

A photograph of a pharmacy counter. In the foreground, a glass jar is tipped over, spilling numerous small, white, spherical pills onto a dark surface. To the left, a coiled telephone cord is visible. In the background, a glass of water contains several white pills. The image is overlaid with a large, light green circular graphic containing a white, intricate, wavy pattern. A dotted green line runs horizontally across the middle of the image.

New Wave Group AB

2020 *Interim report*

January - September

Trademarks

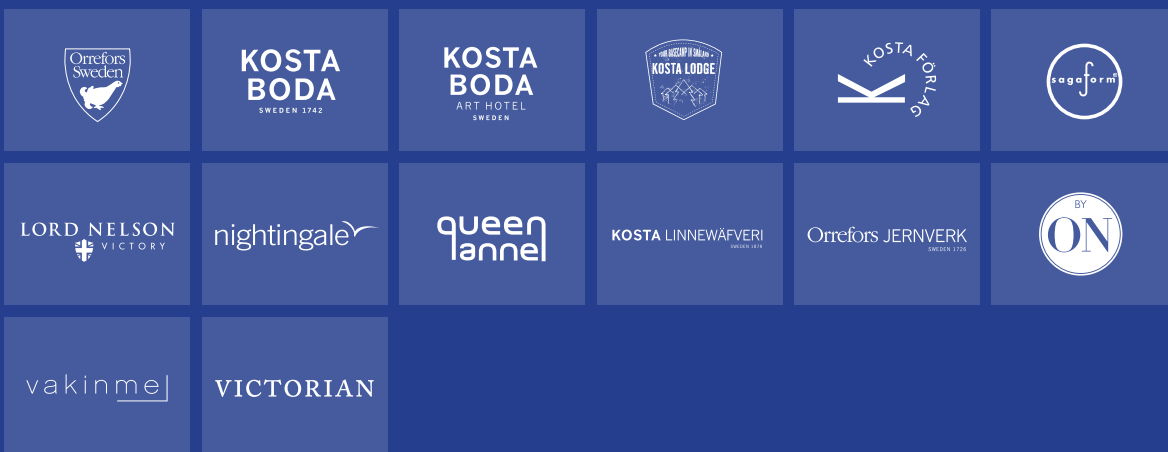
Corporate



Sports & Leisure



Gifts & Home Furnishings



New Wave Group AB

Q3

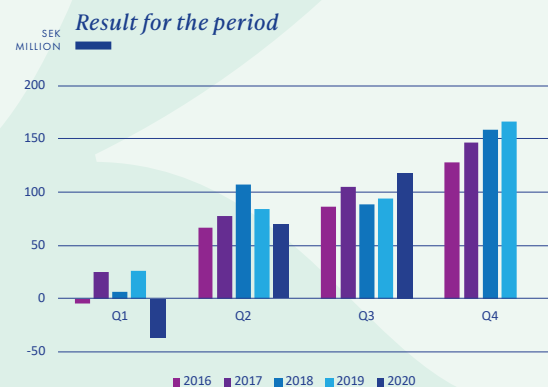
Interim report

PERIOD 1 JULY - 30 SEPTEMBER 2020

- Net sales amounted to SEK **1,470.1** million, which was **13 % (9 % in local currencies)** lower than last year (SEK **1,685.5** million).
- Operating result amounted to SEK **176.3 (129.1)** million.
- Result for the period amounted to SEK **118.9 (94.4)** million.
- Earnings per share amounted to SEK **1.81 (1.45)**.
- Cash flow from operating activities amounted to SEK **283.2 (-131.1)** million.

PERIOD 1 JANUARY - 30 SEPTEMBER 2020

- Net sales amounted to SEK **4,225.6** million, which was **13 % (13 % in local currencies)** lower than last year (SEK **4,879.3** million).
- Operating result amounted to SEK **262.3 (294.6)** million.
- Result for the period amounted to SEK **154.8 (204.1)** million.
- Earnings per share amounted to SEK **2.38 (3.13)**.
- Cash flow from operating activities amounted to SEK **649.1 (-187.3)** million.
- Equity ratio amounted to **49.0 (44.0) %**.
- Net debt to equity ratio amounted to **62.1 (82.8) %**.



Torsten Jansson

CEO
comments

"Our organization has really made a fantastic achievement during a turbulent and challenging time."



July - September

I am very proud of and pleased with our third quarter. Our organization has really made a fantastic achievement during a turbulent and challenging time. Net sales decreased by 13% from SEK 1,685.5 million to SEK 1,470.1 million, but with the current market situation where all major events and sports competitions are cancelled, games are played without an audience, clubs and associations have limited activities and larger conferences and congresses become digital, it is still a good result.

The fact that we then increased the operating result by 37% from SEK 129.1 million to SEK 176.3 million and thereby improved the operating margin by 4.3 percentage points from 7.7% to 12.0% is a very good development. An operating margin of 12% or higher in a third quarter has actually only been reached by us once before – in 2008. Then we reached 12.8%. This makes 2020 second best ever. We achieved a cash flow from operating activities in the quarter of SEK 283.2 million, which is an improvement of SEK 414.3 million compared to the same period last year and once again shows how fast we can adapt when crises occur.

During the third quarter net sales for the Corporate segment decreased by 1%, Sports & Leisure decreased by 29%, but Gifts & Home Furnishings experienced a growth of 11%. Geographically, the main challenge is the US, where net sales decreased by 43% (including 5% negative exchange rate effect). Most positive is that Sweden had a 4% growth in the quarter – a strong development in a weak market.

January - September

The year started very good, then crash landed in March, April and May and has since then slowly recovered. The spring months were very intense as we accomplished a major work to lower our costs and secure a good cash flow. Thanks to these measures, and probably previous years' investments in products and brands, we have, this far, quickly recovered. Net sales decreased by 13%, and the US is the major challenge during this period as well with minus 39% and accounts for SEK 495.7 million of the total

drop of SEK 653.7 million. The operating result decreased by SEK 32.3 million from SEK 294.6 million to SEK 262.3 million, but it is notable that the operating margin actually improved from 6.0% to 6.2%. It is gratifying to see how quick and decisive our organization has succeeded in lowering the costs and adapting to the current situation.

Cash flow and balance sheet

In addition to the result development, I am very satisfied with our cash flow. For the nine-month period, cash flow from operating activities amounted to SEK 649.1 million, an improvement of SEK 836.4 million compared to the same period previous year. Total credit limit amounted to SEK 3,133.2 million and net debt to credit institutes to SEK 1,629.8 million, which gives an available credit of SEK 1,503.4 million. We have also strengthened the equity ratio, which now amounts to 49.0%. We have never had a balance sheet that strong and an available credit that large.

The future

It is still very hard to assess the coming quarters. COVID-19 has once again increased in several countries and regions during October, and there is still a great uncertainty about when the US will recover. We will do our best to perform as well as possible during the coming quarters as well. Looking past the COVID-19 crisis, I am totally convinced that we will come out stronger and our assessment is that we gain market shares and develop better than our competitors in basically all areas. I am looking forward to accelerating growth again after the crisis – but still with focus on the operating margin – and continue towards new achievements.

..... Q3


Torsten Jansson
 CEO

The period

Comments on the period

Summary of the quarter July - September

New Wave Group's net sales have been largely affected by the COVID-19 virus during the third quarter as well. Demand for the Group's products and services is still lower than the previous year, although there has been some recovery. The US, where the Group has large operations, is the region most affected by the pandemic, but also Europe and the Nordic countries (excl. Sweden) are areas affected negatively. The regions Sweden and Other countries performed better and had growth in net sales. When it comes to our segments Corporate and Gifts & Home Furnishings, net sales were just below and just above the previous year, respectively. Sports & Leisure, with large American operations, had a worse outcome. Despite the negative effects on net sales, operating result increased compared to the previous year, due to cost savings.



Craft

Athlete Tommy Rivs in the campaign Finding Flagstaff, taking place in his hometown.

Net sales for the Group decreased by **13%** (9% in local currencies). The Corporate segment decreased by **1%**. Other countries, where the promo business in Asia is included, increased their net sales while other regions decreased. Sports & Leisure decreased by **29%**. Most of the regions had lower net sales, but the most significant drop was seen in the US. Gifts & Home Furnishings increased by **11%**, which was related to Sweden.

The promo sales channel decreased by **6%** and retail sales decreased by **21%**. The lower net sales in promo took place in Sports & Leisure, while Corporate and Gifts & Home Furnishings increased slightly. The retail sales channel mainly decreased in Sports & Leisure, but increased in Gifts & Home Furnishings.

The gross profit margin decreased compared to the previous year and amounted to **42.6** (45.2)%. The Group had a lower margin mainly attributable to the Corporate segment, related to a larger share of trading shipments. Gifts & Home Furnishings also had a lower margin, while Sports & Leisure was on par with last year.

The Group's external costs decreased during the quarter, which is related to savings and volume-related costs. Personnel costs also decreased, which

was related to reduced number of employees and temporary lay-offs.

Operating profit improved by SEK **47.2** million and amounted to SEK **176.3** (129.1) million. Result for the period amounted to SEK **118.9** (94.4) million.

Cash flow from operating activities amounted to SEK **283.2** (-131.1) million. The higher cash flow is primarily an effect of lower merchandise purchases. Inventory decreased by SEK **305.8** million and amounted to SEK **3,485.4** (3,791.2) million. Net debt decreased by SEK **697.1** million and amounted to SEK **2,396.4** (3,093.5) million, and the net debt to equity ratio dropped to **62.1** (82.8)%. The equity ratio improved by five percentage points and amounted to **49.0** (44.0)%.

CHANGE IN NET SALES



July - September

Net sales

Net sales amounted to SEK **1,470.1** million, which was **13%** lower than last year (SEK **1,685.5** million). Exchange rate effects had a negative impact on sales and net sales in local currencies were **9%** lower than last year.

Net sales in the US decreased by **43%**, which was mainly related to Sports & Leisure. In Sweden, net sales increased by **4%**. The increase occurred in Gifts & Home Furnishings, while Corporate and Sports & Leisure were slightly lower than the previous year. Sales in Central Europe decreased by **15%**, mainly in the Corporate segment. The Nordic countries excluding Sweden had **19%** lower net sales than last year. The decrease was mainly attributable to the Corporate and Sports & Leisure segments. Southern Europe decreased by **10%**, which was related to Corporate. Other countries increased by **29%**, which was related to the trading business in Asia within the Corporate segment.

Gross profit

The gross profit margin was lower than the previous year and amounted to **42.6 (45.2)%**. The lower margin is mainly related to the Corporate segment and the larger share of trading shipments. Sports & Leisure was on par with last year, while Gifts & Home Furnishings had a lower margin than the previous year.

Other operating income and other operating costs

Other operating income increased by SEK **21.8** million to SEK **34.7 (12.9)** million. The increase is mainly attributable to government support in connection with COVID-19. In addition to these supports, other operating income include the operating currency gains and must be set against the income statement item other operating costs, where primarily operating currency losses are reported. Other operating costs increased by SEK **3.9** million and amounted to SEK **-15.2 (-11.3)** million. The net of the above mentioned items amounted to SEK **19.5 (1.6)** million.

Costs and depreciations

External costs decreased by SEK **108.7** million and amounted to SEK **-191.6 (-300.3)** million. The decrease is an effect of cost savings and volume-related costs. Personnel costs decreased by SEK **57.9** million and amounted to SEK **-220.8 (-278.7)** million. The decrease

is related to temporary lay-offs and reduced number of employees. The exchange rate effects for the quarter have increased the above mentioned costs by SEK **18.7** million.

Amortizations, depreciations and write-downs were on par with the previous year and amounted to SEK **-56.6 (-55.7)** million.

Operating result

Operating result was SEK **47.2** million better than last year and amounted to SEK **176.3 (129.1)** million. The higher operating result is mainly related to cost savings. The operating margin also improved and amounted to **12.0%** compared to **7.7%** the previous year.

Net financial items and tax

Net financial items amounted to SEK **-15.2 (-17.0)** million, which is related to lower net debt and thus lower interest expenses.

Tax on result for the period amounted to SEK **-42.2 (-17.6)** million. The effective tax rate amounted to **26.2 (15.7)%**. The higher tax rate is related to a negative change in deferred tax receivables, while the previous year included a positive change.

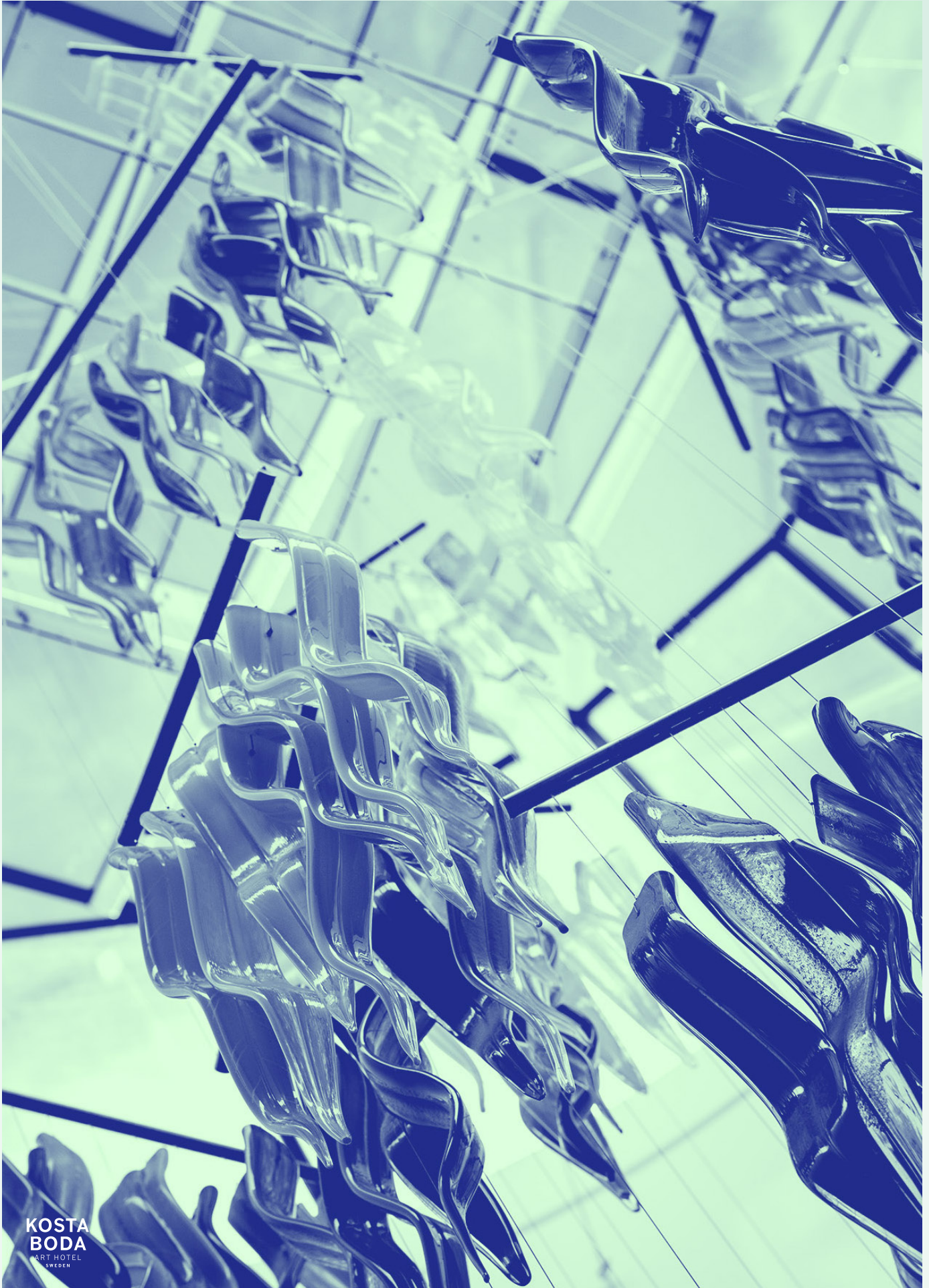
Result for the period

Result for the period amounted to SEK **118.9 (94.4)** million and earnings per share amounted to SEK **1.81 (1.45)**.



Kosta Boda Art Hotel

The hotel offers a variety of winter packages with focus on relaxation and quality time during Christmas in Småland.



**KOSTA
BODA**
ART HOTEL
SWEDEN

January - September

Net sales

Net sales amounted to SEK **4,255.6** million, which was **13%** lower than last year (SEK **4,879.3** million). Exchange rate effects had no material impact on sales, and net sales in local currencies was also **13%** lower than the previous year.

Net sales in the US decreased by **39%**, which was related to Sports & Leisure and Corporate. In Sweden, net sales decreased by **10%**, with decreases in all segments. Sales in Central Europe decreased by **18%**, which was attributable to Corporate and Sports & Leisure. The Nordic countries excluding Sweden had **25%** lower net sales than last year, also related to Corporate and Sports & Leisure. Southern Europe increased by **21%**, attributable to several major trading shipments in the Corporate segment. Other countries increased by **24%**, which was related to the trading business in Asia within the Corporate segment.

Gross profit

The gross profit margin was lower than the previous year and amounted to **41.9 (46.3)%**. The lower margin is mainly related to increased trading business in the Corporate segment. However, Sports & Leisure and Gifts & Home Furnishings also had lower margins than the previous year.

Other operating income and other operating costs

Other operating income increased by SEK **71.1** million to SEK **116.7 (45.6)** million. The increase is attributable to government support in connection with COVID-19, see note 8. In addition to these supports, other operating income include the operating currency gains and must be set against the income statement item other operating costs, where primarily operating currency losses are reported. Other operating costs increased by SEK **9.8** million and amounted to SEK **-37.0 (-27.2)** million. The net of the above mentioned items amounted to SEK **79.7 (18.4)** million.

Costs and depreciations

External costs decreased by SEK **278.7** million and amounted to SEK **-690.3 (-969.0)** million. The decrease is related to savings and volume-related costs. Personnel costs decreased by SEK **129.4** million and amounted to SEK **-722.8 (-852.2)** million, which is attributable to temporary lay-offs and reduced number of employees.

Exchange rate effects had no material impact on the above mentioned costs.

Amortizations, depreciations and write-downs were higher compared to last year and amounted to SEK **-174.6 (-159.5)** million. The increase is mainly related to depreciations on right-of-use asset for leasing, which increased by SEK **15.9** million.

Operating result

Operating result amounted to SEK **262.3 (294.6)** million and the decrease is related to the lower net sales and the gross profit margin.

Net financial items and tax

Net financial items amounted to SEK **-50.5 (-46.9)** million, which is related to higher interest expenses.

Tax on result for the period amounted to SEK **-57.0 (-43.5)** million. The increase is related to a negative change in deferred tax receivables, while the previous year included a positive change. Hence, the effective tax rate increased and amounted to **26.9 (17.6)%**.

Result for the period

Result for the period amounted to SEK **154.8 (204.1)** million and earnings per share amounted to SEK **2.38 (3.13)**.

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

In the Corporate segment, sales have been primarily affected by cancelled events, conferences and other corporate activities as well as the general problems within the business, reducing the demand for promo products.

Net sales for the third quarter decreased by **1%** and amounted to SEK **710.0 (719.8)** million. Sales increased in Other countries, related to increased sales for the trading business in Asia. In all other regions, sales decreased. Sales in the promo sales channel was on par with last year, while retail decreased. Operating result increased by SEK **27.3** million and amounted to SEK **72.1 (44.8)** million. The improved result is attributable to cost savings.

Net sales for the first nine months of the year amounted to SEK **2,251.4 (2,254.9)** million. Southern Europe and Other countries experienced growth, while all other regions decreased compared to the previous year. The slight increase in sales occurred in the promo sales channel, related to increased sales within the trading business. Retail decreased compared to the previous year. Operating result increased by SEK **14.4** million and amounted to SEK **209.1 (194.7)** million. The improvement is attributable to cost savings.

As from 2020, some trademarks have been reclassified from Corporate to Gifts & Home Furnishings. The comparative figures have been recalculated.

Sports & Leisure

Cancelled sport events have led to reduced replica sales and the sport retailer's high inventory levels due to the mild winter have negatively affected the segment's sales in combination with the current situation caused by COVID-19.

Net sales during the period July-September decreased by **29%** to SEK **561.5 (785.9)** million. Sales decreased in both sales channels. The segment had lower net sales in all regions. Most of the lower net sales was attributable to the US, while Sweden and Central Europe were just slightly lower than the previous year. The lower net sales have been compensated by cost savings, which has led to an operating result on par with the previous year amounting to SEK **89.9 (87.6)** million.

Net sales for the period January-September decreased by **30%** and amounted to SEK **1,485.3 (2,115.7)** million. Sales decreased in both sales channels. The segment had lower net sales in all regions, but mainly in the US. The Group's American operations were, among other things, shut down for one and a half month during the second quarter. Operating result decreased with SEK **70.3** million and amounted to SEK **67.6 (137.9)** million. The lower result is attributable to lower net sales, but has been positively affected by savings.



Gifts & Home Furnishings

The Gifts & Home Furnishings segment was negatively affected by COVID-19 mainly during the second quarter. A recovery has occurred since then, although net sales are still negatively affected. All parts of the business have improved during the third quarter and the segment has had growth in both net sales and operating result.

Net sales for the third quarter increased by **11%** to SEK **198.7 (179.8)** million. The higher net sales are mainly related to Sweden. Sales increased in both sales channels. Operating result improved by SEK **17.7** million compared to the previous year and amounted to SEK **14.3 (-3.4)** million, which was related to higher net sales as well as savings.

Net sales for the period January-September decreased by **4%** to SEK **488.8 (508.7)** million. Sales decreased in both sales channels. Operating result improved by SEK **23.6** million compared to the previous year and amounted to SEK **-14.4 (-38.0)** million, which was attributable to savings.

As from 2020, some trademarks have been reclassified from Corporate to Gifts & Home Furnishings. The comparative figures have been recalculated.

Capital tied up

Capital tied up in stock decreased by SEK 305.8 million and amounted to SEK 3,485.4 (3,791.2) million. The decrease is related to lower merchandise purchases and an adjustment to the lower net sales. Inventory turnover rate is in line with the previous year and amounted to 1.0 (1.0) times.

SEK million	30 Sep 2020	30 Sep 2019
Raw materials	38.4	52.2
Work in progress	7.3	12.9
Goods in transit	100.9	189.3
Finished goods	3 338.8	3 536.8
Total	3 485.4	3 791.2

The total provision for obsolescence amounted to SEK 149.7 (141.5) million and the provision in relation to finished goods amounted to 4.3 (3.8)%.

Accounts receivable amounted to SEK 1,018.1 (1,164.3) million, where the decrease is mainly related to the lower net sales.

Investments, financing and liquidity

Cash flow from operating activities for the quarter improved by SEK 414.3 million and amounted to SEK 283.2 (-131.1) million. The improved cash flow is mainly attributable to lower merchandise purchases. Cash flow from investing activities amounted to SEK -8.6 (-32.6) million.

For the first nine months of the year, cash flow from operating activities amounted to SEK 649.1 million, which was SEK 836.4 million better than the previous year (SEK -187.3 million). The higher cash flow is mainly related to lower merchandise purchases, but also a reduction of current receivables.

As of September 30, the Group's total credit limit was SEK 3,133.2 million, of which SEK 2,150 million runs through March 2022, USD 19.7 million through January 2024 and SEK 306.3 million has maturities extending until August 2027. The remaining SEK 500.0 million has a maturity of between three months and six years. The credit limit is limited in amount to and dependent on the value of certain underlying assets.

The financing agreement means that key ratios (covenants) must be met for maintenance of the credit limit. Net debt to credit institutes amounted to SEK **1,629.8 (2,401.5)** million, which gives an available credit of SEK **1,503.4** million.

Net debt decreased by SEK **697.1** million, and amounted to SEK **2,396.4 (3,093.5)** million. The Group's net debt to credit institutes decreased by SEK **771.7** million, while the leasing liabilities increased by SEK **74.6** million. The net debt to equity ratio and net debt in relation to working capital amounted to **62.1 (82.8) %** and **68.9 (78.3) %**, respectively.

The equity ratio improved by **5.0** percentage points compared to the previous year and amounted to **49.0 (44.0) %**.

Personnel and organization

The average number of employees was **2,085 (2,592)**, of which **49%** were women and **51%** were men. Of the total number of employees, **404 (592)** work in production.

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

Intangible assets

The Group's intangible assets with indefinite useful life consist of goodwill and trademarks. The useful lives are assessed to be indefinite because they are well established strategic brands in respective markets which the Group intends to maintain and develop further. The brands with greater value, listed at their acquisition values, are well-known brands such as Orrefors and Kosta Boda within Gifts & Home Furnishings as well as mainly Cutter & Buck within Sports & Leisure. The value of the Group's goodwill and trademarks, which are based on local currency and can give rise to currency translation effects in the consolidated financial statements, have been allocated between the cash-generating units they are considered to belong to. These units are also the Group's segments. The value of these intangible assets is reviewed annually to ensure that the value does not deviate negatively from book value, but can be tested more frequently if there are indications that the value has decreased. In an impairment test, the recoverable amount needs to be determined by a calculation of the respective cash-generating unit's value in use. The value in use is based on established cash flow projections for the next five years, and a long-term growth rate, so-called terminal growth. The most important assumptions in determining the value in use include growth rate, operating margin and discount rate

(WACC). When calculating the discount rate, an assessment of financial factors such as interest rates, borrowing costs, market risk, beta values and tax rates will be carried out. As the cash generating units have different characteristics, each unit is assessed after its commercial factors. The estimated cost of capital (WACC) is considered to be representative of all cash generating units.

The cash flow forecasts that form the basis for the impairment test are based on the five year forecast adopted by the Board (2021-2025) and thereafter a terminal growth of **2.0 (3.0)%**. In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of **10.2 (10.2) %** before tax is used.

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

Related party transactions

Lease agreements exist with related companies. Associated companies to the CEO have purchased goods 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 **35.9 (30.2)** million. Result before appropriations and tax amounted to SEK **-18.8 (3.0)** million. The lower result is related to write-downs of financial fixed assets, where previously made shareholder contributions to cover losses in subsidiaries have been impaired. Cash flow from investing activities amounted to SEK **15.5 (-7.2)** million. The positive amount is related to intra-Group sales of shares in Group companies. The total assets amounted to SEK **4,286.2 (4,791.4)** million and equity, including the equity portion of untaxed reserves, amounted to SEK **2,083.9 (1,993.8)** million.

Total revenue for the period January-September amounted to SEK **108.6 (101.5)** million. Result before appropriations and tax amounted to SEK **-15.9 (168.3)** million. The lower result is related to the fact that no dividends from subsidiaries have been received during the period. Cash flow from investing activities amounted to SEK **11.5 (-9.9)** million, where the positive amount is related to intra-Group sales of shares in Group companies. Net debt amounted to SEK **1,452.9 (2,187.8)** million. The Parent company's net financing to subsidiaries amounted to SEK **1,518.4 (2,087.1)** million.



Nomination committee

Composition of the nomination committee for the Board election at the 2021 Annual General Meeting is:

- *Ulf Hedlundh, representative of Svolder and Chairman of the nomination committee*
- *Torsten Jansson, CEO and representative of Torsten Jansson Förvaltnings AB*
- *Arne Lööv, representative of the Fourth Swedish National Pension Fund*

For more information on the nomination committee and its work, please refer to www.nwg.se.

Calendar

11 FEB	Year-end report 2020
27 APR	Interim report for the first quarter
19 MAY	Annual General Meeting
17 AUG	Interim report for the second quarter
5 NOV	Interim report for the third quarter

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

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Gothenburg, November 6, 2020

New Wave Group AB (publ)

Olof Persson
Chairman of the Board

Magdalena Forsberg
Member of the Board

Jonas Eriksson
Member of the Board

M. Johan Widerberg
Member of the Board

Mats Arjes
Member of the Board

Christina Bellander
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 6, 2020.
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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, 2020 and for the nine months period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

Conclusion

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

Gothenburg 6 November 2020

Ernst & Young AB


Jonas Svensson
Authorized Public Accountant





**KOSTA
BODA**
SWEDEN 1742

Consolidated income statement

SEK million	Note	3 months Jul - Sep 2020	3 months Jul - Sep 2019	9 months Jan - Sep 2020	9 months Jan - Sep 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
Net sales	3, 4, 5	1 470.1	1 685.5	4 225.6	4 879.3	6 903.5	6 290.6
Goods for resale		-843.9	-923.2	-2 453.8	-2 621.8	-3 701.0	-3 359.4
Gross profit		626.2	762.3	1 771.7	2 257.5	3 202.4	2 931.2
Other operating income	8	34.7	12.9	116.7	45.6	77.9	74.8
External costs		-191.6	-300.3	-690.3	-969.0	-1 312.7	-1 336.4
Personnel costs		-220.8	-278.7	-722.8	-852.2	-1 159.9	-1 063.0
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	3	-56.6	-55.7	-174.6	-159.5	-233.1	-77.9
Other operating costs		-15.2	-11.3	-37.0	-27.2	-39.6	-44.8
Share of associated companies' result		-0.4	-0.2	-1.5	-0.7	-0.2	-1.1
Operating result	3	176.3	129.1	262.3	294.6	535.0	482.8
Financial income		0.6	2.5	4.0	6.0	8.8	5.5
Financial expenses		-15.8	-19.5	-54.4	-52.9	-77.0	-46.4
Net financial items		-15.2	-17.0	-50.5	-46.9	-68.2	-40.9
Result before tax		161.1	112.1	211.8	247.7	466.7	441.8
Tax expense		-42.2	-17.6	-57.0	-43.5	-96.7	-81.8
Result for the period		118.9	94.4	154.8	204.1	370.1	360.0
Other comprehensive income:							
Items that can be reclassified into profit or loss:							
Translation differences		-56.0	123.3	-62.2	226.2	99.6	157.3
Cash flow hedges		-2.8	4.5	-3.8	4.2	-2.2	0.5
Sum		-58.9	127.9	-66.0	230.4	97.5	157.8
Income tax related to components of other comprehensive income		0.6	-1.0	0.8	-0.9	0.5	-0.1
Total other comprehensive for the period		-58.3	126.9	-65.2	229.5	97.9	157.7
Total comprehensive income for the period		60.6	221.4	89.7	433.6	468.0	517.6
Result for the period attributable to:							
Shareholders of the Parent company		120.2	96.2	157.9	207.8	375.5	363.4
Non-controlling interest		-1.3	-1.8	-3.1	-3.7	-5.5	-3.4
		118.9	94.4	154.8	204.1	370.1	360.0
Total comprehensive income attributable to:							
Shareholders of the Parent company		61.9	222.6	92.9	436.3	472.1	520.2
Non-controlling interest		-1.3	-1.3	-3.2	-2.7	-4.1	-2.6
		60.6	221.4	89.7	433.6	468.0	517.6
Earnings per share (SEK)*		1.81	1.45	2.38	3.13	5.66	5.48
The average number of outstanding shares*		66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543

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

Consolidated cash flow statement

SEK million	Note	3 months Jul - Sep 2020	3 months Jul - Sep 2019	9 months Jan - Sep 2020	9 months Jan - Sep 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
Operating activities							
Operating result		176.3	129.1	262.3	294.6	535.0	482.8
Adjustment for items not included in cash flow		62.8	60.8	194.8	166.3	231.9	74.4
Received interest		-0.4	2.2	0.9	5.2	7.9	2.2
Paid interest		-14.8	-19.2	-51.4	-52.2	-76.1	-43.2
Paid income tax		-5.0	-23.0	-74.8	-71.0	-93.6	-86.5
Cash flow from operating activities before changes in working capital		218.9	149.9	331.8	342.9	605.0	429.7
Changes in working capital							
Increase/decrease of inventories		86.9	-256.4	23.4	-422.7	-241.7	-494.0
Increase/decrease of current receivables		-207.6	-34.3	193.8	-4.0	-51.5	-27.5
Increase/decrease of current liabilities		185.0	9.7	100.1	-103.5	-212.3	314.4
Cash flow from changes in working capital		64.3	-281.0	317.3	-530.2	-505.6	-207.1
Cash flow from operating activities		283.2	-131.1	649.1	-187.3	99.5	222.6
INVESTING ACTIVITIES							
Investments in tangible fixed assets		-9.4	-25.8	-30.2	-93.4	-124.7	-147.1
Sales of tangible fixed assets		1.2	1.0	3.9	5.7	6.9	4.3
Investments in intangible fixed assets		-0.1	-6.3	-15.1	-16.4	-21.7	-15.4
Investments in associated companies		0.0	-0.4	0.0	-0.4	-0.8	-2.0
Business combinations		0.0	0.0	-8.6	0.0	-8.5	0.0
Raised long-term receivables		-0.3	-1.2	-0.3	-2.1	-1.6	-2.9
Repayment of long-term receivables		0.0	0.0	0.0	0.0	1.6	0.0
Cash flow from investing activities	3	-8.6	-32.6	-50.3	-106.5	-148.7	-163.2
Cash flow after investing activities		274.6	-163.8	598.8	-293.8	-49.3	59.4
FINANCIAL ACTIVITIES							
Loans raised		0.0	253.2	62.9	430.5	386.2	208.2
Amortization of loans		-291.8	0.0	-685.7	0.0	-71.3	-56.1
Amortization of lease liabilities		-31.1	-43.1	-96.9	-95.9	-103.0	0.0
New issue of shares in companies with non-controlling interest		0.0	1.2	0.0	1.2	1.2	0.0
Dividend paid to the shareholders of the Parent company		0.0	0.0	0.0	-132.7	-132.7	-112.8
Cash flow from financial activities		-322.9	211.2	-719.7	203.0	80.4	39.3
Cash flow for the period		-48.4	47.4	-120.9	-90.8	31.2	98.7
Liquid assets at the beginning of the period		277.8	182.5	351.3	312.2	312.2	202.4
Translation differences in liquid assets		-2.7	8.5	-3.6	17.0	7.9	11.1
Liquid assets at the end of the period		226.8	238.4	226.8	238.4	351.3	312.2
Liquid assets							
Cash at bank and in hand		226.8	238.4	226.8	238.4	351.3	312.2

Consolidated balance sheet

SEK million	Note	30 Sep 2020	30 Sep 2019	31 Dec 2019	31 Dec 2018
ASSETS					
Intangible fixed assets	3	1 477.6	1 565.6	1 501.0	1 469.4
Tangible fixed assets	3	1 342.5	1 333.4	1 436.5	587.4
Shares in associated companies		37.5	39.8	39.0	39.3
Other long-term receivables		15.0	16.0	14.7	13.5
Deferred tax assets	3, 5	115.5	127.2	112.8	111.1
Total non-current assets	5	2 988.2	3 082.1	3 103.9	2 220.6
Inventory		3 485.4	3 791.2	3 557.9	3 230.9
Current tax receivables		40.1	49.6	44.8	38.1
Accounts receivable		1 018.1	1 164.3	1 192.8	1 084.1
Other receivables		71.5	88.3	82.4	90.3
Prepaid expenses and accrued income		50.1	72.3	61.2	85.2
Liquid assets		226.8	238.4	351.3	312.2
Total current assets		4 892.0	5 404.0	5 290.4	4 840.8
TOTAL ASSETS	3, 6	7 880.1	8 486.1	8 394.3	7 061.4
EQUITY					
Share capital		199.0	199.0	199.0	199.0
Other capital contributions		219.4	219.4	219.4	219.4
Reserves		463.8	663.9	531.0	434.9
Retained earnings including result for the period		2 966.8	2 637.2	2 804.9	2 561.6
Equity attributable to shareholders of the Parent company		3 849.0	3 719.6	3 754.4	3 415.0
Non-controlling interest		11.3	16.7	16.3	19.2
Total equity		3 860.3	3 736.3	3 770.7	3 434.2
LIABILITIES					
Long-term interest-bearing liabilities	7, 8	2 126.0	2 857.2	2 818.3	1 795.5
Pension provisions		20.0	19.3	19.3	18.3
Other provisions		5.0	5.0	0.9	3.1
Deferred tax liabilities		144.1	151.9	144.8	144.6
Total non-current liabilities		2 295.2	3 033.3	2 983.3	1 961.6
Short-term interest-bearing liabilities	7, 8	497.2	474.7	497.8	347.7
Accounts payable		672.8	735.0	623.2	752.2
Current tax liabilities		81.6	76.9	94.6	78.0
Other liabilities	8	206.7	161.2	139.8	172.3
Accrued expenses and prepaid income		266.3	268.6	285.0	315.4
Total current liabilities		1 724.5	1 716.4	1 640.3	1 665.6
Total liabilities	3, 6	4 019.7	4 749.7	4 623.6	3 627.2
TOTAL EQUITY AND LIABILITIES		7 880.1	8 486.1	8 394.3	7 061.4

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 2019-01-01	199.0	219.4	434.9	2 561.6	3 415.0	19.2	3 434.2
Result for the period				207.8	207.8	-3.7	204.1
Other comprehensive income							
Translation differences			226.2		226.2		226.2
Cash flow hedges for the period			4.2		4.2		4.2
Reclassification of previous years' cash flow hedge			-0.5	0.5	0.0		0.0
Income tax related to components of other comprehensive income			-0.9		-0.9		-0.9
Transactions with shareholders							
Dividends to shareholders of the Parent company				-132.7	-132.7		-132.7
Non-controlling interest through new issue of shares						1.2	1.2
Closing balance 2019-09-30	199.0	219.4	663.9	2 637.2	3 719.6	16.7	3 736.3

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

	Jan - Sep 2020	Jan - Sep 2019
Accumulated translation differences in equity		
Accumulated translation differences at the beginning of the period	541.2	441.6
Translation differences in foreign Group companies for the period	-62.2	226.2
Accumulated translation differences at the end of period	479.0	667.8

Financial key figures

	3 months Jul - Sep 2020	3 months Jul - Sep 2019	9 months Jan - Sep 2020	9 months Jan - Sep 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
Net sales growth, %	-12.8	8.7	-13.4	12.2	9.7	12.4
Organic growth, %	-9.2	5.2	-12.8	7.4	5.4	9.1
Average number of employees	2 085	2 592	2 085	2 592	2 579	2 566
Gross profit margin, %	42.6	45.2	41.9	46.3	46.4	46.6
Operating margin before depreciations, %	15.8	11.0	10.3	9.3	11.1	8.9
Operating margin, %	12.0	7.7	6.2	6.0	7.7	7.7
Profit margin, %	11.0	6.6	5.0	5.1	6.8	7.0
Net margin, %	8.1	5.6	3.7	4.2	5.4	5.7
Return on shareholders' equity, %	8.4	10.1	8.4	10.1	10.3	11.2
Return on capital employed, %	7.5	8.1	7.5	8.1	8.6	9.4
Equity ratio, %	49.0	44.0	49.0	44.0	44.9	48.6
Net debt, SEK million	2 396.4	3 093.5	2 396.4	3 093.5	2 964.8	1 831.0
Net debt to credit institutes, SEK million	1 629.8	2 401.5	1 629.8	2 401.5	2 161.0	1 831.0
Net debt to equity ratio, %	62.1	82.8	62.1	82.8	78.6	53.3
Net debt in relation to working capital, %	68.9	78.3	68.9	78.3	77.1	56.3
Interest coverage ratio, times	11.2	6.7	4.9	5.7	7.1	10.5
Capital turnover, times	0.8	0.9	0.8	0.9	0.9	1.0
Inventory turnover, times	1.0	1.0	1.0	1.0	1.1	1.1
Cash flow before investments, SEK million	283.2	-131.1	649.1	-187.3	99.5	222.6
Net investments, SEK million	-8.6	-32.6	-50.3	-106.5	-148.7	-163.2
Cash flow after investments, SEK million	274.6	-163.8	598.8	-293.8	-49.3	59.4
Shareholders' equity per share, before and after dilution, SEK	58.02	56.07	58.02	56.07	56.59	51.47
Share price as of the balance sheet date, SEK	47.25	56.10	47.25	56.10	59.80	47.40
Dividend/share, SEK	-	-	-	2.00	2.00	1.70
P/E-ratio	10.89	10.11	10.89	10.11	10.56	8.65
P/S-ratio	0.50	0.56	0.50	0.56	0.57	0.50
Share price/Shareholders' equity	0.81	1.00	0.81	1.00	1.06	0.92

For definitions of alternative performance measures, see page 32.

Income statement

SEK million	3 months Jul - Sep 2020	3 months Jul - Sep 2019	9 months Jan - Sep 2020	9 months Jan - Sep 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
Net sales	21.8	25.2	73.1	78.2	103.7	105.3
Other operating income	14.0	5.0	35.5	23.4	36.8	40.4
Total income	35.9	30.2	108.6	101.5	140.4	145.6
External costs	-10.6	-15.5	-42.1	-50.9	-68.0	-77.1
Personnel costs	-9.6	-8.9	-30.7	-27.3	-38.7	-35.7
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-1.5	-1.4	-4.6	-4.2	-5.8	-6.4
Other operating costs	-12.7	-5.1	-29.2	-17.2	-27.1	-32.6
Operating result	1.5	-0.8	1.9	1.9	0.9	-6.2
Net income from shares in Group companies	-26.0	0.0	-29.5	139.3	172.0	131.4
Changes in write-downs of financial assets	0.0	-0.8	0.0	13.2	24.5	9.9
Financial income	17.4	14.1	45.1	41.2	55.2	49.4
Financial expenses	-11.7	-9.5	-33.5	-27.3	-38.7	-33.5
Net financial items	-20.3	3.8	-17.9	166.4	213.0	157.3
Result before appropriations and tax	-18.8	3.0	-15.9	168.3	213.9	151.1
Appropriations	0.0	0.0	0.0	0.0	55.7	56.9
Tax expense	1.4	-0.8	0.0	-3.4	-12.4	-14.6
Result for the period	-17.4	2.2	-16.0	164.9	257.2	193.3

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

Cash flow statement

SEK million	3 months Jul - Sep 2020	3 months Jul - Sep 2019	9 months Jan - Sep 2020	9 months Jan - Sep 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
Operating activities						
Operating result	1.5	-0.8	1.9	1.9	0.9	-6.2
Adjustment for items not included in cash flow	8.6	0.6	12.6	3.4	5.3	6.4
Received dividends	0.0	0.0	0.0	27.1	27.1	0.0
Received interest	17.4	14.1	45.1	41.2	55.2	49.4
Paid interest	-11.7	-9.5	-33.5	-27.3	-38.7	-33.5
Paid income tax	-0.1	-3.3	-4.3	-9.4	-13.4	-16.0
Cash flow from operating activities before changes in working capital	15.8	1.1	21.8	36.9	36.4	0.2
Changes in working capital						
Increase/decrease in current receivables	403.1	-271.4	374.3	-266.5	-105.2	-197.7
Increase/decrease in current liabilities	-54.2	124.2	209.8	-56.7	-124.8	271.8
Cash flow from changes in working capital	348.9	-147.2	584.2	-323.1	-229.9	74.1
Cash flow from operating activities	364.7	-146.1	606.0	-286.2	-193.5	74.3
Investing activities						
Shareholder contributions to Group companies	0.0	0.0	-3.5	0.0	0.0	-39.5
Repayment of shareholder contributions from Group companies	0.0	0.0	0.0	0.0	0.0	9.4
Investments in associated companies	0.0	-0.8	0.0	-0.8	-0.8	-2.0
Investments in tangible fixed assets	0.0	0.0	0.0	-0.7	-0.7	-0.5
Investments in intangible fixed assets	0.0	-1.0	-2.5	-1.0	-2.0	-1.8
Acquisition of shares	0.0	-4.5	0.0	-18.6	-18.6	0.0
Intra-Group sales of Group companies	14.5	0.0	14.5	0.0	0.0	0.0
Changes in long-term loans to Group companies	0.0	0.0	2.0	12.1	13.1	-50.1
Raised long-term receivables	1.0	-0.8	1.0	-0.9	-0.9	-2.0
Cash flow from investing activities	15.5	-7.2	11.5	-9.9	-9.9	-86.6
Cash flow after investing activities	380.2	-153.3	617.5	-296.1	-203.4	-12.3
Financial activities						
Loans raised	0.0	156.5	0.0	427.7	416.2	177.7
Amortization of loans	-373.9	0.0	-631.5	0.0	-63.9	-49.4
Dividend paid to shareholders of the Parent company	0.0	0.0	0.0	-132.7	-132.7	-112.8
Cash flow from financial activities	-373.9	156.5	-631.5	295.0	219.6	15.5
Cash flow for the period	6.4	3.2	-14.1	-1.0	16.2	3.2
Liquid assets at the beginning of the period	0.2	0.2	20.6	4.5	4.5	1.3
Liquid assets at the end of the period	6.6	3.4	6.6	3.4	20.6	4.5
Liquid assets						
Cash at bank and in hand	6.6	3.4	6.6	3.4	20.6	4.5

Balance sheet

SEK million	Note	30 Sep 2020	30 Sep 2019	31 Dec 2019	31 Dec 2018
ASSETS					
Intangible fixed assets		7.7	8.9	8.7	11.0
Tangible fixed assets		1.5	2.9	2.6	3.3
Shares in Group companies		2 239.6	2 301.7	2 275.7	2 324.6
Shares in associated companies		38.1	43.8	42.8	43.0
Receivables on Group companies		355.9	388.1	369.7	370.4
Other long-term receivables		5.3	5.3	6.3	4.5
Total non-current assets		2 648.2	2 750.6	2 705.7	2 756.8
Accounts receivable		0.6	0.2	0.3	0.0
Receivables on Group companies		1 592.7	1 999.1	1 959.5	1 563.7
Current tax receivables		0.9	1.6	0.0	4.0
Other receivables		29.0	29.4	35.0	29.7
Prepaid expenses and accrued income		8.3	6.9	9.6	9.5
Liquid assets		6.6	3.4	20.6	4.5
Total current assets		1 638.0	2 040.7	2 025.1	1 611.3
TOTAL ASSETS		4 286.2	4 791.4	4 730.8	4 368.0
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		1 552.4	1 295.1	1 295.1	1 234.5
Share premium reserve		48.0	48.0	48.0	48.0
Result for the period		-16.0	164.9	257.2	193.3
Total unrestricted equity		1 584.4	1 508.1	1 600.4	1 475.8
Total equity		2 032.9	1 956.5	2 048.8	1 924.3
Untaxed reserves		64.9	47.9	64.9	47.9
LIABILITIES					
Long-term interest-bearing liabilities	7	1 115.1	1 842.4	1 748.6	1 429.3
Total non-current liabilities		1 115.1	1 842.4	1 748.6	1 429.3
Short-term interest-bearing liabilities	7	344.3	348.9	346.2	300.5
Accounts payable		287.8	287.8	242.3	366.5
Liabilities to Group companies		430.3	300.1	268.3	268.5
Current tax liabilities		0.0	0.0	3.4	8.3
Other liabilities		4.0	1.1	1.1	16.2
Accrued expenses and prepaid income		7.0	6.7	7.3	6.5
Total current liabilities		1 073.4	944.6	868.5	966.6
Total liabilities		2 188.5	2 787.0	2 617.1	2 395.8
TOTAL EQUITY AND LIABILITIES		4 286.2	4 791.4	4 730.8	4 368.0

Statement of changes in equity

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
Opening balance 2019-01-01	199.0	249.4	1 234.5	48.0	193.3	1 924.3
Transfer according to decision at AGM			193.3		-193.3	0.0
Result for the period					164.9	164.9
Total changes excluding transactions with shareholders	0.0	0.0	0.0	0.0	164.9	164.9
Dividends			-132.7			-132.7
Closing balance 2019-09-30	199.0	249.4	1 295.1	48.0	164.9	1 956.5

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
Opening balance 2020-01-01	199.0	249.4	1 295.1	48.0	257.2	2 048.8
Transfer according to decision at AGM			257.2		-257.2	0.0
Result for the period					-16.0	-16.0
Total changes excluding transactions with shareholders	0.0	0.0	0.0	0.0	-16.0	-16.0
Dividends			0.0			0.0
Closing balance 2020-09-30	199.0	249.4	1 552.4	48.0	-16.0	2 032.9



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 2019 annual report.

New accounting policies for 2020

A number of amendments of current accounting standards have been published and are effective from 2020 and later. None of these has a material impact on New Wave Group's financial statements.

Accounting for government grants

In the annual report for 2019 the Group has not described the accounting principles related to accounting for government grants due to that the amounts were insignificant. During 2020 the Group has received grants from governments around the world related to actions that have been introduced due to the outbreak of COVID-19. Government grants are recognized in the Group's consolidated balance sheet and the Group's consolidated income statement when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Grants related to expenses are classified as other operating income in the Group's consolidated income statement and is recognized on a systematic basis over the same period in which the Group recognizes the related costs for which the grants are intended to compensate.

During 2020 the Group has received government loans related to the actions that have been introduced due to the outbreak of COVID-19. A government loan is initially measured at fair value less transaction costs and after the initial valuation measured at amortized cost by applying the effective interest method. If there is a possibility to receive loan forgiveness, an assessment is performed to determine whether it is reasonable certain that the Group will meet the requirements to receive a loan forgiveness. If the assessment is that there is reasonable assurance that the Group will meet the requirements, the government loan will be recognized as other operating income in the Group's consolidated income statement.

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 financial risk policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2019, note 17, p. 92-98. 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 the first quarter of 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 has been significantly reduced in particular during the second quarter of 2020. Net sales for the Group was negatively affected during the third quarter as well, albeit to a slightly lesser extent than in the second quarter. It is still hard to assess the development for the coming quarters. Measures taken include, among other things, that the Annual General Meeting decided that no dividend for the 2019 financial year will be issued and that the Group has applied for and received government grants in several countries. The Group's customers also suffer from the negative effects of the pandemic, which leads to an increased credit risk. The companies within the Group attach great importance to monitoring the customers' ability to pay and continuously make assessments regarding adequate credit risk provisions.

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

Note 3 - Reporting of operating segments

Net sales and operating result per operating segment

SEK million	3 months Jul - Sep 2020	3 months Jul - Sep 2019	9 months Jan - Sep 2020	9 months Jan - Sep 2019	12 months Jan - Dec 2019	12 months Jan - Dec 2018
Corporate						
Net sales	710.0	719.8	2 251.4	2 254.9	3 219.6	2 945.9
Operating result	72.1	44.8	209.1	194.7	325.2	310.3
Sports & Leisure						
Net sales	561.5	785.9	1 485.3	2 115.7	2 887.4	2 575.7
Operating result	89.9	87.6	67.6	137.9	236.0	186.3
Gifts & Home Furnishings						
Net sales	198.7	179.8	488.8	508.7	796.4	769.0
Operating result	14.3	-3.4	-14.4	-38.0	-26.3	-13.8
Total net sales	1 470.1	1 685.5	4 225.6	4 879.3	6 903.5	6 290.6
Total operating result	176.3	129.1	262.3	294.6	535.0	482.8
Total operating result	176.3	129.1	262.3	294.6	535.0	482.8
Net financial items	-15.2	-17.0	-50.5	-46.9	-68.2	-40.9
Result before tax	161.1	112.1	211.8	247.7	466.7	441.8

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 2020						
Corporate	4 622.1	1 153.3	46.2	-23.7	-111.1	2 950.0
Sports & Leisure	2 880.5	1 341.9	46.9	-21.4	-51.7	878.7
Gifts & Home Furnishings	377.5	324.9	22.5	-5.2	-11.8	191.0
Total	7 880.1	2 820.2	115.5	-50.3	-174.6	4 019.7
30 Sep 2019						
Corporate	4 128.7	1 110.8	40.1	-69.3	-98.0	2 827.4
Sports & Leisure	3 619.8	1 465.2	63.1	-27.7	-56.1	1 415.9
Gifts & Home Furnishings	737.6	323.0	24.0	-9.5	-5.3	506.4
Total	8 486.1	2 899.0	127.2	-106.5	-159.5	4 749.7
31 Dec 2019						
Corporate	4 316.6	1 210.2	40.1	-91.2	-142.9	2 896.9
Sports & Leisure	3 290.3	1 392.6	49.5	-33.9	-68.7	1 194.4
Gifts & Home Furnishings	787.4	334.7	23.1	-23.6	-21.5	532.4
Total	8 394.3	2 937.5	112.8	-148.7	-233.1	4 623.6

* 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	Jul - Sep	Jul - Sep	Jul - Sep	Jul - Sep	Jul - Sep	Jul - Sep	Jul - Sep
	2020	2019	2020	2019	2020	2019	2020	2019
Promo	703.9	701.9	122.7	182.3	30.0	22.8	856.6	907.0
Retail	6.1	17.9	438.8	603.6	168.7	157.0	613.6	778.5
Total	710.0	719.8	561.5	785.9	198.7	179.8	1 470.1	1 685.5

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	Jan - Sep	Jan - Sep	Jan - Sep	Jan - Sep	Jan - Sep	Jan - Sep	Jan - Sep
	2020	2019	2020	2019	2020	2019	2020	2019
Promo	2 235.8	2 207.0	374.5	550.3	85.8	91.6	2 696.2	2 848.9
Retail	15.6	47.9	1 110.8	1 565.4	403.0	417.2	1 529.4	2 030.5
Total	2 251.4	2 254.9	1 485.3	2 115.7	488.8	508.7	4 225.6	4 879.3

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
	2019	2018	2019	2018	2019	2018	2019	2018
Promo	3 152.7	2 885.2	762.5	690.7	197.7	181.8	4 113.0	3 757.7
Retail	66.8	60.7	2 124.9	1 885.0	598.8	587.1	2 790.6	2 532.8
Total	3 219.6	2 945.9	2 887.4	2 575.7	796.4	769.0	6 903.5	6 290.6

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 2020	3 months Jul - Sep 2019	3 months Jul - Sep 2020	3 months Jul - Sep 2019	3 months Jul - Sep 2020	3 months Jul - Sep 2019			
USA	44.3	58.3	201.9	380.0	9.6	13.1	255.8	451.4	-43%
Sweden	83.2	89.6	138.2	141.8	174.5	151.0	395.9	382.4	4%
Central Europe	128.0	167.0	87.8	87.3	3.5	4.5	219.4	258.8	-15%
Nordic countries excl. Sweden	78.6	97.7	82.1	99.5	6.6	8.9	167.2	206.1	-19%
Southern Europe	136.9	152.8	16.9	18.8	0.1	0.1	154.0	171.7	-10%
Other countries	238.8	154.4	34.6	58.4	4.5	2.3	277.9	215.1	29%
Total	710.0	719.8	561.5	785.9	198.7	179.8	1 470.1	1 685.5	-13%

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	Change %	
	9 months Jan - Sep 2020	9 months Jan - Sep 2019	9 months Jan - Sep 2020	9 months Jan - Sep 2019	9 months Jan - Sep 2020	9 months Jan - Sep 2019			
USA	126.1	164.1	631.5	1 087.1	33.0	35.2	790.7	1 286.4	-39%
Sweden	253.1	312.4	327.1	366.2	411.5	427.9	991.7	1 106.4	-10%
Central Europe	390.8	515.2	212.4	225.4	10.5	10.6	613.7	751.2	-18%
Nordic countries excl. Sweden	243.2	316.0	203.0	281.3	21.2	27.2	467.4	624.5	-25%
Southern Europe	647.7	521.5	41.9	48.6	0.2	0.3	689.7	570.4	21%
Other countries	590.5	425.8	69.4	107.1	12.3	7.6	672.3	540.5	24%
Total	2 251.4	2 254.9	1 485.3	2 115.7	488.8	508.7	4 225.6	4 879.3	-13%

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	Change %	
	12 months Jan-Dec 2019	12 months Jan-Dec 2018	12 months Jan-Dec 2019	12 months Jan-Dec 2018	12 months Jan-Dec 2019	12 months Jan-Dec 2018			
USA	260.3	198.1	1 460.6	1 328.7	53.5	52.9	1 774.5	1 579.6	12%
Sweden	438.2	449.3	511.2	438.8	661.1	642.2	1 610.5	1 530.3	5%
Central Europe	742.9	689.4	317.7	285.4	17.5	11.5	1 078.1	986.4	9%
Nordic countries excl. Sweden	433.2	421.4	375.6	332.4	52.2	53.3	861.0	807.2	7%
Southern Europe	749.5	662.4	62.8	54.5	0.4	0.2	812.6	717.1	13%
Other countries	595.5	525.2	159.4	136.0	11.9	8.8	766.8	670.0	14%
Total	3 219.6	2 945.9	2 887.4	2 575.7	796.4	769.0	6 903.5	6 290.6	10%

Fixed assets and deferred tax assets per geographic area

SEK million	30 Sep 2020		30 Sep 2019		31 Dec 2019	
	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets
USA	1 088.4	48.0	1 208.0	62.8	1 138.9	50.8
Sweden	722.6	33.7	669.0	21.0	716.3	19.7
Central Europe	369.2	4.9	390.6	13.9	382.1	13.6
Nordic countries excl. Sweden	259.3	3.9	303.3	4.5	301.6	4.5
Southern Europe	243.3	19.2	196.1	18.7	275.7	18.1
Other countries	137.3	5.8	131.9	6.4	123.0	6.1
Total	2 820.2	115.5	2 899.0	127.2	2 937.5	112.8

* Financial fixed assets are not included



Note 6 - Financial instruments

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019	31 Dec 2018
Assets at fair value through other comprehensive income	0.0	4.2	0.0	0.0
Assets at amortized cost	1 316.4	1 486.6	1 625.8	1 485.2
Total financial assets	1 316.4	1 490.7	1 625.8	1 485.2
Liabilities at fair value through profit and loss	0.0	0.0	0.0	1.1
Liabilities at fair value through other comprehensive income	3.8	0.0	2.2	0.1
Liabilities at amortized cost	3 758.6	4 506.5	4 355.9	3 373.9
Total financial liabilities	3 762.4	4 506.5	4 358.1	3 375.1

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 2020	30 Sep 2019	31 Dec 2019	31 Dec 2018
Floating charges	690.5	690.5	690.5	537.5
Property mortgages	180.7	183.3	178.0	171.8
Net assets in Group companies	3 337.0	3 248.9	3 143.5	3 158.1
Shares in associated companies	8.3	8.3	8.3	0.0
Stock and accounts receivable	374.0	623.1	613.5	521.0
Total	4 590.6	4 754.1	4 633.9	4 388.5
Contingent liabilities SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019	31 Dec 2018
Duty guarantees	12.3	11.4	11.4	10.0
Rent guarantees	159.2	186.8	177.7	189.1
PRI	0.0	0.0	0.0	2.0
Other guarantees	0.0	1.0	1.0	0.4
Guarantees for associated companies	6.0	6.0	6.0	6.0
Total	177.5	205.2	196.1	207.5
PARENT COMPANY				
Pledged assets SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019	31 Dec 2018
Floating charges	30.0	30.0	30.0	30.0
Shares in Group companies	1 744.3	1 771.4	1 751.4	1 771.4
Shares in associated companies	8.3	8.3	8.3	8.3
Total	1 782.6	1 809.7	1 789.7	1 809.7
Contingent liabilities SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019	31 Dec 2018
Guarantees for Group companies	601.0	892.5	820.9	940.1
Guarantees for associated companies	6.0	6.0	6.0	0.0
Total	607.0	898.5	826.9	940.1



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. Accounting principles related to the grants can be found in note 1. In several countries, the Group has also taken part in support packages where employees reduce their working hours and receive compensation directly from the government. The financial impact from this is reduced personnel costs, but is not defined as a government grant.

Government grants

During 2020 the Group has received government grants, mainly related to temporary lay-offs, in several countries. Employees reduce their working hours, but can keep main part of their salary and the employer temporary receives government grants to cover main part of the personnel costs for the employees. The table below contains information on total received grants that are recorded as other operating income and grants that are received, but recorded as other liabilities as they relate to costs that have not yet occurred.

	3 months Jul - Sep 2020	9 months Jan - Sep 2020	30 Sep 2020
Other operating income	15.4	63.3	
Other liabilities		5.2	

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. In Sweden, for example, it is possible to get a deferral for three periods and for a maximum of 12 months. 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 2020
Other liabilities	51.3

Government loans

In the US there is a possibility of obtaining a government loan via so-called PPP loans. The Group has chosen to use this opportunity. The table below contains information on government loans received. The loans can be forgiven if certain conditions are met, and the Group's assessment is that it is currently not reasonably certain that the Group will meet the conditions and thus the loans are reported as liabilities.

	30 Sep 2020
Long-term interest-bearing liabilities	19.2
Short-term interest-bearing liabilities	29.4
	48.6

Condensed quarterly consolidated income statements

SEK million

Quarter	2020			2019				2018			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	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	-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	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 %	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	34.7	61.4	20.6	32.3	12.9	15.5	17.2	28.3	19.3	11.3	15.9
External costs	-191.6	-187.7	-311.1	-343.8	-300.3	-330.2	-338.4	-390.6	-323.5	-305.1	-317.2
Personnel costs	-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	-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	-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	-0.4	-0.1	-0.9	0.6	-0.2	-0.3	-0.2	0.1	-1.3	-0.3	0.4
Operating result	176.3	110.1	-24.1	240.3	129.1	119.6	46.0	209.4	117.5	137.3	18.6
Financial income	0.6	2.9	0.5	2.8	2.5	2.2	1.3	1.5	0.7	1.8	1.5
Financial expenses	-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	161.1	92.8	-42.1	219.1	112.1	103.6	32.0	196.6	105.9	130.9	8.4
Tax expense	-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	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	-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	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)*	1.81	1.11	-0.54	2.53	1.45	1.28	0.41	2.42	1.36	1.60	0.10

Quarter	2017				2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1 630.3	1 331.1	1 371.7	1 264.2	1 548.6	1 300.4	1 257.3	1 130.8	1 405.3	1 272.0	1 191.3	1 096.1
Goods for resale	-886.8	-692.8	-745.7	-692.8	-832.3	-693.3	-685.0	-616.3	-773.5	-697.8	-659.1	-595.7
Gross profit	743.5	638.2	626.0	571.4	716.3	607.1	572.3	514.5	631.8	574.2	532.2	500.4
Gross profit margin %	45.6	47.9	45.6	45.2	46.3	46.7	45.5	45.5	45.0	45.1	44.7	45.7
Other operating income	22.9	10.4	7.0	10.9	14.9	14.5	12.2	9.4	8.0	22.1	7.8	9.3
External costs	-304.9	-265.4	-270.1	-288.6	-300.1	-268.5	-249.6	-279.8	-284.0	-273.0	-258.9	-270.1
Personnel costs	-262.2	-217.1	-233.0	-228.1	-242.9	-208.3	-213.0	-217.4	-231.5	-202.8	-212.0	-205.3
Depreciations and write-downs	-18.2	-16.4	-15.7	-15.0	-15.2	-14.1	-13.4	-13.2	-14.2	-13.7	-14.3	-14.9
Other operating costs	-6.1	-7.4	-3.9	-7.8	-6.2	-5.8	-8.1	-5.6	-1.7	-9.3	-6.7	-18.5
Share of associated companies' result	-2.5	0.6	0.2	0.4	0.2	0.0	-0.2	0.2	0.0	-1.2	0.6	0.9
Operating result	172.5	143.0	110.5	43.2	167.0	124.9	100.2	8.1	108.4	96.3	48.7	1.8
Financial income	1.3	1.6	1.0	1.3	0.0	1.0	0.9	1.2	0.7	1.4	3.2	1.9
Financial expenses	-14.3	-14.8	-14.1	-13.8	-15.9	-16.4	-15.7	-15.0	-28.6	-19.0	-16.9	-17.0
Result before tax	159.4	129.8	97.4	30.7	151.1	109.5	85.4	-5.7	80.5	78.7	35.0	-13.3
Tax expense	-12.6	-24.5	-20.3	-5.8	-23.3	-23.0	-18.4	1.1	-17.2	-13.6	-7.2	2.4
Result for the period	146.8	105.3	77.0	24.9	127.8	86.5	67.0	-4.6	63.3	65.1	27.8	-10.9
Total other comprehensive income for the period	45.3	-43.3	-42.4	-12.2	35.1	26.4	47.2	-15.5	-36.9	7.1	-43.9	101.7
Total comprehensive income for the period	192.1	62.0	34.7	12.7	162.9	112.9	114.2	-20.1	26.4	72.2	-16.1	90.8
Earnings per share before and after dilution (SEK)*	2.20	1.60	1.16	0.38	1.90	1.31	1.01	-0.06	0.94	0.98	0.41	-0.17

* 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	2020			2019				2018			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	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 inventories	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	-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	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	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	283.2	251.4	114.6	286.7	-131.1	9.0	-65.1	174.4	-83.0	124.6	6.6
Investing activities	-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	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	-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	1.2	-132.7	0.0	0.0	0.0	-112.8	0.0
Cash flow from financial activities	-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	-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	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	-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	226.8	277.8	257.6	351.3	238.4	182.5	265.0	312.2	192.6	215.4	180.5

Quarter	2017				2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working wcapital	154.9	153.3	105.0	37.8	132.0	116.2	89.4	-4.2	90.6	73.8	54.6	-9.2
Increase/decrease of stock	129.5	-200.4	-63.7	-73.9	151.2	-109.6	62.4	-49.7	175.6	-132.1	-88.5	-200.6
Increase/decrease of current receivables	-78.5	-113.8	-40.4	113.0	31.9	-106.8	-76.9	85.3	85.2	-117.2	-23.0	129.5
Increase/decrease of current liabilities	-71.4	150.5	49.2	-43.3	-34.2	115.7	13.7	32.5	24.1	14.3	1.0	51.4
Changes in working capital	-20.4	-163.7	-54.9	-4.2	148.9	-100.7	-0.8	68.1	284.9	-235.0	-110.5	-19.7
Cash flow from operating activities	134.5	-10.4	50.1	33.6	280.9	15.5	88.6	63.9	375.5	-161.2	-55.9	-28.9
Investing activities	-37.7	-36.9	-16.0	-19.9	-26.3	-25.8	-21.2	-16.3	-24.1	-15.0	-40.7	-26.7
Cash flow after investing activities	96.8	-47.3	34.1	13.7	254.6	-10.3	67.4	47.6	351.4	-176.2	-96.6	-55.6
Increase/decrease of interest-bearing liabilities	-54.6	30.2	47.1	-39.4	-211.4	22.9	16.1	-74.6	-349.1	173.9	179.1	-13.9
Transactions with owners	0.0	0.0	-89.6	0.0	0.0	0.0	-66.3	0.0	0.0	-1.0	-66.3	0.0
Cash flow from financial activities	-54.6	30.2	-42.5	-39.4	-211.4	22.9	-50.2	-74.6	-349.1	172.9	112.8	-13.9
Cash flow for the period	42.2	-17.1	-8.4	-25.7	43.2	12.6	17.2	-27.0	2.3	-3.3	16.2	-69.5
Liquid assets at the beginning of the period	155.6	178.9	191.9	218.9	172.9	157.1	136.3	165.5	167.7	169.5	159.0	216.0
Translation differences in liquid assets	4.6	-6.2	-4.6	-1.3	2.8	3.2	3.6	-2.2	-4.5	1.5	-5.7	12.5
Liquid assets at the end of the period	202.4	155.6	178.9	191.9	218.9	172.9	157.1	136.3	165.5	167.7	169.5	159.0

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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