

29th February 2024

itim Group plc

("itim" or "the Company" and together with its subsidiaries "the Group")

Trading Update

"Revenues in line and EBITDA ahead of market expectations - confident of future outlook"

itim Group plc, a SaaS based technology company that enables store-based retailers to optimise their businesses to improve financial performance, is pleased to announce an unaudited trading update for the financial year ended 31 December 2023, ahead of the publication of the Company's annual results which are anticipated to be released in May 2024.

Highlights

- Revenues increased 15% at £16.1m* (2022: £14.0m (audited)) in line with current market expectations.
- Annual recurring revenue ("ARR") remained constant at approximately £13.2m* (2022: £13.2m (audited)) representing 82% of revenue as the Group focused on EBITDA and cash generation.
- EBITDA for the year is expected to be £0.68m* (2022: £0.21m (audited)) ahead of market expectation of £0.3m.
- Total loss before tax for the year is also anticipated to be ahead of market expectations.
- Post period end, completion of a significant multi-million pound contract with Quiz Clothing to implement the Groups first fashion customer on the end-to-end retail platform.
- As expected, the Group ended the year with cash balances of £1.9m* (2022: £3.9m (audited)) with no outstanding loans.

In the year ended 31 December 2023, the Group achieved revenue growth of 15% increasing from £14.0m to £16.1m* as the business pivoted from focussing on ARR growth to cash generation with service revenues increasing by 64% and EBITDA increasing by 126%.

As the culmination of the two-year investment programme approaches, itim is pleased to present an update on the progress as it presents an enhanced product offering, strategically positioning itim for sustained success within the dynamic retail landscape.

Significant improvements have been made across the product suite. A notable strategic milestone includes the integration of fashion into the core Retail Suite, catalysed by the successful Quiz Clothing contract win, which went live as announced on the 27th February 2024. Furthermore, targeted investments in the Profimetrics platform, Chameleon store systems, Tradeledger for supplier collaboration, and e-commerce have collectively enhanced the capabilities of itim's offering. The Company's transformative efforts have led to the creation of a unified platform, named 'UNIFY.' This rebranding not only consolidates our products but also better communicates the essence of our Unified Retailing platform. The positive feedback from customers demonstrates the real impact of these improvements, strengthening confidence in itim's go-to-market strategy.

In alignment with prevailing economic conditions, itim is currently in the process of "right sizing" its business. This strategic pivot involves a shift away from 'free' implementation services towards a continual focus on increasing services revenues and EBITDA. The emphasis on demonstrating the real 'benefits' of UNIFY through consulting underscores the Company's commitment to delivering tangible retail value to the retail community.

Over the past eight years, itim has demonstrated a compound average growth rate of 11%. Despite challenges posed by the recent turbulent macro-economic environment over the last three years, the Company has navigated these obstacles with resilience. With a solid foundation laid by the IPO funding, a further enhancement in the growth rate is anticipated when global economic conditions improve.

** Unaudited*

Ali Athar, Chief Executive Officer, commented, "I am pleased to present a robust set of numbers for the year with revenue in line and EBITDA ahead of market expectations demonstrating itim's commitment to improving our strategic initiatives and positioning the Company for sustained growth and success. We are delighted to announce the launch of UNIFY, our unified platform which not only consolidates our product offerings but also provides a seamless and enhanced experience in the retail landscape. I would like to express our gratitude for stakeholders for their continued trust and support. We are encouraged by recent trading and a significant pipeline of new opportunities which enables the Board to view the future with renewed confidence and optimism."

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Enquiries:

itim Group plc	Ali Athar, CEO Ian Hayes CFO	0207 598 7700
WH Ireland (NOMAD & Broker)	Katy Mitchell Harry Ansell Darshan Patel	0207 220 1666
IFC Advisory	Graham Herring Florence Chandler	0207 3934 6630

ABOUT ITIM

itim was established in 1993 by its founder, and current Chief Executive Officer, Ali Athar. itim was initially formed as a consulting business, helping retailers' effect operational improvement. From 1999 the Company began to expand into the provision of proprietary software solutions and by 2004 the Company was focused exclusively on digital technology. itim has grown both organically and through a series of acquisitions of small, legacy retail software systems and associated applications which itim has redeveloped to create a fully integrated end to end Omni-channel platform.

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