

# 2017

INTERIM REPORT  
JANUARY - SEPTEMBER

*NewWave*  
G R O U P

NEW WAVE GROUP'S

# TRADEMARKS

CORPORATE PROMO



SPORTS & LEISURE



GIFTS & HOME FURNISHINGS



# INTERIM REPORT

## NEW WAVE GROUP AB

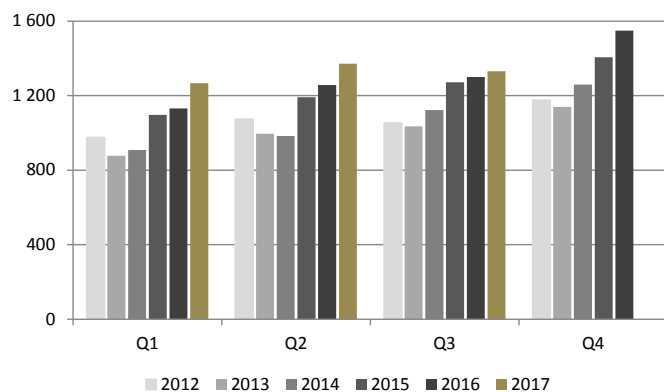
### PERIOD 1 JULY – 30 SEPTEMBER 2017

- Net sales amounted to SEK 1,331.1 million, which was 2% higher than last year (1,300.4 million).
- Operating result amounted to SEK 143.0 (124.9) million.
- Result for the period amounted to SEK 105.3 (86.5) million.
- Earnings per share amounted to SEK 1.60 (1.31).
- Cash flow from operating activities amounted to SEK -10.4 (15.5) million.

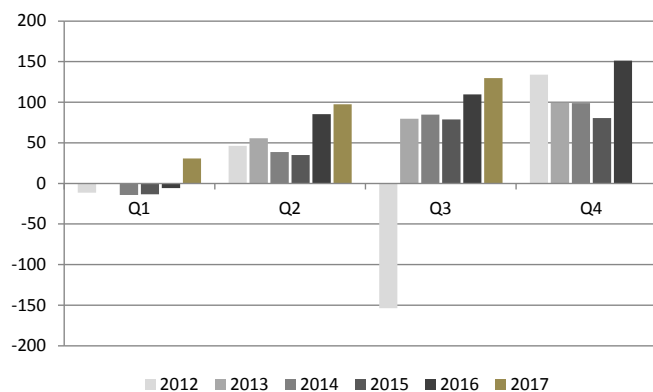
### PERIOD 1 JANUARY – 30 SEPTEMBER 2017

- Net sales amounted to SEK 3,967.0 million, which was 8% higher than last year (3,688.5 million).
- Operating result amounted to SEK 296.6 (233.2) million.
- Result for the period amounted to SEK 207.2 (148.9) million.
- Earnings per share amounted to SEK 3.14 (2.26) SEK.
- Cash flow from operating activities amounted to SEK 73.3 (168.0) million.
- Equity ratio amounted to 48.0 (45.4)%.
- Net debt to equity ratio amounted to 60.7 (73.5)%.

### NET SALES



### RESULT BEFORE TAX





# CEO COMMENTS

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## JULY-SEPTEMBER

It is with pleasure and pride that we finish our third quarter, which is the 13th consecutive quarter of growth in net sales. The increase was 2%, but this rate includes a negative currency impact of 2% as growth in local currencies was 4%.

Operating result for the quarter rose from SEK 124.9 million to SEK 143.0 million or by 14% and result for the period by 22% to SEK 105.3 million. It is the seventh consecutive quarter with increases in operating result and we have now increased in 12 of the last 13 quarters.

Net sales, as well as operating result and result for the period are at an all-time high for a third quarter.

We had some disturbances in the form of delivery delays from Asia during the quarter, together with strikes that occurred in the port of Gothenburg. Even the extreme weather in the United States and the Caribbean has affected sales negatively, in regards to golf, and will probably occur in a further quarter or quarters.

Of the three segments Gifts & Home Furnishings shows 11% growth, Corporate Promo 11% and Sports & Leisure minus 6%. It should be borne in mind that Sports & Leisure suffered from the delivery delays the most, and that golf clothing is also reported here. It is also this segment which has the largest part of the negative currency effect.

## JANUARY-SEPTEMBER

For January-September sales increased by 8% but here we have a positive currency effect of 2%. For nine months, we have had growth in all three of our segments, Corporate Promo by 13%, Gifts & Home Furnishings by 11% and Sport & Leisure by 1%.

Our net sales grew to SEK 3,967.0 million compared to last year SEK 3,688.5 million.

Operating result increased by 27% to SEK 296.6 million, result for the period by 39% to SEK 207.2 million. Even for the nine months, both net sales and operating result as well as result for the period was at an all-time high.

## CASH FLOW AND BALANCE SHEET

I'm pleased and satisfied that we, despite all our investments such as stock building in Canada, our backing of Craft Teamwear etc. still have a positive cash flow from operating activities. In spite of growth

and investment, we have increased the equity ratio by 2.6 percentage points to 48.0% compared with September 2016. We have also reduced net debt by SEK 228 million compared to the same period. I am pleased with our strong balance sheet, which provides favorable conditions for us to grow and expand.

## THE FUTURE

There's no doubt that I see a bright future. We have in the last three years invested heavily in new products within existing brands as well as new brands, new warehouses, and not least in powerful marketing. These investments have meant that we now, for the first time, are passing the SEK 5,500 million on a rolling 12 months and we have increased net sales by 1.242 million since 2014 – the year when we started our investments for growth. Although we made these undertakings and investments, we have at the same time increased operating result substantially. If we compare 2017 with 2015, then we have during the period January to September, more than doubled it from SEK 146.8 million to SEK 296.6 million.


We still have major growth ahead of us. Craft Teamwear has been very well received, it doesn't affect this year's sales by much but we believe it will generate growth already next year. Next year we expect to have 20-30 teams in the two highest leagues as well as the national teams in football, handball and floorball in Europe. Even Craft shoes which will be launched in the spring is very exciting.

Prior to spring there will even be major launches, as well as the renewal and broadening of workwear under the brand names ProJob and Jobman. Our new warehouse in Toronto has been welcomed by our Canadian customers and if it continues as it started, we will establish additional warehouses in Canada as early as next year.

So I feel great confidence in our growth going forward.

Of course, the goal is also growth in earnings, which I am convinced we will manage, but with the reservation that any quarter or quarters may come in lower than last year, but on an annual basis we will continue our growth.

We meet the future strong, motivated and confident of good development!

  
Torsten Jansson, CEO

# COMMENTS

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## SUMMARY OF THE QUARTER JULY–SEPTEMBER

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Net sales in the third quarter increased by 2% (4% excluding currency fluctuations) compared with last year. Sales growth occurred in the Corporate Promo segment which grew by 11% and the improvement occurs in most of our regions. Even Gifts & Home Furnishings developed positively and grew by 11% in the quarter. It was the retail sales channel that developed well both in Sweden as well as the United States. Net sales in the Sports & Leisure segment decreased by 6%, which is mainly related to currency changes when converting into SEK but also a weaker trend in the retail sales channel within the US market. Of our sales channels, we have continued good growth in promo, which increases its sales by 9%, while retail decreased by 4%.

The gross profit margin improved compared with last year and amounted to 47.9 (46.7)%.

The Group's external expenses are on par with last year, even though we increased the number of employees and thus have higher staff costs compared with the same period last year. The number of employees increase is primarily in sales, the warehouses and customer service.

Operating result increased by SEK 18.1 million compared with last year and amounted to SEK 143.0 (124.9) million. The improvement is mainly due to the higher gross profit margin.

Cash flow from operating activities amounted to SEK -10.4 (15.5) million. The lower cash flow is attributable to higher purchases of goods whereby we extended our promo range and started a new warehouse in Canada. Inventories increased by SEK 135.3 million and amounted to SEK 2,746.1 (2,610.8 million). Net debt decreased by SEK 228.0 million and amounted to SEK 1,721.9 (1,949.9 million). Net debt to equity ratio and net debt in relation to working capital decreased and amounted to 60.7 (73.5) % and 61.7 (70.0) % respectively.

## JULY–SEPTEMBER

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### NET SALES

Net sales amounted to SEK 1,331.1 million, which was 2% higher than last year (SEK 1,300.4 million). Currency exchange rates negatively impacted net sales by SEK 22 million (2 %). Of the Group's sales channels, promo increase by 9% and retail decreased by 4%.

Sales in Sweden increased by 5% and it was mainly the sales channel promo that increased. The United States decreased by 7%, which is largely due to exchange rate changes when converting into SEK

but even due to the retail sales channel decrease. Other Nordic countries increased their sales by 3%. The promo sales channel increased while retail decreased. Sales in Central and Southern Europe increased by 6% in both regions, which is primarily related to the promo sales channel. Other countries increased by 17%, which is related to our operations in Asia and the promo sales channel.

### GROSS PROFIT

The gross profit margin increased and amounted to 47.9 (46.7) %. The increase occurs in the operating segments Corporate Promo and Sports & Leisure while Gifts & Home Furnishings has a slightly lower margin than prior year.

### OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income decreased by SEK 4.1 million to SEK 10.4 (14.5) million. Other operating income is mainly attributable to operating currency gains but also invoiced expenses and should be compared to the result row "Other operating expenses" where mainly operating currency losses are reported. Other operating expenses increased by SEK 1.6 million and amounted to SEK -7.4 (-5.8) million. The net total of above items amounted to SEK 3.0 (8.7) million.

### COSTS AND DEPRECIATION

External costs were largely unchanged from last year and amounted to SEK -265.4 (-268.5) million. Personnel costs increased by SEK 8.8 million and amounted to SEK -217.1 (-208.3) million, which is related to more employees, primarily in sales, warehouses and customer service.

Depreciation and write downs were slightly higher compared to last year and amounted to SEK -16.4 (-14.1) million.

Exchange rate fluctuations impacted on costs positively by SEK 7.4 million.

### OPERATING MARGIN

The operating margin increased compared to the previous year and amounted to 10.7 (9.6)%.

### NET FINANCIAL ITEMS AND TAXES

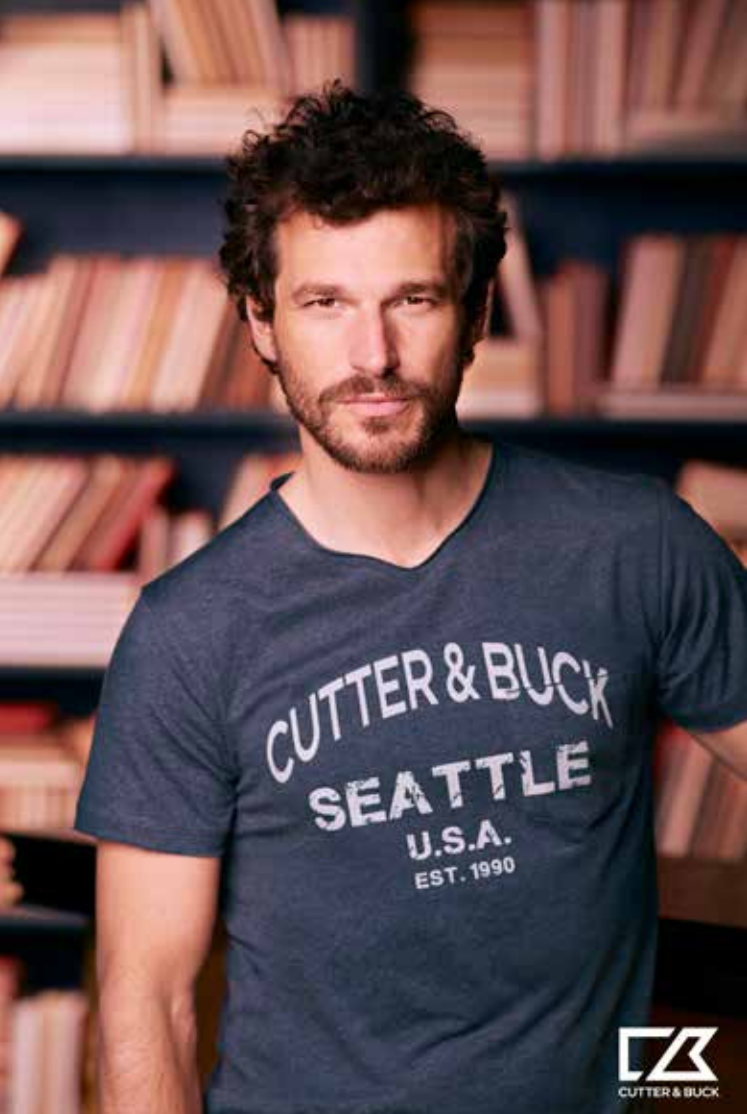
Net financial items amounted to SEK -13.2 (-15.4) million and the improvement is related to lower interest costs.

Tax on profit for the period amounted to SEK 24.5 (23.0) million where the increase is related to the improved result.

### RESULT FOR THE PERIOD

Result for the period improved by SEK 18.8 million and amounted to SEK 105.3 (86.5) million. Earnings per share amounted to SEK 1.60 (1.31).





Our new warehouse in Toronto has been welcomed by our Canadian customers and if it continues as it started, we will establish additional warehouses in Canada as early as next year.



## JANUARY–SEPTEMBER

### NET SALES

Net sales amounted to SEK 3,967.0 million, which was 8% higher than last year (SEK 3,688.5 million). Currency exchange rates positively impacted turnover by SEK 68 million (2%). Of the Group's sales channels, promo increased by 12% and retail by 2%.

Turnover in Sweden increased by 6% and both sales channels showed growth. The United States increased by 2%, which is due to exchange rate changes when converting into SEK. Other Nordic countries increased by 4% and the sales channel promo increased while retail decreased. Sales in Central and Southern Europe have increased by 7% and 12% respectively, which is related to both sales channels. Other countries increased by 34%, which is related to the promo sales channel and the Asian market.

### GROSS PROFIT

Gross profit margin increased compared to last year and amounted to 46.3 (45.9)%. It is mainly the segment Sport & Leisure that increased its margin while Corporate Promo and Gifts & Home Furnishings had a slightly lower margin.

### OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income decreased by SEK 7.8 million to SEK 28.3 (36.1) million. Other operating income is mainly attributable to operating currency gains but also invoiced expenses and should be compared to the result row "Other operating expenses" where mainly operating currency losses are reported. Other operating expenses decreased by SEK 0.4 million and amounted to SEK -19.1 (-19.5) million. The net total of above items amounted to SEK 9.2 (16.6) million. The decrease is related to lower foreign exchange gains.

### COSTS AND DEPRECIATION

External costs increased by SEK 26.2 million and amounted to SEK -824.1 (-797.9) million, where the increase is mainly attributable to higher selling expenses. Personnel costs amounted to SEK -678.2 million which is SEK 39.5 million higher than last year (SEK -638.7 million). The increase is related to more employees, mostly in sales, warehouses and customer service.

Depreciation and write downs were higher compared to last year and amounted to SEK -47.1 (-40.7) million. The increase is primarily related to investments in existing properties and IT investments.

Exchange rate fluctuations impacted costs negatively by SEK 25.5 million.

### OPERATING MARGIN

The operating margin amounted to 7.5 (6.3) % where improvement was mainly related to the increase in sales.

### NET FINANCIAL ITEMS AND TAXES

Net financial items improved by SEK 5.2 million compared to last year and amounted to SEK 38.8 (-44.0) million, which is related to lower interest costs.

Tax on profit for the period amounted to SEK -50.6 (-40.3) million where the increase is related to the improved earnings.

## RESULT FOR THE PERIOD

Result for the period amounted to SEK 207.2 (148.9) million and earnings per share amounted to SEK 3.14 (2.66).

## REPORT 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' net sales and EBITDA. The operating segments are based on the Group's operational management.

### CORPORATE PROMO

Net sales during the third quarter increased by 11% and amounted to SEK 551.2 (498.5) million. EBITDA increased by SEK 13.0 million and amounted to SEK 49.9 (36.9) million. Sales increased in all geographical areas except the United States where sales are on par with last year. Of our sales channels it is promo that has increased. The improved result is related to the increased sales.

Net sales for January – September increased by 13% and amounted to SEK 1,819.8 (1,608.7) million. EBITDA increased by 38.2 million and amounted to SEK 179.1 (140.9) million. The increase in sales is due to increased sales and marketing activities, as well as an improved inventory structure. It is the promo sales channel that increased and the improvement occurs in all geographical areas. The improved result is mainly related to the increase in net sales.

### SPORTS & LEISURE

Net sales for the period July – September decreased by 6% and amounted to SEK 616.8 (655.6) million. EBITDA improved by SEK 5.4 million and amounted to SEK 98.9 (93.5) million. Sales decreased in the retail sales channel but increased in promo. The areas Sweden, Other Nordic countries and the United States sales decreased while Europe increased its turnover. The improved result is related to a higher gross profit margin and lower costs.

Net sales for the first nine months of the year increased slightly and amounted to SEK 1,714.7 (1,690.2) million. EBITDA increased by SEK 21.1 million and amounted to SEK 160.6 (139.5) million. Sales increased in the sales channel promo while retail is on par with last year. Of our geographical areas, it is mainly Europe that increased its turnover. The improved result is related to a higher gross profit margin and lower costs.

### GIFTS & HOME FURNISHINGS

Net sales during the third quarter increased by 11% and amounted to SEK 163.0 (146.3) million. Sales increased in the retail sales channel and the improvement occurred in Sweden and the United States. EBITDA improved somewhat compared to last year and amounted to SEK 10.5 (8.6) million. The segment has increased earnings because of increased turnover but also have increased expenses for marketing activities.

Net sales for the period January – September amounted to SEK 432.4 (389.6) million. Sales increased mainly in the retail sales channel as well as in the regions of Sweden and the United States. EBITDA amounted to SEK 4.0 million, which was SEK 10.5 million better than last year (SEK -6.5 million). The improvement in earnings is mainly related to the increase in turnover.

## CAPITAL TIED UP

Capital tied up in inventory amounted to SEK 2,746.1 million and increased by SEK 135.3 million compared to last year (SEK 2,610.8 million). The inventory value is expected to be at a higher level even during the next quarter due to our extended promo range as well as building inventories in Canada. Stock turnover is on par with last year and amounted to 1.1 (1.1).

SEK million	2017 - 09	2016 - 09
Raw materials	33.3	32.3
Work in progress	8.0	6.9
Goods in transit	208.0	173.8
Merchandise on stock	2 496.8	2 397.8
<b>Total</b>	<b>2 746.1</b>	<b>2 610.8</b>

Inventories were written down by SEK 104 (114) million and write-down related to merchandise on stock amounted to 4.0 (4.3) %.

Accounts receivable amounted to SEK 902.4 (917.1) million where the decrease is related to improved payment times.

## INVESTMENTS, FINANCING AND LIQUIDITY

Cash flow from operating activities was somewhat lower than last year and amounted to SEK -10.4 (15.5) million. The reason is a higher inflow of goods. Cash flow from investment activities amounted to SEK -36.9 (-25.8) million.

Cash flow from operating activities for the first nine months of the year amounted to SEK 73.3 (168.0) million. The lower cash flow is primarily attributable to increased purchases by the promo sales channel. We have expanded our product offering within this channel and have opened a new warehouse in Canada.

Net debt decreased by SEK 228.0 million to 1,721.9 (1,949.9) million, which is related to last year's improved cash flow and debt repayments. Net debt to equity ratio and net debt in relation to working capital has decreased and amounted to 60.7 (73.5) % and 61.7 (70.0) % respectively.

The equity ratio improved by 2.6 percentage points compared to last year and amounted to 48.0 (45.4) %.

The total credit facility as of 30 September amounted to SEK 2,546 million of which SEK 2,000 million matures January 2019, USD 37 million has a term that extends until January 2024 and SEK 250 million has a maturity of between one and seven years. The credit facility amount is limited to and dependent on the value of some underlying assets. The funding agreement means that financial ratios (covenants) must be fulfilled in order to maintain the agreement.

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

## PERSONNEL AND ORGANISATION

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The number of employees as of 30 September 2017 amounted to 2,469 (2,397) of whom 51% were female and 49% male. Of the total number of employees 644 (613) work in the production. The production contained within the New Wave group is attributable to Ahead (embroidery), Cutter & Buck (embroidery), Dahetra, Orrefors Kosta Boda, Paris Glove, Seger, Termo and Toppoint.

## INTANGIBLE ASSETS

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

The cash-flow forecasts which are made in the examination are based on the five year forecast adopted by the Board (2017-2021) and thereafter a terminal growth of 3 (3%). In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of 10.3 (10.3)% before tax is used.

Based on the tests and analyses carried out, there is, in the current situation, no need for impairment. Nor were there any need for impairment for the comparison year. Sensitivity analyses have been carried out for all cash-generating units.

## RELATED PARTY TRANSACTIONS

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

## THE PARENT COMPANY

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Total income for the period January-September amounted to SEK 78.0 (89.3) million. Result before appropriations and tax amounted to SEK 235.6 (403.9) million. The lower result is related to lower dividends from subsidiaries. Net debt amounted to SEK 1,640.3 (1,813.5) million. The parent company's net financing to subsidiaries amounted to SEK 2,003.5 (1,979.3) million. Cash flow from investment activities amounted to SEK -58.4 (27.3) million. Last year include a repayment of share capital by subsidiaries of SEK 30.2 million and this year includes a capital contribution to a subsidiary of SEK 56.4 million. The balance sheet total amounted to SEK 3,803.7 (3,752.0) million and shareholders' equity, including 78% of untaxed reserves, to SEK 1,735.9 (1,551.1) million.

## NOMINATION COMMITTEE

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The nomination committee for the board election at the 2018 annual shareholders meeting is:

- Johan Ståhl, representative of Lannebo Fonder
- Torsten Jansson, CEO and representative of Torsten Jansson Förvaltnings AB
- Arne Lööv, representative of Fjärde AP-fonden

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

## CALENDAR

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- 8 February 2018: Year-end report 2017
- 26 April 2018: Interim report for the first quarter
- 16 May 2018: Annual general meeting 2018
- 16 August 2018: Interim report for the second quarter
- 8 November 2018: Interim report for the third quarter



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

**GOTHENBURG 9 NOVEMBER 2017  
NEW WAVE GROUP AB (PUBL)**

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**OLOF PERSSON**  
*Chairman of the Board*



**CHRISTINA BELLANDER**  
*Member of the Board*




**M JOHAN WIDERBERG**  
*Member of the Board*



**ELISABETH DAHLIN**  
*Member of the Board*



**MATS ÅRJES**  
*Member of the Board*



**TORSTEN JANSSON**  
*CEO*

**FOR MORE INFORMATION, PLEASE CONTACT:**

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*The information in this report is that which New Wave Group is required to disclose under the Securities and Market Act and/or the Financial Trading Act. The information was released for publication at 7 am (CET) on 9 November 2017.*



## REVIEW REPORT

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New Wave Group AB, org.nr 556350-0916

### INTRODUCTION

We have reviewed the condensed interim report for New Wave Group AB (publ) as at September 30, 2017 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### SCOPE OF REVIEW

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

### CONCLUSION

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

GÖTEBORG, NOVEMBER 9, 2017

Ernst & Young AB



*Stefan Kylebäck*

Authorized Public Accountant





# CONSOLIDATED INCOME STATEMENT

	3 months Jul – Sep 2017	3 months Jul – Sep 2016	9 months Jan – Sep 2017	9 months Jan – Sep 2016	12 months Jan – Dec 2016	12 months Jan – Dec 2015
<b>SEK million</b>						
Net sales	1 331.1	1 300.4	3 967.0	3 688.5	5 237.1	4 964.7
Goods for resale	-692.8	-693.3	-2 131.3	-1 994.6	-2 826.9	-2 726.1
<b>Gross profit</b>	<b>638.2</b>	<b>607.1</b>	<b>1 835.7</b>	<b>1 693.9</b>	<b>2 410.2</b>	<b>2 238.6</b>
Other operating income	10.4	14.5	28.3	36.1	51.0	47.2
External costs	-265.4	-268.5	-824.1	-797.9	-1 098.0	-1 086.0
Personnel costs	-217.1	-208.3	-678.2	-638.7	-881.6	-851.6
Depreciation and write downs of tangible and intangible fixed assets	-16.4	-14.1	-47.1	-40.7	-55.9	-57.1
Other operating costs	-7.4	-5.8	-19.1	-19.5	-25.7	-36.2
Share of associated companies result	0.6	0.0	1.1	0.0	0.2	0.3
<b>Operating result</b>	<b>143.0</b>	<b>124.9</b>	<b>296.6</b>	<b>233.2</b>	<b>400.2</b>	<b>255.2</b>
Financial income	1.6	1.0	3.9	3.1	3.1	7.2
Financial expenses	-14.8	-16.4	-42.7	-47.1	-63.0	-81.5
<b>Net financial items</b>	<b>-13.2</b>	<b>-15.4</b>	<b>-38.8</b>	<b>-44.0</b>	<b>-59.9</b>	<b>-74.3</b>
<b>Result before tax</b>	<b>129.8</b>	<b>109.5</b>	<b>257.8</b>	<b>189.2</b>	<b>340.3</b>	<b>180.9</b>
Tax on result for the period	-24.5	-23.0	-50.6	-40.3	-63.6	-35.6
<b>Result for the period</b>	<b>105.3</b>	<b>86.5</b>	<b>207.2</b>	<b>148.9</b>	<b>276.7</b>	<b>145.3</b>
<i>Other comprehensive income</i>						
<b>Items that can be reclassified into profit or loss</b>						
Translation differences	-46.0	26.7	-97.7	55.5	88.9	28.1
Cash flow hedge	3.5	-0.4	-0.1	3.3	5.5	-0.1
<b>Sum</b>	<b>-42.5</b>	<b>26.3</b>	<b>-97.8</b>	<b>58.8</b>	<b>94.4</b>	<b>28.0</b>
Income tax related to components of other comprehensive income	-0.8	0.1	0.0	-0.7	-1.2	0.0
<i>Total other comprehensive income net after tax for the period</i>	-43.3	26.4	-97.8	58.1	93.2	28.0
<b>Total comprehensive income for the period</b>	<b>62.0</b>	<b>112.9</b>	<b>109.4</b>	<b>207.0</b>	<b>369.9</b>	<b>173.3</b>
<b>Result attributable to:</b>						
Shareholders of the parent company	105.9	86.6	208.4	149.8	276.1	143.6
Non-controlling interest	-0.6	-0.1	-1.2	-0.9	0.6	1.7
	<b>105.3</b>	<b>86.5</b>	<b>207.2</b>	<b>148.9</b>	<b>276.7</b>	<b>145.3</b>
<b>Total comprehensive income attributable to:</b>						
Shareholders of the parent company	63.0	112.8	111.5	207.5	368.6	171.4
Non-controlling interest	-0.9	0.1	-1.9	-0.5	1.3	1.9
	<b>62.1</b>	<b>112.9</b>	<b>109.5</b>	<b>207.0</b>	<b>369.9</b>	<b>173.3</b>
Earnings per share (SEK)	1.60	1.31	3.14	2.26	4.16	2.16
The average number of outstanding shares	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543

Earnings per share and the average number of outstanding shares are the same before and after dilution.

# CONSOLIDATED CASH FLOW STATEMENT

SEK million	3 months Jul – Sep 2017	3 months Jul – Sep 2016	9 months Jan – Sep 2017	9 months Jan – Sep 2016	12 months Jan – Dec 2016	12 months Jan – Dec 2015
<b>Operating activities</b>						
Operating result	143.0	124.9	296.6	233.2	400.2	255.3
Adjustment for items not included in cash flow	25.6	6.4	56.2	36.9	56.2	67.7
Received interest	0.4	1.0	2.5	3.1	3.1	5.4
Paid interest	-13.6	-16.4	-41.3	-47.1	-63.0	-68.4
Paid income tax	-2.1	0.3	-17.9	-24.7	-63.1	-50.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>153.3</b>	<b>116.2</b>	<b>296.1</b>	<b>201.4</b>	<b>333.4</b>	<b>209.8</b>
<b>Changes in working capital</b>						
Increase/decrease of stock	-200.4	-109.6	-338.0	-96.9	54.3	-245.6
Increase/decrease of current receivables	-113.8	-106.8	-41.2	-98.4	-66.5	74.5
Increase/decrease of current liabilities	150.5	115.7	156.4	161.9	127.7	90.8
<b>Cash flow from changes in working capital</b>	<b>-163.7</b>	<b>-100.7</b>	<b>-222.8</b>	<b>-33.4</b>	<b>115.5</b>	<b>-80.3</b>
<b>Cash flow from operating activities</b>	<b>-10.4</b>	<b>15.5</b>	<b>73.3</b>	<b>168.0</b>	<b>448.9</b>	<b>129.5</b>
<b>Investing activities</b>						
Investments in tangible fixed assets	-33.6	-17.0	-70.0	-51.6	-77.1	-108.7
Sales of tangible fixed assets	0.1	0.2	1.7	0.9	0.9	1.9
Investments in intangible fixed assets	-2.5	-6.3	-3.9	-8.8	-9.9	-4.4
Acquisition of subsidiaries	0.0	0.0	0.0	0.0	0.0	-1.7
Repayment of purchase amount	0.0	0.0	0.0	0.0	0.0	7.4
Sales of subsidiaries	0.0	-2.7	0.0	-2.8	-2.4	0.0
Raised long-term receivables	-1.0	-1.8	-0.7	-2.8	-1.1	-1.0
<b>Cash flow from investing activities</b>	<b>-36.9</b>	<b>-25.8</b>	<b>-72.8</b>	<b>-65.1</b>	<b>-89.6</b>	<b>-106.5</b>
<b>Cash flow after investing activities</b>	<b>-47.3</b>	<b>-10.3</b>	<b>0.5</b>	<b>102.9</b>	<b>359.3</b>	<b>23.0</b>
<b>Financial activities</b>						
Loan raised	30.2	22.9	37.9	0.0	0.0	0.0
Amortization of loan	0.0	0.0	0.0	-33.8	-247.0	-10.0
Dividend paid to non-controlling interest	0.0	0.0	0.0	0.0	0.0	-1.0
Dividend paid to the shareholders of the parent company	0.0	0.0	-89.6	-66.3	-66.3	-66.3
<b>Cash flow from financial activities</b>	<b>30.2</b>	<b>22.9</b>	<b>-51.7</b>	<b>-100.1</b>	<b>-313.3</b>	<b>-77.3</b>
<b>Cash flow for the period</b>	<b>-17.1</b>	<b>12.6</b>	<b>-51.2</b>	<b>2.8</b>	<b>46.0</b>	<b>-54.3</b>
Liquid assets at the beginning of the period	178.9	157.1	218.9	165.5	165.5	216.0
Translation differences in liquid assets	-6.2	3.2	-12.1	4.6	7.4	3.8
<b>Liquid assets at period-end</b>	<b>155.6</b>	<b>172.9</b>	<b>155.6</b>	<b>172.9</b>	<b>218.9</b>	<b>165.5</b>
<b>Liquid assets</b>						
Cash at bank and in hand	155.6	172.9	155.6	172.9	218.9	165.5



# CONSOLIDATED BALANCE SHEET

SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016	31 Dec 2015
<b>ASSETS</b>				
Intangible fixed assets	1 369.8	1 423.8	1 469.4	1 387.4
Tangible fixed assets	397.3	384.3	399.2	361.9
Shares in associated companies	55.8	55.9	55.0	52.5
Long-term receivables	10.8	12.1	10.0	8.8
Deferred tax assets	105.8	122.9	114.1	112.2
<b>Total non-current assets</b>	<b>1 939.5</b>	<b>1 999.0</b>	<b>2 047.7</b>	<b>1 922.8</b>
Stock	2 746.1	2 610.8	2 496.4	2 447.8
Tax receivables	25.2	23.1	27.2	12.7
Accounts receivable	902.4	917.1	906.2	821.5
Prepaid expenses and accrued income	65.5	77.9	81.1	69.3
Other receivable	73.3	49.7	46.7	39.1
Liquid assets	155.6	172.9	218.9	165.5
<b>Total current assets</b>	<b>3 968.1</b>	<b>3 851.5</b>	<b>3 776.5</b>	<b>3 555.9</b>
<b>TOTAL ASSETS</b>	<b>5 907.6</b>	<b>5 850.5</b>	<b>5 824.2</b>	<b>5 478.7</b>
<b>EQUITY</b>				
Share capital	199.1	199.1	199.1	199.1
Other capital contributions	219.4	219.4	219.4	219.4
Reserves	234.2	302.3	337.4	244.1
Retained earnings including result for the period	2 163.1	1 912.4	2 038.7	1 829.0
<b>Equity attributable to shareholders of the parent company</b>	<b>2 815.8</b>	<b>2 633.2</b>	<b>2 794.6</b>	<b>2 491.6</b>
Non-controlling interest	21.4	21.1	22.6	22.0
<b>Total equity</b>	<b>2 837.2</b>	<b>2 654.3</b>	<b>2 817.2</b>	<b>2 513.6</b>
<b>LIABILITIES</b>				
Long-term interest-bearing liabilities	1 816.6	2 046.3	1 864.5	1 805.2
Pension provisions	16.0	14.8	15.1	13.5
Other provisions	4.3	8.4	6.0	6.4
Deferred tax liabilities	151.1	157.9	164.2	150.8
<b>Total non-current liabilities</b>	<b>1 988.0</b>	<b>2 227.4</b>	<b>2 049.8</b>	<b>1 975.9</b>
Short-term interest-bearing liabilities	60.9	76.5	103.3	289.4
Accounts payable	591.2	534.3	492.5	368.6
Current tax liabilities	61.4	41.4	32.2	11.8
Other liabilities	151.6	101.7	111.8	125.2
Accrued expenses and prepaid income	217.5	214.9	217.4	194.2
<b>Total current liabilities</b>	<b>1 082.6</b>	<b>968.8</b>	<b>957.2</b>	<b>989.2</b>
<b>Total liabilities</b>	<b>3 070.5</b>	<b>3 196.2</b>	<b>3 007.0</b>	<b>2 965.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 907.6</b>	<b>5 850.5</b>	<b>5 824.2</b>	<b>5 478.7</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the year	Total	Non-controlling interest	Total equity kapital
<b>Opening balance 2016-01-01</b>	<b>199.1</b>	<b>219.4</b>	<b>244.1</b>	<b>1 829.0</b>	<b>2 491.6</b>	<b>22.0</b>	<b>2 513.6</b>
Result for the year				149.8	149.8	-0.9	148.9
<b>Other comprehensive income</b>							
Translation difference			55.5		55.5		55.5
Cash flow hedge			3.3		3.3		3.3
Reclassification of previous years' cash flow hedge			0.1	-0.1	0.0		0.0
Income tax related to components of other comprehensive income			-0.7		-0.7		-0.7
<b>Transactions with shareholders</b>							
Dividends to shareholders of the parent company				-66.3	-66.3		-66.3
<b>Closing balance 2016-09-30</b>	<b>199.1</b>	<b>219.4</b>	<b>302.3</b>	<b>1 912.4</b>	<b>2 633.2</b>	<b>21.1</b>	<b>2 654.3</b>

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

Accumulated translation differences in equity	9 months 2017	9 months 2016
Accumulated translation differences at the beginning of the period	338.5	249.6
Translation difference in foreign subsidiaries for the period	-97.6	55.5
<b>Accumulated translation differences at end of period</b>	<b>240.9</b>	<b>305.1</b>

# FINANCIAL HIGHLIGHTS, GROUP

	<b>9 months Jan – Sep 2017</b>	<b>9 months Jan – Sep 2016</b>	<b>12 months Jan – Dec 2016</b>	<b>12 months Jan – Dec 2015</b>
Sales growth, %	7.6	3.6	5.5	16.2
Number of employees	2 469	2 397	2 396	2 358
Gross profit margin, %	46.3	45.9	46.0	45.1
Operating margin before depreciation, %	6.3	7.4	8.7	6.3
Operating margin, %	7.5	6.3	7.6	5.1
Profit margin, %	6.5	5.1	6.5	3.6
Net margin, %	5.2	4.0	5.3	2.9
Return on shareholders' equity, %	9.9	7.7	10.4	6.0
Return on capital employed, %	8.4	6.7	8.6	5.8
Equity ratio, %	48.0	45.4	48.4	45.9
Net debt to Equity ratio, %	60.7	73.5	62.1	76.8
Net debt in relation to working capital	61.7	70.0	64.7	71.7
Net debt, SEK million	1 721.9	1 949.9	1 748.9	1 929.1
Interest cover ratio, times	7.2	5.1	6.5	3.2
Capital turnover, times	0.9	0.9	0.9	0.9
Stock turnover, times	1.1	1.1	1.1	1.2
Cash flow before investments, SEK million	73.3	168.0	448.9	129.5
Net investments, SEK million	-72.8	-65.1	-89.6	-106.5
Cash flow after investments, SEK million	0.5	102.9	359.3	23.0
Shareholders' equity per share, before and after dilution, SEK	42.76	40.01	42.46	37.89
Share price as at December 31, SEK	-	-	55.25	34.50
Dividend/share, SEK	-	-	1.00	1.00
P/E-ratio	-	-	13.30	15.75
P/S-ratio	-	-	0.70	0.46
Share price/Shareholders' equity	-	-	1.30	0.91

For definitions of alternative performance measures, please go to p. 30.



# INCOME STATEMENTS, PARENT COMPANY

	9 months Jan - Sep 2017	9 months Jan - Sep 2016	12 months Jan - Dec 2016	12 months Jan - Dec 2015
<b>SEK million</b>				
Net sales	62.3	72.8	101.2	94.7
Other operating income	15.7	16.5	22.1	27.9
<b>Total income</b>	<b>78.0</b>	<b>89.3</b>	<b>123.3</b>	<b>122.6</b>
<b>Operating costs</b>				
External costs	-59.2	-58.5	-91.9	-79.7
Personnel costs	-20.4	-17.2	-23.5	-26.6
Depreciation of tangible and intangible fixed assets	-3.8	-3.8	-5.2	-5.8
Other operating costs	-15.4	-15.4	-19.5	-26.1
<b>Operating result</b>	<b>-20.7</b>	<b>-5.6</b>	<b>-16.8</b>	<b>-15.6</b>
Net income from shares in Group companies	255.5	408.2	420.4	116.8
Write-downs of financial fixed assets	-10.1	0.0	-2.4	-93.2
Financial income	50.2	48.5	66.6	57.1
Financial expenses	-39.3	-47.2	-61.6	-104.7
<b>Net financial items</b>	<b>256.3</b>	<b>409.5</b>	<b>423.0</b>	<b>-24.0</b>
<b>Result before appropriations and tax</b>	<b>235.6</b>	<b>403.9</b>	<b>406.2</b>	<b>-39.6</b>
Appropriations	0.0	0.0	33.9	8.9
Tax on result for the period	1.2	-1.1	-5.0	0.0
<b>Result for the period</b>	<b>236.8</b>	<b>402.8</b>	<b>435.1</b>	<b>-30.7</b>

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



# CASH FLOW STATEMENT, PARENT COMPANY

SEK million	9 months Jan - Sep 2017	9 months Jan - Sep 2016	12 months Jan-Dec 2016	12 months Jan-Dec 2015
<b>Current operations</b>				
Operating result	-20.7	-5.6	-16.8	-15.6
Adjustment for items not included in cash flow	3.8	3.8	5.2	5.8
Received interest	50.2	48.5	66.6	57.1
Paid interest	-39.3	-47.2	-61.6	-64.3
Paid income tax	1.2	-0.4	-2.8	-0.4
<b>Cash flow from operating activities before changes in working capital</b>	<b>-4.8</b>	<b>-0.9</b>	<b>-9.4</b>	<b>-17.4</b>
<b>Changes in working capital</b>				
Decrease/increase in stock	0.0	0.8	0.8	-0.2
Decrease/increase in current receivables	146.8	-59.3	458.9	-199.9
Decrease/increase on short-term liabilities	-23.4	200.5	-147.3	235.5
<b>Cash flow from changes in working capital</b>	<b>123.4</b>	<b>142.0</b>	<b>312.4</b>	<b>35.4</b>
<b>Cash flow from operating activities</b>	<b>118.5</b>	<b>141.1</b>	<b>303.0</b>	<b>18.0</b>
<b>Investing activities</b>				
Shareholders contribution to subsidiaries	-56.4	-0.1	-19.0	-9.6
Investments in tangible fixed assets	-0.5	-0.3	-2.9	-2.5
Investments in intangible fixed assets	-1.6	-0.2	-0.2	-1.5
Acquisition of shares	0.0	-2.3	-2.2	-9.2
Repayment of share capital from subsidiaries	0.0	30.2	30.2	0.0
<b>Cash-flow from investing activities</b>	<b>-58.4</b>	<b>27.3</b>	<b>5.9</b>	<b>-22.8</b>
<b>Cash-flow after investing activities</b>	<b>60.1</b>	<b>168.4</b>	<b>308.9</b>	<b>-4.8</b>
<b>Financial activities</b>				
Loan raised	35.4	0.0	0.0	61.5
Amortization of loan	0.0	-89.1	-241.3	0.0
Raised long-term receivables	0.0	-2.4	0.0	0.0
Dividend paid to shareholders of the parent company	-89.6	-66.3	-66.3	-66.3
<b>Cash-flow from financial activities</b>	<b>-54.2</b>	<b>-157.8</b>	<b>-307.6</b>	<b>-4.8</b>
<b>Cash flow for the period</b>	<b>5.9</b>	<b>10.6</b>	<b>1.3</b>	<b>-9.6</b>
Liquid assets at the beginning of the period	4.5	3.2	3.2	12.8
<b>Liquid assets at period-end</b>	<b>10.5</b>	<b>13.8</b>	<b>4.5</b>	<b>3.2</b>
<b>Liquid assets</b>				
Cash at bank and in hand	10.5	13.8	4.5	3.2

# BALANCE SHEET, PARENT COMPANY

SEK million	30 sep 2017	30 sep 2016	31 dec 2016	31 dec 2015
<b>ASSETS</b>				
<i>Fixed assets</i>				
Intangible fixed assets	10.4	12.7	11.7	15.7
Tangible fixed assets	4.3	2.6	4.8	2.9
<i>Financial assets</i>				
Shares in Group companies	1 556.5	1 488.2	1 510.2	1 488.1
Shares in associated companies	54.6	54.6	54.6	52.2
Receivables on Group companies	889.6	945.5	998.0	916.3
Other long-term receivables	2.4	4.4	2.4	2.0
<b>Total financial assets</b>	<b>2 503.1</b>	<b>2 492.7</b>	<b>2 565.2</b>	<b>2 458.6</b>
<b>Total fixed assets</b>	<b>2 517.8</b>	<b>2 508.0</b>	<b>2 581.7</b>	<b>2 477.2</b>
<i>Current assets</i>				
<i>Current receivables</i>				
Stock	0.0	0.0	0.0	0.8
Accounts receivable	0.0	0.9	0.6	0.3
Receivables on Group companies	1 262.5	1 208.6	1 145.9	1 156.2
Tax receivables	0.0	1.5	0.2	0.6
Other receivables	9.1	8.0	8.4	7.0
Prepaid expenses and accrued income	3.9	11.2	11.8	5.4
<b>Total current receivables</b>	<b>1 275.5</b>	<b>1 230.2</b>	<b>1 166.9</b>	<b>1 170.3</b>
Cash at bank and in hand	10.5	13.8	4.5	3.2
<b>Total current assets</b>	<b>1 285.9</b>	<b>1 244.0</b>	<b>1 171.4</b>	<b>1 173.5</b>
<b>TOTAL ASSETS</b>	<b>3 803.7</b>	<b>3 752.0</b>	<b>3 753.1</b>	<b>3 650.7</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>				
<i>Restricted equity</i>				
Share capital	199.1	199.1	199.1	199.1
Restricted reserves	249.4	249.4	249.4	249.4
	<b>448.5</b>	<b>448.5</b>	<b>448.5</b>	<b>448.5</b>
<i>Unrestricted equity</i>				
Retained earnings	997.3	651.8	651.8	748.8
Share premium reserve	48.0	48.0	48.0	48.0
Result for the period	236.8	402.8	435.1	-30.7
	<b>1 282.0</b>	<b>1 102.6</b>	<b>1 134.9</b>	<b>766.1</b>
<b>Total equity</b>	<b>1 730.6</b>	<b>1 551.1</b>	<b>1 583.4</b>	<b>1 214.6</b>
<b>Untaxed reserves</b>	<b>6.8</b>	<b>0.0</b>	<b>6.8</b>	<b>0.0</b>
<i>Non-current liabilities</i>				
Overdraft facilities	1 340.3	1 448.7	1 293.3	1 329.6
Bankloan	250.9	315.1	371.0	294.2
<b>Total non-current liabilities</b>	<b>1 591.2</b>	<b>1 763.8</b>	<b>1 664.3</b>	<b>1 623.8</b>
<i>Current liabilities</i>				
Short-term interest-bearing liabilities	60.6	63.5	66.2	250.0
Accounts payable	257.8	190.9	163.9	99.4
Liabilities to Group companies	148.6	174.8	256.9	449.8
Current tax liability	1.7	1.6	1.8	0.0
Other liabilities	1.1	2.2	2.4	7.2
Accrued expenses and prepaid income	5.4	4.1	7.4	5.9
<b>Total current liabilities</b>	<b>475.1</b>	<b>437.1</b>	<b>498.6</b>	<b>812.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 803.7</b>	<b>3 752.0</b>	<b>3 753.1</b>	<b>3 650.7</b>

## CHANGES IN EQUITY, PARENT COMPANY

SEK million	Share capital	Restricted reserves	Retained earnings	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					402.8	402.8
<b>Total change in net assets excluding transactions with shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>402.8</b>	<b>402.8</b>
Dividends						-66.3
Closing balance 2016-09-30	199.1	249.4	651.8	48.0	402.8	1 551.1

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



# NOTES

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## ACCOUNTING PRINCIPLES

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This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

The interim report for the Parent Company has been prepared according the Annual Accounts Act as well as RFR 2 "Reporting for Legal Entities".

Applied accounting principles are in accordance with the Annual Report for 2016.

No new or revised IFRS, which came into force in 2017, had any significant impact on the Group.

### **NEW ACCOUNTING PRINCIPLES FOR 2018**

As from January 1, 2018, IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments will become effective.

IFRS 9 "Financial instruments" will have limited impact on the Group and is to date only expected to impact the calculation of expected losses on accounts receivable. The transition will mean that credit losses are reported earlier, which will have an immaterial negative effect on equity at the time of transition. A qualitative description of the transition effect will be presented in the year-end report 2017.

IFRS 15 "Revenue from Contracts with Customers" will be implemented with the Modified Retrospective Approach, which means that only contracts that have not yet been completed by January 1, 2018 will be recalculated at the date of transition to the new standard. The implementation will have a certain impact on revenue recognition for contracts with repurchase agreements, where the revenue recognition will be postponed. However, our expectation is that there will be a limited number of contracts terminated after January 1, 2018, which may thus give rise to transition effects. Any transition effect is expected to be immaterial. A qualitative description of the transition effect on equity will be presented in the year-end report 2017.

### **NEW ACCOUNTING PRINCIPLES FOR 2019**

IFRS 16 "Leases" will replace IAS 17 "Leases" as of January 1, 2019. The management believes that the standard will impact the Group's reported assets and liabilities attributable to, inter alia, the Group's lease agreements, but has not yet quantified the effects thereof. The Group evaluates the full impact of IFRS 16.

## RISKS AND RISK CONTROL

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New Wave Group's international operations mean that it is continuously exposed to various financial risks. The financial risks are currency, borrowings and interest rate risks, as well as liquidity and credit risks. In order to minimize the impact these risks may have on earnings, the Group has established a financial policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2016, note 17, p.98–103. [www.nwg.se](http://www.nwg.se).

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

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

## NET SALES AND EBITDA PER OPERATING SEGMENT

GROUP	3 months Jul-Sep 2017	3 months Jul-Sep 2016	9 months Jan-Sep 2017	9 months Jan-Sep 2016	12 months Jan-Dec 2016	12 months Jan-Dec 2015
<b>Corporate Promo</b>						
Net sales	551.2	498.5	1 819.8	1 608.7	2 388.6	2 152.0
EBITDA	49.9	36.9	179.1	140.9	250.8	166.4
<b>Sports &amp; Leisure</b>						
Net sales	616.8	655.6	1 714.7	1 690.2	2 260.8	2 258.4
EBITDA	98.9	93.5	160.6	139.5	194.5	143.1
<b>Gifts &amp; Home furnishings</b>						
Net sales	163.0	146.3	432.4	389.6	587.7	554.3
EBITDA	10.5	8.6	4.0	-6.5	10.8	2.8
<b>Total net sales</b>	<b>1 331.1</b>	<b>1 300.4</b>	<b>3 967.0</b>	<b>3 688.5</b>	<b>5 237.1</b>	<b>4 964.7</b>
<b>Total EBITDA</b>	<b>159.3</b>	<b>139.0</b>	<b>343.7</b>	<b>273.9</b>	<b>456.1</b>	<b>312.3</b>
Total EBITDA	159.3	139.0	343.7	273.9	456.1	312.3
Depreciation and write down	-16.4	-14.1	-47.1	-40.7	-55.9	-57.1
Net financial items	-13.2	-15.4	-38.8	-44.0	-59.9	-74.3
<b>Result before tax</b>	<b>129.8</b>	<b>109.5</b>	<b>257.8</b>	<b>189.2</b>	<b>340.3</b>	<b>180.9</b>

## ASSETS/LIABILITIES PER OPERATING SEGMENT

GROUP						
SEK million	Total assets	Fixed assets *	Deferred tax assets	Investments	Depreciation and write-downs	Total liabilities
<b>30 Sep 2017</b>						
Corporate Promo	2 963.8	617.6	39.4	-14.9	-23.0	1 975.3
Sports & Leisure	2 348.1	950.3	60.6	-23.2	-20.5	664.8
Gifts & Home Furnishings	595.8	199.1	5.8	-34.7	-3.6	430.5
<b>Total</b>	<b>5 907.6</b>	<b>1 767.1</b>	<b>105.8</b>	<b>-72.8</b>	<b>-47.1</b>	<b>3 070.5</b>
<b>30 Sep 2016</b>						
Corporate Promo	3 042.1	630.6	31.7	-4.0	-20.9	2 147.1
Sports & Leisure	2 270.7	990.9	54.8	-24.0	-16.9	696.7
Gifts & Home Furnishings	537.7	186.6	36.4	-37.1	-2.9	352.4
<b>Total</b>	<b>5 850.5</b>	<b>1 808.1</b>	<b>122.9</b>	<b>-65.1</b>	<b>-40.7</b>	<b>3 196.2</b>
<b>31 Dec 2016</b>						
Corporate Promo	2 988.7	629.2	36.3	-16.6	-28.5	2 031.7
Sports & Leisure	2 261.9	1 045.9	62.6	-33.3	-23.3	582.9
Gifts & Home Furnishings	573.6	193.5	15.2	-39.7	-4.1	392.4
<b>Total</b>	<b>5 824.2</b>	<b>1 868.6</b>	<b>114.1</b>	<b>-89.6</b>	<b>-55.9</b>	<b>3 007.0</b>

\* Fixed assets classified as financial assets are not included



## NET SALES PER GEOGRAPHIC AREA

GROUP SEK million	3 months		3 months		Change SEK million	Change %
	Jul-Sep	Part of	Jul-Sep	Part of		
	2017	net sales	2016	net sales		
Sweden	293.0	22%	279.5	21%	13.5	5%
USA	352.3	26%	379.4	29%	-27.1	-7%
Nordic countries excluding Sweden	204.6	15%	197.8	15%	6.8	3%
Central Europe	243.0	18%	229.2	18%	13.8	6%
Southern Europe	121.0	9%	114.0	9%	7.0	6%
Other countries	117.2	9%	100.5	8%	16.7	17%
<b>Total</b>	<b>1 331.1</b>	<b>100%</b>	<b>1 300.4</b>	<b>100%</b>	<b>30.7</b>	<b>2%</b>

GROUP SEK million	9 months		9 months		Change SEK million	Change %
	Jan – Sep	Part of	Jan – Sep	Part of		
	2017	net sales	2016	net sales		
Sweden	867.7	22%	817.4	22%	50.3	6%
USA	1 029.9	26%	1 008.0	27%	21.9	2%
Nordic countries excluding Sweden	576.2	15%	552.6	15%	23.6	4%
Central Europe	739.3	19%	690.5	19%	48.8	7%
Southern Europe	400.3	10%	357.1	10%	43.2	12%
Other countries	353.5	9%	262.9	7%	90.6	34%
<b>Total</b>	<b>3 967.0</b>	<b>100%</b>	<b>3 688.5</b>	<b>100%</b>	<b>278.5</b>	<b>8%</b>

GROUP SEK million	12 months		12 months		Change SEK million	Change %
	Jan – Dec	Part of	Jan – Dec	Part of		
	2016	net sales	2015	net sales		
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 excluding 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%
<b>Total</b>	<b>5 237.1</b>	<b>100%</b>	<b>4 964.7</b>	<b>100%</b>	<b>272.4</b>	<b>5%</b>

## FIXED ASSETS AND DEFERRED TAX ASSETS PER GEOGRAPHIC AREA

GROUP SEK million	30 Sep		30 Sep		31 Dec	
	2017	2016	2016	2016	2016	2016
	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets
Sweden	481.7	7.7	470.7	21.2	477.9	15.9
USA	893.5	57.1	939.6	72.1	996.1	59.2
Nordic countries excluding Sweden	27.0	5.7	28.2	12.0	27.7	8.4
Central Europe	200.4	26.6	203.2	11.0	202.5	22.7
Southern Europe	152.3	4.8	160.2	3.5	158.8	2.8
Other countries	12.2	3.9	6.2	3.1	5.6	5.1
<b>Total</b>	<b>1 767.1</b>	<b>105.8</b>	<b>1 808.1</b>	<b>122.9</b>	<b>1 868.6</b>	<b>114.1</b>

\* Fixed assets classified as financial assets are not included

# FINANCIAL INSTRUMENTS

## GROUP

SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016	31 Dec 2015
Assets at fair value (derivatives)	0.1	4.9	6.4	0.0
Assets at amortised cost	1 138.8	1 139.7	1 178.5	1 032.3
<b>Total financial assets</b>	<b>1 138.9</b>	<b>1 144.6</b>	<b>1 184.9</b>	<b>1 032.3</b>
Liabilities at fair value (derivatives)	3.7	0.2	5.0	10.8
Liabilities at amortised cost	2 845.6	2 969.3	2 780.5	2 759.5
<b>Total financial liabilities</b>	<b>2 849.3</b>	<b>2 969.5</b>	<b>2 785.5</b>	<b>2 770.3</b>

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

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

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

# PLEGGED ASSETS AND CONTINGENT LIABILITIES

## GROUP

Pledged assets SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016	31 Dec 2015
Floating charges	543.5	663.5	663.5	663.5
Property mortgages	179.9	147.7	147.6	140.8
Net assets in subsidiaries	2 230.9	2 173.1	2 323.0	2 332.9
Stocks and accounts receivable	468.6	369.6	368.1	323.6
<b>Total</b>	<b>3 423.0</b>	<b>3 353.9</b>	<b>3 502.2</b>	<b>3 460.8</b>
Contingent liabilities SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016	31 Dec 2015
Duty guarantee	15.0	15.9	15.6	15.2
Rent guarantee	111.3	0.0	0.0	0.0
PRI	2.0	2.0	2.0	2.0
Other guarantees	0.4	0.4	0.4	0.6
Guarantees for associated companies	6.0	6.0	6.0	6.0
<b>Total</b>	<b>134.7</b>	<b>24.3</b>	<b>24.1</b>	<b>23.8</b>

## PARENT COMPANY

Pledged assets SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016	31 Dec 2015
Floating charges	30	30.0	30.0	30.0
Shares in subsidiaries	1183.8	1 160.5	1183.8	1160.5
Shares in related companies	8.3	8.3	8.3	8.3
<b>Total</b>	<b>1 222.1</b>	<b>1 198.8</b>	<b>1 222.1</b>	<b>1 198.8</b>
Contingent liabilities SEK million	30 Sep 2017	30 Sep 2016	31 Dec 2016	31 Dec 2015
Guarantees for subsidiaries	588.8	443.9	471.2	334.0
<b>Total</b>	<b>588.8</b>	<b>443.9</b>	<b>471.2</b>	<b>334.0</b>

# QUARTERLY CONSOLIDATED INCOME STATEMENTS

SEK million	2017			2016				2015			
Quarter	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1264.2	1371.7	1 331.1	1 130.8	1 257.3	1 300.4	1 548.6	1 096.1	1 191.3	1 272.0	1 405.3
Goods for resale	-692.8	-745.7	-692.8	-616.3	-685.0	-693.3	-832.3	-595.7	-659.1	-697.8	-773.5
<b>Gross profit</b>	<b>571.4</b>	<b>626.0</b>	<b>638.2</b>	<b>514.5</b>	<b>572.3</b>	<b>607.1</b>	<b>716.3</b>	<b>500.4</b>	<b>532.2</b>	<b>574.2</b>	<b>631.8</b>
<b>Gross profit %</b>	<b>45.2</b>	<b>45.6</b>	<b>47.9</b>	<b>45.5</b>	<b>45.5</b>	<b>46.7</b>	<b>46.3</b>	<b>45.7</b>	<b>44.7</b>	<b>45.1</b>	<b>45.0</b>
Other operating income	10.9	7.0	10.4	9.4	12.2	14.5	14.9	9.3	7.8	22.1	8.0
External costs	-288.6	-270.1	-265.4	-279.8	-249.6	-268.5	-300.1	-270.1	-258.9	-273.0	-284.0
Personnel costs	-228.1	-233.0	-217.1	-217.4	-213.0	-208.3	-242.9	-205.3	-212.0	-202.8	-231.5
Depreciations and write-downs	-15.0	-15.7	-16.4	-13.2	-13.4	-14.1	-15.2	-14.9	-14.3	-13.7	-14.2
Other operating costs	-7.8	-3.9	-7.4	-5.6	-8.1	-5.8	-6.2	-18.5	-6.7	-9.3	-1.7
Share of associated companies' result	0.4	0.2	0.6	0.2	-0.2	0.0	0.2	0.9	0.6	-1.2	0.0
<b>Operating result</b>	<b>43.2</b>	<b>110.5</b>	<b>143.0</b>	<b>8.1</b>	<b>100.2</b>	<b>124.9</b>	<b>167.0</b>	<b>1.8</b>	<b>48.7</b>	<b>96.3</b>	<b>108.4</b>
Financial income	1.3	1.0	1.6	1.2	0.9	1.0	0.0	1.9	3.2	1.4	0.7
Financial expenses	-13.8	-14.1	-14.8	-15.0	-15.7	-16.4	-15.9	-17.0	-16.9	-19.0	-28.6
<b>Result before tax</b>	<b>30.7</b>	<b>97.4</b>	<b>-13.2</b>	<b>-5.7</b>	<b>85.4</b>	<b>109.5</b>	<b>151.1</b>	<b>-13.3</b>	<b>35.0</b>	<b>78.7</b>	<b>80.5</b>
Tax	-5.8	-20.3	-24.5	1.1	-18.4	-23.0	-23.3	2.4	-7.2	-13.6	-17.2
<b>Result for the period</b>	<b>24.9</b>	<b>77.0</b>	<b>105.3</b>	<b>-4.6</b>	<b>67.0</b>	<b>86.5</b>	<b>127.8</b>	<b>-10.9</b>	<b>27.8</b>	<b>65.1</b>	<b>63.3</b>
<i>Total other comprehensive income net after tax for the period</i>	-12.2	-42.4	-43.3	-15.5	47.2	26.4	35.1	101.7	-43.9	7.1	-36.9
<b>Total comprehensive income for the period</b>	<b>12.7</b>	<b>34.7</b>	<b>62.0</b>	<b>-20.1</b>	<b>114.2</b>	<b>112.9</b>	<b>162.9</b>	<b>90.8</b>	<b>-16.1</b>	<b>72.2</b>	<b>26.4</b>
<b>Earnings per share</b>											
before dilution (SEK)	0.38	1.16	1.60	-0.06	1.01	1.31	1.9	-0.17	0.41	0.98	0.94
after dilution (SEK)	0.38	1.16	1.60	-0.06	1.01	1.31	1.9	-0.17	0.41	0.98	0.94
The average number of outstanding shares before dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
The average number of outstanding shares after dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543

SEK million	2014				2013				2012			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	908.5	983.3	1 122.3	1 259.5	877.3	995.3	1 035.0	1 139.8	975.4	1 074.9	1 053.8	1 176.1
Goods for resale	-497.7	-531.8	-621.9	-669.6	-456.8	-529.1	-564.9	-626.2	-531.2	-580.0	-688.9	-615.7
<b>Gross profit</b>	<b>410.8</b>	<b>451.5</b>	<b>500.4</b>	<b>589.9</b>	<b>420.5</b>	<b>466.2</b>	<b>470.1</b>	<b>513.6</b>	<b>444.2</b>	<b>494.9</b>	<b>364.9</b>	<b>560.4</b>
<b>Gross profit %</b>	<b>45.2</b>	<b>45.9</b>	<b>44.6</b>	<b>46.8</b>	<b>47.9</b>	<b>46.8</b>	<b>45.4</b>	<b>45.1</b>	<b>45.5</b>	<b>46.0</b>	<b>34.6</b>	<b>47.6</b>
Other operating income	7.1	5.4	5.1	10.1	8.6	7.7	7.7	9.3	8.5	9.5	7.4	9.7
External costs	-229.5	-216.9	-216.6	-260.5	-222.9	-209.7	-205.4	-215.2	-247.2	-238.3	-245.5	-223.0
Personnel costs	-179.5	-176.7	-174.8	-204.7	-174.7	-177.9	-162.5	-182.7	-186.3	-189.2	-208.1	-181.9
Depreciations and write-downs	-12.4	-13.2	-14.4	-14.2	-11.8	-14.6	-13.9	-11.9	-11.9	-13.0	-53.1	-11.9
Other operating costs	-2.4	-2.6	-4.1	-7.4	-3.8	-1.9	-2.9	-2.3	-3.8	-5.9	-5.9	-3.1
Share of associated companies' result	0.0	0.5	0.1		0.2	0.4	-0.3	0.8	-0.9	0.7	0.4	1.5
<b>Operating result</b>	<b>-5.9</b>	<b>48.0</b>	<b>95.7</b>	<b>112.2</b>	<b>16.1</b>	<b>70.2</b>	<b>92.8</b>	<b>111.6</b>	<b>2.6</b>	<b>58.7</b>	<b>-139.9</b>	<b>151.7</b>
Financial income	1.4	1.2	1.1	1.2	1.8	1.4	1.8	1.8	1.4	0.5	2.2	0.9
Financial expenses	-9.7	-10.6	-12.1	-14.5	-17.8	-16.1	-14.9	-14.2	-15.4	-13.0	-16.1	-18.7
<b>Result before tax</b>	<b>-14.2</b>	<b>38.6</b>	<b>84.7</b>	<b>98.9</b>	<b>0.1</b>	<b>55.5</b>	<b>79.7</b>	<b>99.2</b>	<b>-11.4</b>	<b>46.2</b>	<b>-153.8</b>	<b>133.9</b>
Tax	2.9	-9.2	-17.8	-7.0	0.0	-16.6	-21.9	-8.9	3.2	-12.9	33.8	-33.2
<b>Result for the period</b>	<b>-11.3</b>	<b>29.4</b>	<b>66.9</b>	<b>91.9</b>	<b>0.1</b>	<b>38.9</b>	<b>57.8</b>	<b>90.3</b>	<b>-8.2</b>	<b>33.3</b>	<b>-120.0</b>	<b>100.7</b>
<i>Total other comprehensive income net after tax for the period</i>	1.4	53.5	53.1	91.2	-38.9	57.8	-31.5	36.6	-24.1	21.9	-95.6	21.8
<b>Total comprehensive income for the period</b>	<b>-9.9</b>	<b>82.9</b>	<b>120.0</b>	<b>183.1</b>	<b>-38.8</b>	<b>96.7</b>	<b>26.3</b>	<b>126.9</b>	<b>-32.3</b>	<b>55.2</b>	<b>-215.6</b>	<b>122.5</b>
<b>Earnings per share</b>												
before dilution (SEK)	-0.17	0.44	1.01	1.38	0.00	0.60	0.87	1.35	-0.13	0.50	-1.81	1.51
after dilution (SEK)	-0.17	0.44	1.01	1.38	0.00	0.60	0.87	1.35	-0.12	0.50	-1.81	1.51
The average number of outstanding shares before dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
The average number of outstanding shares after dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	67 343 543	66 343 543	66 343 543	66 343 543

# QUARTERLY CONSOLIDATED CASH FLOW STATEMENTS

SEK million	2017				2016				2015			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Cash flow from operating activities before changes in working capital</b>	<b>37,8</b>	<b>105,0</b>	<b>153,3</b>	<b>-4,2</b>	<b>89,4</b>	<b>116,2</b>	<b>132</b>	<b>-9,2</b>	<b>54,6</b>	<b>73,8</b>	<b>90,6</b>	
Increase/decrease of stock	-73,9	-63,7	-200,4	-49,7	62,4	-109,6	151,2	-200,6	-88,5	-132,1	175,6	
Increase/decrease of current receivables	113,0	-40,4	-113,8	85,3	-76,9	-106,8	31,9	129,5	-23,0	-117,2	85,2	
Increase/decrease of current liabilities	-43,3	49,2	150,5	32,5	13,7	115,7	-34,2	51,4	1,0	14,3	24,1	
<b>Changes in working capital</b>	<b>-4,2</b>	<b>-54,9</b>	<b>-163,7</b>	<b>68,1</b>	<b>-0,8</b>	<b>-100,7</b>	<b>148,9</b>	<b>-19,7</b>	<b>-110,5</b>	<b>-235,0</b>	<b>284,9</b>	
<b>Cash flow from operating activities</b>	<b>33,6</b>	<b>50,1</b>	<b>-10,4</b>	<b>63,9</b>	<b>88,6</b>	<b>15,5</b>	<b>280,9</b>	<b>-28,9</b>	<b>-55,9</b>	<b>-161,2</b>	<b>375,5</b>	
Investing activities	-19,9	-16,0	-36,9	-16,3	-21,2	-25,8	-26,3	-26,7	-40,7	-15,0	-24,1	
<b>Cash flow after investing activities</b>	<b>13,7</b>	<b>34,1</b>	<b>-47,3</b>	<b>47,6</b>	<b>67,4</b>	<b>-10,3</b>	<b>254,6</b>	<b>-55,6</b>	<b>-96,6</b>	<b>-176,2</b>	<b>351,4</b>	
Loan raised	0,0	47,1	30,2	0,0	16,1	22,9	0,0	0,0	179,1	173,9	0,0	
Amortization of loan	-39,4	0,0	0,0	-74,6	0,0	0,0	-211,4	-13,9	0,0	0,0	-349,1	
Dividend paid to non-controlling interest	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-1,0	0,0	
Dividend paid to the shareholders of the parent company	0,0	-89,6	0,0	0,0	-66,3	0,0	0,0	0,0	-66,3	0,0	0,0	
<b>Cash flow from financial activities</b>	<b>-39,4</b>	<b>-42,5</b>	<b>30,2</b>	<b>-74,6</b>	<b>-50,2</b>	<b>22,9</b>	<b>-211,4</b>	<b>-13,9</b>	<b>112,8</b>	<b>172,9</b>	<b>-349,1</b>	
<b>Cash flow for the period</b>	<b>-25,7</b>	<b>-8,4</b>	<b>-17,1</b>	<b>-27,0</b>	<b>17,2</b>	<b>12,6</b>	<b>43,2</b>	<b>-69,5</b>	<b>16,2</b>	<b>-3,3</b>	<b>2,3</b>	
Liquid assets at the beginning of the period	218,9	191,9	178,9	165,5	136,3	157,1	172,9	216,0	159,0	169,5	167,7	
Adjustment liquid assets at the beginning of the period	0	0	0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Translation differences in liquid assets	-1,3	-4,6	-6,2	-2,2	3,6	3,2	2,8	12,5	-5,7	1,5	-4,5	
<b>Liquid assets at period-end</b>	<b>191,9</b>	<b>178,9</b>	<b>155,6</b>	<b>136,3</b>	<b>157,1</b>	<b>172,9</b>	<b>218,9</b>	<b>159,0</b>	<b>169,5</b>	<b>167,7</b>	<b>165,5</b>	

SEK million	2014				2013				2012			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Cash flow from operating activities before changes in working capital</b>	<b>-7,1</b>	<b>38,8</b>	<b>93,1</b>	<b>129,1</b>	<b>-18,7</b>	<b>55,3</b>	<b>86,7</b>	<b>103,3</b>	<b>-12,8</b>	<b>43,8</b>	<b>66,7</b>	<b>83,7</b>
Increase/decrease of stock	-50,6	-86,8	-309,6	-126,1	27,8	28,2	-3,1	145,3	-44,9	34,3	-1,6	205,8
Increase/decrease of current receivables	172,3	-28,0	-124,2	-40,7	131,1	-44,0	-84,8	-32,7	77,1	19,6	-69,9	-14,1
Increase/decrease of current liabilities	-25,8	48,3	50,0	-16,9	-34,1	2,3	-1,3	-2,8	25,6	35,1	-108,0	0,7
<b>Changes in working capital</b>	<b>95,9</b>	<b>-66,5</b>	<b>-383,8</b>	<b>-183,7</b>	<b>124,8</b>	<b>-13,5</b>	<b>-89,2</b>	<b>109,8</b>	<b>57,8</b>	<b>89,0</b>	<b>-179,5</b>	<b>192,4</b>
<b>Cash flow from operating activities</b>	<b>88,8</b>	<b>-27,7</b>	<b>-290,7</b>	<b>-54,6</b>	<b>106,1</b>	<b>41,8</b>	<b>-2,5</b>	<b>213,1</b>	<b>45,0</b>	<b>132,8</b>	<b>-112,8</b>	<b>276,1</b>
Investing activities	-11,3	-17,5	-12,4	-29,4	-8,8	-8,8	-21,2	-7,2	-10,8	-15,1	-17,2	-7,3
<b>Cash flow after investing activities</b>	<b>77,5</b>	<b>-45,2</b>	<b>-303,1</b>	<b>-84,0</b>	<b>97,3</b>	<b>33,0</b>	<b>-23,7</b>	<b>205,9</b>	<b>34,2</b>	<b>117,7</b>	<b>-130,0</b>	<b>268,8</b>
Loan raised	0,0	129,6	289,8	121,3	0,0	0,0	0,0	0,0	0,0	0,0	123,0	0,0
Amortization of loan	-109,8	0,0	0,0	0,0	-157,3	24,2	-12,0	-146,7	-79,0	-5,1	0,0	-196,1
Dividend paid to non-controlling interest	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Dividend paid to the shareholders of the parent company	0,0	-66,3	0,0	0,0	0,0	-66,3	0,0	0,0	0,0	-66,3	0,0	0,0
<b>Cash flow from financial activities</b>	<b>-109,8</b>	<b>63,3</b>	<b>289,8</b>	<b>121,3</b>	<b>-157,3</b>	<b>-42,1</b>	<b>-12,0</b>	<b>-146,7</b>	<b>-79,0</b>	<b>-71,4</b>	<b>123,0</b>	<b>-196,1</b>
<b>Cash flow for the period</b>	<b>-32,3</b>	<b>18,1</b>	<b>-13,3</b>	<b>37,3</b>	<b>-60,0</b>	<b>-9,1</b>	<b>-35,7</b>	<b>59,2</b>	<b>-44,8</b>	<b>46,3</b>	<b>-7,0</b>	<b>72,7</b>
Liquid assets at the beginning of the period	185,1	153,1	176,0	169,6	229,7	168,0	163,0	123,7	117,7	70,4	119,5	107,6
Adjustment liquid assets at the beginning of the period	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	48,8
Translation differences in liquid assets	0,3	4,8	6,9	9,1	-1,7	4,1	-3,6	2,2	-2,5	2,8	-4,9	0,6
<b>Liquid assets at period-end</b>	<b>153,1</b>	<b>176,0</b>	<b>169,6</b>	<b>216,0</b>	<b>168,0</b>	<b>163,0</b>	<b>123,7</b>	<b>185,1</b>	<b>70,4</b>	<b>119,5</b>	<b>107,6</b>	<b>229,7</b>



# NEW WAVE GROUP'S SHARE

The share capital in New Wave Group amounted to SEK 199.030.629 distributed among a total of 66.343.543 shares. Each with a quota value of SEK 3.00. The shares carry identical rights to the Company's assets and profits. Each series A share is entitled to ten votes and each Series B is entitled to one vote. New Wave's Series B shares are listed at OMX Stockholm Mid Cap.

## DIVIDEND POLICY

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

## SHAREHOLDERS

The number of shareholders amount to 14.251 (12.442) on September 30, 2017. Institutional investors accounted for 47% of the capital and 13% of the votes. At the same time the ten largest shareholders held 66% of the capital and 91% of the votes. Non-Swedish shareholders accounted for 15% of the capital and 4% of the votes.

## NEW WAVE GROUP'S TEN MAJOR SHAREHOLDERS 2017-09-30

Shareholder	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson through companies	21 453 277	198 822 397	32,3%	81,6%
Avanza Pension	4 918 323	4 918 323	7,4%	2,0%
Fjärde AP-Fonden	4 192 993	4 192 993	6,3%	1,7%
Lannebo fonder	2 107 431	2 107 431	3,2%	0,9%
City Bank New York	2 052 710	2 052 710	3,1%	0,8%
Svolder AB	1 987 997	1 987 997	3,0%	0,8%
Spiltan Aktiefonder	1 622 463	1 622 463	2,4%	0,7%
Hans Diding	1 326 500	1 326 500	2,0%	0,5%
Bank of New York Mellon	1 307 832	1 307 832	2,0%	0,5%
State Street Bank	1 073 599	1 073 599	1,6%	0,4%
<b>Total</b>	<b>43 490 231</b>	<b>220 830 231</b>	<b>65,6%</b>	<b>90,6%</b>

## SHAREHOLDER DISTRIBUTION IN NEW WAVE GROUP 2017-09-30

	Number of shares	Number of votes	Capital %	Votes %
Sweden	56 633 744	234 002 864	85,4%	96,0%
Shareholders outside Sweden, excl. USA	5 155 573	5 155 573	7,8%	2,1%
USA	4 554 226	4 554 226	6,9%	1,9%
<b>Total</b>	<b>66 343 543</b>	<b>243 712 663</b>	<b>100,0%</b>	<b>100,0%</b>





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## DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURE

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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.

<b>Performance measures</b>	<b>Definition/calculation</b>	<b>Purpose</b>
Gross profit margin	Net sales less goods for resale in percent of net sales.	The measure is used for showing the company's margins before the effect of costs such as selling and administrative costs.
Operating margin	Operating result as a percentage of the period's net sales.	The measure is used to estimate operating profitability
Profit margin	Result before tax as a percentage of the period's net sales	The measure enables the profitability to be compared across locations where corporate taxes differ.
Net margin	Result after tax as a percentage of the period's net sales.	The measure is used to show net earnings in relation to income.
EBITDA	Operating result before depreciation/amortization and impairment of non-current assets.	The measure is used to show profit (loss) from operating Activities, regardless of depreciation/amortization.
Net financial items	The total of interest incomes, interest expenses, exchange differences on borrowings and cash 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.
<b>Return measures</b>	<b>Definition/calculation</b>	<b>Purpose</b>
Return on capital employed	Operating result plus financial income as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed by period end of the Comparative period in the previous year divided by two.	The measure is used to analyze profitability by putting result in relation to the capital needed to operate the business.
Return on equity	Result for the period according to the income statement as a percentage of average equity. For the parent company it is calculated as result after tax as a percentage of average adjusted equity. In adjusted equity, 78% of untaxed reserves are included.	The measure is used to analyze profitability over time, given the resources available to the parent company's owners.

<b>Capital measures</b>	<b>Definition/calculation</b>	<b>Purpose</b>
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 pre-paid 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.
<b>Data per share</b>	<b>Definition/calculation</b>	<b>Purpose</b>
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.
<b>Other measures</b>	<b>Definition/calculation</b>	<b>Purpose</b>
Effective tax rate	Tax on profit for the period as a percentage of result before tax	This measure enables comparison of income tax across locations where corporate taxes differ.
Cash flow from operations	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities.	The measure is used to show the cash flow generated by the company's operations.
Net Investments	Cash flow from investing activities according to the cash flow analysis which includes investments and divestments of buildings, acquisitions, investments in tangible and intangible assets and raised long-term debt.	The measures is used to regularly estimate how much cash is used to maintain operations and for expansion.

# *New Wave*

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G R O U P

New Wave Group is a growth company creating, acquiring and developing promo, sports, gift and interior design trademarks and products. The group shall achieve synergies by coordinating design, purchasing, marketing, logistics and distribution of the assortment. The group shall offer its products to the promo market and the retail market in order to achieve good risk diversification.