

Interim report January–September 2021

Sharp increase in profit and stronger margins in the third quarter

Q3 2021

- Net sales amounted to MSEK 428.4 (426.8)
- The gross margin was 39.2% (36.8)
- EBITA improved 19.4% to MSEK 34.4 (28.8)
- The EBITA margin was 8.0% (6.7)
- Net profit amounted to MSEK 15.9 (8.9)
- Earnings per share amounted to SEK 1.0 (1.1)

January–September 2021

- Net sales rose 4.7% to MSEK 1,224.7 (1,169.3)
- The gross margin was 36.3% (36.3)
- EBITA improved to MSEK 15.3 (6.8)
- The EBITA margin was 1.3% (0.6)
- The EBITA margin LTM amounted to 5.1%
- Net loss amounted to MSEK -25.2 (-36.5)
- Earnings per share amounted to SEK -2.0 (-4.6)

Significant events in third quarter

- The pandemic restrictions, and their impact on our operations, were lifted on 29 September
- Customers returned to in-person visits, leading to positive sales growth of 2.8% in stores
- Akademibokhandeln entered a three-year partnership as a primary partner with the non-profit group Berättarministeriet

19.4%

EBITA GROWTH IN THE QUARTER

6.9%

GROSS MARGIN GROWTH IN THE QUARTER

5.1%

EBITA MARGIN (LTM)

Performance measures, overview

MSEK	2021	2020	2021	2020	LTM	Full-year 2020
	Jul–Sep	Jul–Sep	Jan–Sep	Jan–Sep		
Net sales	428.4	426.8	1,224.7	1,169.3	1,830.3	1,774.9
Net sales growth, %	0.4%	2.5%	4.7%	-2.4%	4.2%	-1.0%
Gross margin, %	39.2%	36.8%	36.3%	36.3%	37.6%	37.7%
EBITDA	64.1	62.7	105.2	109.7	217.0	221.5
EBITA	34.4	28.8	15.3	6.8	92.7	84.3
EBIT	23.7	18.4	-16.2	-23.3	50.2	43.2
Net profit/loss	15.9	8.9	-25.2	-36.5	15.7	4.3
Earnings per share, SEK ¹⁾	0.98	0.66	-1.68	-2.72	1.07	0.32
Operating cash flow	83.5	22.9	-12.7	-0.9	176.6	188.5
Share of sales in online channels, %	45.2%	46.5%	49.2%	44.9%	46.6%	43.6%

1) Earnings per share before and after dilution.

Refer to page 26 for definitions.

About Bokusgruppen

SWEDEN'S LEADING BOOK RETAILER

Bokusgruppen AB (publ) is Sweden's market-leading book retailer which, with strong and complementary brands, reaches a very large share of Sweden's population. In addition to books in all channels and formats, a large and inspirational range of other products is also offered. Based on its vision – "Everyone should experience the joy of reading, every day" – Bokusgruppen aims to satisfy the customers' varying requirements and be the preferred choice for as many as possible.



- Sales of approximately SEK 1.8 billion
- 44% of sales in online channels and 56% in stores
- Approximately 410 employees



- 44 million online visits
- 17 million in-store visits (average 2016–2020)



- Strong brand awareness:**
- 94% for Akademibokhandeln
 - 80% for Bokus



- 2.1 million members of the Akademibokhandeln Vänner loyalty club
- 0.5 million registered Bokus customers

The above figures refer to 2020 unless otherwise stated.



Online shopping with over ten million physical and digital book titles, a seamless customer experience and low prices.

Part of the segment
Bokus Online



Subscription service for audio books and e-books with over 50,000 book titles.

Part of the segment
Bokus Online



A network of approx. 100 stores and a growing online shopping business. Product range of books, board games, toys, art supplies and gift wrapping.

Part of the segments
Akademibokhandeln Stores &
Akademibokhandeln Online

bokusgruppen



COMMENTS FROM THE CEO

Sharp increase in profit and stronger margins in the third quarter

During the quarter, gross margins increased 7% and EBITA increased 19% compared with the same quarter last year. Physical stores posted sales growth of 3%, Akademibokhandeln Online's sales increased by 20% and sales of other products increased by 7%. Bokusgruppen is thus continuing its excellent performance with stronger margins and robust profit growth. At the same time, continued investments are being made to generate growth over the long term.

During the third quarter, we continued our long-term focus on measures to enhance profitability, which resulted in a 7% improvement in gross margins and significantly improved EBITA of MSEK 34.4 (28.8). The EBITA margin LTM is thus 5% and steadily increased during the year. I'm very pleased with our price optimisation efforts, and the investments made in expanding the range of other products have had a clear effect on our profitability.

It is positive that our total sales during the quarter were stable, reaching MSEK 428.4 (426.8) despite a strong comparative quarter in 2020 when online channels increased significantly, and we saw a recovery in stores. Compared with the more typical year of 2019, third-quarter sales increased by 3%.

The third quarter was positive for the Akademibokhandeln brand. We saw a continued stream of customers returning to stores and a 3% increase in sales. Akademibokhandeln Online also posted a strong sales increase of 20%. Sales for Bokus Online decreased by 4%

during the quarter, which was better than the market, while profitability surged by 38%. Compared with the more typical year of 2019, sales increased by 12%. So far this year, our two online channels have experienced strong sales growth of 15% over the previous year.

During the quarter, we continued to invest in our digital transformation to generate growth. For example, we will soon be launching new solutions to improve the in-store customer experience.

There was also other exciting development during the quarter. By Christmas, we will be opening a new store at a prime location in Gothenburg as well as a pop-up store in Tyresö Centrum. In addition to these new stores, we have focused on activities to promote reading. We entered a partnership with Berättarministeriet, which works to reduce the negative effects of segregation in schools, and we launched the Läsborgarmärket concept for compulsory schools, where 2,000 teachers have ordered material to help students learn to read. These are important initiatives that will encourage the younger generation to read and become book consumers in the future.

It is very gratifying to know that our customers appreciate what we do – customer satisfaction with both Bokus and Akademibokhandeln increased during the quarter.

We are on the right track to deliver on our financial targets and I look forward to the final and strongest quarter of the year, which we are now entering without any pandemic restrictions. It's time for holiday shopping that spreads creativity and the joy of reading to all of Sweden! – **Maria Edsman, CEO**

Overview: Consolidated financial trend

Quarter

Net sales

The Group's net sales amounted to MSEK 428.4 (426.8), which was in line with the previous year but 2.9% higher than 2019, which was unaffected by the pandemic. Sales growth for Akademibokhandeln was higher than in the previous year, both for Stores (+2.8%) and Online (+20.3%), while sales growth for Bokus Online decreased by 4.0%, which was better than the market. Sales in online channels accounted for 45% of the Group's total sales in the quarter, compared with 47% in the year-earlier quarter. The LTM share is 49%, compared with 38% in the preceding LTM period.

The Akademibokhandeln Stores segment was positively affected by recovery of customer traffic in stores during the quarter, which resulted in a sales increase of 2.8% compared with the previous year. This shows that stores remain popular among customers when their choice of purchase point is not limited by external factors.

The sales increase in online channels was not as high as in the preceding quarter, and sales decreased by 2.4% compared to the year-earlier quarter due to a partial return to stores. Akademibokhandeln Online continued to grow and sales increased by 20.3% compared with the year-earlier quarter. A contributing factor was the range of other products that were introduced online during the second quarter and were well received by customers.

The range of other products performed very well overall, with net sales growth of 6.7%. The back-to-school range, for example, was very popular in stores as well as online.

Sales of digital books (single sales and through subscriptions) decreased by 2.5% compared with the third quarter last year. Subscription sales continued to display significantly higher growth than the market, while single sales decreased due to restrictive rules for advertising on Google.

For trends in each segment, refer to pages 7–9.

Earnings

EBITA amounted to MSEK 34.4 (28.8), equivalent to growth of 19.4%. The improvement in earnings was due to increased margins, primarily in the Akademibokhandeln Stores segment, which has strong margins, but also in online channels. EBITA is normally stronger in the third quarter, primarily due to the start of the school year in August, as well as in the fourth quarter, due to Christmas sales in December. Read more about seasonal variations under "Other information."

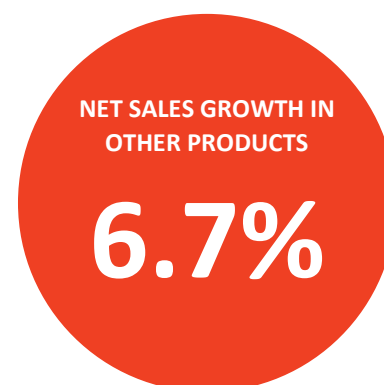
The gross margin amounted to 39.2%, an increase of 2.4 percentage points over last year, which was achieved through improved margins in all channels and increased sales in stores.

Personnel expenses increased to MSEK 62.9 (57.4), which was primarily due to more hours worked in stores as store sales increased.

Depreciation and amortisation decreased by MSEK 4.2 for the Group due to lower depreciation of right-of-use assets.

During the quarter, government grants related to the pandemic amounted to MSEK 2.2 (3.6). Refer to Note 6.

Adjusted for government grants and for expenses attributable to the company's listing in June 2021, EBITA excluding items affecting



comparability rose MSEK 7.1 compared to the year-earlier quarter, corresponding to a 28.2% increase.

Period

Net sales

The Group's net sales amounted to MSEK 1,224.7 (1,169.3), an increase of 4.7%. This increase is primarily due to strong sales growth of 14.9% in online channels.

Sales in stores for the full period decreased by 3.6%. The start of the period was comparable with the months in 2020 that were not affected by the pandemic, while the important annual national book sale period at the end of February and start of March was negatively impacted this year. However, sales growth in stores was strong from the second half of March and the remainder of the period.

Sales in online channels accounted for 49% of the Group's total sales, compared with 45% in the year-earlier period.

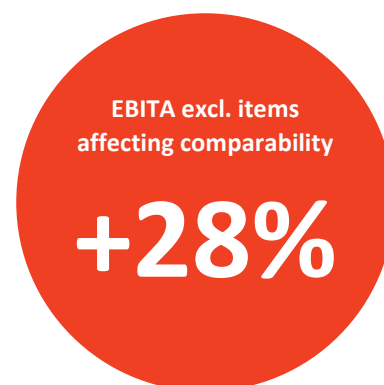
Sales of digital books (single sales and through subscriptions) increased by 13.4% over the year-earlier period.

For trends in each segment, refer to pages 7–9.

Earnings

EBITA amounted to MSEK 15.3 (6.8). This improvement is primarily due to increased sales growth in online channels. Excluding grants and costs related to the listing, EBITA excluding items affecting comparability amounted to MSEK 9.7 (-10.1), an increase of 196%.

The gross margin amounted to 36.3%, which was in line with the year-earlier period. The return to stores in the third quarter compensated for the shift towards the online channels during the first half of the year. Online channels also reported healthy margin increases during the period due to a deliberate focus on margin optimisation.



Cash flow and financial position

Cash flow and investments

Cash flow in the third quarter was positive. Operating cash flow for the quarter amounted to MSEK 83.5 (22.9). This increase is primarily due to lower tied-up working capital, where the difference is attributable to a decrease in inventories and the previous year's repayment of taxes deferred in connection with the pandemic. Accelerated investments in future growth in the form of investments in digital business development, such as the digital platform, a new payment system and Bokus Play, continued during the quarter.

Total cash flow for the quarter amounted to MSEK 0.0 (19.4). The difference is primarily attributable to the aforementioned lower tied-up working capital and changes in the financing structure in conjunction with the listing on 4 June 2021, as Bokusgruppen is now financed through an overdraft facility. Overdraft facility utilisation decreased by MSEK 49 during the quarter due to a strong third quarter. The overdraft facility amounted to MSEK 67.3 (-) at the end of the quarter, by which the unutilised portion amounted to MSEK 132.7 (-).

Operating cash flow for the period amounted to MSEK -12.7 (-0.9). The difference is primarily attributable to increased investments in digital business development for future growth. During the first nine months of the year, interest-bearing loans decreased by MSEK -87.6 (-75.0) and repayments were made on lease liabilities in an amount of MSEK -75.7 (-85.2), which meant that total cash flow for the period amounted to MSEK -165.0 (-150.4).

Financing

During the second quarter, Bokusgruppen entered into an agreement with Nordea for an overdraft facility of MSEK 200.0 at a customary market rate for financial obligations.

In connection with receiving this overdraft facility, Bokusgruppen's liability to Volati AB (publ) of MSEK 319.8 was repaid through a combination of an offset issue of MSEK 165.0 and a payment of MSEK 154.8 financed by own funds and the aforementioned overdraft facility. As of 30 September 2021, MSEK 67.3 of the overdraft facility had been utilised.

The equity/assets ratio at the end of the quarter was 46.5% (31.2). This improvement is primarily attributable to the aforementioned offset issue. Net debt/adjusted EBITDA LTM excluding IFRS 16 was 0.7x, compared with 2.8x in the third quarter of 2020 and 1.6x on 31 December 2020.

Segments

Bokus Online

Bokus.com is an online shopping service with over ten million physical and digital book titles. Bokus Play is a subscription service for audio books and e-books with over 50,000 book titles.

	Jul-Sep		Jan-Sep		Full-year	
	2021	2020	2021	2020	LTM	2020
Net sales, MSEK	178.6	186.0	544.0	488.2	765.5	709.6
EBITA, MSEK	12.6	9.2	31.8	16.2	49.5	33.8
No. of active customers (thousands), LTM					950	923
NPS					56	

Net sales for Bokus Online amounted to MSEK 178.6 (186.0) for the quarter, a year-on-year decrease of 4.0% after the previous year's strong third quarter. Net sales for the period amounted to MSEK 544.0 (488.2), which is equivalent to a year-on-year increase of 11.4%.

The strong positive trend for Bokus Online has continued over an extended period, both in terms of sales and with respect to the number of active customers. During the period, Bokus's shipping offering was expanded to include more alternatives, such as home deliveries and parcel delivery lockers, which is in line with customer demand. Efforts to improve the customer offering at Bokus have yielded results and NPS increased from 53 to a strong 56.

Digital sales (subscriptions and single sales) also continued to increase during the period, up +13.4% year-on-year.

EBITA increased to MSEK 3.4 for the quarter and MSEK 15.6 for the period. This increased profitability is a result of drastically increased volumes in combination with stronger gross margins both for the quarter and for the year-earlier period. The latter is the result of long-term work related to price optimisation and supplier negotiations.

Akademibokhandeln Online

Akademibokhandeln.se is a growing online store with over ten million physical book titles. Together with Akademibokhandeln Stores, the segment provides a competitive omnichannel offering.

	Jul-Sep		Jan-Sep		Full-year	
	2021	2020	2021	2020	LTM	2020
Net sales, MSEK	15.0	12.5	58.9	36.3	87.3	64.7
EBITA, MSEK	1.4	1.3	6.2	1.5	10.8	6.0
Share of online sales, %	6.0%	5.2%	8.7%	5.3%	8.2%	6.1%

Net sales for Akademibokhandeln Online amounted to MSEK 15.0 (12.5) for the quarter, equivalent to an increase of 20.3%. Net sales for the period amounted to MSEK 58.9, a year-on-year increase of 62.5%.

Towards the end of the second quarter and in the third quarter, the important range of other products was launched on Akademibokhandeln Online. The range has been well received, with a great deal of interest from customers, and the other product range accounted for 4.7% of total sales during the quarter.

The online share of total LTM sales for Akademibokhandeln (in-store and online) was 8.2%. This figure was 8.7% for the full period, but 6.0% during the quarter when stores began to recover.

EBITA amounted to MSEK 1.4 for the quarter and MSEK 6.2 for the period, which is a dramatic improvement over the previous year. The improvement is due to strong sales growth and improved gross margins as a result of a favourable product mix.

Akademibokhandeln Stores

Akademibokhandeln consists of approximately 100 stores throughout Sweden, of which 71 are centrally owned and 27 are franchises. The stores offer a wide range of books, art supplies, board games, toys, planners, gift wrapping and cards. Together with Akademibokhandeln Online, the segment provides a competitive omnichannel offering.

	Jul-Sep		Jan-Sep		Full-year	
	2021	2020	2021	2020	LTM	2020
Net sales, MSEK	234.8	228.3	621.8	644.9	977.5	1,000.6
EBITA, MSEK	22.5	20.3	-14.4	-4.0	41.6	52.1
No. of stores under own management	71	75	71	75	71	75
Share of stores posting a positive contribution to operations LTM, %					91.5%	91.9%
Growth in other products	5.9%	-2.9%	1.1%	-6.5%	-4.9%	-9.1%
Share of private label in other products, %	24.7%	24.0%	20.5%	19.7%	18.1%	17.6%
Cost of store premises, as a % of Akademibokhandeln sales LTM, %					15.5%	15.1%
No. of active customers (thousands), LTM					1,258	1,298
NPS					63	

Net sales for stores amounted to MSEK 234.8 (228.3) for the quarter, equivalent to growth of 2.8%. Growth in the period was still negative at -3.6%, since the first quarter was more affected by the pandemic than the beginning of 2020, which had no pandemic effects.

Four stores closed during the first quarter, but the number of stores remained unchanged in the second and third quarters. The closures in the first quarter were part of a long-term restructuring of the store network and not a direct result of the pandemic. The stores that closed were all located in areas where other stores are remaining. In the next quarter, we will strengthen the store network by opening a new store at a prime location in Gothenburg and a pop-up store in Tyresö Centrum. Testing of more concepts and localisations is planned for the future to adapt the store offering to customer behaviour and needs after the pandemic.

The number of customers LTM was somewhat lower than in the full year 2020 due to restrictions for physical stores that have affected the last 18 months.

The positive trend for stores in the third quarter also had a positive effect on the range of other products, which is primarily sold in stores. The back-to-school campaign was well received by customers and was very successful. Net sales of the range of other products increased by 5.9%, of which the share of private label products accounted for 24.7% (24.0), which also contributed to strengthening the gross margin.

EBITA amounted to MSEK 22.5 for the quarter, a year-on-year improvement of MSEK 2.2 (+10.8%). The improvement is due to a gradual improvement in in-store sales as pandemic restrictions were lifted. Most stores made a positive contribution to the operations despite the impact of the pandemic. Stores in urban locations were affected the most, but saw a clear recovery during the quarter.

EBITA for the period amounted to MSEK -14.4 (-4.0). This negative deviation is attributable to the first quarter.

Central Functions

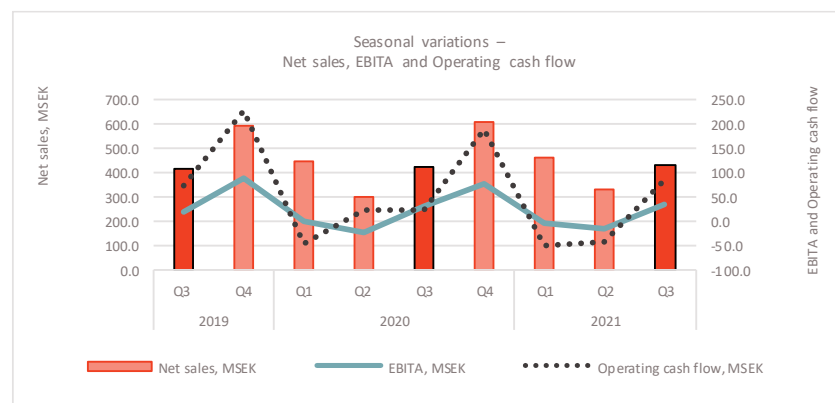
Consists of the Parent Company and Group management. EBITA for Central Functions amounted to MSEK -2.2 (-1.9) for the quarter. EBITA for the period amounted to MSEK -8.3 (-6.9). The difference is attributable to costs related to the company being listed. Refer to Note 5.

Other information

Seasonal variations

Bokusgruppen's sales are affected by seasonal variations, primarily due to Christmas sales in December and the start of the school year in the autumn. As a result, Bokusgruppen usually posts stronger earnings during the fourth quarter every financial year.

The Akademibokhandeln Stores segment displays the largest seasonal variations. This affects sales as well as EBITA, which is usually low or even negative during the first two quarters, to gradually increase during the third quarter as the fourth quarter approaches, which is when the majority of the annual earnings are posted.



Organisation and employees

The average number of employees during the first nine months was 378 (387) (excluding furlough hours). Of these, 281 (292) were employees in physical stores and the rest were employed in HR, finance, sales, purchasing and assortment, supply chain, marketing and communications, and IT.

Sustainability

Bokusgruppen updated its sustainability strategies during the year, including sustainability areas and overall objectives. During the third quarter of 2021, work to integrate the strategies into the operations continued. The sustainability work is headed by Bokusgruppen's sustainability manager together with a sustainability management team, and is conducted in cross-functional teams connected to each sustainability area. Read more in Bokusgruppen's 2020 Sustainability Report, available at bokusgruppen.com.

As a part of its sustainability agenda, Bokusgruppen carried out initiatives during the third quarter to promote reading. For example, Akademibokhandeln entered a partnership with the Berättarministeriet foundation, which works to reduce the negative effects of segregation in schools. Akademibokhandeln also launched the Läsborgarmärket concept for compulsory schools. This concept includes materials to support and inspire teaching, and there has been a great deal of interest from teachers. 2,000 inspiration packets reached schools across the country during the

quarter. These are examples of important initiatives that are in line with Bokusgruppen’s sustainability strategy and vision.

The share and owners

Bokusgruppen AB (publ) was listed on Nasdaq First North Premier Growth Market on 4 June. The Board and senior executives own approximately 9.9% of Bokusgruppen. For more information, please refer to

<https://www.bokusgruppen.com/investerare/aktien-och-agare/>

Senior Bokusgruppen executives subscribed for 550,585 warrants during the period. Bokusgruppen’s CEO Maria Edsman subscribed for 117,647 warrants, and other senior executives in Bokusgruppen subscribed for a total of 432,938 warrants. If all the subscribed warrants are exercised for shares, this entails a dilution effect of 3.3% in Bokusgruppen. The subscription price for the warrants in the 2021/2024 series is based, as per the AGM’s resolution, on the average volume-weighted price paid for Bokusgruppen’s shares on Nasdaq First North Premier Growth Market during the period 7–11 June 2021. The average volume-weighted price was SEK 42.90. The subscription price for the warrants thus amounts to SEK 1.30 per warrant and the future exercise price for the share based on the warrant amounts to SEK 55.80 per share. The subscription price was set at market price and calculated using the Black & Scholes model.

Financial targets

Bokusgruppen has three medium-term financial targets for the next three to five years, specified below.

The LTM outcome was very positive for online channels, which were boosted by the pandemic. Similarly, the pandemic had a negative impact on physical stores and the EBITA margin. However, there has been an improvement in sales in physical stores during the last two quarters, and the EBITA margin LTM improved from 4.8% in the second quarter to 5.1% in this quarter, which is a step in the right direction towards our financial targets.

	Medium-term target (3–5 years)	LTM	2020 Jan–Dec
Net sales growth in online channels	Average 10% annual growth	26.4%	15.0%
Net sales growth in physical stores	Growth in line with general economy	-10.3%	-3.6%
EBITA	EBITA margin of approx. 6%	5.1%	4.7%

Dividend policy:

Bokusgruppen strives to provide a stable and gradually increasing dividend while maintaining an efficient capital structure over the long term. When operating cash flow exceeds the need for investments in profitable expansion over time and the stipulated targets for the company’s capital structure have been met, the surplus may be distributed to shareholders.

Parent Company

The Parent Company, Bokusgruppen AB, consists of four employees, and manages real estate and movable property in addition to providing administrative intra-Group services. The income statement and balance sheet for the Parent Company are presented on pages 19–20.

Events after the end of the period

No significant events took place after the end of the period.

Outlook

On 29 September, the authorities lifted the pandemic restrictions, which will have a positive effect on foot traffic in stores during the important fourth quarter, which includes Black Friday and Christmas shopping. At the same time, the pandemic has had consequences in the form of a raw material shortage, reduced production capacity and problems with shipping, which could have a certain negative impact on Bokusgruppen's access to goods during this period. Measures are being taken to reduce this risk as much as possible. Some uncertainty also remains surrounding new variants of the virus and their effect on case numbers, which could result in restrictions being reintroduced. During the first quarter, large volumes of sales moved to online channels, while the second and third quarters saw a gradual return to stores. Bokusgruppen has thereby demonstrated that the company can successfully manage the impact of external factors through its presence in all channels and its ability to follow the customer to whichever channel they choose on any given occasion.

The Board's assurance

The Board of Directors and the CEO hereby certify that this interim report for January to September 2021 provides a fair view of the Parent Company's and the Group's operations, position and performance, and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Bokusgruppen AB (publ), Corp. Reg. No. 559025–8637

Stockholm, 25 October 2021

Mårten Andersson
Chairman of the Board

Mattias Björk
Board Member

Cecilia Marlow
Board Member

Anna Wallenberg
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Financial calendar

- | | |
|--------------------|-------------------------------------|
| • 17 February 2022 | Year-end report for Q4 and FY 2021 |
| • 28 April 2022 | Q1 2022 interim report |
| • 12 May 2022 | Annual General Meeting in Stockholm |
| • 15 July 2022 | Q2 2022 interim report |
| • 25 October 2022 | Q3 2022 interim report |

Presentation of the report

The Q3 2021 interim report will be presented via teleconference.

Time: 26 October, 10:00 a.m.

To participate in the conference, call +46 (0)8 5055 8355

Link to webcast: <https://financialhearings.com/event/14023>

Auditor's review report

Bokusgruppen AB (publ), Corp. Reg. No. 559025–8637

Introduction

We have reviewed the condensed interim financial information (interim report) of Bokusgruppen AB as of 30 September 2021 and the three-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, *ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The stated conclusion based on a review therefore does not have the certainty that a stated conclusion based on an audit has.

Conclusion

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

Stockholm, 26 October 2021

Ernst & Young AB

Andreas Troberg
Authorised Public Accountant

Financial statements

Consolidated statement of comprehensive income

Amounts in MSEK	Note	Accounting period					
		2021 Jul–Sep	2020 Jul–Sep	2021 Jan–Sep	2020 Jan–Sep	LTM	2020 Jan–Dec
Net sales	5	428.4	426.8	1,224.7	1,169.3	1,830.3	1,774.9
Total revenue		428.4	426.8	1,224.7	1,169.3	1,830.3	1,774.9
Goods for resale		-260.5	-269.7	-780.6	-745.2	-1,142.0	-1,106.6
Other external costs		-40.7	-36.3	-130.8	-121.1	-184.8	-175.1
Personnel expenses	6, 10	-62.9	-57.4	-207.6	-191.4	-287.8	-271.6
Other operating expenses		-0.2	-0.6	-0.6	-1.9	1.3	-0.1
EBITDA		64.1	62.7	105.2	109.7	217.0	221.5
Depreciation of right-of-use assets	6	-27.1	-31.1	-81.9	-94.3	-113.5	-125.9
Depreciation of property, plant and equipment		-2.6	-2.9	-8.0	-8.6	-10.8	-11.4
EBITA		34.4	28.8	15.3	6.8	92.7	84.3
Amortisation of intangible assets		-4.8	-4.4	-13.8	-12.4	-18.8	-17.4
Amortisation of acquisition-related intangible assets		-5.9	-5.9	-17.7	-17.7	-23.6	-23.6
EBIT		23.7	18.4	-16.2	-23.3	50.2	43.2
Financial income		0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses		-3.6	-7.0	-15.2	-21.4	-22.1	-28.3
Net financial items		-3.6	-6.9	-15.2	-21.4	-22.1	-28.3
Profit/loss after financial items		20.1	11.5	-31.4	-44.7	28.2	14.9
Income tax		-4.2	-2.6	6.2	8.2	-12.5	-10.6
Net profit/loss		15.9	8.9	-25.2	-36.5	15.7	4.3
Other comprehensive income:							
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		15.9	8.9	-25.2	-36.5	15.7	4.3
Earnings per share before and after dilution, SEK	8	0.98	0.66	-1.68	-2.72	1.07	0.32

Net profit/loss and total comprehensive income for the period are attributable in their entirety to the owners of the Parent.

Consolidated balance sheet

Amounts in MSEK	Note	30/09/2021	30/09/2020	31/12/2020
ASSETS				
Non-current assets				
<i>Intangible assets</i>				
Goodwill		410.1	410.1	410.1
Brands		240.1	240.1	240.1
Customer relationships		89.8	109.4	104.5
Capitalised expenditure for development work		69.1	58.6	61.8
Total intangible assets and goodwill		809.2	818.2	816.5
<i>Property, plant and equipment</i>				
Equipment, fixtures and fittings		22.5	26.5	25.4
Total property, plant and equipment		22.5	26.5	25.4
Right-of-use assets		237.0	234.5	273.8
Deferred tax asset		1.9	22.5	2.8
Total non-current assets		1,070.5	1,101.6	1,118.5
Current assets				
Finished goods and goods for resale		168.3	186.2	193.5
Trade receivables		18.2	15.8	22.4
Other receivables		14.5	25.1	23.2
Receivables from Group companies	7	-	-	22.1
Prepaid expenses and accrued income		28.7	11.2	18.4
Cash and cash equivalents		2.2	2.5	2.5
Total current assets		231.8	240.8	282.1
TOTAL ASSETS		1,302.3	1,342.5	1,400.7
Amounts in MSEK				
EQUITY AND LIABILITIES				
EQUITY				
Share capital		0.6	0.1	0.1
Other paid-in capital		252.8	70.1	87.5
Retained earnings including net profit		352.7	349.2	390.0
Total equity attributable to owners of the Parent		606.2	419.3	477.5
LIABILITIES				
Non-current liabilities				
Lease liabilities		121.6	121.7	151.7
Deferred tax liabilities		92.7	90.9	92.1
Total non-current liabilities		214.2	212.6	243.8
Current liabilities				
Liabilities to Group companies	7	-	303.2	149.9
Overdraft facility	11	67.3	-	-
Lease liabilities		104.2	93.9	104.7
Current tax liabilities		0.0	9.1	12.1
Trade payables		178.7	179.7	240.2
Advance payments from customers		1.2	1.1	1.0
Other current liabilities		38.3	33.8	57.6
Accrued expenses and deferred income		92.1	89.8	113.7
Total current liabilities		481.9	710.6	679.4
Total liabilities		696.1	923.2	923.1
TOTAL EQUITY AND LIABILITIES		1,302.3	1,342.5	1,400.7

Condensed consolidated statement of changes in equity

Amounts in MSEK	Note	Attributable to owners of the Parent			Total equity
		Share capital	Other paid-in capital	Retained earnings including net profit/loss	
Opening balance, 1 Jan 2020		0.1	70.1	390.6	460.7
Net loss plus comprehensive income				-36.5	-36.5
Transactions with shareholders in their capacity as owners					
Dividends				-4.9	-4.9
Closing balance, 30 Sep 2020		0.1	70.1	349.2	419.3
Opening balance, 1 Jan 2021		0.1	70.1	390.6	460.7
Net loss plus comprehensive income				4.3	4.3
Transactions with shareholders in their capacity as owners					
Group contributions			17.4		17.4
Dividends				-4.9	-4.9
Closing balance, 31 Dec 2020		0.1	87.5	390.0	477.5
Opening balance, 1 Jan 2021		0.1	87.5	390.0	477.5
Net loss plus comprehensive income				-25.2	-25.2
Transactions with shareholders in their capacity as owners					
Bonus issue	9	0.4		-0.4	-
New issue	9	0.1	164.9		165.0
Warrants	10		0.5		0.5
Dividends				-11.7	-11.7
Closing balance, 30 Sep 2021		0.6	252.8	352.7	606.2

Condensed consolidated statement of cash flow

Amounts in MSEK	Note	Accounting period					
		2021 Jul–Sep	2020 Jul–Sep	2021 Jan–Sep	2020 Jan–Sep	LTM	2020 Jan–Dec
Cash flow from operating activities							
EBIT		23.7	18.4	-16.2	-23.3	50.2	43.2
<i>Adjustments for non-cash items:</i>							
– Depreciation/amortisation		40.5	44.3	121.4	133.0	166.8	178.3
– Other items not affecting cash flow		-	-	0.0	0.1	0.0	0.1
Interest received		0.0	0.0	0.0	0.0	0.0	0.0
Interest paid		-3.6	-2.9	-10.1	-8.6	-13.5	-12.1
Tax paid		-0.9	-0.4	-4.4	-0.5	-4.0	-0.1
		59.6	59.5	90.8	100.6	199.6	209.4
Cash flow from changes in working capital							
Increase/decrease in inventories		-20.0	-30.6	25.3	11.8	18.0	4.6
Increase/decrease in operating receivables		7.0	-4.4	2.6	12.2	-6.7	2.9
Increase/decrease in operating liabilities		44.6	2.8	-102.2	-108.2	6.0	-0.1
Total change in working capital		31.6	-32.2	-74.3	-84.2	17.2	7.4
Cash flow from operating activities		91.2	27.3	16.5	16.4	216.9	216.8
Cash flow from investing activities							
Investments in intangible assets		-5.9	-2.8	-24.2	-12.5	-33.4	-21.8
Investments in property, plant and equipment		-1.9	-1.5	-5.1	-4.8	-6.8	-6.6
Cash flow from investing activities		-7.7	-4.4	-29.2	-17.3	-40.2	-28.3
Operating cash flow		83.5	22.9	-12.7	-0.9	176.6	188.5
Cash flow from financing activities							
Borrowings		-	40.0	-	40.0	0.0	40.0
Repayment of interest-bearing liabilities		-	-	-154.8	-115.0	-204.8	-165.0
Utilised overdraft facility	11	-49.1	-	67.3	-	67.3	-
Proceeds from warrants	10	-	-	0.5	-	0.5	-
Group contributions received		-	-	22.1	15.6	22.1	15.6
Payments pertaining to repayment of lease liabilities		-34.4	-43.5	-75.7	-85.2	-108.3	-117.8
Dividends paid		-	-	-11.7	-4.9	-11.6	-4.9
Cash flow from financing activities		-83.5	-3.5	-152.3	-149.5	-234.9	-232.1
Decrease/increase in cash and cash equivalents		0.0	19.4	-165.0	-150.4	-58.3	-43.6
Cash and cash equivalents at beginning of period		2.2	41.0	167.2	210.9	60.4	210.9
Cash and cash equivalents at end of period		2.2	60.4	2.2	60.4	2.2	167.2

Parent Company income statement

Amounts in MSEK	Accounting period					
	2021 Jul–Sep	2020 Jul–Sep	2021 Jan–Sep	2020 Jan–Sep	LTM	2020 Jan–Dec
Net sales	1.6	0.4	3.9	0.9	3.0	-
Total revenue	1.6	0.4	3.9	0.9	3.0	-
Operating expenses						
Other external costs	-0.9	-0.4	-3.8	-1.3	-3.0	-0.5
Personnel expenses	-1.7	-	-4.1	-	-4.1	-
Depreciation of intangible assets	-3.0	-7.0	-9.0	-7.0	-12.0	-10.0
	-5.7	-7.4	-16.9	-8.3	-19.1	-10.5
Operating profit	-4.0	-7.0	-13.0	-7.4	-16.1	-10.5
Profit/loss from financial items						
Profit from participations in Group companies	-	-	-	-	55.0	55.0
Other interest income and similar profit/loss items	1.7	-	8.8	-	14.7	5.9
Interest expenses and similar profit/loss items	-1.7	-4.1	-10.6	-12.8	-19.5	-21.7
Total financial items	-0.1	-4.1	-1.8	-12.8	50.2	39.2
Profit/loss after financial items	-4.1	-11.1	-14.8	-20.2	34.1	28.7
Appropriations	-	-	-	-	10.5	10.5
Profit/loss before tax	-4.1	-11.1	-14.8	-20.2	44.6	39.2
Income tax	0.8	2.4	2.9	4.3	-1.4	-
Net profit/loss	-3.3	-8.7	-11.9	-15.9	43.2	39.2

Parent Company balance sheet

Amounts in MSEK	Note	30/09/2021	30/09/2020	31/12/2020
ASSETS				
Non-current assets				
<i>Intangible assets</i>				
Concessions, patents, licenses, brands and similar intellectual property		41.0	53.0	50.0
Total intangible assets		41.0	53.0	50.0
<i>Financial assets</i>				
Participations in Group companies	12	553.7	433.7	433.7
Total financial assets		553.7	433.7	433.7
Total non-current assets		594.7	486.7	483.7
Current assets				
<i>Current receivables</i>				
Receivables from Group companies		377.7	120.0	510.2
Current tax asset		3.2	4.3	-
Prepaid expenses and accrued income		1.6	-	-
Other receivables		0.1	0.1	-
Total current receivables		382.6	124.4	510.2
Total current assets		382.6	124.4	510.2
TOTAL ASSETS		977.3	611.1	993.8
EQUITY AND LIABILITIES				
Equity				
<i>Restricted equity</i>				
Share capital		0.6	0.1	0.1
Total restricted equity		0.6	0.1	0.1
<i>Non-restricted equity</i>				
Share premium reserve		165.4	-	-
Retained earnings		277.9	250.8	250.8
Net profit/loss		-11.9	-15.9	39.2
Total non-restricted equity		431.4	234.9	290.0
Total equity		432.0	235.0	290.0
Untaxed reserves		8.0	-	8.0
Non-current liabilities				
Liabilities to Group companies		180.0	180.0	180.0
Total non-current liabilities		180.0	180.0	180.0
Current liabilities				
Overdraft facility		67.3	-	-
Trade payables		0.1	0.1	-
Liabilities to Group companies		288.3	196.0	515.8
Other current liabilities		0.5	-	-
Accrued expenses and deferred income		1.2	-	-
Total current liabilities		357.3	196.1	515.8
TOTAL EQUITY AND LIABILITIES		977.3	611.1	993.8

Note disclosures

NOTE 1 General information

Bokusgruppen AB (publ) ("Bokusgruppen"), Corp. Reg. No. 559025–8637 is a Parent Company registered in Sweden with its registered office in Stockholm at Lindhagensgatan 74, SE-112 18 Stockholm, Sweden. The Group conducts operations through the companies Akademibokhandeln Holding AB, Bokhandelsgruppen i Sverige AB and Bokus AB, Sweden's leading book retailer.

Amounts are stated in millions of SEK (MSEK) unless otherwise specified. Figures in parentheses refer to the comparative period.

NOTE 2 Summary of key accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

In April 2021, the IFRS Interpretations Committee (IFRS IC) published a decision regarding cloud computing arrangement costs, referring to costs incurred for configuring or adapting software in cloud-based solutions. Bokusgruppen is currently analysing the effects of this decision, which could mean that previously reported intangible assets might need to be reclassified as another type of asset or expensed in future financial reports.

The accounting policies applied are the same as those described in the 2020 Annual Report for Bokusgruppen AB (publ).

NOTE 3 Risks and uncertainties

The Group's key financial and business risks are presented in the Administration Report and in Note 3 in the 2020 Annual Report. No additional risks have arisen during the period.

NOTE 4 Financial instruments

The Group's financial instruments consist of trade receivables, accrued income, cash and cash equivalents, trade payables and interest-bearing liabilities. Financial assets and liabilities have short maturities. The fair value of all financial instruments is approximately equivalent to their carrying amount.

NOTE 5 Segment reporting

As the chief operating decision maker, Group management has determined the operating segments based on the information used as the basis for allocating resources and evaluating performance. Group management primarily assesses operating segment performance based on EBITA.

Group management assesses the operations for Bokus Online, Akademibokhandeln Online and Akademibokhandeln Stores separately. Revenue comes from the sale of books, e-books, audio books, board games, jigsaw puzzles, toys and art supplies.

- The Bokus Online segment consists of physical books, e-books, a digital book subscription service and other revenue.
- The Akademibokhandeln Online segment consists of physical books and other products.
- The Akademibokhandeln Stores segment consists of physical books, other products (such as board games, jigsaw puzzles, toys and art supplies) and other revenue.
- The Central Functions segment consists of the Parent Company and Group management.

Revenue

Revenue from external parties that is reported to the CEO is measured in the same manner as in the consolidated statement of comprehensive income.

	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	LTM	2020 Jan-Dec
Bokus Online total revenue	187.6	193.5	578.9	510.3	816.7	748.1
- less intra-Group sales	-8.9	-7.5	-34.9	-22.1	-51.2	-38.5
Bokus Online	178.6	186.0	544.0	488.2	765.5	709.6
Akademibokhandeln Online	15.0	12.5	58.9	36.3	87.3	64.7
Akademibokhandeln Stores	234.8	228.3	621.8	644.9	977.5	1,000.6
Central Functions	-	-	-	-	-	-
Total external revenue	428.4	426.8	1,224.7	1,169.3	1,830.3	1,774.9

NOTE 5 Segment reporting, cont.

EBITA	2021	2020	2021	2020	LTM	2020 Jan–Dec
	Jul–Sep	Jul–Sep	Jan–Sep	Jan–Sep		
Bokus Online	12.6	9.2	31.8	16.2	49.5	33.8
Akademibokhandeln Online	1.4	1.3	6.2	1.5	10.8	6.0
Akademibokhandeln Stores	22.5	20.3	-14.4	-4.0	41.6	52.1
Central Functions	-2.2	-1.9	-8.3	-6.9	-9.1	-7.7
Total EBITA	34.4	28.8	15.3	6.8	92.7	84.3
Amortisation of intangible assets	-10.7	-10.4	-31.5	-30.1	-42.5	-41.0
EBIT	23.7	18.4	-16.2	-23.3	50.2	43.2
Net financial items	-3.6	-6.9	-15.2	-21.4	-22.1	-28.3
Profit/loss before tax	20.1	11.5	-31.4	-44.7	28.2	14.9

Breakdown of revenue from external customers Jul–Sep 2021	Akademibokhandeln				Total
	Bokus Online	eIn Online	eIn Stores	Central Functions	
Physical books	162.8	13.8	136.2	-	312.7
Digital books	10.4	-	-	-	10.4
Other products	-	0.7	92.3	-	93.0
Other revenue	5.4	0.6	6.3	-	12.3
Total	178.6	15.0	234.8	-	428.4

Jul–Sep 2020	Akademibokhandeln				Total
	Bokus Online	eIn Online	eIn Stores	Central Functions	
Physical books	170.5	12.0	133.0	-	315.5
Digital books	10.7	-	-	-	10.7
Other products	-	-	87.2	-	87.2
Other revenue	4.8	0.5	8.1	-	13.4
Total	186.0	12.5	228.3	-	426.8

Jan–Sep 2021	Akademibokhandeln				Total
	Bokus Online	eIn Online	eIn Stores	Central Functions	
Physical books	497.2	56.0	374.2	-	927.4
Digital books	30.8	-	-	-	30.8
Other products	-	0.8	220.2	-	220.9
Other revenue	16.0	2.1	27.4	-	45.6
Total	544.0	58.9	621.8	-	1,224.7

Jan–Sep 2020	Akademibokhandeln				Total
	Bokus Online	eIn Online	eIn Stores	Central Functions	
Physical books	447.0	34.9	394.4	-	876.3
Digital books	27.2	-	-	-	27.2
Other products	-	-	217.8	-	217.8
Other revenue	14.0	1.4	32.6	-	48.0
Total	488.2	36.3	644.9	-	1,169.3

LTM	Akademibokhandeln				Total
	Bokus Online	eIn Online	eIn Stores	Central Functions	
Physical books	701.6	83.3	577.1	-	1,362.0
Digital books	41.8	-	-	-	41.8
Other products	-	0.8	360.9	-	361.6
Other revenue	22.1	3.3	39.5	-	65.0
Total	765.5	87.3	977.5	-	1,830.3

Full-year 2020	Akademibokhandeln				Total
	Bokus Online	eIn Online	eIn Stores	Central Functions	
Physical books	651.4	62.1	597.3	-	1,310.8
Digital books	38.1	-	-	-	38.1
Other products	-	-	358.6	-	358.6
Other revenue	20.1	2.6	44.7	-	67.4
Total	709.6	64.7	1,000.6	-	1,774.9

Revenue, in all material aspects, is recognised at a point in time and all sales are conducted in Sweden.

NOTE 6 Government grants

Government grants were received in the form of a short-time work allowance, a reduction in social security contributions, compensation for sick pay costs and rental discounts (including the portion the landlord is responsible for).

	2021 Jul–Sep	2020 Jul–Sep	2021 Jan–Sep	2020 Jan–Sep	LTM	2020 Jan–Dec
Short-time work allowance (recognised in the income statement item “Personnel expenses”)	-	1.3	-	10.0	1.3	11.3
Reduction of social security contributions (recognised in the income statement item “Personnel expenses”)	-	-	-	1.3	-	1.3
Compensation for sick pay costs (recognised in the income statement item “Personnel expenses”)	0.1	0.2	1.1	1.5	1.6	2.0
Rental discounts (recognised in the income statement item “Depreciation of right-of-use assets”)	2.1	2.1	6.3	4.2	8.4	6.3
Total	2.2	3.6	7.4	17.0	11.3	20.9

There are no unfulfilled terms or contingent liabilities connected to these grants. The Group has not received any other forms of government grants.

NOTE 7 Related-party transactions

In connection with receiving an overdraft facility of MSEK 200.0 in the second quarter, Bokusgruppen’s liability to Volati AB (publ) of MSEK 319.8 was repaid through a combination of an offset issue of MSEK 165.0 and a payment of MSEK 154.8 financed by own funds and the aforementioned overdraft facility. There were no other transactions with related parties.

NOTE 8 Earnings per share

	2021 Jul–Sep	2020 Jul–Sep	2021 Jan–Sep	2020 Jan–Sep	LTM	2020 Jan–Dec
<i>SEK</i>						
Earnings per share before and after dilution	0.98	0.66	-1.68	-2.72	1.07	0.32
Earnings measures used in the calculation of earnings per share						
Earnings attributable to owners of the Parent used for earnings per share before and after dilution, MSEK	15.9	8.9	-25.2	-36.5	15.7	4.3
<i>No.</i>						
Weighted average no. of ordinary shares for calculating earnings per share before and after dilution	16,151,226	13,440,000	14,969,410	13,440,000	14,583,915	13,440,000

NOTE 9 Share capital and other paid-in capital

At the end of the period, the share capital amounted to SEK 600,864 (52,493) divided between 16,151,226 shares (8,000,000). The quotient value is SEK 0.0372 per share.

Share capital development

	No. of shares, thousands	Share capital, MSEK	Other paid-in capital	Total
Opening balance, 1 Jan 2020	8,000	0.1	70.1	70.2
Closing balance, 30 Sep 2020	8,000	0.1	70.1	70.2
Opening balance, 1 Jan 2020	8,000	0.1	70.1	70.2
Group contributions			17.4	17.4
Closing balance, 31 Dec 2020	8,000	0.1	87.5	87.6
Opening balance, 1 Jan 2021	8,000	0.1	87.5	87.6
Bonus issue, March 2021 ¹⁾		0.4		0.4
Reverse split 1:25, April 2021	-7,680			0.0
New issue, April 2021 ²⁾	65	0.1	164.9	165.0
Split 42:1, April 2021	15,766			0.0
Warrants ³⁾			0.5	0.5
Closing balance, 30 Sep 2021	16,151	0.6	252.9	253.5

- 1) In March 2021, a bonus issue was carried out amounting to MSEK 0.4, which impacted retained earnings in a corresponding amount.
- 2) A new issue amounting to MSEK 165.0 was carried out in April 2021 through an offset of liabilities to Group companies in a corresponding amount.
- 3) Comprises premiums paid of MSEK 0.7 and external costs of MSEK 0.2 related to the introduction of the programme. See Note 10 for more information.

NOTE 10 Warrants to senior executives

In 2021, senior executives acquired warrants at market price. The warrants entitle the holder to acquire shares in Bokusgruppen AB (publ). The exercise price for the allotted warrants corresponds to the average volume-weighted price paid for the shares on Nasdaq First North Premier Growth Market during the period 7–11 June 2021 plus 30%. All employees paid a market price for the warrants upon issue, which means that the warrants will not give rise to an accounting cost. The warrants can be exercised starting three years after the allotment date. The warrants have a contractual exercise period of four months. The Group has no legal or informal obligation to repurchase or pay for the warrants in cash.

During the second quarter of 2021, 550,585 warrants were allotted, of which 117,647 to the CEO and 432,938 to other senior executives. No warrants expired or were forfeited or exercised during this period. The exercise price per warrant is SEK 55.80.

NOTE 11 Overdraft facility

The Group previously financed its operations through an internal loan from its previous principal owner Volati AB (publ) and a cash pool with Volati. The internal loan of approximately MSEK 165 was repaid in the second quarter through an offset against new shares. To secure a financing solution after this repayment, Bokusgruppen was granted an overdraft facility of MSEK 200. Of the overdraft facility granted, MSEK 67.3 had been utilised as of 30 September 2021.

According to the terms of the loan, certain financial covenants must be fulfilled with respect to the Group's debt/equity ratio and equity/assets ratio.

NOTE 12 Participations in Group companies

The Parent Company holds participations in the following subsidiaries:

Name	Corp. Reg. No.	Registered office	No. of shares	Carrying amount 30 Sep 2021, MSEK	Carrying amount 30 Sep 2020, MSEK	Carrying amount 31 Dec 2020, MSEK
Akademibokhandeln Holding AB	559101-0938	Stockholm	8,000,000	433.7	313.7	313.7
Bokus AB	556493-0492	Stockholm	100	120.0	120.0	120.0
				553.7	433.7	433.7

MSEK	30/09/2021	30/09/2020	31/12/2020
Opening cost	433.7	263.7	263.7
Acquisitions	-	120.0	120.0
Shareholders' contributions provided	120.0	50.0	50.0
Closing accumulated cost	553.7	433.7	433.7
Closing carrying amount	553.7	433.7	433.7

NOTE 13 Alternative performance measures and key metrics

The financial reports published by Bokusgruppen include alternative performance measures (APMs), which supplement the performance measures defined or specified in the applicable rules for financial reporting.

APMs are specified when they, in their context, provide clearer or more in-depth information than those performance measures defined in the applicable rules for financial reporting.

The basis for APMs is that they are used by management to assess the company's financial performance and can thus be considered to give analysts and other stakeholders valuable information.

Bokusgruppen regularly uses APMs as a complement to the performance measures defined in IFRS.

INTERIM REPORT JANUARY–SEPTEMBER 2021

	2021 Jul–Sep	2020 Jul–Sep	2021 Jan–Sep	2020 Jan–Sep	LTM	2020 Jan–Dec
Calculation of gross margin, %						
Net sales	428.4	426.8	1,224.7	1,169.3	1,830.3	1,774.9
Goods for resale	-260.5	-269.7	-780.6	-745.2	-1,142.0	-1,106.6
Gross margin, %	167.9	157.1	444.1	424.1	688.3	668.3
Gross margin, SEK/Net sales	39.2%	36.8%	36.3%	36.3%	37.6%	37.7%
Adjusted EBITDA LTM						
EBITDA LTM					217.0	221.5
Reversal of IFRS 16 effect					-129.4	-127.8
Items affecting comparability*					1.8	-
Adjusted EBITDA LTM					89.5	93.7
<i>*items affecting comparability pertain to listing costs</i>						
Calculation of net debt (excl. lease liabilities)/adjusted EBITDA LTM, x						
Financial liabilities					1.0	1.3
Interest-bearing liabilities					67.3	314.7
Cash and cash equivalents					-2.2	-167.2
Net debt					66.1	148.7
Adjusted EBITDA LTM					89.5	93.7
Net debt/adjusted EBITDA, x					0.7	1.6
EBITA excluding items affecting comparability						
EBITA	34.4	28.8	15.3	6.8	92.7	84.3
Government grants	-2.2	-3.6	-7.4	-17.0	-11.3	-20.9
Listing costs	-	-	1.8	-	1.8	-
EBITA excluding items affecting comparability	32.2	25.2	9.7	-10.2	83.2	63.4
Adjusted cost of store premises as a % of total sales in Akademibokhandeln, LTM						
Cost of premises					-41.1	-38.5
Reversal of costs unrelated to stores					5.6	5.7
Reversal of IFRS 16 effect					-129.4	-127.8
Adjusted cost of store premises					-164.9	-160.6
Sales, Akademibokhandeln					1,064.9	1,065.3
Adjusted cost of store premises as a % of total sales in Akademibokhandeln, LTM					15.5%	15.1%

The following table sets out definitions for Bokusgruppen’s performance measures.

PERFORMANCE MEASURES	DESCRIPTION	REASON FOR USE
EBITDA	Earnings before interest, tax, depreciation, amortisation and impairment.	Together with EBITA, EBITDA provides an overview of the profit generated by operating activities by highlighting earnings before the effects of depreciation and impairment as well as amortisation of acquisition-related intangible assets.
Adjusted EBITDA	Calculated as EBITDA LTM as of the reporting date, excluding IFRS 16 adjustments and adjusted for other revenue and expenses considered to be items affecting comparability.	Adjusted EBITDA provides management and investors with an overview of the size of the operations included in the Group as of the reporting date, since this is adjusted for items that do not directly pertain to operating activities. Also used when calculating our covenants with banks.
Net debt/adjusted EBITDA	Interest-bearing liabilities and cash and cash equivalents, excluding IFRS 16, in relation to adjusted EBITDA for the period.	Used to assess the Group’s financial risk and in calculations of covenants with banks.
EBITA	Earnings before amortisation of intangible assets generated and acquisition-related intangible assets.	Together with EBITDA, EBITA provides an overview of the profit generated by operating activities.
EBITA margin	Earnings before amortisation of intangible assets generated and acquisition-related intangible assets as a percentage of total revenue.	The EBITA margin shows profit generated by operating activities as a percentage of total revenue.
EBITA excluding items affecting comparability	Calculated as EBITA adjusted for items affecting comparability, such as government grants and other revenue and expenses considered to be non-recurring.	Used by the management to monitor the underlying earnings growth for the Group.
EBIT	Earnings before interest and tax.	EBIT provides an overview of the profit generated by operating activities and its financing.
Operating cash flow	Calculated as the total of cash flow from operating activities and cash flow from investing activities.	Operating cash flow is used by management to monitor the cash flow generated by operating activities, including investments, before the repayment of lease liabilities.
Gross margin	Calculated as net sales less goods for resale as a percentage of net sales.	This performance provides management with a clear overview of the profitability of products sold.
Equity/assets ratio	Equity as a percentage of the balance sheet total.	Used to assess financial risk.
Net sales growth	Calculated as total sales during the period compared with sales in the year-earlier period.	Gives management a clear overview of how total sales develop over time.
Growth in digital books	Calculated as sales of digital books (individual items in digital formats and subscriptions) during the period compared with sales in the year-earlier period.	Digital books is an important growth area.

Growth in online channels	Sales in online channels during the period compared with sales in the year-earlier period.	Online growth is an important growth area.
Share of online sales	The share of online sales in relation to total sales.	Gives management a clear overview of changes in the share of total sales attributable to digital sales.
Share of Akademibokhandeln Online	The share of Akademibokhandeln Online sales in relation to total Akademibokhandeln sales.	Gives management a clear overview of changes in the share of Akademibokhandeln's total sales attributable to digital sales.
Growth in physical stores	Sales in physical stores during the period compared with sales in the year-earlier period.	Stores is the largest business area, with healthy gross margins. This performance measure is used by management to monitor financial performance.
Growth in other products	Sales of other products during the period compared with sales in the year-earlier period.	Other products is an important growth area.
Share of private label in other products	The share of private label products in relation to other products.	Private label products have favourable gross margins. This performance measure is used by management to monitor the share of other products attributable to private label products.
Store contributions to operations LTM	Store contributions to operations refers to direct revenue and expenses generated in individual stores.	Provides guidance about individual stores' profitability and contributions to EBITA.
Cost of premises (excl. IFRS 16) as a % of sales in Akademibokhandeln Online and Stores	Calculated as total cost of store premises for the period, excluding IFRS 16 adjustments, in relation to sales in Akademibokhandeln Online and Stores for the last 12 months and the full year.	Provides guidance about how the key item of cost of premises developed in relation to Akademibokhandeln's total sales. The share of cost of premises attributable to rent is an important factor for profitability and shows how effective renegotiations with landlords have been.
Number of active customers	Number of customers who have made at least one purchase in the last 12 months. For Akademibokhandeln, this refers to members in the loyalty club. For Bokus, this refers to all customers.	Provides an overview of how the customer bases are developing, how many customers have been active in the last year and how many customers have been dormant.
NPS (Net Promoter Score)	Based on accumulated data for the last 12 months. Measurement for Bokus began in May 2020. There is data for Akademibokhandeln for the last 12 months. NPS data is collected through e-mail questionnaires from customers.	Used to monitor overall customer satisfaction and loyalty over time as well as whether they are likely to recommend the company.