

Confirmation of Bokusgruppen's strength – EBITA increased 48% for the quarter

YEAR-END REPORT OCTOBER–DECEMBER 2023

Q4 2023

- Net sales increased 7.5% to MSEK 665.2 (618.7)
- The gross margin increased to 45.1% (43.6)
- EBITA was MSEK 110.8 (75.0)
- EBITA excl. items affecting comparability increased MSEK 28.7 to MSEK 110.4 (81.7)
- Net profit improved to MSEK 75.1 (47.2)
- Earnings per share before and after dilution increased to SEK 4.65 (2.92).

Full-year 2023

- Net sales increased 2.7% to MSEK 1,870.3 (1,822.0)
- The gross margin increased to 42.5% (40.5)
- EBITA was MSEK 114.9 (94.4)
- EBITA excl. items affecting comparability increased MSEK 40.1 to MSEK 112.9 (72.8)
- Net profit improved to MSEK 40.6 (29.8)
- Earnings per share before and after dilution increased to SEK 2.51 (1.85).

Significant events in the quarter

- A decision was made to open a new Akademibokhandeln store in Tyresö Centrum. The store will open in the first quarter of 2024.
- Board games were named the Christmas Gift of the Year by HUI Research, leading to a boost in sales within other products (which includes board games) during the Christmas shopping season. A selection of our range of other products has also been available on Bokus.com since 2023.

7.5%

NET SALES GROWTH IN THE
QUARTER

11.2%

GROSS PROFIT GROWTH IN THE
QUARTER

47.8%

EBITA GROWTH
IN THE QUARTER

Performance measures

MSEK	2023	2022		
	Oct–Dec	Oct–Dec	Full-year 2023	Full-year 2022
Net sales	665.2	618.7	1,870.3	1,822.0
Net sales growth, %	7.5%	-3.5%	2.7%	-2.4%
Gross margin, %	45.1%	43.6%	42.5%	40.5%
EBITDA	145.6	106.6	252.9	219.1
EBITA	110.8	75.0	114.9	94.4
EBITA excl. items affecting comparability	110.4	81.7	112.9	72.8
EBIT	99.6	63.7	69.5	51.6
Net profit/loss	75.1	47.2	40.6	29.8
Earnings per share, SEK ¹⁾	4.65	2.92	2.51	1.85
Equity per share	40.6	41.1	40.6	41.1
Operating cash flow	258.2	166.2	218.2	99.1
Share of sales in online channels, %	35.9%	34.8%	39.3%	41.0%

1) Earnings per share before and after dilution

Performance measures in the table are presented in the income statement on page 15 or in alternative performance measures on pages 25–29.

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 1.9 billion
- 39% of sales in online channels and 61% in stores
- Average of 409 employees



- 36 million online visits
- 15 million in-store visits



- Strong brand awareness:**
- 92% for Akademibokhandeln
 - 78% for Bokus



- 0.8 million active Bokus customers
 - 2.2 million members of the Akademibokhandeln's Vänner loyalty club, of which 1.5 million active*
- *At least one purchase in the last 12 months

The above figures refer to 2023 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.

Part of the segment **Bokus Online**



AKADEMIBOKHANDELN

A network of 94 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**



”
A historically
strong quarter.

COMMENTS FROM THE CEO

Confirmation of Bokusgruppen's strength – EBITA increased 48% for the quarter

With an improved fourth quarter, Bokusgruppen has now closed the books on a very positive 2023. With a clear cost focus, smart investments, product range development and forward-looking investments, gross profit increased 7.7% and EBITA increased 21.7% for the full year, meaning that the financial target for EBITA was achieved.

It is very gratifying to report that the fourth quarter of 2023 was the strongest quarter ever for Bokusgruppen, with sales growth of 7.5% and EBITA that increased a full MSEK 35.8, or 47.8%, over the year-earlier quarter. With this strong fourth quarter, we have now closed the books on a year in which sales increased 2.7%, the gross margin increased 2.0 percentage points and EBITA increased 21.7%. We also reached our financial target of EBITA of 6.0% and improved our adjusted operating cash flow by MSEK 102.5.

During the year, Akademibokhandeln's stores continued the positive trend we had seen earlier in the year and sales increased 5.7%. At the same time, Akademibokhandeln Online accelerated its positive trend and sales increased a full 24.8%. On the whole, this is a fantastic conclusion to the year for Akademibokhandeln, which is a sign of the strength of our omnichannel offering. Even more satisfying is the turnaround for Bokus Online during the fourth quarter, following a decline in sales after the pandemic, with sales growth of 8.9%. Our positive performance in online sales in the fourth quarter is particularly impressive since online shopping as a whole,

according to the Swedish Trade Federation's e-commerce indicator, declined 11% in the same period.

Focus on profitability

At the beginning of 2023, we were concerned about how our sales and profitability would be impacted by reduced consumer purchasing power and increased costs due to inflation. The early implementation of measures prepared us for handling a turbulent environment, and our focus during the year was on increasing our gross margins and on cost-saving measures to offset inflation-based cost increases like store rents and personnel expenses.

Looking back on 2023, we can say that these programmes, and hard work by all of our dedicated employees, had excellent results. At the same time, our loyal customers continued to prioritise books, board games and other items from our range of products. The number of active customers and their willingness to recommend us (as measured by NPS) increased for the full year.

Investments and initiatives for the future

Our forward-looking investments continued in 2023, but the prevailing uncertainty during the year meant that we had to make some difficult decisions in terms of which items to prioritise. We continued our digital transformation and focused on preparing and researching for the replacement of our online shopping system. In 2024, we will enter the next phase, with investments largely dedicated to development and implementation.

We also focused on optimising our online shopping logistics during the year. We improved our lead times and delivery

reliability in online shopping, and these improvements were reflected directly in a higher customer satisfaction score (NPS) for Bokus. Our focus on developing our logistics will continue in 2024 in order to make additional improvements for a more competitive shipping offering.

At Bokus, we launched part of our range of other products, and a select range of board games, jigsaw puzzles and calendars were available for sale just in time for the Christmas shopping period. Since the launch went well, we will further expand the range.

As for stores, during the quarter we decided to establish a new store in Tyresö Centrum outside Stockholm. The store will open in the first quarter of 2024. The profitability we generate from our stores helps us establish other stores, if the location and rental conditions are appealing. Nearly all of our stores currently generate positive contributions to operations and Akademibokhandeln Stores are our most profitable segment. Our ability to expand the store network is positive for book retail overall.

Private label products create a unique product range

Akademibokhandeln’s private label products continued to perform well during the year and the share of private label products within the range of other products increased from 17.3% to 18.2% during the year. This was the result of a deliberate effort to create a unique range that appeals to our customers. Our private label products give us greater control over design, development and production, including environmental and climate impact. They also provide higher margins.

During the year, we launched a design partnership with Carl Larsson-gården, with designs from Carl and Karin Larsson’s artwork. They appear on products like notebooks, jigsaw puzzles and much more. This is one of our most popular and successful partnerships to date.

We also launched new jigsaw puzzles, art supplies and board games. Board games were named the 2023 Christmas Gift of the Year by HUI Research, which boosted sales of board games and toys by over 20% in the fourth quarter.

More clarity in following up sustainability targets

We put a lot of work into making the company more sustainable and have set ambitious targets to take us there. Our overall sustainability target is to lower CO₂e emissions by 25% and achieve 90% of all sub-targets by 2026. In 2023, we achieved 25% of all of our sub-targets, and at the time of writing we are preparing our climate report for the year. During the year, we strove to clarify our sub-targets and their follow-up. We also started to prepare for the new reporting requirements in the EU Corporate Sustainability Reporting Directive (CSRD). As usual, we carried out several initiatives to promote reading. We also began an initiative to promote writing and continued our efforts to lower our carbon emissions and to reduce waste. Read more about this in our Annual and Sustainability Report 2023, which will be released later in the spring.

Outlook

In 2024, we will be taking a major, important step forward by upgrading our online shopping platform. This will allow us to create an even more attractive customer experience online and support a more efficient organisation.

As before, we have demonstrated good resilience in difficult times. The recession continued into the new year, but we see the light at the end of the tunnel and, hopefully, a turnaround later in the year.

I would like to extend my sincere thanks to all of our committed and skilled employees who work hard for our customers and to achieve our vision: “Everyone should experience the joy of reading, every day.” With an incredibly strong 2023 behind us, we are starting the new year with several exciting initiatives and the confidence that we are a company to be reckoned with.

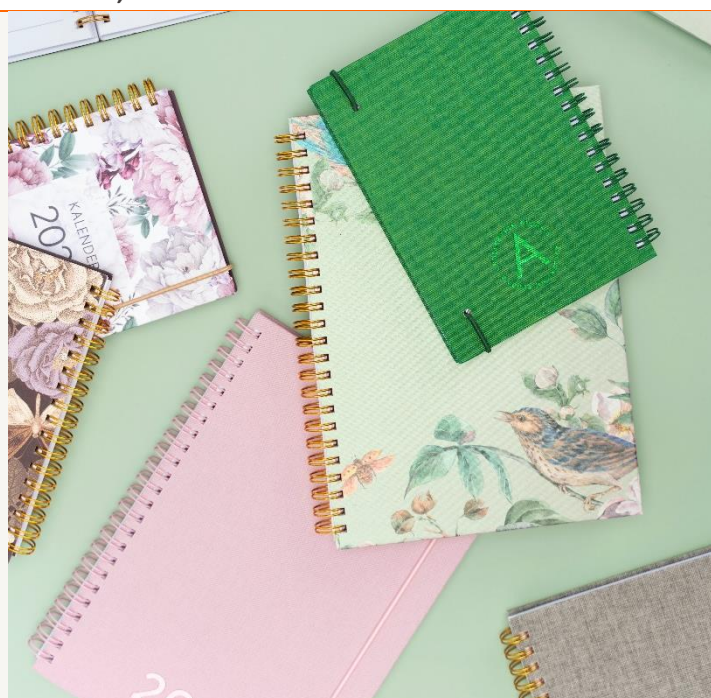
Maria Edsman, CEO

Report presentation Q4 2023

- Maria Edsman, CEO, and Ola Maalsnes, CFO, presented the interim report on 15 February 2023 at 10:00 a.m.
- <https://ir.financialhearings.com/bokusgruppen-q4-report-2023>
- The presentation is published on bokusgruppen.com.

Financial calendar 2024

- 24 April: Interim report January–March 2024
- 7 May: AGM
- 16 July: Interim report January–June 2024
- 23 October: Interim report January–September 2024



OVERVIEW

Consolidated financial trend

Quarter

Net sales

Net sales for the Group increased 7.5% to MSEK 665.2 (618.7) for the quarter, a record high with growth in all channels.

For the Akademibokhandeln Stores segment, sales increased 5.7%. This sales growth was attributable to books as well as the range of other products. The selection of board games as the Christmas Gift of the Year and subsequent media attention in combination with the launch of strong new games was an important contributing factor.

Sales for the Akademibokhandeln Online segment grew 24.8%, largely due to very strong campaigns in connection with loyalty club days, the School Reading Holiday, Black Friday and Christmas.

The share of other products, "Skriva Spela Skapa," totalled 38.2% of net sales for Akademibokhandeln Stores and Online.

Net sales for the Bokus Online segment increased by 8.9%. This was due to an increased number of customers, strong new book and board game releases and a good delivery capacity that meant a high rate of sales could be maintained.

Altogether, online channels posted a 10.9% increase in net sales for the quarter. Sales in online channels accounted for 35.9% of the Group's total net sales, compared with 34.8% in the year-earlier quarter.

Sales of the "Skriva Spela Skapa" range of other products increased 12.7% compared with the previous year and represented 26.8% (25.6) of the Group's total sales.

Sales of digital books (single sales and through subscriptions) increased 18.6%. Subscription sales continued to display high growth after successfully promoting the subscription service in stores, while single sales decreased.

For more information about each segment, refer to pages 8–11.

Earnings

The gross margin for the Group amounted to 45.1% for the quarter, up 1.5 percentage points from the year-earlier quarter primarily 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 1.5 or +0.8% higher than in the year-earlier period. The restructuring programme continued to have a full impact in the quarter. The cost increase is due to the agreed annual adjustments of rents and salaries, partially offset by lower marketing costs, rent negotiations and reduced staffing in offices and stores.

EBITA for the Group amounted to MSEK 110.8 (75.0).

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

The Group's net profit amounted to MSEK 75.1 (47.2), an improvement of MSEK 27.9.

For information about items affecting comparability, see Note 13.

Full-year

Net sales

The Group’s net sales amounted to MSEK 1,870.3 (1,822.0). This is the Group’s highest net sales in the last five years and represents growth of 2.7% compared with the previous year. A large portion of the sales increase is attributable to the fourth quarter.

Sales growth for Akademibokhandeln Stores amounted to 5.5%, driven by customers’ return to retail during the first few months of the year, deliberate consumer price adjustments and a successful Christmas sales season.

Sales for Akademibokhandeln Online increased 12.6% as a result of strong campaigns, price optimisation and more customers choosing to shop in this channel.

Sales for Bokus Online decreased 3.1%. Lower demand for course literature was the primary reason for the decline in sales, which had a significant impact on the development during the first half of the year and then improved in the autumn, particularly in the last quarter.

Altogether, sales in online channels decreased 1.4%. Sales in online channels accounted for 39.3% of the Group’s total net sales, compared with 41.0% in 2022.

Sales of the “Skriva Spela Skapa” range of other products increased 8.3% during the year and represented 23.1% (21.9) of the Group’s total sales.

Sales of digital books (single sales and through subscriptions) increased 15.0% 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 42.5%, up 2.0 percentage points from the year-earlier period due to deliberate consumer price adjustments. All segments posted improved margins and the share of in-store sales continued to improve. Gross profit grew 7.7%.

Fixed operating expenses, including depreciation of right-of-use assets and property, plant and equipment and adjusted for items affecting comparability, were MSEK 16.8 higher than in the year-earlier period, equivalent to 2.5%. The restructuring programme had the intended effect and brought down costs. The remaining cost increase is due to forward-looking investments in IT transformation and higher depreciation of right-of-use assets, primarily related to store rents.

EBITA for the period amounted to MSEK 114.9 (94.4). Pension refunds and compensation for sick pay costs had a positive impact on earnings in the previous year of MSEK 27.8 and MSEK 2.0, respectively, while the cost savings programme had a negative impact of MSEK 8.2. Earnings for the year were impacted by electricity support of MSEK 2.0. EBITA excluding items affecting comparability was MSEK 112.9 (72.8), an increase of MSEK 40.1. For more information about items affecting comparability, see Note 13.

The EBITA margin was 6.1% (5.2) and the adjusted EBITA margin was 6.0% (4.0), which is in line with the long-term financial target of 6%.

The Group’s amortisation of intangible assets was MSEK 2.6 higher than in the previous year due to higher investments related to the IT transformation in recent years.

The Group’s net profit for the period excluding items affecting comparability amounted to MSEK 38.6 (8.2), an improvement of MSEK 30.3.

Net sales, MSEK



Cash flow and financial position

Cash flow and investments

Operating cash flow for the quarter improved MSEK 91.9 and amounted to MSEK 258.2 (166.2). The improvement over the previous year is due to higher earnings, reduced tied-up working capital and lower investments.

The trend in working capital had a positive impact of MSEK 117.7 (81.0) on cash flow. The improvement over the previous year is due to reduced inventories related to high in-store sales for the quarter, lower operating receivables after an unusually high level late last year, and higher operating liabilities due to price increases.

Investments for the fourth quarter amounted to MSEK -5.1 (-15.4). Most of the investments pertained to the planned IT transformation.

Cash flow from financing activities amounted to MSEK -150.8 (-98.5) and mainly consisted of a repayment of the overdraft facility and the second dividend payment of MSEK 24.2 (24.2). Finance leases also arose during the quarter.

The adjusted operating cash flow amounted to MSEK 222.4 (134.8), which was an increase of MSEK 87.6.

Operating cash flow for the full year amounted to MSEK 218.2 (99.1), an increase of MSEK 119.1 attributable to improved earnings, reduced tied-up working capital and lower investments. The improvement largely pertains to the last

quarter of the year, which was the strongest in terms of sales and profitability. Working capital had an impact of MSEK 15.6 (-34.4) on cash flow, an improvement of MSEK 50.0.

Investments also had an additional positive impact of MSEK 24.7.

Cash flow from financing activities amounted to MSEK -178.8 (-162.3), down MSEK 16.5 due to higher payments relating to the repayment of lease liabilities. Dividends contributed MSEK 48.5 (48.5).

The adjusted operating cash flow amounted to MSEK 87.8, up MSEK 102.5 year on year.

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 is 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 May 2023.

Of the overdraft facility granted, MSEK 0 had been utilised as of 31 December 2023. The equity/assets ratio at the end of the year was 44.2% (45.6). Net debt/adjusted EBITDA LTM was -0.8x, compared with -0.9x on 31 December 2022.

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.

Net sales for Bokus Online amounted to MSEK 204.9 (188.2) for the quarter, an increase of 8.9% compared with the year-earlier quarter. Sales recovered significantly, underpinned by strong Black Friday and Christmas campaigns with several excellent titles and offerings as well as a high delivery capacity. Reduced sales of course literature had a slight impact on the quarter. During the quarter, the Bokus range was expanded to include sales of board games, which contributed to the increase in sales.

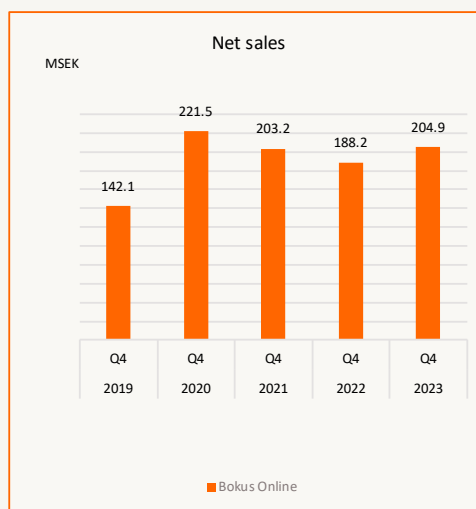
Digital book sales (subscriptions and single sales) increased 18.6% during the quarter after a successful marketing campaign for the subscription service in stores. The corresponding increase for the full year amounted to 15.0%.

Net sales for the full year decreased 3.1%, largely due to significantly reduced sales of course literature. This decrease was the most significant during the first half of the year and has since receded. The number of active customers decreased

3.1% from the previous year, which is in line with the sales trend. The segment’s NPS, which measures customer satisfaction, increased and is well over the target of 55. The Bokus Scholarship was awarded for the second consecutive year in the autumn in recognition of the student who has done the most to promote reading.

EBITA improved to MSEK 16.5 for the quarter, compared with the year-earlier quarter, primarily due to increased sales and a stronger gross margin. EBITA for the full year amounted to MSEK 26.9 (21.2) and the EBITA margin was 4.2% (3.2). Forward-looking investments, including the Bokus Reader app and the procurement of a new online platform, entailed increased costs that were largely offset by lower marketing costs.

	Oct–Dec		Full-year	
	2023	2022	2023	2022
Net sales, MSEK	204.9	188.2	644.7	665.4
EBITA, MSEK	21.4	4.9	26.9	21.2
No. of active customers (thousands), LTM	789	815	789	815
NPS - LTM	62	57	62	57



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.

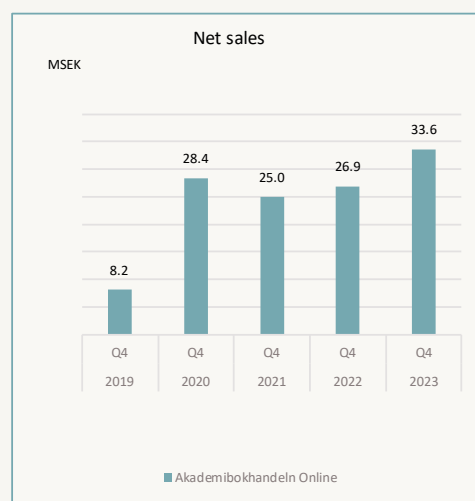
Net sales for Akademibokhandeln Online amounted to MSEK 33.6 (26.9) for the quarter, equivalent to growth of 24.8%, due to significantly increased sales of books as well as other products. The segment's sales continued to display a very positive trend and were a popular complement to in-store sales. Net sales increased 12.6% for the full year and gross profit growth was 19.3%. The gross margin improved 1.8 percentage points for the full year, strengthened by successful price and campaign optimisation.

The share of other products, "Skriva Spela Skapa," increased, accounting for 16.0% (12.7) of sales for the quarter and 10.5% (8.9) for the full year.

The online share of total sales for Akademibokhandeln (Stores and Online) was 7.3% (6.2) for the quarter. The full-year figure increased to 7.4%, compared to 7.0% for 2022.

EBITA improved to MSEK 4.1 for the quarter, compared with the year-earlier quarter. EBITA for the full year amounted to MSEK 7.9 (1.4) and the EBITA margin was 8.6% (1.7). The improvement in profitability is primarily due to increased sales, an improved gross margin and reduced marketing costs.

	Oct-Dec		Full-year	
	2023	2022	2023	2022
Net sales, MSEK	33.6	26.9	91.2	81.0
EBITA, MSEK	5.6	1.5	7.9	1.4
Share of online sales, %	7.3%	6.2%	7.4%	7.0%



Akademibokhandeln Stores

Akademibokhandeln consists of 94 stores throughout Sweden, of which 69 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 426.7 (403.6) for the quarter, an increase of 5.7%. Books and the range of other products both posted growth, with the selection of board games as the Christmas Gift of the Year accounting for the largest increase. In terms of other products, private label products posted a positive trend and accounted for a higher share of sales for the quarter as well as for the full year, with a subsequent positive impact on the gross margin.

Net sales increased 5.5% for the full year and amounted to MSEK 1,134.4. Gross profit grew MSEK 42.9 or 7.4%. Two stores closed during the year: the temporary pop-up store at

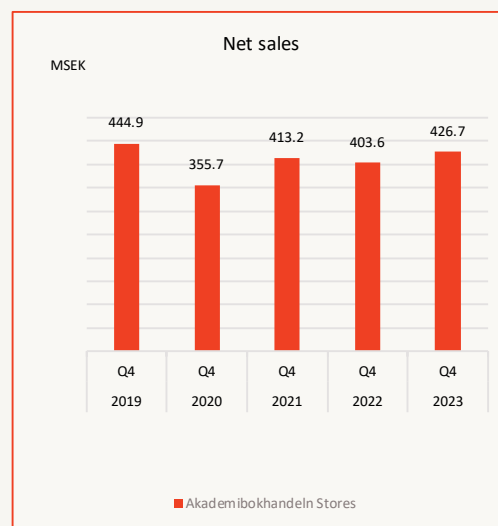
Stockholm Central Station that was opened to test a new concept before Christmas, and the store in Kista Galleria that had been decreasing in profitability for an extended period of time. Operations at Frölunda Torg moved to newer, more efficient retail premises.

The number of active customers increased 5.4% from the previous year, which is in line with the sales trend. The segment’s NPS, which measures customer satisfaction, remained at a high 66 during all quarters of the year, which is above the target level.

EBITA improved to MSEK 10.5 for the quarter, compared with the year-earlier quarter. EBITA for the full year amounted to MSEK 100.1 (73.2) and the EBITA margin was 8.8% (6.8). The improvement is due to increased sales, a stronger gross margin and optimised staffing, which successfully offset increased costs, primarily in the form of indexed store rents.

Despite the increased cost of premises, the share of stores posting a positive contribution to operations was a full 98.6%, an improvement over the previous year.

	Oct–Dec		Full-year	
	2023	2022	2023	2022
Net sales, MSEK	426.7	403.6	1,134.4	1,075.6
EBITA, MSEK	90.4	79.9	100.1	73.2
No. of stores under own management	69	71	69	71
Share of stores posting a positive contribution to operations LTM, %	98.6%	97.1%	98.6%	97.1%
Growth in other products	10.0%	-2.0%	7.1%	3.4%
Share of private label in other products, %	14.4%	13.4%	18.2%	17.3%
Cost of store premises, as a % of Akademibokhandeln sales LTM, %	14.5%	14.4%	14.5%	14.4%
No. of active customers (thousands), LTM	1,468	1,393	1,468	1,393
NPS - LTM	66	66	66	66



Central Functions

Consists of the Parent Company and Group management. EBITA for Central Functions amounted to MSEK -6.6 (-11.3) for the quarter, an improvement of MSEK 4.8. The fourth quarter of the previous year was charged with restructuring costs of MSEK 8.2, offset by pension refunds of MSEK 1.5.

EBITA for the full year amounted to MSEK -20.0 (-1.4), a decrease of MSEK 18.6. Pension refunds of MSEK 27.8 received in the previous year were offset by restructuring costs of MSEK 8.2. Adjusted for items affecting comparability, EBITA improved MSEK 1.0.

For more information about items affecting comparability, see Note 13.

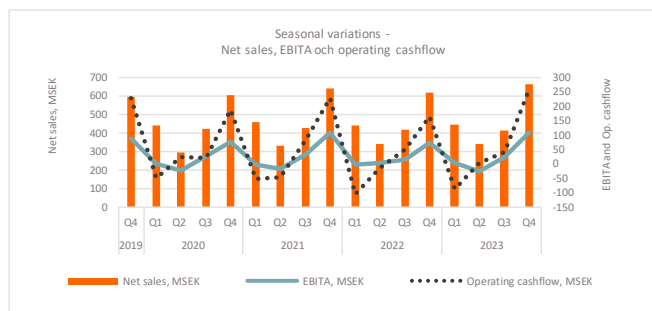


Other information

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 largely followed normal seasonal variations.



Organisation and employees

The average number of employees during the fourth quarter was 457 (482). Of these, 363 (379) were employees in physical stores and the rest were employed in HR, finance, sales, purchasing and assortment, supply chain, marketing and communications, and IT. A restructuring programme to reduce the number of employees by ten roles at the company’s office was carried out during the first quarter. The full effect was achieved during the latter part of the second quarter. The average number of employees for the full year was 409 (428). Of these, 313 (326) were employees in physical stores.

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% by 2026. In 2023, 25% of all sub-targets were met. This means that we need to pick up the pace.

In 2023, we worked to simplify follow-up of our sustainability targets. This means that we clarified our follow-up and sub-targets in order to increase measurability. We also added several sub-targets.

Preparations ahead of the new CSRD continued during the year and work to adapt our sustainability reporting to the new European Sustainability Reporting Standards (ESRS) will scale up in 2024.

During the year, we also carried out several tangible activities to help us live up to our ambition of becoming a more sustainable company. Our concept to promote reading, Läsborgarmärket, reached an estimated 45,000 children. We participated in initiatives like School Reading Holiday and World Book Week, organised book exchange days, awarded the Bokus Scholarship and much more. Our pilot test with the non-profit organisation Erikshjälpen to sell Akademibokhandeln’s products that would have otherwise been disposed of went well and will become a permanent operation in 2024. We also carried out a pilot test with

packaging-free deliveries, and during the year we increased the share of eco-labelled products in our sales.

Our emissions are presented in our climate report for 2023, which will be included in our Annual and Sustainability Report. Bokusgruppen's 2023 Annual and Sustainability Report will be published on the website in the end of March.

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 2023, the share price was SEK 30.20 and the total market value was MSEK 487.8. Refer to the table below for the principal owners. The Board and senior executives own approximately 35% of the shares in Bokusgruppen.

Bokusgruppen has two (2) active warrant programmes. During the second quarter, the AGM of Bokusgruppen resolved to introduce a second warrant programme, series 2023/2026, for select key personnel. The last day to subscribe was 10 May 2023. A total of 260,000 warrants were subscribed for, of which Bokusgruppen's CEO Maria Edsman subscribed for 50,000 and other participants subscribed for a total of 210,000. The dilution effect, if all the subscribed warrants are exercised for shares, will amount to 1.6% in Bokusgruppen. The subscription price for the warrants in the 2023/2026 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 2–8 May 2023. The average volume-weighted price was SEK 36.19. The subscription price for the warrants thus amounts to SEK 1.02 per warrant and the future exercise price for the share based on the warrant amounts to SEK 47.00 per share. The first warrant programme was introduced in 2021, series 2021/2024, according to the AGM's decision. A total of 550,585 warrants were subscribed for, of which 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 in this programme are exercised for shares, this would entail a dilution effect of 3.3% in Bokusgruppen. The exercise price for subscribing for shares based on the issued warrants in the 2021/2024 series is SEK 55.80 per share. The subscription prices in both programmes were set at market price and calculated using the Black & Scholes model.

Principal owners 31 Dec 2023

Ten largest shareholders at 31 December 2023			
#	No. of shares	Holding, %	
1	Karl Perlhagen	8,029,293	49.71
2	Patrik Wahlén Gunnarsson	3,871,255	23.97
3	Mattias Björk	1,031,129	6.38
4	Försäkringsaktiebolaget Avanza Pension	709,178	4.39
5	Mårten Andersson	502,306	3.11
6	Aktiebolag 1909 Gruppen	248,730	1.54
7	Nordnet Pensionsförsäkring AB	119,183	0.74
8	Maria Edsman	100,800	0.62
9	Håkan Karlström	100,000	0.62
10	Swedbank Försäkring AB	74,446	0.46
Total		14,786,320	91.55
Other shareholders		1,364,906	8.45
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.

Online channels posted negative growth for the full year, which is not in line with the target of an average of 10% annual growth. The average over the last three years amounted to negative growth of 1.7%. The challenging economic situation has hit online channels harder than physical stores and the boost from the pandemic makes the previous years a difficult comparison.

Growth for the full year was 5.5%, which surpassed the target of growth in line with the general economy.

The EBITA margin of 6.1% for the year surpassed Bokusgruppen's defined target for three to five years, which is 6%. Adjusted for items affecting comparability, the EBITA margin was 6.0%. The margin improved 0.9 percentage points over the previous year. The focus on improved profitability through improved margins and cost-saving programmes was effective.

	Medium-term target (3-5 years)	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec
Net sales growth in online channels	Average 10% annual growth	-1.4%	-10.2%	7.3%
Net sales growth in physical stores	Growth in line with general economy	5.5%	3.9%	3.4%
EBITA	EBITA margin of approx. 6%	6.1%	5.2%	6.7%

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 3.30 (3.00) per share, totalling MSEK 53.3. The dividend can be regarded in relation to profit after tax, which amounts to MSEK 56.2 after adjustment for impairment of acquired intangible assets. As in the previous year, it is proposed that the dividend be paid in two instalments of SEK 1.65 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.

2024 AGM

Bokusgruppen AB's AGM will be held on 7 May 2024 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 19 March 2024. Further information about how and when to register will be published well ahead of the AGM. The 2023 Annual and Sustainability Report for Bokusgruppen AB (publ) will be published on Bokusgruppen's website at the end of March 2024.

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 economic situation in Sweden looks like it will improve in 2024. Inflation figures are beginning to approach more normal levels and despite the lingering recession in the beginning of the year, it looks like a turnaround could come later in 2024. This bodes well for the future and for Bokusgruppen.

Bokusgruppen will once again make major investments in online shopping in 2024, largely by upgrading the online shopping system but also by taking the next step in consumer logistics. The goal of these investments is to strengthen our long-term competitiveness and efficiency in order to reach our financial targets.

At the same time, our operating environment remains uncertain, with ongoing war and turmoil. The subsequent political and economic uncertainty will, in our assessment, continue for the foreseeable future and could also impact the Swedish market.

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 2023 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, 15 February 2024

Mårten Andersson
Chairman of the Board

Mattias Björk
Director

Cecilia Marlow
Director

Jeanette Söderberg
Director

Patrik Wahlén
Director

Anna Wallenberg
Director

Contacts

Maria Edsman, CEO

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Ola Maalsnes, CFO

Tel: +46 73 868 22 90

E-mail: ola.maalsnes@bokusgruppen.com

Presentation of the report

The year-end report for Q4 and FY 2023 will be presented in a webcast.

Date and time: 15 February 2024, 10:00 a.m.

Use the following link to view the webcast: <https://ir.financialhearings.com/bokusgruppen-q4-report-2023>

Financial calendar 2024

- 24 April: Interim report January–March 2024
- 7 May: AGM
- 16 July: Interim report January–June 2024
- 23 October: Interim report January–September 2024

Certified Adviser

The company is listed on Nasdaq First North Growth Market. The company's Certified Adviser is Carnegie Investment Bank AB (publ).

Financial statements

Consolidated statement of comprehensive income

Amounts in MSEK	Note	Accounting period			
		2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Net sales	5	665.2	618.7	1,870.3	1,822.0
Total revenue		665.2	618.7	1,870.3	1,822.0
Operating expenses					
Goods for resale		-365.3	-349.1	-1,075.7	-1,084.3
Other external costs		-61.1	-66.6	-220.4	-225.5
Personnel expenses	6, 10	-93.7	-97.0	-321.3	-292.9
Other operating expenses		0.5	0.5	0.0	-0.1
EBITDA		145.6	106.6	252.9	219.1
Depreciation of right-of-use assets		-32.7	-28.9	-127.7	-114.0
Depreciation of property, plant and equipment		-2.1	-2.7	-10.4	-10.7
EBITA		110.8	75.0	114.9	94.4
Amortisation of intangible assets		-6.4	-6.4	-25.7	-21.1
Amortisation of acquisition-related intangible assets		-4.9	-4.9	-19.6	-21.6
EBIT		99.6	63.7	69.5	51.6
Financial income		0.3	0.0	0.4	0.0
Financial expenses		-4.9	-3.6	-18.4	-13.2
Net financial items		-4.6	-3.5	-18.0	-13.1
Profit/loss after financial items		94.9	60.2	51.5	38.5
Income tax		-19.8	-13.0	-11.0	-8.7
Net profit/loss		75.1	47.2	40.6	29.8
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		75.1	47.2	40.6	29.8
Earnings per share before and after dilution, SEK	8	4.65	2.92	2.51	1.85
Average no. of shares before and after dilution		16,151,226	16,151,226	16,151,226	16,151,226

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	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
<i>Intangible assets and goodwill</i>			
Goodwill		410.1	410.1
Brands		240.1	240.1
Customer relationships		45.6	65.2
Capitalised expenditure for development work		87.0	93.1
Total intangible assets and goodwill		782.9	808.6
<i>Property, plant and equipment</i>			
Equipment, fixtures and fittings		21.3	23.5
Total property, plant and equipment		21.3	23.5
<i>Financial assets</i>			
Other financial assets		0.6	0.6
Total financial assets		0.6	0.6
Right-of-use assets		283.5	258.8
Deferred tax asset		2.6	2.2
Total non-current assets		1,090.8	1,093.6
Current assets			
Inventories		201.4	204.9
Trade receivables		22.2	23.3
Other receivables		23.7	29.0
Prepaid expenses and accrued income		36.7	33.8
Cash and cash equivalents		108.7	69.4
Total current assets		392.8	360.5
TOTAL ASSETS		1,483.5	1,454.1
Amounts in MSEK			
EQUITY AND LIABILITIES			
EQUITY			
Share capital		0.6	0.6
Other paid-in capital		252.8	252.7
Retained earnings including net profit/loss		401.8	409.7
Total equity attributable to owners of the Parent		655.2	663.0
LIABILITIES			
Non-current liabilities			
Other provisions		0.6	0.6
Lease liabilities		157.1	151.2
Deferred tax liabilities		90.0	92.5
Total non-current liabilities		247.8	244.3
Current liabilities			
Overdraft facility	11	-	-
Lease liabilities		109.9	93.9
Current tax liabilities		12.6	4.9
Trade payables		255.1	238.9
Advance payments from customers		1.5	1.1
Other current liabilities		62.5	63.6
Accrued expenses and deferred income		139.1	144.3
Total current liabilities		580.6	546.7
Total liabilities		828.3	791.0
TOTAL EQUITY AND LIABILITIES		1,483.5	1,454.1

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/loss	
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
Opening balance, 1 Jan 2023		0.6	252.7	409.7	663.0
Warrants			0.1	0.0	0.1
Dividend (SEK 3/share)				-48.5	-48.5
Net profit/loss plus comprehensive income				40.6	40.6
Closing balance, 31 Dec 2023		0.6	252.8	401.8	655.2

Consolidated statement of cash flow

Amounts in MSEK	Note	Accounting period			
		2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Cash flow from operating activities					
EBIT		99.6	63.7	69.5	51.6
<i>Adjustments for non-cash items:</i>					
– Depreciation, amortisation and impairment of assets		46.1	42.9	183.4	167.5
– Other items not affecting cash flow		-	-	0.0	0.1
Interest received		0.3	0.0	0.4	0.0
Interest paid		-4.9	-3.6	-18.4	-13.2
Tax paid		4.6	-2.4	-6.2	-21.7
Cash flow from operating activities before changes in working capital		145.6	100.6	228.8	184.4
Cash flow from changes in working capital					
Increase (-)/decrease (+) in inventories		-6.9	-20.2	3.5	-9.2
Increase (-)/decrease (+) in operating receivables		-7.0	-18.1	1.9	-18.9
Increase (+)/decrease (-) in operating liabilities		131.4	119.3	10.2	-6.3
Total change in working capital		117.6	81.0	15.6	-34.4
Cash flow from operating activities		263.2	181.6	244.4	150.0
Cash flow from investing activities					
Investments in intangible assets		-3.8	-13.1	-19.6	-42.3
Investments in property, plant and equipment		-1.3	-2.4	-6.5	-8.6
Sales of property, plant and equipment		-	-	-	0.0
Cash flow from investing activities		-5.1	-15.4	-26.2	-50.9
Operating cash flow		258.2	166.2	218.2	99.1
Cash flow from financing activities					
Utilised overdraft facility	11	-90.8	-42.8	-	-
Proceeds from warrants	10	-	-	0.1	-
Payments pertaining to repayment of lease liabilities		-35.7	-31.4	-130.4	-113.9
Dividends paid		-24.2	-24.2	-48.5	-48.5
Cash flow from financing activities		-150.8	-98.4	-178.8	-162.3
Decrease/increase in cash and cash equivalents		107.4	67.8	39.4	-63.2
Cash and cash equivalents at beginning of period		1.3	1.6	69.4	132.5
Cash and cash equivalents at end of period		108.7	69.4	108.7	69.4

Parent Company income statement

Amounts in MSEK	Accounting period			
	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Net sales	7.2	3.4	23.8	23.2
Total revenue	7.2	3.4	23.8	23.2
Operating expenses				
Other external costs	-1.7	-2.1	-6.4	-7.3
Personnel expenses	-4.9	-6.3	-13.6	-17.5
Amortisation of intangible assets	-3.0	-3.0	-12.0	-12.0
Total operating expenses	-9.6	-11.3	-32.0	-36.8
Operating profit/loss	-2.4	-7.9	-8.2	-13.5
Profit/loss from financial items				
Profit from participations in Group companies	-	-	20.0	60.0
Other interest income and similar profit/loss items	6.9	5.2	22.8	10.4
Interest expenses and similar profit/loss items	-6.3	-4.3	-22.3	-8.5
Total financial items	0.6	1.0	20.5	61.9
Profit/loss after financial items	-1.8	-7.0	12.3	48.3
Appropriations	8.4	12.5	8.4	13.1
Profit/loss before tax	6.6	5.6	20.7	61.5
Income tax	-1.1	-0.8	-	-
Net profit/loss	5.5	4.8	20.7	61.5

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	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Concessions, patents, licenses, brands and similar intellectual property		14.0	26.0
Total intangible assets		14.0	26.0
<i>Financial assets</i>			
Participations in Group companies	12	553.7	553.7
Total financial assets		553.7	553.7
Total non-current assets		567.7	579.7
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		392.8	436.3
Current tax asset		1.2	0.5
Other receivables		0.2	0.6
Prepaid expenses and accrued income		1.0	0.8
Total current receivables		395.1	438.2
Cash and bank balances		107.4	67.8
Total current assets		502.6	506.0
TOTAL ASSETS		1,070.2	1,085.7
Amounts in MSEK			
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		165.3	165.2
Retained earnings		241.8	228.8
Net profit/loss		20.7	61.5
Total non-restricted equity		427.8	455.5
Total equity		428.4	456.1
Untaxed reserves		2.0	5.4
Non-current liabilities			
Liabilities to Group companies		120.0	120.0
Total non-current liabilities		120.0	120.0
Current liabilities			
Overdraft facility		-	-
Trade payables		0.3	0.3
Liabilities to Group companies		513.3	496.8
Other current liabilities		0.5	0.6
Accrued expenses and deferred income		5.7	6.4
Total current liabilities		519.8	504.1
TOTAL EQUITY AND LIABILITIES		1,070.2	1,085.7

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 2022 Annual Report for Bokusgruppen AB (publ).

New and amended standards and interpretations that have not yet been applied

The changes that are expected to have an impact on the Group are IAS 1 Presentation of Financial Statements (disclosures on accounting policies). The Group is affected by the expanded disclosure requirements and is analysing the changes.

3 RISKS AND UNCERTAINTIES

The Group's key financial and business risks are presented in the Directors' Report and in Note 2 of the 2022 Annual Report and Sustainability Report. World-wide uncertainty has led to general disruptions in the global economy. High inflation and continued high interest rates are creating uncertainty in the market and affecting customer purchasing power. 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.

	2023	2022	2023	2022
External revenue	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Bokus Online total revenue	224.0	204.2	698.2	714.3
- less intra-Group sales 1)	-19.1	-16.0	-53.4	-48.9
Bokus Online	204.9	188.2	644.7	665.4
Akademibokhandeln Online	33.6	26.9	91.2	81.0
Akademibokhandeln Stores	426.7	403.6	1,134.4	1,075.6
Central Functions	-	-	-	-
Total external revenue	665.2	618.7	1,870.3	1,822.0

1) In Bokus Online, MSEK 9.3 (11.6) was eliminated in Q3 2023 as it relates to intra-Group sales to the Akademibokhandeln Online segment.

NOTE 5 Segment reporting, cont.

EBITA	2023	2022	2023	2022
	Oct–Dec	Okt–Dec	Jan–Dec	Jan–Dec
Bokus Online	21.4	4.9	26.9	21.2
Akademibokhandeln Online	5.6	1.5	7.9	1.4
Akademibokhandeln Stores	90.4	79.9	100.1	73.2
Central Functions	-6.6	-11.3	-20.0	-1.4
Total EBITA	110.8	75.0	114.9	94.4
Amortisation of intangible assets	-11.3	-11.3	-45.4	-42.7
EBIT	99.6	63.7	69.5	51.6
Net financial items	-4.6	-3.5	-18.0	-13.1
Profit/loss after financial items	94.9	60.2	51.5	38.5

Breakdown of revenue from external customers Oct–Dec 2023

	Bokus Online	Akademibokhan deln Online	Akademibokhan deln Stores	Central Functions	Total
Physical books	178.7	26.6	242.7	-	448.0
Digital books	13.9	-	-	-	13.9
Other products	2.6	5.4	170.7	-	178.6
Other revenue	9.9	1.6	13.4	-	24.9
Total	204.9	33.6	426.7	-	665.2

	Bokus Online	Akademibokhan deln Online	Akademibokhan deln 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

	Bokus Online	deln Online	deln Stores	Central Functions	Total
Physical books	562.1	77.4	671.2	-	1,310.8
Digital books	50.3	-	-	-	50.3
Other products	3.0	9.6	419.3	-	431.9
Other revenue	29.4	4.1	43.9	-	77.5
Total	644.7	91.2	1,134.4	-	1,870.3

	Bokus Online	deln Online	deln 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

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 and electricity support.

	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Compensation for sick pay costs (recognised in the income statement item "Personnel expenses")	-	-	-	2.0
(recognised in the income statement item "Net sales")	0.5	-	2.0	-
Total	0.5	-	2.0	2.0

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 26 of the Annual Report and Sustainability Report for 2022. The scope and focus of these transactions have not changed significantly during the quarter.

8 EARNINGS PER SHARE

	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<i>SEK</i>				
Earnings per share before and after dilution	4.65	2.92	2.51	1.85
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	75.1	47.2	40.6	29.8
<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	16,151,226
Equity per weighted average number of ordinary shares, SEK	40.6	41.1	40.6	41.1

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 2022	16,151	0.6	252.7	253.3
Closing balance, 31 Dec 2022	16,151	0.6	252.7	253.3
Opening balance, 1 Jan 2023	16,151	0.6	252.7	253.3
Warrants			0.1	0.1
Closing balance, 31 Dec 2023	16,151	0.6	252.8	253.4

*Comprises premiums paid of MSEK 0.3 and external costs of MSEK 0.2 related to the introduction of the programme.

10 WARRANTS TO SENIOR EXECUTIVES

Senior Bokusgruppen executives subscribed for 550,585 warrants in the 2021/2024 series 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 in this series 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. A second warrant programme was resolved on by the 2023 AGM, directed at senior Bokusgruppen executives. A total of 260,000 warrants in the 2023/2026 series were subscribed for. Bokusgruppen's CEO Maria Edsman subscribed for 50,000 warrants, and other senior executives subscribed for 210,000 warrants. If all the subscribed warrants in this series are exercised for shares, this entails a dilution effect of 1.6% in Bokusgruppen. The subscription price for the warrants in the 2023/2026 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 2–8 May 2023. The average volume-weighted price was SEK 36.19. The subscription price for the warrants thus amounts to SEK 1.02 per warrant and the future exercise price for the share based on the warrant amounts to SEK 47.00 per share. The subscription prices in both programmes were 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 May 2023. 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:

Namn	Corp. Reg. No.	Registered office	No. of shares	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
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	30/09/2023	31/12/2022
Opening cost	553.7	553.7
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.

	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Adjusted EBITDA LTM				
EBITDA LTM	252.9	219.1	252.9	219.1
Reversal of IFRS 16 effect	-136.9	-121.8	-136.9	-121.8
Items affecting comparability*	-	-19.6	-	-19.6
Adjusted EBITDA LTM	116.1	77.7	116.1	77.7
<i>*Items affecting comparability refers to restructuring costs and pension refunds</i>				
Net debt (excl. lease liabilities)/adjusted EBITDA LTM, x				
Financial liabilities	20.0	1.5	20.0	1.5
Interest-bearing liabilities	0.0	0.0	0.0	0.0
Cash and cash equivalents	-108.7	-69.4	-108.7	-69.4
Net debt	-88.8	-67.9	-88.8	-67.9
Adjusted EBITDA LTM	116.1	77.7	116.1	77.7
Net debt/adjusted EBITDA, x	-0.8	-0.9	-0.8	-0.9
EBITA excluding items affecting comparability				
EBITA	110.8	75.0	114.9	94.4
Subsidies and government grants	-0.5	-	-2.0	-2.0
Pension refunds	-	-1.5	-	-27.8
Restructuring costs	-	8.2	-	8.2
EBITA excluding items affecting comparability	110.4	81.7	112.9	72.8
Fixed operating expenses excluding items affecting comparability				
Other external costs	-61.1	-66.6	-220.4	-225.5
Personnel expenses	-93.7	-97.0	-321.3	-292.9
Other operating expenses	0.5	0.5	0.0	-0.1
Fixed operating expenses	-154.2	-163.0	-541.7	-518.5
Depreciation of right-of-use assets	-32.7	-28.9	-127.7	-114.0
Depreciation of property, plant and equipment	-2.1	-2.7	-10.4	-10.7
Fixed operating expenses including depreciation of right-of-use assets and property, plant and equipment	-189.0	-194.6	-679.8	-643.3
Subsidies and government grants	-0.5	-	-2.0	-2.0
Pension refunds	-	-1.5	-	-27.8
Restructuring costs	-	8.2	-	8.2
Fixed operating expenses excluding items affecting comparability	-189.5	-187.9	-681.7	-664.9
Adjusted operating cash flow				
Operating cash flow	258.2	166.2	218.2	99.1
Payments pertaining to repayment of lease liabilities	-35.7	-31.4	-130.4	-113.9
Adjusted operating cash flow	222.4	134.8	87.8	-14.7
Adjusted cost of store premises as a % of total sales in Akademibokhandeln, LTM				
Cost of premises	-48.0	-50.8	-48.0	-50.8
Reversal of costs unrelated to stores	6.6	6.0	6.6	6.0
Reversal of IFRS 16 effect	-136.9	-121.8	-136.9	-121.8
Adjusted cost of store premises	-178.2	-166.6	-178.2	-166.6
Sales in Akademibokhandeln (Online and Stores)	1,225.6	1,156.6	1,225.6	1,156.6
Adjusted cost of store premises as a % of total sales in Akademibokhandeln, LTM	14.5%	14.4%	14.5%	14.4%

MULTI-YEAR REVIEW

MSEK	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Net sales	461.9	334.4	428.4	641.4	440.8	341.5	421.0	618.7	446.9	342.1	416.1	665.2
Net sales growth, %	4.0%	12.0%	0.4%	5.9%	-4.6%	2.1%	-1.7%	-3.5%	1.4%	0.2%	-1.2%	7.5%
Gross margin, %	32.5%	37.7%	39.2%	42.6%	36.4%	41.3%	39.5%	43.6%	38.4%	42.6%	42.6%	45.1%
EBITDA	27.8	13.2	64.1	140.8	30.2	36.2	46.1	106.6	37.5	12.3	57.5	145.6
EBITA	-2.4	-16.7	34.4	108.8	-0.4	4.9	14.9	75.0	4.1	-23.5	23.5	110.8
EBITA excl. items affecting comparabili	-5.2	-17.2	32.2	98.8	-2.2	-21.6	14.9	81.7	4.1	-23.5	22.0	110.4
EBIT	-12.7	-27.2	23.7	97.3	-10.3	-6.0	4.3	63.7	-7.5	-34.6	12.1	99.6
Net profit/loss	-15.2	-25.8	15.9	75.6	-10.6	-7.4	0.6	47.2	-8.8	-31.4	5.7	75.1
Earnings per share, SEK 1)	-1.1	-1.7	1.0	4.7	-0.7	-0.5	0.0	2.9	-0.5	-1.9	0.3	4.7
Equity per share	34.4	38.6	37.5	42.2	41.6	38.1	38.1	41.1	40.5	35.6	35.9	40.6
Operating cash flow	-51.9	-44.3	83.5	230.0	-103.2	-14.6	50.8	166.2	-86.7	3.1	43.6	258.2
Share of sales in online channels, %	54.0%	47.8%	45.2%	35.6%	47.3%	40.8%	43.6%	34.8%	43.7%	38.9%	40.6%	35.9%

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 as government grants, listing costs and pension refunds.	Recognising items affecting comparability provides a better understanding of the Group's operating activities.
EBIT	Earnings before net financial items and tax.	EBIT provides an overview of the profit generated by operating activities and its financing.

Fixed operating expenses excluding items affecting comparability	Calculated as fixed costs less items affecting comparability.	Gives Group management a clear overview of how underlying costs for the operations develop over time.
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"	"Skriva Spela Skapa" and Other products are names for the same product category.	Both terms refer to the same product category.