



CLIQUE  
JOBMAN  
PROJOB  
cottolover  
CRAFT  
Orrefors  
KOSTA BODA  
KOSTA LINNENWÄRVERI  
Orrefors JERNVERK  
LORD NELSON  
nightingale  
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tunnel  
D.A.D.  
No Problem  
Graphix  
GRIZZLY  
d-vice-PRIMITIVE  
TOPPOINT  
JINGHAM  
MAC ONE  
Printer  
HARVEST  
J HARVEST & FROST

# 2018

## INTERIM REPORT January – September

*NewWave*  
G R O U P

# TRADEMARKS IN FOCUS

## CORPORATE PROMO



## SPORTS & LEISURE



## GIFTS & HOME FURNISHINGS



# INTERIM REPORT

## NEW WAVE GROUP AB

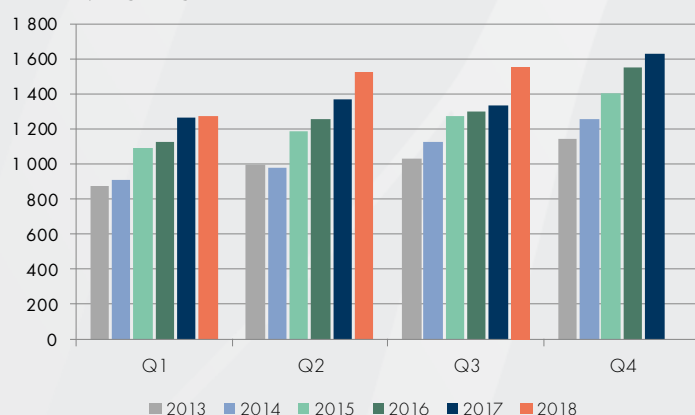
### PERIOD 1 JULY - 30 SEPTEMBER 2018

- Net sales amounted to SEK 1,551.2 million, which was 17 % higher than last year (SEK 1,331.1 million).
- Operating result amounted to SEK 117.5 (143.0) million.
- Result for the period amounted to SEK 88.4 (105,3) million.
- Earnings per share amounted to SEK 1.36 (1.60) kr.
- Cash flow from operating activities amounted to SEK -83.0 (-10,4) million.

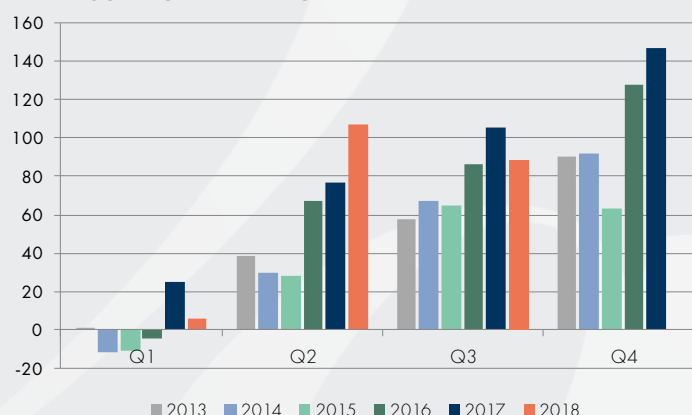
### PERIOD 1 JANUARY - 30 SEPTEMBER 2018

- Net sales amounted to SEK 4,347.2 million, which was 10 % higher than last year (SEK 3,967.0 million).
- Operating result amounted to SEK 273.4 (296.6) million.
- Result for the period amounted to SEK 201.1 (207.2) million.
- Earnings per share amounted to SEK 3.06 (3.14) kr.
- Cash flow from operating activities amounted to SEK 48.2 (73.3) million.
- Equity ratio amounted to 47.7 (48.0) %.
- Net debt to equity ratio amounted to 58.4 (60.7) %.

NET SALES



RESULT FOR THE PERIOD





## CEO COMMENTS

### JULY - SEPTEMBER

Our third quarter was strong in terms of sales with a growth of 17 % (9 % excluding currency). This despite the fact that the summer was extremely hot which meant that for the first time, there was a decrease in terms of visitors, sales and result in Kosta. We are convinced that this was due to the extreme heat as the number of visitors increased again during the autumn season. Gifts & Home Furnishings therefore decreased 5 % during the quarter, while Sports & Leisure grew 15 % and Corporate Promo by as much as 25 %.

The operating result declined by SEK 25.5 million and the result for the period by SEK 16.9 million. We are currently in a phase with big investments in sales and marketing as well as investments in infrastructure to enable continued growth, which might lead to lower result in some quarters.

The foundation for our long term success is growth and it is gratifying that this is the 17th consecutive quarter with sales growth.

### JANUARY - SEPTEMBER

Sales for the nine months increased by 10 % to SEK 4,347.2 million, of which growth in local currencies was 7 %. On the rolling full year we reached SEK 5,977.5 million, which means that we will surpass the next milestone, i.e. a turnover of SEK 6 billion for the full year. Operating result decreased by SEK 23.2 million to SEK 273.4 million and the result for the period declined by SEK 6.1 million to SEK 201.1 million. In view of our sales growth and expansion, the cash flow is under control and cash flow from operating activities amounted to SEK 48.2 million. This gives us a continued strong balance sheet, which is a priority and important for our future expansion.

### THE FUTURE

We will continue our expansion in the next and future years. Craft's sale orders for spring 2019 increased by over 30 % . We are continually contracting new clubs and teams as well as gaining new customers to Craft every day and on many markets. The Corporate Promo segment has had a stunning growth of 15 % in the first 9 months and we see no reason why it shouldn't continue to grow. We have invested strongly in recent years and are well equipped. I am convinced that we have a bright future ahead of us. This applies to growth in both sales and profit – although individual quarters with lower results could occur even in the future.



Torsten Jansson. CEO



# COMMENTS

## SUMMARY OF THE QUARTER JULY - SEPTEMBER

Net sales increased by 17 % (9 % excl currency fluctuations) compared with last year. The Group had growth in the segments Corporate Promo and Sports & Leisure, which increased by 25 % and 15 % respectively. Corporate Promo increased primarily in the regions of USA and Other countries. Sports & Leisure had growth primarily in Sweden and Central Europe. Gifts & Home Furnishings decreased by 5 % which was primarily related to Sweden.

Sales channel promo increased by 23 %, which is related to the segments Corporate Promo and Sports & Leisure. The sales channel retail, increased by 10 % and the improvement is primarily related to Sports & Leisure.

The gross profit margin decreased compared with last year and amounted to 46.1 (47.9) %.

External costs and personnel costs increased compared to last year. The Group has during the quarter continued its planned activities within sales and marketing. These activities have been done in both sales channels but primarily in our retail sales channel. In addition, a number of companies have made improvements in their distributions centers in order to increase their service level. Also, the number of employees within sales, distribution centers and customer service continues to increase.

Operating result decreased by SEK 25.5 million compared with last year and amounted to SEK 117.5 (143.0) million.

The Groups finance net improved due to lower interest costs. Result for the period amounted to SEK 88.4 (105.3) million.

Cash flow from operating activities amounted to SEK -83.0 (-10.4) million. The lower cash flow is an effect of lower operating result and higher purchases of goods. Inventories increased by SEK 534.5 million and amounted to SEK 3,280.6 (2,746.1) million of which currency fluctuations increased the value by SEK 93.2 million. Net debt increased by SEK 188.6 million and amounted to SEK 1,910.5 (1,721.9) million. Net debt to equity ratio and net debt in relation to working capital decreased to 58.4 (60.7) % and 59.4 (61.7) %.



Clique AW18



## JULY - SEPTEMBER

### NET SALES

Net sales amounted to SEK 1,551.2 million, which was 17 % higher than last year (SEK 1,331.1 million). Exchange rates affected turnover positively by SEK 97.2 million, which corresponds to 8 %.

Net sales in Sweden increased by 3 % and the improvement occur in the retail sales channel. USA increased by 14 %. Exchange rate changes when translated to SEK increased net sales while net sales in local currency increased by 4 %. It was mainly the promo sales channel which increased. Other Nordic countries increased their turnover by 9 % and the increase occurs primarily in the promo sales channel. Sales in Central and Southern Europe have increased by 20 % and 13 % respectively, which is related to both sales channels. Exchange rate changes when translated to SEK had a positive impact, and net sales in local currency increased by 11 % and 4 %. Other countries increased by 81 %, which is related to our operations in Asia and Canada. The increase was related to the promo sales channel.

### GROSS PROFIT

Gross profit margin decreased and amounted to 46.1 (47.9) %. The lower margin is related to the operating segment Corporate Promo. Sports & Leisure is on the same level while Gifts & Home Furnishings has a slightly higher margin.

### OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income increased by SEK 8.9 million to SEK 19.3 (10.4) million. Other operating income is mainly attributable to operating currency gains but also other remunerations and should be compared to the result row "Other operating expenses" where mainly operating currency losses are reported. Other operating expenses increased by SEK 7.6 million and amounted to SEK -15.0 (-7.4) million. The net total of above items amounted to SEK 4.3 (3.0) million.

### COSTS AND DEPRECIATION

The Group decided earlier to increase its service level and make the distribution centers more efficient in a number of countries. This, together with higher activities in sales and marketing, increased the costs. The increase is planned and will also affect the coming quarters.

External costs increased by SEK 58.1 million and amounted to SEK -323.5 (-265.4) million. The increase was mainly related to the above mentioned activities. Personnel costs increased by SEK 40.6 million and amounted to SEK -257.7 (-217.1) million, which is related to more employees, primarily in sales, distribution centers and customer service. Exchange rate fluctuations have increased costs by SEK 37.3 million.

Depreciation and write-downs were slightly higher compared to last year and amounted to SEK -20.2 (-16.4) million.

### OPERATING RESULT

Operating result decreased by SEK 25.5 million and amounted to SEK 117.5 (143.0) million. The operating margin decreased as well in comparison to last year and amounted to 7.6 (10.7) %. The decrease was related to costs in connection with our planned increase in marketing activities.

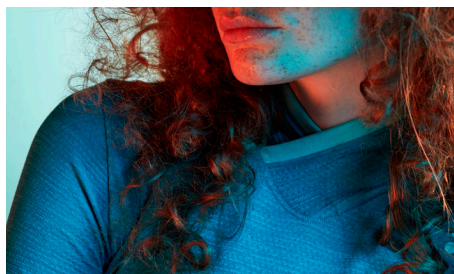
### NET FINANCIAL ITEMS AND TAXES

Net financial items amounted to SEK -11.6 (-13.2) million and the improvement is related to lower interest costs.

Tax on profit for the period amounted to SEK 17.5 (24.5) million where the decrease is related to the lower result.

### RESULT FOR THE PERIOD

Result for the period amounted to SEK 88.4 (105.3) million. Earnings per share amounted to SEK 1.36 (1.60).



Craft launches new Fuseknit collection.



## JANUARY - SEPTEMBER

### NET SALES

Net sales amounted to SEK 4,347.2 million, which was 10 % higher than last year (SEK 3,967.0 million). Exchange rates have affected the turnover positively by SEK 96.9 million, which corresponds to 3 %. Of the Group's sales channels, promo increased by 15 % and retail by 3 %.

Net sales in Sweden increased by 3 % and both sales channels showed growth. USA increased by 3 %, which is related to the promo sales channel. Other Nordic countries increased by 9 % and also in this region the improvement is related to the promo sales channel. Sales in Central Europe increased by 11 % (4 % in local currency) and the improvement occur in both sales channels. Southern Europe increased by 12 % (5 % in local currency), where the increase was attributable to the promo sales channel. Other countries increased by 42 %, which was related to Asia and Canada and the promo sales channel.

### GROSS PROFIT

The gross profit margin improved compared with last year and amounted to 46.7 (46.3) %. It was mainly the segment Sports & Leisure that increased its margin while Corporate Promo and Gifts & Home Furnishings had a slightly lower margin. The Group has a well-balanced stock and a good level of service.

### OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income increased by SEK 18.2 million to SEK 46.5 (28.3) million. Other operating income is mainly attributable to operating currency gains but also other remunerations and should be compared to the result row "Other operating expenses" where mainly operating currency losses are reported. Other operating expenses increased by SEK 16.0 million and amounted to SEK -35.1 (-19.1) million. The net total of above items amounted to SEK 11.4 (9.2) million

### COSTS AND DEPRECIATION

External costs increased by SEK 121.7 million and amounted to SEK -945.8 (-824.1) million. The increase is attributable to higher sales and marketing activities but also improvements related to our distribution centers. Personnel costs amounted to SEK -765.0 million which is SEK 86.8 million higher than last year (SEK -678.2 million). The increase is related to more employees, primarily in sales, distribution centers and customer service. Exchange rate fluctuations have increased costs by SEK 33.2 million.

Depreciation and write-downs were higher compared to last year and amounted to SEK -56.3 (-47.1) million. The increase is primarily related to investments in new and existing buildings as well as in IT.

### OPERATING RESULT

Operating result decreased by SEK 23.2 million and amounted to SEK 273.4 (296.6) million. The operating margin amounted to 6.3 (7.5) %, where the somewhat lower margin is related to costs in connection with our planned increase in marketing activities together with improvements in our distribution centers.

### NET FINANCIAL ITEMS AND TAXES

Net financial items improved by SEK 10.6 million compared with last year and amounted to SEK -28.2 (-38.8) million. The improvement was related to lower interest costs.

Tax on profit for the period amounted to SEK -44.1 (-50.6) million.

### RESULT FOR THE PERIOD

Result for the period amounted to SEK 201,1 (207,2) million and earnings per share amounted to SEK 3.06 (3.14).



## REPORTING OF OPERATING SEGMENTS

New Wave Group AB divides its operation into the segments Corporate Promo, Sports & Leisure, and Gifts & Home Furnishings. The Group monitors the segments' and brands' sales and EBITDA. The operating segments are based on the Group's operational management.

### CORPORATE PROMO

Net sales for the third quarter increased by 25 % and amounted to SEK 687.6 (551.2) million. EBITDA increased by SEK 5.5 million and amounted to SEK 55.4 (49.9) million. It is the promo sales channel that increased. Sales increased in most of our regions. The improved result is related to the increased net sales but the segment also has higher overhead costs in the form of increased sales and marketing activities together with expansions and improvements in distribution centers.

Net sales for the period January - September increased by 15 % and amounted to SEK 2,091.5 (1,819.8) million. EBITDA increased by SEK 29.0 million and amounted to SEK 208.1 (179.1) million. The increase in net sales is due to increased sales and marketing activities, as well as improved inventory structure and level of service. It is the promo sales channel that has increased and the improvement occurs in all regions. The improved result is mainly related to the increase in sales.

### SPORTS & LEISURE

Net sales for the period July-September increased by 15 % and amounted to SEK 707.9 (616.8) million. EBITDA decreased by SEK 20.6 million and amounted to SEK 78.3 (98.9) million. Sales increased in both sales channels where promo increased by 20 % and retail by 13 %. We had growth in most of the regions. The lower result is related to higher costs for sales and marketing activities.

Net sales for the first nine months of this year increased by 6 % and amounted to SEK 1,823.6 (1,714.7) million. EBITDA decreased by SEK 26.7 million and amounted to SEK 133.9 (160.6) million. Sales increased primarily in the promo sales channel. The segment had growth in most of the regions. The lower result is related to higher costs but the segment also had an increase in the gross profit margin.

### GIFTS & HOME FURNISHINGS

Net sales for the third quarter decreased by 5 % and amounted to SEK 155.6 (163.0) million. Sales decreased in both sales channels. The regions of Sweden and USA decreased while the Nordic region (excluding Sweden) increased its sales. EBITDA was lower compared to last year and amounted to SEK 3.9 (10.5) million, which is attributable to the lower net sales.

Net sales for the period January - September amounted to SEK 432.1 (432.4) million. Sales increased in the promo sales channel but decreased somewhat in retail. EBITDA amounted to SEK -12.3 million which was SEK 16.3 million lower than last year (SEK 4.0 million). The decrease is mainly related to additional marketing activities and hence higher costs but also a slightly lower gross profit margin.

## CAPITAL TIED UP

Capital tied up in inventory amounted to SEK 3,280.6 million and has increased by SEK 534.5 million compared to last year (SEK 2,746.1 million). The increase is related to the Group's continued buildup of inventories in Canada as well as new product lines in the promo sales channel. In addition, the currency exchange rates increased the value by SEK 93.2 million. The Group has a well-balanced stock and a good level of service. The stock value is expected to be at a higher level even in the coming quarter due to our extended promo range. Stock turnover is on the same level as last year and amounted to 1.0 (1.1).

SEK million	2018-09	2017-09
Raw materials	39.6	33.3
Work in progress	15.7	8.0
Goods in transit	227.9	208.0
Merchandise on stock	2 997.4	2 496.8
<b>Total</b>	<b>3 280.6</b>	<b>2 746.1</b>

Inventories were written down by SEK 120.2 (103.6) million and write-down related to merchandise on stock amounted to 3.9 (4.0) %.

Accounts receivable amounted to SEK 1,089.1 (902.4) million where growth is mainly related to the higher turnover.



**KOSTA LINNEWÄFVERI**  
SWEDEN 1878





## INVESTMENTS, FINANCING AND LIQUIDITY

The third quarter's cash flow from operations amounted to SEK -83.0 (-10.4) million. The lower cash flow is partly attributable to a lower operating result and partly that the Group has had a higher influx of goods. Cash flow from investment activities amounted to SEK -42.1 (-36.9) million.

Cash flow from operating activities for the first nine months of this year decreased and amounted to SEK 48.2 (73.2) million. This is mainly attributable to the fact that the Group has had a higher influx of goods during the period. Cash flow from investment activities amounted to SEK -123.5 million which is SEK 50.7 million higher than last year (SEK -72.8 million). The increase is primarily related to investments in distribution centers and IT.

Net debt increased by SEK 188.6 million and amounted to SEK 1,910.5 (1,721.9) million. However net debt in relation to shareholders' equity and working capital has decreased and amounted to 58.4 (60.7) % and 59.4 (61.7) % respectively.

The equity ratio was on par with last year and amounted to 47.7 (48.0) %.

The Group signed a new funding agreement as of 11 April. The total credit line of this agreement as of 30 September amounted to SEK 2,774 million, of which SEK 2,000 million runs until March 2022 and USD 31 million has a term extending January 2024. The other SEK 500 million has a term of between three months and six years. The credit facility amount is limited to and dependent on the value of some underlying assets. The funding agreement means that financial ratios (covenants) must be fulfilled in order to maintain the agreement.

Based on the present forecast, management estimates that the Group will be able to meet these covenants with sufficient margin.

## PERSONNEL AND ORGANISATION

The number of employees as of 30 September 2018 amounted to 2,571 (2,469) of whom 52 % were female and 48 % male. Of the total number of employees 578 (590) work in the production. The production contained within New Wave Group is attributable to Ahead (embroidery), Cutter & Buck (embroidery), Dahetra, Orrefors Kosta Boda, Paris Glove, Seger, Termo and Toppoint.

## INTANGIBLE ASSETS

The Group's intangible assets with indefinite useful life consist of goodwill and trademarks. The useful lives are assessed to be indefinite because they are well established strategic brands in respective markets which the Group intends to maintain and develop further. The brands with greater value are listed at their acquisition values and are well-known brands such as Orrefors Kosta Boda within Gifts & Home Furnishings as well as mainly Cutter & Buck within Sports & Leisure. The value of the group's goodwill and trademarks, which are based on local currency and can give rise to currency translation effects in the consolidated financial statements, have been allocated between the cash-generating units they are considered to belong. These units are also the Group's segments. The value of these intangible assets is reviewed annually to ensure that the value does not deviate negatively from book value, but can be tested more frequently if there are indications that the value has decreased. In order to assess whether there are indications of impairment, the recoverable amount needs to be determined by a calculation of the respective cash-generating unit's value in use. The value in use is based on established cash flow projections for the next five years, and a long-term growth rate, so-called terminal period. The most important assumptions in determining the value in use include growth, operating margin and discount rate (WACC). When discounting, an assessment of financial factors such as interest rates, borrowing costs, market risk, beta values and tax rates will be carried out. As the cash generating units have different characteristics, each unit is assessed after its commercial factors. The estimated cost of capital (WACC) is considered to be representative of all cash generating units.

The cash-flow forecasts which are made in the examination are based on the five year forecast adopted by the Board (2018-2022) and thereafter a terminal growth of 3 (3 %). In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of 10.3 (10.3) % before tax is used.

Based on the tests and analyses carried out, there is, in the current situation, no need for impairment. Nor were there any need for impairment for the comparison year.

## RELATED PARTY TRANSACTIONS

There are lease agreements with related companies. Related companies to the Managing Director have bought merchandise and received payments for consulting services performed. There are transactions with related parties for insignificant amounts. All transactions are on market terms.

## THE PARENT COMPANY

Total income for the period January-September amounted to SEK 103.6 (78.0) million. Profit before appropriations and taxes amounted to SEK 61.6 (235.6 million). The lower result is related to lower dividends from subsidiaries. Net debt amounted to SEK 1,677.2 (1,641.3) million. The parent company's net financing to subsidiaries amounted to SEK 1,580.5 (2,003.5) million. Cash flow from investing activities amounted to SEK -31.5 (-58.4) million. The balance sheet total amounted to SEK 4,142.8 (3,803.7) million and shareholders' equity, including 78 % of untaxed reserves, to SEK 1,811.0 (1,735.9) million.

## NOMINATION COMMITTEE

The nomination committee for the board election at the 2019 Annual General Meeting is:

- Arne Löw, representative for Fjärde AP-fonden
- Torsten Jansson, CEO and representative of Torsten Jansson Förvaltnings AB
- Ulf Hedlundh, representative for Svolder

For more information about the nomination committee and its work, please see [www.nwg.se](http://www.nwg.se).

## CALENDAR

<b>7 FEB</b>	Year-end report 2018
<b>25 APR</b>	Interim report for the first quarter
<b>17 MAY</b>	Annual General Meeting 2019
<b>20 AUG</b>	Interim report for the second quarter
<b>7 NOV</b>	Interim report for the third quarter

The Board of Directors and CEO declare that the interim report gives a true and fair overview of the company's and group's operations, financial position and earnings, and describes the significant risks and uncertainty factors that the company and the companies included in the group face.

**GOTHENBURG, NOVEMBER 8, 2018**  
NEW WAVE GROUP AB (PUBL)



**OLOF PERSSON**  
Chairman of the Board



**CHRISTINA BELLANDER**  
Member of the Board



**M JOHAN WIDERBERG**  
Member of the Board



**MATS ÅRJES**  
Member of the Board



**TORSTEN JANSSON**  
CEO

FOR MORE INFORMATION, PLEASE CONTACT:

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**CFO**  
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*This information is information that New Wave Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons detailed above, at 7:00 a.m. CET on 8 November 2018.*

# REVIEW REPORT

New Wave Group AB, org.nr 556350-0916

## INTRODUCTION

We have reviewed the condensed interim report for New Wave Group AB (publ) as at September 30, 2018 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

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

GOTHENBURG, NOVEMBER 8, 2018

ERNST & YOUNG AB



NINA BERGMAN

Authorized Public Accountant





# CONSOLIDATED INCOME STATEMENTS

SEK million	3 months Jul- Sep 2018	3 months Jul- Sep 2017	9 months Jan - Sep 2018	9 months Jan - Sep 2017	12 months Jan - Dec 2017	12 months Jan - Dec 2016
Net sales	1 551.2	1 331.1	4 347.2	3 967.0	5 597.3	5 237.1
Goods for resale	-835.3	-692.8	-2 317.0	-2 131.3	-3 018.1	-2 826.9
<b>Gross profit</b>	<b>715.8</b>	<b>638.2</b>	<b>2 030.2</b>	<b>1 835.7</b>	<b>2 579.2</b>	<b>2 410.2</b>
Other operating income	19.3	10.4	46.5	28.3	51.2	51.0
External costs	-323.5	-265.4	-945.8	-824.1	-1 128.9	-1 098.0
Personnel costs	-257.7	-217.1	-765.0	-678.2	-940.3	-881.6
Depreciation and write-downs of tangible and intangible fixed assets	-20.2	-16.4	-56.3	-47.1	-65.3	-55.9
Other operating costs	-15.0	-7.4	-35.1	-19.1	-25.2	-25.7
Share of associated companies' result	-1.3	0.6	-1.2	1.1	-1.6	0.2
<b>Operating result</b>	<b>117.5</b>	<b>143.0</b>	<b>273.4</b>	<b>296.6</b>	<b>469.1</b>	<b>400.2</b>
Financial income	0.7	1.6	4.0	3.9	5.1	3.1
Financial expenses	-12.3	-14.8	-32.2	-42.7	-57.0	-63.0
<b>Net financial items</b>	<b>-11.6</b>	<b>-13.2</b>	<b>-28.2</b>	<b>-38.8</b>	<b>-51.9</b>	<b>-59.9</b>
<b>Result before tax</b>	<b>105.9</b>	<b>129.8</b>	<b>245.2</b>	<b>257.8</b>	<b>417.2</b>	<b>340.3</b>
Tax on result for the period	-17.5	-24.5	-44.1	-50.6	-63.2	-63.6
<b>Result for the period</b>	<b>88.4</b>	<b>105.3</b>	<b>201.1</b>	<b>207.2</b>	<b>354.0</b>	<b>276.7</b>
Other comprehensive income						
<b>Items that can be reclassified into profit or loss</b>						
Translation differences	-35.6	-46.0	153.0	-97.7	-54.2	88.9
Cash flow hedge	-2.9	3.5	2.5	-0.1	2.2	5.5
<b>Sum</b>	<b>-38.5</b>	<b>-42.5</b>	<b>155.5</b>	<b>-97.8</b>	<b>-52.0</b>	<b>94.4</b>
Income tax related to components of other comprehensive income	0.6	-0.8	-0.6	0.0	-0.5	-1.2
Total other comprehensive income net after tax for the period	-37.8	-43.3	155.0	-97.8	-52.5	93.2
<b>Total comprehensive income for the period</b>	<b>50.5</b>	<b>62.0</b>	<b>356.1</b>	<b>109.4</b>	<b>301.5</b>	<b>369.9</b>
<b>Total comprehensive income attributable to:</b>						
Shareholders of the parent company	90.3	105.9	203.1	208.4	354.0	276.1
Non-controlling interest	-1.9	-0.6	-2.0	-1.2	0.0	0.6
	<b>88.4</b>	<b>105.3</b>	<b>201.1</b>	<b>207.2</b>	<b>354.0</b>	<b>276.7</b>
<b>Total comprehensive income attributable to:</b>						
Shareholders of the parent company	52.8	63.0	357.1	111.5	301.9	368.6
Non-controlling interest	-2.2	-0.9	-1.0	-1.9	-0.4	1.3
	<b>50.5</b>	<b>62.1</b>	<b>356.1</b>	<b>109.5</b>	<b>301.5</b>	<b>369.9</b>
Earnings per share (SEK)	1.36	1.60	3.06	3.14	5.34	4.16
The average number of outstanding shares	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543



# CONSOLIDATED CASH FLOW STATEMENT

SEK million	3 months Jul - Sep 2018	3 months Jul - Sep 2017	9 months Jan - Sep 2018	9 months Jan - Sep 2017
<b>Operating activities</b>				
Operating result	117.5	143.0	273.4	296.6
Adjustment for items not included in cash flow	26.1	25.6	57.5	56.2
Received interest	0.4	0.4	3.6	2.5
Paid interest	-12.0	-13.6	-31.8	-41.3
Paid income tax	-15.9	-2.1	-57.1	-17.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>116.1</b>	<b>153.3</b>	<b>245.6</b>	<b>296.1</b>
<b>Changes in working capital</b>				
Increase/decrease of stock	-310.4	-200.4	-538.6	-338.0
Increase/decrease of current receivables	-128.6	-113.8	-23.9	-41.2
Increase/decrease of short-term liabilities	239.9	150.5	365.1	156.4
<b>Cash flow from changes in working capital</b>	<b>-199.1</b>	<b>-163.7</b>	<b>-197.4</b>	<b>-222.8</b>
<b>Cash flow from operating activities</b>	<b>-83.0</b>	<b>-10.4</b>	<b>48.2</b>	<b>73.3</b>
<b>Investing activities</b>				
Investments in tangible fixed assets	-39.9	-33.6	-110.1	-70.0
Sales of tangible fixed assets	1.9	0.1	3.2	1.7
Investments in intangible fixed assets	-4.0	-2.5	-12.5	-3.9
Acquisition of financial fixed assets	0.0	0.0	-1.5	0.0
Raised long-term receivables	0.0	-1.0	0.0	-0.7
Repayment of long-term receivables	-0.1	0.0	-2.6	0.0
<b>Cash flow from investing activities</b>	<b>-42.1</b>	<b>-36.9</b>	<b>-123.5</b>	<b>-72.8</b>
<b>Cash flow after investing activities</b>	<b>-125.1</b>	<b>-47.3</b>	<b>-75.3</b>	<b>0.5</b>
<b>Financial activities</b>				
Loan raised	104.9	30.2	168.0	37.9
Amortization of loan	0.0	0.0	0.0	0.0
Dividend paid to the shareholders of the parent company	0.0	0.0	-112.8	-89.6
<b>Cash flow from financial activities</b>	<b>104.9</b>	<b>30.2</b>	<b>55.2</b>	<b>-51.7</b>
<b>Cash flow for the period</b>	<b>-20.2</b>	<b>-17.1</b>	<b>-20.1</b>	<b>-51.2</b>
Liquid assets at the beginning of the period	215.4	178.9	202.4	218.9
Translation differences in liquid assets	-2.6	-6.2	10.3	-12.1
<b>Liquid assets at period-end</b>	<b>192.6</b>	<b>155.6</b>	<b>192.6</b>	<b>155.6</b>
<b>Liquid assets</b>				
Cash at bank and in hand	192.6	155.6	192.6	155.6

## CONDENCED CONSOLIDATED BALANCE SHEETS

SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017	31 Dec 2016
<b>ASSETS</b>				
Intangible fixed assets	1 463.1	1 369.8	1 393.9	1 469.4
Tangible fixed assets	487.2	397.3	415.5	399.2
Shares in associated companies	53.5	55.8	53.3	55.0
Long-term receivables	13.1	10.8	10.2	10.0
Deferred tax assets	103.9	105.8	91.5	114.1
<b>Total non-current assets</b>	<b>2 121.0</b>	<b>1 939.5</b>	<b>1 964.5</b>	<b>2 047.7</b>
Stock	3 280.6	2 746.1	2 643.4	2 496.4
Tax receivables	25.0	25.2	21.2	27.2
Accounts receivable	1 089.1	902.4	982.8	906.2
Prepaid expenses and accrued income	75.1	65.5	76.5	81.1
Other receivables	83.5	73.3	62.3	46.7
Liquid assets	192.6	155.6	202.4	218.9
<b>Total current assets</b>	<b>4 745.9</b>	<b>3 968.1</b>	<b>3 988.6</b>	<b>3 776.5</b>
<b>TOTAL ASSETS</b>	<b>6 866.9</b>	<b>5 907.6</b>	<b>5 953.1</b>	<b>5 824.2</b>
<b>EQUITY</b>				
Share capital	199.1	199.1	199.1	199.1
Other capital contributions	219.4	219.4	219.4	219.4
Reserves	432.1	234.2	279.4	337.4
Retained earnings including result for the period	2 401.2	2 163.1	2 308.7	2 038.7
<b>Equity attributable to shareholders of the parent company</b>	<b>3 251.8</b>	<b>2 815.8</b>	<b>3 006.6</b>	<b>2 794.6</b>
Non-controlling interest	20.6	21.4	22.6	22.6
<b>Total equity</b>	<b>3 272.4</b>	<b>2 837.2</b>	<b>3 029.2</b>	<b>2 817.2</b>
<b>LIABILITIES</b>				
Long-term interest-bearing liabilities	1 785.1	1 816.6	1 757.5	1 864.5
Pension provisions	18.2	16.0	16.5	15.1
Other provisions	3.7	4.3	2.0	6.0
Deferred tax liabilities	132.5	151.1	129.9	164.2
<b>Total non-current liabilities</b>	<b>1 939.4</b>	<b>1 988.0</b>	<b>1 905.9</b>	<b>2 049.8</b>
Short-term interest-bearing liabilities	318.0	60.9	82.2	103.3
Accounts payable	871.7	591.2	536.7	492.5
Current tax liabilities	60.5	61.4	53.3	32.2
Other liabilities	149.8	151.6	108.7	111.8
Accrued expenses and prepaid income	255.1	217.5	237.1	217.4
<b>Total current liabilities</b>	<b>1 655.2</b>	<b>1 082.6</b>	<b>1 018.0</b>	<b>957.2</b>
<b>Total liabilities</b>	<b>3 594.5</b>	<b>3 070.5</b>	<b>2 923.9</b>	<b>3 007.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 866.9</b>	<b>5 907.6</b>	<b>5 953.1</b>	<b>5 824.2</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Sum	Non-control-ling interest	Total equity
<b>Opening balance 2017-01-01</b>	<b>199.1</b>	<b>219.4</b>	<b>337.4</b>	<b>2 038.7</b>	<b>2 794.6</b>	<b>22.6</b>	<b>2 817.2</b>
Result for the period				208.4	208.4	-1.2	207.2
<b>Other comprehensive income</b>							
Translation difference			-97.6		-97.6		-97.6
Cash flow hedge			-0.1		-0.1		-0.1
Reclassification of previous years' cash flow hedge			-5.5	5.5	0.0		0.0
Income tax related to components of other comprehensive income			0.0		0.0		0.0
<b>Transactions with shareholders</b>							
Dividends to shareholders of the parent company				-89.6	-89.6		-89.6
<b>Closing balance 2017-09-30</b>	<b>199.1</b>	<b>219.4</b>	<b>234.2</b>	<b>2 163.1</b>	<b>2 815.8</b>	<b>21.4</b>	<b>2 837.2</b>

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Sum	Non-control-ling interest	Total equity
<b>Opening balance 2018-01-01</b>	<b>199.1</b>	<b>219.4</b>	<b>279.4</b>	<b>2 308.7</b>	<b>3 006.6</b>	<b>22.6</b>	<b>3 029.2</b>
Result for the period				203.1	203.1	-2.0	201.1
<b>Other comprehensive income</b>							
Translation difference			153.0		153.0		153.0
Cash flow hedge			2.5		2.5		2.5
Reclassification of previous years' cash flow hedge			-2.2	2.2	0.0		0.0
Income tax related to components of other comprehensive income			-0.6		-0.6		-0.6
<b>Transactions with shareholders</b>							
Dividends to shareholders of the parent company				-112.8	-112.8		-112.8
<b>Closing balance 2018-09-30</b>	<b>199.1</b>	<b>219.4</b>	<b>432.1</b>	<b>2 401.2</b>	<b>3 251.8</b>	<b>20.6</b>	<b>3 272.4</b>

	9 months 2018	9 months 2017	Year 2017	Year 2016
<b>Accumulated translation differences in equity</b>				
Accumulated translation differences at the beginning of the period	284.3	338.5	338.5	249.6
Translation difference in foreign subsidiaries for the period	153.0	-97.6	-54.2	88.9
<b>Accumulated translation differences at end of period</b>	<b>437.3</b>	<b>240.9</b>	<b>284.3</b>	<b>338.5</b>

## FINANCIAL HIGHLIGHTS

	9 months Jan - Sep 2018	9 months Jan - Sep 2017	12 months Jan - Dec 2017	12 months Jan - Dec 2016
Sales growth, %	9.6	7.6	6.9	5.5
Number of employees	2 571	2 469	2 495	2 396
Gross profit margin, %	46.7	46.3	46.1	46.0
Operating margin before depreciation, %	7.6	6.3	9.5	8.7
Operating margin, %	6.3	7.5	8.4	7.6
Profit margin, %	5.6	6.5	7.5	6.5
Net margin, %	4.6	5.2	6.3	5.3
Return on shareholders' equity, %	8.6	9.9	12.2	10.4
Return on capital employed, %	7.2	8.4	9.8	8.6
Equity ratio, %	47.7	48.0	50.9	48.4
Net debt to equity ratio, %	58.4	60.7	54.1	62.1
Net debt in relation to working capital, %	59.4	61.7	54.7	64.7
Net debt, SEK million	1 910.5	1 721.9	1 637.3	1 748.9
Interest cover ratio, times	8.6	7.2	8.3	6.5
Capital turnover, times	0.9	0.9	1.0	0.9
Stock turnover, times	1.0	1.1	1.2	1.1
Cash flow before investments, SEK million	48.2	73.3	207.8	448.9
Net investments, SEK million	-123.5	-72.8	-110.6	-89.6
Cash flow after investments, SEK million	-75.3	0.5	97.2	359.3
Shareholders' equity per share, before and after dilution, SEK	49.33	42.76	45.66	42.46
Share price as at December 31, SEK	-	-	54.50	55.25
Dividend/share, SEK	-	-	1.35	1.00
P/E-ratio	-	-	10.20	13.30
P/S-ratio	-	-	0.60	0.70
Share price/Shareholders' equity	-	-	1.20	1.30

For definition of alternative performance measures,  
please go to p. 29.



# INCOME STATEMENT

SEK million	9 months Jan - Sep 2018	9 months Jan - Sep 2017	12 months Jan - Dec 2017	12 months Jan - Dec 2016
Net sales	74.2	62.3	69.8	101.2
Other operating income	29.4	15.7	22.4	22.1
<b>Total income</b>	<b>103.6</b>	<b>78.0</b>	<b>92.2</b>	<b>123.3</b>
External costs	-52.5	-59.2	-65.2	-91.9
Personnel costs	-25.8	-20.4	-29.3	-23.5
Depreciation of tangible and intangible fixed assets	-4.7	-3.8	-5.2	-5.2
Other operating costs	-25.7	-15.4	-19.2	-19.5
<b>Operating result</b>	<b>-5.2</b>	<b>-20.7</b>	<b>-26.7</b>	<b>-16.8</b>
Net income from shares in Group companies	55.1	255.5	387.2	420.4
Write-down of financial fixed assets	0.0	-10.1	-76.5	-2.4
Financial income	37.1	50.2	66.5	66.6
Financial expenses	-25.4	-39.3	-51.7	-61.6
<b>Net financial items</b>	<b>66.8</b>	<b>256.3</b>	<b>325.6</b>	<b>423.0</b>
<b>Result before appropriations and tax</b>	<b>61.6</b>	<b>235.6</b>	<b>298.9</b>	<b>406.2</b>
Appropriations	0.0	0.0	61.0	33.9
Tax on result for the period	-1.4	1.2	-9.9	-5.0
<b>Result for the period</b>	<b>60.2</b>	<b>236.8</b>	<b>350.0</b>	<b>435.1</b>

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

## CASH FLOW STATEMENT

SEK million	9 months Jan - Sep 2018	9 months Jan - Sep 2017	12 months Jan - Dec 2017	12 months Jan - Dec 2016
<b>Operating activities</b>				
Operating result	-5.2	-20.7	-26.7	-16.8
Adjustment for items not included in cash flow	4.6	3.8	5.2	5.2
Received dividends	0.0	0.0	42.7	0.0
Received interest	37.1	50.2	66.5	66.6
Paid interest	-25.4	-39.3	-51.7	-61.6
Paid income tax	-12.4	1.2	-5.8	-2.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>-1.3</b>	<b>-4.8</b>	<b>30.2</b>	<b>-9.4</b>
<b>Changes in working capital</b>				
Decrease/increase in stock	0.0	0.0	0.0	0.8
Decrease/increase in current receivables	-274.3	146.8	298.7	458.9
Decrease/increase on short-term liabilities	329.7	-23.4	-116.2	-147.3
<b>Cash flow from changes in working capital</b>	<b>55.4</b>	<b>123.4</b>	<b>182.5</b>	<b>312.4</b>
<b>Cash flow from operating activities</b>	<b>54.1</b>	<b>118.5</b>	<b>212.8</b>	<b>303.0</b>
<b>Investing activities</b>				
Shareholders contribution to subsidiaries	-37.2	-56.4	-56.4	-19.0
Repayment of shareholders contribution from subsidiaries	9.4	0.0	0.0	0.0
Shareholders contribution to associated company	-1.5	0.0	0.0	0.0
Investments in tangible fixed assets	-1.8	-0.5	-0.7	-2.9
Investments in intangible fixed assets	-0.4	-1.6	-6.4	-0.2
Acquisition of shares	0.0	0.0	0.0	-2.2
Reduction share capital	0.0	0.0	0.0	30.2
<b>Cash-flow from investing activities</b>	<b>-31.5</b>	<b>-58.4</b>	<b>-63.5</b>	<b>5.9</b>
<b>Cash-flow after investing activities</b>	<b>22.6</b>	<b>60.1</b>	<b>149.3</b>	<b>308.9</b>
<b>Financial activities</b>				
Loan raised	89.4	35.4	0.0	0.0
Amortization of loan	0.0	0.0	-62.9	-241.3
Dividend paid to shareholders of the parent company	-112.8	-89.6	-89.6	-66.3
<b>Cash-flow from financial activities</b>	<b>-23.4</b>	<b>-54.2</b>	<b>-152.5</b>	<b>-307.6</b>
<b>Cash flow for the period</b>	<b>-0.9</b>	<b>5.9</b>	<b>-3.2</b>	<b>1.3</b>
Liquid assets at the beginning of the period	1.3	4.5	4.5	3.2
<b>Liquid assets at period-end</b>	<b>0.4</b>	<b>10.5</b>	<b>1.3</b>	<b>4.5</b>
<b>Liquid assets</b>				
Cash at bank and in hand	0.4	10.5	1.3	4.5

## BALANCE SHEET

SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017	31 Dec 2016
<b>ASSETS</b>				
<b>Fixed assets</b>				
Intangible fixed assets	12.2	10.4	14.2	11.7
Tangible fixed assets	3.6	4.3	4.1	4.8
<b>Financial assets</b>				
Shares in Group companies	2 222.8	1 556.5	1 517.7	1 510.2
Shares in associated companies	56.0	54.6	54.5	54.6
Receivables on Group companies	316.3	889.6	903.2	998.0
Other long-term receivables	4.0	2.4	2.4	2.4
<b>Total financial assets</b>	<b>2 599.0</b>	<b>2 503.1</b>	<b>2 477.8</b>	<b>2 565.2</b>
<b>Total fixed assets</b>	<b>2 614.8</b>	<b>2 517.8</b>	<b>2 496.1</b>	<b>2 581.7</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Stock	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.6
Receivables on Group companies	1 492.5	1 262.5	1 283.2	1 145.9
Tax receivables	5.3	0.0	0.0	0.2
Other receivables	24.2	9.1	25.2	8.4
Prepaid expenses and accrued income	5.5	3.9	7.6	11.8
<b>Total current receivables</b>	<b>1 527.6</b>	<b>1 275.5</b>	<b>1 316.0</b>	<b>1 166.9</b>
Cash at bank and in hand	0.4	10.5	1.3	4.5
<b>Total current assets</b>	<b>1 528.0</b>	<b>1 285.9</b>	<b>1 317.3</b>	<b>1 171.4</b>
<b>TOTAL ASSETS</b>	<b>4 142.8</b>	<b>3 803.7</b>	<b>3 813.5</b>	<b>3 753.1</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
Share capital	199.1	199.1	199.1	199.1
Restricted reserves	249.4	249.4	249.4	249.4
	<b>448.5</b>	<b>448.5</b>	<b>448.5</b>	<b>448.5</b>
<b>Unrestricted equity</b>				
Retained earnings	1 234.5	997.3	997.3	651.8
Share premium reserve	48.0	48.0	48.0	48.0
Result for the period	60.2	236.8	350.0	435.1
	<b>1 342.7</b>	<b>1 282.0</b>	<b>1 395.3</b>	<b>1 134.9</b>
<b>Total equity</b>	<b>1 791.2</b>	<b>1 730.6</b>	<b>1 843.8</b>	<b>1 583.4</b>
<b>Untaxed reserves</b>	<b>25.4</b>	<b>6.8</b>	<b>25.4</b>	<b>6.8</b>
<b>Non-current liabilities</b>				
Overdraft facilities	1 153.6	1 340.3	1 308.9	1 293.3
Bankloan	224.2	250.9	197.6	371.0
<b>Total non-current liabilities</b>	<b>1 377.8</b>	<b>1 591.2</b>	<b>1 506.5</b>	<b>1 664.3</b>
<b>Current liabilities</b>				
Short-term interest-bearing liabilities	299.8	60.6	61.3	66.2
Accounts payable	410.9	257.8	217.1	163.9
Liabilities to Group companies	228.3	148.6	146.1	256.9
Current tax liability	0.0	1.7	5.7	1.8
Other liabilities	1.9	1.1	1.1	2.4
Accrued expenses and prepaid income	7.5	5.4	6.4	7.4
<b>Total current liabilities</b>	<b>948.4</b>	<b>475.1</b>	<b>437.8</b>	<b>498.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 142.8</b>	<b>3 803.7</b>	<b>3 813.5</b>	<b>3 753.1</b>

## CHANGES IN EQUITY

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
Opening balance 2017-01-01	199.1	249.4	651.8	48.0	435.1	1 583.4
Transfer according to Annual General meeting			435.1		-435.1	0.0
Result for the period					236.8	236.8
Total change in net assets excluding transactions with shareholders	0.0	0.0	0.0	0.0	236.8	236.8
Dividends			-89.6			-89.6
Closing balance 2017-09-30	199.1	249.4	997.3	48.0	236.8	1 730.6

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
Opening balance 2018-01-01	199.1	249.4	997.3	48.0	350.0	1 843.8
Transfer result previous year			350.0		-350.0	0.0
Result for the period					60.2	60.2
Total change in net assets excluding transactions with shareholders	0.0	0.0	0.0	0.0	60.2	60.2
Dividends			-112.8			-112.8
Closing balance 2018-09-30	199.1	249.4	1 234.5	48.0	60.2	1 791.2



# NOTES

## ACCOUNTING PRINCIPLES

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This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report for the Parent Company has been prepared according the Annual Accounts Act as well as RFR 2 "Reporting for Legal Entities". New accounting principles for 2018 are described in the Annual Report for 2017, "Note 1 Accounting Policies" under "New and amended IFRS introduced ". Applied accounting principles are otherwise consistent with the 2017 annual report.

### NEW ACCOUNTING PRINCIPLES FOR 2018

On 1 January 2018, IFRS 15 Revenue from contracts with customers and IFRS 9 Financial Instruments came into force.

IFRS 9 "Financial Instruments" has been applied by the Group since 1 January 2018. The transition to IFRS 9 has not resulted in any differences in the Group's valuation of financial assets and liabilities. The Group's hedge accounting is consistent with the new hedge accounting rules.

Under IFRS 9, credit losses are reported earlier than under the group's previous model. New Wave Group applies the simplified model of expected credit losses for accounts receivable under which total expected credit losses for the remaining maturity of the receivable are reported. When assessing future expected credit losses, historical and forward-looking information is taken into account.

The transition has not resulted in any transition effect that needs to be presented.

For a more detailed description of the new accounting principles, see the Annual Report 2017, "Note 1 Accounting Policies" and "New and amended IFRS introduced".

IFRS 15 "Revenue from Contracts with Customers" has been applied by the Group since 1 January 2018 and has been implemented with limited retroactivity. The transition has not resulted in any transition effect.

Most of New Wave Group's revenue comes from sales of goods, which is reported when the control of the goods is transferred to the customer. Variable compensation such as discounts, bonuses and returns is estimated and part of the transaction price.

Revenues from commission, royalties, licenses, and membership fees for customer clubs constitute performance commitments that are met over time as the control is transferred to the customer.

IFRS 15 implies additional disclosure requirements regarding revenue, which results in New Wave Group's revenue being presented in more categories than before. Therefore, revenue is also presented allocated to our two sales channels, promo and retail, as shown in the notes.

### NEW ACCOUNTING PRINCIPLES FOR 2019

IFRS 16 "Leases" will replace IAS 17 "Leases" as of 1 January 2019. The effect of implementing IFRS 16 will be an increased balance sheet total with higher tangible fixed assets and higher financial liabilities. There will also be a shift in the consolidated income statement with a positive effect on operating result and a negative impact on net financial items.

During the third quarter the Group conducted training within the organization, in the new standard and in the implemented system. Evaluation of all contracts is still ongoing, as is the work to evaluate the full effect of IFRS 16 and its impact on the Group's key ratios.

## RISKS AND RISK CONTROL

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New Wave Group's international operations mean that it is continuously exposed to various financial risks. The financial risks are currency, borrowings and interest rate risks, as well as liquidity and credit risks. In order to minimize the impact these risks may have on earnings, the Group has established a financial policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2017, note 17, p.81–85. [www.nwg.se](http://www.nwg.se).

The Group's policy is to have short fixed-interest agreements resulting in quick effects on the Group's net interest as the short-term interest rate changes.

The Group's reported risks are deemed to be essentially unchanged.

## NET SALES AND EBITDA PER OPERATING SEGMENT

SEK million	3 months Jul - Sep 2018	3 months Jul - Sep 2017	9 months Jan - Sep 2018	9 months Jan - Sep 2017	12 months Jan - Dec 2017	12 months Jan - Dec 2016
<b>Corporate Promo</b>						
Net sales	687.6	551.2	2 091.5	1 819.8	2 648.7	2 388.6
EBITDA	55.4	49.9	208.1	179.1	289.7	250.8
<b>Sports &amp; Leisure</b>						
Net sales	707.9	616.8	1 823.6	1 714.7	2 311.5	2 260.8
EBITDA	78.3	98.9	133.9	160.6	230.3	194.5
<b>Gifts &amp; Home furnishings</b>						
Net sales	155.6	163.0	432.1	432.4	637.1	587.7
EBITDA	3.9	10.5	-12.3	4.0	14.4	10.8
<b>Total net sales</b>	<b>1 551.2</b>	<b>1 331.1</b>	<b>4 347.2</b>	<b>3 967.0</b>	<b>5 597.3</b>	<b>5 237.1</b>
<b>Total EBITDA</b>	<b>137.7</b>	<b>159.3</b>	<b>329.7</b>	<b>343.7</b>	<b>534.4</b>	<b>456.1</b>
Total EBITDA	137.7	159.3	329.7	343.7	534.4	456.1
Depreciation and write down	-20.2	-16.4	-56.3	-47.1	-65.3	-55.9
Net financial items	-11.6	-13.2	-28.2	-38.8	-51.9	-59.9
<b>Result before tax</b>	<b>105.9</b>	<b>129.8</b>	<b>245.2</b>	<b>257.8</b>	<b>417.2</b>	<b>340.3</b>

## NET SALES PER SALES CHANNEL

SEK million	3 months Jul - Sep 2018	3 months Jul - Sep 2017	9 months Jan - Sep 2018	9 months Jan - Sep 2017	12 months Jan - Dec 2017	12 months Jan - Dec 2016
<b>Sales channel promo</b>						
Corporate Promo	665.8	532.8	2 029.4	1 767.9	2 575.6	2 319.1
Sports & Leisure	165.3	138.0	493.2	422.8	587.1	539.0
Gifts & Home Furnishings	16.9	18.3	52.8	50.7	84.1	81.5
<b>Total</b>	<b>847.9</b>	<b>689.0</b>	<b>2 575.4</b>	<b>2 241.4</b>	<b>3 246.8</b>	<b>2 939.6</b>
<b>Sales channel retail</b>						
Corporate Promo	21.8	18.4	62.1	51.9	73.1	69.7
Sports & Leisure	542.7	478.8	1 330.4	1 292.0	1 724.4	1 721.6
Gifts & Home Furnishings	138.8	144.7	379.3	381.7	553.0	506.2
<b>Total</b>	<b>703.3</b>	<b>642.0</b>	<b>1 771.8</b>	<b>1 725.6</b>	<b>2 350.5</b>	<b>2 297.5</b>
<b>Total net sales</b>	<b>1 551.2</b>	<b>1 331.0</b>	<b>4 347.2</b>	<b>3 967.0</b>	<b>5 597.3</b>	<b>5 237.1</b>

## NET SALES PER GEOGRAPHIC AREA

SEK million	3 months Jul - Sep 2018	Part of net sales	3 months Jul - Sep 2017	Part of net sales	Change SEK million	Change %
Sweden	350.9	23%	342.2	26%	8.7	3%
USA	408.6	26%	359.5	27%	49.1	14%
Nordic countries excl. Sweden	195.0	13%	179.3	13%	15.6	9%
Central Europe	250.1	16%	208.4	16%	41.7	20%
Southern Europe	149.7	10%	132.9	10%	16.9	13%
Other countries	196.8	13%	108.7	8%	88.1	81%
<b>Total</b>	<b>1 551.2</b>	<b>100%</b>	<b>1 331.1</b>	<b>100%</b>	<b>220.1</b>	<b>17%</b>

SEK million	9 months Jan - Sep 2018	Part of net sales	9 months Jan - Sep 2017	Part of net sales	Change SEK million	Change %
Sweden	1 021.5	23%	988.1	25%	33.4	3%
USA	1 097.7	25%	1 061.2	27%	36.5	3%
Nordic countries excl. Sweden	580.4	13%	531.0	13%	49.4	9%
Central Europe	689.1	16%	619.7	19%	69.5	11%
Southern Europe	493.1	11%	439.9	11%	53.2	12%
Other countries	465.3	11%	327.2	8%	138.2	42%
<b>Total</b>	<b>4 347.2</b>	<b>100%</b>	<b>3 967.0</b>	<b>100%</b>	<b>380.2</b>	<b>10%</b>

SEK million	12 months Jan - Dec 2017	Part of net sales	12 months Jan - Dec 2016	Part of net sales	Change SEK million	Change %
Sweden	1 463.8	26%	1 383.3	26%	80.5	6%
USA	1 423.7	25%	1 409.9	27%	13.8	1%
Nordic countries excl. Sweden	727.7	13%	706.1	13%	21.6	3%
Central Europe	891.1	16%	831.9	16%	59.2	7%
Southern Europe	630.8	11%	571.3	11%	59.5	10%
Other countries	460.2	8%	334.5	6%	125.7	38%
<b>Total</b>	<b>5 597.3</b>	<b>100%</b>	<b>5 237.1</b>	<b>100%</b>	<b>360.3</b>	<b>7%</b>

Starting from 2018, the Group's net sales are presented in accordance with the brand reporting. Previous years' figures have been adjusted to allow comparison.

## ASSETS AND LIABILITIES PER OPERATING SEGMENTS

SEK million	Total assets	Fixed assets*	Deferred tax assets	Investments	Deprecation and write-downs	Total liabilities
<b>30 Sep 2018</b>						
Corporate Promo	3 425.5	644.7	38.0	-76.8	-28.6	2 143.0
Sports & Leisure	2 786.3	1 088.6	53.7	-24.7	-24.0	953.6
Gifts & Home Furnishings	655.0	217.0	12.2	-21.9	-3.7	497.9
<b>Total</b>	<b>6 866.9</b>	<b>1 950.3</b>	<b>103.9</b>	<b>-123.5</b>	<b>-56.3</b>	<b>3 594.5</b>
<b>30 Sep 2017</b>						
Corporate Promo	2 963.8	617.6	39.4	-14.9	-23.0	1 975.3
Sports & Leisure	2 348.1	950.3	60.6	-23.2	-20.5	664.8
Gifts & Home Furnishings	595.8	199.1	5.8	-34.7	-3.6	430.5
<b>Total</b>	<b>5 907.6</b>	<b>1 767.1</b>	<b>105.8</b>	<b>-72.8</b>	<b>-47.1</b>	<b>3 070.5</b>
<b>31 Dec 2017</b>						
Corporate Promo	3 074.0	585.0	35.2	-43.8	-32.6	1 902.3
Sports & Leisure	2 272.0	1 020.0	44.4	-42.4	-28.0	589.5
Gifts & Home Furnishings	607.1	204.4	11.9	-24.4	-4.8	432.1
<b>Total</b>	<b>5 953.1</b>	<b>1 809.5</b>	<b>91.5</b>	<b>-110.6</b>	<b>-65.3</b>	<b>2 923.9</b>

\* Fixed assets classified as financial assets are not included.

## FIXED ASSETS AND DEFERRED TAX ASSETS PER GEOGRAPHIC AREA

	30 Sep 2018 Fixed assets*	Deferred tax assets	30 Sep 2017 Fixed assets*	Deferred tax assets	31 Dec 2017 Fixed assets*	Deferred tax assets
Sweden	506.2	15.1	481.7	7.7	496.2	14.3
USA	980.8	48.1	893.5	57.1	916.0	39.4
Nordic countries excl. Sweden	57.1	4.9	27.0	5.7	34.2	4.1
Central Europe	227.8	24.2	200.4	26.6	208.5	23.2
Southern Europe	115.6	5.9	152.3	4.8	94.4	4.9
Other countries	62.8	5.8	12.2	3.9	60.1	5.6
<b>Total</b>	<b>1 950.3</b>	<b>103.9</b>	<b>1 767.1</b>	<b>105.8</b>	<b>1 809.4</b>	<b>91.5</b>

\* Fixed assets classified as financial assets are not included.

## FINANCIAL INSTRUMENTS

SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017	31 Dec 2016
Assets at fair value (derivatives)	2.5	0.1	2.5	6.4
Assets at amortised cost	1 372.7	1 138.8	1 254.8	1 178.5
<b>Total financial assets</b>	<b>1 375.2</b>	<b>1 138.9</b>	<b>1 257.3</b>	<b>1 184.9</b>
Liabilities at fair value (derivatives)	1.3	3.7	1.3	5.0
Liabilities at amortised cost	3 372.0	2 845.6	2 715.1	2 780.5
<b>Total financial liabilities</b>	<b>3 373.3</b>	<b>2 849.3</b>	<b>2 716.4</b>	<b>2 785.5</b>

Financial instruments are measured at fair value or amortised cost according to classification in the balance sheet.

Financial instruments include in addition to financial net debt, also accounts receivable and accounts payable.

Financial instruments at fair value in the balance sheet belongs to level 2 in IFRS 13 hierarchy.

## PLEDGED ASSETS AND CONTINGENT LIABILITIES

### GROUP

Pledged assets SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017	31 Dec 2016
Floating charges	537.5	543.5	543.5	663.5
Property mortgages	159.1	179.9	183.2	147.6
Net assets in subsidiaries	3 105.3	2 230.9	2 152.0	2 323.0
Stocks and accounts receivable	543.9	468.6	465.9	368.1
<b>Total</b>	<b>4 345.8</b>	<b>3 423.0</b>	<b>3 344.7</b>	<b>3 502.2</b>

Contingent liabilities SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017	31 Dec 2016
Duty guarantees	9.6	15.0	16.3	15.6
Rent guarantees	100.3	111.3	104.8	0.0
PRI	2.0	2.0	2.0	2.0
Other guarantees	0.4	0.4	1.9	0.4
Guarantees for associated companies	6.0	6.0	6.0	6.0
<b>Total</b>	<b>118.2</b>	<b>134.7</b>	<b>131.0</b>	<b>24.1</b>

### PARENT COMPANY

Pledged assets	30 Sep 2018	30 Sep 2017	31 Dec 2017	31 Dec 2016
Floating charges	30.0	30.0	30.0	30.0
Shares in subsidiaries	1 772.9	1 183.8	1 152.3	1 183.8
Shares in related companies	8.3	8.3	8.3	8.3
<b>Total</b>	<b>1 811.2</b>	<b>1 222.1</b>	<b>1 190.6</b>	<b>1 222.1</b>

Contingent liabilities SEK million	30 Sep 2018	30 Sep 2017	31 Dec 2017	31 Dec 2016
Guarantees for subsidiaries	866.5	588.8	671.5	471.2
<b>Total</b>	<b>866.5</b>	<b>588.8</b>	<b>671.5</b>	<b>471.2</b>

# QUARTERLY CONSOLIDATED INCOME STATEMENTS

SEK million

	2018				2017				2016			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1 272.8	1 523.2	1 551.2	1 264.2	1 371.7	1 331.1	1 630.3	1 130.8	1 257.3	1 300.4	1 548.6	
Goods for resale	-677.5	-804.2	-835.3	-692.8	-745.7	-692.8	-886.8	-616.3	-685.0	-693.3	-832.3	
<b>Gross profit</b>	<b>595.4</b>	<b>719.0</b>	<b>715.8</b>	<b>571.4</b>	<b>626.0</b>	<b>638.2</b>	<b>743.5</b>	<b>514.5</b>	<b>572.3</b>	<b>607.1</b>	<b>716.3</b>	
<b>Gross profit margin, %</b>	<b>46.8</b>	<b>47.2</b>	<b>46.1</b>	<b>45.2</b>	<b>45.6</b>	<b>47.9</b>	<b>45.6</b>	<b>45.5</b>	<b>45.5</b>	<b>46.7</b>	<b>46.3</b>	
Other operating income	15.9	11.3	19.3	10.9	7.0	10.4	22.9	9.4	12.2	14.5	14.9	
External costs	-317.2	-305.1	-323.5	-288.6	-270.1	-265.4	-304.9	-279.8	-249.6	-268.5	-300.1	
Personnel costs	-246.4	-260.9	-257.7	-228.1	-233.0	-217.1	-262.2	-217.4	-213.0	-208.3	-242.9	
Depreciations and write-downs	-17.6	-18.5	-20.2	-15.0	-15.7	-16.4	-18.2	-13.2	-13.4	-14.1	-15.2	
Other operating costs	-11.8	-8.3	-15.0	-7.8	-3.9	-7.4	-6.1	-5.6	-8.1	-5.8	-6.2	
Share of associated companies' result	0.4	-0.3	-1.3	0.4	0.2	0.6	-2.5	0.2	-0.2	0.0	0.2	
<b>Operating result</b>	<b>18.6</b>	<b>137.3</b>	<b>117.5</b>	<b>43.2</b>	<b>110.5</b>	<b>143.0</b>	<b>172.5</b>	<b>8.1</b>	<b>100.2</b>	<b>124.9</b>	<b>167.0</b>	
Financial income	1.5	1.8	0.7	1.3	1.0	1.6	1.3	1.2	0.9	1.0	0.0	
Financial expenses	-11.7	-8.2	-12.3	-13.8	-14.1	-14.8	-14.3	-15.0	-15.7	-16.4	-15.9	
<b>Result before tax</b>	<b>8.4</b>	<b>130.9</b>	<b>105.9</b>	<b>30.7</b>	<b>97.4</b>	<b>129.8</b>	<b>159.4</b>	<b>-5.7</b>	<b>85.4</b>	<b>109.5</b>	<b>151.1</b>	
Tax	-2.4	-24.2	-17.5	-5.8	-20.3	-24.5	-12.6	1.1	-18.4	-23.0	-23.3	
<b>Result for the period</b>	<b>6.0</b>	<b>106.8</b>	<b>88.4</b>	<b>24.9</b>	<b>77.0</b>	<b>105.3</b>	<b>146.8</b>	<b>-4.6</b>	<b>67.0</b>	<b>86.5</b>	<b>127.8</b>	
<i>Total other comprehensive income net after tax for the period</i>	71.7	121.1	-37.8	-12.2	-42.4	-43.3	45.3	-15.5	47.2	26.4	35.1	
<b>Total comprehensive income for the period</b>	<b>77.7</b>	<b>227.9</b>	<b>50.5</b>	<b>12.7</b>	<b>34.7</b>	<b>62.0</b>	<b>192.1</b>	<b>-20.1</b>	<b>114.2</b>	<b>112.9</b>	<b>162.9</b>	
Earnings per share before and after dilution (SEK)*	0.10	1.6	1.36	0.38	1.16	1.60	2.20	-0.06	1.01	1.31	1.90	

	2015				2014				2013			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1 096.1	1 191.3	1 272.0	1 405.3	908.5	983.3	1 122.3	1 259.5	877.3	995.3	1 035.0	1 139.8
Goods for resale	-595.7	-659.1	-697.8	-773.5	-497.7	-531.8	-621.9	-669.6	-456.8	-529.1	-564.9	-626.2
<b>Gross profit</b>	<b>500.4</b>	<b>532.2</b>	<b>574.2</b>	<b>631.8</b>	<b>410.8</b>	<b>451.5</b>	<b>500.4</b>	<b>589.9</b>	<b>420.5</b>	<b>466.2</b>	<b>470.1</b>	<b>513.6</b>
<b>Gross profit margin, %</b>	<b>45.7</b>	<b>44.7</b>	<b>45.1</b>	<b>45.0</b>	<b>45.2</b>	<b>45.9</b>	<b>44.6</b>	<b>46.8</b>	<b>47.9</b>	<b>46.8</b>	<b>45.4</b>	<b>45.1</b>
Other operating income	9.3	7.8	22.1	8.0	7.1	5.4	5.1	10.1	8.6	7.7	7.7	9.3
External costs	-270.1	-258.9	-273.0	-284.0	-229.5	-216.9	-216.6	-260.5	-222.9	-209.7	-205.4	-215.2
Personnel costs	-205.3	-212.0	-202.8	-231.5	-179.5	-176.7	-174.8	-204.7	-174.7	-177.9	-162.5	-182.7
Depreciations and write-downs	-14.9	-14.3	-13.7	-14.2	-12.4	-13.2	-14.4	-14.2	-11.8	-14.6	-13.9	-11.9
Other operating costs	-18.5	-6.7	-9.3	-1.7	-2.4	-2.6	-4.1	-7.4	-3.8	-1.9	-2.9	-2.3
Share of associated companies' result	0.9	0.6	-1.2	0.0	0.0	0.5	0.1	-1.0	0.2	0.4	-0.3	0.8
<b>Operating result</b>	<b>1.8</b>	<b>48.7</b>	<b>96.3</b>	<b>108.4</b>	<b>-5.9</b>	<b>48.0</b>	<b>95.7</b>	<b>112.2</b>	<b>16.1</b>	<b>70.2</b>	<b>92.8</b>	<b>111.6</b>
Financial income	1.9	3.2	1.4	0.7	1.4	1.2	1.1	1.2	1.8	1.4	1.8	1.8
Financial expenses	-17.0	-16.9	-19.0	-28.6	-9.7	-10.6	-12.1	-14.5	-17.8	-16.1	-14.9	-14.2
<b>Result before tax</b>	<b>-13.3</b>	<b>35.0</b>	<b>78.7</b>	<b>80.5</b>	<b>-14.2</b>	<b>38.6</b>	<b>84.7</b>	<b>98.9</b>	<b>0.1</b>	<b>55.5</b>	<b>79.7</b>	<b>99.2</b>
Tax	2.4	-7.2	-13.6	-17.2	2.9	-9.2	-17.8	-7.0	0.0	-16.6	-21.9	-8.9
<b>Result for the period</b>	<b>-10.9</b>	<b>27.8</b>	<b>65.1</b>	<b>63.3</b>	<b>-11.3</b>	<b>29.4</b>	<b>66.9</b>	<b>91.9</b>	<b>0.1</b>	<b>38.9</b>	<b>57.8</b>	<b>90.3</b>
<i>Total other comprehensive income net after tax for the period</i>	101.7	-43.9	7.1	-36.9	1.4	53.5	53.1	91.2	-38.9	57.8	-31.5	36.6
<b>Total comprehensive income for the period</b>	<b>90.8</b>	<b>-16.1</b>	<b>72.2</b>	<b>26.4</b>	<b>-9.9</b>	<b>82.9</b>	<b>120.0</b>	<b>183.1</b>	<b>-38.8</b>	<b>96.7</b>	<b>26.3</b>	<b>126.9</b>
Earnings per share before and after dilution (SEK)*	-0.17	0.41	0.98	0.94	-0.17	0.44	1.01	1.38	0.00	0.60	0.87	1.35

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



# QUARTERLY CONSOLIDATED CASH FLOW STATEMENTS

SEK million

EK million	2018			2017				2016				
Quarter	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Cash flow from operating activities before changes in working capital	1.2	128.3	116.1	37.8	105.0	153.3	154.9	-4.2	89.4	116.2	132.0	
Increase/decrease of stock	-117.4	-110.8	-310.4	-73.9	-63.7	-200.4	129.5	-49.7	62.4	-109.6	151.2	
Increase/decrease of current receivables	140.9	-36.2	-128.6	113.0	-40.4	-113.8	-78.5	85.3	-76.9	-106.8	31.9	
Increase/decrease of current liabilities	-18.1	143.2	239.9	-43.3	49.2	150.5	-71.4	32.5	13.7	115.7	-34.2	
Changes in working capital	5.4	-3.7	-199.1	-4.2	-54.9	-163.7	-20.4	68.1	-0.8	-100.7	148.9	
Cash flow from operating activities	6.6	124.6	-83.0	33.6	50.1	-10.4	134.5	63.9	88.6	15.5	280.9	
Investing activities	-39.8	-41.6	-42.1	-19.9	-16.0	-36.9	-37.7	-16.3	-21.2	-25.8	-26.3	
Cash flow after investing activities	-33.2	83.0	-125.1	13.7	34.1	-47.3	96.8	47.6	67.4	-10.3	254.6	
Loan raised	5.1	58.0	104.9	0.0	47.1	30.2	0.0	0.0	16.1	22.9	0.0	
Amortization of loan	0.0	0.0	0.0	-39.4	0.0	0.0	-54.6	-74.6	0.0	0.0	-211.4	
Dividend paid	0.0	-112.8	0.0	0.0	-89.6	0.0	0.0	0.0	-66.3	0.0	0.0	
Cash flow from financial activities	5.1	-54.8	104.9	-39.4	-42.5	30.2	-54.6	-74.6	-50.2	22.9	-211.4	
Cash flow for the period	-28.1	28.2	-20.2	-25.7	-8.4	-17.1	42.2	-27.0	17.2	12.6	43.2	
Liquid assets at the beginning of the period	202.4	180.5	215.4	218.9	191.9	178.9	155.6	165.5	136.3	157.1	172.9	
Translation differences in liquid assets	6.2	6.7	-2.6	-1.3	-4.6	-6.2	4.6	-2.2	3.6	3.2	2.8	
Liquid assets at period-end	180.5	215.4	192.6	191.9	178.9	155.6	202.4	136.3	157.1	172.9	218.9	
	2015			2014				2013				
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash flow from operating activities before changes in working capital	-9.2	54.6	73.8	90.6	-7.1	38.8	93.1	129.1	-18.7	55.3	86.7	103.3
Increase/decrease of stock	-200.6	-88.5	-132.1	175.6	-50.6	-86.8	-309.6	-126.1	27.8	28.2	-3.1	145.3
Increase/decrease of current receivables	129.5	-23.0	-117.2	85.2	172.3	-28.0	-124.2	-40.7	131.1	-44.0	-84.8	-32.7
Increase/decrease of current liabilities	51.4	1.0	14.3	24.1	-25.8	48.3	50.0	-16.9	-34.1	2.3	-1.3	-2.8
Changes in working capital	-19.7	-110.5	-235.0	284.9	95.9	-66.5	-383.8	-183.7	124.8	-13.5	-89.2	109.8
Cash flow from operating activities	-28.9	-55.9	-161.2	375.5	88.8	-27.7	-290.7	-54.6	106.1	41.8	-2.5	213.1
Investing activities	-26.7	-40.7	-15.0	-24.1	-11.3	-17.5	-12.4	-29.4	-8.8	-8.8	-21.2	-7.2
Cash flow after investing activities	-55.6	-96.6	-176.2	351.4	77.5	-45.2	-303.1	-84.0	97.3	33.0	-23.7	205.9
Loan raised	0.0	179.1	173.9	0.0	0.0	129.6	289.8	121.3	0.0	0.0	0.0	0.0
Amortization of loan	-13.9	0.0	0.0	-349.1	-109.8	0.0	0.0	0.0	-157.3	24.2	-12.0	-146.7
Dividend paid	0.0	-66.3	-1.0	0.0	0.0	-66.3	0.0	0.0	0.0	-66.3	0.0	0.0
Cash flow from financial activities	-13.9	112.8	172.9	-349.1	-109.8	63.3	289.8	121.3	-157.3	-42.1	-12.0	-146.7
Cash flow for the period	-69.5	16.2	-3.3	2.3	-32.3	18.1	-13.3	37.3	-60.0	-9.1	-35.7	59.2
Liquid assets at the beginning of the period	216.0	159.0	169.5	167.7	185.1	153.1	176.0	169.6	229.7	168.0	163.0	123.7
Translation differences in liquid assets	12.5	-5.7	1.5	-4.5	0.3	4.8	6.9	9.1	-1.7	4.1	-3.6	2.2
Liquid assets at period-end	159.0	169.5	167.7	165.5	153.1	176.0	169.6	216.0	168.0	163.0	123.7	185.1

# NEW WAVE GROUP'S SHARE

The share capital in New Wave Group amounted to SEK 199 030 629 distributed among a total of 66 343 543 shares. Each with a quota value of SEK 3.00. The shares carry identical rights to the Company's assets and results. Each Series A share is entitled to ten votes and each Series B is entitled to one vote.

New Wave's Series B shares are listed at OMX Stockholm Mid Cap.

## DIVIDEND POLICY

The Board's aim is that the dividend will account for 40 % of the Group's result after taxes over a business cycle.

## SHAREHOLDERS

The number of shareholders amount to 14 026 (14 251) on 30 September, 2018. Institutional investors accounted for 48 % of the capital and 13 % of the votes. At the same time the ten largest shareholders held 66 % of the capital and 91 % of the votes. Non-Swedish shareholders accounted for 16 % of the capital and 4 % of the votes.

### NEW WAVE GROUP'S TEN MAJOR SHAREHOLDERS 2018-09-30

Shareholder	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson through companies	21 843 277	199 212 397	32.9%	81.7%
Avanza Pension	4 567 094	4 567 094	6.9%	1.9%
Fjärde AP-Fonden	3 317 567	3 317 567	5.0%	1.4%
Svolder AB	2 761 859	2 761 859	4.2%	1.1%
Unionen	2 600 000	2 600 000	3.9%	1.1%
City Bank New York	2 441 688	2 441 688	3.7%	1.0%
State Street Bank	1 759 702	1 759 702	2.7%	0.7%
Spiltan Aktiefonder	1 616 568	1 616 568	2.4%	0.7%
JP Morgan	1 533 257	1 533 257	2.3%	0.6%
Hans Diding	1 272 000	1 272 000	1.9%	0.5%
<b>Total</b>	<b>43 713 012</b>	<b>221 082 132</b>	<b>65.9%</b>	<b>90.7%</b>

### SHAREHOLDER DISTRIBUTION IN NEW WAVE GROUP 2018-09-30

	Number of shares	Number of votes	Capital %	Votes %
Sweden	55 965 739	233 334 859	84.4%	95.7%
Shareholders outside Sweden, excl.USA	4 999 123	4 999 123	7.5%	2.1%
USA	5 378 681	5 378 681	8.1%	2.2%
<b>Total</b>	<b>66 343 543</b>	<b>243 712 663</b>	<b>100.0%</b>	<b>100.0%</b>

## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Guidelines concerning non-IFRS performance measures for companies with securities listed on a regulated market in the EU have been issued by ESMA (The European Securities and Markets Authority). These guidelines are to be applied to alternative performance measures (APM) applied as of July 3, 2016. The Annual Report refers to a number of non-IFRS performance measures used to assist investors and company management to analyze the company's operations. Because not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not be seen as a substitute for measures defined under IFRS. A description of the various non-IFRS performance measures used as a complement to the financial information reported according to IFRS and how they are used, is presented below.

PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
GROSS PROFIT MARGIN	Net sales less goods for resale in percent of net sales.	The measure is used for showing the company's margins before the effect of costs such as selling and administrative costs.
OPERATING MARGIN	Operating result as a percentage of the period's net sales.	The measure is used to estimate operating profitability.
PROFIT MARGIN	Result before tax as a percentage of the period's net sales.	The measure enables the profitability to be compared across locations where corporate taxes differ.
NET MARGIN	Result after tax as a percentage of the period's net sales.	The measure is used to show net earnings in relation to income
EBITDA	Operating result before depreciation/amortization and impairment of non-current assets.	The measure is used to show profit (loss) from operating activities, regardless of depreciation/amortization.
NET FINANCIAL ITEMS	The total of interest incomes, interest expenses, exchange differences on borrowings and cash equivalents in foreign currencies, other financial income and other financial expenses.	The measure reflects the company's total costs of the external financing.
RETURN MEASURES	DEFINITION/CALCULATION	PURPOSE
RETURN ON CAPITAL EMPLOYED	<p>Operating result plus financial income as a percentage of average capital employed.</p> <p>The average capital employed is calculated by taking the capital employed per period end and the capital employed by period end of the Comparative period in the previous year divided by two.</p>	The measure is used to analyze profitability by putting result in relation to the capital needed to operate the business.
RETURN ON EQUITY	<p>Result for the period according to the income statement as a percentage of average equity.</p> <p>For the parent company it is calculated as result after tax as a percentage of average adjusted equity. In adjusted equity, 78 % of untaxed reserves are included.</p>	The measure is used to analyze profitability over time, given the resources available to the parent company's owners.

CAPITAL MEASURES	DEFINITION/CALCULATION	PURPOSE
EQUITY	The equity reported in the consolidated balance sheet consists of taxed equity increased by the equity portion of the Group's untaxed reserves and noncontrolling interests. Deferred tax liability in untaxed reserves has been calculated at a 22.0 % rate for Swedish companies and at the applicable tax rate for foreign companies in each country outside Sweden.	The measure is the difference between the Group's assets and liabilities, which corresponds to the Group's equity contributed by owners and the Group's accumulated profits.
CAPITAL EMPLOYED	Total assets less provisions and non-interest bearing liabilities, which consist of accounts payable, current tax liabilities, other liabilities and accrued expenses and prepaid income.	The measure indicates how much capital is needed to run the business, regardless of type of financing (borrowed or equity).
WORKING CAPITAL	Total current assets, excluding liquid assets, less shortterm non-interest bearing liabilities.	The measure is used to show how much capital is needed to finance day to day operations.
NET DEBT	Interest-bearing debt (current and non-current) less cash and cash equivalents.	The measure shows financing from borrowings.
STOCK TURNOVER	Goods for resale in the income statement divided by average stock.	The measure is used to show the inventory's turnover per year.
NET DEBT TO EQUITY RATIO	Net debt as a percentage of equity.	The measure helps show financial risk and is useful for management to monitor the level of the company's indebtedness.
NET DEBT IN RELATION TO WORKING CAPITAL	Net debt divided by working capital.	The measure is used to show how much of the working capital is financed through net debt.
INTEREST COVERAGE RATIO	Result before tax plus financial costs divided by financial costs.	The measure is used to calculate the company's ability to pay interest costs.
EQUITY RATIO	Equity as a percentage of total assets.	The measure shows how much of the company's assets are financed by the shareholders through equity. An equity ratio is a measure of financial strenght.
DATA PER SHARE	DEFINITION/CALCULATION	PURPOSE
EQUITY PER SHARE	Equity at the end of the period divided by number of shares at the end of the period.	Equity per share measures the net asset value backing up each share of the company's equity and determines if a company is increasing shareholder value over time.
OTHER MEASURES	DEFINITION/CALCULATION	PURPOSE
EFFECTIVE TAX RATE	Tax on profit for the period as a percentage of result before tax.	This measure enables comparison of income tax across locations where corporate taxes differ.
CASH FLOW FROM OPERATIONS	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities.	The measure is used to show the cash flow generated by the company's operations.
NET INVESTMENTS	Cash flow from investing activities according to the cash flow analysis which includes investments and divestments of buildings, acquisitions, investments in tangible and intangible assets and raised long-term debt.	The measure is used to regularly estimate how much cash is used to maintain operations and for expansion.

New Wave Group is a growth company creating, acquiring and developing promo, sports, gift and interior design trademarks and products.

The group shall achieve synergies by coordinating design, purchasing, marketing, logistics and distribution of the assortment. The group shall offer its products to the promo market and the retail market in order to achieve good risk diversification.

*NewWave*  
G R O U P

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