



New Wave Group AB

2022 *Year-end report*

January - December

NewWave
GROUP

Trademarks

Corporate



Sports & Leisure



Gifts & Home Furnishings



New Wave Group AB

Year-end report

PERIOD 1 OCTOBER - 31 DECEMBER 2022

- Net sales amounted to SEK **2,815.1** million, which was **22%** higher than last year (SEK **2,306.7** million). Currency changes affected net sales positively by **8%** and acquired business by **8%**.
- Operating result amounted to SEK **547.2** (**403.3**) million.
- Result for the period amounted to SEK **446.2** (**308.5**) million.
- Earnings per share amounted to SEK **6.73** (**4.61**).
- Cash flow from operating activities amounted to SEK **-232.9** (**413.3**) million.

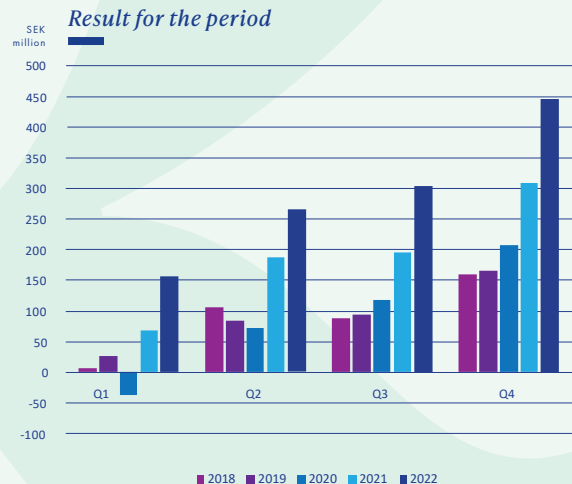
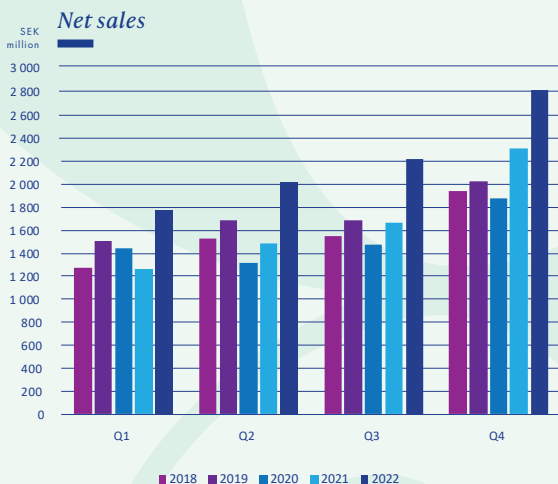
PERIOD 1 JANUARY - 31 DECEMBER 2022

- Net sales amounted to SEK **8,843.6** million, which was **32%** higher than last year (SEK **6,718.6** million). Currency changes affected net sales positively by **8%** and acquired business by **4%**.
- Operating result amounted to SEK **1,505.1** (**1,005.9**) million.
- Result for the period amounted to SEK **1,168.8** (**760.0**) million.
- Earnings per share amounted to SEK **17.62** (**11.46**).
- Cash flow from operating activities amounted to SEK **-360.0** (**1,207.4**) million.
- Equity ratio amounted to **53.8** (**59.6**) %.
- Net debt to equity ratio amounted to **39.5** (**23.4**) %.

ANNUAL GENERAL MEETING

The board proposes that the general meeting decide on:

- A dividend of SEK **6.50** per share, with half-yearly payments of SEK **3.25** per share each (before the split).
- 2:1** split, meaning that an existing share is divided into two shares.



Torsten Jansson

CEO comments

"New Wave has gone from a local to a global company and as a result in 2025 our company will be traded on the OMX Stockholm Large Cap after clearing the OTC list, O list and Mid Cap."



October - December

I am extremely delighted to announce our continued success for the fourth quarter and am very grateful to the entire staff who continue to perform incredibly well!

Net sales increased in the quarter by SEK 508.4 million, from SEK 2,306.7 to SEK 2,815.1 million. Of our three segments, Corporate and Sports & Leisure excelled with growth of 35% and 25% respectively. Our third segment, Gifts & Home Furnishings, decreased by 19%, largely due to the companies in Sweden, which is the dominant market, during 2020 and 2021 had an extra tax deduction for gifts of SEK 2,000 per employee during the COVID pandemic. This extra deduction was removed in 2022, which was noted in last quarter's report. Both sales channels had growth, promo increased by 28% and retail by 13%.

Operating result increased by SEK 143.9 million (36%), to SEK 547.2 million. This occurred despite the fact that Gifts & Home Furnishings decreased SEK 21.4 million compared to the previous year. The operating margin for the quarter was 19.4%, which is again a new all-time high.

We have continued with strong cost control, a solid gross profit margin and increased efficiency per employee.

The inventory has now reached our targeted level which ensures our ability to continue providing excellent service to our customers and therefore enabling continued growth.

Full Year 2022

2022 was our best year ever for both net sales and results. Net sales increased by SEK 2,125.0 million or 32% to SEK 8,843.6 million. Operating result increased by SEK 499.2 million and was SEK 1,505.1 million with an operating margin of 17.0%, which is the highest ever. It is remarkable that these great results were achieved during a year where the world saw much turbulence, including the war in Ukraine and the extended impacts of the COVID pandemic, especially in China. Later in the year, we encountered higher electricity costs, increased interest rates and high inflation in many markets. Despite these worldwide challenges, both of our sales channels increased, promo by 37% and retail by 24%. Of the segments, Gifts & Home Furnishings decreased 5%, while Corporate increased 40% and Sports & Leisure 35%.

Cash flow and balance sheet

We continue to have a very strong balance sheet with an equity ratio of 53.8%. We ended the year,

with unused capacity in our bank line of SEK 1,245.8 million. We accomplished this while building the inventory to our targeted level; completing the acquisition of BTC; and growing accounts receivable to be in line with increased net sales. Our strong balance sheet not only provides security, but also enables continued organic growth such as acquisitions.

The future

Our company is well positioned for the future. With the highest operating margin ever last year, 17.0%, we have shown that we can not only meet, but exceed, our targets.

With high inflation, higher interest rates and energy prices, the future is likely to experience a weaker market. The company is in a great position to navigate the economic challenges with our strong brands, products, level of service and inventory levels compared to most competitors. This allows us the opportunity to execute our strategy of taking market shares and do acquisitions, for which our company has both the capacity and finances to do.

New Wave has gone from a local to a global company and as a result in 2023 our company will be traded on the OMX Stockholm Large Cap after clearing the OTC list, O list and Mid Cap.

It is our goal and responsibility to ensure that the future continues to be successful. We will therefore increase the investing in product development, marketing and new establishments. These investments will temporarily reduce our operating margin, but the goal is still to average at least 15% over the next few years and therefore better situate the company to maintain healthy growth for the next 10 years.

In summary we have built a fantastic platform with which to create an even larger and more successful company and I look to the future with great optimism!

My sincere thanks to everyone for contributing to our success!

..... Q4


Torsten Jansson
 CEO

The period

Comments on the period

Summary of the quarter October - December

The year ended with continued strong development. Both net sales and profit improved positively compared to the previous year. The positive development is attributable to the Corporate and Sports & Leisure segments, and it is mainly the USA and Europe regions that increase their net sales. The group increased net sales in both sales channels. The gross profit margin has also continued to improve and is higher than the previous year. Costs increased, which was mainly related to the higher net sales and more market activities. Overall, the period's result improved by SEK 137.7 million and amounted to SEK 446.2 (308.5) million.



Craft

Craft pays tribute to IFK Göteborg's supporters' club "Änglarna", who are celebrating 50 years as a club, with a retro-inspired match shirt.

The group's net sales increased by **22%** (of which currency changes had a positive effect of **8%** and acquired operations of **8%**). The Corporate and Sports & Leisure segments increased by **35%** and **25%** respectively, and both segments had higher net sales in most regions. Gifts & Home Furnishings decreased by **19%** and all regions except the Nordics (excluding Sweden) had lower net sales than last year.

The promo sales channel increased by **28%** and retail sales improved by **13%**. Corporate increased in promo, while Sports & Leisure increased in both sales channels and Gifts & Home Furnishings decreased in both sales channels.

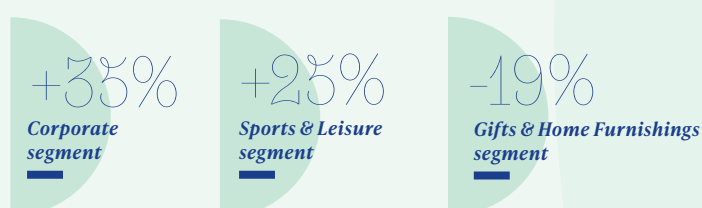
The gross profit margin improved compared to the previous year and amounted to **49.7 (47.8) %**. It was in the Corporate and Sports & Leisure segments that there was an improvement, while Gifts & Home Furnishings decreased compared to last year.

The group's external costs increased compared to the previous year, which is attributable to volume-related costs and marketing activities. Personnel costs increased and are due to more employees. The increase is comparable to the previous quarter of the year and is attributable to last year's strong savings. The group has a workforce that is adapted to current volumes.

The operating result improved by SEK **143.9** million compared to the previous year and amounted to SEK **547.2 (403.3)** million, and the operating margin amounted to **19.4 (17.5) %**.

Cash flow from operating activities amounted to SEK **-232.9 (413.3)** million. The lower cash flow is primarily an effect of higher merchandise purchases, which is based on the high demand and forecasted sales increase. The inventory increased by SEK **2,360.1** million and amounted to SEK **5,297.7 (2,937.6)** million, of which the exchange rate change when converting to SEK has increased the value by SEK **289.5** million. Acquired operations increased the inventory value by SEK **264.8** million.

CHANGE IN NET SALES



October - December

Net sales

Net sales amounted to SEK **2,815.1** million, which was **22%** higher than the previous year (SEK **2,306.7** million). The exchange rate effects had a positive impact on turnover with SEK **183.9** million, or **8%**. Acquired operations affected SEK **179.6** million, or **8%**.

Net sales in the USA increased by **40%** and the improvement occurred in Corporate and Sports & Leisure. Sweden reduced its net sales by **9%** with a decrease in Sports & Leisure and Gifts & Home Furnishings while Corporate increased. In Central and Southern Europe, net sales increased by **75%** and **32%** respectively, and the regions increased in Corporate and Sports & Leisure but decreased in Gifts & Home Furnishings. The Nordic region excluding Sweden improved by **15%** compared to the previous year. The increase occurred in all segments. Other countries decreased by **8%**. The decrease was related to Asia and trading activities in the Corporate segment, while Canada increased by **31%** in the Corporate and Sports & Leisure segments.

The promo sales channel increased by **28%** and retail sales improved by **13%**. Promo improved in Corporate and Sports & Leisure but decreased in Gifts & Home Furnishings. Retail increased in Sports & Leisure but decreased in Corporate and Gifts & Home Furnishings.

Gross profit

The gross profit margin improved compared to the previous year and amounted to **49.7 (47.8) %**. The Corporate and Sports & Leisure segments improved their margin, while Gifts & Home Furnishings decreased compared to the previous year.

Other operating income and other operating costs

Other operating income increased by SEK **12.8** million to SEK **36.7 (23.9)** million. Other operating income mainly refers 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. Other operating expenses increased by SEK **2.7** million and amounted to SEK **-12.6 (-9.9)** million. The net of the above-mentioned items amounted to SEK **24.1 (14.0)** million.

Costs and depreciations

External costs increased by SEK **103.5** million and amounted to SEK **-454.4 (-350.9)** million. The increase is mainly related to volume-related costs and more marketing activities. Personnel costs increased by

SEK **48.9** million and amounted to SEK **-350.3 (-301.4)** million. The increase is on a par with previous quarters, when the group returned to more normal operations after the major savings made in the workforce during last year.

Exchange rate changes increased the above-mentioned costs by SEK **66.4** million. Acquired operations increased costs by SEK **26.9** million.

Depreciation and write-downs were slightly higher compared to the previous year and amounted to SEK **-71.5 (-61.5)** million. The increase is related to depreciation of the right-of-use asset linked to leasing.

Operating result

Operating result improved by SEK **143.9** million compared to the previous year and amounted to SEK **547.2 (403.3)** million. The improved operating result is related to a higher net turnover and improved gross profit margin. The operating margin increased and amounted to **19.4 (17.5) %**. Acquired operations contributed SEK **17.9** million.

Net financial items and tax

The financial net amounted to SEK **-22.0 (-9.9)** million. The increase is related to the fact that the group's net debt has increased and that interest rates are higher than last year.

Tax on the period's results amounted to SEK **-79.0 (-84.9)** million and the effective tax rate amounted to **15.0 (21.6) %**. The lower tax rate is mainly related to a positive change in deferred tax assets.

Result for the period

The result for the period improved by SEK **137.7** million and amounted to SEK **446.2 (308.5)** million. Earnings per share amounted to SEK **6.73 (4.61)**.



Company profiling

New Wave Mode provides Scandinavia and parts of Europe with high-quality profile clothing and service.

Summary 2022

The first quarter of the year delivered a record quarter. Net sales increased by **41%** (excl. currency **36%**) and amounted to SEK **1,774.9** million, which was a record for a first quarter. The recovery in the market was rapid after restrictions were reduced or removed in Europe and the USA. Both of our sales channels increased and all three segments had growth. All geographic regions also showed growth. The group more than doubled operating result from SEK **100.1** million to SEK **209.1** million. However, there was no shortage of challenges in the short term. The war in Ukraine started as well as the development of COVID-19 in China with large and long lockdowns. Both of these exacerbated the strained situation that has existed in the previous year and continues to impact product supply and logistics. We were able to successfully manage through these challenging conditions. We continued to gain market share in most areas and we noted a strong recovery in the US for all companies. Craft signed agreements with the Norwegian national teams in cross-country skiing and biathlon and extended the agreement with Hammarby Fotboll for another 5 years (until 2028).

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

The third quarter of the year also had a very strong development. Net sales and earnings developed positively compared to the previous year. The improvement was due to strong development in the Corporate and Sports & Leisure segments. The group increased net sales in both sales channels and in all regions. In



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

The year ended with continued strong development. Both net sales and profit improved positively compared to the previous year. The growth occurred primarily in the regions USA and Europe. The group increased net sales in both sales channels. The positive development is attributable to the Corporate and Sports & Leisure segments, while Gifts & Home Furnishings decreased. The reduction was largely related to the fact that in Sweden, which is the dominant market, had an extra tax deduction of SEK 2,000 per employee was made during the COVID-19 pandemic - this was removed in 2022.

BTC

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

The gross profit margin has also continued to improve and is higher than the previous year. Costs increased, which was mainly related to the higher net sales and higher market activities. Operating result increased by SEK 143.9 million (36%), to SEK 547.2 million, and this despite the fact that Gifts & Home Furnishing decreased SEK 21.4 million compared to the previous year. The operating margin for the quarter was 19.4%, which is a new record.

Net sales for the year amounted to SEK 8,843.6 million, which was an increase of 32% (24% excluding currency changes) compared to the previous year. The group's acquisition of B.T.C. Activewear Ltd had a positive impact of SEK 247.0 million or 4%. Both sales channels increased compared to last year. Corporate increased by 40%, of which acquired operations had a positive effect of 8%. The segment has had a good development throughout the year as events, conferences and other company activities returned after the pandemic. At the same time, costs have been kept at a good level, which has increased the operating margin. Sports & Leisure also had a strong development and increased by 35%. The segment increased in all regions, but mainly in the American and European regions, where the recovery from last year has been good. Investments in Craft have continued and the brand is developing well. In this segment too, we have good cost control and an improvement in the operating margin. Net sales for Gifts & Home Furnishings reduced by 5%. The lower

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

The higher net sales, improved gross profit margin and good cost control resulted in an operating result of SEK 1,505.1 million and an operating margin that amounted to 17.0%. During the year, the group built up the inventory to meet forecasted demand and also made an acquisition in Great Britain. The inventory build-up and the acquisition have increased our indebtedness and this, together with higher interest rates, has resulted in a lower net financial position. The year's profit amounted to SEK 1,168.8 (760.0) million. The cash flow from operations was negative and amounted to SEK -360.0 (1,204.4) million, which is a result of a higher inventory, higher turnover and higher accounts receivable. The supply of goods has been well managed, although we had experienced some delays throughout the year. Investment activities increased due to the acquisition and amounted to SEK -522.2 (-114.2) million. The equity ratio decreased and amounted to 53.8 (59.6) % and the group's net debt increased by SEK 1,260.8 million and amounted to SEK 2,329.6 (1,068.8) million as of December 31.

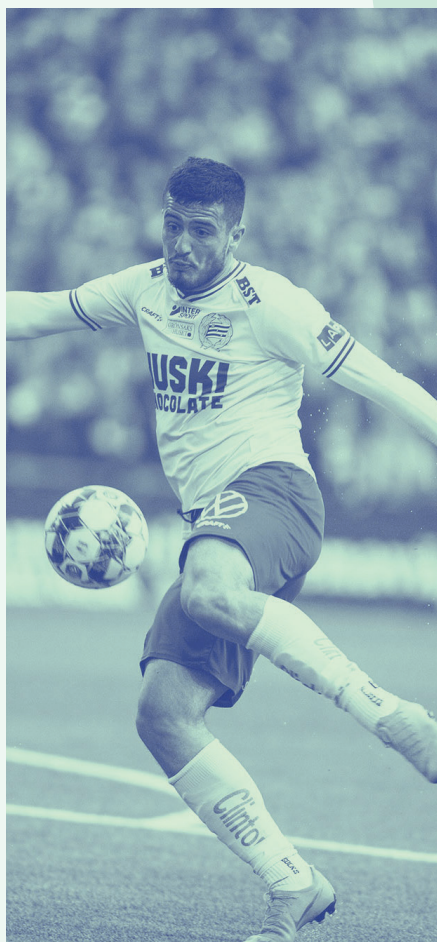
Cutter & Buck

Cutter & Buck's collection offers a wide range of lightweight, quick-drying, breathable clothing designed with stretch in focus for maximum freedom of movement.



Craft

Craft's work with team sports continued during 2022, where one of the latest collaborations was with Swedish Volleyball.



From the football field - to the supporters - to the chancellery.

With its own range and New Wave's other brands, Craft is more or less complete supplier for both clubs and associations, which is something that other suppliers cannot offer.

Delivering on the field is given, but we can take it further as to cover everything from the supporters' coffee cup or the office, to the professional clothes of the caretaker, or the supporters' shirts on the stands. Even celebrating the victory in an Orrefors glass, naturally with a Hammarby logo on it.

January - December

Net sales

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

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

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

Gross profit

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

Other operating income and other operating costs

Other operating income increased by SEK **12.4** million to SEK **123.9 (111.5)** million. Last year's figure includes forgiven government loans (PPP loans) in the USA of SEK **44.2** million. See also note **8** regarding information related to COVID-19. In addition to the above-mentioned support, other operating income primarily includes the operation's exchange rate gains and must be offset against the profit line other operating expenses where the operation's exchange rate losses are reported. Other operating expenses increased by SEK **45.7** million and amounted to SEK **-67.4 (-21.7)** million. The net of the above-mentioned items amounted to SEK **56.5 (89.8)** million.

Costs and depreciations

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

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

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

Operating result

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

Net financial items and tax

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

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

Result for the period

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

Reporting of operating segments

New Wave Group divides its operations into the segments Corporate, Sports & Leisure and Gifts & Home Furnishings. The Group monitors the segments' and brands' sales as well as operating result. The operating segments are based on the Group's operational management.



Corporate

Net sales for the fourth quarter increased by 35% and amounted to SEK 1,359.0 (1,005.1) million. Acquired operations had a positive impact of SEK 179.6 million or 18%. Sales increased in all regions except Other countries. The decrease in this region was related to lower net sales for trading operations in Asia. The promo sales channel increased its net sales while retail sales decreased. Operating result improved by SEK 110.0 million and amounted to SEK 296.6 (186.6) million. The higher result is mainly related to a higher net turnover but also an improved gross profit margin. Acquired operations contributed SEK 17.9 million.

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

Sports & Leisure

Net sales during the period October-December increased by 25% and amounted to SEK 1,146.8 (921.1) million. The segment had higher net sales in all regions and both sales channels increased. Operating result improved by SEK 55.2 million and amounted to SEK 218.1 (162.9) million. The higher result is related to the higher net sales and improved gross profit margin, but the segment also had higher costs.

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



Gifts & Home Furnishings

Net sales for the fourth quarter decreased by 19% and amounted to SEK 309.2 (380.5) million. The segment has lower net sales in all regions except the Nordics (excluding Sweden). Sales decreased in both sales channels. Operating result decreased by SEK 21.4 million compared to last year and amounted to SEK 32.5 (53.9) million. The lower net sales and the lower result is largely because the companies in Sweden, which is the dominant market in the segment, during the COVID-19 pandemic (2020 and 2021) had the opportunity for an extra tax deduction for gifts to staff of SEK 2,000 per employee. This additional deduction was removed in 2022.

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

Capital tied up

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

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

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

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

Investments, financing and liquidity

The quarter's cash flow from operating activities amounted to SEK -232.9 (413.3) million. The lower cash flow is attributed to higher merchandise purchases. Cash flow from investment activities amounted to SEK -8.3 (-42.1) million.

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

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

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

During the quarter, the group took up a new long-term loan that runs through 2028. The total

credit line therefore amounted to SEK **2,881.2** million as of December 31, of which USD **7.0** million runs through January 2024, SEK **2,150.0** million runs through December 2025, SEK **207.8** million runs through August 2027 and SEK **200.0** million has a term that runs through December 2028. The other SEK **250.0** million has a term of between three months and six years. The credit line is limited in amount to and dependent on the value of certain underlying assets. The financing agreement means that key figures (covenants) must be met in order to maintain the credit line.

Acquisition

During the third quarter, New Wave Group AB acquired **100%** of the shares in the British profile clothing company B.T.C. Activewear Limited. The purchase price amounted to GBP **33** million, see also note 9.

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

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

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

Personnel and organization

The average number of annual employees as of December 31 amounted to **2,312 (2,060)** people, of which **49%** were men and **51%** were women. Of the number of employees, **481 (400)** people work in production.

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

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. They can be tested more frequently if there are indications that the value has decreased. In an impairment test, the recoverable amount needs to be determined by a calculation of the respective cash-generating unit's value in use. The value in use is based on established cash flow projections for the next five years, and a long-term growth rate, known as terminal growth. The most important assumptions in determining the value in use include growth rate, operating margin and discount rate (WACC). When calculating the discount rate, an assessment of financial factors such as interest rates, borrowing costs, market risk, beta values and tax rates will be carried out. As the cash generating units have different characteristics, each unit is assessed after its commercial factors. The estimated cost of capital (WACC) is considered to be representative of all cash generating units. The cash flow forecasts that form the basis for the impairment test are based on the five year forecast adopted by the Board (2023- 2027) and thereafter a terminal growth of **2.0 (2.0)%**. In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of **10.2 (10.2)%** before tax is used.

Based on the tests and analyses that have been carried out during the quarter, there is currently no need for impairment, nor for impairment of the comparison year.

Related party transactions

Lease agreements exist with related companies. Related companies to the CEO have purchased 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 **40.3 (30.8)** million. The result before year-end appropriations and tax amounted to SEK **-2.8 (92.9)** million. The lower result is attributable to lower dividends from foreign subsidiaries. The net debt amounted to SEK **1,861.0 (552.2)** million. The parent company's net financing to subsidiaries amounted to SEK **2,533.9 (1,192.5)** million. The cash flow from investment activities amounted to SEK **-0.2 (123.8)** million, where last year's figure includes a larger amortization related to long-term receivables from group companies. The balance sheet total amounted to SEK **5,744.0 (3,875.0)** million and the equity, including the equity share of untaxed reserves, to SEK **2,663.3 (2,557.6)** million.

Total revenue for the period January-December amounted to **161.7 (108.4)**. Result before year-end appropriations and tax amounted to SEK **257.0 (474.7)** million. The deterioration in earnings is attributable to lower dividends from foreign subsidiaries. The cash flow from investment activities amounted to SEK **-408.9 (285.8)** million. This year's figure includes the acquisition of B.T.C. Activewear Ltd, while last year's figure includes a larger amortization related to long-term receivables from group companies.

Annual General Meeting

The annual general meeting takes place on 16 May at 1 pm in Kosta. The annual report is expected to be available on April 14 at the company's head office in Gothenburg.

Dividend

The company's dividend policy is that **40%** of the net profit must be distributed over a business cycle.

The board proposes that the general meeting decide on a dividend of SEK **6.50 (4.25)** per share, a total of SEK **431,233,030 (281,960,058)**, with half-yearly payments of SEK **3.25** per share each (before the split). This means that the second dividend ends up at SEK **1.625** per share after the split has been completed. The dividend corresponds to **37%** of the net profit.

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

Nomination committee

The nomination committee for the board election at the 2023 Annual General Meeting is

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

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

..... 2022

Gothenburg, February 10, 2023

New Wave Group AB (publ)



Olof Persson
Chairman of the Board



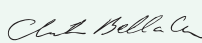
Jonas Eriksson
Member of the Board



M. Johan Widerberg
Member of the Board



Ingrid Söderlund
Member of the Board



Christina Bellander
Member of the Board



Ralph Mühhrad
Member of the Board



Torsten Jansson
CEO and Group CEO

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BYON

Calendar

26 APR	Interim report for the first quarter
16 MAY	Annual General Meeting
16 AUG	Interim report for the second quarter
7 NOV	Interim report for the third quarter

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

Consolidated income statement

SEK million	Note	3 months Oct - Dec 2022	3 months Oct - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021
Net sales	3, 4, 5	2 815.1	2 306.7	8 843.6	6 718.6
Goods for resale		-1 415.4	-1 203.3	-4 468.4	-3 489.3
Gross profit		1 399.7	1 103.4	4 375.2	3 229.3
Other operating income	8	36.7	23.9	123.9	111.5
External costs		-454.4	-350.9	-1 470.3	-1 067.9
Personnel costs		-350.3	-301.4	-1 205.3	-1 016.9
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	3	-71.5	-61.5	-249.2	-227.3
Other operating costs		-12.6	-9.9	-67.4	-21.7
Share of associated companies' result		-0.4	-0.3	-1.8	-1.1
Operating result	3	547.2	403.3	1 505.1	1 005.9
Financial income		0.5	0.7	3.7	3.0
Financial expenses		-22.5	-10.6	-58.7	-46.0
Net financial items		-22.0	-9.9	-55.0	-43.0
Result before tax		525.2	393.4	1 450.1	962.9
Tax expense		-79.0	-84.9	-281.3	-202.9
Result for the period		446.2	308.5	1 168.8	760.0
Other comprehensive income:					
Items that can be reclassified into profit or loss:					
Translation differences		-116.3	87.5	434.2	230.3
Cash flow hedges		-13.6	0.0	2.4	3.3
Sum		-129.9	87.5	436.6	233.6
Income tax related to components of other comprehensive income		2.8	0.0	-0.5	-0.7
Total other comprehensive for the period		-127.1	87.5	436.1	232.9
Total comprehensive income for the period		319.1	396.0	1 604.9	992.9
Result for the period attributable to:					
Shareholders of the Parent company		446.3	305.9	1 168.8	760.3
Non-controlling interest		-0.1	2.6	0.0	-0.3
		446.2	308.5	1 168.8	760.0
Total comprehensive income attributable to:					
Shareholders of the Parent company		319.1	393.5	1 604.9	992.8
Non-controlling interest		0.0	2.6	0.0	0.1
		319.1	396.0	1 604.9	992.9
Earnings per share (SEK)		6.73	4.61	17.62	11.46
The average number of outstanding shares		66 343 543	66 343 543	66 343 543	66 343 543

Consolidated cash flow statement

SEK million	Note	3 months Oct - Dec 2022	3 months Oct - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021
Operating activities					
Operating result		547.3	403.3	1 505.1	1 005.9
Adjustment for items not included in cash flow		88.9	75.2	253.7	194.8
Received interest		5.9	0.4	7.6	1.8
Paid interest		-28.0	-10.3	-62.7	-44.8
Paid income tax		-147.8	-64.5	-320.6	-164.7
Cash flow from operating activities before changes in working capital		466.3	404.1	1 383.2	993.0
Changes in working capital					
Increase/decrease of inventories		-525.1	59.7	-1 983.1	57.8
Increase/decrease of current receivables		-71.1	-194.6	-186.8	-269.9
Increase/decrease of current liabilities		-103.0	144.1	426.7	426.5
Cash flow from changes in working capital		-699.2	9.2	-1 743.2	214.4
Cash flow from operating activities		-232.9	413.3	-360.0	1 207.4
Investing activities					
Investments in tangible fixed assets		-9.1	-36.9	-123.7	-105.3
Sales of tangible fixed assets		0.4	0.0	10.7	9.9
Investments in intangible fixed assets		0.4	-6.0	-10.5	-18.8
Acquisition of shares	9	0.0	0.0	-398.7	0.0
Raised long-term receivables		0.0	0.8	0.0	0.0
Repayment of long-term receivables		0.0	0.0	0.0	0.0
Cash flow from investing activities	3	-8.3	-42.1	-522.2	-114.2
Cash flow after investing activities		-241.2	371.2	-882.2	1 093.2
Financial activities					
Loans raised		454.0	0.0	1 465.6	0.0
Amortization of loans		-28.4	-50.9	-111.3	-706.5
Amortization of lease liabilities		-36.4	-31.7	-138.2	-126.5
Acquisition of non-controlling interests		0.0	-12.5	0.0	-12.5
Dividend paid to the shareholders of the Parent company		0.0	-265.4	-282.0	-265.4
Cash flow from financial activities		389.2	-360.5	934.1	-1 110.9
Cash flow for the period		148.0	10.7	51.9	-17.7
Liquid assets at the beginning of the period		279.2	311.0	327.9	325.1
Translation differences in liquid assets		-7.8	6.2	39.6	20.5
Liquid assets at the end of the period		419.4	327.9	419.4	327.9
Liquid assets					
Cash at bank and in hand		419.4	327.9	419.4	327.9

Consolidated balance sheet

SEK million	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Intangible fixed assets	3	1 768.5	1 474.7
Tangible fixed assets	3	1 319.6	1 258.3
Shares in associated companies		38.7	38.7
Other long-term receivables		13.9	11.8
Deferred tax assets	3, 5	129.2	93.5
Total non-current assets	5	3 269.9	2 877.0
Inventory		5 297.7	2 937.6
Current tax receivables		30.2	16.7
Accounts receivable		1 664.1	1 359.6
Other receivables		169.6	86.3
Prepaid expenses and accrued income		92.7	55.3
Liquid assets		419.4	327.9
Total current assets		7 673.7	4 783.6
TOTAL ASSETS	3, 6	10 943.6	7 660.6
EQUITY			
Share capital		199.0	199.0
Other capital contributions		219.4	219.4
Reserves		927.9	489.4
Retained earnings including result for the period		4 543.1	3 658.8
Equity attributable to shareholders of the Parent company		5 889.4	4 566.7
Non-controlling interest		1.1	0.9
Total equity		5 890.5	4 567.6
LIABILITIES			
Long-term interest-bearing liabilities	7, 8	2 418.4	1 166.8
Pension provisions		24.1	19.4
Other provisions		7.2	7.1
Deferred tax liabilities		159.2	138.4
Total non-current liabilities		2 608.9	1 331.6
Short-term interest-bearing liabilities	7, 8	330.6	229.9
Accounts payable		1 404.8	926.1
Current tax liabilities		104.4	89.9
Other liabilities	8	174.7	163.6
Accrued expenses and prepaid income		429.7	351.9
Total current liabilities		2 444.2	1 761.4
Total liabilities	3, 6	5 053.1	3 093.0
TOTAL EQUITY AND LIABILITIES		10 943.6	7 660.6

Consolidated statement of changes in equity

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

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the 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				1 168.8	1 168.8	0.0	1 168.8
Other comprehensive income							
Translation differences			434.0		434.0	0.2	434.2
Cash flow hedges for the period			2.4		2.4		2.4
Reclassification of previous years' cash flow hedge			2.6	-2.6	0.0		0.0
Income tax related to components of other comprehensive income			-0.5		-0.5		-0.5
Transactions with shareholders							
Dividends to shareholders of the Parent company				-282.0	-282.0		-282.0
Acquisitions of non-controlling interest					0.0		0.0
Closing balance 2022-12-31	199.0	219.4	927.9	4 543.1	5 889.4	1.1	5 890.5

	Jan - Dec 2022	Jan - Dec 2021
Accumulated translation differences in equity		
Accumulated translation differences at the beginning of the period	497.0	266.7
Translation differences in foreign Group companies for the period	434.2	230.3
Accumulated translation differences at the end of period	931.2	497.0

Financial key figures

	3 months Oct - Dec 2022	3 months Oct - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021
Net sales growth, %	22.0	23.1	31.6	10.2
Organic growth, %	6.3	22.2	20.8	12.9
Aquired growth, %	7.8		3.7	
Average number of employees	2 312	2 060	2 312	2 060
Gross profit margin, %	49.7	47.8	49.5	48.1
Operating margin before depreciations, %	22.0	20.1	19.8	18.4
Operating margin, %	19.4	17.5	17.0	15.0
Profit margin, %	18.7	17.1	16.4	14.3
Net margin, %	15.8	13.4	13.2	11.3
Return on shareholders' equity, %	25.0	18.0	25.0	18.0
Return on capital employed, %	20.7	16.9	20.7	16.9
Equity ratio, %	53.8	59.6	53.8	59.6
Net debt, SEK million	2 329.6	1 068.8	2 329.6	1 068.8
Net debt to credit institutes, SEK million	1 635.4	375.1	1 635.4	375.1
Net debt to equity ratio, %	39.5	23.4	39.5	23.4
Net debt in relation to working capital, %	44.7	35.7	44.7	35.7
Interest coverage ratio, times	24.4	38.1	25.7	21.9
Capital turnover, times	1.0	0.9	1.0	0.9
Inventory turnover, times	1.1	1.2	1.1	1.2
Cash flow before investments, SEK million	-232.9	413.3	-360.0	1 207.4
Net investments, SEK million	-8.3	-42.1	-522.2	-114.2
Cash flow after investments, SEK million	-241.2	371.2	-882.2	1 093.2
Shareholders' equity per share, before and after dilution, SEK	88.77	68.83	88.77	68.83
Share price as of the balance sheet date, SEK	206.40	167.80	206.40	167.80
Dividend/share, SEK	-	4.00	4.25	4.00
P/E-ratio	11.72	14.64	11.72	14.64
P/S-ratio	1.55	1.66	1.55	1.66
Share price/Shareholders' equity	2.33	2.44	2.33	2.44

For definitions of alternative performance measures, see page 34.

Income statement

SEK million	3 months Oct - Dec 2022	3 months Oct - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021
Net sales	25.6	22.5	100.1	90.4
Other operating income	14.8	8.2	61.6	18.0
Total income	40.3	30.8	161.7	108.4
External costs	-20.3	-15.5	-70.4	-62.6
Personnel costs	-12.4	-12.1	-45.5	-41.5
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-0.9	-1.3	-4.5	-5.4
Other operating costs	-11.9	-7.1	-52.4	-14.3
Operating result	-5.1	-5.2	-11.2	-15.4
Result from shares in Group companies	8.6	79.9	247.2	470.6
Changes in write-downs of financial assets	-15.1	15.0	-4.3	7.1
Financial income	33.6	8.6	69.7	36.3
Financial expenses	-24.7	-5.5	-44.5	-23.9
Net financial items	2.4	98.1	268.1	490.1
Result before appropriations and tax	-2.8	92.9	257.0	474.7
Appropriations	125.3	144.9	125.3	144.9
Tax expense	-22.4	-26.9	-24.6	-26.9
Result for the period	100.1	211.0	357.6	592.8

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

Cash flow statement

	Note	3 months Oct - Dec 2022	3 months Oct - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021
SEK million					
Operating activities					
Operating result		-5.1	-5.2	-11.2	-15.4
Adjustment for items not included in cash flow		-2.2	6.6	42.1	-0.5
Received dividends		8.6	470.6	247.2	470.6
Received interest		33.6	8.6	69.7	36.3
Paid interest		-24.7	-5.5	-44.5	-23.9
Paid income tax		-4.4	-4.4	-26.3	-13.2
Cash flow from operating activities before changes in working capital		5.8	470.7	277.1	453.8
Changes in working capital					
Increase/decrease in current receivables		-391.7	-363.8	-1 333.2	49.7
Increase/decrease in current liabilities		75.1	141.6	459.6	65.1
Cash flow from changes in working capital		-316.6	-222.2	-873.6	114.8
Cash flow from operating activities		-310.8	248.5	-596.5	568.6
Investing activities					
Shareholder contributions to Group companies		0.0	-20.4	0.0	-20.4
Investments in associated companies		0.0	0.0	0.0	0.0
Investments in tangible fixed assets		-0.1	0.3	-0.2	0.0
Investments in intangible fixed assets		-0.5	0.0	-0.5	-6.1
Acquisition of shares	9	0.0	-12.5	-409.2	-12.5
Intra-Group sales of Group companies		0.0	0.0	0.0	0.0
Changes in long-term loans to Group companies		0.5	156.4	1.5	324.9
Raised long-term receivables		-0.1	0.0	-0.5	-0.1
Cash flow from investing activities		-0.2	123.8	-408.9	285.8
Cash flow after investing activities		-311.0	372.3	-1 005.4	854.5
Financial activities					
Loans raised		385.6	0.0	1 388.4	0.0
Amortization of loans		-74.8	-109.0	-101.5	-588.8
Dividend paid to shareholders of the Parent company		0.0	-265.4	-282.0	-265.4
Cash flow from financial activities		310.8	-374.4	1 004.9	-854.2
Cash flow for the period		-0.2	-2.2	-0.5	0.1
Liquid assets at the beginning of the period		0.2	2.7	0.5	0.4
Liquid assets at the end of the period		0.0	0.5	0.0	0.5
Liquid assets					
Cash at bank and in hand		0.0	0.5	0.0	0.5

Balance sheet

SEK million	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Intangible fixed assets		5.9	8.8
Tangible fixed assets		2.7	3.5
Shares in Group companies		2 644.6	2 256.0
Shares in associated companies		38.1	38.1
Receivables on Group companies		31.0	32.5
Other long-term receivables		6.0	5.5
Total non-current assets		2 728.3	2 344.4
Accounts receivable		0.8	0.7
Receivables on Group companies		2 988.8	1 481.6
Current tax receivables		-10.8	0.0
Other receivables		25.6	39.4
Prepaid expenses and accrued income		11.3	8.5
Liquid assets		0.0	0.5
Total current assets		3 015.8	1 530.6
TOTAL ASSETS		5 744.0	3 875.0
EQUITY			
Share capital		199.0	199.0
Restricted reserves		249.4	249.4
Total restricted equity		448.4	448.4
Retained earnings		1 699.9	1 389.1
Share premium reserve		48.0	48.0
Result for the period		357.6	592.8
Total unrestricted equity		2 105.5	2 029.9
Total equity		2 553.9	2 478.3
Untaxed reserves		137.7	99.9
LIABILITIES			
Long-term interest-bearing liabilities	7	1 733.6	458.0
Total non-current liabilities		1 733.6	458.0
Short-term interest-bearing liabilities	7	127.5	94.6
Accounts payable		696.8	399.1
Liabilities to Group companies		485.9	321.6
Current tax liabilities		0.0	12.4
Other liabilities		0.8	1.2
Accrued expenses and prepaid income		7.8	9.9
Total current liabilities		1 318.8	838.8
Total liabilities		3 052.4	1 296.8
TOTAL EQUITY AND LIABILITIES		5 744.0	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 2021-01-01	199.0	249.4	1 552.4	48.0	102.1	2 151.0
Transfer according to decision at AGM			102.1		-102.1	0.0
Result for the period					592.8	592.8
Total changes excluding transactions with shareholders	0.0	0.0	0.0	0.0	592.8	592.8
Dividends			-265.4			-265.4
Closing balance 2021-12-31	199.0	249.4	1 389.1	48.0	592.8	2 478.3

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the 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					357.6	357.6
Total changes excluding transactions with shareholders	0.0	0.0	0.0	0.0	357.6	357.6
Dividends			-282.0			-282.0
Closing balance 2022-12-31	199.0	249.4	1 699.9	48.0	357.6	2 553.9



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 year-end for the Parent Company has been prepared according the Annual Accounts Act as well as RFR 2 Reporting for Legal Entities. Applied accounting policies are otherwise consistent with the 2021 Annual Report.

New accounting policies for 2022

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

Note 2 - Risks and risk control

NewWaveGroup's international operations mean that it is continuously exposed to various financial risks. The financial risks are interest rate risks, currency, liquidity and credit risks. In order to minimize the effect these risks may have on earnings, the Group has a risk policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2021, note 16, p. 98-104. The Annual Report is available at the Group's headquarters in Gothenburg, Sweden, as well as at www.nwg.se.

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

During 2020, the world was hit by a pandemic caused by COVID-19. New Wave Group has been largely affected by the spread of COVID-19 and the demand for the Group's products and services was significantly reduced also during the previous year. New outbreaks in China with large and long shutdowns risk exacerbating the situation that has existed in product supply and logistics.



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

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

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

Note 3 - Reporting of operating segments

Net sales and operating result per operating segment

SEK million	3 months Oct - Dec 2022	3 months Oct - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021
Corporate				
Net sales	1 359.0	1 005.1	4 152.0	2 971.6
Operating result	296.6	186.6	813.1	440.8
Sports & Leisure				
Net sales	1 146.8	921.1	3 782.3	2 792.5
Operating result	218.1	162.9	647.3	466.0
Gifts & Home Furnishings				
Net sales	309.2	380.5	909.3	954.5
Operating result	32.5	53.9	44.7	99.1
Total net sales	2 815.1	2 306.7	8 843.6	6 718.6
Total operating result	547.2	403.3	1 505.1	1 005.9
Total operating result	547.2	403.3	1 505.1	1 005.9
Net financial items	-22.0	-9.9	-55.0	-43.0
Result before tax	525.2	393.4	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
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
31 Dec 2021						
Corporate	4 425.7	1 078.8	32.8	-60.9	-144.4	2 090.3
Sports & Leisure	2 742.7	1 317.6	45.3	-29.2	-66.5	749.5
Gifts & Home Furnishings	492.2	336.6	15.4	-24.1	-16.4	253.3
Total	7 660.6	2 733.0	93.5	-114.2	-227.3	3 093.0

* Financial fixed assets are not included

Note 4 - Net sales per sales channel and operating segment

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months
	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec
	2022	2021	2022	2021	2022	2021	2022	2021
Promo	1 351.6	995.6	309.6	236.5	111.2	148.1	1 772.5	1 380.2
Retail	7.4	9.5	837.2	684.6	198.0	232.4	1 042.6	926.5
Total	1 359.0	1 005.1	1 146.6	921.1	309.2	380.5	2 815.1	2 306.7

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 Oct - Dec 2022	3 months Oct - Dec 2021	3 months Oct - Dec 2022	3 months Oct - Dec 2021	3 months Oct - Dec 2022	3 months Oct - Dec 2021	3 months Oct - Dec 2022	3 months Oct - Dec 2021	
USA	98.9	73.5	500.7	347.3	23.0	23.9	622.6	444.7	40%
Sweden	172.1	154.5	218.8	225.1	246.1	317.6	637.0	697.2	-9%
Central Europe	503.5	243.2	123.7	108.9	6.9	10.1	634.1	362.2	75%
Nordic countries excl. Sweden	140.2	127.4	157.3	132.6	28.9	23.4	326.4	283.4	15%
Southern Europe	347.1	267.3	42.3	28.3	0.2	0.2	389.6	295.8	32%
Other countries	97.3	139.2	103.9	78.9	4.2	5.3	205.4	223.4	-8%
Total	1 359.0	1 005.1	1 146.8	921.1	309.2	380.5	2 815.1	2 306.7	22%

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	31 Dec 2022		31 Dec 2021	
	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets
USA	1 323.3	51.1	1 078.8	40.8
Sweden	723.7	26.3	755.3	19.5
Central Europe	477.2	16.3	318.1	8.7
Nordic countries excl. Sweden	206.7	6.5	230.2	3.9
Southern Europe	223.9	20.9	210.2	16.7
Other countries	133.3	8.1	140.4	3.9
Total	3 088.1	129.2	2 733.0	93.5

* Financial fixed assets are not included

Note 6 - Financial instruments

SEK million	31 Dec 2022	31 Dec 2021
Assets at fair value through other comprehensive income	2.4	3.3
Assets at amortized cost	2 258.1	1 777.5
Total financial assets	2 260.5	1 780.8
Liabilities at fair value through other comprehensive income	0.0	0.0
Liabilities at amortized cost	3 862.9	2 662.4
Total financial liabilities	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	31 Dec 2022	31 Dec 2021
SEK million		
Floating charges	690.5	690.5
Property mortgages	201.5	179.8
Net assets in Group companies	4 286.3	3 337.8
Shares in associated companies	8.3	8.3
Stock and accounts receivable	560.0	353.5
Total	5 746.6	4 569.9
Contingent liabilities	31 Dec 2022	31 Dec 2021
SEK million		
Duty guarantees	13.8	12.2
Rent guarantees	132.9	141.9
Guarantees for associated companies	6.0	6.0
Total	152.7	160.1
PARENT COMPANY		
Pledged assets	31 Dec 2022	31 Dec 2021
SEK million		
Floating charges	30.0	30.0
Shares in Group companies	1 739.1	1 737.7
Shares in associated companies	8.3	8.3
Total	1 777.4	1 776.0
Contingent liabilities	31 Dec 2022	31 Dec 2021
SEK million		
Guarantees for Group companies	589.8	633.5
Guarantees for associated companies	6.0	6.0
Total	595.8	639.5

Note 8 - Disclosures related to COVID-19

In connection with the COVID-19 crisis, companies within the Group have taken part of the support packages that governments around the world have issued. This note contains information about the government support that the Group has received and their financial impact. In several countries, the Group has also taken part in support packages where employees reduce their working hours and receive compensation directly from the government. The financial impact from this is reduced personnel costs, but is not defined as a government grant.

Government

The Group has received government grants, mainly related to temporary lay-offs, in several countries. Employees reduce their working hours, but can keep main part of their salary and the employer temporary receives government grants to cover main part of the personnel costs for the employees. During the second quarter of 2021, the Group received confirmation that most of the government loans that the Group's American companies had previously received were forgiven. Confirmation that the remaining part were forgiven was received during the third quarter of the same year and all so-called PPP loans have thus been forgiven. The loans were obtained in 2020 and were linked to COVID-19. The forgiveness of the loans is considered to constitute government grants and is therefore reported as other operating income. In total, the loans forgiven amounts to SEK 44.2 million. The table below contains information on total received grants that are recorded as other operating income and grants that are received, but recorded as other liabilities as they relate to costs that have not yet occurred.

	3 months Oct - Dec 2022	3 months Oct - Dec 2021	12 months Jan - Dec 2022	12 months Jan - Dec 2021
Other operating income	0.0	3.0	0.5	61.9

	31 Dec 2022	31 Dec 2021
Other liabilities	0.0	0.3

Deferment of payment of taxes and social charges

In some countries, the Group has been granted a deferral of payment of taxes and social charges. As of 31 December, all taxes and social charges have been paid.

	31 Dec 2022	31 Dec 2021
Other liabilities	0.0	0.0

Government loans

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

	31 Dec 2022	31 Dec 2021
Long-term interest-bearing liabilities	3.2	4.6
Short-term interest-bearing liabilities	0.5	0.6
	3.8	5.2

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

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

The excess value that arose during the acquisition is attributable to goodwill. The goodwill mainly relates to the expected

future profitability of the business, the considerable knowledge and competence of the staff and synergy effects on the cost side.

Goodwill has an indefinite useful life and is not written off but is tested for impairment annually or when indicated.

SEK million	Net realizable value
Goodwill	0.4
Other intangible fixed assets	2.8
Tangible fixed assets	5.0
Right-of-use assets	13.6
Stock	209.1
Accounts receivable and other short term receivables	127.6
Cash and cash equivalents	9.1
Lease liabilities	-13.6
Accounts payables and other short term payables	-87.2
Identifiable net assets	266.7
Goodwill	141.1
Consideration	407.8
Of which transferred cash	-407.8
Acquired cash and cash equivalents	9.1
Change in Group cash and cash equivalents	-398.7

In the quarter, the acquisition increased the group's net sales by SEK 179.6 million and the result for the period by SEK 13.9 million. Since the acquisition date, the acquisition has increased the group's net sales by SEK 247.0 million and the result for the period by SEK 19.2 million. If the acquisition took place on

January 1, 2022, the group's net sales would have amounted to SEK 9,288.8 million and the result for the period to SEK 1,198.2 million. Included in this result are transaction costs for the acquisition, which amounted to SEK -3.7 million.

Note 10 - Subsequent events

No significant events have occurred after the balance sheet date.

Condensed quarterly consolidated income statements

SEK million

Quarter	2022				2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	2 815.1	2 234.4	2 019.2	1 774.9	2 306.7	1 663.5	1 486.8	1 261.6	1 873.2	1 470.1	1 314.5	1 440.9
Goods for resale	-1 411.4	-1 131.6	-989.8	-931.6	-1 203.3	-860.4	-769.2	-656.4	-1 007.7	-843.9	-799.7	-810.2
Gross profit	1 403.7	1 102.8	1 029.4	843.3	1 103.4	803.1	717.6	605.2	865.6	626.2	514.8	630.7
Gross profit margin %	49.9	49.4	51.0	47.5	47.8	48.3	48.3	48.0	46.2	42.6	39.2	43.8
Other operating income	36.7	35.7	28.9	22.6	23.9	11.6	59.4	16.6	29.6	34.7	61.4	20.6
External costs	-458.4	-359.3	-345.0	-311.6	-350.9	-258.4	-233.8	-224.8	-285.4	-191.6	-187.7	-311.1
Personnel costs	-350.3	-291.5	-288.9	-274.6	-301.4	-235.5	-242.8	-237.2	-259.9	-220.8	-209.1	-292.8
Depreciations and write-downs	-71.5	-60.6	-58.3	-58.8	-61.5	-55.7	-56.0	-54.1	-55.0	-56.6	-57.8	-60.1
Other operating costs	-12.6	-27.9	-15.1	-11.8	-9.9	-3.7	-2.9	-5.2	-11.4	-15.2	-11.4	-10.4
Share of associated companies' result	-0.4	-1.4	0.0	0.0	-0.3	-0.3	-0.1	-0.4	0.1	-0.4	-0.1	-0.9
Operating result	547.2	397.8	351.0	209.1	403.3	261.1	241.3	100.1	283.6	176.3	110.1	-24.1
Financial income	7.9	1.1	1.5	0.6	0.7	0.6	0.9	0.8	0.1	0.6	2.9	0.5
Financial expenses	-29.9	-14.1	-11.9	-10.2	-10.6	-11.6	-10.3	-13.5	-14.6	-15.8	-20.2	-18.4
Result before tax	525.2	384.8	340.6	199.5	393.4	250.1	231.9	87.4	269.2	161.1	92.8	-42.1
Tax expense	-79.0	-80.8	-75.5	-46.0	-84.9	-54.1	-44.3	-19.7	-61.0	-42.2	-19.9	5.1
Result for the period	446.2	304.0	265.0	153.5	308.5	196.0	187.7	67.7	208.2	118.9	72.9	-36.9
Total other comprehensive income for the period	-127.1	556.9	253.3	70.5	87.5	60.5	-57.7	142.5	-213.0	-58.3	-212.4	205.5
Total comprehensive income for the period	319.2	860.9	518.4	224.0	396.0	256.5	130.0	210.2	-4.9	60.6	-139.5	168.6
Earnings per share before and after dilution (SEK)*	6.73	4.58	3.99	2.31	4.61	2.97	2.84	1.04	3.13	1.81	1.11	-0.54
Quarter	2019				2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	2 024.1	1 685.5	1 689.0	1 504.9	1 943.4	1 551.2	1 523.2	1 272.8	1 630.3	1 331.1	1 371.7	1 264.2
Goods for resale	-1 079.2	-923.2	-903.3	-795.3	-1 042.3	-835.3	-804.2	-677.5	-886.8	-692.8	-745.7	-692.8
Gross profit	944.9	762.3	785.7	709.6	901.1	715.8	719.0	595.4	743.5	638.2	626.0	571.4
Gross profit margin %	46.7	45.2	46.5	47.1	46.4	46.1	47.2	46.8	45.6	47.9	45.6	45.2
Other operating income	32.3	12.9	15.5	17.2	28.3	19.3	11.3	15.9	22.9	10.4	7.0	10.9
External costs	-343.8	-300.3	-330.2	-338.4	-390.6	-323.5	-305.1	-317.2	-304.9	-265.4	-270.1	-288.6
Personnel costs	-307.6	-278.7	-290.5	-283.0	-298.0	-257.7	-260.9	-246.4	-262.2	-217.1	-233.0	-228.1
Depreciations and write-downs	-73.6	-55.7	-52.8	-51.0	-21.6	-20.2	-18.5	-17.6	-18.2	-16.4	-15.7	-15.0
Other operating costs	-12.4	-11.3	-7.7	-8.2	-9.8	-15.0	-8.3	-11.8	-6.1	-7.4	-3.9	-7.8
Share of associated companies' result	0.6	-0.2	-0.3	-0.2	0.1	-1.3	-0.3	0.4	-2.5	0.6	0.2	0.4
Operating result	240.3	129.1	119.6	46.0	209.4	117.5	137.3	18.6	172.5	143.0	110.5	43.2
Financial income	2.8	2.5	2.2	1.3	1.5	0.7	1.8	1.5	1.3	1.6	1.0	1.3
Financial expenses	-24.1	-19.5	-18.1	-15.3	-14.2	-12.3	-8.2	-11.7	-14.3	-14.8	-14.1	-13.8
Result before tax	219.1	112.1	103.6	32.0	196.6	105.9	130.9	8.4	159.4	129.8	97.4	30.7
Tax expense	-53.1	-17.6	-19.9	-6.0	-37.7	-17.5	-24.2	-2.4	-12.6	-24.5	-20.3	-5.8
Result for the period	165.9	94.4	83.7	26.0	158.9	88.4	106.8	6.0	146.8	105.3	77.0	24.9
Total other comprehensive income for the period	-131.5	126.9	16.2	86.3	2.7	-37.8	121.1	71.7	45.3	-43.3	-42.4	-12.2
Total comprehensive income for the period	34.4	221.4	99.9	112.3	161.6	50.5	227.9	77.7	192.1	62.0	34.7	12.7
Earnings per share before and after dilution (SEK)*	2.53	1.45	1.28	0.41	2.42	1.36	1.60	0.10	2.20	1.60	1.16	0.38

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

Condensed quarterly consolidated cash flow statements

SEK million

Quarter	2022				2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	466.3	367.3	346.0	203.6	404.1	282.8	219.0	87.1	300.0	218.9	176.0	-63.0
Increase/decrease of inventories	-525.1	-870.8	-360.7	-226.5	59.7	-157.7	125.2	30.6	472.4	86.9	53.9	-117.4
Increase/decrease of current receivables	-71.1	-202.3	-119.2	205.8	-194.6	-174.7	-156.8	256.3	-87.7	-207.6	87.4	313.9
Increase/decrease of current liabilities	-103.0	505.4	202.0	-177.7	144.1	291.4	-2.2	-6.8	-127.2	185.0	-65.9	-19.0
Changes in working capital	-699.2	-567.7	-277.9	-198.4	9.2	-41.0	-33.7	280.1	257.5	64.3	75.5	177.6
Cash flow from operating activities	-232.9	-200.4	68.1	5.2	413.3	241.8	185.3	367.2	557.5	283.2	251.4	114.6
Investing activities	-8.3	-433.4	-55.2	-25.3	-42.1	-33.0	-24.0	-15.2	-7.2	-8.6	-11.1	-30.6
Cash flow after investing activities	-241.2	-633.8	12.9	-20.1	371.2	208.8	161.3	352.0	550.3	274.6	240.3	84.0
Increase/decrease of interest-bearing liabilities	389.3	589.6	253.6	-16.3	-82.6	-309.0	-95.4	-346.1	-435.9	-322.9	-201.6	-195.2
Transactions with owners	0.0	0.0	-282.0	0.0	-277.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financial activities	389.2	589.6	-28.4	-16.3	-360.5	-309.0	-95.4	-346.1	-435.9	-322.9	-201.6	-195.2
Cash flow for the period	148.0	-44.2	-15.5	-36.4	10.7	-100.2	65.9	5.9	114.5	-48.4	38.7	-111.2
Liquid assets at the beginning of the period	279.2	305.5	298.6	327.9	311.0	405.8	344.8	325.1	226.8	277.8	257.6	351.3
Translation differences in liquid assets	-7.8	17.9	22.4	7.1	6.2	5.5	-4.9	13.8	-16.2	-2.7	-18.5	17.6
Liquid assets at the end of the period	419.4	279.2	305.5	298.6	327.9	311.0	405.8	344.8	325.1	226.8	277.8	257.6

Quarter	2019				2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working wcapital	262.1	149.9	143.8	49.3	184.1	116.1	128.3	1.2	154.9	153.3	105.0	37.8
Increase/decrease of stock	180.9	-256.4	-108.0	-58.3	44.6	-310.4	-110.8	-117.4	129.5	-200.4	-63.7	-73.9
Increase/decrease of current receivables	-47.5	-34.3	-95.9	126.2	-3.6	-128.6	-36.2	140.9	-78.5	-113.8	-40.4	113.0
Increase/decrease of current liabilities	-108.8	9.7	69.1	-182.3	-50.7	239.9	143.2	-18.1	-71.4	150.5	49.2	-43.3
Changes in working capital	24.7	-281.0	-134.8	-114.4	-9.7	-199.1	-3.7	5.4	-20.4	-163.7	-54.9	-4.2
Cash flow from operating activities	286.7	-131.1	9.0	-65.1	174.4	-83.0	124.6	6.6	134.5	-10.4	50.1	33.6
Investing activities	-42.2	-32.6	-35.6	-38.3	-39.7	-42.1	-41.6	-39.8	-37.7	-36.9	-16.0	-19.9
Cash flow after investing activities	244.6	-163.8	-26.6	-103.4	134.7	-125.1	83.0	-33.2	96.8	-47.3	34.1	13.7
Increase/decrease of interest-bearing liabilities	-122.6	210.1	75.3	49.2	-15.9	104.9	58.0	5.1	-54.6	30.2	47.1	-39.4
Transactions with owners	0.0	1.2	-132.7	0.0	0.0	0.0	-112.8	0.0	0.0	0.0	-89.6	0.0
Cash flow from financial activities	-122.6	211.2	-57.4	49.2	-15.9	104.9	-54.8	5.1	-54.6	30.2	-42.5	-39.4
Cash flow for the period	121.9	47.4	-84.0	-54.2	118.8	-20.2	28.2	-28.1	42.2	-17.1	-8.4	-25.7
Liquid assets at the beginning of the period	238.4	182.5	265.0	312.2	192.6	215.4	180.5	202.4	155.6	178.9	191.9	218.9
Translation differences in liquid assets	-9.1	8.5	1.5	7.0	0.8	-2.6	6.7	6.2	4.6	-6.2	-4.6	-1.3
Liquid assets at the end of the period	351.3	238.4	182.5	265.0	312.2	192.6	215.4	180.5	202.4	155.6	178.9	191.9

Definitions of alternative performance measures

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

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

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

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

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

NewWave
G R O U P

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

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