



New Wave Group AB

# 2023 Interim Report

January - June

# Trademarks

## Corporate



## Sports & Leisure



## Gifts & Home Furnishings



New Wave Group AB

# 2 Quarter report

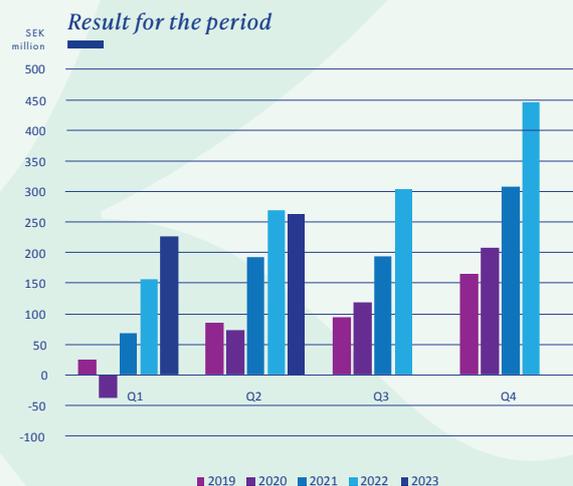
## PERIOD 1 APRIL - 30 JUNE 2023

- Net sales amounted to SEK **2,304.5** million, which was **14%** higher than last year (SEK **2,019.2** million). Currency changes affected net sales positively by **5%** and acquired business by **9%**.
- Operating result amounted to SEK **363.9** (**351.0**) million.
- Result for the period amounted to SEK **259.6** (**265.0**) million.
- Earnings per share amounted to SEK **1.96** (**2.00**).\*
- Cash flow from operating activities amounted to SEK **230.1** (**68.1**) million.

## PERIOD 1 JANUARY - 30 JUNE 2023

- Net sales amounted to SEK **4,440.0** million, which was **17%** higher than last year (SEK **3,794.1** million). Currency changes affected net sales positively by **5%** and acquired business by **9%**.
- Operating result amounted to SEK **677.3** (**560.1**) million.
- Result for the period amounted to SEK **481.8** (**418.5**) million.
- Earnings per share amounted to SEK **3.63** (**3.15**).\*
- Cash flow from operating activities amounted to SEK **37.0** (**73.3**) million.
- Equity ratio amounted to **54.9** (**59.0**)%.
- Net debt to equity ratio amounted to **42.8** (**27.0**)%.

\*Recalculated with regard to the 2:1 share split carried out in June 2023.



Torsten Jansson

# CEO comments

*"New all-time high in both  
net sales and operating  
result - again!"*



***New all-time high in both net sales and operating result - again!***

**The quarter**

Despite the fact that the market was weaker in the second quarter than we assessed in the first quarter, both in promo and in the retail trade, we still reached a new all-time high in sales. Net sales amounted to SEK **2,304.5** million. This is an increase of **14%**. We continue to gain market share in a weaker market.

We also managed to increase operating result by SEK **12.9** million. This gives us our best second quarter ever with SEK **363.9** million. The operating margin fell from **17.4%** to **15.8%** but is still above our target of **15.0%**.

The profit increase is due to good cost control, even though during the quarter we increased investments in both market, products and personnel and invested more time and costs analyzing various potential acquisitions. It is the 9th quarter in a row that we have increased net sales and the 10th quarter in a row that we have increased operating result.

**The half year**

Again, a new all-time high for the half year. Net sales amounted to SEK **4,440.0** million, an increase of SEK **645.9** million or **17%**. Of the increase, acquired business was **9%**, currency changes **5%** and organic growth in local currencies **3%**, which means that we continue to take market shares. Operating result increased by SEK **117.2** million or by **21%** and amounted to SEK **677.3** million. The operating margin thus improved by **0.5%** and amounted to **15.3%**.

**Rolling 12 months**

On a rolling full year, net sales now amount to SEK **9,489.4** million and operating result to SEK **1,622.3** million, which gives an operating margin of **17.1%**.

**Cash flow & balance sheet**

Our balance sheet is still very strong with an equity ratio of **54.9%**. We started in the first quarter to focus on improving our cash flow, which is already paying off. Cash flow from operating activities amounted to SEK **230.1 (68.1)** million. This focus will also have continued benefits during the second half of the year and the first quarter of 2024.

**The future**

The future looks very bright. In the short term, we will face a challenging market, which we will monitor closely. Our brands, our organization, our finances, our balance sheet, etc. provide great opportunities to emerge from the current weaker market stronger than ever.

The market will be challenging for the next 2-3 quarters, but we can overcome that by gaining market share. Difficult times offer great opportunities, especially considering our capital, organization and strong balance sheet for acquisitions. In 9 months we have acquired both B.T.C. Activewear Ltd and Tenson AB. BTC gives us a very strong base in the UK and with Tenson I am optimistic that we can create the same success as we have with Craft over time.

We have now made two acquisitions in 9 months, this can be compared to no acquisition at all during 10 years (2012-2022) when we deemed that the market had too high valuations and low interest rates.

It has been a fun and exciting journey and it is only beginning. Thank you all for this quarter. Now the journey continues.

..... Q2 .....

  
**Torsten Jansson**  
 CEO

The period

# Comments on the period

## Summary of the quarter April - June

The group's net sales increased by 14% (9% in local currencies), of which the acquired operation contributed 9%. The Corporate segment increased, while Sports & Leisure and Gifts & Home Furnishings had lower net sales than last year. Net sales increased in Central and Southern Europe and Other countries but decreased slightly in other regions. The gross profit margin decreased and costs increased slightly. The cost increase was mainly related to the acquired business but also higher market efforts. Overall, the period's result was slightly lower than the previous year and amounted to SEK 259.6 (265.0) million.



**Cutter & Buck** have signed new title partnership with the Swedish Golf Association for men.

The Corporate segment increased **34%**. All regions except Sweden and the USA improved their turnover. Sports & Leisure decreased by **1%** and the segment mainly had lower net sales in the Nordic countries excluding Sweden and Central Europe. Gifts & Home Furnishings decreased by **7%** and had lower net sales in all regions.

The promo sales channel increased by **26%** while retail sales decreased by **5%**. Promo increased in the Corporate and Sport & Leisure segments but decreased in Gifts & Home Furnishings. Retail sales decreased in Sports & Leisure and Gifts & Home Furnishings.

The gross profit margin decreased slightly compared to the previous year and amounted to **49.5 (51.0) %**. The reduction was related to the Corporate segment and the group's trading operations as well as last year's acquired unit. These businesses have a lower gross profit margin than the group as a whole and their share of the group's net sales was greater this year compared to the previous year.

The group's external costs increased compared to the previous year, which is mainly attributable to the acquired operation, volume-related costs, but also that the group increased its marketing activities. Personnel costs increased, which is due

to an adjustment to the current sales level after the savings made in previous years.

The operating result improved slightly compared to the previous year and amounted to SEK **363.9 (351.0)** million, while the operating margin decreased slightly to **15.8 (17.4) %**.

Cash flow from operating activities amounted to SEK **230.1 (68.1)** million. The improved cash flow is primarily an effect of lower merchandise purchases compared to last year. The inventory increased by SEK **2,064.1** million and amounted to SEK **5,714.8 (3,650.7)** million, of which the exchange rate change when converting to SEK has increased the value by SEK **227.2** million. Acquired operation increased the inventory value by SEK **275.2** million.

### CHANGE IN NET SALES

+34%

Corporate segment

-1%

Sports & Leisure segment

-7%

Gifts & Home Furnishings segment

## April - June

### Net sales

Net sales amounted to SEK **2,304.5** million, which was **14%** higher than the previous year (SEK **2,019.2** million). The exchange rate effects had a positive impact on turnover of SEK **108.6** million, or **5%**. Last year's acquisition affected turnover by **9%** or SEK **176.1** million.

Net sales in the USA decreased by **2%**. Sports & Leisure was at the same level as last year, while Corporate and Gifts & Home Furnishings decreased. Sweden reduced its net sales by **3%** and Sports & Leisure was also at the same level as last year, while Corporate and Gifts & Home Furnishings decreased. In Central Europe, turnover increased by **62%**, which is mainly related to last year's acquisition in the Corporate segment. Sports & Leisure and Gifts & Home Furnishings decreased. The Nordic countries excluding Sweden decreased by **1%** compared to the previous year. The Corporate segment increased, while Sports & Leisure and Gifts & Home Furnishings decreased. Southern Europe increased net sales by **10%** and it was mainly Corporate that increased its sales. Other countries increased by **63%**, which is attributable to Asia and trading activities in the Corporate segment.

### Gross profit

The gross profit margin decreased slightly compared to the previous year and amounted to **49.5 (51.0)%**. The decrease was mainly related to the Corporate segment and to the group's trading operations and last year's acquired unit. These have a lower gross profit margin than the group as a whole. As these operations have increased their share of the group's net sales, this has affected the margin negatively. Sports & Leisure improved its margin compared to last year, while Gifts & Home Furnishings decreased.

### Other operating income and other operating costs

Other operating income decreased by SEK **1.5** million to SEK **27.4 (28.9)** million. Other operating income is primarily attributable to the operation's exchange rate gains and must be set against the profit line other operating expenses, where mainly the operation's exchange rate losses are reported. Other operating expenses decreased by SEK **2.0** million and amounted to SEK **-13.1 (-15.1)** million. The net of the above-mentioned items amounted to SEK **14.3 (13.8)** million.

### Costs and depreciations

External costs increased by SEK **37.3** million and amounted to SEK **-382.3 (-345.0)** million. The increase is mainly related to the acquired operation, volume-related costs and higher marketing activities.

Personnel costs increased by SEK **49.8** million and amounted to SEK **-338.7 (-288.9)** million. The increase is mostly due to more employees in the areas of sales, order processing and warehouse as well as acquired operation.

Exchange rate changes increased the above-mentioned costs by SEK **34.4** million and acquired operation affected by SEK **27.7** million.

Depreciation and write-downs increased compared to the previous year and amounted to SEK **-68.8 (-58.3)** million. The increase is primarily related to depreciation of right-of-use assets linked to leasing, which negatively affected depreciation by SEK **9.3** million.

### Operating result

Operating result improved by SEK **12.9** million compared to the previous year and amounted to SEK **363.9 (351.0)** million. The improved operating result is mainly the result of last year's acquisition, which increased operating result by SEK **11.4** million. The operating margin decreased and amounted to **15.8 (17.4)%**.

### Net financial items and tax

Net financial items amounted to SEK **-35.1 (-10.4)** million. The group's net debt increased in previous quarters due to inventory build-up and a company acquisition, which increased interest costs at the same time as interest levels increased compared to last year. Tax on the period's results amounted to SEK **-69.2 (-75.5)** million. The effective tax rate amounted to **21.0 (22.1)%**.

### Result for the period

The result for the period was slightly lower than last year and amounted to SEK **259.6 (265.0)** million. Earnings per share amounted to SEK **1.96 (2.00)**.



#### Tenson

New Wave Group have as of 1st of July, acquired 100% of the shares in the Swedish outdoor company Tenson AB.



**CLIQUE**  
REG. TRADEMARK

## January - June

### **Net sales**

Net sales amounted to SEK **4,440.0** million, which was **17%** higher than the previous year (SEK **3,794.1** million). Exchange rate effects had a positive impact on sales by SEK **214.4** million, which corresponds to **6%**. Last year's acquisition of B.T.C. Activewear Ltd affected turnover by **9%** or SEK **331.7** million.

Net sales in the USA increased by **10%**, which was related to the Sports & Leisure segment. Sweden increased sales by **1%**. Sports & Leisure increased, while Corporate and Gifts & Home Furnishings decreased. Central Europe increased by **69%**, which was mainly due to last year's acquisitions in the Corporate segment. Southern Europe increased by **19%**, which was also mainly an increase in the Corporate segment. The Nordic countries excluding Sweden increased by **6%**, which was related to Corporate and Sports & Leisure, while Gifts and Home Furnishings decreased. Other countries increased by **2%**.

The promo sales channel increased by **24%** and retail sales improved by **5%**. Net sales increased in both sales channels regarding Corporate and Sports & Leisure, while Gifts and Home Furnishings decreased in both sales channels.

### **Gross profit**

The gross profit margin was higher than the previous year and amounted to **50.1 (49.4) %**. It is primarily Sports & Leisure that increased its margin, while Corporate and Gifts & Home Furnishings remained at the same level as last year.

### **Other operating income and other operating costs**

Other operating income decreased by SEK **0.4** million to SEK **51.1 (51.5)** million. Other operating income is primarily attributable to the operation's exchange rate gains and must be set against the profit line other operating expenses where the operation's exchange rate losses are reported. Other operating expenses decreased by SEK **3.6** million and amounted to SEK **-23.3 (-26.9)** million. The net of the above-mentioned items amounted to SEK **27.8 (24.6)** million.

### **Costs and depreciations**

External costs increased by SEK **114.1** million and amounted to SEK **-770.7 (-656.6)** million. The increase is mainly related to volume-related costs but also higher marketing activities. Personnel costs increased by SEK **104.0** million and amounted to SEK **-667.5 (-563.5)** million. The increase is mainly related to more employees in the areas of sales, order processing and warehouse.

Exchange rate changes increased the above mentioned costs by SEK **71.7** million and acquired operation affected by SEK **52.1** million.

Depreciation and write-downs increased compared to the previous year and amounted to SEK **-134.2 (-117.1)** million. The increase is primarily related to depreciation of right-of-use assets linked to leasing, which negatively affected depreciation by SEK **10.4** million.

### **Operating result**

Operating result increased by SEK **117.2** million and amounted to SEK **677.3 (560.1)** million. The improvement is mainly related to a higher net turnover and improved gross profit margin. Acquired operation contributed SEK **20.9** million. The operating margin improved and amounted to **15.3 (14.8) %**.

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

Net financial items amounted to SEK **-63.6 (-20.0)** million, which is related to a higher net debt attributable to the group's inventory build-up and company acquisition. This increased interest costs at the same time as interest rates increased compared to last year.

The tax cost for the period amounted to SEK **-132.0 (-121.5)** million. The effective tax rate amounted to **21.5 (22.5) %**.

### **Result for the period**

Result for the period amounted to SEK **481.8 (418.5)** million and earnings per share amounted to SEK **3.63 (3.15)**.

## Reporting of operating segments

New Wave Group divides its operations into the 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

Net sales for the second quarter increased by **34%** and amounted to SEK **1,231.7 (919.1)** million. Acquired operation had an impact of SEK **176.1** million or **19%**. Sales increased in most regions but decreased in the USA and Sweden. Both sales channels increased their net sales. Operating result improved by SEK **20.8** million and amounted to SEK **225.2 (204.4)** million. The higher result was related to higher net sales, but the segment also had a lower gross profit margin and higher costs. Acquired operation contributed SEK **11.4** million.

Net sales for the first six months of the year amounted to SEK **2,283.6 (1,770.4)** million. Acquired operation had an impact of SEK **331.7** million or **19%**. Net sales decreased in the USA and Sweden but increased in other regions. Both sales channels increased their net sales. Operating result improved by SEK **98.4** million and amounted to SEK **428.6 (330.2)** million. The higher result is mainly related to the higher net sales. However, the segment has a lower gross profit margin and higher costs. Acquired operation contributed SEK **20.9** million.

### Sports & Leisure

Net sales during the period April-June decreased slightly and amounted to SEK **869.2 (881.5)** million. The segment had lower net sales in Central Europe, the Nordics countries (excluding Sweden) and Other countries. The promo sales channel increased while retail sales decreased. Operating result amounted to SEK **140.2 (134.5)** million. The higher result was mainly due to an improved gross profit margin.

Net sales for the period January-June increased by **10%** and amounted to SEK **1,786.6 (1,628.2)** million. Sales increased in both sales channels. The segment had higher net sales in all regions. Operating result increased by SEK **38.5** million and amounted to SEK **268.2 (229.7)** million. The improvement is related to the higher net sales and an improved gross profit margin. However, the segment also had higher costs.



### Gifts & Home Furnishings

Net sales for the second quarter decreased by **7%** and amounted to SEK **203.7 (218.6)** million. The segment had lower net sales in all regions and in both sales channels. Operating result decreased compared to last year and amounted to SEK **-1.6 (12.1)** million. In addition to lower net sales, the segment also had a lower gross profit margin and higher costs, mainly in the form of more employees.

Net sales for the period January-June decreased by **6%** and amounted to SEK **369.8 (395.5)** million. Sales decreased in both sales channels and in all regions. Operating result decreased by SEK **19.6** million compared to the previous year and amounted to SEK **-19.4 (0.2)** million. The lower result was mainly related to lower sales but also higher marketing costs and more employees.

## Capital tied up

Capital tied up in inventories increased by SEK 2,064.1 million compared to the previous year and amounted to SEK 5,714.8 (3,650.7) million. Exchange rate changes have increased the inventory value by SEK 227.2 million and acquired operation affected by SEK 275.2 million. The inventory's turnover rate is on par with the previous year and amounted to 1.1 (1.2) times.

SEK million	30 Jun 2023	30 Jun 2022
Raw materials	61.6	59.6
Work in progress	1.1	2.8
Goods in transit	359.6	482.7
Finished goods	5,292.5	3,105.6
<b>Total</b>	<b>5,714.8</b>	<b>3,650.7</b>

As of 30 June, total obsolescence deductions (the difference between the lowest of acquisition value and fair value) for inventory amounted to SEK 151.7 (165.3) million and obsolescence reserve for finished goods inventory amounted to 2.9 (5.0) %.

Accounts receivable amounted to SEK 1,501.7 (1,333.6) million, where the increase is mainly related to the higher net sales.

## Investments, financing and liquidity

The quarter's cash flow from operating activities amounted to SEK 230.1 (68.1) million. The improved cash flow is mainly attributable to lower purchases of goods than last year. Cash flow from investment activities amounted to SEK -82.8 (-55.2) million.

For the first six months of the year, cash flow from operating activities amounted to SEK 37.0 million, which was slightly lower than the previous year (SEK 73.3 million). The lower cash flow is mainly related to payment of last year's inventory build-up.

Net debt increased by SEK 1,293.8 million and amounted to SEK 2,649.9 (1,356.1) million. The increase was related to indebtedness with credit institutions and is attributable to last year's acquisition and inventory build-up. The net debt ratio and net debt through working capital increased and amounted to 42.8 (27.0) % and 46.9 (37.3) % respectively.

The equity ratio decreased by 4.1 percentage points compared to the previous year and amounted to 54.9 (59.0) %. The lower equity ratio is attributable to higher net debt in connection with last year's acquisition and inventory build-up.

During the quarter, the group increased its credit line by SEK 200.0 million. The credit line on June 30 amounted to SEK 3,019.2 million, of which SEK 200.0 million runs through December 31 2023, USD 4.2 million runs through January 2024, SEK 2,150.0 million runs through December 2024, SEK 185.9 million runs through August 2027, and SEK 187.5 million has a

term that extends to and including December 2030. The other SEK 250.0 million has a term of between three months and six years. The credit line is limited in amount to and dependent on the value of certain underlying assets. The financing agreement means that key figures (covenants) must be met in order to maintain the credit line.

### ***Personnel and organization***

The average number of annual employees as of June 30 amounted to 2,449 (2,206) people, of which 49% were men and 51% were women. Of the number of employees, 501 (472) people work in production.

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

### ***Related party transactions***

Lease agreements exist with related companies. Related companies to the CEO have purchased merchandise. In addition, there are transactions with related parties at insignificant values. All transactions have taken place on market terms.

### ***The Parent company***

Total revenue for the quarter amounted to SEK 38.8 (38.9) million. Result before allocations and tax amounted to SEK 451.9 (211.0) million. The

improvement in earnings was mainly attributable to dividends from foreign subsidiaries. The net debt amounted to SEK 2,184.5 (876.8) million. The parent company's net financing to subsidiaries amounted to SEK 2,894.1 (1,519.3) million. The increase in net debt and net financing to subsidiaries is related to last year's acquisition and the subsidiaries' inventory build-up. The cash flow from investment activities amounted to SEK 9.2 (0.3) million, which is related to an intra-group company sale. The balance sheet total amounted to SEK 5,903.0 (4,152.6) million and the equity, including the equity share of untaxed reserves, to SEK 2,689.8 (2,486.7) million.

Total revenue for the period January-June amounted to SEK 76.8 (74.0) million. Result before appropriations and tax amounted to SEK 461.0 (212.0) million. The improvement in earnings was mainly attributable to dividends from foreign subsidiaries. The cash flow from investment activities amounted to SEK 47.4 (0.2) million. The improvement was due to intra-group company sales.

### ***Subsequent Events***

As of July 1, New Wave Group AB has acquired 100% of the shares in the Swedish outdoor company Tenson AB, note 8.





## Calendar

7 NOV	Interim report for the third quarter
9 FEB	Year-end report 2023
25 APR	Interim report for the first quarter
16 MAY	Annual General Meeting

The company's auditors have not conducted any review of the report for the second quarter of 2023.

The Board of Directors and CEO declare that the year-end 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 faced by the company and the companies included in the Group.

..... 2023 .....

## Gothenburg, August 16, 2023

New Wave Group AB (publ)

**Olof Persson**  
Chairman of the Board

**Jonas Eriksson**  
Member of the Board

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

**Ingrid Söderlund**  
Member of the Board

**Kinna Bellander**  
Member of the Board

**Ralph Mührbad**  
Member of the Board

**Isabella Jansson**  
Member of the Board

**Torsten Jansson**  
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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 Swedish 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 16th, 2023.

## Consolidated income statement

SEK million	Note	3 months Apr - Jun 2023	3 months Apr - Jun 2022	6 months Jan - Jun 2023	6 months Jan - Jun 2022	12 months Jan - Dec 2022	12 months Jan - Dec 2021
Net sales	3, 4, 5	2 304.5	2 019.2	4 440.0	3 794.1	8 843.6	6 718.6
Goods for resale		-1 164.8	-989.8	-2 217.4	-1 921.4	-4 468.4	-3 489.3
<b>Gross profit</b>		<b>1 139.7</b>	<b>1 029.4</b>	<b>2 222.6</b>	<b>1 872.7</b>	<b>4 375.2</b>	<b>3 229.3</b>
Other operating income		27.4	28.9	51.1	51.5	123.9	111.5
External costs		-382.3	-345.0	-770.7	-656.6	-1 470.3	-1 067.9
Personnel costs		-338.7	-288.9	-667.5	-563.5	-1 205.3	-1 016.9
Amortizations, depreciations and write-downs of tangible and intangible fixed assets		-68.8	-58.3	-134.2	-117.1	-249.2	-227.3
Other operating costs		-13.1	-15.1	-23.3	-26.9	-67.4	-21.7
Share of associated companies' result		-0.3	0.0	-0.6	0.0	-1.8	-1.1
<b>Operating result</b>		<b>363.9</b>	<b>351.0</b>	<b>677.3</b>	<b>560.1</b>	<b>1 505.1</b>	<b>1 005.9</b>
Financial income		0.9	1.5	2.0	2.1	3.7	3.0
Financial expenses		-36.0	-11.9	-65.6	-22.1	-58.7	-46.0
<b>Net financial items</b>		<b>-35.1</b>	<b>-10.4</b>	<b>-63.6</b>	<b>-20.0</b>	<b>-55.0</b>	<b>-43.0</b>
<b>Result before tax</b>		<b>328.8</b>	<b>340.6</b>	<b>613.8</b>	<b>540.1</b>	<b>1 450.1</b>	<b>962.9</b>
Tax expense		-69.2	-75.5	-132.0	-121.5	-281.3	-202.9
<b>Result for the period</b>		<b>259.6</b>	<b>265.0</b>	<b>481.8</b>	<b>418.5</b>	<b>1 168.8</b>	<b>760.0</b>
<b>Other comprehensive income:</b>							
<b>Items that can be reclassified into profit or loss:</b>							
Translation differences		254.8	247.2	248.5	317.5	434.2	230.3
Cash flow hedges		-4.5	7.8	-4.2	8.0	2.4	3.3
<b>Sum</b>		<b>250.3</b>	<b>255.0</b>	<b>244.3</b>	<b>325.5</b>	<b>436.6</b>	<b>233.6</b>
Income tax related to components of other comprehensive income		1.0	-1.6	0.9	-1.6	-0.5	-0.7
<b>Total other comprehensive for the period</b>		<b>251.3</b>	<b>253.3</b>	<b>245.2</b>	<b>323.8</b>	<b>436.1</b>	<b>232.9</b>
<b>Total comprehensive income for the period</b>		<b>510.9</b>	<b>518.4</b>	<b>727.0</b>	<b>742.4</b>	<b>1 604.9</b>	<b>992.9</b>
<b>Result for the period attributable to:</b>							
Shareholders of the Parent company		259.6	264.9	481.8	418.4	1 168.8	760.3
Non-controlling interest		0.0	0.1	0.0	0.1	0.0	-0.3
		<b>259.6</b>	<b>265.0</b>	<b>481.8</b>	<b>418.5</b>	<b>1 168.8</b>	<b>760.0</b>
<b>Total comprehensive income attributable to:</b>							
Shareholders of the Parent company		510.9	518.4	727.0	742.4	1 604.9	992.8
Non-controlling interest		0.0	0.0	0.0	0.0	0.0	0.1
		<b>510.9</b>	<b>518.4</b>	<b>727.0</b>	<b>742.4</b>	<b>1 604.9</b>	<b>992.9</b>
Earnings per share (SEK)*		1.96	2.00	3.63	3.15	8.81	5.73
The average number of outstanding shares**		132 687 086	132 687 086	132 687 086	132 687 086	132 687 086	132 687 086

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

\*\*Recalculated with regard to the 2:1 share split carried out in June 2023.

## Consolidated cash flow statement

SEK million	Note	3 months Apr - Jun 2023	3 months Apr - Jun 2022	6 months Jan - Jun 2023	6 months Jan - Jun 2022	12 months Jan - Dec 2022	12 months Jan - Dec 2021
<b>Operating activities</b>							
Operating result		363.9	351.0	677.4	560.1	1 505.1	1 005.9
Adjustment for items not included in cash flow		33.5	55.3	100.6	108.6	253.7	194.8
Received interest		1.8	0.5	2.0	0.7	7.6	1.8
Paid interest		-36.9	-10.9	-65.6	-20.7	-62.7	-44.8
Paid income tax		-102.6	-49.8	-156.9	-99.0	-320.6	-164.7
<b>Cash flow from operating activities before changes in working capital</b>		<b>259.7</b>	<b>346.0</b>	<b>557.5</b>	<b>549.6</b>	<b>1 383.2</b>	<b>993.0</b>
<b>Changes in working capital</b>							
Increase/decrease of inventories		-5.8	-360.7	-264.8	-587.2	-1 983.1	57.8
Increase/decrease of current receivables		-30.2	-119.2	251.3	86.6	-186.8	-269.9
Increase/decrease of current liabilities		6.4	202.0	-507.0	24.3	426.7	426.5
<b>Cash flow from changes in working capital</b>		<b>-29.6</b>	<b>-277.9</b>	<b>-520.5</b>	<b>-476.3</b>	<b>-1 743.2</b>	<b>214.4</b>
<b>Cash flow from operating activities</b>		<b>230.1</b>	<b>68.1</b>	<b>37.0</b>	<b>73.3</b>	<b>-360.0</b>	<b>1 207.4</b>
<b>Investing activities</b>							
Investments in tangible fixed assets		-87.8	-60.3	-125.9	-82.9	-123.7	-105.3
Sales of tangible fixed assets		8.5	7.1	9.3	9.8	10.7	9.9
Investments in intangible fixed assets		-3.5	-2.0	-6.9	-7.4	-10.5	-18.8
Acquisition of shares		0.0	0.0	0.0	0.0	-398.7	0.0
<b>Cash flow from investing activities</b>	3	<b>-82.8</b>	<b>-55.2</b>	<b>-123.5</b>	<b>-80.5</b>	<b>-522.2</b>	<b>-114.2</b>
<b>Cash flow after investing activities</b>		<b>147.3</b>	<b>12.9</b>	<b>-86.5</b>	<b>-7.2</b>	<b>-882.2</b>	<b>1 093.2</b>
<b>Financial activities</b>							
Loans raised		159.0	314.7	420.1	357.0	1 465.6	0.0
Amortization of loans		-30.6	-26.9	-64.0	-52.3	-111.3	-706.5
Amortization of lease liabilities		-40.3	-34.3	-78.0	-67.5	-138.2	-126.5
Acquisition of non-controlling interests		0.0	0.0	0.0	0.0	0.0	-12.5
Dividend paid to the shareholders of the Parent company		-216.3	-282.0	-216.3	-282.0	-282.0	-265.4
<b>Cash flow from financial activities</b>		<b>-128.2</b>	<b>-28.4</b>	<b>61.8</b>	<b>-44.7</b>	<b>934.1</b>	<b>-1 110.9</b>
<b>Cash flow for the period</b>		<b>19.1</b>	<b>-15.5</b>	<b>-24.7</b>	<b>-51.9</b>	<b>51.9</b>	<b>-17.7</b>
Liquid assets at the beginning of the period		376.7	298.6	419.4	327.9	327.9	325.1
Translation differences in liquid assets		20.7	22.4	21.8	29.5	39.6	20.5
<b>Liquid assets at the end of the period</b>		<b>416.5</b>	<b>305.5</b>	<b>416.5</b>	<b>305.5</b>	<b>419.4</b>	<b>327.9</b>
<b>Liquid assets</b>							
Cash at bank and in hand		416.5	305.5	416.5	305.5	419.4	327.9

## Consolidated balance sheet

SEK million	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>					
Intangible fixed assets	3	1 818.2	1 601.4	1 768.5	1 474.7
Tangible fixed assets	3	1 425.4	1 287.3	1 319.6	1 258.3
Shares in associated companies		37.0	38.7	38.7	38.7
Other long-term receivables		13.4	12.5	13.9	11.8
Deferred tax assets	3, 5	132.1	108.5	129.2	93.5
<b>Total non-current assets</b>	<b>5</b>	<b>3 426.0</b>	<b>3 048.3</b>	<b>3 269.9</b>	<b>2 877.0</b>
Inventory		5 714.8	3 650.7	5 297.7	2 937.6
Current tax receivables		29.0	27.2	30.2	16.7
Accounts receivable		1 501.7	1 333.6	1 664.1	1 359.6
Other receivables		88.4	100.5	169.6	86.3
Prepaid expenses and accrued income		100.7	59.0	92.7	55.3
Liquid assets		416.5	305.5	419.4	327.9
<b>Total current assets</b>		<b>7 851.1</b>	<b>5 476.5</b>	<b>7 673.7</b>	<b>4 783.6</b>
<b>TOTAL ASSETS</b>	<b>3, 6</b>	<b>11 277.2</b>	<b>8 524.8</b>	<b>10 943.6</b>	<b>7 660.6</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		1 175.5	815.6	927.9	489.4
Retained earnings including result for the period		4 591.3	3 792.8	4 543.1	3 658.8
<b>Equity attributable to shareholders of the Parent company</b>		<b>6 185.2</b>	<b>5 026.8</b>	<b>5 889.4</b>	<b>4 566.7</b>
Non-controlling interest		1.1	1.2	1.1	0.9
<b>Total equity</b>		<b>6 186.3</b>	<b>5 027.9</b>	<b>5 890.5</b>	<b>4 567.6</b>
<b>LIABILITIES</b>					
Long-term interest-bearing liabilities	7	2 797.1	1 436.2	2 418.4	1 166.8
Pension provisions		26.0	22.6	24.1	19.4
Other provisions		5.4	6.3	7.2	7.1
Deferred tax liabilities		162.0	151.8	159.2	138.4
<b>Total non-current liabilities</b>		<b>2 990.5</b>	<b>1 616.9</b>	<b>2 608.9</b>	<b>1 331.6</b>
Short-term interest-bearing liabilities	7	269.3	225.4	330.6	229.9
Accounts payable		990.3	998.0	1 404.8	926.1
Current tax liabilities		80.9	149.9	104.4	89.9
Other liabilities		364.3	159.1	174.7	163.6
Accrued expenses and prepaid income		395.6	347.6	429.7	351.9
<b>Total current liabilities</b>		<b>2 100.4</b>	<b>1 879.9</b>	<b>2 444.2</b>	<b>1 761.4</b>
<b>Total liabilities</b>	<b>3, 6</b>	<b>5 090.8</b>	<b>3 496.9</b>	<b>5 053.1</b>	<b>3 093.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11 277.2</b>	<b>8 524.8</b>	<b>10 943.6</b>	<b>7 660.6</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 2022-01-01</b>	<b>199.0</b>	<b>219.4</b>	<b>489.4</b>	<b>3 658.8</b>	<b>4 566.7</b>	<b>0.9</b>	<b>4 567.6</b>
Result for the period				418.5	418.5	0.1	418.5
<b>Other comprehensive income</b>							
Translation differences			317.3		317.3	0.2	317.5
Cash flow hedges for the period			8.0		8.0		8.0
Reclassification of previous years' cash flow hedge			2.6	-2.6	0.0		0.0
Income tax related to components of other comprehensive income			-1.6		-1.6		-1.6
<b>Transactions with shareholders</b>							
Dividends to shareholders of the Parent company				-282.0	-282.0		-282.0
<b>Closing balance 2022-06-30</b>	<b>199.0</b>	<b>219.4</b>	<b>815.6</b>	<b>3 792.8</b>	<b>5 026.8</b>	<b>1.2</b>	<b>5 027.9</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 2023-01-01</b>	<b>199.0</b>	<b>219.4</b>	<b>927.9</b>	<b>4 543.1</b>	<b>5 889.4</b>	<b>1.1</b>	<b>5 890.5</b>
Result for the period				481.8	481.8	0.0	481.8
<b>Other comprehensive income</b>							
Translation differences			248.5		248.5	0.0	248.5
Cash flow hedges for the period			-4.2		-4.2		-4.2
Reclassification of previous years' cash flow hedge			2.4	-2.4	0.0		0.0
Income tax related to components of other comprehensive income			0.9		0.9		0.9
<b>Transactions with shareholders</b>							
Dividends to shareholders of the Parent company				-431.2	-431.2		-431.2
<b>Closing balance 2023-06-30</b>	<b>199.0</b>	<b>219.4</b>	<b>1 175.5</b>	<b>4 591.3</b>	<b>6 185.2</b>	<b>1.1</b>	<b>6 186.3</b>

Accumulated translation differences in equity	Jan - jun 2023	Jan - jun 2022
Accumulated translation differences at the beginning of the period	931.2	497.0
Translation differences in foreign Group companies for the period	248.5	317.5
<b>Accumulated translation differences at the end of period</b>	<b>1179.7</b>	<b>814.5</b>

## Financial key figures

	3 months Apr - Jun 2023	3 months Apr - Jun 2022	6 months Jan - Jun 2023	6 months Jan - Jun 2022	12 months Jan - Dec 2022	12 months Jan - Dec 2021
Net sales growth, %	14.1	35.8	17.0	38.0	31.6	10.2
Organic growth, %	0.0	29.5	2.6	32.4	20.8	12.9
Acquired growth, %	8.7	0.0	8.7	0.0	3.7	0.0
Average number of employees	2 449	2 206	2 449	2 206	2 313	2 060
Gross profit margin, %	49.5	51.0	50.1	49.4	49.5	48.1
Operating margin before depreciations, %	18.8	20.3	18.3	17.8	19.8	18.4
Operating margin, %	15.8	17.4	15.3	14.8	17.0	15.0
Profit margin, %	14.3	16.9	13.8	14.2	16.4	14.3
Net margin, %	11.3	13.1	10.9	11.0	13.2	11.3
Return on shareholders' equity, %	20.5	19.7	20.5	19.7	25.0	18.0
Return on capital employed, %	18.2	19.4	18.2	19.4	20.7	16.9
Equity ratio, %	54.9	59.0	54.9	59.0	53.8	59.6
Net debt, SEK million	2 649.9	1 356.1	2 649.9	1 356.1	2 329.6	1 068.8
Net debt to credit institutes, SEK million	2 000.9	695.2	2 000.9	695.2	1 635.4	375.1
Net debt to equity ratio, %	42.8	27.0	42.8	27.0	39.5	23.4
Net debt in relation to working capital, %	46.9	37.3	46.9	37.3	44.7	35.7
Interest coverage ratio, times	10.1	29.6	10.4	25.4	25.7	21.9
Capital turnover, times	0.9	1.0	0.9	1.0	1.0	0.9
Inventory turnover, times	1.1	1.2	1.1	1.2	1.1	1.2
Cash flow before investments, SEK million	230.1	68.1	37.0	73.3	-360.0	1 207.4
Net investments, SEK million	-82.8	-55.2	-123.5	-80.5	-522.2	-114.2
Cash flow after investments, SEK million	147.3	12.9	-86.5	-7.2	-882.2	1 093.2
Shareholders' equity per share, before and after dilution, SEK*	46.62	37.88	46.62	37.88	44.39	34.42
Share price as of the balance sheet date, SEK*	94.84	68.05	94.84	68.05	103.20	83.90
Dividend/share, SEK*	3.25	2.125	3.25	2.125	2.125	2.00
P/E-ratio	10.21	9.80	10.21	9.80	11.72	14.64
P/S-ratio	1.33	1.16	1.33	1.16	1.55	1.66
Share price/Shareholders' equity	2.03	1.80	2.03	1.80	2.33	2.44

For definitions of alternative performance measures, see page 32.

\*Recalculated with regard to the 2:1 share split carried out in June 2023.

## Income statement

SEK million	3 months Apr - Jun 2023	3 months Apr - Jun 2022	6 months Jan - Jun 2023	6 months Jan - Jun 2022	12 months Jan - Dec 2022	12 months Jan - Dec 2021
Net sales	30.0	26.4	55.9	50.5	100.1	90.4
Other operating income	8.8	12.5	20.9	23.5	61.6	18.0
<b>Total income</b>	<b>38.8</b>	<b>38.9</b>	<b>76.8</b>	<b>74.0</b>	<b>161.7</b>	<b>108.4</b>
External costs	-24.5	-17.2	-45.3	-31.9	-70.4	-62.6
Personnel costs	-13.2	-11.2	-24.8	-23.1	-45.5	-41.5
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-0.7	-1.3	-1.4	-2.5	-4.5	-5.4
Other operating costs	-9.9	-11.0	-16.6	-20.4	-52.4	-14.3
<b>Operating result</b>	<b>-9.5</b>	<b>-1.8</b>	<b>-11.4</b>	<b>-3.9</b>	<b>-11.2</b>	<b>-15.4</b>
Result from shares in Group companies	425.7	207.7	425.7	207.7	247.2	470.6
Changes in write-downs of financial assets	20.0	0.0	19.6	0.0	-4.3	7.1
Financial income	57.6	10.8	101.6	18.9	69.7	36.3
Financial expenses	-41.8	-5.7	-74.5	-10.7	-44.5	-23.9
<b>Net financial items</b>	<b>461.4</b>	<b>212.8</b>	<b>472.4</b>	<b>215.9</b>	<b>268.1</b>	<b>490.1</b>
<b>Result before appropriations and tax</b>	<b>451.9</b>	<b>211.0</b>	<b>461.0</b>	<b>212.0</b>	<b>257.0</b>	<b>474.7</b>
Appropriations	0.0	0.0	0.0	0.0	125.3	144.9
Tax expense	-1.4	-0.7	-3.2	-0.9	-24.6	-26.9
<b>Result for the period</b>	<b>450.5</b>	<b>210.3</b>	<b>457.8</b>	<b>211.1</b>	<b>357.6</b>	<b>592.8</b>

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

## Cash flow statement

SEK million	Note	3 months Apr - Jun 2023	3 months Apr - Jun 2022	6 months Jan - Jun 2023	6 months Jan - Jun 2022	12 months Jan - Dec 2022	12 months Jan - Dec 2021
<b>Operating activities</b>							
Operating result		-9.5	-1.8	-11.4	-3.9	-11.2	-15.4
Adjustment for items not included in cash flow		4.6	16.1	11.2	21.3	42.1	-0.5
Received dividends		425.7	207.7	425.7	207.7	247.2	470.6
Received interest		57.6	10.8	101.6	18.9	69.7	36.3
Paid interest		-41.8	-5.7	-74.5	-10.7	-44.5	-23.9
Paid income tax		-7.6	-2.9	-13.9	-6.3	-26.3	-13.2
<b>Cash flow from operating activities before changes in working capital</b>		<b>429.0</b>	<b>224.3</b>	<b>438.8</b>	<b>227.1</b>	<b>277.1</b>	<b>453.8</b>
<b>Changes in working capital</b>							
Increase/decrease in current receivables		-30.7	-238.1	-179.2	-280.3	-1333.2	49.7
Increase/decrease in current liabilities		-302.0	-7.7	-406.1	29.5	459.6	65.1
<b>Cash flow from changes in working capital</b>		<b>-332.7</b>	<b>-245.8</b>	<b>-585.3</b>	<b>-250.8</b>	<b>-873.6</b>	<b>114.8</b>
<b>Cash flow from operating activities</b>		<b>96.3</b>	<b>-21.6</b>	<b>-146.5</b>	<b>-23.8</b>	<b>-596.5</b>	<b>568.6</b>
<b>Investing activities</b>							
Shareholder contributions to Group companies		0.0	0.0	-50.0	0.0	0.0	-20.4
Investments in associated companies		0.0	0.0	0.0	0.0	0.0	0.0
Investments in tangible fixed assets		0.0	0.0	-0.1	-0.1	-0.2	0.0
Investments in intangible fixed assets		-0.1	0.0	-0.1	0.0	-0.5	-6.1
Acquisition of shares		0.0	0.0	0.0	0.0	-409.2	-12.5
Intra-Group sales of Group companies		9.1	0.0	95.0	0.0	0.0	0.0
Changes in long-term loans to Group companies		0.5	0.5	3.0	0.5	1.5	324.9
Raised long-term receivables		-0.3	-0.2	-0.4	-0.2	-0.5	-0.1
<b>Cash flow from investing activities</b>		<b>9.2</b>	<b>0.3</b>	<b>47.4</b>	<b>0.2</b>	<b>-408.9</b>	<b>285.8</b>
<b>Cash flow after investing activities</b>		<b>105.5</b>	<b>-21.3</b>	<b>-99.1</b>	<b>-23.6</b>	<b>-1 005.4</b>	<b>854.5</b>
<b>Financial activities</b>							
Loans raised		142.9	328.6	379.4	354.6	1 388.4	0.0
Amortization of loans		-32.2	-25.3	-64.1	-49.3	-101.5	-588.8
Dividend paid to shareholders of the Parent company		-216.3	-282.0	-216.3	-282.0	-282.0	-265.4
<b>Cash flow from financial activities</b>		<b>-105.6</b>	<b>21.3</b>	<b>99.1</b>	<b>23.3</b>	<b>1 004.9</b>	<b>-854.2</b>
<b>Cash flow for the period</b>		<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.5</b>	<b>0.1</b>
Liquid assets at the beginning of the period		0.1	0.3	0.0	0.5	0.5	0.4
<b>Liquid assets at the end of the period</b>		<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.5</b>
<b>Liquid assets</b>							
Cash at bank and in hand		0.0	0.3	0.0	0.3	0.0	0.5

## Balance sheet

SEK million	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>					
Intangible fixed assets		5.1	6.8	5.9	8.8
Tangible fixed assets		2.3	3.0	2.7	3.5
Shares in Group companies		2 599.6	2 256.0	2 644.6	2 256.0
Shares in associated companies		36.4	38.1	38.1	38.1
Receivables on Group companies		28.0	32.0	31.0	32.5
Other long-term receivables		6.3	5.7	6.0	5.5
<b>Total non-current assets</b>		<b>2 677.7</b>	<b>2 341.7</b>	<b>2 728.3</b>	<b>2 344.4</b>
Accounts receivable		1.7	1.0	0.8	0.7
Receivables on Group companies		3 191.2	1 783.2	2 988.8	1 481.6
Current tax receivables		0.0	0.0	0.0	0.0
Other receivables		16.5	16.9	25.6	39.4
Prepaid expenses and accrued income		15.8	9.6	11.3	8.5
Liquid assets		0.0	0.3	0.0	0.5
<b>Total current assets</b>		<b>3 225.3</b>	<b>1 811.0</b>	<b>3 026.6</b>	<b>1 530.6</b>
<b>TOTAL ASSETS</b>		<b>5 903.0</b>	<b>4 152.6</b>	<b>5 754.8</b>	<b>3 875.0</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		1 626.2	1 699.9	1 699.9	1 389.1
Share premium reserve		48.0	48.0	48.0	48.0
Result for the period		457.8	211.1	357.6	592.8
<b>Total unrestricted equity</b>		<b>2 132.0</b>	<b>1 959.0</b>	<b>2 105.5</b>	<b>2 029.9</b>
<b>Total equity</b>		<b>2 580.5</b>	<b>2 407.4</b>	<b>2 553.9</b>	<b>2 478.3</b>
<b>Untaxed reserves</b>		<b>137.7</b>	<b>99.9</b>	<b>137.7</b>	<b>99.9</b>
<b>LIABILITIES</b>					
Long-term interest-bearing liabilities	7	2 070.0	775.8	1 733.6	458.0
<b>Total non-current liabilities</b>		<b>2 070.0</b>	<b>775.8</b>	<b>1 733.6</b>	<b>458.0</b>
Short-term interest-bearing liabilities	7	114.5	101.2	127.5	94.6
Accounts payable		449.8	454.8	696.8	399.1
Liabilities to Group companies		325.1	295.9	485.9	321.6
Current tax liabilities		0.1	7.1	10.8	12.4
Other liabilities		216.1	1.2	0.8	1.2
Accrued expenses and prepaid income		9.2	9.3	7.8	9.9
<b>Total current liabilities</b>		<b>1 114.9</b>	<b>869.5</b>	<b>1 329.6</b>	<b>838.8</b>
<b>Total liabilities</b>		<b>3 184.9</b>	<b>1 645.4</b>	<b>3 063.2</b>	<b>1 296.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5 903.0</b>	<b>4 152.6</b>	<b>5 754.8</b>	<b>3 875.0</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 2022-01-01</b>	<b>199.0</b>	<b>249.4</b>	<b>1 389.1</b>	<b>48.0</b>	<b>592.8</b>	<b>2 478.3</b>
Transfer according to decision at AGM			592.8		-592.8	0.0
Result for the period					211.1	211.1
<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>211.1</b>	<b>211.1</b>
Dividends			-282.0			-282.0
<b>Closing balance 2022-06-30</b>	<b>199.0</b>	<b>249.4</b>	<b>1 699.9</b>	<b>48.0</b>	<b>211.1</b>	<b>2 407.4</b>

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
<b>Opening balance 2023-01-01</b>	<b>199.0</b>	<b>249.4</b>	<b>1 699.9</b>	<b>48.0</b>	<b>357.6</b>	<b>2 553.9</b>
Transfer according to decision at AGM			357.6		-357.6	0.0
Result for the period					457.8	457.8
<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>457.8</b>	<b>457.8</b>
Dividends			-431.2			-431.2
<b>Closing balance 2023-06-30</b>	<b>199.0</b>	<b>249.4</b>	<b>1 626.3</b>	<b>48.0</b>	<b>457.8</b>	<b>2 580.5</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 2022 Annual Report.

### New accounting policies for 2023

Several amendments to existing standards have been published and will come into effect in 2023 and beyond. One of these is changes in IAS 1 - Disclosure of accounting principles. To support the changes, the IASB has also developed guidance and examples to explain and identify a significant accounting principle. The company's management assesses that this change may affect information about applied accounting principles, but has not yet evaluated these effects in their entirety. Other changes are not considered to have a significant impact on New Wave Group's financial reports.

## 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 risk policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2022, note 16, p. 98-104. 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.



The conflict between Russia and Ukraine has significantly increased geopolitical tensions, which in turn has a major impact on world trade. In this context, New Wave Group has marginal business with both Ukraine and Russia. Furthermore, the war also means increased uncertainty about economic development.

Group management and each company management closely monitor developments in the conflict between Russia and Ukraine and work closely with suppliers and customers. Strategies and activities are continuously adapted as the situation develops.

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

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 2023	3 months Apr - Jun 2022	6 months Jan - Jun 2023	6 months Jan - Jun 2022	12 months Jan - Dec 2022	12 months Jan - Dec 2021
<b>Corporate</b>						
Net sales	1 231.7	919.1	2 283.6	1 770.4	4 152.0	2 971.6
Operating result	225.2	204.4	428.6	330.2	813.1	440.8
<b>Sports &amp; Leisure</b>						
Net sales	869.2	881.5	1 786.6	1 628.2	3 782.3	2 792.5
Operating result	140.2	134.5	268.2	229.7	647.3	466.0
<b>Gifts &amp; Home Furnishings</b>						
Net sales	203.7	218.6	369.8	395.5	909.3	954.5
Operating result	-1.6	12.1	-19.4	0.2	44.7	99.1
<b>Total net sales</b>	<b>2 304.5</b>	<b>2 019.2</b>	<b>4 440.0</b>	<b>3 794.1</b>	<b>8 843.6</b>	<b>6 718.6</b>
<b>Total operating result</b>	<b>363.9</b>	<b>351.0</b>	<b>677.3</b>	<b>560.1</b>	<b>1 505.1</b>	<b>1 005.9</b>
<b>Total operating result</b>	<b>363.9</b>	<b>351.0</b>	<b>677.3</b>	<b>560.1</b>	<b>1 505.1</b>	<b>1 005.9</b>
Net financial items	-35.1	-10.4	-63.6	-20.0	-55.0	-43.0
<b>Result before tax</b>	<b>328.8</b>	<b>340.6</b>	<b>613.8</b>	<b>540.1</b>	<b>1 450.1</b>	<b>962.9</b>

### Assets and liabilities per operating segment

SEK million	Total assets	Fixed assets*	Deferred tax assets	Net investments	Amortizations, depreciations and write-downs	Total liabilities
<b>30 Jun 2023</b>						
Corporate	7 425.8	1 198.3	55.5	-33.2	-86.6	3 254.4
Sports & Leisure	3 325.7	1 717.6	67.7	-78.0	-38.8	1 507.7
Gifts & Home Furnishings	525.7	327.7	8.9	-12.3	-8.8	328.7
<b>Total</b>	<b>11 277.2</b>	<b>3 243.6</b>	<b>132.1</b>	<b>-123.5</b>	<b>-134.2</b>	<b>5 090.8</b>
<b>30 Jun 2022</b>						
Corporate	4 939.5	1 077.5	38.5	-18.8	-74.3	2 502.8
Sports & Leisure	3 202.9	1 477.6	55.2	-53.1	-34.9	788.7
Gifts & Home Furnishings	382.4	333.5	14.8	-8.6	-7.9	205.4
<b>Total</b>	<b>8 524.8</b>	<b>2 888.6</b>	<b>108.5</b>	<b>-80.5</b>	<b>-117.1</b>	<b>3 496.9</b>
<b>31 Dec 2022</b>						
Corporate	6 745.4	1 207.3	51.6	-450.0	-156.2	3 913.1
Sports & Leisure	3 811.3	1 548.8	60.5	-55.4	-77.0	935.9
Gifts & Home Furnishings	386.8	332.0	17.1	-16.8	-16.0	204.0
<b>Total</b>	<b>10 943.6</b>	<b>3 088.1</b>	<b>129.2</b>	<b>-522.2</b>	<b>-249.2</b>	<b>5 053.1</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				
	Apr - Jun 2023	Apr - Jun 2022	Apr - Jun 2023	Apr - Jun 2022	Apr - Jun 2023	Apr - Jun 2022	Apr - Jun 2023	Apr - Jun 2022
Promo	1 226.6	915.3	302.2	280.9	42.7	50.4	1 571.6	1 246.6
Retail	5.0	3.8	566.9	600.6	161.0	168.2	733.0	772.6
<b>Total</b>	<b>1 231.7</b>	<b>919.1</b>	<b>869.2</b>	<b>881.5</b>	<b>203.7</b>	<b>218.6</b>	<b>2 304.5</b>	<b>2 019.2</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	6 months	6 months	6 months	6 months				
	Jan - Jun 2023	Jan - Jun 2022	Jan - Jun 2023	Jan - Jun 2022	Jan - Jun 2023	Jan - Jun 2022	Jan - Jun 2023	Jan - Jun 2022
Promo	2 274.3	1 763.4	550.3	481.3	73.5	84.8	2 898.1	2 329.5
Retail	9.3	7.0	1 236.3	1 146.9	296.3	310.7	1 541.9	1 464.6
<b>Total</b>	<b>2 283.6</b>	<b>1 770.4</b>	<b>1 786.6</b>	<b>1 628.2</b>	<b>369.8</b>	<b>395.5</b>	<b>4 440.0</b>	<b>3 794.1</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	12 months	12 months	12 months	12 months				
	Jan - Dec 2022	Jan - Dec 2021	Jan - Dec 2022	Jan - Dec 2021	Jan - Dec 2022	Jan - Dec 2021	Jan - Dec 2022	Jan - Dec 2021
Promo	4 132.4	2 949.9	1 054.9	742.1	229.5	265.3	5 416.8	3 957.3
Retail	19.6	21.7	2 727.4	2 050.4	679.8	689.2	3 426.8	2 761.3
<b>Total</b>	<b>4 152.0</b>	<b>2 971.6</b>	<b>3 782.3</b>	<b>2 792.5</b>	<b>909.3</b>	<b>954.5</b>	<b>8 843.6</b>	<b>6 718.6</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 2023	3 months Apr - Jun 2022	3 months Apr - Jun 2023	3 months Apr - Jun 2022	3 months Apr - Jun 2023	3 months Apr - Jun 2022	3 months Apr - Jun 2023	3 months Apr - Jun 2022	
USA	55.6	63.3	448.3	448.5	12.6	15.0	516.5	526.8	-2%
Sweden	135.9	142.7	154.7	154.4	173.0	180.1	463.7	477.2	-3%
Central Europe	426.2	219.2	87.5	93.3	5.3	7.5	519.0	320.0	62%
Nordic countries excl. Sweden	142.3	135.8	118.9	125.6	10.3	12.3	271.5	273.7	-1%
Southern Europe	293.0	264.3	28.0	26.3	0.1	0.1	321.1	290.7	10%
Other countries	178.7	93.8	31.7	33.4	2.3	3.6	212.7	130.8	63%
<b>Total</b>	<b>1 231.7</b>	<b>919.1</b>	<b>869.2</b>	<b>881.5</b>	<b>203.7</b>	<b>218.6</b>	<b>2 304.5</b>	<b>2 019.2</b>	<b>14%</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	6 months Jan - Jun 2023	6 months Jan - Jun 2022	6 months Jan - Jun 2023	6 months Jan - Jun 2022	6 months Jan - Jun 2023	6 months Jan - Jun 2022	6 months Jan - Jun 2023	6 months Jan - Jun 2022	
USA	125.5	132.0	884.4	783.0	26.3	29.0	1 036.1	943.9	10%
Sweden	247.8	254.7	341.2	313.5	307.3	322.2	896.3	890.4	1%
Central Europe	824.2	409.1	186.6	184.4	10.5	12.2	1 021.3	605.7	69%
Nordic countries excl. Sweden	254.9	235.5	242.5	229.0	19.8	24.7	517.2	489.2	6%
Southern Europe	573.9	485.3	58.5	48.2	0.2	0.2	632.6	533.7	19%
Other countries	257.3	253.9	73.5	70.1	5.7	7.2	336.5	331.2	2%
<b>Total</b>	<b>2 283.6</b>	<b>1 770.4</b>	<b>1 786.6</b>	<b>1 628.2</b>	<b>369.8</b>	<b>395.5</b>	<b>4 440.0</b>	<b>3 794.1</b>	<b>17%</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	12 months Jan - Dec 2022	12 months Jan - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021	
USA	303.5	203.6	1 769.5	1 145.0	66.0	60.4	2 139.0	1 409.0	52%
Sweden	545.0	476.1	724.3	637.6	740.8	799.4	2 010.1	1 913.1	5%
Central Europe	1 201.0	660.8	413.1	338.9	25.0	26.0	1 639.1	1 025.7	60%
Nordic countries excl. Sweden	494.5	401.3	526.7	411.4	62.4	49.8	1 083.6	862.5	26%
Southern Europe	1 059.6	779.3	119.3	83.2	0.4	0.4	1 179.3	862.9	37%
Other countries	548.4	450.5	229.4	176.4	14.7	18.5	792.5	645.4	23%
<b>Total</b>	<b>4 152.0</b>	<b>2 971.6</b>	<b>3 782.3</b>	<b>2 792.5</b>	<b>909.3</b>	<b>954.5</b>	<b>8 843.6</b>	<b>6 718.6</b>	<b>32%</b>

## Fixed assets and deferred tax assets per geographic area

SEK million	30 Jun 2023		30 Jun 2022		31 Dec 2022	
	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets
USA	1 437.9	48.3	1 233.2	47.3	1 323.3	51.1
Sweden	760.3	24.7	755.5	22.5	723.7	26.3
Central Europe	491.3	18.5	317.8	9.5	477.2	16.3
Nordic countries excl. Sweden	188.4	6.5	226.6	4.5	206.7	6.5
Southern Europe	235.2	21.5	209.9	17.5	223.9	20.9
Other countries	130.5	12.6	145.7	7.2	133.3	8.1
<b>Total</b>	<b>3 243.6</b>	<b>132.1</b>	<b>2 888.6</b>	<b>108.5</b>	<b>3 088.1</b>	<b>129.2</b>

\* Financial fixed assets are not included



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## Note 6 - Financial instruments

SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022	31 Dec 2021
Assets at fair value through other comprehensive income	4.2	8.0	2.4	3.3
Assets at amortized cost	2 010.1	1 738.7	2 258.1	1 777.5
<b>Total financial assets</b>	<b>2 014.3</b>	<b>1 746.7</b>	<b>2 260.5</b>	<b>1 780.8</b>
Liabilities at fair value through other comprehensive income	0.0	0.0	0.0	0.0
Liabilities at amortized cost	3 951.4	2 985.7	3 862.9	2 662.4
<b>Total financial liabilities</b>	<b>3 951.4</b>	<b>2 985.7</b>	<b>3 862.9</b>	<b>2 662.4</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>				
SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022	31 Dec 2021
Floating charges	690.5	690.5	690.5	690.5
Property mortgages	199.7	192.0	201.5	179.8
Net assets in Group companies	4 438.0	3 733.3	4 286.3	3 337.8
Shares in associated companies	8.3	8.3	8.3	8.3
Stock and accounts receivable	580.9	407.2	560.0	353.5
<b>Total</b>	<b>5 917.4</b>	<b>5 031.3</b>	<b>5 746.6</b>	<b>4 569.9</b>
<b>Contingent liabilities</b>				
SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022	31 Dec 2021
Duty guarantees	15.4	12.7	13.8	12.2
Rent guarantees	126.1	137.1	132.9	141.9
Guarantees for associated companies	15.4	12.7	13.8	12.2
<b>Total</b>	<b>126.1</b>	<b>137.1</b>	<b>132.9</b>	<b>141.9</b>
<b>PARENT COMPANY</b>				
<b>Pledged assets</b>				
SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022	31 Dec 2021
Floating charges	30.0	30.0	30.0	30.0
Shares in Group companies	1 694.0	1 737.7	1 739.1	1 737.7
Shares in associated companies	8.3	8.3	8.3	8.3
<b>Total</b>	<b>1 732.3</b>	<b>1 776.0</b>	<b>1 777.4</b>	<b>1 776.0</b>
<b>Contingent liabilities</b>				
SEK million	30 Jun 2023	30 Jun 2022	31 Dec 2022	31 Dec 2021
Guarantees for Group companies	426.8	710.2	589.8	633.5
Guarantees for associated companies	6.0	6.0	6.0	6.0
<b>Total</b>	<b>432.8</b>	<b>716.2</b>	<b>595.8</b>	<b>639.5</b>



## Note 8 - Subsequent events

New Wave Group has as of 1st of July 2023 acquired 100% of the shares in the Swedish outdoor company Tenson AB.

Tenson AB, the Swedish outdoor & lifestyle brand with roots from the Swedish west coast (founded in Varberg 1951) has over the past four years undergone a restructuring & repositioning process that included the entire spectrum regarding brand, product, marketing, sales and channel strategies. Through the acquisition and integration of the company, New Wave Group will give Tenson access to the resources and synergies required to enter the next phase of the above-mentioned process - to scale up operations and profitability.

In 2022, the Tenson Group's sales amounted to approximately SEK 130 million with a loss after tax of approximately SEK 8.5 million. The purchase price amounts to SEK 1 based on equity at closing on the 1st of July 2023 of at least SEK 6.53 million, where the brand is booked at approximately SEK 31 million. The acquisition is not expected to have any major impact on the result during the second half of 2023 but is expected to have a positive impact on New Wave Group's result already in 2024.

# Condensed quarterly consolidated income statements

SEK million

Quarter	2023		2022				2021			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	2 304.5	2 135.5	2 815.1	2 234.4	2 019.2	1 774.9	2 306.7	1 663.5	1 486.8	1 261.6
Goods for resale	-1 164.8	-1 052.6	-1 415.4	-1 131.6	-989.8	-931.6	-1 203.3	-860.4	-769.2	-656.4
<b>Gross profit</b>	<b>1 139.7</b>	<b>1 082.9</b>	<b>1 399.7</b>	<b>1 102.8</b>	<b>1 029.4</b>	<b>843.3</b>	<b>1 103.4</b>	<b>803.1</b>	<b>717.6</b>	<b>605.2</b>
<b>Gross profit margin %</b>	<b>49.5</b>	<b>50.7</b>	<b>49.7</b>	<b>49.4</b>	<b>51.0</b>	<b>47.5</b>	<b>47.8</b>	<b>48.3</b>	<b>48.3</b>	<b>48.0</b>
Other operating income	27.4	23.7	36.7	35.7	28.9	22.6	23.9	11.6	59.4	16.6
External costs	-382.3	-388.4	-454.4	-359.3	-345.0	-311.6	-350.9	-258.4	-233.8	-224.8
Personnel costs	-338.7	-328.8	-350.3	-291.5	-288.9	-274.6	-301.4	-235.5	-242.8	-237.2
Depreciations and write-downs	-68.8	-65.4	-71.5	-60.6	-58.3	-58.8	-61.5	-55.7	-56.0	-54.1
Other operating costs	-13.1	-10.2	-12.6	-27.9	-15.1	-11.8	-9.9	-3.7	-2.9	-5.2
Share of associated companies' result	-0.3	-0.3	-0.4	-1.4	0.0	0.0	-0.3	-0.3	-0.1	-0.4
<b>Operating result</b>	<b>363.9</b>	<b>313.5</b>	<b>547.2</b>	<b>397.8</b>	<b>351.0</b>	<b>209.1</b>	<b>403.3</b>	<b>261.1</b>	<b>241.3</b>	<b>100.1</b>
Financial income	0.9	1.1	0.5	1.1	1.5	0.6	0.7	0.6	0.9	0.8
Financial expenses	-36.0	-29.6	-22.5	-14.1	-11.9	-10.2	-10.6	-11.6	-10.3	-13.5
<b>Result before tax</b>	<b>328.8</b>	<b>285.0</b>	<b>525.2</b>	<b>384.8</b>	<b>340.6</b>	<b>199.5</b>	<b>393.4</b>	<b>250.1</b>	<b>231.9</b>	<b>87.4</b>
Tax expense	-69.2	-62.8	-79.0	-80.8	-75.5	-46.0	-84.9	-54.1	-44.3	-19.7
<b>Result for the period</b>	<b>259.6</b>	<b>222.2</b>	<b>446.2</b>	<b>304.0</b>	<b>265.0</b>	<b>153.5</b>	<b>308.5</b>	<b>196.0</b>	<b>187.7</b>	<b>67.7</b>
Total other comprehensive income for the period	251.3	-6.1	-127.1	556.9	253.3	70.5	87.5	60.5	-57.7	142.5
<b>Total comprehensive income for the period</b>	<b>510.9</b>	<b>216.1</b>	<b>319.1</b>	<b>860.9</b>	<b>518.4</b>	<b>224.0</b>	<b>396.0</b>	<b>256.5</b>	<b>130.0</b>	<b>210.2</b>
Earnings per share before and after dilution (SEK)*	1.96	1.67	3.36	2.29	2.00	1.16	2.31	1.49	1.42	0.52

Quarter	2020				2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1 873.2	1 470.1	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	-1 007.7	-843.9	-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>865.6</b>	<b>626.2</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>46.2</b>	<b>42.6</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	29.6	34.7	61.4	20.6	32.3	12.9	15.5	17.2	28.3	19.3	11.3	15.9
External costs	-285.4	-191.6	-187.7	-311.1	-343.8	-300.3	-330.2	-338.4	-390.6	-323.5	-305.1	-317.2
Personnel costs	-259.9	-220.8	-209.1	-292.8	-307.6	-278.7	-290.5	-283.0	-298.0	-257.7	-260.9	-246.4
Depreciations and write-downs	-55.0	-56.6	-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	-15.2	-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	-0.4	-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>283.6</b>	<b>176.3</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	0.1	0.6	2.9	0.5	2.8	2.5	2.2	1.3	1.5	0.7	1.8	1.5
Financial expenses	-14.6	-15.8	-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>269.2</b>	<b>161.1</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	-61.0	-42.2	-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>208.2</b>	<b>118.9</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	-213.0	-58.3	-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>-4.9</b>	<b>60.6</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)*	1.56	0.91	0.55	-0.27	1.26	0.72	0.64	0.20	1.21	0.68	0.80	0.05

\* The average number of outstanding shares, before and after dilution, has been 123,687,086 in all periods in the table.

\*Recalculated with regard to the 2:1 share split carried out in June 2023.

# Condensed quarterly consolidated cash flow statements

SEK million

Quarter	2023		2022				2021			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Cash flow from operating activities before changes in working capital</b>	<b>259.7</b>	<b>297.8</b>	<b>466.3</b>	<b>367.3</b>	<b>346.0</b>	<b>203.6</b>	<b>404.1</b>	<b>282.8</b>	<b>219.0</b>	<b>87.1</b>
Increase/decrease of inventories	-5.8	-259.0	-525.1	-870.8	-360.7	-226.5	59.7	-157.7	125.2	30.6
Increase/decrease of current receivables	-30.2	281.5	-71.1	-202.3	-119.2	205.8	-194.6	-174.7	-156.8	256.3
Increase/decrease of current liabilities	6.4	-513.4	-103.0	505.4	202.0	-177.7	144.1	291.4	-2.2	-6.8
<b>Changes in working capital</b>	<b>-29.6</b>	<b>-490.9</b>	<b>-699.2</b>	<b>-567.7</b>	<b>-277.9</b>	<b>-198.4</b>	<b>9.2</b>	<b>-41.0</b>	<b>-33.7</b>	<b>280.1</b>
<b>Cash flow from operating activities</b>	<b>230.1</b>	<b>-193.1</b>	<b>-232.9</b>	<b>-200.4</b>	<b>68.1</b>	<b>5.2</b>	<b>413.3</b>	<b>241.8</b>	<b>185.3</b>	<b>367.2</b>
Investing activities	-82.8	-40.7	-8.3	-433.4	-55.2	-25.3	-42.1	-33.0	-24.0	-15.2
<b>Cash flow after investing activities</b>	<b>147.3</b>	<b>-233.8</b>	<b>-241.2</b>	<b>-633.8</b>	<b>12.9</b>	<b>-20.1</b>	<b>371.2</b>	<b>208.8</b>	<b>161.3</b>	<b>352.0</b>
Increase/decrease of interest-bearing liabilities	88.1	190.0	389.3	589.6	253.6	-16.3	-82.6	-309.0	-95.4	-346.1
Transactions with owners	-216.3	0.0	0.0	0.0	-282.0	0.0	-277.9	0.0	0.0	0.0
<b>Cash flow from financial activities</b>	<b>-128.2</b>	<b>190.0</b>	<b>389.2</b>	<b>589.6</b>	<b>-28.4</b>	<b>-16.3</b>	<b>-360.5</b>	<b>-309.0</b>	<b>-95.4</b>	<b>-346.1</b>
<b>Cash flow for the period</b>	<b>19.1</b>	<b>-43.8</b>	<b>148.0</b>	<b>-44.2</b>	<b>-15.5</b>	<b>-36.4</b>	<b>10.7</b>	<b>-100.2</b>	<b>65.9</b>	<b>5.9</b>
Liquid assets at the beginning of the period	376.7	419.4	279.2	305.5	298.6	327.9	311.0	405.8	344.8	325.1
Translation differences in liquid assets	20.7	1.1	-7.8	17.9	22.4	7.1	6.2	5.5	-4.9	13.8
<b>Liquid assets at the end of the period</b>	<b>416.5</b>	<b>376.7</b>	<b>419.4</b>	<b>279.2</b>	<b>305.5</b>	<b>298.6</b>	<b>327.9</b>	<b>311.0</b>	<b>405.8</b>	<b>344.8</b>

Quarter	2020				2019				2018			
	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>300.0</b>	<b>218.9</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 stock	472.4	86.9	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	-87.7	-207.6	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	-127.2	185.0	-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>257.5</b>	<b>64.3</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>557.5</b>	<b>283.2</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	-7.2	-8.6	-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>550.3</b>	<b>274.6</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	-435.9	-322.9	-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	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>-435.9</b>	<b>-322.9</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>114.5</b>	<b>-48.4</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	226.8	277.8	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	-16.2	-2.7	-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>325.1</b>	<b>226.8</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>

## 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.
NET SALES GROWTH	Sales growth including currency effects.	The measure is used to show growth in the Group and to measure how the Group meets its targets.
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.
OPERATING MARGIN BEFORE DEPRECIATIONS	Operating result before depreciation as a percentage of the period's net sales.	The measure is used to show operating profitability and how the Group meets its targets, 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.
NET DEBT TO CREDIT INSTITUTES	Interest-bearing liabilities (current and non-current) less lease liabilities and less cash and cash equivalents.	The measure shows financing from borrowings excluding lease liabilities
CAPITAL TURNOVER	Rolling 12 month's net sales divided by average total assets. The average total assets is calculated by taking the total assets per period end and the total assets at year-end for the previous year divided by two.	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 average inventory is calculated by taking the inventory per period end and the inventory at the same period for the previous year divided by two.	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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