



New Wave Group AB

2020  
*Interim report*

January - June

# Trademarks in focus

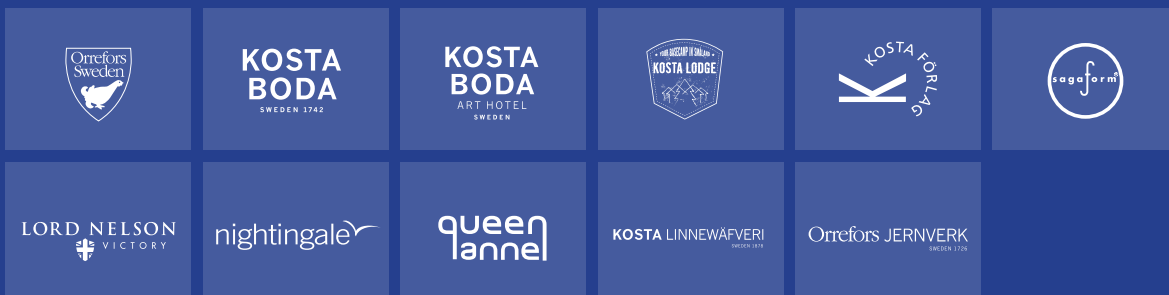
## Corporate



## Sports & Leisure



## Gifts & Home Furnishings



New Wave Group AB

# Q2

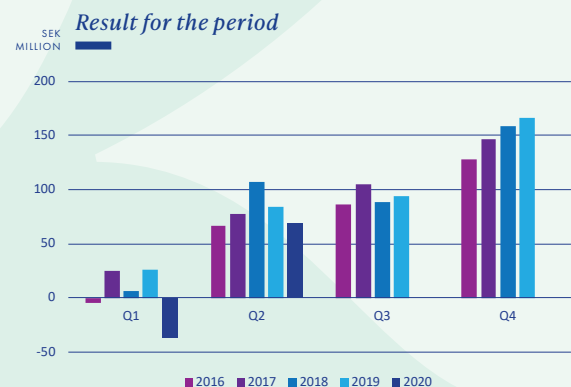
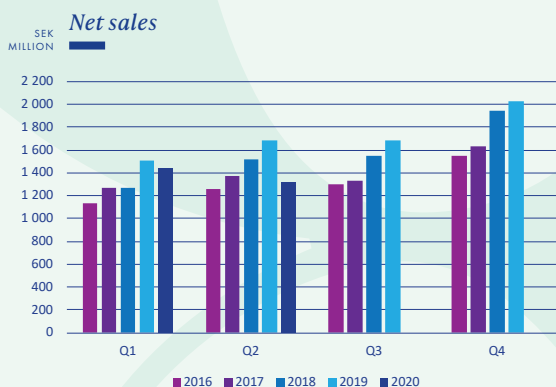
## Interim report

### PERIOD 1 APRIL - 30 JUNE 2020

- Net sales amounted to SEK **1,314.5** million, which was **22 % (22 % in local currencies)** lower than last year (SEK **1,689.0** million).
- Operating result amounted to SEK **110.1 (119.6)** million.
- Result for the period amounted to SEK **72.9 (83.7)** million.
- Earnings per share amounted to SEK **1.11 (1.28)**.
- Cash flow from operating activities amounted to SEK **251.4 (9.0)** million.

### PERIOD 1 JANUARY - 30 JUNE 2020

- Net sales amounted to SEK **2,755.4** million, which was **14 % (15 % in local currencies)** lower than last year (SEK **3,193.9** million).
- Operating result amounted to SEK **86.0 (165.6)** million.
- Result for the period amounted to SEK **35.9 (109.7)** million.
- Earnings per share amounted to SEK **0.57 (1.68)**.
- Cash flow from operating activities amounted to SEK **366.0 (-56.1)** million.
- Equity ratio amounted to **47.9 (44.7) %**.
- Net debt to equity ratio amounted to **69.9 (79.2) %**.



Torsten Jansson

# *CEO comments*

—

"The second quarter turned out considerably better than I feared and I am entirely convinced that we will come out of the crisis stronger than ever."



**April - June**

The second quarter turned out considerably better than I feared. Some countries recovered faster than we expected, the trading business reported a very good result and showed good growth.

**Sales**

Sales during the quarter decreased by **22%** in local currencies. The outcome differed quite a lot between countries and companies, and worst affected were our US companies with a decrease of **62%** and with several of our companies shut down well into May. Sales in Sweden, other Nordic countries and Central Europe also dropped between **29-43%**. Southern Europe and Other countries experienced growth of **77%** and **19%** respectively, mainly due to trading orders.

**Result**

Operating result amounted to SEK **110.1** million compared to SEK **119.6** million for the previous year – a result which I am satisfied with and proud of given the current circumstances. During the period, the Group received SEK **44.1** million in government support in several countries related to COVID-19. We managed to strongly cut back on costs, with a SEK **142.5** million decrease in external costs and a SEK **81.4** million decrease in personnel costs. These actions, together with a lower-than-expected drop in sales, actually resulted in an improved operating margin.

**January - June**

**Sales**

Net sales for the first six months of the year decreased by **14%** to SEK **2,755.4** million. The development in the regions was about the same as for the second quarter. The largest drop was in the US with **36%**, where it is worth noting that several of our warehouses were shut down for a relatively long period of time.

**Result**

Under the circumstances I am satisfied with an operating result of SEK **86.0** million. For quite some time I was worried that the result would end up considerably worse.

**Cash flow and balance sheet**

In addition to lowering costs, I am very satisfied with the work being done to improve cash flow. The first six months improved by SEK **422.1** million compared to the same period last year and amounted to SEK **366.0** million. Total credit limit amounts to SEK **3,165** million and the net debt to credit institutes amounts to SEK **1,898.8 (2,168.6)** million, which gives an available credit of SEK **1,266** million. During the period, we have continued to strengthen the balance sheet and increased the equity ratio with **3.2** percentage points to **47.9%**.

**The future**

It is very hard to assess the coming quarters, but I am entirely convinced that we will come out of the crisis stronger than ever within all our areas. In the short term, however, it can certainly continue to go up and down depending on how COVID-19 develops.

..... Q2 .....

  
**Torsten Jansson**  
 CEO

The period  
**Comments**  
*on the period*

**Summary of the quarter April - June**

New Wave Group's net sales have been largely affected by the COVID-19 virus and the pandemic that has hit the world. Demand for the Group's products and services has decreased during the quarter. Net sales mainly decreased in April, followed by a slight recovery during May and June. Most of the Group's American business was shut down for one and a half months and deliveries were limited in several European countries. This resulted in lower net sales for the Group compared to the previous year and affected almost all segments and regions negatively. The negative effects on net sales led to a lower gross result and operating result compared to the previous year, but the negative effects were limited through cost savings. The Group's net sales and result also include several major trading orders that were primarily delivered at the end of the quarter.



**Re:turn**  
 Sagaform's  
 Re:turn collection,  
 made of recycled  
 glass.

Net sales decreased by **22%** (same in local currencies). The Corporate segment increased by **2%**, which is related to the above mentioned trading orders. The increase occurred in the regions Southern Europe and Other countries. The improvement in Other countries was related to the promo business in Asia. Sports & Leisure decreased by **51%**. All regions had lower net sales, but the most significant drop was seen on the US market. Gifts & Home Furnishings decreased by **24%**, which was related to lower sales in Sweden.

The promo sales channel decreased by **8%** and retail sales decreased by **44%**. The lower net sales in promo took place in Sports & Leisure and Gifts & Home Furnishings, but Corporate increased. The retail sales channel decreased in all segments.

The gross profit margin decreased compared to the previous year and amounted to **39.2 (46.5) %**. The lower margin was mainly attributable to the Corporate segment, related to a larger share of trading shipments. Gifts & Home Furnishings also had a lower margin, while Sports & Leisure was on par with last year.

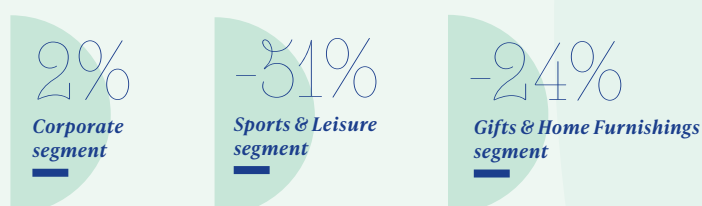
The Group's external costs decreased during the quarter, which is related to savings and volume-related costs. Personnel costs also decreased, which

was related to reduced number of staff and temporary lay-offs.

Operating result amounted to SEK **110.1 (119.6)** million. Result for the period amounted to SEK **72.9 (83.7)** million.

Cash flow from operating activities amounted to SEK **251.4 (9.0)** million. The higher cash flow is primarily an effect of reduced current receivables and lower merchandise purchases. However, inventory increased by SEK **138.5** million and amounted to SEK **3,605.9 (3,467.4)** million. Net debt decreased by SEK **127.1** million and amounted to SEK **2,656.6 (2,783.7)** million, and the net debt to equity ratio dropped to **69.9 (79.2) %**.

..... 2020 - Q2 .....



## April - June

### Net sales

Net sales amounted to SEK **1,314.5** million, which was **22%** lower than last year (SEK **1,689.0** million). Exchange rate effects had no material impact on sales and net sales in local currencies were thus also **22%** lower than last year.

Net sales in the US decreased by **62%**, which was mainly related to Sports & Leisure. In Sweden, net sales decreased by **31%**. The decrease occurred in all segments. Sales in Central Europe decreased by **29%**, mainly in the Corporate segment. The Nordic countries excluding Sweden had **43%** lower net sales than last year. The decrease was mainly attributable to the Corporate and Sports & Leisure segments. Southern Europe increased by **77%**, which was related to Corporate and several major trading shipments. Other countries increased by **19%**, which was related to the trading business in Asia within the Corporate segment.

### Gross profit

The gross profit margin was lower than the previous year and amounted to **39.2 (46.5) %**. The lower margin is mainly related to the trading business, which is included in the Corporate segment. However, Gifts & Home Furnishings also had a lower margin while Sports & Leisure was on par with last year.

### Other operating income and other operating expenses

Other operating income increased by SEK **45.9** million to SEK **61.4 (15.5)** million. The increase is attributable to government support in connection with COVID-19. In addition to these supports, other operating income include the operating currency gains and must be set against the income statement item other operating expenses, where primarily operating currency losses are reported. Other operating expenses increased by SEK **3.7** million and amounted to SEK **-11.4 (-7.7)** million. The net of the above mentioned items amounted to SEK **50.0 (7.8)** million.

### Costs and depreciations

External expenses decreased by SEK **142.5** million and amounted to SEK **-187.7 (-330.2)** million. The decrease is an effect of cost savings and volume-related costs. Personnel costs decreased by SEK **81.4** million and amounted to SEK **-209.1 (-290.5)** million. The decrease is related to temporary lay-offs and reduced number of staff.

The exchange rates for the quarter is in line with the previous year and have not had any material impact on the above mentioned costs.

Amortizations, depreciations and write-downs were higher compared to last year and amounted to SEK **-57.8 (-52.8)** million. The increase is related to depreciations on right-of-use asset for leasing, which increased by SEK **5.0** million compared with the previous year.

### Operating result

Operating result was SEK **9.5** million lower than last year and amounted to SEK **110.1 (119.6)** million. The lower operating result is related to reduced net sales. However, the operating margin improved and amounted to **8.4%** compared to **7.1%** the previous year, where the improvement is attributable to the cost savings made. The quarter also includes several major trading orders that were primarily delivered at the end of the quarter.

### Net financial items and tax

Net financial items amounted to SEK **-17.3 (-16.0)** million, which is related to higher interest expenses.

Tax on result for the period amounted to SEK **-19.9 (-19.9)** million.

### Result for the period

Result for the period amounted to SEK **72.9 (83.7)** million and earnings per share amounted to SEK **1.11 (1.28)**.



**Craft**  
In a collaboration with Vasaloppet, Craft designed a new collection for Cykelvasan 2020, which was replaced by Hemmavasan.



KOSTA  
BODA  
SWEDEN 1742



## January - June

### **Net sales**

Net sales amounted to SEK **2,755.4** million, which was **14%** lower than last year (SEK **3,193.9** million). Exchange rate effects had a positive impact on sales with SEK **32.7** million, corresponding to **1%**.

Net sales in the US decreased by **36%**, which was related to Sports & Leisure and Corporate. In Sweden, net sales decreased by **18%**, with decreases in all segments. Sales in Central Europe decreased by **20%**, which was attributable to Corporate and Sports & Leisure. The Nordic countries excluding Sweden had **28%** lower net sales than last year, related to Corporate and Sports & Leisure here as well. Southern Europe increased by **34%**, attributable to several major trading shipments in the Corporate segment. Other countries increased by **21%**, which was related to the trading business in Asia within the Corporate segment.

### **Gross profit**

The gross profit margin was lower than the previous year and amounted to **41.6 (46.8) %**. The lower margin is mainly related to the trading business in the Corporate segment. However, Sports & Leisure and Gifts & Home Furnishings also had lower margins than the previous year.

### **Other operating income and other operating expenses**

Other operating income increased by SEK **49.3** million to SEK **82.0 (32.7)** million. The increase is attributable to government support in connection with COVID-19. In addition to these supports, other operating income include the operating currency gains and must be set against the income statement item other operating expenses, where primarily operating currency losses are reported. Other operating expenses increased by SEK **5.9** million and amounted to SEK **-21.8 (-15.9)** million. The net of the above mentioned items amounted to SEK **60.2 (16.8)** million.

### **Costs and depreciations**

External expenses decreased by SEK **170.0** million and amounted to SEK **-498.7 (-668.7)** million. The decrease is related to savings and volume-related costs. Personnel costs decreased by SEK **71.6** million and amounted to SEK **-502.0 (-573.6)** million, which is attributable to temporary lay-offs and reduced number of staff.

Exchange rate effects have increased the above mentioned costs by SEK **15.7** million.

Amortizations, depreciations and write-downs were higher compared to last year and amounted to SEK **-117.9 (-103.8)** million. The increase is mainly related to depreciations on right-of-use asset for leasing, which increased by SEK **12.6** million.

### **Operating result**

Operating result amounted to SEK **86.0 (165.6)** million and the decrease is related to the lower net sales.

### **Net financial items and tax**

Net financial items amounted to SEK **-35.2 (-29.9)** million, which is related to higher interest expenses.

Tax on result for the period amounted to SEK **-14.8 (-25.9)** million.

### **Result for the period**

Result for the period amounted to SEK **35.9 (109.7)** million and earnings per share amounted to SEK **0.57 (1.68)**.

## Reporting of operating segments

New Wave Group divides its operations into segments Corporate, Sports & Leisure and Gifts & Home Furnishings. The Group monitors the segments' and brands' sales as well as operating result. The operating segments are based on the Group's operational management.



### Corporate

In the Corporate segment, sales have been primarily affected by cancelled events, conferences and other corporate activities as well as the general problems in the business, reducing the demand for promo products.

Net sales for the second quarter increased, however, by 2% to SEK 830.4 (811.1) million. Sales increased in Southern Europe and Other countries, but decreased in all other regions. During the quarter, the segment has had increased sales within the trading business positively affecting Southern Europe and Other countries. Sales increased in the promo sales channel, while retail decreased. Operating result increased by SEK 17.1 million and amounted to SEK 112.0 (94.9) million. The improved result is attributable to the higher net sales and savings.

Net sales for the first six months of the year amounted to SEK 1,541.5 (1,535.1) million. Southern Europe and Other countries experienced growth, while all other regions decreased compared to the previous year. The increase in sales occurred in the promo sales channel, and retail decreased compared to the previous year. Operating result decreased by SEK 12.9 million and amounted to SEK 137.0 (149.9) million. The lower result is attributable to a lower gross profit margin, which has been partly offset by cost savings.

During the first quarter of the year, some trademarks have been reclassified from Corporate to Gifts & Home Furnishings. The comparative figures have been recalculated.

### Sports & Leisure

Cancelled sport events have led to reduced replica sales and the sport retailer's high inventory levels due to the mild winter have negatively affected the segment's sales in combination with the current situation caused by COVID-19. Sales have also been negatively affected by the one-and-a-half-month shutdown of the Group's American business.

Net sales during the period April-June decreased by 51% to SEK 338.7 (687.0) million. Sales decreased in both sales channels. The segment had lower net sales in all regions compared to last year. Operating result decreased by SEK 36.2 million and amounted to SEK -5.4 (30.8) million. The lower result is related to the lower net sales, but the segment has also made cost savings.

Net sales for the period January-June decreased by 31% and amounted to SEK 923.9 (1,329.8) million. Sales decreased in both sales channels. The segment had lower net sales in all regions. Operating result decreased with SEK 72.5 million and amounted to SEK -22.2 (50.3) million. The lower result is attributable to lower net sales, but has been positively affected by savings.



### Gifts & Home Furnishings

In the Gifts & Home Furnishings segment, sales have decreased for the part of the business related to Destination Kosta, such as Kosta Boda Art Hotel, Kosta Lodge and restaurants. Sales have decreased for the other parts of the segment as well, but not to the same extent.

Net sales for the second quarter decreased by 24% to SEK 145.4 (191.0) million. The lower net sales are mainly related to Sweden. Sales decreased in both sales channels. Operating result improved compared to the previous year and amounted to SEK 3.5 (-6.1) million, which was related to savings.

Net sales for the period January-June decreased by 12% to SEK 290.1 (328.9) million. Sales decreased in both sales channels. Operating result slightly improved compared to the previous year and amounted to SEK -28.7 (-34.6) million, which was attributable to savings.

During the first quarter of the year, some trademarks have been reclassified from Corporate to Gifts & Home Furnishings. The comparative figures have been recalculated.



## Capital tied up

Capital tied up in stock amounted to SEK **3,605.9** million and increased by SEK **138.5** million compared with the previous year (SEK **3,467.4** million). The increase is mainly related to new product ranges. Inventory turnover rates are in line with the previous year and amounted to **1.0 (1.1)** times.

SEK million	30 Jun 2020	30 Jun 2019
Raw materials	36.7	51.5
Work in progress	8.6	13.5
Goods in transit	102.0	207.9
Finished goods	3,458.6	3,194.5
<b>Total</b>	<b>3,605.9</b>	<b>3,467.4</b>

Accumulated impairment of inventories amounted to SEK **142.3 (125.4)** million and impairment losses related to finished goods amounted to **4.0 (3.8)** %.

Accounts receivable amounted to SEK **818.6 (1,092.2)** million, where the decrease is mainly related to the lower net sales.

## Investments, financing and liquidity

Cash flow from operating activities for the quarter amounted to SEK **251.4 (9.0)** million. The improved cash flow is mainly attributable to a reduction in current receivables and lower merchandise purchases. Cash flow from investing activities amounted to SEK **-11.1 (-35.6)** million.

For the first six months of the year, cash flow from operating activities amounted to SEK **366.0** million, which was SEK **422.1** million higher than the previous year (SEK **-56.1** million). The higher cash flow is mainly related to a reduction of current receivables, but also lower merchandise purchases.

As of June 30, the Group's total credit limit was SEK **3,165** million, of which SEK **2,150** million runs through March 2022, USD **21** million through January 2024 and SEK **318** million has maturities extending until August 2027. The remaining SEK **500** million has a maturity of between three months and six years. The credit limit is limited in amount to and dependent on the value of certain underlying assets. The financing agreement means that key ratios (covenants) must be met for maintenance of the credit limit. Net debt to credit institutes amounted to SEK **1,898.8 (2,168.6)** million, which gives an available credit of SEK **1,266** million.

Net debt decreased by SEK **127.1** million, and amounted to SEK **2,656.6 (2,783.7)** million. The Group's net debt to credit institutes decreased by SEK

**269.8** million, while the leasing liabilities increased by SEK **142.7** million. The net debt to equity ratio and net debt in relation to working capital amounted to **69.9 (79.2)** % and **74.1 (77.6)** %, respectively.

The equity ratio improved by **3.2** percentage points compared to the previous year and amounted to **47.9 (44.7)** %.

## Personnel and organization

The number of employees as of 30 June was **2,152 (2,597)**, of which **49%** were women and **51%** were men. Of the total number of employees, **405 (604)** work in production.

The production within the New Wave Group is attributable to AHEAD (embroidery), Cutter & Buck (embroidery), Dahetra, Kosta Boda, Orrefors, Paris Glove, Seger, Termo and Toppoint.

## Related party transactions

Lease agreements exist with related companies. Associated companies to the CEO have purchased merchandise and received compensation for consultancy services performed. In addition, there are transactions with related parties at immaterial values. All transactions have been made on market terms.

## The Parent company

Total revenue for the quarter amounted to SEK **38.7 (39.1)** million. Result before appropriations and tax amounted to SEK **2.2 (162.8)** million. The lower result is related to the Parent company not receiving any dividends from subsidiaries during the period. Net debt amounted to SEK **1,838.9 (2,016.7)** million. The Parent company's net financing to subsidiaries amounted to SEK **1,743.9 (1,898.4)** million. Cash flow from investing activities amounted to SEK **-2.5 (0.3)** million. The total assets amounted to SEK **4,738.2 (4,485.6)** million and equity, including the equity portion of untaxed reserves, amounted to SEK **2,101.3 (1,992.0)** million.

Total revenue for the period January-June amounted to SEK **72.7 (71.3)** million. Result before appropriations and tax amounted to SEK **2.8 (165.3)** million. The lower result is related to that no dividends from subsidiaries have been received during the period. Cash flow from investing activities amounted to SEK **-4.1 (-2.7)** million.



## Calendar

6 NOV	Interim report for the third quarter
2021	
11 FEB	Year-end report 2020
27 APR	Interim report for the first quarter
19 MAY	Annual General Meeting

The company's auditors have not performed any review of the report for the second quarter of 2020.

The Board of Directors and CEO declare that the interim report gives a true and fair overview of the company's and Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors that the company and the companies included in the Group face.

..... 2020 .....

## Gothenburg, August 20, 2020

New Wave Group AB (publ)

**Olof Persson**  
Chairman of the Board

**Magdalena Forsberg**  
Member of the Board

**Jonas Eriksson**  
Member of the Board

**M. Johan Widerberg**  
Member of the Board

**Mats Arjes**  
Member of the Board

**Christina Bellander**  
Member of the Board

**Torsten Jansson**  
CEO and Group CEO

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This information is information that New Wave Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons detailed above, at 7:00 a.m. CET on August 20, 2020.  
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## Consolidated income statement

SEK million	Note	3 months Apr - Jun 2020	3 months Apr - Jun 2019	6 months Jan - Jun 2020	6 months Jan - Jun 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
Net sales	3, 4, 5	1 314.5	1 689.0	2 755.4	3 193.9	6 903.5	6 290.6
Goods for resale		-799.7	-903.3	-1 609.9	-1 698.6	-3 701.0	-3 359.4
<b>Gross profit</b>		<b>514.8</b>	<b>785.7</b>	<b>1 145.5</b>	<b>1 495.3</b>	<b>3 202.4</b>	<b>2 931.2</b>
Other operating income	8	61.4	15.5	82.0	32.7	77.9	74.8
External costs		-187.7	-330.2	-498.7	-668.7	-1 312.7	-1 336.4
Personnel costs		-209.1	-290.5	-502.0	-573.6	-1 159.9	-1 063.0
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	3	-57.8	-52.8	-117.9	-103.8	-233.1	-77.9
Other operating costs		-11.4	-7.7	-21.8	-15.9	-39.6	-44.8
Share of associated companies' result		-0.1	-0.3	-1.1	-0.5	-0.2	-1.1
<b>Operating result</b>	<b>3</b>	<b>110.1</b>	<b>119.6</b>	<b>86.0</b>	<b>165.6</b>	<b>535.0</b>	<b>482.8</b>
Financial income		2.9	2.2	3.4	3.5	8.8	5.5
Financial expenses		-20.2	-18.1	-38.6	-33.4	-77.0	-46.4
<b>Net financial items</b>		<b>-17.3</b>	<b>-16.0</b>	<b>-35.2</b>	<b>-29.9</b>	<b>-68.2</b>	<b>-40.9</b>
<b>Result before tax</b>		<b>92.8</b>	<b>103.6</b>	<b>50.7</b>	<b>135.6</b>	<b>466.7</b>	<b>441.8</b>
Tax expense		-19.9	-19.9	-14.8	-25.9	-96.7	-81.8
<b>Result for the period</b>		<b>72.9</b>	<b>83.7</b>	<b>35.9</b>	<b>109.7</b>	<b>370.1</b>	<b>360.0</b>
<b>Other comprehensive income:</b>							
<b>Items that can be reclassified into profit or loss:</b>							
Translation differences		-206.9	17.5	-6.1	102.9	99.6	157.3
Cash flow hedges		-7.0	-1.6	-1.0	-0.4	-2.2	0.5
<b>Sum</b>		<b>-213.9</b>	<b>15.9</b>	<b>-7.1</b>	<b>102.5</b>	<b>97.5</b>	<b>157.8</b>
Income tax related to components of other comprehensive income		1.5	0.3	0.2	0.1	0.5	-0.1
<b>Total other comprehensive for the period</b>		<b>-212.4</b>	<b>16.2</b>	<b>-6.9</b>	<b>102.6</b>	<b>97.9</b>	<b>157.7</b>
<b>Total comprehensive income for the period</b>		<b>-139.5</b>	<b>99.9</b>	<b>29.0</b>	<b>212.2</b>	<b>468.0</b>	<b>517.6</b>
<b>Result for the period attributable to:</b>							
Shareholders of the Parent company		73.5	84.6	37.7	111.6	375.5	363.4
Non-controlling interest		-0.6	-0.9	-1.8	-1.9	-5.5	-3.4
		<b>72.9</b>	<b>83.7</b>	<b>35.9</b>	<b>109.7</b>	<b>370.1</b>	<b>360.0</b>
<b>Total comprehensive income attributable to:</b>							
Shareholders of the Parent company		-137.1	100.8	31.0	213.7	472.1	520.2
Non-controlling interest		-2.4	-0.9	-2.0	-1.4	-4.1	-2.6
		<b>-139.5</b>	<b>99.9</b>	<b>29.0</b>	<b>212.2</b>	<b>468.0</b>	<b>517.6</b>
Earnings per share (SEK)*		1.11	1.28	0.57	1.68	5.66	5.48
The average number of outstanding shares*		66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543

\*Earnings per share and the average number of outstanding shares are the same before and after dilution.

## Consolidated cash flow statement

SEK million	Note	3 months Apr - Jun 2020	3 months Apr - Jun 2019	6 months Jan - Jun 2020	6 months Jan - Jun 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
<b>Operating activities</b>							
Operating result		110.1	119.6	86.0	165.6	535.0	482.8
Adjustment for items not included in cash flow		77.8	56.5	132.0	105.5	231.9	74.4
Received interest		2.2	1.7	1.4	3.0	7.9	2.2
Paid interest		-19.5	-17.7	-36.6	-33.0	-76.1	-43.2
Paid income tax		5.3	-16.4	-69.8	-48.0	-93.6	-86.5
<b>Cash flow from operating activities before changes in working capital</b>		<b>176.0</b>	<b>143.8</b>	<b>113.0</b>	<b>193.1</b>	<b>605.0</b>	<b>429.7</b>
<b>Changes in working capital</b>							
Increase/decrease of inventories		53.9	-108.0	-63.4	-166.3	-241.7	-494.0
Increase/decrease of current receivables		87.4	-95.9	401.4	30.3	-51.5	-27.5
Increase/decrease of current liabilities		-65.9	69.1	-84.9	-113.2	-212.3	314.4
<b>Cash flow from changes in working capital</b>		<b>75.5</b>	<b>-134.8</b>	<b>253.0</b>	<b>-249.2</b>	<b>-505.6</b>	<b>-207.1</b>
<b>Cash flow from operating activities</b>		<b>251.4</b>	<b>9.0</b>	<b>366.0</b>	<b>-56.1</b>	<b>99.5</b>	<b>222.6</b>
<b>INVESTING ACTIVITIES</b>							
Investments in tangible fixed assets		-10.6	-32.8	-20.8	-67.6	-124.7	-147.1
Sales of tangible fixed assets		2.2	0.4	2.7	4.7	6.9	4.3
Investments in intangible fixed assets		-2.7	-2.3	-15.0	-10.1	-21.7	-15.4
Investments in associated companies		0.0	0.0	0.0	0.0	-0.8	-2.0
Business combinations		0.0	0.0	-8.6	0.0	-8.5	0.0
Raised long-term receivables		0.0	-0.9	0.0	-0.9	-1.6	-2.9
Repayment of long-term receivables		0.0	0.0	0.0	0.0	1.6	0.0
<b>Cash flow from investing activities</b>	3	<b>-11.1</b>	<b>-35.6</b>	<b>-41.7</b>	<b>-73.9</b>	<b>-148.7</b>	<b>-163.2</b>
<b>Cash flow after investing activities</b>		<b>240.3</b>	<b>-26.6</b>	<b>324.3</b>	<b>-130.0</b>	<b>-49.3</b>	<b>59.4</b>
<b>FINANCIAL ACTIVITIES</b>							
Loan raised		62.9	102.0	62.9	177.3	386.2	208.2
Amortization of loan		-233.8	0.0	-393.9	0.0	-71.3	-56.1
Amortization of lease liabilities		-30.7	-26.7	-65.8	-52.8	-103.0	0.0
New issue of shares in companies with non-controlling interest		0.0	0.0	0.0	0.0	1.2	0.0
Dividend paid to the shareholders of the Parent company		0.0	-132.7	0.0	-132.7	-132.7	-112.8
<b>Cash flow from financial activities</b>		<b>-201.6</b>	<b>-57.4</b>	<b>-396.8</b>	<b>-8.2</b>	<b>80.4</b>	<b>39.3</b>
<b>Cash flow for the period</b>		<b>38.7</b>	<b>-84.0</b>	<b>-72.5</b>	<b>-138.2</b>	<b>31.2</b>	<b>98.7</b>
Liquid assets at the beginning of the period		257.6	265.0	351.3	312.2	312.2	202.4
Translation differences in liquid assets		-18.5	1.5	-0.9	8.5	7.9	11.1
<b>Liquid assets at the end of the period</b>		<b>277.8</b>	<b>182.5</b>	<b>277.8</b>	<b>182.5</b>	<b>351.3</b>	<b>312.2</b>
<b>Liquid assets</b>							
Cash at bank and in hand		277.8	182.5	277.8	182.5	351.3	312.2

## Consolidated balance sheet

SEK million	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019	31 Dec 2018
<b>ASSETS</b>					
Intangible fixed assets	3	1 518.4	1 506.3	1 501.0	1 469.4
Tangible fixed assets	3	1 360.2	1 232.5	1 436.5	587.4
Shares in associated companies		37.9	38.8	39.0	39.3
Other long-term receivables		14.5	14.7	14.7	13.5
Deferred tax assets	3, 5	113.1	116.1	112.8	111.1
<b>Total non-current assets</b>	<b>5</b>	<b>3 044.1</b>	<b>2 908.3</b>	<b>3 103.9</b>	<b>2 220.6</b>
Inventory		3 605.9	3 467.4	3 557.9	3 230.9
Current tax receivables		71.2	36.1	44.8	38.1
Accounts receivable		818.6	1 092.2	1 192.8	1 084.1
Other receivables		70.7	90.9	82.4	90.3
Prepaid expenses and accrued income		48.5	78.7	61.2	85.2
Liquid assets		277.8	182.5	351.3	312.2
<b>Total current assets</b>		<b>4 892.8</b>	<b>4 947.7</b>	<b>5 290.4</b>	<b>4 840.8</b>
<b>TOTAL ASSETS</b>	<b>3, 6</b>	<b>7 936.9</b>	<b>7 856.0</b>	<b>8 394.3</b>	<b>7 061.4</b>
<b>EQUITY</b>					
Share capital		199.0	199.0	199.0	199.0
Other capital contributions		219.4	219.4	219.4	219.4
Reserves		522.1	537.0	531.0	434.9
Retained earnings including result for the period		2 846.6	2 541.0	2 804.9	2 561.6
<b>Equity attributable to shareholders of the Parent company</b>		<b>3 787.1</b>	<b>3 496.5</b>	<b>3 754.4</b>	<b>3 415.0</b>
Non-controlling interest		12.6	17.3	16.3	19.2
<b>Total equity</b>		<b>3 799.7</b>	<b>3 513.8</b>	<b>3 770.7</b>	<b>3 434.2</b>
<b>LIABILITIES</b>					
Long-term interest-bearing liabilities	7, 8	2 444.6	2 527.4	2 818.3	1 795.5
Pension provisions		19.8	18.8	19.3	18.3
Other provisions		4.8	3.7	0.9	3.1
Deferred tax liabilities		147.6	147.5	144.8	144.6
<b>Total non-current liabilities</b>		<b>2 616.8</b>	<b>2 697.5</b>	<b>2 983.3</b>	<b>1 961.6</b>
Short-term interest-bearing liabilities	7, 8	489.8	438.8	497.8	347.7
Accounts payable		517.4	713.2	623.2	752.2
Current tax liabilities		72.6	62.2	94.6	78.0
Other liabilities	8	181.8	158.7	139.8	172.3
Accrued expenses and prepaid income		258.7	271.9	285.0	315.4
<b>Total current liabilities</b>		<b>1 520.4</b>	<b>1 644.8</b>	<b>1 640.3</b>	<b>1 665.6</b>
<b>Total liabilities</b>	<b>3, 6</b>	<b>4 137.1</b>	<b>4 342.3</b>	<b>4 623.6</b>	<b>3 627.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7 936.9</b>	<b>7 856.0</b>	<b>8 394.3</b>	<b>7 061.4</b>



## Consolidated statement of changes in equity

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Total	Non-controlling interest	Total equity
<b>Opening balance 2019-01-01</b>	<b>199.0</b>	<b>219.4</b>	<b>434.9</b>	<b>2 561.6</b>	<b>3 415.0</b>	<b>19.2</b>	<b>3 434.2</b>
Result for the period				111.6	111.6	-1.9	109.7
<b>Other comprehensive income</b>							
Translation differences			102.9		102.9		102.9
Cash flow hedges for the period			-0.4		-0.4		-0.4
Reclassification of previous years' cash flow hedge			-0.5	0.5	0.0		0.0
Income tax related to components of other comprehensive income			0.1		0.1		0.1
<b>Transactions with shareholders</b>							
Dividends to shareholders of the Parent company				-132.7	-132.7		-132.7
Non-controlling interest through new issue of shares						0.0	0.0
<b>Closing balance 2019-06-30</b>	<b>199.0</b>	<b>219.4</b>	<b>537.0</b>	<b>2 541.0</b>	<b>3 496.5</b>	<b>17.3</b>	<b>3 513.8</b>

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Total	Non-controlling interest	Total equity
<b>Opening balance 2020-01-01</b>	<b>199.0</b>	<b>219.4</b>	<b>531.0</b>	<b>2 804.9</b>	<b>3 754.4</b>	<b>16.3</b>	<b>3 770.7</b>
Result for the period				-35.8	-35.8	-1.2	-36.9
<b>Other comprehensive income</b>							
Translation differences			-6,0		-6,0	-0,2	-6,1
Cash flow hedges for the period			-1,0		-1,0		-1,0
Reclassification of previous years' cash flow hedge			-2,2	2,2	0,0		0,0
Income tax related to components of other comprehensive income			0,2		0,2		0,2
<b>Transactions with shareholders</b>							
Dividends to shareholders of the Parent company				0,0	0,0		0,0
Acquisition of non-controlling interest				1,8	1,8	-1,8	0,0
<b>Closing balance 2020-06-30</b>	<b>199.0</b>	<b>219.4</b>	<b>522,1</b>	<b>2 846,6</b>	<b>3 787,1</b>	<b>12,6</b>	<b>3 799,7</b>

	Jan - Jun 2020	Jan - Jun 2019
<b>Accumulated translation differences in equity</b>		
Accumulated translation differences at the beginning of the period	541.2	441.6
Translation differences in foreign Group companies for the period	-6.2	102.9
<b>Accumulated translation differences at the end of period</b>	<b>535.0</b>	<b>544.5</b>

## Financial key figures

	3 months Apr - Jun 2020	3 months Apr - Jun 2019	6 months Jan - Jun 2020	6 months Jan - Jun 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
Net sales growth, %	-22.2	10.9	-13.7	14.2	9.7	12.4
Organic growth, %	-22.5	6.2	-14.8	8.6	5.4	9.1
Number of employees	2 152	2 597	2 152	2 597	2 579	2 566
Gross profit margin, %	39.2	46.5	41.6	46.8	46.4	46.6
Operating margin before depreciations, %	12.8	10.2	7.4	8.4	11.1	8.9
Operating margin, %	8.4	7.1	3.1	5.2	7.7	7.7
Profit margin, %	7.1	6.1	1.8	4.2	6.8	7.0
Net margin, %	5.5	5.0	1.3	3.4	5.4	5.7
Return on shareholders' equity, %	7.8	10.3	7.8	10.3	10.3	11.2
Return on capital employed, %	6.7	8.3	6.7	8.3	8.6	9.4
Equity ratio, %	47.9	44.7	47.9	44.7	44.9	48.6
Net debt, SEK million	2 656.6	2 783.7	2 656.6	2 783.7	2 964.8	1 831.0
Net debt to equity ratio, %	69.9	79.2	69.9	79.2	78.6	53.3
Net debt in relation to working capital, %	74.1	77.6	74.1	77.6	77.1	56.3
Interest coverage ratio, times	5.6	6.7	2.3	5.1	7.1	10.5
Capital turnover, times	0.8	0.9	0.8	0.9	0.9	1.0
Inventory turnover, times	1.0	1.1	1.0	1.1	1.1	1.1
Cash flow before investments, SEK million	251.4	9.0	366.0	-56.1	99.5	222.6
Net investments, SEK million	-11.1	-35.6	-41.7	-73.9	-148.7	-163.2
Cash flow after investments, SEK million	240.3	-26.6	324.3	-130.0	-49.3	59.4
Shareholders' equity per share, before and after dilution, SEK	57.08	52.70	57.08	52.70	56.59	51.47
Share price as of the balance sheet date, SEK	31.10	64.60	31.10	64.60	59.80	47.40
Dividend/share, SEK	-	2.00	-	2.00	2.00	1.70
P/E-ratio	6.84	11.83	6.84	11.83	10.56	8.65
P/S-ratio	0.32	0.64	0.32	0.64	0.57	0.50
Share price/Shareholders' equity	0.54	1.23	0.54	1.23	1.06	0.92

For definitions of alternative performance measures, see page 32.

## Income statement

SEK million	3 months Apr - Jun 2020	3 months Apr - Jun 2019	6 months Jan - Jun 2020	6 months Jan - Jun 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
Net sales	25.8	27.8	51.3	53.0	103.7	105.3
Other operating income	12.8	11.4	21.4	18.3	36.8	40.4
<b>Total income</b>	<b>38.7</b>	<b>39.1</b>	<b>72.7</b>	<b>71.3</b>	<b>140.4</b>	<b>145.6</b>
External costs	-14.1	-17.7	-31.5	-35.4	-68.0	-77.1
Personnel costs	-10.2	-9.5	-21.1	-18.4	-38.7	-35.7
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-1.5	-1.4	-3.1	-2.8	-5.8	-6.4
Other operating costs	-9.8	-5.7	-16.6	-12.0	-27.1	-32.6
<b>Operating result</b>	<b>3.0</b>	<b>4.8</b>	<b>0.4</b>	<b>2.7</b>	<b>0.9</b>	<b>-6.2</b>
Net income from shares in Group companies	-3.5	138.9	-3.5	139.3	172.0	131.4
Changes in write-downs of financial assets	0.0	14.0	0.0	14.0	24.5	9.9
Financial income	13.3	14.0	27.8	27.1	55.2	49.4
Financial expenses	-10.5	-9.0	-21.8	-17.9	-38.7	-33.5
<b>Net financial items</b>	<b>-0.7</b>	<b>158.0</b>	<b>2.4</b>	<b>162.6</b>	<b>213.0</b>	<b>157.3</b>
<b>Result before appropriations and tax</b>	<b>2.2</b>	<b>162.8</b>	<b>2.8</b>	<b>165.3</b>	<b>213.9</b>	<b>151.1</b>
Appropriations	0.0	0.0	0.0	0.0	55.7	56.9
Tax expense	-1.2	-2.2	-1.4	-2.6	-12.4	-14.6
<b>Result for the period</b>	<b>1.0</b>	<b>160.6</b>	<b>1.5</b>	<b>162.7</b>	<b>257.2</b>	<b>193.3</b>

Total comprehensive income for the period corresponds with result for the period.

## Cash flow statement

SEK million	3 months Apr - Jun 2020	3 months Apr - Jun 2019	6 months Jan - Jun 2020	6 months Jan - Jun 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
<b>Operating activities</b>						
Operating result	3.0	4.8	0.4	2.7	0.9	-6.2
Adjustment for items not included in cash flow	-1.5	1.4	4.0	2.8	5.3	6.4
Received dividends	0.0	26.7	0.0	27.1	27.1	0.0
Received interest	13.3	14.0	27.8	27.1	55.2	49.4
Paid interest	-10.5	-9.0	-21.8	-17.9	-38.7	-33.5
Paid income tax	2.4	-3.7	-4.2	-6.1	-13.4	-16.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>6.6</b>	<b>34.2</b>	<b>6.1</b>	<b>35.9</b>	<b>36.4</b>	<b>0.2</b>
<b>Changes in working capital</b>						
Increase/decrease in current receivables	15.2	72.9	-28.8	4.9	-105.2	-197.7
Increase/decrease in current liabilities	154.8	-111.9	264.0	-180.8	-124.8	271.8
<b>Cash flow from changes in working capital</b>	<b>170.0</b>	<b>-39.0</b>	<b>235.2</b>	<b>-175.9</b>	<b>-229.9</b>	<b>74.1</b>
<b>Cash flow from operating activities</b>	<b>176.6</b>	<b>-4.7</b>	<b>241.3</b>	<b>-140.1</b>	<b>-193.5</b>	<b>74.3</b>
<b>Investing activities</b>						
Shareholder contributions to Group companies	-3.5	0.0	-3.5	0.0	0.0	-39.5
Repayment of shareholder contributions from Group companies	0.0	0.0	0.0	0.0	0.0	9.4
Investments in associated companies	0.0	0.0	0.0	0.0	-0.8	-2.0
Investments in tangible fixed assets	0.0	-0.7	0.0	-0.7	-0.7	-0.5
Investments in intangible fixed assets	0.0	0.0	-2.5	0.0	-2.0	-1.8
Acquisition of shares	0.0	0.0	0.0	-14.1	-18.6	0.0
Changes in long-term loans to Group companies	1.0	1.0	2.0	12.1	13.1	-50.1
Raised long-term receivables	0.0	0.0	0.0	-0.1	-0.9	-2.0
<b>Cash flow from investing activities</b>	<b>-2.5</b>	<b>0.3</b>	<b>-4.1</b>	<b>-2.7</b>	<b>-9.9</b>	<b>-86.6</b>
<b>Cash flow after investing activities</b>	<b>174.1</b>	<b>-4.4</b>	<b>237.2</b>	<b>-142.8</b>	<b>-203.4</b>	<b>-12.3</b>
<b>Financial activities</b>						
Loan raised	0.0	136.9	0.0	271.2	416.2	177.7
Amortization of loan	-177.7	0.0	-257.7	0.0	-63.9	-49.4
Dividend paid to shareholders of the Parent company	0.0	-132.7	0.0	-132.7	-132.7	-112.8
<b>Cash flow from financial activities</b>	<b>-177.7</b>	<b>4.2</b>	<b>-257.7</b>	<b>138.5</b>	<b>219.6</b>	<b>15.5</b>
<b>Cash flow for the period</b>	<b>-3.5</b>	<b>-0.2</b>	<b>-20.4</b>	<b>-4.3</b>	<b>16.2</b>	<b>3.2</b>
Liquid assets at the beginning of the period	3.7	0.4	20.6	4.5	4.5	1.3
<b>Liquid assets at the end of the period</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>20.6</b>	<b>4.5</b>
<b>Liquid assets</b>						
Cash at bank and in hand	0.2	0.2	0.2	0.2	20.6	4.5

## Balance sheet

SEK million	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019	31 Dec 2018
<b>ASSETS</b>					
Intangible fixed assets		8.8	8.9	8.7	11.0
Tangible fixed assets		1.9	3.3	2.6	3.3
Shares in Group companies		2 275.7	2 297.1	2 275.7	2 324.6
Shares in associated companies		42.8	43.0	42.8	43.0
Receivables on Group companies		368.8	369.0	369.7	370.4
Other long-term receivables		6.3	4.5	6.3	4.5
<b>Total non-current assets</b>		<b>2 704.3</b>	<b>2 725.9</b>	<b>2 705.7</b>	<b>2 756.8</b>
Accounts receivable		0.8	0.6	0.3	0.0
Receivables on Group companies		1 996.9	1 721.1	1 959.5	1 563.7
Current tax receivables		0.0	0.0	0.0	4.0
Other receivables		29.0	30.0	35.0	29.7
Prepaid expenses and accrued income		7.0	7.8	9.6	9.5
Liquid assets		0.2	0.2	20.6	4.5
<b>Total current assets</b>		<b>2 033.9</b>	<b>1 759.7</b>	<b>2 025.1</b>	<b>1 611.3</b>
<b>TOTAL ASSETS</b>		<b>4 738.2</b>	<b>4 485.6</b>	<b>4 730.8</b>	<b>4 368.0</b>
<b>EQUITY</b>					
Share capital		199.0	199.0	199.0	199.0
Restricted reserves		249.4	249.4	249.4	249.4
<b>Total restricted equity</b>		<b>448.4</b>	<b>448.4</b>	<b>448.4</b>	<b>448.4</b>
Retained earnings		1 552.4	1 295.1	1 295.1	1 234.5
Share premium reserve		48.0	48.0	48.0	48.0
Result for the period		1.5	162.7	257.2	193.3
<b>Total unrestricted equity</b>		<b>1 601.9</b>	<b>1 505.9</b>	<b>1 600.4</b>	<b>1 475.8</b>
<b>Total equity</b>		<b>2 050.3</b>	<b>1 954.3</b>	<b>2 048.8</b>	<b>1 924.3</b>
<b>Untaxed reserves</b>		<b>64.9</b>	<b>47.9</b>	<b>64.9</b>	<b>47.9</b>
<b>LIABILITIES</b>					
Long-term interest-bearing liabilities	7	1 492.7	1 714.8	1 748.6	1 429.3
<b>Total non-current liabilities</b>		<b>1 492.7</b>	<b>1 714.8</b>	<b>1 748.6</b>	<b>1 429.3</b>
Short-term interest-bearing liabilities	7	346.3	302.2	346.2	300.5
Accounts payable		150.3	265.7	242.3	366.5
Liabilities to Group companies		621.7	191.7	268.3	268.5
Current tax liabilities		0.6	0.9	3.4	8.3
Other liabilities		3.9	1.3	1.1	16.2
Accrued expenses and prepaid income		7.6	7.0	7.3	6.5
<b>Total current liabilities</b>		<b>1 130.4</b>	<b>768.6</b>	<b>868.5</b>	<b>966.6</b>
<b>Total liabilities</b>		<b>2 623.1</b>	<b>2 483.4</b>	<b>2 617.1</b>	<b>2 395.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4 738.2</b>	<b>4 485.6</b>	<b>4 730.8</b>	<b>4 368.0</b>

## Statement of changes in equity

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
<b>Opening balance 2019-01-01</b>	<b>199.0</b>	<b>249.4</b>	<b>1 234.5</b>	<b>48.0</b>	<b>193.3</b>	<b>1 924.3</b>
Transfer according to decision at AGM			193.3		-193.3	0.0
Result for the period					162.7	162.7
<b>Total changes excluding transactions with shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>162.7</b>	<b>162.7</b>
Dividends			-132.7			-132.7
<b>Closing balance 2019-06-30</b>	<b>199.0</b>	<b>249.4</b>	<b>1 295.1</b>	<b>48.0</b>	<b>162.7</b>	<b>1 954.3</b>

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
<b>Opening balance 2020-01-01</b>	<b>199.0</b>	<b>249.4</b>	<b>1 295.1</b>	<b>48.0</b>	<b>257.2</b>	<b>2 048.8</b>
Transfer according to decision at AGM			257.2		-257.2	0.0
Result for the period					1.5	1.5
<b>Total changes excluding transactions with shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.5</b>	<b>1.5</b>
Dividends			0.0			0.0
<b>Closing balance 2020-06-30</b>	<b>199.0</b>	<b>249.4</b>	<b>1 552.4</b>	<b>48.0</b>	<b>1.5</b>	<b>2 050.3</b>



The Group and Parent company

# Notes

## Note 1 - Accounting policies

This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report for the Parent Company has been prepared according the Annual Accounts Act as well as RFR 2 Reporting for Legal Entities. Applied accounting policies are otherwise consistent with the 2019 annual report.

### New accounting policies for 2020

A number of amendments of current accounting standards have been published and is effective from 2020 and later. None of these has a material impact on New Wave Group's financial statements.

### Accounting for government grants

In the annual report for 2019 the Group has not described the accounting principles related to accounting for government grants due to that the amounts were insignificant. During 2020 the Group has received grants from governments around the world related to actions that have been introduced due to the outbreak of COVID-19. Government grants are recognized in the Group's consolidated balance sheet and the Group's consolidated income statement when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Grants related to expenses are classified as other operating income in the Group's consolidated income statement and is recognized on a systematic basis over the same period in which the Group recognizes the related expenses for which the grants are intended to compensate.

During 2020 the Group has received government loans related to the actions that have been introduced due to the outbreak of COVID-19. A government loan is initially measured at fair value less transaction costs and after the initial valuation measured at amortized cost by applying the effective interest method. If there is a possibility to receive loan forgiveness an assessment is performed to determine whether it is reasonable certain that the Group will meet the requirements to receive a loan forgiveness. If the assessment is that there is reasonable assurance that the Group will meet the requirements the government loan will be recognized as other operating income in the Group's consolidated income statement.

## Note 2 - Risks and risk control

New Wave Group's international operations mean that it is continuously exposed to various financial risks. The financial risks are interest rate risks, currency, liquidity and credit risks. In order to minimize the effect these risks may have on earnings, the Group has a financial risk policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2019, note 17, p. 92-98. The Annual Report is available at the Group's headquarters in Gothenburg, Sweden, as well as at [www.nwg.se](http://www.nwg.se).

The Group's policy is to have short fixed-rate interest periods, which means that fluctuating short-term interest rates have a rapid impact on the Group's net interest income.

During the first quarter of 2020, the world was hit by a pandemic caused by the coronavirus. New Wave Group has been largely affected by the spread of COVID-19 and the demand for the Group's products and services has been significantly reduced in particular during the second quarter of 2020. It is still hard to assess the development for the coming quarters. Measures taken include, among other things, that the Annual General Meeting has decided that no dividend for the 2019 financial year will be issued and that the Group has applied for and received government grants in several countries. The Group's customers also suffer from the negative effects of the pandemic, which leads to an increased credit risk. The companies within the Group attach great importance to monitoring the customers' ability to pay and continuously make assessments regarding adequate credit risk provisions.

Besides the above, the Group's reported risks are deemed to be essentially unchanged.

## Note 3 - Reporting of operating segments

### Net sales and operating result per operating segment

SEK million	3 months Apr - Jun 2020	3 months Apr - Jun 2019	6 months Jan - Jun 2020	6 months Jan - Jun 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
<b>Corporate</b>						
Net sales	830.4	811.1	1 541.5	1 535.1	3 219.6	2 945.9
Operating result	112.0	94.9	137.0	149.9	325.2	310.3
<b>Sports &amp; Leisure</b>						
Net sales	338.7	687.0	923.9	1 329.8	2 887.4	2 575.7
Operating result	-5.4	30.8	-22.2	50.3	236.0	186.3
<b>Gifts &amp; Home Furnishings</b>						
Net sales	145.4	191.0	290.1	328.9	796.4	769.0
Operating result	3.5	-6.1	-28.7	-34.6	-26.3	-13.8
<b>Total net sales</b>	<b>1 314.5</b>	<b>1 689.0</b>	<b>2 755.4</b>	<b>3 193.9</b>	<b>6 903.5</b>	<b>6 290.6</b>
<b>Total operating result</b>	<b>110.1</b>	<b>119.6</b>	<b>86.0</b>	<b>165.6</b>	<b>535.0</b>	<b>482.8</b>
<b>Total operating result</b>	<b>110.1</b>	<b>119.6</b>	<b>86.0</b>	<b>165.6</b>	<b>535.0</b>	<b>482.8</b>
Net financial items	-17.3	-16.0	-35.2	-29.9	-68.2	-40.9
<b>Result before tax</b>	<b>92.8</b>	<b>103.6</b>	<b>50.7</b>	<b>135.6</b>	<b>466.7</b>	<b>441.8</b>

### Assets and liabilities per operating segments

SEK million	Total assets	Fixed assets*	Deferred tax assets	Net investments	Amortizations, depreciations and write-downs	Total liabilities
<b>30 Jun 2020</b>						
Corporate	4 656.5	1 150.9	38.4	14.6	74.2	3 049.4
Sports & Leisure	2 918.7	1 397.2	51.7	22.4	35.8	903.5
Gifts & Home Furnishings	361.7	330.5	23.1	4.7	7.9	184.3
<b>Total</b>	<b>7 936.9</b>	<b>2 878.6</b>	<b>113.1</b>	<b>41.7</b>	<b>117.9</b>	<b>4 137.1</b>
<b>30 Jun 2019</b>						
Corporate	3 935.6	1 009.4	37.1	-47.6	-62.2	2 681.1
Sports & Leisure	3 175.6	1 406.3	56.1	-21.1	-37.9	1 146.0
Gifts & Home Furnishings	744.8	323.1	23.0	-5.2	-3.7	515.2
<b>Total</b>	<b>7 856.0</b>	<b>2 738.7</b>	<b>116.1</b>	<b>-73.9</b>	<b>-103.8</b>	<b>4 342.3</b>
<b>31 Dec 2019</b>						
Corporate	4 317.5	1 210.3	40.1	-91.2	-142.9	2 897.0
Sports & Leisure	3 289.4	1 392.5	49.5	-33.9	-68.7	1 194.2
Gifts & Home Furnishings	787.4	334.7	23.1	-23.6	-21.5	532.4
<b>Total</b>	<b>8 394.3</b>	<b>2 937.5</b>	<b>112.8</b>	<b>-148.7</b>	<b>-233.1</b>	<b>4 623.6</b>

\* Financial fixed assets are not included



## Note 4 - Net sales per sales channel and operating segment

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months
	Apr - Jun 2020	Apr - Jun 2019	Apr - Jun 2020	Apr - Jun 2019	Apr - Jun 2020	Apr - Jun 2019	Apr - Jun 2020	Apr - Jun 2019
Promo	826.5	794.5	88.9	193.1	33.1	43.6	948.6	1 031.2
Retail	3.9	16.5	249.7	493.9	112.4	147.3	365.9	657.8
<b>Total</b>	<b>830.4</b>	<b>811.1</b>	<b>338.7</b>	<b>687.0</b>	<b>145.4</b>	<b>191.0</b>	<b>1 314.5</b>	<b>1 689.0</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	6 months	6 months	6 months	6 months	6 months	6 months	6 months	6 months
	Jan - Jun 2020	Jan - Jun 2019	Jan - Jun 2020	Jan - Jun 2019	Jan - Jun 2020	Jan - Jun 2019	Jan - Jun 2020	Jan - Jun 2019
Promo	1 531.9	1 505.1	251.8	368.0	55.8	68.7	1 839.6	1 941.8
Retail	9.5	30.1	672.0	961.8	234.3	260.2	915.8	1 252.0
<b>Total</b>	<b>1 541.5</b>	<b>1 535.1</b>	<b>923.9</b>	<b>1 329.8</b>	<b>290.1</b>	<b>328.9</b>	<b>2 755.4</b>	<b>3 193.9</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
Promo	3 152.7	2 885.2	762.5	690.7	197.7	181.8	4 113.0	3 757.7
Retail	66.8	60.7	2 124.9	1 885.0	598.8	587.1	2 790.6	2 532.8
<b>Total</b>	<b>3 219.6</b>	<b>2 945.9</b>	<b>2 887.4</b>	<b>2 575.7</b>	<b>796.4</b>	<b>769.0</b>	<b>6 903.5</b>	<b>6 290.6</b>

## Note 5 - Reporting of geographic areas

### Net sales per geographic area

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	3 months Apr - Jun 2020	3 months Apr - Jun 2019	3 months Apr - Jun 2020	3 months Apr - Jun 2019	3 months Apr - Jun 2020	3 months Apr - Jun 2019	3 months Apr - Jun 2020	3 months Apr - Jun 2019	
USA	28.5	53.2	136.8	394.9	10.9	11.2	176.2	459.3	-62%
Sweden	79.8	121.6	76.3	109.9	118.4	164.1	274.5	395.6	-31%
Central Europe	104.4	171.3	55.4	57.6	4.1	2.6	163.9	231.5	-29%
Nordic countries excl. Sweden	72.3	120.5	48.4	93.0	7.5	9.7	128.3	223.2	-43%
Southern Europe	357.2	197.2	11.1	11.0	0.0	0.2	368.3	208.3	77%
Other countries	188.3	147.3	10.8	20.7	4.5	3.1	203.5	171.1	19%
<b>Total</b>	<b>830.4</b>	<b>811.1</b>	<b>338.7</b>	<b>687.0</b>	<b>145.4</b>	<b>191.0</b>	<b>1 314.5</b>	<b>1 689.0</b>	<b>-22%</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	6 months Jan - Jun 2020	6 months Jan - Jun 2019	6 months Jan - Jun 2020	6 months Jan - Jun 2019	6 months Jan - Jun 2020	6 months Jan - Jun 2019	6 months Jan - Jun 2020	6 months Jan - Jun 2019	
USA	81.8	105.9	429.6	707.1	23.5	22.0	534.9	835.0	-36%
Sweden	169.9	222.8	188.9	224.4	237.0	276.9	595.9	724.1	-18%
Central Europe	262.8	348.2	124.5	138.1	7.0	6.1	394.3	492.4	-20%
Nordic countries excl. Sweden	164.7	218.3	120.9	181.8	14.6	18.3	300.2	418.4	-28%
Southern Europe	510.7	368.6	24.9	29.8	0.1	0.2	535.7	398.7	34%
Other countries	351.6	271.3	34.9	48.7	7.9	5.3	394.4	325.4	21%
<b>Total</b>	<b>1 541.5</b>	<b>1 535.1</b>	<b>923.9</b>	<b>1 329.8</b>	<b>290.1</b>	<b>328.9</b>	<b>2 755.4</b>	<b>3 193.9</b>	<b>-14%</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	12 months Jan-Dec 2019	12 months Jan-Dec 2018	12 months Jan-Dec 2019	12 months Jan-Dec 2018	12 months Jan-Dec 2019	12 months Jan-Dec 2018	12 months Jan-Dec 2019	12 months Jan-Dec 2018	
USA	260.3	198.1	1 460.6	1 328.7	53.5	52.9	1 774.5	1 579.6	12%
Sweden	438.2	449.3	511.2	438.8	661.1	642.2	1 610.5	1 530.3	5%
Central Europe	742.9	689.4	317.7	285.4	17.5	11.5	1 078.1	986.4	9%
Nordic countries excl. Sweden	433.2	421.4	375.6	332.4	52.2	53.3	861.0	807.2	7%
Southern Europe	749.5	662.4	62.8	54.5	0.4	0.2	812.6	717.1	13%
Other countries	595.5	525.2	159.4	136.0	11.9	8.8	766.8	670.0	14%
<b>Total</b>	<b>3 219.6</b>	<b>2 945.9</b>	<b>2 887.4</b>	<b>2 575.7</b>	<b>796.4</b>	<b>769.1</b>	<b>6 903.5</b>	<b>6 290.6</b>	<b>10%</b>

## Fixed assets and deferred tax assets per geographic area

SEK million	30 Jun 2020 Fixed assets *	Deferred tax assets	30 Jun 2019 Fixed assets *	Deferred tax assets	31 Dec 2019 Fixed assets *	Deferred tax assets
USA	1 145.4	54.9	1 151.6	57.4	1 138.9	50.8
Sweden	707.4	21.5	668.5	17.4	716.3	19.7
Central Europe	370.0	8.3	368.4	12.8	382.1	13.6
Nordic countries excl. Sweden	270.9	4.4	253.2	3.9	301.6	4.5
Southern Europe	272.5	18.2	186.7	18.5	275.7	18.1
Other countries	112.5	5.9	110.4	6.1	123.0	6.1
<b>Total</b>	<b>2 878.6</b>	<b>113.1</b>	<b>2 738.7</b>	<b>116.1</b>	<b>2 937.5</b>	<b>112.8</b>

\* Financial fixed assets are not included



## Note 6 - Financial instruments

SEK million	30 Jun 2020	30 Jun 2019	31 Dec 2019	31 Dec 2018
Assets at amortized cost	1 166.4	1 361.4	1 625.8	1 485.2
<b>Total financial assets</b>	<b>1 166.4</b>	<b>1 361.4</b>	<b>1 625.8</b>	<b>1 485.2</b>
Liabilities at fair value through profit and loss	0.0	0.0	0.0	1.1
Liabilities at fair value through other comprehensive income	1.0	0.0	2.2	0.1
Liabilities at amortized cost	3 885.4	4 096.9	4 355.9	3 373.9
<b>Total financial liabilities</b>	<b>3 886.4</b>	<b>4 096.9</b>	<b>4 358.1</b>	<b>3 375.1</b>

Financial instruments are measured at fair value or amortized cost according to classification in the consolidated balance sheet.

## Note 7 - Pledged assets and contingent liabilities

### GROUP

<b>Pledged assets</b>				
<b>SEK million</b>	<b>30 Jun 2020</b>	<b>30 Jun 2019</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
Floating charges	690.5	657.5	690.5	537.5
Property mortgages	180.9	178.1	178.0	171.8
Net assets in Group companies	3 257.9	3 042.9	3 143.5	3 158.1
Shares in associated companies	8.3	8.3	8.3	0.0
Stock and accounts receivable	336.2	537.9	613.5	521.0
<b>Total</b>	<b>4 473.9</b>	<b>4 424.7</b>	<b>4 633.9</b>	<b>4 388.5</b>
<b>Contingent liabilities</b>				
<b>SEK million</b>	<b>30 Jun 2020</b>	<b>30 Jun 2019</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
Duty guarantees	12.6	11.2	11.4	10.0
Rent guarantees	163.5	190.3	177.7	189.1
PRI	0.0	2.0	0.0	2.0
Other guarantees	0.0	1.0	1.0	0.4
Guarantees for associated companies	6.0	6.0	6.0	6.0
<b>Total</b>	<b>182.1</b>	<b>210.4</b>	<b>196.1</b>	<b>207.5</b>
<b>PARENT COMPANY</b>				
<b>Pledged assets</b>				
<b>SEK million</b>	<b>30 Jun 2020</b>	<b>30 Jun 2019</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
Floating charges	30.0	30.0	30.0	30.0
Shares in Group companies	1 751.4	1 771.4	1 751.4	1 771.4
Shares in associated companies	8.3	8.3	8.3	8.3
<b>Total</b>	<b>1 789.7</b>	<b>1 809.7</b>	<b>1 789.7</b>	<b>1 809.7</b>
<b>Contingent liabilities</b>				
<b>SEK million</b>	<b>30 Jun 2020</b>	<b>30 Jun 2019</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
Guarantees for Group companies	658.8	886.3	820.9	940.1
Guarantees for associated companies	6.0	6.0	6.0	0.0
<b>Total</b>	<b>664.8</b>	<b>892.3</b>	<b>826.9</b>	<b>940.1</b>



## Note 8 - Disclosures related to COVID-19

In connection with the COVID-19 crisis companies within the Group has taken part of the support packages that governments around the world have issued. This note contains information about the government support that the Group has received and their financial impact. Accounting principles related to the grants can be found in note 1. The Group has also taken part in support packages where employees reduce their working hours and receive compensation directly from the government. The financial impact from this is reduced personnel costs, but is not defined as a government grant.

### Government grants

During 2020 the Group has received government grants mainly related to temporary lay-offs in several countries. Employees reduces their working hours but can keep main part of their salary and the employer temporary receives government grant to cover main part of the personnel costs for the employees. The table below contains information on total received grants that are recorded as other operating income and grants that are received but recorded as other liabilities as they relate to costs that have not yet occurred.

	3 months Apr - Jun 2020	6 months Jan - Jun 2020	30 Jun 2020
Other operating income	44.1	47.9	
			10.9
Other liabilities			

### Deferment of payment of taxes and social charges

In some countries, the Group has been granted a deferral of payment of taxes and social charges. In Sweden, for example, it is possible to get a deferral for three periods and for a maximum of 12 months. The table below contains information on total liabilities for which the Group has been granted a deferral. All liabilities fall due within 12 months

	30 Jun 2020
Other liabilities	75.4

### Government loans

In the US there is a possibility of obtaining a government loan via so-called PPP loans. The Group has chosen to use this opportunity. The table below contains information on government loans received. The loans can be forgiven if certain conditions are met, the Group's assessment is that it is currently not reasonably certain that the Group will meet the conditions and thus the loans are reported as liabilities.

	30 Jun 2020
Long-term interest-bearing liabilities	36.4
Short-term interest-bearing liabilities	26.5
	<b>62.9</b>

# Condensed quarterly consolidated income statements

SEK million

Quarter	2020		2019				2018			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1 314.5	1 440.9	2 024.1	1 685.5	1 689.0	1 504.9	1 943.4	1 551.2	1 523.2	1 272.8
Goods for resale	-799.7	-810.2	-1 079.2	-923.2	-903.3	-795.3	-1 042.3	-835.3	-804.2	-677.5
<b>Gross profit</b>	<b>514.8</b>	<b>630.7</b>	<b>944.9</b>	<b>762.3</b>	<b>785.7</b>	<b>709.6</b>	<b>901.1</b>	<b>715.8</b>	<b>719.0</b>	<b>595.4</b>
<b>Gross profit margin %</b>	<b>39.2</b>	<b>43.8</b>	<b>46.7</b>	<b>45.2</b>	<b>46.5</b>	<b>47.1</b>	<b>46.4</b>	<b>46.1</b>	<b>47.2</b>	<b>46.8</b>
Other operating income	61.4	20.6	32.3	12.9	15.5	17.2	28.3	19.3	11.3	15.9
External costs	-187.7	-311.1	-343.8	-300.3	-330.2	-338.4	-390.6	-323.5	-305.1	-317.2
Personnel costs	-209.1	-292.8	-307.6	-278.7	-290.5	-283.0	-298.0	-257.7	-260.9	-246.4
Depreciations and write-downs	-57.8	-60.1	-73.6	-55.7	-52.8	-51.0	-21.6	-20.2	-18.5	-17.6
Other operating costs	-11.4	-10.4	-12.4	-11.3	-7.7	-8.2	-9.8	-15.0	-8.3	-11.8
Share of associated companies' result	-0.1	-0.9	0.6	-0.2	-0.3	-0.2	0.1	-1.3	-0.3	0.4
<b>Operating result</b>	<b>110.1</b>	<b>-24.1</b>	<b>240.3</b>	<b>129.1</b>	<b>119.6</b>	<b>46.0</b>	<b>209.4</b>	<b>117.5</b>	<b>137.3</b>	<b>18.6</b>
Financial income	2.9	0.5	2.8	2.5	2.2	1.3	1.5	0.7	1.8	1.5
Financial expenses	-20.2	-18.4	-24.1	-19.5	-18.1	-15.3	-14.2	-12.3	-8.2	-11.7
<b>Result before tax</b>	<b>92.8</b>	<b>-42.1</b>	<b>219.1</b>	<b>112.1</b>	<b>103.6</b>	<b>32.0</b>	<b>196.6</b>	<b>105.9</b>	<b>130.9</b>	<b>8.4</b>
Tax expense	-19.9	5.1	-53.1	-17.6	-19.9	-6.0	-37.7	-17.5	-24.2	-2.4
<b>Result for the period</b>	<b>72.9</b>	<b>-36.9</b>	<b>165.9</b>	<b>94.4</b>	<b>83.7</b>	<b>26.0</b>	<b>158.9</b>	<b>88.4</b>	<b>106.8</b>	<b>6.0</b>
Total other comprehensive income for the period	-212.4	205.5	-131.5	126.9	16.2	86.3	2.7	-37.8	121.1	71.7
<b>Total comprehensive income for the period</b>	<b>-139.5</b>	<b>168.6</b>	<b>34.4</b>	<b>221.4</b>	<b>99.9</b>	<b>112.3</b>	<b>161.6</b>	<b>50.5</b>	<b>227.9</b>	<b>77.7</b>
Earnings per share before and after dilution (SEK)*	1.11	-0.54	2.53	1.45	1.28	0.41	2.42	1.36	1.60	0.10

Quarter	2017				2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1 630.3	1 331.1	1 371.7	1 264.2	1 548.6	1 300.4	1 257.3	1 130.8	1 405.3	1 272.0	1 191.3	1 096.1
Goods for resale	-886.8	-692.8	-745.7	-692.8	-832.3	-693.3	-685.0	-616.3	-773.5	-697.8	-659.1	-595.7
<b>Gross profit</b>	<b>743.5</b>	<b>638.2</b>	<b>626.0</b>	<b>571.4</b>	<b>716.3</b>	<b>607.1</b>	<b>572.3</b>	<b>514.5</b>	<b>631.8</b>	<b>574.2</b>	<b>532.2</b>	<b>500.4</b>
<b>Gross profit margin %</b>	<b>45.6</b>	<b>47.9</b>	<b>45.6</b>	<b>45.2</b>	<b>46.3</b>	<b>46.7</b>	<b>45.5</b>	<b>45.5</b>	<b>45.0</b>	<b>45.1</b>	<b>44.7</b>	<b>45.7</b>
Other operating income	22.9	10.4	7.0	10.9	14.9	14.5	12.2	9.4	8.0	22.1	7.8	9.3
External costs	-304.9	-265.4	-270.1	-288.6	-300.1	-268.5	-249.6	-279.8	-284.0	-273.0	-258.9	-270.1
Personnel costs	-262.2	-217.1	-233.0	-228.1	-242.9	-208.3	-213.0	-217.4	-231.5	-202.8	-212.0	-205.3
Depreciations and write-downs	-18.2	-16.4	-15.7	-15.0	-15.2	-14.1	-13.4	-13.2	-14.2	-13.7	-14.3	-14.9
Other operating costs	-6.1	-7.4	-3.9	-7.8	-6.2	-5.8	-8.1	-5.6	-1.7	-9.3	-6.7	-18.5
Share of associated companies' result	-2.5	0.6	0.2	0.4	0.2	0.0	-0.2	0.2	0.0	-1.2	0.6	0.9
<b>Operating result</b>	<b>172.5</b>	<b>143.0</b>	<b>110.5</b>	<b>43.2</b>	<b>167.0</b>	<b>124.9</b>	<b>100.2</b>	<b>8.1</b>	<b>108.4</b>	<b>96.3</b>	<b>48.7</b>	<b>1.8</b>
Financial income	1.3	1.6	1.0	1.3	0.0	1.0	0.9	1.2	0.7	1.4	3.2	1.9
Financial expenses	-14.3	-14.8	-14.1	-13.8	-15.9	-16.4	-15.7	-15.0	-28.6	-19.0	-16.9	-17.0
<b>Result before tax</b>	<b>159.4</b>	<b>129.8</b>	<b>97.4</b>	<b>30.7</b>	<b>151.1</b>	<b>109.5</b>	<b>85.4</b>	<b>-5.7</b>	<b>80.5</b>	<b>78.7</b>	<b>35.0</b>	<b>-13.3</b>
Tax expense	-12.6	-24.5	-20.3	-5.8	-23.3	-23.0	-18.4	1.1	-17.2	-13.6	-7.2	2.4
<b>Result for the period</b>	<b>146.8</b>	<b>105.3</b>	<b>77.0</b>	<b>24.9</b>	<b>127.8</b>	<b>86.5</b>	<b>67.0</b>	<b>-4.6</b>	<b>63.3</b>	<b>65.1</b>	<b>27.8</b>	<b>-10.9</b>
Total other comprehensive income for the period	45.3	-43.3	-42.4	-12.2	35.1	26.4	47.2	-15.5	-36.9	7.1	-43.9	101.7
<b>Total comprehensive income for the period</b>	<b>192.1</b>	<b>62.0</b>	<b>34.7</b>	<b>12.7</b>	<b>162.9</b>	<b>112.9</b>	<b>114.2</b>	<b>-20.1</b>	<b>26.4</b>	<b>72.2</b>	<b>-16.1</b>	<b>90.8</b>
Earnings per share before and after dilution (SEK)*	2.20	1.60	1.16	0.38	1.90	1.31	1.01	-0.06	0.94	0.98	0.41	-0.17

\* The average number of outstanding shares, before and after dilution, has been 66,343,543 in all periods in the table.

# Condensed quarterly consolidated cash flow statements

SEK million

Quarter	2020		2019				2018			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Cash flow from operating activities before changes in working capital</b>	<b>176.0</b>	<b>-63.0</b>	<b>262.1</b>	<b>149.9</b>	<b>143.8</b>	<b>49.3</b>	<b>184.1</b>	<b>116.1</b>	<b>128.3</b>	<b>1.2</b>
Increase/decrease of inventories	53.9	-117.4	180.9	-256.4	-108.0	-58.3	44.6	-310.4	-110.8	-117.4
Increase/decrease of current receivables	87.4	313.9	-47.5	-34.3	-95.9	126.2	-3.6	-128.6	-36.2	140.9
Increase/decrease of current liabilities	-65.9	-19.0	-108.8	9.7	69.1	-182.3	-50.7	239.9	143.2	-18.1
<b>Changes in working capital</b>	<b>75.5</b>	<b>177.6</b>	<b>24.7</b>	<b>-281.0</b>	<b>-134.8</b>	<b>-114.4</b>	<b>-9.7</b>	<b>-199.1</b>	<b>-3.7</b>	<b>5.4</b>
<b>Cash flow from operating activities</b>	<b>251.4</b>	<b>114.6</b>	<b>286.7</b>	<b>-131.1</b>	<b>9.0</b>	<b>-65.1</b>	<b>174.4</b>	<b>-83.0</b>	<b>124.6</b>	<b>6.6</b>
Investing activities	-11.1	-30.6	-42.2	-32.6	-35.6	-38.3	-39.7	-42.1	-41.6	-39.8
<b>Cash flow after investing activities</b>	<b>240.3</b>	<b>84.0</b>	<b>244.6</b>	<b>-163.8</b>	<b>-26.6</b>	<b>-103.4</b>	<b>134.7</b>	<b>-125.1</b>	<b>83.0</b>	<b>-33.2</b>
Increase/decrease of interest-bearing liabilities	-201.6	-195.2	-122.6	210.1	75.3	49.2	-15.9	104.9	58.0	5.1
Transactions with owners	0.0	0.0	0.0	1.2	-132.7	0.0	0.0	0.0	-112.8	0.0
<b>Cash flow from financial activities</b>	<b>-201.6</b>	<b>-195.2</b>	<b>-122.6</b>	<b>211.2</b>	<b>-57.4</b>	<b>49.2</b>	<b>-15.9</b>	<b>104.9</b>	<b>-54.8</b>	<b>5.1</b>
<b>Cash flow for the period</b>	<b>38.7</b>	<b>-111.2</b>	<b>121.9</b>	<b>47.4</b>	<b>-84.0</b>	<b>-54.2</b>	<b>118.8</b>	<b>-20.2</b>	<b>28.2</b>	<b>-28.1</b>
Liquid assets at the beginning of the period	257.6	351.3	238.4	182.5	265.0	312.2	192.6	215.4	180.5	202.4
Translation differences in liquid assets	-18.5	17.6	-9.1	8.5	1.5	7.0	0.8	-2.6	6.7	6.2
<b>Liquid assets at the end of the period</b>	<b>277.8</b>	<b>257.6</b>	<b>351.3</b>	<b>238.4</b>	<b>182.5</b>	<b>265.0</b>	<b>312.2</b>	<b>192.6</b>	<b>215.4</b>	<b>180.5</b>

Quarter	2017				2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Cash flow from operating activities before changes in working wcapital</b>	<b>154.9</b>	<b>153.3</b>	<b>105.0</b>	<b>37.8</b>	<b>132.0</b>	<b>116.2</b>	<b>89.4</b>	<b>-4.2</b>	<b>90.6</b>	<b>73.8</b>	<b>54.6</b>	<b>-9.2</b>
Increase/decrease of stock	129.5	-200.4	-63.7	-73.9	151.2	-109.6	62.4	-49.7	175.6	-132.1	-88.5	-200.6
Increase/decrease of current receivables	-78.5	-113.8	-40.4	113.0	31.9	-106.8	-76.9	85.3	85.2	-117.2	-23.0	129.5
Increase/decrease of current liabilities	-71.4	150.5	49.2	-43.3	-34.2	115.7	13.7	32.5	24.1	14.3	1.0	51.4
<b>Changes in working capital</b>	<b>-20.4</b>	<b>-163.7</b>	<b>-54.9</b>	<b>-4.2</b>	<b>148.9</b>	<b>-100.7</b>	<b>-0.8</b>	<b>68.1</b>	<b>284.9</b>	<b>-235.0</b>	<b>-110.5</b>	<b>-19.7</b>
<b>Cash flow from operating activities</b>	<b>134.5</b>	<b>-10.4</b>	<b>50.1</b>	<b>33.6</b>	<b>280.9</b>	<b>15.5</b>	<b>88.6</b>	<b>63.9</b>	<b>375.5</b>	<b>-161.2</b>	<b>-55.9</b>	<b>-28.9</b>
Investing activities	-37.7	-36.9	-16.0	-19.9	-26.3	-25.8	-21.2	-16.3	-24.1	-15.0	-40.7	-26.7
<b>Cash flow after investing activities</b>	<b>96.8</b>	<b>-47.3</b>	<b>34.1</b>	<b>13.7</b>	<b>254.6</b>	<b>-10.3</b>	<b>67.4</b>	<b>47.6</b>	<b>351.4</b>	<b>-176.2</b>	<b>-96.6</b>	<b>-55.6</b>
Increase/decrease of interest-bearing liabilities	-54.6	30.2	47.1	-39.4	-211.4	22.9	16.1	-74.6	-349.1	173.9	179.1	-13.9
Transactions with owners	0.0	0.0	-89.6	0.0	0.0	0.0	-66.3	0.0	0.0	-1.0	-66.3	0.0
<b>Cash flow from financial activities</b>	<b>-54.6</b>	<b>30.2</b>	<b>-42.5</b>	<b>-39.4</b>	<b>-211.4</b>	<b>22.9</b>	<b>-50.2</b>	<b>-74.6</b>	<b>-349.1</b>	<b>172.9</b>	<b>112.8</b>	<b>-13.9</b>
<b>Cash flow for the period</b>	<b>42.2</b>	<b>-17.1</b>	<b>-8.4</b>	<b>-25.7</b>	<b>43.2</b>	<b>12.6</b>	<b>17.2</b>	<b>-27.0</b>	<b>2.3</b>	<b>-3.3</b>	<b>16.2</b>	<b>-69.5</b>
Liquid assets at the beginning of the period	155.6	178.9	191.9	218.9	172.9	157.1	136.3	165.5	167.7	169.5	159.0	216.0
Translation differences in liquid assets	4.6	-6.2	-4.6	-1.3	2.8	3.2	3.6	-2.2	-4.5	1.5	-5.7	12.5
<b>Liquid assets at the end of the period</b>	<b>202.4</b>	<b>155.6</b>	<b>178.9</b>	<b>191.9</b>	<b>218.9</b>	<b>172.9</b>	<b>157.1</b>	<b>136.3</b>	<b>165.5</b>	<b>167.7</b>	<b>169.5</b>	<b>159.0</b>

## Definitions of alternative performance measures

Guidelines concerning non-IFRS performance measures for companies with securities listed on a regulated market in the EU have been issued by ESMA (The European Securities and Markets Authority). These guidelines are to be applied to alternative performance measures (APM) applied as of July 3, 2016. The Interim Report refers to a number of non-IFRS performance measures used to assist investors and company management to analyze the company's operations. Because not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. These

financial measures should not be seen as a substitute for measures defined under IFRS. A description of the various non-IFRS performance measures used as a complement to the financial information reported according to IFRS and how they are used, is presented below. A reconciliation of alternative performance measures is available on [www.nwg.se/en/investor-relations/financial-reports/key-numbers](http://www.nwg.se/en/investor-relations/financial-reports/key-numbers).

PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
GROSS PROFIT MARGIN	Net sales less goods for resale in percent of net sales.	The measure is used for showing the Group's margins before the effect of costs such as selling and administrative costs.
OPERATING MARGIN	Operating result as a percentage of the period's net sales.	The measure is used to show operating profitability and how the Group meets its targets.
PROFIT MARGIN	Result before tax as a percentage of the period's net sales.	The measure enables the profitability to be compared across locations where corporate taxes differ.
NET MARGIN	Result after tax as a percentage of the period's net sales.	The measure is used to show net earnings in relation to income.
ORGANIC GROWTH	Organic growth refers to sales growth from existing operations cleared from currency effects. The currency effect is calculated by recalculating this year's sales in local currencies to last year's rates and compared to previous year's sales.	The measure is used to show growth in existing business since currency effects are beyond the Group's control and to measure how the Group meets its targets.
EBITDA	Operating result before depreciation, amortization and write-downs of tangible and intangible fixed assets.	The measure is used to show result from operating activities, regardless of depreciation, amortization and write-downs.
NET FINANCIAL ITEMS	The total of interest income, interest expenses, currency differences on borrowings and cash equivalents in foreign currencies, other financial income and other financial expenses.	The measure reflects the Group's total costs of the external financing.
RETURN MEASURES	DEFINITION/CALCULATION	PURPOSE
RETURN ON CAPITAL EMPLOYED	Rolling 12 month's result before tax plus financial expenses as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed at year-end for the previous year divided by two.	The measure is used to analyze profitability by putting result in relation to the capital needed to operate the business.
RETURN ON EQUITY	Rolling 12 month's result for the period according to the income statement as a percentage of average equity. The average equity is calculated by taking the equity per period end and the equity at year-end for the previous year divided by two. For the Parent company it is calculated as result after tax as a percentage of average adjusted equity. In adjusted equity, the equity part of untaxed reserves is included.	The measure is used to analyze profitability over time, given the resources available to the Parent company's owners.



DATA PER SHARE	DEFINITION/CALCULATION	PURPOSE
EQUITY PER SHARE	Equity at the end of the period divided by number of shares at the end of the period.	Equity per share measures the net asset value per share and determines if a company is increasing shareholder value over time.
CAPITAL MEASURES	DEFINITION/CALCULATION	PURPOSE
EQUITY	The equity reported in the consolidated balance sheet consists of taxed equity increased by the equity portion of the Group's untaxed reserves and non-controlling interests. Deferred tax liability in untaxed reserves has been calculated at the applicable tax rates for the companies in each country, as decided and communicated at the balance sheet date.	The measure is the difference between the Group's assets and liabilities, which corresponds to the Group's equity contributed by owners and the Group's accumulated profits.
CAPITAL EMPLOYED	Total assets less provisions and non-interest bearing liabilities, which consist of accounts payable, current tax liabilities, other liabilities and accrued expenses and prepaid income.	The measure indicates how much capital is needed to run the business, regardless of type of financing (borrowed or equity).
WORKING CAPITAL	Total current assets, excluding liquid assets and current tax receivables, less short-term non-interest bearing liabilities excluding current tax liabilities.	The measure is used to show how much capital is needed to finance operating activities.
NET DEBT	Interest-bearing liabilities (current and non-current) less cash and cash equivalents.	The measure shows financing from borrowings.
CAPITAL TURNOVER	Rolling 12 month's net sales divided by average total assets.	The measure shows how efficiently the Group uses its total capital.
INVENTORY TURNOVER	Rolling 12 month's goods for resale in the income statement divided by average inventory.	The measure is used to show the inventory's turnover per year, since the stock is central for the Group to keep a good service level, i.e. to be able to deliver goods fast.
NET DEBT TO EQUITY RATIO	Net debt as a percentage of equity.	The measure helps show financial risk and is useful for management to monitor the level of the indebtedness.
NET DEBT IN RELATION TO WORKING CAPITAL	Net debt divided by working capital.	The measure is used to show how much of the working capital is financed through net debt.
INTEREST COVERAGE RATIO	Result before tax plus financial costs divided by financial costs.	The measure is used to calculate the Group's ability to pay interest costs.
EQUITY RATIO	Total equity as a percentage of total assets.	The measure shows how much of the Group's assets are financed by the shareholders through equity. An equity ratio is a measure of financial strength and how the Group meets its targets.
OTHER MEASURES	DEFINITION/CALCULATION	PURPOSE
EFFECTIVE TAX RATE	Tax on profit for the period as a percentage of result before tax.	This measure enables comparison of income tax across locations where corporate taxes differ.
EFFECTIVE INTEREST RATE	Net financial items in relation to average net debt.	The measure enables comparison of cost for the net debt.
CASH FLOW FROM OPERATIONS	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities.	The measure is used to show the cash flow generated by the company's operations.
NET INVESTMENTS	Cash flow from investing activities according to the cash flow analysis which includes investments and divestments of buildings, acquisitions, investments in tangible and intangible assets and raised long-term debt.	The measure is used to regularly estimate how much cash is used for investments in operations and for expansion.

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G R O U P

New Wave Group is a growth group that designs, acquires and develops brands and products in the corporate, sports, gifts and home furnishings sectors. The Group shall achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of the assortment. The Group shall offer its products to the promo market and the retail market in order to achieve good risk diversification.

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