

Improved gross margin, robust sales and earnings impacted by investments

Q4 2022

YEAR-END REPORT FOR Q4 AND FY 2022

Q4 2022

- Net sales decreased 3.5% to MSEK 618.7 (641.4)
- The gross margin increased to 43.6% (42.6)
- EBITA decreased to MSEK 75.0 (108.8)
- EBITA excl. items affecting comparability decreased MSEK 17.1 to MSEK 81.7 (98.8)
- The Group's net profit decreased MSEK 28.4 to MSEK 47.2 (75.6)
- Undiluted and diluted earnings per share decreased to SEK 2.92 (4.68)

Full-year 2022

- Net sales decreased 2.4% to MSEK 1,822.0 (1,866.1)
- The gross margin increased to 40.5% (38.4)
- EBITA decreased to MSEK 94.4 (124.1)
- EBITA excl. items affecting comparability decreased MSEK 35.7 to MSEK 72.8 (108.5)
- The Group's net profit decreased MSEK 20.7 to MSEK 29.8 (50.5)
- Undiluted and diluted earnings per share decreased to SEK 1.85 (3.31)
- The Board proposes a dividend of SEK 3.00 (3.00) per share

Significant events in fourth quarter

- A cost-savings programme was introduced, and earnings were charged with restructuring costs of MSEK 8.2.
- Bokusgruppen met 60% of its sustainability sub-targets for 2022.
- New three-year agreements signed for all franchisees.
- Pop-up store at Stockholm Central Station opened for Christmas shopping.

-3.5%

CHANGE IN NET SALES IN THE QUARTER

+1.0 p.p.

CHANGE IN GROSS MARGIN IN THE QUARTER

MSEK 81.7

EBITA EXCL. ITEMS AFFECTING COMPARABILITY IN THE QUARTER

MSEK	Oct–Dec 2022	Oct–Dec 2021	Full-year 2022	Full-year 2021
Net sales	618.7	641.4	1,822.0	1,866.1
Net sales growth, %	-3.5%	5.9%	-2.4%	5.1%
Gross margin, %	43.6%	42.6%	40.5%	38.4%
EBITDA	106.6	140.8	219.1	246.0
EBITA	75.0	108.8	94.4	124.1
EBITA excl. items affecting comparability	81.7	98.8	72.8	108.5
EBIT	63.7	97.3	51.6	81.1
Net profit	47.2	75.6	29.8	50.5
Earnings per share, SEK 1)	2.92	4.68	1.85	3.31
Equity per share	41.1	42.2	41.1	44.6
Operating cash flow	166.2	230.0	99.1	217.2
Share of sales in online channels, %	34.8%	35.6%	41.0%	44.5%

1) Earnings per share before and after dilution

Performance measures in the table are presented in the income statement on page 16 or in alternative performance measures on pages 28–30

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
- 41% of sales in online channels and 59% in stores
- Average of 428 employees



- 34 million online visits
- 15 million in-store visits



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



- 0.8 million active Bokus customers
 - 2.1 million members of the Akademibokhandeln Vänner loyalty club, of which 1.4 million active*
- *At least one purchase in the last 12 months

The above figures refer to 2022 unless otherwise stated.

bokus

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

Part of the segment **Bokus Online**

bokus play

Subscription service for audio books and e-books with more than 60,000 book titles.

Part of the segment **Bokus Online**



AKADEMIBOKHANDELN

A network of 95 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**



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2022 was characterised by forward-looking investments.

COMMENTS FROM THE CEO

Improved gross margin, robust sales and earnings impacted by investments

2022 was a year with major forward-looking investments. Our intense work to optimise prices led to an improved gross margin for the fourth quarter as well as the full year. Our projects in IT and marketing created excellent conditions for a future competitiveness position. At the same time, the business climate grew more difficult during the second half of the year. We reacted to this by launching a cost-savings programme to offset reduced demand and growing costs.

We ended the year with several difficulties in our operating environment. In many ways, we returned to normal after two years of the pandemic: our customers returned to physical stores and our employees returned to a more normal work situation. In other ways, unfortunately, we were affected by a nearby war, growing inflation, rapidly increasing prices for energy and raw materials, and the highest interest rates we have seen in many years.

Reduced purchasing power among our customers and transitional problems with our new logistics supplier had a negative impact on the Group's sales in the fourth quarter. Unfortunately, this also impacted our crucial Christmas shopping period and sales declined 3.5% for the fourth quarter. The downturn in online channels during the year was part of a larger pattern in overall retail. The Swedish Trade Federation's e-commerce indicator showed a decline of 9% for the year for all Swedish e-commerce. Christmas shopping was also somewhat weaker in stores, where sales decreased 2.3% for the quarter. Fortunately, however, in-store sales were strong for the full year, increasing 3.9%. With a strong focus on optimising consumer prices, we were able to offset the drop in sales to a certain extent and to increase the gross margins in

all segments for the fourth quarter and for the full year. For the full year, gross profit increased 2.8%.

Increased costs and investments

The year was characterised the forward-looking IT, logistics and marketing investments we had announced previously. We implemented new systems for stores and purchasing, while the second half of the year was dominated by the change of supplier for our joint consumer logistics. In addition, we also made substantial investments in the Bokus brand, including the campaign "För livets alla bokstunder". These investments have led to a planned increase in costs and are key to the company's long-term competitiveness. Our initiatives will continue in 2023 to ensure that we are creating the basis for long-term growth and an even stronger position. However, we will adjust the level of investments and costs according to the prevailing conditions in our operating environment.

The growing inflation during the year drove up costs for purchasing goods, in addition to other costs, more than we could have foreseen or affected. The return to in-store shopping also means that personnel expenses are higher than in previous years due to increased in-store staffing. To offset growing costs, we gradually raised consumer prices during the year. Collectively, however, costs increased more than we could fully compensate for. Adjusted for items affecting comparability, the EBITA margin was 4.0% for the full year, somewhat lower than our goal of 6%.

Cost-savings programme introduced

To offset growing costs, we introduced a cost-savings programme. This will lead to reduced staffing at our offices and in stores, fewer consultants, lower marketing costs and an overall cost review of the entire Group. Negotiations have

started with trade unions and a restructuring cost of MSEK 8.2 was charged to earnings for the fourth quarter.

With the customer in mind

Despite turbulent times, we made significant progress during the year. A new store data system enabled self-checkouts and mobile tools, which means that our sales personnel can offer customers a simpler purchasing experience in stores. The change in logistics supplier was also carried out with customer in mind. A better, more sustainable shipping offering is a central part of modern e-commerce. While we had some initial problems, this will make our offering more attractive in the future.

I would also like to extend a sincere thank you to our store employees who helped make the Bokus Play recruitment drive during the year a success. Many of our customers combine reading paperbacks with listening to audio books via subscription, and we provide these combined customers with various forms of added value.

A sustainable society for coming generations

Sustainability is integrated into our operations and our ambitious targets are helping us to make noticeable changes. We have worked actively on our sub-targets and activities in all areas. I am especially proud of our work with The Joy of Reading and Product Range. Examples of this work include our first Bokus Scholarship for initiatives that spread the joy of reading and the significant progress we made in the sustainability review of all our suppliers.

During the year, we achieved 60% of our sub-targets, which means that we need to keep up rapid pace if we intend to meet our five-year objective of meeting 90% of our sub-targets by 2026.

Outlook

We are faced with a challenging situation going into 2023: reduced purchasing power among customers, rising costs including indexation of store rent and, finally, higher energy prices. But we are also facing a year where we can once again demonstrate the strength of our business model and strategy. We will continue to adjust our consumer prices to ensure that we remain relevant for our customers while, as far as possible, covering our increased costs. At the same time, we will reduce the cost base through the cost-savings programme we recently introduced. We also need to be ready for the future. That is why our IT transformation will continue, with upgrades to our e-commerce system and to the systems that we implemented in the past year. This is our plan for 2023. In the near future, I look forward to this year's national book sale – an annual celebration for all of us booklovers.

Maria Edsman, CEO

Report presentation Q4 2022

- Maria Edsman, CEO, and Ola Maalsnes, CFO, will present the interim report on 16 February at 10:00 a.m.
- <https://ir.financialhearings.com/bokusgruppen-q4-2022>
- The presentation will be published afterwards on the company's website.

Financial calendar 2023

- End of March: Annual Report and Sustainability Report 2022 published
- 27 April 2023: Q1 interim report
- 8 May 2023: 2023 AGM on 8 May at 8:30 a.m. in the Akademibokhandeln store at Mäster Samuelsgatan 28, SE-111 57 Stockholm
- 14 July 2023: Q2 interim report
- 27 October 2023: Q3 interim report



OVERVIEW

Consolidated financial trend

Quarter

Net sales

Net sales for the Group decreased 3.5% to MSEK 618.7 (641.4) for the quarter. The decrease was primarily due to the gradually declining purchasing power among customers following growing inflation and increased interest rate levels. Transitional problems following a switch to a new logistics supplier in the middle of the year also played a role. Compared with 2019, a normal pre-pandemic year, sales increased 3.9%.

For Akademibokhandeln Stores, sales decreased 2.3% primarily due to deteriorating customer purchasing power. A pop-up store opened at Stockholm Central Station during the quarter ahead of the critical Christmas shopping season. This was part of our assessment of new store formats.

For Akademibokhandeln Online, sales growth amounted to 7.5%, which is a significantly better performance than overall e-commerce, which declined 9%. This is evidence that customers appreciate Akademibokhandeln's omnichannel offering. The share of other products in the segment increased to 12.7% (10.1), which had a positive impact on the gross margin.

Net sales in Bokus Online decreased 7.3% due to the return to stores and transitional problems related to the change of logistics supplier.

Altogether, online channels posted a 5.7% reduction in net sales for the quarter. Sales in online channels accounted for 34.8% of the Group's total net sales, compared with 35.6% in the year-earlier quarter.

Sales of the "Skriva Spela Skapa" range of other products were in line with the previous year and represented 25.6% (25.1) of the Group's total sales.

Sales of digital books (single sales and through subscriptions) increased 12.3%. Subscription sales continued to display high growth. This was the result of a very successful campaign in stores during the summer and ongoing recruitment during the autumn.

For trends in each segment, refer to pages 8–11.

Earnings

The gross margin for the Group amounted to 43.6% for the quarter, up 1.0 percentage points from the year-earlier period due to deliberate consumer price adjustments. Product margins improved in all segments compared with the previous year.

Fixed operating expenses, including depreciation of right-of-use assets and property, plant and equipment and adjusted for

items affecting comparability, were MSEK 13.7 higher during the quarter than in the year-earlier period. This increase was largely due to investments in the IT transformation and marketing.

EBITA for the Group amounted to MSEK 75.0 (108.8). The quarter was charged with costs of MSEK 8.2 (0) for the cost-savings programme that was introduced. EBITA excluding items affecting comparability was MSEK 81.7 (98.8). For more information about items affecting comparability, see Note 13.

The Group's amortisation of intangible assets was on a par with the year-earlier quarter.

Net profit amounted to MSEK 47.2 (75.6).

Full year

Net sales

The Group’s net sales amounted to MSEK 1,822.0 (1,866.1) for the full year. This represents a decrease of 2.4% year on year but is up 1.6% over the normal year of 2019. The year began with the lifting of pandemic restrictions and a return to stores, while the second half of the year was characterised by an impending recession and gradually declining purchasing power among customers, transitional problems after a change in logistics supplier and reduced sales of course literature for Bokus Online.

Sales growth for Akademibokhandeln Stores amounted to 3.9% due to a return to physical stores but was dampened by reduced customer demand during the fourth quarter. Sales in Bokus Online and Akademibokhandeln Online decreased 10.9% and 3.6%, respectively, due to the return to stores and reduced customer purchasing power.

Altogether, sales in online channels decreased 10.2%. The decline was in line with prevailing e-commerce trends during the year. Sales in online channels accounted for 41.0% (44.5) of the Group’s total net sales, compared with 34.4% in 2019.

Sales of the “Skriva Spela Skapa” range of other products increased 4.4% over the previous year and represented 21.9% (20.5) of the Group’s total sales. This was due to several successful and popular campaigns like the back-to-school campaign as well as a carefully selected range.

Sales of digital books (single sales and through subscriptions) increased 6.1% over the year-earlier period, with a strong

increase in subscriptions offsetting a negative trend in single sales.

For trends in each segment, refer to pages 8–11.

Earnings

The gross margin for the Group amounted to 40.5%, up 2.1 percentage points from the year-earlier period due to deliberate consumer price adjustments and a shift from online channels to stores. Gross profit grew 2.8%.

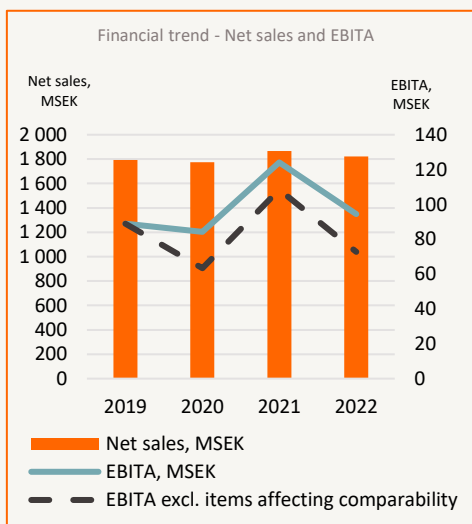
Fixed operating expenses, including depreciation of right-of-use assets and property, plant and equipment and adjusted for items affecting comparability, were MSEK 56.3 higher than in the year-earlier period. The increase was primarily due to planned costs for IT investments, marketing of Bokus, improved e-commerce logistics and increased staffing in stores to keep up with the growing number of store visits.

EBITA for the full year amounted to MSEK 94.4 (124.1). Pension refunds and compensation for sick pay costs had a positive impact on EBITA of MSEK 27.8 (10.0) and MSEK 2.0 (7.4), respectively, while the cost savings programme had a negative impact of MSEK 8.2 (0). EBITA excluding items affecting comparability was MSEK 72.8 (108.5). For more information about items affecting comparability, see Note 13.

The EBITA margin was 5.2% (6.7), or 4.0% (5.8) adjusted for items affecting comparability, falling under the financial target of 6%.

The Group’s amortisation of intangible assets was on a par with the year-earlier period.

Net profit amounted to MSEK 29.8 (50.5).



EBITA margin adjusted for items affecting comparability FY

4.0%

Cash flow and financial position

Cash flow and investments

Operating cash flow for the quarter amounted to MSEK 166.2 (230.0). The decline was primarily due to lower earnings and negative tied-up working capital.

The change in working capital was MSEK 81.0 (110.5). The change compared with the previous year was largely due to unusually high operating liabilities at the end of 2021, which returned to normal in 2022. Increased operating receivables, including higher prepaid costs of premises and trade receivables, had a negative impact on tied-up working capital.

Investments for the quarter amounted to MSEK -15.4 (-17.1), which is line with the planned IT transformation.

Cash flow from financing activities amounted to MSEK -98.4 (-99.6) and consisted of repayment of the overdraft facility and the second dividend payment of MSEK 24.2 (0).

Adjusted operating cash flow for the quarter amounted to MSEK 134.8 (197.8). The decline was primarily due to lower earnings and increased tied-up working capital.

Operating cash flow for the full year amounted to MSEK 99.1 (217.2). The change compared with the previous year was largely due to lower earnings as a result of lower sales and higher costs, offset somewhat by pension refunds of MSEK 27.8 (10.0). Higher tax paid, primarily pertaining to the final tax for 2020, had a negative impact. In previous years, the company had loss carry forwards to utilise. In addition, cash flow was negatively impacted by increased tied-up working capital, which was largely attributable to unusually high

operating liabilities at the end of 2021, which returned to normal in 2022. This had a negative effect on 2022. Increased operating receivables, including higher prepaid costs of premises and trade receivables, had a negative impact on tied-up working capital.

Investments also increased to MSEK -50.9 (-46.4) because of the IT transformation planned for the year.

Cash flow from financing activities amounted to MSEK -162.3 (-251.9). The increase is primarily attributable to the change in the company's borrowings in conjunction with the listing.

Adjusted operating cash flow amounted to MSEK -14.7 (109.3), down MSEK 124.0 year on year. This is largely attributable to lower earnings, the negative effect from working capital and higher investments.

Financing

During the second quarter of 2021, Bokusgruppen entered into an agreement with Nordea for an overdraft facility of MSEK 200.0. The overdraft facility applies for one year at a time and can be extended annually. The overdraft facility has a market interest rate and is subject to customary financial covenants. The overdraft facility has been extended by an additional year beginning in April 2022.

Of the overdraft facility granted, MSEK 0 had been utilised as of 31 December 2022. The equity/assets ratio at the end of the year was 46% (46). Net debt/adjusted EBITDA LTM was -0.9x, compared with -1.2x on 31 December 2021.

Operating cash
flow for the quarter
MSEK 99.1



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 60,000 book titles.

Net sales for Bokus Online amounted to MSEK 188.2 (203.2) for the quarter, a year-on-year decrease of 7.3% compared with the previous year’s strong fourth quarter. The decrease during the quarter was due to customers’ return to physical stores and transitional problems after the change in logistics supplier. Sales for the full year decreased 10.9% due to the return to stores and lower course literature sales. However, this is the third consecutive quarter in which the decrease has grown smaller. The decline in online sales was in line with prevailing e-commerce trends during the year.

The year was characterised by forward-looking investments in marketing to strengthen the Bokus brand, including brand recognition, and the change of logistics supplier. Bokus celebrated its 25th anniversary during the autumn, and the

Bokus Scholarship for students who best helped promote reading was awarded for the first time.

Digital book sales (subscriptions and single purchases) increased 12.3% during the quarter after a strong recruitment during the second half of the year, which began with a successful Bokus Play campaign in stores during the summer.

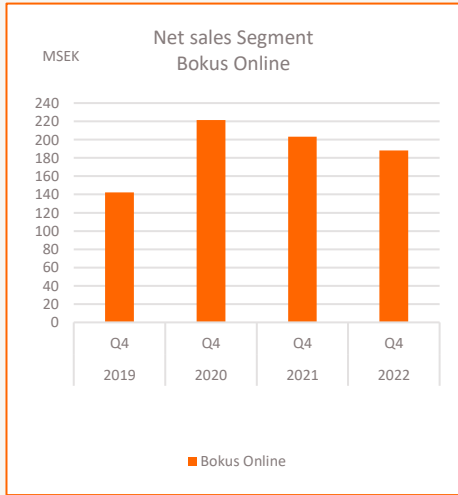
The gross margin improved 1.9 percentage points in the quarter after deliberate consumer price adjustments to offset cost increases.

EBITA amounted to MSEK 4.9 for the quarter, compared with MSEK 11.3 in the preceding year, primarily due to lower sales and higher costs for marketing investments and initiatives to improve the e-commerce offering. EBITA for the full year amounted to MSEK 21.2 (43.2) and the EBITA margin was 3.2% (5.8).

NPS was 57 (59), which exceeded the goal of 55 despite a slight year-on-year decrease. The number of active customers also decreased during the year, which was in line with the decrease in sales.

	Oct–Dec		Full year	
	2022	2021	2022	2021
Net sales, MSEK	188.2	203.2	665.4	747.2
EBITA, MSEK	4.9	11.3	21.2	43.2
No. of active customers (thousands), LTM			815	918
NPS			57	59

Net sales growth in digital books for the quarter
+12.3%



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.

Net sales for Akademibokhandeln Online amounted to MSEK 26.9 (25.0) for the quarter, equivalent to an increase of 7.5%, due to increased sales of books as well as other products. Net sales for the period amounted to MSEK 81.0 (84.0), a year-on-year decrease of 3.6% due to the shift from online channels to stores and reduced customer purchasing power.

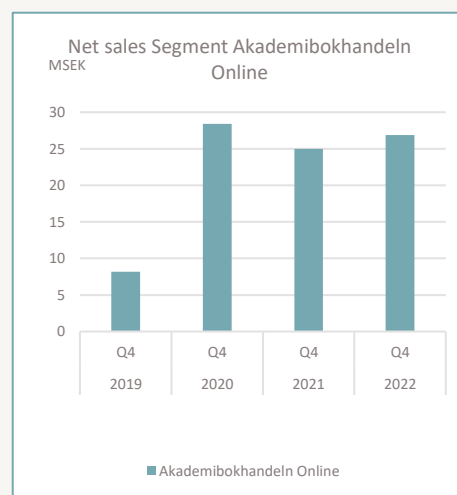
Sales of the “Skriva Spela Skapa” range of other products began in mid-2021 and increased gradually during the year,

accounting for 12.7% (10.1) of net sales in the fourth quarter and 8.9% (3.9) in the full year. The gross margin improved significantly after deliberate consumer price adjustments. The gross margin for the full year improved 1.3 percentage points due to higher sales of other products, successful price optimisation and a profitable national book sale in the first quarter.

The online share of total sales for Akademibokhandeln (Stores and Online) was 6.2% (5.7) for the quarter. The full-year figure was 7.0%, compared to 7.5% for 2021.

EBITA for the full year was MSEK 1.4 (9.9), which corresponds to an EBITA margin of 1.7% (11.8). The decrease in profitability was primarily due to a higher share of distributed costs for IT, logistics and marketing.

	Oct-Dec		Full year	
	2022	2021	2022	2021
Net sales, MSEK	26.9	25.0	81.0	84.0
EBITA, MSEK	1.5	3.7	1.4	9.9
Share of online sales, %	6.2%	5.7%	7.0%	7.5%



Akademibokhandeln Stores

Akademibokhandeln consists of 95 stores throughout Sweden, of which 70 are centrally owned and 25 are franchises. The stores offer a wide range of books and “Skriva Spela Skapa.” Together with Akademibokhandeln Online, the segment provides a competitive omnichannel offering.

Net sales for Akademibokhandeln Stores amounted to MSEK 403.6 (413.2) for the quarter, a decrease of 2.3% due to reduced purchasing power among customers. Sales growth for the full year amounted to 3.9%, primarily due to a gradual return to stores after two years of the pandemic.

A modernisation of the physical bookstores, with a focus on the customer experience, was carried out throughout the year. The store data system was replaced to simplify the process for customers by enabling mobile checkouts as well as self-checkouts, which are now available in 14 stores.

Two stores were closed during the year as a part of the long-term restructuring of the store network. There are other local

stores in both areas where stores were closed. As part of our establishment strategy, we opened a pop-up store focused on our range of other products at Stockholm Central Station during the fourth quarter. Pop-up stores are important for attracting new customers as well as for testing new concepts, locations, and products.

Net sales of other products increased 3.4% for the full year and the share of private label in other products accounted for 17.3% (17.5) of sales.

The gross margin was in line with the previous year, both for the quarter and for the full year.

EBITA amounted to MSEK 73.2 (76.1) for the full year, corresponding to an EBITA margin of 6.8% (7.4). This was primarily attributable to higher personnel costs in stores to adapt to the growing number of visits after the pandemic and investments in modern stores. A total of 97.1% of stores posted a positive contribution to operations, which is a year-on-year improvement.

NPS improved to 66 for the full year. It is also positive that the number of active customers increased during the year.

	Oct-Dec		Full year	
	2022	2021	2022	2021
Net sales, MSEK	403.6	413.2	1,075.6	1,035.0
EBITA, MSEK	79.9	90.6	73.2	76.1
No. of stores under own management	71*	73	71	73
Share of stores posting a positive contribution to operations LTM, %			97.1%	94.4%
Growth in other products	-2.0%	12.5%	3.4%	5.5%
Share of private label in other products, %	13.4%	13.3%	17.3%	17.5%
Cost of store premises, as a % of Akademibokhandeln sales LTM, %			14.4%	14.5%
No. of active customers (thousands), LTM			1,393	1,311
NPS			66	63

*One of these stores is the pop-up store at Stockholm Central Station.

NPS (how likely customers are to recommend us)

66



Central Functions

Consists of the Parent Company and Group management. EBITA for Central Functions amounted to MSEK -11.3 (3.2) for the quarter. This loss was largely due to the cost-savings programme that was introduced in the fourth quarter, which had a negative impact of MSEK 8.2 on earnings, as well as increased personnel expenses. EBITA for the full year amounted to MSEK -1.4 (-5.1). Pension refunds of MSEK 27.8 (10.0) were partially offset by the cost-savings programme and higher pension costs. For more information about items affecting comparability, see Note 13.

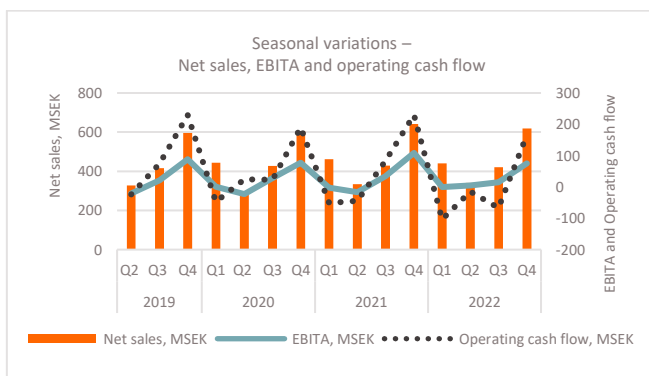


Other information

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 fiscal 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 and then gradually increases during the second half of the year. The majority of the annual earnings are posted in the fourth quarter.

The fourth quarter followed normal seasonal variations.



Organisation and employees

The average number of employees during the fourth quarter was 483 (480). Of these, 379 (383) were employees in physical stores and the rest were employed in HR, finance, sales, purchasing and assortment, supply chain, marketing and communications, and IT. The average number of employees for the full year was 428 (403). The increased number of employees is part of the expertise shift towards IT and e-commerce. The number of employees at physical stores varies in line with the number of store visitors.

Sustainability

Bokusgruppen’s sustainability management is based on four sustainability strategies: the joy of reading, product range, environment and climate, and employees. Based on these four strategies, Bokusgruppen addresses sustainability issues in seven sustainability areas for each of which an overall target and a number of sub-targets are formulated. These targets are linked to several of the UN Sustainable Development Goals. Cross-functional teams develop the sub-targets, with the aim of integrating sustainability throughout the organisation. This builds strong commitment and spreads knowledge throughout the business. Bokusgruppen’s two overall sustainability targets are to achieve 90% of all sub-targets and lower carbon emissions by 25% within five years.

During the fourth quarter, work to integrate the sub-targets adopted in 2021 into the operations continued. Book exchange days were held in Akademibokhandeln stores. This is a circular initiative that also encourages children to read. Managers at the office were also trained in unbiased recruitment as part of our ambition to attract and retain talent from the whole of society. Bokusgruppen met 60% the sub-targets established for the year. Focus was given to achieving the climate target of a 25% reduction in carbon emissions within three years.

Read more about Bokusgruppen’s sustainability agenda in the 2022 Annual and Sustainability Report to be published in the end of March 2023.

The share and owners

Bokusgruppen AB (publ) was listed on Nasdaq First North Premier Growth Market on 4 June 2021.

For more information, visit <https://www.bokusgruppen.com/investerare/aktien-och-agare/>

Bokusgruppen share, price/share, SEK


Source: Nasdaq OMX Nordic

The total number of shares outstanding was 16,151,226. On 31 December 2022, the share price was SEK 37.60, and the total market value was MSEK 607.3. Refer to the table below for the principal owners. The Board and senior executives own approximately 10% of the shares in Bokusgruppen.

Senior Bokusgruppen executives subscribed for 550,585 warrants in 2021. 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.

Principal owners 31 Dec 2022

# Ten largest shareholders at 31 Dec 2022	No. of shares	Holding, %
1 Karl Perlhagen	6 891 700	42,67
2 Patrik Wahlén Gunnarsson	3 871 255	23,97
3 The Fourth Swedish National Pension Fund	1 137 593	7,04
4 Mattias Björk	904 060	5,60
5 Försäkringsaktiebolaget Avanza Pension	723 486	4,48
6 Mårten Andersson	502 306	3,11
7 Nordnet Pensionsförsäkring AB	248 882	1,54
8 Aktiebolag 1909 Gruppen	248 730	1,54
9 Maria Edsman	100 800	0,62
10 Håkan Karlström	85 411	0,53
Total	14 714 223	91,10
Other shareholders	1 437 003	8,90
Total number of shares	16 151 226	100,00

Financial targets

Bokusgruppen has three medium-term financial targets for the next three to five years, specified below. These were established in conjunction with the listing during the first half

of 2021, so it is still too early to evaluate the outcomes in respect to these targets. Additionally, the changes in consumer behaviour with respect to the choice of channel during the pandemic had a strong impact on growth figures in the short term.

Online channels posted negative growth for the last 12 months, which is not in line with the target of an average of 10% annual growth. However, this is in comparison with two years that saw a significant positive impact from the pandemic, with growth of 25.5% in 2020 and 7.3% in 2021. The average growth for all three years is therefore positive.

The growth for stores in the last 12 months was 3.9%, which is roughly in line with the target. The situation for online channels was the opposite, with a significant drop in 2020 and then a recovery in the following two years.

The EBITA margin did not meet Bokusgruppen's defined target for three to five years, with an LTM outcome of 5.2%. The EBITA margin LTM was 4.0% adjusted for items affecting comparability, falling a bit short of the long-term financial target. This was due to the major investments, primarily in online channels, that were made during the year to enable long-term delivery on growth targets.

	Medium-term target (3–5 years)	2022 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec
Net sales growth in online channels	Average 10% annual growth	-10,2%	7,3%	25,5%
Net sales growth in physical stores	Growth in line with general economy	3,9%	3,4%	-14,9%
EBITA	EBITA margin of approx. 6%	5,2%	6,7%	4,7%

Dividends

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 on a long-term basis and the stipulated targets for the company's capital structure have been met, the surplus can be distributed to the shareholders. Given Bokusgruppen's strong financial position, the Board proposes that the AGM approve a dividend of SEK 3.00 (3.00) per share, totalling MSEK 48.5. As in the previous year, it is proposed that the dividend be paid in two instalments of SEK 1.50 each. The record date for the first payment is to be as soon as possible after the AGM and the record date for the second is to be six months after the first.

2023 AGM

Bokusgruppen AB's 2023 AGM will be held on 8 May 2023 in Stockholm. Shareholders who wish to have a matter addressed at the AGM must submit a written request to bolagsstamma@bokusgruppen.com. To ensure that the matter can be included in the agenda for the AGM, it needs to arrive no later than 20 March 2023. Further information about how and when to register will be published well ahead of the AGM. The 2022 Annual and Sustainability Report for Bokusgruppen

AB (publ) will be published on Bokusgruppen's website at the end of March 2023.

Parent Company

The Parent Company, Bokusgruppen AB (publ), consists of four employees, and manages real property and movables in addition to providing administrative intra-Group services. The income statement and balance sheet for the Parent Company are presented on pages 20–21.

Events after the balance sheet date

No significant events took place after the balance sheet date.

Outlook

The forward-looking investments announced previously will continue in 2023, although more selectively and at a slower rate than planned. The investment will primarily focus on a new e-commerce platform. In the short term, the investments may have a negative impact on earnings and cash flows. In the long term, they will strengthen the company's competitiveness and build growth in line with our objectives. Bokusgruppen's long-term targets require forward-looking investments, even in turbulent times.

A great deal of turbulence still prevails in the world. The war in Ukraine has continued for nearly a year, and while the rate of inflation will likely slow during 2023, we nonetheless expect inflation to remain high for the rest of the year. Interest rates are also likely to remain much higher than we are accustomed to. All of this means there is a great deal of uncertainty in terms of customer demand and cost levels. While the book industry has historically remained stable during difficult times, an economic downturn may have a severe impact on our customers, which in turn will likely have a negative impact on sales and earnings. The focus in the coming quarters will therefore be to offset these increased costs through intelligent pricing and to lower the cost level through our recently introduced cost-savings programme.

Review

This interim report has not been reviewed by the company's auditor.

The Board's assurance

The Board of Directors and the CEO hereby certify that this year-end report for full-year 2022 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, 16 February 2023

Mårten Andersson
Chairman of the Board

Mattias Björk
Director

Cecilia Marlow
Director

Anna Wallenberg
Director

Jeanette Söderberg
Director

Contacts

Maria Edsman, CEO

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Ola Maalsnes, CFO

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Financial calendar

- End of March Annual Report and Sustainability Report 2022 published
- 27 April 2023 Q1 2023 interim report
- 8 May 2023 2023 AGM on 8 May at 8:30 a.m. in the Akademibokhandeln store at Mäster Samuelsgatan 28, SE-111 57 Stockholm
- 14 July 2023 Q2 2023 interim report
- 27 October 2023 Q3 2023 interim report

Presentation of the report

The Q4 interim report will be presented in a webcast.

Date and time: 16 February, 10:00 a.m.

Use the following link to connect to the webcast: <https://ir.financialhearings.com/bokusgruppen-q4-2022>

Certified Adviser

The company is listed on Nasdaq First North Growth Market. The company's Certified Adviser is Erik Penser Bank AB, +46 8 463 83 00, certifiedadviser@penser.se.

This is a translation of the original report written in Swedish.

Financial statements

Consolidated statement of comprehensive income

Amounts in MSEK	Note	Accounting period			
		2022 Oct–Dec	2021 Oct–Dec	2022 Jan–Dec	2021 Jan–Dec
Net sales	5	618.7	641.4	1,822.0	1,866.1
Total revenue		618.7	641.4	1,822.0	1,866.1
Operating expenses					
Goods for resale		-349.1	-368.5	-1,084.3	-1,149.0
Other external costs		-66.6	-60.2	-225.5	-191.0
Personnel expenses	6, 10	-97.0	-72.4	-292.9	-280.0
Other operating expenses		0.5	0.5	-0.1	0.0
EBITDA		106.6	140.8	219.1	246.0
Depreciation of right-of-use assets	6	-28.9	-29.6	-114.0	-111.4
Depreciation of property, plant, and equipment		-2.7	-2.5	-10.7	-10.5
EBITA		75.0	108.8	94.4	124.1
Amortisation of intangible assets		-6.4	-5.6	-21.1	-19.4
Amortisation of acquisition-related intangible assets		-4.9	-5.9	-21.6	-23.6
EBIT		63.7	97.3	51.6	81.1
Financial income		0.0	0.0	0.0	0.0
Financial expenses		-3.6	-3.3	-13.2	-18.4
Net financial items		-3.5	-3.3	-13.1	-18.4
Profit after financial items		60.2	94.1	38.5	62.6
Income tax		-13.0	-18.4	-8.7	-12.2
Net profit/loss		47.2	75.6	29.8	50.5
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		47.2	75.6	29.8	50.5
Earnings per share before and after dilution, SEK	8	2.92	4.68	1.85	3.31
Average no. of shares before and after dilution		16,151,226	16,151,226	16,151,226	15,267,292

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	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
<i>Intangible assets and goodwill</i>			
Goodwill		410.1	410.1
Brands		240.1	240.1
Customer relationships		65.2	84.8
Capitalised expenditure for development work		93.1	73.9
Total intangible assets and goodwill		808.6	809.0
<i>Property, plant, and equipment</i>			
Equipment, fixtures, and fittings		23.5	25.8
Total property, plant, and equipment		23.5	25.8
<i>Financial assets</i>			
		0.6	-
Right-of-use assets		258.8	256.8
Deferred tax asset		2.2	2.0
Total non-current assets		1,093.6	1,093.5
Current assets			
Inventories		204.9	195.7
Trade receivables		23.3	18.5
Other receivables		29.0	22.8
Prepaid expenses and accrued income		33.8	26.0
Cash and cash equivalents		69.4	132.5
Total current assets		360.5	395.6
TOTAL ASSETS		1,454.1	1,489.1
Amounts in MSEK			
EQUITY AND LIABILITIES			
EQUITY			
Share capital		0.6	0.6
Other paid-in capital		252.7	252.7
Retained earnings including net profit/loss		409.7	428.3
Total equity attributable to owners of the Parent		663.0	681.6
Other provisions		0.6	-
LIABILITIES			
Non-current liabilities			
Lease liabilities		151.2	134.8
Deferred tax liabilities		92.5	93.0
Total non-current liabilities		244.3	227.8
Current liabilities			
Lease liabilities		93.9	108.1
Current tax liabilities		4.9	17.3
Trade payables		238.9	245.6
Advance payments from customers		1.1	1.0
Other current liabilities		63.6	59.5
Accrued expenses and deferred income		144.3	148.2
Total current liabilities		546.7	579.6
Total liabilities		791.0	807.4
TOTAL EQUITY AND LIABILITIES		1,454.1	1,489.1

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	
Opening balance, 1 Jan 2021		0.1	87.5	390.0	477.5
Net profit/loss plus comprehensive income		-	-	50.5	50.5
Transactions with shareholders in their capacity as owners					
Bonus issue		0.4	-	-0.4	-
New issue		0.1	164.9	-	165.0
Warrants		-	0.3	-	0.3
Dividend (SEK 1.4566/share)		-	-	-11.7	-11.7
Closing balance, 31 Dec 2021		0.6	252.7	428.3	681.6
Opening balance, 1 Jan 2022		0.6	252.7	428.3	681.6
Dividend (SEK 3/share)		-	-	-48.5	-48.5
Net profit/loss plus comprehensive income		-	-	29.8	29.8
Closing balance, 31 Dec 2022		0.6	252.7	409.7	663.0

Consolidated statement of cash flow

Amounts in MSEK	Note	Accounting period			
		2022 Oct–Dec	2021 Oct–Dec	2022 Jan–Dec	2021 Jan–Dec
Cash flow from operating activities					
EBIT		63.7	97.3	51.6	81.1
<i>Adjustments for non-cash items:</i>					
– Depreciation, amortisation, and impairment of assets		42.9	43.5	167.5	164.9
– Other items not affecting cash flow		-	0.1	0.1	0.1
Interest received		0.0	0.0	0.0	0.0
Interest paid		-3.6	-3.3	-13.2	-13.3
Tax paid		-2.4	-1.0	-21.7	-5.3
Cash flow from operating activities before changes in working capital		100.6	136.7	184.4	227.5
Cash flow from changes in working capital					
Increase (-)/decrease (+) in inventories		-20.2	-27.4	-9.2	-2.2
Increase (-)/decrease (+) in operating receivables		-18.1	-5.9	-18.9	-3.3
Increase (+)/decrease (-) in operating liabilities		119.3	143.8	-6.3	41.7
Total change in working capital		81.0	110.4	-34.4	36.1
Cash flow from operating activities		181.6	247.1	150.0	263.6
Cash flow from investing activities					
Investments in intangible assets		-13.1	-11.3	-42.3	-35.5
Investments in property, plant, and equipment		-2.4	-5.8	-8.6	-10.9
Sales of property, plant, and equipment		-	-	0.0	-
Cash flow from investing activities		-15.4	-17.1	-50.9	-46.4
Operating cash flow		166.2	230.0	99.1	217.2
Cash flow from financing activities					
Repayment of interest-bearing liabilities		-	-	-	-154.8
Utilised overdraft facility	11	-42.8	-67.3	-	-
Proceeds from warrants	10	-	-0.1	-	0.3
Group contributions received		-	-	-	22.1
Payments pertaining to repayment of lease liabilities		-31.4	-32.2	-113.9	-107.9
Dividends paid		-24.2	-	-48.5	-11.7
Cash flow from financing activities		-98.4	-99.6	-162.3	-251.9
Decrease/increase in cash and cash equivalents		67.8	130.4	-63.2	-34.7
Cash and cash equivalents at beginning of period		1.6	2.2	132.5	167.2
Cash and cash equivalents at end of period		69.4	132.5	69.4	132.5

Parent Company income statement

Amounts in MSEK	Accounting period			
	2022 Oct–Dec	2021 Oct–Dec	2022 Jan–Dec	2021 Jan–Dec
Net sales	3.4	9.9	23.2	13.8
Total revenue	3.4	9.9	23.2	13.8
Operating expenses				
Other external costs	-2.1	-2.7	-7.3	-6.5
Personnel expenses	-6.3	-4.3	-17.5	-8.5
Amortisation of intangible assets	-3.0	-3.0	-12.0	-12.0
Total operating expenses	-11.3	-10.1	-36.8	-27.0
Operating loss	-7.9	-0.2	-13.5	-13.2
Profit from financial items				
Profit from participations in Group companies	-	-	60.0	-
Other interest income and similar profit/loss items	5.2	1.7	10.4	10.5
Interest expenses and similar profit/loss items	-4.3	-1.6	-8.5	-12.1
Total financial items	1.0	0.1	61.9	-1.7
Profit/loss after financial items	-7.0	-0.1	48.3	-14.9
Appropriations	12.5	14.2	13.1	14.2
Profit/loss before tax	5.6	14.2	61.5	-0.6
Income tax	-0.8	-2.9	-	-
Net profit/loss	4.8	11.2	61.5	-0.6

The Parent Company has no items recognised as other comprehensive income. Total comprehensive income is therefore the same as net profit/loss for the period.

Parent Company balance sheet

Amounts in MSEK	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Concessions, patents, licenses, brands, and similar intellectual property		26.0	38.0
Total intangible assets		26.0	38.0
<i>Financial assets</i>			
Participations in Group companies	12	553.7	553.7
Total financial assets		553.7	553.7
Total non-current assets		579.7	591.7
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		436.3	382.0
Current tax asset		0.5	0.5
Prepaid expenses and accrued income		0.8	0.9
Other receivables		0.6	0.1
Total current receivables		438.2	383.5
Cash and bank balances		67.8	130.4
Total current assets		506.0	513.9
TOTAL ASSETS		1,085.7	1,105.5

Amounts in MSEK	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		0.6	0.6
Total restricted equity		0.6	0.6
<i>Non-restricted equity</i>			
Share premium reserve		165.2	165.2
Retained earnings		228.8	277.9
Net profit/loss		61.5	-0.6
Total non-restricted equity		455.5	442.5
Total equity		456.1	443.1
Untaxed reserves		5.4	8.6
Non-current liabilities			
Liabilities to Group companies		120.0	180.0
Total non-current liabilities		120.0	180.0
Current liabilities			
Overdraft facility		-	-
Trade payables		0.3	0.3
Liabilities to Group companies		496.8	471.1
Other current liabilities		0.6	0.5
Accrued expenses and deferred income		6.4	2.0
Total current liabilities		504.1	473.8
TOTAL EQUITY AND LIABILITIES		1,085.7	1,105.5

Note disclosures

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 126, SE-112 51 Stockholm, Sweden. The Group is Sweden's leading book retailer and conducts operations through the companies Bokus AB and Akademibokhandeln Holding AB, with the subsidiary Bokhandelsgruppen i Sverige AB.

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

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.

The accounting policies applied are the same as those described in the 2021 Annual Report for Bokusgruppen AB (publ).

3 RISKS AND UNCERTAINTIES

The Group's key financial and business risks are presented in the Directors' Report and in Note 2 in the 2021 Annual Report and Sustainability Report. The war in Ukraine has led to general disruptions in the global economy. Rising inflation and continued high interest rates are creating uncertainty in the market. This could impact Bokusgruppen's operations.

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.

5 SEGMENT REPORTING

Group management, as the chief operating decision maker, 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. The segment distribution is the same as in the annual report.

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, and a digital book subscription service.
- The Akademibokhandeln Online segment consists of physical books and other products such as board games, jigsaw puzzles, toys, and art supplies.
- The Akademibokhandeln Stores segment consists of physical books and other products such as board games, jigsaw puzzles, toys, and art supplies.
- 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.

	2022 Oct–Dec	2021 Oct–Dec	2022 Jan–Dec	2021 Jan–Dec
External revenue				
Bokus Online total revenue	204.2	217.1	714.3	796.0
- less intra-Group sales 1)	(16.0)	(14.0)	(48.9)	(48.8)
Bokus Online	188.2	203.2	665.4	747.2
Akademibokhandeln Online	26.9	25.0	81.0	84.0
Akademibokhandeln Stores	403.6	413.2	1,075.6	1,035.0
Central Functions	-	-	-	-
Total external revenue	618.7	641.4	1,822.0	1,866.1

1) In Bokus Online, MSEK -16.0 (-14.0) was eliminated in Q4 2022 as it relates to intra-Group sales to the Akademibokhandeln Online segment.

NOTE 5 Segment reporting, cont.

	2022 Oct–Dec	2021 Oct–Dec	2022 Jan–Dec	2021 Jan–Dec
EBITA				
Bokus Online	4.9	11.3	21.2	43.2
Akademibokhandeln Online	1.5	3.7	1.4	9.9
Akademibokhandeln Stores	79.9	90.6	73.2	76.1
Central Functions	-11.3	3.2	-1.4	-5.1
Total EBITA	75.0	108.8	94.4	124.1
Amortisation of intangible assets	-11.3	-11.5	-42.7	-43.0
EBIT	63.7	97.3	51.6	81.1
Net financial items	-3.5	-3.3	-13.1	-18.4
Profit after financial items	60.2	94.1	38.5	62.6

**Breakdown of revenue from external customers
2022 Oct–Dec**

	Bokus Online	Akademibokhandeln Online	Akademibokhandeln Stores	Central Functions	Total
Physical books	168.1	22.0	236.2	-	426.3
Digital books	11.7	-	-	-	11.7
Other products	-	3.4	155.1	-	158.5
Other revenue	8.4	1.5	12.4	-	22.3
Total	188.2	26.9	403.6	-	618.7

Oct–Dec 2021	Bokus Online	Akademibokhandeln Online	Akademibokhandeln Stores	Central Functions	Total
Physical books	185.6	21.2	243.0	-	449.8
Digital books	10.4	-	-	-	10.4
Other products	-	2.5	158.3	-	160.8
Other revenue	7.2	1.3	12.0	-	20.4
Total	203.2	25.0	413.2	-	641.4

Full-year 2022	Bokus Online	Akademibokhandeln Online	Akademibokhandeln Stores	Central Functions	Total
Physical books	592.5	70.2	644.2	-	1,306.9
Digital books	43.7	-	-	-	43.7
Other products	-	7.2	391.5	-	398.7
Other revenue	29.2	3.6	39.9	-	72.7
Total	665.4	81.0	1,075.6	-	1,822.0

Full-year 2021	Bokus Online	Akademibokhandeln Online	Akademibokhandeln Stores	Central Functions	Total
Physical books	682.7	77.2	617.3	-	1,377.2
Digital books	41.2	-	-	-	41.2
Other products	-	3.3	378.4	-	381.7
Other revenue	23.2	3.4	39.3	-	66.0
Total	747.2	84.0	1,035.0	-	1,866.1

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

6 SUBSIDIES AND GOVERNMENT GRANTS

Subsidies and government grants were received in the form of compensation for sick pay costs.

	2022 Oct–Dec	2021 Oct–Dec	2022 Jan–Dec	2021 Jan–Dec
Compensation for sick pay costs (recognised in the income statement item “Personnel expenses”)	-	0.0	2.0	1.1
Rental discounts (recognised in the income statement item “Depreciation of right-of-use assets”)	-	-	-	6.3
Total	-	0.0	2.0	7.4

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

7 RELATED-PARTY TRANSACTIONS

Related-party transactions are described in Note 27 of the Annual Report and Sustainability Report for 2021. The scope and focus of these transactions have not changed significantly during the quarter.

8 EARNINGS PER SHARE

	2022 Oct–Dec	2021 Oct–Dec	2022 Jan–Dec	2021 Jan–Dec
<i>SEK</i>				
Earnings per share before and after dilution	2.92	4.68	1.85	3.31
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				
	47.2	75.6	29.8	50.5
<i>No.</i>				
Weighted average no. of ordinary shares for calculating earnings per share before and after dilution	16,151,226	16,151,226	16,151,226	15,267,292
Equity per weighted average number of ordinary shares, SEK	41.1	42.2	41.1	44.6

9 SHARE CAPITAL AND OTHER PAID-IN CAPITAL

At the end of the year, the share capital amounted to SEK 600,864 (600,864) divided between 16,151,226 shares (16,151,226). 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 2021	8,000	0.1	87.5	87.6
Bonus issue, March 2021 ¹⁾	0	0.4	-	0.4
Reverse split 1:25, April 2021	-7,680	-	-	-
New issue, April 2021 ²⁾	65	0.1	164.9	165.0
Split 42:1, April 2021	15,766	-	-	-
Warrants ³⁾	0	-	0.3	0.3
Closing balance, 31 Dec 2021	16,151	0.6	252.7	253.3
Opening balance, 1 Jan 2022	16,151	0.6	252.7	253.3
Closing balance, 31 Dec 2022	16,151	0.6	252.7	253.3

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 0.4 related to the introduction of the programme. See Note 10 for more information.

10 WARRANTS TO SENIOR EXECUTIVES

Senior Bokusgruppen executives subscribed for 550,585 warrants in 2021. 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.

11 OVERDRAFT FACILITY

Bokusgruppen has had an overdraft facility of MSEK 200.0 since April 2021. The overdraft facility has been extended by an additional year beginning in April 2022. As in previous years, the necessary financing is expected to be in place well before the current credit facility expires.

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. The covenants are evaluated quarterly, and the Group meets the terms.

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 31 Dec 2022	Carrying amount 31 Dec 2021
Akademibokhandeln Holding AB	559101-0938	Stockholm	8,000,000	433.7	433.7
Bokus AB	556493-0492	Stockholm	100	120.0	120.0
				553.7	553.7

MSEK	31 Dec 2022	31 Dec 2021
Opening cost	553.7	433.7
Shareholders' contributions provided	-	120.0
Closing accumulated cost	553.7	553.7
Closing carrying amount	553.7	553.7

13 ALTERNATIVE PERFORMANCE MEASURES AND EARNINGS MEASURES

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.

	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Gross margin, %				
Net sales	618.7	641.4	1,822.0	1,866.1
Goods for resale	-349.1	-368.5	-1,084.3	-1,149.0
Gross margin, %	269.6	272.9	737.6	717.1
Gross margin, SEK/Net sales	43.6%	42.6%	40.5%	38.4%
Adjusted EBITDA LTM				
EBITDA LTM			219.1	246.0
Reversal of IFRS 16 effect			-121.8	-125.0
Items affecting comparability*			-19.6	-8.2
Adjusted EBITDA LTM			77.7	112.8
<i>*Items affecting comparability refers to listing costs, restructuring costs and pension refunds</i>				
Net debt (excl. lease liabilities)/adjusted EBITDA LTM, x				
Financial liabilities			1.5	0.8
Interest-bearing liabilities			0.0	-
Cash and cash equivalents			-69.4	-132.5
Net debt			-67.9	-131.7
Adjusted EBITDA LTM			77.7	112.8
Net debt/adjusted EBITDA, x			-0.9	-1.2
EBITA excluding items affecting comparability				
EBITA	75.0	108.8	94.4	124.1
Subsidies and government grants	-	0.0	-2.0	-7.4
Pension refunds	-1.5	-10.0	-27.8	-10.0
Listing costs	-	-	-	1.8
Restructuring costs	8.2	-	8.2	-
EBITA excluding items affecting comparability	81.7	98.8	72.8	108.5
Fixed operating expenses excluding items affecting comparability				
Other external costs	-66.6	-60.2	-225.5	-191.0
Personnel expenses	-97.0	-72.4	-292.9	-280.0
Other operating expenses	0.5	0.5	-0.1	0.0
Fixed operating expenses	-163.0	-132.1	-518.5	-471.1
Depreciation of right-of-use assets	-28.9	-29.6	-114.0	-111.4
Depreciation of property, plant, and equipment	-2.7	-2.5	-10.7	-10.5
Fixed operating expenses including depreciation of right-of-use assets and property, plant, and equipment	-194.6	-164.1	-643.3	-593.0
Subsidies and government grants	-	0.0	-2.0	-7.4
Pension refunds	-1.5	-10.0	-27.8	-10.0
Listing costs	-	-	-	1.8
Restructuring costs	8.2	-	8.2	-
Fixed operating expenses excluding items affecting comparability	-187.9	-174.2	-664.9	-608.6
Adjusted operating cash flow				
Operating cash flow	166.2	230.0	99.1	217.2
Payments pertaining to repayment of lease liabilities	-31.4	-32.2	-113.9	-107.9
Adjusted operating cash flow	134.8	197.8	-14.7	109.3
Adjusted cost of store premises as a % of total sales in Akademibokhandeln, LTM				
Cost of premises			-50.8	-42.7
Reversal of costs unrelated to stores			6.0	5.5
Reversal of IFRS 16 effect			-121.8	-125.0
Adjusted cost of store premises			-166.6	-162.2
Sales in Akademibokhandeln (Online and Stores)			1,156.6	1,119.0
Adjusted cost of store premises as a % of total sales in Akademibokhandeln, LTM			14.4%	14.5%

MULTI-YEAR REVIEW

MSEK	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Net sales	605.6	461.9	334.4	428.4	641.4	440.8	341.5	421.0	618.7
Net sales growth, %	1.7%	4.0%	12.0%	0.4%	5.9%	-4.6%	2.1%	-1.7%	-3.5%
Gross margin, %	40.3%	32.5%	37.7%	39.2%	42.6%	36.4%	41.3%	39.5%	43.6%
EBITDA	111.8	27.8	13.2	64.1	140.8	30.2	36.2	46.1	106.6
EBITA	77.4	-2.4	-16.7	34.4	108.8	-0.4	4.9	14.9	75.0
EBITA excl. items affecting comparability	73.5	-5.2	-17.2	32.2	98.8	-2.2	-21.6	14.9	81.7
EBIT	66.5	-12.7	-27.2	23.7	97.3	-10.3	-6.0	4.3	63.7
Net profit/loss	40.8	-15.2	-25.8	15.9	75.6	-10.6	-7.4	0.6	47.2
Earnings per share, SEK 1)	3.0	-1.1	-1.7	1.0	4.7	-0.7	-0.5	0.0	2.9
Equity per share	35.5	34.4	38.6	37.5	42.2	41.6	38.1	38.1	41.1
Operating cash flow	189.4	-51.9	-44.3	83.5	230.0	-103.2	-14.6	-67.0	166.2
Share of sales in online channels, %	41.3%	54.0%	47.8%	45.2%	35.6%	47.3%	40.8%	43.6%	34.8%

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 Group 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 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.	Used by Group management to monitor the underlying earnings growth for the Group.
Items affecting comparability	The Group's earnings may be impacted by certain items which affect comparability between years. Items affecting comparability are defined as non-recurring items not directly related to the ordinary course of business, such	Recognising items affecting comparability provides a better understanding of the Group's operating activities.

	as government grants, listing costs and pension refunds.	
EBIT	Earnings before net financial items 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 Group management to monitor the cash flow generated by operating activities, including investments, before the repayment of lease liabilities.
Adjusted operating cash flow	Calculated as the difference between operating cash flow and payments relating to the repayment of lease liabilities.	Adjusted operating cash flow gives Group management a clear overview of the development of cash flow directly attributable to the operations.
Net sales growth	Calculated as total sales during the period compared with sales in the year-earlier period.	Gives Group management a clear overview of how total sales develop over time.
Gross margin	Calculated as net sales less goods for resale as a percentage of net sales.	Gives Group management a clear overview of the profitability of products sold.
Gross margin growth	Calculated as net sales less goods for resale as a percentage of net sales compared with the year-earlier period.	Gives Group management a clear overview of how the gross margin develops over time.
Gross profit	Calculated as sales less goods for resale.	Gives Group management a clear overview of the profitability of products sold.
Gross profit growth	Calculated as sales less goods for resale compared with the year-earlier period (percentage).	Gives Group management a clear overview of how gross profit develops over time.
Equity per share	Calculated as total assets less total liabilities divided by the number of shares	Used by Group management to assess the company's net worth per share.
Equity/assets ratio	Equity as a percentage of the balance sheet total.	Used to assess financial risk.
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 are 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 sales in online channels	The share of sales in online channels (Akademibokhandeln Online and Bokus Online) in relation to total sales.	Gives Group 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 Group 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 Group management to monitor financial performance.

Growth in “Skriva Spela Skapa” range of other products	Sales of the “Skriva Spela Skapa” range of other products during the period compared with sales in the year-earlier period.	The range of 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 Group 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 a key 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 of 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.
Brand awareness	Share of population aged 15 to 65 who have purchased at least one book in the past year who answered YES to the question “Have you heard of Akademibokhandeln or Bokus?”. Based on 100 interviews per week since 2015.	Measures the share of customers who are aware of our brands.
NPS (Net Promoter Score)	Based on accumulated data 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.
“Skriva Spela Skapa”	A name for Other Products.	Both terms refer to the same product category.