



New Wave Group AB

2022
Interim report

January - September

Trademarks

Corporate



Sports & Leisure



Gifts & Home Furnishings



New Wave Group AB

Q3

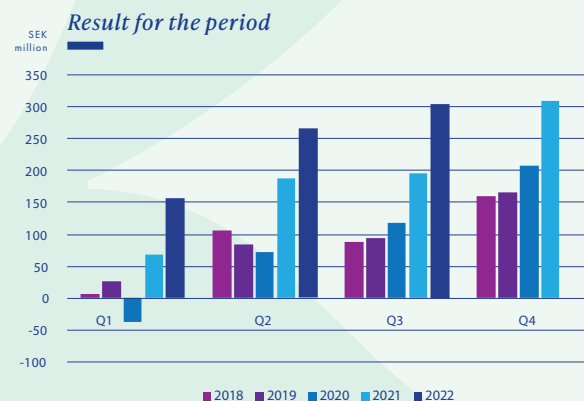
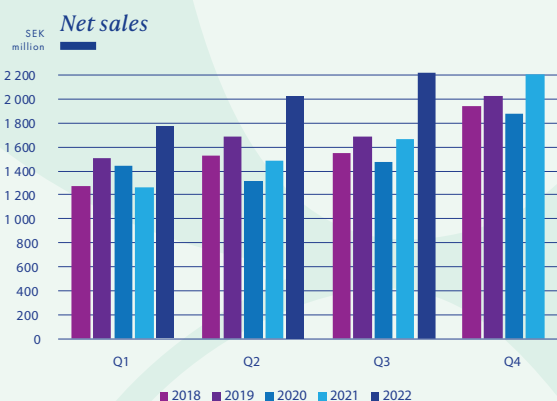
Interim report

PERIOD 1 JULY - 30 SEPTEMBER 2022

- Net sales amounted to SEK **2,234.4** million, which was **34%** higher than last year (SEK **1,663.5** million). Currency changes affected net sales positively by **9%** and acquired business by **4%**.
- Operating result amounted to SEK **397.8** (**261.1**) million.
- Result for the period amounted to SEK **304.0** (**196.0**) million.
- Earnings per share amounted to SEK **4.58** (**2.97**).
- Cash flow from operating activities amounted to SEK **-200.4** (**241.8**) million.

PERIOD 1 JANUARY - 30 SEPTEMBER 2022

- Net sales amounted to SEK **6,028.5** million, which was **38%** higher than last year (SEK **4,411.9** million). Currency changes affected net sales positively by **7%** and acquired business by **2%**.
- Operating result amounted to SEK **957.9** (**602.6**) million.
- Result for the period amounted to SEK **722.6** (**451.5**) million.
- Earnings per share amounted to SEK **10.89** (**6.85**).
- Cash flow from operating activities amounted to SEK **-127.1** (**794.2**) million.
- Equity ratio amounted to **54.0** (**60.0**)%.
- Net debt to equity ratio amounted to **36.1** (**25.1**)%.



Torsten Jansson

CEO comments

"Another record quarter, our best third quarter ever."

Another record quarter, our best third quarter ever

It is with great pleasure and pride that we can present another record quarter. Net sales increased by SEK 570.9 million from SEK 1,663.5 million to SEK 2,234.4 million. An increase of 34% and in local currencies sales increased by 25%. The operating result pleases me even more - it increased from SEK 261.1 million to SEK 397.8 million, an increase of SEK 136.7 million or 52%. The operating margin amounted to a very strong 17.8%, which is the highest operating margin we have ever had during a quarter.

Acquired B.T.C. Activewear Ltd (BTC) in England contributed SEK 67.3 million in net sales and SEK 2.9 million in operating result after acquisition costs. Excluding BTC, the operating margin was 18.3%.

We continue to have good cost control, however, we saw during the quarter that certain costs are increasing, such as electricity and energy, which primarily affects the Gifts & Home Furnishings segment.

The inventory is starting to approach the level we want but in order to meet the demand we will increase it a little further.

It is also notable that all geographic regions show growth. We also had growth within both of our sales channels with promo growing by 43.7% and retail by 22.9%.

Of the segments, Corporate increased their sales by 49% and their operating result by 101%, an extremely strong development. Sport & Leisure increased its sales by 32% and its operating result by 60%. The only negative performance is Gifts & Home Furnishings, which reduced its sales by 5% and with a deteriorating operating result. This is the main segment where we experienced higher energy prices having the biggest impact.

9 months year-to-date

The first three quarters of the year produced a sales increase of SEK 1,616.6 million from SEK 4,411.9 million to SEK 6,028.5 million, an increase of 37%. The operating result shows an even stronger development and has increased from SEK 602.6 million to SEK 957.9 million, an increase of SEK 355.3 million or 59%. The operating margin amounted to 15.9% for the period or 16.0% excluding acquired BTC.

Rolling 12 months

On a rolling full-year basis, the turnover now amounts to SEK 8,335.2 million and the operating result amounted to SEK 1,361.2 million, which gives an operating margin of 16.3%.

Cash flow and balance sheet

We have continued to have a very strong balance sheet even with including the impact of the acquired BTC; while continuing to build up our inventory levels; and increasing customer accounts receivable as net sales increase. Current equity is almost SEK 5.6 billion even given the higher capital tie-up, we have a very strong equity ratio of 54%.

When looking at September 30, please note that BTC is included in the balance sheet but it is only included with one month's sales. The quarter's cash flow from operating activities amounted to SEK -200.4 million, of which SEK -565.1 million is a change in working capital such as inventory and increased accounts receivable. Investment activities amounted to SEK -433.4 million, where the acquisition of BTC represents SEK -398.7 million. For the first nine months of the year, the cash flow from operating activities amounted to SEK -127.1 million and investment activities amounted to SEK -513.9 million, where the acquisition of BTC constitutes the majority or SEK -398.7 million.

The future

Despite the continued unrest in the world around us, we continue to develop strongly and our ventures and investments continue to bring success. Within Sports & Leisure and Corporate, we continue to see an increasing demand for our brands and products.

Within Gifts & Home Furnishings, we see a certain slowdown in the retail trade, but also within promo. For example, in Sweden you could buy gifts for an additional amount of SEK 2,000 and received the right to get a tax deduction during the COVID years. That is no longer allowed. We also see a redistribution between e-commerce and traditional retail where we are increasing towards traditional and decreasing towards e-commerce.

Based on current performance, our goal is to take large market shares with our brands and products. This is because there is little anticipated growth in the industries in which we are active.

As previously noted in my past CEO comments, our brands are continuously being strengthened and taking market shares. Our performance over the last few quarters has illustrated that we are performing well within a challenging environment. This, combined with the fact that we have a well performing and solid organization, steadily increasing profitability and a strong balance sheet, makes me feel secure and confident going forward despite a difficult environment!

Thanks to all employees and customers for another fantastic result!



..... Q3

Torsten Jansson
Torsten Jansson
 CEO

The period

Comments on the period

Summary of the quarter July - September

The third quarter of the year had very strong performance. Net sales and earnings improved significantly compared to the previous year. The improvement is due to a strong development in the Corporate and Sports & Leisure segments. The group increased net sales in both sales channels and in all regions. In addition to a higher net turnover, the gross profit margin continued to improve. Costs increased, which was mainly related to the higher net sales. Overall, the period's result improved by SEK 108.0 million and amounted to SEK 304.0 (196.0) million. During the quarter, New Wave Group AB acquired the UK promotional, corporate and teamwear apparel company B.T.C. Activewear Limited. The company is the UK's third largest wholesale distributor within its sector.



Craft
Craft and the Swedish National Handball Team have collaborated since 2019 and are now extending the agreement for another five years.

The group's net sales increased by **34%** (of which currency changes had a positive effect with **9%** and acquired operation with **4%**). The Corporate and Sports & Leisure segments increased by **49%** and **32%** respectively. Both segments had higher net sales in all regions. Gifts & Home Furnishings decreased by **5%**, which was related to Sweden and the USA.

The promo sales channel increased by **44%** and retail sales improved by **23%**. Corporate and Sports & Leisure increased in both promo and retail, while Gifts & Home Furnishings decreased in both sales channels.

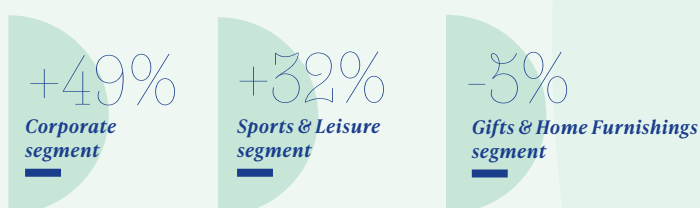
The gross profit margin improved compared to the previous year and amounted to **49.4 (48.3)%**. It was mainly in the Corporate and Sports & Leisure segments that an improvement took place. Gifts & Home Furnishings were at the same level as last year.

The group's external costs increased compared to the previous year, which is mainly attributable to volume-related costs, but also because the group increased its marketing activities. Personnel costs increased and is due to the fact that last year's quarter included significant savings regarding the workforce. Personnel costs in the period are on a par with the previous quarter of the year and the group has a workforce that is sized to current volumes.

The operating result improved by SEK **136.7** million compared to the previous year and amounted to SEK **397.8 (261.1)** million. The operating margin amounted to **17.8 (15.7)%**.

Cash flow from operating activities amounted to SEK **-200.4 (241.8)** million. The lower cash flow is primarily an effect of higher merchandise purchases, which is based on the high demand and forecasted sales increase. The inventory increased by SEK **1,862.1** million and amounted to SEK **4,827.4 (2,965.3)** million, of which the exchange rate change when converting to SEK has increased the value by SEK **343.6** million. Acquired operation increased the inventory value by SEK **227.6** million.

CHANGE IN NET SALES



July - September

Net sales

Net sales amounted to SEK **2,234.4** million, which was **34%** higher than the previous year (SEK **1,663.5** million). The exchange rate effects had a positive impact on turnover with SEK **114.6** million, which corresponds to **9%**. Acquired operation had an impact of SEK **67.3** million, which corresponds to **4%**.

Net sales in the USA increased by **50%** and Sweden increased net sales by **7%**. Both regions increased in Corporate and Sports & Leisure but decreased in Gifts & Home Furnishings. In Central and Southern Europe, net sales increased by **64%** and **35%** respectively. This is also attributed to Corporate and Sports & Leisure segments increasing their sales. The Nordic region excluding Sweden improved by **20%** compared to the previous year. The increase occurred in all segments. Other countries increased by **49%**. The improvement was related to Asia and the trading activities in the Corporate segment, as well as Canada increasing by **17%** (mainly in the Corporate segment).

Gross profit

The gross profit margin improved compared to the previous year and amounted to **49.4 (48.3)%**. It was mainly the Corporate and Sports & Leisure segments that improved their margin, while Gifts & Home Furnishing was at the same level as last year.

Other operating income and other operating costs

Other operating income increased by SEK **24.1** million to SEK **35.7 (11.6)** million. Other operating income mainly refers to the operation's exchange rate gains and must be offset against the profit line other operating expenses where predominantly the operation's exchange rate losses are reported. Other operating expenses increased by SEK **24.2** million and amounted to SEK **-27.9 (-3.7)** million. The net of the above-mentioned items amounted to SEK **7.8 (7.9)** million.

Costs and depreciations

External costs increased by SEK **100.9** million and amounted to SEK **-359.3 (-258.4)** million. The increase is mainly due to volume-related costs and higher marketing activities. Personnel costs increased by SEK **56.0** million and amounted to SEK **-291.5 (-235.5)** million. Last year's quarter was affected by the savings implemented in previous years. During last year, the group began to return to more normal operations after the major savings made in the workforce.

Exchange rate changes increased the above-mentioned costs by SEK **66.2** million. Acquired operation increased costs by SEK **12.6** million (including acquisition costs).

Depreciation and write-downs were slightly higher compared to the previous year and amounted to SEK **-60.6 (-55.7)** million.

Operating result

Operating result improved by SEK **136.7** million compared to the previous year and amounted to SEK **397.8 (261.1)** million. The improved operating result is related to a higher net turnover and improved gross profit margin. The operating margin increased and amounted to **17.8 (15.7)%**. Acquired operation contributed SEK **2.9** million (after acquisition costs).

Net financial items and tax

The financial net amounted to SEK **-13.0 (-11.0)** million. The increase is primarily due to the fact that the group's net debt has increased, which has also contributed to higher interest costs.

Tax on the period's results amounted to SEK **-80.8 (-54.1)** million and the effective tax rate amounted to **21.0 (21.6)%**.

Result for the period

The result for the period improved by SEK **108.0** million and amounted to SEK **304.0 (196.0)** million. Earnings per share amounted to SEK **4.58 (2.97)**.



Craft

Craft has signed agreements with the Norwegian national teams in cross-country skiing, biathlon and combination.



January - September

Net sales

Net sales amounted to SEK **6,028.5** million, which was **37%** higher than the previous year (SEK **4,411.9** million). Exchange rate effects had a positive impact on sales by SEK **299.6** million or **7%**. Acquired operation had a positive impact of SEK **67.3** million or **2%**.

Net sales in the USA increased by **57%** and Sweden increased sales by **13%**. Both of these regions increased in all segments. Central Europe increased by **51%**, the Nordics excluding Sweden increased by **31%**, Southern Europe increased by **39%** and Other countries increased by **39%**. These regions mainly had an improvement in the Corporate and Sports & Leisure segments.

The promo sales channel increased by **41%** and retail sales improved by **30%**. Promo improved mainly in Corporate and Sports & Leisure, while retail sales increased mainly in Sports & Leisure and Gifts & Home Furnishings.

Gross profit

The gross profit margin was higher than the previous year and amounted to **49.4 (48.2)%**. It is largely Corporate and Sports & Leisure segments that increased their margin. Gifts & Home Furnishings are at the same level as last year.

Other operating income and other operating costs

Other operating income decreased by SEK **0.4** million to SEK **87.2 (87.6)** million. Last year's amount included forgiven government loans (PPP loans) in the USA of SEK **44.2** million. See note 8 regarding information related to COVID-19. In addition to the above-mentioned support, other operating income primarily includes the operation's exchange rate gains and must be reported against the profit line other operating expenses where the operation's exchange rate losses are reported. Other operating expenses increased by SEK **43.0** million and amounted to SEK **-54.8 (-11.8)** million. The net of the above-mentioned items amounted to SEK **32.3 (75.8)** million.

Costs and depreciations

External costs increased by SEK **298.9** million and amounted to SEK **-1,015.9 (-717.0)** million. The increase was mainly related to volume-related costs but also higher marketing activities. Personnel costs increased by SEK **139.5** million and amounted to SEK **-855.0 (-715.5)** million. This year's increase is substantially due to the fact that savings were made in previous years and that the business is now adapted to current volumes.

Exchange rate changes have increased the above costs by SEK **137.4** million and acquired operation increased costs by SEK **12.6** million.

Depreciation and write-downs were slightly higher compared to the previous year and amounted to SEK **-177.7 (-165.8)** million.

Operating result

Operating result increased by SEK **355.3** million and amounted to SEK **957.9 (602.6)** million. The improvement was related to higher net sales and gross profit margin. The operating margin improved and amounted to **15.9 (13.7)%**.

Net financial items and tax

The financial net was at the same level as the previous year and amounted to SEK **-33.0 (-33.1)** million. However, net debt has gradually increased during the year due to inventory build-up, a company acquisition and the quarter's financial net being higher than last year.

The tax cost for the period amounted to SEK **-202.3 (-118.0)** million. The effective tax rate amounted to **21.9 (20.7)%**, where last year was positively affected by non-taxable income in the form of forgiveness of government loans in the USA.

Result for the period

Result for the period amounted to SEK **722.6 (451.5)** million and earnings per share amounted to SEK **10.89 (6.85)**.

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 increased by **49%** and amounted to SEK **1,022.5 (685.3)** million. Sales increased in all regions and acquired operations had a positive impact of SEK **67.3** million or **10%**. Both sales channels increased their net sales. Operating result improved by SEK **100.9** million and amounted to SEK **186.3 (85.4)** million. The higher result was mainly related to a higher net turnover but also an improved gross profit margin. Acquired operation contributed SEK **2.9** million.

Net sales for the first nine months of the year amounted to SEK **2,792.9 (1,966.5)** million. All regions had improved net sales. The promo sales channel increased, while retail sales were at the same level as last year. Acquired operation contributed SEK **67.3** million. Operating result improved by SEK **161.4** million and amounted to SEK **516.6 (254.2)** million. The higher result was due to the higher net sales and a higher gross profit margin. Acquired operation contributed SEK **2.9** million.

Sports & Leisure

Net sales during the period July-September increased by **32%** and amounted to SEK **1,007.3 (762.8)** million. The segment had higher net sales in all regions and both sales channels increased. Operating result improved by SEK **59.7** million and amounted to SEK **199.5 (139.8)** million. The higher result was mainly related to higher net sales.

Net sales for the period January-September increased by **41%** and amounted to SEK **2,635.5 (1,871.4)** million. Sales increased in both sales channels. The segment had higher net sales in all regions and both sales channels increased. Operating result increased by SEK **126.1** million and amounted to SEK **429.2 (303.1)** million. The improvement was related to the higher net sales, but the segment also has higher costs. Last year's operating result was positively affected by forgiven loans (PPP loans) in the USA of SEK **35.2** million.



Gifts & Home Furnishings

Net sales for the third quarter decreased by **5%** and amounted to SEK **204.6 (215.3)** million. The lower net sales are mainly related to Sweden and the USA. Sales decreased in both sales channels. Operating result decreased compared to last year and amounted to SEK **12.0 (35.9)** million. In addition to lower net sales, the segment had higher costs in energy and market efforts as well as more employees. In addition to lower net sales, the segment had higher costs in energy as well as more employees.

Net sales for the period January-September increased by **5%** and amounted to SEK **600.1 (574.0)** million. The higher net sales were mainly related to Sweden, but the regions USA, the Nordics excluding Sweden and Central Europe also had a positive impact. Sales increased in both sales channels. Operating result decreased by SEK **33.0** million compared to the previous year and amounted to SEK **12.2 (45.2)** million. The lower result was mainly related to market investments, energy costs and more employees.

Capital tied up

Capital tied up in inventory increased by SEK 1,862.1 million compared to the previous year, amounting to SEK 4,827.4 (2,965.3) million. Exchange rate changes have increased the inventory value by SEK 343.6 million and acquired operation affect by SEK 227.6 million. The inventory's turnover rate is at the same level as the previous year and amounted to 1.1 (1.1) times.

SEK million	30 Sep 2022	30 Sep 2021
Raw materials	59.5	42.1
Work in progress	2.6	2.0
Goods in transit	753.5	288.9
Finished goods	4 011.8	2 632.3
Total	4 827.4	2 965.3

As of September 30, 2022, total obsolescence deductions (the difference between the lowest of acquisition value and fair value) for inventory amounted to SEK 182.0 (156.8) million and obsolescence reserve in relation to finished goods inventory amounted to 4.3 (5.6)%.

Accounts receivable amounted to SEK 1,697.0 (1,170.3) million, where the increase was primarily related to the higher net sales.

Investments, financing and liquidity

The quarter's cash flow from operating activities amounted to SEK -200.4 (241.8) million. The lower cash flow was attributable to higher merchandise purchases. The cash flow from investment activities amounted to SEK -433.4 (-33.0) million, of which SEK -398.7 million relates to the business acquisition.

For the first nine months of the year, the cash flow from operating activities amounted to SEK -127.1 million, which was SEK 921.3 million lower than the previous year (SEK 794.2 million). The lower cash flow is essentially due to more merchandise purchases and thus a higher inventory. The cash flow from investment activities amounted to SEK -513.9 (-72.1) million, of which SEK -398.7 million relates to the business acquisition.

Net debt increased by SEK 892.2 million and amounted to SEK 2,011.5 (1,119.3) million. The net debt to equity ratio and net debt through working capital increased and amounted to 36.1 (25.1)% and 43.8 (37.9)% respectively.

The equity ratio decreased by 6 percentage points and amounted to 54.0 (60.0)%. The lower equity ratio was attributable to higher net debt in connection with acquisition and inventory build-up.

The group's total credit line as of September 30 amounted to SEK 2,712.6 million, of

which SEK 8.4 million is in effect through January 2024, SEK 2,150.0 is in effect through December 2024 and SEK 218.8 million has a term that extends through August 2027. The other SEK 250.0 million has a term of between three months and six years. The credit line is limited in amount to and dependent on the value of certain underlying assets. The financing agreement means that key figures (covenants) must be met in order to maintain the credit line.

Acquisition

On September 2, New Wave Group acquired 100% of the shares in the UK promotional, corporate and teamwear apparel company B.T.C. Activewear Limited. The consideration for the purchase of the shares was £33 million, see note 9.

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 ca. 50 leading international apparel brands. B.T.C. Activewear's sales model showcases the potential of e-commerce for B2B sales, as ca. 90% of orders are placed via the company's webshop www.btcactivewear.co.uk (includes additional information about the company).

In 2021, B.T.C. Activewear's revenue was £53.0 million. The acquisition will have 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.

Personnel and organization

The average number of annual employees as of September 30 was 2,232 (2,047) people, of which 49% were men and 51% were women. Of the number of employees, 485 (409) 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 predominantly 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 for which they belong. 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, known as 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 (2023-2027) 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 analyses that have been carried out during the quarter, there is currently no need for impairment, nor for impairment of the comparison year.

Related party transactions

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

The Parent company

Total revenue for the quarter amounted to SEK 47.4 (24.6) million. Result before allocations and tax amounted to SEK 47.9 (217.4) million. The lower result is attributable to smaller dividends from foreign subsidiaries. The net debt amounted to SEK 1,558.5 (657.8) million. The parent company's net financing to subsidiaries amounted to SEK 2,141.5 (1,265.7) million. Cash flow from investment activities amounted to SEK -408.9 (127.4) million, where this year's figure includes the quarter's business acquisition in B.T.C. Activewear Ltd and last year includes a larger amortization related to long-term receivables from group companies. The balance sheet total amounted to SEK 5,228.7 (3,840.7) million and the equity, including the equity share of untaxed reserves, to SEK 2,533.1 (2,578.2) million.

Total revenue for the period January-September amounted to SEK 121.4 (77.6) million. Result before allocations and tax amounted to SEK 259.8 (381.8) million. The deterioration in earnings is attributable to lower dividends from foreign



subsidiaries. The cash flow from investment activities amounted to SEK -408.7 (162.1) 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.

Nomination committee

The nomination committee for the board election at the 2023 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.

Calendar

10 FEB	Year-end Report 2022
26 APR	Interim report for the first quarter
16 MAY	Annual General Meeting

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

..... 2022

Gothenburg, November 8, 2022

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

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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 8th, 2022.

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, 2022 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.

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Gothenburg, 8 November 2022

Ernst & Young AB


Jonas Svensson
Authorized Public Accountant



ORREFORS 

Consolidated income statement

SEK million	Note	3 months Jul - Sep 2022	3 months Jul - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	12 months Jan - Dec 2021	12 months Jan - Dec 2020
Net sales	3, 4, 5	2 234.4	1 663.5	6 028.5	4 411.9	6 718.6	6 098.8
Goods for resale		-1 131.6	-860.4	-3 053.0	-2 286.0	-3 489.3	-3 461.5
Gross profit		1 102.8	803.1	2 975.5	2 125.9	3 229.3	2 637.3
Other operating income	8	35.7	11.6	87.2	87.6	111.5	146.2
External costs		-359.3	-258.4	-1 015.9	-717.0	-1 067.9	-975.7
Personnel costs		-291.5	-235.5	-855.0	-715.5	-1 016.9	-982.6
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	3	-60.6	-55.7	-177.7	-165.8	-227.3	-229.5
Other operating costs		-27.9	-3.7	-54.8	-11.8	-21.7	-48.3
Share of associated companies' result		-1.4	-0.3	-1.4	-0.8	-1.1	-1.4
Operating result	3	397.8	261.1	957.9	602.6	1 005.9	545.9
Financial income		1.1	0.6	3.2	2.3	3.0	4.1
Financial expenses		-14.1	-11.6	-36.2	-35.4	-46.0	-69.0
Net financial items		-13.0	-11.0	-33.0	-33.1	-43.0	-64.9
Result before tax		384.8	250.1	924.9	569.5	962.9	481.0
Tax expense		-80.8	-54.1	-202.3	-118.0	-202.9	-118.0
Result for the period		304.0	196.0	722.6	451.5	760.0	363.0
Other comprehensive income:							
Items that can be reclassified into profit or loss:							
Translation differences		550.5	59.3	550.5	142.8	230.3	-274.5
Cash flow hedges		8.0	1.5	16.0	3.3	3.3	-4.7
Sum		558.5	60.8	566.5	146.0	233.6	-279.2
Income tax related to components of other comprehensive income		-1.6	-0.3	-3.3	-0.7	-0.7	1.0
Total other comprehensive for the period		556.9	60.5	563.2	145.4	232.9	-278.2
Total comprehensive income for the period		860.9	256.5	1 285.8	596.9	992.9	84.8
Result for the period attributable to:							
Shareholders of the Parent company		304.1	197.1	722.5	454.4	760.3	365.5
Non-controlling interest		0.0	-1.1	0.1	-2.9	-0.3	-2.5
		304.1	196.0	722.6	451.5	760.0	363.0
Total comprehensive income attributable to:							
Shareholders of the Parent company		860.9	257.4	1 285.5	599.3	992.8	88.9
Non-controlling interest		0.0	-0.9	0.3	-2.5	0.1	-4.1
		860.9	256.5	1 285.8	596.9	992.9	84.8
Earnings per share (SEK)		4.58	2.97	10.89	6.85	11.46	5.51
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 2022	3 months Jul - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	12 months Jan - Dec 2021	12 months Jan - Dec 2020
Operating activities							
Operating result		397.8	261.1	957.9	602.6	1 005.9	545.9
Adjustment for items not included in cash flow		56.2	62.0	164.8	119.6	194.8	264.5
Received interest		1.0	0.1	1.7	1.4	1.8	0.7
Paid interest		-14.0	-11.1	-34.7	-34.5	-44.8	-65.7
Paid income tax		-73.8	-29.3	-172.8	-100.2	-164.7	-113.7
Cash flow from operating activities before changes in working capital		367.3	282.8	916.9	588.9	993.0	631.8
Changes in working capital							
Increase/decrease of inventories		-870.8	-157.7	-1 458.0	-1.9	57.8	495.8
Increase/decrease of current receivables		-202.3	-174.7	-115.7	-75.2	-269.9	106.1
Increase/decrease of current liabilities		505.4	291.4	529.7	282.4	426.5	-27.1
Cash flow from changes in working capital		-567.7	-41.0	-1 044.0	205.3	214.4	574.8
Cash flow from operating activities		-200.4	241.8	-127.1	794.2	1 207.4	1 206.6
Investing activities							
Investments in tangible fixed assets		-31.7	-30.9	-114.6	-68.4	-105.3	-44.7
Sales of tangible fixed assets		0.5	7.8	10.3	9.9	9.9	6.7
Investments in intangible fixed assets		-3.5	-9.8	-10.9	-12.8	-18.8	-11.3
Acquisition of shares	9	-398.7	0.0	-398.7	0.0	0.0	-8.6
Raised long-term receivables		0.0	-0.1	0.0	-0.8	0.0	0.0
Repayment of long-term receivables		0.0	0.0	0.0	0.0	0.0	0.3
Cash flow from investing activities	3	-433.4	-33.0	-513.9	-72.1	-114.2	-57.5
Cash flow after investing activities		-633.8	208.8	-641.0	722.1	1 093.2	1 149.1
Financial activities							
Loans raised		654.6	0.0	1 011.6	0.0	0.0	62.9
Amortization of loans		-30.6	-276.8	-82.9	-655.7	-706.5	-1 091.8
Amortization of lease liabilities		-34.3	-32.2	-101.8	-94.8	-126.5	-126.7
Acquisition of non-controlling interests		0.0	0.0	0.0	0.0	-12.5	0.0
Dividend paid to the shareholders of the Parent company		0.0	0.0	-282.0	0.0	-265.4	0.0
Cash flow from financial activities		589.6	-309.0	544.9	-750.5	-1 110.9	-1 155.6
Cash flow for the period		-44.2	-100.2	-96.1	-28.4	-17.7	-6.4
Liquid assets at the beginning of the period		305.5	405.8	327.9	325.1	325.1	351.3
Translation differences in liquid assets		17.9	5.4	47.4	14.3	20.5	-19.8
Liquid assets at the end of the period		279.2	311.0	279.2	311.0	327.9	325.1
Liquid assets							
Cash at bank and in hand		279.2	311.0	279.2	311.0	327.9	325.1

Consolidated balance sheet

SEK million	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
ASSETS					
Intangible fixed assets	3	1 837.6	1 447.3	1 474.7	1 380.9
Tangible fixed assets	3	1 307.6	1 243.0	1 258.3	1 289.5
Shares in associated companies		38.7	38.9	38.7	39.7
Other long-term receivables		12.8	15.1	11.8	14.0
Deferred tax assets	3, 5	112.2	103.0	93.5	106.7
Total non-current assets	5	3 308.8	2 847.3	2 877.0	2 830.8
Inventory		4 827.4	2 965.3	2 937.6	2 883.0
Current tax receivables		22.5	15.7	16.7	13.4
Accounts receivable		1 697.0	1 170.3	1 359.6	1 059.3
Other receivables		120.6	61.6	86.3	61.7
Prepaid expenses and accrued income		70.6	44.7	55.3	43.5
Liquid assets		279.2	311.0	327.9	325.1
Total current assets		7 017.4	4 568.6	4 783.6	4 385.9
TOTAL ASSETS	3, 6	10 326.2	7 415.9	7 660.6	7 216.7
EQUITY					
Share capital		199.0	199.0	199.0	199.0
Other capital contributions		219.4	219.4	219.4	219.4
Reserves		1 055.0	401.9	489.4	252.2
Retained earnings including result for the period		4 096.7	3 624.0	3 658.8	3 174.3
Equity attributable to shareholders of the Parent company		5 570.2	4 444.3	4 566.7	3 845.0
Non-controlling interest		1.2	8.0	0.9	10.5
Total equity		5 571.4	4 452.3	4 567.6	3 855.5
LIABILITIES					
Long-term interest-bearing liabilities	7, 8	2 037.9	1 231.5	1 166.8	1 933.3
Pension provisions		23.0	19.4	19.4	18.0
Other provisions		6.2	7.6	7.1	7.6
Deferred tax liabilities		154.6	138.4	138.4	140.1
Total non-current liabilities		2 221.6	1 396.9	1 331.6	2 099.1
Short-term interest-bearing liabilities	7, 8	252.9	198.8	229.9	209.4
Accounts payable		1 561.4	841.9	926.1	543.6
Current tax liabilities		158.6	77.9	89.9	58.6
Other liabilities	8	165.6	184.3	163.6	177.9
Accrued expenses and prepaid income		394.7	263.8	351.9	272.5
Total current liabilities		2 533.2	1 566.7	1 761.4	1 262.1
Total liabilities	3, 6	4 754.8	2 963.6	3 093.0	3 361.1
TOTAL EQUITY AND LIABILITIES		10 326.2	7 415.9	7 660.6	7 216.7

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
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 period				454.4	454.4	-2.9	451.5
Other comprehensive income							
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
Transactions with shareholders							
Dividends to shareholders of the Parent company				0.0	0.0		0.0
Acquisition of non-controlling interest				0.0	0.0	0.0	0.0
Closing balance 2021-09-30	199.0	219.4	401.9	3 624.0	4 444.3	8.0	4 452.3

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	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 period				722.5	722.5	0.1	722.6
Other comprehensive income							
Translation differences			550.3		550.3	0.2	550.5
Cash flow hedges for the period			16.0		16.0		16.0
Reclassification of previous years' cash flow hedge			2.6	-2.6	0.0		0.0
Income tax related to components of other comprehensive income			-3.3		-3.3		-3.3
Transactions with shareholders							
Dividends to shareholders of the Parent company				-282.0	-282.0		-282.0
Acquisitions of non-controlling interest					0.0		0.0
Closing balance 2022-09-30	199.0	219.4	1 055.0	4 096.7	5 570.2	1.2	5 571.4

Accumulated translation differences in equity

Accumulated translation differences at the beginning of the period	497,0	266,7
Translation differences in foreign Group companies for the period	550,5	142,8
Accumulated translation differences at the end of period	1 047,5	409,5

Jan - Sep 2022	Jan - Sep 2021
497,0	266,7
550,5	142,8
1 047,5	409,5

Financial key figures

	3 months Jul - Sep 2022	3 months Jul - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	12 months Jan - Dec 2021	12 months Jan - Dec 2020
Net sales growth, %	34.3	13.2	36.6	4.4	10.2	-11.7
Organic growth, %	21.6	14.4	28.3	8.8	12.9	-9.9
Acquired growth, %	4.0	-	1.6	-	-	-
Average number of employees	2 328	2 047	2 328	2 047	2 060	2 064
Gross profit margin, %	49.4	48.3	49.4	48.2	48.1	43.2
Operating margin before depreciations, %	20.5	19.0	18.8	17.4	18.4	12.7
Operating margin, %	17.8	15.7	15.9	13.7	15.0	9.0
Profit margin, %	17.2	15.0	15.3	12.9	14.3	7.9
Net margin, %	13.6	11.8	12.0	10.2	11.3	6.0
Return on shareholders' equity, %	22.0	15.9	22.0	15.9	18.0	9.5
Return on capital employed, %	19.7	15.0	19.7	15.0	16.9	8.4
Equity ratio, %	54.0	60.0	54.0	60.0	59.6	53.4
Net debt, SEK million	2 011.5	1 119.3	2 011.5	1 119.3	1 068.8	1 817.6
Net debt to credit institutes, SEK million	1 353.4	426.7	1 353.4	426.7	375.1	1 075.9
Net debt to equity ratio, %	36.1	25.1	36.1	25.1	23.4	47.1
Net debt in relation to working capital, %	43.8	37.9	43.8	37.9	35.7	59.5
Interest coverage ratio, times	28.2	22.6	26.5	17.1	21.9	8.0
Capital turnover, times	0.9	0.9	0.9	0.9	0.9	0.8
Inventory turnover, times	1.1	1.1	1.1	1.1	1.2	1.1
Cash flow before investments, SEK million	-200.4	241.8	-127.1	794.2	1 207.4	1 206.6
Net investments, SEK million	-433.4	-33.0	-513.9	-72.1	-114.2	-57.5
Cash flow after investments, SEK million	-633.8	208.8	-641.0	722.1	1 093.2	1 149.1
Shareholders' equity per share, before and after dilution, SEK	83.96	66.99	83.96	66.99	68.83	57.96
Share price as of the balance sheet date, SEK	146.90	131.00	146.90	131.00	167.80	54.50
Dividend/share, SEK	-	-	4.25	-	4.00	-
P/E-ratio	9.48	13.13	9.48	13.13	14.64	9.89
P/S-ratio	1.17	1.38	1.17	1.38	1.66	0.59
Share price/Shareholders' equity	1.75	1.96	1.75	1.96	2.44	0.94

For definitions of alternative performance measures, see page 32.

Income statement

SEK million	3 months Jul - Sep 2022	3 months Jul - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	12 months Jan - Dec 2021	12 months Jan - Dec 2020
Net sales	24.0	21.8	74.5	67.8	90.4	90.5
Other operating income	23.4	2.8	46.9	9.8	18.0	41.1
Total income	47.4	24.6	121.4	77.6	108.4	131.5
External costs	-18.3	-17.9	-50.2	-47.2	-62.6	-55.4
Personnel costs	-9.9	-8.1	-33.0	-29.4	-41.5	-42.8
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-1.1	-1.3	-3.6	-4.1	-5.4	-6.2
Other operating costs	-20.1	-2.1	-40.5	-7.2	-14.3	-35.2
Operating result	-2.0	-4.8	-6.0	-10.3	-15.4	-8.0
Result from shares in Group companies	30.9	219.2	238.6	390.7	470.6	80.5
Changes in write-downs of financial assets	10.8	0.0	10.8	-7.9	7.1	7.8
Financial income	17.2	8.6	36.1	27.7	36.3	56.6
Financial expenses	-9.0	-5.6	-19.7	-18.4	-23.9	-42.4
Net financial items	49.9	222.2	265.8	392.1	490.1	102.5
Result before appropriations and tax	47.9	217.4	259.8	381.8	474.7	94.6
Appropriations	0.0	0.0	0.0	0.0	144.9	7.6
Tax expense	-1.3	0.2	-2.2	0.0	-26.9	0.0
Result for the period	46.6	217.6	257.6	381.8	592.8	102.1

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

Cash flow statement

SEK million	Note	3 months Jul - Sep 2022	3 months Jul - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	12 months Jan - Dec 2021	12 months Jan - Dec 2020
Operating activities							
Operating result		-2.1	-4.8	-6.0	-10.3	-15.4	-8.0
Adjustment for items not included in cash flow		22.9	-4.3	44.2	-7.1	-0.5	17.9
Received dividends		31.0	0.1	238.6	0.0	470.6	0.0
Received interest		17.1	8.7	36.1	27.7	36.3	56.6
Paid interest		-9.0	-5.5	-19.7	-18.4	-23.9	-42.4
Paid income tax		-15.6	-3.7	-21.9	-8.8	-13.2	-4.6
Cash flow from operating activities before changes in working capital		44.3	-9.9	271.3	-16.9	453.8	19.5
Changes in working capital							
Increase/decrease in current receivables		-661.2	195.1	-941.5	413.5	49.7	743.9
Increase/decrease in current liabilities		355.0	-10.9	384.5	-76.5	65.1	147.4
Cash flow from changes in working capital		-306.2	184.0	-557.0	336.9	114.8	891.4
Cash flow from operating activities		-261.9	174.0	-285.7	320.0	568.6	910.9
Investing activities							
Shareholder contributions to Group companies		0.0	0.1	0.0	0.0	-20.4	-6.5
Investments in associated companies		0.0	0.1	0.0	0.0	0.0	0.0
Investments in tangible fixed assets		-0.1	0.1	-0.1	-0.3	0.0	-3.6
Investments in intangible fixed assets		0.0	-6.0	0.0	-6.1	-6.1	-2.5
Acquisition of shares	9	-409.2	0.1	-409.2	0.0	-12.5	0.0
Intra-Group sales of Group companies		0.0	0.1	0.0	0.0	0.0	14.5
Changes in long-term loans to Group companies		0.5	133.6	1.0	168.5	324.9	2.5
Raised long-term receivables		-0.1	0.1	-0.4	-0.1	-0.1	0.9
Cash flow from investing activities		-408.9	127.5	-408.7	162.1	285.8	5.3
Cash flow after investing activities		-670.8	301.4	-694.4	482.1	854.5	916.2
Financial activities							
Loans raised		697.3	0.1	1002.8	0.0	0.0	0.0
Amortization of loans		-26.6	-299.0	-26.7	-479.8	-588.8	-936.4
Dividend paid to shareholders of the Parent company		0.0	0.1	-282.0	0.0	-265.4	0.0
Cash flow from financial activities		670.7	-299.0	694.1	-479.8	-854.2	-936.4
Cash flow for the period		-0.1	2.4	-0.3	2.3	0.1	-20.2
Liquid assets at the beginning of the period		0.3	0.3	0.5	0.4	0.4	20.6
Liquid assets at the end of the period		0.2	2.7	0.2	2.7	0.5	0.4
Liquid assets							
Cash at bank and in hand		0.2	2.7	0.2	2.7	0.5	0.4

Balance sheet

SEK million	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
ASSETS					
Intangible fixed assets		6.0	9.8	8.8	6.6
Tangible fixed assets		2.8	3.8	3.5	4.7
Shares in Group companies		2 665.2	2 236.1	2 256.0	2 236.1
Shares in associated companies		38.1	38.1	38.1	38.1
Receivables on Group companies		31.5	179.9	32.5	326.9
Other long-term receivables		5.8	5.5	5.5	5.4
Total non-current assets		2 749.5	2 473.2	2 344.4	2 617.8
Accounts receivable		0.8	0.5	0.7	0.5
Receivables on Group companies		2 445.3	1 328.3	1 481.6	1 351.8
Current tax receivables		7.3	10.2	0.0	1.2
Other receivables		17.4	17.7	39.4	24.5
Prepaid expenses and accrued income		8.3	8.1	8.5	8.4
Liquid assets		0.2	2.7	0.5	0.4
Total current assets		2 479.2	1 367.5	1 530.6	1 386.8
TOTAL ASSETS		5 228.7	3 840.7	3 875.0	4 004.6
EQUITY					
Share capital		199.0	199.0	199.0	199.0
Restricted reserves		249.4	249.4	249.4	249.4
Total restricted equity		448.4	448.4	448.4	448.4
Retained earnings		1 699.9	1 654.5	1 389.1	1 552.4
Share premium reserve		48.0	48.0	48.0	48.0
Result for the period		257.6	381.8	592.8	102.1
Total unrestricted equity		2 005.4	2 084.3	2 029.9	1 702.5
Total equity		2 453.8	2 532.7	2 478.3	2 151.0
Untaxed reserves		99.9	57.3	99.9	57.3
LIABILITIES					
Long-term interest-bearing liabilities	7	1 452.5	567.3	458.0	1 040.0
Total non-current liabilities		1 452.5	567.3	458.0	1 040.0
Short-term interest-bearing liabilities	7	106.3	93.2	94.6	89.8
Accounts payable		770.6	339.0	399.1	218.0
Liabilities to Group companies		335.3	242.4	321.6	437.2
Current tax liabilities		0.0	0.0	12.4	0.0
Other liabilities		1.3	1.1	1.2	1.3
Accrued expenses and prepaid income		9.0	7.7	9.9	10.1
Total current liabilities		1 222.5	683.4	838.8	756.4
Total liabilities		2 675.0	1 250.7	1 296.8	1 796.3
TOTAL EQUITY AND LIABILITIES		5 228.7	3 840.7	3 875.0	4 004.6

Statement of changes in equity

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	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 period					381.8	381.8
Total changes excluding transactions with shareholders	0.0	0.0	0.0	0.0	381.8	381.8
Dividends			0.0			0.0
Closing balance 2021-09-30	199.0	249.4	1 654.5	48.0	381.8	2 532.7

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	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 period					257.6	257.6
Total changes excluding transactions with shareholders	0.0	0.0	0.0	0.0	257.6	257.6
Dividends			-282.0			-282.0
Closing balance 2022-09-30	199.0	249.4	1 699.9	48.0	257.6	2 453.8



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 2021 Annual Report.

New accounting policies for 2022

A number of amendments of current accounting standards have been published and are effective from 2022 and later. None of these has a material impact on New Wave Group's financial statements.

Note 2 - Risks and risk control

NewWaveGroup'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 2021, note 16, p. 98-104. The Annual Report is available at the Group's headquarters in Gothenburg, Sweden, as well as at www.nwg.se.

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 also during the previous year. New outbreaks in China with large and long shutdowns risk exacerbating the situation that has existed in product supply and logistics.



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

Group management and each company management closely monitor developments of COVID-19 and the conflict between Russia and Ukraine and work closely with suppliers and customers. Strategies and activities are continuously adapted as the situation develops.

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

Note 3 - Reporting of operating segments

Net sales and operating result per operating segment

SEK million	3 months Jul - Sep 2022	3 months Jul - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	12 months Jan - Dec 2021	12 months Jan - Dec 2020
Corporate						
Net sales	1 022.6	685.3	2 793.0	1 966.5	2 971.6	3 104.8
Operating result	186.3	85.4	516.5	254.2	440.8	349.0
Sports & Leisure						
Net sales	1 007.3	762.8	2 635.5	1 871.4	2 792.5	2 168.5
Operating result	199.5	139.8	429.2	303.1	466.0	170.4
Gifts & Home Furnishings						
Net sales	204.6	215.3	600.1	574.0	954.5	825.5
Operating result	12.0	35.9	12.2	45.2	99.1	26.5
Total net sales	2 234.4	1 663.5	6 028.5	4 411.9	6 718.6	6 098.8
Total operating result	397.8	261.1	957.9	602.6	1 005.9	545.9
Total operating result	397.8	261.1	957.9	602.6	1 005.9	545.9
Net financial items	-13.0	-11.0	-33.0	-33.1	-43.0	-64.9
Result before tax	384.8	250.1	924.9	569.5	962.9	481.0

Assets and liabilities per operating segment

SEK million	Total assets	Fixed assets*	Deferred tax assets	Net investments	Amortizations, depreciations and write-downs	Total liabilities
30 Sep 2022						
Corporate	6 174.9	1 231.8	40.8	-29.7	-112.8	3 619.8
Sports & Leisure	3 765.1	1 581.9	55.9	-73.0	-52.9	929.9
Gifts & Home Furnishings	386.0	331.5	15.5	-12.5	-11.9	205.1
Total	10 326.0	3 145.2	112.2	-115.2	-177.6	4 754.8
30 Sep 2021						
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
Total	7 415.9	2 690.4	103.0	-72.1	-165.8	2 963.6
31 Dec 2021						
Corporate	4 425.7	1 078.8	32.8	-60.9	-141.4	2 090.3
Sports & Leisure	2 742.7	1 317.6	45.3	-29.2	-66.5	749.5
Gifts & Home Furnishings	492.2	336.6	15.4	-24.1	-16.4	253.3
Total	7 660.6	2 733.0	93.5	-114.2	-224.3	3 093.0

* 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 2022	Jul - Sep 2021	Jul - Sep 2022	Jul - Sep 2021	Jul - Sep 2022	Jul - Sep 2021	Jul - Sep 2022	Jul - Sep 2021
Promo	1 017.3	681.7	263.9	199.5	33.5	34.1	1 314.7	915.2
Retail	5.2	3.7	743.4	563.3	171.1	181.3	919.7	748.3
Total	1 022.5	685.3	1 007.3	762.8	204.6	215.3	2 234.4	1 663.5

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 2022	Jan - Sep 2021	Jan - Sep 2022	Jan - Sep 2021	Jan - Sep 2022	Jan - Sep 2021	Jan - Sep 2022	Jan - Sep 2021
Promo	2 780.7	1 954.2	745.2	505.6	118.3	117.1	3 644.2	2 577.0
Retail	12.2	12.3	1 890.3	1 365.7	481.8	456.9	2 384.3	1 834.9
Total	2 792.9	1 966.5	2 635.5	1 871.4	600.1	574.0	6 028.5	4 411.9

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 2021	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2020
Promo	2 949.9	3 084.6	742.1	568.3	265.3	236.7	3 957.3	3 889.6
Retail	21.7	20.2	2 050.4	1 600.2	689.2	588.8	2 761.3	2 209.2
Total	2 971.6	3 104.8	2 792.5	2 168.5	954.5	825.5	6 718.6	6 098.8



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 2022	3 months Jul - Sep 2021	3 months Jul - Sep 2022	3 months Jul - Sep 2021	3 months Jul - Sep 2022	3 months Jul - Sep 2021	3 months Jul - Sep 2022	3 months Jul - Sep 2021	
USA	72.6	46.0	485.8	321.4	13.5	14.4	571.9	381.8	50%
Sweden	118.3	102.7	192.0	165.5	173.1	184.0	483.4	452.1	7%
Central Europe	288.4	155.5	105.0	83.7	5.9	4.7	399.3	243.9	64%
Nordic countries excl. Sweden	118.8	95.5	140.3	120.4	8.8	8.2	267.9	224.0	20%
Southern Europe	227.2	169.9	28.8	20.4	0.1	0.1	256.1	190.4	35%
Other countries	197.2	116.0	55.4	51.4	3.2	4.1	255.8	171.4	49%
Total	1 022.5	685.5	1 007.3	762.7	204.6	215.4	2 234.4	1 663.5	34%

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	9 months Jan - Sep 2022	9 months Jan - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	
USA	204.4	130.1	1 268.7	797.7	42.4	36.6	1 515.5	964.4	57%
Sweden	373.0	321.5	505.5	412.6	494.6	481.8	1 373.1	1 215.8	13%
Central Europe	697.6	417.7	289.5	230.0	18.1	15.9	1 005.2	663.6	51%
Nordic countries excl. Sweden	354.3	273.9	369.3	278.8	33.5	26.5	757.1	579.1	31%
Southern Europe	712.5	512.0	76.9	54.9	0.3	0.2	789.7	567.1	39%
Other countries	451.1	311.4	125.6	97.5	11.2	13.1	587.9	421.9	39%
Total	2 792.9	1 966.5	2 635.5	1 871.4	600.1	574.0	6 028.5	4 411.9	37%

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	12 months Jan - Dec 2021	12 months Jan - Dec 2020	12 months Jan - Dec 2021	12 months Jan - Dec 2020	12 months Jan - Dec 2021	12 months Jan - Dec 2020	12 months Jan - Dec 2021	12 months Jan - Dec 2020	
USA	203.6	193.7	1 145.0	895.2	60.4	52.0	1 409.0	1 140.9	23%
Sweden	476.1	387.8	637.6	480.3	799.4	689.8	1 913.1	1 558.0	23%
Central Europe	660.8	592.4	338.9	300.8	26.0	20.2	1 025.7	913.4	12%
Nordic countries excl. Sweden	401.3	358.5	411.4	306.1	49.8	45.7	862.5	710.3	21%
Southern Europe	779.3	842.0	83.2	58.9	0.4	0.3	862.9	901.2	-4%
Other countries	450.5	730.4	176.4	127.1	18.5	17.5	645.4	875.0	-26%
Total	2 971.6	3 104.8	2 792.5	2 168.5	954.5	825.5	6 718.6	6 098.8	10%

Fixed assets and deferred tax assets per geographic area

SEK million	30 Sep 2022		30 Sep 2021		31 Dec 2021	
	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets
USA	1 335.3	46.4	1 042.9	42.8	1 078.8	40.8
Sweden	781.3	24.9	746.3	23.5	755.3	19.5
Central Europe	485.0	9.9	323.6	5.5	318.1	8.7
Nordic countries excl. Sweden	222.4	5.6	228.6	4.0	230.2	3.9
Southern Europe	209.1	17.9	212.6	21.3	210.2	16.7
Other countries	112.1	7.5	136.4	5.9	140.4	3.9
Total	3 145.2	112.2	2 690.4	103.0	2 733.0	93.5

* Financial fixed assets are not included



Note 6 - Financial instruments

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
Assets at fair value through other comprehensive income	16.0	3.3	3.3	0.0
Assets at amortized cost	2 086.0	1 549.1	1 777.5	1 454.7
Total financial assets	2 102.0	1 552.4	1 780.8	1 454.7
Liabilities at fair value through other comprehensive income	0.0	0.0	0.0	4.7
Liabilities at amortized cost	4 233.7	2 571.4	2 662.4	2 951.7
Total financial liabilities	4 233.7	2 571.4	2 662.4	2 956.4

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 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
Floating charges	690.5	690.5	690.5	690.5
Property mortgages	201.1	174.8	179.8	172.0
Net assets in Group companies	4 214.8	3 491.3	3 337.8	3 201.5
Shares in associated companies	8.3	8.3	8.3	8.3
Stock and accounts receivable	474.3	308.1	353.5	321.7
Total	5 589.0	4 673.0	4 569.9	4 394.1
Contingent liabilities SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
Duty guarantees	12.0	12.2	12.2	12.2
Rent guarantees	135.1	141.2	141.9	151.5
Guarantees for associated companies	6.0	6.0	6.0	6.0
Total	153.1	159.4	160.1	169.7
PARENT COMPANY				
Pledged assets SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
Floating charges	30.0	30.0	30.0	30.0
Shares in Group companies	1 739.1	1 744.3	1 737.7	1 744.3
Shares in associated companies	8.3	8.3	8.3	8.3
Total	1 777.4	1 782.6	1 776.0	1 782.6
Contingent liabilities SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
Guarantees for Group companies	794.8	641.4	633.5	555.7
Guarantees for associated companies	6.0	6.0	6.0	6.0
Total	800.8	647.4	639.5	561.7



KostaBoda

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

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 so-called PPP loans have thus been forgiven. The loans were obtained in 2020 and were linked to COVID-19. 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.

	3 months Jul - Sep 2022	3 months Jul - Sep 2021	9 months Jan - Sep 2022	9 months Jan - Sep 2021	12 months Jan - Dec 2021	12 months Jan - Dec 2020
Other operating income	-0.2	2.1	0.5	58.9	61.9	75.7

	30 Sep 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
Other liabilities	0.0	0.3	0.3	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 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
Other liabilities	0.0	0.0	0.0	20.2

Government loans

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 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.

	30 Sep 2022	30 Sep 2021	31 Dec 2021	31 Dec 2020
Long-term interest-bearing liabilities	3.6	5.1	4.6	36.8
Short-term interest-bearing liabilities	0.5	0.6	0.6	12.3
	4.2	5.7	5.2	49.1

Note 9 - Acquisition of B.T.C. Activewear Ltd

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.

SEK million	Net 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

In the quarter, the acquisition increased the group's net sales by SEK 67.3 million and the result for the period by SEK 5.3 million. If the acquisition took place on 1 January 2022, the group's net sales had increased by SEK 519.4 million and the result for the period

by SEK 34.8 million. In addition to the aforementioned results, transaction costs are added for the acquisition, which amounted to SEK -3.7 million.

Note 10 - Subsequent events

No significant events have occurred after the balance sheet date.

Condensed quarterly consolidated income statements

SEK million

Quarter	2022			2021				2020			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	2 234.4	2 019.2	1 774.9	2 306.7	1 663.5	1 486.8	1 261.6	1 873.2	1 470.1	1 314.5	1 440.9
Goods for resale	-1 131.6	-989.8	-931.6	-1 203.3	-860.4	-769.2	-656.4	-1 007.7	-843.9	-799.7	-810.2
Gross profit	1 102.8	1 029.4	843.3	1 103.4	803.1	717.6	605.2	865.6	626.2	514.8	630.7
Gross profit margin %	49.4	51.0	47.5	47.8	48.3	48.3	48.0	46.2	42.6	39.2	43.8
Other operating income	35.7	28.9	22.6	23.9	11.6	59.4	16.6	29.6	34.7	61.4	20.6
External costs	-359.3	-345.0	-311.6	-350.9	-258.4	-233.8	-224.8	-285.4	-191.6	-187.7	-311.1
Personnel costs	-291.5	-288.9	-274.6	-301.4	-235.5	-242.8	-237.2	-259.9	-220.8	-209.1	-292.8
Depreciations and write-downs	-60.6	-58.3	-58.8	-61.5	-55.7	-56.0	-54.1	-55.0	-56.6	-57.8	-60.1
Other operating costs	-27.9	-15.1	-11.8	-9.9	-3.7	-2.9	-5.2	-11.4	-15.2	-11.4	-10.4
Share of associated companies' result	-1.4	0.0	0.0	-0.3	-0.3	-0.1	-0.4	0.1	-0.4	-0.1	-0.9
Operating result	397.8	351.0	209.1	403.3	261.1	241.3	100.1	283.6	176.3	110.1	-24.1
Financial income	1.1	1.5	0.6	0.7	0.6	0.9	0.8	0.1	0.6	2.9	0.5
Financial expenses	-14.1	-11.9	-10.2	-10.6	-11.6	-10.3	-13.5	-14.6	-15.8	-20.2	-18.4
Result before tax	384.8	340.6	199.5	393.4	250.1	231.9	87.4	269.2	161.1	92.8	-42.1
Tax expense	-80.8	-75.5	-46.0	-84.9	-54.1	-44.3	-19.7	-61.0	-42.2	-19.9	5.1
Result for the period	304.0	265.0	153.5	308.5	196.0	187.7	67.7	208.2	118.9	72.9	-36.9
Total other comprehensive income for the period	556.9	253.3	70.5	87.5	60.5	-57.7	142.5	-213.0	-58.3	-212.4	205.5
Total comprehensive income for the period	860.9	518.4	224.0	396.0	256.5	130.0	210.2	-4.9	60.6	-139.5	168.6
Earnings per share before and after dilution (SEK)*	4.58	3.99	2.31	4.61	2.97	2.84	1.04	3.13	1.81	1.11	-0.54

Quarter	2019				2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	2 024.1	1 685.5	1 689.0	1 504.9	1 943.4	1 551.2	1 523.2	1 272.8	1 630.3	1 331.1	1 371.7	1 264.2
Goods for resale	-1 079.2	-923.2	-903.3	-795.3	-1 042.3	-835.3	-804.2	-677.5	-886.8	-692.8	-745.7	-692.8
Gross profit	944.9	762.3	785.7	709.6	901.1	715.8	719.0	595.4	743.5	638.2	626.0	571.4
Gross profit margin %	46.7	45.2	46.5	47.1	46.4	46.1	47.2	46.8	45.6	47.9	45.6	45.2
Other operating income	32.3	12.9	15.5	17.2	28.3	19.3	11.3	15.9	22.9	10.4	7.0	10.9
External costs	-343.8	-300.3	-330.2	-338.4	-390.6	-323.5	-305.1	-317.2	-304.9	-265.4	-270.1	-288.6
Personnel costs	-307.6	-278.7	-290.5	-283.0	-298.0	-257.7	-260.9	-246.4	-262.2	-217.1	-233.0	-228.1
Depreciations and write-downs	-73.6	-55.7	-52.8	-51.0	-21.6	-20.2	-18.5	-17.6	-18.2	-16.4	-15.7	-15.0
Other operating costs	-12.4	-11.3	-7.7	-8.2	-9.8	-15.0	-8.3	-11.8	-6.1	-7.4	-3.9	-7.8
Share of associated companies' result	0.6	-0.2	-0.3	-0.2	0.1	-1.3	-0.3	0.4	-2.5	0.6	0.2	0.4
Operating result	240.3	129.1	119.6	46.0	209.4	117.5	137.3	18.6	172.5	143.0	110.5	43.2
Financial income	2.8	2.5	2.2	1.3	1.5	0.7	1.8	1.5	1.3	1.6	1.0	1.3
Financial expenses	-24.1	-19.5	-18.1	-15.3	-14.2	-12.3	-8.2	-11.7	-14.3	-14.8	-14.1	-13.8
Result before tax	219.1	112.1	103.6	32.0	196.6	105.9	130.9	8.4	159.4	129.8	97.4	30.7
Tax expense	-53.1	-17.6	-19.9	-6.0	-37.7	-17.5	-24.2	-2.4	-12.6	-24.5	-20.3	-5.8
Result for the period	165.9	94.4	83.7	26.0	158.9	88.4	106.8	6.0	146.8	105.3	77.0	24.9
Total other comprehensive income for the period	-131.5	126.9	16.2	86.3	2.7	-37.8	121.1	71.7	45.3	-43.3	-42.4	-12.2
Total comprehensive income for the period	34.4	221.4	99.9	112.3	161.6	50.5	227.9	77.7	192.1	62.0	34.7	12.7
Earnings per share before and after dilution (SEK)*	2.53	1.45	1.28	0.41	2.42	1.36	1.60	0.10	2.20	1.60	1.16	0.38

* 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	2022			2021				2020			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	367,3	346.0	203.6	404.1	282.8	219.0	87.1	300.0	218.9	176.0	-63.0
Increase/decrease of inventories	-870,8	-360,7	-226,5	59,7	-157,7	125,2	30,6	472,4	86,9	53,9	-117,4
Increase/decrease of current receivables	-202,3	-119,2	205,8	-194,6	-174,7	-156,8	256,3	-87,7	-207,6	87,4	313,9
Increase/decrease of current liabilities	505,4	202,0	-177,7	144,1	291,4	-2,2	-6,8	-127,2	185,0	-65,9	-19,0
Changes in working capital	-567,7	-277,9	-198,4	9,2	-41,0	-33,7	280,1	257,5	64,3	75,5	177,6
Cash flow from operating activities	-200,4	68,1	5,2	413,3	241,8	185,3	367,2	557,5	283,2	251,4	114,6
Investing activities	-433,4	-55,2	-25,3	-42,1	-33,0	-24,0	-15,2	-7,2	-8,6	-11,1	-30,6
Cash flow after investing activities	-633,8	12,9	-20,1	371,2	208,8	161,3	352,0	550,3	274,6	240,3	84,0
Increase/decrease of interest-bearing liabilities	589,6	253,6	-16,3	-82,6	-309,0	-95,4	-346,1	-435,9	-322,9	-201,6	-195,2
Transactions with owners	0,0	-282,0	0,0	-277,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Cash flow from financial activities	589,6	-28,4	-16,3	-360,5	-309,0	-95,4	-346,1	-435,9	-322,9	-201,6	-195,2
Cash flow for the period	-44,2	-15,5	-36,4	10,7	-100,2	65,9	5,9	114,5	-48,4	38,7	-111,2
Liquid assets at the beginning of the period	305,5	298,6	327,9	311,0	405,8	344,8	325,1	226,8	277,8	257,6	351,3
Translation differences in liquid assets	17,9	22,4	7,1	6,2	5,5	-4,9	13,8	-16,2	-2,7	-18,5	17,6
Liquid assets at the end of the period	279,2	305,5	298,6	327,9	311,0	405,8	344,8	325,1	226,8	277,8	257,6

Quarter	2019				2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working wcapital	262.1	149.9	143.8	49.3	184.1	116.1	128.3	1.2	154.9	153.3	105.0	37.8
Increase/decrease of stock	180,9	-256,4	-108,0	-58,3	44,6	-310,4	-110,8	-117,4	129,5	-200,4	-63,7	-73,9
Increase/decrease of current receivables	-47,5	-34,3	-95,9	126,2	-3,6	-128,6	-36,2	140,9	-78,5	-113,8	-40,4	113,0
Increase/decrease of current liabilities	-108,8	9,7	69,1	-182,3	-50,7	239,9	143,2	-18,1	-71,4	150,5	49,2	-43,3
Changes in working capital	24,7	-281,0	-134,8	-114,4	-9,7	-199,1	-3,7	5,4	-20,4	-163,7	-54,9	-4,2
Cash flow from operating activities	286,7	-131,1	9,0	-65,1	174,4	-83,0	124,6	6,6	134,5	-10,4	50,1	33,6
Investing activities	-42,2	-32,6	-35,6	-38,3	-39,7	-42,1	-41,6	-39,8	-37,7	-36,9	-16,0	-19,9
Cash flow after investing activities	244,6	-163,8	-26,6	-103,4	134,7	-125,1	83,0	-33,2	96,8	-47,3	34,1	13,7
Increase/decrease of interest-bearing liabilities	-122,6	210,1	75,3	49,2	-15,9	104,9	58,0	5,1	-54,6	30,2	47,1	-39,4
Transactions with owners	0,0	1,2	-132,7	0,0	0,0	0,0	-112,8	0,0	0,0	0,0	-89,6	0,0
Cash flow from financial activities	-122,6	211,2	-57,4	49,2	-15,9	104,9	-54,8	5,1	-54,6	30,2	-42,5	-39,4
Cash flow for the period	121,9	47,4	-84,0	-54,2	118,8	-20,2	28,2	-28,1	42,2	-17,1	-8,4	-25,7
Liquid assets at the beginning of the period	238,4	182,5	265,0	312,2	192,6	215,4	180,5	202,4	155,6	178,9	191,9	218,9
Translation differences in liquid assets	-9,1	8,5	1,5	7,0	0,8	-2,6	6,7	6,2	4,6	-6,2	-4,6	-1,3
Liquid assets at the end of the period	351,3	238,4	182,5	265,0	312,2	192,6	215,4	180,5	202,4	155,6	178,9	191,9

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.

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.

NewWave
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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