

New Wave Group AB

# 2021 *Interim Report*

January - September

BAUHAUS

CP

# Trademarks

## Corporate



## Sports & Leisure



## Gifts & Home Furnishings



New Wave Group AB

# Interim report

## PERIOD 1 JULY - 30 SEPTEMBER 2021

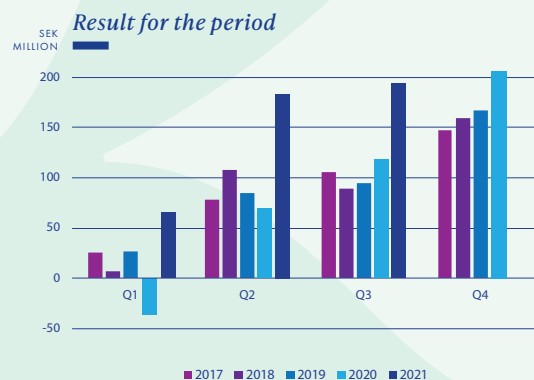
- Net sales amounted to SEK **1,663.5** million, which was **13%** (**14%** in local currencies) higher than last year (SEK **1,470.1** million).
- Operating result amounted to SEK **261.1** (**176.3**) million.
- Result for the period amounted to SEK **196.0** (**118.9**) million.
- Earnings per share amounted to SEK **2.97** (**1.81**).
- Cash flow from operating activities amounted to SEK **241.8** (**283.2**) million.

## PERIOD 1 JANUARY - 30 SEPTEMBER 2021

- Net sales amounted to SEK **4,411.9** million, which was **4%** (**9%** in local currencies) higher than last year (SEK **4,225.6** million).
- Operating result amounted to SEK **602.6** (**262.3**) million.
- Result for the period amounted to SEK **451.5** (**154.8**) million.
- Earnings per share amounted to SEK **6.85** (**2.38**).
- Cash flow from operating activities amounted to SEK **794.2** (**649.1**) million.
- Equity ratio amounted to **60.0** (**49.0**) %.
- Net debt to equity ratio amounted to **25.1** (**62.1**) %.

## EXTRAORDINARY DIVIDEND

The Board has resolved to convene an Extraordinary General Meeting and to propose an extraordinary dividend of SEK 4.00 per share, total of SEK 265.4 million.



Torsten Jansson

# CEO comments

"In terms of earnings, it was a new ALL TIME HIGH for a third quarter and operating profit increased by 48% from SEK 176.3 million to SEK 261.1 million and the operating margin was a full 15.7%."

**July - September**  
**Another record performance.**

I feel great joy and pride for our results in the third quarter. Although the pandemic is not over yet, and definitely was not over during this quarter, society is opening up more and more. Just as we predicted in previous reports, demand is increasing and we are heading for a strong autumn. Sales increased by 13% to SEK 1,663.5 million and almost reached the 2019 level. As the market has not fully recovered, this in all probability means that we are taking real market share. In terms of earnings, it was a new ALL TIME HIGH for a third quarter and operating profit increased by 48% from SEK 176.3 million to SEK 261.1 million and the operating margin was a full 15.7%. Earnings after net financial items increased by 55% to SEK 250.1 million and the results for the period increased by 65% to SEK 196.0 million. It is also noteworthy that both sales channels had growth, profile increased by 7% and retail by as much as 22%. All segments improved their operating profit and we continued to have a strong cash flow.

**January - September**

Net sales increased by 4% to SEK 4,411.9 million, operating profit increased by 130% to SEK 602.6 million and the operating margin was thus 13.7%. Result after net financial items increased by 169% to SEK 569.5 million and result for the period increased by as much as 192% to SEK 451.5 million. Also notable is the strong cash flow of SEK 794.2 million, although I actually prefer it to have been lower in favor of a larger inventory given the current longer lead times within production and transportation.

**Rolling 12 months**

Net sales for the rolling full year amount to SEK 6,285.1 million with an operating profit of SEK 886.2 million, which gives an operating margin of 14.1%. Results after finance amounts to SEK 838.7 million and result for the period to SEK 659.6 million. It is gratifying with the special focus on improved margins that we initiated and communicated to the markets just over a year ago has yielded such rapid results. For the full year 2019, the operating margin was 7.7% and in the rolling 12 months it now amounts to 14.1%. It is also notable that EBITDA for rolling 12 months for the first time exceeded SEK 1.1 billion and cash flow on rolling 12 months amounted to SEK 1,351.7 million.

**Balance sheet**

From a historical perspective, our balance sheet is very strong. With equity of SEK 4,552.2 million, an equity to assets ratio of 60% and a record low level of indebtedness, it provides a very strong foundation and it gives us great opportunities for both acquisitions and organic growth when the right opportunities come.

**CRAFT – fantastic development!**

Even though virtually all of our companies and brands are developing well, I still want to highlight Craft, which is developing exceptionally well. The pre-orders from retail customers for the spring of 2022 increased by an average of 65% compared to 2021. 2021 was a good year, so compared to 2020, the increase is as much as 110%. Although Craft is gratifyingly growing in all markets and in all product segments, I am delighted to see the growth in Teamwear & Club and shoes.

We have proven with the breakthrough in Teamwear & Club and the development of shoes that Craft can succeed quickly in new segments and today we are growing significantly in all sports, especially in football with Teamwear & Club. We have fantastic growth with shoes. Our spring collection has now been introduced to the retail chain Fleet Feet in the USA. That we are breaking into the American market is extremely gratifying! Craft has many years of profitable growth ahead of it!

**The future**

I believe more than ever in the future based on our progress to date!

Of course there are some clouds of unrest, COVID-19 is still one for me, freight capacity from Asia and longer lead times another - but the clouds of unrest are still far fewer and smaller than 1.5 years ago. If your biggest concern is to get everything you can sell, it is still a much nicer situation than being worried about whether you can or will sell. Of course, as I always write, there may be some results that become weaker, but over time we are in every way stronger than ever and the future is ours!

Thank you to all loyal customers and consumers, thank you to all the shareholders and thank you to all the staff who do their utmost to build New Wave every day, hour and minute!



..... Q3 .....

*Torsten Jansson*  
**Torsten Jansson**  
 CEO

The period

# Comments on the period

## Summary of the quarter July - September

The Group's net sales continue to have positive development compared with the previous year. The recovery is taking place mainly in the USA and the Nordic countries, but Central and Southern Europe are also experiencing good growth and both sales channels are increasing. The gross profit margin improved and costs increased slightly as the Group had a higher sales volume and more marketing activities than in previous quarters. In total, profit for the period improved by SEK 77.1 million and amounted to SEK 196.0 (118.9) million.



### Craft

Craft Teamwear operate within athletics, football, volleyball, gymnastics, basketball, handball, biking and more.

The Group's net sales increased by **13%** (14% in local currencies). The Corporate segment decreased by **3%**, which is related to the Other countries region where net sales regarding trading operations decreased. Other regions in the segment increased their net sales. Sports & Leisure increased by **36%**. The segment had higher net sales in all regions except Central Europe, that decreased slightly. Gifts & Home Furnishings increased by **8%**, which is mainly related to Sweden, but the USA also has a significant improvement compared with the previous year.

Both sales channels improved their net sales where profile increased by **7%** while retail increased by **22%**. Profile increased in Sports & Leisure and Gifts & Home Furnishings but decreased in the Corporate segment, which is related to lower net sales for the trading business. Retail sales increased in Sports & Leisure and Gifts & Home Furnishings.

The gross profit margin improved compared with the previous year and amounted to **48.3** (42.6)%. All segments improved their margin. Last year's margin was mainly affected by the fact that the Group's trading operations, with a lower percentage margin, accounted for a larger share of net sales than in the quarter.

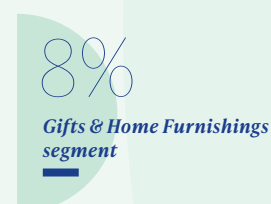
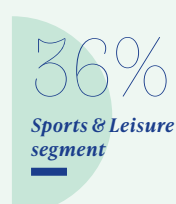
The Group's external costs increased compared with the previous year, which is mainly attributable to

volume-related costs. Personnel costs also increased compared with the previous year and are due to the fact that last year's quarter meant significant savings regarding the workforce. Personnel costs are on a par with previous quarters and the Group has a workforce that is adapted to current volumes.

Operating profit improved by SEK **84.8** million compared with the previous year and amounted to SEK **261.1** (176.3) million.

Cash flow from operating activities amounted to SEK **241.8** (283.2) million. The slightly lower cash flow is due to the Group increasing its purchases of goods. Compared with the previous year, however, inventories decreased and amounted to **2,965.3** (SEK 3,485.4 million).

### CHANGE IN NET SALES



## July - September

### Net sales

Net sales amounted to SEK **1,663.5** million, which was **13%** higher than the previous year (SEK **1,470.1** million). The exchange rate had a negative effect on sales of SEK **17.8** million, which corresponds to **1%**.

Net sales in the US increased by **49%** and the improvement took place in all segments. Sweden increased its net sales by **14%** and even here all segments had higher net sales. Sales in Central Europe increased by **11%**. The improvement is mainly related to Corporate while Sport & Leisure decreased. The Nordic region excluding Sweden improved by **34%** compared with the previous year and the increase took place in all segments. Southern Europe increased by **24%**. The higher net sales were related to Corporate and Sports & Leisure segments. Other countries decreased by **38%**, which was mainly related to trading operations in the Corporate segment.

### Gross profit

The gross profit margin improved compared with the previous year and amounted to **48.3 (42.6)%**. All segments had a higher margin. The previous year's margin was mainly affected by the fact that the Group's trading operations, with a lower percentage gross profit margin, accounted for a larger share of net sales last year compared with this year.

### Other operating income and other operating costs

Other operating income decreased by SEK **23.1** million to SEK **11.6 (34.7)** million. The item includes government support related to COVID-19 of SEK **2.1 (15.4)** million, see Note 8. In addition to this support, other operating income also includes the operating exchange gains and shall be set against the income statement other operating expenses where mainly the operating exchange losses are reported. Other operating expenses decreased by SEK **11.5** million and amounted to SEK **-3.7 (-15.2)** million. The net of these items amounted to SEK **7.9 (19.5)** million.

### Costs and depreciations

External costs increased by SEK **66.8** million and amounted to SEK **-258.4 (-191.6)** million. The increase is mainly related to volume-related costs, but marketing activities have also increased. Personnel costs increased by SEK **14.7** million and amounted to SEK **-235.5 (-220.8)** million. The increase is related to

the Group returning to a more normal operation after last year's sharp savings in the workforce.

Exchange rate fluctuations reduced the above-mentioned costs by SEK 5.3 million.

Depreciation and amortizations were on a par with the previous year and amounted to SEK **-55.7 (-56.6)** million.

### Operating result

Operating profit improved by SEK **84.8** million compared with the previous year and amounted to SEK **261.1 (176.3)** million. The improved operating profit is mainly related to higher net sales and an improved gross profit margin.

### Net financial items and tax

Net financial items amounted to SEK **-11.0 (-15.2)** million. The Group's net debt has decreased, which has also contributed to lower interest expenses.

Tax on profit for the period amounted to SEK **-54.1 (-42.2)** million. The effective tax rate was **21.6 (26.2)%**. The previous year was negatively affected by a change in deferred tax assets.

### Result for the period

Results for the period improved by SEK **77.1** million and amounted to SEK **196.0 (118.9)** million. Earnings per share amounted to SEK **2.97 (1.81)**.



**Craft**  
continues to  
invest in shoes and is  
entering the US market  
within footwear.



**KOSTA  
BODA**  
SWEDEN 1742



## January - September

### Net sales

Net sales amounted to SEK **4,411.9** million, which was on a par with the previous year (SEK **4,225.6** million). Exchange rate effects negatively affected sales by SEK **184.9** million, which corresponds to **4%**.

Net sales in the US increased by **22%** and the improvement took place in all segments. In Sweden, sales increased by **23%** and also had increases in all segments. Central Europe increased by **8%**, which was mainly attributable to Corporate and Sport & Leisure. The Nordic region excluding Sweden increased by **24%** and was mainly an increase in Corporate and Sport & Leisure. Southern Europe decreased by **18%**, which is attributable to several major trading deliveries last year in the Corporate segment. However, the region increased in the Sport & Leisure segment. Other countries decreased by **37%**, due to trading operations in Asia in the Corporate segment.

### Gross profit

The gross profit margin was higher than the previous year and amounted to **48.2 (41.9)%**. The higher margin is mainly related to the fact that last year had a high share of trading operations in the Companies segment. This business has a lower percentage gross profit margin than the rest of the Group.

### Other operating income and other operating costs

Other operating income decreased by SEK **29.1** million to SEK **87.6 (116.7)** million. Government grants linked to COVID-19 amount to SEK **58.9 (63.3)** million for the period, where this year's figure includes overdue government loans (PPP loans) in the USA of SEK **44.2** million. See Note 8 for information related to COVID-19. In addition to these subsidies, other operating income also includes the operating exchange rate gains and must be offset against the income statement item other operating expenses where the operating exchange rate losses are reported. Other operating expenses decreased by SEK **25.2** million and amounted to SEK **-11.8 (-37.0)** million. The net of the above items amounted to SEK **75.8 (79.7)** million.

### Costs and depreciations

External costs increased by SEK **26.7** million and amounted to SEK **-717.0 (-690.3)** million, which is attributable to volume-related costs. Personnel costs decreased by SEK **7.3** million and amounted to SEK **-715.5 (-722.8)** million.

Exchange rate fluctuations have reduced the above costs by SEK **66.6** million.

Depreciation and amortization were slightly lower compared with the previous year and amounted to SEK **-165.8 (-174.6)** million. The decrease is related to lower depreciation of both intangible and tangible fixed assets and of right-of-use assets related to leasing.

### Operating result

Operating profit increased by SEK **340.3** million and amounted to SEK **602.6 (262.3)** million. The improvement is mainly related to a higher gross profit margin.

### Net financial items and tax

Net financial items amounted to SEK **-33.1 (-50.5)** million, which is attributable to lower net debt and thus lower interest expenses.

The tax expense for the period amounted to SEK **-118.0 (-57.0)** million. The effective tax rate was **20.7 (26.9)%**, where last year was negatively affected by the adjustment of deferred tax assets and the year was positively affected by non-taxable repayment of government loans in the USA.

### Result for the period

Result for the period amounted to SEK **451.5 (154.8)** million and earnings per share amounted to SEK **6.85 (2.83)**.

## 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 third quarter decreased by 3% and amounted to SEK 685.3 (710.0) million. Sales increased in all regions except Other countries, which is due to lower net sales for the Group's trading operations in Asia. Both sales channels decreased their sales. However, operating profit improved by SEK 13.3 million and amounted to SEK 85.4 (72.1) million. The higher result is mainly related to an improved gross profit margin.

Net sales for the first nine months of the year amounted to SEK 1,966.5 (2,251.4) million. The regions of Southern Europe and Other countries decreased due to lower trading activities, while other regions increased compared with the previous year. Both sales channels decreased their net sales. Operating profit improved by SEK 45.1 million and amounted to SEK 254.2 (209.1) million. The higher result is mainly related to a higher gross profit margin.

### Sports & Leisure

Net sales during the period July-September increased by 36% and amounted to SEK 762.8 (561.5) million. The segment had higher net sales in all regions except Central Europe, but both sales channels increased. Operating profit improved by SEK 49.9 million and amounted to SEK 139.8 (89.9) million. The higher result is mainly related to higher net sales and an improved gross profit margin.

Net sales for the period January-September increased by 26% and amounted to SEK 1,871.4 (1,485.3) million. Sales increased in all regions and in both sales channels. Operating profit increased by SEK 235.5 million and amounted to SEK 303.1 (67.6) million. The improvement is related to the higher net sales and improved gross profit margin. The segment's other income has been positively affected by subordinated loans (PPP loans) in the USA of SEK 44.2 million.



### Gifts & Home Furnishings

Net sales for the third quarter increased by 8% and amounted to SEK 215.3 (198.7) million. The improved net sales are mainly related to Sweden and the USA. Sales increased in both sales channels. Operating profit improved by SEK 21.6 million compared with last year and amounted to SEK 35.9 (14.3) million. The improvement was mainly related to higher net sales and a higher gross profit margin.

Net sales for the period January-September increased by 17% and amounted to SEK 574.0 (488.8) million. Sales increased in both sales channels. The higher net sales are mainly related to Sweden, but all regions improved their sales. Operating profit improved by SEK 59.6 million compared with the previous year and amounted to SEK 45.2 (-14.4) million, which is mainly attributable to the higher net sales and improved gross profit margin.



## Capital tied up

Capital tied up in inventories amounted to SEK 2,965.3 million and decreased by SEK 520.1 million compared with the previous year (SEK 3,485.4 million). The decrease is related to lower purchases during previous periods. The inventory's turnover rate improved slightly compared with the previous year and amounted to 1.1 (1.0) times.

SEK million	30 Sep 2021	30 Sep 2020
Raw materials	42.1	38.4
Work in progress	2.0	7.3
Goods in transit	288.9	100.9
Finished goods	2,632.3	3,338.8
<b>Total</b>	<b>2,965.3</b>	<b>3,485.4</b>

As of September 30, 2021, total obsolescence deductions, defined as of the difference between the lower of acquisition value and fair value, for inventories amounted to SEK 156.8 (149.7) million and obsolescence reserves in relation to finished goods inventories amounted to 5.6 (4.3)%.

Accounts receivable amounted to SEK 1,170.3 (1,018.1) million, where the increase is mainly related to the higher net sales.

## Investments, financing and liquidity

The quarter's cash flow from operating activities amounted to SEK 241.8 (283.2) million. Cash flow was positively affected by the improved operating profit, while working capital was negative. This was mainly due to higher purchases of goods than in the previous year. Cash flow from investing activities amounted to SEK -33.0 (-8.6) million.

For the first nine months of the year, cash flow from operating activities amounted to SEK 794.2 million, which was SEK 145.1 million better than the previous year (SEK 649.1 million). The higher cash flow is related to an improved operating profit.

Net debt decreased by SEK 1,277.1 million, of which SEK 1,203.1 million is related to credit institutions, and amounted to SEK 1,119.3 (2,396.4) million. The net debt to equity ratio and net debt through working capital amounted to 25.1 (62.1)% and 37.9 (68.9)%, respectively.

The equity to assets ratio improved by 11.0 percentage points compared with the previous year and amounted to 60.0 (49.0)%.

The Group's total credit facility as of September 30 amounted to SEK 2,786.1 million, of which SEK 2,150.0 million runs through March 2022, \$14.1 million through January 2024 and SEK 262.5 million has a maturity that extends through August 2027.

The remaining 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. The work on a new financing agreement has begun and is expected to be completed during the fourth quarter.

## **Personnel and organization**

The number of full-time employees as of September 30 was 2,047 (2,085), of whom 49% were women and 51% were men. Of the number of employees, 409 (404) people work in production.

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

## **Intangible Assets**

The Group's intangible assets with indefinite useful life consist of goodwill and trademarks. The useful lives are assessed to be indefinite because they are well established strategic brands in respective markets which the Group intends to maintain and develop further. The brands with greater value, listed at their acquisition values, are well-known brands 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 segments. The value of these intangible assets is reviewed annually to ensure that the value does not deviate negatively from book value, but can be tested more frequently if there are indications that the value has decreased. In an impairment test, the recoverable amount needs to be determined by a calculation of the respective cash-generating unit's value in use. 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 rates, borrowing costs, market risk, beta values and tax rates will be 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.

The cash flow forecasts that form the basis for the impairment test are based on the five year forecast adopted by the Board (2022-2026) and thereafter a terminal growth of 2.0 (2.0)%. 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.

Based on the tests and analyzes that have been carried out during the quarter, there is currently no need for impairment. Nor was there any need for impairment for the comparison year.

## **Related party transactions**

Leases are available 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.

## **The Parent company**

Total income for the quarter amounted to SEK 24.6 (35.9) million. Profit before appropriations and tax amounted to SEK 217.4 (-18.8) million. The improvement in earnings is attributable to dividends from foreign subsidiaries. Net debt amounted to SEK 657.8 (1,452.9) million. The parent company's net financing to subsidiaries amounted to SEK 1,265.7 (1,518.4) million. Cash flow from investing activities amounted to SEK 162.0 (15.5) million, which is related to amortization of long-term receivables from Group companies. Total assets amounted to SEK 3,840.6 (4,286.2) million and equity, including the equity portion of untaxed reserves, amounted to SEK 2,578.2 (2,083.9) million.

Total revenues for the period January-September amounted to 77.6 (108.6). Profit before appropriations and tax amounted to SEK 381.8 (-15.9) million. The improvement in earnings is attributable to dividends from foreign subsidiaries. Cash flow from investing activities was positive and amounted to SEK 127.4 (11.5) million, which is related to amortization of long-term receivables from Group companies.

## **Dividend**

In light of the corona virus pandemic and the uncertainty caused thereby, the New Wave Group Board decided, as precautionary measures, to propose, both at the Annual General Meeting in 2020 and the Annual General Meeting in 2021, that no dividend would be paid to the shareholders. At both the Annual General Meeting 25 June 2020 and the Annual General Meeting on 29 May 2021, it was resolved in accordance with the Board's proposal not to pay any dividends.



In spite of the pandemic and the uncertainty caused hereof, the New Wave Group's financial position and liquidity have improved, and New Wave Group has performed materially better than what has been expected. As a result, the new Wave Group Board has resolved to convene an Extraordinary General Meeting and to propose an extraordinary dividend of SEK **4.00** per share, irrespectively of class of shares, in total SEK **265,374,172**.

## Nomination committee

The nomination committee for the board election at the 2022 Annual General Meeting is

- *Ulf Hedlundh, representative of Svolder and Chairman of the nomination committee*
- *Torsten Jansson, CEO and representative of Torsten Jansson Holding AB*
- *Frank Larsson, representative for Svenska Handelsbankens Fonder*

For more information about the nomination committee and its work, please see [www.nwg.se](http://www.nwg.se).

## Calendar

3 DEC	Extraordinary General Meeting
10 FEB	Year-end report 2021
26 APR	Interim report for the first quarter
18 MAY	Annual General Meeting

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

2021

## Gothenburg, November 5, 2021

New Wave Group AB (publ)

**Olof Persson**  
Chairman of the Board

**Jonas Eriksson**  
Member of the Board

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

**Ingrid Söderlund**  
Member of the Board

**Mats Årjes**  
Member of the Board

**Christina Bellander**  
Member of the Board

**Ralph Mührad**  
Member of the Board

**Torsten Jansson**  
CEO and Group CEO

### For more information, please contact:

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#### CFO

**Lars Jönsson**

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This information is information that New Wave Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons detailed above, at 7:00 a.m. CET on November 5th 2021.

## Review report

New Wave Group AB, corp. id. nr. 556350-0916

### Introduction

We have reviewed the condensed interim report for New Wave Group AB (publ) as at September 30, 2021 and for the nine months period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

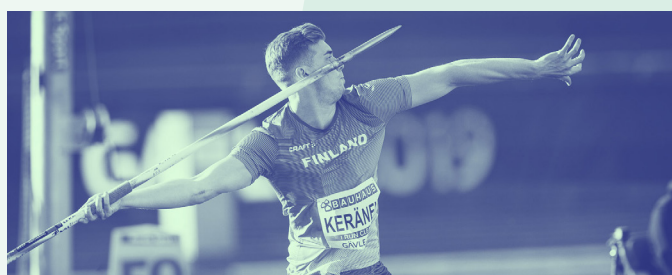
### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

**Gothenburg 5 November 2021**

Ernst & Young AB

  
Jonas Svensson  
Authorized Public Accountant





*Powered by Craft*

## Consolidated income statement

SEK million	Note	3 months Jul - Sep 2021	3 months Jul - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
Net sales	3, 4, 5	1 663.5	1 470.1	4 411.9	4 225.6	6 098.8	6 903.5
Goods for resale		-860.4	-843.9	-2 286.0	-2 453.8	-3 461.5	-3 701.0
<b>Gross profit</b>		<b>803.1</b>	<b>626.2</b>	<b>2 125.9</b>	<b>1 771.7</b>	<b>2 637.3</b>	<b>3 202.4</b>
Other operating income	8	11.6	34.7	87.6	116.7	146.2	77.9
External costs		-258.4	-191.6	-717.0	-690.3	-975.7	-1 312.7
Personnel costs		-235.5	-220.8	-715.5	-722.8	-982.6	-1 159.9
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	3	-55.7	-56.6	-165.8	-174.6	-229.5	-233.1
Other operating costs		-3.7	-15.2	-11.8	-37.0	-48.3	-39.6
Share of associated companies' result		-0.3	-0.4	-0.8	-1.5	-1.4	-0.2
<b>Operating result</b>	<b>3</b>	<b>261.1</b>	<b>176.3</b>	<b>602.6</b>	<b>262.3</b>	<b>545.9</b>	<b>535.0</b>
Financial income		0.6	0.6	2.3	4.0	4.1	8.8
Financial expenses		-11.6	-15.8	-35.4	-54.4	-69.0	-77.0
<b>Net financial items</b>		<b>-11.0</b>	<b>-15.2</b>	<b>-33.1</b>	<b>-50.5</b>	<b>-64.9</b>	<b>-68.2</b>
<b>Result before tax</b>		<b>250.1</b>	<b>161.1</b>	<b>569.5</b>	<b>211.8</b>	<b>481.0</b>	<b>466.7</b>
Tax expense		-54.1	-42.2	-118.0	-57.0	-118.0	-96.7
<b>Result for the period</b>		<b>196.0</b>	<b>118.9</b>	<b>451.5</b>	<b>154.8</b>	<b>363.0</b>	<b>370.1</b>
<b>Other comprehensive income:</b>							
<b>Items that can be reclassified into profit or loss:</b>							
Translation differences		59.3	-56.0	142.8	-62.2	-274.5	99.6
Cash flow hedges		1.5	-2.8	3.3	-3.8	-4.7	-2.2
<b>Sum</b>		<b>60.8</b>	<b>-58.9</b>	<b>146.0</b>	<b>-66.0</b>	<b>-279.2</b>	<b>97.5</b>
Income tax related to components of other comprehensive income		-0.3	0.6	-0.7	0.8	1.0	0.5
<b>Total other comprehensive for the period</b>		<b>60.5</b>	<b>-58.3</b>	<b>145.4</b>	<b>-65.2</b>	<b>-278.2</b>	<b>97.9</b>
<b>Total comprehensive income for the period</b>		<b>256.5</b>	<b>60.6</b>	<b>596.9</b>	<b>89.7</b>	<b>84.8</b>	<b>468.0</b>
<b>Result for the period attributable to:</b>							
Shareholders of the Parent company		197.1	120.2	454.4	157.9	365.5	375.5
Non-controlling interest		-1.1	-1.3	-2.9	-3.1	-2.5	-5.5
		<b>196.0</b>	<b>118.9</b>	<b>451.5</b>	<b>154.8</b>	<b>363.0</b>	<b>370.1</b>
<b>Total comprehensive income attributable to:</b>							
Shareholders of the Parent company		257.4	61.9	599.3	92.9	88.9	472.1
Non-controlling interest		-0.9	-1.3	-2.5	-3.2	-4.1	-4.1
		<b>256.5</b>	<b>60.6</b>	<b>596.9</b>	<b>89.7</b>	<b>84.8</b>	<b>468.0</b>
Earnings per share (SEK)		2.97	1.81	6.85	2.38	5.51	5.66
The average number of outstanding shares		66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543



## Consolidated cash flow statement

SEK million	Note	3 months Jul - Sep 2021	3 months Jul - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
<b>Operating activities</b>							
Operating result		261.1	176.3	602.6	262.3	545.9	535.0
Adjustment for items not included in cash flow		62.0	62.8	119.6	194.8	264.5	231.9
Received interest		0.1	-0.4	1.4	0.9	0.7	7.9
Paid interest		-11.1	-14.8	-34.5	-51.4	-65.7	-76.1
Paid income tax		-29.3	-5.0	-100.2	-74.8	-113.7	-93.6
<b>Cash flow from operating activities before changes in working capital</b>		<b>282.8</b>	<b>218.9</b>	<b>588.9</b>	<b>331.8</b>	<b>631.8</b>	<b>605.0</b>
<b>Changes in working capital</b>							
Increase/decrease of inventories		-157.7	86.9	-1.9	23.4	495.8	-241.7
Increase/decrease of current receivables		-174.7	-207.6	-75.2	193.8	106.1	-51.5
Increase/decrease of current liabilities		291.4	185.0	282.4	100.1	-27.1	-212.3
<b>Cash flow from changes in working capital</b>		<b>-41.0</b>	<b>64.3</b>	<b>205.3</b>	<b>317.3</b>	<b>574.8</b>	<b>-505.6</b>
<b>Cash flow from operating activities</b>		<b>241.8</b>	<b>283.2</b>	<b>794.2</b>	<b>649.1</b>	<b>1 206.6</b>	<b>99.5</b>
<b>Investing activities</b>							
Investments in tangible fixed assets		-30.9	-9.4	-68.4	-30.2	-44.7	-124.7
Sales of tangible fixed assets		7.8	1.2	9.9	3.9	6.7	6.9
Investments in intangible fixed assets		-9.8	-0.1	-12.8	-15.1	-11.3	-21.7
Investments in associated companies		0.0	0.0	0.0	0.0	0.0	-0.8
Business combinations		0.0	0.0	0.0	-8.6	-8.6	-8.5
Raised long-term receivables		-0.1	-0.3	-0.8	-0.3	0.0	-1.6
Repayment of long-term receivables		0.0	0.0	0.0	0.0	0.3	1.6
<b>Cash flow from investing activities</b>	3	<b>-33.0</b>	<b>-8.6</b>	<b>-72.1</b>	<b>-50.3</b>	<b>-57.5</b>	<b>-148.7</b>
<b>Cash flow after investing activities</b>		<b>208.8</b>	<b>274.6</b>	<b>722.1</b>	<b>598.8</b>	<b>1 149.1</b>	<b>-49.3</b>
<b>Financial activities</b>							
Loans raised		0.0	0.0	0.0	62.9	62.9	386.2
Amortization of loans		-276.8	-291.8	-655.7	-685.7	-1 091.8	-71.3
Amortization of lease liabilities		-32.2	-31.1	-94.8	-96.9	-126.7	-103.0
New issue of shares in companies with non-controlling interest		0.0	0.0	0.0	0.0	0.0	1.2
Dividend paid to the shareholders of the Parent company		0.0	0.0	0.0	0.0	0.0	-132.7
<b>Cash flow from financial activities</b>		<b>-309.0</b>	<b>-322.9</b>	<b>-750.5</b>	<b>-719.7</b>	<b>-1 155.6</b>	<b>80.4</b>
<b>Cash flow for the period</b>		<b>-100.2</b>	<b>-48.4</b>	<b>-28.4</b>	<b>-120.9</b>	<b>-6.4</b>	<b>31.2</b>
Liquid assets at the beginning of the period		405.8	277.8	325.1	351.3	351.3	312.2
Translation differences in liquid assets		5.4	-2.7	14.3	-3.6	-19.8	7.9
<b>Liquid assets at the end of the period</b>		<b>311.0</b>	<b>226.8</b>	<b>311.0</b>	<b>226.8</b>	<b>325.1</b>	<b>351.3</b>
<b>Liquid assets</b>							
Cash at bank and in hand		311.0	226.8	311.0	226.8	325.1	351.3

# Consolidated balance sheet

SEK million	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>					
Intangible fixed assets	3	1 447.3	1 477.6	1 380.9	1 501.0
Tangible fixed assets	3	1 243.0	1 342.5	1 289.5	1 436.5
Shares in associated companies		38.9	37.5	39.7	39.0
Other long-term receivables		15.1	15.0	14.0	14.7
Deferred tax assets	3, 5	103.0	115.5	106.7	112.8
<b>Total non-current assets</b>	<b>5</b>	<b>2 847.3</b>	<b>2 988.2</b>	<b>2 830.8</b>	<b>3 103.9</b>
Inventory		2 965.3	3 485.4	2 883.0	3 557.9
Current tax receivables		15.7	40.1	13.4	44.8
Accounts receivable		1 170.3	1 018.1	1 059.3	1 192.8
Other receivables		61.6	71.5	61.7	82.4
Prepaid expenses and accrued income		44.7	50.1	43.5	61.2
Liquid assets		311.0	226.8	325.1	351.3
<b>Total current assets</b>		<b>4 568.6</b>	<b>4 892.0</b>	<b>4 385.9</b>	<b>5 290.4</b>
<b>TOTAL ASSETS</b>	<b>3, 6</b>	<b>7 415.9</b>	<b>7 880.1</b>	<b>7 216.7</b>	<b>8 394.3</b>
<b>EQUITY</b>					
Share capital		199.0	199.0	199.0	199.0
Other capital contributions		219.4	219.4	219.4	219.4
Reserves		401.9	463.8	252.2	531.0
Retained earnings including result for the period		3 624.0	2 966.8	3 174.3	2 804.9
<b>Equity attributable to shareholders of the Parent company</b>		<b>4 444.3</b>	<b>3 849.0</b>	<b>3 845.0</b>	<b>3 754.4</b>
Non-controlling interest		8.0	11.3	10.5	16.3
<b>Total equity</b>		<b>4 452.3</b>	<b>3 860.3</b>	<b>3 855.5</b>	<b>3 770.7</b>
<b>LIABILITIES</b>					
Long-term interest-bearing liabilities	7, 8	1 231.5	2 126.0	1 933.3	2 818.3
Pension provisions		19.4	20.0	18.0	19.3
Other provisions		7.6	5.0	7.6	0.9
Deferred tax liabilities		138.4	144.1	140.1	144.8
<b>Total non-current liabilities</b>		<b>1 396.9</b>	<b>2 295.2</b>	<b>2 099.1</b>	<b>2 983.3</b>
Short-term interest-bearing liabilities	7, 8	198.8	497.2	209.4	497.8
Accounts payable		841.9	672.8	543.6	623.2
Current tax liabilities		77.9	81.6	58.6	94.6
Other liabilities	8	184.3	206.7	177.9	139.8
Accrued expenses and prepaid income		263.8	266.3	272.5	285.0
<b>Total current liabilities</b>		<b>1 566.7</b>	<b>1 724.5</b>	<b>1 262.1</b>	<b>1 640.3</b>
<b>Total liabilities</b>	<b>3, 6</b>	<b>2 963.6</b>	<b>4 019.7</b>	<b>3 361.1</b>	<b>4 623.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7 415.9</b>	<b>7 880.1</b>	<b>7 216.7</b>	<b>8 394.3</b>

## Consolidated statement of changes in equity

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Total	Non-controlling interest	Total equity
<b>Opening balance 2020-01-01</b>	<b>199.0</b>	<b>219.4</b>	<b>531.0</b>	<b>2 804.9</b>	<b>3 754.4</b>	<b>16.3</b>	<b>3 770.7</b>
Result for the period				157.9	157.9	-3.1	154.8
<b>Other comprehensive income</b>							
Translation differences			-62.0		-62.0	-0.2	-62.2
Cash flow hedges for the period			-3.8		-3.8		-3.8
Reclassification of previous years' cash flow hedge			-2.2	2.2	0.0		0.0
Income tax related to components of other comprehensive income			0.8		0.8		0.8
<b>Transactions with shareholders</b>							
Dividends to shareholders of the Parent company				0.0	0.0		0.0
Acquisition of non-controlling interest				1.8	1.8	-1.8	0.0
<b>Closing balance 2020-09-30</b>	<b>199.0</b>	<b>219.4</b>	<b>463.8</b>	<b>2 966.8</b>	<b>3 849.0</b>	<b>11.3</b>	<b>3 860.3</b>

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Total	Non-controlling interest	Total equity
<b>Opening balance 2021-01-01</b>	<b>199.0</b>	<b>219.4</b>	<b>252.2</b>	<b>3 174.3</b>	<b>3 845.0</b>	<b>10.5</b>	<b>3 855.5</b>
Result for the period				454.4	454.4	-2.9	451.5
<b>Other comprehensive income</b>							
Translation differences			142.4		142.4	0.4	142.8
Cash flow hedges for the period			3.3		3.3		3.3
Reclassification of previous years' cash flow hedge			4.7	-4.7	0.0		0.0
Income tax related to components of other comprehensive income			-0.7		-0.7		-0.7
<b>Transactions with shareholders</b>							
Dividends to shareholders of the Parent company				0.0	0.0		0.0
<b>Closing balance 2021-09-30</b>	<b>199.0</b>	<b>219.4</b>	<b>401.9</b>	<b>3 624.0</b>	<b>4 444.3</b>	<b>8.0</b>	<b>4 452.3</b>

### Accumulated translation differences in equity

	Jan - Sep 2021	Jan - Sep 2020
Accumulated translation differences at the beginning of the period	266,7	541,2
Translation differences in foreign Group companies for the period	142,8	-62,2
<b>Accumulated translation differences at the end of period</b>	<b>409,5</b>	<b>479,0</b>

## Financial key figures

	3 months Jul - Sep 2021	3 months Jul - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
Net sales growth, %	13.2	-12.8	4.4	-13.4	-11.7	9.7
Organic growth, %	14.4	-9.2	8.8	-12.8	-9.9	5.4
Average number of employees	2 047	2 085	2 047	2 085	2 064	2 579
Gross profit margin, %	48.3	42.6	48.2	41.9	43.2	46.4
Operating margin before depreciations, %	19.0	15.8	17.4	10.3	12.7	11.1
Operating margin, %	15.7	12.0	13.7	6.2	9.0	7.7
Profit margin, %	15.0	11.0	12.9	5.0	7.9	6.8
Net margin, %	11.8	8.1	10.2	3.7	6.0	5.4
Return on shareholders' equity, %	15.9	8.4	15.9	8.4	9.5	10.3
Return on capital employed, %	15.0	7.5	15.0	7.5	8.4	8.6
Equity ratio, %	60.0	49.0	60.0	49.0	53.4	44.9
Net debt, SEK million	1 119.3	2 396.4	1 119.3	2 396.4	1 817.6	2 964.8
Net debt to credit institutes, SEK million	426.7	1 629.8	426.7	1 629.8	1 075.9	2 161.0
Net debt to equity ratio, %	25.1	62.1	25.1	62.1	47.1	78.6
Net debt in relation to working capital, %	37.9	68.9	37.9	68.9	59.5	77.1
Interest coverage ratio, times	22.6	11.2	17.1	4.9	8.0	7.1
Capital turnover, times	0.9	0.8	0.9	0.8	0.8	0.9
Inventory turnover, times	1.1	1.0	1.1	1.0	1.1	1.1
Cash flow before investments, SEK million	241.8	283.2	794.2	649.1	1 206.6	99.5
Net investments, SEK million	-33.0	-8.6	-72.1	-50.3	-57.5	-148.7
Cash flow after investments, SEK million	208.8	274.6	722.1	598.8	1 149.1	-49.3
Shareholders' equity per share, before and after dilution, SEK	66.99	58.02	66.99	58.02	57.96	56.59
Share price as of the balance sheet date, SEK	131.00	47.25	131.00	47.25	54.50	59.80
Dividend/share, SEK	-	-	-	-	-	2.00
P/E-ratio	13.13	10.89	13.13	10.89	9.89	10.56
P/S-ratio	1.38	0.50	1.38	0.50	0.59	0.57
Share price/Shareholders' equity	1.96	0.81	1.96	0.81	0.94	1.06

For definitions of alternative performance measures, see page 32.

## Income statement

SEK million	3 months Jul - Sep 2021	3 months Jul - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
Net sales	21.8	21.8	67.8	73.1	90.5	103.7
Other operating income	2.8	14.0	9.8	35.5	41.1	36.8
<b>Total income</b>	<b>24.6</b>	<b>35.9</b>	<b>77.6</b>	<b>108.6</b>	<b>131.5</b>	<b>140.4</b>
External costs	-17.9	-10.6	-47.2	-42.1	-55.4	-68.0
Personnel costs	-8.1	-9.6	-29.4	-30.7	-42.8	-38.7
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-1.3	-1.5	-4.1	-4.6	-6.2	-5.8
Other operating costs	-2.1	-12.7	-7.2	-29.2	-35.2	-27.1
<b>Operating result</b>	<b>-4.8</b>	<b>1.5</b>	<b>-10.3</b>	<b>1.9</b>	<b>-8.0</b>	<b>0.9</b>
Result from shares in Group companies	219.2	-26.0	390.7	-29.5	80.5	172.0
Changes in write-downs of financial assets	0.0	0.0	-7.9	0.0	7.8	24.5
Financial income	8.6	17.4	27.7	45.1	56.6	55.2
Financial expenses	-5.6	-11.7	-18.4	-33.5	-42.4	-38.7
<b>Net financial items</b>	<b>222.2</b>	<b>-20.3</b>	<b>392.1</b>	<b>-17.9</b>	<b>102.5</b>	<b>213.0</b>
<b>Result before appropriations and tax</b>	<b>217.4</b>	<b>-18.8</b>	<b>381.8</b>	<b>-15.9</b>	<b>94.6</b>	<b>213.9</b>
Appropriations	0.0	0.0	0.0	0.0	7.6	55.7
Tax expense	0.2	1.4	0.0	0.0	0.0	-12.4
<b>Result for the period</b>	<b>217.6</b>	<b>-17.4</b>	<b>381.8</b>	<b>-16.0</b>	<b>102.1</b>	<b>257.2</b>

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

## Cash flow statement

SEK million	3 months Jul - Sep 2021	3 months Jul - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
<b>Operating activities</b>						
Operating result	-4.8	1.5	-10.3	1.9	-8.0	0.9
Adjustment for items not included in cash flow	-4.3	8.6	-7.1	12.6	17.9	5.3
Received dividends	0.0	0.0	0.0	0.0	0.0	27.1
Received interest	8.6	17.4	27.7	45.1	56.6	55.2
Paid interest	-5.6	-11.7	-18.4	-33.5	-42.4	-38.7
Paid income tax	-3.8	-0.1	-8.8	-4.3	-4.6	-13.4
<b>Cash flow from operating activities before changes in working capital</b>	<b>-9.9</b>	<b>15.8</b>	<b>-16.9</b>	<b>21.8</b>	<b>19.5</b>	<b>36.4</b>
<b>Changes in working capital</b>						
Increase/decrease in current receivables	194.9	403.1	413.4	374.3	743.9	-105.2
Increase/decrease in current liabilities	-11.0	-54.2	-76.5	209.8	147.4	-124.8
<b>Cash flow from changes in working capital</b>	<b>183.9</b>	<b>348.9</b>	<b>336.9</b>	<b>584.2</b>	<b>891.4</b>	<b>-229.9</b>
<b>Cash flow from operating activities</b>	<b>174.0</b>	<b>364.7</b>	<b>320.0</b>	<b>606.0</b>	<b>910.9</b>	<b>-193.5</b>
<b>Investing activities</b>						
Shareholder contributions to Group companies	0.0	0.0	0.0	-3.5	-6.5	0.0
Investments in associated companies	0.0	0.0	0.0	0.0	0.0	-0.8
Investments in tangible fixed assets	0.0	0.0	-0.3	0.0	-3.6	-0.7
Investments in intangible fixed assets	-6.1	0.0	-6.1	-2.5	-2.5	-2.0
Acquisition of shares	0.0	0.0	0.0	0.0	0.0	-18.6
Intra-Group sales of Group companies	0.0	14.5	0.0	14.5	14.5	0.0
Changes in long-term loans to Group companies	133.5	0.0	168.5	2.0	2.5	13.1
Raised long-term receivables	0.0	1.0	-0.1	1.0	0.9	-0.9
<b>Cash flow from investing activities</b>	<b>127.4</b>	<b>15.5</b>	<b>162.1</b>	<b>11.5</b>	<b>5.3</b>	<b>-9.9</b>
<b>Cash flow after investing activities</b>	<b>301.4</b>	<b>380.2</b>	<b>482.1</b>	<b>617.5</b>	<b>916.2</b>	<b>-203.4</b>
<b>Financial activities</b>						
Loans raised	0.0	0.0	0.0	0.0	0.0	416.2
Amortization of loans	-299.0	-373.9	-479.8	-631.5	-936.4	-63.9
Dividend paid to shareholders of the Parent company	0.0	0.0	0.0	0.0	0.0	-132.7
<b>Cash flow from financial activities</b>	<b>-299.0</b>	<b>-373.9</b>	<b>-479.8</b>	<b>-631.5</b>	<b>-936.4</b>	<b>219.6</b>
<b>Cash flow for the period</b>	<b>2.4</b>	<b>6.4</b>	<b>2.3</b>	<b>-14.1</b>	<b>-20.2</b>	<b>16.2</b>
Liquid assets at the beginning of the period	0.3	0.2	0.4	20.6	20.6	4.5
<b>Liquid assets at the end of the period</b>	<b>2.7</b>	<b>6.6</b>	<b>2.7</b>	<b>6.6</b>	<b>0.4</b>	<b>20.6</b>
<b>Liquid assets</b>						
Cash at bank and in hand	2.7	6.6	2.7	6.6	0.4	20.6

## Balance sheet

SEK million	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>					
Intangible fixed assets		9.8	7.7	6.6	8.7
Tangible fixed assets		3.8	1.5	4.7	2.6
Shares in Group companies		2 236.1	2 239.6	2 236.1	2 275.7
Shares in associated companies		38.1	38.1	38.1	42.8
Receivables on Group companies		179.9	355.9	326.9	369.7
Other long-term receivables		5.5	5.3	5.4	6.3
<b>Total non-current assets</b>		<b>2 473.2</b>	<b>2 648.2</b>	<b>2 617.8</b>	<b>2 705.7</b>
Accounts receivable		0.5	0.6	0.5	0.3
Receivables on Group companies		1 328.3	1 592.7	1 351.8	1 959.5
Current tax receivables		10.2	0.9	1.2	0.0
Other receivables		17.7	29.0	24.5	35.0
Prepaid expenses and accrued income		8.1	8.3	8.4	9.6
Liquid assets		2.7	6.6	0.4	20.6
<b>Total current assets</b>		<b>1 367.5</b>	<b>1 638.0</b>	<b>1 386.8</b>	<b>2 025.1</b>
<b>TOTAL ASSETS</b>		<b>3 840.7</b>	<b>4 286.2</b>	<b>4 004.6</b>	<b>4 730.8</b>
<b>EQUITY</b>					
Share capital		199.0	199.0	199.0	199.0
Restricted reserves		249.4	249.4	249.4	249.4
<b>Total restricted equity</b>		<b>448.4</b>	<b>448.4</b>	<b>448.4</b>	<b>448.4</b>
Retained earnings		1 654.5	1 552.4	1 552.4	1 295.1
Share premium reserve		48.0	48.0	48.0	48.0
Result for the period		381.8	-16.0	102.1	257.2
<b>Total unrestricted equity</b>		<b>2 084.3</b>	<b>1 584.4</b>	<b>1 702.5</b>	<b>1 600.4</b>
<b>Total equity</b>		<b>2 532.7</b>	<b>2 032.9</b>	<b>2 151.0</b>	<b>2 048.8</b>
<b>Untaxed reserves</b>		<b>57.3</b>	<b>64.9</b>	<b>57.3</b>	<b>64.9</b>
<b>LIABILITIES</b>					
Long-term interest-bearing liabilities	7	567.3	1 115.1	1 040.0	1 748.6
<b>Total non-current liabilities</b>		<b>567.3</b>	<b>1 115.1</b>	<b>1 040.0</b>	<b>1 748.6</b>
Short-term interest-bearing liabilities	7	93.2	344.3	89.8	346.2
Accounts payable		339.0	287.8	218.0	242.3
Liabilities to Group companies		242.4	430.3	437.2	268.3
Current tax liabilities		0.0	0.0	0.0	3.4
Other liabilities		1.1	4.0	1.3	1.1
Accrued expenses and prepaid income		7.7	7.0	10.1	7.3
<b>Total current liabilities</b>		<b>683.4</b>	<b>1 073.4</b>	<b>756.4</b>	<b>868.5</b>
<b>Total liabilities</b>		<b>1 250.7</b>	<b>2 188.5</b>	<b>1 796.3</b>	<b>2 617.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 840.7</b>	<b>4 286.2</b>	<b>4 004.6</b>	<b>4 730.8</b>

## Statement of changes in equity

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
<b>Opening balance 2020-01-01</b>	<b>199.0</b>	<b>249.4</b>	<b>1 295.1</b>	<b>48.0</b>	<b>257.2</b>	<b>2 048.8</b>
Transfer according to decision at AGM			257.2		-257.2	0.0
Result for the period					-16.0	-16.0
<b>Total changes excluding transactions with shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-16.0</b>	<b>-16.0</b>
Dividends			0.0			0.0
<b>Closing balance 2020-06-30</b>	<b>199.0</b>	<b>249.4</b>	<b>1 552.4</b>	<b>48.0</b>	<b>-16.0</b>	<b>2 032.9</b>

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
<b>Opening balance 2021-01-01</b>	<b>199.0</b>	<b>249.4</b>	<b>1 552.4</b>	<b>48.0</b>	<b>102.1</b>	<b>2 151.0</b>
Transfer according to decision at AGM			102.1		-102.1	0.0
Result for the period					381.8	381.8
<b>Total changes excluding transactions with shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>381.8</b>	<b>381.8</b>
Dividends			0.0			0.0
<b>Closing balance 2021-06-30</b>	<b>199.0</b>	<b>249.4</b>	<b>1 654.5</b>	<b>48.0</b>	<b>381.8</b>	<b>2 532.7</b>





The Group and Parent company

# Notes

## Note 1 - Accounting policies

This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report for the Parent Company has been prepared according the Annual Accounts Act as well as RFR 2 Reporting for Legal Entities. Applied accounting policies are otherwise consistent with the 2020 Annual Report.

### New accounting policies for 2021

A number of amendments of current accounting standards have been published and are effective from 2021 and later. None of these has a material impact on New Wave Group's financial statements.

## Note 2 - Risks and risk control

New Wave Group's international operations mean that it is continuously exposed to various financial risks. The financial risks are interest rate risks, currency, liquidity and credit risks. In order to minimize the effect these risks may have on earnings, the Group has a risk policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2020, note 16, p. 94-100. The Annual Report is available at the Group's headquarters in Gothenburg, Sweden, as well as at [www.nwg.se](http://www.nwg.se).

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

During 2020, the world was hit by a pandemic caused by COVID-19. New Wave Group has been largely affected by the spread of COVID-19 and the demand for the Group's products and services was significantly reduced during the previous year. Net sales for the Group was negatively affected during the first quarter 2021 as well. When it comes to the second quarter, the negative effect was larger during the previous



year, while the third quarter has shown a more positive development. The Group's customers also suffer from the negative effects of the pandemic, which leads to an increased credit risk. The companies within the Group attach great importance to monitoring the customers' ability to pay and continuously make assessments regarding adequate credit risk provisions.

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

## Note 3 - Reporting of operating segments

### Net sales and operating result per operating segment

SEK million	3 months Jul - Sep 2021	3 months Jul - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
<b>Corporate</b>						
Net sales	685.3	710.0	1 966.5	2 251.4	3 104.8	3 219.6
Operating result	85.4	72.1	254.2	209.1	349.0	325.2
<b>Sports &amp; Leisure</b>						
Net sales	762.8	561.5	1 871.4	1 485.3	2 168.5	2 887.4
Operating result	139.8	89.9	303.1	67.6	170.4	236.0
<b>Gifts &amp; Home Furnishings</b>						
Net sales	215.3	198.7	574.0	488.8	825.5	796.4
Operating result	35.9	14.3	45.2	-14.4	26.5	-26.3
<b>Total net sales</b>	<b>1 663.5</b>	<b>1 470.1</b>	<b>4 411.9</b>	<b>4 225.6</b>	<b>6 098.8</b>	<b>6 903.5</b>
<b>Total operating result</b>	<b>261.1</b>	<b>176.3</b>	<b>602.6</b>	<b>262.3</b>	<b>545.9</b>	<b>535.0</b>
<b>Total operating result</b>	<b>261.1</b>	<b>176.3</b>	<b>602.6</b>	<b>262.3</b>	<b>545.9</b>	<b>535.0</b>
Net financial items	-11.0	-15.2	-33.1	-50.5	-64.9	-68.2
<b>Result before tax</b>	<b>250.1</b>	<b>161.1</b>	<b>569.5</b>	<b>211.8</b>	<b>481.0</b>	<b>466.7</b>

### Assets and liabilities per operating segment

SEK million	Total assets	Fixed assets*	Deferred tax assets	Net investments	Amortizations, depreciations and write-downs	Total liabilities
<b>30 Sep 2021</b>						
Corporate	4 298.7	1 071.2	35.7	-42.0	-104.1	2 043.0
Sports & Leisure	2 683.5	1 282.9	46.0	-13.1	-49.6	709.9
Gifts & Home Furnishings	433.7	336.3	21.3	-17.0	-12.1	210.7
<b>Total</b>	<b>7 415.9</b>	<b>2 690.4</b>	<b>103.0</b>	<b>-72.1</b>	<b>-165.8</b>	<b>2 963.6</b>
<b>30 Sep 2020</b>						
Corporate	4 622.1	1 153.3	46.2	-23.7	-111.1	2 950.0
Sports & Leisure	2 880.5	1 341.9	46.9	-21.4	-51.7	878.7
Gifts & Home Furnishings	377.5	324.9	22.5	-5.2	-11.8	191.0
<b>Total</b>	<b>7 880.1</b>	<b>2 820.2</b>	<b>115.5</b>	<b>-50.3</b>	<b>-174.6</b>	<b>4 019.7</b>
<b>31 Dec 2020</b>						
Corporate	4 225.6	1 105.1	37.1	-29.1	-146.5	2 448.2
Sports & Leisure	2 571.2	1 233.4	44.7	-24.1	-66.4	697.9
Gifts & Home Furnishings	419.9	331.9	24.9	-4.3	-16.6	215.0
<b>Total</b>	<b>7 216.7</b>	<b>2 670.4</b>	<b>106.7</b>	<b>-57.5</b>	<b>-229.5</b>	<b>3 361.1</b>

\* Financial fixed assets are not included

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

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months
	Jul - Sep 2021	Jul - Sep 2020	Jul - Sep 2021	Jul - Sep 2020	Jul - Sep 2021	Jul - Sep 2020	Jul - Sep 2021	Jul - Sep 2020
Promo	681.7	703.8	199.5	122.7	34.1	30.0	915.2	856.5
Retail	3.7	6.1	563.3	438.8	181.3	168.7	748.3	613.7
<b>Total</b>	<b>685.3</b>	<b>709.9</b>	<b>762.8</b>	<b>561.5</b>	<b>215.3</b>	<b>198.7</b>	<b>1 663.5</b>	<b>1 470.1</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	9 months	9 months	9 months	9 months	9 months	9 months	9 months	9 months
	Jan - Sep 2021	Jan - Sep 2020	Jan - Sep 2021	Jan - Sep 2020	Jan - Sep 2021	Jan - Sep 2020	Jan - Sep 2021	Jan - Sep 2020
Promo	1 954.2	2 235.8	505.6	374.5	117.1	85.8	2 577.0	2 696.2
Retail	12.3	15.6	1 365.7	1 110.8	456.9	403.0	1 834.9	1 529.4
<b>Total</b>	<b>1 966.5</b>	<b>2 251.4</b>	<b>1 871.4</b>	<b>1 485.3</b>	<b>574.0</b>	<b>488.8</b>	<b>4 411.9</b>	<b>4 225.6</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
	Jan - Dec 2020	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2019
Promo	3 084.6	3 152.7	568.3	762.5	236.7	197.7	3 889.6	4 113.0
Retail	20.2	66.8	1 600.2	2 124.9	588.8	598.8	2 209.2	2 790.6
<b>Total</b>	<b>3 104.8</b>	<b>3 219.6</b>	<b>2 168.5</b>	<b>2 887.4</b>	<b>825.5</b>	<b>796.4</b>	<b>6 098.8</b>	<b>6 903.5</b>

## Note 5 - Reporting of geographic areas

### Net sales per geographic area

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	3 months Jul - Sep 2021	3 months Jul - Sep 2020	3 months Jul - Sep 2021	3 months Jul - Sep 2020	3 months Jul - Sep 2021	3 months Jul - Sep 2020	3 months Jul - Sep 2021	3 months Jul - Sep 2020	
USA	46.0	44.3	321.4	201.9	14.4	9.6	381.8	255.8	49%
Sweden	102.7	83.2	165.5	138.2	184.0	174.5	452.1	395.9	14%
Central Europe	155.5	128.0	83.7	87.8	4.7	3.5	243.9	219.4	11%
Nordic countries excl. Sweden	95.5	78.6	120.4	82.1	8.2	6.6	224.0	167.2	34%
Southern Europe	169.9	136.9	20.4	16.9	0.1	0.1	190.4	154.0	24%
Other countries	116.0	238.8	51.4	34.6	4.1	4.5	171.4	277.9	-38%
<b>Total</b>	<b>685.5</b>	<b>710.0</b>	<b>762.7</b>	<b>561.5</b>	<b>215.4</b>	<b>198.7</b>	<b>1 663.5</b>	<b>1 470.1</b>	<b>13%</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	9 months Jan - Sep 2021	9 months Jan - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	
USA	130.1	126.1	797.7	631.5	36.6	33.0	964.4	790.7	22%
Sweden	321.5	253.1	412.6	327.1	481.8	411.5	1 215.8	991.7	23%
Central Europe	417.7	390.8	230.0	212.4	15.9	10.5	663.6	613.7	8%
Nordic countries excl. Sweden	273.9	243.2	278.8	203.0	26.5	21.2	579.1	467.4	24%
Southern Europe	512.0	647.7	54.9	41.9	0.2	0.2	567.1	689.7	-18%
Other countries	311.4	590.5	97.5	69.4	13.1	12.3	421.9	672.3	-37%
<b>Total</b>	<b>1 966.5</b>	<b>2 251.4</b>	<b>1 871.4</b>	<b>1 485.3</b>	<b>574.0</b>	<b>488.8</b>	<b>4 411.9</b>	<b>4 225.6</b>	<b>4%</b>

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	12 months Jan - Dec 2020	12 months Jan - Dec 2019	12 months Jan - Dec 2020	12 months Jan - Dec 2019	12 months Jan - Dec 2020	12 months Jan - Dec 2019	12 months Jan - Dec 2020	12 months Jan - Dec 2019	
USA	193.7	260.3	895.2	1 460.6	52.0	53.5	1 140.9	1 774.5	-36%
Sweden	387.8	438.2	480.3	511.2	689.8	661.1	1 558.0	1 610.5	-3%
Central Europe	592.4	742.9	300.8	317.7	20.2	17.5	913.4	1 078.1	-15%
Nordic countries excl. Sweden	358.5	433.2	306.1	375.6	45.7	52.2	710.3	861.0	-17%
Southern Europe	842.0	749.5	58.9	62.8	0.3	0.4	901.2	812.7	11%
Other countries	730.4	595.5	127.1	159.4	17.5	11.9	875.0	766.8	14%
<b>Total</b>	<b>3 104.8</b>	<b>3 219.6</b>	<b>2 168.5</b>	<b>2 887.4</b>	<b>825.5</b>	<b>796.5</b>	<b>6 098.8</b>	<b>6 903.5</b>	<b>-12%</b>

### Fixed assets and deferred tax assets per geographic area

SEK million	30 Sep 2021		30 Sep 2020		31 Dec 2020	
	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets
USA	1 042.9	42.8	1 088.4	48.0	990.2	43.6
Sweden	746.3	23.5	722.6	33.7	737.9	26.9
Central Europe	323.6	5.5	369.2	4.9	339.0	5.5
Nordic countries excl. Sweden	228.6	4.0	259.3	3.9	245.8	3.6
Southern Europe	212.6	21.3	243.3	19.2	224.4	21.6
Other countries	136.4	5.9	137.3	5.8	133.0	5.5
<b>Total</b>	<b>2 690.4</b>	<b>103.0</b>	<b>2 820.2</b>	<b>115.5</b>	<b>2 670.4</b>	<b>106.7</b>

\* Financial fixed assets are not included



## Note 6 - Financial instruments

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020	31 Dec 2019
Assets at fair value through other comprehensive income	3.3	0.0	0.0	0.0
Assets at amortized cost	1 549.1	1 325.7	1 454.7	1 634.6
<b>Total financial assets</b>	<b>1 552.4</b>	<b>1 325.7</b>	<b>1 454.7</b>	<b>1 634.6</b>
Liabilities at fair value through other comprehensive income	0.0	3.8	4.7	2.2
Liabilities at amortized cost	2 571.4	3 615.3	2 951.7	4 219.9
<b>Total financial liabilities</b>	<b>2 571.4</b>	<b>3 619.1</b>	<b>2 956.4</b>	<b>4 222.0</b>

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

## Note 7 - Pledged assets and contingent liabilities

### GROUP

Pledged assets SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020	31 Dec 2019
Floating charges	690.5	690.5	690.5	690.5
Property mortgages	174.8	180.7	172.0	178.0
Net assets in Group companies	3 491.3	3 337.0	3 201.5	3 143.5
Shares in associated companies	8.3	8.3	8.3	8.3
Stock and accounts receivable	308.1	374.0	321.7	613.5
<b>Total</b>	<b>4 673.0</b>	<b>4 590.6</b>	<b>4 394.1</b>	<b>4 633.9</b>
<b>Contingent liabilities SEK million</b>	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Duty guarantees	12.2	12.3	12.2	11.4
Rent guarantees	141.2	159.2	151.5	177.7
Other guarantees	0.0	0.0	0.0	1.0
Guarantees for associated companies	6.0	6.0	6.0	6.0
<b>Total</b>	<b>159.4</b>	<b>177.5</b>	<b>169.7</b>	<b>196.1</b>
<b>PARENT COMPANY</b>				
<b>Pledged assets SEK million</b>	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Floating charges	30.0	30.0	30.0	30.0
Shares in Group companies	1 744.3	1 744.3	1 744.3	1 751.4
Shares in associated companies	8.3	8.3	8.3	8.3
<b>Total</b>	<b>1 782.6</b>	<b>1 782.6</b>	<b>1 782.6</b>	<b>1 789.7</b>
<b>Contingent liabilities SEK million</b>	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Guarantees for Group companies	641.4	601.0	555.7	820.9
Guarantees for associated companies	6.0	6.0	6.0	6.0
<b>Total</b>	<b>647.4</b>	<b>607.0</b>	<b>561.7</b>	<b>826.9</b>



## Note 8 - Disclosures related to COVID-19

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. In several countries, the Group has also taken part in support packages where employees reduce their working hours and receive compensation directly from the government. The financial impact from this is reduced personnel costs, but is not defined as a government grant.

### Government grants

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. 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.

During the second quarter of the year, the Group has received notice that the majority of the previously granted government loans in the US has been forgiven. Loan forgiveness of the remaining part were confirmed during the third quarter and all so called PPP-loans have now been forgiven. The loans were granted last year due to the COVID-19 crisis. The loan forgiveness is considered a government grant and is therefore recognized as other operating income. The total loan forgiveness amounts to SEK 44.2 million.

	3 months Jul - Sep 2021	3 months Jul - Sep 2020	9 months Jan - Sep 2021	9 months Jan - Sep 2020	12 months Jan - Dec 2020
Other operating income	2.1	15.4	58.9	63.3	75.7

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Other liabilities	0.3	5.2	1.3

### 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. The table below contains information on total liabilities for which the Group has been granted a deferral. All liabilities fall due within 12 months.

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Other liabilities	0.0	51.3	20.2

### Government

The Group has chosen to use the opportunity to obtain government loans in the US (so-called PPP loans) and in France and UK. The Group has 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.

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Long-term interest-bearing liabilities	5.1	19.2	36.8
Short-term interest-bearing liabilities	0.6	29.4	12.3
	<b>5.7</b>	<b>48.6</b>	<b>49.1</b>

# Condensed quarterly consolidated income statements

SEK million

Quarter	2021			2020				2019			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1 663.5	1 486.8	1 261.6	1 873.2	1 470.1	1 314.5	1 440.9	2 024.1	1 685.5	1 689.0	1 504.9
Goods for resale	-860.4	-769.2	-656.4	-1 007.7	-843.9	-799.7	-810.2	-1 079.2	-923.2	-903.3	-795.3
<b>Gross profit</b>	<b>803.1</b>	<b>717.6</b>	<b>605.2</b>	<b>865.6</b>	<b>626.2</b>	<b>514.8</b>	<b>630.7</b>	<b>944.9</b>	<b>762.3</b>	<b>785.7</b>	<b>709.6</b>
<b>Gross profit margin %</b>	<b>48.3</b>	<b>48.3</b>	<b>48.0</b>	<b>46.2</b>	<b>42.6</b>	<b>39.2</b>	<b>43.8</b>	<b>46.7</b>	<b>45.2</b>	<b>46.5</b>	<b>47.1</b>
Other operating income	11.6	59.4	16.6	29.6	34.7	61.4	20.6	32.3	12.9	15.5	17.2
External costs	-258.4	-233.8	-224.8	-285.4	-191.6	-187.7	-311.1	-343.8	-300.3	-330.2	-338.4
Personnel costs	-235.5	-242.8	-237.2	-259.9	-220.8	-209.1	-292.8	-307.6	-278.7	-290.5	-283.0
Depreciations and write-downs	-55.7	-56.0	-54.1	-55.0	-56.6	-57.8	-60.1	-73.6	-55.7	-52.8	-51.0
Other operating costs	-3.7	-2.9	-5.2	-11.4	-15.2	-11.4	-10.4	-12.4	-11.3	-7.7	-8.2
Share of associated companies' result	-0.3	-0.1	-0.4	0.1	-0.4	-0.1	-0.9	0.6	-0.2	-0.3	-0.2
<b>Operating result</b>	<b>261.1</b>	<b>241.3</b>	<b>100.1</b>	<b>283.6</b>	<b>176.3</b>	<b>110.1</b>	<b>-24.1</b>	<b>240.3</b>	<b>129.1</b>	<b>119.6</b>	<b>46.0</b>
Financial income	0.6	0.9	0.8	0.1	0.6	2.9	0.5	2.8	2.5	2.2	1.3
Financial expenses	-11.6	-10.3	-13.5	-14.6	-15.8	-20.2	-18.4	-24.1	-19.5	-18.1	-15.3
<b>Result before tax</b>	<b>250.1</b>	<b>231.9</b>	<b>87.4</b>	<b>269.2</b>	<b>161.1</b>	<b>92.8</b>	<b>-42.1</b>	<b>219.1</b>	<b>112.1</b>	<b>103.6</b>	<b>32.0</b>
Tax expense	-54.1	-44.3	-19.7	-61.0	-42.2	-19.9	5.1	-53.1	-17.6	-19.9	-6.0
<b>Result for the period</b>	<b>196.0</b>	<b>187.7</b>	<b>67.7</b>	<b>208.2</b>	<b>118.9</b>	<b>72.9</b>	<b>-36.9</b>	<b>165.9</b>	<b>94.4</b>	<b>83.7</b>	<b>26.0</b>
Total other comprehensive income for the period	60.5	-57.7	142.5	-213.0	-58.3	-212.4	205.5	-131.5	126.9	16.2	86.3
<b>Total comprehensive income for the period</b>	<b>256.5</b>	<b>130.0</b>	<b>210.2</b>	<b>-4.9</b>	<b>60.6</b>	<b>-139.5</b>	<b>168.6</b>	<b>34.4</b>	<b>221.4</b>	<b>99.9</b>	<b>112.3</b>
Earnings per share before and after dilution (SEK)*	2.97	2.84	1.04	3.13	1.81	1.11	-0.54	2.53	1.45	1.28	0.41

Quarter	2018				2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1 943.4	1 551.2	1 523.2	1 272.8	1 630.3	1 331.1	1 371.7	1 264.2	1 548.6	1 300.4	1 257.3	1 130.8
Goods for resale	-1 042.3	-835.3	-804.2	-677.5	-886.8	-692.8	-745.7	-692.8	-832.3	-693.3	-685.0	-616.3
<b>Gross profit</b>	<b>901.1</b>	<b>715.8</b>	<b>719.0</b>	<b>595.4</b>	<b>743.5</b>	<b>638.2</b>	<b>626.0</b>	<b>571.4</b>	<b>716.3</b>	<b>607.1</b>	<b>572.3</b>	<b>514.5</b>
<b>Gross profit margin %</b>	<b>46.4</b>	<b>46.1</b>	<b>47.2</b>	<b>46.8</b>	<b>45.6</b>	<b>47.9</b>	<b>45.6</b>	<b>45.2</b>	<b>46.3</b>	<b>46.7</b>	<b>45.5</b>	<b>45.5</b>
Other operating income	28.3	19.3	11.3	15.9	22.9	10.4	7.0	10.9	14.9	14.5	12.2	9.4
External costs	-390.6	-323.5	-305.1	-317.2	-304.9	-265.4	-270.1	-288.6	-300.1	-268.5	-249.6	-279.8
Personnel costs	-298.0	-257.7	-260.9	-246.4	-262.2	-217.1	-233.0	-228.1	-242.9	-208.3	-213.0	-217.4
Depreciations and write-downs	-21.6	-20.2	-18.5	-17.6	-18.2	-16.4	-15.7	-15.0	-15.2	-14.1	-13.4	-13.2
Other operating costs	-9.8	-15.0	-8.3	-11.8	-6.1	-7.4	-3.9	-7.8	-6.2	-5.8	-8.1	-5.6
Share of associated companies' result	0.1	-1.3	-0.3	0.4	-2.5	0.6	0.2	0.4	0.2	0.0	-0.2	0.2
<b>Operating result</b>	<b>209.4</b>	<b>117.5</b>	<b>137.3</b>	<b>18.6</b>	<b>172.5</b>	<b>143.0</b>	<b>110.5</b>	<b>43.2</b>	<b>167.0</b>	<b>124.9</b>	<b>100.2</b>	<b>8.1</b>
Financial income	1.5	0.7	1.8	1.5	1.3	1.6	1.0	1.3	0.0	1.0	0.9	1.2
Financial expenses	-14.2	-12.3	-8.2	-11.7	-14.3	-14.8	-14.1	-13.8	-15.9	-16.4	-15.7	-15.0
<b>Result before tax</b>	<b>196.6</b>	<b>105.9</b>	<b>130.9</b>	<b>8.4</b>	<b>159.4</b>	<b>129.8</b>	<b>97.4</b>	<b>30.7</b>	<b>151.1</b>	<b>109.5</b>	<b>85.4</b>	<b>-5.7</b>
Tax expense	-37.7	-17.5	-24.2	-2.4	-12.6	-24.5	-20.3	-5.8	-23.3	-23.0	-18.4	1.1
<b>Result for the period</b>	<b>158.9</b>	<b>88.4</b>	<b>106.8</b>	<b>6.0</b>	<b>146.8</b>	<b>105.3</b>	<b>77.0</b>	<b>24.9</b>	<b>127.8</b>	<b>86.5</b>	<b>67.0</b>	<b>-4.6</b>
Total other comprehensive income for the period	2.7	-37.8	121.1	71.7	45.3	-43.3	-42.4	-12.2	35.1	26.4	47.2	-15.5
<b>Total comprehensive income for the period</b>	<b>161.6</b>	<b>50.5</b>	<b>227.9</b>	<b>77.7</b>	<b>192.1</b>	<b>62.0</b>	<b>34.7</b>	<b>12.7</b>	<b>162.9</b>	<b>112.9</b>	<b>114.2</b>	<b>-20.1</b>
Earnings per share before and after dilution (SEK)*	2.42	1.36	1.60	0.10	2.20	1.60	1.16	0.38	1.90	1.31	1.01	-0.06

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



# Condensed quarterly consolidated cash flow statements

SEK million

Quarter	2021			2020				2019			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Cash flow from operating activities before changes in working capital</b>	<b>282.8</b>	<b>219.0</b>	<b>87.1</b>	<b>300.0</b>	<b>218.9</b>	<b>176.0</b>	<b>-63.0</b>	<b>262.1</b>	<b>149.9</b>	<b>143.8</b>	<b>49.3</b>
Increase/decrease of inventories	-157.7	125.2	30,6	472.4	86.9	53.9	-117.4	180.9	-256.4	-108.0	-58.3
Increase/decrease of current receivables	-174.7	-156.8	256,3	-87.7	-207.6	87.4	313.9	-47.5	-34.3	-95.9	126.2
Increase/decrease of current liabilities	291.4	-2.2	-6,8	-127.2	185.0	-65.9	-19.0	-108.8	9.7	69.1	-182.3
<b>Changes in working capital</b>	<b>-41.0</b>	<b>-33.7</b>	<b>280,1</b>	<b>257.5</b>	<b>64.3</b>	<b>75.5</b>	<b>177.6</b>	<b>24.7</b>	<b>-281.0</b>	<b>-134.8</b>	<b>-114.4</b>
<b>Cash flow from operating activities</b>	<b>241.8</b>	<b>185.3</b>	<b>367,2</b>	<b>557.5</b>	<b>283.2</b>	<b>251.4</b>	<b>114.6</b>	<b>286.7</b>	<b>-131.1</b>	<b>9.0</b>	<b>-65.1</b>
Investing activities	-33.0	-24.0	-15,2	-7.2	-8.6	-11.1	-30.6	-42.2	-32.6	-35.6	-38.3
<b>Cash flow after investing activities</b>	<b>208.8</b>	<b>161.3</b>	<b>352,0</b>	<b>550.3</b>	<b>274.6</b>	<b>240.3</b>	<b>84.0</b>	<b>244.6</b>	<b>-163.8</b>	<b>-26.6</b>	<b>-103.4</b>
Increase/decrease of interest-bearing liabilities	-309.0	-95.4	-346,1	-435.9	-322.9	-201.6	-195.2	-122.6	210.1	75.3	49.2
Transactions with owners	0.0	0.0	0,0	0.0	0.0	0.0	0.0	0.0	1.2	-132.7	0.0
<b>Cash flow from financial activities</b>	<b>-309.0</b>	<b>-95.4</b>	<b>-346,1</b>	<b>-435.9</b>	<b>-322.9</b>	<b>-201.6</b>	<b>-195.2</b>	<b>-122.6</b>	<b>211.2</b>	<b>-57.4</b>	<b>49.2</b>
<b>Cash flow for the period</b>	<b>-100.3</b>	<b>65.9</b>	<b>5,9</b>	<b>114.5</b>	<b>-48.4</b>	<b>38.7</b>	<b>-111.2</b>	<b>121.9</b>	<b>47.4</b>	<b>-84.0</b>	<b>-54.2</b>
Liquid assets at the beginning of the period	405.8	344.8	325,1	226.8	277.8	257.6	351.3	238.4	182.5	265.0	312.2
Translation differences in liquid assets	5.4	-4.9	13,8	-16.2	-2.7	-18.5	17.6	-9.1	8.5	1.5	7.0
<b>Liquid assets at the end of the period</b>	<b>311.0</b>	<b>405.8</b>	<b>344,8</b>	<b>325.1</b>	<b>226.8</b>	<b>277.8</b>	<b>257.6</b>	<b>351.3</b>	<b>238.4</b>	<b>182.5</b>	<b>265.0</b>

Quarter	2018				2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Cash flow from operating activities before changes in working wcapital</b>	<b>184.1</b>	<b>116.1</b>	<b>128.3</b>	<b>1.2</b>	<b>154.9</b>	<b>153.3</b>	<b>105.0</b>	<b>37.8</b>	<b>132.0</b>	<b>116.2</b>	<b>89.4</b>	<b>-4.2</b>
Increase/decrease of stock	44.6	-310.4	-110.8	-117.4	129.5	-200.4	-63.7	-73.9	151.2	-109.6	62.4	-49.7
Increase/decrease of current receivables	-3.6	-128.6	-36.2	140.9	-78.5	-113.8	-40.4	113.0	31.9	-106.8	-76.9	85.3
Increase/decrease of current liabilities	-50.7	239.9	143.2	-18.1	-71.4	150.5	49.2	-43.3	-34.2	115.7	13.7	32.5
<b>Changes in working capital</b>	<b>-9.7</b>	<b>-199.1</b>	<b>-3.7</b>	<b>5.4</b>	<b>-20.4</b>	<b>-163.7</b>	<b>-54.9</b>	<b>-4.2</b>	<b>148.9</b>	<b>-100.7</b>	<b>-0.8</b>	<b>68.1</b>
<b>Cash flow from operating activities</b>	<b>174.4</b>	<b>-83.0</b>	<b>124.6</b>	<b>6.6</b>	<b>134.5</b>	<b>-10.4</b>	<b>50.1</b>	<b>33.6</b>	<b>280.9</b>	<b>15.5</b>	<b>88.6</b>	<b>63.9</b>
Investing activities	-39.7	-42.1	-41.6	-39.8	-37.7	-36.9	-16.0	-19.9	-26.3	-25.8	-21.2	-16.3
<b>Cash flow after investing activities</b>	<b>134.7</b>	<b>-125.1</b>	<b>83.0</b>	<b>-33.2</b>	<b>96.8</b>	<b>-47.3</b>	<b>34.1</b>	<b>13.7</b>	<b>254.6</b>	<b>-10.3</b>	<b>67.4</b>	<b>47.6</b>
Increase/decrease of interest-bearing liabilities	-15.9	104.9	58.0	5.1	-54.6	30.2	47.1	-39.4	-211.4	22.9	16.1	-74.6
Transactions with owners	0.0	0.0	-112.8	0.0	0.0	0.0	-89.6	0.0	0.0	0.0	-66.3	0.0
<b>Cash flow from financial activities</b>	<b>-15.9</b>	<b>104.9</b>	<b>-54.8</b>	<b>5.1</b>	<b>-54.6</b>	<b>30.2</b>	<b>-42.5</b>	<b>-39.4</b>	<b>-211.4</b>	<b>22.9</b>	<b>-50.2</b>	<b>-74.6</b>
<b>Cash flow for the period</b>	<b>118.8</b>	<b>-20.2</b>	<b>28.2</b>	<b>-28.1</b>	<b>42.2</b>	<b>-17.1</b>	<b>-8.4</b>	<b>-25.7</b>	<b>43.2</b>	<b>12.6</b>	<b>17.2</b>	<b>-27.0</b>
Liquid assets at the beginning of the period	192.6	215.4	180.5	202.4	155.6	178.9	191.9	218.9	172.9	157.1	136.3	165.5
Translation differences in liquid assets	0.8	-2.6	6.7	6.2	4.6	-6.2	-4.6	-1.3	2.8	3.2	3.6	-2.2
<b>Liquid assets at the end of the period</b>	<b>312.2</b>	<b>192.6</b>	<b>215.4</b>	<b>180.5</b>	<b>202.4</b>	<b>155.6</b>	<b>178.9</b>	<b>191.9</b>	<b>218.9</b>	<b>172.9</b>	<b>157.1</b>	<b>136.3</b>

## Definitions of alternative performance measures

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

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

PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
GROSS PROFIT MARGIN	Net sales less goods for resale in percent of net sales.	The measure is used for showing the Group's margins before the effect of costs such as selling and administrative costs.
OPERATING MARGIN	Operating result as a percentage of the period's net sales.	The measure is used to show operating profitability and how the Group meets its targets.
PROFIT MARGIN	Result before tax as a percentage of the period's net sales.	The measure enables the profitability to be compared across locations where corporate taxes differ.
NET MARGIN	Result after tax as a percentage of the period's net sales.	The measure is used to show net earnings in relation to income.
NET SALES GROWTH	Sales growth including currency effects.	The measure is used to show growth in the Group and to measure how the Group meets its targets.
ORGANIC GROWTH	Organic growth refers to sales growth from existing operations cleared from currency effects. The currency effect is calculated by recalculating this year's sales in local currencies to last year's rates and compared to previous year's sales.	The measure is used to show growth in existing business since currency effects are beyond the Group's control and to measure how the Group meets its targets.
OPERATING MARGIN BEFORE DEPRECIATIONS	Operating result before depreciation as a percentage of the period's net sales.	The measure is used to show operating profitability and how the Group meets its targets, regardless of depreciation, amortization and write-downs.
NET FINANCIAL ITEMS	The total of interest income, interest expenses, currency differences on borrowings and cash equivalents in foreign currencies, other financial income and other financial expenses.	The measure reflects the Group's total costs of the external financing.

RETURN MEASURES	DEFINITION/CALCULATION	PURPOSE
RETURN ON CAPITAL EMPLOYED	Rolling 12 month's result before tax plus financial expenses as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed at year-end for the previous year divided by two.	The measure is used to analyze profitability by putting result in relation to the capital needed to operate the business.
RETURN ON EQUITY	Rolling 12 month's result for the period according to the income statement as a percentage of average equity. The average equity is calculated by taking the equity per period end and the equity at year-end for the previous year divided by two. For the Parent company it is calculated as result after tax as a percentage of average adjusted equity. In adjusted equity, the equity part of untaxed reserves is included.	The measure is used to analyze profitability over time, given the resources available to the Parent company's owners.

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

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G R O U P

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

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