

2016

BUSINESS
STRATEGY
CORPORATE
GOVERNANCE



NewWave
G R O U P



TOPPOINT



JOBMAN
WORKWEAR



J. HARVEST & FROST
CORPORATE DRESSWEAR

2 | NWG 2016



KOSTA BODA
SWEDEN 1742



cottover
people & planet

NewWave

G R O U P

Is a growth company that designs, acquires and develops brands and products in the corporate promo, sport, gifts and home furnishings sectors.

The Group will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range.

To ensure good risk diversification, the Group will market its products in the corporate promo market and the retail market.

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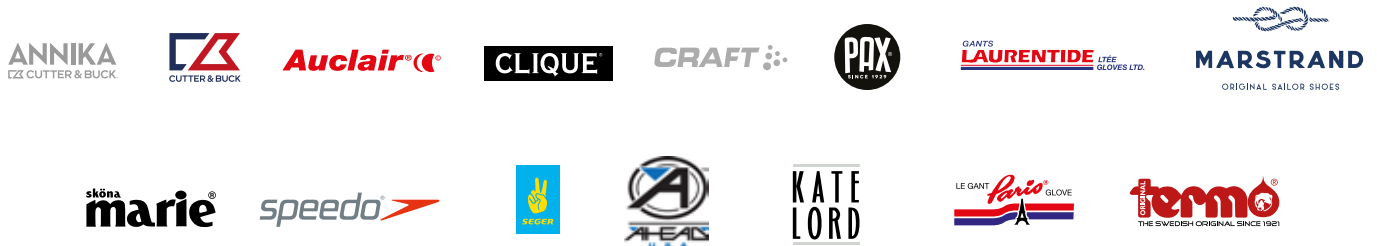
ANNUAL
GENERAL MEETING

NEW WAVE GROUP'S
BRANDS

CORPORATE PROMO



SPORTS & LEISURE



GIFTS & HOME FURNISHINGS



2016

IN SUMMARY

- Sales amounted to SEK 5,237 million, which was 5 % higher than last year (SEK 4,965 million).
- Operating profit amounted to SEK 400.2 (255.2) million.
- Operating margin amounted to 7.6 (5.1) %.
- Result for the period amounted to SEK 276.7 (145.3) million.
- Earnings per share amounted to SEK 4.16 (2.16).
- Cash flow from operations amounted to SEK 448.9 (129.5) million.
- Equity ratio amounted to 48.4 (45.9) %.
- Net debt to equity ratio amounted to 62.1 (76.8) %.
- The Board of Directors propose a dividend of 1.35 (1.00) SEK per share.

EVENTS IN BRIEF

We have in 2016 continued the work we started in autumn 2014, which meant that we shall improve our delivery performance, expand our product range and allocate more resources for sales and marketing. The Group's turnover rose by 5 % compared with last year and amounted to SEK 5,237 (4,965) million. Most of the efforts have continued within the promo sales channel and mainly in the operating segment Corporate Promo. The operating segment Corporate Promo increased its sales by 11 % and we have growth in all regions. Sports & Leisure's turnover was on par with last year in both sales channels. We have an increase in the Swedish and European markets while we decreased in the USA. Gifts & Home Furnishings increase its turnover by 6 %, which is related to the retail sales channel in Sweden.

Last year's comprehensive advertising and marketing has continued even in 2016. However, we have not increased the overall cost but mainly redeployed between different activities. Personnel costs have increased as we have employed more people within sales and customer service. Staff costs will also increase 2017, when the full cost impact occurs for the appointments made during 2016.

At the beginning of the year, the Group increased its inventory level and thereby created good sales opportunities while at the same time ensuring good delivery security. Inventories as of 31 December 2016 amounted to SEK 2,496 (2,448) million and turnover rate amounted to 1.1 (1.2). In line with inventories reaching the desired level, working capital improved and the group showed a positive cash flow from operations for the full year that amounted to SEK 448.9 (129.5) million.

The balance sheet remains strong and the equity ratio improved by 2.5 percentage points and amounted to 48.4 (45.9) %. Our net debt decreased by SEK 180 million and amounted to SEK 1,749 (1,929) million as of 31 December.

SOME EVENTS IN 2016 THAT SHOULD BE NOTED ARE:

- Craft has signed a new contract with the Swedish Ski Association.
- Cutter & Buck and AHEAD was a supplier to the Ryder Cup.
- Our eco-labelled brand Cottover was launched in Norway, Denmark, Belgium and Switzerland.
- We continue strengthening our sustainable range by introducing spin coloured fabrics, which significantly reduces the consumption of water and energy in the production process.



CORPORATE PROMO

Sales amounted to SEK 2,389 million which was 11% higher than prior year (SEK 2,152 million). EBITDA improved by SEK 84.4 million and amounted to SEK 250.8 (166.4) million. The increased turnover was due to increased marketing activities and higher service levels. Growth occurred in all regions. The gross profit margin improved slightly, and the segment has even higher marketing costs.



SPORTS & LEISURE

Sales was at the same level as last year and amounted to SEK 2,261 (2,258) million. The EBITDA however improved by SEK 51.4 million to SEK 194.5 (143.1) million. Sales increased in the Nordic countries and in Europe as well as in the promo sales channel. Retail decreased somewhat in the American market. The higher result is mainly attributable to savings but also last year's costs in connection with the decision to reduce operations in Russia (SEK -8.1 million).

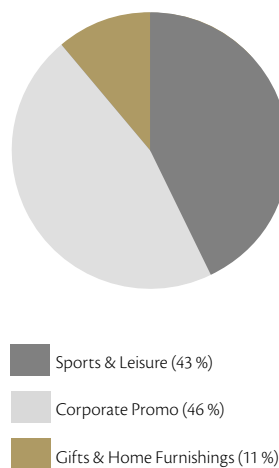


GIFTS & HOME FURNISHINGS

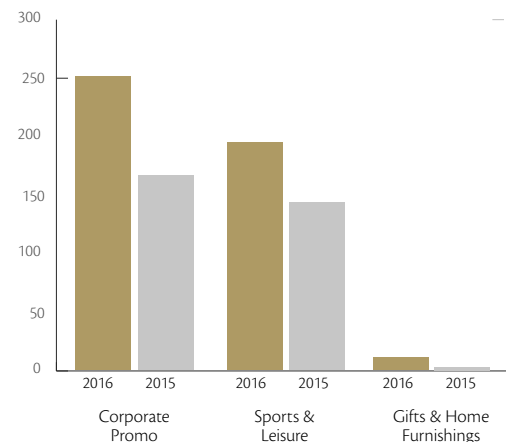
Sales increased by 6% and amounted to SEK 588 (554) million. The EBITDA improved by SEK 8.0 million to SEK 10.8 (2.8) million. Sales grew in the retail sales channel and mainly in the Swedish market. The improvement is mainly turnover related but also a slightly higher gross profit has affected positively. The segment has also, however, higher costs for sales and marketing efforts.

KEY FIGURES	2016	2015
Sales, SEK million	5 237.1	4 964.7
EBITDA, SEK million	456.1	312.3
Operating profit, SEK million	400.2	255.2
Result before tax, SEK million	340.3	180.9
Gross profit margin, %	46.0	45.1
Equity, SEK million	2 817.2	2 513.6
Return on equity, %	10.4	6.0
Return on capital employed, %	8.6	5.8
Net debt/equity, %	62.1	76.8
Net debt through operating capital, %	64.7	71.7
Equity ratio, %	48.4	45.9
Number of employees	2 396	2 358
Profit per share, SEK	4.16	2.16
Equity per share, SEK	42.46	37.89

SALES PER OPERATING SEGMENT, SEK MILLION



EBITDA PER OPERATING SEGMENT, SEK MILLION



CEO COMMENTS

2016

Almost satisfied ... We have now had organic growth of almost 1 200 MSEK over three years, of which 272 MSEK in 2016. It's a strong performance that is the result of investments we have made in brands, organisation and, not least, in products and CSR. We have even had a significantly higher delivery reliability and service. I also think that many of you have seen and noted that our marketing has been aggressive during the past few years. The combination of these measures has produced a very good result on sales.

RESULT

We increased operating income increased by 57 % to 400.2 MSEK and result for the period by 90 % to 276.7 MSEK. I am very satisfied with the improvement, but we should continue to increase operating margin. Our entire organisation is fully aware that we are a long way from our goal, but we took a big step in the right direction in 2016.

CASH FLOW

Given that we have increased sales for three consecutive years, our cash flow from operations of 448.9 MSEK is very strong. This is encouraging and gives us the resources for continued investment.

BALANCE SHEET

Our balance sheet is now strong with an equity ratio of 48.4 %. Our net debt is 62.1 % and these key ratios are among the strongest we have ever had. This gives us great security, but also the possibility of further expansion both organically and through acquisitions.

FUTURE

As for the future, I continue to be optimistic. We should be able to continue to increase our turnover and improve our ratios. The launches we made in 2014-2016, for example J. Harvest & Frost and Cottover, are still far from their potential. Craft Teamwear was launched in January 2017 and will be followed by Craft shoes (mainly for running) during 2018. It is my belief that these two new product areas will give Craft a real sales lift for 3-5 years.

We invest continuously in our CSR work which of course covers much, much more than the unique collection we launched under the name Cottover. Purely business wise, this is not profitable today, but it has given us a major head start compared with our competitors within Corporate Promo.

I want to both thank and tell you that I now have an amazing organization that is bursting with energy, joy and the desire to succeed! This together with satisfied customers is extremely important.

I am convinced that our growth, in terms of both sales and profit, has only just begun. Then, as I usually write, some quarters maybe worse. The reason might be a larger establishment. We are also in the face of expanding efforts both in Canada and Poland, and maybe a few more countries over the next two years. We feel that we have a good position compared to our competitors, no matter if we are talking economic strength, brands, products, CSR or something else!



TORSTEN JANSSON
MD and CEO



ABOUT NEW WAVE GROUP

BUSINESS CONCEPT

New Wave Group is a growth company that designs, acquires and develops brands and products in the corporate promo, sports, gifts and home furnishings sectors. The Group will achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of its product range. To ensure good risk diversification, the Group will market its products in the promo market and the retail market.

VISION

The vision for the Corporate Promo operating segment is to become the leading supplier in Europe and one of the leading suppliers in the USA of promotional products by offering retailers a broad product range, strong brands, advanced expertise and service, and a superior all-inclusive concept.

The vision for the Sports & Leisure operating segment involves establishing Craft as a world-leading sportswear brand, and making Cutter & Buck a world-leading golf apparel brand. The vision also entails to strengthening Speedo in the Swedish, Norwegian and Danish markets. The brand Auclair should take a leading position on gloves in Europe and we will also use Paris Glove's strong distribution platform to launch the Group's other brands in Canada. All in all, we want to become the leading sports supplier in both Sweden and the other European countries, as well as in the USA. Our vision is also to make PAX the leading children's footwear brand in northern Europe.

The vision for the Gifts & Home Furnishings operating segment is to make Orrefors and Kosta Boda world-leading glass and crystal suppliers. Furthermore, the vision also involves utilising innovative and playful design to make Sagaform a prominent player in Northern Europe in both the promo and retail markets. The Group's ambition is to become a prominent supplier in the North American promo market through its presence in the USA and Canada.

STRATEGY

To realise its targets, New Wave Group's strategy involves:

Acquiring, launching and developing the brands in the corporate promo, sports, gifts and home furnishings sectors launching the brands and organisations in new geographic markets spreading the Group's values to new and acquired companies

NEW WAVE GROUP'S VALUES

New Wave Group is a decentralised organisation and the Group's values are its guiding principle. We are dedicated to upholding and spreading New Wave Group's values within the Group and particularly when acquiring new companies. New Wave Group does its utmost to find inexpensive, simple solutions and adheres to the motto "a penny saved is a penny earned".

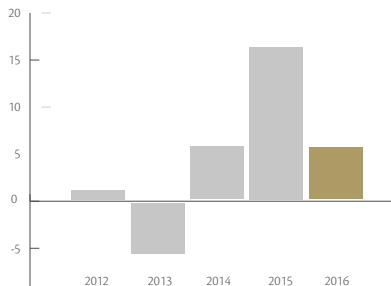
It takes hard work to outperform competitors. Employees must have the conviction to take initiative and to learn from their mistakes in a decentralised organisation. Customer focus is a central principle for the organisation as a whole and imperative to doing our utmost.

GROWTH & PROFITABILITY TARGETS

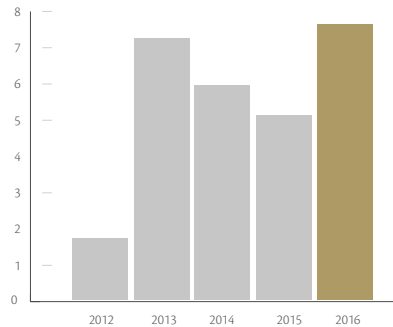
New Wave Group strives for sustainable, profitable sales growth through expansion in its three operating segments, Corporate Promo, Sports & Leisure and Gifts & Home Furnishings. Over a

period of one business cycle, the Group's growth target is between 10 and 20% per year, of which between 5 and 10% is organic growth and a 15% operating margin. In addition, New Wave Group aims for at least 30% equity ratio over one business cycle.

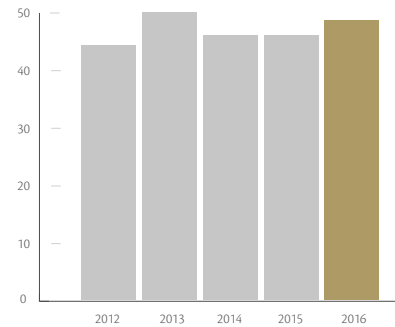
GROWTH, %



OPERATING MARGIN, %



EQUITY RATIO, %



HISTORY

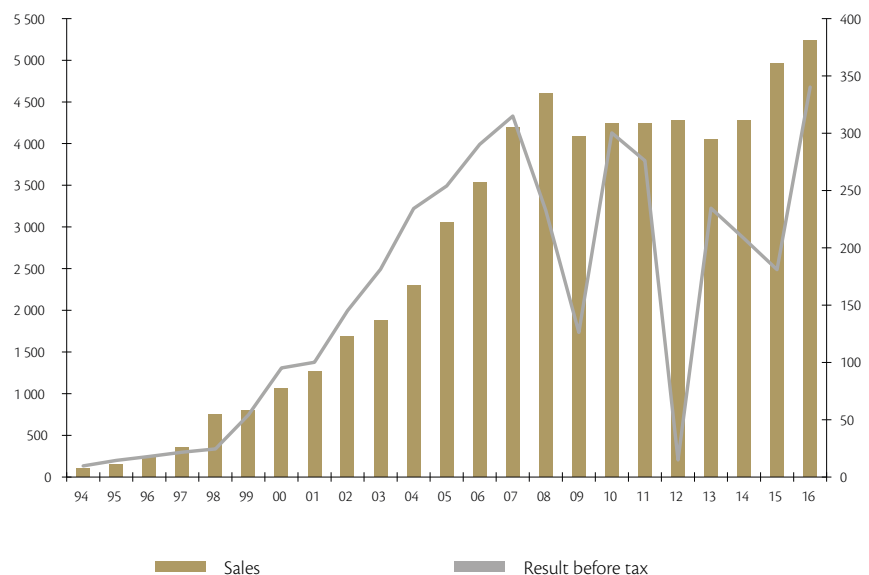
New Wave Group was established in 1990 in Sweden and Norway and in 1994 in Finland. The Group ranks as market leader in these markets, with an estimated promowear market share of about 20%. In 1996 Craft was acquired, which established sales in the retail operating segment. With its 2001 acquisition of Sagaform, New Wave Group moved into promotional gifts, which generated substantial synergies with the Group's other promo activities. In 2003, New Wave Group developed its own workwear concept under the ProJob brand and sealed the venture with the acquisition of Jobman. Following its launch in workwear, New Wave Group is currently the only supplier to cover all three segments (promowear, promotional gifts and workwear) in the promo sector. To further strengthen the Group's gifts and giveaways segment the Orrefors Kosta Boda Group was acquired in late 2005. Cutter & Buck was acquired in 2007 and secured a sound foothold in the North American market. The Group's presence in

North America was further strengthened during 2011 when AHEAD Inc and Paris Glove of Canada Ltd were acquired, and 2013 when the distribution of Craft's products were acquired.

The Group has gradually expanded and set up organisations in Europe, North

America and Asia. New Wave Group has established sales organisations and its own subsidiaries in 17 countries. Sales in non-Swedish markets make up about 76% of the Group's sales and amount to SEK 4,001 million. Sweden and USA are the Group's most important markets. Together they have 50% of the Group's turnover.

SEK million



1990

New Wave Group gets established in Sweden and Norway

1996

Acquisition of Craft of Scandinavia

1997

Establishment in Denmark, Spain and German

1994

Acquisitions in Finland and Italy

1998

Acquisition of Hefa

1999

Establishment in The Netherlands and England

2003

Establishment in China and Switzerland. Establishing of Projob

2002

Acquisition of DJ Frantextil, X-Tend and Toppoint

2000

France. Acquisition of Texet

2004

Acquisition of D.A.D Sportswear, Jobman och SMAP

2001

Acquisition of Sagaform and Seger

2005

Ireland, Wales and Russia
Acquisition of Dahetra, Orrefors Kosta Boda and Intraco

2006

Large investments in Orrefors Kosta Boda

2007

Acquisition of Cutter & Buck

2011

Acquisition of AHEAD and Paris Glove

2010

Establishment of Linnéa Art Restaurant
Cutter & Buck is establishing a new distribution center in Kentucky

2009

Grand opening of Kosta Boda Art Hotel
Introduction of Cutter & Buck in Europe

2008

Introduction of Clique/New Wave in the U.S
Establishment of New Wave Sports

2012

Measures taken to convert Orrefors Kosta Boda AB into a design and market driven company

2013

Acquisition of Craft distribution in North America

2014

Launching J. Harvest & Frost in Nordic countries and Clique Basic in Europe and North America

2015

Launching Cottover, eco-labelled and sustainably produced promowear.

2016

New Wave Group exceeds over SEK 5 000 million in sales

OTHER COUNTRIES 7%

USA 26%

NEW WAVE GROUP IN THE WORLD

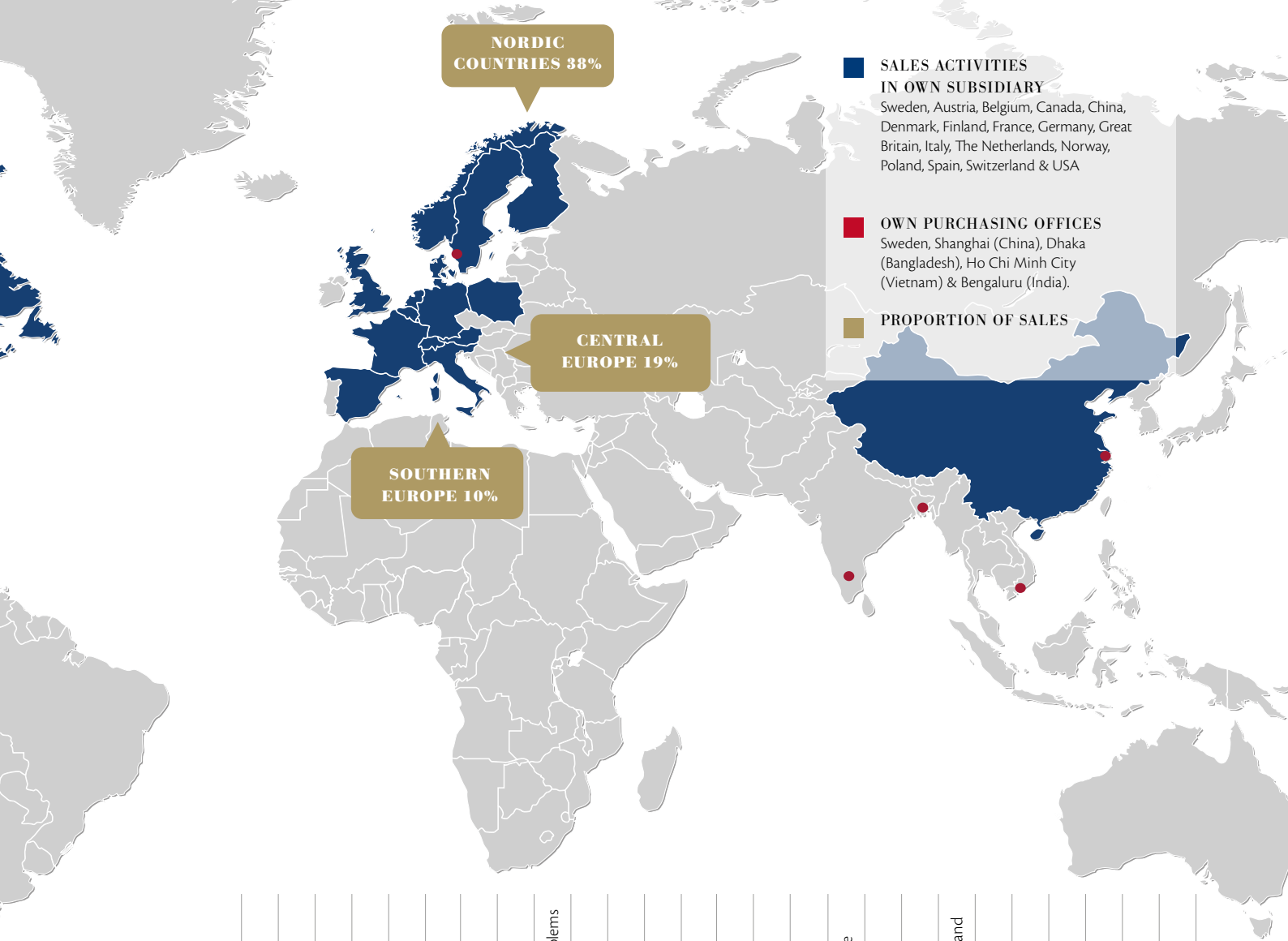
New Wave Group has evolved from a market-leading player in the Nordic countries to a prominent player in several other markets. This applies to all operating segments. The Group works with strong international brands such as Craft, Cutter & Buck, Orrefors and Kosta Boda.

The Group's business strategy entails launching brands and developing concepts on new markets. The company's tactics for foreign launches involves only targeting the corporate promo market to start with one or a couple of the Group's brands. Business must be conducted with low costs to limit the financial risks. When satisfactory profitability and good growth have been achieved, more promo brands can be launched and the retail market targeted. If distributors handle the launches, retail launches can be carried out

without promo launches, such as in the case of the Craft launch in the USA. New Wave Group regularly invests a share of its operating profits in new markets. New Wave Group currently has subsidiaries in 17 countries and has carried out 205 launches under its existing brands. By solely introducing the Group's existing concepts in countries where the Group already has its own organisations, at least 237 new launches remain to be carried out.

PROPORTION OF SALES

	2016	Share of sales	2015	Share of sales	Change, SEK million	Change, %
Sweden	1 236.4	24%	1 145.6	23%	90.8	8
USA	1 381.1	26%	1 389.1	28%	-8.0	-1
Nordic region excl Sweden	739.5	14%	660.2	13%	79.3	12
Central Europe	996.8	19%	927.3	19%	69.5	7
Southern Europe	524.4	10%	471.5	9%	52.9	11
Other countries	358.9	7%	371.0	7%	-12.1	-3
Total	5 237.1	100%	4 964.7	100%	272.4	5



	AHEAD/ Kate Lord	Auclair/ Laurentide/ Paris	Clique/New Wave	Clique Retail	Cottover	Craft	Cutter & Buck	D.A.D	Derby/ Graphix/ No Problems	d-vice	Grizzly	Harvest/Printer	Hurricane	J. Harvest & Frost	Jobman	Kostr Boda	Lord Nelson/Queen Anne	Mac One/Jingham	Orrefors	PAX/Skõna Marie/Marstrand	Projob	Sagaform	SEA	Seger	Toppoint	Termo
Sweden	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Austria			●	●		●		●			●	●									●				●	●
Belgium			●			●		●														●				●
Canada	●	●	●	●		●	●				●					●						●	●			●
China			●							●							●									
Denmark			●	●	●	●	●	●			●	●	●	●	●	●	●	●	●	●	●	●	●		●	●
Finland			●		●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●
France			●					●			●	●					●				●	●	●		●	●
Germany			●	●		●		●			●	●	●		●	●	●			●	●	●	●	●	●	●
Italy			●			●					●	●				●	●			●		●			●	●
Netherlands			●			●	●	●		●	●	●			●	●	●			●		●			●	●
Norway			●	●			●	●		●	●	●		●	●	●	●			●	●	●	●	●	●	●
Poland			●					●			●	●		●	●		●				●	●		●	●	●
Spain			●							●		●									●				●	●
Switzerland			●			●					●	●				●	●			●		●		●	●	●
UK	●		●			●	●	●		●	●	●			●	●	●			●				●	●	●
USA	●	●	●	●		●	●			●	●	●			●	●	●			●		●		●	●	●

Small company
FLEXIBILITY
with large company
SYNERGIES

New Wave Group markets products under several different brands. The company strives for complete integration from the beginning of the chain in order to attain competitive advantages. The synergies are evident for operational segments Corporate Promo, Sports & Leisure as well as Gifts & Home Furnishings within several areas.

DESIGN

The company has extensive experience in design and product development. Elaborate strategies are applied to each brand regardless of product category. The various concepts within the operational segments Sports & Leisure and Gifts & Home Furnishings have their own product development activities. Corporate Promo's product development activities are coordinated since the design is less fashion sensitive.

Well designed promowear suits both men and women of working age and allow ample room for profiling (i.e. logotypes) since the clothes target the corporate market. Many of the designs for Sports & Leisure and Gifts & Home Furnishings are based on form and function. The Group has several close partnerships with athletes at both elite and amateur level in a variety of sports. Kosta Boda and Orrefors teams with several famous artists, a collaboration that is also used in the development of the Kosta Linnewärfveri and Orrefors Jernverk brands.

PURCHASING

New Wave Group's purchasing strategy is to buy directly from the manufacturer via our purchasing offices in Asia. New Wave Group has seven purchasing offices, including three satellite offices in China to stay close to the production. Our local presence is of great importance to ensure good control of prices, quality and the flow of goods. The head purchasing office is located in Shanghai, where New Wave Group has been established since 1992. In addition to China, we have purchasing offices in Bangladesh, Vietnam and India.

Today, we have a total workforce of more than 200 employees at our purchasing offices. The predominant function is performed by our merchandisers, quality controllers and technicians working in teams based on product type and brand. All teams have a continuous and close cooperation with the brand offices and product development departments. Therefore, each purchasing team is well informed and familiar with the specific features and requirements of each brand.



THE SHANGHAI OFFICE

New Wave Group's head purchasing office is located in Shanghai, where we have been established since 1992. The early establishment of the office has given us competitive advantages and is a reason for our success during the years. Today, we have 125 employees in China. The local presence and ability to control the manufacturing processes are examples of our strengths. New Wave Group also has purchasing offices in Bangladesh, Vietnam and India.





PRODUCTION IN GÄLLSTAD

At Seger's factory in Gällstad, knitted caps, mittens and socks are produced.

Each office has a quality laboratory where we are conducting regular quality testing of our products. We have professional equipment to conduct a number of different tests such as colour fastness, rubbing and dimensional changes. This enables us to secure product quality before shipment and prevent issues and reclaims.

The purchasing offices also play a key role in securing social and environmental responsibility in the supply chain. Being represented on site enables us to have a close partnership with our suppliers and to actively monitor their operations. We have our own CSR personnel working full-time visiting, monitoring and training suppliers in social and environmental topics. Through regular visits and good communication we strive to discover findings in time and make the necessary improvements. By such means, New Wave Group can achieve the highest compliance level while contributing to social development.

PRODUCTION

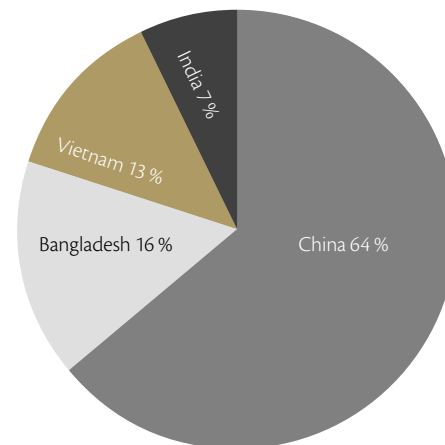
New Wave Group owns a few factories. In Sweden, Seger Europe and Termo have production units for knitted items and Orrefors Kosta Boda glass making facilities. In the Netherlands, Toppoint runs printing operations for, among other things, pen and mug prints. In Denmark, Dahetra owns a production facility for embroidery and transfer printing. In the USA, AHEAD and Cutter & Buck have some embroidery production and Paris Glove a production unit for gloves.

LOGISTICS & WAREHOUSE

To ensure quality, long-term sustainability, and economies of scale are achieved at all stages, we are working with the coordination of our flow:

- Most of our products are manufactured in Asia and are controlled via our established purchasing Offices.

PURCHASING VOLUME
PER OFFICE
FULL YEAR 2016



New Wave Group has purchasing offices in four countries. China is the largest production country and this is also the Group's main purchasing office.

- Maritime transport is procured and managed centrally. Through consolidated shipping between our suppliers and our host companies we maintain high precision and good economy in our transport-intensive flow.
- In order to maintain a high level of service, deliveries to the market are from local warehouses which in turn are supported by central warehouses. The number of warehouse points is reduced in order to reduce capital tied-up at the same time delivery capacity is increased.
- By coordinating sales and distribution channels for both retail and promo we obtain additional synergies and reduce seasonal variations.



**KOSTA
BODA**
SWEDEN 1742

FROM HANDICRAFT TO MASS PRODUCTION

The products procured for New Wave Group's companies are generally purchased through our purchasing offices, but there is also pure craftsmanship production, here represented by Anna Ehrner overseeing production in the glass works at Kosta.

GROUP-WIDE COLLABORATION



A STRONG OFFER

Premium
↕
Basic





CORPORATE PROMO

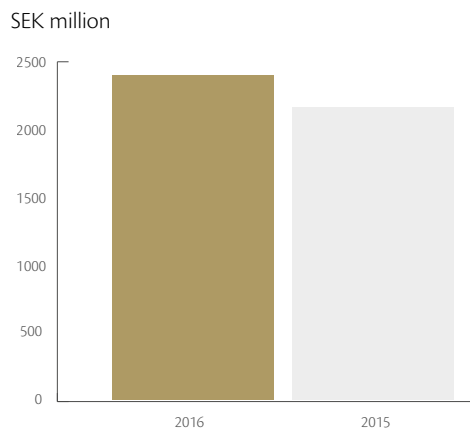
Corporate Promo is divided into three subdivisions: promowear, promotional gifts and workwear. Business is conducted with 23 brands in a total of 17 countries on three continents. The operating segment's domestic market is the Nordic countries which also answer for most of the sales. Corporate Promo answered for 46 % of the Group's sales and SEK 250.8 million of the Group's EBITDA in 2016. The brands in the Corporate Promo operating segment are sold primarily in the promo sales channel, but some brands are also sold in the retail sales channel.

CLIQUE®

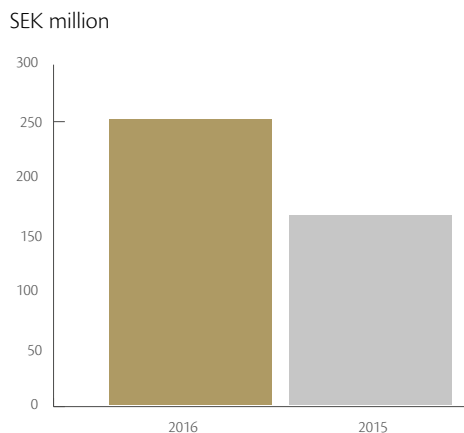




SALES



EBITDA



OUR OFFER

Corporate Promo's subdivisions – promowear, promotional gifts and workwear – consist of products that cover all price levels and qualities. Promowear and promotional gifts have similar application areas (to promote and market brands) and are marketed by the same type of retailers. Workwear is primarily used when functional, durable work clothes are needed in many professions.

Within the promowear segment, New Wave Group offers clothes adapted for printing and embroidery which, in addition to price and quality, also cover all application areas and sizes – from favourably priced basic garments to detailed garments made of exclusive textiles, leisure, work and sports clothes, clothes in classic and trend colours, in sizes from XS to 6XL. New Wave Group's promowear

brands are divided into different concepts that include brands such as D.A.D Sportswear, James Harvest Sportswear and Clique.

The promotional gift concept is broad and the subdivision covers a multitude of products and price classes. New Wave Group can through its concept, which includes such brands as d-vice, Queen Anne and Toppoint, offer everything from pens, USB flash drives and digital picture frames to handbags, bed linens and towels.

The final piece of the Corporate Promo puzzle is workwear. In Sweden, there is a vast need for and expertise in personal protection and the issue is intensely promoted by trade unions and employers. New Wave Group can through its two brands, Jobman and ProJob, offer work clothes for such professional categories



PROJOB
SWEDISH WORKWEAR

PROMO: ALL THAT CAN BE BRANDED

Promowear and other promo products are articles intended to be refined through various techniques of marking, in order to become a part of company/organisation internal or external marketing.

There are few limits to what can be done in terms of marking and the technical development is at a very high pace.

The large share of promo sales comes from neutral products on stock, whereas the marking service is supplied by the next level in distribution, the promo retailers. Yet the sale of trading products, pre-refined in the production stage, is also extensive, especially when order volumes are large.



TOPPOINT



JAMES
HARVEST
sports & wear



JOBMAN
WORKWEAR



cottover
people & planet

NWG 2016 | 21



as construction and installation workers, painters and plasterers, transport and service workers, as well as hotel and restaurant workers. The collection is all-inclusive, ranging from underwear to outer garments for all seasons and weather conditions, reflective clothing, shoes, carrying systems and accessories. All garments and products are ergonomic and durable and come in sizes for both women and men.

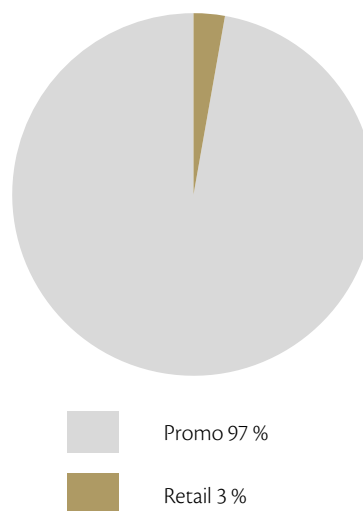
SALES CHANNELS

The Nordic promowear and promotional gifts market is distinguished by a clear distribution chain: manufacturer – wholesaler – retailer – end customer. The distribution is not as well organised in South and Central Europe. Distributors who market brands that they do not themselves own often have substantial influence in the market. The North American market is much more advanced and the distribution chain resembles the Nordic market.

In Sweden, there are about 2,500 retailers of promowear and promotional gifts, a high figure per capita compared with the rest of Europe and the USA. There is a wide variety of retailers, ranging from simple sole proprietorships to large companies with high-end displays and travelling sales forces. Some retailers target one of the three subdivisions, while others work all three. Most are pure sales companies, but it is equally common that retailers also print, embroider and engrave in order to have a more complete offer.

Workwear has traditionally been sold via specialised outlets for example construction, industry and paint shops, but today workwear is sold through many other channels such as pure workwear and protective clothing stores as well as profile dealers. Those who sell workwear, operate together with the already established brands or by developing their own brands and collections. In recent years even the market for workwear to ordinary people has increased, as interior decorating, gardening and DIY programs have become commonplace in TV schedules. Due to this, there has been an increase in the range of workwear within the retail trade towards private people.

SALES PER SALES CHANNEL



CAPITAL TIED UP

A company that orders promowear in its corporate colours for its employees or customers relies on the supplier's ability to deliver a full range of sizes and correct colours. For instance, if New Wave Group cannot deliver products in a medium size or in the end customer's corporate colours, the customer will turn to a different supplier. The Group's ambition is to deliver 98% of its products within 24 hours. The risk of obsolescence is low since most of the collection comprises timeless basic products for which there is a demand season after season. Adjustments for changes in purchasing prices are made continuously since sales are instant which limits the currency risk. Sales are made to selected retailers, which limits bad debts. Confirmed bad debt losses within Corporate Promo amounted to 0.36 (0.13) % of revenues in 2016. Many of the products are common to both the retail and promotional sales channels, which offers significant risk diversification. The catalogues may also be common to both sales channels.

CLIQUE; AGE OF ILLUMINATION

It is high time to put focus on an entirely new category of products; reflex products

Clique's Hardy Reflective jacket has been a great success. It is about time we see products that have a little more consideration for the end user. Using reflective products to brand your company's personnel or use as giveaways is pure consideration, a consideration that cares about the people that are important to your business. We also like the fact that it simplifies life a little; when the reflex function is integrated in the product that you use on a daily basis, you no longer think of adding loose reflexes.



CLIQUE
REG. TRADEMARK



CLIQUE
REG. TRADEMARK



Lord
NELSON





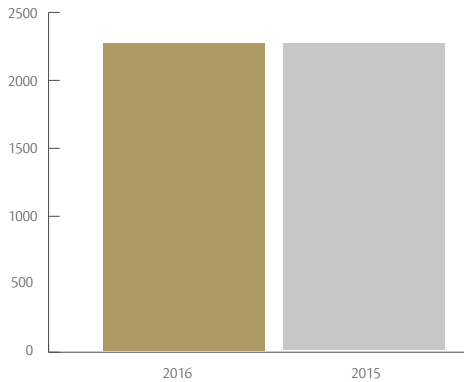
SPORTS & LEISURE

Sports & Leisure includes several internationally well-known sports brands like AHEAD, Auclair, Craft, Cutter & Buck and Seger. Business is conducted with 14 fully owned brands in 14 countries, focusing on the Nordic countries and North America. In addition to our own brands, we also have the distribution right to Speedo in Sweden, Norway and Denmark. Sports & Leisure answered for 43 % of the Group's sales and SEK 194.5 million of its EBITDA in 2016. Most of the sales relate to the retail market (sports retail sector), but some sales also stem from the promo market.



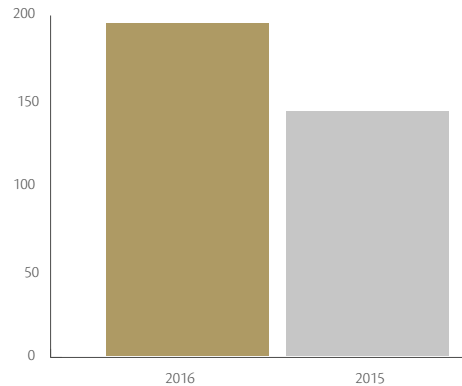
SALES

SEK million



EBITDA

SEK million



AHEAD

AHEAD designs and markets branded headwear, clothing, and accessories, which are customized with AHEAD's high quality graphics for golf shops, tournaments, and resorts worldwide. Founded in New Bedford, MA, USA in 1995, AHEAD is the recognized leader in the golf headwear market and under New Wave has expanded into the collegiate and corporate markets, where AHEAD products can now also be found. AHEAD has a presence on the PGA Tour, with players such as Retief Goosen and Brittany Lincicome, as well as legends Jack Nicklaus and Annika Sorenstam.

AUCLAIR

Auclair is Canada's oldest and most renowned glove brand. Auclair, engineer and manufacture high-quality performance, sport and casual gloves & mitts to deliver products to athletes, sports retailers and specialized stores. Sponsoring athletes is part of Auclair's DNA. Sponsorships play a key role in Auclair product development

process, which includes some of the world's top athletes testing our products to ensure unparalleled performance. Auclair is proud to play a part in helping athletes shine on the international stage, winning Crystal Globes, Olympic medals and other prestigious accolade.

LAURENTIDE

Laurentide manufactures and supplies the North American industries & utility companies with workgloves, protective clothing and rain gear.

PARIS GLOVE

Paris Glove was founded in 1945 and has a long experience of producing gloves. The company continues to design and produce gloves from leather, suede and shearling as well as knitted mittens to meet and fill the needs of today's customer in North America.

CUTTER & BUCK'S EXPANSION CONTINUES

RYDER CUP 2016

Cutter & Buck participated in one of the more memorable Ryder Cup matches in recent history. Each day more than 65,000 fans came to Hazeltine National to take in the action and visit the 50,000-square foot Ryder Cup Shop. Retail at this event was truly on another level and the 2016 Ryder Cup will go down as the highest volume retail event in Golf.

A few fun takeaways from the event:

- Cutter & Buck sold 28,000 units at retail
- Cutter & Buck products represented \$1,600,000 at retail
- Cutter & Buck replenished 13,000 units during event week.

The Ryder Cup is the largest project we work on in our Tournament Division and the logistics can be extremely complicated and time consuming.



In the past few years, we have invested heavily in our operational capacity to better service our customers, renewed our focus on efficiencies, and have refocused brand stories to prepare ourselves for growth. This year, we welcomed two brand new 15-head embroidery machines to our operation in Renton, WA. This has brought our total embroidery "heads" to 350 and has given us a considerable upgrade to our output and efficiencies. We also extended our same day order cut off and are now able to process blank orders same day until 5:00 pm local time.



AHEAD

One of New Wave Group's American companies, AHEAD, has a range to suit both the corporate promo and retail trades. AHEAD is best known for its collections of baseball caps with embroidered logos for the golf market but also includes clothing and accessories.



Auclair®

AUCLAIR

Canadian Auclair produces gloves of very high quality to mainly skiers and mountaineers. The company cooperates since many years with both the American and Canadian National Ski Team.



CLIQUE



CLIQUE

CLIQUE RETAIL

The Clique brand is also represented in the sales channel retail by a collection based on the same concept as the Promo collection, but with more regard to trend factors such as colours and applications.

Clique Retail's clothing are both comfortable and sporty. Easy to combine with other items in your wardrobe. They are used both in an active daily life and in relaxing moments. The clothes are very comfortable and have good quality in relation to price.



CRAFT 
FUNCTIONAL SPORTSWEAR

SUCCESS COMES TO THOSE WHO TRAIN HARD

... TO REPEAT EACH EXERCISE UNTIL IT IS PERFECT, AND THEN MOVE ON TO THE NEXT CHALLENGE, AND THE NEXT AND THE NEXT AGAIN.

For many years, Craft has worked together with several of the world's best individual athletes. Now they are entering a new arena; Team sport.

Next Generation Teamwear helps both today's and tomorrow's talents to take the next step in their development. The collection includes innovative and functional garments that give the team optimal conditions to perform at all times. Club spirit is a team's most important asset. With a strong cohesion and a common focus, almost impossible opposition can be overcome. Next generation Teamwear builds on this fact and caters for teams that want to optimize athletic performance and strengthen the Club spirit. Functional materials give efficient operation and comfort whilst details such as mesh and stretch panels provide extra ventilation and optimal freedom of movement.

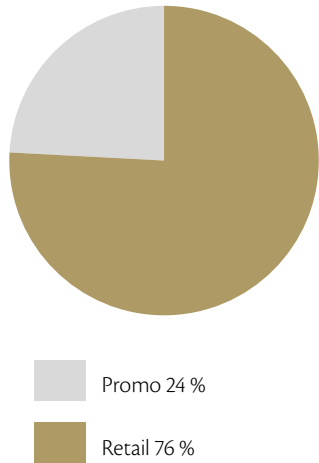
Boys and girls are essentially smaller versions of men and women with the same demand for function, comfort and freedom of movement.

Craft's junior collection is therefore developed according to the same high standards as their adult Collections. For Craft, it is obvious that the next generation of athletes shall have optimal conditions to have fun right from the start.



CRAFT 
FUNCTIONAL SPORTSWEAR

SALES PER
SALES CHANNEL



CRAFT

Craft is a product of sweat and toil, of snow and rain, of losses and victories and of the euphoria experienced when limits are moved. For four decades we have delivered optimal performance through functional sportswear. Almost as long as we have been a part of the professional sports world. Our knowledge of how a training and competition garment should be designed to offer optimal functionality comes mainly from a long and fruitful collaboration with elite athletes all over the world. Craft offers sports lovers at all levels, underwear, insulating mid-layer and outerwear within running, cross-country skiing, cycling and training. Sweden is Crafts home market and the biggest market in terms of turnover. Defined focus markets of great potential are the other Nordic countries as well as the Benelux countries, the United States/Canada and Germany. The competitors vary slightly depending on the segment and market, but some examples are Adidas, Castelli, Nike, North Face, Odlo and Swix. Craft's challenge for the future is to strengthen the brand internationally and to reach the same strong position as in our home market.

CUTTER & BUCK

Cutter & Buck is a world-leading golf inspired American clothing brand for men and women who appreciate groundbreaking, exclusive sports and leisure wear. Cutter & Buck's extensive collaboration with golf legend Annika Sörenstam has resulted in the ANNIKA collection, inspired by Sörenstam's passion for golf and strive for perfection. Cutter & Buck is sold via several different distribution channels, including the golf retail sector, the promo market, the fashion retail sector and directly to consumers (e-commerce and mail order). The objective is to build up a strong position in the golf

and ready-to-wear sectors also in the European market in the long term. Cutter & Buck is also a strong platform in the North American market for introducing New Wave's other concepts.

SEGER

"Seger has been at the forefront of knitting since 1947". We create functional, high-tech knitwear for a better sporting experience. During our long history we have become known for quality and durability in every detail. A combination of history and innovation leads us into the future with sustainable, high-performance knitwear, e.g. Seger Heat System. Seger has its biggest sales in the Nordic Countries, but is now focusing on more exports to the rest of Europe.

TERMO ORIGINAL

Termo Original is one of our most recent brand acquisitions and, at the same time, one of our oldest brands as the products have their roots since their inception in 1921. Termo Original is a complete collection of underwear and functional garments of knitted wear for different professional groups, but is also used extensively by hunters, adventurers and athletes.

The materials are developed and produced in their own knitting factory in Sweden and the garments are designed and constructed in the company's own design and sewing department.

Termo Original has its largest sales in Europe where for many years it has been a leading supplier of functional underwear to police and military authorities.

CLIQUE RETAIL

Clique Retail is comfortable and appealing affordable garments. The products are primarily basic ready-to-wear, i.e. products with high turnover rate and great profitability. It is our greatest challenge to explain the brand's simple yet profitable concept: we handle warehousing and therefore assume the greatest risk for lack of profitability. Sweden is Clique Retail's largest market at present and customers consist mainly of the sports chain section and the everyday commodity sector. Clique Retail's main competitors are the sports retailers' own brands.

PAX

PAX has for more than 85 years been dedicated to manufacturing high-quality shoes for children and is nowadays one of Sweden's most prominent shoe manufacturers. Carefully selected materials and innovative design is PAX's insignia. The shoes are sold through a nationwide web of local retailers. Main competitors are the shoe retailers' own brands as well as Ecco, Kavat and Viking.

SKÖNA MARIE

Sköna Marie is classic Swedish shoes brand that manufactures functional high-quality women's shoes. Sköna Marie always uses the very best raw materials and most models are made of real leather, a

GIFTS & HOME FURNISHINGS

Several strong brands such as Kosta Boda, Orrefors, and Sagaform comprise part of the Gifts & Home Furnishings operating segment. A total of nine brands are established in 15 countries.

Sweden is the largest market and also accounts for a large proportion of sales. In 2016, Gifts & Home Furnishings accounted for 11% of the Group's sales and SEK 10.8 million of the Group's EBITDA. The brands are sold primarily on the retail market, but also within the promo market.

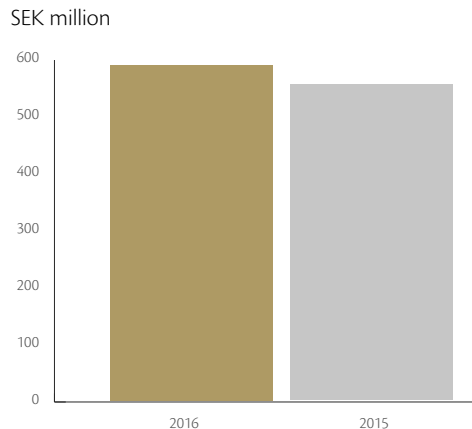


A PASSION FOR SYSTEMS Linneus and the Dream of Order in Nature

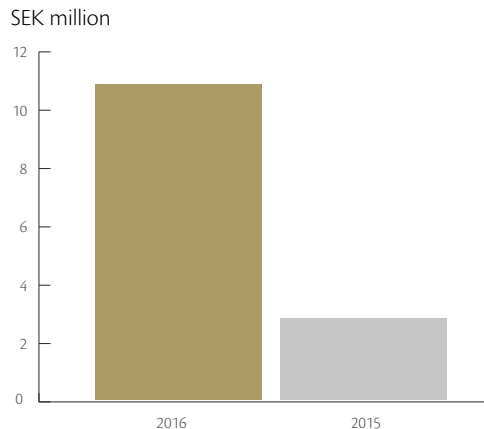
2016

GIFTS & HOME
FURNISHINGS

SALES



EBITDA



ORREFORS KOSTA BODA AB

Focus on launching new and profitable products continued in 2016. Above all, a lot of weight was put on the launch of a new series from Kosta Boda. Kosta Boda Bruk is a more relevant and functional collection consisting of both glass and porcelain in which we, with a clear DNA, associate our products with durable design which will work well in all situations. A nice breakfast table setting for afternoon coffee, or why not for the office and conference table.

To grow internationally, we continue our media effort with the concept "Made in Sweden" where we clearly wish to state the importance of craftsmanship and production in Sweden. In 2016 we started several exciting new markets, including Taiwan and Dubai. These markets have a high regard for Swedish design and quality which of course gives us a competitive advantage.

ORREFORS

Orrefors enhances the consumer's experience and social encounters associated with food and drink. In 2016 we won the people's award "Formex Formidable" for our beer concept around IPA glass. We continue the roll-out for hotels and restaurants, and during the year we have delivered Orrefors glass to over 100 restaurants in Sweden. Also, the cooperation with Volvo continues and we have now been instructed to not only deliver the gear shift knob, but also a "crystal cup holder" including two Champagne glasses for the most exclusive Volvo models.

KOSTA BODA

Kosta Boda stands for products with a distinct soul. Everything from the elegant everyday series Kosta Boda Bruk to exclusive, unique art glass. Kosta Boda Bruk was launched, among others,



**KOSTA
BODA**
SWEDEN 1742

SAGAFORM

OAK is Sagaform's popular product line with a classical idiom that has been developed in collaboration with a number of different designers. The products fit perfectly at the dinner table – both in everyday living and special occasions.



in both Australia and the United States with great success and showed a new more modern expression which Kosta Boda stands for in regards to the new target group that Americans popularly call "the millennials".

KOSTA BODA ART HOTEL

Kosta Boda Art Hotel in Kosta is the world's first art glass hotel. It is a living showroom for the glass and manages a legacy since 1742. With its 102 rooms, conference facilities, indoor and outdoor pools as well as a large spa and relaxation area, the hotel has given Kosta, as a destination to visit, a wonderful upswing and the number of visitors throughout the region has increased. During 2016 the hotel has extended its restaurant range to include Brasserie by EDz, a brasserie with 40 seats and with an open wine cellar. In 2016 the hotel received the distinction "Travellers choice" and "Certificate of excellence" by Tripadvisor. The hotel is unique in its kind, sprung from the glass, designed for the future and the experience.

LODGE KOSTA

The second stage of the lodge was completed in the summer of 2016 and adds to the 212 beds, a new restaurant, pool area with heated swimming pools, Jacuzzi, wood-fired hot tubs, sauna and a large sun deck as well as a rental center. Together they create an attractive whole for the active family, couples or groups of friends who want to experience all that the glass kingdom has to offer.

KOSTA LINNEWÄFVERI

Kosta Linewäfveri creates textile products based on sustainable ideas from yesterday, but always with one leg in the present and future. Quality is the key word; for the selected materials as well as for the design and functionality. The products are presently sold in the Nordic markets.

ORREFORS JERNVERK

Orrefors Jernverk stands for exclusively manufactured metal products with a classic look. The collection includes both appliances for the kitchen as well as decorations for the entire home. For Orrefors Jernverk quality is crucial. All products are to be durable, both in the sense of timeless design and long-lasting thanks to a good choice of materials and proven manufacturing processes. Today Orrefors Jernverk is on the Nordic market for promo and retail.

SAGAFORM

For more than 20 years, Sagaform has helped to create good and loving relationships by offering carefully selected, affordable and well-designed gifts in attractive packaging that are just as much fun to give as to receive, or to buy for yourself. Eating together, just like giving each other gifts and presents, has since the dawn of time been a way of building strong relationships. Sagaform has combined these two traditions by offering an assortment of gifts for the kitchen and laid dinner table. Cooperation with renowned designers means that a gift from Sagaform suits everybody and adds that little extra to every kitchen and table. Sagaform is working with a broad distribution both within the retail sector and profile market with focus on Sweden, where the goal is that for all possible present occasions a Sagaform gift should be the first choice for thoughtful people and companies. On the export side, the other Nordic countries, together with England and Germany have top priority.

SEA GLASBRUK

SEA Glasbruk in Kosta has a long history in the Småland's kingdom of glassworks. Ever since the 1950s, SEA stood for glass products of high quality and is based on Swedish design tradition. SEA Glasbruk's ambition is to develop products with clear and distinct function. Products are designed to be used in everyday life

SHOWROOM IN NEW YORK

Since the mid -1960s, Orrefors and Kosta Boda has a showroom which is located at 41 Madison Avenue in New York



**KOSTA
BODA**
SWEDEN 1742

and that has an expression that is easy to like and accept. To use the products should be just as important as helping to create a good atmosphere in the home. Everything under the banner “value for money and functional everyday products of glass”.

SEA is sold mainly in Sweden through the traditional retail trade and profile dealers. SEA’s objective is to grow strong in the domestic market and then to strengthen its position in the other Nordic countries.

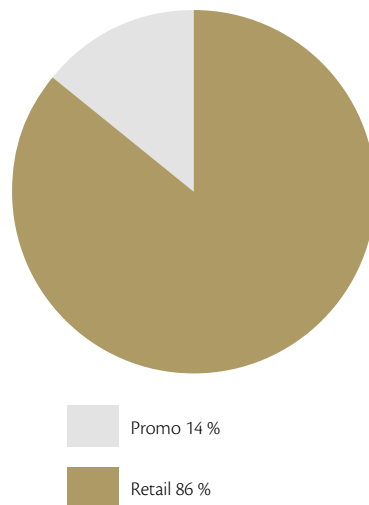
SALES CHANNELS

The Swedish retail sector is undergoing a major reconstruction where we see consumer interest in traditional glass and ceramics falling in favour of design and home decorating shops. The expansion of online shopping is another strategically important aspect where the shift in customers’ buying patterns demands completely different availability than previously. Some of the Kosta Boda, Orrefors and Sagaform brand’s sales activities target the promo markets where the products are used as everything from simple gifts to exclusive anniversary gifts and mementos. Kosta Boda and Orrefors uphold their position as an interesting alternative for occasions warranting high-class objects. Sagaform’s products are popular as Christmas and summer gifts to employees and customers.

CAPITAL TIED UP

Production in Orrefors Kosta Boda is conducted throughout the entire year, while sales occur primarily during the second half of the year. Consequently, tied up capital is most considerable the first part of the year. Most of the production involves classic and popular products like Château, Intermezzo, Line, Mine and others with a product cycle in excess of 20 years, which reduces the risk of obsolescence. For the part not in-house manufactured, most purchases are made against stock for later sale to customers. New

SALES PER
SALES CHANNEL



Wave Group limits its foreign exchange risk by hedging about 50–80% of the purchasing costs. Sales are made to selected retailers, which limits bad debts. However, there is a higher concentration to fewer customers in the retail segment compared with the promo segment. In 2016, confirmed bad debt losses in the Gift & Home Furnishings operating segment made up 0.42 (0.51) % of sales. Many of the products are the same for both the promo and retail sales channels, which provides a significant spread of risk.

ENVIRONMENT & ETHICS

New Wave Group believes in sustainable growth. We are convinced that long-term thinking will create long-term value. Therefore, it is important for us to use business solutions which are not only profitable but also sustainable from a social and environmental perspective.



HIGHLIGHTS OF 2016

New Wave Group's goal is to become an industry leader in CSR (Corporate Social Responsibility). In 2016, we have continued to move forward with more sustainable products and new industry- and research collaborations. For the second year in a row, we were voted "Environmentalism of the Year" in the Swedish promotion sector – a boosting acknowledgement of our CSR-work.

Our sustainability flagship brand Cottover was launched in Norway, Denmark, Belgium and Switzerland. We continue to strengthen our sustainable offer by introducing spun dyed fabrics, which significantly decreases the consumption of water and energy in the manufacturing process.

New Wave becomes an industry partner in one of largest research programs on sustainable fashion; Mistra Future Fashion.

We join the Working Group of CCR CSR; Save the Children's Center for Children's Right and Corporate Social Responsibility, to strengthen our focus on children's right in our business.

We organized several trainings and seminars to empower our customer and distributors on CSR. We invite experts from the Swedish Chemicals Group, Save the Children and Clean Shipping Index to give lectures on topics such as REACH, child labour and clean shipping.

For the second year in a row, we were voted "Environmentalism of the Year" by the promotional industry association in Sweden. Cottover also received price for "Best CSR Statement" in Benelux at an industry event.

SWEDISH LEGISLATION COME TO GRIPS WITH SUSTAINABILITY

During 2016, Sweden has adopted several new legislative acts in the field of sustainability. The Swedish Government's legislation on Sustainability Reporting takes effect from 1 December 2016 and applies to the accounting year starting 1 January 2017. Large entities should report on their policies and work with social- and environmental compliance, human rights and anti-corruption. New Wave Group will publish its first sustainability report in spring 2018. This year, we have initiated a materiality analysis to verify the relevant content of our report. The analysis includes surveys with our important stakeholders such as customers and shareholders.

In 2016 we have also started the implementation of the regulation concerning energy audits for large companies. The law has its background in the EU Energy Efficiency Directive and is a part of the European Climate Package aiming to decrease greenhouse gas emissions. The large entities in Sweden affected by the law represent approximately half of the energy consumption in Sweden and the law is hence expected to generate large energy savings. The result of the energy audits shall be reported first quarter of 2017.

The Swedish Corporate Governance Code has been revised in light of the new legislations and EU-directives. The Board of New Wave

Group has reviewed our corporate policies and routines to ensure relevant areas are covered and up to date.

SUSTAINABLE PRODUCT DEVELOPMENT

Focus Area 1

New Wave Group strives to continuously develop products that are attractive and meet our customers' needs. This includes design, quality as well as environmental performance. Our goal is to increase the amount of products with sustainability attributes and that are manufactured with environmental consideration. We want to help our customers make sustainable considerations when buying our products, for example by working with third party certifications and eco-labels.

Spring 2015, we launched the brand Cottover – an eco-labeled garment collection certified by Nordic Ecolabel and GOTS. The cotton is organic, which means it is grown without chemical pesticides and fertilizers, and Fairtrade-certified which ensures fair economic and social conditions for the cotton farmers. We have applied social and environmental criteria throughout the supply chain – from raw material to finished garment. We are so proud to be able to offer one of the biggest assortments of sustainable clothing. During 2016, we have continued to expand on new

The scale used in BSCI's rating system

A Outstanding	B Good	C Acceptable	D Insufficient	E Unacceptable	F Zero Tolerance
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markets in the Nordic countries and in Europe. In the Benelux-region, Cottover was voted "Best CSR Statement" in the promo industry.

Our work with sustainable product development has been on-going and this year we have focused on synthetic textile fibers. The result is a project with spun dyed polyester. Spun dyed is a way to add colour to polyester fabric. Instead of soaking fabric or yarn in water with dyestuffs, the colour pigment is added already when making the polyester fiber, into the polymer melt. Hence, the color pigments become an imbedded part of the fiber prior to extrusion. Not only does this eliminates the need for a conventional wet dyeing process – which requires huge amounts of water, energy and leaves you with contaminated waste water to monitor. Spun dyed also gives you a polyester fabric with excellent quality properties and improved colour fastness. Clothes with spun dyed polyester will be launched in our subsidiaries Texet, Cutter&Buck, Ahead and Projob.

Apart from our ambition to innovate within New Wave Group, we also seek to cooperate with other companies and industry initiatives to support a sustainable development. During 2016, we joined the cross-disciplinary research program *Mistra Future Fashion*. MFF consists of over 40 research and industry partners with the vision to close the loop in fashion and clothing – enabling a systemic change of the fashion industry. The program holds a total budget of SEK 110 million and the second phase runs from 2015 until 2019. New Wave Group hope to contribute with our experiences with ecolabelled garments and at the same time take part of the latest knowledge and technology of the industry.

SUSTAINABLE MANUFACTURING *Focus area 2*

For New Wave Group it is unquestionable that we, our suppliers and stakeholders should live up to human rights and international conventions for decent working conditions. We are aware of the responsibility that comes with sourcing goods in countries with different legal cultures and labour conditions. For this reason, we have adopted the BSCI Code of Conduct. It contains requirements on minimum wage, working hours, the prohibition of child labour and several other requirements from the ILO conventions. BSCI is a global member initiative for companies committed to improve working conditions in the global supply chain. Companies all over the world are working together to address common challenges within social and environmental compliance under the lead of Foreign Trade Association. Together, we share the responsibility of over 30 000 unique suppliers across the globe.

New Wave Group's overall goal is to ensure that all of our suppliers in risk countries have been evaluated against our Code of Conduct. We do internal audits, conducted by our own CSR-staff, as well as third party audits and self-assessments. We report annual data on how big part of our buying volume that is placed with BSCI-audited suppliers. Our goal is to include a growing number of suppliers in the BSCI monitoring scheme or an equal third party scheme. During 2016, 128 BSCI-audits were conducted in our supplier base. This equals to approximately 80 % of our buying volume through our buying offices – an increase with 10 % compared to last year. The majority of all suppliers (127 suppliers) received an acceptable

CSR ADVISORY BOARD



ULRICA MESSING
Chairman Astrid Lindgrens Värld
Vice President Wallenstam AB
Board member Länsförsäkringar Liv
Chairman Göteborgs hamn



ELISABETH DAHLIN
Secretary General Save the Children Sweden
Board member Radiohjälpen
Board member Press Council



MIKAEL KARLSSON
President European Environmental Bureau
Senior Partner and Advisor, 2050 Consulting
Researcher, KTH Royal Institute of Technology
Member of the Board for the Swedish Forest Agency
Member of the Insight Board of the Swedish Chemicals Agency
Member of the Swedish Nuclear Waste Council
Expert in the Government's All Party Committee on Environmental Objectives



ANDERS FERBE
Chairman IF Metall, Vice President Business Sweden, Vice Pres. IndustriAll Executive Committee, Vice Pres. IndustriAll Steering Committee, Vice Pres. IndustriAll i Norden, Board member Swedish Trade Union Confederation, Board member Social Democrat Party Committee



REBECCA ZETTERSTRÖM
Corporate Legal Counsel and CSR Manager
New Wave Group.



New Wave Group collaborates with several initiatives for social and environmental sustainability.

audit result (grade C or higher in the BSCI grading system) or holds a valid SA8000 certificate. SA8000 is an international standard for industrial working conditions. Taking into account our internal audits and third party audits against other standards, such as SEDEX, more than 90 % of our buying volume is placed with suppliers that has been audited for social and environmental compliance.

During the year, we were notified on a zero tolerance incident involving one of our supplier's employees, who tried to bribe an auditor during a BSCI-audit. New Wave Group has zero tolerance against bribes and corruption and considers the incident a serious violation against our Code of Conduct, particularly as transparency is crucial in supplier audits. Together with BSCI and two other

affected companies we established a solid remediation program which included training of the supplier's employees and commitments for the supplier if the business relationship should continue. In light of the event, New Wave Group has reached out to all of our suppliers and re-emphasized the importance of anti-corruption and our policy in this regard. BSCI has now closed the case with the specific zero tolerance and remediation is completed.

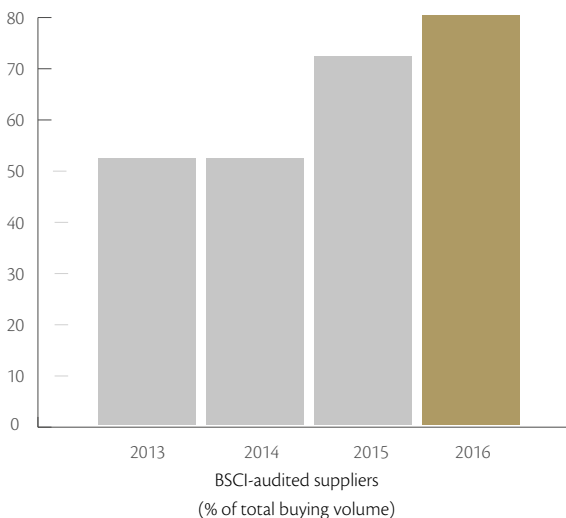
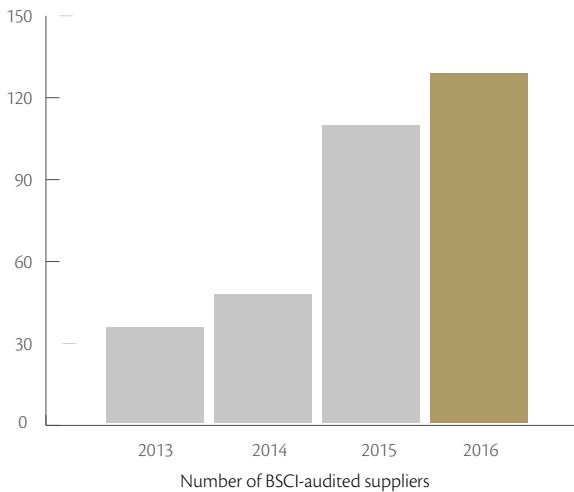
CHILDRENS RIGHTS' PRINCIPLES – IMPORTANT FOR BUSINESS AS WELL

The children are our future and protecting their rights is fundamental ethics. To have a child rights perspective as a company is to have a long-term view on both business and sustainability. New Waves values are clearly manifested in our Code of Conduct, which particularly emphasize the ban of child labour and the protection of young workers. We monitor these principles carefully in our supplier evaluations and audits. We monitor both the clear absence of child labour, but also the pre-emptive work such as the suppliers' mechanisms for age verification and action plans if a child ever would be encountered in the factory. It is important that the best interest of the child always remain in focus.

We are aware of the fact that children are affected by businesses also without a specific non-compliance. In China, approximately 62 million children are left behind when their parents seek work in larger cities. Studies made by Save the Children's Center for Childrens Right and Corporate Social Responsibility (CCR CSR) found that almost 40% of working parents admit to making errors at work due to worries about their children.

In 2016, we decided to join CCR CSR:s working group to gain more knowledge, training and advice on how children are affected across the global supply chain. Thereby we take another step forward to further increase our focus on children's rights. Through CCR CSR we also have access to a platform with information and tool for responsible remediation in case of child labour.

Save the Children is a world leading non-governmental organization promoting children's rights. We are happy to support their work through our Christmas gift card "Merry Christmas with Save the Children". During 2016, sales of this card generated 148 500 SEK to Save the Children. Totally, we have contributed approximately 580 000 SEK to Save the Children, during the two years of our collaboration.



SUSTAINABLE TRANSPORTS FOR A BETTER CLIMATE

Focus area 3

New Wave Group depends on a well-functioning distribution of our products. Logistics must be both efficient and sustainable to meet our requirements. For long-distance transportations, freights by air or by sea are usually the only available options. Air freights have the highest emissions of green-house gases of the two and therefore we are committed to reduce air freights to situations where it is absolutely necessary. Even though air freight accounted for less than 2 % of our transported goods between Asia and Europe during 2015, it generated approximately half of our total emissions of green-house gases, which clearly demonstrates the importance to keep air freights to an absolute minimum.

New Wave Group is a member of Clean Shipping Index (CSI). The initiative was founded in 2007 and aim to impact the freight companies to use cleaner vessels and upgrade their fleet of ships. Through the CSI Database we have direct access to data on emissions and the environmental performance of a high number of ships. By this way, we can help to create market incentives for environmentally improved vessels. During 2016, a new regulation was adopted in Sweden which enables vessels to use CSI as verification to reduce fairway dues. New Wave Group strongly believes in this sort of market incentives which support the freight forwarders

with good environmental performance. Sustainable sea freight will continue to be of crucial to global trade, decreased emissions and clean oceans.

During 2016, we have initiated a project aiming to use our membership in CSI to create product labels. We see labels as a good communication channel, which enables our customers to take part of and gain more knowledge about our work with CSR. To have support from our customers in all the CSR investments we do in New Wave is a business-critical part of our sustainability work.

TOTAL EMISSION CO₂ e (t)

	2013	2014	2015	2016
CO₂ (t)				
Air	1 944	2 511	1 586	1 767
Sea	1 098	1 857	1 726	2 501*
Freight (t)				
Air	305	338	187	218
Sea	6 116	11 080	9 783	4 460*

* During 2016, New Wave signed a new transport agreement with DHL for shipments between Asia and Europe. For this reason, the data of 2016 is not comparable with previous years, as method and arithmetic deviates. Displayed data refers to the period August – December 2016.



NOTED AND REWARDED

For the second year in a row we were rewarded with the prize "Environmentalist of the Year" at the Promotion Awards in Stockholm.

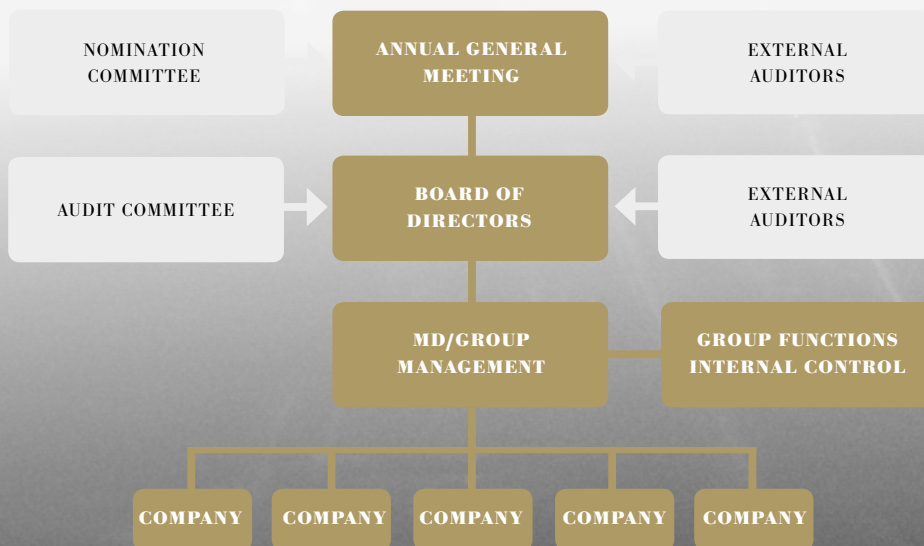
Cottover also won the prize for best CSR statement at an industry event in the Benelux region.



Rebecka Zetterström, Corporate Legal Counsel and CSR Manager, New Wave Group.

CORPORATE GOVERNANCE

New Wave Group applies the relevant rules laid down in the Swedish Code of Corporate Governance (“the Code”) and the Swedish Accounts Legislation. The company’s Board has thus drawn up this corporate governance report. More information about the Code may be found at www.bolagsstyrningskollegiet.se, where there is also a description for foreign investors.





J. HARVEST & FROST
CORPORATE SHIRTMAKER

Responsibility for management and supervision of the Group is delegated between the shareholders at the Annual General Meeting, the Board and the Managing Director, which is done in accordance with the Swedish Companies Act, other legislation and regulations, applicable rules for listed companies, the company's articles of association, the Board's internal rules of procedure and other internal control instruments.

SHAREHOLDERS

At the end of 2016, the company had 11,655 shareholders. The proportion of share capital owned by institutions amounted to approximately 49% of the capital and 13% of the votes. Foreign investors owned approximately 13% of the share capital and 3% of the votes. The 10 largest owners had a total holding corresponding to 68% of the share capital and 91% of the votes. For further information on the owners as at 31 December 2016, please see pages 52 - 53.

ANNUAL GENERAL MEETING

The highest decision-making body is the Annual General Meeting (AGM), at which all shareholders are entitled to participate. The AGM is entitled to make decisions on all matters that are not in breach of Swedish law. At the AGM the shareholders exercise their voting rights to make decisions on the composition of the Board of Directors, the auditors and other important matters such as adoption of the company's balance sheet and income statement, appropriation of profits as well as deciding to grant the Board of Directors and the Managing Director discharge from liability. This is in accordance with New Wave Group's articles of association and Swedish legislation.

2016 ANNUAL GENERAL MEETING

The AGM for shareholders of New Wave Group was held on 11 May 2016 in Kosta. Anders Dahlvig was elected chairman of the meeting.

THE FOLLOWING RESOLUTIONS WERE PASSED:

The AGM adopted the income statement and balance sheet, as well as the consolidated income statement and balance sheet, resolved to appropriate profits in accordance with the proposed appropriation of profits including a dividend of SEK 1.00 per share to take place for the 2015 financial year, and discharged the Board members and CEO from liability.

In accordance with the Nomination Committee's proposals, the AGM resolved:

- that there shall be six (6) Board members elected by the AGM, and no deputies will be appointed
- that remuneration to the Board is to amount to SEK 910,000, of which SEK 310,000 goes to the Chairman of the Board, and SEK 150,000 to each of the other Board members — who are not employed in the Group — elected by the general meeting of shareholders.
- that Directors' remuneration may be paid to the Board member's Company provided that it is cost-neutral for the Company, and in accordance with tax legislation
- that Torsten Jansson, Mats Årjes, Christina Bellander M.Johan Widerberg (all re-elected) Olof Persson and Elisabeth Dahlin (new election) are appointed as Board members
- that Olof Persson is appointed as Chairman of the Board (new election)
- that remuneration to auditors shall be paid according to approved calculations and agreements
- to re-elect Ernst & Young AB as auditors until the close of the Annual General Meeting 2017

- on the principles for the appointment of a new Nomination Committee

In accordance with the Board of Directors' proposals, the AGM resolved:

- on guidelines for remuneration to senior management
- to authorise the Board to make decisions regarding share issues
- to authorise the Board to raise financing

Complete information about the 2016 AGM is available on the website, www.nwg.se.

2017 ANNUAL GENERAL MEETING

The annual shareholders meeting will be held on 10 May 2017 at 1 pm in Kosta, Sweden.

NOMINATION COMMITTEE

The nomination committee represents the company's shareholders. Its task is to create as sound basis as possible for decisions at the AGM and to put forward proposals for matters such as the appointment of the Board of Directors and the auditor, and for remuneration to these parties. The nomination committee consists of one representative for each of the company's three biggest shareholders, chosen on the basis of personal qualities. If any of these shareholders decline to appoint a member of the nomination committee, the next shareholder in terms of size is given the opportunity to appoint a member. Information regarding the composition of the nomination committee is normally published in the interim report for the third quarter.

The job of evaluating the Board's working methods and efficiency is carried out in cooperation between the Board of Directors and the nomination committee and is

preceded by a questionnaire evaluation of the Board's work and sitting members.

The composition of the nomination committee, before the election of Board members at the 2017 AGM, is as follows:

- Johan Ståhl, representative of Lannebo fonder and the committee's chairman
- Torsten Jansson, managing director and representative of Torsten Jansson Förvaltnings AB
- Arne Lööw, representative of Fjärde AP-fonden

As per the Code, the Managing Director or other company executive cannot be a member of the nomination committee. Torsten Jansson is a member as principal owner and a deviation from the Code has thus been made, and explained by the high ownership.

The nomination committee represents around 86% of the votes in New Wave Group as at 31 December 2016. All shareholders are able to contact the nomination committee to propose candidates to the Board. The nomination committee has held a number of meetings and in between these meetings maintained contact by phone and e-mail. Among its many tasks, the nomination committee has evaluated the Board of Directors on the basis of the company's future development and challenges in order to achieve a good combination of expertise and experience.

INDEPENDENCE OF THE BOARD

The New Wave Group Board is subject to the requirements for independence described in the Code. The requirements mainly involve that only one person from the company's management may be a member of the board, that a majority of the elected members of the board shall be independent of the company and its management, and that at least two of the elected members who are independent of the company and its management should also be independent of the company's major shareholders.

As Managing Director and major shareholder of New Wave Group, Torsten Jansson is considered to be dependent on the company and the company management. Olof Persson, Christina Bellander, Elisabeth Dahlin, Mats Årjes and M.Johan Widerberg are considered to be independent in relation to both the company and the company's major shareholder. It is thus the opinion of the nomination committee that the current composition of the New Wave Board satisfies the requirements for independence laid down in both the Code and in the rules and regulations of NASDAQ OMX Stockholm for issuers. For a detailed presentation of the Board, Board Members assignments and securities holding in New Wave Group, please refer to page 56.

THE BOARD AND ITS WORK

The Board of New Wave Group consists of six members elected by the AGM. The Board's working procedures are defined in the rules of procedure, which regulate the delegation of responsibility between the Board and the MD, the MD's authority, the meeting schedule and reporting routine. The Board meetings deal with budgets, interim reports, year-end accounts, state of business, investments and new launches. They also deal with general issues relating to the long-term business strategy as well as structural and organisational issues.

The working language of the Board's meetings and documentation is Swedish. As a rule, between seven and twelve Board meetings are held each year. During 2016, the Board met on ten occasions. Göran Härstedt is the Board's secretary.

The Chairman organises and leads the Board's work so that this is carried out in accordance with the Swedish Companies Act, other legislation and regulations, applicable rules for listed companies, including the Code, and the Board's other internal control instruments. The Chairman follows operations in dialogue with the Managing Director and is responsible for other Board members receiving the information required to complete the Board's tasks.

The Board	Presence	Independent	Remuneration
Olof Persson, chairman (new election 2016)	6/10	X	206 666
Christina Bellander	10/10	X	148 332
Elisabeth Dahlin (new election 2016)	6/10	X	100 000
Mats Årjes	10/10	X	148 332
M. Johan Widerberg	9/10	X	148 332
Torsten Jansson	10/10		0
Anders Dahlvig, (resigning)	4/10	X	96 668
Helle Kruse Nielsen (resigning)	3/10	X	48 332
Total			896 662

AUDIT COMMITTEE

In 2016 there was no specially appointed audit committee as the Board in its entirety handles its control tasks. After the auditors' review in October, the company's auditors draw up an audit memo to the Board containing comments about individual companies and the Group as a whole. The auditors also present a personal report of their observations from the audit, their appraisal of the companies' internal control and the application of accounting policies at one of the autumn Board meetings. The Board receives continuous information about internal control and compliance with rules, control of audited values, estimates, assessments and other matters that might influence the quality of the financial reports. It is the job of the Group's auditor to audit the companies' ability to comply with the overriding rules for internal control within the companies. The auditors also report their observations about internal control.

The Group has an Audit Committee since February 2017 (AC).

AC is a Committee to the Board of Directors and members are appointed by the Board of Directors. The Committee shall consist of at least two members of the Board. The majority of the ACs members shall be independent of the company and its management. Members of the Board who are part of company management cannot be a member of the AC. M Johan Widerberg is President and Christina Bellander is a member of the Committee. Both are independent of the company and its management. CFO, is adjunct to AC, as well as for protocols.

The Board assigns to the AC to prepare and decide on audit issues and report discrepancies to the Board. The Board decides however on the appointment of an internal auditor and the external auditor reports directly to the Board. AC shall on the board's instructions be responsible for the work to ensure the quality of the company's internal management and control in regards to;

- financial reporting
- risk management and risk control
- compliance
- other internal management and control
- matters which the Board refers to AC

AC shall meet on a regular basis four times per annum and its protocols shall be communicated to the Board of Directors.

REMUNERATION COMMITTEE

There is no specially appointed remuneration committee to deal with wages, pension benefits, incentives and other employment related conditions for the Managing Director. These issues are dealt with by the Board as a whole without the participation of Board member part of company management. The employment conditions of other members of Group management are determined by the MD and the Chairman of the Board.

New Wave Group's compensation policy for senior executives:

- Remuneration to the Group Managing Director and other members of Group management comprises fixed salaries at competitive market rates.
- Variable remunerations such as bonuses may be paid when this is justified in order to be able to recruit and maintain key staff so as to stimulate improvements in sales and profits as well as the work involved in achieving specific key figures set by the Board. Variable remunerations shall be based on predetermined, measurable criteria such as performance of the New Wave Group or return on equity compared to fixed targets. The variable remuneration shall not exceed 50% of the fixed remuneration. Total yearly cost cannot exceed SEK 10 million.
- The Board shall in respect of each financial year consider whether a share or share price related incentive program which covers the year in question shall be proposed to the AGM or not. The AGM

makes the final decision regarding such incentive programs.

- There shall be no special fee for Boardwork in Group companies for senior executives.
- Pension benefits shall be equivalent to an ITP plan or, for senior executives outside Sweden, pension benefits which are standard in the relevant country.
- A mutual notice period of no more than six months and no severance pay shall apply for all senior executives.

CONDITIONS OF EMPLOYMENT FOR THE MD

Remuneration to the MD comprises a fixed salary. No Board member's fee or other remuneration (bonuses) is paid to the MD. Pension benefits are paid in accordance with the ITP plan. A mutual notice period of six months applies for the MD, i.e. no severance pay.

REMUNERATION TO THE BOARD

The AGM decides on the fee for the Board members who are elected by the AGM. The division of the fee between the Chairman and other members is set out in note 6 for the Group in the annual report. The Group has purchased consultancy services from related party. No further remuneration has been paid to any Board member.

GROUP MANAGEMENT

The Group's Board appoints the Managing Director of the parent company, who is also the CEO. The MD is responsible for the ongoing supervision of the Group and other members of the Group management report directly to him. The Group management consists of: CEO, Deputy CEO, Chief Financial Officer, Chief Buying Officer, Area Manager Asia, Area Manager North America, Manager

Corporate Promo, Manager Sports & Leisure and Manager Gifts & Home Furnishings.

Group management is responsible for formulating the Group's overall strategy, corporate governance, policies, the Group's financing, capital structure and risk management. They also deal with matters relating to company acquisitions and projects involving the Group as a whole.

For a more detailed presentation of management's assignments and holdings in New Wave Group refer to page 57.

INTERNAL CONTROL & RISK MANAGEMENT RELATING TO THE FINANCIAL REPORTING FOR THE 2016 FINANCIAL YEAR

GENERAL

According to the Swedish Companies Act, the Board is responsible for internal control. The aim of internal control is to create a clear structure of responsibility and an effective decision-making process. The Board has defined a number of basic documents of importance for financial reporting in order to guarantee an effective control environment. The Board's rules of procedure and the instructions for the Managing Director serve to guarantee a clear allocation of roles and responsibilities, with the aim of operational risks being managed effectively. The Board has also drawn up a number of basic guidelines and policies that are important for internal control, such as a financial policy, instructions for accounting and reporting, employee handbook and a communications policy. The basic control documents are subject to review on an ongoing basis. An effective control environment also requires an adequate organizational structure and ongoing reviews of this. Company management reports to the Board on a regular basis following defined routines. Company management is responsible for the system of internal controls that is required to deal with significant risks in operating activities. Managers at various levels within the Group

have clearly defined authority and responsibilities with regard to internal control.

OPERATING SEGMENTS

The Group divides its operations into three operating segments: Corporate Promo, Sports & Leisure, and Gifts & Home Furnishings.

Within Group management there are people with responsibility for each operational segment in order to coordinate operations. The products follow the operational segments, but have separate sales teams for the different sales channels, promo and retail.

SALES CHANNELS

The Group's products are sold via two sales channels, promo and retail.

CONCEPT GROUPS

Within each operational segment there are a number of concept groups responsible for strategic direction, product development and marketing strategy for one or more brands.

FINANCIAL RISK ASSESSMENT

The material risks New Wave Group have identified in connection with the financial reporting are inaccuracies in the reporting and valuation of stock, intangible assets, accounts receivable, interest-bearing liabilities, tax, currencies and the risk of fraud, loss or embezzlement of assets. The greatest financial risks in terms of value in the balance sheet are:

- Stock, which accounts for around 43% of the value of the Group's assets
- Intangible assets (goodwill & trademarks), which account for 25% of the value of the Group's assets
- Accounts receivable, which account for around 16% of the value of the Group's assets
- Interest-bearing liabilities, which account for around 34% of the Group's balance sheet total

CONTROL ENVIRONMENT

The foundations of the internal control in relation to the financial reporting consist of the general control environment with organization, decision-making paths, authority and responsibilities that have been documented and communicated. Within New Wave Group

some of the most important constituent parts of the control environment are documented in the form of policies, e.g. IT policy, financial policy, environmental policy and instructions, such as authorization instructions and a reporting manual.

CONTROL ACTIVITIES

In order to ensure the internal control works, there are both automatic controls in e.g. IT based systems, which handle authority and authorization rights, and also manual controls in the form of e.g. reconciliations and physical counts. Detailed economic analyses of the result plus follow-up of plans and forecasts supplement the controls and provide a general confirmation of the quality of the reporting.

The Group performs reviews of the companies' routines and accounting methods, which are reported to Group management. No MD's are permitted to appoint or dismiss a finance manager, and finance managers' report directly to the Group's CFO. The Group's risks with regard to financial reporting lay in the risk that material misstatements may occur when reporting the company's status and financial results. The company's accounting instructions and manuals, together with established follow up routines, serve to minimize these risks.

INFORMATION & COMMUNICATION

The most important control documents in the form of policies and instructions are updated regularly and communicated via relevant channels electronically and/or in printed form. For communication with external parties, there is an information policy which specifies guidelines for how this communication should take place. The purpose of the policy is to ensure that all information obligations are fulfilled correctly and in full.

FOLLOW-UP

Finance personnel and management at company and Group level analyze the financial reporting in detail every month. The Group's central support staff is responsible for implementing, further developing and maintaining the Group's control routines, and for performing internal controls of business critical matters. New Wave Group's privatized

structure involves a controllerbased organization, which is responsible for ensuring that financial reporting from each unit is correct, complete and on time. The controls in respect of the various processes and risk elements are evaluated by means of self-assessment, internal audits, internal Board meetings and via the company's external auditors. Most processes are fully or partly centralized at Group level, such as purchasing, logistics, payments, financing, IT, the consolidation and compilation of Group reports. The Board receives financial reports on an ongoing basis, and at each Board meeting they discuss the financial situation facing the Group and the various companies. During the year the Board has also received reports from the company's auditors detailing their observations.

THE COMPANIES

New Wave Group's organization is decentralized, with a high degree of independence and self-determination being delegated to company management. The objective is for the companies to be run in an entrepreneurial spirit, while at the same time enjoying the benefits of belonging to a large group of companies. The Group therefore consists of a large number of operational companies, 50 in total, some of which belong to sub-groups. Board meetings are held about three times a year in each company or sub-group. The composition of the Boards depends on the company's direction and its stage of development. In addition to Group management, the expertise of MDs in "mature" companies is utilized on the Boards of local subsidiaries. The organizational model chosen by New Wave Group provides for effective benchmarking of profitability, tied-up capital and growth between companies, brands and markets. New Wave Group has also set up internal targets for the companies.

INTERNAL AUDITING

During 2016 there was no specially appointed audit committee as the Board in its entirety handles its control tasks. In February 2017, an audit committee was formed. The company

has developed control and internal control systems, with business controllers at different levels within the company responsible for following up compliance on a regular basis. The Board's methods of monitoring the company's assessment of the internal control include contact with the company's auditors and as from February 2017 also the audit committee.

AUDITOR

At the AGM, the accountancy firm Ernst & Young AB was appointed as auditor. Stefan Kylebäck is the head auditor and among other public engagements we can mention Arcam AB, West International AB and Golden Heights AB. Stefan Kylebäck owns no shares in New Wave Group.

AUDIT WORK

The Group applies International Financial Reporting Standards (IFRS) when preparing the Group's reports. The Group's interim report for the third quarter is the subject of a general review by the company's auditor. This review follows the recommendations issued by FAR SRS, the organization for authorized public accountants. The audit of the annual report, consolidated financial statements, the accounting records and the administration of the Board and Managing Director is conducted in accordance with generally accepted auditing standards in Sweden.

ARTICLES OF ASSOCIATION

The articles of association are adopted by the AGM and contain fundamental facts about the company, e.g. what kind of business the company will run, the size of the share capital, the number of shares issued, the size of the Board of Directors and the procedure for convening the AGM. The company's articles of association state, among other things, that

the Board of Directors shall consist of at least three and no more than seven members, that the Board has its registered office in Göteborg, and that a class A share shall carry ten votes and a class B share one vote. The complete articles of association are available at the New Wave Group website, www.nwg.se.

POLICY DOCUMENTS

New Wave Group has a number of policies for the Group's operations and its employees. The Group also has a number of recommendations which specify guidelines and supervision for the Group's operations and its employees. Examples of policy content are as follows:

FINANCIAL POLICY

The Group's finance function works according to an instruction given by the Board which sets out frameworks for how the Group's operations shall be financed and how, for example, currency risks and interest rate risks shall be dealt with.

IT POLICY

The Group's IT policy describes the Group's principles for application and safety within IT.

COMMUNICATION POLICY

The Group's communication policy is a document that describes the Group's general principles for providing information.

ENVIRONMENTAL POLICY

The Group's environmental policy sets out guidelines for the environmental work within the Group.

ANTI-CORRUPTION POLICY

The Group's anti-corruption policy describes the Group's principles for work against corruption.

GÖTEBORG 31 MARCH 2017
NEW WAVE GROUP AB (PUBL)



OLOF PERSSON
Chairman of the Board



CHRISTINA BELLANDER
Member of the Board



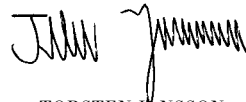
ELISABETH DAHLIN
Member of the Board



M. JOHAN WIDERBERG
Member of the Board



MATS ÄRJES
Member of the Board



TORSTEN JANSSON
MD and CEO

**AUDITOR'S REPORT ON THE
CORPORATE GOVERNANCE
STATEMENT**

To the general meeting of the shareholders of New Wave Group AB (publ), corporate identity number 556350 - 0916

ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the corporate governance statement for the year 2016 on pages 44 - 51 and that it has been prepared in accordance with the Annual Accounts Act.

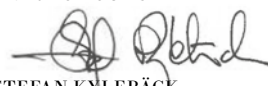
THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevU 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

GÖTEBORG, MARCH 31, 2017
ERNST & YOUNG AB



STEFAN KYLEBÄCK
Authorized Public Accountant

THE SHARE

THE NEW WAVE GROUP SHARE

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

DIVIDEND POLICY

The Board's objective is that distribution to shareholders be the equivalent of 40% of Group net profit after taxes over one business cycle.

SHAREHOLDERS

The number of shareholders amount to 11 655 (11 062) on December 31, 2016. Institutional investors accounted for 49% 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 13% of the capital and 3% of the votes.

NEW WAVE GROUP'S TEN MAJOR SHAREHOLDERS 2016-12-31

SHAREHOLDER	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson through companies	21 441 269	198 810 389	32.3%	81.6%
Lannebo fonder	6 780 927	6 780 927	10.2%	2.8%
Avanza Pension	4 363 765	4 363 765	6.6%	1.8%
Fjärde AP-Fonden	4 279 737	4 279 737	6.5%	1.8%
City Bank New York	1 823 351	1 823 351	2.7%	0.7%
Svolder AB	1 576 000	1 576 000	2.4%	0.6%
SEB fonder	1 352 295	1 352 295	2.0%	0.6%
Bank of New York Mellon	1 383 195	1 383 195	2.1%	0.6%
Spiltan Aktiefonder	1 248 226	1 248 226	1.9%	0.5%
Hans Diding	1 224 652	1 224 652	1.8%	0.5%
	45 473 417	222 842 537	68.5%	91.4%

SHAREHOLDER DISTRIBUTION IN NEW WAVE GROUP 2016-12-31

	Number of shares	Number of votes	Capital %	Votes %
Sweden	57 994 368	235 363 488	87.4%	96.6%
Shareholders outside Sweden, excluding USA	4 485 591	4 485 591	6.8%	1.8%
USA	3 863 584	3 863 584	5.8%	1.6%
Total	66 343 543	243 712 663	100.0%	100.0%

SHAREHOLDER STRUCTURE 2016-12-31

In due order	Number of shareholders	Number of shares	Share, %	TSEK
1-200	5 905	462 189	0.7	25 536
201-1 000	3 683	2 136 523	3.2	118 043
1 001-2 000	969	1 575 390	2.4	87 040
2 001-10 000	843	3 759 683	5.7	207 722
10 001-	255	58 409 758	88.0	2 138 290
	11 655	66 343 543	100.0	2 576 631

NEW WAVE B
Listed on
OMX Stockholm Mid Cap.

SHARE DEVELOPMENT IN REFERENCE TO INDEX AND TURNOVER

SHARE CHART



Share capital development

Year	Transaction	Increase number of shares	Issue price	Increase share capital	Total number of shares	Total share capital, SEK	Face quota
1991	The company was founded	500	100.00		500	50 000	100.00
1995	Directed new issue 1:20 ¹	25	35 524.00	2 500	525	52 500	100.00
1996	Bonus issue 37:1	19 475		1 947 500	20 000	2 000 000	
1997	Directed new issue 1:17 ²	11 448	600.00	114 480	211 448	2 114 480	10.00
	Bonus issue	0		2 114 480	211 448	4 228 960	
	Split 10:1	1 903 032			2 114 480	4 228 960	
	Directed new issue ³	681 818	110.00	1 363 636	2 796 298	5 592 596	2.00
1998	Directed new issue ⁴	201 106	114.40	402 212	2 997 404	5 994 808	2.00
2000	Directed new issue ⁵	552 648	171.45	1 105 296	3 550 052	7 100 104	2.00
	Split 2:1	3 550 052			7 100 104	7 100 104	
2001	Directed new issue ⁶	150 000	160.00	150 000	7 250 104	7 250 104	1.00
2002	Split 2:1	7 250 104			14 500 208	7 250 104	
2004	Bonus issue			166 752 392	14 500 208	174 002 496	12.00
	Directed new issue ⁷	1 160 016	130.00	13 920 192	15 660 224	187 922 688	12.00
	Split 2:1	15 660 224			31 320 448	187 922 688	6.00
	Directed new issue ⁸	226 886	88.15	1 361 316	31 547 334	189 284 004	6.00
2005	Directed new issue ⁹	96 822	125.00	580 932	31 644 156	189 864 936	6.00
	Directed new issue ¹⁰	614 732	52.00	3 688 392	32 258 888	193 553 328	6.00
	Split 2:1	32 258 888			64 517 776	193 553 328	3.00
2006	Directed new issue ¹¹	1 825 767	29.30	5 477 301	66 343 543	199 030 629	3.00

¹ New issue addressed to the owners of Licensprint i Orsa AB connected to the purchase of the company. The share premium reserve increased by SEK 886,000.

² New issue addressed to Group personnel. Subscription price SEK 600 per share. The share premium reserve increased by SEK 6,754,000.

³ New issue connected to introduction on the Swedish Stock Exchange. Subscription price SEK 110 per share. The share premium reserve increased by SEK 69,089,000.

⁴ Non-cash issue connected to the purchase of the Hefra Group. Price of issue SEK 114.40 per share. The share premium reserve increased by SEK 22,604,000.

⁵ New issue addressed to the owners of Texet AB connected to the purchase of the company. The share premium reserve increased by SEK 94,242,000

⁶ New issue addressed to the owners of Segerkoncernen AB connected to the purchase of the company. The share premium reserve increased by SEK 23,850,000.

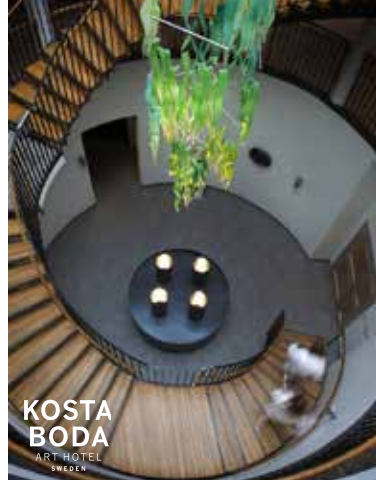
⁷ New issue addressed to the owners of New Wave Group. The share premium reserve increased by SEK 135,794,410.

⁸ New issue addressed to the owners of Jobman AB connected to the purchase of the company. The share premium reserve increased by SEK 16,638,684.

⁹ New issue addressed to the owners of the Dahetra Group connected to the purchase of the Group. The share premium reserve increased by SEK 11,521,818.

¹⁰ New issue connected to exercise of option rights. The share premium reserve increased by SEK 28,221,388.

¹¹ New issue connected to exercise of option rights. The share premium reserve increased by SEK 48,017,672.



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THE BOARD OF DIRECTORS



OLOF PERSSON
BORN 1964

Chairman of the Board since 2016. Former MD and CEO of AB Volvo (2011-2015), MD of Volvo Construction Equipment (2008-2011) and MD of Volvo Aero (2006-2008).

Other directorships: Chairman of German-Swedish Chamber of Commerce and Staples Solutions B.V. Member of the Board of The Swedish Exhibition & Congress Center Group.

Holdings in the company, own and related parties: Does not hold any securities in the company.



TORSTEN JANSSON
BORN 1962

MD and CEO. Founder and majority shareholder in New Wave Group AB. Member of the Board since 1991.

Other directorships: Chairman of the Board of Porthouse Interior AB.

Holdings in the company, own and related parties: 19 707 680 class A shares and 1 733 589 class B shares.



CHRISTINA BELLANDER
BORN 1955

Member of the Board since 2009.

Other directorships: Member of the Board of MittMedia AB, Novus Group, Kunskapsskolan Education Sweden AB and Marginalen AB.

Holdings in the company, own and related parties: 2 000 class B shares.



ELISABETH DAHLIN
BORN 1957

Member of the Board since 2016 Secretary General of Save the Children Sweden (Rädda Barnen). Background in the Ministry of Foreign Affairs, latest assignment Ambassador and Director of the Partnership for Global Responsibility.

Former Deputy Director General in the National Board of Trade (Kommerskollegium) specializing on WTO accession for developing countries and free trade.

Other directorships: Member of the Board of Save the Children Sweden, Press Council and Radiohjälpen

Holdings in the company, own and related parties: 800 class B shares.



MATS ÅRJES
BORN 1967

Member of the Board since 2007. MD SkiStar AB.

Other directorships: Chairman of the Swedish Ski Association, Member of the Board of SkiStar AB.

Holdings in the company, own and related parties: 10 000 class B shares.



M. JOHAN WIDERBERG
BORN 1949

Member of the Board since 2014.

Has previously held a number of positions within Svenska Handelsbanken

Other directorships: Chairman of the Board of AB Handel och Industri AB, Member of the Board of Thomas Concrete Group AB, Handelsbanken Västra Sverige, Stena Metall AB, Stiftelsen Chalmers University of Technology, Gothenburg Research Institute and SSRS Sjöredningssällskapet and Secretary General of Börssällskapet.

Holdings in the company, own and related parties: 2 000 class B shares.

AUDITOR
STEFAN KYLEBÄCK
BORN 1965

Authorized Public Accountant, Ernst & Young AB. Auditor of the company since 2014.

GROUP MANAGEMENT



TORSTEN JANSSON
BORN 1962

MD and CEO. Founder and majority shareholder in New Wave Group AB.

Holdings in the company, own and related parties:
19 707 680 class A shares and 1 733 589 class B shares.



GÖRAN HÄRSTEDT
BORN 1965

Deputy MD and deputy CEO
Various positions in New Wave Group AB since 2000.

Holdings in the company, own and related parties:
100 780 class B-shares



LARS JÖNSSON
BORN 1964

CFO
Employed since 2007.

Holdings in the company, own and related parties:
Does not hold any securities in the company.



MAGNUS CLAESSION
BORN 1960

Area Manager Asia
Employed since 2010.

Holdings in the company, own and related parties:
10 000 class B-shares.



MARK CAO
BORN 1963

Chief Buying Officer.
Employed since 2011.

Holdings in the company, own and related parties:
Does not hold any securities in the company.



ERNEST JOHNSON
BORN 1951

Area Manager North America
Managing Director of New Wave group USA inc.
Employed since 2007.

Holdings in the company, own and related parties:
Does not hold any securities in the company.



TOMAS JANSSON
BORN 1965

Manager – Corporate Promo
Managing Director of New Wave Mode AB.
Employed since 1993.

Holdings in the company, own and related parties:
20 000 class B shares.



JENS PETERSSON
BORN 1963

Manager – Sports & Leisure
Employed since 1999.

Holdings in the company, own and related parties:
204 300 class B shares



MAGNUS ANDERSSON
BORN 1966

Manager – Gifts & Home Furnishings
Managing Director of Orrrefors Kosta Boda AB
Employed since 2012.

Holdings in the company, own and related parties:
50 000 class B shares

ANNUAL GENERAL MEETING

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) will take place on Wednesday 10 May 2017 at 1 pm at the Kosta Boda Art Hotel, Stora vägen 75, 360 52 Kosta, Sweden. Shareholders have the right to attend the AGM if they are registered in the copy of the share register made on 4 May 2017 and notify the company of their intention to attend the AGM by 4 May 2017 at the latest.

If the shareholder intends to be represented by proxy, a written, dated, power of attorney shall be issued for the proxy. The power of attorney in the original should be sent to the company at the address provided above no later than on 4 May 2017. If the power of attorney is issued by a legal entity, a certified copy of the corporate registration certificate and other authorization documents should be sent to the company. Please note that shareholders who are represented by proxy must also give notice of participation as stipulated above.

A proxy form is available on the company's website www.nwg.se.

NOMINEE REGISTERED SHARES

Shareholders with nominee-registered shares must register their shares in their own name with Euroclear Sweden AB to be entitled to attend the AGM. This registration must be completed by 4 May 2017 and an application shall therefore be made to the nominee in good time before this date.

NOTIFICATION

Notification of attendance at the AGM shall be made by letter or e-mail to:

New Wave Group AB (publ)
Kungssportsavenyen 10
411 36 Göteborg, Sweden
bolagsstamma@nwg.se

The notification shall state name, personal identification number/company registration number and daytime phone number. Shareholders who wish to attend the AGM must have notified the company of this before 4 May 2017 when the notification deadline expires.

ISSUES

The issues prescribed by law and the articles of association, the below proposals for dividends and other issues mentioned in the notice to convene the meeting will be addressed at the AGM.

DIVIDEND PAYMENT

The Board proposes to the Annual General Meeting a dividend for 2016 of SEK 1.35 per share, corresponding to a total of SEK 89 564 thousand. The Board has proposed 12 May 2017 as the record day for the dividend. This record day assumes payment of the dividend from Euroclear Sweden AB on 17 May 2017.

New Wave
GROUP



*New Wave Group is a growth company that designs,
acquires and develops brands and products in the
corporate promo, sport,
gifts and home furnishings sectors.*

NewWave
G R O U P

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2016

FINANCIAL
INFORMATION





TOPPOINT



JOBMAN
WORKWEAR



J. HARVEST & FROST
CORPORATE SHIRTMAKER



**KOSTA
BODA**
SWEDEN 1742



cottover
people to planet

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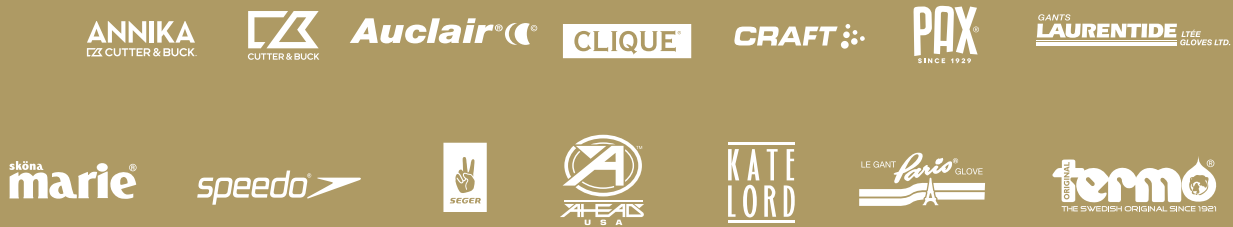
ANNUAL GENERAL
MEETING

NEW WAVE GROUP'S BRANDS

CORPORATE PROMO



SPORTS & LEISURE



GIFTS & HOME FURNISHINGS



BOARD OF DIRECTORS' REPORT

The Board of Directors and CEO of New Wave Group AB (publ), 556350-0916, based in Göteborg, hereby submit the financial statements and consolidated financial statements for the financial year 1 January 2016 to 31 December 2016.

OPERATIONS

New Wave Group is a growth company that creates, acquires and develops brands and products in the corporate promo, sports, gifts and home furnishings sector. The Group will achieve synergies by coordinating the design, purchasing, marketing, warehousing, and distribution of the product range. To ensure the good allocation of risks, the Group will offer its products in the promo market and the retail market.

New Wave Group's competitiveness lies primarily in its strong brands, considerable expertise, high level of service, and a well-developed overall concept. Products are primarily manufactured in Asia, and to a lesser extent in Europe. Thanks to its relative size, New Wave Group has good purchasing prices and efficient logistics. The Group's most well-known wholly-owned brands include AHEAD, Auclair, Clique, Craft, Cutter & Buck, Grizzly, James Harvest Sportswear, Jobman, Kosta Boda, Orrefors, PAX, ProJob, Sagaform, Seger and Toppoint.

SUMMARY OF 2016

We have in 2016 continued the work we started in autumn 2014, which meant that we shall improve our delivery performance, expand our product range and allocate more resources for sales and marketing. The Group's turnover rose by 5 % compared with last year and amounted to SEK 5,237 (4,965) million. Most of the efforts have continued within the promo sales channel and mainly in the operating segment Corporate Promo. The operating segment Corporate Promo increased its sales by 11 % and we have growth in all regions. Sports & Leisure's turnover was on par with last year in both sales channels. We have an increase in the Swedish and European markets while we decreased in the USA. Gifts & Home Furnishings increase its turnover by 6 %, which is related to the retail sales channel in Sweden.

Of the Group's sales channels, promo increased by 9 % and retail by 1 %.

FIVE YEAR SUMMARY

SEK million	2016	2015	2014	2013	2012
Income	5 237,1	4 964,7	4 273,6	4 047,4	4 280,2
Goods for resale	-2 826,9	-2 726,1	-2 321,0	-2 177,0	-2 415,8
Gross profit	2 410.2	2 238.6	1 952.6	1 870.4	1 864.4
Other operating income	51.0	47.2	27.7	33.3	35.1
External costs	-1 098.0	-1 086.0	-923.5	-853.3	-954.0
Personnel costs	-881.6	-851.6	-735.7	-697.8	-765.5
Depreciations	-55.9	-57.1	-54.2	-52.1	-89.9
Other operating costs	-25.7	-36.2	-16.5	-10.9	-18.7
Share of associated companies' result	0.2	0.3	-0.4	1.1	1.7
Operating profit	400.2	255.2	250.0	290.7	73.1
Net financial items	-59.9	-74.3	-42.0	-56.2	-58.2
Result before tax	340.3	180.9	208.0	234.5	14.9
Tax on net profit for the year	-63.6	-35.6	-31.1	-47.5	-9.1
Result for the period	276.7	145.3	176.9	187.1	5.8
Gross profit margin, %	46.0	45.1	45.7	46.2	43.6
Operating margin, %	7.6	5.1	5.9	7.2	1.7
Equity ratio, %	48.4	45.9	45.9	49.8	44.1
Net debt to equity ratio, %	62.1	76.8	76.0	60.1	77.5
Net debt in relation to working capital, %	64.7	71.7	71.1	67.6	77.3
Average number of employees	2 396	2 358	2 212	2 123	2 258
Total assets, SEK million	5 824.2	5 478.7	5 236.6	4 221.5	4 441.2

Europe managed the year better, although the last quarter of the year with a mild

The gross profit margin improved and amounted to 46.0 (45.1) %. The improvement is related to a change in the mix of products, customers and regions.

Last year's comprehensive advertising and marketing has continued even in 2016. However, we have not increased the overall cost but mainly redeployed between different activities. Personnel costs have increased as we have employed more people within sales and customer service. Staff costs will also increase 2017, when the full cost impact occurs for the appointments made during 2016.

Result for the period increased by SEK 131.4 million and amounted to SEK 276.7 (145.3) million. The improved result is related to increased sales and improved gross profit margin.

At the beginning of the year, the Group increased its stock level

and thereby created good sales opportunities while at the same time ensuring good delivery security. Stock as of 31 December, 2016 amounted to SEK 2,496 (2,448) million and stock turnover amounted to 1.1 (1.2). In line with inventories reaching the desired level, working capital improved and the group then showed a positive cash flow from operations during the fourth quarter, as well as for the full year. Cash flow from operating activities amounted to SEK 448.9 (129.5) million.

The balance sheet remains strong, with an equity ratio of 48.4 (45.9) % as well as a decrease in our net debt by SEK 180 million which amounted to SEK 1,749 (1,929) million as of 31 December. Exchange rates have, however, increased net debt by SEK 104 million

compared to last year.

INCOME

Sales amounted to SEK 5,237 million, which was 5 % higher than last year (SEK 4,965 million). Exchange rates have affected positively by SEK 24 million.

The operating segment Corporate Promo increased its sales by 11 %, Sports & Leisure's sales was on par with last and Gifts & Home Furnishings increased its sales by 6 %. Sales in Sweden increased by 8 % compared with last year and the growth occurred primarily in the promo sales channel. In the USA, sales decreased. Sales have been positively affected by the currency change when converted into SEK and sales in local currency are slightly lower than last year. Nordic countries (excl. Sweden) increased by 12 %, with the increase occurring in all countries and in the promo sales channel. Central and southern Europe has increased its sales by 7 % and 11 %. The increase is related to the promo sales channel.

Sales per region SEK million	Share of		Share of		Change	Change
	2016	income	2015	income		
Sweden	1 236.4	24%	1 145.6	23%	90.8	8
USA	1 381.1	26%	1 389.1	28%	-8.0	-1
Nordic countries excl Sweden	739.5	14%	660.2	13%	79.3	12
Central Europe	996.8	19%	927.3	19%	69.5	7
Southern Europe	524.4	10%	471.5	9%	52.9	11
Other countries	358.9	7%	371.0	7%	-12.1	-3
Total	5 237.1	100%	4 964.7	100%	272.4	5

GROSS PROFIT

The gross profit margin amounted to 46.0 (45.1) %. The improvement is related to a change in the mix of products, customers and regions.

OTHER OPERATING INCOME AND OTHER OPERATING COSTS

Other operating income increased by SEK 3.8 million to SEK 51.0 (47.2) 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 decreased by SEK 10.5 million and amounted to SEK -25.7 (-36.2) million. The net total of above items amounted to SEK 25.3 (11.0) million.

COSTS AND DEPRECIATION

External costs are on par with last year and amounted to SEK -1,098.0 (-1,086.0) million. Last year we increased costs related to marketing, and during the year, we maintained a high activity level. Personnel costs rose by SEK 30.0 million and amounted to SEK -881.6 (-851.6) million. The increase is related to an increased

number of employees, mostly in sales and customer service.

Exchange rates have increased costs by SEK 8 million.

Depreciation and write-down losses decreased slightly and amounted to SEK -55.9 (-57.1) million.

OPERATING MARGIN

Operating margin amounted to 7.6 (5.1) %. The improved margin is related to increased sales and a higher gross profit margin.

NET FINANCIAL ITEMS AND TAXES

Net financial items decreased by SEK 14.4 million and amounted to SEK -59.9 (-74.3) million. The lower cost is related to lower net debt and that last year's financial expenses were negatively impacted by SEK 10.3 million relating to a change in operations in Russia.

Income taxes in absolute terms amounted to SEK -63.6 (-35.6) million and the effective tax rate amounted to 18.7 (19.7) %. The lower tax rate for the current year is mainly due to a change in the tax base (mix of countries).

RESULT FOR THE PERIOD

Result for the period improved by SEK 131.4 million and amounted to SEK 276.7 (145.3) million. The improved result is related to increased sales and higher gross profit margin. Last year was negatively affected by SEK -16.6 million related to reduced operations in Russia. Earnings per share amounted to SEK 4.16 (2.16).

REPORTING OF OPERATING SEGMENTS

New Wave Group AB divides its operations into 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

Sales increased by 11 % to SEK 2,389 (2,152) million and the EBITDA amounted to SEK 250.8 (166.4) million. The increased sales was due to increased marketing activities and higher service levels. Growth occurred in all regions. The gross profit margin improved slightly,



but the segment also has higher costs related to marketing.

SPORTS & LEISURE

Sales was at the same level as last year and amounted to SEK 2,261 (2,258) million. Sales increased mainly in the Nordic countries and in Europe as well as in the promo sales channel. Retail decreased somewhat in the American market. The EBITDA however improved by SEK 51.4 million to SEK 194.5 (143.1) million which is mainly attributable to savings but also last year's costs in connection with the decision to reduce operations in Russia (SEK -8.1 million).

GIFTS & HOME FURNISHINGS

Sales amounted to SEK 588 million, which was SEK 34 million higher than last year (SEK 554 million). Sales grew in the retail sales channel and mainly in the Swedish market. The EBITDA improved by SEK 8.0 million to SEK 10.8 (2.8) million, which is mainly turnover related but also a slightly higher gross profit margin has affected positively. The segment has also, however, higher costs for sales and marketing efforts.

SALES AND EBITDA PER OPERATING SEGMENT

SEK million		
Corporate Promo	2016	2015
Income	2 388.6	2 152.0
EBITDA	250.8	166.4
Sport & Leisure		
Income	2 260.8	2 258.4
EBITDA	194.5	143.1
Gifts & Home Furnishings		
Income	587.7	554.3
EBITDA	10.8	2.8
Total income	5 237.1	4 964.7
Total EBITDA	456.1	312.3



CAPITAL TIED UP

During the first quarter of this year the Group increased its stock of basic assortment but also with new basic collections. After this, the stock reached a good level and we have had a good level of service throughout the year. Capital tied up in goods has increased by SEK 48 million and total stock amounted to SEK 2.496 (2.448) million. Exchange rate fluctuations when converted into SEK increased inventory value by SEK 100 million. The stock turnover was slightly lower compared to last year and amounted to 1.1 (1.2). The stock value is expected to increase in the coming quarters, which is seasonal, but also because of an expanded product range.

SEK million	2016-12	2015-12
Raw materials	28.9	28.0
Work in progress	9.7	5.2
Goods in transit	126.1	100.9
Merchandise on stock	2 331.7	2 313.7
Total	2 496.4	2 447.8

The accumulated impairment of the stock was SEK 115 (108) million, of which SEK 7 (9) million relates to raw materials. Accumulated impairment related to merchandise on stock amounted to 4.4 (4.1) %.

Accounts receivable amounted to SEK 906 (822) million. The increase is sales related.

INVESTMENTS, FINANCING AND LIQUIDITY

Consolidated cash flow from operations was SEK 448.9 (129.5) million. The improved cash flow is related both to the improvement in profits and lower stock purchases than last year. In previous years we expanded our basic range as well as increasing supplemental purchases within Corporate Promo. The net cash investments amounted to SEK -89.6 (-106.5) million. Last year a number of investments were made in tangible fixed assets, among others, new storage facilities which have not been made in 2016.

Net debt decreased during the year by SEK 180 million to SEK 1,749 (1,929) million, which is related to an improved result and improved working capital. Exchange rates have, however, increased the debt by SEK 104 million. The positive cash flow has also meant that our net debt in relation to equity and working capital have decreased and amounted to 62.0 (76.8) % respectively 64.7 (71.7)%.

The equity ratio improved by 2.5 percentage points and amounted to 48.4 (45.9) % as of 31 December.

The Group has as of 31 December 2016 a total credit line of SEK 2 621.0 million. The main financing agreement was renewed on 10 February 2016 and has a credit facility of SEK 2 371.0 million of which SEK 2 000.0 million has a term of three years and USD 40.8 million has a term of eight years. In addition, there are credit lines totaling SEK 250.0 million, which have a term of between one and seven years.



INTANGIBLE ASSETS AND IMPAIRMENT TESTING

The Group's intangible fixed assets consist mainly of goodwill and trademarks. The trademarks with the greater value recorded at cost are well known trademarks, such as Orrefors Kosta Boda in Gifts & Home Furnishings and primarily Cutter & Buck in Sports & Leisure. The Groups goodwill and trademarks are tested annual to asses whether any need for impairment exists. The assets value is determined by discounting values of cash flow forecasts for the next five years, including a terminal growth period, using a weighted cost of capital (WACC). The most significant assumptions when determining the value in use consists of growth rate, operating margin and WACC. The 2016 impairment test of goodwill and trademarks shows no need for impairment as of 2016-12-31. For more information about the groups intangible assets and impairment testing, see note 8.

PERSONNEL AND ORGANISATION

The number of employees as of 31 December 2016 amounted to 2,396 (2,358), of whom 51% were female and 49% were men. Of the total number of employees 613 (577) work in production. The production contained within New Wave group is attributable to Ahead (embroidery), Cutter & Buck (embroidery), Paris Glove, Orrefors Kosta Boda, Seger, Termo Dahetra and Toppoint.

There is no specifically appointed remuneration committee for the management of salary levels, pension benefits, incentive matters, and other terms of employment for the CEO as these issues are addressed by the Board as a whole. The terms of employment for other members of Group Management are decided on by the CEO and Chairman of the Board.

Shown below are New Wave Group's guidelines for compensation to senior executives. The guidelines have been applied during 2016 and up to the annual general meeting 2017, and are also proposed at the annual general meeting May 10, 2017:

- Remuneration to the Group CEO and senior management shall comprise a fixed salary at market rate.
- No specific Board fees for work within Group companies will be paid to the senior management.
- Variable remuneration, such as bonuses, may be permitted when it can be justified for the recruitment or retention of key employees, and to stimulate improvements in sales and profits, as well as for work to achieve the specific key ratios set by the Board. Variable remuneration shall be based on predetermined and measurable criteria such as the sales trend for the New Wave Group, or the return on equity compared with fixed targets. Variable remuneration shall not exceed 50% of the fixed remuneration. Total yearly cost cannot exceed SEK 10 million.

- With regard to each financial year, the Board shall evaluate whether a share or share price-related incentive programme which covers the year in question shall be proposed to the AGM or not. The AGM decides on such incentive programmes.
- Pension benefits shall correspond to the ITP plan (supplementary pensions for salaried employees) or, in the case of senior management outside Sweden, pension benefits that are customary in that country.
- A mutual notice period of a maximum of 6 months shall apply to all senior management and no severance pay will be paid.

The Board may deviate from the proposed guidelines above in individual cases if there are specific reasons to do so.

One member of group management has invoiced a fixed fee instead of a fixed salary which means that a deviation has been made from the guidelines.

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. In addition there are transactions with related parties with insignificant amounts. All transactions are on market terms. See Group note 18 for further details.

RISKS AND RISK MANAGEMENT

New Wave Group's international operations mean that it is continuously exposed to various financial risks. The financial risks are interest rate risks, currency and liquidity and credit risks. In order to minimize the affect these risks may have on earnings, the Group has established a financial policy.

The Group's policy is to have short fixed-rate interest periods, which means that fluctuating short-term interest rates have a rapid impact on the Group's net interest income.

A significant portion of New Wave Group's sales are made in foreign currency (approx. 76 %). The Group is exposed to changes in exchange rates in the future flows of payments related to firm commitments and to loans and investments in foreign currencies, i.e. transaction exposure. The Group's accounts are also affected by translating the results and net assets of foreign subsidiaries into SEK, i.e. translation exposure.

Due to the relatively capital-intensive nature of its activities and its expansive growth strategy, New Wave Group has a need to secure its funding. For a growth company like New Wave Group it is essential to ensure that sufficient liquidity is available to fund future expansion and that there is a high degree of flexibility when acquisition opportunities present themselves. It is also important that a sound balance between equity and financing through debt is kept, as New Wave Group's goal is to achieve an equity ratio in excess of 30%.

The Group is exposed to credit risk from its operating activities, primarily accounts receivables, and from its financing activities which includes deposits at banks and financial institutions, currency futures and other financial instruments. The Group's total exposure to credit risk amounted, at year-end, to SEK 1 184.9 (1 032.3) million.

For a more extensive description of the Group's risk exposures and risk management see note 17.

ENVIRONMENT

New Wave Group has a responsibility to ensure that our business operations, and the business operations of our suppliers, respect the legal provisions of different countries, as well as basic human rights and working conditions. New Wave Group works systematically with regard to supplier auditing, monitoring, and dialogue in order to ensure that our business operations are conducted in the most responsible manner possible with regard to people and the environment.

New Wave Group understands how our business operations are so closely related to local and global environmental issues. As the Group grows in size, and as more customers buy our products, our environmental impact will increase. For this reason, New Wave Group is striving to develop environmentally sustainable solutions with regard to transport, packaging, and manufacturing.

New Wave Group aims to be the industry leader in CSR (Corporate Social Responsibility).

The Group's subsidiary — Orrefors Kosta Boda AB — conducts licensed operations under the Environmental code.

For additional information see section Ethics and the environment on pages 38-43.

THE PARENT COMPANY

Total income amounted to SEK 123.3 (122.6) million. Result before appropriations and taxes amounted to SEK 406.2 (-38.7) million. The result was positively affected by SEK 420.4 (77.3) million in regards to net income from shares in Group companies. This is mainly attributable to dividends from subsidiaries. Net borrowing amounted to SEK 1,726 (1,871) million. The parent company's financing to subsidiaries amounted to SEK 1,887 (1,623) million. Net investments for the year amounted to SEK 5.9 (-22.8) million and the balance sheet total amounted to SEK 3,753 (3,651) million. Shareholders' equity, including 78% of untaxed reserves, amounted to SEK 1,589 (1,215) million.

NEW WAVE'S SHARE

The number of shares in New Wave Group AB amount to 66 343 543 with a quotient value of SEK 3.00. The shares have equal rights to the Company's assets and profits. Each Series A share carries ten votes and each Series B share carries one vote. The offer of first refusal is in place for Series A shareholders in accordance with paragraph 14 of the articles of association.

The election of Board members takes place at the AGM.

Through companies, Torsten Jansson owns 32.3 % of the capital and 81.6 % of the votes.

The following authorization has been given to the Board until the next AGM:

■ to, on one or several occasions, decide on the new issue of a maximum of 4 000 000 Series B shares. The authorization includes the right to decide to deviate from the shareholders' preferential rights, unless the decision refers to a new issue in which consideration is comprised only of cash. Through decisions supported by the authorization, share capital will be allowed to increase by a total maximum of SEK 12 000 000. The authorization will also include the right to decide on new issues with a dominance in kind, or that shares shall be subscribed with a right of set-off or otherwise with conditions as stated in chapter 13, section 5, point 6 of the Companies Act. The reason for the deviation from the shareholders' preferential rights is that the new issue of shares shall be used for the acquisition of companies and for financing continued expansion. The basis of the issue price will be the share's market value at the time of issue.

■ to, on one or more occasions, decide to raise financing of a kind that is covered by the provisions in chapter 11, paragraph 11 of the Companies Act. Such financing will take place on market terms. The reason for this authorization is that the Company should have the opportunity to raise financing on attractive terms for the Company in which the interest rate may depend on the Company's profits or financial position, for example.

For additional share information see pages 52-53.

GROWTH TARGETS AND DIVIDEND POLICY

The growth target over one business cycle is 10–20% per year, of which 5-10% should be organic growth and 15% operating margin. The dividend policy is that the dividend will account for 40% of the Group's profit after taxes over a business cycle

IN GENERAL

A report on the Group's governance and the work of the Board is presented in the section on Corporate Governance.



PROPOSED DISTRIBUTION OF PROFIT

THE FOLLOWING IS AT THE DISPOSAL OF THE ANNUAL GENERAL MEETING:

SEK

Retained profits	651 724 538
Share premium reserve	48 017 672
Result for the period	435 100 308
Total:	1 134 842 518

The Board proposes a dividend of SEK 1.35 (1.00) per share, corresponding to SEK 89 563 783, and that retained profits together with the result for the year, in total SEK 1 045 278 735, is carried forward.

The Board of Directors' statement regarding distribution of profits.

JUSTIFICATION

Consolidated equity has been calculated according to the IFRS standards as adopted by the EU, and in accordance with Swedish law through the application of the Swedish Financial Reporting Board's recommendation, RFR 1 (Supplementary Accounting Rules for Corporate Groups). The Parent Company's equity has been calculated according to Swedish law and through the application of the Swedish Financial Reporting Board's recommendation, RFR 2 (Accounting for Legal Entities).

The proposed distribution of profits corresponds to 32 % of the Group's profits for the year, which is in line with the stated objective that dividend should equate to 40 % of the Group's profits for the year over one business cycle. Investment plans, consolidation requirements, liquidity and overall position have been taken into account. The Board finds that there is full coverage of the Company's

restricted equity following the proposed distribution of profits.

The Board also finds that the proposed dividend to shareholders is justified with regard to the parameters stated in chapter 17, section 3, paragraphs 2 and 3 of the Companies Act (the nature, scope, and risks of the business, and consolidation requirements, liquidity, and overall position). In relation to this, the Board would like to stress the following.

THE NATURE, SCOPE & RISKS OF THE BUSINESS

The Board deems that Company equity and consolidated equity following the proposed distribution of profits will be sufficient in relation to the nature, scope, and risks of the business. In relation to this, the Board takes into account the Company's and the Group's historical and budgeted development, investment plans, and the economic situation.

CONSOLIDATION REQUIREMENTS, LIQUIDITY & OVERALL POSITION

CONSOLIDATION REQUIREMENTS

The Board has undertaken a comprehensive assessment of the Company's financial position and its ability to honour its future commitments. The proposed dividend represents 5.7 % of the Company's equity and 3.2 % of consolidated equity. The objective stated with regard to the Group's capital structure for an equity ratio of at least 30 % is retained following the proposed dividend.

The Company's and the Group's equity ratio is good. Against this background, the Board considers that the Company and the Group have the necessary conditions for taking future business risks and to withstand any losses. Planned investments have been taken into account in determining the proposed dividend. The distribution of profits will have no negative effect on the Company's and the Group's ability to make further commercially motivated investments according to the adopted plans

LIQUIDITY

The proposed distribution of profits will not affect the Company's and the Group's ability to honour its payment obligations on time. The Company and the Group have access to liquid asset reserves in the form of both short and long-term credit. The credit can be obtained at short notice, which means that the Company and the Group are prepared to overcome liquidity variations as well as any unexpected events.

POSITION

The Board has evaluated all other known conditions which may be of significance for the Company's and the Group's financial position and which have not been considered within the framework of that which has been stated above. In relation to this, no circumstance has arisen which makes the proposed dividend seem unjustifiable.

The undersigned certify that the consolidated and annual accounts have been prepared in accordance with the IFRS international financial reporting standards, as adopted by the EU, and generally accepted accounting principles, and provide an accurate account of the Group's financial position and performance, and that the Group Directors' Report and Board of Directors' Report provide an accurate overview of the development of the Group's and the Company's operations, financial position and performance, and describe the significant risks and safety factors faced by the companies in the Group.

GÖTEBORG, 31 MARCH 2017




OLOF PERSSON
Chairman of the Board



CHRISTINA BELLANDER
Member of the Board



ELISABETH DAHLIN
Member of the Board



M. JOHAN WIDERBERG
Member of the Board



MATS ÅRJES
Member of the Board



TORSTEN JANSSON
MD and CEO

OUR AUDITOR'S REPORT HAS BEEN GIVEN ON 31 MARCH 2017

ERNST & YOUNG AB



STEFAN KYLEBÄCK
Authorised Public Accountant

CONSOLIDATED INCOME STATEMENT

1 JANUARY – 31 DECEMBER

SEK million	Not	2016	2015
Income	3, 18	5 237.1	4 964.7
Goods for resale		-2 826.9	-2 726.1
Gross profit		2 410.2	2 238.6
Other operating income	4	51.0	47.2
External costs	7, 9, 18	-1 098.0	-1 086.0
Personnel costs	5, 6	-881.6	-851.6
Depreciation and write downs of tangible and intangible fixed assets	8, 9	-55.9	-57.1
Other operating costs		-25.7	-36.2
Share of associated companies result	13	0.2	0.3
Operating profit	10	400.2	255.2
Financial income		3.1	7.2
Financial expenses		-63.0	-81.5
Net financial items	11	-59.9	-74.3
Result before tax		340.3	180.9
Tax on profit for the period	12	-63.6	-35.6
Result for the period		276.7	145.3
<i>Other comprehensive income</i>			
Items that can be reclassified into profit or loss			
Translation differences		88.9	28.1
Cash flow hedge		5.5	-0.1
Sum		94.4	28.0
Income tax related to components of other comprehensive income		-1.2	0.0
<i>Total other comprehensive income net after tax for the period</i>		93.2	28.0
Total comprehensive income for the period		369.9	173.3
Result for the year attributable to:			
Shareholders of the parent company		276.1	143.6
Non-controlling interest		0.6	1.7
		276.7	145.3
Total comprehensive income attributable to:			
Shareholders of the parent company		368.6	171.4
Non-controlling interest		1.3	1.9
		369.9	173.3
Profit per share (SEK)		4.16	2.16
The average number of outstanding shares		66 343 543	66 343 543

CONSOLIDATED CASH FLOW STATEMENT

1 JANUARY – 31 DECEMBER

SEK million	Note	2016	2015
Current operation			
Operating profit		400.2	255.3
Adjustment for items not included in cash flow	28	56.2	67.7
Received interest		3.1	5.4
Paid interest		-63.0	-68.4
Paid income tax		-63.1	-50.2
Cash flow from current operations before changes in working capital		333.4	209.8
Changes in working capital			
Increase/decrease of stock		54.3	-245.6
Increase/decrease of current receivables		-66.5	74.5
Increase/decrease of current liabilities		127.7	90.8
Cash flow from changes in working capital		115.5	-80.3
Cash flow from operations		448.9	129.5
Investing activities			
Investments in tangible fixed assets		-77.1	-108.7
Sales of tangible fixed assets		0.9	1.9
Investments in intangible fixed assets		-9.9	-4.4
Acquisition of subsidiaries		0.0	-1.7
Sales of subsidiaries		0.0	7.4
Acquisition of shares in associated companies		-2.4	0.0
Raised long-term receivables		-1.1	-1.0
Cash flow from investing activities		-89.6	-106.5
Cash flow after investing activities		359.3	23.0
Financial activities			
Amortization of loan		-247.0	-10.0
Dividend paid to non-controlling interest		0.0	-1.0
Dividend paid to the shareholders of the parent company		-66.3	-66.3
Cash flow from financial activities		-313.3	-77.3
Cash flow for the period		46.0	-54.3
Liquid assets at the beginning of the period		165.5	216.0
Translation differences in liquid assets		7.4	3.8
Liquid assets at period-end		218.9	165.5
Liquid assets			
Cash at bank and in hand		218.9	165.5

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER

SEK million	Note	2016	2015
ASSETS			
Intangible fixed assets	8	1 469.4	1 387.4
Tangible fixed assets	9	399.2	361.9
Shares in associated companies	13	55.0	52.5
Long-term receivables	14	10.0	8.8
Deferred tax assets	15	114.1	112.2
Total fixed assets		2 047.7	1 922.8
Stock	16	2 496.4	2 447.8
Tax receivables		27.2	12.7
Accounts receivables	17, 18	906.2	821.5
Prepaid expenses and accrued income	19	81.1	69.3
Other receivables		46.7	39.1
Liquid assets	20	218.9	165.5
Total current assets		3 776.5	3 555.9
TOTAL ASSETS		5 824.3	5 478.7
EQUITY			
	21, 30		
Share capital		199.1	199.1
Other capital contributions		219.4	219.4
Reserves		337.4	244.1
Retained earnings including net profit for the year		2 038.7	1 829.0
Equity attributable to the shareholders of the parent company		2 794.6	2 491.6
Non-controlling (minority) interest		22.6	22.0
Total equity		2 817.2	2 513.6
LIABILITIES			
Long-term interest-bearing liabilities	17, 20, 22, 23	1 864.5	1 805.2
Pension provisions		15.1	13.5
Other provisions	24	6.0	6.4
Deferred tax liabilities	15	164.2	150.8
Total non-current liabilities		2 049.8	1 975.9
Short-term interest-bearing liabilities	17, 20, 22, 23	103.3	289.4
Accounts payable	17, 18	492.5	368.6
Current tax liabilities		32.2	11.8
Other liabilities	25	111.8	125.2
Accrued expenses and prepaid income	26	217.4	194.2
Total current liabilities		957.2	989.2
Total liabilities		3 007.0	2 965.1
TOTAL EQUITY AND LIABILITIES		5 824.2	5 478.7
Memorandum items			
Pledged assets	23	3 502.2	3 460.8
Contingent liabilities	27	24.1	23.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

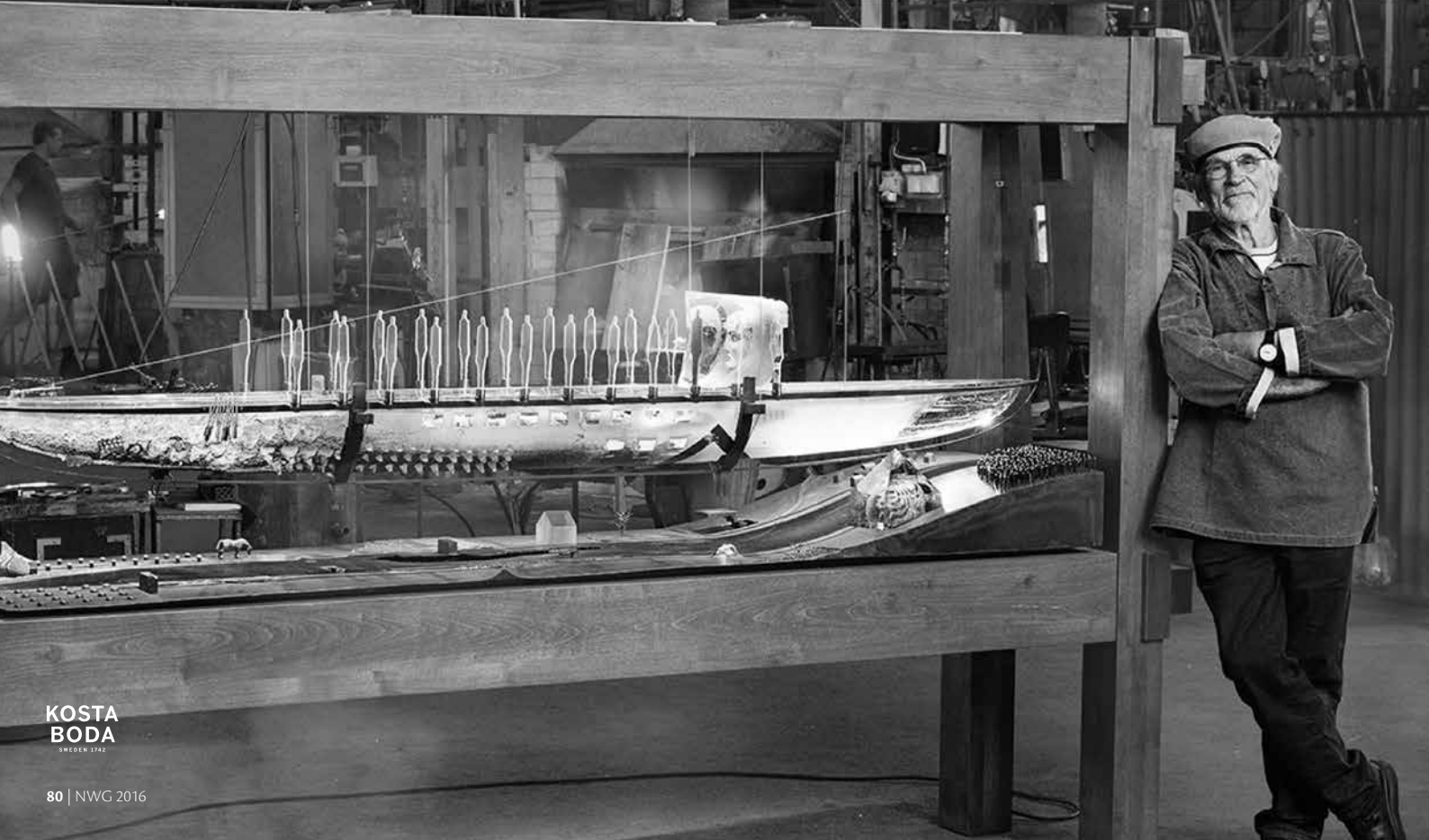
SEK million	Share capital contributions	Other capital Reserves	Retained earnings incl. result for the period	Total	Non-controlling (minority) interest	Total equity	
Opening balance 2015-01-01	199.1	219.4	217.6	1 750.4	2 386.5	18.6	2 405.1
Result for the period			143.6	143.6	1.7	145.3	
Other comprehensive income							
Translation difference		27.9		27.9	0.2	28.1	
Cash flow hedge		-1.4	1.3	-0.1		-0.1	
Income tax related to components of other comprehensive income		0.0		0.0		0.0	
Transactions with shareholders							
Dividends to shareholders of the parent company			-66.3	-66.3		-66.3	
Dividends to non-controlling interest				0.0	-1.0	-1.0	
Change in non-controlling interest				0.0	2.5	2.5	
Closing balance 2015-12-31	199.1	219.4	244.1	1 829.0	2 491.6	22.0	2 513.6

SEK million	Share capital contributions	Other capital Reserves	Retained earnings incl. result for the period	Total	Non-controlling (minority) interest	Total equity	
Opening balance 2016-01-01	199.1	219.4	244.1	1 829.0	22.0	2 513.6	
Result for the period			276.1	276.1	0.6	276.7	
Other comprehensive income							
Translation difference		88.9		88.9		88.9	
Cash flow hedge		5.6	-0.1	5.5		5.5	
Income tax related to components of other comprehensive income		-1.2		-1.2		-1.2	
Transactions with shareholders							
Dividends to shareholders of the parent company			-66.3	-66.3		-66.3	
Change in non-controlling interest				0.0		0.0	
Closing balance 2016-12-31	199.1	219.4	337.4	2 038.7	2 794.6	22.6	2 817.2

	Year 2016	Year 2015
Accumulated translation differences in equity		
Accumulated translation differences at the beginning of the period	249.6	221.5
Translation difference in foreign subsidiaries for the period	88.9	28.1
Accumulated translation differences at end of period	338.5	249.6



KOSTA
BODA
SWEDEN 1742



KOSTA
BODA
SWEDEN 1742

NOTE 1 ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Commission. Recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups of the Swedish Financial Reporting Board has also been applied, which means that certain additional disclosures are provided in the consolidated financial statements. The accounting policies presented in the following description have been applied consistently for all periods presented in the consolidated financial statements. The policies have also been applied consistently within the Group. The consolidated financial statements are based primarily on historical costs, except in respect of certain financial assets and liabilities, which are recognised at fair value. The financial statements are prepared in Swedish kronor, which is the reporting currency of New Wave Group.

Preparing financial statements in accordance with IFRS requires that management make certain assessments, estimates and assumptions. Critical estimates and assessments are often based on historical experience and expected future events. Those which are expected to have the biggest impact on earnings, assets and liabilities relate to how trademarks, goodwill and taxes shall be measured. Estimates, assessments and assumptions are reviewed on a regular basis. Changes are reported in the period in which the change is implemented and in future periods if these are affected. Information on areas where applied estimates and assessments contain an element of uncertainty is provided in Note 2.

Fixed assets, non-current liabilities and provisions consist essentially of amounts that are expected to be recovered or paid later than twelve months from the balance sheet date. Current assets and current liabilities consist essentially of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

NEW AND AMENDED IFRS INTRODUCED

None of the amendments and interpretations of existing standards that must be applied from the financial year beginning on 1 January 2015 have any impact on the Group's or parent company's financial reports.

PUBLISHED AND AMENDED IFRS NOT YET IN FORCE

A number of new and amended IFRS have not yet entered into force and have not been applied in advance during the preparation of the Group's and parent company's financial reports. Below is a description of the IFRSs that may impact the Group's or parent company's financial reports. None of the other new standards, amended standards or IFRIC interpretations that were published on 31 December 2016 are expected to have any impact on the Group's or parent company's financial reports.

IFRS 9 Financial instruments

IFRS 9 includes reporting of financial assets and liabilities and supersedes IAS 39 Financial instruments, recognition and measurement. In line with IAS 39 classifies financial assets into different categories, some of which are valued at accrued acquisition value and others at real value. IFRS 9 implements other categories than those in IAS 39. To assess how financial instruments shall be reported for in accordance with IFRS 9, a company must look at the contractual cash flows as well as the business model under which the instrument is held. IFRS 9 also introduces a new model for write-down of financial assets. The purpose of the new model is, among others, that credit losses will be reported earlier than under IAS 39. For financial liabilities, IFRS 9 is mainly in conformity with IAS 39. However, for liabilities reported at real value, the portion of the real value change that is attributable to own credit risk are reported in other total result instead of the result, provided that this does not cause inconsistency in the accounting. Changed criteria for hedge accounting may result in more economic hedging "strategies with the requirements for hedge accounting under IFRS 9 than under IAS 39.

IFRS 9 financial instruments will come into force on 1 January 2018. The standard will be implemented by the Group and the parent company as of January 1, 2018.

During the year, the Group has started the evaluation of the effects of the standard. Initially, the group does not expect any significant effect caused by the change of the forward looking write-down method. Nor does the Group expect that the possibility of increased use of hedge accounting, that the

new standard entails, will have any significant effect. The group will complete the assessment of the full impact of the new standard and explain the possible effects in 2017. New Wave will implement the new standards as of 1 January 2018.

IFRS 15 Revenue from contracts with customers

IFRS 15 supersedes all previously published standards and interpretations that manage income with a single model for revenue recognition. The standard is based on the principle that a revenue should be recognised when a promised product or service is transferred to the customer, that is, when the client has obtained control over this, which can happen over time or at a point in time. Revenue shall consist of the amount that the company expects "to receive in exchange for the delivered goods or services."

IFRS 15 Revenue from contracts with customers, effective for financial years beginning on or after 1 January 2018. The standard will be applied by the Group and the parent company as of January 1, 2018.

During the year, the Group has started the evaluation of the effects of the standard. The Group intends to apply IFRS 15 with limited retroactivity. The Group's implementation process have included appointing a person responsible for the communication with each subsidiary to gather the information required to evaluate the impact the new standard will have on the Group's accounting, financial reporting as well as details concerning the revenue from contracts with customers. The evaluation phase has begun, which includes identifying the main revenue flows and how they have historically been reported compared to the new requirements imposed by the new standard. Initially, the evaluation has not identified potential substantial differences that may arise as a result of the implementation of the new standard. It still remains to identify groups of contracts that call for a deeper analysis to evaluate the impact of the new standard. The company intends to continue the evaluation phase in 2017 and report the effects of any identified discrepancies in upcoming quarterly reports.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 from 1 January 2019. The standard has not yet been finally approved by EU. According to the new standard, most leased assets shall

be reported in the balance sheet and the lessee shall divide the cost into interest payments and depreciation on the asset.

During the year, the Group has started the evaluation of the effects of the standard, which means that the operating lease agreements will be reported in the balance sheet. The group currently has operating lease agreements mainly for rental of premises. The group is assessing the full impact of IFRS 16.

CONSOLIDATED FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the Parent Company New Wave Group AB and all companies in which New Wave Group AB directly or indirectly holds more than 50 % of the voting rights or otherwise exercises a controlling influence. In assessing whether a controlling influence exists, potential shares entitling the holder to vote that can be used or converted without delay are taken into account.

ACQUISITIONS & GOODWILL

All acquisitions are recorded using the purchase method. Cost is defined as the sum of the fair values of the assets paid, liabilities incurred or assumed and equity instruments issued by New Wave Group to acquire the operation. The cost of shares in subsidiaries is eliminated against equity in each subsidiary at the time of acquisition. If the transferred consideration for the shares exceeds the value of the acquired Company's net assets consolidated goodwill is recognised. Under this method, only that portion of equity in the subsidiary that has been generated after the acquisition date is included in equity attributable to the shareholders of the parent company. If the portion of the fair value of the acquired net assets exceeds the cost of the acquisition, the difference is recognised in the income statement as an acquisition on favourable terms. Transaction costs are to be recognised in the income statement as incurred. The acquirer can choose to recognise a non-controlling interest either at fair value ("full goodwill") or at its share of the acquired net assets. In the first alternative the non-controlling interest and goodwill will increase in value by the same amount. Changes in value relating to contracted supplementary considerations are accounted for in the income statement. Under IFRS 3, all changes in the equity stake in a subsidiary, where the controlling influence does not cease, should

be accounted for as equity transactions.

Earnings from operations acquired during the year are recognised in the consolidated income statement from the acquisition date. Any gain or loss from the sale of operations during the year is calculated based on the Group's recognised net assets in such operations, including earnings up to the date of sale. Intercompany balances and any unrealised income and expenses attributable to intercompany transactions are eliminated.

The non-controlling interest's share of the subsidiaries' net assets is accounted for as a separate item under consolidated equity. In the consolidated income statement the non-controlling interest's share is included in reported profit/loss.

Associated companies are those companies which are not subsidiaries but where the Parent Company directly or indirectly has a significant influence. Interests in associated companies are accounted for using the equity method. In the consolidated income statement, the Group's share of the associated company's profit is recorded. In the Group's balance sheet the shares in associated companies is recorded at cost and adjusted based on Group's share of the profit after the acquisition date.

TRANSLATION OF ITEMS DENOMINATED IN FOREIGN CURRENCY

Transactions in foreign currencies during the year have been translated at the exchange rate prevailing at the respective transaction date. Assets and liabilities denominated in a foreign currency, primarily receivables and payables and loans, have been translated at the exchange rates prevailing at the balance sheet date. Exchange gains and losses related to trade receivables and payables and other operating receivables and payables are included in other operating income and other operating expenses. Exchange gains and losses relating to other financial assets and liabilities are included in financial income and financial expenses.

REVENUE

Revenue consists of sales of products or services in the normal course of business and is stated at the fair value of what has

been received or will be received after deducting value-added tax, discounts and service returns. Revenue is recognized when it is deemed likely that payment will be received and the revenue can be measured reliably, i.e. when the significant risks and rewards of ownership has been transferred to the buyer. Contracts and customer purchase orders are generally used to determine the existence of such an arrangement. Shipping documents and customer acceptances are used, when applicable, to verify delivery and thus the transfer of the significant risks and rewards which for instance depends on the shipping conditions. Collectibility is assessed based primarily on the creditworthiness of the customer as determined by credit limit control and approval procedures, as well as the customer's payment history. Commission, royalty and license income is accounted for in accordance with the economic significance of the agreement concerned.

INTANGIBLE FIXED ASSETS

An intangible asset is an identifiable, non-monetary asset without physical substance. Intangible assets which can be identified and measured separately from goodwill upon acquisition consist, for instance, of customer-, contract- and/or technology-related assets. Typical marketing- and customer-related assets comprise trademarks and customer relationships. Contracts and customer relationships derive from expected customer loyalty and the cash flows that are expected to arise during the remaining useful life of each asset.

Expenditures related to internally developed intangible assets, excluding goodwill, which emerge during the development phase are capitalized only when in management's judgement it is probable that they will result in future economic benefits for the Group and the expenditures during the development phase can be reliably measured. The cost of an internally generated asset includes direct manufacturing expenditures and a portion of indirect expenses attributable to the actual asset. Intangible assets are amortized on a straight-line basis over their expected useful lives. Amortization begins when the asset is available for use. Product development mainly comprises design and development of new collections as well as development of new product variants within the framework

of the existing product range. Such development generally does not meet the criteria for recognition in the balance sheet. All other expenditures during the research phase as well as development expenditures not meeting the capitalization criteria are charged to the income statement when incurred.

Intangible assets are stated at cost and amortised over their useful lives. An intangible asset with an indefinite useful life is not amortised but tested for impairment annually or more frequently. New Wave Group recognises goodwill and trademarks, which are both classified as intangible assets with indefinite useful lives.

TANGIBLE FIXED ASSETS

Property, plant and equipment are valued at cost after adjusting for depreciation and any impairment. Property, plant and equipment are depreciated on a straight-line basis over their expected useful lives. In determining the depreciable amount for an individual item of property, plant and equipment account is taken of any residual value of the asset. To the extent that an asset consists of components which differ materially in respect of their useful lives, these are written off separately (component depreciation). The cost of an item of property, plant and equipment that has been manufactured is included in direct manufacturing expenses and attributable indirect expenses. Depreciation begins when the asset becomes available for use. Land is not depreciated.

An item of property, plant and equipment is removed from the balance sheet upon sale or if the asset is not expected to generate any future economic benefits either by being used or being sold. Capital gains and losses are calculated as the difference between the consideration received and the asset's carrying amount. The capital gain or loss is recognised in the income statement in the year in which the asset is removed from the balance sheet. The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial year and adjusted prospectively, if required.

Normal expenditure on maintenance and repairs is expensed as incurred, but expenditure on significant renewal and improvement works is recognised in the balance sheet and depreciated over the remaining useful life of the underlying asset. The following useful lives are applied in New Wave Group.

Computers and software	15–33 %
Buildings	2–4 %
Other machinery and equipment	10–20 %
Other intangible fixed assets*	5–10 %

*Primarily consists of customer relations

IMPAIRMENT LOSSES

If there are internal or external indications of a decline in the value of an asset, the asset is to be tested for impairment. For assets with indefinite useful lives, goodwill and trademarks, such tests are performed at least once a year, whether there are any indications of impairment or not. An asset or group of assets (cash-generating units) should be written down if the recoverable amount is lower than the carrying amount. The recoverable amount is the higher of value in use and net realisable value. Impairment losses are recognised in the income statement. If an individual asset cannot be tested separately, as it is not possible to identify the fair value less selling expenses for the asset, the asset is allocated to a group of assets known as a cash-generating unit for which it is possible to identify separate future cash flows. To the extent that the underlying factors behind an impairment loss change in coming periods, the impairment loss will be reversed, except in the case of goodwill. Information on the specific assumptions which need to be made to calculate value in use is provided in Note 8 Intangible fixed assets.

PROVISIONS

A provision is recognised when the Group has a legal or constructive obligation arising from previous events and it is probable that an outgoing payment will be required to settle the obligation and the amount can be reliably measured. In cases where the Company expects that an obligation for which a provision has been recognised will be paid by an outside party, for instance under the terms of an insurance contract, the provision is accounted for as a separate asset, but only when it is practically certain that the payment will be received. If the obligation for which a provision has been made is due to

be settled after more than twelve months, the future payment should be discounted to present value using a discount rate which reflects short-term market expectations, taking account of transaction-specific risks.

FINANCIAL INSTRUMENTS

All purchases and sales of financial assets are recognised at the transaction date, which is the date on which the Group undertakes to purchase the asset. Such purchases and sales normally require delivery within the period defined by regulations or generally accepted practice in the market. Trade receivables are recognised in the balance sheet when an invoice has been sent. A financial liability is recognised when the counterparty has performed and there is a contractual duty to pay, even if no invoice has been received. Trade payables are recognised when an invoice has been received. A financial asset is removed from the balance sheet when the rights inherent in the agreement are realised or expire or if the Company loses control over them. The same applies to a portion of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise ceases to apply. The same applies to part of a financial liability. Information on financial position and results is provided in Note 17 Financial instruments and financial risk management.

1. FINANCIAL ASSETS

A financial asset is initially classified as one of the following:

- Financial assets carried at fair value through profit or loss.
- Loans and accounts receivables carried at amortised cost.
- Financial assets held to maturity carried at amortized cost.
- Financial assets available for sale carried at fair value through comprehensive income

New Wave Group has financial assets carried at fair value through profit or loss and loans and accounts receivables. There are no financial assets held to maturity or financial assets available for sale.

FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

New Wave Group uses derivatives, such as currency futures, to manage financial risks. The derivatives are carried at fair value through profit/loss for the year as long as hedge accounting is not applied. They are recognized in other comprehensive income if hedge accounting is applied. If the derivatives have a positive value they are accounted for as a derivative in the balance sheet.

LOAN- AND TRADE RECEIVABLES

Loan receivables are non-derivative financial assets with specified or specifiable payments that are not listed on an active market. These are initially stated at fair value and subsequently at amortised cost.

Trade receivables are assessed individually and recognised at the amounts at which they are expected to be received. The expected maturity of a trade receivable is short, and the value is therefore recognised at the nominal amount without discounting. A provision is made for doubtful receivables from one time to another if there is objective evidence that the full value of the asset will not be received. Losses attributable to doubtful receivables are recognised in the income statement under external expenses. Information on impairment losses for the year is provided in Note 17, Financial instruments and financial income.

If a loan- or trade receivable needs to be written down, the impairment is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows. Interest income relating to loan receivables and trade receivables is accounted for as financial income.

LIQUID ASSETS

Liquid assets comprise liquid bank deposits and available cash assets as well as short-term bank deposits with a duration of three months or less.

2. FINANCIAL LIABILITIES

A financial liability is initially classified as:

- Financial liabilities carried at fair value through profit/loss for the year
- Financial liabilities carried at amortised cost

FINANCIAL LIABILITIES CARRIED AT FAIR VALUE THROUGH PROFIT/LOSS FOR THE YEAR

New Wave Group uses derivatives, such as currency futures, to manage financial risks. The derivatives are carried at fair value through profit/loss for the year as long as hedge accounting is not applied. They are recognized in other comprehensive income if hedge accounting is applied. If the derivatives have a negative value they are accounted for as a liability in the balance sheet.

FINANCIAL LIABILITIES CARRIED AT AMORTISED COST

These liabilities are initially carried at fair value less transaction costs. In subsequent periods these liabilities are stated at amortised cost by applying the effective interest method. Loan liabilities comprise liabilities to credit institutions. These are stated at cost in the balance sheet at the settlement date plus accrued interest. Trade payables have a short expected maturity and are stated at their nominal value and are not discounted. A description of risks is provided in Note 17, Financial instruments and financial risk management.

MEASUREMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial derivatives are carried at their respective fair values. In cases where no information/data is available for measuring financial instruments at fair value, generally accepted valuation methods are used. These may be more or less dependent on quoted information data. As New Wave Group only holds financial instruments whose measurement is based on quoted information, a separate calculation is performed by the management based on this information. For financial assets and liabilities with maturities of less than one year, fair value is assumed to be the nominal value. Financial instruments recognized at fair value in the balance sheet belongs to level two in IFRS 13 hierarchy.

FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

Financial derivatives are initially and subsequently stated at fair value. Changes in value are carried through profit/loss within finance net for the year unless they form part of an effective hedge relationship and hedge accounting is applied. When a derivatives contract is concluded the Group chooses to classify the derivatives as fair value hedges or cash flow hedges. New Wave Group applies cash flow hedging for

hedging of future flows. Changes in value for hedge instruments which form part of an effective cash flow hedge are recognised in other comprehensive income. When a hedge instrument expires or is sold, exercised or withdrawn or otherwise no longer meets the criteria for a hedge transaction, any gain or loss recognised in equity until such date should remain there, after which it is ultimately recognised as an adjustment of expenses or income when the planned transaction or the assumed obligation is realised in the income statement. However, if a planned transaction or an assumed obligation is no longer expected to occur, the cumulative gain or loss recognised in other comprehensive income, from the period in which the hedge is applied, should immediately be transferred to the income statement. Disclosures on individual hedges are provided in Note 17, Financial instruments and financial risk management.

LEASING

Finance leases, where the Group essentially assumes all risks and benefits associated with ownership of the leased object, are recognised in the balance sheet at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are allocated between funding costs and repayment of the outstanding liability under the lease. Assets held under a finance lease are written off over the shorter period of the assets useful life and the lease term. Leases in which the lessor essentially retains all risks and benefits associated with ownership are classified as operating leases. Lease payments are expensed in the income statement on a straight-line basis over the term of the lease.

STOCK

Stock is recognised at the lower of cost, as determined by applying the first in first out (FIFO) method, and net realisable value. The net realisable value is the estimated selling price less estimated selling expenses.

INCOME TAX

CURRENT INCOME TAX

Current tax assets and tax liabilities for current and previous periods are defined as the amount that is expected to be received back from or paid to the tax authority. The tax rates and tax laws applied in calculating the amount are those which have been adopted or announced at the balance sheet date. Current tax attributable to items recognised in equity and in other comprehensive income are recognised in equity and other comprehensive income.

DEFERRED INCOME TAX

Deferred tax is recognised at the balance sheet date in accordance with the balance sheet method for all temporary differences that arise between the carrying amounts and tax bases of assets and liabilities in the consolidated accounts. Deferred tax liabilities are accounted for taxable temporary differences. Exempt are cases where the deferred income tax liability is incurred as a result of goodwill impairment or where an asset or liability is accounted for as part of a transaction which is not a business combination and which, at the time of the transaction, neither affects the reported profit or the taxable profit or loss (i. e. initial recognition exemption).

Deferred tax assets are recognised for all deductible temporary differences, including carry forwards to the extent that it is likely that a taxable profit will be available against which the tax asset can be offset. Deferred tax assets are reviewed at each balance sheet date and adjusted to the extent that it is no longer probable that sufficient profits will be generated to enable all or part of the deferred tax asset to be used.

Deferred tax assets and tax liabilities are determined at the tax rates applying for the period in which the asset is realised or the liability is paid based on tax rates (and legislation)

that have been adopted or announced at the balance sheet date. Deferred tax assets and tax liabilities are offset if there is a legal right to offset the amounts against each other and the deferred tax is attributable to the same unit in the Group and the same tax authority.

PENSIONS

Both defined benefit and defined contribution pension plans are used in New Wave Group. The Group has defined benefit pension plans that are managed by Alecta. This is a plan which covers several employers, and, as Alecta does not have sufficient information available for measurement, the Company's pension obligation with Alecta is accounted for as a defined contribution plan. The Group's contributions to defined contribution pension plans are charged to the income statement in the year to which they are attributable.

For information regarding defined benefit pension plans, see note 6 Salaries, other remuneration and social security costs.

OPERATING SEGMENT REPORTING

The Corporate Promo, Sports & Leisure, and Gifts & Home Furnishings operating segments comprise the Group's segments. Under this classification, each trademark is grouped to the various operating segments. Prices charged between Group companies are set on a commercial basis and thus constitute market prices. Internal profits and losses arising from sales between Group companies have been fully eliminated.

NOTE 2 MATERIAL ACCOUNTING ASSESSMENTS, ESTIMATES AND ASSUMPTIONS

In preparing financial statements the Board of Directors and Chief Executive Officer are required to make certain estimates and assessments which affect the content of the financial statements, i. e. the carrying amounts of assets, liabilities, income and expenses. Those areas where estimates and assessments are of material significance for the Group and which may affect the income statement and balance sheet if they are changed are described below.

IMPAIRMENT OF TANGIBLE FIXED ASSETS AND INTANGIBLE FIXED ASSETS

Tangible fixed assets and intangible fixed assets, except those which have indefinite useful lives, are written off over the periods in which they will generate income, i. e. their useful lives. If there is an indication of impairment of an asset the recoverable amount is determined which is the higher of the fair value of the asset less selling expenses and its value in use. An impairment loss is recognised when the asset's recoverable amount is less than the carrying amount. The recoverable amount is determined based on management's estimate of future cash flows or other factors. The assumptions made for the purpose of impairment tests, including the associated sensitivity analyses, are explained in Note 8 and affect the estimated present value in all cases.

Goodwill, trademarks and other intangible assets with indefinite useful lives should be tested for impairment at least once a year or if there are indications of impairment. To test these assets for impairment, the assets need to be allocated to cash-generating units and their values in use need to be calculated. The necessary calculations require that management make an estimate of the expected future cash flow attributable to the defined cash-generating units. A discount rate also needs to be calculated for the purpose of discounting the cash flow, see Note 8.

The Group has reviewed those estimates which, if they were to be changed, could have a significant impact on the fair values of assets and would therefore require recognition of impairment losses. The estimates relate to factors such as expected selling prices for the products, expected inflation levels and discount rates. A description of the assumptions made concerning impairment tests, including sensitivity analyses, is given in Note 8.

MEASUREMENT OF INVENTORIES

The value is dependent on management's assessments in respect of the calculation of the net realisable value of the stock. These assessments may lead to impairment losses on the stock.

Inventories comprise clothes, gift products and accessories held for resale, and are stated, by applying the first in, first out principle, at the lower of cost and net realisable value at the balance sheet date. Internal profits arising from deliveries between companies in the Group are deducted. In the Corporate Promo operating segment the risk that the net realisable value will be lower than the cost is low, as a large portion of the collection comprises timeless basic products for which there is a demand season after season. In the Sports & Leisure operating segment about 24 % of sales

are made through the promo sales channel. This product range mainly comprises basic products with limited fashion risk. For sales made through the retail sales channel orders are sent to the factory upon receipt of a purchase order from the customer, which significantly limits the risk that the net realisable value will be lower than the cost.

In the Gifts & Home Furnishings operating segment most of the volume consists of classic and big-selling products, many of which have a product cycle of more than 20 years. This limits the risk that the net realisable value will be lower than the cost.

MEASUREMENT OF FINANCIAL INSTRUMENTS

AT FAIR VALUE

In cases where financial assets and liabilities have no fair values based on quoted prices, other measurement methods are used, such as discounted cash flow models. The main assessments refer to future cash flows, credit risks and volatility. For more information, see Note 16, Financial instrument and financial management.

DEFERRED TAXES

Deferred taxes are recognised for temporary differences arising between the carrying amounts and tax bases of assets and liabilities as well as for unused carry forwards. Deferred tax assets are recognised only if it is likely that these can be used to offset future profits. In the event that actual outcomes differ from the estimates made or if management adjusts these estimates in future, the value of deferred tax assets could change. See Note 15 Deferred tax assets for detailed information.

PROVISIONS FOR DOUBTFUL RECEIVABLES

Trade receivables are initially carried at fair value and subsequently at the value at which they are expected to be realised. An estimate of doubtful receivables that is based on an objective assessment of all outstanding amounts is made continuously. Losses relating to doubtful receivables are recognised in the income statement under external expenses, see Note 17, Financial instruments and financial risk management.

NOTE 3 SEGMENT INFORMATION

New Wave Group AB's segments constitute the operating segments Corporate Promo, Sports & Leisure and Gifts & Home Furnishings. The relevant brands are allocated to the operating segment to which they are considered to belong. The Group monitors income and EBITDA for each segment. The operating segments are based on the Group's operational management and this is exclusively based on IFRS, which means that no adjustments need to be made in relation to the consolidated financial statements. Central costs have been distributed to the relevant segment based on use.

The Group has a large number of customers of which no one exceeds 10 percent of the Group's income.

SEK million	Income		EBITDA		Assets		Fixed assets *		Deferred tax assets	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Corporate Promo	2 388.6	2 152.0	250.8	166.4	2 988.7	2 925.1	629.1	624.4	36.3	29.9
Sports & Leisure	2 260.8	2 258.4	194.5	143.1	2 261.9	2 069.9	1 045.9	955.0	62.6	50.8
Gifts & Home Furnishings	587.7	554.3	10.8	2.8	573.6	483.7	193.5	169.9	15.2	31.5
Total	5 237.1	4 964.7	456.1	312.3	5 824.2	5 478.7	1 868.5	1 749.3	114.1	112.2

EBITDA		2016	2015
Depreciation		-55.9	-57.1
Net financial items		-59.9	-74.3
Result before tax		340.3	180.9

SEK million	Net investments		Depreciation and write-downs		Liabilities	
	2016	2015	2016	2015	2016	2015
Corporate Promo	-16.6	-46.4	-28.5	-27.9	2 031.7	2 081.2
Sports & Leisure	-33.3	-39.0	-23.3	-25.1	582.9	601.2
Gifts & Home Furnishings	-39.7	-21.1	-4.1	-4.1	392.4	282.7
Total	-89.6	-106.5	-55.9	-57.1	3 007.0	2 965.1

Geographic areas

SEK million	Income		Fixed assets *		Deferred tax assets	
	2016	2015	2016	2015	2016	2015
Sweden	1 236.4	1 145.6	477.9	458.0	15.9	20.5
USA	1 381.1	1 389.1	996.1	902.1	59.2	63.5
Nordic countries excl Sweden	739.5	660.2	27.7	28.4	8.4	11.0
Central Europe	996.8	927.3	202.5	195.8	22.7	11.4
Southern Europe	524.4	471.5	158.8	157.1	2.8	3.0
Other countries	358.9	371.0	5.6	7.9	5.1	2.8
Total	5 237.1	4 964.7	1 868.6	1 749.3	114.1	112.2

Income is divided based on the geographical location of the subsidiaries. Fixed assets and deferred tax assets are based on where the Group's assets are located.

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

NOTE 4 OTHER OPERATING INCOME

SEK million	2016	2015
Exchange rate gains	36.5	23.0
Capital gains	0.8	0.3
Other income	13.7	23.9
Total	51.0	47.2

NOTE 5 AVERAGE NUMBER OF EMPLOYEES

	2016		2015			
	Number of employees	Of which men	Number of employees	Of which men		
Parent company						
Göteborg	26	16	30	19		
Total parent company	26	16	30	19		
Subsidiaries						
Employees in Sweden						
Borås	115	57	125	62		
Göteborg	0	0	19	14		
Mark	11	8	3	2		
Munkedal	104	59	113	61		
Lessebo	289	150	273	145		
Stenungsund	24	15	5	4		
Stockholm	46	31	47	29		
Ulricehamn	33	16	44	21		
Örebro	10	4	11	4		
Total employees in Sweden	632	340	640	342		
Employees abroad						
Bangladesh	39	38	35	34		
Belgium	40	24	44	25		
Denmark	65	31	76	34		
England	7	3	7	3		
Finland	45	26	50	30		
France	14	8	14	10		
The Netherlands	164	102	181	105		
Hong Kong	4	2	4	2		
India	16	13	17	15		
Italy	49	31	49	32		
Canada	79	37	100	43		
China	168	67	168	66		
Norway	74	43	79	44		
Poland	182	66	103	27		
Switzerland	27	17	31	20		
Spain	23	15	20	13		
Taiwan	3	0	3	0		
Germany	46	30	46	32		
USA	624	234	592	233		
Vietnam	27	12	27	13		
Wales	28	13	27	13		
Austria	14	9	15	9		
Total subsidiaries abroad	1 738	821	1 688	803		
Group total	2 396	1 177	2 358	1 164		
Gender distribution within company management						
	2016			2015		
	Women	Men	Total	Women	Men	Total
Board of Directors	2	4	6	2	4	6
Group Management	0	9	9	0	9	9
Total	2	13	15	2	13	15

NOTE 6 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

SEK million	2016 Salaries and other remuneration	Social security kostnader	Of which pension costs	2015 Salaries and other remuneration	Social security kostnader	Of which pension cost
Parent company	14.3	96.0	15.8	16.9	8.3	2.4
Subsidiaries in Sweden	245.1	7.4	2.0	234.4	93.4	15.6
Subsidiaries abroad	592.9	117.3	17.7	565.2	109.6	16.2
Group total	852.2	220.7	35.5	816.5	211.3	34.2
Of which purchasing and production personnel	172.8	42.7	3.6	165.9	39.8	3.4

Of the parent company's pension costs, SEK 0.4 (0.4) million concerns the corporate Board and the Managing Director.

Of the Group's pension costs, SEK 4.0 (3.6) million concerns the corporate Board and Managing Director.

Salaries and other remuneration divided by country and between board members etc. and employees

SEK million	2016 Board and MD	Of which bonus	Other employees	2015 Board and MD	Of which bonus	Other employees
Parent company	1.8	0.0	12.5	1.8	0.0	15.1
Subsidiaries in Sweden	10.8	0.7	234.2	10.6	0.6	223.8
Subsidiaries abroad						
Belgium	0.6	0.0	17.1	0.8	0.0	15.1
Denmark	2.2	0.3	34.5	2.3	0.0	33.0
Finland	1.6	0.0	18.3	1.7	0.0	18.9
France	0.7	0.0	2.6	0.7	0.0	2.5
The Netherlands	6.6	0.0	76.4	6.7	0.0	72.1
Italy	4.9	2.1	17.4	3.5	0.8	15.9
Canada	3.5	0.0	19.0	3.3	0.0	19.6
China	1.2	0.0	29.3	0.6	0.0	29.0
Norway	1.4	0.0	38.2	2.0	0.0	38.4
Poland	0.6	0.0	2.4	0.6	0.0	2.4
Switzerland	2.1	0.0	21.8	2.3	0.0	21.3
Spain	1.0	0.0	4.9	0.9	0.0	4.2
Germany	2.0	1.4	17.6	1.5	0.6	16.4
USA	10.8	0.2	241.0	11.1	0.2	226.1
Wales	0.4	0.0	5.7	0.4	0.0	5.9
Austria	0.0	0.0	6.8	0.0	0.0	6.0
Total subsidiaries abroad	39.9	4.0	553.0	38.4	1.6	526.8
Group total	52.5	4.7	799.7	50.8	2.2	765.7

* Bonuses are related to performance and are calculated annually with no future commitment.

Board members' fees	2016	2015
External members of the parent company's Board	0.9	0.9
Of which to the Chairman of the Board	0.3	0.3

A remuneration committee for the parent company's Board has not been elected. The fees paid to the Chairman of the Board and the Board members are in accordance with the decision of the Annual General Meeting.

CONDITIONS OF EMPLOYMENT FOR THE MANAGING DIRECTOR

Remuneration to the Managing Director comprises a fixed salary from New Wave Group AB. No Board member fees or other remuneration such as bonuses are paid to the Managing Director. As pension insurance for the Managing Director, a market-adjusted fixed payment plan is in place. A mutual notice period of six months applies for the Managing Director and no severance pay is awarded.

THE CONDITIONS OF EMPLOYMENT FOR OTHER SENIOR EXECUTIVES

Other senior executives are the eight persons who make up the Group management together with the Managing Director. For the structure of the Group Management, see page 133. Remuneration to the other senior executives comprises a fixed salary. No board member fees are paid. Market-adjusted fixed payment pension agreements exist for the other senior executives. A mutual notice period of between three to six months exists for the other senior executives and no severance pay is awarded.

DECISION-MAKING PROCESS

There is no specially appointed remuneration committee to deal with salaries, pension benefits, incentives and other employment-related conditions for the Managing Director and the Group's other senior executives; these matters are dealt with by the Board as a whole. The salaries of the senior executives are decided by the Managing Director after consultation with the Chairman of the Board. The Board members' fees are decided by the Annual General Meeting.

Salaries, other remuneration and fees distributed by directors and other executives

MSEK	2016	Of which	Pension	2015	Of which	Pension
	Salaries, other	bonus and	costs	Salaries, other	bonus and	costs
	remuneration and fees	similar		remuneration and fees	similar	
Torsten Jansson, Managing Director	0.9	0.0	0.4	0.9	0.0	0.4
Olof Persson, newly elected Chairman of the Board 2016	0.3	0.0	0.0	0.0	0.0	0.0
Anders Dahlvig, resigning Chairman of the Board 2016	0.1	0.0	0.0	0.3	0.0	0.0
Christina Bellander, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Elisabeth Dahlin, newly elected Board Member 2016	0.1	0.0	0.0	0.0	0.0	0.0
Helle Kruse Nielsen, resigning Board Member 2016	0.1	0.0	0.0	0.1	0.0	0.0
Mats Årjes, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
M Johan Widerberg, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Other senior executives*	13.1	0.3	1.1	13.5	0.6	1.3
Total	14.9	0.3	1.5	15.1	0.6	1.7

*Individuals referred to on page 132.

Subscriptions options

The Group has no outstanding share warrants.

PENSION COMMITMENTS

Defined benefit pension plans exist within the Group. These are only smaller pension plans. For white-collar employees in Sweden ITP 2-plan defined benefit pensionplans for retirement- and family pensions (or family pension) are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed by insurance in Alecta, this is a defined benefit plan that covers several employers. For financial year 2016 the company has not had access to information in order to account for its proportionate share of the plan's obligations, plan assets and costs which meant that the plan has not been possible to account for as a defined benefit plan. The pension plan ITP 2 secured through insurance with Alecta is therefore recognized as a defined contribution plan. The premium for the defined benefit retirement and family pension is individually calculated and is dependent on factors including salary,

previously earned pension and expected remaining period of service. Expected premiums for 2017 amount to SEK 6.4 (6.3) million.

The collective funding level is the market value of Alecta's assets in percent of the commitments calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS19. The collective consolidation level is normally allowed to vary between 125 and 155 percent. If Alecta's consolidation level fall below 125 percent or exceed 155 percent, measures should be taken in order to create conditions to reestablish the consolidation level to the normal range. At low consolidation, a measure can be to raise the agreed price for new agreements. At high consolidation, a measure can be to introduce premium reductions. Alecta's collective funding ratio at the end of the year was 149% (153%).

NOTE 7 REMUNERATION TO AUDITORS AND AUDIT COMPANY

SEK million		
Group	2016	2015
Audit assignment		
Ernst & Young	4.8	4.9
Other	3.4	3.4
Audit work outside audit assignment	0.9	0.9
Tax consultancy	1.1	1.4
Total	10.2	10.6

NOTE 8 INTANGIBLE FIXED ASSETS

SEK million	Goodwill		Trademarks		Computer software		Other intangible fixed assets	
	2016	2015	2016	2015	2016	2015	2016	2015
Accumulated acquisition value								
Opening acquisition value	901.8	874.0	515.5	489.8	144.0	145.9	56.0	52.6
Acquisition	0.0	0.0	0.0	1.5	9.9	4.7	0.0	0.0
Sales/disposals	0.0	0.0	0.0	0.0	-36.4	-10.1	0.0	0.0
Reclassification	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0
Translation difference	50.3	27.8	31.4	24.2	6.2	3.5	4.8	3.4
Closing accumulated acquisition value	952.1	901.8	546.9	515.5	124.2	144.0	60.8	56.0
Accumulated depreciation according to plan								
Opening depreciation	-51.6	-51.6	-23.0	-22.1	-120.7	-117.3	-16.1	-11.4
Sales/disposals	0.0	0.0	0.0	0.0	36.2	10.1	0.0	0.0
Reclassification	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation of the year	0.0	0.0	0.0	-0.2	-8.2	-10.1	-4.6	-4.5
Translation difference	-0.7	0.0	-0.8	-0.7	-5.8	-3.4	-0.9	-0.2
Closing accumulated depreciation	-52.3	-51.6	-23.8	-23.0	-98.5	-120.7	-21.6	-16.1
Accumulated write downs								
Opening write-downs	-17.0	-17.0	-1.5	0.0	0.0	0.0	0.0	0.0
Write-downs of the year	0.0	0.0	0.0	-1.5	0.0	0.0	0.0	0.0
Closing accumulated write-downs	-17.0	-17.0	-1.5	-1.5	0.0	0.0	0.0	0.0
Closing book value	882.8	833.2	521.6	491.0	25.7	23.3	39.2	39.9

Goodwill allocated to operating segment unit

SEK million	2016	2015
Corporate Promo	252.4	247.4
Sports & Leisure	576.5	531.9
Gifts & Home Furnishings	53.9	53.9
Total	882.8	833.2

Brands allocated to operating segment unit

SEK million	2016	2015
Corporate Promo	14.8	14.8
Sports & Leisure	396.8	366.2
Gifts & Home Furnishings	110.0	110.0
Total	521.6	491.0

The Group's intangible fixed assets with indefinite useful lives consist of goodwill and trademarks, where the useful lives of the trademarks are judged to be indefinite due to the fact that they are considered well-established trademarks within each market and the Group's aim is to retain them for further development. Those trademarks with larger values are reported at cost and are well known trademarks, such as Orrefors Kosta Boda in Gifts & Home Furnishing and primarily Cutter & Buck in Sports & Leisure.

The value of the Group's goodwill and trademarks, which are based on local currency and may give rise to translation differences in the consolidated financial statements, has been divided between the cash generating units they are considered to belong to, which also constitute the operating segments as shown in the above tables. The value of these intangible assets is tested for impairment annually but may be tested more frequently if there are indications of impairment. In order to assess any possible impairment, the recoverable amount needs to be calculated which is done by calculating the value in use for each cash generating unit. The value in use is based on the discounted values of cash flow forecasts for the next five years and a long term term growth rate, so called terminal growth. The most significant assumptions when determining the value in use consists of growth rate, operating margin and discount rate (WACC). When calculating the discount rate estimations of financial factors such as interest rate levels, borrowing costs, market risk, beta values and tax rates are made. Since the cash generating units have different characteristics, each unit is assessed based on its market conditions. The calculated cost of capital (WACC) is considered representative for all of the cash generating units.

The cash flow forecasts in the impairment test is based on the Board's approved five year forecast (2017-2021) and a terminal growth of 3%.

When calculating the present value of expected future cash flows a pre tax average weighted cost of capital (WACC) of 10.3 (11.2) % has been used.

The 2016 impairment test shows no need for impairment. Nor where there any need for impairment in the comparison year. Sensitivity analysis have been completed for all cash generating units.

CORPORATE PROMO

Sales mainly occur in the following regions: Sweden, the Nordic countries (exkl. Sweden) and Europe. The assumptions made are that growth will occur in existing markets through an increased market share and also through new market launches. The operating margin is expected to decrease some what and tied-up capital in inventory is expected to increase which is related to expected new market launches. The majority of sales occurs in the promo sales channel (96%) which means that a well-balanced inventory is an important component for reaching a good service level.

A sensitivity analysis shows that the value can be maintained even if the growth rate decreases by 3 (3) percentage points, the operating margin decreases by 2 (1) percentage points or if the WACC increases by 2 (1) percentage points.

SPORTS & LEISURE

The operating segment's sales mainly occur in the retail sales channel and in the American and Swedish markets. The forecasts include a growth on existing markets through an increased market share. The sales growth is expected to lead to an improved operating margin. Tied-up capital in inventory is expected to decrease somewhat during the forecast period (2017-2021).

A sensitivity analysis shows the value can be maintained even if the growth rate decreases by 6 (6) percentage points, the operating margin decreases by 2 (2) percentage points or if the WACC increases by 2 (2) percentage points.

GIFTS & HOME FURNISHINGS

The improvement measures taken during the previous years have produced results. Most of the sales occur in the Swedish market and in the retail sales channel. The assumptions made are that sales are expected to increase in existing markets and that the operating margin will continue to improve. Tied-up capital in inventory is expected to increase in relation to sales.

A sensitivity analysis shows the value can be maintained even if the growth rate decreases by 3 (4) percentage points, the operating margin decreases by 2 (1) percentage points or if the WACC increases by 1 (1) percentage point.

NOTE 9 TANGIBLE FIXED ASSETS

SEK million	Buildings and land		Equipment, tools and installations	
	2016	2015	2016	2015
Accumulated acquisition value				
Opening acquisition value	313.9	289.4	412.0	393.2
Acquisitions	36.4	22.3	40.7	84.6
Sales/disposals	0.0	-0.1	-16.4	-68.3
Reclassification	-8.6	0.0	8.6	0.0
Translation difference	13.1	2.3	15.1	2.5
Closing accumulated acquisition value	354.8	313.9	459.9	412.0
Accumulated depreciation according to plan				
Opening depreciation	-90.7	-82.6	-247.6	-266.8
Depreciation as a part of production costs/goods for resale	-1.0	-0.9	-9.3	-10.2
Reclassification	0.0	0.0	0.0	0.0
Depreciation during the year	-7.8	-7.1	-35.4	-33.7
Translation difference	-2.6	-0.2	-12.1	-3.4
Closing accumulated depreciation	-102.1	-90.7	-287.7	-247.6
Accumulated write downs				
Opening write downs	-20.2	-20.2	-5.5	-5.5
Write downs of the year	0.0	0.0	0.0	0.0
Closing accumulated write downs	-20.2	-20.2	-5.5	-5.5
Closing book value	232.5	203.0	166.7	158.9

Leasing charges in respect of operational leasing

The group has operational leasing agreements. New leasing agreements for the year primarily relates to rental of premises. The future commitment for these agreements can be seen in the following summary.

	2016		2015
2017	113.8	2016	109.3
2018	90.2	2017	67.9
2019	73.6	2018	56.8
2020	56.8	2019	48.5
2021 incl. costs through contract period end	97.5	2020 incl. costs through contract period end	101.0
Cost for the year under the operational leasing heading	135.3		120.2

NOTE 10 CURRENCY EXPOSURE IN OPERATING PROFIT

The table shows currency exposed operating profit per currency.

SEK million

Operating profit	2016	2015
Euro, EUR	119.5	61.4
Canadian dollar, CAD	1.6	0.2
Swiss franc, CHF	180.1	151.0
US dollar, USD	59.8	65.6
Nowegian krone, NOK	27.7	4.4
Danish krone, DKK	17.1	10.7
Chinese yuan, CNY	12.6	16.2
Polish zloty, PLN	3.0	2.6
Hong Kong dollar, HKD	49.9	59.7
British pound, GBP	-1.5	1.8
Total operating profit in foreign currencies	469.9	373.7

NOTE 11 FINANCIAL INCOME AND COSTS

SEK million	2016	2015
Interest income	1.7	2.3
Interest on overdue accounts receivable	1.4	3.2
Capital gain on sale of group company	0.0	1.7
Translation differences on short-term receivables	-0.6	-0.3
Interest expense	-61.2	-67.4
Interest on overdue accounts payable	-0.1	-0.1
Translation differences on liabilities	-0.3	-1.7
Impairment of investments in associated companies	0.0	-2.5
Written-down receivable	0.0	-7.8
Other financial expenses	-0.9	-1.7
Total	-59.9	-74.3

NOTE 12 TAX ON PROFIT FOR THE YEAR

SEK million	2016	2015
Current tax	-50.6	-46.4
Tax attributable to previous years	-1.7	-0.6
Total	-52.3	-47.0
Deferred tax relating to temporary differences and loss carry-forward	-11.3	11.4
Totally recorded tax expense	-63.6	-35.6

The Group's tax expense for the year amounted to SEK 63.6 (35.6) million or 18.7 (19.7) % on result before tax.

Reconciliation of actual tax

Reconciliation between the groups weighted average tax rate, based on each respective countries tax rate, and the groups actual tax:

SEK million	2016	%	2015	%
Result before tax	340.3		180.9	
Tax expense based on respective country's tax rate	-51.9	-15.3	-26.7	-14.8
<i>Tax effects from:</i>				
Non taxable profit	2.8	0.8	2.2	1.2
Non deductible expenses	-2.5	-0.7	-5	-2.8
Tax arrears assessment	-1.7	-0.5	-0.6	-0.3
Regional and other variations regarding tax rates	-3.6	-1.1	-3	-1.7
Reverse of previous activated loss carry-forward	-5.6	-1.7	0	0.0
Taking in use previously not activated loss carry-forward	4.3	1.3	2.9	1.6
Not activated loss carry-forward	-4.0	-1.2	-11.8	-6.6
Temporary differences	1.2	0.4	11.4	6.3
Other	-2.5	-0.7	-5	-2.9
Effective tax rate according to consolidated income statement	-63.6	-18.7	-35.6	-19.7

NOTE 13 FINANCIAL FIXED ASSETS

Shares in associated companies						2016	2015
SEK million	Company registration number	Registered office	Share of capital.%	Share of vote.%	Number of shares	Book value	Book value
Dingle Industrilokaler AB	556594-6570	Munkedal	49	49	83 055	7.2	7.2
Glasrikets skatter Ekonomiska förening	769620-1701	Lessebo	10	10	100	1.0	1.0
Kosta Köpmanshus AB	556691-7042	Lessebo	49	49	7 350	29.5	29.5
Scandinavian Trade Holding AB	556686-5811	Lessebo	45	45	45	0.0	0.0
Vist Fastighetsbolag AB	556741-1672	Ulricehamn	49	49	49	14.8	14.6
Jobman Workwear GmbH	758048	Freiberg	49	49	2	2.3	0.0
Other			-	-	-	0.2	0.2
Total						55.0	52.5

Based on IFRS 10 and 11, New Wave Group is not considered to have controlling influence over the above presented companies.

SEK million	At year end the company's equity amounted to		The Groups share of total comprehensive income for the year		The Groups share of contingent liabilities	
	2016	2015	2016	2015	2016	2015
Dingle Industrilokaler AB	14.9	14.9	0.0	0.0	None	None
Glasrikets skatter Ekonomiska förening	12.6	12.6	0.0	0.0	None	None
Kosta Köpmanshus AB	64.1	63.9	0.0	0.1	None	None
Scandinavian Trade Holding AB	0.0	0.0	0.0	-3.4	None	None
Vist Fastighetsbolag AB	20.5	20.5	0.2	0.1	None	None
Jobman Workwear GmbH	4.8	-	0.0	-	None	None

NOTE 14 OTHER LONG-TERM RECEIVABLES

SEK million	2016	2015
Loans secured	2.2	1.3
Deposits	3.9	4.2
Other long-term receivables	3.9	3.3
Total	10.0	8.8

NOTE 15 DEFERRED TAX ASSETS

Deferred tax assets and provisions for deferred tax liabilities in the group assigned to:

SEK million	2016		2015	
	Assets	Liabilities	Assets	Liabilities
Loss carry-forwards	29.7	-	35.3	-
Internal gains	20.8	13.2	21.0	12.9
Reserves	1.4	1.8	0.5	1.6
Depreciation and fixed assets	3.7	5.1	3.9	4.1
Stock	39.9	-	33.2	-
Accounts Receivables	11.7	-	12.6	-
Stock	1.4	-	1.3	-
Contingent purchase conditions	2.6	-	1.7	-
Leasing	2.9	-	2.7	-
Prepaid costs	-	3.7	-	2.7
Trademarks	-	136.0	-	127.4
Reserves and accelerated depreciation	-	3.2	-	2.1
Cash flow hedge	-	1.2	-	-
Deferred tax assets / liabilities	114.1	164.2	112.2	150.8

Loss carry-forwards

At the year-end the Group had a total tax loss carry forwards of SEK 390.8 (383.0) million. Of this, SEK 99.5 (127.1) million have been utilized, which has resulted in a deferred tax asset of SEK 29.7 (5.3) million.

Total loss carry forwards expires as follows:

MSEK	2016	2015
2016	-	2.0
2017	0.4	0.5
2018	4.8	2.4
2019	0.0	0.8
2020	1.3	1.0
2021	0.8	0.2
2022	7.7	8.7
2023	10.1	10.1
2024	12.9	26.7
2025	0.0	10.0
2026	0.0	3.8
2027	5.5	10.0
2028	14.8	18.3
2029	0.0	28.5
2030 - 2036	24.7	-
Unlimited	307.8	260.0
Total	390.8	383.0

In the Group there are tax loss carry forwards in a number of companies and they are classified into different tax groups. In each separate case an assessment is made, with reasonable certainty, whether or not the carry forwards will be utilized. The assessment takes into consideration: managements forecasts, historical and present performance levels and the expiration date of the carry-forwards. Based on the assessments, the carry-forwards are divided into three different groups where group A represents in full recorded carry-forwards, group B represents partially recorded carry forwards and group C represents carry forwards that have not been recorded at all. The distribution is shown in the tables below.

2016				
SEK million Group	Total tax loss carry forwards	of which recorded tax	not recorded	of which tax
A	29.4	8.3	0.0	0.0
B	126.5	21.4	56.4	17.7
C	234.9	0.0	234.9	63.2
Total	390.8	29.7	291.3	80.9

2015				
SEK million Group	Total tax loss carry-forwards	of which recorded tax	not recorded	of which tax
A	25.8	6.1	0.0	0.0
B	181.2	29.2	80.0	18.7
C	176.0	0.0	176.0	52.2
Total	383.0	35.3	256.0	70.9

Deferred tax liability arising from tax allocation reserves and accelerated depreciation in Sweden are due as follows:

	2016	2015
2021	3.5	0.0
Unlimited	9.2	2.1
Total Sweden	12.7	2.1

NOTE 16 STOCK

SEK million	2016	2015
Raw materials	28,9	28,0
Work in progress	9,7	5,2
Goods in transit	126,1	100,9
Good for resale in stock	2 331,7	2 313,7
Total	2 496,4	2 447,8

Stocks consist of clothes, gift items and accessories for resale and raw materials. The stocks are valued by applying the FIFO principle, at the lowest of the cost and net sales value on the balance sheet date. Deductions are made for internal profit made from deliveries between Group companies. There is a low risk that the net sales value is lower than the cost in the Corporate Promo operating segment since much of the product range consists of timeless basic products which are in demand season after season. For sales within the Sports & Leisure operating segment, orders to the factory are placed once the purchase order has been received from the customer, which considerably reduces the risk that the net sales value is lower than the cost. Remaining sales are mainly made up of basic items with a limited fashion risk. Within the Gifts & Home Furnishings operating segment, most of the volume consists of classic, best-selling products that in many cases have a product cycle of more than 20 years, which limits the risk that the net sales value is lower than the cost. As of 31 December 2016, the accumulated impairment of the Group's stock was SEK 115.1 (107.9) million, of which SEK 7.1 (9.0) million relates to raw materials. The accumulated impairment related to merchandise on stock amounted to 4.4 (4.1) %. The part of the stock which is recorded to net sales value amounts to SEK 627.9 (627.7) million.

NOTE 17 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of interest-bearing assets and liabilities may differ from their carrying amounts, partly as a result of changes in market interest rates. The fair values of these assets have been determined by discounting future cash flows using current interest rates and exchange rates for equivalent instruments. For financial instruments such as trade receivables, trade payables and other non-interest-bearing financial assets and liabilities, which are carried at amortized cost less any impairment losses, the fair value is deemed to agree with the carrying amount. Financial instruments at fair value in the balance sheet belongs to level two in IFRS 13 hierarchy. The Group's long-term borrowing is mainly through credit facilities with long maturities but short fixed-rate periods.

2016 SEK million	Assets at fair value through profit and loss	Loans and trade receivables	Total	Fair value
Financial assets				
Accounts receivable		906.2	906.2	906.2
Other receivables	0.9	45.8	46.7	46.7
Accrued income		7.6	7.6	7.6
Derivative	5.5*		5.5	5.5
Liquid assets		218.9	218.9	218.9
Total assets			1 184.9	1 184.9
Financial liabilities				
	Liabilities at fair value through profit and loss	Liabilities at amortized cost	Total	Fair value
Interest-bearing liabilities		1 967.8	1 967.8	1 967.8
Derivative			0.0	0.0
Accounts payable		492.5	492.5	492.5
Accrued liabilities		215.0	215.0	215.0
Other liabilities	5.0	105.2	110.2	110.2
Total liabilities			2 785.5	2 785.5

* Derivative is included in the item Other receivables in the Consolidated balance sheet.

2015 SEK million	Assets at fair value through profit and loss	Loans and accounts receivables	Total	Fair value
Financial assets				
Accounts receivable		821.5	821.5	821.5
Other receivables		39.1	39.1	39.1
Accrued income	0.0	6.2	6.2	6.2
Derivative			0.0	0.0
Liquid assets		165.5	165.5	165.5
Total assets			1 032.3	1 032.3
Financial liabilities				
	Liabilities at fair value through profit and loss	Liabilities at amortized cost	Total	Fair value
Interest-bearing liabilities		2 094.6	2 094.6	2 094.6
Derivative	6.5*		6.5	6.5
Accounts payable		368.6	368.6	368.6
Accrued liabilities		191.9	191.9	191.9
Other liabilities	4.3	104.4	108.7	108.7
Total liabilities			2 770.3	2 770.3

* Derivative is included in the item Other liabilities in the Consolidated balance sheet.

FINANCIAL RISK MANAGEMENT

New Wave Group is continually exposed to various financial risks. Financial risks comprise interest risk, currency risks and liquidity and credit risks. To minimize the impact on the income statement from these risks, the Group has adopted a financial policy which describes how the company seeks to limit the impact of financial risks on the income statement. The goal is to ensure that the central finance function exploits available economies of scale in the Group and assists the subsidiaries by providing professional service in order to minimize the risks.

INTEREST RISK

New Wave Group believes the use of short fixed-rate periods leads to lower borrowing costs over time while short-term interest rates follow the economy cycles and therefore offset fluctuations in the Group's earnings. The breakdown by currency of the Group's borrowing at year-end is shown in the below table. An increase in interest rates by one percentage point would have a negative impact on earnings of about SEK 12 (14) million, based on the reported net debt at 31 December 2016. Net debt breakdown is shown in Note 20.

Breakdown by currency	2016	2015
	Net debt, SEK million	Net debt, SEK million
SEK	-435.7	-587.0
EUR	-279.1	-308.0
GBP	-15.1	-9.0
USD	-948.3	-912.0
CHF	15.0	-14.0
DKK	23.0	4.0
NOK	-129.2	-135.0
CAD	-33.8	-35.0
CNY	42.8	62.1
ÖVR	11.5	4.8
Total	-1 748.9	-1 929.1

CURRENCY EXPOSURE

A significant portion of New Wave Group's sales are made in foreign currency (approx. 76 %). The Group is exposed to changes in exchange rates in the future flows of payments related to firm commitments and to loans and investments in foreign currencies, i.e. transaction exposure. The Group's accounts are also affected by translating the results and net assets of foreign subsidiaries into SEK, i.e. translation exposure.

TRANSACTION EXPOSURE – HEDGE ACCOUNTING

Transaction exposure mainly arises as a result of intra-Group transactions between New Wave's purchasing companies and the Group's sales companies, situated in other countries and selling the products to their customers normally in local currency on their local market. In some countries, transaction exposure may arise from sales to external customers in a currency different from the local currency. The Group's most important purchasing currency is the US dollar. Changes in exchange rates between the dollar, euro and Swedish krona constitute the single largest transaction exposures in the Group.

Managing the currency exposure differs between the group's both sales channels. In the promo sales channel, New Wave Group is the stock keeper and orders from resellers are therefore not placed until the the reseller has received an order from the end customer. The order backlog for future deliveries is therefore small, as deliveries are made immediately. Hedging is not used for this sales channel since price adjustments towards the customer are made continuously as the purchase price changes. In the retail sales channel, sales are mostly made through advance orders and, at this point, the prices towards the customers are fixed. An advance order means, for example, that customers place orders in the spring for deliver into autumn. In order to limit the currency risk in these advance orders, derivatives are purchased to guarantee that the value of incoming deliveries to the warehouses match the prices towards the customers. In these cases IAS 39 hedge accounting is applied, which means that changes in the value of the derivatives are recognized in other comprehensive income.

In the Corporate Promo operating segment, 97% of the sales occur in the promo sales channel and adjustments for changes in purchase prices are made continuously. In Sports & Leisure about 76 % of sales are made through the retail sales channel which means that the majority of purchases in the operating segment are hedged against fluctuations in exchange rates. For Gifts & Home Furnishing, 86% of the sales are to retail and most of the production takes place in Sweden. Where purchases are made from another country, 50-80% of the purchase in a foreign currency are hedged against fluctuations in exchange rates.

The Group's principal commercial flows of foreign currencies pertain to imports from Asia to Europe and inter-group flows within Europe. Currency rates and payment conditions which apply for internal trade between group companies are set centrally. As mentioned above, the transaction exposure mainly arise from intra-Group transactions and as such the exposure and risk can be significantly reduced by netting the internal transactions. Therefore, through netting, the Group's main transaction exposure can be reduced and together with the use of hedges and financing in each company's functional currency, the exposure can be reduced even further. The Groups actual currency exposure at year end amounted to SEK 13.8 (-2.4) million.

The corresponding average currency exposure for the year amounted

to SEK 28.4 (21.6) million and the below table displays the sensitivity of a reasonable change in those currencies in which the Group has the greatest exposure. Impact on the Group's profit before refers to the impact from changes in the fair value of financial assets and liabilities but excluding foreign currency derivatives where hedge accounting is applied. Impact on pre-tax equity refers only to the impact from changes in the fair value of the forward contracts where hedge accounting is applied.

Valuta	Currency	Change	Impact on result before tax (SEK million)	Impact on pre-tax equity (SEK million)
2016	USD	+5%	0.5	2.6
		-5%	-0.5	-2.6
2016	EUR	+5%	0.4	0.5
		-5%	-0.4	0.5
2016	DKK	+5%	0.4	-
		-5%	-0.4	-

Valuta	Currency	Change	Impact on result before tax (SEK million)	Impact on pre-tax equity (SEK million)
2015	USD	+5%	-0.6	3.3
		-5%	0.6	-3.3
2015	EUR	+5%	0.6	0.3
		-5%	-0.6	-0.3
2015	CHF	+5%	0.7	-
		-5%	-0.7	-

A sensitivity analysis regarding the other currencies does not have a material effect on result before tax for any single currency. The aggregated effect for all these currencies, provided a 5% stronger SEK - rate per currency, would impact profit before tax with SEK +0.1 (+0.6) million.

TRANSLATION EXPOSURE

Translation exposure is defined as the Group's exposure to currency risk arising when translating the results and net assets of foreign subsidiaries into SEK. A change of 1% of the currency exchange rates would impact sales by SEK 38.5 (36.8) million, calculated on the sales for 2016 where USD and EUR impact the most with SEK 14.1 (14.2) million and SEK 12.2 (11.1) million each. The table below displays a sensitivity analysis regarding sales based on the preceding year's currency exchange rates.

Area	Currency effect 2016	Currency effect 2015
USA	17.1	251.4
Nordic countries	-2.6	-3.3
Central Europe	4.1	26.2
Southern Europe	5.5	28.9
Other Countries	0.5	50.5
Total	24.5	353.7

The translation of local currency, based on the preceding year's currency exchange rates, would have lowered the sales by SEK 24.5 (353.7) million. The translation effect from translating subsidiaries equity has effected group equity by SEK 88.9 (28.1) million.

LIQUIDITY RISK

Due to the relatively capital-intensive nature of its activities and its expansive growth strategy, New Wave Group has a need to secure its funding. For a growth company like New Wave Group it is essential to ensure that sufficient liquidity is available to fund future expansion and that there is a high degree of flexibility when acquisition opportunities present themselves. It is also important that a sound balance between equity and financing through debt is kept, as New Wave Group's goal is to achieve an equity/assets ratio in excess of 30%. New Wave Group has a centralized finance function, which means that external borrowing is managed and administered centrally as far as possible. The liquidity generated in the Group is continually transferred to New Wave Group's treasury center through various pooling systems and reduces the total credit volume. New Wave Group has not made any financial investments.

The Group has as of 31 December 2016 a total credit line of SEK 2 621.0 million. The main financing agreement was renewed on 10 February, 2016 and has a credit facility of SEK 2 371.0 million of which SEK 2 000.0 million has a term of three years and USD 40.8 million has a term of eight years. In addition, there are credit lines totaling SEK 250.0 million, which have a term of between one and seven years. The credit facility amount is limited to and dependent on the value of some underlying assets.

The principal agreement means that financial ratios (covenants) must be fulfilled in order to maintain the agreement. The covenants are met as of 31 December 2016. Based on the current forecast, management deems that the Group will be able to achieve these key performance indicators by a satisfactory margin

The below table displays the maturity analysis of the amortization of interest bearing liabilities including contractual and undiscounted interest payments. Any planned future liabilities have not been included. Interest payments related to financial instruments with floating rate has been calculated based on the interest rate at year end.

Maturity analysis of New Wave Group's loans	2016	2015
2016	-	289.4
2017	132.1	1 805.2
2018	1 694.7	-
2019	63.2	-
2020	61.4	-
2021	59.7	-
2022	57.9	-
2023	55.8	-
2024	13.4	-

Maturity analysis of New Wave Group's other financial liabilities	2016	2015
2016	-	675.7
2017	816.3	-

The below table displays the maturity for the Group's outstanding currency futures and unrealized amounts per year-end, distributed per currency. All contracts mature within twelve months from year-end.

2016-12-31 Currency	Hedged volume result SEK million	Unrealized SEK million	Number of hedged months
EUR	7.9	1.9	< 6
EUR	4.8	0.2	6 > 12
USD	39.3	3.1	< 6
USD	14.1	0.3	6 > 12

5.5

2015-12-31 Currency	Hedged volume result SEK million	Unrealized SEK million	Number of hedged months
EUR	7.2	-0.1	< 6
EUR	2.9	-0.1	6 > 12
USD	41.2	0.3	< 6
USD	36.3	-0.3	6 > 12

-0.2

CREDIT RISKS

Credit risk is defined as the Group's exposure to losses in the event that one party to a financial instrument fails to discharge an obligation. The Group is exposed to credit risk from its operating activities, primarily accounts receivables, and from its financing activities which includes deposits at banks and financial institutions, currency futures and other financial instruments. The Group's total exposure to credit risk amounted, at year-end, to SEK 1 184.9 (1 032.3) million which was based on the carrying value of all financial assets.

Credit Risk (SEK million)	2016	2015
Accounts receivable	906.2	821.5
Other financial assets	278.7	210.8
Total	1 184.9	1 032.3

ACCOUNTS RECEIVABLES

The risk that the Group's customers will fail to meet their obligations, i.e. that New Wave Group's accounts receivables will not be paid, constitutes a credit risk. New Wave Group has centrally adopted a finance policy and directives, and based on these each company has drawn up a set of written procedures for credit control. Information from external credit reference agencies is one stage of the process. Furthermore, companies in the group, based on the finance policy, have the option, when needed, to insure accounts receivables which means that if the customer fails to meet its payment the company will be reimbursed by the insurance company. The credit risk in the Corporate Promo operating segment is lower, as the resellers, which are New Wave Group's customers, make purchases based on orders that have already been placed by the end customers. The resellers are relatively small and large in number. In 2016 actual bad debts in Corporate Promo represented 0.36 (0.13) % of sales. In the Gifts & Home Furnishings and Sports & Leisure operating segments sales are made to selected resellers, and credit losses are small, although there is a higher concentration to a smaller number of customers compared to the promo market. In 2016 actual bad debts in these two operating segments represented 0.42 (0.51) % and 0.08 (0.06) % of sales.

Accounts receivable (SEK million)	2016	2015
Exposure	944.0	863.3
Credit risk reserve	37.8	41.8
Carrying amount	906.2	821.5

A description of credit risk exposures is given in the table below:

Per 31 december 2016	Number customers	Percentage of total customers	Percentage of portfolio
Exposure < 1 MSEK	28 808	93.1	66.2
Exposure 1 - 5 MSEK	763	2.5	22.4
Exposure > 5 MSEK	1 389	4.5	11.5
Total	30 960	100.0	100.0

Per 31 december 2016	Number customers	Percentage of total customers	Percentage of portfolio
Exposure < 1 MSEK	26 925	90.0	65.8
Exposure 1 - 5 MSEK	1 613	5.4	20.2
Exposure > 5 MSEK	1 367	4.6	14.0
Total	29 905	100.0	100.0

The provision for doubtful receivables has been changed as follows:

Provision for doubtful receivables (SEK million)	2016	2015
Provision at the beginning of the year	41.8	31.6
Reclassification	0.0	0.0
Additional provision	15.7	21.3
Confirmed losses	-20.9	-11.3
Translation difference	1.2	0.2
Provision at year-end	37.8	41.8

Apart from the provision for doubtful receivables, there is no impairment of financial instruments.

Age analysis (SEK million)	2016	2015
< 30 days	835.3	758.9
30–90 days	48.5	50.1
> 90 days	22.5	12.5
Total	906.2	821.5

OTHER ASSETS

Other assets include loan receivables, derivatives and liquid assets. Credit risk related to balances at banks and other financial institutions is managed by the Treasury center in accordance with the Group's finance policy. The Group deals only with well established financial institutions. Other receivables and accrued income, which represents 4.4 (4.4) % of the total credit risk, is managed locally on an ongoing basis in accordance with the finance policy and with support from the central finance function.

OTHER RISKS

PURCHASING MARKET

New Wave Group's purchases are mainly made in China, Bangladesh, India and Vietnam. Political and socioeconomic changes could have an impact on New Wave Group. By maintaining a high level of preparedness and by making purchases in several different countries in Europe as well as Asia, New Wave Group limits the economic risk which would arise if purchases were made from a single country.

STRONG GROWTH

The continued expansion planned by New Wave Group will put strong pressure on management and employees. Wrong recruitments, organizational problems, the departure of key individuals, etc could delay and affect the progress of the expansion. The crucial factor determining the pace of expansion is that earnings expand at the same pace, which could result in uneven growth rates. New Wave Group is allocating resources to internal management training programs, mentorship schemes and annual meetings of management to guarantee future leadership and spread New Wave Group's values.

FASHION TRENDS – CHANGES IN ECONOMIC CONDITIONS

New Wave Group devotes significant resources to ensure good design and quality. Still, due to the rapid pace of change in the fashion industry, the company cannot exclude the possibility of temporary declines in sales for certain collections. However, New Wave Group has a limited risk, as the fashion content is lower in the Corporate Promo operating segment and the promo sales channel, while the Sports & Leisure operating segment is focused on areas that are less sensitive to changes in fashions, such as Craft functional underwear. New Wave Group's goal is to ensure that the promo sales channel continues to account for 60–80 % of total sales.

FOREIGN EXPANSION

The Group intends to establish a presence in additional foreign countries only when previous foreign operations are generating satisfactory profits. The Board deems that this strategy represents a good compromise between optimal growth and reduced risk taking. New Wave Group believes it is very hard to determine the exact time-tables and budgets for new foreign ventures, which could entail a risk of initial losses. However, the Board deems that the company is well equipped for the new ventures that are being planned.

ENVIRONMENT

The Group's operations may involve environmental commitments, but the Board's and the management's assessment is that these – to the extent that they may have an impact on the Group's financial position – have been considered in the present financial statement.

NOTE 18 RELATED PARTIES

SEK million	Sales to		Purchases from		Receivables		Liabilities	
	2016	2015	2016	2015	2016	2015	2016	2015
Associated companies								
Glasrikets skatter Ekonomiska förening	-	-	0.1	0.1	-	-	-	-
Dingle Industrilokaler AB	0.1	0.1	1.7	1.8	4.3	-	0.2	0.2
Kosta Köpmanshus AB	2.9	1.1	15.7	15.0	0.2	0.2	2.3	1.7
Vist Fastighets AB	0.1	0.1	2.2	3.4	0.3	0.2	-	-

Reporting of associated companies is done under Note 13 Shares in associated companies. Information is also submitted in the presentation of the Board and Management and under Note 6 Salaries, other remuneration and social security costs. Reporting of dividends from, and capital injections to, associated companies is covered in Note 13. All transactions are carried out under market conditions.

Transactions related to persons included in management

Ulrica Messing is Managing Director in one of the Group's companies. A company owned by her has purchased goods, amounting to SEK 0.4 (0.1) million, from companies within New Wave Group. Her company has also paid rent for premises, amounting to SEK 0.0 (0.1) million, to New Wave Group companies. Compensation for consultancy services rendered amounts of SEK 1.9 (0.6) million. Göran Härstedt, has carried out consultancy services amounting to SEK 2.4 (2.4) million, which has been invoiced through a company of his own. All transactions are carried out under market conditions.

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2016	2015
Prepaid rents	12.8	13.4
Trade fair costs	9.9	10.1
Marketing expenses	7.8	6.8
Bank charges	6.5	0.0
Prepaid operational expenses	5.6	4.0
Accrued royalty income	5.1	3.5
Catalogue costs	4.0	1.3
Insurance	3.5	4.4
Prepaid license fees	3.5	2.7
Computer related costs	3.3	4.3
Samples	2.6	3.9
Other accrued income	2.5	2.7
Prepaid good deliveries	2.2	1.1
Prepaid leasing fees	1.6	1.6
Prepaid wage costs	0.5	0.3
Other items	9.7	9.2
Total	81.1	69.3

NOTE 20 NET DEBT

SEK million	2016	2015
Liquid assets	-218.9	-165.5
Long-term interest-bearing liabilities	1 864.5	1 805.2
Short-term interest-bearing liabilities	103.3	289.4
Total	1 748.9	1 929.1
Effective interest rate based on recognised net interest	3.3 %	3.5 %

NOTE 21 NET ASSETS IN FOREIGN CURRENCIES

The table shows foreign currency exposed equity distributed by each currency before group adjustments

SEK million		
Net assets	2016	2015
Euro, EUR	670.1	580.2
Canadian dollar, CAD	54.1	51.7
Swiss franc, CHF	335.8	458.1
US dollar, USD	692.0	637.6
Nowegian krone, NOK	28.7	19.1
Danish krone, DKK	67.4	57.6
Chinese yuan, CNY	68.9	86.7
Polish zloty, PLN	16.9	16.3
Hong Kong dollar, HKD	26.1	74.0
British pound, GBP	57.1	68.5
Total net assets in foreign currencies	2 017.2	2 049.9

NOTE 22 CREDIT LIMIT

Amount granted in relation to loans and bank overdraft facilities amounts to SEK 2 621 (2 800) million.

NOTE 23 PLEDGED ASSETS

SEK million	2016	2015
Floating charges	663.5	663.5
Property mortgages	147.6	140.8
Net assets in subsidiaries	2 323.0	2 332.9
Stocks and accounts receivable	368.1	323.6
Total	3 502.2	3 460.8

The Group's pledged assets at year end amounted to SEK 3 520.2 (3 460.8) million and wholly consists of collateral for the the Groups interest bearing liabilities to credit institutions which amounted to SEK 1 967.8 (2 094.6) million at year end.

Security for the main financing agreement is made up of floating charges, real estate mortgages, and net assets in subsidiaries. Brands have been specifically pledged and are included in the net assets of the subsidiaries. Parts of the Group's inventories and accounts receivable constitute security for group companies' local funding. See further note 17, section Liquidity risk, for maturity analysis and information regarding the conditions for the Group's financing.

NOTE 24 OTHER PROVISIONS

SEK million	2016	2015
Other provisions		
Opening balance	6.4	13.1
Reversed during the year	-0.2	-0.6
Provision for additional consideration *	-3.3	-6.5
Provisions during the year	2.5	0.1
Translation difference	0.7	0.3
Closing balance at year-end	6.0	6.4

* Provision has been reclassified to short-term liability.

Reported provisions at year-end mainly relates to estimated earn out.

NOTE 25 OTHER CURRENT LIABILITIES

SEK million	2016	2015
VAT	64.3	58.5
Personal income tax	14.9	15.7
Advances from customers	6.3	9.3
Other wage deductions	0.7	1.7
Social security	2.9	1.6
Liabilities to employees	6.8	6.6
Liabilities to customers	0.6	0.1
Currency futures	1.4	6.4
Earn out	3.6	4.3
Giftcards not redeemed	0.8	0.8
Other items	9.3	20.2
Total	111.8	125.2

NOTE 26 ACCRUED EXPENSES AND PREPAID INCOME

SEK million	2016	2015
Salaries and payroll tax	110.3	99.7
Commission	51.8	43.4
Marketing costs	9.5	5.9
Royalties	8.8	7.0
Delivery of goods	7.2	6.9
Audit fees	4.8	4.5
Electricity and rental costs	4.4	6.3
Interest	1.3	1.2
Consultancy fees	1.3	0.8
Claims	1.1	1.0
Prepaid income	0.2	0.3
Bank charges	0.0	0.1
Other items	16.8	17.1
Total	217.4	194.2

NOTE 27 CONTINGENT LIABILITIES

SEK million	2016	2015
Duty guarantee	15.6	15.2
PRI	2.0	2.0
Other guarantees	0.4	0.6
Guarantees for associated companies	6.0	6.0
Total	24.1	23.8

NOTE 28 ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW

SEK million	2016	2015
Depreciation and write downs of tangible and intangible fixed assets	55.9	57.1
Depreciation as a part of production costs/goods for resale	10.3	11.1
Other items	-10.0	-0.5
Total	56.2	67.7

NOTE 29 CLASSIFICATION OF EQUITY

SHARE CAPITAL

Share capital includes the registered share capital for the parent company. Share capital consists of 19 707 680 class A shares (quotient value SEK 3.00) and 46 635 863 class B shares (quotient value SEK 3.00).

OTHER CAPITAL CONTRIBUTIONS

Other capital contributions include the total transactions that New Wave Group AB has had with the shareholders. Transactions that have taken place are premium share issues. The amount that is included in other capital contributions is therefore fully equivalent to capital received in addition to the nominal amount from the share issue.

RESERVES

Reserves consist of translation differences in foreign subsidiaries and fair value changes regarding financial instruments which are a part of cash flow hedge.

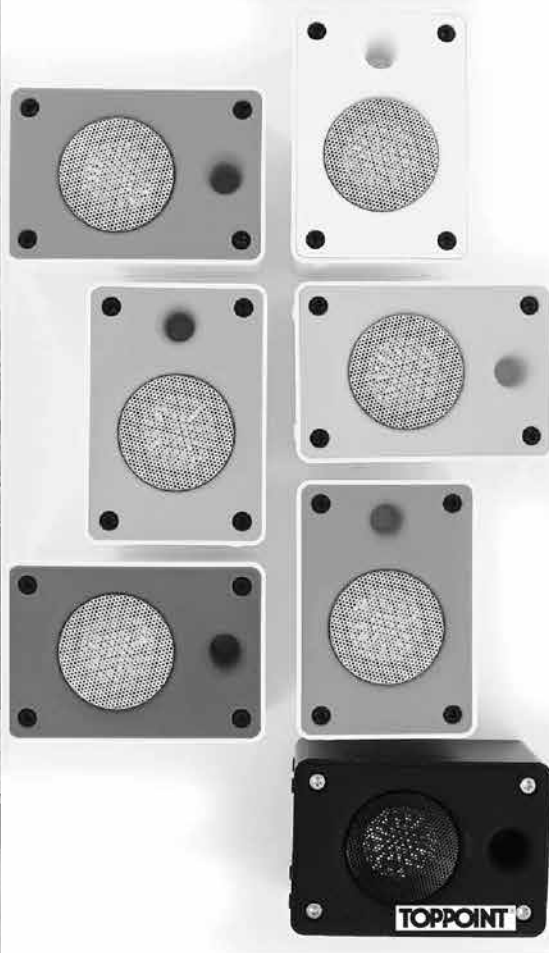
RETAINED EARNINGS INCLUDING NET PROFIT FOR THE YEAR

Retained earnings are equivalent to the accumulated profit and loss generated by the Group in total, after the deduction of paid dividends.

CAPITAL MANAGEMENT

Group equity amounted to SEK 2 817.2 (2 513.6) million at the end of the year. New Wave Group's financial strategy is to create safe financial conditions for the Group's operations and development. The return on equity is highly significant. At the end of 2016, the return on equity amounted to 10.4 (6.0) % with an equity ratio of 48.4 (45.9) %.

New Wave Group's dividend policy means that the dividends to the shareholders should be equivalent to 40% of Group profits over an economic cycle. The Board proposes a dividend of SEK 1.35 (1.00) per share, corresponding to SEK 89.6 (66.3) million or 32 (46) % of the Group's profit for the year.



INCOME STATEMENT

1 JANUARY – 31 DECEMBER

SEK million	Note	2016	2015
Income	2	101.2	94.7
Other operating income	3	22.1	27.9
Operating costs			
External costs	2, 6, 11	-91.9	-79.7
Personnel costs	4, 5	-23.5	-26.6
Depreciation of tangible and intangible fixed assets	10, 11	-5.2	-5.8
Other operating costs		-19.5	-26.1
Operating profit		-16.8	-15.6
Net income from shares in Group companies		420.4	77.3
Write-downs of financial fixed assets		-2.4	-93.2
Financial income		66.6	57.1
Financial expenses		-61.6	-64.3
Net financial items	7	423.0	-23.1
Result before appropriations and income tax		406.2	-38.7
Appropriations	8	33.9	8.0
Tax on result for the year	9	-5.0	0.0
Result for the period		435.1	-30.7

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

CASH FLOW STATEMENT

1 JANUARY – 31 DECEMBER

MSEK	Not	2016	2015
Den löpande verksamheten			
Operating profit/loss		-16.8	-15.6
Adjustment for items not included in cash flow		5.2	5.8
Received interest		66.6	57.1
Paid interest		-61.6	-64.3
Paid income tax		-2.8	-0.4
Cash flow from current operations before changes in working capital		-9.4	-17.4
Changes in working capital			
Decrease/increase in stock		0.8	-0.2
Decrease/increase in current receivables		458.9	-199.9
Decrease/increase on current liabilities		-147.3	235.5
Cash flow from changes in working capital		312.4	35.4
Cash flow from operations		303.0	18.0
Investing activities			
Shareholders contribution to subsidiaries		-19.0	-9.6
Investments in tangible fixed assets		-2.9	-2.5
Investments in intangible fixed assets		-0.2	-1.5
Acquisition of shares in associated companies		-2.2	-9.2
Repayment of share capital from subsidiary		30.2	0.0
Cash-flow from investing activities		5.9	-22.8
Cash-flow after investing activities		308.9	-4.8
Financial activities			
Loan raised		0.0	61.5
Amortization of loan		-241.3	0.0
Dividend paid to shareholders of the parent company		-66.3	-66.3
Cash-flow from financial activities		-307.6	-4.8
Cash flow for the period		1.3	-9.6
Liquid assets at the beginning of the year		3.2	12.8
Liquid assets at period-end		4.5	3.2

BALANCE SHEET

AS AT 31 DECEMBER

SEK million	Not	2016	2015
ASSETS			
Fixed assets			
Intangible fixed assets	10	11.7	15.7
Tangible fixed assets	11	4.8	2.9
<i>Financial fixed assets</i>			
Shares in Group companies	12	1510.2	1 488.1
Shares in associated companies	13	54.6	52.2
Receivables on Group companies		998.0	916.3
Other long-term receivables		2.4	2.0
<i>Total financial fixed assets</i>		2 565.2	2 458.6
Total fixed assets		2 581.7	2 477.2
Current assets			
<i>Current receivables</i>			
Stock		0.0	0.8
Accounts receivable		0.6	0.3
Receivables on Group companies		1 145.9	1 156.2
Tax receivables		0.2	0.6
Other receivables		8.4	7.0
Prepaid expenses and accrued income	14	11.8	5.4
<i>Total current receivables</i>		1 166.9	1 170.3
Cash at bank and in hand		4.5	3.2
Total current assets		1 171.4	1 173.5
TOTAL ASSETS		3 753.1	3 650.7

THE PARENT COMPANY

SEK million	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	15	199.1	199.1
Restricted reserves		249.4	249.4
		448.5	448.5
<i>Unrestricted equity</i>			
Retained profits		651.8	748.8
Share premium reserve		48.0	48.0
Result for the period		435.1	-30.7
		1 134.9	766.1
Total equity		1 583.4	1 214.6
Untaxed reserves	16	6.8	0.0
Non-current liabilities	17, 19		
Overdraft facilities		1 329.6	1 329.6
Bank loans		294.2	294.2
Total non-current liabilities		1 623.8	1 623.8
Current liabilities			
Short-term interest-bearing liabilities	17, 19	66.2	250.0
Accounts payable		163.9	99.4
Liabilities to Group companies		256.9	449.8
Current tax liability		1.8	7.2
Other liabilities		2.4	
Accrued expenses and prepaid income	18	7.4	5.9
Total current liabilities		498.6	812.3
TOTAL EQUITY AND LIABILITIES		3 753.1	3 650.7
Pledged assets and contingent liabilities for the parent company			
Pledged assets	19	1 222.1	1 198.8
Contingent liabilities	20	471.2	334.0

CHANGES IN EQUITY

SEK million	Share capital	Restricted reserves	Retained profits	Share premium reserve	Result for the period	Total equity
Opening balance 2015-01-01	199.1	249.4	600.5	48.0	214.6	1 311.6
Transfer according to Annual General meeting			214.6		-214.6	0.0
Result for the period					-30.7	-30.7
Total change in net assets excluding transactions with shareholders	0.0	0.0	0.0	0.0	-30.7	-30.7
Dividends			-66.3			-66.3
Closing balance 2015-12-31	199.1	249.4	748.8	48.0	-30.7	1 214.6

SEK million	Share capital	Restricted reserves	Retained profits	Share premium reserve	Result for the period	Total equity
Opening balance 2016-01-01	199.1	249.4	748.8	48.0	-30.7	1 214.6
Transfer according to Annual General meeting			-30.7		30.7	0.0
Result for the period					435.1	435.1
Total change in net assets excluding transactions with shareholders	0.0	0.0	0.0	0.0	435.1	435.1
Dividends			-66.3			-66.3
Closing balance 2016-12-31	199.1	249.4	651.8	48.0	435.1	1 583.4

NOTE 1 ACCOUNTING PRINCIPLES FOR THE PARENT COMPANY

The Swedish Financial Reporting Board's Recommendation 2 – Accounting for Legal Entities and the Swedish Annual Accounts Act have been applied when preparing the parent company's annual accounts. In accordance with this recommendation, the parent company shall prepare its reports in accordance with the IASB's International Financial Reporting Standards (IFRS) adopted by the EU, to the extent that these are not contrary to the Swedish Annual Accounts Act. The accountancy principles have been applied consistently for all periods, unless otherwise stated.

In Sweden, group contributions are deductible, unlike the shareholder contribution. Group contributions are reported so that they mainly reflect the transaction's financial consequence. The company can choose to report their Group contributions in accordance with either the main rule or the exclusion rule. The company has chosen to apply the exclusion rule which means that both given and received Group contributions are reported as appropriations.

The deferred tax liability on untaxed reserves is reported under untaxed reserves in the parent company's annual accounts due to the connection between accounting and taxation.

Reclassifications in the income statement

Income and expenses regarding Group contributions, previously reported as net income from shares in Group companies and as financial expenses have been reclassified to appropriations in order to conform with the classification for 2016.

	Reported as before	Reclassified income statement
SEK million	2015	2015
Net-income from shares in Group companies	116.8	77.3
Financial expenses	-104.7	-64.3
Appropriations	8.9	8.0

NOTE 2 RELATED PARTIES

Sales

Of the parent company's invoiced sales, SEK 100.4 (94.4) million equivalent to 99.6 (99.6) % were sales to Group companies. All transactions have occurred in accordance with market conditions.

Transactions with related persons

The parent company has not had any transactions with related persons during 2016.

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NOTE 3 OTHER INCOME

SEK million	2016	2015
Foreign exchange gains	22.1	27.4
Other contributions and payments	0.0	0.5
Total	22.1	27.9

NOTE 4 AVERAGE NUMBER OF EMPLOYEES

	2016		2015	
	Number of employees	Of which men	Number of employees	Of which men
Göteborg	16	10	30	19
Total	16	10	30	19

NOTE 5 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

SEK million	2016			2015		
	Salaries and other remuneration	Social security costs	Of which pension costs	Salaries and other remuneration	Social security costs	Of which pension costs
	14.3	7.4	2.0	16.9	8.3	2.4

Of the parent company's pension costs SEK 0.4 (0.4) million concerns the Board and the Managing director.

Salaries and other remuneration divided between board members etc. and employees

SEK million	2016			2015		
	Board and MD	Of which bonus	Other employees	Board and MD	Of which bonus	Other employees
	1.8	0.0	12.5	1.8	0.0	15.1

Board members' fees	2016	2015
External members of the parent company's Board	0.9	0.9
Of which to the Chairman of the board	0.3	0.3

There is no remuneration committee for the parent company. The fees paid to the Chairman of the Board and the Board of Directors are in accordance with the decision of the Annual General Meeting.

TERMS OF EMPLOYMENT FOR THE MANAGING DIRECTOR

Remuneration to the Managing Director comprises a fixed salary from New Wave Group AB. No board member's fees or other remuneration such as bonuses are paid to the Managing Director. As pension insurance for the Managing Director, a market-adjusted defined contribution plan is in place. A mutual notice period of six months applies for the Managing Director and no severance pay is awarded.

THE CONDITIONS OF EMPLOYMENT FOR OTHER SENIOR EXECUTIVES

Other senior executives refers to the two persons whom together with the Managing Director is a part of the Group management. For the structure of the Group management, see page 133 of this report. Remuneration to the other senior executives comprises a fixed salary and in one case bonus based on development in terms of inventory turnover, operating margin and turnover for applicable segment. No board member fees are paid. Market adjusted defined contribution pension plan exist for the other senior executives. A mutual notice period of between three to six months exists for the other senior executives and no severance pay is awarded.

DECISION-MAKING PROCESS

There is no specially appointed remuneration committee to deal with wages, pension benefits, incentives and other employment-related conditions for the Managing Director and the Group's other senior executives; these matters are dealt with by the Board as a whole. The salaries of the senior executives are decided by the Managing Director after consultation with the Chairman of the Board. The board members' fees are decided by the Annual General Meeting.

THE PARENT COMPANY

MSEK	2016			2015		
	Salaries and other remuneration	Of which bonus	Pension costs	Salaries and other remuneration	Of which bonus	Pension costs
Torsten Jansson, Managing Director	0.9	0.0	0.4	0.9	0.0	0.4
Olof Persson, newly elected Chairman of the Board 2016	0.3	0.0	0.0	0.0	0.0	0.0
Anders Dahlvig, resigning Chairman of the Board 2016	0.1	0.0	0.0	0.3	0.0	0.0
Christina Bellander, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Elisabeth Dahlin, newly elected Board Member 2016	0.1	0.0	0.0	0.0	0.0	0.0
Helle Kruse Nielsen, resigning Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Mats Årjes, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
M Johan Widerberg, Board Member	0.1	0.0	0.0	0.1	0.0	0.0
Other senior executives*	1.9	0.0	0.6	2.5	0.0	0.6
Total	3.7	0.0	1.0	4.1	0.0	1.0

*Individuals referred to on page 132.

Subscriptions options

The parent company has no outstanding share warrants.

PENSION COMMITMENTS

For white-collar employees in Sweden ITP 2-plan defined benefit pensionplans for retirement- and family pensions (or family pension) are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed by insurance in Alecta, this is a defined benefit plan that covers several employers. For financial year 2016 the company has not had access to information in order to account for its proportionate share of the plan's obligations, plan assets and costs which meant that the plan has not been possible to account for as a defined benefit plan. The pension plan ITP 2 secured through insurance with Alecta is therefore recognized as a defined contribution plan. The premium for the defined benefit retirement and family pension is individually calculated and is dependent on factors including salary, previously earned pension and expected remaining period of service. Expected premiums for 2017 amount to SEK 0.8 (0.7) million.

The collective funding level is the market value of Alecta's assets in percent of the commitments calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS19. The collective consolidation level is normally allowed to vary between 125 and 155 percent. If Alecta's consolidation level fall below 125 percent or exceed 155 percent, measures should be taken in order to create conditions to reestablish the consolidation level to the normal range. At low consolidation, a measure can be to raise the agreed price for new agreements.

At high consolidation, a measure can be to introduce premium reductions. Alecta's collective funding ratio at the end of the year was 149 (153) %.

NOTE 6 REMUNERATION TO AUDITORS AND AUDIT COMPANY

SEK million	2016	2015
Audit assignment		
Ernst & Young	0.9	0.9
Audit work outside audit assignment	0.3	0.2
Total	1.2	1.1

THE PARENT COMPANY

NOTE 7 FINANCIAL INCOME AND COST

SEK million	2016	2015
Write down of financial fixed assets*	-2.4	-93.2
Reversal write-down of financial assets	0.4	0.0
Reduction share capital	30.2	0.0
Dividends from subsidiaries	389.8	77.3
Financial income. Group companies	44.8	36.3
Financial income. other	21.9	20.8
Financial expenses. Group companies	-6.9	-6.4
Financial expenses. other	-54.7	-57.8
Total	423.0	-23.1

*Income was adversely affected by SEK 2.4 (93.2) million relating to a write down of fixed assets. This is primarily due to capital contributions to subsidiaries to cover losses. The contributions are not expected to convey further value to the subsidiaries and have thus been charged against income.

NOTE 8 APPROPRIATIONS

SEK million	2016	2015
Paid Group contributions	73.4	39.5
Received Group contributions	-32.7	-40.4
Difference between reported depreciation and depreciation according to plan	-3.2	1.9
Tax allocation reserve	-3.6	7.0
Total	33.9	8.0

NOTE 9 TAX ON PROFIT FOR THE YEAR

SEK million	2016	2015		
Current tax	-2.3	0.0		
Tax attributable to previous years	-2.7	0.0		
Tax attributable to received/paid Group contributions	0.0	0.0		
Total	-5.0	0.0		
Reconciliation of actual tax				
Profit before tax	440.1	-30.6		
Tax expense according to local tax rate	-96.8	-22.0%	6.7	-21.9%
<i>Tax effects from:</i>				
Non taxable income	92.0	20.9%	17.0	-55.6%
Non deductible expenses	-0.7	-0.2%	-20.6	67.3%
Not activated loss carry-forward	0.0	0.0%	-3.1	10.1%
Taking in use previously not activated loss carry-forward	3.2	0.7%	0.0	0.0%
Tax attributable to previous years	-2.7	-0.6%	0.0	0.0%
Other	0.0	0.0%	0.0	0.0%
Tax according to income statement	-5.0	-1.1%	0.0	0.0%

NOTE 10 INTANGIBLE FIXED ASSETS

SEK million	Trademarks		Computer Software	
	2016	2015	2016	2015
Accumulated acquisition values				
Opening acquisition value	6.9	6.9	36.2	34.7
Acquisitions	0.0	0.0	0.2	1.5
Closing accumulated acquisition value	6.9	6.9	36.4	36.2
Accumulated depreciation according to plan				
Opening depreciation	-6.9	-6.9	-20.5	-15.3
Depreciation during the year	0.0	0.0	-4.2	-5.2
Closing accumulated depreciation	-6.9	-6.9	-24.7	-20.5
Closing book value	0.0	0.0	11.7	15.7

NOTE 11 TANGIBLE FIXED ASSETS

SEK million	Equipment, tools and installations	
	2016	2015
Accumulated acquisition values		
Opening acquisition value	13.9	11.3
Acquisitions	2.9	2.6
Closing accumulated acquisition value	16.8	13.9
Accumulated depreciation according to plan		
Opening depreciation	-11.0	-10.5
Depreciation during the year	-1.0	-0.5
Closing accumulated depreciation	-12.0	-11.0
Closing book value	4.8	2.9

Leasing costs for operational leasing

The Group has operational lease agreements. New leasing agreements for the year primarily relates to rental of premises. The future commitment for these agreements can be seen in the following summary:

	2016		2015
2017	2,3	2016	3,1
2018	2,8	2017	1,4
2019	2,9	2018	1,4
2020	1,6	2019	1,5
2021 incl. costs through contract period end	6,4	2020 incl. costs through contract period end	0,4
Rental costs for the year amounted to	3,4		2,9

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NOT 12 SHARES IN GROUP COMPANIES

	Equity, %	Voting rights, %	Number of shares	Book value, TSEK
Craft of Scandinavia AB	100	100	50 000	24 000
Dahetra A/S ⁹	100	100	1 000	28 850
DJ Frantextil AB	100	100	30 000	25 057
EBAS Group BV ¹	100	100	5 100	27 010
8016267 Canada Inc	100	100	10 000	10 072
GC Sportswear OY	100	100	8 000	7 411
Intraco Holding BV ³	64	64	49 804	33 362
Jobman Workwear AB	100	100	10 000	81 387
Kosta-Förlaget AB	100	100	500	1 136
New Wave Asia Ltd	100	100	1	9
New Wave Austria GmbH	100	100	-	30 418
New Wave Danmark A/S	100	100	2	1 180
New Wave France SAS	100	100	100	5 000
New Wave Garments Ltd	100	100	-	0
New Wave Group Incentives AB	100	100	1 000	118
New Wave Group International Trading Ltd	100	100	-	0
New Wave Group SA ⁴	100	100	100	536
New Wave Holland BV ⁸	100	100	13 616	104 351
New Wave Italia S.r.l	100	100	500 000	6 670
New Wave Mode AB	100	100	100 000	111 010
New Wave Profile Professional AB	100	100	1 000	100
New Wave Norway A/S ¹¹	100	100	9 000	1 022
New Wave Sportswear S.A.	100	100	1 000	2 415
New Wave Trading Shanghai Ltd	100	100	-	0
New Wave USA Inc ⁶	100	100	-	462 708
OKB Restaurang AB	100	100	10 000	0
Orrefors Event AB	100	100	100	100
Orrefors Kosta Boda AB ⁵	100	100	100 000	24 481
OY Trexet Finland AB	100	100	600	1 412
New Wave Group Canadian Distribution Inc ¹⁰	100	100	1 000	39 873
Pax Scandinavia AB	100	100	2 400	27 065
Projob Workwear AB	100	100	1 015 684	492
Sagaform AB ⁷	100	100	5 611 223	69 212
Sejer Europe AB	100	100	10 000	22 000
Termo Original Sweden AB	75	75	7 500	7 500
Texet AB	100	100	58 500	83 001
Texet Benelux BV	89	89	8 458 627	144 539
Texet France SAS	96	96	47 798	0
Texet Poland Sp z o.o.	100	100	15 459	9 771
Textilgrossisten Hefa AB ²	100	100	18 985	61 996
Textilgrossisten i Stenungsund AB	100	100	5 000	0
United Brands of Scandinavia Ltd	100	100	200	54 973
Total				1 510 237

- EBAS Group BV owns 11% of Texet Benelux NV, 4 % of Texet France SAS och 100 % of Texet Harvest Spain SL.
- Textilgrossisten Hefa AB owns Texet GmbH which in turn owns New Wave GmbH.
- Intraco Holding owns Intraco Hong Kong Ltd, Intraco International Ltd, Intraco Electronics Ltd, Intraco Trading BV, Intraco Deutschland GmbH and 60% of DeskTop Ideas Ltd.
- New Wave Group SA owns New Wave Group Licensing SA, New Wave Far East Ltd, Multi Sourcing Asia Ltd and New Wave Trading Shanghai Ltd.
- Orrefors Kosta Boda AB owns Glasma AB, Kosta Lodge AB, Kosta Food & Beverage AB, Kosta Outdoor AB, Kosta Fashion AB and Kosta Glasproduktion AB which in turn owns Orrefors Kosta Boda Leasing AB and SEA Glasbruk AB.
- New Wave USA Inc owns Cutter & Buck, Auclair Sports Inc, Gloves International Inc as well as Orrefors Kosta Boda Inc, which in turn owns Sagaform Inc, Ahead LLC and Craft Sportswear NA, LLC.
- Sagaform AB owns Sagaform APS and Sagaform GmbH (Germany).
- New Wave Holland BV owns Lensen Toppoint BV, Toppoint Deutschland GmbH, Newpoint Sp z o.o., Toppoint Polska Sp z o.o., GS Plastics GmbH, New Wave Sportswear BV and X-Tend BV.
- Dahetra A/S owns Hurricane Purchases A/S.
- New Wave Group Canadian Distribution Inc owns Paris Glove of Canada Ltd, which in turn owns Laurentide Gloves Ltd.
- New Wave Norway A/S owns Safetyhouse A/S.

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Information regarding subsidiary corporate identities and domiciles:

	Company registration number	Domicile
Ahead Inc	45-2433808	New Bedford, USA
Aclair Sports Inc	V245570	Burlington, USA
Craft of Scandinavia AB	556529-1845	Borås, Sweden
Craft Sportswear NA, LLC	35-2477259	Beverly, USA
Cutter & Buck Inc	206-830-6812	Seattle, USA
Dahetra A/S	37764728	Skanderborg, Denmark
Desk Top Ideas Ltd	718094721	Oxfordshire, England
DJ Frantextil AB	556190-4086	Borås, Sweden
EBAS Group BV	17078626	Mijdrecht, The Netherlands
8016267 Canada Inc	8016267	Montreal, Canada
GC Sportswear OY	1772317-6	Esbo, Finland
Glasma AB	556085-8671	Emmaboda, Sweden
Gloves International Inc	2579860	Mayfield, USA
GS Plastics GmbH	HRB 742160	Gosheim, Germany
Hurricane Purchase A/S	16503770	Skanderborg, Denmark
Intraco Holding BV	34228913	Wormerveer, The Netherlands
Intraco Hong Kong Ltd	33959038-000-10-03-3	Hong Kong
Intraco International Ltd	35134648-000-11-04-7	Hong Kong
Intraco Electronics Ltd	440301503371750	Shenzhen, China
Intraco Trading BV	35027019	Wormerveer, The Netherlands
Intraco Deutschland GmbH	HRB207207	Nordhorn, Germany
Jobman Workwear AB	556218-1783	Stockholm, Sweden
Kosta Fashion AB	559043-9799	Kosta, Sweden
Kosta Food & Beverage AB	559043-4832	Kosta, Sweden
Kosta-Förlaget AB	556700-7140	Lessebo, Sweden
Kosta Glasproduktion AB	556037-0461	Lessebo, Sweden
Kosta Lodge	559043-4857	Kosta, Sweden
Kosta Outdoor AB	559043-4881	Kosta, Sweden
Laurentide Gloves Ltd	1142613307	Montreal, Canada
Lensen Toppoint BV	5055988	Bergentheim, The Netherlands
Multi Sourcing Asia Ltd	1859015	Hong Kong
New Wave Asia Ltd	1213487	Hong Kong
New Wave Austria GmbH	FN272531g	Erl, Austria
New Wave Danmark A/S	234083	Köpenhamn, Denmark
New Wave Far East Ltd	551901	Hong Kong
New Wave France SAS	430 060 624 000 29 514C	Dardilly, France
New Wave Garments Ltd	755013846	Shanghai, China
New Wave GmbH	HRB10847	Oberaudorf, Germany
New Wave Group Incentives AB	556544-8833	Borås, Sweden
New Wave Group International Trading Ltd	74959455X	Shanghai, China
New Wave Group SA	CH-645-1009704-1	Cortailod, Switzerland
New Wave Holland BV	5061847	Hardenberg, The Netherlands
New Wave Italia S.r.l	1730/9310/45	Codogno, Italy
New Wave Licensing SA	CH-645-4099083-3	Cortailod, Switzerland
New Wave Mode AB	556312-5771	Munkedal, Sweden
New Wave Norway A/S	946506370	Sarpsborg, Norway
New Wave Profile Professionals AB	556765-0782	Munkedal, Sweden
New Wave Sportswear BV	30159098	Mijdrecht, The Netherlands
New Wave Sportswear S.A.	29963 166887 0190 B1	Barcelona, Spain
New Wave Trading Shanghai Ltd	310000400561917	Shanghai, China
New Wave USA Inc	26-28441698	Seattle, USA

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	Company registration number	Domicile
Newpoint Sp z o.o.	270348	Zielona Góra, Poland
OKB Restaurang AB	556697-8804	Nybro, Sweden
Orrefors Event AB	556699-2565	Lessebo, Sweden
Orrefors Kosta Boda AB	556519-1300	Lessebo, Sweden
Orrefors Kosta Boda Inc	23-05822990	West Berlin, USA
Orrefors Leasing AB	556374-8804	Nybro, Sweden
OY Trexet Finland AB	0874124-1	Esbo, Finland
Paris Glove of Canada Ltd	1142613711	Montreal, Canada
New Wave Group Canadian Distribution Inc	1167232215	Montreal, Canada
Pax Scandinavia AB	556253-8685	Örebro, Sweden
Projob Workwear AB	556560-7180	Borås, Sweden
Safetyhouse A/S	911 689 693	Grålum, Norway
Sagaform AB	556402-4064	Borås, Sweden
Sagaform APS	25818253	Karlebo, Denmark
Sagaform GmbH	47619	Oberaudorf, Germany
Sagaform Inc	20-3981096	West Berlin, USA
SEA Glasbruk AB	556063-8883	Lessebo, Sweden
Seeger Europe AB	556244-8901	Ulricehamn, Sweden
Termo Original Sweden AB	559022-9497	Mark, Sweden
Texet AB	556354-3015	Stockholm, Sweden
Texet Benelux NV	BE 404.998.655	Aarschot, Belgium
Texet France SAS	305035693	Naterre Cedex, France
Texet GmbH	328/5857/0728	Oberaudorf, Germany
Texet Harvest Spain SL	A 78480696	Madrid, Spain
Texet Poland Sp z o.o.	281382	Poznan, Poland
Textilgrossisten Hefa AB	556485-2126	Stenungsund, Sweden
Textilgrossisten Stenungsund AB	556435-2846	Stenungsund, Sweden
Toppoint Deutschland GmbH	HR B 1986	Nordhorn, Germany
Toppoint Polska Sp z o.o.	220828	Zielona Góra, Poland
United Brands of Scandinavia Ltd	5480650	Hirwaun, South Wales
X-Tend BV	8108654	Zwolle, The Netherlands

NOTE 13 FINANCIAL FIXED ASSETS

Reported acquisition costs for the associated companies

SEK million	2016	2015
Dingle Industrilokaler AB	8.3	8.3
Glasrikets skatter Ekonomiska förening	1.0	1.0
Kosta Köpmanshus AB	29.4	29.4
Scandinavian Trade Holding AB	0.1	0.0
Vist Fastighetsbolag AB	13.5	13.5
Jobman Workwear GmbH	2.3	0.0
Total	54.6	52.2

			Share of capital. %	Share of vore. %	Number of shares	2016 (SEK million)	
						Equity	Income
Dingle Industrilokaler AB	556594-6570	Munkedal	49	49	83 055	14.9	0.0
Glasrikets skatter Ekonomiska förening	769620-1701	Lessebo	10	10	100	12.6	0.0
Kosta Köpmanshus AB	556691-7042	Lessebo	49	49	7 350	64.1	0.0
Scandinavian Trade Holding AB	556686-5811	Lessebo	45	45	45	0.0	0.0
Vist Fastighetsbolag AB	556741-1672	Ulricehamn	49	49	49	20.5	0.4
Jobman Workwear GmbH	758048	Freiberg	49	49	2	4.8	0.0

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2016	2015
Prepaid credit fees	6.5	0.0
Prepaid rents	0.6	0.8
Prepaid marketing expenses	0.3	0.7
Prepaid licens costs	3.4	2.7
Other items	1.0	1.2
Total	11.8	5.4

NOTE 15 EQUITY

Division of share capital

The parent company's share capital consisted of the following number of shares as at 31 December 2016 with a quoted value of up to SEK 3.00 per share.

Shares %

Share class		No. of shares	No. of votes	Capital	Votes
A	10 votes	19 707 680	197 076 800	29.7	80.9
B	1 vote	46 635 863	46 635 863	70.3	19.1
Total		66 343 543	243 712 663	100.0	100.0

NOTE 16 UNTAXED RESERVES

SEK million	2016	2015
The difference between reported depreciation and depreciation according to plan	3.3	0.0
Tax allocation reserve 17	3.5	0.0
Total	6.8	0.0

Deferred tax on untaxed reserves amounts to SEK 1.5 (0.0) million.

NOTE 17 CREDIT LIMIT

Amount granted in relation to loans and bank overdraft facilities amount to SEK 2 371 (2 550) million.

The company's overdraft facilities with the bank are defined as long-term. The main financing agreement was renewed on 10 February, 2016 and has a credit facility of SEK 2 371.0 million of which SEK 2 000.0 million has a term of three years and USD 40.8 million has a term of eight years.

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NOTE 18 ACCRUED EXPENSES AND PREPAID INCOME

SEK million	2016	2015
Accrued salaries	0.0	0.2
Holiday pay liability	2.2	2.8
Social security charges	0.4	1.0
Special employer's contribution	1.0	0.6
Fee Board members	0.3	0.0
Audit	0.0	0.3
Interest	1.0	0.9
Advertisement	1.2	0.0
IT-costs	0.6	0.0
Other items	0.7	0.2
Total	7.4	6.0

NOTE 19 PLEDGED ASSETS AND MATURING LIABILITIES

Pledged assets in relation to debts to credit institutions and overdraft facilities

SEK million	2016	2015
Company mortgages	30.0	30.0
Shares in subsidiary	1 183.8	1 160.5
Shares in associated company	8.3	8.3
Total	1 222.1	1 198.8

The parent company's pledged assets at year end amounted to SEK 1 221.1 (1 198.8) million and wholly consists of collateral for the the company's interest bearing liabilities to credit institutions which amounted to SEK 1 730.5 (1 873.8) million at year end. See further note 17, section Liquidity risk, for information regarding the conditions for the Group's financing which also applies to the parent company. See below for the maturity analysis of the parent company's interest bearing liabilities.

Maturity analysis of the parent company's loans

	2016	2015
2016		250.0
2017	131.9	1 623.8
2018	1 457.7	
2019	60.4	
2020	58.7	
2021	56.9	
2022	55.1	
2023	53.4	
2024	13.4	

The table displays the contractual and undiscounted interest payments and amortization of interest bearing liabilities. Any planned future liabilities have not been included. Interest payments related to financial instruments with floating rate has been calculated based on the interest rate at year end.

NOTE 20 CONTINGENT LIABILITIES

SEK million	2016	2015
Guarantees for subsidiaries	471.2	334.0

RECONCILIATION 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 margin	Income less goods for resale in percent of income.	The measure is used for showing the company's margins before the effect of costs such as selling and administrative costs.
Operating margin	Operating profit/loss as a percentage of the period's income.	The measure is used to estimate operating profitability
Profit margin	Result before tax as a percentage of the period's income	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 income.	The measure is used to show net earnings in relation to income.
EBITDA	Operating profit/loss 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 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 profit 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, cont.	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 short-term 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 the company's assets are financed by the shareholders through equity. An equity ratio is a measure of financial strength.
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 netasset 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 profit before tax	This measure enables comparison of income tax across locations where corporate taxes differ.
Cash flow from operations	Cash flow from operations 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 measures is used to regularly estimate how much cash is used to maintain operations and for expansion.

AUDITOR'S REPORT

TO THE ANNUAL GENERAL MEETING OF THE
SHAREHOLDERS OF NEW WAVE GROUP AB (PUBL),
CORPORATE IDENTITY NUMBER 556350 - 0916

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of New Wave Group AB (publ) for the year 2016. The annual accounts and consolidated accounts of the company are included on pages 65 – 125 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2016 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2016 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing

standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue Recognition

Total revenue amounted to 5 237 MSEK in 2016. On page 82 the company states the applied accounting principles for revenue recognition. In short they state that revenue related to the sales of goods is recognized when it is likely that payment will be received and when all risks and benefits have been transferred from seller to buyer. The revenue recognition is associated with a certain element of judgement in regards to recognition of discounts for retailers, risks related to revenue reduction and the transfer of risk to the customer, which is why we have considered the revenue recognition as a key audit matter in our audit.

The audit procedures related to revenue recognition, among other

things include:

- Walkthrough of processes and procedures related to revenue recognition, verification of compliance in regards to IFRS standards.
- Detailed analysis of recorded revenue for different agreements based on historical results, budgets, and the follow ups where made to deviations from the expected outcome.
- Random inspection of contracts and the transfer of risk associated to the period close in order to verify correct revenue accruals.
- Review of the supporting material that judgments, calculations and accruals related to estimates of discounts and bonuses are based on.

We have also reviewed the Company's effectiveness regarding the revenue disclosures.

Valuation of goodwill and trademarks

The reported value for goodwill and trademarks amounted to 1 404 MSEK per 31 of December 2016 according to the consolidated statement regarding financial position. That amount represents 24 percent of total assets. The company performs checks of the reported value against the recoverable amount at an annual basis or at signs of impairment. The recoverable amount is determined for each cash generating unit by performing a present value calculation of future cash flows. The calculations are based on the decided business plan for the next five years and an estimate of cash flows at the end of the forecast period. The calculations are also based on a number of assumptions, such as growth rate, operating margin and discount rate.

Changes in assumptions have a material effect on the calculation of the recoverable amount. Due to this fact we have considered the valuation of goodwill and trademarks as a key audit matter in our audit.

A description of the impairment loss test is presented in Note 8 "Intangible fixed assets".

As a part of our audit we have evaluated and tested the Company's process for preparing impairment loss tests. The evaluation and testing has been based on a review of the accuracy of earlier forecasts and assumptions. We performed reasonability assessments of forecasted cash flows and growth assumptions by comparing them to other companies within the same industry. Furthermore we have tested the marketability of the company's assumptions regarding the discount rate and long term growth rate with support from our valuation experts. We have also reviewed the company's model and method for conducting impairment loss tests, this includes an evaluation of the company's sensitivity analysis. We have also reviewed the effectiveness of the disclosures related to valuation of goodwill and trademarks in the annual report.

Valuation of inventory

The reported value of inventory amounted to 2 496 MSEK per 31 of December 2016 according to the consolidated statement regarding financial position. That amount represents 43 percent of total assets. The inventory is valued based on the first in-first out principle at the lowest cost and net realizable value at the balance sheet date. The calculation of the net realizable value is based on the Company's assumptions regarding slow moving and obsolete goods. Due to this fact we have considered the valuation of inventory as a key audit matter in our audit.

The company's disclosures regarding stock-in-trade is presented in note 16 in the annual report.

We have reviewed the Company's processes and procedures for assessing and following up on slow moving and obsolete goods. We have performed an analytical review based on historical comparisons and data analysis in order to identify slow moving and obsolete goods and assess the need to make provision. Furthermore we have also reviewed the effectiveness of the disclosures related to valuation of inventory in the annual report.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-64. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board

of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error. In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of

Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of New Wave Group AB (publ) for the year 2016 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.


Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Göteborg, March 31, 2017

Ernst & Young AB



Stefan Kylebäck

Authorized Public Accountant

THE GROUP IN SUMMARY

Income statements in brief, SEK million	2016	2015	2014	2013	2012
Income	5 237.1	4 964.7	4 273.6	4 047.4	4 280.2
Other operating income	51.0	47.2	27.7	33.3	35.1
Operating costs	-4 832.0	-4 699.6	-3 997.1	-3 737.9	-4 152.3
EBITDA	456.1	312.3	304.2	342.8	163.0
Depreciation and write-downs	55.9	-57.1	-54.2	-52.1	-89.9
Operating profit	400.2	255.2	250.0	290.7	73.1
Net financial items	-59.9	-74.3	-42.0	-56.2	-58.2
Result before tax	340.3	180.9	208.0	234.5	14.9
Tax	-63.6	-35.6	-31.1	-47.4	-9.1
Result for the period	276.7	145.3	176.9	187.1	5.8
Total comprehensive income for the year	369.9	173.3	376.1	211.1	-70.2
Balance sheet in brief					
Trademarks	521.6	491.0	467.7	417.7	417.7
Other fixed assets	1 526.1	1 431.8	1 370.1	1 235.0	1 243.1
Stock	2 496.4	2 447.8	2 162.1	1 449.1	1 645.4
Accounts receivable	906.2	821.5	804.2	734.2	705.0
Other current assets	155.0	121.1	216.5	200.4	200.3
Liquid assets	218.9	165.5	216.0	185.1	229.7
Total assets	5 824.2	5 478.7	5 236.6	4 221.5	4 441.2
Equity attributable to shareholders	2 794.6	2 491.6	2 386.5	2 078.9	1 934.3
Equity attributable to non-controlling (minority) interest	22.6	22.0	18.6	23.9	23.7
Provisions	185.3	170.7	174.9	156.0	149.4
Interest-bearing liabilities	1 967.8	2 094.6	2 044.8	1 449.1	1 746.4
Non-interest-bearing liabilities	853.9	699.8	611.8	513.6	587.4
Total equity and liabilities	5 824.2	5 478.7	5 236.6	4 221.5	4 441.2
Cash flows					
Cash flow before changes in working capital and investments	333.4	209.8	253.9	226.6	181.4
Changes in working capital	115.5	-80.3	-537.1	131.9	159.7
Cash flow before investments	448.9	129.5	-284.2	358.5	341.1
Net investments	-89.6	-105.5	-74.3	-46.8	-50.4
Cash flow after investments	359.3	24.0	-358.5	311.7	290.7
Cash flow from financing activities	-313.3	-78.3	368.3	-357.3	-223.5
Cash flow for the year	46.0	-54.3	9.8	-45.6	67.2
Key figures					
Gross margin, %	46.0	45.1	45.7	46.2	43.6
Operating margin, %	7.6	5.1	5.9	7.2	1.7
Profit margin, %	6.5	3.6	4.9	5.8	0.3
Net margin, %	5.3	2.9	4.1	4.6	0.2
Return on capital employed, %	8.6	5.8	6.4	8.2	2.0
Return on equity, %	10.4	6.0	7.9	9.3	0.4
Equity ratio, %	48.4	45.9	45.9	49.8	44.1
Net debt/equity ratio, %	62.1	76.8	76.0	60.1	77.5
Net debt in relation to working capital, %	64.7	71.7	71.1	67.6	77.3
Interest coverage ratio, times	6.5	3.2	5.4	4.7	1.2
Rate of stock turnover, times	1.1	1.2	1.3	1.4	1.3
Average number of employees	2 396	2 358	2 212	2 123	2 258
Sales outside Sweden, %	76.4	76.9	75.1	74.4	72.9

Data per share	2016	2015	2014	2013	2012
Number of shares before dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
Number of shares after dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
Profit per share before dilution, SEK	4.16	2.16	2.66	2.82	0.08
Profit per share after dilution, SEK	4.16	2.16	2.66	2.82	0.08
Equity per share, SEK	42.46	37.89	36.25	31.69	29.51
Equity per share after dilution, SEK	42.46	37.89	36.25	31.69	29.51
Share price as at 31 December, SEK	55.25	34.50	38.30	32.90	25.00
P/E ratio as at 31 December	13.30	15.75	14.37	11.67	229.36
Dividend per share, SEK	1.00	1.00	1.00	1.00	1.00
Dividend yield, %	1.8	2.9	2.6	3.0	4.0
Operating cash flow per share, SEK	6.77	1.95	-4.28	5.40	5.14

THE BOARD OF DIRECTORS



OLOF PERSSON
BORN 1964

Chairman of the Board since 2016. Former MD and CEO of AB Volvo (2011-2015), MD of Volvo Construction Equipment (2008-2011) and MD of Volvo Aero (2006-2008).

Other directorships: Chairman of German-Swedish Chamber of Commerce and Staples Solutions B.V. Member of the Board of The Swedish Exhibition & Congress Center Group.

Holdings in the company, own and related parties:
Does not hold any securities in the company.



TORSTEN JANSSON
BORN 1962

MD and CEO. Founder and majority shareholder in New Wave Group AB. Member of the Board since 1991.

Other directorships: Chairman of the Board of Porthouse Interior AB.

Holdings in the company, own and related parties:
19 707 680 class A shares and 1 733 589 class B shares.



CHRISTINA BELLANDER
BORN 1955

Member of the Board since 2009.

Other directorships: Member of the Board of MittMedia AB, Novus Group, Kunskapsskolan Education Sweden AB and Marginalen AB.

Holdings in the company, own and related parties:
2 000 class B shares.



ELISABETH DAHLIN
BORN 1957

Member of the Board since 2016
Secretary General of Save the Children Sweden (Rädda Barnen). Background in the Ministry of Foreign Affairs, latest assignment Ambassador and Director of the Partnership for Global Responsibility. Former Deputy Director General in the National Board of Trade (Kommerskollegium) specializing on WTO accession for developing countries and free trade.

Other directorships: Member of the Board of Save the Children Sweden, Press Council and Radiohjälpen

Holdings in the company, own and related parties:
800 class B shares.



MATS ÅRJES
BORN 1967

Member of the Board since 2007. MD SkiStar AB.

Other directorships: Chairman of the Swedish Ski Association, Member of the Board of SkiStar AB.

Holdings in the company, own and related parties:
10 000 class B shares.



M. JOHAN WIDERBERG
BORN 1949

Member of the Board since 2014.

Has previously held a number of positions within Svenska Handelsbanken

Other directorships: Chairman of the Board of AB Handel och Industri AB, Member of the Board of Thomas Concrete Group AB, Handelsbanken Västra Sverige, Stena Metall AB, Stiftelsen Chalmers University of Technology, Gothenburg Research Institute and SSRS Sjöredningssällskapet and Secretary General of Börssällskapet.

Holdings in the company, own and related parties:
2 000 class B shares.

AUDITOR
STEFAN KYLEBÄCK
BORN 1965

Authorized Public Accountant, Ernst & Young AB.
Auditor of the company since 2014.

GROUP MANAGEMENT



TORSTEN JANSSON
BORN 1962

MD and CEO. Founder and majority shareholder in New Wave Group AB.

Holdings in the company, own and related parties:
19 707 680 class A shares and 1 733 589 class B shares.



GÖRAN HÄRSTEDT
BORN 1965

Deputy MD and deputy CEO
Various positions in New Wave Group AB since 2000.

Holdings in the company, own and related parties:
100 780 class B-shares



LARS JÖNSSON
BORN 1964

CFO
Employed since 2007.

Holdings in the company, own and related parties:
Does not hold any securities in the company.



MAGNUS CLAESSION
BORN 1960

Area Manager Asia
Employed since 2010.

Holdings in the company, own and related parties:
10 000 class B-shares



MARK CAO
BORN 1963

Chief Buying Officer
Employed since 2011.

Holdings in the company, own and related parties:
Does not hold any securities in the company.



ERNEST JOHNSON
BORN 1951

Area Manager North America
Managing Director of New Wave group USA inc.
Employed since 2007.

Holdings in the company, own and related parties:
Does not hold any securities in the company.



TOMAS JANSSON
BORN 1965

Manager – Corporate Promo
Managing Director of New Wave Mode AB
Employed since 1993.

Holdings in the company, own and related parties:
20 000 class B shares.



JENS PETERSSON
BORN 1963

Manager – Sports & Leisure
Employed since 1999.

Holdings in the company, own and related parties:
204 300 class B shares



MAGNUS ANDERSSON
BORN 1966

Manager – Gifts & Home Furnishings
Managing Director of Orrrefors Kosta Boda AB
Employed since 2012.

Holdings in the company, own and related parties:
50 000 class B shares

ANNUAL GENERAL MEETING

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) will take place on Wednesday 10 May 2017 at 1 pm at the Kosta Boda Art Hotel, Stora vägen 75, 360 52 Kosta, Sweden. Shareholders have the right to attend the AGM if they are registered in the copy of the share register made on 4 May 2017 and notify the company of their intention to attend the AGM by 4 May 2017 at the latest.

If the shareholder intends to be represented by proxy, a written, dated, power of attorney shall be issued for the proxy. The power of attorney in the original should be sent to the company at the address provided above no later than on 4 May 2017. If the power of attorney is issued by a legal entity, a certified copy of the corporate registration certificate and other authorization documents should be sent to the company. Please note that shareholders who are represented by proxy must also give notice of participation as stipulated above. A proxy form is available on the company's website www.nwg.se.

NOMINEE REGISTERED SHARES

Shareholders with nominee-registered shares must register their shares in their own name with Euroclear Sweden AB to be entitled to attend the AGM. This registration must be completed by 4 May 2017 and an application shall therefore be made to the nominee in good time before this date.

NOTIFICATION

Notification of attendance at the AGM shall be made by letter or e-mail to:
New Wave Group AB (publ)
Kungssportsavenyen 10
411 36 Göteborg
Sweden
bolagsstamma@nwg.se

The notification shall state name, personal identification number/company registration number and daytime phone number. Shareholders who wish to attend the AGM must have notified the company of this before 4 May 2017 when the notification deadline expires.

ISSUES

The issues prescribed by law and the articles of association, the below proposals for dividends and other issues mentioned in the notice to convene the meeting will be addressed at the AGM.

DIVIDEND PAYMENT

The Board proposes to the Annual General Meeting a dividend for 2016 of SEK 1.35 per share, corresponding to a total of SEK 89 564 thousand. The Board has proposed 12 May 2017 as the record day for the dividend. This record day assumes payment of the dividend from Euroclear Sweden AB on 17 May 2017.

New Wave
GROUP

*New Wave Group is a growth company that designs,
acquires and develops brands and products in the
corporate promo, sport,
gifts and home furnishings sectors.*

New Wave
G R O U P

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