

New Wave Group AB

2023 *Interim Report*

January - September

Trademarks

Corporate



Sports & Leisure



Gifts & Home Furnishings



New Wave Group AB

Q3

Interim report

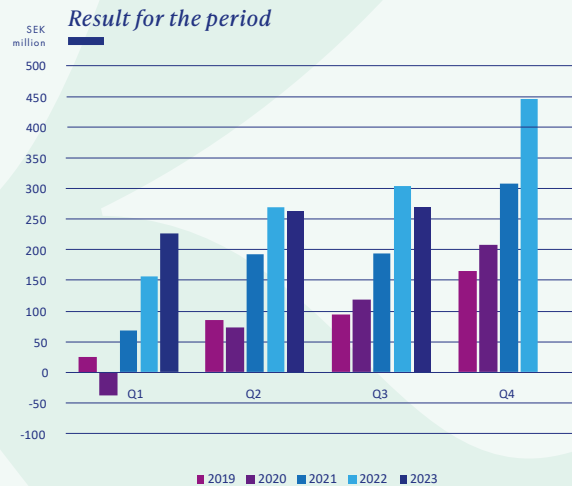
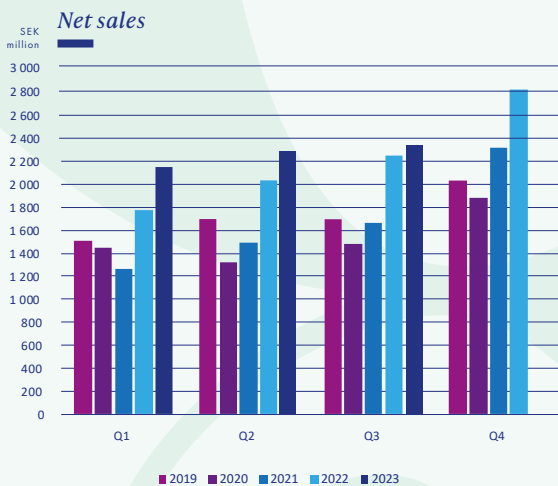
PERIOD 1 JULY - 30 SEPTEMBER 2023

- Net sales amounted to SEK **2,337.0** million, which was **5%** higher than last year (SEK **2,234.4** million). Currency changes affected net sales positively by **4%** and acquired business by **7%**.
- Operating result amounted to SEK **381.1** (**397.8**) million.
- Result for the period amounted to SEK **270.9** (**304.0**) million.
- Earnings per share amounted to SEK **2.04** (**2.29**).*
- Cash flow from operating activities amounted to SEK **173.3** (**-200.4**) million.

PERIOD 1 JANUARY - 30 SEPTEMBER 2023

- Net sales amounted to SEK **6,777.0** million, which was **12%** higher than last year (SEK **6,028.5** million). Currency changes affected net sales positively by **5%** and acquired business by **8%**.
- Operating result amounted to SEK **1,058.4** (**957.9**) million.
- Result for the period amounted to SEK **752.7** (**722.6**) million.
- Earnings per share amounted to SEK **5.67** (**5.45**).*
- Cash flow from operating activities amounted to SEK **210.3** (**-127.1**) million.
- Equity ratio amounted to **55.8** (**54.0**)%.
- Net debt to equity ratio amounted to **40.2** (**36.1**)%.

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



Torsten Jansson

CEO comments

*"New all time high in net sales
- a continuing good operating
margin."*



New all time high in net sales - a continuing good operating margin

Despite a very challenging market with price reductions on a number of basic goods, we increased our net sales to SEK 2,337.0 (2,234.4) million. The operating result decreased slightly to SEK 381.1 (397.8) million but is still at a very good level. The operating margin was 16.3% and is the second highest ever for a third quarter. Considering the challenging market, especially in retail, I am very satisfied, proud and happy with the result and can state that we continue to gain market share. I think the quarter's results show the strength we have even under more challenging conditions, which we have also shown many times before.

9 months - new all time high in both net sales and operating result

During the first 9 months, net sales increased to SEK 6,777.0 (6,028.5) million and operating result increased to SEK 1,058.4 (957.9) million, both of which are new all time highs for the period. The operating margin was 15.6% which is basically in line with the previous year.

Rolling 12 months

On a rolling full-year basis, net sales now amount to SEK 9,592.1 million with an operating result of SEK 1,605.6 million, which means an operating margin of 16.7%. In 2020, net sales were SEK 6,098.8 million, which means that in 2 years and 9 months we had sales growth of SEK 3,493.3 million or 57%. During the same period, the operating result has gone from SEK 545.9 million to SEK 1,605.6 million, an increase of SEK 1,059.7 or 194%.

Cash flow and balance sheet

Cash flow from operating activities amounted to SEK 173.3 (-200.4) million, an improvement of SEK 373.7 million.

We have continued to have a very strong balance sheet with an equity ratio of 55.8%.

The future

We are very well equipped going forward in terms of organization, brands, products, etc. I am firmly convinced that we will

continue to gain market share, which will mean good growth again when the market levels off or reverses. Although it would be presumptuous to wish for a downturn in the economy, such an occurrence would provide opportunities for growth through acquisitions. We have now completed two acquisitions and we have both the financial and organizational resources to carry out more, if the right opportunities arise. With a strong economy and balance sheet, we can maintain large stocks and full service on the stock range, which not all competitors likely will not be able to do. This will give us the opportunity to continue to gain market share. Above all, the sports industry has been and continues to be tough. This is due to declining sales, and also to the fact that our customers in sports had large stocks. This is gradually correcting itself, which within 1-2 quarters could benefit us given our ability to deliver from stock. In a very short perspective, it is difficult to assess the market, but we should still be able to take market shares. Not in the least Craft, where we have very large growth opportunities in teamwear throughout Europe. The same applies to Craft's shoes, which should be able to grow for many, many years. I feel that we should be able to do even better going forward than we have performed in the past. If you look ahead for more than one quarter, I feel confident that we will be able to deliver continued good growth.

The journey has only just begun! Thanks everyone!

..... Q3


Torsten Jansson
 CEO

The period

Comments on the period

Summary of the quarter July - September

The third quarter's net sales increased by 5% (1% excluding currency changes), of which acquired operations contributed 7%. The Corporate and Sports & Leisure segments increased their sales, which was related to acquired units. Excluding the acquisitions, the segments' net sales decreased slightly compared to the previous year. Gifts & Home Furnishings had a net turnover on par with last year. The gross profit margin was slightly lower due to last year's acquired operations. Costs increased, which was mainly a consequence of exchange rate changes and acquired units. Overall, the period's profit decreased and amounted to SEK 270.9 (304.0) million.



Pure Trail W

Pure display of innovation that gives runners best-in-class performance and comfort.

The Corporate segment increased **9%** with improvements in Central and Southern Europe, while other regions decreased their sales. Sports & Leisure increased by **1%**. It was primarily Central and Southern Europe that increased their net sales, but Sweden and Other countries also increased, while the USA and the Nordics (excluding Sweden) decreased. Gifts & Home Furnishings were on par with the previous year in all regions.

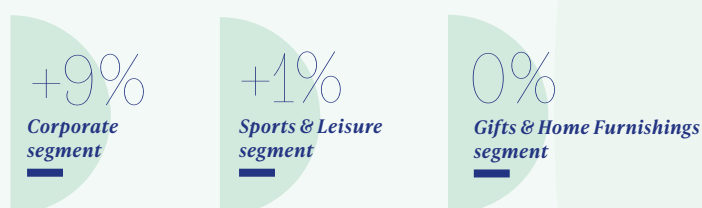
The gross profit margin decreased slightly compared to the previous year and amounted to **48.6 (49.4) %**. The decrease was related to the Corporate segment and last year's acquired unit (B.T.C. Activewear Ltd). This business has a lower gross profit margin than the group as a whole and excluding the acquisition the margin increased.

In addition to costs being affected by exchange rate changes and acquisitions, the group also had more marketing activities.

Operating result and operating margin decreased compared to the previous year and amounted to SEK **381.1 (397.8)** million and **16.3 (17.8)%** respectively.

Cash flow from operating activities improved by SEK **373.7** million and amounted to SEK **173.3 (-200.4)** million. The improved cash flow is primarily an effect of lower merchandise purchases compared to last year. Inventories increased by SEK **1,001.2** million and amounted to SEK **5,828.6 (4,827.4)** million.

CHANGE IN NET SALES



July - September

Net sales

Net sales amounted to SEK **2,337.0** million, which was **5%** higher than the previous year (SEK **2,234.4** million). The exchange rate effects had a positive impact on turnover with SEK **94.6** million, which corresponds to **4%**. Acquired units affected sales by **7%** or SEK **147.7** million.

Net sales in the USA were **11%** lower than the previous year. The reduction occurred in all segments. Sweden was on par with last year, which is attributable to the acquisition of Tenson in the Sports & Leisure segment. Sales were lower in other segments. In Central Europe, turnover increased by **38%**, which is mainly related to last year's acquisitions in the Corporate segment, but Sports & Leisure also increased. The Nordic region excluding Sweden decreased by **5%** compared to the previous year, which was mainly related to Sports & Leisure. Southern Europe increased net sales by **13%**. The increase was attributable to Corporate and Sports & Leisure. Other countries decreased by **3%**, which is attributable to China in the Corporate segment.

Both sales channels increased their net sales, promo by **7%** and retail by **1%**. The improvement was related to the acquired units and excluding acquisitions, sales in both channels decreased by **2%**.

Gross profit

The gross profit margin decreased slightly compared to the previous year and amounted to **48.6 (49.4) %**. The reduction is related to the Corporate segment and last year's acquired unit (B.T.C. Activewear Ltd). This business has a lower gross profit margin than the group as a whole. Excluding the acquired unit, the gross profit margin increased slightly.

Other operating income and other operating costs

Other operating income increased by SEK **14.3** million to SEK **50.0 (35.7)** million. Other operating income is primarily attributable to the operation's exchange rate gains and must be set against the profit line other operating expenses, where mainly the operation's exchange rate losses are reported. However, the quarter also includes income in the form of government electricity subsidies of SEK **13.0** million and a positive profit effect in connection with the acquisition of Tenson AB of SEK **6.5** million. Other operating expenses decreased by SEK **13.3** million and amounted to SEK **-14.6 (-27.9)** million. The net of the above-mentioned items amounted to SEK **35.4 (7.8)** million. The increase is primarily due to the electricity subsidies and profit effect in connection with the acquisition.

Costs and depreciations

External costs increased by SEK **43.7** million and amounted to SEK **-403.0 (-359.3)** million. The increase is mainly related to acquired units and exchange rate changes, but also higher marketing costs. Personnel costs increased by SEK **28.7** million and amounted to SEK **-320.2 (-291.5)** million. The increase is mainly related to exchange rate changes and acquired units.

Exchange rate changes increased these costs by SEK **29.1** million and acquired operations affected by SEK **28.4** million.

Depreciation and write-downs increased compared to the previous year and amounted to SEK **-65.6 (-60.6)** million. The increase is related to depreciation of right-of-use assets linked to leasing as well as the investments previously made in the group's warehouse operations.

Operating result

Operating result decreased compared to the previous year and amounted to SEK **381.1 (397.8)** million. It is primarily a lower gross profit margin but also higher costs in the form of marketing activities that reduce operating result. The operating margin decreased and amounted to **16.3 (17.8)%**. Acquired units had an impact of SEK **8.0** million.

Net financial items and tax

The financial net amounted to SEK **-36.1 (-13.0)** million. The group's net debt has increased in previous quarters due to inventory build-up and company acquisitions, which increased interest costs at the same time as interest levels increased compared to last year.

Tax on the period's result amounted to SEK **-74.2 (-80.8)** million. The effective tax rate amounted to **21.5 (21.0)%**.

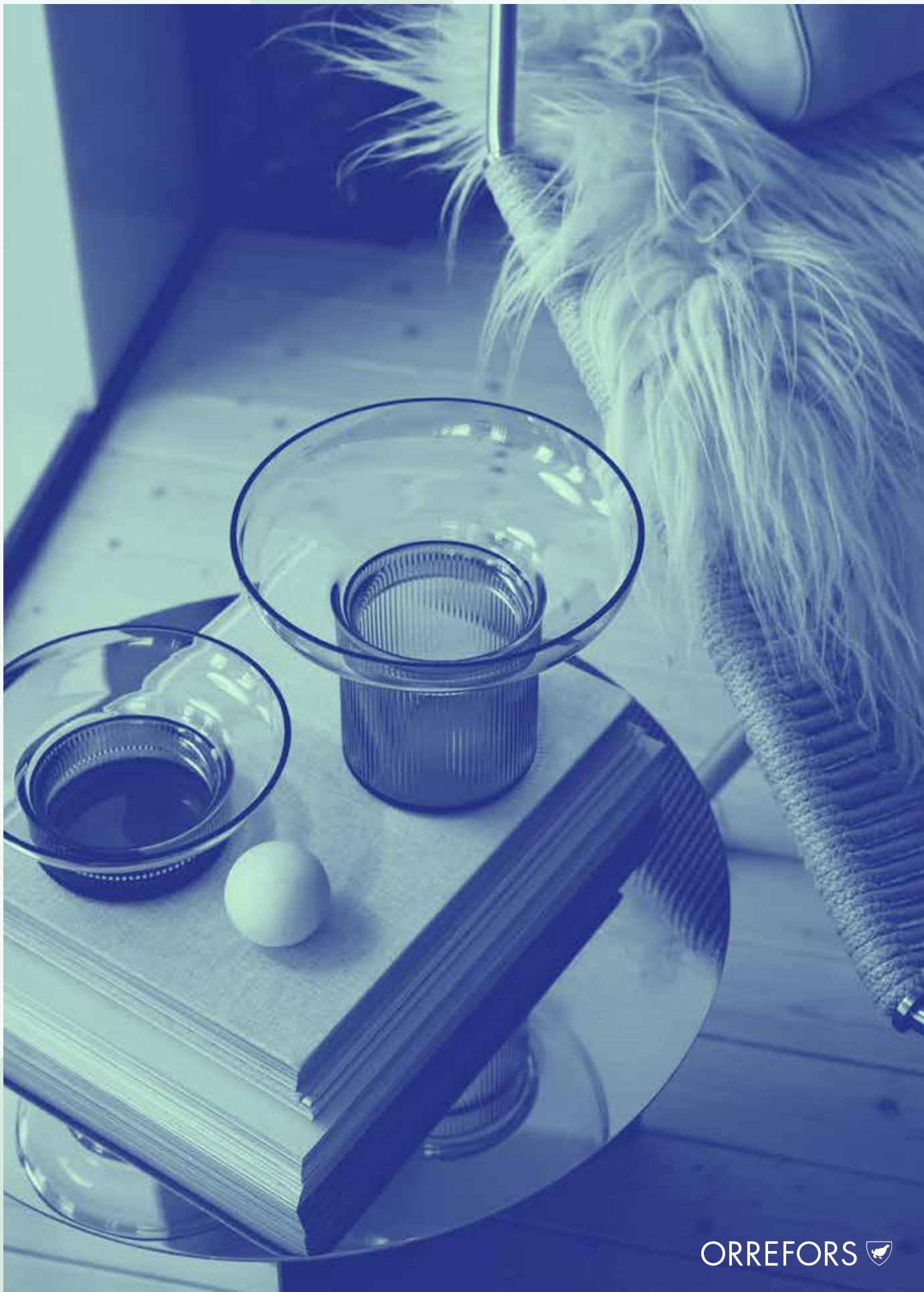
Result for the period

The result for the period was SEK **33.1** million lower than last year and amounted to SEK **270.9 (304.0)** million. Earnings per share amounted to SEK **2.04 (2.29)**.



Kosta Christmas Market

On November 11, the Kosta Christmas Market opens for the season.



ORREFORS 

January - September

Net sales

Net sales amounted to SEK **6,777.0** million, which was **12%** higher than the previous year (SEK **6,028.5** million). Exchange rate effects had a positive impact on sales by SEK **309.0** million, which corresponds to **5%**. Acquired units affected sales by **8%** or SEK **479.4** million.

Net sales in the USA increased by **2%** and in Sweden sales increased by **1%**. Both countries had an increase in Sports & Leisure, while Corporate and Gifts & Home Furnishings decreased. Central Europe increased by **56%**, which was mainly related to last year's acquisitions in the Corporate segment. Southern Europe increased by **17%**, which was attributable to Corporate and Sports & Leisure. The Nordics excluding Sweden increased by **2%**, which was related to Corporate and Sports & Leisure, while Gifts & Home Furnishings decreased. Other countries decreased by **1%**.

The promo sales channel increased by **18%** which was due to the segments Corporate and Sports & Leisure. Retail sales improved by **4%**, which was attributable to Sports & Leisure.

Gross profit

The gross profit margin was higher than the previous year and amounted to **49.6 (49.4) %**. Sports & Leisure has improved its margin, while Corporate and Gifts & Home Furnishings are slightly lower than last year.

Other operating income and other operating costs

Other operating income increased by SEK **13.9** million to SEK **101.1 (87.2)** million. Other operating income is primarily attributable to the operation's exchange rate gains and must be set against the profit line other operating expenses where the operation's exchange rate losses are reported. Other operating expenses decreased by SEK **16.9** million and amounted to SEK **-37.9 (-54.8)** million. The net of the above-mentioned items amounted to SEK **63.2 (32.3)** million. The improvement is mainly related to received electricity subsidies, a positive profit effect in connection with the acquisition of Tenson AB and capital gains from the sale of property.

Costs and depreciations

External costs increased by SEK **157.7** million and amounted to SEK **-1,173.6 (-1,015.9)** million. In addition to exchange rate changes and acquisitions, costs are also affected by additional marketing activities and volume-related costs. Personnel costs increased by SEK **132.7** million and amounted to SEK **-987.7 (-855.0)** million. The increase is related to more employees in the areas of order processing and warehouse, but also to acquisitions and exchange rate changes.

Exchange rate changes increased said costs by SEK **102.1** million and acquired operations affected by SEK **80.4** million.

Depreciation and write-downs increased compared to the previous year and amounted to SEK **-199.8 (-177.7)** million. The increase is primarily related to depreciation of right-of-use assets linked to leasing, which negatively affected depreciation by SEK **13.3** million. Investments mainly in our warehouse units have also increased depreciation.

Operating result

Operating result increased by SEK **100.5** million and amounted to SEK **1,058.4 (957.9)** million. The improvement is mainly related to the higher net sales. Acquired businesses contributed SEK **28.9** million. The operating margin decreased slightly and amounted to **15.6 (15.9) %**.

Net financial items and tax

The financial net amounted to SEK **-99.6 (-33.0)** million, which is related to a higher net debt attributable to the group's inventory build-up and company acquisitions. This has increased interest costs at the same time as interest levels have increased compared to last year.

The tax cost for the period amounted to SEK **-206.1 (-202.3)** million. The effective tax rate amounted to **21.5 (21.9) %**.

Result for the period

Result for the period amounted to SEK **752.7 (722.6)** million and earnings per share amounted to SEK **5.67 (5.45)**.

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 **9%** and amounted to SEK **1,115.2 (1,022.5)** million. Acquired operation had an impact of SEK **113.9** million or **11%**. Sales increased in Central and Southern Europe but decreased in other regions. Both sales channels increased their net sales, of which promo was related to last year's acquisition. Operating result decreased slightly and amounted to SEK **182.6 (186.3)** million. The lower result was related to a lower gross profit margin and higher costs. Acquired operation contributed SEK **7.3** million.

Net sales for the first nine months of the year amounted to SEK **3,398.8 (2,792.9)** million. Acquired operation had an impact of SEK **445.6** million or **16%**. Net sales increased in the Nordics (excl. Sweden) and Central and Southern Europe, but decreased in the USA and Sweden. Both sales channels increased their net sales. Operating result improved by SEK **94.6** million and amounted to SEK **611.2 (516.6)** million. The higher result is mainly related to the higher net sales. However, the segment has a lower gross profit margin and higher costs. Acquired operation contributed SEK **28.1** million.

Sports & Leisure

Net sales during the period July-September were at the same level as last year and amounted to SEK **1,016.4 (1,007.3)** million. Acquired operation had an impact of SEK **33.8** million or **3%**. The segment had higher net sales in Sweden (due to the acquisition), Central Europe, Southern Europe and the Other countries region. The net sales of both sales channels were on a par with the previous year. Operating result amounted to SEK **180.3 (199.5)** million. The lower result is mainly related to higher costs, including more marketing activities. Acquired operation contributed SEK **0.8** million. In addition, a positive profit effect was reported in connection with the acquisition of Tenson AB with SEK **6.5** million.

Net sales for the period January-September increased by **6%** and amounted to SEK **2,803.0 (2,635.5)** million. Acquired operation had an impact of SEK **33.8** million or **1%**. Sales increased in both sales channels. The segment had higher net sales in all regions. Operating result increased by SEK **19.4** million and amounted to SEK **448.6 (429.2)** million. The higher operating result is related to the higher net sales and an improved gross profit margin. However, the segment also had higher costs.



Gifts & Home Furnishings

Net sales for the third quarter were at the level of the previous year and amounted to SEK **205.4 (204.6)** million. All regions were at the same level as last year. The promo sales channel decreased while retail sales increased. Operating result increased compared to last year and amounted to SEK **18.2 (12.0)** million. During the quarter, the segment received government electricity support of SEK **9.6** million as compensation for previously increased electricity costs.

Net sales for the period January-September decreased by **4%** and amounted to SEK **575.2 (600.1)** million. Sales decreased in both sales channels and in all regions. Operating result decreased by SEK **13.5** million compared to the previous year and amounted to SEK **-1.3 (12.2)** million. The lower result is mainly related to lower sales but also higher marketing costs and more employees.

Capital tied up

Capital tied up in inventories increased by SEK 1,001.2 million compared to the previous year and amounted to SEK 5,828.6 (4,827.4) million. Exchange rate changes have increased the inventory value by SEK 58.3 million and acquired operations affected by SEK 59.3 million. The inventory's turnover rate is on par with the previous year and amounted to 1.1 (1.1) times.

| SEK million | 30 Sep 2023 | 30 Sep 2022 |
|------------------|----------------|----------------|
| Raw materials | 55.3 | 59.5 |
| Work in progress | 1.2 | 2.6 |
| Goods in transit | 290.1 | 753.5 |
| Finished goods | 5,482.0 | 4,011.8 |
| Total | 5,828.6 | 4,827.4 |

As of 30 September 2023, total obsolescence deductions (the difference between the lowest of acquisition value and net realizable value) for inventory amounted to SEK 164.7 (182.0) million and obsolescence reserve in relation to finished goods inventory amounted to 2.9 (4.3)%.

Accounts receivable amounted to SEK 1,590.1 (1,697.0) million, where the decrease is primarily related to a lower net turnover in September.

Investments, financing and liquidity

The quarter's cash flow from operating activities amounted to SEK 173.3 (-200.4) million. The improved cash flow is mainly attributable to lower purchases of goods than last year. Cash flow from investment activities amounted to SEK -72.1 (-433.4) million, where last year includes the acquisition of B.T.C. Activewear Ltd.

For the first nine months of the year, the cash flow from operating activities amounted to SEK 210.3 million, which was an improvement of SEK 337.4 million compared to the previous year (SEK -127.1 million). The improved cash flow is predominately related to lower merchandise purchases. Cash flow from investment activities amounted to SEK -195.6 (-513.9) million. The change is mainly related to last year's acquisition of B.T.C. Activewear Ltd.

Net debt increased by SEK 555.7 million and amounted to SEK 2,567.2 (2,011.5) million. The increase is due to indebtedness with credit institutions and primarily the inventory build-up that took place during the past year. The net debt ratio and net debt through working capital increased slightly and amounted to 40.2 (36.1)% and 44.6 (43.8)% respectively.

The equity ratio increased by 1.8 percentage points compared to the previous year and amounted to 55.8 (54.0)%.

The group's credit line as of September 30 amounted to SEK **2,986.7** million, of which SEK **200.0** million is in effect through December 31, 2023, USD **2.8** million is in effect through January 2024, SEK **2,150.0** million is in effect through December 2025, SEK **175.0** million is in effect through August 2027 and SEK **181.3** million has a term that extends to December 2030. The other SEK **250.0** million has a term of between three months and five years. The credit line is limited in amount to and dependent on the value of certain underlying assets. The financing agreement means that key figures (covenants) must be met in order to maintain the credit line. The group's key figures (covenants) were fulfilled as of September 30, 2023.

Acquisition

On July 1, New Wave Group AB acquired **100%** of the shares in the Swedish outdoor company Tenson AB. Tenson, the Swedish outdoor & lifestyle brand with roots on the Swedish west coast (founded in Varberg in 1951), has during the last four years undergone a restructuring & repositioning process that included brand, product, market, sales and channel strategies. New Wave Group, through the acquisition and integration of the company, will give Tenson access to the resources and synergies required to enter the next phase of the above-mentioned process - to scale up operations and profitability. For more information, see note 8.

Personnel and organization

The average number of annual employees as of September 30 was **2,435 (2,232)** people, of which **49%** were men and **51%** were women. Of the number of employees, **499 (485)** people work in production.

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

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). 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.

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. Companies related to the CEO have bought merchandise. In addition, there are transactions with related parties at insignificant values. All transactions have taken place on market terms.

The Parent company

Total revenue for the quarter amounted to SEK **39.0 (47.4)** million. Result before year-end allocations and tax amounted to SEK **11.7 (47.9)** million. The lower result is mainly attributable to the fact that last year includes dividends from foreign subsidiaries. The net debt amounted to SEK **1,963.6 (1,558.5)** million. The parent company's net financing to subsidiaries amounted to SEK **2,742.5 (2,141.5)** million. The increase in net debt and net financing to subsidiaries is related to the subsidiaries' inventory build-up. The cash flow from investment activities amounted to **-0.7 (-408.9)** MSEK, where last year includes the acquisition of B.T.C. Activewear Ltd. The balance sheet total amounted to SEK **5,832.8 (5,228.7)** million and the equity, including the equity share of untaxed reserves, to SEK **2,699.0 (2,533.1)** million.

Total revenue for the period January-September amounted to SEK **115.8 (121.4)** million. Result before year-end allocations and tax amounted to SEK **472.7 (259.8)** million. The improvement in earnings is mainly attributable to dividends from foreign subsidiaries. The cash flow from investment activities amounted to SEK **46.8 (-408.7)** million. This year's cash flow includes an internal company sale while last year's includes the acquisition of B.T.C. Activewear Ltd.

Nomination Committee

The nomination committee for the board election at the 2024 Annual General Meeting is:

- *Tomas Risbecker, representative of Svolder and Chairman of the nomination committee*
- *Torsten Jansson, CEO and representative of Torsten Jansson Holding AB*
- *Frank Larsson, representative of Svenska Handelsbankens fonder*

For more information about the nomination committee and its work, please see www.nwg.se.



Calendar

| | |
|--------|--------------------------------------|
| 8 FEB | Year-end report 2023 |
| 25 APR | Interim report for the first quarter |
| 16 MAY | Annual General Meeting |

..... 2023

Gothenburg, November 7, 2023

New Wave Group AB (publ)

Olof Persson
Chairman of the Board

Jonas Eriksson
Member of the Board

M. Johan Widerberg
Member of the Board

Ingrid Söderlund
Member of the Board

Kinna Bellander
Member of the Board

Ralph Mührad
Member of the Board

Isabella Jansson
Member of the Board

Torsten Jansson
CEO and Group CEO

For more information, please contact:

CEO AND GROUP CEO
Torsten Jansson
Phone: +46 (0) 31-712 89 01
E-mail: torsten.jansson@nwg.se

DEPUTY CEO
Göran Härstedt
Phone: +46 (0) 70 - 362 56 11
E-mail: goran.harstedt@nwg.se

CFO
Lars Jönsson
Phone: +46 (0) 31-712 89 12
E-mail: lars.jonsson@nwg.se

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 7, 2023.

Review report

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

Introduction

We have reviewed the condensed interim report for New Wave Group AB as at September 30, 2023 and for the nine months period then ended. The Board of Directors and the Managing Director 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, 7 November 2023

Ernst & Young AB


Jonäs Svensson
 Authorized Public Accountant





CRAFT 

Consolidated income statement

| SEK million | Note | 3 months Jul - Sep 2023 | 3 months Jul - Sep 2022 | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | 12 months Jan - Dec 2022 | 12 months Jan - Dec 2021 |
|--|---------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Net sales | 3, 4, 5 | 2 337.0 | 2 234.4 | 6 777.0 | 6 028.5 | 8 843.6 | 6 718.6 |
| Goods for resale | | -1 200.5 | -1 131.6 | -3 418.0 | -3 053.0 | -4 468.4 | -3 489.3 |
| Gross profit | | 1 136.4 | 1 102.8 | 3 359.0 | 2 975.5 | 4 375.2 | 3 229.3 |
| Other operating income | | 50.0 | 35.7 | 101.1 | 87.2 | 123.9 | 111.5 |
| External costs | | -403.0 | -359.3 | -1 173.6 | -1 015.9 | -1 470.3 | -1 067.9 |
| Personnel costs | | -320.2 | -291.5 | -987.7 | -855.0 | -1 205.3 | -1 016.9 |
| Amortizations, depreciations and write-downs of tangible and intangible fixed assets | | -65.6 | -60.6 | -199.8 | -177.7 | -249.2 | -227.3 |
| Other operating costs | | -14.6 | -27.9 | -37.9 | -54.8 | -67.4 | -21.7 |
| Share of associated companies' result | | -2.0 | -1.4 | -2.6 | -1.4 | -1.8 | -1.1 |
| Operating result | | 381.1 | 397.8 | 1 058.4 | 957.9 | 1 505.1 | 1 005.9 |
| Financial income | | 3.5 | 1.1 | 5.5 | 3.2 | 3.7 | 3.0 |
| Financial expenses | | -39.6 | -14.1 | -105.2 | -36.2 | -58.7 | -46.0 |
| Net financial items | | -36.1 | -13.0 | -99.6 | -33.0 | -55.0 | -43.0 |
| Result before tax | | 345.0 | 384.8 | 958.8 | 924.9 | 1 450.1 | 962.9 |
| Tax expense | | -74.2 | -80.8 | -206.1 | -202.3 | -281.3 | -202.9 |
| Result for the period | | 270.9 | 304.0 | 752.7 | 722.6 | 1 168.8 | 760.0 |
| Other comprehensive income: | | | | | | | |
| Items that can be reclassified into profit or loss: | | | | | | | |
| Translation differences | | -76.6 | 550.5 | 171.9 | 550.5 | 434.2 | 230.3 |
| Cash flow hedges | | -0.9 | 8.0 | -5.1 | 16.0 | 2.4 | 3.3 |
| Sum | | -77.5 | 558.5 | 166.8 | 566.5 | 436.6 | 233.6 |
| Income tax related to components of other comprehensive income | | 0.1 | -1.6 | 1.0 | -3.3 | -0.5 | -0.7 |
| Total other comprehensive for the period | | -77.4 | 556.9 | 167.8 | 563.2 | 436.1 | 232.9 |
| Total comprehensive income for the period | | 193.5 | 860.9 | 920.5 | 1 285.8 | 1 604.9 | 992.9 |
| Result for the period attributable to: | | | | | | | |
| Shareholders of the Parent company | | 270.9 | 304.1 | 752.7 | 722.5 | 1 168.8 | 760.3 |
| Non-controlling interest | | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | -0.3 |
| | | 270.9 | 304.1 | 752.7 | 722.6 | 1 168.8 | 760.0 |
| Total comprehensive income attributable to: | | | | | | | |
| Shareholders of the Parent company | | 193.5 | 860.9 | 920.5 | 1 285.5 | 1 604.9 | 992.8 |
| Non-controlling interest | | 0.0 | 0.0 | 0.0 | 0.3 | 0.0 | 0.1 |
| | | 193.5 | 860.9 | 920.5 | 1 285.8 | 1 604.9 | 992.9 |
| Earnings per share (SEK)* | | 2.04 | 2.29 | 5.67 | 5.45 | 8.81 | 5.73 |
| The average number of outstanding shares** | | 132 687 086 | 132 687 086 | 132 687 086 | 132 687 086 | 132 687 086 | 132 687 086 |

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

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

Consolidated cash flow statement

| SEK million | Note | 3 months Jul - Sep 2023 | 3 months Jul - Sep 2022 | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | 12 months Jan - Dec 2022 | 12 months Jan - Dec 2021 |
|--|------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Operating activities | | | | | | | |
| Operating result | | 381.1 | 397.8 | 1 058.4 | 957.9 | 1 505.1 | 1 005.9 |
| Adjustment for items not included in cash flow | | 76.6 | 56.2 | 177.2 | 164.8 | 253.7 | 194.8 |
| Received interest | | 0.5 | 1.0 | 2.5 | 1.7 | 7.6 | 1.8 |
| Paid interest | | -36.6 | -14.0 | -102.1 | -34.7 | -62.7 | -44.8 |
| Paid income tax | | -40.4 | -73.8 | -197.3 | -172.8 | -320.6 | -164.7 |
| Cash flow from operating activities before changes in working capital | | 381.2 | 367.3 | 938.7 | 916.9 | 1 383.2 | 993.0 |
| Changes in working capital | | | | | | | |
| Increase/decrease of inventories | | -126.6 | -870.8 | -391.4 | -1 458.0 | -1 983.1 | 57.8 |
| Increase/decrease of current receivables | | -117.8 | -202.3 | 133.5 | -115.7 | -186.8 | -269.9 |
| Increase/decrease of current liabilities | | 36.5 | 505.4 | -470.5 | 529.7 | 426.7 | 426.5 |
| Cash flow from changes in working capital | | -207.9 | -567.7 | -728.4 | -1 044.0 | -1 743.2 | 214.4 |
| Cash flow from operating activities | | 173.3 | -200.4 | 210.3 | -127.1 | -360.0 | 1 207.4 |
| Investing activities | | | | | | | |
| Investments in tangible fixed assets | | -72.4 | -31.7 | -198.3 | -114.6 | -123.7 | -105.3 |
| Sales of tangible fixed assets | | 0.9 | 0.5 | 10.2 | 10.3 | 10.7 | 9.9 |
| Investments in intangible fixed assets | | -3.6 | -3.5 | -10.5 | -10.9 | -10.5 | -18.8 |
| Acquisition of operations, net cash impact | | 3.1 | -398.7 | 3.1 | -398.7 | -398.7 | 0.0 |
| Cash flow from investing activities | 3 | -72.1 | -433.4 | -195.6 | -513.9 | -522.2 | -114.2 |
| Cash flow after investing activities | | 101.2 | -633.8 | 14.7 | -641.0 | -882.2 | 1 093.2 |
| Financial activities | | | | | | | |
| Loans raised | | 0.0 | 654.6 | 278.6 | 1 011.6 | 1 465.6 | 0.0 |
| Amortization of loans | | -174.0 | -30.6 | -96.5 | -82.9 | -111.3 | -706.5 |
| Amortization of lease liabilities | | -37.2 | -34.3 | -115.2 | -101.8 | -138.2 | -126.5 |
| Acquisition of non-controlling interests | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -12.5 |
| Dividend paid to the shareholders of the Parent company | | 0.0 | 0.0 | -216.3 | -282.0 | -282.0 | -265.4 |
| Cash flow from financial activities | | -211.2 | 589.6 | -149.4 | 544.9 | 934.1 | -1 110.9 |
| Cash flow for the period | | -110.0 | -44.2 | -134.7 | -96.1 | 51.9 | -17.7 |
| Liquid assets at the beginning of the period | | 416.5 | 305.5 | 419.4 | 327.9 | 327.9 | 325.1 |
| Translation differences in liquid assets | | -6.9 | 17.9 | 14.9 | 47.4 | 39.6 | 20.5 |
| Liquid assets at the end of the period | | 299.6 | 279.2 | 299.6 | 279.2 | 419.4 | 327.9 |
| Liquid assets | | | | | | | |
| Cash at bank and in hand | | 299.6 | 279.2 | 299.6 | 279.2 | 419.4 | 327.9 |

Consolidated balance sheet

| SEK million | Note | 30 Sep 2023 | 30 Sep 2022 | 31 Dec 2022 | 31 Dec 2021 |
|--|-------------|-----------------|-----------------|-----------------|----------------|
| ASSETS | | | | | |
| Intangible fixed assets | 3 | 1 843.7 | 1 837.6 | 1 768.5 | 1 474.7 |
| Tangible fixed assets | 3 | 1 445.3 | 1 307.6 | 1 319.6 | 1 258.3 |
| Shares in associated companies | | 38.3 | 38.7 | 38.7 | 38.7 |
| Other long-term receivables | | 12.6 | 12.8 | 13.9 | 11.8 |
| Deferred tax assets | 3, 5 | 127.2 | 112.2 | 129.2 | 93.5 |
| Total non-current assets | 5 | 3 467.1 | 3 308.8 | 3 269.9 | 2 877.0 |
| Inventory | | 5 828.6 | 4 827.4 | 5 297.7 | 2 937.6 |
| Current tax receivables | | 41.9 | 22.5 | 30.2 | 16.7 |
| Accounts receivable | | 1 590.1 | 1 697.0 | 1 664.1 | 1 359.6 |
| Other receivables | | 107.2 | 120.6 | 169.6 | 86.3 |
| Prepaid expenses and accrued income | | 91.9 | 70.6 | 92.7 | 55.3 |
| Liquid assets | | 299.6 | 279.2 | 419.4 | 327.9 |
| Total current assets | | 7 959.3 | 7 017.4 | 7 673.7 | 4 783.6 |
| TOTAL ASSETS | 3, 6 | 11 426.4 | 10 326.2 | 10 943.6 | 7 660.6 |
| EQUITY | | | | | |
| Share capital | | 199.0 | 199.0 | 199.0 | 199.0 |
| Other capital contributions | | 219.4 | 219.4 | 219.4 | 219.4 |
| Reserves | | 1 098.1 | 1 055.0 | 927.9 | 489.4 |
| Retained earnings including result for the period | | 4 862.2 | 4 096.7 | 4 543.1 | 3 658.8 |
| Equity attributable to shareholders of the Parent company | | 6 378.8 | 5 570.2 | 5 889.4 | 4 566.7 |
| Non-controlling interest | | 1.1 | 1.2 | 1.1 | 0.9 |
| Total equity | | 6 379.8 | 5 571.4 | 5 890.5 | 4 567.6 |
| LIABILITIES | | | | | |
| Long-term interest-bearing liabilities | 7 | 2 641.6 | 2 037.9 | 2 418.4 | 1 166.8 |
| Pension provisions | | 25.7 | 23.0 | 24.1 | 19.4 |
| Other provisions | | 5.4 | 6.2 | 7.2 | 7.1 |
| Deferred tax liabilities | | 170.3 | 154.6 | 159.2 | 138.4 |
| Total non-current liabilities | | 2 843.0 | 2 221.6 | 2 608.9 | 1 331.6 |
| Short-term interest-bearing liabilities | 7 | 225.2 | 252.9 | 330.6 | 229.9 |
| Accounts payable | | 1 054.7 | 1 561.4 | 1 404.8 | 926.1 |
| Current tax liabilities | | 113.0 | 158.6 | 104.4 | 89.9 |
| Other liabilities | | 389.2 | 165.6 | 174.7 | 163.6 |
| Accrued expenses and prepaid income | | 421.5 | 394.7 | 429.7 | 351.9 |
| Total current liabilities | | 2 203.6 | 2 533.2 | 2 444.2 | 1 761.4 |
| Total liabilities | 3, 6 | 5 046.6 | 4 754.8 | 5 053.1 | 3 093.0 |
| TOTAL EQUITY AND LIABILITIES | | 11 426.4 | 10 326.2 | 10 943.6 | 7 660.6 |

Consolidated statement of changes in equity

| SEK million | Share capital | Other capital contributions | Reserves | Retained earnings incl. result for the 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 |
| Total comprehensive income | | | 565.6 | -2.6 | 563.0 | 0.2 | 563.2 |
| Transactions with shareholders | | | | | | | |
| Dividends to shareholders of the Parent company | | | | -282.0 | -282.0 | | -282.0 |
| Closing balance 2022-09-30 | 199.0 | 219.4 | 1 055.0 | 4 096.7 | 5 570.2 | 1.2 | 5 571.4 |

| SEK million | Share capital | Other capital contributions | Reserves | Retained earnings incl. result for the period | Total | Non-controlling interest | Total equity |
|--|---------------|-----------------------------|----------------|---|----------------|--------------------------|----------------|
| Opening balance 2023-01-01 | 199.0 | 219.4 | 927.9 | 4 543.1 | 5 889.4 | 1.1 | 5 890.5 |
| Result for the period | | | | 752.7 | 752.7 | 0.0 | 752.7 |
| Other comprehensive income | | | | | | | |
| Translation differences | | | 171.9 | | 171.9 | 0.0 | 171.9 |
| Cash flow hedges for the period | | | -5.1 | | -5.1 | | -5.1 |
| Reclassification of previous years' cash flow hedge | | | 2.4 | -2.4 | 0.0 | | 0.0 |
| Income tax related to components of other comprehensive income | | | 1.0 | | 1.0 | | 1.0 |
| Total comprehensive income | | | 170.2 | -2.4 | 167.8 | 0.0 | 167.8 |
| Transactions with shareholders | | | | | | | |
| Dividends to shareholders of the Parent company | | | | -431.2 | -431.2 | | -431.2 |
| Closing balance 2023-09-30 | 199.0 | 219.4 | 1 098.1 | 4 862.2 | 6 378.8 | 1.1 | 6 379.8 |

| | Jan - Sep 2023 | Jan - Sep 2022 |
|--|----------------|----------------|
| Accumulated translation differences in equity | | |
| Accumulated translation differences at the beginning of the period | 931,2 | 497,0 |
| Translation differences in foreign Group companies for the period | 171,9 | 550,5 |
| Accumulated translation differences at the end of period | 1103,1 | 1047,5 |

Financial key figures

| | 3 months Jul - Sep 2023 | 3 months Jul - Sep 2022 | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | 12 months Jan - Dec 2022 | 12 months Jan - Dec 2021 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Net sales growth, % | 4.6 | 34.3 | 12.4 | 36.6 | 31.6 | 10.2 |
| Organic growth, % | -6.3 | 21.6 | -0.7 | 28.3 | 20.8 | 12.9 |
| Acquired growth, % | 6.6 | 4.0 | 8.0 | 1.6 | 3.7 | 0.0 |
| Average number of employees | 2 435 | 2 232 | 2 435 | 2 232 | 2 313 | 2 060 |
| Gross profit margin, % | 48.6 | 49.4 | 49.6 | 49.4 | 49.5 | 48.1 |
| Operating margin before depreciations, % | 19.1 | 20.5 | 18.6 | 18.8 | 19.8 | 18.4 |
| Operating margin, % | 16.3 | 17.8 | 15.6 | 15.9 | 17.0 | 15.0 |
| Profit margin, % | 14.8 | 17.2 | 14.1 | 15.3 | 16.4 | 14.3 |
| Net margin, % | 11.6 | 13.6 | 11.1 | 12.0 | 13.2 | 11.3 |
| Return on shareholders' equity, % | 20.0 | 22.0 | 20.0 | 22.0 | 25.0 | 18.0 |
| Return on capital employed, % | 18.0 | 19.7 | 18.0 | 19.7 | 20.7 | 16.9 |
| Equity ratio, % | 55.8 | 54.0 | 55.8 | 54.0 | 53.8 | 59.6 |
| Net debt, SEK million | 2 567.2 | 2 011.5 | 2 567.2 | 2 011.5 | 2 329.6 | 1 068.8 |
| Net debt to credit institutes, SEK million | 1 940.5 | 1 353.4 | 1 940.5 | 1 353.4 | 1 635.4 | 375.1 |
| Net debt to equity ratio, % | 40.2 | 36.1 | 40.2 | 36.1 | 39.5 | 23.4 |
| Net debt in relation to working capital, % | 44.6 | 43.8 | 44.6 | 43.8 | 44.7 | 35.7 |
| Interest coverage ratio, times | 9.7 | 28.2 | 10.1 | 26.5 | 25.7 | 21.9 |
| Capital turnover, times | 0.9 | 0.9 | 0.9 | 0.9 | 1.0 | 0.9 |
| Inventory turnover, times | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 |
| Cash flow before investments, SEK million | 173.3 | -200.4 | 210.3 | -127.1 | -360.0 | 1 207.4 |
| Net investments, SEK million | -72.1 | -433.4 | -195.6 | -513.9 | -522.2 | -114.2 |
| Cash flow after investments, SEK million | 101.2 | -633.8 | 14.7 | -641.0 | -882.2 | 1 093.2 |
| Shareholders' equity per share, before and after dilution, SEK* | 48.07 | 41.98 | 48.07 | 41.98 | 44.39 | 34.42 |
| Share price as of the balance sheet date, SEK* | 76.16 | 73.45 | 76.16 | 73.45 | 103.20 | 83.90 |
| Dividend/share, SEK* | - | - | 3.25 | 2.13 | 2.13 | 2.00 |
| P/E-ratio | 8.43 | 9.48 | 8.43 | 9.48 | 11.72 | 14.64 |
| P/S-ratio | 1.05 | 1.17 | 1.05 | 1.17 | 1.55 | 1.66 |
| Share price/Shareholders' equity | 1.58 | 1.75 | 1.58 | 1.75 | 2.33 | 2.44 |

*Recalculated with regard to the 2:1 share split carried out in June 2023.
For definitions of alternative performance measures, see page 34.

Income statement

| SEK million | 3 months Jul - Sep 2023 | 3 months Jul - Sep 2022 | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | 12 months Jan - Dec 2022 | 12 months Jan - Dec 2021 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Net sales | 27.1 | 24.0 | 83.0 | 74.5 | 100.1 | 90.4 |
| Other operating income | 11.9 | 23.4 | 32.8 | 46.9 | 61.6 | 18.0 |
| Total income | 39.0 | 47.4 | 115.8 | 121.4 | 161.7 | 108.4 |
| External costs | -22.5 | -18.3 | -67.9 | -50.2 | -70.4 | -62.6 |
| Personnel costs | -11.4 | -9.9 | -36.2 | -33.0 | -45.5 | -41.5 |
| Amortizations, depreciations and write-downs of tangible and intangible fixed assets | -0.7 | -1.1 | -2.2 | -3.6 | -4.5 | -5.4 |
| Other operating costs | -10.5 | -20.1 | -27.1 | -40.5 | -52.4 | -14.3 |
| Operating result | -6.2 | -2.0 | -17.5 | -6.0 | -11.2 | -15.4 |
| Result from shares in Group companies | 0.0 | 30.9 | 425.7 | 238.6 | 247.2 | 470.6 |
| Changes in write-downs of financial assets | 0.0 | 10.8 | 19.6 | 10.8 | -4.3 | 7.1 |
| Financial income | 65.1 | 17.2 | 166.7 | 36.1 | 69.7 | 36.3 |
| Financial expenses | -47.2 | -9.0 | -121.7 | -19.7 | -44.5 | -23.9 |
| Net financial items | 17.9 | 49.9 | 490.2 | 265.8 | 268.1 | 490.1 |
| Result before appropriations and tax | 11.7 | 47.9 | 472.7 | 259.8 | 257.0 | 474.7 |
| Appropriations | 0.0 | 0.0 | 0.0 | 0.0 | 125.3 | 144.9 |
| Tax expense | -2.4 | -1.3 | -5.6 | -2.2 | -24.6 | -26.9 |
| Result for the period | 9.3 | 46.6 | 467.0 | 257.6 | 357.6 | 592.8 |

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

Cash flow statement

| SEK million | Note | 3 months Jul - Sep 2023 | 3 months Jul - Sep 2022 | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | 12 months Jan - Dec 2022 | 12 months Jan - Dec 2021 |
|--|------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Operating activities | | | | | | | |
| Operating result | | -6.2 | -2.1 | -17.5 | -6.0 | -11.2 | -15.4 |
| Adjustment for items not included in cash flow | | 8.1 | 22.9 | 19.4 | 44.2 | 42.1 | -0.5 |
| Received dividends | | 0.0 | 31.0 | 425.7 | 238.6 | 247.2 | 470.6 |
| Received interest | | 65.1 | 17.1 | 166.7 | 36.1 | 69.7 | 36.3 |
| Paid interest | | -47.2 | -9.0 | -121.7 | -19.7 | -44.5 | -23.9 |
| Paid income tax | | -7.6 | -15.6 | -21.5 | -21.9 | -26.3 | -13.2 |
| Cash flow from operating activities before changes in working capital | | 12.2 | 44.3 | 451.0 | 271.3 | 277.1 | 453.8 |
| Changes in working capital | | | | | | | |
| Increase/decrease in current receivables | | 76.5 | -661.2 | -102.7 | -941.5 | -1 333.2 | 49.7 |
| Increase/decrease in current liabilities | | 141.5 | 355.0 | -264.6 | 384.5 | 459.6 | 65.1 |
| Cash flow from changes in working capital | | 218.0 | -306.2 | -367.3 | -557.0 | -873.6 | 114.8 |
| Cash flow from operating activities | | 230.2 | -261.9 | 83.7 | -285.7 | -596.5 | 568.6 |
| Investing activities | | | | | | | |
| Shareholder contributions to Group companies | | 0.0 | 0.0 | -50.0 | 0.0 | 0.0 | -20.4 |
| Investments in associated companies | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments in tangible fixed assets | | -1.2 | -0.1 | -1.3 | -0.1 | -0.2 | 0.0 |
| Investments in intangible fixed assets | | 0.1 | 0.0 | 0.0 | 0.0 | -0.5 | -6.1 |
| Acquisition of shares | | 0.0 | -409.2 | 0.0 | -409.2 | -409.2 | -12.5 |
| Intra-Group sales of Group companies | | 0.0 | 0.0 | 95.0 | 0.0 | 0.0 | 0.0 |
| Changes in long-term loans to Group companies | | 0.5 | 0.5 | 3.5 | 1.0 | 1.5 | 324.9 |
| Raised long-term receivables | | -0.1 | -0.1 | -0.4 | -0.4 | -0.5 | -0.1 |
| Cash flow from investing activities | | -0.7 | -408.9 | 46.8 | -408.7 | -408.9 | 285.8 |
| Cash flow after investing activities | | 229.5 | -670.8 | 130.5 | -694.4 | -1 005.4 | 854.5 |
| Financial activities | | | | | | | |
| Loans raised | | 0.0 | 697.3 | 379.4 | 1002.8 | 1 388.4 | 0.0 |
| Amortization of loans | | -229.6 | -26.6 | -293.7 | -26.7 | -101.5 | -588.8 |
| Dividend paid to shareholders of the Parent company | | 0.0 | 0.0 | -216.3 | -282.0 | -282.0 | -265.4 |
| Cash flow from financial activities | | -229.6 | 670.7 | -130.5 | 694.1 | 1 004.9 | -854.2 |
| Cash flow for the period | | 0.0 | -0.1 | 0.0 | -0.3 | -0.5 | 0.1 |
| Liquid assets at the beginning of the period | | 0.0 | 0.3 | 0.0 | 0.5 | 0.5 | 0.4 |
| Liquid assets at the end of the period | | 0.0 | 0.2 | 0.0 | 0.2 | 0.0 | 0.5 |
| Liquid assets | | | | | | | |
| Cash at bank and in hand | | 0.0 | 0.2 | 0.0 | 0.2 | 0.0 | 0.5 |

Balance sheet

| SEK million | Note | 30 Sep 2023 | 30 Sep 2022 | 31 Dec 2022 | 31 Dec 2021 |
|---|------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | |
| Intangible fixed assets | | 4.6 | 6.0 | 5.9 | 8.8 |
| Tangible fixed assets | | 3.2 | 2.8 | 2.7 | 3.5 |
| Shares in Group companies | | 2 599.6 | 2 665.2 | 2 644.6 | 2 256.0 |
| Shares in associated companies | | 37.7 | 38.1 | 38.1 | 38.1 |
| Receivables on Group companies | | 27.5 | 31.5 | 31.0 | 32.5 |
| Other long-term receivables | | 6.4 | 5.8 | 6.0 | 5.5 |
| Total non-current assets | | 2 679.0 | 2 749.5 | 2 728.3 | 2 344.4 |
| Accounts receivable | | 1.0 | 0.8 | 0.8 | 0.7 |
| Receivables on Group companies | | 3 119.6 | 2 445.3 | 2 988.8 | 1 481.6 |
| Current tax receivables | | 5.0 | 7.3 | 0.0 | 0.0 |
| Other receivables | | 16.8 | 17.4 | 25.6 | 39.4 |
| Prepaid expenses and accrued income | | 11.2 | 8.3 | 11.3 | 8.5 |
| Liquid assets | | 0.0 | 0.2 | 0.0 | 0.5 |
| Total current assets | | 3 153.8 | 2 479.2 | 3 026.6 | 1 530.6 |
| TOTAL ASSETS | | 5 832.8 | 5 228.7 | 5 754.8 | 3 875.0 |
| 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 | | 1 626.2 | 1 699.9 | 1 699.9 | 1 389.1 |
| Share premium reserve | | 48.0 | 48.0 | 48.0 | 48.0 |
| Result for the period | | 467.0 | 257.6 | 357.6 | 592.8 |
| Total unrestricted equity | | 2 141.3 | 2 005.4 | 2 105.5 | 2 029.9 |
| Total equity | | 2 589.7 | 2 453.8 | 2 553.9 | 2 478.3 |
| Untaxed reserves | | 137.7 | 99.9 | 137.7 | 99.9 |
| LIABILITIES | | | | | |
| Long-term interest-bearing liabilities | 7 | 1 864.4 | 1 452.5 | 1 733.6 | 458.0 |
| Total non-current liabilities | | 1 864.4 | 1 452.5 | 1 733.6 | 458.0 |
| Short-term interest-bearing liabilities | 7 | 99.2 | 106.3 | 127.5 | 94.6 |
| Accounts payable | | 512.8 | 770.6 | 696.8 | 399.1 |
| Liabilities to Group companies | | 404.7 | 335.3 | 485.9 | 321.6 |
| Current tax liabilities | | 0.0 | 0.0 | 10.8 | 12.4 |
| Other liabilities | | 215.9 | 1.3 | 0.8 | 1.2 |
| Accrued expenses and prepaid income | | 8.3 | 9.0 | 7.8 | 9.9 |
| Total current liabilities | | 1 240.9 | 1 222.5 | 1 329.6 | 838.8 |
| Total liabilities | | 3 105.4 | 2 675.0 | 3 063.2 | 1 296.8 |
| TOTAL EQUITY AND LIABILITIES | | 5 832.8 | 5 228.7 | 5 754.8 | 3 875.0 |

Statement of changes in equity

| 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 |

| SEK million | Share capital | Restricted reserves | Retained earnings | Share premium reserve | Result for the period | Total equity |
|---|---------------|---------------------|-------------------|-----------------------|-----------------------|----------------|
| Opening balance 2023-01-01 | 199.0 | 249.4 | 1 699.9 | 48.0 | 357.6 | 2 553.9 |
| Transfer according to decision at AGM | | | 357.6 | | -357.6 | 0.0 |
| Result for the period | | | | | 467.0 | 467.0 |
| Total changes excluding transactions with shareholders | 0.0 | 0.0 | 0.0 | 0.0 | 467.0 | 467.0 |
| Dividends | | | -431.2 | | | -431.2 |
| Closing balance 2023-09-30 | 199.0 | 249.4 | 1 626.2 | 48.0 | 467.0 | 2 589.7 |



The Group and Parent company

Notes

Note 1 - Accounting policies

This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report for the Parent Company has been prepared according the Annual Accounts Act as well as RFR 2 Reporting for Legal Entities. Applied accounting policies are otherwise consistent with the 2022 Annual Report.

New accounting policies for 2023

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

Note 2 - Risks and risk control

New Wave Group's international operations mean that it is continuously exposed to various financial risks. The financial risks are interest rate risks, currency, liquidity and credit risks. In order to minimize the effect these risks may have on earnings, the Group has a risk policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2022, note 16, p. 98-104. The Annual Report is available at the Group's headquarters in Gothenburg, Sweden, as well as at www.nwg.se.

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



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

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

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

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

Note 3 - Reporting of operating segments

Net sales and operating result per operating segment

| SEK million | 3 months Jul - Sep 2023 | 3 months Jul - Sep 2022 | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | 12 months Jan - Dec 2022 | 12 months Jan - Dec 2021 |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Corporate | | | | | | |
| Net sales | 1 115.2 | 1 022.6 | 3 398.8 | 2 793.0 | 4 152.0 | 2 971.6 |
| Operating result | 182.6 | 186.3 | 611.2 | 516.5 | 813.1 | 440.8 |
| Sports & Leisure | | | | | | |
| Net sales | 1 016.4 | 1 007.3 | 2 803.0 | 2 635.5 | 3 782.3 | 2 792.5 |
| Operating result | 180.3 | 199.5 | 448.6 | 429.2 | 647.3 | 466.0 |
| Gifts & Home Furnishings | | | | | | |
| Net sales | 205.4 | 204.6 | 575.2 | 600.1 | 909.3 | 954.5 |
| Operating result | 18.2 | 12.0 | -1.3 | 12.2 | 44.7 | 99.1 |
| Total net sales | 2 337.0 | 2 234.4 | 6 777.0 | 6 028.5 | 8 843.6 | 6 718.6 |
| Total operating result | 381.1 | 397.8 | 1 058.4 | 957.9 | 1 505.1 | 1 005.9 |
| Total operating result | 381.1 | 397.8 | 1 058.4 | 957.9 | 1 505.1 | 1 005.9 |
| Net financial items | -36.1 | -13.0 | -99.6 | -33.0 | -55.0 | -43.0 |
| Result before tax | 345.0 | 384.8 | 958.8 | 924.9 | 1 450.1 | 962.9 |

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 2023 | | | | | | |
| Corporate | 7 297.9 | 1 185.3 | 53.5 | -52.3 | -127.9 | 3 124.2 |
| Sports & Leisure | 3 578.7 | 1 775.9 | 64.8 | -127.6 | -58.7 | 1 602.2 |
| Gifts & Home Furnishings | 549.7 | 327.8 | 8.9 | -18.8 | -13.2 | 320.2 |
| Total | 11 426.4 | 3 289.0 | 127.2 | -198.7 | -199.8 | 5 046.6 |
| 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 |
| 31 Dec 2022 | | | | | | |
| Corporate | 6 745.4 | 1 207.3 | 51.6 | -450.0 | -156.2 | 3 913.1 |
| Sports & Leisure | 3 811.3 | 1 548.8 | 60.5 | -55.4 | -77.0 | 935.9 |
| Gifts & Home Furnishings | 386.8 | 332.0 | 17.1 | -16.8 | -16.0 | 204.0 |
| Total | 10 943.6 | 3 088.1 | 129.2 | -522.2 | -249.2 | 5 053.1 |

* Financial fixed assets and Deferred tax 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 | Jul - Sep | Jul - Sep | Jul - Sep | Jul - Sep | Jul - Sep | Jul - Sep | Jul - Sep |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Promo | 1 104.6 | 1 017.3 | 269.9 | 263.9 | 29.8 | 33.5 | 1 404.3 | 1 314.7 |
| Retail | 10.6 | 5.2 | 746.5 | 743.4 | 175.6 | 171.1 | 932.7 | 919.7 |
| Total | 1 115.2 | 1 022.5 | 1 016.4 | 1 007.3 | 205.4 | 204.6 | 2 337.0 | 2 234.4 |

| 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 | Jan - Sep | Jan - Sep | Jan - Sep | Jan - Sep | Jan - Sep | Jan - Sep | Jan - Sep |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Promo | 3 378.9 | 2 780.7 | 820.2 | 745.2 | 103.3 | 118.3 | 4 302.4 | 3 644.2 |
| Retail | 19.9 | 12.2 | 1 982.8 | 1 890.3 | 471.9 | 481.8 | 2 474.6 | 2 384.3 |
| Total | 3 398.8 | 2 792.9 | 2 803.0 | 2 635.5 | 575.2 | 600.1 | 6 777.0 | 6 028.5 |

| 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 | Jan - Dec | Jan - Dec | Jan - Dec | Jan - Dec | Jan - Dec | Jan - Dec | Jan - Dec |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Promo | 4 132.4 | 2 949.9 | 1 054.9 | 742.1 | 229.5 | 265.3 | 5 416.8 | 3 957.3 |
| Retail | 19.6 | 21.7 | 2 727.4 | 2 050.4 | 679.8 | 689.2 | 3 426.8 | 2 761.3 |
| Total | 4 152.0 | 2 971.6 | 3 782.3 | 2 792.5 | 909.3 | 954.5 | 8 843.6 | 6 718.6 |



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 2023 | 3 months Jul - Sep 2022 | 3 months Jul - Sep 2023 | 3 months Jul - Sep 2022 | 3 months Jul - Sep 2023 | 3 months Jul - Sep 2022 | 3 months Jul - Sep 2023 | 3 months Jul - Sep 2022 | |
| USA | 59.3 | 72.6 | 433.3 | 485.8 | 14.3 | 13.5 | 506.9 | 571.9 | -11% |
| Sweden | 103.0 | 118.3 | 210.6 | 192.0 | 175.2 | 173.1 | 488.7 | 483.4 | 1% |
| Central Europe | 420.4 | 288.4 | 123.2 | 105.0 | 5.6 | 5.9 | 549.2 | 399.3 | 38% |
| Nordic countries excl. Sweden | 116.4 | 118.8 | 130.6 | 140.3 | 8.0 | 8.8 | 255.0 | 267.9 | -5% |
| Southern Europe | 248.0 | 227.2 | 41.4 | 28.8 | 0.1 | 0.1 | 289.5 | 256.1 | 13% |
| Other countries | 168.1 | 197.2 | 77.3 | 55.4 | 2.3 | 3.2 | 247.7 | 255.8 | -3% |
| Total | 1 115.2 | 1 022.5 | 1 016.4 | 1 007.3 | 205.4 | 204.6 | 2 337.0 | 2 234.4 | 5% |

| SEK million | Corporate | | Sports & Leisure | | Gifts & Home Furnishings | | Total | | Change % |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|------------|
| | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | 9 months Jan - Sep 2023 | 9 months Jan - Sep 2022 | |
| USA | 184.8 | 204.4 | 1 317.6 | 1 268.7 | 40.6 | 42.4 | 1 543.0 | 1 515.5 | 2% |
| Sweden | 350.8 | 373.0 | 551.7 | 505.5 | 482.5 | 494.6 | 1 385.0 | 1 373.1 | 1% |
| Central Europe | 1 244.6 | 697.6 | 309.8 | 289.5 | 16.1 | 18.1 | 1 570.5 | 1 005.2 | 56% |
| Nordic countries excl. Sweden | 371.3 | 354.3 | 373.1 | 369.3 | 27.8 | 33.5 | 772.2 | 757.1 | 2% |
| Southern Europe | 821.9 | 712.5 | 99.9 | 76.9 | 0.3 | 0.3 | 922.1 | 789.7 | 17% |
| Other countries | 425.4 | 451.1 | 150.8 | 125.6 | 8.0 | 11.2 | 584.2 | 587.9 | -1% |
| Total | 3 398.8 | 2 792.9 | 2 803.0 | 2 635.5 | 575.2 | 600.1 | 6 777.0 | 6 028.5 | 12% |

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

Fixed assets and deferred tax assets per geographic area

| SEK million | 30 Sep 2023 | | 30 Sep 2022 | | 31 Dec 2022 | |
|-------------------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|
| | Fixed assets* | Deferred tax assets | Fixed assets* | Deferred tax assets | Fixed assets* | Deferred tax assets |
| USA | 1 458.4 | 45.0 | 1 335.3 | 46.4 | 1 323.3 | 51.1 |
| Sweden | 806.6 | 25.1 | 781.3 | 24.9 | 723.7 | 26.3 |
| Central Europe | 484.1 | 18.3 | 485.0 | 9.9 | 477.2 | 16.3 |
| Nordic countries excl. Sweden | 183.7 | 6.4 | 222.4 | 5.6 | 206.7 | 6.5 |
| Southern Europe | 231.6 | 20.0 | 209.1 | 17.9 | 223.9 | 20.9 |
| Other countries | 124.5 | 12.4 | 112.1 | 7.5 | 133.3 | 8.1 |
| Total | 3 289.0 | 127.2 | 3 145.2 | 112.2 | 3 088.1 | 129.2 |

* Financial fixed assets and Deferred tax assets are not included



Note 6 - Financial instruments

| SEK million | 30 Sep 2023 | 30 Sep 2022 | 31 Dec 2022 | 31 Dec 2021 |
|--|----------------|----------------|----------------|----------------|
| Assets at fair value through other comprehensive income | 5.2 | 16.0 | 2.4 | 3.3 |
| Assets at amortized cost | 1 999.4 | 2 086.0 | 2 258.1 | 1 777.5 |
| Total financial assets | 2 004.5 | 2 102.0 | 2 260.5 | 1 780.8 |
| Liabilities at fair value through other comprehensive income | 0.0 | 0.0 | 0.0 | 0.0 |
| Liabilities at amortized cost | 3 879.2 | 4 233.7 | 3 862.9 | 2 662.4 |
| Total financial liabilities | 3 879.2 | 4 233.7 | 3 862.9 | 2 662.4 |

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 2023 | 30 Sep 2022 | 31 Dec 2022 | 31 Dec 2021 |
| Floating charges | 535.4 | 690.5 | 690.5 | 690.5 |
| Property mortgages | 196.4 | 201.1 | 201.5 | 179.8 |
| Net assets in Group companies | 4 625.3 | 4 214.8 | 4 286.3 | 3 337.8 |
| Shares in associated companies | 8.3 | 8.3 | 8.3 | 8.3 |
| Stock and accounts receivable | 430.3 | 474.3 | 560.0 | 353.5 |
| Total | 5 795.7 | 5 589.0 | 5 746.6 | 4 569.9 |
| Contingent liabilities | | | | |
| SEK million | 30 Sep 2023 | 30 Sep 2022 | 31 Dec 2022 | 31 Dec 2021 |
| Duty guarantees | 13.8 | 12.0 | 13.8 | 12.2 |
| Rent guarantees | 120.1 | 135.1 | 132.9 | 141.9 |
| Guarantees for associated companies | 6.0 | 6.0 | 6.0 | 6.0 |
| Total | 139.9 | 153.1 | 152.7 | 160.1 |
| PARENT COMPANY | | | | |
| Pledged assets | | | | |
| SEK million | 30 Sep 2023 | 30 Sep 2022 | 31 Dec 2022 | 31 Dec 2021 |
| Floating charges | 30.0 | 30.0 | 30.0 | 30.0 |
| Shares in Group companies | 1 694.1 | 1 739.1 | 1 739.1 | 1 737.7 |
| Shares in associated companies | 8.3 | 8.3 | 8.3 | 8.3 |
| Total | 1 732.4 | 1 777.4 | 1 777.4 | 1 776.0 |
| Contingent liabilities | | | | |
| SEK million | 30 Sep 2023 | 30 Sep 2022 | 31 Dec 2022 | 31 Dec 2021 |
| Guarantees for Group companies | 433.5 | 794.8 | 589.8 | 633.5 |
| Guarantees for associated companies | 6.0 | 6.0 | 6.0 | 6.0 |
| Total | 439.5 | 800.8 | 595.8 | 639.5 |



Note 8 - Acquisition of Tenson AB

On July 1, New Wave Group acquired **100%** of the shares in the Swedish outdoor company Tenson AB. The purchase price amounted to SEK **1**, which was based on equity at the time of acquisition on July 1, 2023 amounting to at least SEK **6.5** million, where the brand was valued at SEK **30.9** million. This resulted in a positive profit effect of SEK **6.5** million, which was reported under other operating income.

Tenson, the Swedish outdoor & lifestyle brand with roots on the Swedish west coast (founded in Varberg in 1951) has, during the last four years, undergone a restructuring & repositioning process that included the entire spectrum of brand, product, market, sales and channel strategies. New Wave Group, through the acquisition and integration of the company, will give Tenson access to the resources and synergies required

to enter the next phase of the above-mentioned process, to scale up operations and profitability.

In 2022, the Tenson group's sales amounted to SEK **129.7** million with a loss after tax of SEK **8.5** million. The acquisition is not expected to have a major effect on earnings in the second half of 2023, but is expected to have a positive effect on New Wave Group's earnings already in 2024.

The acquisition analysis is preliminary and subject to adjustment.

Note 9 - Subsequent events

No significant events have occurred after the balance sheet date.

Condensed quarterly consolidated income statements

SEK million

| Quarter | 2023 | | | | 2022 | | | | 2021 | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|--------------|--------------|--------------|--|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | |
| Net sales | 2 337.0 | 2 304.5 | 2 135.5 | 2 815.1 | 2 234.4 | 2 019.2 | 1 774.9 | 2 306.7 | 1 663.5 | 1 486.8 | 1 261.6 | |
| Goods for resale | -1 200.5 | -1 164.8 | -1 052.6 | -1 415.4 | -1 131.6 | -989.8 | -931.6 | -1 203.3 | -860.4 | -769.2 | -656.4 | |
| Gross profit | 1 136.4 | 1 139.7 | 1 082.9 | 1 399.7 | 1 102.8 | 1 029.4 | 843.3 | 1 103.4 | 803.1 | 717.6 | 605.2 | |
| Gross profit margin % | 48.6 | 49.5 | 50.7 | 49.7 | 49.4 | 51.0 | 47.5 | 47.8 | 48.3 | 48.3 | 48.0 | |
| Other operating income | 50.0 | 27.4 | 23.7 | 36.7 | 35.7 | 28.9 | 22.6 | 23.9 | 11.6 | 59.4 | 16.6 | |
| External costs | -403.0 | -382.3 | -388.4 | -454.4 | -359.3 | -345.0 | -311.6 | -350.9 | -258.4 | -233.8 | -224.8 | |
| Personnel costs | -320.2 | -338.7 | -328.8 | -350.3 | -291.5 | -288.9 | -274.6 | -301.4 | -235.5 | -242.8 | -237.2 | |
| Depreciations and write-downs | -65.6 | -68.8 | -65.4 | -71.5 | -60.6 | -58.3 | -58.8 | -61.5 | -55.7 | -56.0 | -54.1 | |
| Other operating costs | -14.6 | -13.1 | -10.2 | -12.6 | -27.9 | -15.1 | -11.8 | -9.9 | -3.7 | -2.9 | -5.2 | |
| Share of associated companies' result | -2.0 | -0.3 | -0.3 | -0.4 | -1.4 | 0.0 | 0.0 | -0.3 | -0.3 | -0.1 | -0.4 | |
| Operating result | 381.1 | 363.9 | 313.5 | 547.2 | 397.8 | 351.0 | 209.1 | 403.3 | 261.1 | 241.3 | 100.1 | |
| Financial income | 3.5 | 0.9 | 1.1 | 0.5 | 1.1 | 1.5 | 0.6 | 0.7 | 0.6 | 0.9 | 0.8 | |
| Financial expenses | -39.6 | -36.0 | -29.6 | -22.5 | -14.1 | -11.9 | -10.2 | -10.6 | -11.6 | -10.3 | -13.5 | |
| Result before tax | 345.0 | 328.8 | 285.0 | 525.2 | 384.8 | 340.6 | 199.5 | 393.4 | 250.1 | 231.9 | 87.4 | |
| Tax expense | -74.2 | -69.2 | -62.8 | -79.0 | -80.8 | -75.5 | -46.0 | -84.9 | -54.1 | -44.3 | -19.7 | |
| Result for the period | 270.9 | 259.6 | 222.2 | 446.2 | 304.0 | 265.0 | 153.5 | 308.5 | 196.0 | 187.7 | 67.7 | |
| Total other comprehensive income for the period | -77.4 | 251.3 | -6.1 | -127.1 | 556.9 | 253.3 | 70.5 | 87.5 | 60.5 | -57.7 | 142.5 | |
| Total comprehensive income for the period | 193.5 | 510.9 | 216.1 | 319.1 | 860.9 | 518.4 | 224.0 | 396.0 | 256.5 | 130.0 | 210.2 | |
| Earnings per share before and after dilution (SEK)* | 2.04 | 1.96 | 1.67 | 3.36 | 2.29 | 2.00 | 1.16 | 2.31 | 1.49 | 1.42 | 0.52 | |

| Quarter | 2020 | | | | 2019 | | | | 2018 | | | |
|---|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Net sales | 1 873.2 | 1 470.1 | 1 314.5 | 1 440.9 | 2 024.1 | 1 685.5 | 1 689.0 | 1 504.9 | 1 943.4 | 1 551.2 | 1 523.2 | 1 272.8 |
| Goods for resale | -1 007.7 | -843.9 | -799.7 | -810.2 | -1 079.2 | -923.2 | -903.3 | -795.3 | -1 042.3 | -835.3 | -804.2 | -677.5 |
| Gross profit | 865.6 | 626.2 | 514.8 | 630.7 | 944.9 | 762.3 | 785.7 | 709.6 | 901.1 | 715.8 | 719.0 | 595.4 |
| Gross profit margin % | 46.2 | 42.6 | 39.2 | 43.8 | 46.7 | 45.2 | 46.5 | 47.1 | 46.4 | 46.1 | 47.2 | 46.8 |
| Other operating income | 29.6 | 34.7 | 61.4 | 20.6 | 32.3 | 12.9 | 15.5 | 17.2 | 28.3 | 19.3 | 11.3 | 15.9 |
| External costs | -285.4 | -191.6 | -187.7 | -311.1 | -343.8 | -300.3 | -330.2 | -338.4 | -390.6 | -323.5 | -305.1 | -317.2 |
| Personnel costs | -259.9 | -220.8 | -209.1 | -292.8 | -307.6 | -278.7 | -290.5 | -283.0 | -298.0 | -257.7 | -260.9 | -246.4 |
| Depreciations and write-downs | -55.0 | -56.6 | -57.8 | -60.1 | -73.6 | -55.7 | -52.8 | -51.0 | -21.6 | -20.2 | -18.5 | -17.6 |
| Other operating costs | -11.4 | -15.2 | -11.4 | -10.4 | -12.4 | -11.3 | -7.7 | -8.2 | -9.8 | -15.0 | -8.3 | -11.8 |
| Share of associated companies' result | 0.1 | -0.4 | -0.1 | -0.9 | 0.6 | -0.2 | -0.3 | -0.2 | 0.1 | -1.3 | -0.3 | 0.4 |
| Operating result | 283.6 | 176.3 | 110.1 | -24.1 | 240.3 | 129.1 | 119.6 | 46.0 | 209.4 | 117.5 | 137.3 | 18.6 |
| Financial income | 0.1 | 0.6 | 2.9 | 0.5 | 2.8 | 2.5 | 2.2 | 1.3 | 1.5 | 0.7 | 1.8 | 1.5 |
| Financial expenses | -14.6 | -15.8 | -20.2 | -18.4 | -24.1 | -19.5 | -18.1 | -15.3 | -14.2 | -12.3 | -8.2 | -11.7 |
| Result before tax | 269.2 | 161.1 | 92.8 | -42.1 | 219.1 | 112.1 | 103.6 | 32.0 | 196.6 | 105.9 | 130.9 | 8.4 |
| Tax expense | -61.0 | -42.2 | -19.9 | 5.1 | -53.1 | -17.6 | -19.9 | -6.0 | -37.7 | -17.5 | -24.2 | -2.4 |
| Result for the period | 208.2 | 118.9 | 72.9 | -36.9 | 165.9 | 94.4 | 83.7 | 26.0 | 158.9 | 88.4 | 106.8 | 6.0 |
| Total other comprehensive income for the period | -213.0 | -58.3 | -212.4 | 205.5 | -131.5 | 126.9 | 16.2 | 86.3 | 2.7 | -37.8 | 121.1 | 71.7 |
| Total comprehensive income for the period | -4.9 | 60.6 | -139.5 | 168.6 | 34.4 | 221.4 | 99.9 | 112.3 | 161.6 | 50.5 | 227.9 | 77.7 |
| Earnings per share before and after dilution (SEK)* | 1.56 | 0.91 | 0.55 | -0.27 | 1.26 | 0.72 | 0.64 | 0.20 | 1.21 | 0.68 | 0.80 | 0.05 |

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

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

Condensed quarterly consolidated cash flow statements

SEK million

| Quarter | 2023 | | | 2022 | | | | 2021 | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Cash flow from operating activities before changes in working capital | 381,2 | 259.7 | 297.8 | 466.3 | 367.3 | 346.0 | 203.6 | 404.1 | 282.8 | 219.0 | 87.1 |
| Increase/decrease of inventories | -126,6 | -5.8 | -259.0 | -525.1 | -870.8 | -360.7 | -226.5 | 59.7 | -157.7 | 125.2 | 30.6 |
| Increase/decrease of current receivables | -117,8 | -30.2 | 281.5 | -71.1 | -202.3 | -119.2 | 205.8 | -194.6 | -174.7 | -156.8 | 256.3 |
| Increase/decrease of current liabilities | 36,5 | 6.4 | -513.4 | -103.0 | 505,4 | 202.0 | -177.7 | 144.1 | 291.4 | -2.2 | -6.8 |
| Changes in working capital | -207,9 | -29.6 | -490.9 | -699.2 | -567.7 | -277.9 | -198.4 | 9.2 | -41.0 | -33.7 | 280.1 |
| Cash flow from operating activities | 173,3 | 230.1 | -193.1 | -232.9 | -200,4 | 68.1 | 5.2 | 413.3 | 241.8 | 185.3 | 367.2 |
| Investing activities | -72,1 | -82.8 | -40.7 | -8.3 | -433,4 | -55.2 | -25.3 | -42.1 | -33.0 | -24.0 | -15.2 |
| Cash flow after investing activities | 101,2 | 147.3 | -233.8 | -241.2 | -633,8 | 12.9 | -20.1 | 371.2 | 208.8 | 161.3 | 352.0 |
| Increase/decrease of interest-bearing liabilities | -211,2 | 88.1 | 190.0 | 389.3 | 589,6 | 253.6 | -16.3 | -82.6 | -309.0 | -95.4 | -346.1 |
| Transactions with owners | 0,0 | -216.3 | 0.0 | 0.0 | 0,0 | -282.0 | 0.0 | -277.9 | 0.0 | 0.0 | 0.0 |
| Cash flow from financial activities | -211,2 | -128.2 | 190.0 | 389.2 | 589,6 | -28.4 | -16.3 | -360.5 | -309.0 | -95.4 | -346.1 |
| Cash flow for the period | -110,0 | 19.1 | -43.8 | 148.0 | -44,2 | -15.5 | -36.4 | 10.7 | -100.2 | 65.9 | 5.9 |
| Liquid assets at the beginning of the period | 416,5 | 376.7 | 419.4 | 279.2 | 305,5 | 298.6 | 327.9 | 311.0 | 405.8 | 344.8 | 325.1 |
| Translation differences in liquid assets | -6,9 | 20.7 | 1.1 | -7.8 | 17,9 | 22.4 | 7.1 | 6.2 | 5.5 | -4.9 | 13.8 |
| Liquid assets at the end of the period | 299,6 | 416.5 | 376,7 | 419,4 | 279,2 | 305,5 | 298,6 | 327,9 | 311,0 | 405,8 | 344,8 |

| Quarter | 2020 | | | | 2019 | | | | 2018 | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|--------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Cash flow from operating activities before changes in working wcapital | 300.0 | 218.9 | 176.0 | -63.0 | 262.1 | 149.9 | 143.8 | 49.3 | 184.1 | 116.1 | 128.3 | 1.2 |
| Increase/decrease of stock | 472.4 | 86.9 | 53.9 | -117.4 | 180.9 | -256.4 | -108.0 | -58.3 | 44.6 | -310.4 | -110.8 | -117.4 |
| Increase/decrease of current receivables | -87.7 | -207.6 | 87.4 | 313.9 | -47.5 | -34.3 | -95.9 | 126.2 | -3.6 | -128.6 | -36.2 | 140.9 |
| Increase/decrease of current liabilities | -127.2 | 185.0 | -65.9 | -19.0 | -108.8 | 9.7 | 69.1 | -182.3 | -50.7 | 239.9 | 143.2 | -18.1 |
| Changes in working capital | 257.5 | 64.3 | 75.5 | 177.6 | 24.7 | -281.0 | -134.8 | -114.4 | -9.7 | -199.1 | -3.7 | 5.4 |
| Cash flow from operating activities | 557.5 | 283.2 | 251.4 | 114.6 | 286.7 | -131.1 | 9.0 | -65.1 | 174.4 | -83.0 | 124.6 | 6.6 |
| Investing activities | -7.2 | -8.6 | -11.1 | -30.6 | -42.2 | -32.6 | -35.6 | -38.3 | -39.7 | -42.1 | -41.6 | -39.8 |
| Cash flow after investing activities | 550.3 | 274.6 | 240.3 | 84.0 | 244.6 | -163.8 | -26.6 | -103.4 | 134.7 | -125.1 | 83.0 | -33.2 |
| Increase/decrease of interest-bearing liabilities | -435.9 | -322.9 | -201.6 | -195.2 | -122.6 | 210.1 | 75.3 | 49.2 | -15.9 | 104.9 | 58.0 | 5.1 |
| Transactions with owners | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | -132.7 | 0.0 | 0.0 | 0.0 | -112.8 | 0.0 |
| Cash flow from financial activities | -435.9 | -322.9 | -201.6 | -195.2 | -122.6 | 211.2 | -57.4 | 49.2 | -15.9 | 104.9 | -54.8 | 5.1 |
| Cash flow for the period | 114.5 | -48.4 | 38.7 | -111.2 | 121.9 | 47.4 | -84.0 | -54.2 | 118.8 | -20.2 | 28.2 | -28.1 |
| Liquid assets at the beginning of the period | 226.8 | 277.8 | 257.6 | 351.3 | 238.4 | 182.5 | 265.0 | 312.2 | 192.6 | 215.4 | 180.5 | 202.4 |
| Translation differences in liquid assets | -16.2 | -2.7 | -18.5 | 17.6 | -9.1 | 8.5 | 1.5 | 7.0 | 0.8 | -2.6 | 6.7 | 6.2 |
| Liquid assets at the end of the period | 325.1 | 226.8 | 277.8 | 257.6 | 351.3 | 238.4 | 182.5 | 265.0 | 312.2 | 192.6 | 215.4 | 180.5 |

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 the same period for the previous year divided by two. | The measure is used to show the inventory's turnover per year, since the stock is central for the Group to keep a good service level, i.e. to be able to deliver goods fast. |
| NET DEBT TO EQUITY RATIO | Net debt as a percentage of equity. | The measure helps show financial risk and is useful for management to monitor the level of the indebtedness. |
| NET DEBT IN RELATION TO WORKING CAPITAL | Net debt divided by working capital. | The measure is used to show how much of the working capital is financed through net debt. |
| INTEREST COVERAGE RATIO | Result before tax plus financial costs divided by financial costs. | The measure is used to calculate the Group's ability to pay interest costs. |
| EQUITY RATIO | Total equity as a percentage of total assets. | The measure shows how much of the Group's assets are financed by the shareholders through equity. An equity ratio is a measure of financial strength and how the Group meets its targets. |
| OTHER MEASURES | DEFINITION/CALCULATION | PURPOSE |
| EFFECTIVE TAX RATE | Tax on profit for the period as a percentage of result before tax. | This measure enables comparison of income tax across locations where corporate taxes differ. |
| EFFECTIVE INTEREST RATE | Net financial items in relation to average net debt. | The measure enables comparison of cost for the net debt. |
| CASH FLOW FROM OPERATIONS | Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities. | The measure is used to show the cash flow generated by the company's operations. |
| NET INVESTMENTS | Cash flow from investing activities according to the cash flow analysis which includes investments and divestments of buildings, acquisitions, investments in tangible and intangible assets and raised long-term debt. | The measure is used to regularly estimate how much cash is used for investments in operations and for expansion. |

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.

New Wave Group AB (publ) Corp. id number 556350-0916 Kungsporsavenyen 10, SE-411 36 Gothenburg
Phone +46 (0) 31 712 89 00 | info@nwg.se
www.nwg.se