

# Q2

## NEW WAVE GROUP AB

*Interim report 1 January - 30 June 2025*



*“Despite a generally weaker market, we achieved organic growth in the second quarter. Although the development was below our expectations, we continue to gain market share. During the quarter, we also maintained our investments in warehouse automation, IT, and marketing. I am also very pleased that the agreement to acquire Cotton Classics has now been finalized. Once the market turns, we will benefit greatly from our increased market share and strategic acquisitions, and we feel strongly positioned for the future.”*

**Torsten Jansson, CEO**

# NEW WAVE GROUP



2.3 billion

SEK (2.4)

NET SALES  
THE QUARTER

48.0%

(49.0)

GROSS PROFIT MARGIN

59.3%

(60.2)

EQUITY RATIO

## Second quarter

2025-04-01– 2025-06-30

- Net sales decreased by **4.1%** and amounted to SEK **2,300** (2,398) million. In local currencies, net sales increased by **1.3%**.
- Operating profit amounted to SEK **241** (301) million.
- Profit for the period amounted to SEK **167** (210) million.
- Earnings per share amounted to SEK **1.26** (1.59).
- Cash flow from operating activities amounted to SEK **150** (337) million.

## Half-year period

2025-01-01 – 2025-06-30

- Net sales increased by **2.1%** and amounted to SEK **4,484** (4,393) million. In local currencies, net sales increased by **4.8%**.
- Operating profit amounted to SEK **453** (487) million.
- Profit for the period amounted to SEK **311** (331) million.
- Earnings per share amounted to SEK **2.34** (2.50).
- Cash flow from operating activities amounted to SEK **368** (541) million.

## Summary of the quarter

- The second quarter of 2025 was marked by macroeconomic concerns regarding the United States' introduction of new tariffs and the potential impact on international trade. Despite these concerns, the New Wave Group's sales in local currencies increased compared to the same quarter in previous year. During the quarter, the Group also incurred minor additional costs due to the implemented tariffs.
- In June, an agreement was reached for New Wave Group to acquire **100%** of the shares in the Austrian textile wholesaler Cotton Classics Handels GmbH. The acquisition is subject to approval by the relevant competition authorities.
- The quarter was affected by currency fluctuations, with the Swedish krona strengthening against other currencies within the Group compared to the previous year.
- The U.S. Department of Justice has initiated a review of PPP loans received by the Group's U.S. subsidiary during the COVID-19 pandemic, questioning the company's eligibility for the loans. Although the loans, amounting to approximately USD 5.4 million, have been forgiven, there is a risk that repayment may be required, in whole or in part, and that damages may be imposed. The subsidiary is cooperating with the authorities and evaluating possible actions. The obligation is considered possible but uncertain in scope. See also Note 3.

Comparisons within parentheses refer to the corresponding period last year for income statement measurements or the most recent fiscal year-end for balance sheet measurements, unless otherwise stated.

# CEO COMMENTS

*“What has been essential and what pleases me the most joy during this quarter, is that we continue to gain market share and that the agreement to acquire Cotton Classics has now been finalized.”*



## Continued Organic Growth, Strategic Acquisition, and Strong Confidence in the Future

The second quarter continued to deliver organic growth in local currencies of 1.3%, which was below our expectations. In Swedish kronor, sales decreased by 4.1%, mainly due to negative currency effects of -5.4%. This year's occurrence of Easter caused a negative calendar effect during the quarter, which instead gave a positive effect in Q1. Despite a generally weaker market, we continue to gain market share – a clear sign of strength.

## Investments & Technological Development

During the quarter, we continued to invest in warehouse automation, IT, and marketing. One of our major Dutch companies became the first in the group to implement a new warehouse automation system, HAI Robotics, while also introducing a new ERP system, temporarily impacted both sales and earnings negatively.

## Strategic Acquisition

A significant part of the quarter was dedicated to our strategic acquisition of Cotton Classics – the second largest in the group's history. The acquisition is an important step in our long-term growth strategy and further strengthens our market position.

## Quarterly Results

Operating profit (EBIT) decreased from SEK 301 million to SEK 241 million, which we are not satisfied with, but it still demonstrates good stability and strong earning capacity in a challenging market. Profit after tax amounted to SEK 167 million, compared to SEK 210 million last year.

What has been essential and what pleases me the most joy during this quarter, is that we continue to gain market share and that the agreement to acquire Cotton Classics has now been finalized. These are two important milestones for our future development.

## First Half-Year Summary

Currency effects negatively impacted sales by 2.7%, but despite this, sales increased by 2.1%. In local currencies, growth amounted to 4.8%, and total sales reached SEK 4,484 million.

## Cash Flow and Financial Position

Cash flow for the first half of the year amounted to SEK -76 million, mainly due to a planned investment in inventory build-up, in order to prepare to meet an increased demand in a more optimistic market, alongside continued investments in warehouse automation and IT. The equity ratio amounted to a solid 59.3%

## Market Development

The market was generally weak during the second quarter. However, we see signs that a turnaround may be coming, although the timing is difficult to predict. Uncertainties around tariffs in the U.S. and the global situation need to stabilize before a broader recovery can occur.

## Looking Ahead

We are very well positioned for the future and are confident that we will outperform our competitors. Once the market turns, we will greatly benefit from our increased market share and strategic acquisitions. We will continue to focus on the development of our existing brands such as Craft, Clique, and Cutter & Buck while we also continue pursuing strategic acquisitions, such as the recent purchase of Cotton Classics, which presents strong growth opportunities. We will also maintain our investments in marketing, warehouse automation, and actively explore further acquisition opportunities. It is in times like these that we can lay the foundation for a future New Wave Group, one that is even larger, stronger, and more profitable!

Thank you all for the first six months of 2025!

**Torsten Jansson**  
CEO

# CONSOLIDATED INCOME STATEMENTS

SEK million	Note	3 months Apr - Jun 2025	3 months Apr - Jun 2024	6 months Jan - Jun 2025	6 months Jan - Jun 2024	Rolling 12 months	12 months Jan - Dec 2024
Net sales	1, 2	2,300	2,398	4,484	4,393	9,620	9,529
Goods for resale		-1,196	-1,224	-2,293	-2,227	-4,888	-4,823
<b>Gross profit</b>		<b>1,104</b>	<b>1,174</b>	<b>2,191</b>	<b>2,166</b>	<b>4,731</b>	<b>4,706</b>
Other operating income		26	15	57	39	112	95
External costs		-427	-441	-855	-850	-1,754	-1,749
Personnel costs		-373	-363	-745	-703	-1,472	-1,430
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	1, 2	-80	-72	-159	-144	-323	-308
Other operating costs		-10	-11	-36	-19	-65	-49
Share of associated companies' result		0	-2	0	-2	-1	-3
<b>Operating result</b>	<b>1</b>	<b>241</b>	<b>301</b>	<b>453</b>	<b>487</b>	<b>1,228</b>	<b>1,262</b>
Financial income		2	1	3	3	9	8
Financial expenses		-26	-34	-52	-67	-121	-137
<b>Net financial items</b>		<b>-24</b>	<b>-33</b>	<b>-48</b>	<b>-65</b>	<b>-113</b>	<b>-129</b>
<b>Result before tax</b>		<b>217</b>	<b>268</b>	<b>405</b>	<b>422</b>	<b>1,116</b>	<b>1,133</b>
Tax expense		-50	-58	-94	-91	-256	-253
<b>Result for the period</b>		<b>167</b>	<b>210</b>	<b>311</b>	<b>331</b>	<b>859</b>	<b>880</b>
<b>Other comprehensive income:</b>							
<b>Items that can be reclassified into profit or loss:</b>							
Translation differences		-74	-45	-512	199	-379	338
Cash flow hedges		-8	0	-9	2	-4	4
<b>Sum</b>		<b>-81</b>	<b>-45</b>	<b>-521</b>	<b>201</b>	<b>-383</b>	<b>342</b>
Income tax related to components of other comprehensive income		2	0	2	0	1	-1
<b>Other comprehensive income for the period</b>		<b>-80</b>	<b>-45</b>	<b>-520</b>	<b>201</b>	<b>-383</b>	<b>341</b>
<b>Total comprehensive income for the period</b>		<b>87</b>	<b>165</b>	<b>-209</b>	<b>532</b>	<b>477</b>	<b>1,221</b>
<b>Result for the period attributable to:</b>							
Shareholders of the Parent company		167	210	311	332	859	880
Non-controlling interest		0	0	0	0	0	0
		<b>167</b>	<b>210</b>	<b>311</b>	<b>331</b>	<b>859</b>	<b>880</b>
<b>Total comprehensive income attributable to:</b>							
Shareholders of the Parent company		87	165	-209	532	477	1,221
Non-controlling interest		0	0	0	0	0	0
		<b>87</b>	<b>165</b>	<b>-209</b>	<b>532</b>	<b>477</b>	<b>1,221</b>
Earnings per share (SEK)		1.26	1.59	2.34	2.50	6.47	6.63
The average number of outstanding shares		132,687,086	132,687,086	132,687,086	132,687,086	132,687,086	132,687,086

# COMMENTS ON THE GROUP'S TOTAL EARNINGS

## Sales

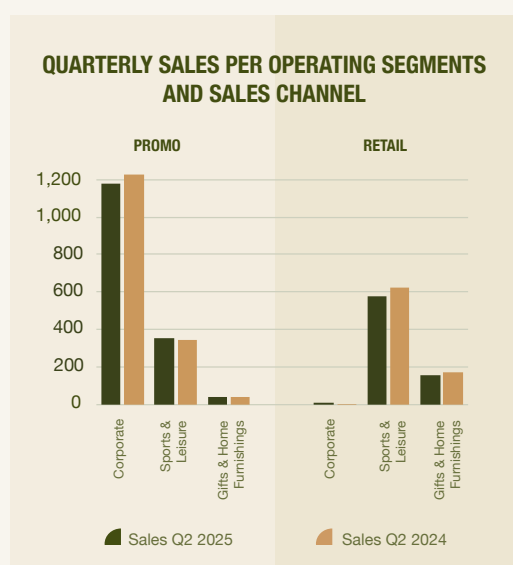
Net sales for the quarter amounted to SEK **2,300** (2,398) million, a decrease of **4.1%** compared to the same quarter last year. The comparison is affected by currency translation effects of **-5.4%**. In local currencies, net sales for the second quarter increased by **1.3%** compared to the same period last year. The trading operations in Asia, which consist of few but large orders, making turnover volatile, contributed positively with a total of SEK **185** (152) million. There were no acquisitions or divestments affecting the comparison.

For the six-month period, net sales increased by **4.8%** in local currencies. Translated into SEK, net sales amounted to SEK **4,484** (4,393) million, an increase of **2.1%**. Currency translation had a negative impact of **-2.7%**.

## Sales by Operating Segment and Sales Channel

The Group's products are distributed through two sales channels, promo and retail, across three operating segments: Corporate, Sports & Leisure, and Gifts & Home Furnishings. Most brands are offered in both channels.

Sales, SEK million	3 months Apr-Jun 2025	3 months Apr-Jun 2024	Change %	6 months Jan-Jun 2025	6 months Jan-Jun 2024	Change %	Share of Group sales
<b>Promo</b>	<b>1,566</b>	<b>1,600</b>	<b>-2.1%</b>	<b>2,965</b>	<b>2,853</b>	<b>3.9%</b>	<b>66%</b>
- of which Corporate	1,187	1,227		2,249	2,195		50%
- of which Sports & Leisure	340	332		650	590		14%
- of which Gifts & Home Furnishings	39	41		66	68		1%
<b>Retail</b>	<b>734</b>	<b>798</b>	<b>-8.0%</b>	<b>1,519</b>	<b>1,540</b>	<b>-1.4%</b>	<b>34%</b>
- of which Corporate	9	6		14	14		0%
- of which Sports & Leisure	569	626		1,213	1,229		27%
- of which Gifts & Home Furnishings	156	166		292	298		7%
<b>Total Group</b>	<b>2,300</b>	<b>2,398</b>	<b>-4.1%</b>	<b>4,484</b>	<b>4,393</b>	<b>2.1%</b>	<b>100%</b>



In the second quarter, sales through the Corporate channel amounted to SEK **1,566** million (**1,600**), and the Retail channel reached SEK **734** million (**798**), representing a decrease of **2%** and **8%**, respectively. For the first half of the year, approximately two-thirds of total sales were generated through the Corporate channel, with the remaining one-third coming from the Retail channel.

Both sales channels were negatively impacted by currency fluctuations during the quarter, with a total effect of **-5.4%**. Additionally, the early timing of the Easter holiday had an adverse effect on sales.

Furthermore, the Corporate channel was affected by a temporary decline in revenue at our Dutch subsidiary, New Wave Sportswear, due to the implementation of a new ERP system and a new warehouse automation system. The company is the first within the Group to adopt both systems, which has led to certain transitional challenges during the period.



## SALES PER GEOGRAPHIC REGION



The Corporate segment accounts for 50% of the Group's revenue, Sports & Leisure for 42%, and Gifts & Home Furnishings for the remaining 8%. In the second quarter, Corporate generated SEK **1,196** (1,233) million, Sports & Leisure SEK **910** (959) million, and Gifts & Home Furnishings SEK **195** (207) million.

During the first half of the year, Corporate generated SEK **2,263** (2,208) million, Sports & Leisure SEK **1,863** (1,819) million, and Gifts & Home Furnishings SEK **358** (366) million. Within the Corporate segment, growth was primarily driven by the trading business and the promo operations for giveaways and tech products.

Within the Sports & Leisure segment, Craft is the primary driver of sales growth, while Tenson also shows comparatively strong growth.

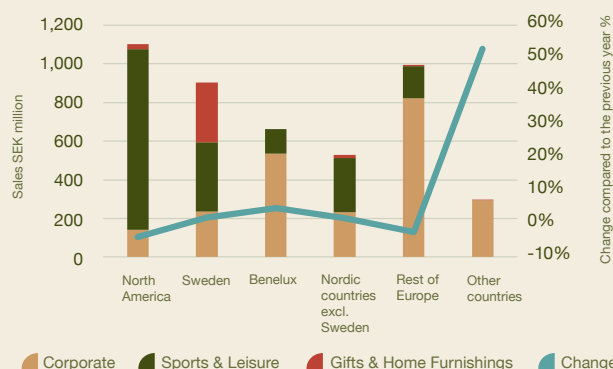
## SALES PER OPERATING SEGMENTS

SEK million	6 months 2025	6 months 2024	Changes
Corporate	2,263	2,208	2.5%
Sports & Leisure	1,863	1,819	2.4%
Gifts & Home Furnishings	358	366	-2.1%
<b>The Group</b>	<b>4,484</b>	<b>4,393</b>	<b>2.1%</b>

## Sales by Region

New Wave Group operates in 25 countries, with sales primarily in Europe and North America. As of 2025, Benelux (the Netherlands and Belgium) is reported as a separate region in the segment reporting. These countries were previously included in regions referred to as Central Europe and Southern Europe, which are now reported as Rest of Europe and include England, France, Ireland, Italy, Poland, Switzerland, Spain, Germany, and Austria. Furthermore, Canada and the USA have been included in North America starting from 2025. Comparison figures from the previous year are available in Note 3 in the annual report for 2024.

## SALES PER REGION AND OPERATING SEGMENT



**Sales by channel and segment** - In North America, retail is the strongest, while Europe is stronger in Promo. Gifts & Home Furnishings are the largest in Sweden.



Sales for the quarter were negatively affected by currency translation effects, with North America impacted the most at approximately **-10%**. Adjusted for currency, Asia, Benelux, and North America showed growth, while Sweden and the rest of the Nordic countries and Europe had lower sales compared to the same quarter in 2024, largely due to the timing of Easter.

For the first half of 2025, all regions show organic growth. When translated into the reporting currency, we see growth primarily in Benelux and other Nordic countries, as well as in the Group's trading operations in Asia. Currency translation effects impact the comparison by a total of **-2.7%**.

## Other operating income and expenses

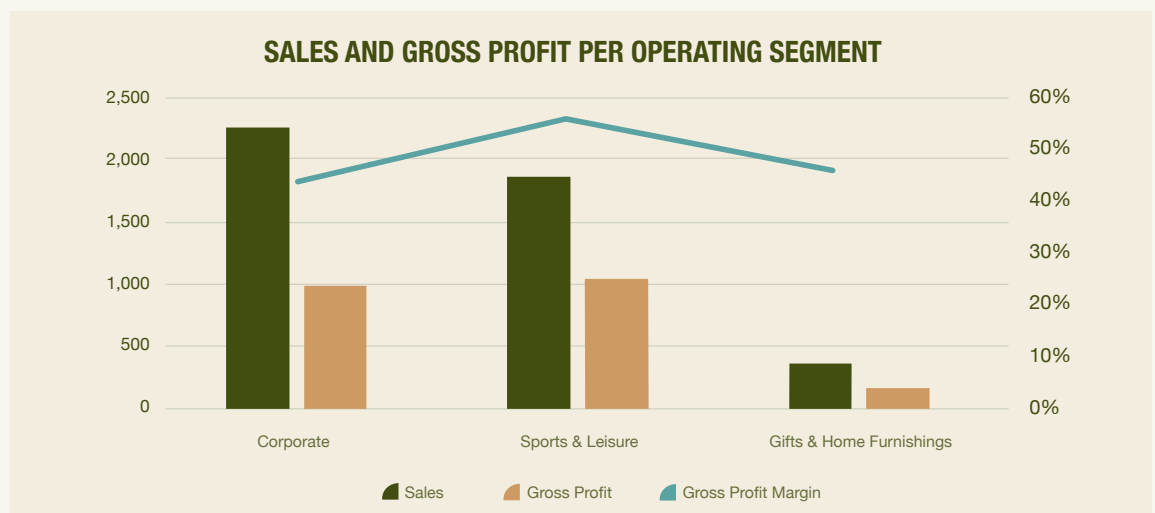
Other operating income and other operating expenses primarily relate to foreign exchange gains and losses. At the end of the period, the Swedish krona's closing rate was slightly lower than at the end of March 2025, resulting in a minor positive translation effect. Net foreign exchange effects within other income and expenses for the quarter amounted to SEK **6** million (-3). The net total of other operating income and other operating expenses for the quarter was SEK **9** million (8).

## Gross Profit and Gross Profit Margin

The gross profit and gross profit margin are the result of many factors, both internal and external, and are primarily influenced by the decisions made by the New Wave Group based on the strategy to achieve the best combination of quality, price, service level, and sustainability.

Gross profit for the second quarter was approximately **6%** lower compared to the same quarter last year and amounted to SEK **1,104** (1,174) million, corresponding to a gross profit margin of **48.0%** (49.0) in translated currency.

For the six-month period, gross profit amounted to SEK **2,191** (2,166) million and the gross profit margin to **48.9%** (49.3). The gross profit is mainly driven by increased sales, where Sports & Leisure improved its gross margin by **0.1** percentage points compared to the previous year, reaching a gross profit margin of nearly **56%** (56). The gross profit margin for Corporate is approximately **0.7** percentage points lower compared to the previous year, amounting to **44%** (44), while Gifts & Home Furnishings reached **46%** compared to **48%** the previous year.



## Selling and Administrative Expenses

During the second quarter, external costs decreased by SEK **15** million or **3.3%** and amount to SEK **427** (441) million. The decrease is mainly due to currency translation effects. Excluding currency effects, costs increased slightly, with sales and marketing expenses being somewhat higher in the second quarter due to targeted one-time campaigns.

Personnel costs increased by SEK **9** million. Adjusted for currency translation, the increase is approximately SEK **25** million and is a result of general salary increases and new initiatives, amounting to SEK **372** (363) million. The average number of full-time employees was 61 more than in the same period last year, totaling **2,500** (2,439) as of June 30. The increase is mainly related to recruitment within sales-oriented functions and IT. Due to investments in new warehouses, the number of warehouse employees has also increased again. Of the total number of employees, **517** (510) work in production. The production within New Wave Group is attributable to AHEAD (embroidery), Cutter & Buck (embroidery), Kosta Boda, Orrefors, Seger, Termo and Toppoint.

Currency fluctuations reduced the above-mentioned costs by a total of SEK **44** (–6) million.

Depreciation and amortization were higher compared to the same quarter last year and amounted to SEK **80** (72) million. The increase is related to depreciation of right-of-use assets linked to leasing and investments made in automation within the Group's warehouse operations.

For the six-month period, selling and administrative expenses amounted to SEK **1,600** (1,553) million, an increase of **2.9%**. In local currencies, costs increased by **5.1%** compared to the same period last year. Depreciation increased and amounted to SEK **159** (144) million.



## Operating Profit and Operating Margin

New Wave Group aims to achieve an operating margin of 20% annually over a business cycle. Operating profit for the second quarter amounted to SEK **241** (301) million, corresponding to an operating margin of **10.5%** (12.6). Currency translation effects had a negative impact on the operating margin, as the portion of the New Wave Group's cost base denominated in SEK does not decrease as a result of the krona's appreciation.

For the six-month period, operating profit amounted to SEK **453** (487) million and the operating margin to **10.1%** (11.1).

Seasonal effects for New Wave are primarily tied to holidays and seasons. Within Gifts & Home Furnishings, sales and results are typically strongest in the fourth quarter due to Christmas shopping. For winter sports products, Q4 and partly Q1 are the most important, while Q2-Q4 matters most for retail. Generally, the second and third quarters are evenly distributed, while Q4 is usually the Group's strongest period, and Q1 bears the most costs in relation to sales.

## Finance Net and Taxes

The finance net during the quarter decreased and amounted to SEK **-24** (-33) million, resulting from a lower average net debt to credit institutions and lower interest rates.

Tax on the quarterly result amounted to SEK **-50** (-58) million and for the half-year to SEK **-94** (-91) million, of which current tax was SEK **-94** (-80) million and deferred tax SEK **1** (-10) million.

The effective tax rate was **23.1%** (21.5) for both the quarter and the half-year. The higher tax rate is due to a changed mix of countries with taxable income.

## Result for the period

Profit for the quarter amounted to SEK **167** (210) million and earnings per share to SEK **1.26** per share (1.59).



# CONSOLIDATED BALANCE SHEET

SEK million	Note	30 Jun 2025	30 Jun 2024	31 Dec 2024
<b>ASSETS</b>				
Intangible Fixed assets	1, 2	1,705	1,845	1,862
Tangible Fixed assets	1, 2	1,863	1,457	1,686
Other fixed assets	1, 2	179	175	184
<b>Total non-current assets</b>		<b>3,747</b>	<b>3,477</b>	<b>3,732</b>
Inventory		5,031	5,112	5,124
Accounts receivable		1,415	1,453	1,597
Current tax receivables		117	68	67
Other current assets		290	248	261
Cash and cash equivalents		435	492	546
<b>Total current assets</b>		<b>7,287</b>	<b>7,374</b>	<b>7,595</b>
<b>TOTAL ASSETS</b>		<b>11,034</b>	<b>10,851</b>	<b>11,326</b>
<b>EQUITY &amp; LIABILITIES</b>				
Total equity		6,544	6,528	7,217
Long term interest-bearing liabilities		2,318	2,275	2,166
Other long-term liabilities		193	215	210
<b>Total non-current liabilities</b>		<b>2,512</b>	<b>2,489</b>	<b>2,376</b>
Short-term interest-bearing liabilities		206	194	199
Current tax liabilities		38	10	38
Other short- term liabilities		1,734	1,629	1,496
<b>Total current liabilities</b>		<b>1,978</b>	<b>1,833</b>	<b>1,733</b>
<b>Total liabilities</b>		<b>4,490</b>	<b>4,322</b>	<b>4,109</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,034</b>	<b>10,850</b>	<b>11,326</b>

# CHANGES IN EQUITY SUMMARY

SEK million	30 June 2025	30 June 2024	31 Dec 2024
Equity at the beginning of the fiscal year	7,217	6,460	6,460
Total comprehensive income for the period	311	331	880
Other comprehensive income	-520	201	341
Dividend	-464	-464	-464
<b>Equity at the End of the Period</b>	<b>6,544</b>	<b>6,528</b>	<b>7,217</b>

# COMMENTS ON FINANCIAL POSITION

## Inventory and capital tied-up

Adjusted for currency, inventory decreased by 1.8% or SEK 94 million since the beginning of the year and amounted to SEK 5,031 (5,124) million. More than the entire decrease is explained by currency effects, as exchange rate changes reduced the inventory value by SEK 262 million. In local currency, inventory increased by 3.1%. Inventory turnover is in line with the same period last year and amounted to 1.0 times (0.9), which aligns with the Group's investments in new establishments, including in Canada and the USA. The inventory compositions is assessed as good.

SEK million	30 Jun 2025	30 Jun 2024	31 Dec 2024
Raw materials	56	56	56
Work in progress	2	6	1
Goods in transit	369	350	367
Finished goods	4,603	4,701	4,700
<b>Total</b>	<b>5,031</b>	<b>5,112</b>	<b>5,124</b>

As of June 30, 2025, total obsolescence deductions, representing the difference between the lower of acquisition cost and fair value, for inventory amounted to

SEK 168 (152) million, and the obsolescence reserve in relation to finished goods inventory was 3.2% (3.3).

Investments in the development of our warehouses and initiatives within our existing business areas continue.

## Cash flow, financing, and liquidity

The New Wave Group strives to ensure financial flexibility and freedom of action under the best possible conditions while maintaining a high level of service.

### Cash Flow

Cash flow from operating activities during the six-month period amounted to SEK 368 (541) million. The lower cash flow compared to the same period last year is attributable to higher inventory purchases during 2025. Cash flow from investing activities increased and amounted to SEK -223 (-125) million. The increase is primarily related to investments in automation and warehouse development.

Working capital amounted to SEK 5,001 million and is in line with the previous year, taking currency effects into account.

Cash flow	6 months Jan-Jun 2025	6 months Jan-Jun 2024	12 months Jan-Dec 2024
SEK million			
Cash flow from operating activities	368	541	1 278
Cash flow from investing activities	-223	-125	-297
<b>Cash flow after investing activities</b>	<b>146</b>	<b>416</b>	<b>982</b>

Working capital	30 Jun 2025	30 Jun 2024	31 Dec 2024
SEK million			
Current assets excl.cash and cash equivalents	6,735	6,814	6,982
Short-term non-interest-bearing liabilities	-1,734	-1,629	-1,496
<b>Total working capital</b>	<b>5,001</b>	<b>5,185</b>	<b>5,486</b>

Comparisons in parentheses refer to the most recent year-end for balance measures unless otherwise stated.



Key performing indicators compared to same period last year.

### Liquidity and financing

The New Wave Group's liquidity remains strong. As of June 30, 2025, cash and cash equivalents amounted to SEK 435 million, compared to SEK 546 million at the previous year-end and SEK 492 million at the same time last year. In addition, the Group had unused credit facilities of SEK 787 million, to be compared with SEK 860 million at the same time last year. The total liquidity buffer, i.e. the sum of cash and unused credit facilities, amounted to SEK 1,222 million.

Net debt increased since the beginning of the year and amounted to SEK 2,089 (1,819) million. The increase is primarily related to higher borrowing from credit institutions due to ongoing investments. The net debt-to-equity ratio and net debt-to-working capital ratio amounted to 32% (25) and 42% (33), respectively.

During the year, we have seen significant fluctuations in the currency markets, with the Swedish krona strengthening against other currencies. This has negatively affected the translation of the Group's equity by a

total of SEK 513 million, reducing the equity ratio by 1.8 percentage points. The equity ratio amounted to 59.3%, compared to 60.2% at the same time last year.

During the quarter, the first of two dividend payments to shareholders was executed, amounting to SEK 464 (464) million.

As of June 30, the Group's credit facility amounted to SEK 2,636 (2,670) million, of which SEK 2,150 million matures in December 2026, SEK 98 million in August 2027, and SEK 138 million in December 2030. The remaining SEK 250 million has maturities ranging from three months to four years. The credit limit is restricted in amount and depends on the value of certain underlying assets.

The financing agreement stipulates that key financial ratios (covenants) must be met to maintain the credit limit. As of 30 June 2025, the group's financial ratios (covenants) were fulfilled.

# OTHER INFORMATION

## Transactions with related parties

Lease agreements exist with related companies to the CEO. A company related to the CEO has also purchased trading goods. Additionally, transactions with related parties have occurred at insignificant values. All transactions have been conducted under market conditions.

## Risk management

Risks may depend on external events affecting a specific industry or market, but they can also be linked to the company's own operations. With its international presence, New Wave Group is continuously exposed to various operational and financial risks. Financial risks are primarily related to currency, liquidity, and credit risk. Operational risks are mainly connected to business operations and external risks affecting the group. To minimize exposure to different risks, New Wave Group follows an established risk policy. The group's risks and how they are managed are presented in the annual report 2024 on pages 86-87. No significant changes have been made in risk management during 2025.

## Accounting principles

The report has been prepared in accordance with IAS 34. Accounting principles remain unchanged compared to the annual report 2024. The parent company's accounting principles follow the Annual Accounts Act and RFR2. New and revised standards and principles that have come into effect from January 2025 or later are not expected to have a significant impact on New Wave Group's financial reports.

## Rounding adjustments

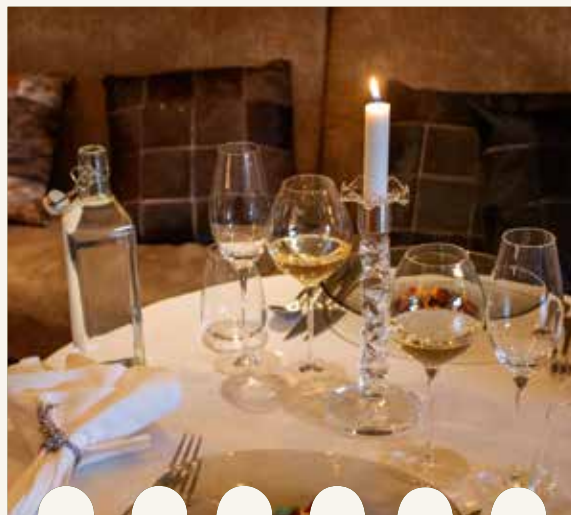
Due to rounding, figures presented in this report may not always sum up precisely to the total, and percentage figures may deviate slightly to align with actual data.

## Dividend

The company's dividend policy is to distribute **40%** of net profit over a business cycle. The Annual General Meeting resolved on a dividend of SEK **3.50** (3.50) per share, totaling SEK **464** (464) million, with semi-annual payments of SEK **1.75** per share, the first of which was executed in May 2025. The dividend corresponds to **53%** (42) of net profit.

## Events after the reporting period

No significant events affecting the company's financial position have occurred after the end of the reporting period.





# CONSOLIDATED CASH FLOW STATEMENT

SEK million	Note	3 months Apr - Jun 2025	3 months Apr - Jun 2024	6 months Jan - Jun 2025	6 months Jan - Jun 2024	12 months Jan - Dec 2024
<b>Operating activities</b>						
Operating result		241	301	453	487	1,262
Adjustment for items not included in cash flow		81	76	167	139	307
Received interest		1	1	2	1	8
Paid interest		-25	-34	-51	-66	-137
Paid income tax		-56	-125	-147	-180	-332
<b>Cash flow from operating activities before changes in working capital</b>		<b>241</b>	<b>219</b>	<b>425</b>	<b>381</b>	<b>1,108</b>
<b>Changes in working capital</b>						
Increase/decrease of inventories		-104	161	-170	347	404
Increase/decrease of current receivables		-136	-259	64	20	-111
Increase/decrease of current liabilities		148	215	49	-208	-122
<b>Cash flow from changes in working capital</b>		<b>-92</b>	<b>118</b>	<b>-56</b>	<b>160</b>	<b>170</b>
<b>Cash flow from operating activities</b>		<b>150</b>	<b>337</b>	<b>368</b>	<b>541</b>	<b>1,278</b>
<b>Investing activities</b>						
Investments in tangible fixed assets		-120	-50	-212	-122	-283
Sales of tangible fixed assets		4	0	4	14	15
Investments in intangible fixed assets		-7	-12	-12	-16	-26
Acquisition of operations, net cash impact		0	0	0	0	0
Change long-term receivables		-2	0	-3	-2	-2
Repayment of long-term receivables		0	0	0	0	0
<b>Cash flow from investing activities</b>	1	<b>-125</b>	<b>-61</b>	<b>-223</b>	<b>-125</b>	<b>-297</b>
<b>Cash flow after investing activities</b>		<b>25</b>	<b>276</b>	<b>146</b>	<b>416</b>	<b>982</b>
<b>Financial activities</b>						
Loans raised		254	36	254	55	0
Amortization of loans		-18	-20	-156	-55	-191
Amortization of lease liabilities		-46	-40	-89	-78	-175
Dividend paid to the shareholders of the Parent company		-232	-232	-232	-232	-464
<b>Cash flow from financial activities</b>		<b>-42</b>	<b>-256</b>	<b>-222</b>	<b>-310</b>	<b>-830</b>
<b>Cash flow for the period</b>		<b>-17</b>	<b>20</b>	<b>-76</b>	<b>106</b>	<b>151</b>
Liquid assets at the beginning of the period		448	476	546	373	373
Translation differences in liquid assets		4	-4	-34	13	22
<b>Liquid assets at the end of the period</b>		<b>435</b>	<b>492</b>	<b>435</b>	<b>492</b>	<b>546</b>
<b>Liquid assets</b>						
Cash and cash equivalents		435	492	435	492	546

# FINANCIAL KEY FIGURES

	3 months Apr - Jun 2025	3 months Apr - Jun 2024	6 months Jan - Jun 2025	6 months Jan - Jun 2024	12 months Jan - Dec 2024
Net sales growth, %	-4.1	4.1	2.1	-1.1	0.2
Organic growth, %	1.4	2.8	4.8	-2.2	0.0
Acquired growth, %	0.0	0.4	0.0	0.8	0.4
Average number of employees	2,550	2,459	2,500	2,439	2,451
Gross profit margin, %	48.0	49.0	48.9	49.3	49.4
Operating margin before depreciations, %	13.9	15.6	13.7	14.4	16.5
Operating margin, %	10.5	12.6	10.1	11.1	13.2
Profit margin, %	9.4	11.2	9.0	9.6	11.9
Net margin, %	7.3	8.8	6.9	7.5	9.2
Return on shareholders' equity, %	12.2	13.6	12.2	13.6	12.3
Return on capital employed, %	13.3	14.8	13.3	14.8	13.8
Equity ratio, %	59.3	60.2	59.3	60.2	63.7
Net debt, SEK million	2,089	1,977	2,089	1,977	1,819
Net debt to credit institutes, SEK million	1,306	1,353	1,306	1,353	1,104
Net debt to equity ratio, %	31.9	30.3	31.9	30.3	25.2
Net debt in relation to working capital, %	41.8	38.1	41.8	38.1	33.2
Interest coverage ratio, times	9.3	8.8	8.8	7.3	9.3
Capital turnover, times	0.9	0.9	0.9	0.9	0.9
Inventory turnover, times	1.0	0.9	1.0	0.9	0.9
Cash flow before investments, SEK million	150	337	368	541	1,278
Net investments, SEK million	-125	-61	-223	-125	-297
Cash flow after investments, SEK million	25	276	146	416	982
Shareholders' equity per share, before and after dilution, SEK*	49.32	49.19	49.32	49.19	54.39
Share price as of the balance sheet date, SEK*	124.30	109.50	124.30	109.50	97.15
Dividend/share, SEK*	1.75	1.75	1.75	1.75	3.50
P/E-ratio	98.83	15.00	18.28	15.00	14.64
P/S-ratio	1.71	1.53	1.75	1.53	1.35
Share price/shareholders' equity	2.52	2.23	2.52	2.23	1.79

For definitions of alternative performance measures, please go to p. 22.





# NOTES

## NOTE 1 - REPORTING OF OPERATING SEGMENTS

### Net sales and operating result per operating segment

SEK million	Net Sales		Operating result		Net Sales		Operating result	
	3 months Apr-Jun 2025	3 months Apr-Jun 2024	3 months Apr-Jun 2025	3 months Apr-Jun 2024	6 months Apr-Jun 2025	6 months Apr-Jun 2024	6 months Apr-Jun 2025	6 months Apr-Jun 2024
Corporate	1,196	1,233	177	187	2,263	2,208	318	322
Sports & Leisure	910	959	74	121	1,863	1,819	176	194
Gifts & Home Furnishings	195	207	-10	-7	358	366	-41	-29
<b>Total</b>	<b>2,300</b>	<b>2,398</b>	<b>241</b>	<b>301</b>	<b>4,484</b>	<b>4,393</b>	<b>453</b>	<b>487</b>
Net financial items			-24	-33			-48	-65
<b>Result before tax</b>			<b>217</b>	<b>268</b>			<b>405</b>	<b>422</b>

### Assets and liabilities per operating segment

SEK million	Total assets	Fixed assets*	Deferred tax assets	Net investments	Amortizations, depreciations and write-downs	Total liabilities
<b>30 Jun 2025</b>						
Corporate	7,862	1,536	40	-142	-98	2,848
Sports & Leisure	2,627	1,680	74	-74	-52	1,315
Gifts & Home Furnishings	544	352	9	-7	-9	326
<b>Total</b>	<b>11,034</b>	<b>3,568</b>	<b>123</b>	<b>-223</b>	<b>-159</b>	<b>4,490</b>
<b>30 Jun 2024</b>						
Corporate	7,091	1,263	40	-98	-88	2,547
Sports & Leisure	3,331	1,714	75	-20	-47	1,457
Gifts & Home Furnishings	429	324	7	-7	-9	319
<b>Total</b>	<b>10,851</b>	<b>3,301</b>	<b>123</b>	<b>-125</b>	<b>-144</b>	<b>4,322</b>
<b>31 Dec 2024</b>						
Corporate	7,575	1,391	41	-191	-194	2,438
Sports & Leisure	3,204	1,842	80	-90	-96	1,366
Gifts & Home Furnishings	547	316	9	-16	-18	306
<b>Total</b>	<b>11,326</b>	<b>3,548</b>	<b>130</b>	<b>-297</b>	<b>-308</b>	<b>4,109</b>

\* Financial fixed assets and deferred tax assets are not included.



## NOTE 2 - REPORTING OF GEOGRAPHIC AREAS

### Sales per region

MSEK	Net Sales		Net Sales	
	3 months Apr-Jun 2025	3 months Apr-Jun 2024	6 months Jan-Jun 2025	6 months Jan-Jun 2024
North America	539	594	1,102	1,147
Sweden	466	492	902	885
Nordic countries excl. Sweden	276	298	527	518
Benelux	320	311	661	630
Rest of Europe	512	550	996	1,019
Other countries	186	153	297	194
<b>Total</b>	<b>2,300</b>	<b>2,398</b>	<b>4,484</b>	<b>4,393</b>

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

SEK million	30 Jun 2025		30 Jun 2024		31 Dec 2024	
	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets
North America	1,348	61	1,489	61	1,438	62
Sweden	981	32	892	26	898	32
Benelux	540	4	371	9	650	14
Nordic countries excl. Sweden	217	4	161	4	157	4
Rest of Europe	481	19	381	19	266	10
Other countries	1	2	7	4	140	8
<b>Total</b>	<b>3,568</b>	<b>123</b>	<b>3,301</b>	<b>123</b>	<b>3,548</b>	<b>130</b>

\* Financial fixed assets and deferred tax assets are not included.

## NOTE 3 - CONTINGENT LIABILITY

The U.S. Department of Justice has initiated a review questioning the company's eligibility for support received by the Group's U.S. subsidiary during the COVID-19 pandemic in 2020 under the Paycheck Protection Program (PPP loans). The support, amounting to approximately USD 5.4 million, was initially disbursed as a loan and subsequently forgiven in 2021, after which the amount was recognized as income. Although the loans have been forgiven, there remains a risk that repayment may be

required, in whole or in part, and that damages could be imposed. The subsidiary is cooperating with the authorities and evaluating possible actions.

The obligation is considered possible; however, due to current uncertainty regarding both probability and scope, a reliable assessment cannot be made at this time. Accordingly, the full amount is reported as a contingent liability as of June 30, 2025.

# THE PARENT COMPANY



Net revenue for the quarter amounted to SEK **51** (40) million, which refers to intra-group sales. The result before appropriations and tax amounted to SEK **58** (434) million. Net revenue for the six-month period amounted to SEK **101** (76) million, with the result before appropriations and tax of SEK **253** (440) million. The decrease in result is attributable to lower earnings from shares in Group companies.

The Parent Company's net financing to subsidiaries amounted to SEK **1,943** (1,781) million. Net debt amounted to SEK **1,623** (1,470) million. Cash flow from investing activities amounted to SEK **-82** (44) million. Total assets amounted to SEK **5,305** (5,319) million and equity, including the equity portion of untaxed reserves, to SEK **2,437** (2,649) million.

## INCOME STATEMENT

SEK million	3 months Apr - Jun 2025	3 months Apr - Jun 2024	6 months Jan - Jun 2025	6 months Jan - Jun 2024	12 months Jan - Dec 2024
Net sales	51	40	101	76	180
Other operating income	6	6	26	12	36
<b>Total income</b>	<b>57</b>	<b>46</b>	<b>127</b>	<b>88</b>	<b>216</b>
External costs	-45	-34	-84	-62	-135
Personnel costs	-21	-16	-39	-30	-60
Amortization, depreciation and write-down of tangible and intangible fixed assets	-1	-1	-2	-2	-3
Other operating costs	-5	-7	-25	-13	-34
<b>Operating result</b>	<b>-15</b>	<b>-12</b>	<b>-23</b>	<b>-19</b>	<b>-15</b>
Result from shares in Group companies	62	436	255	436	364
Financial income	34	54	71	111	216
Financial expenses	-24	-44	-51	-88	-169
<b>Net financial items</b>	<b>73</b>	<b>446</b>	<b>276</b>	<b>458</b>	<b>411</b>
<b>Result before appropriations and tax</b>	<b>58</b>	<b>434</b>	<b>253</b>	<b>440</b>	<b>396</b>
Appropriations	0	0	0	0	9
Tax expense	0	0	0	-2	-1
<b>Result for the period</b>	<b>58</b>	<b>434</b>	<b>253</b>	<b>438</b>	<b>404</b>

## BALANCE SHEET

SEK million	30 Jun 2025	30 Jun 2024	31 Dec 2024
<b>ASSETS</b>			
Shares in Group companies	2,576	2,618	2,576
Shares in associated companies	38	38	38
Other non-current assets	128	45	48
<b>Total non-current assets</b>	<b>2,741</b>	<b>2,701</b>	<b>2,661</b>
Receivables on Group companies	2,419	2,551	2,562
Current tax receivables	46	42	30
Other current assets	98	48	66
<b>Total current assets</b>	<b>2,563</b>	<b>2,642</b>	<b>2,658</b>
<b>TOTAL ASSETS</b>	<b>5,305</b>	<b>5,342</b>	<b>5,319</b>
<b>EQUITY</b>			
Total equity	2,371	2,616	2,582
Untaxed reserves	83	125	83
Interest bearing liabilities	1,623	1,638	1,470
Liabilities to Group companies	573	457	812
Other current liabilities	655	506	372
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,305</b>	<b>5,342</b>	<b>5,319</b>





# SIGNING OF THE REPORT



*Gothenburg, 14th of August, 2025*

<b>OLOF PERSSON</b> Chairman of the Board	<b>RALPH MÜHLRAD</b> Member of the Board	<b>KRISTINA JOHANSSON</b> Member of the Board	<b>KINNA BELLANDER</b> Member of the Board
<b>PERNILLA JANSSON</b> Member of the Board	<b>TORSTEN JANSSON</b> CEO and Group CEO	<b>SUSANNE GIVEN</b> Member of the Board	<b>M. JOHAN WIDERBERG</b> Member of the Board

## CALENDAR

2025			2026						
NOV			DEC		JAN		FEB		MAR
06 NOV Interim report for the third quarter					5 FEB Year-end report		23 APRIL Interim report for the first quarter		13 MAY Annual General Meeting 13:00, Kosta
									20 AUG Interim report for the second quarter

## CONTACT

For more information, please contact:

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<b>DEPUTY CEO</b>	Göran Härstedt	+ 46 (0) 70 362 56 11	goran.harstedt@nwg.se
<b>CFO</b>	Anna Gullmarstrand	+ 46 (0) 70 617 11 09	anna.gullmarstrand@nwg.se

For more information about New Group, please visit [nwg.se](https://nwg.se)

This information is information that New Wave Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons detailed above, at 7.00 a.m.CET on August 14th, 2025.





# DEFINITIONS

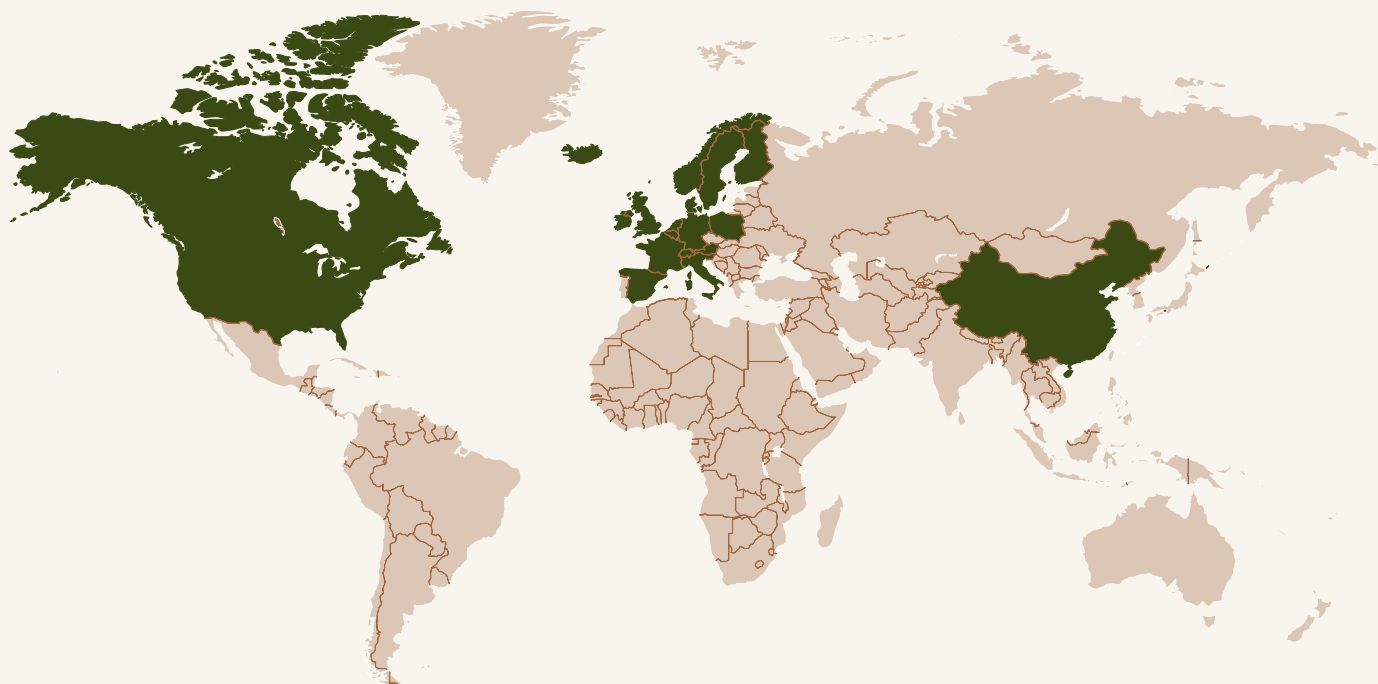
## Definitions of alternative performance measures

In the interim report, a number of financial measures are presented that fall outside IFRS definitions and are used to help both investors and management analyze the company's operations (so-called alternative performance measures, according to ESMA's guidelines). This means that these measures are not always comparable with those used by other companies and should therefore be seen as a complement to measures defined according to IFRS.

Below, the various measures used as a supplement to the financial information reported according to IFRS are described, as well as how these measures are applied. For reconciliation of alternative performance measures, please visit the website [www.nwg.se/investor-relations/finansiella-rapporter/nyckeltal](http://www.nwg.se/investor-relations/finansiella-rapporter/nyckeltal). The key figures are applied consistently over time and are alternative in accordance with ESMA's guidelines unless otherwise stated.

PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
GROSS PROFIT	Net sales less goods for resale.	The measure shows the Group's profitability from the sale of goods.
GROSS PROFIT MARGIN	Net sales less goods for resale in percent of net sales.	The measure shows the Group's margins before the impact of, among other things, personnel costs and external 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
CAPITAL EMPLOYED	Total assets less provisions and non-interest bearing liabilities, which consist of accounts payable, current tax liabilities, other liabilities and accrued expenses and prepaid income.	The measure indicates how much capital is needed to run the business, regardless of type of financing (borrowed or equity).
WORKING CAPITAL	Total current assets, excluding liquid assets and current tax receivables, less short-term non-interest bearing liabilities excluding current tax liabilities.	The measure is used to show how much capital is needed to finance operating activities.
NET DEBT	Interest-bearing liabilities (current and non-current) less cash and cash equivalents.	The measure shows financing from borrowings.
NET DEBT TO CREDIT INSTITUTES	Interest-bearing liabilities (current and non-current) less lease liabilities and less cash and cash equivalents.	The measure shows financing from borrowings excluding lease liabilities
CAPITAL TURNOVER	Rolling 12 month's net sales divided by average total assets. The average total assets is calculated by taking the total assets per period end and the total assets at year-end for the previous year divided by two.	The measure shows how efficiently the Group uses its total capital.
INVENTORY TURNOVER	Rolling 12 month's goods for resale in the income statement divided by average inventory. The average inventory is calculated by taking the inventory per period end and the inventory at the same period for the previous year divided by two.	The measure is used to show the inventory's turnover per year, since the stock is central for the Group to keep a good service level, i.e. to be able to deliver goods fast.
NET DEBT TO EQUITY RATIO	Net debt as a percentage of equity.	The measure helps show financial risk and is useful for management to monitor the level of the indebtedness.
NET DEBT IN RELATION TO WORKING CAPITAL	Net debt divided by working capital.	The measure is used to show how much of the working capital is financed through net debt.
INTEREST COVERAGE RATIO	Result before tax plus financial costs divided by financial costs.	The measure is used to calculate the Group's ability to pay interest costs.
EQUITY RATIO	Total equity as a percentage of total assets.	The measure shows how much of the Group's assets are financed by the shareholders through equity. An equity ratio is a measure of financial strength and how the Group meets its targets.
OTHER MEASURES	DEFINITION/CALCULATION	PURPOSE
EFFECTIVE TAX RATE	Tax on profit for the period as a percentage of result before tax.	This measure enables comparison of income tax across locations where corporate taxes differ.
EFFECTIVE INTEREST RATE	Net financial items in relation to average net debt.	The measure enables comparison of cost for the net debt.
CASH FLOW BEFORE INVESTMENTS	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.



## THIS IS NWG

*New Wave Group is a growth-oriented international company with high decentralization that creates, acquires, and develops brands and products within the business segments of Corporate, Sports & Leisure, and Gifts & Home Furnishings.*

The group aims to achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution, as well as the sales of product assortments.

The Group offers its products through two sales channels—promotional products and retail—in order to achieve effective risk diversification. The Group's brands are distributed across three business segments.

New Wave Group has approximately **2,500** employees in **25** countries. Our purchasing offices are located in

China, Bangladesh, Vietnam, India, and Egypt. Sales are primarily conducted in European and North American markets.

New Wave Group strives for sustainable and profitable sales growth through expansion within the three business segments. The growth target over an economic cycle is **10–20%** per year, of which **5–10%** is organic growth, with an operating margin of **20%**. In addition, New Wave Group has a solvency target of at least **40%** over a business cycle.

2,500

EMPLOYEES

25

COUNTRIES

3

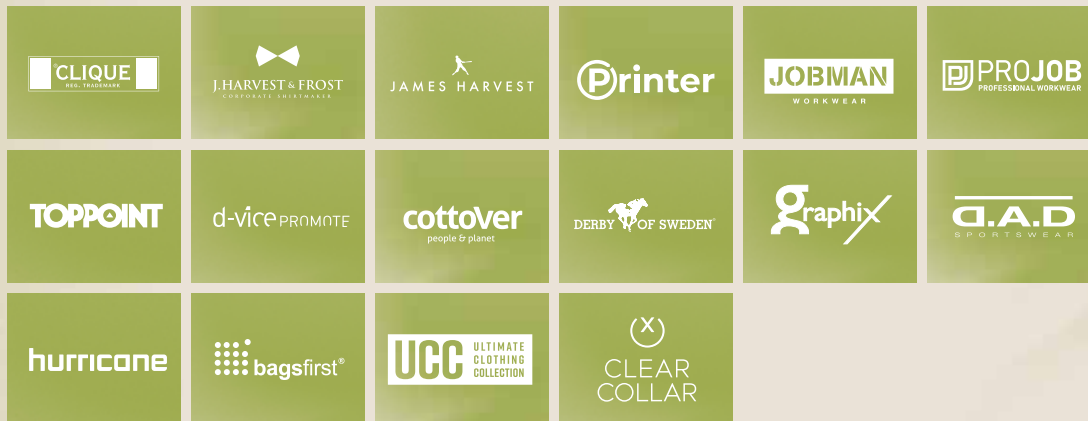
SEGMENTS





# BRANDS

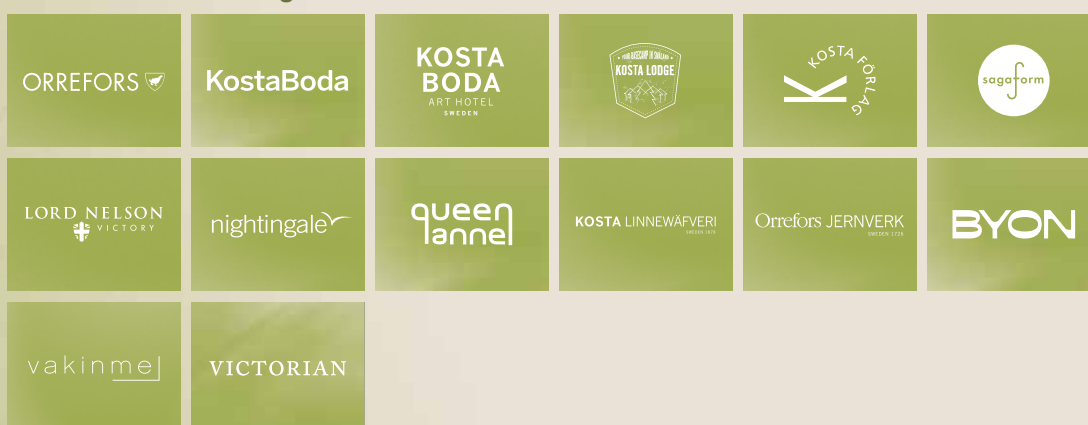
## Corporate



## Sports & Leisure



## Gifts & Home Furnishings





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