



2022

**New Wave Group
Annual Report**

New Wave
G R O U P

2022



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010

This is New Wave Group

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 will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range. To ensure good risk diversification, the Group will market its products in the promo market and the retail market.

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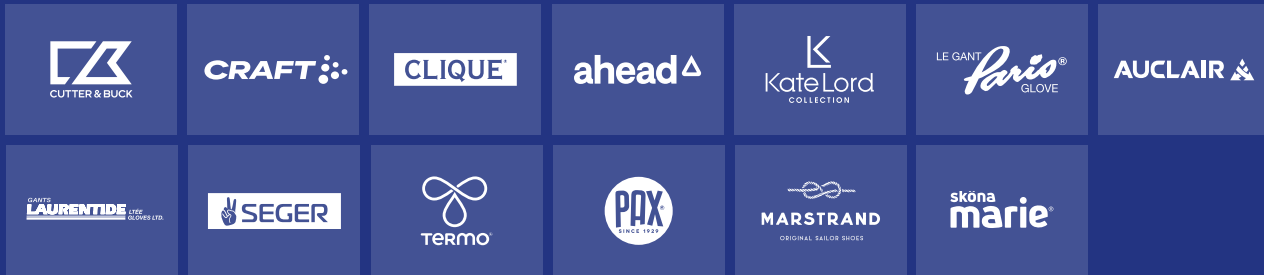


Trademarks

Corporate



Sports & Leisure

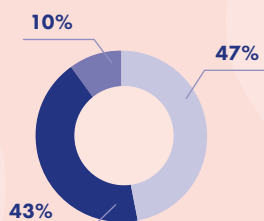


Gifts & Home Furnishings



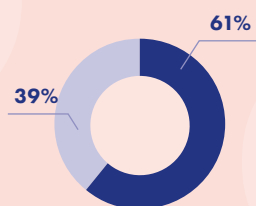
New Wave Group

2022 in summary



Net sales per operating segment

- Corporate
- Sports & Leisure
- Gifts & Home Furnishings



Net sales per sales channel

- Promo
- Retail

Dividend

The Board of Directors has decided to propose to the AGM:

- A dividend of SEK **6.50** per share (before the split).
- **2:1** split, meaning that an existing share is divided into two shares.

2022

2022 was our best year ever in both net sales and results. Net sales for the year amounted to SEK 8,843.6 million, which was an increase of 32% (24% excluding currency changes) compared to the previous year. The Group's acquisition of B.T.C. Activewear Ltd had a positive impact of SEK 247.0 million or 4%. The segments Corporate and Sports & Leisure increased net sales, while Gifts & Home Furnishings decreased. Both sales channels increased compared to last year. The higher net sales, improved gross profit margin and good cost control resulted in an operating result of SEK 1,505.1 (1,005.9) million and an operating margin that amounted to 17.0 (15.0) %.

The first quarter of the year delivered a record quarter. The recovery in the market was rapid after restrictions were reduced or removed in Europe and the USA. However, there was no shortage of challenges in the short term. The war in Ukraine started as well as the development of COVID-19 in China with widespread and long lasting lockdowns. Both of these exacerbated the strained situation that has existed in the previous year and continues to impact product supply and logistics. Still we were able to meet these challenges and deliver a great result. Craft signed agreements with the Norwegian national teams in cross-country skiing and biathlon and extended the agreement with Hammarby Fotboll for another 5 years (until 2028). The Group's strong development continued during the second quarter, which was another record quarter with good growth both in terms of net sales

and earnings. Our investments continue to bring success despite a troubled time in our world. The Group increased its inventory during the quarter, but additional inventory was needed to meet the increasing demand. The third quarter of the year also had a very strong development. Net sales and earnings significantly improved compared to the previous year. On September 2, New Wave Group AB acquired the British profile clothing company B.T.C. Activewear Ltd for SEK 398.7 million. The Group has good cost control, but during the quarter certain costs such as electricity and energy increased, which mainly affected the Gifts & Home Furnishings segment. The year ended with continued strong development. Both net sales and results improved compared to the previous year. This development is attributable to the Corporate and Sports & Leisure segments, while Gifts & Home

• Net sales amounted to SEK **8,843.6** million, which was **32%** higher than last year (SEK **6,718.6** million). Currency changes affected net sales positively by **8%** and acquired business by **4%**.

• Operating result amounted to SEK **1,505.1 (1,005.9)** million.
 • Result for the period amounted to SEK **1,168.8 (760.0)** million.

• Earnings per share amounted to SEK **17.62 (11.46)**.
 • Cash flow from operating activities amounted to SEK **-360.0 (1,207.4)** million.

• Equity ratio amounted to **53.8 (59.6) %**.
 • Net debt to equity ratio amounted to **39.5 (23.4) %**.

The higher net sales, improved gross profit margin and good cost control resulted in an operating result of SEK 1,505.1 million.

2022

Furnishings decreased. The reduction was largely related to the fact that in Sweden, which is the dominant market, during 2020 and 2021 there was an extra tax deduction of SEK 2,000 per employee during the COVID-19 pandemic – this was removed in 2022.

Corporate net sales increased by 40%, of which acquired operations had a positive effect of 8%. The segment has had favorable development throughout the year as events, conferences and other company activities returned after the pandemic. At the same time, costs have been kept at an appropriate level, which has increased the operating margin.

Sports & Leisure also had a strong development and increased by 35%. The segment increased in all regions, but mainly in the US and European regions, where the recovery from last year has been favorable. Investments in Craft have continued and the brand is developing well. In this segment too, we had great cost control and an improvement in the operating margin.

Net sales for Gifts & Home Furnishings decreased by 5%. The lower net sales is primarily related to Sweden and the fourth quarter. Companies in Sweden, which is the dominant market in the segment, had the opportunity during the COVID-19 pandemic in the years 2020 and 2021 for an extra tax-related gift deduction of SEK 2,000 per employee. This extra deduction was removed in 2022 and negatively affected results. The segment also had higher costs related to market investments, energy costs and more employees.

The gross profit margin was higher than the previous year and amounted to 49.5 (48.1) %. It was mainly Corporate and Sports & Leisure that increased their margins. Gifts & Home Furnishings margins are at the same level as last year.

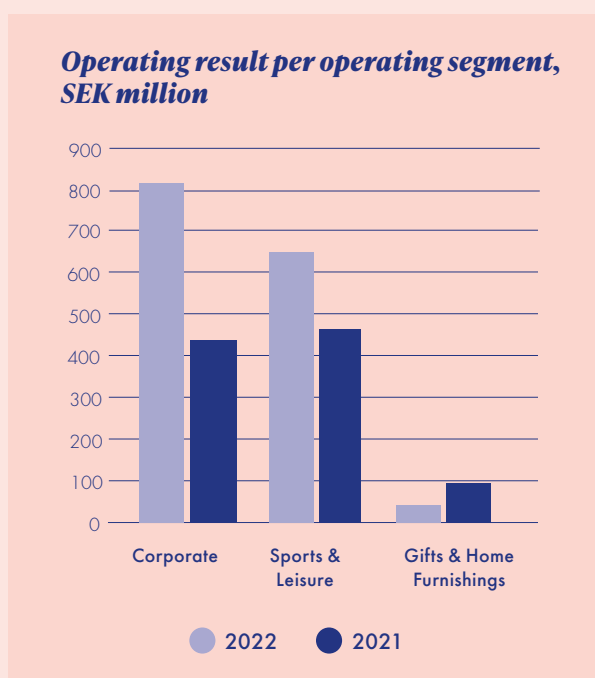
External costs increased, which was mainly due to volume-related costs but also higher marketing activities. Personnel costs increased and this year's increase is mainly due to savings being made in previous years and the business now being adapted to current volumes.

The higher net sales, improved gross profit margin and good cost control resulted in an operating result of SEK 1,505.1 million and an operating margin of 17.0%. Inventory build-up and acquisitions have increased our indebtedness and this, together with a higher interest rate, resulted in a lower net financial position. Result for the year amounted to SEK 1,168.8 (760.0) million.

The cash flow from operating activities was negative and amounted to SEK -360.0 (1,204.4) million. During the year, the Group built up the inventory levels to meet forecasted demand and the higher turnover resulted in higher accounts receivable. The supply of goods improved, although there were some delays during the year. Investment activities increased due to the acquisition of B.T.C Activewear Ltd and amounted to SEK -522.2 (-114.2) million. The equity ratio decreased and amounted to 53.8 (59.6) % and the Group's net debt increased by SEK 1,260.8 million and amounted to SEK 2,329.6 (1,068.8) million as of December 31.

Key figures	2022	2021
Net sales, SEK million	8 843.6	6 718.6
Gross profit margin, %	49.5	48.1
EBITDA, SEK million	1 754.3	1 233.2
Operating result, SEK million	1 505.1	1 005.9
Result for the year, SEK million	1 168.8	760.0
Equity, SEK million	5 890.5	4 567.6
Return on equity, %	25.0	18.0
Return on capital employed, %	20.7	16.9
Net debt to equity ratio, %	39.5	23.4
Net debt in relation to working capital, %	44.7	35.7
Equity ratio, %	53.8	59.6
Average number of employees	2 313	2 060
Earnings per share, SEK	17.62	11.46
Equity per share, SEK	88.77	68.83

For definitions of alternative performance measures, see pages 128-129.





40%
Increase
in net sales

Corporate

Net sales for the year amounted to SEK 4,152.0 (2,971.6) million. Acquired operations had a positive impact of SEK 247.0 million or 8%. All regions had improved net sales. The promo sales channel increased, while the retail trade decreased compared to last year. Operating result improved by SEK 372.3 million and amounted to SEK 813.1 (440.8) million. The higher result is mainly related to the higher net sales and a higher gross profit margin. Acquired operations contributed SEK 20.8 million (after acquisition costs).



35%
Increase
in net sales

Sports & Leisure

Net sales for the period January-December increased by 35% and amounted to SEK 3,782.3 (2,792.5) million. The segment had higher net sales in all regions and both sales channels increased. Operating result increased by SEK 181.3 million and amounted to SEK 647.3 (466.0) million. The improvement is mainly related to the higher net sales, partially offset by higher costs. Last year's operating result was positively affected by forgiven government loans (PPP loans) in the USA of SEK 35.2 million.



-5%
Decrease
in net sales

Gifts & Home Furnishings

Net sales for the period January-December decreased by 5% and amounted to SEK 909.3 (954.5) million. The lower net turnover is mainly related to Sweden. However, the Nordic region excluding Sweden improved its net sales. Sales decreased in both sales channels. Operating result decreased by SEK 54.4 million compared to the previous year and amounted to SEK 44.7 (99.1) million. The lower result was largely related to the fact that companies in Sweden had the opportunity for an extra tax deduction for gifts to staff of SEK 2,000 per employee during the COVID-19 pandemic. This extra deduction was removed in 2022. The segment has also had higher costs related to market investments, energy costs and more employees.

"2022 was a fantastic year for New Wave Group AB."

- Torsten Jansson

Torsten Jansson

CEO comments

2022 was a fantastic year for New Wave Group AB. Despite currency exchange concerns, high energy prices, increased interest rates and the war in Ukraine, we are once again having the best year ever!



I could not be more pleased and proud about the exceptional results that our fantastic employees and overall organization have delivered this past year.

Net sales

Despite very strong growth in 2021 we managed to increase net sales by SEK **2,125.0** million to SEK **8,843.6** million, an increase of **32%**. It was the first time ever that we were over SEK 8 billion and even approached SEK 9 billion.

Operating result

The operating result increased by SEK **499.2** million, on top of a SEK **460.0** million increase the year before. 2021 was a historic year and for the first time we passed SEK 1 billion in operating result and in 2022 we crossed a new stretch goal and reached SEK **1,505.1** million. The operating margin increased to **17.0 (15.0) %**.

Cash flow and balance sheet

Cash flow from operating activities amounted to SEK **-232.9** million. However this was intentionally done to position our inventory to meet anticipated market demands.

We have an equity of SEK **5,890.5** million, which provided a very strong balance sheet with an equity ratio of **53.8%**. Given that the large part of our balance sheet consists of current assets

in the form of inventory and accounts receivable, it can be quickly adjusted if necessary. This puts us in a very favorable position. Our balance sheet gives us great opportunities for continued good organic growth and capacity for acquisitions.

The future

We stand extremely strong for the future. Our brands are constantly gaining market share and continue to grow daily. Thanks to our product range, we have a unique offering for our customers that virtually no competitor can offer. We continue to have great opportunities to grow as we have small market shares in many countries and also have a very strong organization. Thanks to excellent service, delivery ability, and high quality products with a wide range, we have satisfied customers. We also outshine many of our competitors in our sustainability work. All of this together means that I am very optimistic going forward for continued organic growth. Add to that our strong balance sheet, which also gives us opportunities for further acquisitions.

Our journey has only just begun!


Torsten Jansson
CEO



"2021 was a historic year and for the first time we passed SEK 1 billion in operating result and in 2022 we crossed a new stretch goal and reached SEK 1,505.1 million."

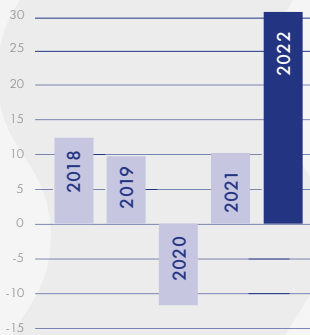
- Torsten Jansson

"The Group will market its products in the promo market and the retail market, to ensure good risk diversification."

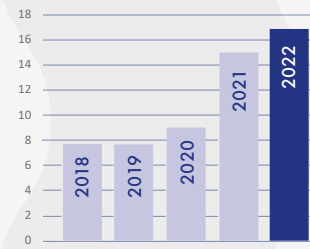
About the Group

This is New Wave Group

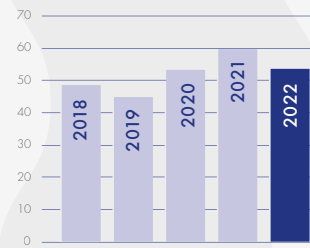
Business concept - New Wave Group is a growth group that designs, acquires and develops brands and products in the corporate, sports, gifts and home furnishings sectors. The Group will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range. To ensure good risk diversification, the Group will market its products in the promo market and the retail market.



Sales growth, %



Operating margin, %



Equity ratio, %

Vision Corporate

The vision for the Corporate operating segment is to become the leading supplier of promotional products to corporations in Europe and one of the leading suppliers in the United States by offering companies a broad product range, strong brands, good expertise and service, and a superior all-inclusive concept.

leading glass and crystal suppliers. Part of the vision also involves utilizing innovative and playful design to make Sagaform a prominent player in Northern Europe in both the promo and retail markets.

Strategy

To realize its targets, New Wave Group's strategy involves acquiring, launching and developing the brands in the corporate-, sports-, gifts- and home furnishings sectors, establishing the brands and organizations in new geographic markets and spreading the Group's values to new and acquired companies.

Vision Sports & Leisure

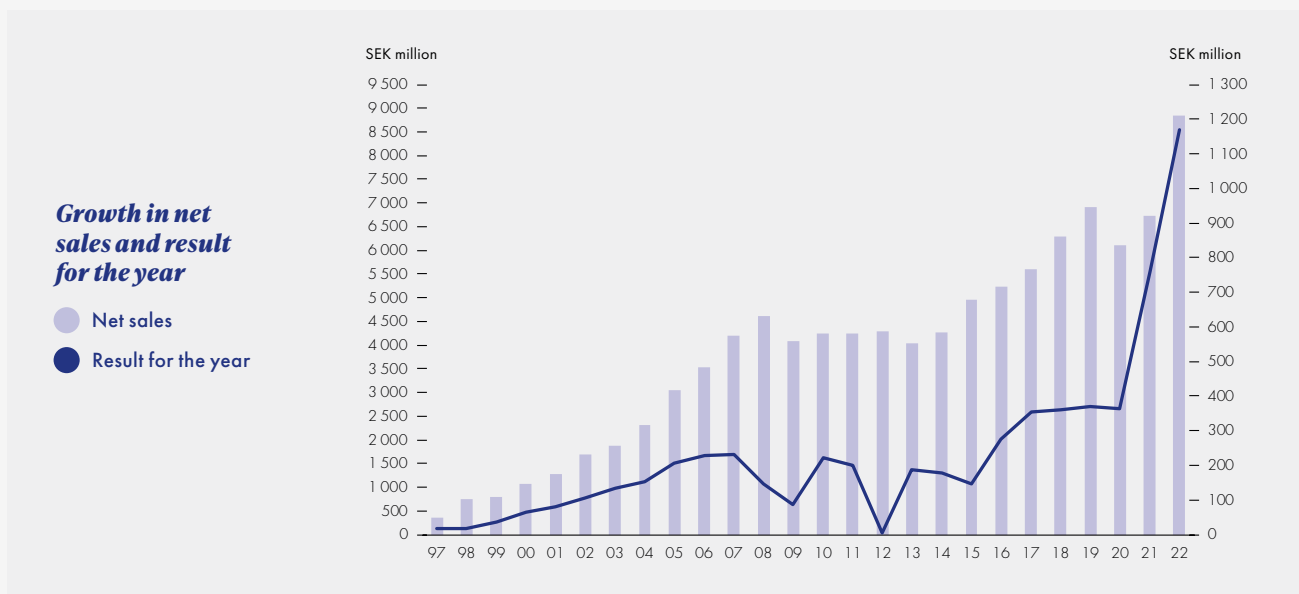
The vision for the Sports & Leisure operating segment involves establishing Craft as a world-leading sportswear brand, and making Cutter & Buck a world-leading golf apparel brand. The brand Auclair should take a leading position on gloves in Europe and we will also use Paris Glove's strong distribution platform to launch the Group's other brands in Canada. Overall, we want to be one of the leading sports suppliers, both in Sweden and in other European countries as well as in the United States. All in all, our brands shall give us a position among the largest sport suppliers in the world.

Growth and profitability targets

New Wave Group strives for a sustainable and profitable sales growth through expansion in its three operating segments: Corporate, Sports & Leisure and Gifts & Home Furnishings. Over a period of one business cycle, the Group's growth target is between **10** and **20%** per year, of which between **5** and **10%** is organic growth, and a **15%** operating margin. In addition, New Wave Group aims for at least **30%** equity ratio over one business cycle.

Vision Gifts & Home Furnishings

The vision for the Gifts & Home Furnishings operating segment is to make Orrefors and Kosta Boda world-



New Wave Group's values

New Wave Group is a decentralized organization and the Group's values are its guiding principle. We are dedicated to uphold and spread New Wave Group's values within the Group and particularly when acquiring new companies. New Wave Group does its utmost to find inexpensive, simple solutions and adheres to the motto "a penny saved is a penny earned". Some of the other key values are;

- *It takes hard work to outperform competitors*
- *Employees must have the conviction to take initiative and to learn from their mistakes in a decentralized organization*
- *Customer focus is a central principle for the organization as a whole and imperative to doing our utmost*

History

New Wave Group was established in 1991 in Sweden and Norway and in 1994 in Finland. In these markets, the Group ranks as the market leader in promowear. In 1996 Craft was acquired, which established sales in the retail sales channel. New Wave's share, Series B, was listed on the Stockholm Stock Exchange in 1997. With its 2001 acquisition of Sagaform, New Wave Group moved into promotional gifts, which generated substantial synergies with the Group's other promo activities. In 2003, New Wave Group developed its own workwear concept under the Projob brand and sealed the venture with the acquisition of Jobman. Following its launch in workwear, New Wave Group is currently the only supplier

to cover all three segments (promowear, promotional gifts and workwear) in the promo sector. To further strengthen the Group's promotional gifts and giveaways assortment the Orrefors Kosta Boda Group was acquired in late 2005. Cutter & Buck was acquired in 2007 and secured a sound foothold in the North American market. The Group's presence in North America was further strengthened during 2011 when AHEAD and Paris Glove were acquired, and 2013 when the distributor of Craft's products was acquired. CSR and sustainability have always been and remain an important part of our business. In 2015, Cottover was launched, which is eco-labeled and sustainability-produced promowear. In 2022, B.T.C. Activewear Ltd was acquired, which is the UK's third largest profile clothing wholesaler. In recent years, the Group has focused on improving the level of service and expanding the product range within existing brands, including Craft Teamwear.

The Group has gradually expanded and set up organizations in Europe, North America and Asia. New Wave Group has established sales organizations and its own subsidiaries in **18** countries. Sales in non-Swedish markets make up about **77%** of the Group's sales and amount to SEK **6,833.5** million. Sweden and the United States are the Group's most important markets and together they constitute **47%** of the Group's turnover.

New Wave Group

is a growth group that designs, acquires and develops brands and products in the corporate, sports, gifts and home furnishings sectors.





International trademarks

New Wave Group in the world

New Wave Group has evolved from a market-leading player in the Nordic countries to a prominent player in several other markets. This applies to all operating segments. The Group works with strong international brands such as Craft, Cutter & Buck, Orrefors and Kosta Boda.

The Group's business strategy entails launching brands and developing concepts on new markets. In connection with international establishments, the company's tactics are initially only to process the promo market with one or a few of the Group's brands. Business must be conducted with low costs to limit the financial risks. When satisfactory profitability and good growth have

been achieved, more promo brands can be launched and the retail market targeted.

If distributors handle the launches, retail launches can be carried out without promo launches. New Wave Group regularly invests a share of its operating profits in new markets. New Wave Group currently has subsidiaries in 18 countries and has carried out 200 launches under its existing brands.

● Sales activity in own subsidiaries

Sweden, Belgium, Denmark, Finland, France, Iceland, Italy, Canada, China, The Netherlands, Norway, Poland, Switzerland, Spain, UK, Germany, USA and Austria

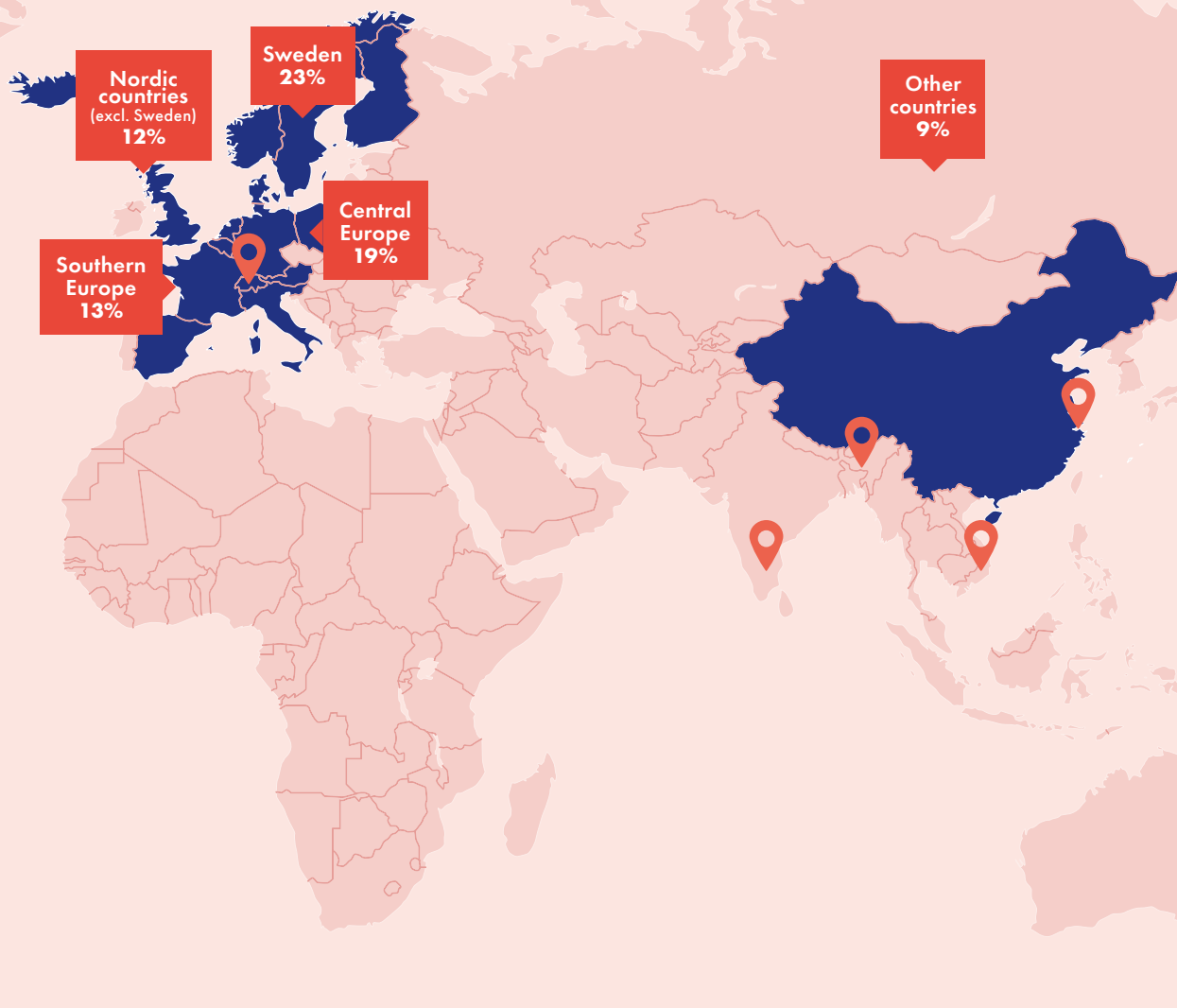


Own purchasing offices

Switzerland (Cortailod), China (Shanghai), Bangladesh (Dhaka), Vietnam (Ho Chi Minh City) and India (Bangalore)



Share of net sales



Net sales per geographic area

SEK million	2022	Share of net sales	2021	Share of net sales	Change	Percentage change
USA	2 139.0	24%	1 409.0	21%	730.0	52%
Sweden	2 010.1	23%	1 913.1	28%	97.0	5%
Central Europe	1 639.1	19%	1 025.7	15%	613.4	60%
Nordic countries excl. Sweden	1 083.6	12%	862.5	13%	221.1	26%
Southern Europe	1 179.3	13%	862.9	13%	316.4	37%
Other countries	792.5	9%	645.4	10%	147.1	23%
Total	8 843.6	100%	6 718.6	100%	2 125.0	32%

Small company flexibility with large company synergies

New Wave Group markets products under several different brands. The company strives for complete integration from the beginning of the chain in order to attain competitive advantages. The synergies are evident for operational segments Corporate, Sports & Leisure as well as Gifts & Home Furnishings within several areas.

Design

The company has extensive experience in design and product development. Elaborate strategies are applied to each brand regardless of product category. The various concepts within the operating segments Sports & Leisure and Gifts & Home Furnishings have their own product development activities. Corporate's product development activities are coordinated since the design is less fashion sensitive.

The Group's products can be sold in both sales channels, promo and retail. Well-designed promowear suits both men and women of working age and allow ample room for profiling, such as logos. In addition to being a well-designed promogarment, a large part of the design, primarily in the Sports & Leisure and the Gifts & Home Furnishings segments, builds on form and function to also fit directly with the retail trade. The Group has several close partnerships with athletes at both elite and amateur level in a variety of sports. Kosta Boda and Orrefors collaborate with several famous artists.

Purchasing organization

New Wave Group's purchasing strategy is based on direct purchases from the manufacturer via the Group's purchasing offices. Within the Group, New Wave Group SA in Switzerland is responsible for the purchasing organization. New Wave Group has four purchasing offices in Asia and a few smaller satellite

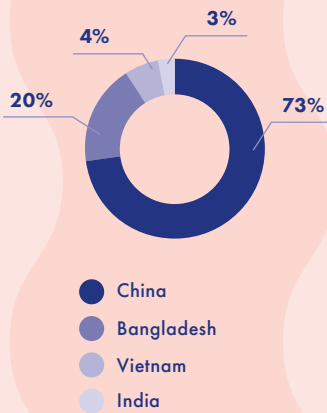
offices, including in China, to get closer to production. Our local presence is of great importance to ensure good control of prices, quality and the flow of goods. The largest purchasing office is located in Shanghai, where New Wave Group has been established since 1992. In addition to China, we have purchasing offices in Bangladesh, Vietnam and India.

Today, we have a total workforce of **186** employees at our purchasing offices. The predominant function is performed by our merchandisers, who work in teams together with quality controllers and technicians based on product type and brand.

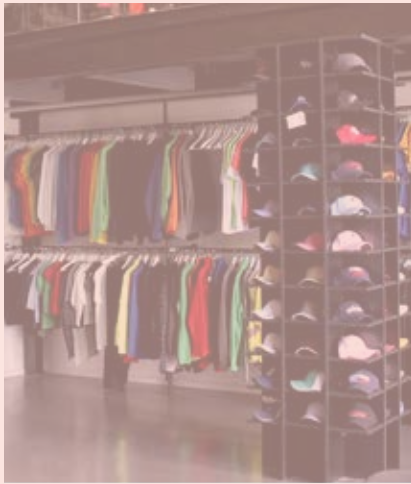
All teams have a continuous and close cooperation with the brand offices and product development departments. Therefore, each purchasing team is well informed and familiar with the specific features and requirements of each brand.

Each office has a quality laboratory where we are conducting regular quality testing of our products. We have professional equipment to conduct a number of different tests such as colour fastness, rubbing and dimensional changes. This enables us to secure product quality before shipment and prevent major reclaims.

The purchasing offices also play a key role in securing social and environmental responsibility in the supply chain. Being represented on site enables us to have a close partnership with our suppliers and to actively monitor and check that



Purchase volume percentage distributed per purchase office



The Shanghai office

New Wave Group’s largest purchasing office is located in Shanghai, where we have been established since 1992. The early establishment of the office has given us important competitive advantages during the years. Today, we have some 111 employees in China. The local presence and ability to control the manufacturing processes are examples of advantages with New Wave Group’s purchasing organization. New Wave Group also has purchasing offices in Bangladesh, Vietnam and India.

the producers take their social responsibility. We have our own CSR personnel working full-time visiting, monitoring and training suppliers in social and environmental topics. Through regular visits and good communication, we can detect any shortcomings in time and create long-term relationships that strengthen our collaborations.

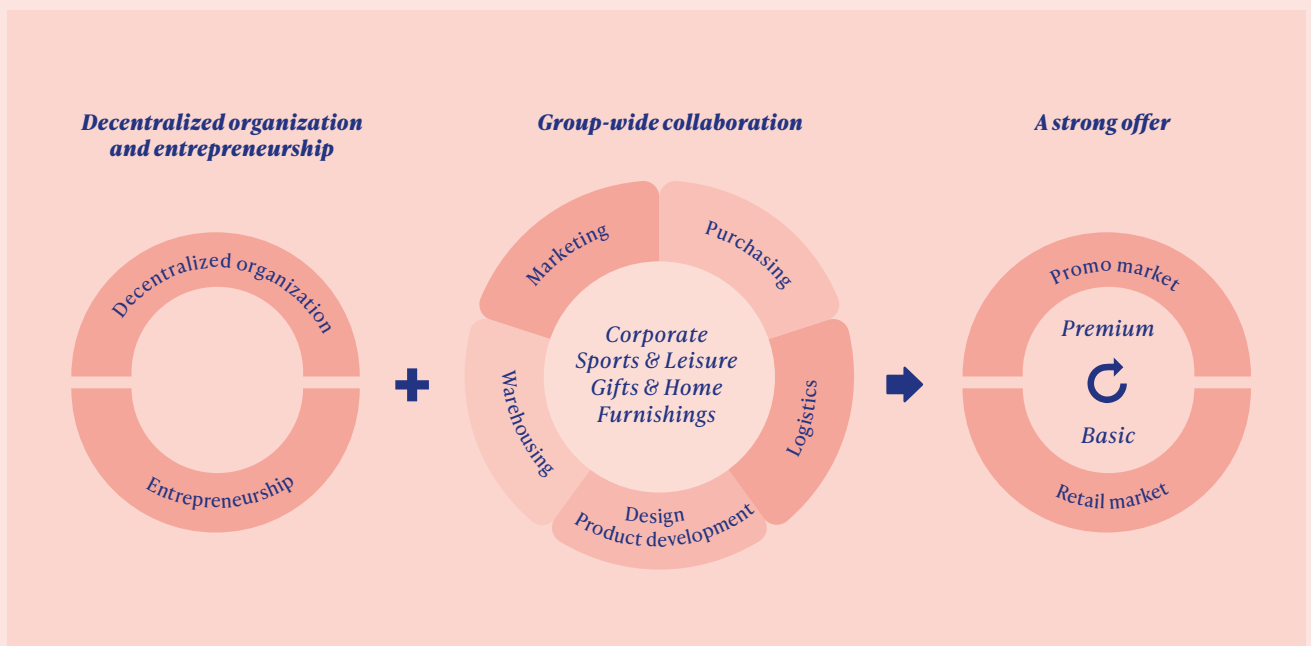
Production

New Wave Group owns a few factories. In Sweden, Seger and Termo have a production unit for knitted items and Orrefors Kosta Boda has glass making facilities. In Poland, Toppoint runs printing operations for, among other things, pen and mug prints. In the US, AHEAD and Cutter & Buck have some embroidery production.

Logistics and warehousing

To ensure that quality, long-term sustainability, and economies of scale are achieved at all stages, we are working with the coordination of our flows:

- *Most of our products are manufactured in Asia and are controlled via our established purchasing offices.*
- *Sea transport is procured and managed centrally. Through consolidated transports between our suppliers and our receiving companies we maintain high precision and good economy in our transport intensive flow.*
- *In order to maintain a high level of service, deliveries to the market are from local warehouses which are supported by central warehouses. The number of warehouse points is reduced in order to reduce capital tied up at the same time delivery capacity is increased.*
- *By coordinating sales and distribution channels for both promo and retail we obtain additional synergies and reduce seasonal variations.*



The three operating segments

Corporate

The segment has its home market in the Nordic countries, but sales are made in all regions. Corporate accounted for 47% of the Group's sales and SEK 831.1 million of the Group's operating result in 2022. The products are primarily sold in the promo sales channel. On September 2, B.T.C. Activewear Ltd was acquired and the company's brands have been categorized into this segment and are sold primarily in the promo sales channel.

P-018-025

- Clique
- James Harvest Sportswear
- Cottover

Corporate's subdivisions, promowear, promotional gifts and workwear, consist of products that cover all price levels and qualities



Corporate

Our offering

Corporate's subdivisions, promowear, promotional gifts and workwear, consist of products that cover all price levels and qualities. Promowear and promotional gifts have similar application areas (to promote and market brands) and are marketed by the same type of resellers. Workwear is primarily used when functional, durable work clothes are needed in many professions.

Within the promowear division, New Wave Group offers clothes adapted for printing and embroidery. In addition to price and quality, the assortment is adapted for different application areas and sizes, from favorably priced basic garments to detailed garments made of exclusive textiles, leisure, work and sports clothes, clothes in classic and trend colors as well as in sizes from XS to 6XL. New Wave Group's promowear brands are divided into different concepts that include brands such as Clique, James Harvest Sportswear, Cottover and D.A.D Sportswear.

In the subdivision promotional gifts (to an increasing extent by the promo resellers rephrased into Product Media, also by the Swedish trade organization SBPR), which include brands such as d-vice and Toppoint, New Wave Group can offer everything from powerbanks and pens to handbags and giveaways.

Since many companies are giving seasonal gifts, especially at Christmas, the fourth quarter is a key sales period for promotional gifts and corporate gifts. The promotional gift concept is broad and the subdivision covers a multitude of products and price levels.

The final piece of the Corporate puzzle is workwear. In Sweden and the Nordic countries, there is a vast need for, and expertise in, personal protection and the issue is intensely promoted by trade unions and employers. This means that Swedish professional clothing brands have a high reputation in Europe and the rest of the world. Belonging to a company or profession and being identified by the same has become an important way of communicating through professional workwear. Through its two brands, Jobman and Projob, New Wave Group can offer workwear for professional categories such as construction and installation workers, painters and plasterers, transport and service workers. The collection is all-inclusive, ranging from underwear to outer garments for all seasons and weather conditions, reflective clothing and accessories. All garments and products are ergonomic, functional and durable and come in sizes for both women and men.



"The promotional gift concept is broad and the subdivision covers a multitude of products and price levels."



CLIQUE
REG. TRADEMARK

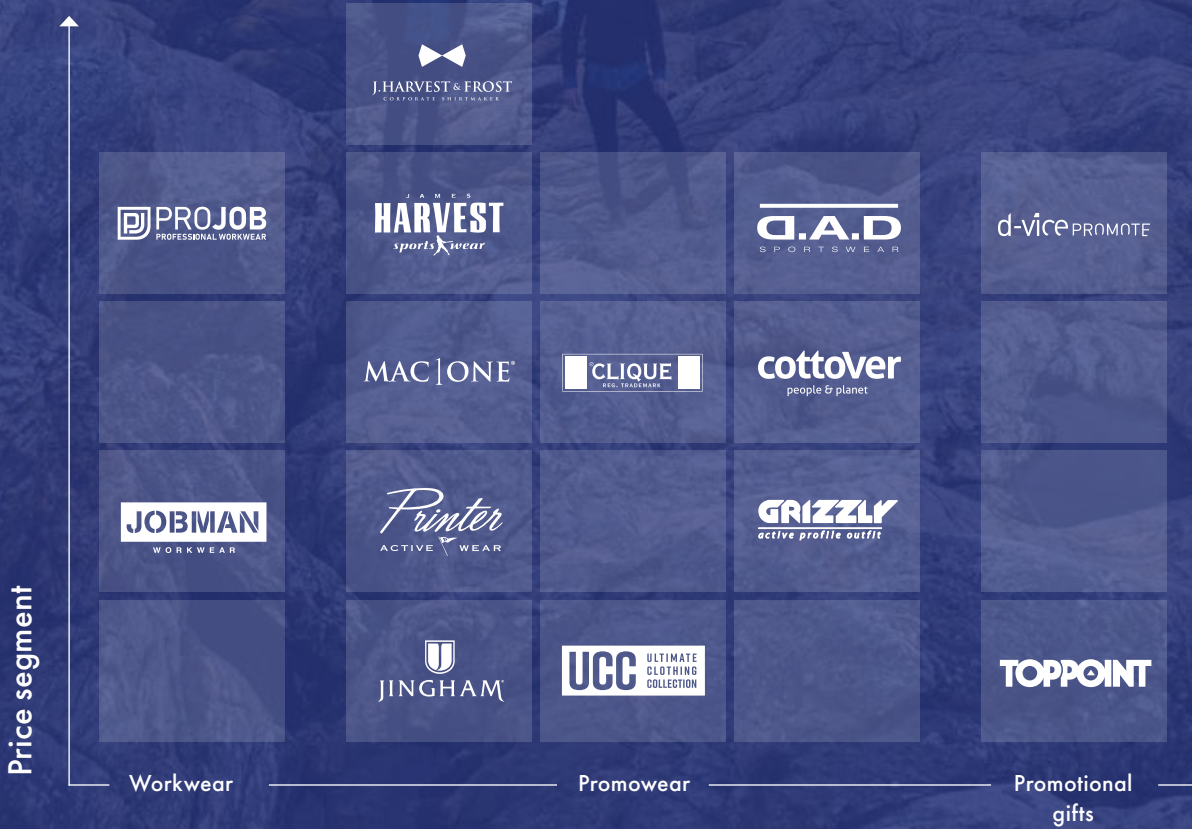
Promo - everything that can be branded

The operating segment Corporate sells primarily promo products. These are articles intended to be refined through various techniques of marking, in order to become a part of companies' and organizations' internal or external marketing. There are few limits to what can be done in terms of marking and the technical development is at a very high pace. The large share of promo sales comes from neutral products on stock, whereas the marking service is supplied by the next level in distribution, the promo resellers. Yet the sale of trading products, refined in the production stage, is also extensive, especially when order volumes are large.



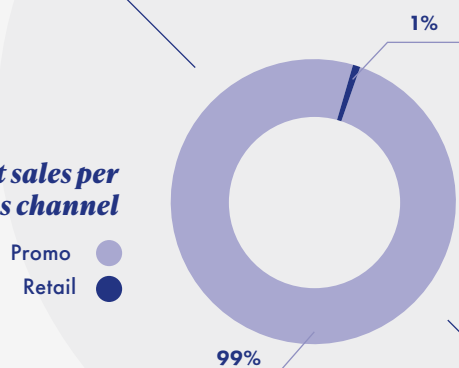
During 2022, New Wave Group acquired the British promo clothing company B.T.C. Activewear Ltd.

Trademarks





Net sales per sales channel



Sales channels

The segment's products are primarily intended for the promo sales channel, where the majority of sales are also found (99%). However, the products can also be sold in the retail sector, as many of the products are in common. The promo sales channel demands high service level and availability. For example, a company that orders promowear in their company's colour to its employees or customers, depends on the supplier being able to deliver a full size sorting and the right colours. For example, if New Wave Group cannot deliver products in the size medium or the end customer's corporate colour, the company will choose another supplier. The Group's objective within promo is to deliver 98% of its products within 24 hours.

The Nordic promowear and promotional gifts market is distinguished by a clear distribution chain: manufacturer – wholesaler – retailer – end customer. The distribution is not as well-organized in Southern and Central Europe. Distributors who market brands that they do not themselves own often have substantial influence in the market. The American market is more developed and the distribution chain resembles the Nordic market.

In Sweden, there are about 3,000 retailers of promowear and promotional gifts, a high figure per capita compared with the rest of Europe and the United States. There is a wide variety of retailers, ranging from simple sole proprietorships to large companies with high-end displays and travelling sales forces. Some retailers target one of the three subdivisions, while others work all three. Most are pure sales companies, but it is also common that retailers also print, embroider and engrave in order to have a more complete offering.

Workwear has traditionally been sold via specialized outlets for example construction, industry and paint shops, but today workwear is sold through many other channels such as pure workwear and protective clothing stores as well as promo dealers. Those who sell workwear operate together with the already established brands or by developing their own brands and collections. The market for workwear for the public has also increased, which has led to an increase in the range of workwear at specialist retailers that target private individuals.

Capital tied up

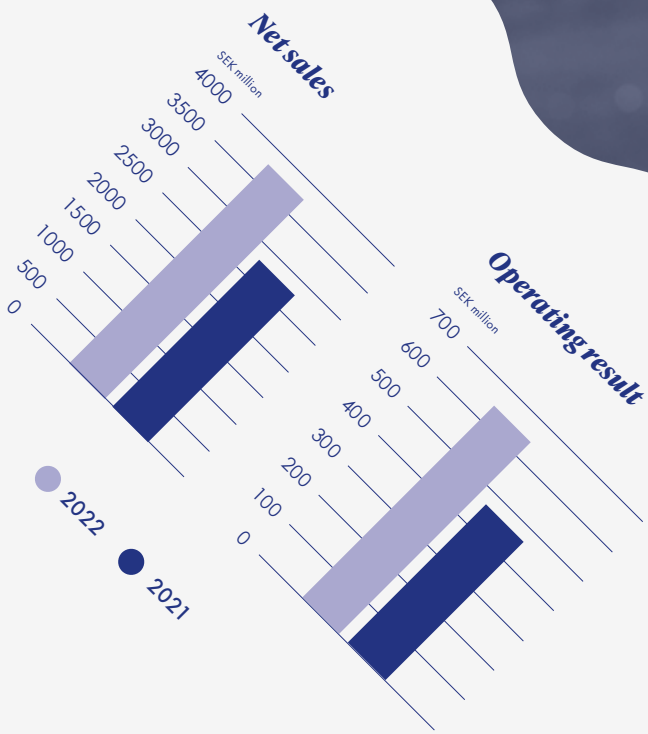
The capital tied up in stock is relatively high, but is a prerequisite for success in the promo sales channel. The customer is dependent on the supplier being able to deliver full size sorting and in the right colours, otherwise another supplier is chosen. However, the risk of obsolescence is low because a larger part of the range is timeless basic products that there is a need for season after season. Many of the products are common to both the promo and retail channels, which offers significant risk diversification and means that catalogues can also be common. Adjustment for changed purchase prices is made continuously as it is about immediate sales and the currency risk can thus be limited. When it comes to capital tied up in accounts receivable, sales are made to selected retailers and credit losses are relatively low. In 2022, the confirmed credit losses within Corporate amounted to 0.06 (0.08) % of sales.





The major investment we have made in Craft for club and teamwear brings with it a new market for many of our brands

- Craft
- Cutter & Buck
- AHEAD

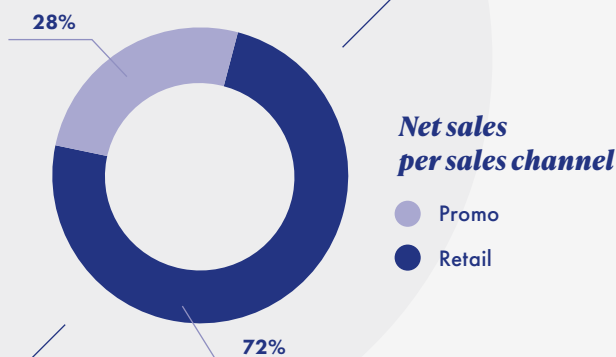


The three operating segments

Sports & Leisure

Sports & Leisure includes several internationally well-known sports brands like AHEAD, Auclair, Craft and Cutter & Buck. The majority of the sales are made in North America and the Nordic region. Sports & Leisure accounted for 43% of the Group's sales and SEK 647.3 million of its operating result in 2022. Most of the sales relate to the retail market, but sales also take place in the promo market.

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Sports & Leisure

Our offering

In the Sports & Leisure segment, New Wave Group offers clothes and shoes for the active consumer from several fully-owned brands. The range is adapted to different uses and activities, from basic garments to high-tech products for extreme exercising. Most of the segment's sales are to the retail trade, such as sports, golf, hunting, fishing, shoe and fashion trade, but sales are also made to promo retailers.

The segment has most of its sales in the Nordic region and North America, but also Central Europe is an important market and then mainly Germany, France and the Benelux area.

New Wave Group has a portfolio of strong sports brands within different areas. The Group's main strategy is to own and hence develop brands, which is why licensing and distribution rights have not been part of the core business historically.

Sales channels

All brands in the operating segment have the retail trade as their natural channel to meet the market.

It is also here that the segment has most of its net sales (72%). Trademarks such as Craft, Seger, Clique Retail and Speedo have an established position within the sports trade and Cutter & Buck and AHEAD at golf facilities. The products are also sold in the promo sales channel, mainly to sports associations. Craft's focus on new products for associations and clubs has developed well and promo sales are thus expected to increase.

“The range is adapted to different uses and activities, from basic garments to high-tech products”

The promo sales channel demands high service level and availability. A company or association that, for example, orders promowear is dependent on the supplier being able to deliver a full size sorting and the right colour. For example, if New Wave cannot deliver size medium or the end customer's colour choice, then they will choose another

supplier. The Group's objective within promo is to deliver 98% of its products within 24 hours.

Capital tied up

New Wave Group's objective is to keep the stock of fashion items low since the lifespan for these items is short. The segment's capital tied up in stock is relatively high, but differs somewhat between the sales channels.

In the retail trade, sales are to some extent made through pre-orders compared with the promo market where delivery is made directly to orders. This means, for instance, that the retail customer places orders in the spring for goods to be delivered in the autumn. Approximately 55-60% of sales in the retail trade take place through pre-orders. In connection with orders from customers, the Group places orders at the factory, which significantly limits the obsolescence risk. The remaining sales in the retail sector, so-called complementary sales, are mainly basic goods with a limited fashion risk.

The bulk of the stock relating to the retail trade has less fashion sensitive areas such as Craft's functional underwear and club collections as well as Clique's basic garments.

The capital tied up in stock for promo is higher but is a prerequisite for success in the promo sales channel. A company or association that, for example, orders promowear is dependent on the supplier being able to deliver a full size sorting and the right colours. However, the risk of obsolescence is low because a

larger part of the range is timeless basic products that there is a need for season after season. Many of the products are common to both the promo and retail channels, which offers significant risk diversification and means that catalogues can also be in common.

In order to limit the currency risk in the retail channel, approximately 50-65% of the currency-exposed purchasing costs are hedged. Within the promo sales channel, adjustment for changed purchasing prices is made continuously

as it is about immediate sales. The currency risk can thus be limited.

Regarding the capital tied up in accounts receivable, sales are made to selected retailers and the credit losses are low. However, there is a higher concentration to a fewer number of retail customers compared to the promo market. In 2022, the confirmed credit losses in the operating segment amounted to **0.02 (0.03)** % of net sales.

..... 2022



Trademarks

Craft

The entrepreneurial culture and the Scandinavian climate combined with close collaborations with the world's best athletes has resulted in innovative Craft garments for over 40 years. Ever since Craft was founded in 1977, the brand has challenged the boundaries of high-tech textiles and materials, always with the goal of optimizing both experience and performance for the user. Today, Craft is active in the categories Footwear, Run, Nordic Ski, Bike, Sportswear, Trainingwear, Teamwear and Baselayer. In each category, the brand offers a wide range and meets the needs of both Olympic champions and everyday heroes around the world. Sweden is the largest market in terms of turnover. Other defined focus markets with great potential are the Nordic countries, the Benelux, USA, Canada and Germany. Competitors vary slightly depending on segment and market, but some examples are Adidas, Salomon, Nike, Hoka, Odlo and Castelli. Craft is in a strong expansion phase where the key categories footwear and running together with Teamwear lead the brand into the future. The venture has already broken new ground in existing markets and also enabled establishment in new ones.



Clique Retail
 Clique is unique thanks to its wide variety of colors and sizes for men, women and juniors.



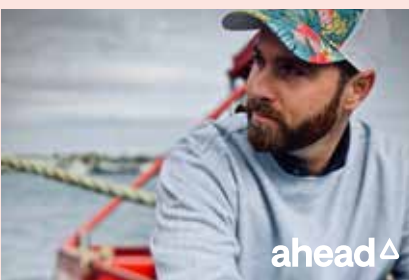
Clique Retail

Clique Retail is comfortable and appealing affordable garments that stand for good quality in terms of price. The products are primarily basic ready-to-wear i.e. products with high turnover rate and great profitability for the store. Our biggest challenge is to explain the brand's simple but profitable concept, we hold inventory and thus take the greatest risks for loss of profitability. Sweden is Clique Retail's largest market at the moment and its customers are mainly sports chains, the everyday commodity sector and other retail stores. Clique Retail's biggest competitors are the sports chains' own brands.



Cutter & Buck

Cutter & Buck is a world-leading golf-inspired American clothing brand for men and women who appreciate groundbreaking, exclusive sports and leisure wear. Cutter & Buck is sold via several different distribution channels, including the golf retail sector, the promo market, the fashion retail sector and directly to consumers via e-commerce. The American company Cutter & Buck is also a strong platform in the North American market for the establishment of other New Wave concepts. Today, Cutter & Buck is also well established in both the golf trade and the business market in Europe.



Ahead

Ahead designs and markets branded headwear, clothing and accessories, which are customized with ahead's high quality graphics for golf shops, tournaments, and resorts worldwide. Founded in New Bedford, Massachusetts, USA in 1995, ahead has long enjoyed a position of aesthetic leadership in the golf headwear market. Under New Wave Group's ownership has since expanded into the promotional and collegiate markets. Ahead has an extensive presence on the PGA Tour as well as golf's four Majors, including the U.S. Open, British Open and PGA Championship. Ahead enjoys exclusive partnerships with Jack Nicklaus, Annika Sörenstam and with the Arnold Palmer Enterprises.



PAX

For more than 90 years, PAX has been working to produce high quality shoes for children and is today one of Sweden's leading shoe manufacturers. High function, careful material selection and well thought out design with technical solutions to work in all weather has become PAX hallmark, simply a good start. Recycled material is used extensively. The shoes are sold through a nationwide network of retailers in footwear, sports and e-commerce. All PAX shoes are free of PVC, Teflon, hexavalent chromium, PTFE and other fluorocarbons. The main competitors are the shoe retailers' own brands and Ecco, Kavát and Viking.



Sköna Marie

Sköna Marie is a classic Swedish brand that makes high quality women's shoes with top-grade comfort, function and design. Sköna Marie uses the best raw materials and most shoe models are made of natural materials such as leather, cork and rubber. Recycled material is also used extensively. The shoes are sold through a nationwide network of retailers in shoe and health stores and e-commerce. All shoes from Sköna Marie are free from PVC, Teflon, hexavalent chromium, PTFE and other fluorocarbons. The main competitors are Ecco, Rieker and the shoe retailers' own brands.

Marstrand

Marstrand is a marine lifestyle brand with the classic sailing shoe as the brand's most visible carrier. The collection breathes craftsmanship with exquisite material and has a relaxed feel and style which is available for a wide target group to identify with. All Marstrand shoes are free of PVC, Teflon, hexavalent chromium, PTFE and other fluorocarbons. The shoes are sold through a nationwide network of retailers and e-commerce. The main competitors are Timberland and Sebago.



Auclair

Step into a world where innovation meets style and function, inspired by over 75 years of Canadian winters. Auclair is a brand that knows how to harness the power of the great outdoors to create exceptional products. From high-performance ski gloves to trendy and chic collections, their range of winter accessories is designed to keep you warm and stylish no matter the occasion. Auclair has been recognized for their product innovation with an impressive ISPO GOLD AWARD for their Race Fusion alpine race glove, as well as being an OUTDOOR RETAILER Innovation Finalist for their ECO RACER. They work tirelessly from grassroots up and with world-class athletes, and even sponsor national teams. Auclair is committed to helping everyone enjoy the outdoors, no matter their skill level. At Auclair, we embrace winter. Proudly Canadian since 1945.

Laurentide

For over eight decades, Laurentide has been a trusted name in providing top-notch work gloves and clothing to the industrial and utilities market in North America. Since 1935, they've worked tirelessly to perfect their craft and cater to the specific needs of their customers. Their reputation is backed by long-standing partnerships with key distributors and utility companies, which have helped keep them at the forefront of supply and service. With a keen eye for design and innovation, they're constantly exploring new materials and techniques to create gloves and clothing that offer the best possible protection for industrial workers. Their range of Laurentide-branded products covers a wide variety of categories, from general utility to welding, heat and flame retardant, and even electrical grid workers. Laurentide is a name you can trust to always have your back.

Paris Glove

Founded in 1945, Paris Glove of Canada, with roots as a family company from humble beginnings in Montreal, Quebec, Canada, has developed into a market leader focused on the design, development and marketing of gloves and winter accessories.



Termo

Termo is one of our oldest brands as the products have their roots since their beginning in 1921. Termo has a complete collection of underwear and functional garments in knitwear for various professional groups, as well as for the active leisure consumers such as hunters, fishermen and consumers in outdoor activities. The materials are developed and produced in their own knitting factory in Sweden and the garments are designed and constructed in own design and sewing department. Termo has its largest sales in Europe, where for many years it has also been a leading supplier of functional underwear to police and military authorities.



Seger

At Seger, tradition and craftsmanship meet modern technology and innovation. With more than 75 years of history, Seger creates high-tech knitted sport garments with sustainability, function, quality and design as key principles. The majority of the production is still carried out at Seger's own factory in Röhult, Sweden. The entire factory is powered by certified wind power. The production chain is defined by active environmental work, from the choices of raw materials, transport and waste management. The largest market is the Nordic countries, with plans of increased internationalization.

The three operating segments

Gifts & Home Furnishings

The Gifts & Home Furnishings segment includes several strong brands such as Kosta Boda, Orrefors and Sagaform as well as the company D&J Frantextil that offers several well-known brands. The segment has most of its sales in Sweden and it also includes Destination Kosta, which offers a variety of experiences. In addition to seeing the glass being manufactured close up, the destination also offers shopping in Kosta Outlet, accommodation at Kosta Boda Art Hotel and various forms of wilderness experiences. Gifts & Home Furnishings accounted for 14% of the Group's net sales and had an operating result of SEK 91.1 million. The brands are mainly sold on the retail market, but sales also take place on the promo market.

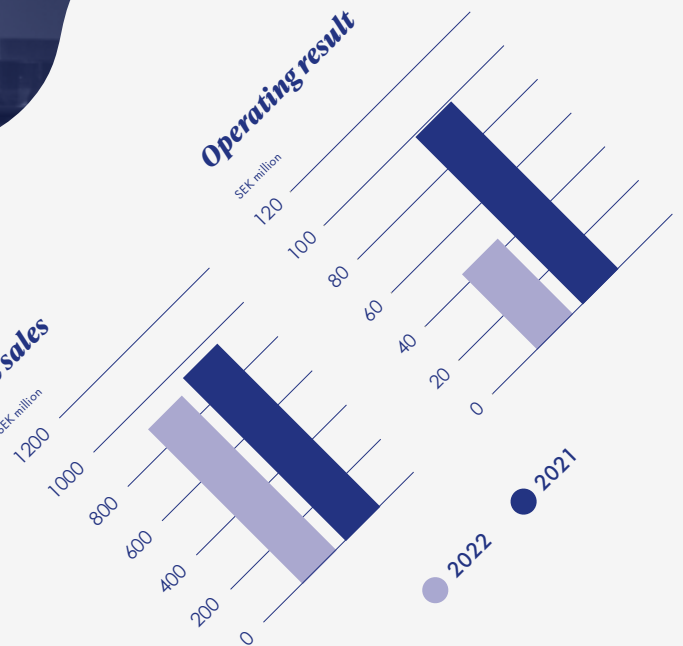
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- Sogaform
- Kosta Boda
- Orrrefors
- D&J Frantextil

The segment offers the market well-designed and qualitative products at different price levels to a customer interested in home furnishings

Net sales

SEK million



Operating result

SEK million

120

100

80

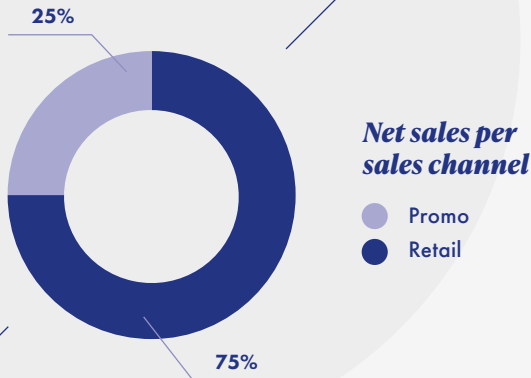
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● 2022 ● 2021



Gifts & Home Furnishings

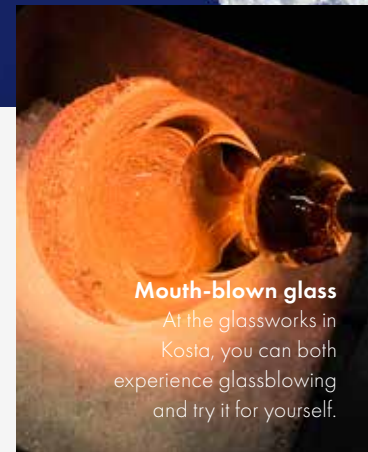
Our offering

Gifts & Home Furnishings offers products from, among others, Kosta Boda, Orrefors, Sagaform and D&J Frantextil brands. They offer the market well-designed and qualitative products at different price levels to a customer interested in home furnishings. Additionally these brands help to create a more beautiful everyday life and can serve as a gift to yourself or to others. Kosta Boda and Orrefors, as leading brands in the category of glass, offer self-produced exclusive glass of the highest quality and with a high design factor while Sagaform represents products in various materials intended for the kitchen and table setting. D&J Frantextil develops and markets several New Wave Group brands, such as Kosta Linnewäfveri, Orrefors Jernverk, Orrefors Hunting/Morberg, Lord Nelson and Queen Anne. The Gifts & Home Furnishings segment is sold through traditional specialist retailers, e-commerce, profile retailers and Company stores. In addition to the Swedish home market, the United States, Scandinavia and Central Europe are also important export markets for this segment.

Destination Kosta is also included in this segment. Destination Kosta works to promote tourism to Kosta. By being the unifying link for New Wave Group's represented activities in the area, we strive to

create collaborations and synergy across the various areas of activity.

Kosta is beautifully nestled in the Småland forests between Kalmar and Växjö, right in the heart of the glass kingdom. The range of activities, sights and experiences is extensive and many of the activities are open every day throughout the year. Over a million people travel to Kosta every year to experience glassmaking, shopping, nature and locally produced food and drink. At Kosta Glasbruk, visitors are welcomed to observe how everything from handmade tableware glass series to art glass takes shape. The glass, which is sold under the Orrefors and Kosta Boda brands, is available for sale in the factory stores and at the Kosta Art Gallery. The glass experience then continues at the Kosta Boda Art Hotel, a unique spa and design hotel, with a glass bar, rooms decorated by the glassworks' designers and a first-class restaurant. Kosta is also a destination for animals and nature experiences. At Kosta Lodge, affordable accommodation is offered surrounded by Småland's nature, and in Kosta Safaripark there is the opportunity to see wild animals in their natural environment.



Mouth-blown glass
At the glassworks in Kosta, you can both experience glassblowing and try it for yourself.

“The brands have an offering that will help to create a more beautiful everyday life and that can serve as a gift to yourself or to someone else.”



Sales channels

Most of the segment's sales are in the retail sales channel (75%). Swedish retail has for some time undergone and continues to undergo a major restructuring in which the consumer's interest in the traditional glass and porcelain trade is diminishing in favor of design and interior stores. The development of e-commerce is another strategically important part where the customer's evolving trading patterns require a completely different accessibility than previously. Brands such as Kosta Boda, Orrefors and Sagaform have an established position in the retail sector and have the opportunity to make sales both in the traditional way and through e-commerce. A growing part of the segment is Destination Kosta, where all sales belong to the retail sales channel.

Part of Kosta Boda, Orrefors and Sagaform sales are made in the promo market, where the products are used as everything from simple gifts to exclusive gifts for jubilee or memorable occasions. Kosta Boda and Orrefors retain their position as interesting brands

on occasions when you want to show appreciation with gifts of high quality craftsmanship. Sagaform's products are in demand as Christmas and summer gifts for employees and customers. The majority of D&J Frantextil's sales are to the promo market, where part of the sales is made via gift cards. The promo sales channel demands high service level and availability. For example, a company that orders Christmas gifts for its employees or customers depends on the supplier being able to deliver on time. The Group's objective within promo is to deliver 98% of its products within 24 hours in order to remain competitive and not lose customers to another supplier.

Capital tied up

Production for Orrefors and Kosta Boda takes place throughout the year, while sales mainly take place during the second half of the year. Capital tied up is thus greatest during the first part of the year. Most of the production is classic and top selling product series such as Château, Intermezzo, Difference, Line and others, which in many cases has a product cycle

of more than 20 years. This limits the risk of obsolescence. For the part that is not self-produced, most of the purchases are made against stock for resale to customers. It normally requires a higher capital tied up in stock for promo, as this is a prerequisite for success within this sales channel. However, the risk of obsolescence is low as a larger part of this range is timeless basic products where there is a demand season after season. Most of the products are also common to the sales channels promo and retail, which further minimizes product risk. Price adjustments for changed purchasing prices are made continuously and the currency risk can thus be limited.

Sales are made to selected retailers and therefore credit losses are low. However, there is a higher concentration to a fewer number of retail customers compared to the promo market. In 2022, the confirmed credit losses in the operating segment amounted to **0.10 (0.10)** % of sales



Trademarks

Sagaform

Sagaform AB, with headquarters and warehouse in Borås, gathers its four brands Sagaform, Byon, Vakinme and Victorian under the roof “A Way Of Living”. The focus is on developing two strong brands with Sagaform and Byon, with clear identities. Here you can find products for decorating the home, the laid table and outdoor life.

Sagaform focuses on gift ideas and kitchen accessories in timeless Scandinavian design that cherishes the familiar. We call them Swedish Originals, classic quality products that last year after year and should be able to be used and appreciated by many families and generations. Stylish and functional design that finds a home in many fantastic ways.

Byon offers playful interior details to anyone who wants to create personal and happy homes. Color, shape and humor are the hub of the brand's design and creation. Byon is a lifestyle brand in the premium segment for customers who know what they want.



KOSTA LINNEWÄFVERI
SWEDEN 1878



D&J Frantextil

D&J Frantextil develops and markets several of New Wave Group's brands such as Kosta Linnewäfveri, Orrefors Jernverk, Orrefors Hunting / Morberg, Lord Nelson, and Queen Anne. The products fall into the categories that D&J Frantextil has chosen to call Bath, Cook, Bed, Cozy, Pack and Outdoor. Through attractive products and a customer-focused way of working, the company stands strong in both the promo and retail markets. In addition, the company was early in establishing gift cards and has established the platforms Joyfulgiftcard.se and Julklappskortet.se which together have a large share of the market in Sweden. Through a constantly updated product selection, good stock level and well-developed logistics D&J Frantextil looks to the future with confidence.



Orrefors JERNVERK
SWEDEN 1726

Orrefors och Kosta Boda

Our brands Orrefors and Kosta Boda are undergoing major change work, including enhanced brand work and product selection and distribution strategy with the aim of differentiating the brands. The identity of the respective brands can be seen on our digital platforms with e-commerce kostaboda.se and orrefors.se, which were launched in the second half of 2021. In the first quarter of 2022, the English versions were launched.

The work with sustainability is a priority and the company has initiated a number of new projects. These include increasing the recycling of waste glass from our own production, streamlining energy use and maximizing the reuse of water resources at the glassworks in Kosta.



Orrefors

Since 1898, Orrefors has been firmly based in a Scandinavian design tradition characterized by timeless aesthetics, innovative craftsmanship and sustainable quality. Orrefors products are designed by well-known designers for an international audience with an interest in Scandinavian design in the premium segment. The brand's origin and successful history are regarded internationally as a guarantee of high quality.

During the year, Lena Bergström added additional products to the successful Carat series. Her Squeeze series has also been expanded with more parts. The Orrefors bar range has been expanded with the series Grace by Erika Lagerbielke. Furthermore, Orrefors has started a collaboration with the established Swedish designer Monica Förster and the English designer Benjamin Hubert whose products will be launched in 2023.



Kosta Boda Collection

Kosta Boda offers well-designed and functional utility and interior products with the aim of reflecting and promoting a modern lifestyle, with a focus on everyday life; i.e. everything from life around the dining table and decor, to creating memories in everyday festivities.

During 2022, products have been released by, among others, Åsa Jungnelius, Mimmi Blomqvist and Sara Woodrow. There have been collaborations with Salong Betong and Sneakersstuff.

Collaboration has begun with a number of recognized designers; Ilse Crawford, Front, Shane Schneck, Clara von Zweigbergk, Hanna Hansdotter and Harry Allen.

Art glass

Kosta Boda has a long tradition of producing world-class art glass and its reputation as creative and challenging has spread far beyond Sweden's borders.

During 2022, Kosta Boda Art glass has participated in significant exhibitions in Stockholm, Paris, London and Stockbridge, USA.

New exciting collaborations have begun with the artists Ellen Ekh Åkesson, Markus Åkesson and the sculptor Johan Röing who were presented in Kosta Boda Art Gallery's large summer exhibition.

The year ended with a memorial exhibition of Göran Wärff, a beloved master of glass, and a tribute to Erika Lagerbielke and her forty-year career at Orrefors Kosta Boda.



Destination Kosta

Kosta Boda Art Hotel

Kosta Boda Art Hotel in Kosta is the world's first art glass hotel. The hotel is a living showroom for art glass and showcases a heritage since 1742. With its 102 rooms, conference facilities, indoor and outdoor pools as well as a large spa and relaxation area, the hotel has contributed to Kosta becoming a tourist destination. This provides a fantastic economic boost and the number of visitors throughout the region has increased. Restaurant and a bar, with different food concepts, create the prerequisite for providing guests with a choice of desired dining experiences. In 2022, the hotel received the Travelers' Choice award from Tripadvisor. The award means that during the past year, the hotel has received consistently positive and high reviews and ratings from its guests and is ranked in Tripadvisor's top 10% best and most popular accommodations in the world. The hotel is unique in its kind, originating from the art glass which is designed for the experience.

Kosta Lodge

Kosta Lodge, accommodation is offered in hotel rooms or cottages. Kosta Lodge also rents places for visitors who want to spend the night in their own mobile home. The hotel has a restaurant, conference room, pool area with two heated pools, a large sun deck, jacuzzi, wood-fired hot tub, sauna, adventure golf and a seasonal ice cream bar with Småland's largest ice creams. At the nearby Kosta Wilderness Camp, groups of friends and conference groups can challenge themselves and each other in different sporting activities. Fishing, crayfishing and hunting are also offered at the wilderness camp. Here it is also excellent to experience nature on your own. Fishing equipment, canoes and bicycles can be rented at the Kosta Rental Center.

Kosta Safari Park

Here the visitor takes his own car and goes on a safari in 200 hectares of Småland primeval forest to meet moose, bison, mouflon sheep, fallow deer, red deer and wild boar in their natural environment. There is also the possibility to experience the animals from the mountain bike track that leads around the park or from some of the adjacent parking places.

Kosta Delikatess

At Kosta Delikatess there is both a restaurant and a shop with delicacies from forest, land and sea. Locally produced food and drink are also offered here, such as charcuterie from Kosta Safaripark, bread from Kosta Bakery, beer from Kosta Bryggeri or Gin from Kosta Distillery. Sweden's largest gin bar is also found here with over 240 different types of gin. The shop has a wide range of delicacies. Fresh fish and shellfish, charcuterie, cheeses, oils, spices, coffee, tea and chocolate are some of the items found in the range.

Kosta Outlet

At Kosta Outlet, 20 000 m² of branded shopping is offered in 14 stores, with everything from clothes to hunting accessories, books, toys, flowers and interior design. Here you can also eat or drink something good at one of the various restaurants. Next to Kosta Outlet are the factory stores for Orrefors and Kosta Boda, where

it is possible to buy the glass whose production can be seen at the glass factory.

Kosta Brewery

Kosta Brewery produces beer and soft drinks of the best quality. In 2022, the products "Hyttpilsner", "Modern English" and "Bruksbitter" were launched. The beer is served in the company's own restaurants and is also available for sale through the state-owned distribution channel "Systembolaget".

Kosta Destillery

Production of Gin distilled in Småland's dark forests. This production is for Kosta's own needs at the Kosta Boda Art Hotel, Kosta Delikatess and Kosta Lodge as well as external sales.

Kosta Hyttsill

This activity is an old tradition in the Kingdom of Glass that dates back to the time when the cabin was the meeting point of the area. Genuine Småland food prepared in the cooling ovens, drinks, entertainment and glassblowing at the master level. Those who are interested also have the opportunity to try glassblowing.

Kosta Förlag

Kosta Förlag runs a publishing house and the shop Books & Toys in Kosta. The publishing house publishes books that in various ways highlight the Group's other brands such as Craft, Kosta Boda Art Hotel and Brasserie 1742. The publisher has also published a number of books with designers from Orrefors and Kosta Boda.

Lågprisvaruhuset

This is a discount department store with a wide range of food, dairy products, household items, home furnishings, clothes, toys, leisure items, car care, tools and barbecue etc. The department store buys leftover stock and goods at a discount from all over the world. Everything here is offered at a very favorable price that is very noticeable to the consumer.

Towards a sustainable growth

CSR and Sustainability

How New Wave Group conducts the sustainability work and which areas we focus on is connected to the level of impact and issues that are highly valued by our stakeholders.

Our strategy is based on the vision of maximizing our contribution to globally agreed goals for sustainable development. The Global Goals guide how New Wave Group tackles climate change, depletion of natural resources, and social inequalities - some of the risks to our business, the planet, and people linked to our value chain.

Through our value chain - the entire chain of activities required to design, manufacture, transport, market, sell, use, reuse, and recycle our products - the company interacts with countless people, communities, ecosystems, and other businesses worldwide. Through our sustainability strategy, we aim to seize opportunities and manage risks. The objective is to maximize positive impact and minimize negative impact through decisions that are aligned with the company's values and contribute to our long-term goals.

The work includes, for example, improving working conditions in production countries, reducing greenhouse gas emissions from production, transportation, and developing more sustainable and circular products. A central part is also to actively disseminate knowledge and information

to create awareness of sustainable consumption and sustainability aspects in the production of textiles and other goods. In this way, the Group can contribute to the global development goals while ensuring a good dialogue with customers and other stakeholders.

Sustainability Report

In our separate sustainability report, we have placed New Wave Group's sustainability work in a larger context within the framework of the 17 global sustainability goals. Here we provide a more comprehensive picture of the work and highlight our accomplishments, but also what we can do better. As in previous years, we report in accordance with the GRI Standards, Global Reporting Initiatives' latest guidelines.

The sustainability Report is available at www.nwg.se/en/csr.

Highlights 2022

The combined effects of the pandemic, social unrest, political instability, and the climate crisis have created something of a momentum and resulted in a great focus on sustainability issues. The Group's companies have shown that they are good at meeting stakeholders'

expectations. More sustainable offerings have been introduced to a greater extent than before, as well as other sustainability initiatives such as emissions calculations at the product level, reduction of plastic use, and a clear shift towards electric cars in the fleet. At the same time, much focus has been on working with the Group's core processes and introducing support systems to manage increased demands for information and transparency.

New Wave Group's continued journey is largely about leveraging the strength of the Group. We know that our business has the greatest impact on people and the environment in our production countries, and that we must continue to focus heavily on our manufacturing suppliers to mitigate that impact. Our own purchasing offices play a key role in that work - with strong local presence, we have the strength and conditions for real impact.

— Read —

Read more about how New Wave Group works with CSR and sustainability in the separate Sustainability Report, available on www.nwg.se/csr/en

"The objectives are to maximize our contribution to globally agreed goals for sustainable development."



19,615

shareholders as of 31 December 2022



New Wave Group AB (publ)

Corporate Governance

New Wave Group applies the relevant rules laid down in the Swedish Code of Corporate Governance ("the Code") and the Swedish Annual Accounts Act. The company's Board of Directors has thus drawn up this corporate governance report. More information about the Code may be found at www.bolagsstyrning.se, where there is also a description for foreign investors.

Responsibility for management and supervision of the Group is delegated between the shareholders at the Annual General Meeting, the Board and the CEO, which is done in accordance with the Swedish Companies Act, other legislation and regulations, applicable rules for listed companies, the company's articles of association, the Board's internal rules of procedure and other internal control instruments.

Shareholders

As of 31 December 2022, the company had **19,615** shareholders. The proportion of share capital owned by institutions amounted to **42%** of the capital and **11%** of the votes. Foreign investors owned **24%** of the share capital and **7%** of the votes. The ten largest owners had a total holding corresponding to **69%** of the share capital and **92%** of the votes. For further information on the owners as of 31 December 2022, please see pages **48-49**

Annual General Meeting

The highest decision-making body is the Annual General Meeting (AGM), at which all shareholders are entitled to participate. The AGM is entitled to make decisions on all matters that are not in breach of Swedish law. At the AGM the shareholders exercise their voting rights to make decisions on the composition of the Board of Directors, the auditors and other important matters such as adoption of the company's balance sheet and income statement, appropriation of profits as well as deciding to grant the Board of Directors and the CEO discharge from liability. This is in accordance with New Wave Group's articles of association and Swedish legislation.

2022 Annual General Meeting

As a result of the spread of COVID-19, New Wave Group resolved, in accordance with the Act (**2020:198**), that shareholders were not allowed to attend the AGM in

person or by proxy. Shareholders were able to exercise their voting rights by way of postal voting. The AGM was held on 18 May 2022 in Kosta. Olof Persson was elected chairman of the meeting.

The following resolutions were passed:

The AGM adopted the income statement and balance sheet, as well as the consolidated income statement and balance sheet, resolved to appropriate profits in accordance with the proposed appropriation of profits, in which all surplus was carried forward to new account, and discharged the Board members and CEO from liability.

In accordance with the Nomination Committee's proposals, the AGM resolved:

- *that there shall be eight Board members elected by the AGM, and no deputies will be appointed*
- *that remuneration to the Board amount to SEK 500,000 to the Chairman of the Board, and SEK 200,000 to each of the other Board members – who are not employed in the Group - and additional SEK 150,000 to the audit committee to distribute within the committee. Also, the Board have SEK 100,000 to distribute to Board members contributing more than what is to be expected from normal Board member work.*
- *that remuneration to auditors shall be paid according to approved calculations and agreements*
- *that Olof Persson, Torsten Jansson, Mats Årjes, Christina Bellander, M. Johan Widerberg, Jonas Eriksson, Ingrid Söderlund and Ralph Mühlrad are re-appointed as Board members.*
- *that Olof Persson is appointed as Chairman of the Board (re-elected)*
- *to re-elect Ernst & Young AB as auditors until the close of the Annual General Meeting 2023*
- *on the principles for the appointment of a new Nomination Committee*

In accordance with the Board of Directors' proposals, the AGM resolved:

- *on guidelines for remuneration to executive management*
- *to authorise the Board to make decisions regarding share issues*
- *to authorise the Board to raise certain financing*
- *to adopt new articles of association*

Complete information about the 2022 AGM is available on the website, www.nwg.se/en.

2023 Annual General Meeting

The AGM will be held on 16 May 2023 in Kosta.

Nomination committee

The nomination committee represents the company's shareholders. It has the task of submitting proposals to the AGM in regards to decisions on, among other things, the appointment of the Board of Directors and the auditor, and remuneration to them. The nomination committee consists of one representative for each of the company's three biggest shareholders. If any of these shareholder's decline to appoint a member of the nomination committee, the next shareholder in terms of size shall be given the opportunity to appoint a member.

Information regarding the composition of the nomination committee is normally published in the interim report for the third quarter.

The nomination committee's evaluation of the Board's work is primarily conducted through personal interviews with all Board members. In connection with this, the Chairman of the Board comments in particular on issues related to the Board's functioning that have occurred within the framework of the Board's work during the past financial year.

The composition of the nomination committee, before the election of Board members at the 2023 AGM, is as follows:

- *Ulf Hedlundh, representative of Svolder AB and the committee's chairman*
- *Torsten Jansson, CEO and representative of Torsten Jansson Holding AB*
- *Frank Larsson, representative of Handelsbanken fonder*

According to the Code, the CEO or another person from the company management shall not be a member of the nomination committee. However, given that Torsten Jansson is New Wave Group's largest shareholder, both in terms of capital and voting rights, it is natural that he is a member of the nomination committee. This is the explanation for the deviation from the Code.

The nomination committee represents around 85% of the votes in New Wave Group as of 30 September 2022. All shareholders are able to contact the nomination committee to propose candidates to the Board. The nomination committee holds a number of meetings and in between these meetings contact is maintained by phone and e-mail. Among its many tasks, the nomination committee evaluates the composition of the Board based on the company's future development and challenges with the aim of having a good balance between members' competence, background and experience.

The Board

The Board of New Wave Group consists of seven members elected by the AGM. The Board's working procedures are defined in the rules of procedure, which regulate the delegation of responsibility between the Board and the CEO, the CEO's authority, the meeting schedule and reporting routine. The Board meetings deal with forecasts, interim reports, year-end accounts, state of business, investments and new launches. They also deal with general issues relating to the long-term business strategy as well as structural and organizational issues.

The working language of the Board's meetings and documentation is Swedish. As a rule, between seven and twelve

Board meetings are held each year. During 2022, the Board met on ten occasions. Göran Härstedt, deputy Group CEO, is the Board's secretary.

In November 2022, Mats Årjes resigned as a board member due to personal reasons.

The Chairman organizes and leads the Board's work so that this is carried out in accordance with the Swedish Companies Act, other legislation and regulations, applicable rules for listed companies, including the Code, and the Board's other internal control instruments. The Chairman follows operations in dialogue with the CEO and is responsible for other Board members receiving the information required to complete the Board's tasks.

Independence of the Board

The New Wave Group Board is subject to the requirements for independence described in the Code. The requirements mainly involve that only one person from the company's management may be a member of the Board, that a majority of the elected members of the Board shall be independent in relation to the company and its management, and that at least two of the elected members who are independent in relation to the company and its management should also be independent in relation to the company's major shareholders.

As CEO and majority shareholder of New Wave Group, Torsten Jansson is not considered to be independent in relation to the company, the company management and the company's major shareholder. Olof Persson, Kinna Bellander, M. Johan Widerberg, Jonas Eriksson, Ingrid Söderlund and Ralph Mühlrad are considered to be independent in relation to both the company, the company management as well as the company's major shareholders. It is thus the opinion of the nomination committee that the current composition of the New Wave Board satisfies the requirements for independence laid down in both the Code and in the Nasdaq Stockholm

Rulebook for issuers. For a detailed presentation of the Board, Board Members assignments and holdings in New Wave Group, please refer to pages 52-53.

Audit committee

Audit committee (AC) is a committee to the Board of Directors and members are appointed by the Board of Directors. The committee shall consist of at least two members of the Board. The majority of the AC's members shall be independent of the company and its management. Members of the Board who are part of company management cannot be a member of the AC. M. Johan Widerberg is Chairman of the committee and Kinna Bellander is member of the committee. Both are independent in relation to the company and its management. CFO and internal auditor are adjunct to AC. The internal auditor is the committee's secretary.

The Board assigns to the AC to prepare and decide on audit issues and report discrepancies to the Board. The external auditor reports directly to the Board. AC shall on the Board's instructions be responsible for the work to ensure the quality of the company's internal management and control in regards to:

- *financial reporting*
- *risk management and risk control*
- *compliance*
- *other internal management and control*
- *matters which the Board refers to AC*

AC shall meet on a regular basis four times per annum and its protocols shall be communicated to the Board of Directors. During 2022, AC met on four occasions and all members participated in these meetings.

The Board of Directors	Presence	Independent	Remuneration, SEK
Olof Persson, Chairman of the Board	10/10	YES	483 336
Kinna Bellander	10/10	YES	268 336
Ingrid Söderlund	9/10	YES	196 668
M. Johan Widerberg	10/10	YES	268 336
Torsten Jansson	10/10	NO	0
Ralph Mühlrad	10/10	YES	196 668
Jonas Eriksson	9/10	YES	196 668
Mats Årjes (resigned 2022)	10/10	YES	180 001
Total			1 790 013

Remuneration committee

New Wave Group has no specially appointed remuneration committee. Remuneration issues are instead dealt with by the Board as a whole, except Board member that is part of the company management. The Board as a whole has the task to follow and review ongoing and during the year terminated programs for variable remunerations to company management, as well as to follow and review the application of the guidelines for executive remuneration, which the AGM by law has established. The Board shall also follow and review current structures and levels of remuneration in the company.

The guidelines for remuneration to senior executives can be found in full on pages 80-81.

Conditions of employment for the CEO

Remuneration to the CEO comprises a fixed salary. No Board member's fee or other remuneration is paid to the CEO. Pension benefits are paid in accordance with the ITP plan. A mutual notice period of six months applies for the CEO, without severance pay.

Remuneration to the Board

The AGM decides on the fee for the Board members elected by the AGM. The division of the fee between the Chairman and other members is set out in note 6 in the notes for the Group financial statements. During the year, the Group has sold goods and services to and purchased goods and consultancy services from related party to Board member. No further remuneration has been paid to any Board member.

Group management

The Board appoints the CEO of the Parent company, who is also the Group CEO. The CEO is responsible for the ongoing supervision of the Group and other members of the Group management report directly to him. The Group management consists of: CEO, Deputy Group CEO, CFO, Chief Buying Officer, Area Manager North America, Manager Corporate, Manager Sports & Leisure, Manager Gifts & Home Furnishings and CIO.

Group management is responsible for formulating the Group's overall strategy, corporate governance, policies, the Group's financing, capital structure and risk management. They also deal

with matters relating to company acquisitions and projects involving the Group as a whole.

For a more detailed presentation of management's assignments and holdings in New Wave Group refer to pages 54-55.

Internal control and risk management relating to the financial reporting

General

According to the Swedish Companies Act, the Board is responsible for internal control. The aim of internal control is to create a clear structure of responsibility and an effective decision-making process. The Board's rules of procedure and the instructions for the CEO serve to guarantee a clear allocation of roles and responsibilities, with the aim of operational risks being managed effectively. The Board has also established a number of basic guidelines and policies that are important for ensuring an effective control environment. The basic control documents are annually subject to review and approval by the Board. In addition to these documents, an effective control environment requires an adequate organizational structure and ongoing reviews of this. Company management reports to the Board on a regular basis following defined routines. Company management is responsible for the system of internal controls that is required to deal with significant risks in operating activities. Managers at various levels within the Group have clearly defined authority and responsibilities with regard to internal control.

Risk assessment

New Wave Group has a centralized risk assessment process for both financial and non-financial risks, which occurs in dialogue between the Board and Group management. Risk assessment is also made in all Group companies, in relation to each company's individual operations. The major risks New Wave Group have identified refer to estimates and assumptions related to valuation of intangible fixed assets and inventory, as well as risks for fraud and similar incidents.

Control environment

The foundations of the internal control in relation to the financial reporting consist of the general control environment with organization, decision-making paths, authority and responsibilities that have been



documented and communicated. Within New Wave Group some of the most important constituent parts of the control environment are documented in the form of policies as well as instructions, such as authorization instructions, financial reporting manual and process documentations.

Corporate Governance policy

The different corporate governance aspects of the Group are summarized in the Corporate Governance policy, which is also a governing document for other Group policies.

Finance policy

The policy describes the Group’s process for risk assessment and risk management, regarding both financial and non-financial risks. The policy also sets out frameworks for how the Group’s operations shall be financed and guidance on how risks such as currency risks and interest rate risks shall be dealt with.

Risk policy

The policy describes the Group’s process for risk assessment and risk management, regarding both financial and non-financial risks. The policy also sets out frameworks for how the Group’s operations shall be financed and guidance on how risks such as currency risks and interest rate risks shall be dealt with.

IT policy

The Group’s IT policy describes the Group’s principles for application and safety within IT.

Information policy

The Group’s Information policy is a document that describes the Group’s rules for handling and communication of information, both internally within the Group as well as externally.

Insider policy

The policy sets out rules for handling and communication of insider information.

CSR and environmental policy

The Group’s Environmental policy sets out guidelines for the environmental work within the Group.

Anti-corruption policy

The Group’s Anti-corruption policy describes the Group’s principles for work against corruption.

Anti-money laundering policy

Stipulate guidance to reduce the risk for money laundering.

Whistleblowing policy

Contains instructions and rules related to the Group’s whistleblowing function.

Control activities

In order to ensure the internal control works, there are both automatic controls in IT systems, which handle authority and authorization rights, as well as manual controls such as reconciliations and physical counts. Detailed economic analyses of the result plus follow-up of forecasts supplement the

controls and provide a general confirmation of the quality of the financial reporting.

The Group performs reviews of the companies' accounting on a monthly basis, which is reported to Group management. CFOs in all Group companies report directly to Group CFO. No CEO for a Group company is permitted to appoint or dismiss a finance manager on their own. The Group's risks related to the financial reporting lay in the risk that material misstatements may occur when reporting the company's financial position and results. The Group's finance policy and financial reporting manual, together with established follow-up routines, serve to minimize these risks.

Follow-up

The most important control documents in the form of policies and instructions are updated regularly and communicated via relevant channels. Any deviations from Group policies shall be regularly reported to each policy owner, and major deviations shall be communicated to the audit committee and the Board. Finance personnel and management at company and Group level analyze the financial reporting in detail every month. New Wave Group's decentralized corporate structure means that each company's financial department is responsible for ensuring that the financial reporting from each unit is correct, complete and on time. The controls in respect of the various processes and risk elements are evaluated by means of self-assessment, Board meetings and via the company's external auditors. Several processes are fully or partly centralized at Group level, such as purchasing, payments, financing, IT, consolidation and reporting. The Group's central finance organization is responsible for implementing, further developing and maintaining the Group's control routines, and for performing internal controls of business critical matters. The Board receives financial reports on an ongoing basis, and at each Board meeting the financial situation facing the Group and the various companies is discussed. During the year the Board also receives reports from the company's auditors detailing their observations.

The companies

New Wave Group's organization is decentralized, with a high degree of independence and self-determination being delegated to company management. The objective is for the companies to be run in an entrepreneurial spirit, while at the same time enjoying the benefits of belonging to a large group of companies. The Group therefore consists of a large number of operational companies, approximately 65 in total. Board meetings are normally held three times a year in each company or sub-group. The composition of the Boards depends on the company's direction and its stage of development. In addition to Group management, the expertise of CEOs in "mature" companies are utilized in the Boards of local subsidiaries. The organizational model chosen by New Wave Group provides for effective benchmarking of profitability, capital tied up and growth between companies, brands and markets.

Operating segments

The Group divides its operations into three operating segments: Corporate, Sports & Leisure, and Gifts & Home Furnishings. Operating segment managers are included in the Group management, in order to coordinate operations. The products for each brand follow the operating segments, but have separate sales teams for the different sales channels, promo and retail.

Sales channels

The Group's products are sold via two sales channels: promo and retail.

Concept groups

Within each operating segment there are a number of concept groups responsible for strategic direction, product development and marketing strategy for one or more brands.

Internal audit

The Group has developed control and internal control systems whose compliance is followed up by the respective company management as well as by the Group's central finance department. The Board's methods of monitoring the Group management's assessment of the internal control include contact with the company's external auditors and the audit committee, to which the Group internal auditor reports.

External audit

The company's auditor reviews the interim report for the third quarter and audits the annual report and the consolidated accounts. The auditor also reviews the Corporate Governance Report and confirms that the Group has prepared a Sustainability Report. The auditor reports the results of the audit in the Audit Report and in an opinion on the Corporate Governance Report, and provides an opinion on whether the guidelines for executive remuneration have been complied with, which is presented to the AGM.

At the AGM 2022, the audit firm Ernst & Young AB was appointed as auditor. Jonas Svensson is the head auditor.

Articles of association

The articles of association are adopted by the AGM and contain fundamental facts about the company, e.g. what kind of business the company will run, the size of the share capital, the number of shares issued, the number of Board members and the procedure for convening the AGM. The company's articles of association state, among other things, that the Board of Directors shall consist of at least four and no more than eight members, that the Board has its registered office in Gothenburg, and that a class A share shall carry ten votes and a class B one vote. The complete articles of association are available at the New Wave Group website, www.nwg.se.





...to interview
...and then the
...of the 1980s and
...for years,"
...and inspired by the
...ing works of self-published
...back to the thing that brought
...a first place. "I started drawing
...the birth of What I Saw Today.
...draw guys and put it together as
...thing, but once I started, all I really
...ew, I didn't want to put it together as
...ken, you know, 'What I Saw Today.'"
...ally how it started, out of necessity. Out of
...don't know what the fuck to do. I'm just going
...And I'm really fortunate, because of big-
...work quickly garnered the attention of big-
...clients like J.Crew. The New York Times and Mercedes
...Fashion Week. Not to mention Prada and Diesel van
...ren, the latter of whom tapped Haynes to design prints for
...ia Spring 2014 men's collection. "It was really interesting
...to find myself back in that world [of fashion design] again."

RICHARD HAYNES 148

Gothenburg 31 March, 2023
New Wave Group AB (publ)



Olof Persson
Chairman of the Board



Kinna Bellander
Member of the Board



Jonas Eriksson
Member of the Board



M. Johan Widerberg
Member of the Board



Ingrid Söderlund
Member of the Board



Ralph Mührbad
Member of the Board



Torsten Jansson
CEO and Group CEO

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of New Wave Group AB (publ), corporate identity number 556350 - 0916.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2022 on pages 44-53 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, 31 March 2023
Ernst & Young AB

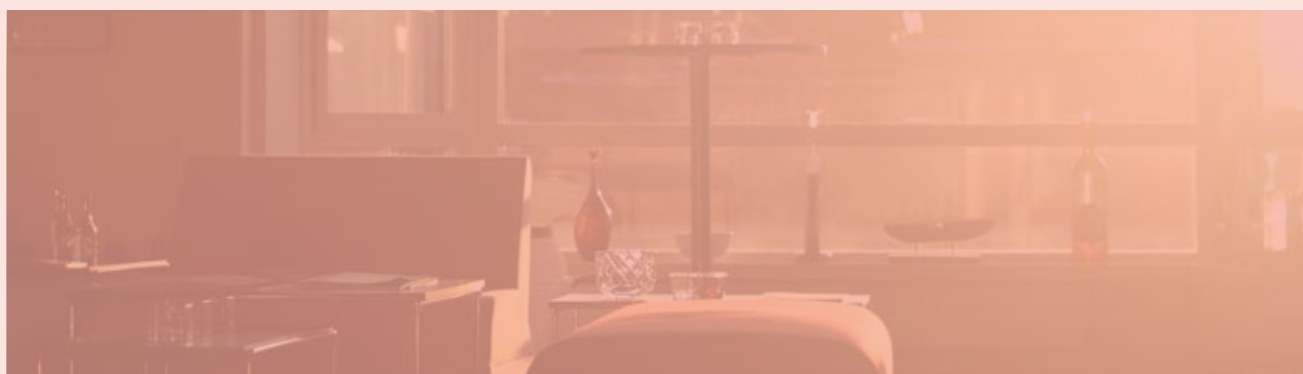


Jonas Svensson
Authorized Public Accountant

New Wave Group's share

The Share

The share capital in New Wave Group amounted to SEK 199,030,629 distributed among a total of 66,343,543 shares. Each with a quota value of SEK 3.00. The shares carry identical rights to the Company's assets and profits. Each class A share is entitled to ten votes and each class B share is entitled to one vote. The company has 19,707,680 A shares and 46,635,863 B shares. New Wave Group's class B shares are listed at OMX Stockholm Large Cap.



New Wave B

Listed on OMX
Stockholm Large Cap

Dividend policy

The Board's objective is that distribution to shareholders should be the equivalent of **40%** of the Group's result after taxes over one business cycle.

42 (41) % of the capital and **11 (11)** % of the votes. At the same time the ten largest shareholders held **69 (71)** % of the capital and **92 (92)** % of the votes. Non-Swedish shareholders accounted for **24 (21)** % of the capital and **7 (6)** % of the votes.

Shareholders

The number of shareholders amount to **19,615 (18,671)** on 31 December 2022. Institutional investors accounted for

2022

19,615

Shareholders as of
31 December 2022

206,40

Share price as of
31 December 2022

17,62

Earnings
per share

New Wave Group's ten largest shareholders 31 December 2022

Shareholder	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson through companies	22 646 161	200 015 281	34.1%	82.1%
Svolder AB	5 086 624	5 086 624	7.7%	2.1%
State Street Bank	3 360 639	3 360 639	5.1%	1.4%
Handelsbanken fonder	3 128 489	3 128 489	4.7%	1.3%
Avanza	3 012 361	3 012 361	4.5%	1.2%
JP Morgan	2 639 029	2 639 029	4.0%	1.1%
Bank of New York Mellon	2 374 757	2 374 757	3.6%	1.0%
City Bank New York	2 373 836	2 373 836	3.6%	1.0%
Spiltan fonder	801 762	801 762	1.2%	0.3%
Northern Trust Company	604 481	604 481	0.9%	0.2%
Total	46 028 139	223 397 259	69.4%	91.7%

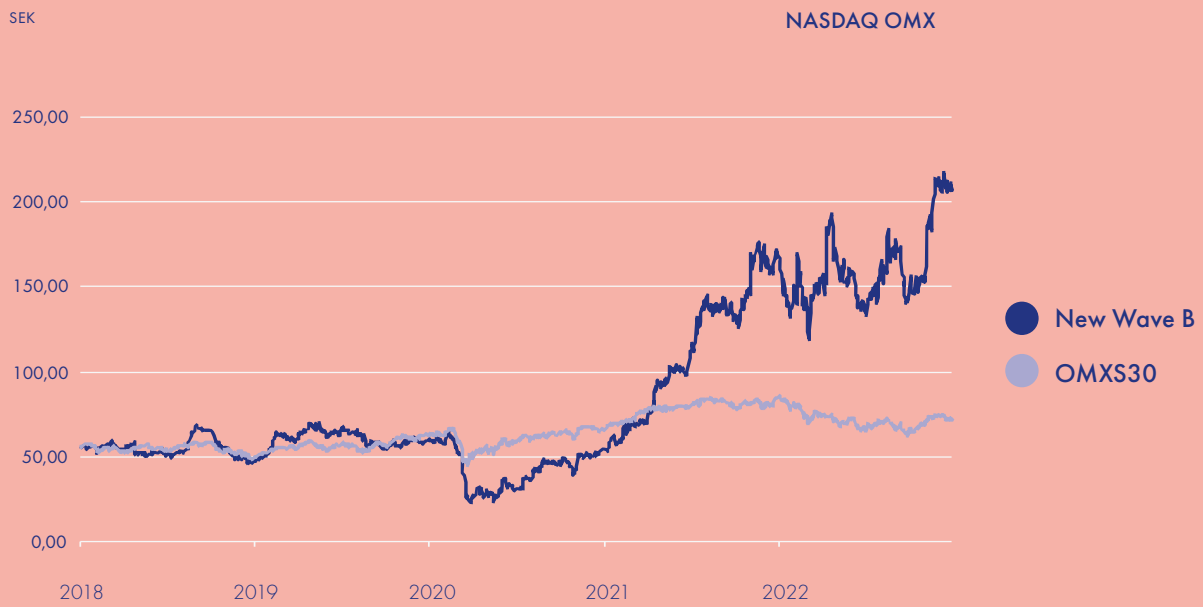
Shareholder distribution in New Wave Group 31 December 2022

	Number of shares	Number of votes	Capital %	Votes %
Sweden	50 332 068	227 701 188	75.9%	93.4%
Shareholders outside Sweden, excluding USA	7 335 314	7 335 314	11.1%	3.0%
USA	8 676 161	8 676 161	13.1%	3.6%
Total	66 343 543	243 712 663	100.0%	100.0%

New Wave Group's shareholder structure 31 December 2022

Number of shares owned	Number of shareholders	Number of shares	Share %	Market value SEK millions
1 - 200	13 957	761 199	1.2%	157 111
201 - 1 000	3 983	2 081 060	3.1%	429 531
1 001 - 2 000	786	1 210 722	1.8%	249 893
2 001 - 10 000	655	2 737 094	4.1%	564 936
10 001 -	234	59 553 468	89.8%	8 224 171
Total	19 615	66 343 543	100.0%	9 625 642

Share development in reference to index



Share capital development

Year	Transaction	Increase number of shares	Issue price	Increase share capital	Total number of shares	Total share capital, SEK	Quota value
1991	The company was founded	500	100.00		500	50 000	100.00
1995	Directed new issue 1:20 ¹	25	35 524.00	2 500	525	52 500	100.00
1996	Bonus issue 37:1	194 750		1 947 500	200 000	2 000 000	
1997	Directed new issue 1:17 ²	11 448	600.00	114 480	211 448	2 114 480	10.00
	Bonus issue	0		2 114 480	211 448	4 228 960	
	Split 10:1	1 903 032			2 114 480	4 228 960	
	Directed new issue ³	681 818	110.00	1 363 636	2 796 298	5 592 596	2.00
1998	Directed new issue ⁴	201 106	114.40	402 212	2 997 404	5 994 808	2.00
2000	Directed new issue ⁵	552 648	171.45	1 105 296	3 550 052	7 100 104	2.00
	Split 2:1	3 550 052			7 100 104	7 100 104	
2001	Directed new issue ⁶	150 000	160.00	150 000	7 250 104	7 250 104	1.00
2002	Split 2:1	7 250 104			14 500 208	7 250 104	
2004	Bonus issue			166 752 392	14 500 208	174 002 496	12.00
	Directed new issue ⁷	1 160 016	130.00	13 920 192	15 660 224	187 922 688	12.00
	Split 2:1	15 660 224			31 320 448	187 922 688	6.00
	Directed new issue ⁸	226 886	88.15	1 361 316	31 547 334	189 284 004	6.00
2005	Directed new issue ⁹	96 822	125.00	580 932	31 644 156	189 864 936	6.00
	Directed new issue ¹⁰	614 732	52.00	3 688 392	32 258 888	193 553 328	6.00
	Split 2:1	32 258 888			64 517 776	193 553 328	3.00
2006	Directed new issue ¹¹	1 825 767	29.30	5 477 301	66 343 543	199 030 629	3.00

¹ New issue addressed to the owners of Licensprint i Orsa AB connected to the purchase of the company. The share premium reserve increased by SEK 886,000.

² New issue addressed to Group personnel. Subscription price SEK 600 per share. The share premium reserve increased by SEK 6,754,000.

³ New issue connected to introduction on the Swedish Stock Exchange. Subscription price SEK 110 per share. The share premium reserve increased by SEK 69,089,000.

⁴ Non-cash issue connected to the purchase of the Hefa Group. Price of issue SEK 114.40 per share. The share premium reserve increased by SEK 22,604,000.

⁵ New issue addressed to the owners of Textet AB connected to the purchase of the company. The share premium reserve increased by SEK 94,242,000.

⁶ New issue addressed to the owners of Segerkoncernen AB connected to the purchase of the company. The share premium reserve increased by SEK 23,850,000.

⁷ New issue addressed to the owners of New Wave Group. The share premium reserve increased by SEK 135,794,410.

⁸ New issue addressed to the owners of Jobman AB connected to the purchase of the company. The share premium reserve increased by SEK 16,638,684.

⁹ New issue addressed to the owners of the Dahetra Group connected to the purchase of the Group. The share premium reserve increased by SEK 11,521,818.

¹⁰ New issue connected to exercise of option rights. The share premium reserve increased by SEK 28,221,388.

¹¹ New issue connected to exercise of option rights. The share premium reserve increased by SEK 48,017,672.

Board of Directors



Olof Persson

Chairman of the Board since 2016

Born 1964

Senior Advisor. Former CEO and Group CEO of AB Volvo (2011-2015), CEO of Volvo Construction Equipment (2008-2011) and CEO of Volvo Aero (2006-2008).

Other Board memberships:
Member of the Board of World Flight Services and Iveco Group.

Holdings in the company, own and related parties:
35,000 class B shares.



Torsten Jansson

Member of the Board since 1991

CEO and Group CEO

Born 1962

Founder of and majority shareholder in New Wave Group AB.

Other Board memberships:
-

Holdings in the company, own and related parties:
19,707,680 class A shares,
2,938,481 class B shares.



Kinna Bellander

Member of the Board since 2009

Born 1955

Has held various positions within MTG and TV4.

Other commitments in the company:
Member of the Audit committé.

Other Board memberships:
Chairman of the Board of Dalarna University and Marginalen AB.
Member of the Board of Sveriges Utbildningsradio (UR) AB.

Holdings in the company, own and related parties:
2,000 class B shares.



Ralph Muhlråd

Member of the Board since 2021

Born 1960

Has worked as CEO of the Nordic part of the American sports and clothing group Champion, where he has also been board member of Champion Europe S.P.A. Ralph Mùhlrad has experience from listed companies such as former board member of Midsona AB.

Other Board memberships:
Chairman of Habima AB and Muhlråd-Invest AB and board member of AB Kontaktpressning and Stureplans Affärsresebyrå AB.

Holdings in the company, own and related parties:
5,000 class B-shares.



M. Johan Widerberg

Member of the Board since 2014

Born 1949

Has previously held a number of leading positions within a major European bank.

Other commitments in the company:
Chairman of the Audit committé.

Other Board memberships:
Member of the Board of Stabelo Asset Management AB, Stena Finans AB, Stena Trade and Industry AB, SSRS Sjöredningssällskapet and Thomas Concrete Group AB.

Holdings in the company, own and related parties:
6,000 class B shares.



Jonas Eriksson

Member of the Board since 2019

Born 1974

Entrepreneur and speaker within sport, health and motivation. Expert commentator for SVT and Discovery Networks. Former professional football referee (FIFA).

Other commitments in the company:
Member of the Digital committé.

Other Board memberships:
Member of the Board of EToM AB, HJE Holding AB, Spotin AB, Sentag AB, Melilla Holding 1 AB, Melilla Holding 2 AB, WE Träning & Hälsa Holding AB, WE Sigtuna AB and Dragon Invest AB.

Holdings in the company, own and related parties:
20,000 class B shares.



Ingrid Söderlund

Member of the Board since 2021

Born 1979

Has over 20 years of experience in strategic advice, digital business development, marketing and eCommerce. She has had a variety of strategic, advisory and operational roles in industries such as Retail, FMCG, Automotive and Industry / Manufacturing and has been active in Publicis Sapient, Macy's, Björn Borg, Filippa K, Victoria's Secret and Newell Brands.

Other commitments in the company:
Chairman of the Digital committé.

Other Board memberships:
Board member in WWA AB and Gimmersta Wallpaper AB.

Holdings in the company, own and related parties:
Does not hold any securities in the company.



Auditor- Jonas Svensson

Authorized Public Accountant, Ernst & Young AB. Auditor of the company since 2020.

Born 1968

Holdings in the company, own and related parties: Does not hold any securities in the company.

Group Management



Torsten Jansson
CEO and Group CEO. Founder of and majority shareholder in New Wave Group AB

Born 1962

- Holdings in the company, own and related parties: 19,707,680 class A shares and 2,938,481 class B shares.

1990



Göran Härstedt
Deputy Group CEO

Born 1965

- Various positions in New Wave Group AB since 2000.
- Holdings in the company, own and related parties: 100,000 class B shares.

2000



Lars Jönsson
CEO

Born 1964

- Employed since 2007
- Holdings in the company, own and related parties: 500 class B shares.

2007



Ernest Johnson
Area Manager North America

Born 1951

- CEO of New Wave Group USA Inc.
- Employed since 2007.
- Holdings in the company, own and related parties: Does not hold any securities in the company.

2007



Mark Cao
Chief Buying Officer

Born 1963

- Employed since 2011.
- Holdings in the company, own and related parties: Does not hold any securities in the company.

2011



Tomas Jansson
Segment Manager – Corporate

Born 1965

- CEO of New Wave Mode AB and CEO Dahlin & Johansson Frantextil AB.
- Employed since 1993.
- Holdings in the company: own and related parties: 20,000 class B shares.

2019



Jens Petersson
Segment Manager – Sports & Leisure

Born 1963

- Employed since 1999.
- Holdings in the company: own and related parties: 225,481 class B shares.

1999



Ulf Kinneson
Segment Manager – Gifts & Home Furnishings

Born 1959

- CEO of Orrefors Kostra Boda AB.
- Employed since 2018.
- Holdings in the company: own and related parties: 66,600 class B shares.

2018



Patric Bronan
CIO

Born 1969

- Employed since 2021.
- Holdings in the company: own and related parties: 1,262 class B shares.

2021



2022

Financial information

40%

Increase in
net sales
Corporate

35%

Increase in
net sales
Sports & Leisure

-5%

Decrease in
net sales
Gifts & Home
Furnishings

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Financial information

Board of Directors' report

The Board of Directors and CEO of New Wave Group AB (publ), 556350-0916, based in Gothenburg, hereby submit the financial statements and consolidated financial statements for the financial year 1 January 2022 to 31 December 2022.

New Wave Group is a growth company that creates, acquires and develops brands.

Our brands are categorized into three operating segments: Corporate, Sports & Leisure and Gifts & Home Furnishings.

The Group will achieve synergies by coordinating the design, purchasing, marketing, warehousing, and distribution of the product range.

To ensure good allocation of risks, the Group will offer its products in the promo market and the retail market.

New Wave Group's competitiveness lies primarily in its strong brands, considerable expertise, high level of service, and a well-developed overall concept. Products are primarily manufactured in Asia, and to a lesser extent in Europe. Thanks to its relative size, New Wave Group has good purchasing prices and efficient logistics. The Group's most well-known wholly-owned brands include AHEAD, Auclair, Clique, Cottover, Craft, Cutter & Buck, Grizzly, J. Harvest & Frost, James Harvest Sportswear, Jobman, Kosta Boda, Orrefors, PAX, Projob, Sagaform, Seger and Toppoint.

Summary of 2022

The first quarter of the year delivered a record quarter. Net sales increased by **41%** (excl. currency **36%**) and amounted to SEK **1,774.9** million, which was a record for a first quarter. The recovery in the market was rapid after restrictions were reduced or removed in Europe and the USA. Both of our sales channels increased and all three segments had growth. All geographic regions also showed growth. The group more than doubled operating result from SEK **100.1** million to SEK **209.1**

million. However, there was no shortage of challenges in the short term. The war in Ukraine started as well as the development of COVID-19 in China with large and long lockdowns. Both of these exacerbated the strained situation that has existed in the previous year and continues to impact product supply and logistics. We were able to successfully manage through these challenging conditions. We continued to gain market share in most areas and we noted a strong recovery in the US for all companies. Craft signed agreements with the Norwegian national teams in cross-country skiing and biathlon and extended the agreement with Hammarby Fotboll for another 5 years (until 2028).

The group's strong development continued during the second quarter, which was another record quarter with great growth both in terms of net sales and earnings. Net sales showed an increase for the eighth consecutive quarter and a growth of **36%** (local currencies **30%**). Both sales channels increased and all markets showed growth except for the region Other countries, which was due to reduced trading in Asia. The US was once again our largest market, increasing the most with a growth of **62%**. Operating result increased from SEK **241.3** million to SEK **351.0** million, an increase of SEK **109.7** million, and the operating margin amounted to **17.4%**. Our investments continue to bring success despite a troubled time in our world. The group increased its inventory during the second quarter, as additional inventory was needed to meet the increasing demand. We had solid growth in Craft's base orders for the fall, which increased by **42%**, due to more and more retailers starting to sell Craft shoes. The Teamwear investment also continued to produce favorable results. Clique increased strongly in promo and Cutter & Buck showed good growth both in Europe and the USA. The group continues to gain market share.

The third quarter of the year also delivered very strong performance. Net sales and earnings significantly improved compared to the previous year. The improvement was due to strong growth in the

Corporate and Sports & Leisure segments. The group increased net sales in both sales channels and in all regions. In addition to higher net sales, the gross profit margin also continued to improve. The operating result increased by **52%** or SEK **136.7** million to SEK **397.8** million and the operating margin amounted to **17.8%**, which is the highest operating margin the group had during a quarter. On September 2, New Wave Group AB acquired the British promo clothing company B.T.C. Activewear Ltd for SEK **398.7** million. The company is the third largest professional clothing wholesaler in Great Britain. The group had effective cost control, but during the quarter certain costs such as electricity and energy increased, which mainly affected the Gifts & Home Furnishings segment. Despite the continued unrest in the world, the group performance continued to improve with the ongoing efforts and investments, therefore ensuring success. Within Sports & Leisure and Corporate we saw increasing demand, but within Gifts & Home Furnishings we saw a certain slowdown in the retail trade.

The year ended with continued strong development. Both net sales and profit improved compared to the previous year. The growth occurred in the regions USA and Europe. The group increased net sales in both sales channels. This positive development is attributable to the Corporate and Sports & Leisure segments, while Gifts & Home Furnishings decreased. The reduction was largely related to the fact that in Sweden, which is the dominant market, during 2020 and 2021, an extra tax deduction of SEK **2,000** per employee was available during the COVID-19 pandemic - however, was removed in 2022. The gross profit margin has also continued to improve and is higher than the previous year. Costs increased, which was mainly related to the higher net sales and higher market activities. Operating result increased by SEK **143.9** million (**36%**), to SEK **547.2** million, and this despite the fact that Gifts & Home Furnishing decreased SEK **21.4** million compared to the previous year. The operating margin for the quarter was **19.4%**, which is a new record.

Net sales for the year amounted to SEK **8,843.6** million, which was an increase of **32%** (**24%** excluding currency changes) compared to the previous year. The group's acquisition of B.T.C. Activewear Ltd had a positive impact of SEK **247.0** million or **4%**.

Both sales channels increased compared to last year. Corporate increased by **40%**, of which acquired operations had a positive effect of **8%**. The segment had strong development throughout the year as events, conferences and other company activities returned after the pandemic. At the same time, costs have been kept at a controlled level, which has increased the operating margin. Sports & Leisure also had strong sales increasing by **35%**. The segment increased in all regions, but mainly in the American and European regions, where the recovery from last year has been good. Investments in Craft have continued and the brand is developing well. Also in this segment, we had effective cost control and improved operating margin. Net sales for Gifts & Home Furnishings reduced by **5%**. The lower net sales was primarily related to Sweden in the fourth quarter. Companies in Sweden, which is the dominant market in the segment, had the benefit during the COVID-19 years 2020 and 2021, of an extra tax-related gift deduction of SEK **2,000** per employee. This extra deduction was removed in 2022 and negatively affected sales. This segment also had higher costs related to market investments, energy costs and more employees.

The higher net sales, improved gross profit margin and solid cost control produced an operating result of SEK **1,505.1** million and an operating margin of **17.0%**. During the year, the group built up the inventory to meet forecasted demand and also made an acquisition in Great Britain. The inventory build-up and the acquisition have increased our indebtedness and this, together with higher interest rates, has resulted in a lower net financial position. The year's profit amounted to SEK **1,168.8** (**760.0**) million. The cash flow from operations was negative and amounted to SEK **-360.0** (**1,207.4**) million, a result of a higher inventory, higher turnover and higher accounts receivable. The supply of goods has been well managed, although we had experienced some delays throughout the year. Investment activities increased due to the acquisition and amounted to SEK **-522.2** (**-114.2**) million. The equity ratio decreased and amounted to **53.8** (**59.6**) % and the group's net debt increased by SEK **1,260.8** million and amounted to SEK **2,329.6** (**1,068.8**) million as of December 31.

Net sales

SEK million	2022	Share of net sales	2021	Share of net sales	Change	Percentage change
USA	2 139.0	24%	1 409.0	21%	730.0	52%
Sweden	2 010.1	23%	1 913.1	28%	97.0	5%
Central Europe	1 639.1	19%	1 025.7	15%	613.4	60%
Nordic countries excl. Sweden	1 083.6	12%	862.5	13%	221.1	26%
Southern Europe	1 179.3	13%	862.9	13%	316.4	37%
Other countries	792.5	9%	645.4	10%	147.1	23%
Total	8 843.6	100%	6 718.6	100%	2 125.0	32%

Net sales

Net sales amounted to SEK 8,843.6 million, which was 32% higher than the previous year (SEK 6,718.6 million). Exchange rate effects had a positive impact on sales of SEK 483.5 million, which corresponds to 8%. Acquired operations also had a positive impact of SEK 247.0 million or 4%.

Net sales in the US increased by 52% and the improvement occurred in all segments. Sweden increased sales by 5%, Central Europe increased by 60% and Southern Europe increased by 37%. All three regions increased in the Corporate and Sports & Leisure segments, but decreased in Gifts & Home Furnishings. The Nordic region, excluding Sweden, increased by 26%, where there were increases in all segments. Other countries increased by 23% with improvement in Corporate and Sports & Leisure.

The promo sales channel increased by 37% and retail sales improved by 24%. Promo improved in Corporate and Sports & Leisure but decreased in Gifts & Home Furnishings. Retail increased in Sports & Leisure but decreased in Corporate and Gifts & Home

Gross profit

The gross profit margin was higher than the previous year and amounted to 49.5 (48.1) %. It is mainly Corporate and Sports & Leisure that increased their margin. Gifts & Home Furnishings are at the same level as last year.

Five Year Summary

SEK million	2022	2021	2020	2019	2018
Net sales	8 843.6	6 718.6	6 098.8	6 903.5	6 290.6
Goods for resale	-4 468.4	-3 489.3	-3 461.5	-3 701.0	-3 359.4
Gross profit	4 375.2	3 229.3	2 637.3	3 202.4	2 931.2
Other operating income	123.9	111.5	146.2	77.9	74.8
External costs	-1 470.3	-1 067.9	-975.7	-1 312.7	-1 336.4
Personnel costs	-1 205.3	-1 016.9	-982.6	-1 159.9	-1 063.0
Amortizations, depreciations and write-downs	-249.2	-227.3	-229.5	-233.1	-77.9
Other operating costs	-67.4	-21.7	-48.3	-39.6	-44.8
Share of associated companies' result	-1.8	-1.1	-1.4	-0.2	-1.1
Operating result	1 505.1	1 005.9	545.9	535.0	482.8
Net financial items	-55.0	-43.0	-64.9	-68.2	-40.9
Result before tax	1 450.1	962.9	481.0	466.7	441.8
Tax expense	-281.3	-202.9	-118.0	-96.7	-81.8
Result for the year	1 168.8	760.0	363.0	370.1	360.0
Gross profit margin, %	49.5	48.1	43.2	46.4	46.6
Operating margin, %	17.0	15.0	9.0	7.7	7.7
Equity ratio*, %	53.8	59.6	53.4	44.9	48.6
Net debt to equity ratio*, %	39.5	23.4	47.1	78.6	53.3
Net debt in relation to working capital*, %	44.7	35.7	59.5	77.1	57.0
Average number of employees	2 312	2 060	2 064	2 579	2 566
Total assets*, SEK million	10 943.6	7 660.6	7 216.7	8 394.3	7 061.4

*The key figures for 2019 and forward have been affected by accounting according to IFRS 16.

Other operating income and other operating expenses

Other operating income increased by SEK 12.4 million to SEK 123.9 (111.5) million. Last year's figure includes forgiven government loans (PPP loans) in the USA of SEK 44.2 million. See also note 26 regarding information related to COVID-19. In addition to that support, other operating income primarily includes the operation's exchange rate gains and must be offset against the profit line other operating expenses where the operation's exchange rate losses are reported. Other operating expenses increased by SEK 45.7 million and amounted to SEK -67.4 (-21.7) million. The net of the above-mentioned items amounted to SEK 56.5 (89.8) million.

Costs and depreciations

External costs increased by SEK 402.4 million and amounted to SEK -1,470.3 (-1,067.9) million. The increase was mainly due to volume-related costs but also higher marketing activities. Personnel costs increased by SEK 188.4 million and amounted to SEK -1,205.3 (-1,016.9) million. This year's increase is mainly due to savings that were made in previous years and that the business had now adapted to current volumes.

Exchange rate changes have increased the above costs by SEK 137.4 million and acquired operations increased costs by SEK 39.5 million (incl. acquisition costs).

Depreciation and write-downs were slightly higher compared to the previous year and amounted to SEK -249.2 (-227.3) million. The increase is related to depreciation of the right-of-use asset linked to leasing.

Operating result

Operating result increased by SEK 499.2 million and amounted to SEK 1,505.1 (1,005.9) million. The improvement was related to higher net sales and gross profit margin. The operating margin improved and amounted to 17.0 (15.0) %. Acquired operations contributed SEK 20.8 million (after acquisition costs).

Net financial items and taxes

The financial net decreased compared to the previous year, amounting to SEK -55.0 (-43.0) million. The net debt has increased during the year due to inventory build-up and company acquisitions, which increased interest costs at the same time as interest rates increased during the last quarter of the year.

The tax cost for the period amounted to SEK -281.3 (-202.9) million. The effective tax rate amounted to 19.4 (21.1) %, where the year was positively affected by changes in deferred tax assets. Last year also had a positive impact due to non-taxable income in the form of forgiveness of government loans in the USA.

Result for the year

Result for the period amounted to SEK 1,168.8 (760.0) million and earnings per share amounted to SEK 17.62 (11.46).

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 year amounted to SEK 4,152.0 (2,971.6) million. Acquired operations had a positive impact of SEK 247.0 million or 8%. All regions had improved net sales. The promo sales channel increased, while the retail trade decreased compared to last year. Operating result improved by SEK 372.3 million and amounted to SEK 813.1 (440.8) million. The higher result is mainly related to the higher net sales and a higher gross profit margin. Acquired operations contributed SEK 20.8 million (after acquisition costs).

Sports & Leisure

Net sales for the period January-December increased by 35% and amounted to SEK 3,782.3 (2,792.5) million. The segment had higher net sales in all regions and both sales channels increased. Operating result increased by SEK 181.3 million and amounted to SEK 647.3 (466.0) million. The improvement is mainly related to the higher net sales, but the segment also has higher costs. Last year's operating result had a positive impact from government forgiven loans (PPP loans) in the USA of SEK 35.2 million.

Gifts & Home Furnishings

Net sales for the period January-December decreased by 5% and amounted to SEK 909.3 (954.5) million. The lower net turnover is mainly related to Sweden. However, the Nordic region excluding Sweden improved its net sales. Sales decreased in both sales channels. Operating result decreased by SEK 54.4 million compared to the previous year and amounted to SEK 44.7 (99.1) million. The lower result is because the companies in Sweden had the opportunity for an extra tax deduction for gifts to staff of SEK 2,000 per employee during the COVID-19 pandemic. This extra deduction was removed in 2022. The segment also had higher costs related to market investments, energy costs and more employees.

Net sales and operating result per operating segment

SEK million	2022	2021
Corporate		
Net sales	4 152.0	2 971.6
Operating result	813.1	440.8
Sports & Leisure		
Net sales	3 782.3	2 792.5
Operating result	647.3	466.0
Gifts & Home Furnishings		
Net sales	909.3	954.5
Operating result	44.7	99.1
Total Net sales	8 843.6	6 718.6
Total operating result	1 505.1	1 005.9

Capital tied up

Capital tied up in inventories increased by SEK 2,360.1 million compared to the previous year, amounting to SEK 5,297.7 (2,937.6) million. Exchange rate changes have increased the inventory value by SEK 289.5 million and acquired operations affected by SEK 264.8 million. The inventory's turnover rate decreased slightly compared to the previous year and amounted to 1.1 (1.2) times.

SEK million	31 Dec 2022	31 Dec 2021
Raw materials	63.4	41.1
Work in progress	1.8	1.9
Goods in transit	544.4	356.8
Finished goods	4 688.1	2 537.8
Total	5 297.7	2 937.6

As of December 31, 2022, total obsolescence deductions (the difference between the lowest of acquisition value and fair value) for inventory amounted to SEK 164.4 (140.5) million and obsolescence reserve in relation to finished goods inventory amounted to 3.5 (5.2) %.

Accounts receivable amounted to SEK 1,664.1 (1,359.6) million, where the increase was primarily related to the higher net sales.

Investments, financing and liquidity

Cash flow from operating activities amounted to SEK -360.0 million, which was SEK 1,567.4 million lower than the previous year (SEK 1,207.4 million). The lower cash flow was mainly related to more merchandise purchases and thus a higher inventory. The cash flow from investment activities amounted to SEK -522.2 (-114.2) million, of which SEK -398.7 million relates to business acquisitions.

Net debt increased by SEK 1,260.8 million and amounted to SEK 2,329.6 (1,068.8) million. The net debt ratio and net debt through working capital increased and amounted to 39.5 (23.4) % and 44.7 (35.7) % respectively. Indebtedness has increased due to higher inventory and the acquisition of B.T.C. Activewear Ltd.

The equity ratio decreased by 5.8 percentage points and amounted to 53.8 (59.6) %. The lower equity ratio is attributed to higher net debt in connection with acquisitions and inventory build-up.

In the last quarter, the group took up a new long-term loan that runs through 2030. The total credit line therefore amounted to SEK 2,881.2 million as of December 31, of which USD 7.0 million runs through January 2024, SEK 2,150.0 million runs through December 2025, SEK 207.8 million runs through August 2027 and SEK 200.0 million has a term that runs through December 2030. The other SEK 250.0 million has a term of between three months and five 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.

Acquisition

On September 2, New Wave Group AB acquired 100% of the shares in the British profile clothing company B.T.C. Activewear Limited. The purchase price amounted to GBP 33 million, see also note 27.

B.T.C. Activewear has its distribution center and head office in Birmingham. The company is the UK's third largest wholesale distributor within its sector, offering approximately 50 leading international apparel brands. B.T.C. Activewear's sales model showcases the potential of e-commerce for B2B sales, as approximately 90% of orders are placed via the company's website www.btcactivewear.co.uk (includes additional information about the company).

In 2021, B.T.C. Activewear's revenue was £53.0 million. The acquisition has had a positive impact on New Wave Group's result already this current year but will have a negative impact on the group's gross and operating margin, as these are lower in B.T.C. Activewear than in New Wave Group. The introduction of New Wave Group's own brands to the company's portfolio will however allow for a considerable increase in both the gross and operating margin of B.T.C. Activewear in the coming years.

The UK is one of Europe's biggest markets for promotional products, with a clear trend towards increased focus on own-brand products. Together with B.T.C. Activewear, who has a broad and well-established customer base, New Wave Group will have a strong platform for the distribution of the group's brands in the UK.

Intangible assets

The Group's intangible fixed assets consist mainly of goodwill and trademarks. The trademarks with the largest book values are well-known trademarks such as Orrefors and Kosta Boda within Gifts & Home Furnishings as well as mainly Cutter & Buck within Sports & Leisure. The Group's book values are tested annually, or more often if required, to assess whether any need for impairment exists.

The assets' value in use is determined by discounting cash flow forecasts for the next five years, including a terminal growth period, using a weighted average cost of capital (WACC). The most important assumptions in determining the value in use include growth rate, operating margin and WACC.

Based on the tests and analyzes that have been carried out during the year, there is currently no need for impairment. Nor was there any need for impairment for the comparison year. For more information about the Group's intangible fixed assets and impairment testing, see note 8.

Personnel, organization and remuneration

The average number of annual employees as of December 31 amounted to **2,313 (2,060)** people, of which **50%** were men and **50%** were women. Of the number of employees, **481 (400)** 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.

The guidelines for remuneration to senior executives for New Wave Group AB were adopted by the 2020 annual general meeting and applied in 2022. These guidelines can be found in their entirety in Note 6.

New Wave Group has no specially appointed remuneration committee. Remuneration issues are instead dealt with by the Board in its entirety, whereby a member who is a member of the company management does not participate in the work. The Board as a whole is thus tasked with monitoring and evaluating the ongoing and completed programs for variable remuneration for company management, as well as following and evaluating the application of the guidelines for remuneration to senior executives that the Annual General Meeting must decide on by law. In addition, the Board shall monitor and evaluate current remuneration structures and remuneration levels in the company.

Guidelines for remuneration to senior executives

Guidelines for senior executives include board members, the CEO and other persons the management of New Wave Group AB ("the Company").

A successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, presupposes that the Company can recruit and retain qualified employees. This requires that the Company can offer competitive

remuneration. The guidelines enable senior executives to be offered a competitive total remuneration.

The forms of compensation, etc.

The total remuneration for each senior executive must be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition to and independent of these guidelines, the Annual General Meeting may decide on, for example, share and share price-related remuneration. Fixed and variable remuneration shall be related to the senior executive's responsibility and authority.

The decision-making process for establishing, reviewing and implementing the guidelines

The Board shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Board shall also monitor and evaluate programs for variable remuneration for company management, the application of guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels in the Company. The members of the Board, except the CEO, are independent in relation to the Company and the company management. The CEO does not attend the Board of Directors consideration of and decisions on remuneration-related issues or other persons in the company management, to the extent they are affected by the issues.

Deviating from the guidelines

The Board may decide to temporarily deviate from the guidelines in whole or in part, if in an individual case there are special reasons for this and a deviation is necessary to meet the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

No deviations have been made from the guidelines during the current year.

Related party transactions

Lease agreements exist with related companies. Companies related to the CEO have purchased merchandise and received compensation for consulting services performed. In addition, there are transactions with related parties to insignificant values. All transactions have taken place on market terms. For further description, see Note 17.

Risks and risk management

New Wave Group's international operations means that it is continuously exposed to various financial risks. The financial risks are interest rate risks, currency and liquidity and credit risks. In order to minimize the effect these risks may have on earnings, the Group has a risk policy.

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.

A significant portion of New Wave Group's sales are made in foreign currency (**77%**). The Group is exposed to changes in exchange rates in the future flows of payments related to firm commitments and to loans and bank deposits in foreign currencies, i.e. transaction exposure. The Group's financial statements are also affected by translating the results and net assets of foreign subsidiaries into SEK, i.e. translation exposure.

Due to the relatively capital-intensive nature of its activities and its expansive growth strategy, New Wave Group has a need to secure its funding. For a growth group like New Wave Group it is essential to ensure that sufficient liquidity is available to fund future expansion and that there is a high degree of flexibility when acquisition opportunities occur. It is also important that a sound balance between equity and financing through

debt is kept, as New Wave Group's goal is to achieve an equity ratio in excess of 30%.

The Group is exposed to credit risk from its operating activities, primarily accounts receivable, and from its financing activities which include deposits at banks and financial institutions, currency futures and other financial instruments. The Group's total exposure to credit risk amounted, at year-end, to SEK 2,260.5 (1,781.0) million.

For a more extensive description of the Group's risk exposures and risk management see Note 16.

Environment

New Wave Group's sustainability work is based on the vision of maximizing our contribution to globally agreed goals for sustainable development. The global goals guide how New Wave Group tackles climate change, depletion of natural resources and social inequalities – some of the risks to our business, the planet and the people connected to a global value chain.

The systematic work includes, among other things, supplier review, follow-up and dialogue to ensure that our business operations are conducted in as responsible a manner as possible with regard to people and the environment. A major focus is also on the development of more sustainable and circular products.

The Group's subsidiary Orrefors Kosta Boda AB conducts licensed operations under the Swedish Environmental code.

For additional information see our Sustainability report and our section CSR and the sustainability on pages 42-43.

The Parent company

Total revenue for the year amounted to SEK 161.7 (108.4) million. Result before year-end appropriations and tax amounted to SEK 257.0 (474.7) million. The deterioration in earnings

is attributable to lower dividends from foreign subsidiaries.

The cash flow from investment activities amounted to SEK -408.9 (285.8) million. This year's figure includes the acquisition of B.T.C Activewear Ltd, while last year's figure includes a larger amortization related to long-term receivables from group companies. The net debt amounted to SEK 1,861.0 (552.2) million. The parent company's net financing to subsidiaries amounted to SEK 2,533.9 (1,192.5) million.

The balance sheet total amounted to SEK 5,754.8 (3,875.0) million and the equity, including the equity share of untaxed reserves, to SEK 2,663.3 (2,557.6) million.

New Wave Group's share

The number of shares in New Wave Group AB amounts to 66,343,543 with a quota value of SEK 3.00. The shares have equal rights to the Company's assets and profits. Each Series A share carries ten votes and each Series B share carries one vote. The offer of first refusal is in place for Series A shareholders in accordance with paragraph 14 of the articles of association.

As per 31 December, Torsten Jansson through companies owns 34.1 (33.9)% of the capital and 82.1 (82.0)% of the votes.

- ☛ *To, on one or more occasions, decide on the new issue of a maximum of 4 000 000 Series B shares. The authorization includes the right to decide to deviate from the shareholders' preferential rights, unless the decision refers to a new issue in which consideration is comprised only of cash. Through decisions supported by the authorization, share capital will be allowed to increase by a total maximum of SEK 12 000 000. The authorization will also include the right to decide on new issues with a dominance in kind, or that shares shall be subscribed with a right of set-off or otherwise with conditions as stated in chapter 13, section 5, point 6 of the Companies Act.*

The reason for the deviation from the shareholders' preferential rights is that the new issue of shares shall be used for the acquisition of companies and for financing continued expansion. The basis of the issue price will be the share's market value at the time of issue.

For a valid decision under this item, the meeting's decision must be supported by shareholders who represent at least two-thirds of both the votes cast and the shares represented at the meeting.

- ☛ *To, on one or more occasions, decide to raise financing of a kind that is covered by the provisions in chapter 11, section 11 of the Companies Act. Such financing will take place on market terms. The reason for this authorization is that the Company should have the opportunity to raise financing on attractive terms for the Company in which the interest rate may depend on the Company's result or financial position, for example.*

For additional information about the share, see pages 54-57.

Growth target and dividend policy

The growth target over one business cycle is 10-20% per year, of which 5-10% should be organic growth and 15% operating margin. The dividend policy is that the dividend will account for 40% of the Group's result after taxes over a business cycle.

In general

A report on the Group's governance and the work of the Board is presented in the section on Corporate Governance.

Proposed distribution of profit

The following is at the disposal of the Annual General Meeting:

SEK	
Retained earnings	1 699 934 744
Share premium reserve	48 017 672
Result for the year	357 645 387
Total	2 105 597 803

The Board proposes a dividend of SEK **6.50 (4.25)** per share (before split), corresponding to SEK **431 233 030 (281,960,058)**, and that SEK **1,674,364,773** is carried forward. The dividend is divided into two payment occasions.

The board proposes that the general meeting decide on a **2:1** split, meaning that an existing share is divided into two shares.

The Board of Directors' statement regarding distribution of profit

Justification

Consolidated equity has been calculated according to the IFRS standards as adopted by the EU, and in accordance with Swedish law through the application of the Swedish Financial Reporting Board's recommendation, RFR **1** Supplementary Accounting Rules for Corporate Groups. The Parent Company's equity has been calculated according to Swedish law and through the application of the Swedish Financial Reporting Board's recommendation, RFR **2** Accounting for Legal Entities.

The proposed distribution of profit corresponds to **37 %** of the Group's result for the year, which is in line with the stated objective that dividend should equate to **40 %** of the Group's profits for the year over one business cycle. Investment plans, consolidation requirements, liquidity and overall position have been taken into account.

The Board finds that there is full coverage of the Company's restricted

equity following the proposed distribution of profit.

The Board also finds that the proposed dividend to shareholders is justified with regard to the parameters stated in chapter **17**, section **3**, paragraphs **2** and **3** of the Companies Act (the nature, scope, and risks of the business, and consolidation requirements, liquidity, and overall position).

In relation to this, the Board would like to stress the following:

The nature, scope and risks of the business

The Board deems that Company equity and consolidated equity following the proposed distribution of profit will be sufficient in relation to the nature, scope, and risks of the business. In relation to this, the Board takes into account the Company's and the Group's historical and budgeted development, investment plans, and the economic situation.

Consolidation requirements

The Board has undertaken a comprehensive assessment of the Company's financial position and its ability to honor its future commitments. The proposed dividend represents **16.9 %** of the Company's equity and **7.3 %** of consolidated equity. The objective stated with regard to the Group's capital structure for an equity ratio of at least **30 %** is retained following the proposed dividend. The Company's and the Group's equity ratio is good. Against this background, the Board considers that the Company and the Group have the necessary conditions for taking future business risks and to withstand any losses. Planned investments have been taken into account in determining the proposed dividend. The distribution of profit will have no negative effect on the Company's and the Group's ability to make further commercially motivated investments according to the adopted plans.

Liquidity

The proposed distribution of profit will not affect the Company's and the

Group's ability to honour its payment obligations on time. The Company and the Group have access to liquid asset reserves in the form of both short and long-term credit. The credit can be obtained at short notice, which means that the Company and the Group are prepared to overcome liquidity variations as well as any unexpected events.

Overall position

The Board has evaluated all other known conditions which may be of significance for the Company's and the Group's financial position and which have not been considered within the framework of that which has been stated above. In relation to this, no circumstance has arisen which makes the proposed dividend seem unjustifiable.

The undersigned certify that the consolidated and annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting principles, and provide a true and fair view of the Group's financial position and performance, and that the Group Directors' Report and Board of Directors' Report provide an accurate overview of the development of the Group's and the Company's operations, financial position and performance, and describe the significant risks and safety factors faced by the companies in the Group.

The undersigned certify that the consolidated and annual accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting principles, and provide a true and fair view of the Group's financial position and performance, and that the Group Directors' Report and

Board of Directors' Report provide an accurate overview of the development of the Group's and the Company's operations, financial position and performance, and describe the significant risks and uncertainty factors faced by the companies in the Group.

Gothenburg, 31 March 2023

New Wave Group AB (publ)



Olof Persson
Chairman of the Board



Kinna Bellander
Member of the Board



Jonas Eriksson
Member of the Board



M. Johan Widerberg
Member of the Board



Ingrid Söderlund
Member of the Board



Ralph Mührad
Member of the Board



Torsten Jansson
CEO and Group CEO

Our auditor's report has been given on 31 March 2023

Ernst & Young AB



Jonas Svensson
Authorized Public Accountant

Consolidated income statement

SEK million	Note	2022	2021
Net sales	3, 4, 18	8 843.6	6 718.6
Goods for resale		-4 468.4	-3 489.3
Gross profit		4 375.2	3 229.3
Other operating income	4	123.9	111.5
External costs	7, 9, 17	-1 470.3	-1 067.9
Personnel costs	5, 6	-1 205.3	-1 016.9
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	8, 9	-249.2	-227.3
Other operating costs		-67.4	-21.7
Share of associated companies' result	13	-1.8	-1.1
Operating result	10	1 505.1	1 005.9
Financial income		3.7	3.0
Financial expenses		-58.7	-46.0
Net financial items	11	-55.0	-43.0
Result before tax		1 450.1	962.9
Tax expense	12	-281.3	-202.9
Result for the year	16	1 168.8	760.0
Other comprehensive income:			
Items that can be reclassified into profit and loss			
Translation differences	16	434.2	230.3
Cash flow hedges		2.4	3.3
Sum		436.6	233.6
Income tax related to components of other comprehensive income		-0.5	-0.7
Total other comprehensive for the year		436.1	232.9
Total comprehensive income for the year		1 604.9	992.9
Result for the year attributable to:			
Shareholders of the Parent company		1 168.8	760.3
Non-controlling interest		0.0	-0.3
		1 168.8	760.0
Total comprehensive income attributable to:			
Shareholders of the Parent company		1 604.9	992.8
Non-controlling interest		0.0	0.1
		1 604.9	992.9
Earnings per share (SEK)*		17.62	11.46

* Earnings per share are the same before and after dilution.

Consolidated cash flow statement

SEK million	Note	2022	2021
Operating activities			
Operating result		1 505.1	1 005.9
Adjustment for items not included in cash flow	24	253.7	194.8
Received interest		7.6	1.8
Paid interest		-62.7	-44.8
Paid income tax		-320.6	-164.7
Cash flow from operating activities before changes in working capital		1 383.2	993.0
Changes in working capital			
Increase/decrease of inventories		-1 983.1	57.8
Increase/decrease of current receivables		-186.8	-269.9
Increase/decrease of current liabilities		426.7	426.5
Cash flow from changes in working capital		-1 743.2	214.4
Cash flow from operating activities		-360.0	1 207.4
Investing activities			
Investments in tangible fixed assets		-123.7	-105.3
Sales of tangible fixed assets		10.7	9.9
Investments in intangible fixed assets		-10.5	-18.8
Acquisition of shares	27	-398.7	0.0
Cash flow from investing activities		-522.2	-114.2
Cash flow after investing activities		-882.2	1 093.2
Financial activities			
Loans raised		1 465.6	0.0
Amortization of loans		-111.3	-706.5
Amortization of lease liabilities		-138.2	-126.5
New issue of shares in companies with non-controlling interest		0.0	-12.5
Dividend paid to the shareholders of the Parent company		-282.0	-265.4
Cash flow from financial activities		934.1	-1 110.9
Cash flow for the year		51.9	-17.7
Liquid assets at the beginning of the year		327.9	325.1
Translation differences in liquid assets		39.6	20.5
Liquid assets at the end of the year		419.4	327.9
Liquid assets			
Cash at bank and in hand		419.4	327.9

Consolidated balance sheet

As of 31 December

SEK million	Note	2022	2021
ASSETS			
Intangible fixed assets	8	1 768.5	1 474.7
Tangible fixed assets	9	1 319.6	1 258.3
Shares in associated companies	13	38.7	38.7
Other long-term receivables	14	13.9	11.8
Deferred tax assets	12	129.2	93.5
Total non-current assets		3 269.9	2 877.0
Inventory	15	5 297.7	2 937.6
Current tax receivables		30.2	16.7
Accounts receivable	16, 17	1 664.1	1 359.6
Other receivables	16	169.6	86.3
Prepaid expenses and accrued income	4, 16, 18	92.7	55.3
Liquid assets	19	419.4	327.9
Total current assets		7 673.7	4 783.6
TOTAL ASSETS		10 943.6	7 660.6
EQUITY			
Share capital	20, 25	199.0	199.0
Other capital contributions		219.4	219.4
Reserves		927.9	489.4
Retained earnings including result for the year		4 543.1	3 658.8
Equity attributable to shareholders of the Parent company		5 889.4	4 566.7
Non-controlling interest		1.1	0.9
Total equity		5 890.5	4 567.6
LIABILITIES			
Long-term interest-bearing liabilities	16, 19, 21	2 418.4	1 166.8
Pension provisions		24.1	19.4
Other provisions		7.2	7.1
Deferred tax liabilities	12	159.2	138.4
Total non-current liabilities		2 608.9	1 331.6
Short-term interest-bearing liabilities	16, 19, 21	330.6	229.9
Accounts payable	16, 17	1 404.8	926.1
Current tax liabilities		104.4	89.9
Other liabilities	16, 22	174.7	163.6
Accrued expenses and prepaid income	4, 16, 23	429.7	351.9
Total current liabilities		2 444.2	1 761.4
Total liabilities		5 053.1	3 093.0
TOTAL EQUITY AND LIABILITIES		10 943.6	7 660.6

Consolidated statement of changes in equity

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the year	Total	Non-controlling interest	Total equity
Opening balance 2021-01-01	199.0	219.4	252.2	3 174.3	3 845.0	10.5	3 855.5
Result for the year				760.3	760.3	-0.3	760.0
Other comprehensive income							
Translation differences			229.9		229.9	0.4	230.3
Cash flow hedges			3.3		3.3		3.3
Reclassification of previous years' cash flow hedges			4.7	-4.7	0.0		0.0
Income tax related to components of other comprehensive income			-0.7		-0.7		-0.7
Transactions with shareholders							
Dividends to shareholders of the Parent company				-265.4	-265.4		-265.4
Non-controlling interest through new issue of shares				-5.7	-5.7	-9.7	-15.4
Closing balance 2021-12-31	199.0	219.4	489.4	3 658.8	4 566.7	0.9	4 567.6

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the year	Total	Non-controlling interest	Total equity
Opening balance 2022-01-01	199.0	219.4	489.4	3 658.8	4 566.7	0.9	4 567.6
Result for the year				1 168.8	1 168.8	0.0	1 168.8
Other comprehensive income							
Translation differences			434.0		434.0	0.2	434.2
Cash flow hedges			1.9		1.9		1.9
Reclassification of previous years' cash flow hedges			2.6	-2.6	0.0		0.0
Income tax related to components of other comprehensive income					0.0		0.0
Transactions with shareholders							
Dividends to shareholders of the Parent company				-282.0	-282.0		-282.0
Acquisition of non-controlling interest					0.0		0.0
Closing balance 2022-12-31	199.0	219.4	927.9	4 543.1	5 889.4	1.1	5 890.5

Accumulated translation differences in equity

Accumulated translation differences at the beginning of the year
 Translation difference in foreign Group companies for the year
Accumulated translation differences at the end of the year

	2022	2021
	497.0	266.7
	434.2	230.3
	931.2	497.0

Note 1 – General accounting policies

Basis of preparation

The consolidated financial statements for New Wave Group AB and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), as adopted by the EU. This annual report has been prepared in accordance with IAS 1 Key Presentation of Financial Statements and the Swedish Annual Accounts Act. RFR 1 Supplementary Accounting Rules for Corporate Groups, published by the Swedish Financial Reporting Board, has also been applied.

As from this annual report, New Wave Group describes the accounting policies in conjunction with each note in the aim of providing enhanced understanding of each accounting area. In addition, general accounting policies are presented below. All accounting policies have been applied consistently in the entire Group for all periods presented in the consolidated financial statements, unless otherwise stated.

The annual report was signed by the board on 31 March 2023. Income statement and balance sheet as well as the group's consolidated profit and loss account and balance sheet must be determined by the annual general meeting held on 16 May 2023.

Consolidated financial statements and principles of consolidation

The consolidated financial statements comprise the Parent Company New Wave Group AB and all companies in which New Wave Group AB directly or indirectly holds more than 50 percent of the voting rights or otherwise exercises a controlling influence. In assessing whether a controlling influence exists, potential shares entitling the holder to vote that can be used or converted without delay are taken into account.

Intra-Group transactions, balance sheet items, revenue and costs regarding transactions between Group companies are eliminated in the Group accounting. Pricing between Group companies is set on a commercial basis and thus constitute market prices. Internal profits and losses arising from sales between Group companies have been fully eliminated.

Business combinations and goodwill

All business combinations are recorded using the purchase method. The acquisition value is defined as the sum of the fair values of the assets transferred, liabilities incurred to previous owners and equity instruments issued by New Wave Group to acquire the business.

If the transferred consideration for the shares exceeds the fair value of the acquired company's net assets, consolidated goodwill is recognized. If the fair value of acquired net

assets exceeds the transferred consideration, the difference is recognized in the Group's consolidated income statement as gain from a bargain purchase. Acquisition-related costs are recognized in the income statement when incurred. The Group decides whether the non-controlling interest shall be valued at fair value or at the non-controlling interest's proportionate share of the net assets or at its share of the acquired net assets.

The acquisition value of shares in Group companies is eliminated against equity in each subsidiary at the time of acquisition, meaning that only the portion of equity in the Group company that has been generated after the acquisition date is included in equity attributable to the shareholders of the Parent company.

Changes in value relating to contracted supplementary considerations is valued at fair value through the Group's consolidated income statement and are recognized as other operating income or other operating costs in the Group's consolidated income statement if the changes occur later than one year after the acquisition date. All changes in the equity stake in a subsidiary, where the controlling influence does not cease, should be accounted for as equity transactions.

Result from operations acquired during the year are recognized in the consolidated income statement from the acquisition date. Any gain or loss from the sale of operations during the year is calculated based on the Group's recognized net assets in such operations, including result up to the date of sale.

The non-controlling interest's share of the subsidiaries' net assets is accounted for as a separate item under consolidated equity. In the consolidated income statement, the non-controlling interest's share is included in reported result.

Translation of items denominated in foreign currency

Currency translation when consolidating foreign subsidiaries

Items included in the financial statements of the various entities of the Group are valued in the currency used in the primary economic environment of each company's operations (functional currency). Swedish kronor (SEK), which is the Parent Company's functional currency and presentation currency, is utilized in the consolidated financial statements. In preparing the consolidated financial statements, items in the income statement of foreign subsidiaries are translated to SEK using monthly average exchange rates. Assets and liabilities in foreign subsidiaries are translated to SEK using exchange rates at year-end (closing rate). Exchange rate differences are



recognized in other comprehensive income and accumulated in equity.

Transactions and balance sheet items in foreign currency

Transactions in foreign currency are translated to each company's functional currency at the exchange rate prevailing at the respective transaction date. Receivables and liabilities in currencies other than the functional currency are translated using the closing rate. Exchange rate differences related to accounts receivable, accounts payable and other operating assets and liabilities are recorded as other operating income and other operating costs. Exchange rate differences related to financial assets and liabilities are recorded as financial income and expenses.

Classification of balance sheet items

Fixed assets, non-current liabilities and provisions consist essentially of amounts that are expected to be recovered or paid later than twelve months from the balance sheet date. Current assets and current liabilities essentially consist of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

New and amended accounting policies

New accounting policies for 2022

No standards, amendments or interpretations that entered into force in 2022 are deemed to have had any material impact on the Group financial statements.

New accounting policies for 2023 and later

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 – Key estimates and assumptions

Preparing the consolidated financial statements requires that management and the Board make certain estimates and assumptions. These estimates and assumptions are in all essential based on historical experience and expected future events. These estimates and assumptions affect reported assets and liabilities, as well as revenue and costs. Changes are reported in the period in which the estimates and assumptions are changed and in future periods if these are affected. Estimates and assumptions that may have a significant effect on the Group's earnings and financial position are presented in each note where appropriate.

Note 3 - Operating segment reporting

Accounting policies

Operating segments are reported in a manner consistent with the internal reports presented to the chief operating decision maker. The chief operating decision maker is the function responsible for the allocation of resources to the operating segments and the assessment of the operating segments' financial performance. For the Group, this function has been identified as the Group CEO, who is responsible for and manages the day-to-day administration of the Group in accordance with the Board's guidelines and terms of reference.

The operating segments of the Group are Corporate, Sports & Leisure, and Gifts & Home Furnishings. The relevant brands are allocated to the operating segment to which they are considered to belong. The Group monitors net sales from external customers and operating result for each segment. The group has a large number of customers, none of which exceeds **10%** of the group's turnover.

SEK million	Net sales		Operating result		Assets		Fixed assets*		Deferred tax assets	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Corporate	4 152.0	2 971.6	813.1	440.8	6 745.4	4 425.7	1 207.3	1 078.8	51.6	32.8
Sports & Leisure	3 782.3	2 792.5	647.3	466.0	3 811.3	2 742.7	1 548.8	1 317.6	60.5	45.3
Gifts & Home Furnishings	909.3	954.5	44.7	99.1	386.8	492.2	332.0	336.6	17.1	15.4
Total	8 843.6	6 718.6	1 505.1	1 005.9	10 943.6	7 660.6	3 088.1	2 733.0	129.2	93.5
Total operating result			1 505.1	1 005.9						
Net financial items			-55.0	-43.0						
Result before tax			1 450.1	962.9						

* Financial fixed assets are not included.

SEK million	Net investments		Amortizations, depreciations and write-downs		Total liabilities	
	2022	2021	2022	2021	2022	2021
Corporate	-450.0	-60.9	-156.2	-141.4	3 913.1	2 090.3
Sports & Leisure	-55.4	-29.2	-77.0	-66.5	935.9	749.5
Gifts & Home Furnishings	-16.8	-24.1	-16.0	-16.4	204.0	253.3
Total	-522.2	-114.2	-249.2	-227.3	5 053.1	3 093.1

SEK million	Net sales		Fixed assets*		Deferred tax assets	
	2022	2021	2022	2021	2022	2021
USA	2 139.1	1 409.0	1 323.3	1 078.8	51.1	40.8
Sweden	2 010.0	1 913.1	723.7	755.3	26.3	19.5
Central Europe	1 639.1	1 025.7	477.2	318.1	16.3	8.7
Nordic countries excl. Sweden	1 083.6	862.5	206.7	230.2	6.5	3.9
Southern Europe	1 179.3	862.9	223.9	210.2	20.9	16.7
Other countries	792.5	645.4	133.3	140.4	8.1	3.9
Total	8 843.6	6 718.6	3 088.1	2 733.0	129.2	93.5

Fixed assets and deferred tax assets are based on where the Group's assets are located.

*Financial fixed assets are not included.



Note 4 - Revenue

Accounting policies

Most of New Wave Group's revenue comes from sales of goods, which are defined as separate performance obligations. Sales are mainly to retailers in promo and retail. New Wave Group's contracts with customers are primarily contracts with no agreed volumes or there is no existing contract and general terms apply. Therefore, a binding contract occurs, in main part of the sales, when a customer order is received and confirmed. Fulfillment of the performance obligations under the contracts are deemed to be achieved when control of the goods is transferred to the customer. New Wave Group assesses that moment with the help of shipping documents and shipping terms, which vary within the Group.

The transaction price primarily consists of a fixed price per sold quantity. Variable parts, such as discounts, bonuses and returns, only occur to a small extent and then reduces the transaction price. At the balance sheet date, a repayment liability for accrued bonuses, kick-backs and rebates are recorded as accrued expenses and prepaid income in the consolidated balance sheet.

Within the Group there are also a few smaller contracts with repurchase commitments where New Wave Group delivers goods to the customer with full return right at the same price as the original sale. The Group recognizes a right-of-return asset as inventory and a repayment liability for expected returns as other liabilities in the Group's consolidated balance sheet. The income and costs related to the expected returns are not recognized in the Group's consolidated income statement until the return period expires.

Contractual assets arise when invoicing or a customer's payment is conditional to additional performance obligations such as conditional partial deliveries of goods. If the Group has received payments from customers without any performance

obligation being fulfilled, a contractual liability is recognized as accrued expenses and prepaid income in the Group's consolidated balance sheet. The Group has a number of sponsorship agreements, which imply an exchange of goods and services between the contractual parties. In the sponsorship agreements where the customer has a distinct obligation, mainly related to marketing activities, and the customer receives free goods as compensation, New Wave Group recognizes a revenue that is valued to the fair value of the transferred goods. The revenue is recognized in connection with delivery of the goods. New Wave Group does not have any significant guarantee commitments. The Group has insignificant revenues from royalty, commission and membership fees for customer clubs, which are recognized as net sales in the Group's consolidated income statement.

Disaggregation of revenue

Disaggregation of revenue from agreements with customers has been made based on the Group's two sales channels promo and retail, the Group's three segments Corporate, Sports & Leisure and Gifts and Home Furnishings as well as geographic areas.

Customers within promo place higher demands on fast deliveries and the order frequency is higher than in retail. In both sales channels, goods are sold to customers, and the timing of revenue recognition is determined in the same way. The uncertainty in revenue and cash flows is somewhat lower within the sales channel promo because the Group's customers have in turn usually already sold the products at the time of the order.



Net sales per sales channel and segment

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Promo	4 132.4	2 949.9	1 054.9	742.1	229.5	265.3	5 416.8
Retail	19.6	21.7	2 727.4	2 050.4	679.8	689.2	3 426.8	2 761.3
Total revenue from contracts with customers	4 152.0	2 971.6	3 782.3	2 792.5	909.3	954.5	8 843.6	6 718.6

Net sales per geographic area and segment

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	USA	303.5	203.6	1 769.5	1 145.0	66.1	60.4	2 139.1
Sweden	545.0	476.1	724.3	637.6	740.7	799.4	2 010.0	1 913.1
Central Europe	1 201.0	660.8	413.1	338.9	25.0	26.0	1 639.1	1 025.7
Nordic countries excl. Sweden	494.5	401.3	526.7	411.4	62.4	49.8	1 083.6	862.5
Southern Europe	1 059.6	779.3	119.3	83.2	0.4	0.4	1 179.3	862.9
Other countries	548.4	450.5	229.4	176.4	14.7	18.5	792.5	645.4
Total revenue from contracts with customers	4 152.0	2 971.6	3 782.3	2 792.5	909.3	954.5	8 843.6	6 718.6

Contractual assets and right-of-return assets

SEK million	2022	2021
Contractual assets		
Accounts receivable	1 664.1	1 359.6
Accrued income with additional performance obligation	3.5	3.4
Right-of-return assets		
Inventory expected in return - finished goods	10.4	7.8
Total	1 678.0	1 370.8

All contractual assets and right-of-return assets are due within 12 months.

Contractual liabilities and repayment liabilities

SEK million	2022	2021
Contractual liabilities		
Prepaid revenue	26.5	11.0
Repayment liabilities		
Repayment liabilities for expected returns	21.7	14.5
Repayment liabilities for accrued bonuses, kick-backs, rebates	104.4	81.7
Total	152.6	107.2

All contractual liabilities and repayment liabilities are due within 12 months.

Other operating income

SEK million	2022	2021
Exchange rate gains	83.0	24.3
Capital gains	7.6	1.8
Government grants	0.5	61.9
Other income	32.8	23.5
Total	123.9	111.5

Note 5 - Average number of employees

	2022 Number of employees	Of which men	2021 Number of employees	Of which men
Parent company				
Gothenburg	44	28	41	28
Total Parent company	44	28	41	28
Subsidiaries				
Employees in Sweden				
Borås	134	62	129	64
Munkedal	141	74	132	73
Lessebo	325	173	294	142
Stenungsund	16	12	17	12
Stockholm	45	31	42	28
Ulricehamn	25	12	25	11
Örebro	5	2	5	2
Total employees in Sweden	691	366	644	332
Employees abroad				
Bangladesh	39	37	39	37
Belgium	68	40	61	36
Denmark	36	25	39	22
Finland	45	26	43	24
France	21	9	20	9
Hong Kong	1	1	2	1
India	11	10	10	9
Iceland	3	1	3	1
Italy	46	31	45	30
Canada	59	32	56	32
China	124	48	128	51
The Netherlands	108	76	106	74
Norway	59	33	53	32
Poland	206	46	139	36
Switzerland	34	22	32	22
Spain	23	16	18	10
United Kingdom	53	29	27	15
Germany	66	43	63	42
USA	532	206	448	178
Vietnam	26	10	26	10
Austria	18	10	17	9
Total employees abroad	1 578	751	1 375	680
Group total	2 313	1 145	2 060	1 040

Gender distribution within Group management	2022			2021		
	Women	Men	Total	Women	Men	Total
Board of Directors	2	5	7	2	6	8
Group Management	0	8	8	0	8	8

Note 6 - Salaries, other remuneration and social security contributions

Accounting policies

Remuneration to employees in the form of salaries, paid leave, paid absence due to sickness, pensions etc. are recognized as they are earned. Both defined benefit and defined contribution pension plans are used in New Wave Group. The defined benefit pension plans are only smaller pension plans. For white-collar employees in Sweden ITP 2-plan defined benefit pension obligations for retirement- and family pensions (or family pension) are secured through insurance in Alecta. According to a statement from the Swedish Financial Reporting Board,

UFR 10 Accounting for pension plan ITP 2 financed by insurance in Alecta, this is a defined benefit plan that covers several employers. Since Alecta does not have sufficient information available for measurement, the Group's pension obligation with Alecta is accounted for as a defined contribution plan. The Group's contributions to defined contribution pension plans are charged to the income statement in the period to which they are attributable.

SEK million	2022			2021		
	Salaries and other remuneration	Social security contributions	Of which pension costs	Salaries and other remuneration	Social security contributions	Of which pension costs
Parent company	29.4	14.3	5.3	25.8	13.6	4.3
Group companies in Sweden	308.4	119.2	16.8	289.4	119.3	20.5
Group companies abroad	791.6	145.9	26.5	602.8	117.1	20.3
Group total	1 129.4	279.4	48.6	918.0	250.0	45.1
Of which purchasing and production personnel	215.1	49.3	2.3	149.4	31.8	2.2

Of the Parent company's pension costs, SEK 0.3 million (SEK 0.3 million) concerns the Group's Board and the CEO of the Group.
Of the Group's pension costs, SEK 5.4 million (SEK 5.7 million) concerns the Board and CEOs.



Salaries and other remuneration distributed by country and divided between Board members, CEOs and other employees

SEK million	2022 Board and CEO	Of which bonus*	Other employees	2021 Board and CEO	Of which bonus*	Other employees
Parent company	2.7	0.0	26.7	2.5	0.0	23.3
Group companies in Sweden	12.3	0.4	296.1	13.7	1.5	275.6
Group companies abroad						
Belgium	2.9	1.4	31.6	2.5	1.3	27.0
Denmark	2.0	0.4	26.7	1.9	0.4	23.9
Finland	1.6	0.1	22.1	1.7	0.3	19.0
France	3.1	1.5	10.0	2.6	1.2	9.6
Hong Kong	0.0	0.0	0.2	0.0	0.0	0.7
Iceland	0.9	0.0	1.0	0.8	0.0	0.8
Italy	8.8	5.8	18.9	6.9	4.0	16.5
Canada	4.8	0.5	27.6	3.8	0.4	22.9
China	2.6	0.3	33.3	2.2	0.2	28.0
The Netherlands	9.0	1.2	61.9	6.7	1.0	50.7
Norway	1.2	0.0	40.1	1.6	0.0	34.6
Poland	1.0	0.1	18.2	0.7	0.0	17.0
Switzerland	4.9	0.9	24.5	4.3	0.7	21.8
Spain	1.9	0.0	6.8	1.7	0.0	5.1
United Kingdom	3.0	0.2	20.9	1.7	0.2	6.7
Germany	1.3	0.0	30.9	1.5	0.0	28.1
USA	15.7	1.6	341.5	12.9	1.4	231.0
Austria	1.4	0.2	9.3	1.1	0.0	7.4
Total Group companies abroad	66.1	14.2	725.5	54.6	11.1	550.8
Group total	81.1	14.6	1 048.3	70.8	12.7	849.7

*Bonuses are related to performance and are settled annually with no future commitment.

Conditions of employment for the CEO

Remuneration to the CEO comprises a fixed salary from New Wave Group AB. No Board member fees or other remuneration such as bonuses are paid to the CEO. As pension insurance for the CEO, a market-adjusted defined contribution plan is in place. A mutual notice period of six months applies for the CEO and no severance pay is awarded.

The conditions of employment for other senior executives

Other senior executives are the eight persons who make up the Group management together with the CEO. For the structure of the Group Management, see page 60. Remuneration to the other senior executives mainly comprises a fixed salary. Some

of the senior executives are also entitled to bonus, mainly based on the result growth for the companies in which they are active. No board member fees are paid when senior executives take part of Group companies' boards. Market-adjusted fixed payment pension agreements exist for the other senior executives. A mutual notice period of between three to six months exists for the other senior executives and no severance pay is awarded.

Decision-making process

There is no specially appointed remuneration committee to deal with salaries, pension benefits, incentives and other employment-related conditions for the CEO and the Group's other

senior executives; these matters are dealt with exclusively by the Board. The salaries of the senior executives are decided by the CEO after consultation with the Chairman of the Board. The Board members' fees are decided by the Annual General Meeting.

A remuneration committee for the Parent company's Board has not been elected. The fees paid to the Chairman of the Board and the Board members are in accordance with the decision of the Annual General Meeting.

Board members' fees	2022	2021
External members of the Parent company's Board	1.8	1.6
Of which to the Chairman of the Board	0.5	0.4

Salaries and other remuneration distributed by Board members and other senior executives

SEK million	2022 Salaries and other remuneration	Of which bonus	Pension costs	2021 Salaries and other remuneration	Of which bonus	Pension costs
Torsten Jansson, CEO	0.9	0.0	0.3	0.9	0.0	0.3
Olof Persson, Chairman of the Board	0.5	0.0	0.0	0.4	0.0	0.0
Kinna Bellander, Board Member	0.3	0.0	0.0	0.2	0.0	0.0
Mats Årjes, Board Member (resigned 2022)	0.2	0.0	0.0	0.2	0.0	0.0
M. Johan Widerberg, Board Member	0.3	0.0	0.0	0.2	0.0	0.0
Jonas Eriksson, Board Member	0.2	0.0	0.0	0.2	0.0	0.0
Ingrid Söderlund, Board Member	0.2	0.0	0.0	0.1	0.0	0.0
Ralph Mühlrad, Board Member	0.2	0.0	0.0	0.1	0.0	0.0
Magdalena Forsberg, Board Member (resigned 2022)	0.0	0.0	0.0	0.1	0.0	0.0
Other senior executives*	14.3	0.5	3.3	12.2	0.7	3.6
Total	17.1	0.5	3.6	14.7	0.7	3.9

*See pages 60-61.

Warrants

The Group has no outstanding warrants.

Pension obligations

For financial year 2022 the company has not had access to information in order to account for its proportionate share of the Alecta-plan's obligations, plan assets and costs which meant that the plan has not been possible to account for as a defined benefit plan. The pension plan ITP 2 secured through insurance in Alecta is therefore recognized as a defined contribution plan. The premium for the defined benefit retirement and family pension is individually calculated and is dependent on factors including salary, previously earned pension and expected remaining period of service. Expected premiums for the coming financial year amount to SEK 9.7 million (SEK 9.4 million).

The collective funding level is the market value of Alecta's assets in percent of the commitments calculated in accordance

with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19. The collective consolidation level is normally allowed to vary between 125% and 155%. If Alecta's consolidation level fall below 125% or exceed 155%, measures should be taken in order to create conditions to reestablish the consolidation level to the normal range. At low consolidation, a measure can be to raise the agreed price for new agreements. At high consolidation, a measure can be to introduce premium reductions. Alecta's collective funding ratio at the end of the year was 172% (172%).

Guidelines for executive remuneration

Board members, the CEO and other persons of the executive management (jointly the “executive management”) in New Wave Group AB (the “Company”) fall within the provisions of these guidelines. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines’ promotion of the Company’s business strategy, long-term interests and sustainability

The Company’s business strategy is to acquire and develop brands and products in the corporate, sports and gifts and home furnishing sectors. The Group will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range. To ensure good risk diversification, the Group will market its products in the promo market and the retail market.

For more information regarding the Company’s business strategy, please see: <https://www.nwg.se/en/about-new-wave-group/>.

A prerequisite for the successful implementation of the Company’s business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer the executive management a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim at promoting the Company’s business strategy and long-term interests, including its sustainability. This is ensured by way of linking the financial and non-financial targets that determine if variable cash remuneration shall be payable to the Company’s business strategy and sustainability agenda. The variable cash remuneration is further explained in the section “Variable cash remuneration” below.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. Fixed salary and variable remuneration shall be related to the responsibilities and authorities of the executive.

Variable cash remuneration

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than **50** percent of the total fixed cash salary of the fixed annual cash salary.

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

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Board of Directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company.

The criteria for variable cash remuneration shall be designed in a manner to allow the Board of Directors, in cases of exceptional financial circumstances, to limit or stop payment of variable cash remuneration where such remuneration would be considered unreasonable and incompatible with the Company’s responsibilities towards its shareholders, employees and other stakeholders. Further, it shall be possible to limit or stop payment of variable cash remuneration if the Board of Directors would resolve that it is reasonable for other reasons. The Board of Directors shall also be entitled to reclaim already paid variable cash remuneration when in cases where it is later discovered that the executive has violated the Company’s values, policies, standards or instructions.

Pension and insurance

For the CEO as well as the remaining executive management, pension benefits, including health insurance (Sw: sjukförsäkring), shall correspond to the ITP occupational pension plan. Pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension according to an individual agreement or under mandatory collective agreement provisions. The pension premiums for premium defined pension shall amount to not more than **30** percent of the fixed annual cash salary. The CEO’s variable cash remuneration shall not qualify for pension benefits. Any other executive’s variable cash remuneration shall qualify for pension benefits to the extent required

by mandatory collective agreement provisions. If the variable cash remuneration qualifies for pension benefits, the pension premiums for premium defined pension shall amount to not more than **30** percent of the fixed annual cash salary.

Other benefits

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Such benefits may amount to not more than ten percent of the fixed annual cash salary.

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

Executives who are expatriates to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits may not in total exceed **20** percent of the fixed annual cash salary

Remuneration to Board members in addition to the Board fee

If a Board member, who is elected by the Annual General Meeting and is not employed by the Company, carries out work in addition to his/her duties as Board member, the Board member may be entitled to consulting fees or other customary remuneration. The Board of Directors shall decide if consulting fees or other customary remuneration shall be payable.

Termination of employment

Upon termination of an employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for twelve months. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than **60** percent of the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions and be paid during the time the non-compete undertaking

applies, however not for more than twelve months following termination of employment.

Salary and employment conditions for employees

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

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

The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Board of Directors shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The Board members, except the CEO, are independent of the Company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

Note 7 - Remuneration to auditors

SEK million	2022	2021
Audit assignment		
Ernst & Young	4.9	4.9
Other	5.1	5.3
Audit work outside audit assignment	0.5	1.5
Tax consultancy	0.9	0.8
Total	11.3	12.5

Note 8 - Intangible fixed assets

Accounting policies

The Group's intangible assets consist of goodwill, trademarks, computer software and other intangible fixed assets. Other intangible fixed assets primarily consist of customer relations. The intangible assets are recognized as cost less accumulated amortization and, where applicable, accumulated impairment losses. Subsequent expenditure for an intangible asset is added to the carrying amount or recognized as a separate asset, depending on which is suitable, only when it is probable that future economic benefits associated with the asset will accrue to the Group and the cost of the asset can be reliably measured. Other expenditure is expensed as incurred.

Goodwill arises in connection with business combinations where the consideration transferred exceeds the fair value of the acquired net assets. Trademarks and customer relations can be identified and arise in connection with business combinations and are measured at fair value at the time of the acquisition. Computer software consists of acquired assets and internally developed assets.

Product development for the Group mainly comprises design and development of new collections as well as development of new product variants within the existing product range. Such development generally does not meet the criteria for recognition in the balance sheet and is in those cases expensed on a current basis. All other expenditures during the research phase as well as development expenditures not meeting the capitalization criteria are charged to the income statement when incurred.

Expenditures related to internally developed intangible assets, excluding goodwill, which emerge during the development phase are capitalized only when in management's judgement it is probable that they will result in future economic benefits for the Group and the expenditures during the development phase can be reliably measured. The cost of an internally developed asset includes direct manufacturing expenditures and a portion of indirect

expenses attributable to the actual asset. Amortization begins when the asset is available for use and is reported on a straight-line basis over the expected useful life of the asset.

Computer software	15-33%
Other intangible fixed assets*	5-10%

* Primarily consist of customer relations

Intangible fixed assets with finite useful lives are amortized on a straight-line basis over that period. For intangible assets with indefinite useful lives, impairment tests are performed annually, as well as if there are any indications of impairment during the year. New Wave Group's assessment is that both goodwill and trademarks have indefinite useful lives. The useful lives for trademarks are assessed to be indefinite because they are well established strategic trademarks in respective markets which the Group intends to maintain and develop further. The trademarks with larger book values value are well-known trademarks, such as Orrefors and Kosta Boda within Gifts & Home Furnishings as well as mainly Cutter & Buck within Sports & Leisure. The value of the Group's goodwill and trademarks, which are based on local currency and can give rise to currency translation effects in the consolidated financial statements, have been allocated between the cash-generating units they are considered to belong to. These units are also the Group's operating segments. In order to assess whether there are indications of impairment, the recoverable amount needs to be determined by a calculation of the respective cash-generating unit's value in use. If the carrying amount of the tested cash-generating unit exceeds the calculated recoverable amount, the difference is recognized as an impairment loss.

SEK million	Goodwill		Trademarks		Computer software		Other intangible fixed assets	
	2022	2021	2022	2021	2022	2021	2022	2021
Accumulated acquisition values								
Opening accumulated acquisition values	967.4	911.3	558.4	519.0	225.9	199.4	74.2	64.9
Acquisition through business combinations	142.9	0.0	0.0	0.0	8.9	0.0	6.0	0.0
Acquisitions	1.0	0.0	0.4	0.0	12.9	12.2	-3.8	0.8
Sales/disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0	2.8	9.9	0.0	0.0
Translation differences	100.8	56.1	60.5	39.4	14.4	4.4	11.4	8.4
Closing accumulated acquisition values	1 212.1	967.4	619.4	558.4	264.9	225.9	87.8	74.2
Accumulated amortizations								
Opening accumulated amortizations	-57.4	-53.0	-25.6	-23.2	-183.9	-167.2	-54.5	-40.4
Acquisition through business combinations	-1.2	0.0	0.0	0.0	-7.3	0.0	-2.0	0.0
Sales/disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortizations	-1.0	-0.9	-0.6	-0.6	-17.8	-13.3	-8.2	-7.3
Translation differences	-5.8	-3.5	-2.8	-1.7	-9.7	-3.4	-8.1	-6.7
Closing accumulated amortizations	-65.4	-57.4	-29.0	-25.6	-218.7	-183.9	-72.8	-54.5
Accumulated write-downs								
Opening accumulated write-downs	-28.4	-28.4	-1.5	-1.5	0.0	0.0	0.0	0.0
Write-downs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Closing accumulated write-downs	-28.4	-28.4	-1.5	-1.5	0.0	0.0	0.0	0.0
Closing book value	1 118.3	881.6	588.9	531.4	46.2	42.0	15.0	19.7

Goodwill allocated to operating segments	2022	2021	Trademarks allocated to operating segments	2022	2021
SEK million			SEK million		
Corporate	393.0	240.6	Corporate	20.2	20.3
Sports & Leisure	663.9	579.5	Sports & Leisure	455.7	397.2
Gifts & Home Furnishings	61.4	61.5	Gifts & Home Furnishings	113.0	113.9
Total	1 118.3	881.6	Total	588.9	531.4

Key estimates and assumptions

Impairment testing of goodwill and trademarks are performed annually and in case of indication of impairment. Intangible fixed assets with finite useful lives are tested in case of indication of impairment. When conducting impairment tests, estimates have to be made to determine the value in use of cash-generating units. The value in use is based on established cash-flow projections for the next five years, and a long-term growth rate, so-called terminal growth. The most important assumptions in determining the value in use include growth rate, operating margin and discount rate (WACC). When calculating the discount rate, an assessment of financial factors such as interest rate levels, borrowing costs, market risk, beta values and tax rates is carried out. As the cash-generating units have different characteristics, each unit is assessed after its commercial factors. The estimated cost of capital (WACC) is

considered to be representative of all cash-generating units. In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of **10.2 (10.2)%** before tax is used. The cash-flow forecasts that are basis for the impairment test are based on the five year forecast adopted by the Board (2023-2027) and thereafter a terminal growth of **2 (2)%**. Based on the tests and analyzes that have been carried out, there is currently no need for impairment. While management believes that estimates of future cash flows and assumptions are reasonable, there are uncertainties which could affect the valuations. Sensitivity analyzes per operating segment are described below.

Corporate

Sales occur in all regions. The assumptions made are that growth will occur on existing markets through an increased market share and also through establishments on new markets. The operating margin and inventory turnover rate are expected to be on current levels. Sales mainly occur in the promo sales channel (99%), which means that a properly balanced inventory is an important component for reaching a good service level.

A sensitivity analysis shows that the value can be maintained even if the annual growth rate decreases by 7 (5) percentage points, the operating margin decreases by 12 (11) percentage points or if the WACC increases by 14 (16) percentage points.

Sports & Leisure

The operating segment's sales mainly occur in the retail sales channel. All regions have sales of the segment's products. The forecasts include a growth on existing markets through an increased market share. The sales growth is expected to lead to an improved operating margin. The inventory turnover is expected to improve slightly during the forecast period (2023-2027).

A sensitivity analysis shows that the value can be maintained even if the annual growth rate decreases by 4 (3) percentage point, the operating margin decreases by 9 (4) percentage points or if the WACC increases by 7 (5) percentage points.

Gifts & Home Furnishings

Most of the sales occur on the Swedish market and in the retail sales channel. The assumptions made are that sales are expected to increase on existing markets and that the operating margin will continue to improve. The inventory turnover is expected to increase during the forecast period (2023-2027).

A sensitivity analysis shows that the value can be maintained even if the annual growth rate decreases by 1 (1) percentage point, the operating margin decreases by 1 (1) percentage point or if the WACC increases by 1 (2) percentage point.

Note 9 - Tangible fixed assets

Summary owned and leased assets

SEK million

Buildings and land - owned assets	343.2	326.7
Equipment, tools and installations - owned assets	296.5	252.7
Buildings and land - leased assets	628.5	630.9
Equipment, tools and installations - leased assets	51.4	48.0
Closing book value	1 319.6	1 258.3

Owned assets

Accounting policies

Tangible fixed assets are recorded at cost less accumulated depreciation and, where applicable, impairment losses. Depreciation is allocated on a straight-line basis over the asset's expected useful life. Depreciation starts when an asset is made available for use. Land is not depreciated. To the extent assets consist of components that differ significantly in respect of useful life, each component is depreciated separately.

In determining the depreciable amount for an individual asset account is taken of any residual value of the asset. Cost includes expenses directly attributable to the acquisition of the asset. Cost of tangible fixed assets produced by the Group includes direct manufacturing expenses and shares of attributable indirect expenses. Expenditures on maintenance and repairs are expensed as incurred, but expenditures on significant

improvements are added to the cost and depreciated over the remaining useful life of the underlying asset.

Buildings	2-4%
Equipment, tools and installations	10-33%

A tangible fixed asset is removed from the Group's consolidated balance sheet upon sale or disposal, which occurs if the asset is not expected to generate any future economic benefits neither by being used nor being sold. Capital gains and losses are calculated as the difference between the consideration received and the asset's carrying amount. Such gains and losses are recognized as other operating income or other operating costs in the period in which the asset is removed from the balance sheet. The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial year and adjusted prospectively, if required.

If there are internal or external indications of a decline in the value of an asset, the asset is to be tested for impairment. An impairment loss is recognized if the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of value in use and net realizable value. Impairment losses are recognized in the Group's consolidated income statement in the period during which they occur. If an individual asset cannot be tested separately, as it is not possible to identify the fair value less selling expenses for the asset, the asset is allocated to a group of assets, known as a cash-generating unit, for which it is possible to identify separate future cash flows. To the extent that the underlying factors behind an impairment loss change in coming periods, the impairment loss will be reversed.

SEK million	Buildings and land		Equipment, tools and installations	
	2022	2021	2022	2021
Accumulated acquisition values				
Opening accumulated acquisition values	522.5	491.4	676.1	613.5
Acquisition through business combinations	5.1	0.0	37.4	0.0
Acquisitions	53.7	32.2	70.0	73.1
Sales/disposals	-11.3	0.0	-75.2	-44.4
Reclassifications	-31.1	-16.5	23.1	6.6
Translation differences	21.8	15.4	85.1	27.2
Closing accumulated acquisition values	560.6	522.5	816.6	676.1
Accumulated depreciations				
Opening accumulated depreciations	-175.6	-155.0	-420.2	-373.3
Acquisition through business combinations	-2.9	0.0	-29.9	0.0
Sales/disposals	7.2	0.0	73.1	33.6
Depreciations as a part of production costs/goods for resale	0.9	0.7	-9.2	-3.4
Depreciations	-19.1	-16.4	-58.9	-54.4
Translation differences	-7.7	-4.9	-71.7	-22.7
Closing accumulated depreciations	-197.2	-175.6	-516.8	-420.2
Accumulated write-downs				
Opening accumulated write-downs	-20.2	-20.2	-3.2	-3.1
Sales/disposals	0.0	0.0	-0.1	-0.1
Closing accumulated write-downs	-20.2	-20.2	-3.3	-3.2
Closing book value	343.2	326.7	296.5	252.7

Leasing

Accounting policies

The Group assesses at contract inception whether an agreement is, or contains, a lease. That is, if the agreement conveys the right to control the use of an identified asset for a period of time in exchange for considerations. The Group once again assesses if an agreement is or contains a lease if the terms and conditions of the agreement change.

Lease agreements are recognized as right-of-use assets as well as interest-bearing lease liabilities in the Group's balance sheet. Lease liabilities are recognized within long-term and short-term interest-bearing liabilities in the Group's balance sheet and are measured at the present value of future lease payments. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if there does not exist an implicit rate in the agreement. The lease payments include fixed payments, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees.

Right-of-use assets are presented as tangible fixed assets and are measured at cost, less accumulated depreciations and, where applicable, impairment losses. The cost of a right-of-use asset contains the initial amount of the lease liability adjusted for any lease payments made before the commencement date, less any lease incentives received. Moreover, any initial direct expenses incurred are included as well. The leased asset is depreciated on a straight-line basis over lease term, or over the estimated useful life if the ownership is transferred to the New Wave Group at the end of the lease term.

The Group applies the short-term lease practical expedient to its short-term leases (i.e. those leases that have a lease term of twelve months or less from the commencement date). It also applies the lease of low-value assets practical expedient to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which they occur. During the year, the Group has applied the rent concession practical expedient introduced in IFRS 16 in response to the COVID-19 pandemic. The rent concessions are recorded as variable leasing payments.

The Group has primarily lease agreements related to office premises, warehouses and cars. The lease period varies depending on type of asset and country. For real estate leases the lease period varies from 3-10 years up to 15 years. For equipment, tools and installations (including cars) the lease period varies between 2-6 years.

Key estimates and assumptions

Assessments are made to determine the lease term and the interest rate used for discounting of future cash flows which affect the measurement of the lease liability and the right-of-use asset. The lease term is determined as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain that the option to extend will not be exercised. Extension and termination options are mainly related to real estate leases. Assessments are made to evaluate whether it is reasonably certain to exercise the option to extend the lease or to terminate the lease. That is, all relevant factors that create an economic incentive to exercise either the extension or termination are considered. The renewal periods for real estate leases with longer non-cancellable periods (approximately 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised.

Assessments are also required to determine the interest rate when discounting future lease payments. The lease payments are discounted by using a rate reflecting what New Wave Group would have to pay to borrow funds to acquire a similar asset. The Group has used its incremental borrowing rate when discounting lease payments since the interest rate implicit in the agreements is not known.



Right-of-use assets	Buildings and land		Equipment, tools and installations	
	2022	2021	2022	2021
SEK million				
Accumulated acquisition values				
Opening accumulated acquisition values	944.2	885.8	103.9	81.2
Acquisitions	120.9	30.8	26.3	22.5
Terminations	-48.0	-38.5	-2.9	-7.1
Translation differences	39.4	66.1	5.8	7.3
Closing accumulated acquisition values	1 056.5	944.2	133.1	103.9
Accumulated depreciations				
Opening accumulated depreciations	-313.3	-194.4	-55.9	-36.3
Terminations	29.8	14.8	1.3	5.0
Depreciations	-125.4	-112.0	-23.6	-20.6
Translation differences	-19.2	-21.7	-3.5	-4.0
Closing accumulated depreciations	-428.1	-313.3	-81.7	-56.0
Closing book value	628.5	630.9	51.4	47.9

SEK million	2022	2021
Gain or losses on right-of-use assets	1.7	1.0
Short-term lease expenses	-28.1	-18.7
Low value asset expenses	-6.3	-6.7
Variable lease expenses	-9.2	-14.3
Depreciation of right-of-use assets	-149.0	-132.6
Recognized in operating result	-190.9	-171.3

Refer to note 11 for interest expenses on the lease liabilities and note 16 for maturity analysis of the lease liabilities and note 19 for split between long-term and short-term lease liabilities. During 2022, total cash outflows related to leases amounted to SEK 215.4 (185.8) million, with a distribution of SEK 77.2 (59.3) million within cash flow from operating activities and SEK 138.2 (126.5) million within financing activities.

Note 10 - Currency exposure in operating result

SEK million	2022	2021
Operating result		
Euro, EUR	410.3	258.0
Canadian dollar, CAD	22.3	11.5
Swiss franc, CHF	240.8	97.3
US dollar, USD	319.1	207.6
Norwegian krone, NOK	57.2	56.0
Danish krone, DKK	53.9	24.3
Chinese yuan, CNY	70.0	36.8
Polish zloty, PLN	11.8	4.2
Hong Kong dollar, HKD	177.2	86.9
British pound, GBP	37.3	3.2
Icelandic krona, ISK	-1.4	-0.2
Total operating result in foreign currencies	1 398.5	785.6

The table shows currency exposed operating result per currency, before Group adjustments.

Note 11 - Financial income and expenses

SEK million	2022	2021
Interest income	2.7	1.1
Interest on overdue accounts receivable	1.0	0.9
Currency gains on financial receivables and liabilities	0.0	1.0
Interest expense on interest-bearing liabilities excl. lease liabilities	-36.5	-24.2
Interest expense on lease liabilities	-16.4	-19.6
Interest expense on overdue accounts payable	-0.1	-0.1
Currency losses on financial receivables and liabilities	-4.3	-1.2
Other financial expenses	-1.4	-0.9
Total	-55.0	-43.0

Note 12 - Taxes

Accounting policies

The tax expense for the Group includes current tax and deferred tax. Current tax is tax payable or recoverable for the current year. This also includes adjustment for current tax attributable to prior periods. Current taxes are calculated on the basis of the tax regulations prevailing in the countries where the Group companies have operations. Current tax attributable to items recognized in equity and in other comprehensive income are also recognized in equity and other comprehensive income. Current tax assets and liabilities for current and previous periods are defined as the amount expected to receive from or pay to the tax authority in each country respectively.

Deferred tax is recognized in its entirety and calculated using the balance sheet method on all temporary differences arising between the tax value of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are accounted for taxable temporary differences. Exempt are temporary differences for consolidated goodwill or when an asset or liability is recognized as part of a transaction which is not a business combination and which, at the time of the transaction, neither affects the reported profit or the taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, including loss carry-forwards to the extent that it is likely that future taxable profits will be available against which the temporary differences can be offset.

Deferred tax assets and liabilities are measured at the nominal amount and calculated by applying the tax rates and tax rules enacted or announced at the closing date. Current and deferred tax assets and liabilities are offset if there is a legal right to offset the amounts against each other and if they are attributable to the same tax authority.

Key estimates and assumptions

Estimates and assumptions are mainly made in relation to deferred tax assets, with respect to the probability that the loss carry-forwards will be utilized for settlement against future taxable profits. In the event that actual outcome differs from the estimates made or if management adjusts these estimates in future, the recorded value of deferred tax assets could change.

Tax expense

SEK million	2022	2021
Current tax	-310.9	-198.3
Tax attributable to previous years	1.0	-0.9
Total current tax expense	-309.9	-199.2
Deferred tax relating to temporary differences and loss carry-forwards	28.6	-3.7
Total recorded tax expense on result for the year	-281.3	-202.9

The Group's tax expense for the year amounted to SEK 281.3 (202.9) million or 19.4 (21.1)% on result before tax.

Reconciliation of effective tax

Reconciliation between the Group's weighted average tax rate, based on each respective country's tax rate, and the Group's effective tax:

SEK million	2022	%	2021	%
Result before tax	1 450.1		962.9	
Tax expense based on respective country's tax rate	-332.1	-22.9	-210.4	-21.9
Tax effects from:				
Non-taxable income	7.7	0.5	14.7	1.5
Non-deductible expenses	-7.1	-0.5	-5.0	-0.5
Tax arrears assessment	11.0	0.8	-3.7	-0.4
Regional and other variations regarding tax rates	-9.7	-0.7	-2.7	-0.3
Reversal of previously recognized loss carry-forwards	1.8	0.1	1.9	0.2
Utilization of previously non-recognized loss carry-forwards	5.0	0.3	4.9	0.5
Non-recognized loss carry-forwards	3.2	0.2	-3.9	-0.4
Temporary differences	38.2	2.6	-0.4	0.0
Other	0.7	0.0	1.6	0.2
Total recorded tax expense on result for the year	-281.3	-19.4	-202.9	-21.1

Deferred tax assets and liabilities in the Group assigned to:

SEK million	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Loss carry-forwards	25.7	0.0	28.2	0.0
Inventory	72.7	1.9	46.2	2.1
Amortization, depreciation and fixed assets	10.7	2.5	5.2	4.2
Accounts receivable	7.3	0.0	7.0	0.0
Personnel costs	2.4	0.0	1.5	0.0
Prepaid expenses	0.0	-1.0	-0.6	0.3
Trademarks	0.0	119.5	0.0	107.0
Tax allocation reserves and accelerated depreciation	0.0	35.1	0.0	24.1
Cash flow hedges	0.0	1.2	0.0	0.6
Other temporary differences	10.3	0.0	6.1	0.0
Deferred tax assets and liabilities	129.2	159.2	93.5	138.4

Loss carry-forwards

At the year-end the Group had total tax loss carry-forwards of SEK 354.9 (382.2) million. Deferred tax has been recognized on SEK 106.4 (118.8) million of the tax losses which has resulted in a deferred tax asset of SEK 25.7 (28.2) million. The maturity for all tax loss carry-forwards is shown in the table below.

Deferred tax liability arising from tax allocation reserves and accelerated depreciation in Sweden are due as follows:

SEK million	2022	2021
2023	2.9	2.9
2024	4.9	4.9
2025	4.1	4.1
2026	0.0	0.0
2027	9.2	9.0
2028	8.1	0.0
Unlimited lifetime	4.7	3.9
Total	33.9	24.8

Total loss carry-forwards expire as follows:

SEK million	2022	2021
2023	0.0	0.0
2024	0.0	0.0
2025	0.0	6.4
2026	0.0	7.7
2027	0.0	0.3
2028	0.0	13.6
2029	0.0	16.0
2030	0.0	0.0
2031	3.7	0.0
2032-2040	165.8	168.3
Unlimited lifetime	185.4	169.9
Total	354.9	382.2

In the Group there are tax loss carry-forwards in a number of companies within different tax groups. In each separate case an assessment is made, with reasonable certainty, whether or not the loss carry-forwards will be utilized. The assessment takes into consideration managements forecasts, historical and present performance levels and the expiration date of the

loss carry-forwards. Based on the assessments, the loss carry-forwards are divided into three different groups where group A represents fully recognized loss carry-forwards, group B represents partially recognized loss carry-forwards and group C represents loss carry-forwards that have not been recognized at all. The distribution is shown in the tables below.

2022 SEK million Group	Total loss carry- forwards	Of which recognized tax	Loss carry- forwards with no recorded tax	of which not recognized tax
A	26.9	6.1	0.0	0.0
B	206.5	19.6	126.9	30.3
C	121.5	0.0	121.5	33.4
Total	354.9	25.7	248.4	63.8

2021 SEK million Group	Total loss carry- forwards	Of which recognized tax	Loss carry- forwards with no recorded tax	of which not recognized tax
A	56.4	12.6	0.0	0.0
B	179.4	15.6	116.9	26.7
C	146.4	0.0	146.4	39.7
Total	382.2	28.2	263.3	66.4

Note 13 - Shares in associated companies

Accounting policies

Associated companies are those companies in which the Group directly or indirectly has a significant, but not controlling, influence, generally corresponding to between 20 and 50 percent of the voting rights. Shares in associated companies are accounted for using the equity method and are initially recorded at cost. In the consolidated income statement on the row shares of associated companies' result, the Group's share of the associated companies' result after tax is recorded. This

item is recognized in operating result, since the associated companies essentially carry out the same operations as the Group's other business activities. In the Group's consolidated balance sheet the shares in associated companies are recorded at cost and adjusted based on the Group's share of the result after the acquisition date and any dividends received.

SEK million	Corporate identity number	Domicile	Share of capital, %	Share of votes, %	Number of shares	2022 Book value	2021 Book value
Dingle Industrilokaler AB	556594-6570	Munkedal	49	49	83 055	6.7	6.7
Kosta Köpmanshus AB	556691-7042	Lessebo	49	49	7 350	32.0	32.0
Jobman Workwear GmbH	HRB-758048	Freiberg	49	49	2	0.0	0.0
Total						38.7	38.7

Based on IFRS 10 and 11, New Wave Group is not considered to have controlling influence over the above presented companies.

SEK million	Company's equity amounted to		The Group's share of total comprehensive income for the year		The Group's share of contingent liabilities	
	2022	2021	2022	2021	2022	2021
Dingle Industrilokaler AB	14.7	14.7	0.0	-0.5	None	None
Kosta Köpmanshus AB	64.1	64.1	0.0	0.0	None	None
Jobman Workwear GmbH	-6.7	-3.0	-1.8	-0.6	None	None

Note 14 - Other long-term receivables

SEK million	2022	2021
Deposits	6.6	4.9
Other long-term receivables	7.3	6.9
Total	13.9	11.8

Note 15 - Inventory

Accounting policies

Inventory is recognized at the lower of cost, as determined by applying the first-in/first-out principle (FIFO), and net realizable value. The net realizable value is calculated as the estimated selling price less estimated selling expenses. Right-of-return assets is included in the stock value for finished goods and are measured at the value of the costs of goods sold at the point of sale. Deductions are made for internal gains generated through intra-Group sales.

Key estimates and assumptions

The value of inventory is dependent on assessments in respect of the calculation of the net realizable value of the stock. These assessments may lead to impairment losses on the stock.

In the Corporate operating segment, the risk that the net realizable value will be lower than the cost is low, since as a large portion of the collection comprises timeless basic products for which there is a demand season after season.

In the Sports & Leisure operating segment about 26% of sales are made through the promo sales channel, where the product range mainly comprises basic products with limited fashion risk and thus a lower risk for obsolescence. For sales made through the retail sales channel orders are sent to the factory upon receipt of a purchase order from the customer, which significantly limits the risk that the net realizable value will be lower than the cost.

In the Gifts & Home Furnishings operating segment most of the inventory volume consists of classic and best-selling products, many of which have a product cycle of more than 20 years. This limits the risk that the net realizable value will be lower than the cost.

SEK million	2022	2021
Raw materials	63.4	41.1
Work in progress	1.8	1.9
Goods in transit	544.4	356.8
Finished goods	4 688.1	2 537.8
Total	5 297.7	2 937.6

Inventory consists of clothes, gift items and accessories for resale as well as raw materials. As of 31 December 2022, the total obsolescence deductions, as an expression of the difference between acquisition value and fair value, amounted to SEK **164.4 (140.5)** million and the provision in relation to finished goods amounted to **3.5% (5.2%)**. The part of the stock which is recorded to net sales value amounts to SEK **458.1 (339.5)** million.



Note 16 - Financial instruments and financial risk management

Accounting policies

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instrument recognized in the Group's consolidated balance sheet includes accounts receivable, other receivables, derivatives, liquid assets, long-term and short-term interest-bearing liabilities, accounts payable, other liabilities and accrued expenses. Financial instruments are initially measured at fair value and, subsequently, at fair value or accumulated amortized cost, depending on their classification. Transaction costs are included in the assets fair value, except in cases in which the change in value is recognized in the Group's consolidated income statement.

A financial asset is derecognized from the Group's consolidated balance sheet when all benefits and risks associated with ownership have been transferred. A financial liability is derecognized from the Group's consolidated balance sheet when the obligations of the contract have been met, or otherwise extinguished.

On the acquisition date, New Wave Group classifies financial instruments into the following categories:

Financial assets measured at amortized cost

The Group's financial assets measured at amortized cost are essentially accounts receivable, other receivables and liquid assets. Liquid assets comprise liquid bank deposits and available cash. Accounts receivable include invoiced as well as non-invoiced receivables (recognized when the Group's right to payment is assessed as unconditional). The expected maturity of accounts receivable is short, and the value is therefore recognized at nominal amount without discounting, less provision for expected and occurred credit losses. New Wave Group applies the simplified model for expected credit losses on accounts receivable, at which total expected credit losses for the remaining maturity of the receivable, which is expected to be less than one year, are recognized. Change of provision for expected credit losses on accounts receivable is recognized in the Group's income statement under external expenses.

Financial assets measured at fair value through profit and loss

The Group does not have any financial assets measured at fair value in the income statement in 2022 and 2021.

Financial assets measured at fair value through other comprehensive income

New Wave Group uses derivatives, essentially currency futures, to manage financial risks. Financial instruments measured at fair value through other comprehensive income consist of

hedge instruments which form part of an effective cash-flow hedge. Changes in value for such instruments are recognized in other comprehensive income. Any non-effective part of cash-flow hedges is recorded immediately in the income statement. Cash-flow hedges are reclassified to the income statement in the period or periods when the hedged flows affect the Group's consolidated income statement. However, if a planned transaction or an assumed obligation is no longer expected to occur, the cumulative gain or loss recognized in other comprehensive income, from the period in which the hedge was applied, is immediately transferred to the Group's consolidated income statement.

Financial liabilities measured at amortized cost

The Group's financial liabilities measured at amortized cost are essentially interest-bearing liabilities, accounts payable, other liabilities and accrued expenses. Interest-bearing liabilities consist of liabilities to credit institutes and lease liabilities. After the initial valuation, to fair value less transaction costs, the interest-bearing liabilities are measured at amortized cost by applying the effective interest method. The expected maturity of accounts payable is short and the item is therefore recognized at the nominal amount without discounting.

Financial liabilities measured at fair value through profit and loss

The Group does not have any financial liabilities measured at fair value in the income statement in 2022 and 2021.

Financial liabilities measured at fair value through other comprehensive income

New Wave Group uses derivatives, mainly currency futures. See section Financial assets measured at fair value through other comprehensive income for a description on measurement and valuation.

Key estimates and assumptions

Accounts receivable are short-term by nature and consequently the risk assessment horizon is short. When assessing future expected credit losses, both historical information as well as current and forecasted situations are taken into account. An assessment is made if the total reserve is reasonable in relation to the total outstanding accounts receivable, taking into account past credit losses.

Financial instruments by category

The fair values of interest-bearing assets and liabilities may differ from their carrying amounts. The fair values of these assets have been determined by discounting future cash flows using current interest rates and exchange rates for equivalent instruments. For financial instruments such as accounts receivable, accounts payable and other non-interest-bearing financial assets and liabilities, which are carried at amortized cost less

any impairment losses, the fair value is deemed to agree with the carrying amount. Financial instruments at fair value in the balance sheet belongs to level two in IFRS 13 hierarchy. The valuation of level two instruments is based on market conditions using quoted market data existing at each balance sheet date. The Group's long-term borrowing is mainly through credit facilities with long maturities but short fixed-rate periods.

2022

SEK million

Financial assets

	Assets at fair value through other comprehensive income	Assets at amortized cost	Total	Fair value
Other long-term receivables	0.0	7.3	7.3	7.3
Accounts receivable	0.0	1 664.1	1 664.1	1 664.1
Other receivables	0.0	167.3	167.3	167.3
Derivatives*	2.4	0.0	2.4	2.4
Cash and cash equivalents	0.0	419.4	419.4	419.4
Total assets	2.4	2 258.1	2 260.5	2 260.5

Financial liabilities

	Liabilities at fair value through other comprehensive income	Liabilities at amortized cost	Total	Fair value
Interest-bearing liabilities	0.0	2 039.9	2 039.9	2 046.8
Derivatives*	0.0	0.0	0.0	0.0
Accounts payable	0.0	1 404.8	1 404.8	1 404.8
Accrued expenses	0.0	358.6	358.6	358.6
Other liabilities	0.0	59.7	59.7	59.7
Total liabilities	0.0	3 862.9	3 862.9	3 869.8

2021

SEK million

Financial assets

	Assets at fair value through other comprehensive income	Assets at amortized cost	Total	Fair value
Other long-term receivables	0.0	6.9	6.9	6.9
Accounts receivable	0.0	1 359.6	1 359.6	1 359.6
Other receivables	0.0	83.1	83.1	83.1
Derivatives*	3.3	0.0	3.3	3.3
Cash and cash equivalents	0.0	327.9	327.9	327.9
Total assets	3.3	1 777.5	1 780.8	1 780.8

Financial liabilities

	Liabilities at fair value through other comprehensive income	Liabilities at amortized cost	Total	Fair value
Interest-bearing liabilities	0.0	1 396.7	1 396.7	1 397.8
Derivatives*	0.0	0.0	0.0	0.0
Accounts payable	0.0	926.1	926.1	926.1
Accrued liabilities	0.0	214.1	214.1	214.1
Other liabilities	0.0	125.5	125.5	125.5
Total liabilities	0.0	2 662.4	2 662.4	2 663.5

* Derivative is included in the item other receivables and other liabilities in the Group's consolidated balance sheet.

Financial risk management

New Wave Group is continuously exposed to various financial risks. Financial risks comprise interest risks, currency risks and liquidity and credit risks. To minimize these risks' impact on the income statement, the Group has a risk policy which describes how the Group seeks to limit the impact of financial risks on the income statement. The goal is to ensure that the central finance function exploits available economies of scale in the Group and assists the subsidiaries by providing professional service in order to minimize the risks.

Interest risk

New Wave Group believes that the use of short-term fixed interest rates leads to lower borrowing costs over time while short-term interest rates follow the economy cycles and therefore offset fluctuations in the Group's earnings. An increase in interest rates by one percentage point would have a negative impact on earnings before tax of SEK **21.4 (14.0)** million, based on the interest-bearing liabilities at year-end. The breakdown by currency of the Group's net debt at year-end is shown in the table below. Net debt breakdown is shown in Note **19**.

SEK million	2022	2021
Breakdown by currency	Net debt	Net debt
SEK	-1 795.9	-802.7
EUR	-715.1	-414.1
GBP	-93.4	-5.4
USD	359.1	274.8
CHF	298.2	103.5
DKK	36.6	18.6
NOK	-273.6	-138.3
CAD	-209.2	-155.6
CNY	21.7	-8.0
Other	41.9	58.4
Total	-2 329.6	-1 068.8

Currency risk

A significant portion of New Wave Group's sales are made in foreign currency (**77%**). The Group is exposed to changes in exchange rates in the future flows of payments related to firm commitments and to loans and investments in foreign currencies, i.e. transaction exposure. The Group's financial statements are also affected by translating the results and net assets of foreign subsidiaries into SEK, i.e. translation exposure.

Transaction exposure and hedge accounting

Transaction exposure mainly arises as a result of intra-Group transactions between the Group's purchasing companies and sales companies, situated in other countries and selling the products to their customers normally in local currency on their local market. In some countries, transaction exposure may arise from sales to external customers in a currency different from the local currency. The Group's most important purchasing currency is USD. Changes in exchange rates between USD, EUR and SEK constitute the single largest transaction exposures in the Group.

Managing the currency exposure related to purchases differs between the Group's both sales channels. In the promo sales channel, New Wave Group is the stock keeper and orders from resellers are therefore not placed until the reseller has received an order from the end customer. The order backlog for future deliveries is therefore small, as deliveries are made immediately. Currency hedging is not used for this sales channel since price adjustments towards the customer are made continuously as the purchase price changes. In the retail sales channel, a part of the sales are made through pre-orders and, at this point, the prices towards the customers are fixed. A pre-order means, for example, that customers place orders in the spring for delivery in the autumn. In order to limit the currency risk in these pre-orders, derivatives are purchased to guarantee that the value of incoming deliveries to the warehouses match the prices towards the customers. In these cases hedge accounting according to IFRS **9** is applied, which means that changes in the value of the derivatives that are part of an effective cash flow hedge are recognized in other comprehensive income.

In the Corporate operating segment, **99 (99)%** of the sales occur in the promo sales channel and adjustments for changes in purchase prices are made continuously. In Sports & Leisure about **72 (73)%** of sales are made through the retail sales channel which means that a part of purchases in the operating segment are hedged against fluctuations in exchange rates. For Gifts & Home Furnishings, **75 (72)%** of the sales are to retail and most of the production takes place in Sweden. Even if sales mainly take place in the retail sales channel, pre-orders do not occur to any great extent. There is thus no large order backlog for future deliveries, but deliveries take place immediately. Consequently, no major currency hedging occurs in this segment and price adjustments to customers are made continuously in the event of changes in the purchase

price. In cases where there is a pre-order, the currency-exposed purchases are hedged.

The Group's principal commercial flows of foreign currencies mainly pertain to imports from Asia to Europe and intra-Group flows within Europe. Currency rates and payment conditions to be applied to the internal trade between the Group companies are set centrally. Currency exposure and risk is primarily, and to a large extent, reduced by netting internal transactions. Therefore, through netting, the Group's main transaction exposure can be reduced and, together with the use of currency hedges and financing in each company's functional currency the exposure is further reduced.

The actual currency exposure amounted to SEK 43.7 (33.2) million on the balance sheet date. The corresponding average currency exposure for the year amounted to SEK 53.8 (38.4) million and the below table displays the sensitivity of a reasonable change in the currencies in which the Group has the largest exposure. Impact on the Group's result before tax refers to the impact from changes in the fair value of financial assets and liabilities but excluding foreign currency derivatives where hedge accounting is applied. Impact on equity before tax for the Group refers only to the impact from changes in the fair value of the derivatives where hedge accounting is applied.

2022			
Currency	Change	Impact on result before tax (SEK million)	Impact on equity before tax (SEK million)
USD	+5%	1.0	3.9
	-5%	-1.0	-3.9
EUR	+5%	1.8	1.6
	-5%	-1.8	-1.6
DKK	+5%	0.7	0.0
	-5%	-0.7	0.0
HKD	+5%	-0.8	0.0
	-5%	0.8	0.0

2021			
Currency	Change	Impact on result before tax (SEK million)	Impact on equity before tax (SEK million)
USD	+5%	0.4	3.4
	-5%	-0.4	-3.4
EUR	+5%	1.0	1.4
	-5%	-1.0	-1.4
DKK	+5%	0.5	0.0
	-5%	-0.5	0.0
CHF	+5%	-0.2	0.0
	-5%	0.2	0.0

A sensitivity analysis regarding the other currencies does not have a material effect on result before tax for each currency separately. The aggregated effect for other currencies, provided a 5 percent exchange rate increase, would impact result before tax SEK -0.2 (0.2) million.

Translation exposure

The Group accounts are also affected by translating the results and net assets of foreign Group companies into SEK. A change of 1% of the currency exchange rates would impact sales by SEK 50.0 (48.0) million, calculated on the sales for 2022 where USD and EUR impact the most with SEK 21.4 (14.0) million and SEK 24.7 (18.5) million each. Such an effect on the exchange rates would impact closing equity by SEK 41.1 (32.2) million. The below table displays a sensitivity analysis regarding sales based on the preceding year's currency exchange rates, where a translation of this year's net sales to the exchange rates of the preceding year would have affected net sales by SEK 617.5 (166.6) million.

SEK million Currency impact per geographic area	2022	2021
USA	328.4	64.0
Nordic countries	40.8	-0.2
Central Europe	74.5	31.4
Southern Europe	75.6	32.1
Other countries	98.2	39.3
Total	617.5	166.6

Liquidity risk

Due to the relatively capital-intensive nature of its activities and its expansive growth strategy, New Wave Group has a need to secure its funding. For a growth group like New Wave Group it is essential to ensure that sufficient liquidity is available to fund future expansion and that there is a high degree of flexibility when acquisition opportunities occur. It is also important that a sound balance between equity and financing through debt is kept, which is why New Wave Group's goal is to achieve an equity ratio in excess of 30%. New Wave Group has a centralized finance function, which means that external borrowing is managed and administered centrally as far as possible. The liquidity generated in the Group is continuously transferred to New Wave Group's treasury center through various pooling systems and reduces the total credit volume. New Wave Group has not made any financial investments.

During the year, the group took out a new long-term loan that runs until and including 2030. The total credit line as of December 31 amounted to SEK 2,881.2 million, of which SEK 2,766.0 million runs until and including December 2024, USD 7.0 million until and including January 2024 and SEK 2,510.0 million have a term that extends to and including August 2025, SEK 207.8 million has a term to and including August 2027 and SEK 200.0 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 five years. The credit facility 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. The covenants are met as of 31 December 2022. Based on the current forecast, management

deems that the Group will be able to meet these key ratios by a satisfactory margin going forward.

The tables below display the maturity analysis of the amortization of interest-bearing liabilities including contractual and undiscounted interest payments. Any planned future liabilities have not been included. Interest payments related to financial instruments with floating rate have been calculated based on the interest rate at year-end.

SEK million Maturity analysis of New Wave Group's loans	2022	2021
2022	0.0	110.4
2023	265.9	109.0
2024	239.4	378.4
2025	1 713.6	48.6
2026	79.7	46.8
2027	65.2	34.8
2028 or later	81.4	0.0
Total	2 445.2	728.0

SEK million Maturity analysis of New Wave Group's lease liabilities	2022	2021
2022	0.0	129.8
2023	107.6	129.9
2024	93.0	111.2
2025	83.5	87.7
2026	79.1	76.2
2027	69.3	64.8
2028 or later	154.5	166.7
Total	587.0	766.3

Maturity analysis of New Wave Group's other financial liabilities	2022	2021
2022	0.0	1 265.7
2023	1 823.0	0.0
Total	1 823.0	1 265.7

The table below displays the maturity for the Group's outstanding currency futures and unrealized amounts per year-end, distributed per currency. All contracts mature within twelve months from year-end.

31 Dec 2022	Hedged volume result, SEK million	Unrealized, SEK million	Number of hedged months
Currency			
EUR	2.3	0.0	< 6
USD	83.0	1.3	< 6
USD	58.4	1.1	6 > 12
		2.4	

31 Dec 2021	Hedged volume result, SEK million	Unrealized, SEK million	Number of hedged months
Currency			
EUR	15.8	0.6	< 6
EUR	11.4	0.2	6 > 12
USD	68.2	2.5	< 6
		3.3	

Credit risks

Credit risk is defined as the Group's exposure to losses in the event that one party to a financial instrument fails to discharge an obligation. The Group is exposed to credit risk from its operating activities, primarily from accounts receivable, and from financing activities which includes deposits at banks and financial institutions, currency futures and other financial instruments. The Group's total exposure to credit risk at year-end amounted to SEK 2,260.5 (1,780.8) million, which was based on the carrying value of all financial assets

Accounts receivable

The risk that the Group's customers will fail to meet their obligations, i.e. that New Wave Group's accounts receivable will not be paid, constitutes a credit risk. New Wave Group has centrally adopted a risk policy and directives, based on which each company has drawn up a set of written procedures for credit control. Information from external credit reference agencies is also a stage of the process. Furthermore, companies in the Group, based on the risk policy, have the option, when needed, to insure accounts receivable which means that if the customer fails to meet its payment the company will be reimbursed by the insurance company. The credit risk in the Corporate operating segment is lower, as the resellers, which are New Wave Group's customers, make purchases based on orders that have already been placed by the end customers. The resellers are relatively small and large in number. In 2022 confirmed credit losses in Corporate represented **0.06 (0.08)** % of sales. In the Gifts & Home Furnishings and Sports & Leisure operating segments sales are made to selected resellers, and credit losses are small, although there is a higher concentration to a smaller number of customers compared to the promo market. In 2022 confirmed credit losses in these two operating segments represented **0.10 (0.10)** % and **0.02 (0.03)** % of net sales. The Group's customers have been affected by the negative effects of the COVID-19 pandemic, which has led 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 reserve.

SEK million	2022	2021
Accounts receivable		
Exposure	1 661.6	1 413.1
Credit risk reserve	-51.6	-53.4
Book value	1 610.0	1 359.7

The following table shows the aging distribution of accounts receivable and the credit risk reserve.

SEK million	2022		2021	
	Accounts receivable	Credit risk reserve	Accounts receivable	Credit risk reserve
Age analysis				
< 30 days	1 490.7	-3.2	1 258.7	-2.5
30 - 90 days	106.0	-5.0	65.0	-5.1
> 90 days	64.9	-43.5	89.3	-45.8
Total	1 661.6	-51.6	1 413.0	-53.4

The reserve for expected credit risk in accounts receivable has been changed as follows:

SEK million	2022	2021
Credit risk reserve for accounts receivable		
Credit risk reserve at the beginning of the year	-53.3	-62.0
Recovered reserves during the year	5.8	9.7
Reserve for expected credit risks	-10.4	-7.8
Confirmed losses	3.1	8.5
Translation differences	-1.2	-1.7
Credit risk reserve at year-end	-56.0	-53.3

A description of credit risk exposures is given in the table below:

As of 31 December 2022	Number of customers	Percentage of total customers	Percentage of portfolio
Exposure < 1 SEK million	31 064	99.4%	61.9%
Exposure 1 - 5 SEK million	181	0.6%	23.9%
Exposure > 5 SEK million	19	0.1%	14.2%
Total	31 264	100.0%	100.0%

As of 31 December 2021	Number of customers	Percentage of total customers	Percentage of portfolio
Exposure < 1 SEK million	29 272	98.1%	61.8%
Exposure 1 - 5 SEK million	315	1.1%	21.5%
Exposure > 5 SEK million	247	0.8%	16.7%
Total	29 834	100.0%	100.0%

Other financial assets

Other financial assets include derivatives, other receivables and liquid assets. Credit risk related to balances at banks and other financial institutions is managed by the Group's treasury center in accordance with the Group's risk policy. The Group deals only with well-established financial institutions. Other receivables, which represent **7.4 (4.8)**% of the total credit risk, are managed locally on an ongoing basis in accordance with the Group's risk policy and with support from the central finance function. No credit risk reserve has been recorded for other financial assets.

Other risks

Purchasing market

New Wave Group's purchases are mainly made in China, Bangladesh, India and Vietnam. Political and socioeconomic changes could have an impact on New Wave Group. By maintaining a high level of preparedness and by making purchases in several different countries in Europe as well as Asia, New Wave Group limits the economic risk which would arise if purchases were made from a single country.

Strong growth

The continued expansion planned by New Wave Group will put strong pressure on management and employees. Wrong recruitments, organizational problems, the departure of key individuals etc. could delay and affect the progress of the expansion. The crucial factor determining the pace of expansion is that results expand at the same pace. New Wave Group is allocating resources to mentorship schemes and annual meetings of management to guarantee strong future leadership and spread New Wave Group's values.

Fashion trends - changes in economic conditions

New Wave Group devotes significant resources to ensure good design and quality. Still, due to the rapid pace of change in the fashion industry, the Group cannot exclude the possibility of temporary declines in sales for certain collections. However, New Wave Group has a limited risk, as the fashion content is low in the Corporate operating segment and the

promo sales channel. The Sports & Leisure operating segment also focuses on areas that are less sensitive to changes in fashions, even if fashion trends have a somewhat higher impact. New Wave Group's goal is that the promo sales channel shall account for **60-80%** of total sales.

Foreign expansion

The Group intends to establish a presence in additional foreign countries only when previous foreign operations are generating satisfactory profits. The Board deems that this strategy represents a good compromise between optimal growth and reduced risk. New Wave Group believes it is very hard to determine the exact timetables and budgets for new foreign ventures, which could entail a risk of initial losses. However, the Board deems that the company is well equipped for the new ventures that are being planned.

Environment

The Group's operations may involve environmental commitments, but the Board's and the management's assessment is that these, to the extent that they may have an impact on the Group's financial position, have been considered in the present financial statements.

Note 17 - Related parties

SEK million	The Group's sales to		The Group's purchases from		The Group's receivables on		The Group's liabilities to	
	2022	2021	2022	2021	2022	2021	2022	2021
Jobman Workwear GmbH	6.9	6.9	0.0	0.0	13.8	11.7	0.0	0.0
Dingle Industrilokaler AB	0.0	0.2	4.7	4.3	0.0	16.3	0.5	0.4
Kosta Köpmanshus AB	0.4	0.3	11.7	3.3	0.0	0.0	0.1	0.1
Total	7.3	7.4	16.5	7.6	13.8	28.0	0.7	0.5

Associated companies are reported in note 13. Information is also submitted in the presentation of the Board and Management and in note 6. Reporting of dividends from, and capital contributions to, associated companies is covered in note 13. All transactions are carried out under market conditions.

Transactions related to persons included in management

During the year, companies related to the CEO have purchased goods and services from New Wave Group companies amounting to SEK **0.5 (0.3)** million, and sold goods and services

to Group companies amounting to SEK **0.3 (0.0)** million. All transactions have been carried out under market conditions.



Note 18 - Prepaid expenses and accrued income

SEK million	2022	2021
Marketing expenses	10.1	13.7
IT expenses	18.7	13.8
Operational costs	13.1	8.7
Accrued income with additional performance obligation	3.5	3.4
Catalogue costs	4.2	2.9
Samples	2.2	1.2
Trade fair costs	4.4	2.1
Wage costs	0.4	0.2
Warehouse system	26.9	0.0
Prepaid royalty costs	1.0	0.0
Prepaid insurance	4.8	4.2
Licence fee	3.0	5.1
Other prepaid costs	0.4	0.0
Total	92.7	55.3

Note 19 - Net debt and credit limit

Net debt

SEK million	2022	2021
Cash and cash equivalents	-419.4	-327.9
Long-term interest-bearing liabilities	2 418.4	1 166.8
Short-term interest-bearing liabilities	330.6	229.9
Total	2 329.6	1 068.8
<i>of which lease liabilities</i>		
Long-term interest-bearing liabilities	547.1	578.4
Short-term interest-bearing liabilities	147.1	115.3
Total	694.2	693.7
Effective interest rate	2.6%	2.5%

Change in interest-bearing liabilities

SEK million	2022	2021
Liability at the beginning of the year	1 396.7	2 142.7
Currency effect	86.1	62.0
Borrowing bank	1 067.1	0.0
Borrowing leasing debts	50.0	25.1
Acquisition of shares	398.7	0.0
Amortization	-111.3	-706.6
Amortization of lease liabilities	-138.2	-126.5
Liability at year-end	2 749.1	1 396.7

Credit limit

Interest-bearing liabilities consist of loans and bank overdraft facilities. Amount granted in relation to these liabilities amounts to SEK 2,881.2 (2,776.0) million.

Note 20 - Net assets in foreign currencies

The table shows currency exposed equity distributed by each currency before Group adjustments.

SEK million	2022	2021
Net assets		
Euro, EUR	1 311.6	974.6
Canadian dollar, CAD	208.5	177.8
Swiss franc, CHF	423.5	193.3
US dollar, USD	2 076.3	1 592.8
Norwegian krone, NOK	198.1	149.9
Danish krone, DKK	74.0	54.2
Chinese yuan, CNY	79.9	51.5
Polish zloty, PLN	89.2	58.8
Hong Kong dollar, HKD	144.9	105.7
British pound, GBP	368.7	65.9
Icelandic krona, ISK	2.1	3.0
Total net assets in foreign currencies	4 976.7	3 427.5

Note 21 - Pledged assets and contingent liabilities

Pledged assets

The Group's pledged assets consists of collateral for the Group's interest-bearing liabilities to credit institutions which amounted to SEK **2,054.8 (702,9)** million at year-end. Security for the main financing agreement is made up of floating charges, property mortgages, and net assets in Group companies. Trademarks have been specifically pledged and are included in the net assets of the Group companies. Parts of the Group's inventory and accounts receivable constitute security for Group companies' local funding. See further Note 16, section Liquidity risk, for maturity analysis and information regarding the conditions for the Group's financing.

SEK million	2022	2021
Floating charges	690.5	690.5
Property mortgages	201.5	179.8
Net assets in Group companies	4 286.3	3 337.8
Shares in associated companies	8.3	8.3
Inventory and accounts receivable	560.0	353.5
Total	5 746.6	4 569.9

Contingent liabilities

Accounting policies

A contingent liability is recognized for a possible obligation, for which it is not yet confirmed that a present obligation exists that could lead to an outflow of resources. Alternatively, there is a present obligation that does not meet the definitions of a provision or a liability as it is not probable that an outflow of resources will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

SEK million	2022	2021
Duty guarantees	13.8	12.2
Rent guarantees	132.9	141.9
Guarantees for associated companies	6.0	6.0
Total	152.7	160.1

Note 22 - Other current liabilities

SEK million	2022	2021
VAT	107.7	111.3
Employee withholding taxes	14.0	14.7
Liabilities to employees	8.5	4.5
Repayment liabilities, returns	21.7	14.5
Currency futures	4.1	4.1
Social security contributions	0.6	0.4
Other wage deductions	0.6	0.5
Other items	17.6	13.6
Total	174.7	163.6

Note 23 - Accrued expenses and prepaid income

SEK million	2022	2021
Salaries and payroll fees	171.0	165.1
Repayment liabilities for accrued bonuses, kick-backs, rebates	104.4	81.7
Prepaid income	32.7	11.0
Sales commissions	16.3	15.3
Accrued royalty costs	16.6	10.7
Marketing costs	21.1	16.6
Electricity and rental costs	11.6	9.8
Audit fees	7.3	6.4
Consultancy fees	8.2	8.3
Freight costs	18.6	8.1
Interest	0.3	0.1
Other items	21.6	18.8
Total	429.7	351.9

Note 24 - Adjustment for items not included in cash flow

Accounting policies

The cash flow statement is prepared in accordance with the indirect method.

SEK million	2022	2021
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	253.4	227.3
Depreciation as a part of production costs/goods for resale	14.0	7.3
Currency effects	-19.7	9.2
Other items	5.9	-49.0
Total	253.7	194.8

Note 25 - Classification of equity

Share capital

Share capital includes the registered share capital for the Parent company. Share capital consists of **19,707,680 (19,707,680)** class A shares (quoted value SEK **3.00**) and **46,635,863 (46,635,863)** class B shares (quoted value SEK **3.00**). The total number of outstanding shares amounts to **66,343,543 (66,343,543)**. Shares issued and fully paid.

Other capital contributions

Other capital contributions include the total transactions that New Wave Group AB has had with the shareholders. Transactions that have taken place are premium share issues. The amount that is included in other capital contributions is therefore fully equivalent to capital received in addition to the nominal amount from the share issue.

Reserves

Reserves consist of translation differences in foreign subsidiaries and fair value changes regarding financial instruments which are a part of cash flow hedge.

Retained earnings

Retained earnings are equivalent to the accumulated profits and losses generated by the Group in total, after the deduction of paid dividends.

Capital management

Group equity amounted to SEK **5,890.5 (4,567.6)** million at the end of the year. New Wave Group's financial strategy is to create safe financial conditions for the Group's operations and development. The return on equity is highly significant. At the end of 2022, the return on equity amounted to **25.0 (18.0)%** with an equity ratio of **53.8 (59.6)%**.

The company's dividend policy is that **40%** of the net profit must be distributed over a business cycle. The Board of Directors has decided to propose to the AGM a dividend of SEK **6.50** per share (total SEK **431 233 030**), spread over two payment dates. The first payment will be of SEK **3.26** per share (total SEK **216 279 950**). Since the Board of Directors has proposed a **2-for-1** share split, where each existing share will be split into two shares, the second payment will be of SEK **1.62** per share (total SEK **214 953 080**).

The board proposes that the general meeting decide on a **2:1** split, meaning that an existing share is divided into two shares.

Note 26 - Disclosures related to COVID-19

Accounting policies

In connection with the COVID-19 crisis, companies within the Group have 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. Grants received are not recognized until there is reasonable assurance that the Group will be able to meet the conditions associated with the grants, and that the grants will be able to be received. 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. During the year, some Group companies have received rent concessions and in those cases the Group has applied the rent concession practical expedient introduced in IFRS 16 in response to the COVID-19 pandemic. The rent concessions are recorded as variable leasing payments.

Government grants

The Group has received government grants, mainly related to temporary lay-offs, in several countries. Employees reduce their working hours, but can keep main part of their salary and the employer temporary receives government grants to cover main part of the personnel costs for the employees. During the second quarter of 2021, the Group received confirmation that most of the government loans that the Group's American companies had previously received were forgiven. Confirmation that the remaining part were forgiven was received during the third quarter of the same year and all PPP loans have thus been forgiven. The forgiveness of the loans is considered to constitute government grants and is therefore reported as other operating income. In total, the loans forgiven amounts to SEK 44.2 million. 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.

	2022	2021
Other operating income	0.5	61.9
Other liabilities	0.0	0.3

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. As of 31 December, all taxes and social charges have been paid.

	2022	2021
Other liabilities	0.0	0.0

Government loans

The Group has chosen to use the opportunity to obtain government loans in the US (PPP loans) and in France and UK. The Group has during 2021 received notice that all of the previously granted government loans in the US has been forgiven. The loan forgiveness is recognized as other operating income. For the government loans in France and UK, there are no forgiveness options. The table below contains information on the remaining government loans received.

	2022	2021
Long-term interest-bearing liabilities	3.2	4.6
Short-term interest-bearing liabilities	0.5	0.6
	3.8	5.2



Note 27 - Acquisition of B.T.C. Activewear Ltd

On September 2, New Wave Group AB acquired **100%** of the shares in the British profile clothing company B.T.C. Activewear Limited. The purchase price amounted to GBP 33 million.

The excess value that arose during the acquisition is attributable to goodwill. The goodwill mainly relates to the expected future profitability of the business, the considerable knowledge and competence of the staff and synergy effects on the cost side. Goodwill has an indefinite useful life and is not written off but is tested for impairment annually or when indicated.

Since the acquisition date, the acquisition has increased the group's net sales by SEK **247.0** million and the result for the period by SEK **19.2** million.

If the acquisition took place on 1 January 2022, the group's net sales would have amounted to SEK **9,288.8** million and the result for the period by SEK **1,198.2** million. In addition to the aforementioned results, transaction costs are added for the acquisition, which amounted to SEK **-3.7** million.

SEK million	Not realizable value
Goodwill	0.4
Other intangible fixed assets	2.8
Tangible fixed assets	5.0
Right-of-use assets	13.6
Stock	209.1
Accounts receivable and other short term receivables	127.6
Cash and cash equivalents	9.1
Lease liabilities	-13.6
Accounts payables and other short term payables	-87.2
Identifiable net assets	266.7
Goodwill	141.1
Consideration	407.8
Of which transferred cash	-407.8
Acquired cash and cash equivalents	9.1
Change in Group cash and cash equivalents	-398.7

Note 28 - Subsequent events

No significant events have occurred after the balance sheet date.

Income statement

SEK million	Note	2022	2021
Net income	2	100.1	90.4
Other operating income	3	61.6	18.0
Total income		161.7	108.4
Operating costs			
External costs	2, 6, 11	-70.4	-62.6
Personnel costs	4, 5	-45.5	-41.5
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	10, 11	-4.5	-5.4
Other operating costs		-52.4	-14.3
Operating result		-11.2	-15.4
Result from shares in Group companies		247.2	470.6
Change in write-downs of financial assets		-4.3	7.1
Financial income		69.7	36.3
Financial expenses		-44.5	-23.9
Net financial items	7	268.1	490.1
Result before appropriations and tax		257.0	474.7
Appropriations	8	125.3	144.9
Tax expense	9	-24.6	-26.9
Result for the year		357.6	592.8

Total comprehensive income for the year corresponds with result for the year



Cash flow statement

SEK million	2022	2021
Operating activities		
Operating result	-11.2	-15.4
Adjustment for items not included in cash flow	42.1	-0.5
Received dividends	247.2	470.6
Received interest	69.7	36.3
Paid interest	-44.5	-23.9
Paid income tax	-26.3	-13.2
Cash flow from operating activities before changes in working capital	277.1	453.8
Changes in working capital		
Increase/decrease in current receivables	-1 333.2	49.7
Increase/decrease on current liabilities	459.6	65.1
Cash flow from changes in working capital	-873.6	114.8
Cash flow from operating activities	-596.5	568.6
Investing activities		
Shareholder contributions to Group companies	0.0	-20.4
Investments in tangible fixed assets	-0.2	0.0
Investments in intangible fixed assets	-0.5	-6.1
Acquisition of shares	-409.2	-12.5
Changes in long-term loans to Group companies	1.5	324.9
Raised long-term receivables	-0.5	-0.1
Cash flow from investing activities	-408.9	285.8
Cash-flow after investing activities	-1 005.4	854.5
Financial activities		
Loans raised	1 388.4	0.0
Amortization of loans	-101.5	-588.8
Dividend paid to shareholders of the Parent company	-282.0	-265.4
Cash-flow from financial activities	1 004.9	-854.2
Cash flow for the year	-0.5	0.1
Liquid assets at the beginning of the year	0.5	0.4
Liquid assets at the end of the year	0.0	0.5
Liquid assets		
Cash and cash equivalents	0.0	0.5



Balance sheet

As of 31 December

SEK million	Note	2022	2021
ASSETS			
Intangible fixed assets	10	5.9	8.8
Tangible fixed assets	11	2.7	3.5
Shares in Group companies	12	2 644.6	2 256.0
Shares in associated companies	13	38.1	38.1
Receivables on Group companies		31.0	32.5
Other long-term receivables		6.0	5.5
Total non-current assets		2 728.3	2 344.4
Accounts receivable		0.8	0.7
Receivables on Group companies		2 988.8	1 481.6
Other receivables	14	25.6	39.4
Prepaid expenses and accrued income		11.3	8.5
Cash and cash equivalents		0.0	0.5
Total current assets		3 026.6	1 530.6
TOTAL ASSETS		5 754.8	3 875.0



SEK million	Note	2022	2021
EQUITY			
Share capital	15	199.0	199.0
Restricted reserves		249.4	249.4
Total restricted equity		448.4	448.4
Retained earnings		1 699.9	1 389.1
Share premium reserve		48.0	48.0
Result for the year		357.6	592.8
Total unrestricted equity		2 105.5	2 029.9
Total equity		2 553.9	2 478.3
Untaxed reserves	16	137.7	99.9
LIABILITIES			
Long-term interest-bearing liabilities	17, 19	1 733.6	458.0
Total non-current liabilities		1 733.6	458.0
Short-term interest-bearing liabilities	17, 19	127.5	94.6
Accounts payable		696.8	399.1
Liabilities to Group companies		485.9	321.6
Current tax liabilities		10.8	12.4
Other liabilities		0.8	1.2
Accrued expenses and prepaid income	18	7.8	9.9
Total current liabilities		1 329.6	838.8
Total liabilities		3 063.2	1 296.8
TOTAL EQUITY AND LIABILITIES		5 754.8	3 875.0

Changes in equity

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the year	Total equity
Opening balance 2021-01-01	199.0	249.4	1 552.4	48.0	102.1	2 151.0
Transfer according to decision at AGM			102.1		-102.1	0.0
Result for the year					592.8	592.8
Total changes, excluding transactions with shareholders	0.0	0.0	0.0	0.0	592.8	592.8
Dividends			-265.4			-265.4
Closing balance 2021-12-31	199.0	249.4	1 389.1	48.0	592.8	2 478.3
SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the year	Total equity
Opening balance 2022-01-01	199.0	249.4	1 389.1	48.0	592.8	2 478.3
Transfer according to decision at AGM			592.8		-592.8	0.0
Result for the year					357.6	357.6
Total changes, excluding transactions with shareholders	0.0	0.0	0.0	0.0	357.6	357.6
Dividends			-282.0			-282.0
Closing balance 2022-12-31	199.0	249.4	1 699.9	48.0	357.6	2 553.9

Note 1 - Accounting policies for the Parent company

The Swedish Financial Reporting Board's Recommendation 2 – Accounting for Legal Entities (RFR 2) and the Swedish Annual Accounts Act have been applied when preparing the Parent company's annual accounts. In accordance with RFR 2, the Parent company shall prepare its reports in accordance with the IASB's International Financial Reporting Standards (IFRS) adopted by the EU, to the extent that these are not contrary to the Swedish Annual Accounts Act. The accounting policies have been applied consistently for all periods, unless otherwise stated.

In Sweden, group contributions are tax deductible or taxable, unlike shareholder contributions. Group contributions are reported so that they mainly reflect the transaction's financial consequence. Group contributions, which have the same aim as the shareholder contribution, are added to the acquisition value of shares in Group companies with a reservation for impairment testing. Group contributions, received and provided, and their associated tax effect are recognized in the income statement.

The deferred tax liability on untaxed reserves is reported under untaxed reserves in the Parent company's annual accounts due to the connection between accounting and taxation. Shares in Group and associated companies are recognised at cost and subject to impairment testing each year, by comparing discounted expected future cash-flows with book value of the shares in each company.

New accounting policies for 2022

No new accounting policies that entered into force in 2022 are deemed to have had any material impact on the Group financial statements.

Note 2 - Related parties

Sales

Of the Parent company's invoiced sales, SEK **99.4 (89.9)** million equivalent to **99.3 (99.5%)** were sales to Group companies. All transactions are carried out under market conditions.

Transactions with related persons

The Parent company did not have any transactions with related persons during 2022.

Note 3 - Other operating income

SEK million	2022	2021
Foreign exchange gains	60.8	18.0
Other contributions and payments	0.8	0.0
Total	61.6	18.0

Note 4 - Average number of employees

	2022 Number of employees	Of which men	2021 Number of employees	Of which men
Gothenburg	44	28	41	28
Total	44	28	41	28

Note 5 - Salaries, other remuneration and social security contributions

SEK million	2022 Salaries and other remuneration	Social security contributions	Of which pension costs	2021 Salaries and other remuneration	Social security contributions	Of which pension costs
	29.4	14.3	5.3	25.8	13.6	4.3
Of the Parent company's pension costs SEK 0.3 (0.3) million concerns the Board and the CEO.						
Salaries and other remuneration divided between Board members, CEO and other employees						
SEK million	2022 Board and CEO	Of which bonus	Other employees	2021 Board and CEO	Of which bonus	Other employees
	2.7	0.0	26.7	2.5	0.0	23.3
Board members' fees	2022	2021				
External members of the Parent company's Board	1.8	1.5				
Of which to the Chairman of the Board	0.5	0.4				

Remuneration committee for the Parent company has not been elected. The fees paid to the Chairman of the Board and the Board of Directors are in accordance with the decision of the Annual General Meeting.

Conditions of employment for the CEO

Remuneration to the CEO comprises a fixed salary from New Wave Group AB. No board member's fees or other remuneration such as bonuses are paid to the CEO. As pension insurance for the CEO, a market-adjusted defined contribution plan is in place. A mutual notice period of six months applies for the CEO and no severance pay is awarded.

Conditions of employment for other senior executives

Other senior executives refers to the four persons employed by the Parent company whom together with the CEO is a part of the Group management. For the structure of the Group management, see pages 60-61 of this report. Remuneration to the other senior executives comprises a fixed salary and in one case bonus based on development in terms of inventory turnover, operating margin and turnover for applicable segment.

No board member fees are paid when senior executives take part of Group companies' boards. Market-adjusted defined contribution pension plan exist for the other senior executives. Mutual notice period is between three to six months and no severance pay is awarded.

Decision-making process

There is no specially appointed remuneration committee to deal with wages, pension benefits, incentives and other employment-related conditions for the CEO and the Group's other senior executives; these matters are dealt with by the Board as a whole. The salaries of the senior executives are decided by the CEO after consultation with the Chairman of the Board. The Board members' fees are decided by the Annual General Meeting.

SEK million	2022 Salaries and other remuneration	Of which bonus	Pension costs	2021 Salaries and other remuneration	Of which bonus	Pension costs
Torsten Jansson, CEO	0.9	0.0	0.3	0.9	0.0	0.3
Olof Persson, Chairman of the Board	0.5	0.0	0.0	0.4	0.0	0.0
Kinna Bellander, Board Member	0.3	0.0	0.0	0.2	0.0	0.0
Mats Årjes, Board Member (resigned 2022)	0.2	0.0	0.0	0.2	0.0	0.0
M. Johan Widerberg, Board Member	0.3	0.0	0.0	0.2	0.0	0.0
Jonas Eriksson, Board Member	0.2	0.0	0.0	0.2	0.0	0.0
Ingrid Söderlund,	0.2	0.0	0.0	0.1	0.0	0.0
Ralph Mulrad, Board Member	0.2	0.0	0.0	0.1	0.0	0.0
Magdalena Forsberg (resigned 2022)	0.0	0.0	0.0	0.1	0.0	0.0
Other senior executives*	5.7	0.0	2.0	4.9	0.0	2.0
Total	8.4	0.0	2.3	7.3	0.0	2.3

*See pages 60-61.

Warrants

The Parent company has no outstanding warrants.

Pension obligations

For white-collar employees in Sweden the ITP 2-plan's defined benefit pension obligations for retirement- and family pensions (or family pension) are secured through insurance in Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed by insurance in Alecta, this is a defined benefit plan that covers several employers. For financial year 2021 the company has not had access to information in order to account for its proportionate share of the plan's obligations, plan assets and costs which meant that the plan has not been possible to account for as a defined benefit plan. The pension plan ITP 2 secured through insurance with Alecta is therefore recognized as a defined contribution plan. The premium for the defined benefit retirement and family pension is individually calculated and is dependent on factors including salary, previously earned pension and expected remaining period of service. Expected premiums for 2022 amount to SEK 2.9 (2.7) million.

The collective funding level is the market value of Alecta's assets in percent of the commitments calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19. The collective consolidation level is normally allowed to vary between 125% and 155%. If Alecta's consolidation level fall below 125% or exceed 155% measures should be taken in order to create conditions to reestablish the consolidation level to the normal range. At low consolidation, a measure can be to raise the agreed price for new agreements. At high consolidation, a measure can be to introduce premium reductions. Alecta's collective funding ratio at the end of the year was 172% (172%).

Note 6 - Remuneration to auditors

SEK million	2022	2021
Audit assignment		
Ernst & Young	0.6	1.1
Audit work outside audit assignment	0.1	0.8
Tax consultancy	0.0	0.0
Total	0.7	1.8

Note 7 - Financial income and expenses

SEK million	2022	2021
Write-down of financial fixed assets	0.0	-13.0
Reversal write-down of financial fixed assets	16.3	28.0
Write-down of shares in Group companies	-20.6	-7.9
Dividends from Group companies	247.2	470.6
Financial income, Group companies	68.8	36.1
Financial income, other	0.9	0.2
Financial expenses, Group companies	-11.7	-3.2
Financial expenses, other	-32.9	-20.7
Total	268.1	490.1

Note 8 - Appropriations

SEK million	2022	2021
Group contributions received	207.4	206.0
Group contributions provided	-44.3	-18.5
Accelerated depreciation	0.8	0.4
Change in tax allocation reserve	-38.6	-43.0
Total	125.3	144.9

Note 9 - Tax expense

SEK million	2022		2021	
Current tax	-24.6		-26.9	
Total	-24.6		-26.9	
Reconciliation of effective tax				
Result before tax	382.3		619.6	
Tax expense according to local tax rate	-78.8	-20.6%	-127.6	-20.6%
Tax effects from:				
Non-taxable income	59.4	15.5%	100.9	16.3%
Non-deductible expenses	-5.1	-1.3%	-0.2	0.0%
Other	-0.1	0.0%	0.0	0.0%
Tax according to income statement	-24.6	-6.4%	-26.9	-4.3%

Note 10 - Intangible fixed assets

SEK million	Trademarks		Computer software	
	2022	2021	2022	2021
Accumulated acquisition values				
Opening accumulated acquisition values	7.0	7.0	55.2	49.1
Acquisitions	0.0	0.0	0.5	6.1
Closing accumulated acquisition values	7.0	7.0	55.7	55.2
Accumulated amortizations				
Opening accumulated amortizations	-7.0	-7.0	-46.4	42.6
Amortizations	0.0	0.0	-3.4	-3.8
Closing accumulated amortizations	-7.0	-7.0	-49.8	-46.4
Closing book value	0.0	0.0	5.9	8.8



Note 11 - Tangible fixed assets

SEK million	Equipment, tools and installations	
	2022	2021
Accumulated acquisition values		
Opening acquisition values	22.6	22.3
Acquisitions	0.3	0.3
Closing accumulated acquisition values	22.9	22.6
Accumulated depreciations		
Opening accumulated depreciations	-19.1	-17.6
Depreciations	-1.1	-1.5
Closing accumulated depreciations	-20.2	-19.1
Closing book value	2.7	3.5

Leasing fees for operational leasing

The Parent company has operational lease agreements, primarily related to rental of premises and leasing of cars. The future minimum commitment for these agreements can be seen in the following summary:

SEK million	2022
2023	5.6
2024	5.2
2025	5.2
2026	1.4
2027 incl. fees through contract period end	0.0
Operational leasing costs for the year	6.2

SEK million	2021
2022	5.5
2023	5.5
2024	5.2
2025	2.6
2026 incl. fees through contract period end	1.5
Operational leasing costs for the year	5.7

Note 12 - Shares in Group companies

	Share of capital, %	Share of votes, %	Number of shares	Book value, SEK million
B.T.C. Activewear Ltd	100	100	90 108	407,8
Craft of Scandinavia AB ¹	100	100	50 000	64,0
Texet Denmark A/S	100	100	1 000	15,8
DJ Frantextil AB	100	100	30 000	25,1
EBAS Group BV ²	100	100	5 100	27,0
Ferstar Inc	100	100	10 000	0,0
GC Sportswear OY	100	100	8 000	7,4
Intraco Holding BV ³	100	100	80 881	55,0
Jobman Workwear AB	100	100	10 000	67,9
New Wave Austria GmbH	100	100	-	30,4
New Wave Danmark A/S	100	100	2	1,2
New Wave France SAS	100	100	100	5,0
New Wave Group International Trading Ltd	100	100	-	0,0
New Wave Group SA ⁴	100	100	100	0,5
New Wave Holland BV ⁵	100	100	13 616	104,4
New Wave Iceland ehf.	80	80	59 248 000	4,6
New Wave Italia S.r.l	100	100	500 000	6,7
New Wave Mode AB	100	100	100 000	111,0
New Wave Profile Professionals AB	100	100	1 000	0,1
New Wave Norway AS	100	100	9 000	1,0
New Wave Sportswear S.A.	100	100	1 000	2,4
New Wave Trading Shanghai Ltd	100	100	-	0,0
New Wave USA Inc ⁶	100	100	-	1 068,5
Orrefors Kosta Boda AB ⁷	100	100	100 000	53,7
OY Trexet Finland AB	100	100	600	1,4
New Wave Group Canadian Distribution Inc ⁸	100	100	1 000	149,2
Paris Glove of Canada Ltd	27	27	2 903 481	0,0
Pax Scandinavia AB	100	100	2 400	9,1
Projob Workwear AB	100	100	1 015 684	11,8
Sagaform AB ⁹	100	100	5 611 223	53,0
Sege Europe AB	100	100	10 000	22,0
Texet AB	100	100	58 500	85,9
Texet Benelux BV	89	89	8 458 627	144,5
Texet France SAS	96	96	47 798	0,0
Texet Poland Sp z o.o.	100	100	15 459	9,8
Textilgrossisten Hefa AB ¹⁰	100	100	18 985	42,0
Tg-H Benelux NV	99	99	100	0,0
United Brands of Scandinavia Ltd ¹¹	100	100	200	55,0
Total				2 644,6

¹ Craft of Scandinavia AB owns Vist Fastighets AB.

² EBAS Group BV owns 11% of Texet Benelux NV and 4 % of Texet France SAS.

³ Intraco Holding owns Intraco Hong Kong Ltd, Intraco International Ltd, Intraco Electronics Ltd, Intraco Trading BV, Intraco Deutschland GmbH and 89 % of DeskTop Ideas Ltd.

⁴ New Wave Group SA owns Multi Sourcing Asia Ltd, New Wave Trading Shanghai Ltd and New Wave Group India Buying Private Ltd.

⁵ New Wave Holland BV owns Toppoint BV, Toppoint Deutschland GmbH, Newpoint Sp z o.o., Toppoint Polska Sp z o.o., GS Plastics GmbH, New Wave Sportswear BV and X-Tend BV.

⁶ New Wave USA Inc owns Gloves International Inc as well as Cutter & Buck Inc which in turn owns Cutter & Buck Direct LLC, and Orrefors Kosta Boda LLC, which in turn owns AHEAD LLC and Craft Sportswear NA, LLC, which in turn owns Tournament Solutions LLC.

⁷ Orrefors Kosta Boda AB owns Glasma AB, Lågprisvaruhuset Kosta AB, Smålandsriket Fastigheter AB, Orrefors Kosta Boda AS and Destination Kosta AB, which in turn owns Kosta Boda Art Hotel AB, Kosta Lodge AB, Kosta Food & Beverage AB, Kosta Outdoor AB, Kosta Fashion AB, Kosta Förlag AB and Kosta Taxi & Limousine AB.

⁸ New Wave Group Canadian Distribution Inc owns Craft Sports Inc as well as 73 % of Paris Glove of Canada Ltd.

⁹ Sagaform AB owns Sagaform AS and Sagaform GmbH.

¹⁰ Textilgrossisten Hefa AB owns Texet GmbH which in turn owns New Wave GmbH.

¹¹ United Brands of Scandinavia Ltd owns United Brands Textiles Ltd.

Information regarding corporate identity numbers and domiciles for the Group companies:

	Corporate identity number	Domicile
AHEAD LLC	45-2433808	New Bedford, USA
B.T.C. Activewear Ltd	7145431	Wednesbury, UK
Craft of Scandinavia AB	556529-1845	Borås, Sweden
Craft Sports Inc	1173172041	Montreal, Canada
Craft Sportswear NA, LLC	1111205	Beverly, USA
Cutter & Buck Inc	601222729	Seattle, USA
Desktop Ideas Ltd	3735458	Oxfordshire, UK
Destination Kosta AB	556699-2565	Lessebo, Sweden
DJ Frantextil AB	556190-4086	Munkedal, Sweden
EBAS Group BV	17078626	Mijdrecht, The Netherlands
Ferstar Inc	1170809173	Montreal, Canada
GC Sportswear OY	1772317-6	Esbo, Finland
Glasma AB	556085-8671	Emmaboda, Sweden
Gloves International Inc	1998272	Mayfield, USA
GS Plastics GmbH	HRB742160	Gosheim, Germany
Intraco Holding BV	34228913	Wormerveer, The Netherlands
Intraco Hong Kong Ltd	33959038-000	Hong Kong
Intraco International Ltd	35134648-000	Hong Kong
Intraco Electronics Ltd	91440300793882727K	Shenzhen, China
Intraco Trading BV	35027019	Wormerveer, The Netherlands
Intraco Deutschland GmbH	HRB207207	Nordhorn, Germany
Jobman Workwear AB	556218-1783	Stockholm, Sweden
Kosta Boda Art Hotel AB	556697-8804	Lessebo, Sweden
Kosta Fashion AB	559043-9799	Lessebo, Sweden
Kosta Food & Beverage AB	559043-4832	Lessebo, Sweden
Kosta Förlag AB	556700-7140	Lessebo, Sweden
Kosta Lodge AB	559043-4857	Lessebo, Sweden
Kosta Outdoor AB	559043-4881	Lessebo, Sweden
Smålandsriket Fastigheter AB	559140-4107	Lessebo, Sweden
Kosta Taxi & Limousine AB	559086-2289	Lessebo, Sweden
Toppoint BV	5055988	Bergentheim, The Netherlands
Lågprisvaruhuset Kosta AB	556063-8883	Lessebo, Sweden
Multi Sourcing Asia Ltd	60950530	Hong Kong
New Wave Austria GmbH	FN272531g	Erl, Austria
New Wave Danmark A/S	19950700	Copenhagen, Denmark
New Wave France SAS	430 060 624	Dardilly, France
New Wave GmbH	HRB10847	Oberaudorf, Germany
New Wave Group Canadian Distribution Inc	1167232215	Montreal, Canada
New Wave Group India Buying Private Ltd	U51109KA2007PTC069919	Bangalore, India
New Wave Group International Trading Ltd	9131000074959455X6	Shanghai, China
New Wave Group SA	CHE-105.558.787	Cortailod, Switzerland
New Wave Holland BV	5061847	Hardenberg, The Netherlands

	Corporate identity number	Domicile
New Wave Iceland ehf.	580219-1790	Reykjavik, Iceland
New Wave Italia S.r.l.	1 057 640 193	Codogno, Italy
New Wave Mode AB	556312-5771	Munkedal, Sweden
New Wave Norway AS	946506370	Sarpsborg, Norway
New Wave Profile Professionals AB	556765-0782	Gothenburg, Sweden
New Wave Sportswear BV	30159098	Utrecht, The Netherlands
New Wave Sportswear S.A.	A61326377	Barcelona, Spain
New Wave Trading Shanghai Ltd	91310000667752841K	Shanghai, China
New Wave USA Inc	26-2841698	Seattle, USA
Newpoint Sp z o.o.	0000270348	Zielona Góra, Poland
Orrefors Kosta Boda AB	556519-1300	Lessebo, Sweden
Orrefors Kosta Boda A/S	946 506 370	Sarpsborg, Norway
Orrefors Kosta Boda LLC	691467	West Berlin, USA
OY Trexet Finland AB	0874124-1	Esbo, Finland
Paris Glove of Canada Ltd	1142613711	Montreal, Canada
Pax Scandinavia AB	556253-8685	Örebro, Sweden
Projob Workwear AB	556560-7180	Munkedal, Sweden
Sagaform AB	556402-4064	Borås, Sweden
Sagaform AS	919943033	Skien, Norway
Sagaform GmbH	HRB22459	Oberaudorf, Germany
Sejer Europe AB	556244-8901	Ulricehamn, Sweden
Textet AB	556354-3015	Stockholm, Sweden
Textet Benelux NV	0874124-1	Aarschot, Belgium
Textet Denmark A/S	37764728	Skanderborg, Denmark
Textet France SAS	572175669	Natterre Cedex, France
Textet GmbH	HRB22648	Oberaudorf, Germany
Textet Poland Sp z o.o.	281382	Poznan, Poland
Textilgrossisten Hefa AB	556485-2126	Stenungsund, Sweden
Tg-H Benelux NV	0704.662.537	Aarschot, Belgium
Toppoint Deutschland GmbH	HRB130894	Nordhorn, Germany
Toppoint Polska Sp z o.o.	0000220828	Zielona Góra, Poland
Tournament Solutions LLC	10-0000488	Manchester, USA
United Brands of Scandinavia Ltd	5480650	Hirwaun, UK
United Brands Textiles Ireland Ltd	687793	Limerick, Ireland
Vist Fastighets AB	556741-1672	Ulricehamn, Sweden
X-Tend BV	0874.899.418	Zwolle, The Netherlands

Note 13 - Shares in associated companies

SEK million	2022	2021
Dingle Industrilokaler AB	8.3	8.3
Kosta Köpmanshus AB	29.4	29.4
Jobman Workwear GmbH	0.4	0.4
Total	38.1	38.1

	Corporate identity number	Domicile	Share of capital, %	Share of votes, %	Number of shares	2022 (SEK million)	
						Equity	Result
Dingle Industrilokaler AB	556594-6570	Munkedal	49	49	83 055	14.7	0.0
Kosta Köpmanshus AB	556691-7042	Lessebo	49	49	7 350	64.1	0.0
Jobman Workwear GmbH	HRB758048	Freiberg	49	49	2	-6.7	-3.7

Note 14 - Prepaid expenses and accrued income

SEK million	2022	2021
Prepaid IT and license costs	8.9	6.7
Prepaid marketing expenses	0.0	0.1
Prepaid rents	1.5	1.2
Accrued income	0.0	0.0
Other items	0.8	0.5
Total	11.2	8.5

Note 15 - Equity

Division of share capital

The Parent company's share capital consisted of the following number of shares as of 31 December 2022 with a quota value of SEK 3.00 per share.

Share class		Number of shares	Number of votes	Share of capital, %	Share of votes, %
A	10 votes	19 707 680	197 076 800	29.7	80.9
B	1 vote	46 635 863	46 635 863	70.3	19.1
Total		66 343 543	243 712 663	100.0	100.0

Note 16 - Untaxed reserves

SEK million	2022	2021
Accelerated depreciation	1.1	2.0
Tax allocation reserve 2017	13.3	13.3
Tax allocation reserve 2018	22.4	22.4
Tax allocation reserve 2019	19.3	19.2
Tax allocation reserve 2020	0.0	0.0
Tax allocation reserve 2021	43.0	43.0
Tax allocation reserve 2022	38.6	0.0
Total	137.7	99.9

Deferred tax on untaxed reserves amounts to SEK 29.0 (21.2) million.

Note 17 - Credit limit

In December, the Group took up a new long term loan that runs through 2030. The Group's total credit facility as of December 31 amounted to SEK **2,881.2** million, of which USD **7.0** million runs up to January 2024, SEK **2,150.0** million runs through December 2025, SEK **207.8** million runs through August 2027 and SEK **200** million has a term that runs through December

2030. The other SEK **250.0** million has a term of between three months and six years. The credit facility 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.

Note 18 - Accrued expenses and prepaid income

SEK million	2022	2021
Holiday pay liability	5.8	5.3
Special employer's contribution	1.0	2.0
Social security contributions	0.7	0.8
Financial expenses	0.0	0.0
Audit fees	0.0	0.4
Other items	0.3	1.4
Total	7.8	9.9

Note 19 - Pledged assets and maturity for interest-bearing liabilities

SEK million	2022	2021
Floating charges	30.0	30.0
Shares in Group companies	1 739.1	1 737.7
Shares in associated companies	8.3	8.3
Total	1 777.4	1 776.0

The Parent company's pledged assets consists of collateral for the company's interest bearing liabilities to credit institutions which amounted to SEK **1,861.1 (552.6)** million at year-end. See further Note 16, section Liquidity

risk, for information regarding the conditions for the Group's financing which also applies to the Parent company. See below for the maturity analysis of the Parent company's interest-bearing liabilities.

Maturity analysis of the Parent company's loans	2022	2021
2022	0.0	102.4
2023	198.1	100.7
2024	147.3	247.5
2025	1 710.2	45.7
2026	77.5	45.0
2027 or later	144.9	33.3

The table above displays the contractual and undiscounted interest payments and amortization of interest-bearing liabilities. Any planned future liabilities have not been included. Interest payments

related to financial instruments with floating rate has been calculated based on the interest rate at year-end.

Note 20 - Contingent liabilities

SEK million	2022	2021
Guarantees for Group companies	589.8	633.5
Guarantees for associated companies	6.0	6.0
Total	595.8	639.5





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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 Annual 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.

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 profitability target.
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 growth target.
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 growth target.
OPERATING MARGIN BEFORE DEPRECIATIONS	Operating result before depreciation as a percentage of the period's net sales.	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.	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 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 profitability target.

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.

Auditor's report

To the general meeting of the shareholders of New Wave Group AB (publ), corporate identity number 556350 - 0916

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of New Wave Group AB (publ) for the financial year 2022. The annual accounts and consolidated accounts of the company are included on pages 63-134 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for opinions

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

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

Key audit matters

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

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

Revenue recognition

Total revenue amounted to SEK 8,844 million in 2022. On page 80 the company states the applied accounting principles for revenue recognition. In short they state that revenue related to the sales of goods is recognized when it is likely that payment will be received and when all risks and benefits have been transferred from seller to buyer. The revenue recognition is associated with a certain element of judgement in regards to recognition of discounts for retailers, risks related to revenue reduction and the transfer of risk to the customer, which is why we have considered the revenue recognition as a key audit matter in our audit.

The audit procedures related to revenue recognition, among other things include walkthrough of processes and procedures related to revenue recognition, verification of compliance in regards to IFRS standards. Further, our audit includes detailed analysis of recorded revenue for different agreements based on historical results, budgets, and the follow ups where made to deviations from the expected outcome. We have performed random inspection of contracts and the transfer of risk associated to the period close in order to verify correct revenue accruals. Our audit has also included review of the supporting material that judgments, calculations and accruals related to estimates of discounts and bonuses are based on.

We have also reviewed the revenue disclosures.

Valuation of goodwill and trademarks

The reported value for intangible assets amounted to SEK **1,769** million per 31 of December 2022 according to the consolidated statement regarding financial position. That amount represents **16** percent of total assets. The Company performs checks of the reported value against the recoverable amount at an annual basis or at signs of impairment. The recoverable amount is determined for each cash generating unit by performing a present value calculation of future cash flows. The calculations are based on the decided business plan for the next five years and an estimate of cash flows at the end of the forecast period. The calculations are also based on a number of assumptions, such as growth, operating margin and discount rate.

Changes in assumptions have a material effect on the calculation of the recoverable amount. Due to this fact we have considered the valuation of goodwill and trademarks as a key audit matter in our audit.

A description of the impairment loss test is presented in Note 8 “Intangible fixed assets”.

As a part of our audit we have evaluated and tested the Company’s process for preparing impairment loss tests. The evaluation and testing has been based on a review of the accuracy of earlier forecasts and assumptions. We performed reasonability assessments of forecasted cash flows and growth assumptions by comparing them to other companies within the same industry. Furthermore we have tested the marketability of the company’s assumptions regarding the discount rate and long term growth rate with support from our valuation experts. We have also reviewed the Company’s model and method for conducting impairment loss tests, this includes an evaluation of the company’s sensitivity analysis. We have also reviewed the disclosures related to valuation of goodwill and trademarks in the annual report.

Valuation of inventory

The reported value of inventory amounted to SEK **5,298** million per 31 of December 2022 according to the consolidated statement regarding financial position. That amount represents **48** percent of total assets. The inventory is valued based on the first in-first out principle at the lowest cost and net realizable value at the balance sheet date. The calculation of the net realizable value is based on the Company’s assumptions regarding slow moving and obsolete goods. Due to this fact we have considered the valuation of inventory as a key audit matter in our audit.

The Company’s disclosures regarding stock-in-trade is presented in note **15** in the annual report.

We have reviewed the Company’s processes and procedures for assessing and following up on slow moving and obsolete goods. We have performed an analytical review based on historical comparisons and data analysis in order to identify slow moving and obsolete goods and assess the need to make provision. Furthermore we have also reviewed the disclosures related to valuation of inventory in the annual report.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages **2-62** and **135-139**. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the CEO

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

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

Auditor's responsibility

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

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

- *Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- *Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.*
- *Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to*

events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- *Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.*
- *Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.*

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

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

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of New Wave Group AB (publ) for the financial year 2022 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- *has undertaken any action or been guilty of any omission which can give rise to liability to the company, or*

- *in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.*

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF reports

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for New Wave Group AB for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of New Wave Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the ESEF report, i.e. if the file containing the ESEF report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the ESEF report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Ernst & Young AB, was appointed auditor of New Wave Group Abs auditor by the general meeting of the shareholders on the May 18, 2022 and has been the company's auditor since May 28, 2007.

Gothenburg, 31 March, 2023

Ernst & Young AB


Jonas Svensson
Authorized Public Accountant



The Group's development

in summary

SEK million	2022	2021	2020	2019	2018
Income statement in brief					
Net sales	8 843.6	6 718.6	6 098.8	6 903.5	6 290.6
Other operating income	123.9	111.5	146.2	77.9	74.8
Operating costs	-7 213.2	-5 596.9	-5 469.5	-6 213.4	-5 804.7
EBITDA	1 754.3	1 233.2	775.4	768.1	560.7
Amortizations, depreciations and write-downs	-249.2	-227.3	-229.5	-233.1	-77.9
Operating result	1 505.1	1 005.9	545.9	535.0	482.8
Net financial items	-55.0	-43.0	-64.9	-68.2	-40.9
Result before tax	1 450.1	962.9	481.0	466.7	441.8
Tax	-281.3	-202.9	-118.0	-96.7	-81.8
Result for the year	1 168.8	760.0	363.0	370.1	360.0
Total comprehensive income for the year	1 604.9	992.9	84.8	468.0	517.6
Balance sheet in brief					
Trademarks	588.9	531.4	494.3	543.4	516.7
Other fixed assets	2 681.0	2 345.7	2 336.4	2 560.5	1 703.9
Inventory	5 297.7	2 937.6	2 883.0	3 557.9	3 230.9
Accounts receivable	1 664.1	1 359.7	1 059.3	1 192.8	1 084.1
Other current assets	292.5	158.4	118.5	188.4	213.6
Liquid assets	419.4	327.9	325.1	351.3	312.2
Total assets	10 943.6	7 660.6	7 216.7	8 394.3	7 061.4
Equity attributable to the Parent company's shareholders	5 889.4	4 566.7	3 845.0	3 754.4	3 415.0
Equity attributable to non-controlling interest	1.1	0.9	10.5	16.3	19.2
Provisions	190.5	165.0	165.7	165.0	166.1
Interest-bearing liabilities	2 749.0	1 396.6	2 142.7	3 316.1	2 143.2
Non-interest-bearing liabilities	2 113.6	1 531.5	1 052.7	1 142.5	1 317.9
Total equity and liabilities	10 943.6	7 660.6	7 216.7	8 394.3	7 061.4
Cash flows					
Cash flow before changes in working capital and investments	1383.2	993.0	631.8	605.0	429.7
Changes in working capital	-1743.2	214.4	574.8	-505.6	-207.1
Cash flow before investments	-360.0	1 207.4	1 206.6	99.5	222.6
Net investments	-522.2	-114.2	-57.5	-148.7	-163.2
Cash flow after investments	-882.2	1 093.2	1 149.1	-49.3	59.4
Cash flow from financing activities	934.1	-1 110.9	-1 155.6	80.4	39.3
Cash flow for the year	51.9	-17.7	-6.4	31.2	98.7

	2022	2021	2020	2019	2018
Key figures					
Gross profit margin, %	49.5	48.1	43.2	46.4	46.6
Operating margin, %	17.0	15.0	9.0	7.7	7.7
Profit margin, %	16.4	14.3	7.9	6.8	7.0
Net margin, %	13.2	11.3	6.0	5.4	5.7
Return on capital employed, %	20.7	16.9	8.4	8.6	9.4
Return on equity, %	25.0	18.0	9.5	10.3	11.2
Equity ratio*, %	53.8	59.6	53.4	44.9	48.6
Net debt to equity ratio*, %	39.5	23.4	47.1	78.6	53.3
Net debt in relation to working capital*, %	44.7	35.7	59.5	77.1	57.0
Interest coverage ratio*, times	25.7	21.9	8.0	7.1	10.5
Inventory turnover, times	1.1	1.2	1.1	1.1	1.1
Average number of employees	2 313	2 060	2 064	2 579	2 566
Sales outside Sweden, %	77.3	71.5	74.5	76.7	75.7
Data per share					
Number of shares before and after dilution**	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
Earnings per share before and after dilution, SEK	17.62	11.46	5.51	5.66	5.48
Equity per share before and after dilution, SEK	88.77	68.83	57.96	56.59	51.47
Share price at 31 December, SEK	206.40	167.80	54.50	59.80	47.40
P/E ratio as of 31 December	11.72	14.64	9.89	10.56	8.70
Dividends per share, SEK	4.25	4.00	-	2.00	1.70
Dividends yield, %	2.06	2.38	-	3.34	3.59
Operating cash flow per share, SEK	-5.43	18.20	18.19	1.50	3.36

*The key figures for 2019 and forward have been affected by accounting according to IFRS 16.

**The number of shares are the same before and after dilution.

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16 May 2023

Annual General Meeting



16 May

Notification

Postal votes and powers of attorney shall be sent by letter to:

New Wave Group AB (publ)
"AGM"

Kungsportsavenyen 10
SE-411 36, Gothenburg,
Sweden

Postal votes and powers of attorney must have been received by the company no later than on **10 May 2023**.

Dividend

The Board of Directors has decided to propose to the AGM:

- A dividend of SEK **6.50** per share (before the split).
- **2:1** split, meaning that an existing share is divided into two shares.

2023

The Annual General Meeting ("AGM") will take place on Tuesday 16 May 2023 at 1:00 p.m. at Kosta Boda Art Hotel, Stora vägen 75, SE-365 43 Kosta, Sweden. Shareholders have the right to attend the AGM if they are registered in the register of shareholders maintained by Euroclear Sweden AB ("Euroclear") on 8 May 2023 and notify the company of their intention to attend the AGM no later than on 10 May 2023.

If the shareholder intends to be represented by proxy, a written and dated power of attorney shall be issued for the proxy. The original power of attorney shall be sent to the company (see address on the left) and received by the company well in time before the AGM. If the power of attorney is issued by a legal entity, a certified copy of the registration certificate or other authorization documentation shall be sent to the company. Please note that shareholders who are represented by proxy must also give notice of participation as stipulated above. A proxy form is available on the company's website www.nwg.se.

Nominee-registered shares

Shareholders with nominee-registered shares must register their shares in their own names. The registration may be temporary (so-called voting right registration) and must have been effected at Euroclear no later than on 10 May 2023, and shall be requested at the nominee holding the shares well in advance of this date.


Agenda Items

The items prescribed by law and the articles of association, the below proposal for dividends and other items mentioned in the notice to convene the meeting will be addressed at the AGM.

Dividend

The Board of Directors has decided to propose to the AGM a dividend of SEK **6.50** per share (total SEK **431 233 030**), spread over two payment dates. The first payment will be of SEK **3.26** per share (total SEK **216 279 950**), with 19 May 2023 as proposed record day. Since the Board of Directors has proposed a **2-for-1** share split, where each existing share will be split into two shares, the second payment will be of SEK **1.62** per share (total SEK **214 953 080**), with 21 November 2023 as proposed record day. If the AGM resolves in accordance with the proposal, Euroclear is expected to execute the first payment on 24 May 2023 and the second payment on 24 November 2023.





New Wave Group is a growth group that designs, acquires and develops brands and products in the corporate, sports, gifts and home furnishings sectors.

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