**	**2022**
Opening carrying amount	2,051	2,051
Shareholder contributions to subsidiaries [1)]	27	87
Impairment and revaluations for the year [2)]	-32	-87
CLOSING CARRYING AMOUNT	**2,046**	**2,051**

1) In 2023, shareholder contributions were paid to ITAB Holding BV (MSEK 16) and ITAB Shop Products A/S (MSEK 11). In 2022, shareholder contributions were paid to La Fortezza SpA (MSEK 84) and ITAB Konsult AB (MSEK 3).
2) In 2023, shares in ITAB Shop Products Oy and ITAB Shop Products UK were impaired by MSEK 5 in connection with the discontinuation of operations. In addition, shares in the subsidiaries ITAB Holding BV and ITAB Shop Products A/S were impaired by MSEK 27 in connection with the payment of shareholder contributions. In 2022, shares in the subsidiaries La Fortezza Spa and ITAB Konsult AB were impaired by MSEK -87 in connection with the payment of shareholder contributions, of which MSEK -84 was a direct effect of the revaluation of intra-Group assets in Russia.

PARTICIPATIONS ARE HELD IN THE FOLLOWING GROUP COMPANIES:	CORP. REG. NO.	DOMICILE	COUNTRY	NUMBER OF SHARES	HOLDING	2023 CARRYING AMOUNT	2022 CARRYING AMOUNT
ITAB Lithuania AB	233393310	Kaunas	Lithuania	635,350	100%	20	20
ITAB Eesti OÜ	10994786	Tallinn	Estonia	1	100%	0	0
ITAB Germany Gmbh	HRB 61998	Cologne	Germany	2	100%	17	17
ITAB Harr Gmbh	HRB 29025	Malschwitz	Germany	–	100%	–	–
ITAB Lighting Germany GmbH	HRB 104507	Menden	Germany	5	100%	–	–
ITAB Holding B.V	32082085	Woudenberg	The Netherlands	180	100%	36	36
ITAB Benelux B.V	61775185	Hertogenbosch	The Netherlands	180	100%	–	–
ITAB Group Support AB	556554-1520	Jönköping	Sweden	1,000	100%	0	0
ITAB Shop Products Finland OY	1569393-8	Lahti	Finland	1,165	100%	8	11
ITAB Pharmacy Concept AB	556603-8245	Jönköping	Sweden	40,000	100%	5	5
Sintek Industrial Property AB	556031-3362	Jönköping	Sweden	9,070	100%	1	1
Radlok S.à r.l	B 150987	Luxembourg	Luxembourg	100	100%	–	–
ITAB Shop Concept AS	960912624	Oslo	Norway	1,534,500	100%	55	55
ITAB Industier AS	928907619	Stadsbygd	Norway	150	100%	–	–
ITAB Norge AS [3)]	935500419	Oslo	Norway	50	100%	–	–
Reklamepartner Graphics AS	979895909	Vinterbro	Norway	100	100%	–	–
KB Design AS	913275438	Oslo	Norway	34	100%	–	–
Checkmark Norge AS [3)]	983337449	Kristiansand	Norway	20,000	100%	–	–
ITAB Shop Concept Belgium N.V	0413.792.003	Antwerp	Belgium	279,295	100%	7	7
ITAB Shop Concept CZ a.s	255 68,663	Blansko	Czechia	2,210	100%	277	277
ITAB Shop Concept A/S	19353443	Herning	Denmark	11,000	100%	0	0
ITAB Shop Products A/S	13769893	Taastrup	Denmark	500	100%	22	22
ITAB Kiinteistö Oy	0719064-4	Järvenpää	Finland	77,000	100%	12	12
ITAB Shop Concept Polska Sp zoo	338168	Warsaw	Poland	100	100%	2	2
ITAB Shop Products Ltd	5822228	Hemel Hempstead	England	2,500,000	100%	33	35
ITAB Holdings UK Ltd	4135080	Hemel Hempstead	England	4,638,743	100%	119	119
ITAB UK Ltd	3411363	Hemel Hempstead	England	1,200,000	100%	–	–
Nordic Light Group AB	556306-5373	Skellefteå	Sweden	1,000	100%	523	523
ITAB Shop Products AB	556132-4046	Jönköping	Sweden	1,000	100%	–	–
ITAB Sweden AB	556474-2244	Nässjö	Sweden	2,000	100%	–	–
Nordic Light AB	556203-5161	Skellefteå	Sweden	130,000	100%	–	–
Nordic Light Group (HK) Co Ltd	759628	Hong Kong	Hong Kong	20,000	100%	–	–
Nordic Light (Suzhou) Investment (HK) Co Ltd.	875186	Hong Kong	Hong Kong	10,000	65%	–	–
ITAB Shop Concept China Co Ltd	91320505MA1MEFBL86	Suzhou	China	–	65%	–	–
Nuco Lighting Technology Ltd Co	440306503426898	Shenzhen	China	–	100%	–	–
Nordic Light America Inc.	27-4627942	Columbus	USA	1,500	100%	–	–
Nordic Light South America SpA	71,936 / 49,962	Santiago	Chile	100	100%	–	–
Nordic Light India Private Ltd	U74900KA2014FTC073090	Bangalore	India	10,000	100%	–	–
ITAB Finland Holding Oy	2447365-4	Jyväskylä	Finland	40,594	100%	43	43
ITAB Finland Oy	1882702-2	Jyväskylä	Finland	28,000	100%	–	–
Oy Checkmark Ltd [3)]	2278277-9	Pieksämäki	Finland	3,500	100%	–	–
Checkmark Sverige AB	556745-5836	Jönköping	Sweden	1,000	100%	–	–
Checkmark Danmark ApS	36401389	Taastrup	Denmark	50	100%	–	–
La Fortezza S.p.A. a Socio Unico	FI - 462981	Scarperia	Italy	20,900,000	100%	786	786
Imola Retail Solution S.r.L	BO-555133	Imola	Italy	81,000	81%	–	–
La Fortezza Alser S.a.S	438699225	Jouy-le-Moutier	France	3,811,580	100%	–	–
La Fortezza Asia Sdn Bhd	396959-A	Kuala Lumpur	Malaysia	600,000	100%	–	–
ITAB Iberica S.L.Unipersonal	B85907236	Barcelona	Spain	19,000	100%	–	–
ITAB Rus JSC	1057747369723	Stupino	Russia	2,780,000	100%	–	–
La Fortezza Middle East DMCC	JLT5135	Dubai	UAE	1	100%	–	–
La Fortezza Sudamericana S.A.	30-68703602-2	Buenos Aires	Argentina	5,645,921	100%	–	–
SIA ITAB Latvia	40103175540	Riga	Latvia	2,845	100%	80	80
						2,046	**2,051**

In addition to the above companies, the Group owns shares in inactive companies. In total, the Group comprised 62 legal companies at the end of 2023.

3) In 2023, the Norwegian company Checkmark Norge AS was sold internally from Oy Checkmark Ltd to ITAB Norge AS and a dormant company in the Netherlands was wound up. In 2022, all participations in Oy Checkmark Ltd and its subsidiaries were acquired. In 2022, two Norwegian subsidiaries were also merged with ITAB Norge AS, a Swedish company was merged with Nordic Light AB and two dormant companies in the UK were wound up.

NOTE 20 cont.

PARTICIPATIONS ARE HELD IN THE FOLLOWING ASSOCIATED COMPANIES

There were no associated companies within the ITAB Group at year-end 2023. ITAB Shop Concept AB's 21-percent shareholding in the associated company OmboriGrid AB (556841-1333) with domicile in Stockholm, Sweden was divested in the second quarter of 2023. The purchase consideration for the divested shares amounted to MSEK 15. The sale had an impact of MSEK 6 on the ITAB Group's profit and MSEK 15 on cash flow in 2023.

Group	2023	2022
Carrying amount at the start of the year	9	11
Depreciation surplus value	0	-1
Share of net profit for the period until divestment	-1	-1
Disposals during the period	-8	–
Carrying amount at the end of the year	**0**	**9**

OmboriGrid AB's transactions with other ITAB companies	2023	2022
Sales to companies within the ITAB Group until divestment	7	9
Receivable to companies within the ITAB Group		2

ITAB's share of OmboriGrid AB's assets, equity, net sales and profit before tax.

	Jan–May 2023	2022
Assets	12	12
Equity	6	7
Net sales	2	4
Profit before tax	-1	-3

NOTE 21 FINANCIAL ASSETS AND LIABILITIES

	2023			2022		
Time analysis of financial assets	**Past due**	**Not past due**	**Total**	**Past due**	**Not past due**	**Total**
Accounts receivable, not impaired						
less than 30 days old	26	802	828	59	918	977
31-60 days old	23		23	36		36
more than 60 days old	10		10	49		49
Accounts receivable, impaired						
more than 60 days old	28		28	21		21
Deduction for reserves	-28		-28	-21		-21
TOTAL ACCOUNTS RECEIVABLE	**59**	**802**	**861**	**144**	**918**	**1,062**
Other financial assets (excl. cash and cash equivalents)	–	155	155	–	115	115
CARRYING AMOUNT, FINANCIAL ASSETS EXCL. CASH AND CASH EQUIVALENTS	**59**	**957**	**1,016**	**144**	**1,033**	**1,177**

The receivable is reserved as doubtful in the case of an expected credit loss. The assessment is individual and performed on a case-by-case basis.

Change in provision for expected credit losses

Group	**2023**	**2022**
Opening balance	21	12
Increase in provision through the income statement	13	12
Utilised reserve due to confirmed losses on accounts receivable	-4	-2
Reversed provisions	-2	-2
Translation differences for the year	0	1
CLOSING BALANCE	**28**	**21**

	2023			2022		
Time analysis of financial liabilities recognised as undiscounted cash flows including accrued interest	**Liabilities to credit institutions**	**Lease liabilities**	**Other financial liabilities**	**Liabilities to credit institutions**	**Lease liabilities**	**Other financial liabilities**
Group						
Maturity date						
within 1 year	106	152	892	83	154	1,101
between 1 and 3 years	615	205	15	1,069	258	2
between 3 and 5 years		143			142	
after 5 years		82			130	
	721	**582**	**907**	**1,152**	**684**	**1,103**
Parent Company						
Maturity date						
within 1 year	32		415	33		229
between 1 and 3 years	609		2	1,049		1
between 3 and 5 years				–		–
after 5 years				–		–
	641		**417**	**1,082**		**230**

NOTE 21 cont.

CHANGE IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES IN THE GROUP'S CASH FLOW

	2022		Items that do not affect the cash flow			2023
		Cash flow	Lease liabilities according to IFRS 16	Translation difference	Fair value	
Derivative receivables	-25				7	-18
Long-term investments	–	-49				-49
Non-current liabilities to credit institutions	1,047	-447		-5		595
Current liabilities to credit institutions and overdraft facilities	106	-69		58		95
Lease liabilities	681	-131	-4	0		546
Derivative liabilities	27				-27	0
NET DEBT FROM FINANCING ACTIVITIES	**1,836**	**-696**	**-4**	**53**	**-20**	**1,169**
Cash and cash equivalents						-578
INTEREST-BEARING NET DEBT 1)						**591**

1) Some of the company's bank loans are restricted with covenants, stipulated in the loan contract. One of the restrictions entails that ITAB has committed to keeping the company's interest-bearing net debt in relation to EBITDA within certain stipulated levels. None of the company's covenants were broken during the year.

INFORMATION ABOUT CARRYING AMOUNT PER CATEGORY AND FAIR VALUE PER CLASS

Valuation hierarchy
The Group recognises financial instruments that are measured at fair value in the statement of financial position. This requires information about valuation at fair value per level in the following fair value hierarchy:
Level 1: Listed prices (unadjusted) on active markets for identical assets or liabilities. Financial instruments measured at fair value based on level 1 comprise cash and cash equivalents and long-term investments as well as non-current and current interest-bearing liabilities.
Level 2: Other observable input data for assets or liabilities other than listed prices included in level 1, either direct (meaning as price quotations) or indirect (meaning derived from price quotations). Financial instruments measured at fair value based on level 2 comprise derivatives that are applied in hedge accounting.
Level 3: Input data for the asset or liability that are not based on observable market data (meaning non-observable input data).

Derivative instruments
Derivative instruments comprise interest rate swaps and currency futures, and are measured at market value according to level 2. In other words, for derivative instruments, the fair value is calculated through discounted future cash flows according to the contracts' terms and maturity dates, where all variables, such as discount rates and exchange rates, are obtained from market listings for calculations.

NOTE 21 cont.

INFORMATION ABOUT CARRYING AMOUNT PER CATEGORY AND FAIR VALUE PER CLASS

Group 2023	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at fair value through profit or loss	Financial assets and liabilities measured at amortised cost	Total carrying amount	Fair value [1]
Financial assets					
Financial non-current receivables			18	18	18
Accounts receivable			861	861	861
Derivative receivables (level 2)	18			18	18
Long-term investments (level 1)		49		49	49
Other receivables			63	63	63
Accrued income, financial assets			7	7	7
Cash and cash equivalents [2]			578	578	578
TOTAL FINANCIAL ASSETS	**18**	**49**	**1,527**	**1,594**	**1,594**
Financial liabilities					
Liabilities to credit institutions			670	670	670
Lease liabilities			546	546	546
Overdraft facilities			20	20	20
Advance payments from customers			50	50	50
Accounts payable			692	692	692
Other liabilities			103	103	103
Accrued expenses, financial liability		2	39	41	41
TOTAL FINANCIAL LIABILITIES		**2**	**2,120**	**2,122**	**2,122**
2022					
Financial assets					
Financial non-current receivables			19	19	19
Accounts receivable			1,062	1,062	1,062
Derivative receivables (level 2)	25			25	25
Other receivables			62	62	62
Accrued income, financial assets			9	9	9
Cash and cash equivalents [2]			756	756	756
TOTAL FINANCIAL ASSETS	**25**		**1,908**	**1,933**	**1,933**
Financial liabilities					
Liabilities to credit institutions			1,096	1,096	1,096
Lease liabilities			681	681	681
Overdraft facilities			57	57	57
Derivative liability (level 2)	27			27	27
Advance payments from customers			65	65	65
Accounts payable			785	785	785
Other liabilities			126	126	126
Accrued expenses, financial liability		1	40	41	41
TOTAL FINANCIAL LIABILITIES	**27**	**1**	**2,850**	**2,878**	**2,878**

1) For current receivables and liabilities with a lifetime of less than six months, the carrying amount is considered to reflect the fair value.
2) Cash and cash equivalents are made up in their entirety of cash and bank balances.

NOTE 21 cont.

INFORMATION ABOUT CARRYING AMOUNT PER CATEGORY AND FAIR VALUE PER CLASS

Parent Company 2023	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at fair value through profit or loss	Financial assets and liabilities measured at amortised cost	Total carrying amount	Fair value [1]
Financial assets					
Receivables with Group companies			342	342	342
Other receivables			2	2	2
Cash and cash equivalents [2]			292	292	292
TOTAL FINANCIAL ASSETS			**636**	**636**	**636**
Financial liabilities					
Liabilities to credit institutions			589	589	589
Overdraft facilities			21	21	21
Accounts payable			4	4	4
Liabilities to Group companies			383	383	383
Other liabilities			1	1	1
Accrued expenses, financial liability		2	6	8	8
TOTAL FINANCIAL LIABILITIES		**2**	**1,004**	**1,006**	**1,006**
2022					
Financial assets					
Receivables with Group companies			522	522	522
Other receivables			3	3	3
Cash and cash equivalents [2]			402	402	402
TOTAL FINANCIAL ASSETS			**927**	**927**	**927**
Financial liabilities					
Liabilities to credit institutions			1,028	1,028	1,028
Overdraft facilities			36	36	36
Accounts payable			3	3	3
Liabilities to Group companies			183	183	183
Other liabilities			1	1	1
Accrued expenses, financial liability		1	6	7	7
TOTAL FINANCIAL LIABILITIES		**1**	**1,257**	**1,258**	**1,258**

1) For current receivables and liabilities with a lifetime of less than six months, the carrying amount is considered to reflect the fair value.
2) Cash and cash equivalents are made up in their entirety of cash and bank balances.

NOTE 22 LEASES

ITAB's leases are attributable to properties, machinery and vehicles. The majority of ITAB's leases include options to either extend or terminate the agreement. When the term of the lease is established, ITAB takes into consideration all facts and circumstances that provide a financial incentive to utilise an option to extend or waive an option to terminate the agreement. Examples of factors that are considered include strategic plans, restructuring programmes, the importance of the underlying asset to ITAB's operations and/or costs attributable to not extending or terminating leases.

Leases – right-of-use assets and lease liabilities
Items concerning leases have been included in the consolidated accounts as described below:

	31 December 2023				31 December 2022			
Right-of-use assets	**Buildings**	**Equipment**	**Machinery**	**Total**	**Buildings**	**Equipment**	**Machinery**	**Total**
Start of the year	641	22	1	**664**	586	21	1	**608**
Additions	119	28	0	**147**	178	15	0	**193**
Disposals during the year	-142	0	0	**-142**	-39	0	0	**-39**
Translation difference	-2	-1	0	**-3**	54	1	0	**55**
Depreciation during the year	-118	-17	-1	**-136**	-138	-15	0	**-153**
Carrying amount at the end of the year	**498**	**32**	**0**	**530**	**641**	**22**	**1**	**664**
Lease liabilities	**514**	**32**	**0**	**546**	**657**	**23**	**0**	**680**

Lease liabilities	**Nominal value 2023**	**Present value 2023**	**Nominal value 2022**	**Present value 2022**
Current portion, maturity date within one year	152	140	154	163
Non-current portion, maturity date from one to three years	205	190	258	259
Non-current portion, maturity date from three to five years	143	136	142	139
Non-current portion, maturity date over five years	82	80	130	119
Value at the end of the year	**582**	**546**	**684**	**680**

The Group's material leases pertain to leases for buildings, mainly located in Sweden, the UK, Italy, Finland and Czechia. Equipment primarily comprises cars.

The Group's profit for the 2023 financial year was charged with costs attributable to finance leases, including depreciation of MSEK 136 (153) and interest expenses of MSEK 14 (14). Total lease expenses in 2023 amounted to MSEK 153 (182). Lease expenses related to low-value and short-term leases amounted to MSEK 19 (32). There are no significant variable payments or restrictions.

In 2023, leases had an impact of MSEK -131 (-140) on the Group's cash flow.

NOTE 23 INVENTORIES

Group	**2023**	**2022**
Raw materials and consumables	293	417
Products in progress	81	96
Finished products and goods for resale	413	512
Advance payments for goods	6	5
	793	**1,030**

The year's impairment of finished products and goods for resale charged to net profit for the year totalled MSEK 36 (15) for the Group.

NOTE 24 PREPAID EXPENSES AND ACCRUED INCOME

Group	**2023**	**2022**
Prepaid rent and lease payments	15	14
Prepaid insurance premiums	4	4
Other prepaid expenses	42	63
Accrued revenue from contracts with customers	7	9
Other accrued income	0	5
	68	**95**

Parent Company	**2023**	**2022**
Prepaid insurance premiums	1	1
Other prepaid expenses	13	8
	14	**9**

NOTE 25 EQUITY

GROUP

Share capital
For information regarding share capital and the share capital development, see the information for Parent Company below.

Other contributed capital
Pertains to equity contributed by the owners. This includes a portion of share premium reserves transferred to the statutory reserve as of 31 December 2005. Provisions to the share premium reserve from 1 January 2006 and onwards are also recognised as other contributed capital.

Costs for the share-based incentive programme are recognised in accordance with IFRS 2 *Share-based Payment*. The fair value of the allocated share rights is included in operating profit and is recognised in the balance sheet as other contributed capital. Fair value is determined at the time of the participants' investment at the share price and is distributed over the vesting period.

Other reserves
Other reserves in equity consist of the translation reserve and hedging reserve.

Translation reserve
Translation differences concerning foreign subsidiaries are recognised as a separate item in equity. The translation reserve includes all exchange rate differences arising on the translation of the financial statements of foreign operations that have prepared their financial statements in a currency other than the Group's functional currency. The Parent Company and the Group present their financial statements in SEK. The translation reserve also comprises exchange rate differences arising on the translation of liabilities used as hedging instruments for net investments in a foreign operation.

On the sale or discontinuation of foreign operations, accumulated translation differences are recognised as a portion of the profit from the divestment. In 2023, only dormant companies of a minor value were divested and wound up

The accumulated translation reserve, recognised in comprehensive income as of 2004, amounts to the following:

Translation reserve attributable to Parent Company shareholders	2023	2022
Opening balance	210	47
Translation difference on translation of foreign operations	-136	178
Change in fair value of hedges of net investments	26	-19
Tax	-6	4
Closing balance	**94**	**210**

Translation reserve attributable to non-controlling interests	2023	2022
Opening balance	28	18
Translation differences for the year	-8	10
Closing balance	**20**	**28**

Hedging reserve
The hedging reserve includes the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet taken place.

	2023	2022
Opening balance	14	-4
Change in fair value of cash flow hedges	-9	39
Change in fair value of cash flow hedges transferred to net profit for the year	2	-16
Tax	2	-5
Closing balance	**9**	**14**
Total other reserves attributable to Parent Company shareholders	**103**	**224**
Total other reserves attributable to non-controlling interests	**20**	**28**

Profit brought forward
Profit brought forward including net profit for the year includes profit earned in the Parent Company and its subsidiaries. Previous provisions to the statutory reserve, excluding transferred share premium reserves, are included in this equity item.

NOTE 25 cont.

PARENT COMPANY

Share capital
On 14 December 2022, the Board decided to issue new Class C shares intended for the long-term incentive programme for senior executives in the Group, based on the issue authorisation decided at the AGM of ITAB Shop Concept AB (publ) on 10 May 2022. The issue increased the total number of shares by 4,400,000 Class C shares. All shares are paid. For more information, see Note 27.

On 28 September 2023, ITAB initiated a share buyback programme with a maximum purchase amount of MSEK 50. The share buyback programme runs from 29 September 2023 until 14 May 2024 and is carried out in accordance with the EU Market Abuse Regulation ("MAR") and the EU Commission's Delegated Regulation 2016/1052 (the so-called "Safe Harbour Regulation"). The purpose of the buyback programme is to optimise the capital structure and the aim is to reduce ITAB's share capital by cancelling repurchased shares. See also Note 27.

Ordinary shares entitle the holder to one vote and Class C shares to 1/10 of a vote at general meetings of shareholders. Ordinary shares entitle the holder to dividends, while Class C shares do not. The share capital is distributed as follows: SEK 90,876 thousand pertaining to ordinary shares and SEK 1,833 thousand pertaining to Class C shares. All Class C shares are held in treasury by ITAB. The quotient value per share is SEK 0.4167. For information on the share capital development, refer to Note 17.

Statutory reserve
The purpose of the statutory reserve has been to save a portion of net profit, which is not used to cover the loss brought forward. This also includes a portion of share premium reserves transferred to the statutory reserve as of 31 December 2005.

Share premium reserve
When shares are issued at a share premium, meaning that the price paid for the shares are higher than their quotient value, an amount corresponding to the amount received over and above the quotient value for the shares must be transferred to the share premium reserve. Issue costs reduce the value of the share premium reserve. Share premium reserves prior to 31 December 2005 have been transferred to the statutory reserve.

For information on the new share issue in 2022, refer to Note 27.

Profit brought forward
Profit brought forward comprises the previous year's profit brought forward, including the previous year's profit after payment of any dividends.

Costs for the share-based incentive programme are recognised in accordance with IFRS 2 Share-based Payment. The fair value of the allocated share rights is included in operating profit and is recognised in the balance sheet as profit brought forward. Fair value is determined at the time of the participants' investment at the share price and is distributed over the vesting period.

Together with net profit for the year and the share premium reserve, profit brought forward constitutes total non-restricted equity, meaning the amount that is available for dividends to the shareholders.

Parent Company	31 December 2023			31 December 2022		
Shares outstanding	**Ordinary shares**	**Class C shares**	**Total**	**Ordinary shares**	**Class C shares**	**Total**
Opening number of shares	218,100,192	4,400,000	222,500,192	218,100,192	–	218,100,192
New share issue	–	–	–	–	4,400,000	4,400,000
Number of shares at the end of the year	**218,100,192**	**4,400,000**	**222,500,192**	**218,100,192**	**4,400,000**	**222,500,192**
of which held by ITAB Shop Concept AB	-541,748	-4,400,000	-4,941,748	–	-4,400,000	-4,400,000
Total shares outstanding at the end of the year	**217,558,444**	**0**	**217,558,444**	**218,100,192**	**0**	**218,100,192**

NOTE 26 ALLOCATION OF PROFITS

Parent Company, MSEK	2023	2022
The following unrestricted profit is at the disposal of the AGM:		
Share premium reserve	1,083	1,083
Profit brought forward	466	642
Net profit for the year	41	-63
TOTAL	**1,590**	**1,662**
The Board of Directors and CEO propose that these funds be distributed as follows:		
Proposed dividend to shareholders, SEK per ordinary share	0.75	0.50
Number of ordinary shares outstanding at the end of the year	217,558,444	218,100,192
To be paid as dividends to shareholders in total, MSEK	163	109
To be carried forward, MSEK	1,427	1,553
Total (MSEK)	**1,590**	**1,662**

NOTE 27 REPURCHASES OF OWN SHARES AND NEW SHARE ISSUE

REPURCHASE OF OWN ORDINARY SHARES IN 2023

On 28 September 2023, ITAB initiated a share buyback programme with a maximum purchase amount of MSEK 50. The share buyback programme runs from 29 September 2023 until 14 May 2024 and is carried out in accordance with the EU Market Abuse Regulation ("MAR") and the EU Commission's Delegated Regulation 2016/1052 (the so-called "Safe Harbour Regulation"). The purpose of the buyback programme is to optimise the capital structure and the aim is to reduce ITAB's share capital by cancelling repurchased shares. At 31 December 2023, ITAB held 541,748 ordinary shares in treasury.

NEW ISSUE OF CLASS C SHARES IN 2022

On 14 December 2022, the Board decided to issue new Class C shares intended for the long-term incentive programme, based on the issue authorisation decided at the AGM of ITAB Shop Concept AB. With the support of the authorisation from the AGM held on 10 May 2022, the Board of Directors resolved on 14 December 2022 on a directed cash issue of 4,400,000 Class C shares to Nordea Bank at a subscription price corresponding to the quotient value of the shares, whereby the share capital increased by MSEK 2. Moreover, the Board of Directors resolved to immediately repurchase all 4,400,000 Class C shares from Nordea Bank at the same price as the subscription price.

The purpose of the issue and repurchase was to secure delivery of ordinary shares to the employees in the ITAB Group who are participants 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. 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 all 4,400,000 Class C shares in treasury.

	Number of Class C shares	Share capital, MSEK	Share premium reserve, MSEK	Total, MSEK
New share issue	4,400,000	2	–	2

NOTE 28 OVERDRAFT FACILITIES

Group	2023	2022
Granted overdraft facility	1,183	749
Utilised overdraft facility	26	57
Unutilised overdraft facility	1,157	692

Parent Company	2023	2022
Granted overdraft facility	1,100	685
Utilised overdraft facility	21	36
Unutilised overdraft facility	1,079	649

The companies in the ITAB Group are affiliated to the Group account system. At the end of the year, ITAB Shop Concept AB had net debt of MSEK 52 (2022: net assets of MSEK 580) via Group accounts. Together with the subsidiaries in the Group, the Parent Company's total receivables from credit institutions via Group accounts amounted to MSEK 291 (402) and liabilities to credit institutions to MSEK 21 (36), meaning that the Parent Company has debt to subsidiaries totalling MSEK 323, net (2022: receivable of MSEK 214).

NOTE 29 PROVISIONS FOR PENSIONS

The following tables present an overview of the items included in the net costs for remuneration recognised in the consolidated income statement for defined-benefit pension plans. Certain information concerning the outcome of capital management and amounts reported in the Group's balance sheet for these pension plans is also provided.

Defined-benefit pension plans	2023	2022
Net costs		
Interest on the year's increase in the present value of pension commitments	1	0
Net of pensions earned and premiums paid during the year	-5	-5
Expected return on plan assets	0	0
RECOGNISED PENSION COSTS, NET	**-4**	**-5**
Recognised provision as of 31 December		
Present value of pension commitments	46	71
Fair value of plan assets	-17	-37
RECOGNISED PROVISION AS OF 31 DECEMBER	**29**	**34**
Net amount distributed between the following countries		
Norway	1	2
Sweden	3	3
Italy	22	27
France	2	1
Belgium	–	1
Other	1	0
RECOGNISED COMMITMENTS IN THE BALANCE SHEET	**29**	**34**

	2023	2022
Change in recognised provision		
Opening net debt	34	41
Actuarial gains and losses	0	-5
Value adjustment	-1	3
Pension costs, net	-4	-5
RECOGNISED PROVISION AS OF 31 DECEMBER	**29**	**34**
The most important assumptions used for determining pension commitments (%)		
Discount factor	3.5-4.5%	1.5-3.5%
Future salary increases	1.0-3.8%	1.0-2.5%
Future pension increases	2.4-3.3%	1.5-3.3%
Expected return	3.70%	1.50%

ALECTA

For salaried employees in Sweden, the ITP 2 plan's defined-benefit pension commitments for retirement and family pension are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 *Recognition of the ITP 2 pension plan financed through insurance with Alecta*, this is a defined-benefit plan that covers several employers. For the 2023 financial year, the company did not have access to information in order to report its proportional share of the plan's obligations, plan assets and costs, which meant that it has not been possible to report the plan as a defined-benefit plan. The ITP 2 pension plan that is secured through insurance with Alecta is therefore reported as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated on an individual basis, and is dependent in part on salary, previously earned pension and the anticipated remaining period of service. The fees for the year for ITP 2 insurance policies taken out in Alecta amount to MSEK 6 (5).

The collective funding ratio comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not coincide with IAS 19. The collective funding ratio is normally allowed to vary between 125 and 155 percent. If Alecta's collective funding ratio is below 125 percent or above 155 percent, measures must be taken with the aim of creating the conditions to bring the funding ratio back to the normal range. In the event of a low funding ratio, one measure may be to raise the agreed price for new subscriptions and to extend existing benefits. In the event of a high funding ratio, one measure may be to introduce premium reductions. At the end of 2023, Alecta's surplus in the form of the collective funding ratio was 157 percent (172).

NOTE 30 OTHER PROVISIONS

Group	2023	2022
Restructuring reserve [1]	1	3
Guarantee reserve [2]	8	6
Other provisions [3]	13	18
	22	**27**

Group 2023	Guarantee reserve [2]	Restructuring reserve [1]	Other provisions [3]	Total
Opening balance, 1 Jan 2023	**6**	**3**	**18**	**27**
Provisions during the year	3	–	1	4
Utilised provisions	-1	-2	-6	-9
Closing balance, 31 Dec 2023	**8**	**1**	**13**	**22**
Of which, current provisions	–	1	7	**8**
Of which, non-current provisions	8	–	6	**14**

Group 2022	Guarantee reserve [2]	Restructuring reserve [1]	Other provisions [3]	Total
Opening balance, 1 Jan 2022	**6**	**21**	**11**	**38**
Provisions during the year	1	0	8	9
Utilised provisions	-1	-19	-2	-22
Translation differences	0	1	1	2
Closing balance, 31 Dec 2022	**6**	**3**	**18**	**27**
Of which, current provisions	–	3	11	14
Of which, non-current provisions	6	–	7	13

1) The restructuring reserve refers to costs in connection with the closure of the production unit in France.
2) The guarantee provision refers to ITAB's assessed costs for warranty commitments where ITAB's products are sold with more than a one-year warranty.
3) Other provisions refer primarily to a provision for agents pursuant to Italian law and are based on average commission over the past five years. This amount also includes a reserve for personnel costs in connection with restructuring.

NOTE 31 ACCRUED EXPENSES AND PREPAID INCOME

Group	2023	2022
Payroll and vacation expenses	147	160
Accrued social security contributions, incl. pension and payroll tax	75	67
Accrued expenses from contracts with customers	29	32
Accrued sales commissions	14	9
Accrued service-related expenses	5	9
Accrued interest expenses	6	6
Other accrued expenses	72	75
Prepaid revenue from contracts with customers	5	2
Other prepaid income	3	10
	356	**370**

Parent Company	2023	2022
Payroll and vacation expenses	12	11
Accrued social security contributions, incl. pension and payroll tax	11	9
Accrued interest expenses	6	6
Other accrued expenses	3	4
	32	**30**

NOTE 32 PLEDGED ASSETS

Group	2023	2022
Pledges for own liabilities		
Corporate mortgages	0	4
TOTAL PLEDGED ASSETS	**0**	**4**

All collateral refers to collateral for liabilities to credit institutions.

The Parent Company has no pledged assets.

NOTE 33 CONTINGENT LIABILITIES

Group	2023	2022
Guarantee undertakings	10	13

Parent Company	2023	2022
Sureties for subsidiaries	97	120

NOTE 34 TRANSACTIONS WITH RELATED PARTIES

Related companies are defined as those companies included in the Group as well as companies in which related physical persons have a controlling, joint controlling or significant influence. The ITAB Group's related physical persons refer to senior executives, the Parent Company's Board of Directors and close family members of these persons. Transactions of significance with related parties refer to transactions with a value of more than MSEK 1.

For information regarding salaries and remuneration to senior executives, see Note 8.

Transactions between the Parent Company ITAB Shop Concept AB and its subsidiaries are specified in Notes 7, 13 and 14. Transactions between ITAB companies and associated companies are specified in Note 20.

There were no other significant transactions with related parties during 2023.

NOTE 35 INFLATION ADJUSTMENT ARGENTINA

Argentina's economy is considered to have been in a state of hyperinflation since 1 July 2018. Following the devaluation of the Argentinian peso in autumn 2023, the financial statements for ITAB's subsidiary in Argentina were adjusted in 2023 to correct for the effects of inflation in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies*. This means that:

- The different items in the income statement have been adjusted in line with Argentina's national consumer price index (CPI).
- All of the components in the subsidiary's financial statements have been restated at the closing day rate. Translation differences arising in the translation to SEK have been recognised in Other comprehensive income in accordance with IAS 21.
- The figures for financial year that began prior to 1 January 2023 have not been changed.

As of 31 December 2023, Argentina's national CPI was 3,534.2 with a base period of December 2016. To hedge monetary assets against inflation, long-term investments have been made in an amount corresponding to MSEK 49. These are recognised at fair value through net financial items in the income statement.

NOTE 36 EVENTS AFTER THE BALANCE SHEET DATE

ITAB's share buyback programme was initiated on 29 September 2023 was completed on 22 March 2024 as the maximum amount for share buybacks of MSEK 50 was reached. In total, 3,079,659 ordinary shares were repurchased within the programme.

No other significant events for the Group occurred after the end of the financial year.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Key ratios included in the Annual 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 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 performance measures presented below are EBITDA, cash conversion, interest-bearing net debt and return on equity, capital employed and total capital. The definitions of these alternative performance measures and other key ratios can be found on the next page.

EBITDA (Operating profit before depreciation and amortisation)

EBITDA (Earnings before interest, tax, depreciation and amortisation) is considered a relevant profit measure to assess the company's profit trend over time.

(MSEK)	2022	2022
Operating profit	432	403
Depreciation and amortisation	254	271
EBITDA	**686**	**674**
Reversal of non-recurring items [1)]	–	30
EBITDA EXCL. NON-RECURRING ITEMS	**686**	**704**

1) For more information about non-recurring items, see page 41.

CASH CONVERSION (Operational cash flow in relation to EBITDA)

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

(MSEK)	2023	2022
Operational cash flow (Cash flow from operating activities)	810	542
EBITDA	686	674
CASH CONVERSION, %	**118**	**80**

RETURN ON EQUITY

This measure shows the return on the shareholders' capital invested in the ITAB Group.

(MSEK)	2023	2022
Net profit for the year attributable to Parent Company shareholders	270	171
Equity attributable to Parent Company shareholders	3,049	3,012
Average*) equity attributable to Parent Company shareholders	3,056	2,852
RETURN ON EQUITY, %	**8.8**	**6.0**

RETURN ON CAPITAL EMPLOYED

This measure is used to assess the efficiency and value added from the business.

(MSEK)	2023	2022
Net profit for the year after financial items plus financial borrowing costs	461	418
Average*) balance sheet total less non interest-bearing liabilities	4,781	4,688
RETURN ON CAPITAL EMPLOYED, %	**9.6**	**8.9**

RETURN ON TOTAL CAPITAL

This measure is used to assess the ability to generate profit on the Group's assets, regardless of financing costs.

(MSEK)	2023	2022
Net profit for the year after financial items plus financial borrowing costs	461	418
Average*) total capital	6,246	6,189
RETURN ON TOTAL CAPITAL, %	**7.4**	**6.8**

INTEREST-BEARING NET DEBT

Interest-bearing net debt is the most relevant measure to show total debt financing, and is included in the covenants that ITAB has in its loan agreements with the company's banks.

(MSEK)	2023	2022
Interest-bearing non-current liabilities	1,001	1,565
Interest-bearing current liabilities	235	296
Interest-bearing assets	-67	-25
Cash and cash equivalents	-578	-756
INTEREST-BEARING NET DEBT	**591**	**1,080**
Reversal of interest-bearing lease liabilities	-546	-681
INTEREST-BEARING NET DEBT EXCL. LEASES	**45**	**399**

**) Average is calculated as the average of opening balance and the relevant reported quarterly data up until the closing period. In other words, 2023 is calculated as (31 December 2022 + 31 March 2023 + 30 June 2023 + 30 September 2023 + 31 December 2023) divided by five.*

DEFINITIONS

PERFORMANCE MEASURE & ALTERNATIVE PERFORMANCE MEASURE	DEFINITION	MOTIVE
Return on equity	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 measure to show the return on the shareholders' capital invested in the ITAB Group.
Return on capital employed	Net profit for the year after financial items plus financial borrowing costs in relation to average balance sheet total less non-interest-bearing liabilities.	Relevant measure for assessing ITAB's efficiency and added value from the business.
Return on total capital	Net profit for the year after financial items plus financial borrowing costs in relation to average total capital.	Relevant measure for assessing ITAB's ability to generate profit on the Group's assets regardless of financing costs.
Cash conversion	Operational cash flow (Cash flow from operating activities) in relation to operating profit before depreciation/amortisation (EBITDA).	A relevant measure to assess capital efficiency. This measure is included in ITAB's financial targets.
Direct yield	Paid or proposed dividend in relation to the share price on the balance sheet date.	Return measure for shareholders.
Discount rate (WACC)	Weighted Average Cost of Capital – weighted required return for equity and borrowed capital on the company's future earnings.	Measures the required return on ITAB's capital and is used to discount future cash flows.
EBITDA	Earnings before interest, tax, depreciation of property, plant and equipment, and amortisation of intangble assets.	A relevant profit measure to assess the company's profit trend over time.
Equity per share	Equity at the end of the year attributable to Parent Company shareholders in relation to the number of ordinary shares outstanding at the end of the year.	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 year attributable to Parent Company shareholders in relation to the average number of ordinary shares outstanding 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 years 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 year attributable to Parent Company shareholders in relation to the average number of ordinary shares outstanding before dilution.	A valuation measure that highlights ITAB's ability to pay dividends to its shareholders.
Interest-bearing net debt	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.
Interest-coverage ratio	Profit after financial items plus financial interest expenses in relation to financial borrowing costs.	Shows ITAB's ability to cover its financial expenses.
Operating margin /EBIT margin	Operating profit in relation to revenue.	Relevant for assessing ITAB's efficiency and added value. This measure is included in ITAB's financial targets.
Equity/assets ratio	Equity in relation to total capital.	This measure highlights financial risk.
Total capital	Total equity and liabilities (balance sheet total).	This measure highlights the size of the company's total assets.
Currency-adjusted sales	Translation of the foreign subsidiaries' income statements are conducted at each period's average currency rate. For comparison of profit excluding currency effects, the companies are recalculated at the previous year's average currency rate for the same period. ITAB applies the European Central Bank's average rates for the whole period. As of the 2023 financial year, the effects of the Group's operations in hyperinflationary countries are excluded from the calculation of currency effects.	Relevant to show the sales and profit trend without any effects from currency rates fluctuations. Currency-adjusted sales growth is included in ITAB's financial targets.
Profit margin	Profit after financial items in relation to revenue.	Relevant for assessing ITAB's efficiency and added value.

The Board of Directors and the CEO hereby verify that the consolidated accounts and the annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act, respectively, and provide a true and fair view of the Group's and the Parent Company's financial position and results, and that the Administration Report presents a true and fair view of the development of the Group's and the Parent Company's business activities, financial position and results as well as describing significant risks and uncertainties that the Parent Company and companies within the Group face. The annual accounts and the consolidated accounts were approved for issue by the Board of Directors on 26 March 2024. The consolidated income statement and statement of financial position as well as the Parent Company's income statement and balance sheet will be subject to adoption at the Annual General Meeting on 15 May 2024.

Jönköping, 26 March 2024

Anders Moberg
Chairman of the Board

Karin Eriksson
Board member

Petter Fägersten
Board member

Madeleine Persson
Board member

Fredrik Rapp
Board member

Vegard Søraunet
Board member

Andréas Elgaard
CEO

Our Auditor's Report was submitted on 27 March 2024

Ernst & Young AB

Joakim Falck
Authorised Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of ITAB Shop Concept AB (publ), corporate identity number 556292-1089

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of ITAB Shop Concept AB (publ) except for the corporate governance statement on pages 34-37 for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 26-83 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS Redovisningsstandarder), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 34-37. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities* for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

VALUATION OF GOODWILL AND SHARES IN GROUP COMPANIES

Description

As of 31 December 2023, the carrying amount of goodwill amounts to MSEK 1,786 in the Group's balance sheet which corresponds to 31,0 percent of total assets. Shares in Group companies are reported in the Parent Company's balance sheet at MSEK 2,046, which corresponds to 75,2 percent of total assets. Every year, and when there is an indication of a fall in value, ITAB tests that the carrying amount does not exceed the calculated recoverable amount. The recoverable amount is determined for each cash-generating unit by means of a current value calculation of future cash flows. Future cash flows are based on the management's business plans and forecasts and include a number of assumptions, including regarding profit trend, growth, investment needs and discount rate. For participations in Group companies, the recoverable amount is determined as fair value or value in use, whichever is the highest.

Altered assessments of the assumptions that the management has made in the calculation of the recoverable amount and the assumptions that the company has applied are therefore very important in the assessment of the need for impairment. We have therefore judged that the recognition of goodwill and shares in Group companies are a key audit matter.

A description of the impairment test can be seen in Note 18 "Intangible assets" and in Note 3 "Important estimates and assessments".

How our audit addressed this key audit matter

In our audit, we have evaluated and tested the company's process for establishing impairment tests, including by evaluating the accuracy of forecasts and assumptions in previous years. With the aid of our valuation specialists, we have assessed the selected discount rate and assumptions regarding long-term growth. We have reviewed the company's model and method for implementing impairment tests and have evaluated the company's sensitivity analysis. We have reviewed the additional information provided in the annual accounts.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-25 and 87-97. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the

Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ITAB Shop Concept AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITIES

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine

and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for ITAB Shop Concept AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of ITAB Shop Concept AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 34-37 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 *The auditor´s examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB Box 7850, 103 99 Stockholm was appointed auditor of ITAB Shop Concept AB (publ) by the general meeting of the shareholders on the 10 May 2023. ITAB Shop Concept AB (publ) has been a public interest entity since 28 May 2004.

Jönköping, 27 March 2024

Ernst & Young AB

Joakim Falck
Authorized Public Accountant

AUDITORS

The auditors are appointed by the shareholders at the Annual General Meeting. The auditors examine the company's annual accounts, consolidated accounts and accounting records as well as the administration of the Board of Directors and CEO.

The company's auditor is the registered auditing company Ernst & Young AB, with authorised public accountant Joakim Falck as auditor in charge. Aside from his duties for ITAB Shop Concept AB, Joakim Falck also has auditing assignments for Nolato AB, Absolent Group AB, Garo AB, Hexpol AB, Nefab AB, One Partner Group AB and Gyllensvaans Möbler AB.

Joakim Falck (born 1972)
Auditor for ITAB since 2018
Authorized Public Accountant
Member of FAR SRS, Ernst & Young AB

IN-DEPTH SUSTAINABILITY INFORMATION

CONTENT

About ITAB's Sustainability Report	88
Materiality analysis and Stakeholder dialogue	88
Sustainability Risks	89
Disclosures on Energy consumption by Source	91
Disclosures on CO_2e Emissions	91
Reporting on EU Taxonomy Objectives	92
Reporting on Global Reporting Initiative (GRI)	96
The Auditor's report on the Statutory Sustainability Report	97

IN-DEPTH SUSTAINABILITY INFORMATION

ABOUT ITAB'S SUSTAINABILITY REPORT

ITAB's Sustainability Report for the 2023 financial year comprises pages 15-22, together with this in-depth sustainability information on pages 87-97. This constitutes the Group's statutory Sustainability Report, prepared in accordance with the provisions of the Annual Accounts Act and has not been externally reviewed. Read more about the Sustainability Report on page 15.

MATERIALITY ANALYSIS AND STAKEHOLDER DIALOGUE

Through a comprehensive analysis involving vision, strategy, stakeholders, and materiality assessment, ITAB has identified four primary focus areas crucial to the Group's sustainability journey. The focus areas have been decided by the Group management and approved by the Board of Directors. Each of the areas is intricately linked to a key SDG and concurrently contributes to the advancement of other SDGs, as outlined on page 16.

The requirements and expectations of stakeholders identified through dialogues with them have then further helped us in the evaluation and prioritisation of sustainability actions needed both in the short- and long-term. Refer to the table for more information on ITAB's stakeholder dialogues.

In preparation for CSRD

A comprehensive Double Materiality Assessment has been performed in 2023 to account for significant changes in business and market dynamics since the previous assessment and complete requirement by the Corporate Sustainability Reporting Directive (CSRD) being introduced in the EU from 2024.

STAKEHOLDER DIALOGUE

For ITAB, fostering a continuous dialogue with stakeholders is crucial for constructing a sustainability plan that reflects their requirements, expectations, and interests. ITAB's main stakeholder include:

Stakeholders	Dialogue	Expectations
Customers	Engaging with those who use ITAB's solutions to understand their needs and expectations. Dialogue through Key Account Managers, project managers and customer service channels, as well as Senior management.	Quality products delivered on time and at a competitive price Sustainable business
Suppliers/Partners	Collaborating with suppliers/partners to uphold sustainable practices throughout the supply chain. Dialogue through Key Account Managers, local procurement buyers and managers, as well as via Head of Procurement.	Approved, Preferred and ultimately Partner relationships. Payment within agreed payment terms Sustainable business
Employees	Ensuring the well-being and satisfaction of the workforce, while considering their perspectives on sustainability. Continuous dialogue in the day-to-day business, appraisals, safety committees, intranet communications, etc.	Attractive workplace Good working environment Health & Safety Staff development and career opportunities Diverse and equal workplace Pay conditions Sustainable business
Owners/Investors	Keeping owners/investors informed about sustainable initiatives and performance to align with their expectations. Dialogue through Board meetings, General Meetings of Shareholders, and Investor meetings.	Return on Investment Transparent reporting Sustainable business
Society / NGOs	Interacting with and contributing to the communities in which ITAB operates. Adhering to and complying with regulations while actively participating in relevant discussions with society and Non-Government Organisations.	Compliance with all laws in all jurisdictions Sustainable business Correct taxes paid in the right jurisdictions

The output from the double materiality analysis will allow new sustainability targets and longterm goals to be developed and published, alongside a revision of current targets and goals to align with the double materiality analysis findings. This work is planned to be completed in early 2024.

REPORTING AND FOLLOW UP

ITAB follows the Global Reporting Initiatives' (GRI) guidelines for sustainability reporting to communicate the progress of its sustainability initiatives. The company has established Key Performance Indicators (KPIs) for continuous monitoring and reporting of sustainability efforts. These KPIs are reported quarterly by each commercial company to the Parent Company and are scrutinized in ITAB's Sustainability Council, where all Group functions are represented. Through 2024 ITAB will transition to the disclosures required by the CSRD legislation to report alongside GRI.

The KPIs and targets are structured around the four identified focus areas, as detailed in the Sustainability Report on pages 15-22. For internal control, ITAB utilizes the COSO framework, a comprehensive system for assessing a company's internal control over financial reporting. This framework enhances the efficiency of internal control processes.

Refer to page 96 for reporting according to GRI and GRI Index.

SUSTAINABILITY RISKS

In risk management, ITAB has a comprehensive risk management system, which includes an organizational functional system for risk management, formulation of risk management strategies, regular major risk assessments, identification of major risks and allocation of responsibilities, etc. This is to prevent and control potential risks in the operational environment, ensuring stable business operations. For more information about the Group's risk matrix, significant risks, and risk management, please refer to pages 30-33. Significant sustainability risks are presented in detail below on page 90.

The internal audit program is updated annually, primarily focusing on business risks. In addition, the internal audit now encompasses the oversight of the sustainability program and adherence to the Code of Conduct. Regular reviews and evaluations of internal checks are conducted across all subsidiaries within ITAB. This practice ensures reasonable assurance of appropriate and effective operations, reliable financial reporting, and compliance with laws and ordinances. The integration of sustainability monitoring and control mechanisms underscores ITAB's commitment to comprehensive corporate governance and responsible business practices.

Given that ITAB operates in markets associated with heightened sustainability risks, a detailed approach is taken for countries with different risk levels. Occupational health and safety, working conditions, and corruption are particularly crucial issues from a risk perspective. ITAB has classified countries into high, medium, and low-risk categories, with high-risk countries requiring increased scrutiny as outlined in the company's Procurement Procedures, Supplier Code of Conduct, and Sustainable Procurement Policy. This approach ensures a thorough understanding and management of sustainability risks associated with different operational contexts.

In preparation for CSRD

ITAB remains committed to mitigating environmental and social risks throughout its value chain. The assessment of sustainability risks plays a crucial role in the materiality analysis, forming the foundation for the sustainability program and prioritizing sustainable goals. The output from the comprehensive Double Materiality Assessment performed in 2023 will be included as part of the Group's overall business risk processes, as required by the CSRD.

SUSTAINABILITY RISKS (ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE – ESG)

The risks, uncertainties and important circumstances that are deemed significant for the Group's operations and future development are assessed in a risk matrix on page 30, including sustainability risks. In the matrix, all risks are assessed risk based on the likelyhood that each respective risk will occur and the impact on ITAB Group in the event that the risk occurs. For a description of strategic risks, operational risks, financial risks, and compliance and regulatory risks, please refer to pages 30-33. The sustainability risks are described in detail below, with a numeric reference to their assessment in the risk matrix on page 30.

Significant risks		Description	Risk management
22	**Social sustainability**	ITAB is dependent on attracting and retaining dedicated and competent personnel (refer to Employee risk on page 32). A prerequisite for this is to offer all employees a workplace with good working conditions. This applies both to the physical work environment, as mentioned below, as well as to social and psychological aspects, characterised by for example by equal opportunities and free of any discrimination. This also applies to the working conditions of the Group's suppliers and partners, and considers any affected communities through the value chain.	The ITAB Group Code of Conduct stipulates that all employees of the Group shall be offered a welcoming workplace and good working conditions, equal opportunities, diversity, and a safe and healthy environment. All of the Group's workplaces shall be free of any discrimination based on gender, marital status, ethnicity or national origin, sexual orientation, gender identity, religion, age, or disability. The Group works actively with skills and professional development. Through the Group's Supplier Code of Conduct and onsite audits of all main suppliers, similar requirements for good working conditions throughout the value chain are applied.
23	**Health & Safety**	The work environment within ITAB's operations is instrumental to the health and safety of the employees of the Group, especially due to the risk of accidents and incidents. ITAB is subject to regulations in areas such as occupational health and safety in the jurisdictions where ITAB conducts production. This also applies to the work environment of the Group's suppliers and partners, as well as the safety of the final users of ITAB's products. Non-compliance with acts and regulations in any of the jurisdictions in which the Group operates may result in authorities issuing orders for enforcement measures, imposing fees or fines, and in some cases even imposing restrictions on the operations of the Group.	Within ITAB Group, each company bears the responsibility for maintaining a secure workplace in accordance with local laws and regulations. To establish consistent standards throughout the Group, ITAB has formulated a Health & Safety (H&S) Framework and has initiated its implementation at the local level. Internal bodies overseeing H&S include employee representation, emphasizing a collaborative approach to ensure the well-being and safety of all employees across the organisation. ITAB has a target of zero accidents and works actively to reduce the number of accidents and reviews the safety procedures of companies that report a higher number of accidents. Through the Group's Supplier Code of Conduct and onsite audits of all main suppliers, similar requirements for healthy and safe workplaces throughout the value chain are applied.
24	**Environment**	There is a risk that ITAB's operations have a negative impact on the environment because of pollution of land, air, and water, and its water usage through its activities. Any pollution may have significant impact on biodiversity and ecosystems, as well as on ITAB's financials and reputation.	The exposure to hazardous materials and substances is very limited in ITAB Group's production. Any use and disposal of such material or substance is handled in accordance with laws and regulations. The Group is in the process of adopting a series of water use measures in production and daily life in order to protect water resources and resolve any water waste issues.
25	**Fair & Ethical Business Culture**	If ITAB Group and / or any of its employees do not act in accordance with a fair and ethical busines culture may have severe impacts for the Group and / or indivuals. If the Group's employees or external agents do not comply with ITAB Group Code of Conduct and if undue benefits are offered by the Group, or on behalf of the Group, this may be punishable for the Group and its employees and Directors of the Board, under Swedish or other applicable anti-corruption law.	ITAB Group's Code of Conduct establishes the essential principles on which all business in the Group should be conducted, built on trust, honesty and transparency. According to the Code of Conduct, ITAB has a zero-tolerance policy regarding all forms of bribery and corruption. Following an extensive training programme in the Group on an updated Code of Conduct and new whistleblowing directives in 2023, over 99 percent of all employees have so far committed to the Code of Conduct by formally signing the document. ITAB has an internal and external whistleblowing service.
26	**Energy & Greenhouse Gases**	The activities within ITAB Group produce Greenhouse Gases both directly and indirectly in the value chain. Energy use, where not sourced from a renewable source, also contributes to the production of Greenhouse Gases.	ITAB Group has plans within energy consumption to achieve a target of 100 percent electricity generated from renewable sources by 2025. The Group has also committed to a 50 percent reduction in CO_2e in Scope 1 and 2 emissions by 2030.
27	**Material, Waste & Circular Economy**	Material use and waste both contribute to the depletion of the natural resources available. In the future, designing for reuse of equipment and transitioning to a circular economy are going to be essential to reduce both consumption of materials and the waste generated throught its processes.	ITAB Group's commitment to sustainable business development is evident in its strategy to create in-store solutions that support customers by offering energy-efficient and cost-effective products. The Group focuses on incorporating increasingly sustainable materials into its solution and product portfolio in line with its Sustainable Procurement Policy, aiming to minimize the environmental impact and contribute to customers achieving their Carbon Zero goals. In co-operation with retailers ITAB develops solutions for circular economy, whereby equipment is refurbished rather than replaced. To avoid landfill waste, the aim is to repair, reuse, refurbish, and recycle an increasing portion of existing equipment with the customers.
28	**Child & Forced Labour**	The risk of child or forced labour in ITAB's own production or within the supply chain for a product or service.	ITAB Group's Code of Conduct establishes the essential principles to respect human rights in accordance with international conventions. The Code of Conduct together with the Group's Supplier Code of Conduct stipulate a zero-tolerance policy regarding all forms of child and forced labout within ITAB and throughout the value chain. ITAB Group conducts annual on-site audits of all main suppliers, and companies within ITAB are regularly subject to audits themselves by some or their larger customers. There were no reported cases of child or forced labour in our supply chain in 2023.

ENERGY CONSUMPTION
ITAB's target within energy is to have 100 percent electricity generated from renewable sources by 2025. For 2023, ITAB Group's electrical consumption amounted to 25,967 MWh ,of which 38 percent were procured from renewable sources. Refer to the table for more detailed information.

CO_2e EMISSIONS
ITAB has committed to a 50 percent reduction in CO_2e in Scope 1 and 2 emissions by 2030. During 2023, ITAB's Scope 1 emissions were 5,935 tonnes of CO_2e. The CO_2 was generated through the burning of natural gas within our production facilities, primarily for heating and for heating painting lines. Calculated in line with the GHG Protocol Scope 1 reporting, using the WRI GHG Protocol Emission Factor from Cross Sector Tools (March 2017), stationary combustion for ITAB Scope 2 emissions were 7,856 tonnes of CO_2e for 2023. Scope 2 have been calculated in accordance with the GHG Protocol Scope 2 Market Based Methodology. Refer to the table for more detailed information.

Scope 3 emission monitoring is being developed throughout 2024 in order to comply with the CSRD legislation. During 2024 and in line with the CSRD legislation ITAB will develop methodology to report the full value chain CO_2 emissions.

MWH OF ENERGY BY SOURCE

MWh of Energy consumption by source	2023	2022
Northern Europe		
Natural Gas Purchased	826 MWh	561 MWh
Electricity Purchased	7,416 MWh	10,751 MWh
of which from Renewable sources	79.1%	79.1%
Southern Europe		
Natural Gas Purchased	14,484 MWh	16,737 MWh
Electricity Purchased	5,443 MWh	6,336 MWh
of which from Renewable sources	34.2%	31.7%
Central Europe		
Natural Gas & LPG Purchased	7,028 MWh	10,124 MWh
Electricity Purchased	4,892 MWh	6,549 MWh
of which from Renewable sources	20.1%	14.7%
United Kingdom & Ireland		
Natural Gas Purchased	1,979 MWh	2,504 MWh
Electricity Purchased	1,359 MWh	1,702 MWh
of which from Renewable sources	40.0%	40.0%
Eastern Europe		
Natural Gas Purchased	1,771 MWh	2,105 MWh
Electricity Purchased	1,616 MWh	1,843 MWh
of which from Renewable sources	42.9%	83.1%
Rest of the World		
Natural Gas Purchased	4,454 MWh	7,152 MWh
Electricity Purchased	5,241 MWh	6,023 MWh
of which from Renewable sources	0.0%	5.4%
ITAB Group – Total		
Natural Gas Purchased	**30,542 MWh**	**39,183 MWh**
Electricity Purchased	**25,967 MWh**	**33,204 MWh**
of which from Renewable sources	**38.3%**	**42.2%**

CO_2e EMISSIONS

CO_2e emissions (t CO_2e)	2023	2022
Northern Europe		
Scope 1	463	544
Scope 2 market based	644	187
Total	**1,107**	**731**
Southern Europe		
Scope 1	2,530	2,941
Scope 2 market based	1,624	1,912
Total	**4,154**	**4,853**
Central Europe		
Scope 1	1,421	2,044
Scope 2 market based	2,496	3,598
Total	**3,917**	**5,642**
United Kingdom & Ireland		
Scope 1	401	507
Scope 2 market based	297	373
Total	**698**	**880**
Eastern Europe		
Scope 1	359	426
Scope 2 market based	443	162
Total	**802**	**588**
Rest of the World		
Scope 1	761	1,238
Scope 2 market based	2,352	2,539
Total	**3,113**	**3,777**
ITAB Group – Total		
Scope 1	**5,935**	**7,700**
Scope 2 market based	**7,856**	**8,771**
Total	**13,791**	**16,471**

REPORTING ON **EU TAXONOMY OBJECTIVES 2023**

To meet the EU's climate and energy targets for 2030 and reach the objectives of the European Green Deal, the EU's Taxonomy Regulation (2020/852/EU) came into force in July 2020. The EU Taxonomy is a classification system that helps companies and investors identify "environmentally sustainable" economic activities to make sustainable investment decisions.

ITAB is a public interest entity and therefore has an obligation to report the proportion of its business that is eligible under and aligned with the Taxonomy Regulation. ITAB develops, manufactures, sells and installs a broad range of solutions and services in interior fixtures, in-store technology and lighting for the retail sector. The Group has today a few economic activities that are listed in the currently published delegated acts for the Taxonomy Regulation.

ITAB has reviewed the economic activities listed in the three published delegated acts on technical screening criteria and identified one activity in the delegated act on climate change mitigation and one activity on transition to a circular economy. No activities carried out by ITAB are considered to be listed in the delegated acts on climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. For an economic activity to be Taxonomy-aligned, the activity must be contained in the technical screening criteria, the activity must do no significant harm to any of the other five environmental objectives and it must fulfil the minimum safeguards that set the standard for the social sustainability of companies. Minimum safeguards refers to processes to ensure that the business is operated in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights throughout the value chain.

TAXONOMY-ELIGIBLE AND -ALIGNED ACTIVITIES

CCM 3.5. Manufacture of energy efficiency equipment for buildings

Taxonomy-eligible economic activities within climate change mitigation in 2023 comprises the Group's manufacturing of lighting equipment for retailers (NACE code C27.40). Currently only a small portion of the lighting equipment manufactured by ITAB meets the requirements for alignment. Hence, this portion of the economic activities within climate change mitigation is considered to be taxonomy-aligned.

CE 1.2. Manufacture of electrical and electronic equipment

Taxonomy-eligible economic activities within transition to a circular economy in 2023 comprises the Group's manufacturing of retail technology for retailers (NACE code C26 and 27). None of the economic activities within transition to a circular economy is considered to be taxonomy-aligned at present.

All taxonomy-eligible revenue and expenditures relate to the objectives climate change mitigation or transition to a circular economy, and meet the criteria for Do No Significant Harm. ITAB has established processes to ensure that the business is operated in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights throughout the value chain. The process is centred on a risk-based working method. ITAB considers that the requirement for the fulfilment of minimum safeguards in relation to social sustainability is met.

Refer to the tables below on pages 93-95 for disclosures on EU Taxonomy Objectives 2023.

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

On 1 January 2023, a Complementary Climate Delegated Act entered into force, whereby companies must now report Taxonomy-alignment of certain nuclear and fossil gas related activities. Nuclear energy and fossil gas have been deemed environmentally sustainable for the time being by the European Parliament, as they are considered important components of the transition to lower GHG emissions. ITAB does not currently conduct any of the activities covered by this Complementary Climate Delegated Act.

REPORTERING PRINCIPLES

The key performance indicators under the EU's Taxonomy Regulation have been calculated in line with the definitions in Annex 1 to the Delegated Act (EU) 2021:4987, supplementing Article 8 of the Taxonomy Regulation. Relevant data has been collated from the Group's financial systems.

Turnover

Net turnover corresponds to the reported net sales for the financial year (see net sales for the Group on page 43 and in Note 6). Policies for consolidated revenue recognition are described in more detail in Note 2. When determining and allocating the taxonomy-eligible and aligned net sales, operations and underlying products and services were grouped according to economic activities. The turnover in the denominator consists of the Group's total net sales.

Capital expenditure (CapEx)

CapEx is defined as additions to property, plant and equipment and intangible assets during the year after deducting depreciation/ amortisation and any impairment, with the exception of changes to fair value. Also included are additions to, and revaluations of, right-of-use assets as well as property, plant and equipment and intangible assets related to business combinations. The Group's acquisitions of land and goodwill are not included. The denominator includes the Group's total CapEx during the year. See also Notes 18 and 19.

Operating expenditure (OpEx)

OpEx is defined as direct non-capitalised costs that relate to research and development, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-today servicing of items of property plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. The denominator covers the Group's total OpEx during the year associated with the continued and effective functioning of such assets. See also Note 11, with certain supplementary disclosures.

DISCLOSURES ON **EU TAXONOMY OBJECTIVES 2023**

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities for 2023

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	10	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**10**	**0.2%**	**0.2%**	**-**	**-**	**-**	**-**	**-**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.1%**		
Of which Enabling		10	0.2%	0.2%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Of which Transitional		-	-	-													-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	549	8.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.9%		
Manufacture of electrical and electronic equipment	CE 1.2	1,687	27.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/EL		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2,236**	**36.4%**	**8.9%**	**-**	**-**	**-**	**27.5%**	**-**								**10.9%**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**2,246**	**36.6%**	**9.1%**	**-**	**-**	**-**	**27.5%**	**-**								**11.0%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities		3,893	63.4%
TOTAL		**6,139**	**100.0%**

Y = Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL = Not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL = Taxonomy eligible activity for the relevant objective
T = Transitional
E = Enabling
CCM = Climate Change Mitigation
CCA = Climate Change Adaptation
WTR = Water and Marine Resources
CE = Circular Economy
PPC = Pollution Prevention and Control
BIO = Biodiversity and ecosystems

	PROPORTION OF TURNOVER / TOTAL TURNOVER	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0.2%	9.1%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	27.5%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities for 2023

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**-**	**-**	**-**	**-**	**-**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.1%**		
Of which Enabling		0	0.0%	0.0%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Of which Transitional		-	-	-													-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	5	3.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8.9%		
Manufacture of electrical and electronic equipment	CE 1.2	29	21.8%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/EL		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**34**	**25.4%**	**3.6%**	**-**	**-**	**-**	**21.8%**	**-**								**8.9%**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**34**	**25.4%**	**3.6%**	**-**	**-**	**-**	**21.8%**	**-**								**9.0%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
CapEx of Taxonomy-non-eligible activities		100	74.6%
TOTAL		**134**	**100.0%**

Y = Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL = Not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL = Taxonomy eligible activity for the relevant objective
T = Transitional
E = Enabling
CCM = Climate Change Mitigation
CCA = Climate Change Adaptation
WTR = Water and Marine Resources
CE = Circular Economy
PPC = Pollution Prevention and Control
BIO = Biodiversity and ecosystems

	PROPORTION OF CAPEX / TOTAL CAPEX	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0.0%	3.6%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	21.8%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities for 2023

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**-**	**-**	**-**	**-**	**-**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0%**		
Of which Enabling		0	0.0%	0.0%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Of which Transitional		-	-	-													-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	563	10.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11.0%		
Manufacture of electrical and electronic equipment	CE 1.2	781	14.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/EL		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,344**	**24.8%**	**10.4%**	**-**	**-**	**-**	**14.4%**	**-**								**11.0%**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**1,344**	**24.8%**	**10.4%**	**-**	**-**	**-**	**14.4%**	**-**								**11.0%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
OpEx of Taxonomy-non-eligible activities		4,084	75.2%
TOTAL		**5,428**	**100.0%**

Y = Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL = Not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL = Taxonomy eligible activity for the relevant objective
T = Transitional
E = Enabling
CCM = Climate Change Mitigation
CCA = Climate Change Adaptation
WTR = Water and Marine Resources
CE = Circular Economy
PPC = Pollution Prevention and Control
BIO = Biodiversity and ecosystems

	PROPORTION OF OPEX / TOTAL OPEX	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0.0%	10.4%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	14.4%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

GLOBAL REPORTING INITIATIVE **(GRI)**

ITAB presents its sustainability information with the support of Global Reporting Initiatives' (GRI) standards, core level. The Sustainability Report is prepared annually as a section in the Annual Report. The sustainability information presented has not been reviewed by an external party.

The information in the Sustainability Report is to provide a comprehensive overview of ITAB's work within the framework of environmental, social, and corporate governance (ESG) sustainability. The sustainability information in this report has been defined and delimited on the basis of an analysis of ITAB's most essential issues, and describes the impact both within and outside of the organisation.

GRI's fundamental principles for sustainability reporting form the basis for the preparation of ITAB's GRI report. This includes consideration having been given in order to ensure good reporting quality and to delimit and define the content of the report.

The index refers to ITAB's Annual Report 2023 including the Sustainability Report. The page references show where mandatory standard information and selected indicators based on the materiality analysis are reported in this report.

ITAB GROUP - CONTACT SUSTAINABILITY & GRI
Jim Murray
Head of Sustainability & Quality
jim.murray@itab.com

GRI CONTENT INDEX

Statement of use: ITAB Shop Concept AB has reported the information cited in this GRI content index for the period 1 January to 31 December 2023 with reference to the GRI Standards.
GRI used: GRI 1: Foundation 2021 **Publication date:** 28 March 2024

GRI STANDARD	DISCLOSURE		REFERENCE	COMMENT
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-1	Organizational details	1, 3, 51, 70	
	2-2	Entities included in the organization's sustainability reporting	51, 70	
	2-3	Reporting period, frequency and contact point	96	
	2-4	Restatements of information		No material restatements.
	2-5	External assurance	17, 97	The Sustainability Report has not been externally reviewed.
	2-6	Activities, value chain and other business relationships	3, 7-8, 10-14, 21-88	
	2-7	Employees	19, 60	
	2-9	Governance structure and composition	34-38	
	2-10	Nomination and selection of the highest governance body	34-38	
	2-11	Chair of the highest governance body	34-38	
	2-12	Role of the highest governance body in overseeing the management of impacts	16-18, 34-38	
	2-13	Delegation of responsibility for managing impacts	16-18, 34-38	
	2-14	Role of the highest governance body in sustainability reporting	16-18, 34-38	
	2-15	Conflicts of interest	34-38	
	2-16	Communication of critical concerns	16-18, 88-90	
	2-19	Remuneration policies	28-29, 34-36, 64	
	2-20	Process to determine remuneration	28-29, 34-36, 64	
	2-22	Statement on sustainable development strategy	5, 9	
	2-25	Processes to remediate negative impacts	18	
	2-26	Mechanisms for seeking advice and raising concerns	19	
	2-27	Compliance with laws and regulations	19	
	2-28	Membership Associations	17	
	2-29	Approach to stakeholder engagement	88-89	
MATERIAL TOPICS				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	16-18, 88-89	
	3-2	List of material topics	16-18	
	3-3	Management of material topics	16-18, 88-89	
ECONOMIC IMPACT				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	18	
	201-2	Financial implications and other risks and opportunities due to climate change	30-32, 90	
	201-3	Defined benefit plan obligations and other retirement plans	64	
	201-4	Financial assistance received from government	74	
GRI 207: Tax 2019	207-1	Approach to tax	33	
	207-2	Tax governance, control, and risk management	33	
	207-3	Stakeholder engagement and management of concerns related to tax	33, 88	
ENVIRONMENTAL IMPACT				
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	21, 91	
	302-4	Reduction of energy consumption	21,91	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	21, 91	
	305-2	Energy indirect (Scope 2) GHG emissions	21, 91	
	305-5	Reduction of GHG emissions	21, 91	
SOCIAL IMPACT				
GRI 403: Occupational Health & Safety 2018	403-1	Occupational health & safety management system	19	
	403-2	Hazard identification, risk assessment, and incident investigation	19	
	403-4	Worker participation, consultation, and communication on occupational health & safety	19	
	403-5	Worker training on occupational health & safety	19	
	403-9	Work-related injuries	19	

This is a translation of the original Auditor's Report in Swedish

THE AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the General Meeting of ITAB Shop Concept AB (publ),
corporate reg. no. 556292-1089

ENGAGEMENT AND RESPONSIBILITY
The Board of Directors is responsible for that the statutory Sustainability Report for 2023 on pages 15-22 and 87-96 has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT
Our examination of the statutory Sustainability Report has been conducted in accordance with FAR's auditing standard RevR 12 *Auditor's r eport on the statutory Sustainability Report*. This means that our examination of the statutory Sustainability Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINION
A statutory Sustainability Report has been prepared.

Jönköping, 27 March 2024

Ernst & Young AB

Joakim Falck
Authorised Public Accountant

ANNUAL GENERAL MEETING 2024

The 2024 Annual General Meeting for ITAB Shop Concept AB (publ) will be held on Wednesday, 15 May 2024 at 3:00 p.m. CEST at ITAB's head office at Instrumentvägen 2 in Jönköping, Sweden.

The notice to attend the Annual General Meeting is expected to be published in early April 2024 through a press release and on the company's website, and through an advertisement in Post- och Inrikes Tidningar. An announcement of the publication of the notice will be made in Dagens Industri. The notice will encompass the proposed agenda and the proposals of the Nomination Committee and Board of Directors for resolutions at the Meeting.

Refer to itabgroup.com for more information, and to download and order reports.

FINANCIAL INFORMATION FOR 2024

Interim Report 3 months – 1 Jan-31 Mar 2024	14 May 2024
Annual General Meeting 2024	15 May 2024
Interim Report 6 months – 1 Jan-30 Jun 2024	12 July 2023
Interim Report 9 months – 1 Jan-30 Sep 2024	29 October 2024
Year-End Report 2024 – 1 Jan-31 Dec 2024	7 February 2025
Annual & Sustainability Report 2024	March/April 2025

ITAB GROUP CONTACT – INVESTOR RELATIONS

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