



LIQUEUR

JOBMAN
WORKWEAR

PROJOB

cottover
WORKWEAR

CRAFT
WORKWEAR

CRAFT
WORKWEAR

Orrefors

KOSTA
BODA
WORKWEAR

ORREFORS

CRAFT

JOBMAN
WORKWEAR

LORD NELSON

nightingale

queen
anneli

KOSTA LINNEAPÄVERI

Orrefors JERNVERK

GIAD
WORKWEAR

No Problem
WORKWEAR

Graphix

DEBET WOLF SWEDEN

GRIZZLY
WORKWEAR

d-vice PROMOTE

TOPPOINT

MAC I ONE
JINGHAM

Printer
ACTIVE WEAR

HARVEST
WORKWEAR

MARKET & FROST
WORKWEAR

2018

YEAR-END REPORT January – December

NewWave
GROUP

TRADEMARKS IN FOCUS

CORPORATE*



SPORTS & LEISURE



GIFTS & HOME FURNISHINGS



* The segment Corporate Promo has been renamed to Corporate.

YEAR-END REPORT NEW WAVE GROUP AB

PERIOD 1 OCTOBER - 31 DECEMBER 2018

- Net sales amounted to SEK 1,943.4 million, which was 19 % higher than last year (SEK 1,630.3 million).
- Operating result amounted to SEK 209.4 (172.5) million.
- Result for the period amounted to SEK 158.9 (146.8) million.
- Earnings per share amounted to SEK 2.42 (2.20).
- Cash flow from operating activities amounted to SEK 174.4 (134.5) million.

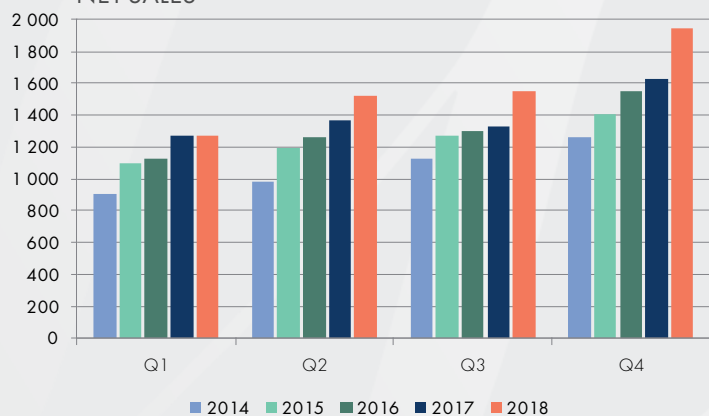
PERIOD 1 JANUARY - 31 DECEMBER 2018

- Net sales amounted to SEK 6,290.6 million, which was 12 % higher than last year (SEK 5,597.3 million).
- Operating result amounted to SEK 482.8 (469.1) million.
- Result for the period amounted to SEK 360.0 (354.0) million.
- Earnings per share amounted to SEK 5.48 (5.34).
- Cash flow from operating activities amounted to SEK 222.6 (207.8) million.
- Equity ratio amounted to 48.6 (50.9) %.
- Net debt to equity ratio amounted to 53.3 (54.1) %.

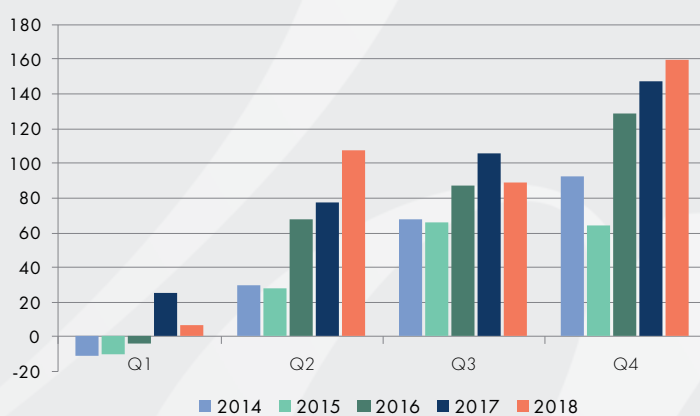
DIVIDEND

The Board of Directors has decided to propose to the AGM a dividend of SEK 2.00 (1.70) per share equal to SEK 132.7 (112.8) million.

NET SALES



RESULT FOR THE PERIOD





CEO COMMENTS

OCTOBER - DECEMBER

The fourth quarter goes down in history as the best so far for New Wave Group. 19 % growth (14 % in local currency) are strong figures. All three segments grew. Corporate* have, for a long time, enjoyed good growth, which also continues, but during this quarter I would like to especially point out: Sports & Leisure with growth of 26 %. Both of our sales channels have good growth, retail by 22 % and promo by 18 %. Operating result increased by 21 %, from SEK 172.5 million to SEK 209.4 million. A positive cash flow from operating activities of SEK 174.4 million is very pleasing, and we are of course with our closing stock 2018, positioned for continued good growth in 2019. Growth for the 18th consecutive quarter with increased annual income each year is very good!

Geographically, I would also like to mention the United States. Growth there is now starting to gather good speed and we obtain a good return on our investments. During the fourth quarter the United States grew by 33 % (24 % in local currency) which is very strong.

FULL YEAR 2018

Sales increased by 12 % (9 % in local currency) and amounted to SEK 6,290.6 million which is the highest yet. Operating result, result before tax and result for the period continue to increase. All three segments had growth, and even both channels i.e. promo and retail. I'm even pleased with our positive cash flow. SEK 59.4 million after investments may not sound all that impressive but with 12 % growth during the year, and the fact that closing stock 2018 has increased in order to have continued growth 2019, I find this gratifying and a sign of strength in my eyes.

It was the fourth year in a row with good growth, from SEK 4,273.6 million 2014 to SEK 6,290.6 million 2018, which gives an organic growth of SEK 2,017.0 million for the period. At the same time, operating result increased from SEK 250.0 million 2014 to SEK 482.8 million 2018 which is almost a doubling.

In 2018, we have made great strides in most of our areas but especially interesting is of course Craft right now. With Craft we have made tremendous progress with our Teamwear/Club investments. Amazingly enough, we were named by the German sports magazine SAZ Sport to Germany's best supplier of Teamwear/Club already 18 months after we launched, which really should not be possible.

The first out in the men's Swedish Football Premier Division was Hammarby, which we are very proud of, and this agreement applies to both men, women and youth. We are also equally proud of all the smaller clubs within cycling, athletics, soccer, running, skiing, wrestling, volleyball and others, which is the base of our business, and we are very proud to operate from grass roots level to elite.

While much focus right now is on Craft, I would also point out the fine development in Corporate* as well as in our promo sales channel. In Kosta, we also saw a change for the better in autumn after the bad summer.

We leave 2018 with a 48.6 % equity ratio, a strong balance sheet and historically low net debt to equity ratio.

THE FUTURE

I will start with a little history. We went public for exactly 21 years ago, in December 1997. Since then we have had growth in turnover from SEK 351.4 million to SEK 6,290.6 million which is 1,690 % or approximately SEK 283 million per year. Operating result during the same period increased from SEK 29.4 million to SEK 482.8 million, an increase of 1,542 %. This despite the fact that we basically lost the years 2009-2011 due to financing problems.

* The segment Corporate Promo has been renamed to Corporate.

From 1994 to 2007 we grew by an average of 37 % in sales and 42 % in operating result, 13 years in a row.


But why is history important? You are investing in the future? That's right, and today New Wave Group is stronger and has better opportunities than ever! We have Craft, where we do not fear anyone, and challenge anyone. We have Cutter & Buck, we have the United States and Canada with high growth, where we made substantial investments which we are now beginning to harvest. We have strong growth in Corporate* and in the promo sales channel. We have a stronger balance sheet than ever and historically a very low level of debt. At the same time, we have a competent, active and hungry management who will deliver! So why would the future be worse than history?

My conviction is that we will continue to deliver growth in both sales and results. But there will certainly be individual quarters where the results will be lower than last year.

Our brands, our sales capacity, our delivery capacity, our products, our motivation, our organization, our balance sheet - has never been better, bigger or stronger.

Thank you to all of our customers, employees and shareholders!


Torsten Jansson, CEO



**The fourth quarter
goes down in history
as the best so far for
New Wave Group.**

* The segment Corporate Promo has been renamed to Corporate.

COMMENTS

SUMMARY OF THE QUARTER OCTOBER - DECEMBER

Net sales increased by 19 % (14 % excluding currency fluctuations) compared with last year. The Group had growth in all segments but mainly within Corporate* and Sports & Leisure, which increased by 18 % and 26 % respectively. Corporate* increased mainly in the United States and Other countries but other regions also had growth. Sports & Leisure had good growth in all regions. Gifts & Home Furnishings increased by 5 % and the improvement occurred in all regions except Sweden which was on par with last year.

The retail sales channel increased by 22 % and the improvement is mainly related to Sports & Leisure. The promo sales channel increased by 18 %, which is attributable to the segments Corporate* as well as Sports & Leisure.

The gross profit margin improved compared with last year and amounted to 46.4 (45.6) %.

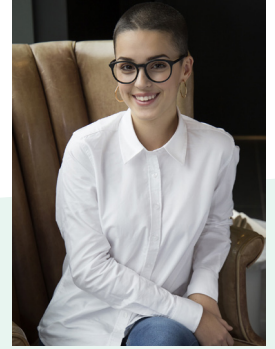
The Group's expenses increased compared to last year. External costs increased mainly due to higher marketing activities but also volume-related costs have contributed to the increase. The increase in personnel costs is due to an increase in the number of employees, mostly in sales, warehouses and customer service.

Operating result increased by SEK 36.9 million compared with last year and amounted to SEK 209.4 (172.5) million. The Group's tax expense increased which is primarily attributable to last year's

positive change in deferred tax liabilities. Most of this change was related to the introduction of a lower corporate tax rate in the United States. The periods result amounted to SEK 158.9 (146.8) million.

Cash flow from operating activities amounted to SEK 174.4 (134.5) million. The higher cash flow is primarily a result of increased operating result. Inventories increased by SEK 587.5 million and amounted to SEK 3,230.9 (2,643.4) million, of which exchange rates have increased the value by SEK 93.5 million. The increase is mainly attributable to new product lines and buildup of inventory in North America.

* The segment Corporate Promo has been renamed to Corporate.



cotover

OCTOBER - DECEMBER

NET SALES

Net sales amounted to SEK 1,943.4 million, which was 19 % higher than last year (SEK 1,630.3 million). Exchange rates affected sales positively by SEK 88.5 million, which corresponds to 5 %.

Net sales in Sweden increased by 7 % and the improvement occurred in both sales channels. USA increased by 33 % and both sales channels had good growth. Exchange rate changes when converted into SEK, affected net sales positively and sales in local currency increased by 24 %. Other Nordic countries had growth of 15 % and even here increased in both sales channels. Net sales in Central and Southern Europe has increased by 10 % and 17 % respectively, which is related to both promo and retail. Here too, changes in exchange rates impacted positively and net sales in local currency increased by 5 % and 12 % respectively. Other countries increased by 55 %, which is related to our operations in Asia and Canada as well as the promo sales channel.

GROSS PROFIT

The gross profit margin improved and amounted to 46.4 (45.6) %. The higher margin is attributable to the operating segments Corporate* and Gifts & Home Furnishings. Sports & Leisure is at the same level as last year.

OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income increased by SEK 5.4 million to SEK 28.3 (22.9) million. Other operating income is mainly attributable to operating currency gains but also invoiced expense and should be compared to the result row "other operating expenses" where mainly currency losses are reported. Other operating expenses increased by SEK 3.7 million and amounted to SEK -9.8 (-6.1) million. The net total of above items amounted to SEK 18.5 (16.8) million.

COSTS AND DEPRECIATION

The Group has previously decided to increase the level of service and to continue with a high level of activity with regard to sales and marketing efforts. These activities have resulted in higher costs and is expected to affect even the coming quarter.

External costs increased by SEK 85.7 million to SEK -390.6 (-304.9) million. The increase is mainly related to the above-mentioned efforts but also volume related costs have contributed. Personnel costs increased by SEK 35.8 million and amounted to SEK -298.0 (-262.2) million, which is mainly due to an increase in the number of employees, mostly in sales, warehouses and customer service. Exchange rates have increased the above costs by SEK 30.7 million.

Depreciation and write-downs was slightly higher than last year and amounted to SEK -21,6 (-18,2) million.

OPERATING MARGIN

The operating margin increased compared to last year and amounted to 10.8 (10.6) %. The increase is related to higher growth and improved gross profit margin.

NET FINANCIAL ITEMS AND TAXES

Net financial items amounted to SEK -12.8 (-13.1) million and this improvement is attributable to lower interest costs.

Tax on profit for the period amounted to SEK -37.7 (-12.6) million. Last year was positively impacted by a change in deferred tax liabilities and tax assets, which was primarily attributable to a reduction in the corporate tax rate in the United States.

RESULT FOR THE PERIOD

Result for the period amounted to SEK 158,9 (146,8) million. Earnings per share amounted to SEK 2.42 (2.20).

* The segment Corporate Promo has been renamed to Corporate.

Gesamt-Ranking		
Lieferant	Note 2018	Note 2017
1. Craft	1,96	-
2. Erima	1,99	1,86
3. Puma	2,06	1,84
4. Uhlsport/Kempa/Spalding	2,11	2,07
5. Jako	2,15	2,17
6. Hummel	2,39	2,33
Derbystar	2,39	2,34
8. Dunlop	2,53	-
9. Adidas	3,40	2,79
10. Nike	3,45	3,25

Craft ranked as the #1 Teamwear supplier in Germany by the magazine SAZ Sport.



SUMMARY OF 2018

Net sales amounted to SEK 6,290.6 million which was an improvement by 12 % (9 % excluding currency changes) compared to last year. The Group has experienced growth in each quarter and has also increased sales in all regions and in both sales channels.

Segment Corporate* increased by 16 %, which is a result of our efforts regarding good delivery service and expanded marketing activities. Besides a well-balanced stock, we have invested in larger warehouses, as well as better IT systems to improve our level of service. In addition, we have launched a number of new products, among others within workwear, which strengthens our overall product portfolio in the segment.

Within Sports & Leisure a number of investments in Craft have started to take effect. Craft Teamwear development continues and has, among other things, been named best supplier within the category "Team Sports" by the German magazine SAZ Sport. Besides all the smaller clubs and associations that make up our base, there are even a number of major European football clubs such as Dresden, Darmstadt, Zwolle and Gent who have chosen to play in Craft's products. Craft has also signed a three-year agreement with Spartan USA. Spartan stages 287 obstacle course races per year in 32 countries, of which about 150 are in the United States. The agreement covers both clothes and shoes and has an estimated sales value of USD 30 million during the three-year agreement term. The agreement may be regarded as a breakthrough for the brand in the United States. Within Cutter & Buck we will continue expanding our sales organization in the United States, but also strengthen our operations in Canada and Europe. The segment has increased its marketing activities during the year and all in all, the efforts produced results. Sales for the segment have increased by 11 % for the whole year, however, growth was 20 % in the second half.

Gifts & Home Furnishings had a growth of 2 %, despite the fact that the hot weather didn't favour the all-important summer months of activities at Kosta. The segment has made a number of start-ups and has expanded marketing efforts which have burdened this year's result.

The promo sales channel increased its net sales by 16 % and the retail sales channel by 8 %. The sales and marketing efforts made during the year have been geared toward both sales channels.

All segments have improved their gross profit margins and for the group as a whole this amounted to 46.6 (46.1) %.

The Group has continued its high level of marketing activities and new employments within sales, warehouses and customer service. Gifts & Home Furnishings has made start-ups in Kosta. Besides the above-mentioned activities, even volume-related costs have contributed to the total cost increase compared to last year.

Net financial items improved due to a new funding agreement which contributed to lower interest rates. The tax expense for the year has increased compared to last year. Last year included a positive change in deferred tax liabilities, which is related to a lower corporate tax rate in the United States. The period's result amounted to SEK 360.0 (354.0) million.

Cash flow from operating activities amounted to SEK 222.6 (207.8) million. This is partly due to a higher operating result but also a higher influx of goods resulting in an increased debt to suppliers. Stocks have risen due to continued stock build-up in Canada as well as new product lines, primarily within Craft and work wear and amounted to SEK 3,230.9 (2,643.4) million. Cash flow from investment activities amounted to SEK-163.2 (-110.6) million, which is mainly related to our investments in distribution centers and IT.

As a result of our stock increase, equity ratio decreased slightly to 48.6 (50.9) %. Net debt increased by SEK 193.7 million and amounted to SEK 1,831.0 (1,637.3) million. Net debt to equity ratio and net debt in relation to working capital decreased and amounted to 53.3 (54.1) % and 57.0 (57.4) % respectively.

* The segment Corporate Promo has been renamed to Corporate.



Hammarby football and Craft - the biggest collaboration in the club's history.



JANUARY - DECEMBER

NET SALES

Net sales amounted to SEK 6,290.6 million, which was 12 % higher than last year (SEK 5,597.3 million). Exchange rates have affected the turnover positively by SEK 185.4 million which corresponds to 3 %. Of the Group's sales channels, promo increased by 16 % and retail by 8 %.

The Group had turnover growth in all regions. Of four sales channels, promo had growth in all regions, while retail increased in five out of six regions (only retail in Southern Europe decreased slightly). Turnover in Sweden increased by 5 %, the United States increased by 11 % (9 % in local currency), Nordic Countries increased by 11 %. Turnover in Central and Southern Europe increased by 11 % (5 % in local currency) and 14 % (8 % in local currency) respectively, as well as Other Countries which increased by 46 %. The improvement in Other Countries is related to Asia and Canada.

GROSS PROFIT

The gross profit margin improved compared with last year and amounted to 46.6 (46.1) %. Improvement occurred in all segments. 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 23.6 million to SEK 74.8 (51.2) million. Other operating income is mainly attributable to operating currency gains but also invoiced expense and should be compared to the result row "other operating expenses" where mainly currency losses are reported. Other operating expenses increased by SEK 19.6 million and amounted to SEK -44.8 (-25.2) million. The net total of above items amounted to SEK 30.0 (26.0) million.

COSTS AND DEPRECIATION

External costs have increased by SEK 207.5 million and amounted to SEK -1,336.4 (-1,128.9) million. The increase is primarily attributable to increased marketing activities and improvement measures in our distribution centers but also volume-related costs have contributed to the increase. Personnel costs amounted to SEK 1,063.0 million which is SEK 122.7 million higher than last year (SEK -940.3 million). The increase is related to the increased number of employees, mostly in sales, warehouses and customer service. Currency changes increased the cost by SEK 61.6 million.

Depreciation and write-downs were higher compared to last year and amounted to SEK -77.9 (-65.3) million. The increase is primarily related to investments in new and existing buildings as well as IT investment.

OPERATING MARGIN

The operating margin amounted to 7.7 (8.4) % where the slightly lower margin is attributable to the cost increases associated with increased activities in sales and marketing as well as improvements in our distribution centers.

NET FINANCIAL ITEMS AND TAXES

Net financial items improved by SEK 11.0 million compared to last year and amounted to SEK -40.9 (-51.9) million. The improvement is related to lower interest costs.

Income taxes in absolute terms amounted to SEK -81.8 (-63.2) million and the tax rate amounted to 18.5 (15.1) %. The lower tax rate last year is primarily due to a change in deferred tax liabilities, which was related to a change in the corporate tax rate in the United States.

RESULT FOR THE PERIOD

Result for the period amounted to SEK 360.0 (354.0) million and earnings per share amounted to SEK 5.48 (5.34).

REPORTING OF OPERATING SEGMENTS

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

CORPORATE*

Net sales for the fourth quarter increased by 18 % and amounted to SEK 977.5 (828.9) million. EBITDA increased by SEK 34.4 million and amounted to SEK 145.0 (110.6) million. It is the promo sales channel which increased and this occurred in all regions. The improved result is related to the increased turnover but the segment also has higher costs in the form of increased sales and marketing activities, as well as costs for the expansion and improvement of distribution centers.

Net sales for the period January - December increased by 16 % and amounted to SEK 3,069.0 (2,648.7) million. EBITDA increased by SEK 63.4 million and amounted to SEK 353.1 (289.7) million. The improved turnover 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 increased and the improvement occurs in all regions. The improved result is mainly related to the increase in turnover.

SPORTS & LEISURE

Net sales for the period October - December increased by 26 % and amounted to SEK 750.1 (596.8) million. EBITDA increased by SEK 14.7 million and amounted to SEK 84.4 (69.7) million. Sales increased in both sales channels whereby promo sales increased by 20 % and retail by 28 %. We had growth in all regions. The improved result is related to the increased turnover but the segment also has higher costs in the form of increased sales and marketing activities.

Net sales for the year increased 11 % and amounted to SEK 2,573.7 (2,311.5) million. EBITDA decreased by SEK 12.1 million and amounted to SEK 218.2 (230.3) million. Sales increased in both sales channels. The segment had growth in most regions. The lower result is related to higher costs, but the segment also had a higher gross profit margin.

GIFTS & HOME FURNISHINGS

Net sales increased 5 % during the fourth quarter and amounted to SEK 215.7 (204.7) million. Sales increased in the retail sales channel and decreased slightly in promo. Growth is occurring in all regions except Sweden which was on par with last year. EBITDA was lower compared with last year and amounted to SEK 1.8 (10.4) million, which is attributable to higher costs.

Net sales for the period January - December amounted to SEK 647.8 (637.1) million. Sales increased in both sales channels. However, the retail sales channel was affected negatively in Kosta during the warm summer months. EBITDA amounted to SEK -10.6 million which was SEK 25,0 million less than last year (SEK 14.4 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 stock amounted to SEK 3,230.9 million and increased by SEK 587.5 million, compared with last year (SEK 2,643.4 million). The increase is related to the Group's continued buildup of stock in North America as well as new product lines. In addition, the currency exchange rates increased the value by SEK 93.5 million. The Group has a well-balanced stock and the level of service is good. The stock value is expected to be at a higher level even during the coming quarter due to our extended promo range. Stock turnover is on par with last year and amounted to 1.1 (1.2) times.

SEK million	2018-12	2017-12
Raw materials	40.3	34.9
Work in progress	14.0	8.7
Goods in transit	222.6	144.0
Merchandise on stock	2 954.0	2 455.8
Total	3 230.9	2 643.4

Inventories were written down by SEK 121.5 (106.0) million and write-down related to merchandise on stock amounted to 4,0 (4.1) %.

Accounts receivable amounted to SEK 1,084.1 (982.8) million where growth is mainly related to the higher turnover.



* The segment Corporate Promo has been renamed to Corporate.



INVESTMENTS, FINANCING AND LIQUIDITY

This quarter's cash flow from operating activities amounted to SEK 174.4 (134.5) million. The slightly higher cash flow is mainly attributable to an improved operating result. Cash flow from investment activities amounted to SEK -39.7 (-37.7) million.

The cash flow from operating activities for January-December improved somewhat and amounted to SEK 222.6 (207.8) million. This is partly due to a higher operating result but also a higher influx of goods resulting in an increased debt to suppliers. Cash flow from investment activities amounted to SEK -163.2 million, which is SEK 52.6 million higher than last year (SEK -110.6 million). The increase is mainly due to investments in distribution centers and IT.

Net debt increased by SEK 193.7 million and amounted to SEK 1,831.0 (1,637.3) million. However, the decline in the net debt to equity ratio and net debt in relation to working capital amounted to 53.3 (54.1) % and 57.0 (57.4) % respectively.

The equity ratio decreased somewhat compared to last year and amounted to 48.6 (50.9) %.

The Group signed a new funding agreement as of 11 April. The total credit line under this agreement amounted to SEK 2,765 million as of 31 December, of which SEK 2 000 million runs until and including March 2022 and USD 30 million has a maturity which runs until and including 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 credit facility.

Based on the present forecast, management estimates that the group will be able to meet these ratios with a satisfactory margin.

PERSONNEL AND ORGANISATION

The number of employees as of 31 December 2018 amounted to 2,605 (2,495) of whom 52 % were female and 48 % were men. Of the total number of employees 603 (631) work in 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 consists of goodwill and trademarks whose 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, which is 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 write-down requirement, the recoverable amount needs to be determined by a calculation of the respective cash-generating unit's useful value. The useful value 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 useful value 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 (2019 - 2023) 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 10.2 (10.3) % before tax is used.

Based on the tests and analyses carried out, there is, in the current situation, no write-down requirement. Nor were there any write-down requirements for the comparison year.

RELATED PARTY TRANSACTIONS

There are lease agreements with related companies. Related companies to CEO have bought merchandise and received payments for consulting services performed. In addition, there are transactions with related parties to immaterial values. All transactions are on market terms.

THE PARENT COMPANY

Total income for the period January-December amounted to SEK 145.6 (92.2) million. Result before appropriations and taxes amounted to SEK 151.1 (298.9) million. The lower result is related to lower dividends from subsidiaries. Net debt amounted to SEK 1,725.3 (1,566.5) million. The parent company's net financing to subsidiaries amounted to SEK 1,665.6 (2,040.3) million. Cash flow from investment activities amounted to SEK -86.6 (-63.5) million. The balance sheet total amounted to SEK 4,368.1 (3,813.5) million and shareholders' equity, including 78 % of untaxed reserves, to SEK 1,961.7 (1,863.6) million.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 17 May at 1.00 p.m. CET in Kosta. The annual report is scheduled to be available on 18 April at the company's headquarters in Gothenburg, Sweden.

DIVIDEND

The Group's dividend policy is that 40 % of the Group's net profit will be distributed over a business cycle. The Board has decided to propose a dividend of SEK 2.00 (1.70) per share, amounting to SEK 132.7 (112.8) million. This proposal corresponds to 37 (32) % of the year's net income.

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 of Svolder

For more information about the nomination committee and its work, please see www.nwg.se.

CALENDAR

25 APR	Interim report for the first quarter
17 MAY	Annual General Meeting 2019
20 AUG	Interim report for the second quarter
7 NOV	Interim report for the third quarter

The company's auditors have not conducted any review of the report for the fourth quarter of 2018.

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, FEBRUARY 7, 2019
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:

CEO
Torsten Jansson
Phone: +46 (0) 31-712 89 01
E-mail: torsten.jansson@nwg.se

CFO
Lars Jönsson
Phone: +46 (0) 31-712 89 12
E-mail: lars.jonsson@nwg.se

This information is information that New Wave Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons detailed above, at 7.00 a.m. CET on 7 February 2019.



CLIQUE
REG. TRADEMARK



KOSTA BODA
ART HOTEL
SWEDEN



CRAFT



PROJOB
SWEDISH WORK WEAR



Orrefors
Sweden

CONSOLIDATED INCOME STATEMENTS

SEK million	3 months Oct - Dec 2018	3 months Oct - Dec 2017	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Net sales	1 943.4	1 630.3	6 290.6	5 597.3
Goods for resale	-1 042.3	-886.8	-3 359.4	-3 018.1
Gross profit	901.1	743.5	2 931.2	2 579.2
Other operating income	28.3	22.9	74.8	51.2
External costs	-390.6	-304.9	-1 336.4	-1 128.9
Personnel costs	-298.0	-262.2	-1 063.0	-940.3
Depreciation and write-downs of tangible and intangible fixed assets	-21.6	-18.2	-77.9	-65.3
Other operating costs	-9.8	-6.1	-44.8	-25.2
Share of associated companies' result	0.1	-2.5	-1.1	-1.6
Operating result	209.4	172.5	482.8	469.1
Financial income	1.5	1.2	5.5	5.1
Financial expenses	-14.2	-14.3	-46.4	-57.0
Net financial items	-12.8	-13.1	-40.9	-51.9
Result before tax	196.6	159.4	441.8	417.2
Tax on result for the period	-37.7	-12.6	-81.8	-63.2
Result for the period	158.9	146.8	360.0	354.0
Other comprehensive income				
Items that can be reclassified into profit or loss				
Translation differences	4.3	43.5	157.3	-54.2
Cash flow hedge	-2.0	2.3	0.5	2.2
Sum	2.2	45.8	157.8	-52.0
Income tax related to components of other comprehensive income	0.5	-0.5	-0.1	-0.5
Total other comprehensive income net after tax for the period	2.7	45.3	157.7	-52.5
Total comprehensive income for the period	161.6	192.0	517.6	301.5
Total comprehensive income attributable to:				
Shareholders of the parent company	160.3	145.6	363.4	354.0
Non-controlling interest	-1.4	1.2	-3.4	0.0
	158.9	146.8	360.0	354.0
Total comprehensive income attributable to:				
Shareholders of the parent company	163.1	190.5	520.2	301.9
Non-controlling interest	-1.6	1.5	-2.6	-0.4
	161.6	192.0	517.6	301.5
Earnings per share (SEK)	2.42	2.20	5.48	5.34
The average number of outstanding shares	66 343 543	66 343 543	66 343 543	66 343 543

CONSOLIDATED CASH FLOW STATEMENT

SEK million	3 months Oct - Dec 2018	3 months Oct - Dec 2017	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Operating activities				
Operating result	209.4	172.5	482.8	469.1
Adjustment for items not included in cash flow	16.9	20.2	74.4	76.4
Received interest	-1.4	1.2	2.2	3.7
Paid interest	-11.4	-14.2	-43.2	-55.5
Paid income tax	-29.4	-24.8	-86.5	-42.7
Cash flow from operating activities before changes in working capital	184.1	154.9	429.7	451.0
Changes in working capital				
Increase/decrease of stock	44.6	129.5	-494.0	-208.5
Increase/decrease of current receivables	-3.6	-78.5	-27.5	-119.7
Increase/decrease of short-term liabilities	-50.7	-71.4	314.4	85.0
Cash flow from changes in working capital	-9.7	-20.4	-207.1	-243.2
Cash flow from operating activities	174.4	134.5	222.6	207.8
Investing activities				
Investments in tangible fixed assets	-37.0	-16.9	-147.1	-86.9
Sales of tangible fixed assets	1.1	3.8	4.3	5.5
Investments in intangible fixed assets	-2.9	-25.5	-15.4	-29.4
Acquisition of financial fixed assets	-0.5	0.0	-2.0	0.0
Raised long-term receivables	-0.3	0.0	-2.9	0.0
Repayment of long-term receivables	0.0	0.9	0.0	0.2
Cash flow from investing activities	-39.7	-37.7	-163.2	-110.6
Cash flow after investing activities	134.7	96.8	59.4	97.2
Financial activities				
Loan raised	0.0	0.0	152.1	0.0
Amortization of loan	-15.9	-54.6	0.0	-16.7
Dividend paid to the shareholders of the parent company	0.0	0.0	-112.8	-89.6
Cash flow from financial activities	-15.9	-54.6	39.3	-106.3
Cash flow for the period	118.8	42.2	98.7	-9.1
Liquid assets at the beginning of the period	192.6	155.6	202.4	218.9
Translation differences in liquid assets	0.8	4.6	11.1	-7.5
Liquid assets at period-end	312.2	202.4	312.2	202.4
Liquid assets				
Cash at bank and in hand	312.2	202.4	312.2	202.4

CONDENCED CONSOLIDATED BALANCE SHEETS

SEK million	31 Dec 2018	31 Dec 2017
ASSETS		
Intangible fixed assets	1 469.4	1 393.9
Tangible fixed assets	587.4	415.5
Shares in associated companies	39.3	53.3
Long-term receivables	13.5	10.2
Deferred tax assets	111.1	91.5
Total non-current assets	2 220.6	1 964.5
Stock	3 230.9	2 643.4
Tax receivables	38.1	21.2
Accounts receivable	1 084.1	982.8
Prepaid expenses and accrued income	85.2	76.5
Other receivables	90.3	62.3
Liquid assets	312.2	202.4
Total current assets	4 840.8	3 988.6
TOTAL ASSETS	7 061.4	5 953.1
EQUITY		
Share capital	199.1	199.1
Other capital contributions	219.4	219.4
Reserves	434.9	279.4
Retained earnings including result for the year	2 561.6	2 308.7
Equity attributable to shareholders of the parent company	3 415.0	3 006.6
Non-controlling interest	19.2	22.6
Total equity	3 434.2	3 029.2
LIABILITIES		
Long-term interest-bearing liabilities	1 795.5	1 757.5
Pension provisions	18.3	16.5
Other provisions	3.1	2.0
Deferred tax liabilities	144.6	129.9
Total non-current liabilities	1 961.6	1 905.9
Short-term interest-bearing liabilities	347.7	82.2
Accounts payable	752.2	536.7
Current tax liabilities	78.0	53.3
Other liabilities	206.6	108.7
Accrued expenses and prepaid income	281.1	237.1
Total current liabilities	1 665.6	1 018.0
Total liabilities	3 627.2	2 923.9
TOTAL EQUITY AND LIABILITIES	7 061.4	5 953.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the year	Sum	Non-control-ling interest	Total equity
Opening balance 2017-01-01	199.1	219.4	337.4	2 038.7	2 794.6	22.6	2 817.2
Result for the year				354.0	354.0	0.0	354.0
Other comprehensive income							
Translation difference			-54.2		-54.2		-54.2
Cash flow hedge			2.2		2.2		2.2
Reclassification of previous years' cash flow hedge			-5.5	5.5	0.0		0.0
Income tax related to components of other comprehensive income			-0.5		-0.5		-0.5
Transactions with shareholders							
Dividends to shareholders of the parent company				-89.6	-89.6		-89.6
Closing balance 2017-12-31	199.1	219.4	279.4	2 308.7	3 006.6	22.6	3 029.2

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the year	Sum	Non-control-ling interest	Total equity
Opening balance 2018-01-01	199.1	219.4	279.4	2 308.7	3 006.6	22.6	3 029.2
Result for the year				363.4	363.4	-3.4	360.0
Other comprehensive income							
Translation difference			157.3		157.3		157.3
Cash flow hedge			0.5		0.5		0.5
Reclassification of previous years' cash flow hedge			-2.2	2.2	0.0		0.0
Income tax related to components of other comprehensive income			-0.1		-0.1		-0.1
Transactions with shareholders							
Dividends to shareholders of the parent company				-112.8	-112.8		-112.8
Closing balance 2018-12-31	199.1	219.4	434.9	2 561.6	3 415.0	19.2	3 434.2

Accumulated translation differences in equity	Year 2018	Year 2017
Accumulated translation differences at the beginning of the year	284.3	338.5
Translation difference in foreign subsidiaries for the year	157.3	-54.2
Accumulated translation differences at end of year	441.6	284.3

FINANCIAL HIGHLIGHTS

	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Sales growth, %	12.4	6.9
Number of employees	2 605	2 495
Gross profit margin, %	46.6	46.1
Operating margin before depreciation, %	8.9	9.5
Operating margin, %	7.7	8.4
Profit margin, %	7.0	7.5
Net margin, %	5.7	6.3
Return on shareholders' equity, %	11.2	12.2
Return on capital employed, %	9.4	9.8
Equity ratio, %	48.6	50.9
Net debt to equity ratio, %	53.3	54.1
Net debt in relation to working capital, %	57.0	54.7
Net debt, SEK million	1 831.0	1 637.3
Interest cover ratio, times	10.5	8.3
Capital turnover, times	1.0	1.0
Stock turnover, times	1.1	1.2
Cash flow before investments, SEK million	222.6	207.8
Net investments, SEK million	-163.2	-110.6
Cash flow after investments, SEK million	59.4	97.2
Shareholders' equity per share, before and after dilution, SEK	51.76	45.66
Share price as at December 31, SEK	47.40	54.50
Dividend/share, SEK	1.70	1.35
P/E-ratio	8.70	10.20
P/S-ratio	0.50	0.60
Share price/Shareholders' equity	0.90	1.20

For definition of alternative performance measures, please go to p. 31.

INCOME STATEMENT

SEK million	3 months Oct - Dec 2018	3 months Oct - Dec 2017	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Net sales	31.0	7.5	105.3	69.8
Other operating income	11.0	6.7	40.4	22.4
Total income	42.0	14.2	145.6	92.2
External costs	-24.6	-6.0	-77.1	-65.2
Personnel costs	-9.9	-8.9	-35.7	-29.3
Depreciation of tangible and intangible fixed assets	-1.6	-1.4	-6.4	-5.2
Other operating costs	-6.9	-3.8	-32.6	-19.2
Operating result	-1.0	-6.0	-6.2	-26.7
Net income from shares in Group companies	86.3	131.7	141.3	387.2
Write-down of financial fixed assets	0.0	-66.4	0.0	-76.5
Financial income	12.3	16.3	49.4	66.5
Financial expenses	-8.1	-12.4	-33.5	-51.7
Net financial items	90.5	69.2	157.3	325.6
Result before appropriations and tax	89.5	63.2	151.1	298.9
Appropriations	56.9	61.0	56.9	61.0
Tax on result for the period	-13.2	-11.1	-14.6	-9.9
Result for the period	133.2	113.1	193.3	350.0

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

CASH FLOW STATEMENT

SEK million	3 months Oct - Dec 2018	3 months Oct - Dec 2017	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Operating activities				
Operating result	-1.0	-6.0	-6.2	-26.7
Adjustment for items not included in cash flow	1.8	1.4	6.4	5.2
Received dividends	0.0	42.7	0.0	42.7
Received interest	12.3	16.3	49.4	66.5
Paid interest	-8.1	-12.4	-33.5	-51.7
Paid income tax	-3.6	-7.0	-16.0	-5.8
Cash flow from operating activities before changes in working capital	1.5	35.1	0.2	30.2
Changes in working capital				
Decrease/increase in stock	0.0	0.0	0.0	0.0
Decrease/increase in current receivables	76.6	151.9	-197.7	298.7
Decrease/increase on short-term liabilities	-57.8	-92.8	271.8	-116.2
Cash flow from changes in working capital	18.7	59.1	74.1	182.5
Cash flow from operating activities	20.2	94.2	74.3	212.8
Investing activities				
Shareholders contribution to subsidiaries	-2.3	0.0	-39.5	-56.4
Repayment of shareholders contribution from subsidiaries	0.0	0.0	9.4	0.0
Shareholders contribution to associated company	-0.5	0.0	-2.0	0.0
Investments in tangible fixed assets	-0.1	-0.2	-0.5	-0.7
Investments in intangible fixed assets	-0.1	-4.8	-1.8	-6.4
Long term loan given to subsidiaries	-50.1	0.0	-50.1	0.0
Amortization of loan	-2.0	0.0	-2.0	0.0
Cash-flow from investing activities	-55.1	-5.1	-86.6	-63.5
Cash-flow after investing activities	-34.9	89.1	-12.3	149.3
Loan raised	39.0	0.0	128.3	0.0
Loan amortized	0.0	-98.3	0.0	-62.9
Dividend paid to shareholders of the parent company	0.0	0.0	-112.8	-89.6
Cash-flow from financial activities	39.0	-98.3	15.5	-152.5
Cash flow for the period	4.1	-9.2	3.2	-3.2
Liquid assets at the beginning of the period	0.4	10.5	1.3	4.5
Liquid assets at period-end	4.5	1.3	4.5	1.3
Liquid assets				
Cash at bank and in hand	4.5	1.3	4.5	1.3

BALANCE SHEET

SEK million	31 Dec 2018	31 Dec 2017
ASSETS		
Fixed assets		
Intangible fixed assets	11.0	14.2
Tangible fixed assets	3.3	4.1
Financial assets		
Shares in Group companies	2 324.6	1 517.7
Shares in associated companies	43.0	54.5
Receivables on Group companies	370.4	903.2
Other long-term receivables	4.5	2.4
Total financial assets	2 742.5	2 477.8
Total fixed assets	2 756.8	2 496.1
Current assets		
Current receivables		
Stock	0.0	0.0
Accounts receivable	0.0	0.0
Receivables on Group companies	1 563.7	1 283.2
Tax receivables	4.0	0.0
Other receivables	29.7	25.2
Prepaid expenses and accrued income	9.5	7.6
Total current receivables	1 606.8	1 316.0
Cash at bank and in hand	4.5	1.3
Total current assets	1 611.3	1 317.3
TOTAL ASSETS	4 368.1	3 813.5
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	199.1	199.1
Restricted reserves	249.4	249.4
	448.5	448.5
Unrestricted equity		
Retained earnings	1 234.5	997.3
Share premium reserve	48.0	48.0
Result for the year	193.3	350.0
	1 475.8	1 395.3
Total equity	1 924.3	1 843.8
Untaxed reserves	47.9	25.4
Non-current liabilities		
Overdraft facilities	1 214.8	1 308.9
Bankloan	214.5	197.6
Total non-current liabilities	1 429.3	1 506.5
Current liabilities		
Short-term interest-bearing liabilities	300.5	61.3
Accounts payable	366.5	217.1
Liabilities to Group companies	268.5	146.1
Current tax liability	8.3	5.7
Other liabilities	16.2	1.1
Accrued expenses and prepaid income	6.5	6.4
Total current liabilities	966.6	437.8
TOTAL EQUITY AND LIABILITIES	4 368.1	3 813.5

CHANGES IN EQUITY

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the year	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 year					350.0	350.0
Total change in net assets excluding transactions with shareholders	0.0	0.0	0.0	0.0	350.0	350.0
Dividends			-89.6			-89.6
Closing balance 2017-12-31	199.1	249.4	997.3	48.0	350.0	1 843.8

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the year	Total equity
Opening balance 2018-01-01	199.1	249.4	997.3	48.0	350.0	1 843.8
Transfer according to Annual General meeting			350.0		-350.0	0.0
Result for the year					193.3	193.3
Total change in net assets excluding transactions with shareholders	0.0	0.0	0.0	0.0	193.3	193.3
Dividends			-112.8			-112.8
Closing balance 2018-12-31	199.1	249.4	1 234.5	48.0	193.3	1 924.3

NOTES

ACCOUNTING PRINCIPLES

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.

For a more detailed description of the new accounting principles, see the Annual Report for 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.

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.

NEW ACCOUNTING PRINCIPLES FOR 2019

As of January 1, 2019, IFRS 16 Leases replaces the current standard IAS 17 Leases. The standard removes the splitting of leases into either operational or financial leasing for the lessee, as required by IAS 17, and instead introduces a common model for reporting of all leases. IFRS 16 will result in virtually all leases being recognized onto the balance sheet. According to the new standard, lessees must report the obligation to pay the leasing fees as a leasing debt in the balance sheet. The right to utilize the underlying asset during the lease term is reported as a right of use asset. Depreciation of the asset is recognized in the profit and loss statement, as well as an interest expense on the lease debt. Leasing fees paid are reported partly as interest expenses and partly as amortization of the lease debt.

The standard excludes leasing agreements with a lease term of less than 12 months (short-term lease agreements) and leasing agreements for assets that have a low value. The Group has chosen to use these relief rules. The Group has also chosen to apply the simplification rule for the definition of leasing agreements and include non-leasing components as part of the right of use assets and the leasing debt.

The Group will apply the simplified transition method and will not recalculate the comparative figures. The simplification rule, that the right of use asset shall correspond to the leasing debt, has been applied at the transition.

During the past year, the Group has reviewed all of the Group's leasing agreements as a result of the new rules in IFRS 16. The standard will primarily affect the accounting of the Group's operating leases, which for the most part consist of lease agreements for office premises, warehouses and cars.

RISKS AND RISK CONTROL

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.

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 Oct - Dec 2018	3 months Oct - Dec 2017	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Corporate *				
Net sales	977.5	828.9	3 069.0	2 648.7
EBITDA	145.0	110.6	353.1	289.7
Sports & Leisure				
Net sales	750.1	596.8	2 573.7	2 311.5
EBITDA	84.4	69.7	218.2	230.3
Gifts & Home furnishings				
Net sales	215.7	204.7	647.8	637.1
EBITDA	1.8	10.4	-10.6	14.4
Total net sales	1 943.4	1 630.3	6 290.6	5 597.3
Total EBITDA	231.0	190.7	560.7	534.4
Total EBITDA	231.0	190.7	560.7	534.4
Depreciation and write down	-21.6	-18.2	-77.9	-65.3
Net financial items	-12.8	-13.1	-40.9	-51.9
Result before tax	196.6	159.4	441.8	417.2

NET SALES PER SALES CHANNEL

SEK million	3 months Oct - Dec 2018	3 months Oct - Dec 2017	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Sales channel promo				
Corporate *	952.0	807.7	2 981.4	2 575.6
Sports & Leisure	197.5	164.3	690.7	587.1
Gifts & Home Furnishings	32.8	33.4	85.6	84.1
Total	1 182.3	1 005.4	3 757.7	3 246.8
Sales channel retail				
Corporate *	25.7	21.2	87.7	73.1
Sports & Leisure	552.5	432.4	1 883.0	1 724.4
Gifts & Home Furnishings	182.9	171.3	562.1	553.0
Total	761.1	624.9	2 532.8	2 350.5
Total net sales	1 943.4	1 630.3	6 290.6	5 597.3

* The segment Corporate Promo has been renamed to Corporate.

NET SALES PER GEOGRAPHIC AREA

SEK million	3 months Oct - Dec 2018	Part of net sales	3 months Oct - Dec 2017	Part of net sales	Change SEK million	Change %
Sweden	508.5	26%	475.7	29%	32.7	7%
USA	482.0	25%	362.5	22%	119.5	33%
Nordic countries excl. Sweden	226.7	12%	196.7	12%	30.0	15%
Central Europe	297.3	15%	271.4	17%	25.8	10%
Southern Europe	223.3	11%	190.9	12%	32.5	17%
Other countries	205.6	11%	133.0	8%	72.6	55%
Total	1 943.4	100%	1 630.3	100%	313.1	19%

SEK million	12 months Jan - Dec 2018	Part of net sales	12 months Jan - Dec 2017	Part of net sales	Change SEK million	Change %
Sweden	1 529.9	24%	1 463.8	26%	66.1	5%
USA	1 579.7	25%	1 423.7	25%	156.0	11%
Nordic countries excl. Sweden	807.1	13%	727.7	13%	79.4	11%
Central Europe	986.4	16%	891.1	16%	95.3	11%
Southern Europe	716.5	11%	630.8	11%	85.7	14%
Other countries	670.9	11%	460.2	8%	210.7	46%
Total	6 290.6	100%	5 597.3	100%	693.3	12%

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	Depreciation and write-downs	Total liabilities
31 Dec 2018						
Corporate **	3 564.8	682.9	38.4	-101.0	-40.4	2 274.8
Sports & Leisure	2 757.3	1 087.5	50.1	-33.9	-32.6	860.2
Gifts & Home Furnishings	739.3	286.4	22.5	-28.2	-4.9	492.2
Total	7 061.4	2 056.8	111.1	-163.2	-77.9	3 627.2
31 Dec 2017						
Corporate **	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
Total	5 953.1	1 809.5	91.5	-110.6	-65.3	2 923.9

* Fixed assets classified as financial assets are not included.

** The segment Corporate Promo has been renamed to Corporate.

FIXED ASSETS AND DEFERRED TAX ASSETS PER GEOGRAPHIC AREA

	31 Dec 2018	Deferred tax assets	31 Dec 2017	Deferred tax assets
	Fixed assets*		Fixed assets*	
Sweden	593.0	16.8	496.2	14.3
USA	988.2	53.8	916.0	39.4
Nordic countries excl. Sweden	63.1	4.8	34.2	4.1
Central Europe	230.7	12.9	208.5	23.2
Southern Europe	140.0	17.1	94.4	4.9
Other countries	41.9	5.7	60.1	5.6
Total	2 056.8	111.1	1 809.4	91.5

* Fixed assets classified as financial assets are not included.

FINANCIAL INSTRUMENTS

SEK million	31 Dec 2018	31 Dec 2017
Assets at fair value (derivatives)	0.5	2.5
Assets at amortised cost	1 498.3	1 254.8
Total financial assets	1 498.8	1 257.3
Liabilities at fair value (derivatives)	1.2	1.3
Liabilities at amortised cost	3 373.9	2 715.1
Total financial liabilities	3 375.1	2 716.4

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.

PLEGGED ASSETS AND CONTINGENT LIABILITIES

GROUP	31 Dec 2018	31 Dec 2017
Pledged assets		
SEK million		
Floating charges	537.5	543.5
Property mortgages	171.8	183.2
Net assets in subsidiaries	3 158.1	2 152.0
Stocks and accounts receivable	521.0	465.9
Total	4 388.5	3 344.7
Contingent liabilities		
SEK million		
Duty guarantees	10.0	16.3
Rent guarantees	189.1	104.8
PRI	2.0	2.0
Other guarantees	0.4	1.9
Guarantees for associated companies	6.0	6.0
Total	207.5	131.0
PARENT COMPANY		
Pledged assets		
Floating charges	30.0	30.0
Shares in subsidiaries	1 771.4	1 152.3
Shares in related companies	8.3	8.3
Total	1 809.7	1 190.6
Contingent liabilities		
SEK million		
Guarantees for subsidiaries	940.1	671.5
Total	940.1	671.5

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	1 943.4	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	-1 042.3	-692.8	-745.7	-692.8	-886.8	-616.3	-685.0	-693.3	-832.3
Gross profit	595.4	719.0	715.8	901.1	571.4	626.0	638.2	743.5	514.5	572.3	607.1	716.3
Gross profit margin, %	46.8	47.2	46.1	46.4	45.2	45.6	47.9	45.6	45.5	45.5	46.7	46.3
Other operating income	15.9	11.3	19.3	28.3	10.9	7.0	10.4	22.9	9.4	12.2	14.5	14.9
External costs	-317.2	-305.1	-323.5	-390.6	-288.6	-270.1	-265.4	-304.9	-279.8	-249.6	-268.5	-300.1
Personnel costs	-246.4	-260.9	-257.7	-298.0	-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	-21.6	-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	-9.8	-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	0.1	0.4	0.2	0.6	-2.5	0.2	-0.2	0.0	0.2
Operating result	18.6	137.3	117.5	209.4	43.2	110.5	143.0	172.5	8.1	100.2	124.9	167.0
Financial income	1.5	1.8	0.7	1.5	1.3	1.0	1.6	1.3	1.2	0.9	1.0	0.0
Financial expenses	-11.7	-8.2	-12.3	-14.2	-13.8	-14.1	-14.8	-14.3	-15.0	-15.7	-16.4	-15.9
Result before tax	8.4	130.9	105.9	196.6	30.7	97.4	129.8	159.4	-5.7	85.4	109.5	151.1
Tax	-2.4	-24.2	-17.5	-37.7	-5.8	-20.3	-24.5	-12.6	1.1	-18.4	-23.0	-23.3
Result for the period	6.0	106.8	88.4	158.9	24.9	77.0	105.3	146.8	-4.6	67.0	86.5	127.8
<i>Total other comprehensive income net after tax for the period</i>	71.7	121.1	-37.8	2.7	-12.2	-42.4	-43.3	45.3	-15.5	47.2	26.4	35.1
Total comprehensive income for the period	77.7	227.9	50.5	161.6	12.7	34.7	62.0	192.1	-20.1	114.2	112.9	162.9
Earnings per share before and after dilution (SEK)*	0.10	1.60	1.36	2.42	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
Gross profit	500.4	532.2	574.2	631.8	410.8	451.5	500.4	589.9	420.5	466.2	470.1	513.6
Gross profit margin, %	45.7	44.7	45.1	45.0	45.2	45.9	44.6	46.8	47.9	46.8	45.4	45.1
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
Operating result	1.8	48.7	96.3	108.4	-5.9	48.0	95.7	112.2	16.1	70.2	92.8	111.6
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
Result before tax	-13.3	35.0	78.7	80.5	-14.2	38.6	84.7	98.9	0.1	55.5	79.7	99.2
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
Result for the period	-10.9	27.8	65.1	63.3	-11.3	29.4	66.9	91.9	0.1	38.9	57.8	90.3
<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
Total comprehensive income for the period	90.8	-16.1	72.2	26.4	-9.9	82.9	120.0	183.1	-38.8	96.7	26.3	126.9
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

Quarter	2018				2017				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash flow from operating activities before changes in working capital	1.2	128.3	116.1	184.1	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	44.6	-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	-3.6	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	-50.7	-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	-9.7	-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	174.4	33.6	50.1	-10.4	134.5	63.9	88.6	15.5	280.9
Investing activities	-39.8	-41.6	-42.1	-39.7	-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	134.7	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	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	-15.9	-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	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	-15.9	-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	118.8	-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	192.6	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	0.8	-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	312.2	191.9	178.9	155.6	202.4	136.3	157.1	172.9	218.9
Quarter	2015				2014				2013			
	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 13,780 (14,509) on 31 December, 2018. Institutional investors accounted for 46 % of the capital and 13 % of the votes. At the same time the ten largest shareholders held 68 % of the capital and 91 % of the votes. Non-Swedish shareholders accounted for 14 % of the capital and 4 % of the votes.

NEW WAVE GROUP'S TEN MAJOR SHAREHOLDERS 2018-12-31

Shareholder	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson through companies	22 549 881	199 919 001	34.0%	82.0%
Avanza Pension	4 981 864	4 981 864	7.5%	2.0%
Fjärde AP-Fonden	3 317 567	3 317 567	5.0%	1.4%
Svolder AB	2 895 000	2 895 000	4.4%	1.2%
Unionen	2 653 000	2 653 000	4.0%	1.1%
City Bank New York	2 438 672	2 438 672	3.7%	1.0%
State Street Bank	1 735 232	1 735 232	2.6%	0.7%
Spiltan Aktiefonder	1 616 568	1 616 568	2.4%	0.7%
Hans Diding	1 333 000	1 333 000	2.0%	0.5%
Handelsbanken fonder	1 294 991	1 294 991	2.0%	0.5%
Total	44 815 775	222 184 895	67.6%	91.2%

SHAREHOLDER DISTRIBUTION IN NEW WAVE GROUP 2018-12-31

	Number of shares	Number of votes	Capital %	Votes %
Sweden	57 190 631	234 559 751	86.2%	96.2%
Shareholders outside Sweden, excl.USA	3 960 360	3 960 360	6.0%	1.6%
USA	5 192 552	5 192 552	7.8%	2.1%
Total	66 343 543	243 712 663	100.0%	100.0%

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	Operating result plus financial income as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed by period end of the Comparative period in the previous year divided by two.	The measure is used to analyze profitability by putting result in relation to the capital needed to operate the business.
RETURN ON EQUITY	Result for the period according to the income statement as a percentage of average equity. 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.	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.

New Wave
G R O U P

NEW WAVE GROUP AB (publ) Corp. id number 556350-0916

Kungsporsavenyen 10, SE-411 36 Gothenburg

Phone +46 (0) 31 712 89 00 | info@nwg.se

www.nwg.se