

# RNB

## INTERIM REPORT

1 SEPTEMBER 2018 – 30 NOVEMBER 2018

# 1



RNB RETAIL AND BRANDS

POLARN O. PYRET  
DEPARTMENTS & STORES

Man of a kind  
**BROTHERS**

# Increased sales for RNB

RNB's sales increased in the first quarter. The trend from the previous quarter continued, with sales growth outperforming the clothing and fashion sector in Sweden as a whole. Sales on other national markets also increased in the quarter. Growth in e-commerce was strong with an increase of more than 60% in the quarter. The underlying trends in the business areas continued, and RNB maintained its high pace of restructuring in the quarter. Operating income was SEK 36 M (40) in the first quarter.

## FIRST QUARTER, SEPTEMBER 1, 2018 – NOVEMBER 30, 2018 IN SUMMARY

- Net sales increased to SEK 600 M (583).
- Comparable sales for the Group on all national markets increased by 2.8 percent.
- Sales for comparable units in Sweden increased by 2.4 percent, outperforming the market downturn of -3.7 percent.
- Operating income was SEK 36 M (40).
- Profit after tax was SEK 26 M (45).
- Earnings per share was SEK 0.77 (1.34).
- Cash flow from operating activities was SEK 47 M (62).

## EVENTS IN THE QUARTER

- Polarn O. Pyret was awarded "Design Concept of the Year" at the Habit Fashion Show 2018.
- In November, RNB announced that the Board of Directors would propose that the Annual General Meeting instruct the Board to restructure the Group with the aim of uncovering and creating shareholder value. This will be achieved by changing the main focus of the Parent Company away from creating synergies aimed at broadening the platform, and towards making the companies independent and minimizing Group structure.

## CONTACT

CEO Magnus Håkansson +46 (0)8 410 520 02  
CFO Kristian Lustin +46 (0)8 410 524 63

## PRESS OCH ANALYTIKERMÖTE

RNB will hold a press and analyst conference in connection with the publication of the report, presented by Magnus Håkansson, President and CEO and Kristian Lustin, CFO. The presentation will be held on December 20 at 10:00 a.m. CET and can be followed through a teleconference/audiocast.

To participate in the teleconference please call before the opening of the conference:

+46 8 566 426 99 (Sweden)

+44 20 300 898 06 (UK)

+ 1 855 753 22 36 (USA)

Or at the following link: <http://www.rnb.se/Investor-relations/>

## FINANCIAL CALENDAR

Annual General Meeting 2017/2018	December 20, 2018
Interim Report, second quarter 2018/2019	March 26, 2019
Interim Report, third quarter 2018/2019	June 26, 2019
Interim Report, fourth quarter 2018/2019	October 10, 2019
Interim Report, first quarter 2019/2020	December 19, 2019

This information is such that RNB RETAIL AND BRANDS AB (publ) is required to disclose according to the EU's Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication through the agency of the above contact persons on December 20, 2018 at 07:00 a.m. (CET).

*This report has been prepared in English and Swedish versions. In the event of any discrepancy between the two versions, the Swedish report shall prevail.*

# Comments from the CEO

## CONTINUED STRONG E-COMMERCE DEVELOPMENT

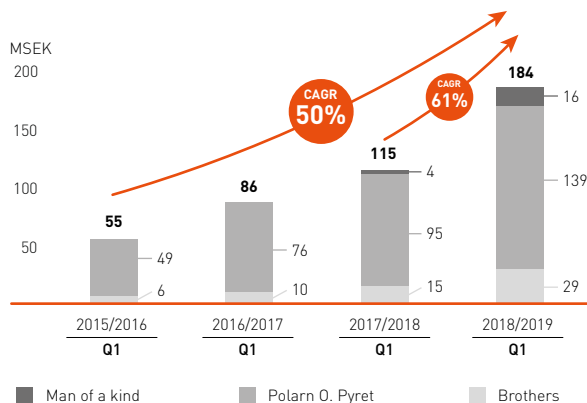
The trend for RNB's companies continued in the first quarter, with sales growth significantly outperforming the market. Total comparable sales for the quarter increased by 2.8% across all national markets and by 2.4% in Sweden. This significantly outperformed the market which decreased by -3.7% in both Sweden and Finland in the quarter.

E-commerce sales grew by more than 60% in the quarter, and also increased by over 60% on a rolling 12-month basis. E-commerce provided 11% of total Group sales in the quarter. Operating income was SEK 36 M (40) in the quarter.

RNB's reorientation continued unabated in IT, e-commerce, marketing and logistics. Our relative competitiveness in the current market climate is a result of the initiatives we've implemented.



### E-commerce sales (R12) ex moms



## UNDERLYING STRENGTH IN COMPETITIVE PO.P

Over the last three years, Polarn O. Pyret has systematically reoriented its fashion range and redesigned stores, while also sharpening its e-commerce focus. E-commerce grew by some 45% on a rolling 12 month basis, and sales significantly outperformed the market on the back of continuous positive growth. E-commerce amounted to almost 21% in the quarter. PO.P rolled out a new e-commerce platform in the quarter, which will contribute to increasing the conversion rate in the purchasing process and fuel continued e-commerce growth. PO.P's fashion range is attractive, based on aggressive purchasing aimed at increasing sales and market share during the fall season and in the coming spring season. The company opened a new store in the Gallerian shopping mall in November, which will provide an important market presence in the Stockholm city center. During the past year, PO.P won "Loyalty Program of the Year" at the Swedish Retail Awards and "Design Concept of the Year" at the Habit Fashion Show. Both awards offer confirmation of the successful reorientation of the concept. Operating income totaled SEK 31 M (34) in the first quarter, with rolling 12-month operating income now at SEK 40 M.

Although PO.P's inventories remain excessively high, this is partly due to aggressive purchasing aimed at ensuring sustained growth and increased market share.

The prospects are favorable for the underlying strong growth to continue in 2018/19. The new design concept has already been rolled out in 15 stores, which will strengthen PO.P's brand and enhance the customer experience further. We expect continued growth in our market share and e-commerce sales.

## BROTHERS HAS FURTHER POTENTIAL

The Brothers concept rests on a stable foundation with an attractive fashion range that provides value for money. The stores have a high service rate. Brothers' e-commerce trade more than doubled in the first quarter, which means that the high growth in 2017/2018 continued. E-commerce amounted for just over 8% of sales in the quarter.

Brothers returned more modest sales growth of +0.3% for comparable stores in Sweden in the first quarter, and a total of -0.1% across all national markets. However, this also clearly outperformed the market. In November, Brothers opened a new store in the Gallerian shopping mall, which will gradually become more important to the company's market presence in central Stockholm. The Gallerian store has a leading-edge profile, and will be a flagship store alongside the Drottninggatan store. Operating income was SEK 3 M (7) M in the first quarter, and the rolling 12-month figure now stands at SEK 19 M.

Although Brothers' inventories were high at the end of the quarter, the distribution of the fashion range remains stable and the situation should normalize over the coming six months. Brothers has remaining potential as a result of its sustained development of the brand, digital marketing and e-commerce growth—all aimed at clarifying Brothers' strong value offering to customers. In the first quarter, Lina Söderqvist was appointed President with the task of realizing the potential inherent in these areas.

## **DEPARTMENTS & STORES STILL FACES CHALLENGES**

Visitor numbers continued to fall at NK, which affects us directly. However, visitor numbers to our stores are decreasing less than for department stores overall. Our management team is operationally present and has managed well in the quarter to maximize the business volume, given the prerequisites, ensuring that we take care of customer flows while maintaining costs.

Sales in comparable stores increased by 0.2% in the first quarter, but decreased by just over -3% on a rolling 12-month basis. Operating income for the quarter was SEK 12 M (12), and operating income remained unchanged at SEK 29 M on a rolling 12-month basis.

The ongoing refurbishment of NK in Stockholm, of which Departments & Stores' operations are an important part, will be significant for competitiveness and is expected to have a pronounced positive effect towards the end of 2019. We also expect e-commerce sales to be introduced eventually.

## **SALES GROWTH FOR MAN OF A KIND**

Man of a kind's sales are progressing as planned, reaching SEK 6 M (3) in the quarter, the development costs mean that operating income is unchanged at SEK -3 M. During the quarter, the range continued to expand to include Tom Ford, Moschino and Billionaire. Male grooming has also been added with brands such as Acqua di Parma, Mühle, Gucci and Prada. Additional content and services are continuously being developed to enhance the shopping experience.

## **OUTLOOK FOR 2018/2019**

We're under intense pressure from the reorientation work, but are succeeding in maintaining a high pace of transformation. Polarn O. Pyret has underlying strength and is competitive across all areas of operations, and we anticipate strong growth over the coming years. We also anticipate growth for Brothers, based on the strong value offering to its customer group. Our e-commerce operations are expected to continue to expand rapidly, although we're also subject to sustained reorientation costs. In Departments & Stores, it will still be some time before we see the results of the extensive reorientation work.

## **SEPARATION AND DIVESTMENTS**

A press release on 21 November announced that the Board has proposed that the Annual General Meeting instruct the Board to create independent operating subsidiaries through the separation and transfer of group-wide functions to the subsidiaries, and potentially to initiate divestments of operations. The work associated with separating operations with the aim of creating independent subsidiaries is underway ahead of today's anticipated AGM resolution. The restructuring of the Group, and potential future divestments, rest on the solid foundations built in the individual operations, RNB's effective business plans and the unchanged operational focus on implementing the business plans in the companies.

Magnus Håkansson  
*President and CEO*

# RNB RETAIL AND BRANDS

RNB RETAIL AND BRANDS owns, operates and develops fashion wear, ready-to-wear clothing, accessories, jewelry and cosmetics stores and e-commerce that focus on providing excellent service and a world-class shopping experience. Sales are conducted through the concepts Brothers, Departments & Stores, Man of a kind and Polarn O. Pyret. The Group has more than 260 stores and e-commerce platforms in 10 countries. RNB RETAIL AND BRANDS is listed on Nasdaq Stockholm (RNBS).

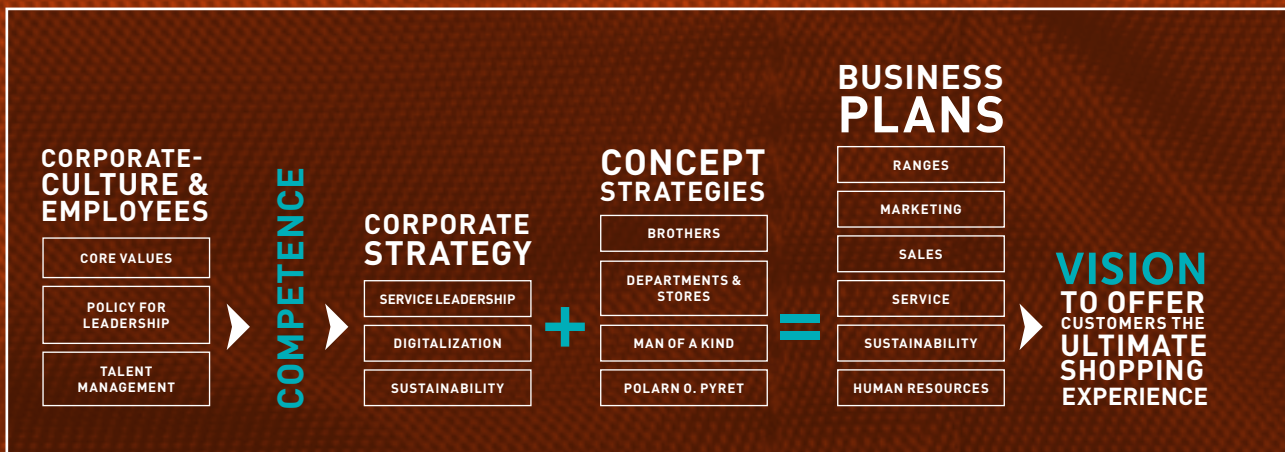
## Vision

RNB RETAIL AND BRANDS' vision is to offer customers the ultimate shopping experience.

## Affärsidé

RNB RETAIL AND BRANDS' business concept is to realize operational synergies through active ownership that develops and distributes brands in distinct concepts and stores offering an attractive range of fashion wear, ready-to-wear clothing, accessories, jewelry and cosmetics where customers are provided with excellent service and a world-class shopping experience.

## Business model



The above figure illustrates how our corporate culture and core values – “The customer is most important”, “We do sustainable and smart business”, “We believe in people” and “Direct communication” – coupled with our strategy and vision, express RNB’s business model and show the way forward. The core values pervade RNB’s operations and define our strong corporate culture, which is a key building block of our strategy. The strategy is then given concrete form in the business plans of individual subsidiaries with the aim of realizing our vision.

The starting point for RNB’s strategy is to operate through four clearly positioned and differentiated store concepts aimed at the respective target groups. The concepts are characterized by inspiring stores, excellent service with a pronounced digital presence, accessibility and attractive fashion ranges. Sales are conducted in large cities, smaller towns and shopping centers and through e-commerce. All aspects of operations are carried out on the basis of achieving clear and long-term sustainability.

# Revenue and earnings RNB Group

## FIRST QUARTER, SEPTEMBER 1, 2018 – NOVEMBER 30, 2018

Reported net sales for the Group were SEK 600 M (583) in the first quarter. Business areas with e-commerce operations all saw continued significant growth in online sales in the quarter. Man of a kind and Polarn O. Pyret increased net sales. For comparable units in Sweden, sales were up by 2.4 percent, and for all national markets sales increased by 2.8 percent expressed in SEK.

The Group's gross margin decreased slightly to 53.9 percent (54.4) in the quarter, with all business areas with the exception of Departments & Stores returning lower margins due to campaigns and increased discounting in the fall.

Total costs increased in the quarter in year-on-year terms. Operating income amounted to SEK 36 M (40).

Net financial items were SEK -10 M (5), of which unrealized gains on currency hedges not affecting cash flow had an effect of SEK -2 M (9).

Profit after tax amounted to SEK 26 M (45).

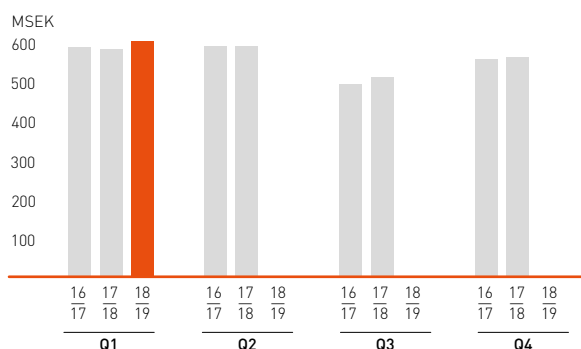
### Market progress in the quarter

In Sweden, clothing sales decreased by -3.7 percent in the quarter according to Stilindex. Sales of men's, women's and children's clothing in Finland decreased by -3.7 percent.

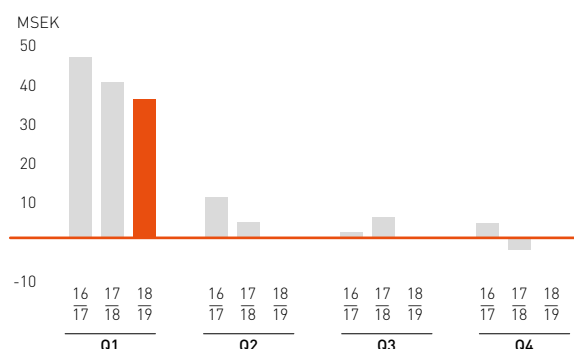
### Group overview

	3 months		12 months	
	Sep 2018 -Nov 2018	Sep 2017 -Nov 2017	Dec 2017 -Nov 2018	Sep 2017 -Aug 2018
Net sales, SEK M	600	583	2,255	2,238
Gross margin, (%)	53.9	54.4	49.8	49.9
Operating income, SEK M	36	40	43	47
Profit before tax, SEK M	26	45	19	39
Profit after tax, SEK M	25	45	16	36
Operating margin (%)	5.9	6.9	1.9	2.1
Earnings per share, SEK	0.75	1.34	0.48	1.07
Cash flow from operating activities, SEK M	47	62	-5	10
Number of sales points	262	266	262	261

### Net sales per quarter



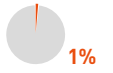



### Operating income per quarter



# Financial overview, business areas

RNB RETAIL AND BRANDS reports net sales and operating income for four business areas: Brothers, Departments & Stores, Man of a kind and Polarn O. Pyret.

Business area	Net sales, Sept-Nov	Share, %	Operating income, Sept-Nov	Own stores		Franchise	
				Stores	E-com	Stores	E-com
<b>BROTHERS</b>	<b>133MSEK</b>	 22%	<b>3MSEK</b>	<b>Total</b>	<b>55</b>	<b>2</b>	<b>16</b>
				Sweden	43	1	16
				Finland	12	1	
DEPARTMENTS & STORES	<b>226MSEK</b>	 38%	<b>12MSEK</b>	<b>Total</b>	<b>41</b>		
				NK Stockholm	26		
				NK Gothenburg	15		
Man of a kind	<b>6MSEK</b>	 1%	<b>-3MSEK</b>	<b>Total</b>		<b>1</b>	
POLARN O. PYRET	<b>235MSEK</b>	 39%	<b>31MSEK</b>	<b>Total</b>	<b>101</b>	<b>5</b>	<b>34</b>
				Sweden	56	3	7
				Norway	27	1	
				Finland	18	1	1
				England			14
				USA			3
				Estonia			2
				Ireland			2
				Scotland			3
				Iceland			1
				Latvia			1
<b>Total</b>	<b>600MSEK</b>		<b>36MSEK</b>		<b>197</b>	<b>8</b>	<b>50</b>
RNB RETAIL AND BRANDS				<b>247</b> stores	<b>15</b> e-com		<b>10</b> countries

Net sales and operating income per business area	3 months		12 months	
	Sep 2018 -Nov 2018	Sep 2017 -Nov 2017	Dec 2017 -Nov 2018	Sep 2017 -Aug 2018
<b>Net sales, SEK M</b>				
Brothers	133.2	130.5	540.0	537.3
Departments & Stores	225.5	230.4	918.6	923.5
Man of a kind	6.2	2.6	16.1	12.5
Polarn O. Pyret	234.6	219.0	780.7	765.1
Central operations & eliminations	0.0	0.0	0.0	0.0
<b>Total</b>	<b>599.5</b>	<b>582.5</b>	<b>2,255.4</b>	<b>2,238.4</b>
<b>Operating income, SEK M</b>				
Brothers	2.6	7.1	18.6	23.1
Departments & Stores	11.9	12.2	28.5	28.8
Man of a kind	-3.0	-2.9	-12.5	-12.4
Polarn O. Pyret	30.8	33.7	40.2	43.1
Central operations & eliminations	-6.7	-10.1	-32.1	-35.5
<b>Total</b>	<b>35.6</b>	<b>40.0</b>	<b>42.7</b>	<b>47.1</b>

# BROTHERS

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Brothers is a men's fashion concept offering a smart alternative to premium brands

## **FIRST QUARTER, SEPTEMBER 1, 2018 – NOVEMBER 30, 2018**

Net sales in the Brothers business area totaled SEK 133 M (131). Sales in comparable stores in Sweden and Finland decreased by 0.1 percent expressed in SEK. E-commerce sales more than doubled in the quarter while store sales decreased. Net sales from franchise stores were down in the quarter compared to the corresponding period in the previous year, partly due to a decrease in the number of franchise stores. Total brand sales (total sales to consumers excluding VAT across all markets) were SEK 603 M (603) on a rolling 12-month basis.

The number of paying customers in comparable stores remained unchanged in Sweden, but was down in Finland

compared to the corresponding period in the previous year. In e-commerce, the number of visitors and the conversion rate increased significantly on both markets.

The business area's gross margin was down in the quarter in year-on-year terms, due to factors including increased discounting and negative exchange rate effects. Expenses were up in the quarter.

Operating income in the quarter was SEK 3 M (7), implying an operating margin of 2.0 percent (5.4).

Inventories decreased in the quarter, but remained up at the end of the quarter in year-on-year terms.





# DEPARTMENTS & STORES

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Departments & Stores offer paying customers an international product mix and world-class service in an inspiring environment

## **FIRST QUARTER, SEPTEMBER 1, 2018 – NOVEMBER 30, 2018**

Net sales in the Departments & Stores business area were SEK 226 M (230), a decrease of 2.1 percent. Visitors to RNB's stores in the two department stores were down in year-on-year terms. Average spend per customer increased, and the conversion rate continued to increase, but did not offset declining visitor numbers.

Gross margin increased compared to the corresponding quarter of the previous year. Expenses were up year-on-year.

Operating income amounted to SEK 12 M (12), with operating margin of 5.3 percent (5.3).

Business area inventories increased in the quarter, a normal trend during the fall. Inventories were slightly higher at the end of the quarter compared to the corresponding period in the previous year.

During the summer and fall, the NK Beauty department in the Stockholm store completed extensive refurbishment. The department has increased its floor space and launched a number of new international brands such as Hourglass, Maison Christian Dior, Jo Malone and Chantecaille. The work is expected to be completed in January 2019.



# Man of a kind

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Man of a kind offers a curated range of the strongest international and Scandinavian brands in an inspiring environment with world-class service

## **FIRST QUARTER, SEPTEMBER 1, 2018 – NOVEMBER 30, 2018**

Net sales in the Man of a kind business area totaled SEK 6 M (3). Visitor numbers more than doubled in year-on-year terms. The conversion rate also improved in the quarter. Gross margin was down compared to the corresponding quarter in the previous year. Marketing, freight and personnel expenses increased in the quarter.

Operating income amounted to SEK -3 M (-3).

Man of a kind's inventories are included in Departments & Stores' inventories.

During the quarter, the range continued to expand to include Tom Ford, Moschino and Billionaire. Male grooming has also been added with brands such as Acqua di Parma, Mühle, Gucci and Prada.



# POLARN O. PYRET

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Based on its devotion to children, Polarn O. Pyret provides the most relevant and attractive range of quality clothing. With expertise, passion and commitment, we guide and inspire our customers to make better purchases—today and in the future

## **FIRST QUARTER, SEPTEMBER 1, 2018 – NOVEMBER 30, 2018**

Net sales totaled SEK 235 M (219) in the quarter. Sales in comparable proprietary stores increased by 4.8 percent on all national markets in year-on-year terms, expressed in SEK. Comparable sales increased on all national markets. A majority of the sales growth was derived from e-commerce operations. Rolling 12-month brand sales (total sales to consumers excluding VAT across all markets and distribution channels) were SEK 907 M (850).

Gross margin for the quarter was down year-on-year as a result of more campaigns in the quarter.

Expenses were up slightly year-on-year.

Operating income amounted to SEK 31 M (34), corresponding to an operating margin of 13.1 percent (15.4). Half of this decrease is attributable to negative allocations to periods.

Business area inventories decreased in the quarter. However, the inventory was higher at the end of the quarter in year-on-year terms.

Polarn O. Pyret was awarded “Design Concept of the Year” at the Habit Fashion Show 2018. The motivation was: “For an excellent and distinctive concept that vitalizes the brand’s core values in a customer-friendly and accessible environment that stimulates and simplifies the buyer’s journey. Carefully considered store design and attractive exposure hit the mark. This concept proves the unbeatable attraction of physical stores.”



# Financial position and liquidity

The Group's total assets amounted to SEK 1,204 M, compared to SEK 1,225 M at the beginning of the financial year. At the end of the period, equity was SEK 408 M against SEK 389 M at the beginning of the financial year, providing an equity/assets ratio of 33.9 percent against 31.8 percent at the beginning of the financial year.

As of November 30, inventories totaled SEK 506 M, against SEK 499 M at the beginning of the financial year.

Cash flow from changes in working capital was positive at SEK 9 M (16), mainly due to changes in current receivables. The increase in inventories was significantly less compared to the corresponding period in the previous year. Cash flow from operating activities was SEK 47 M (62) in the period. After investments, cash flow was SEK 22 M (50).

Net debt decreased to SEK 412 M, against SEK 434 M at the end of the previous financial year. The Group's cash and cash equivalents including unutilized overdraft facilities were SEK 87 M at the end of the period, against SEK 65 M at the end of the previous financial year.

## INVESTMENTS AND DEPRECIATION/AMORTIZATION

Investments during the period, excluding investments in subsidiaries, totaled SEK 25 M (11). Depreciation and amortization totaled SEK -11 M (-11).

## EMPLOYEES

The average number of employees in the period was 997 (1,009).

## RELATED-PARTY TRANSACTIONS

No transactions were conducted between the RNB Group and related parties which materially impacted the Group's financial position and profit/loss. For more information about related-party transactions, see Note 34 of the Annual Report 2017/2018.

## TAX

During the period, the Group paid tax totaling SEK 0 M (0). As the company has non-capitalized loss carry forwards of SEK 711 M the tax expenses are expected to remain low. For more information, see Note 9 of the Annual Report 2017/2018.

## PARENT COMPANY

Parent Company net sales were SEK 27 M (23). Profit after net financial items was SEK -12 M (-5). Investments were SEK 7 M (4).

## SEASONAL VARIATIONS

Retail sales are affected by seasonal variations, with the highest sales generated during the fall and winter. Gross margin is affected by clearance sales. Deviations from normal weather conditions impact both sales and margins. Sales per quarter are relatively evenly distributed during the year, although the first quarter is generally the strongest and the third quarter weakest in terms of sales. Operating income varies significantly between quarters. The first quarter generates a significantly higher share of earnings. The third quarter generally generates the lowest operating income.

## RISKS AND UNCERTAINTIES

RNB is exposed to a number of risk factors that are wholly or partly outside the company's control, but which could affect the Group's earnings and operations.

### *Financial risks*

- Financing risk relating to the Group's borrowing.
- Currency risk in fair value terms and future cash flow where the estimated highest risk is attributable to goods purchased in foreign currency.
- Interest-rate exposure associated with the Group's net debt.

### *Operational risks*

- Demand for RNB's products, like general demand in the retail sector, is affected by changes in overall market conditions, consumer patterns and weather conditions.
- Competition from existing and new operators active in RNB's segments.
- Identifying continuously shifting fashion trends and customer preferences.

For a more detailed description of the Group's risks and risk management, see Note 35 of the 2017/2018 Annual Report.

## REVIEW

This Interim Report has not been subject to review by the Company's Auditors.

*The Board of Directors and President provide their assurance that the Interim Report provides a fair and accurate view of the company's and Group's operations, financial position and results of operations, and describes the material risks and uncertainties the company and the companies included in the Group face.*

Stockholm, Sweden, December 20, 2018

The Board of Directors and Chief Executive Officer of  
RNB RETAIL AND BRANDS AB (publ)

Laszlo Kriss  
*Chairman*

Per Thunell  
*Deputy Chairman*

Monika Elling  
*Board member*

Michael Lemner  
*Board member*

Joel Lindeman  
*Board member*

Sara Wimmercranz  
*Board member*

Magnus Håkansson  
*President and CEO*

# Consolidated Income Statement

SEK M	3 months		12 months	
	Sep 2018 –Nov 2018	Sep 2017 –Nov 2017	Dec 2017 –Nov 2018	Sep 2017 –Aug 2018
Net sales	599.5	582.5	2,255.4	2,238.4
Goods for resale	-276.5	-265.8	-1,132.7	-1,122.0
<b>Gross income</b>	<b>323.0</b>	<b>316.7</b>	<b>1,122.7</b>	<b>1,116.4</b>
Other operating income	6.6	7.1	33.3	33.8
Other external expenses	-141.3	-132.7	-525.5	-516.9
Personnel expenses	-142.0	-140.6	-545.7	-544.3
Depreciation and impairment of non-current assets	-10.7	-10.5	-42.1	-41.9
<b>Operating income</b>	<b>35.6</b>	<b>40.0</b>	<b>42.7</b>	<b>47.1</b>
Financial income	0.7	2.0	3.9	5.2
Financial expenses	-8.9	-5.9	-30.4	-27.4
Unrealized profit/loss on futures contracts	-1.8	9.3	2.7	13.8
<b>Net financial items</b>	<b>-10.0</b>	<b>5.4</b>	<b>-23.8</b>	<b>-8.4</b>
<b>Profit before tax from continuing operations</b>	<b>25.6</b>	<b>45.4</b>	<b>18.9</b>	<b>38.7</b>
Tax on net income for the period	-0.2	0.0	-2.5	-2.3
<b>Net income for the period</b>	<b>25.4</b>	<b>45.4</b>	<b>16.4</b>	<b>36.4</b>
<b>Other comprehensive income</b>				
<i>Other comprehensive income, which will be reclassified to net income in subsequent periods</i>				
Cash flow hedges – value changes	-1.3	10.1	16.9	28.3
Cash flow hedges recognised in income	-6.3	0.0	-7.9	-1.6
Translation differences	0.9	-1.0	-1.6	-3.5
Tax attributable to items in other comprehensive income	-	-	-	-
<b>Comprehensive income for the period</b>	<b>18.7</b>	<b>54.5</b>	<b>23.8</b>	<b>59.6</b>
<b>Net income for the period attributable to:</b>				
Parent Company's shareholders	25.4	45.4	16.4	36.4
	<b>25.4</b>	<b>45.4</b>	<b>16.4</b>	<b>36.4</b>
<b>Comprehensive income attributable to:</b>				
Parent Company's shareholders	18.7	54.5	23.8	59.6
	<b>18.7</b>	<b>54.5</b>	<b>23.8</b>	<b>59.6</b>
<b>Earnings per share before and after dilution (SEK)</b>	<b>0.75</b>	<b>1.34</b>	<b>0.48</b>	<b>1.07</b>
<b>Average number of shares, (000s)</b>	<b>33,912</b>	<b>33,912</b>	<b>33,912</b>	<b>33,912</b>

# Consolidated Cash Flow Statement, in summary

SEK M	3 months		12 months	
	Sep 2018 -Nov 2018	Sep 2017 -Nov 2017	Dec 2017 -Nov 2018	Sep 2017 -Aug 2018
<b>Operating activities</b>				
Operating income	35.6	40.0	42.7	47.1
Interest received and other financial income	0.7	2.0	-1.0	0.3
Interest paid	-9.0	-5.9	-20.4	-17.3
Adjustment for non-cash items	10.6	10.5	43.2	43.1
Tax paid	0.0	0.0	-1.7	-1.7
<b>Cash flow before change in working capital</b>	<b>37.9</b>	<b>46.6</b>	<b>62.8</b>	<b>71.5</b>
<b>Cash flow from change in working capital</b>				
Change in inventories	-5.4	-30.4	-44.6	-69.6
Decrease (+)/increase (-) in current receivables	28.1	4.2	17.2	-6.7
Decrease (-)/increase (+) in current liabilities	-13.7	42.0	-40.5	15.2
<b>Change in working capital</b>	<b>9.0</b>	<b>15.8</b>	<b>-67.9</b>	<b>-61.1</b>
<b>Cash flow from operating activities</b>	<b>46.9</b>	<b>62.4</b>	<b>-5.1</b>	<b>10.4</b>
<b>Cash flow from investing activities</b>	<b>-25.0</b>	<b>-12.2</b>	<b>-79.7</b>	<b>-66.9</b>
<b>Cash flow after investments</b>	<b>21.9</b>	<b>50.2</b>	<b>-84.8</b>	<b>-56.5</b>
<b>Financing activities</b>				
Change in overdraft facility	-26.3	0.0	0.0	26.3
Change in liabilities to financial institutions	0.0	-0.1	0.1	0.0
Issue of Corporate bond	0.0	0.0	395.1	395.1
Amortization of loan	0.0	0.0	-380.0	-380.0
Paid dividend	0.0	0.0	-10.2	-10.2
<b>Cash flow from financing activities</b>	<b>-26.3</b>	<b>-0.1</b>	<b>5.0</b>	<b>31.2</b>
<b>Cash flow during the period</b>	<b>-4.4</b>	<b>50.1</b>	<b>-79.8</b>	<b>-25.3</b>
Cash and cash equivalents at beginning of period	11.3	36.4	86.5	36.4
Exchange difference in cash and cash equivalents	-0.1	0.0	0.1	0.2
<b>Cash and cash equivalents at end of period</b>	<b>6.7</b>	<b>86.5</b>	<b>6.7</b>	<b>11.3</b>

## Consolidated Balance Sheet, in summary

SEK M	Nov 30, 2018	Nov 30, 2017	Aug 31, 2018
<b>Assets</b>			
Intangible assets	449.5	432.0	446.9
Tangible assets	87.3	68.4	77.3
Financial assets	13.5	9.6	13.5
<b>Total non-current assets</b>	<b>550.3</b>	<b>510.0</b>	<b>537.7</b>
Inventories	505.9	458.2	499.3
Current receivables	140.8	149.3	177.2
Cash	6.7	86.5	11.3
<b>Total current assets</b>	<b>653.4</b>	<b>694.0</b>	<b>687.8</b>
<b>Total assets</b>	<b>1,203.7</b>	<b>1,204.0</b>	<b>1,225.5</b>
<b>Shareholders' equity and liabilities</b>			
Equity attributable to the Parent Company shareholders	408.1	394.5	389.4
<b>Total equity</b>	<b>408.1</b>	<b>394.5</b>	<b>389.4</b>
Non-current liabilities	418.8	400.4	418.5
Current liabilities	376.8	409.1	417.6
<b>Total liabilities</b>	<b>795.6</b>	<b>809.5</b>	<b>836.1</b>
<b>Total equity and liabilities</b>	<b>1,203.7</b>	<b>1,204.0</b>	<b>1,225.5</b>

## Changes in shareholders' equity, in summary

SEK M	Sep 2018 –Nov 2018	Sep 2017 –Nov 2017	Sep 2017 –Aug 2018
Opening balance	389.4	340.0	340.0
Net income for the period	25.4	45.4	36.4
<b>Other comprehensive income</b>			
Changes to cash flow hedges	-1.3	10.1	28.3
Cash flow hedges recognised in income	-6.3	-	-1.6
Translation differences	0.9	-1.0	-3.5
<b>Total comprehensive income for the year</b>	<b>18.7</b>	<b>54.5</b>	<b>59.6</b>
Paid dividend	0.0	0.0	-10.2
<b>Balance at end of period</b>	<b>408.1</b>	<b>394.5</b>	<b>389.4</b>



## Key ratios

SEK M	Sep 2018 –Nov 2018	Sep 2017 –Nov 2017	Dec 2017 –Nov 2018	Sep 2017 –Aug 2018
Gross margin, %	53.9	54.4	49.8	49.9
Operating margin, %	5.9	6.9	1.9	2.1
Equity/assets ratio, %	33.9	32.8	33.9	31.8
Interest coverage ratio, x	3.4	8.7	1.6	2.4
Ratio of net debt and operating income before depreciation/amortization	8.9	6.2	4.9	4.9
Net debt, MSEK	412.1	313.9	412.1	433.5
Net debt/equity ratio, %	101.0	79.6	101.0	111.3
Return on equity, %	6.4	12.4	4.1	10.0
Return on capital employed, %	4.4	6.7	6.1	8.4
Average number of shares, 000s	33,912	33,912	33,912	33,912
Number of shares at end of period, 000s	33,912	33,912	33,912	33,912
Profit after tax per share, SEK	0.75	1.34	0.48	1.07
Equity per share at end of period, SEK	12.03	11.63	12.03	11.48
Average number of employees, full time	997	1,009	1,009	1,021

## Shareholders

Largest shareholders as of November 30, 2018

	Number of shares	Share capital/ Votes, %
Konsumentföreningen Stockholm	11,246,598	33.2
Novobis AB	4,000,000	11.8
Catella Fondförvaltning	2,098,805	6.2
Avanza Pension Försäkringsaktiebolaget	1,897,042	5.6
Hans Björstrand	1,289,000	3.8
Pareto Securities AS	986,249	2.9
Nordnet pensionsförsäkring AB	959,102	2.8
Skandia Leben	336,500	1.0
Johan Fahlin	335,503	1.0
Anders Olsson	250,000	0.7
<b>Total 10 largest shareholders</b>	<b>23,398,799</b>	<b>69.0</b>
Other	10,513,377	31.0
<b>Total</b>	<b>33,912,176</b>	<b>100.0</b>

Source: Euroclear Sweden AB

## Income Statement per quarter, Group

SEK M	Q1		Q4		Q3		Q2	
	2018/ 2019	2017/ 2018	2017/ 2018	2016/ 2017	2017/ 2018	2016/ 2017	2017/ 2018	2016/ 2017
Net sales	599.5	580.9	560.7	554.0	509.5	490.4	587.2	588.8
Goods for resale	-276.5	-265.8	-301.0	-290.6	-243.1	-226.9	-312.1	-315.8
<b>Gross income</b>	<b>323.0</b>	<b>315.1</b>	<b>259.7</b>	<b>263.4</b>	<b>266.4</b>	<b>263.5</b>	<b>275.1</b>	<b>273.0</b>
Other operating income	6.6	8.7	6.5	13.1	9.3	8.1	9.4	8.6
Other external expenses	-141.3	-132.7	-133.1	-128.9	-123.1	-124.6	-128.0	-117.4
Personnel expenses	-142.0	-140.6	-124.8	-132.2	-137.0	-133.6	-141.9	-141.5
Depreciation and impairment of non-current assets	-10.7	-10.5	-11.1	-11.4	-10.0	-11.7	-10.3	-12.1
<b>Operating income</b>	<b>35.6</b>	<b>40.0</b>	<b>-2.8</b>	<b>4.0</b>	<b>5.6</b>	<b>1.7</b>	<b>4.3</b>	<b>10.6</b>
Financial income	0.7	2.0	2.7	-0.3	1.2	0.8	-0.7	-0.2
Financial expenses	-8.9	-5.9	-9.1	-5.2	-9.4	-3.8	-3.0	-4.5
Unrealized profit/loss on futures contracts	-1.8	9.3	-1.5	-10.6	5.8	-9.1	0.2	-9.6
<b>Net financial items</b>	<b>-10.0</b>	<b>5.4</b>	<b>-7.9</b>	<b>-16.1</b>	<b>-2.4</b>	<b>-12.1</b>	<b>-3.5</b>	<b>-14.3</b>
<b>Profit before tax from continuing operations</b>	<b>25.6</b>	<b>45.4</b>	<b>-10.7</b>	<b>-12.1</b>	<b>3.2</b>	<b>-10.4</b>	<b>0.8</b>	<b>-3.7</b>
Tax on net income for the quarter	-0.2	0.0	-2.1	-0.7	-0.2	-1.6	0.0	1.0
<b>Net income for the quarter</b>	<b>25.4</b>	<b>45.4</b>	<b>-12.8</b>	<b>-12.8</b>	<b>3.0</b>	<b>-12.0</b>	<b>0.8</b>	<b>-2.7</b>
<b>Other comprehensive income</b>								
Other comprehensive income, to be reclassified to net income in subsequent quarters								
Cash flow hedges – value changes	-1.3	13.7	2.7	-5.6	7.7	-	4.2	-
Cash flow hedges recognised in income	-6.3	-3.6	-1.6	-	3.9	-	-0.3	0.0
Translation differences	0.9	-1.0	-0.7	1.5	-0.3	-0.1	-1.5	0.1
Tax attributable to items in other comprehensive income	-	-	0.0	-	0.0	-	0.0	-
<b>Comprehensive income for the quarter</b>	<b>18.7</b>	<b>54.5</b>	<b>-12.4</b>	<b>-16.9</b>	<b>14.3</b>	<b>-12.1</b>	<b>3.2</b>	<b>-2.6</b>

## Key ratios per quarter

SEK M	Q1		Q4		Q3		Q2	
	2018/ 2019	2017/ 2018	2017/ 2018	2016/ 2017	2017/ 2018	2016/ 2017	2017/ 2018	2016/ 2017
Gross margin, %	53.9	54.2	46.3	47.5	52.3	53.7	46.8	46.4
Operating margin, %	5.9	6.9	-0.5	0.7	1.1	0.3	0.7	1.8
Return on equity, %	6.4	12.4	-3.2	-3.7	0.8	-3.3	0.2	-0.7
Number of shares at end of quarter, 000s	33,912	33,912	33,912	33,912	33,912	33,912	33,912	33,912
Profit after tax per share, SEK	0.75	1.34	-0.38	-0.38	0.09	-0.35	0.02	-0.08
Equity per share at end of quarter, SEK	12.03	11.63	11.48	10.03	11.85	10.52	11.43	10.88
Total equity	408.1	394.5	389.4	340.0	401.8	356.9	387.5	369.0
Cash flow per share from operating activities	1.4	1.8	-1.1	-0.7	0.1	0.3	-0.5	0.8
Cash flow from operating activities	46.9	62.4	-38.9	-23.6	3.0	11.2	-15.9	25.7
Share price at end of quarter, SEK	6.7	11.3	8.3	12.8	7.3	12.8	8.8	18.6

## Income Statement, Parent Company

SEK M	3 months		12 months	
	Sep 2018 –Nov 2018	Sep 2017 –Nov 2017	Dec 2017 –Nov 2018	Sep 2017 –Aug 2018
Net sales	27.4	22.9	96.9	92.4
Other operating income	1.8	1.3	5.1	4.6
	<b>29.2</b>	<b>24.2</b>	<b>102.0</b>	<b>97.0</b>
<b>Operating expenses</b>				
Other external expenses	-18.6	-19.0	-69.6	-70.0
Personnel expenses	-14.5	-12.8	-53.0	-51.3
Depreciation and impairment of non-current assets	-3.0	-2.8	-11.8	-11.6
<b>Operating income</b>	<b>-6.9</b>	<b>-10.4</b>	<b>-32.4</b>	<b>-35.9</b>
Result from participations in group companies		0.0	44.7	44.7
Financial income	1.3	9.3	6.2	14.2
Financial expenses	-6.7	-3.8	-25.0	-22.1
<b>Result after financial items</b>	<b>-12.3</b>	<b>-4.9</b>	<b>-6.5</b>	<b>0.9</b>
Taxes	-	-	-	-
<b>Net income for the period</b>	<b>-12.3</b>	<b>-4.9</b>	<b>-6.5</b>	<b>0.9</b>

Comprehensive income for the period corresponds to net income for the period

## Balance Sheet, Parent Company, in summary

SEK M	Nov 30, 2018	Nov 30, 2017	Aug 31, 2018
<b>Assets</b>			
Intangible assets	44.3	25.4	40.0
Property, plant and equipment	3.4	4.6	3.8
Financial assets	567.4	566.7	567.0
Deferred tax assets	117.3	64.9	140.4
Other current assets	0.0	73.9	0.0
<b>Total assets</b>	<b>732.4</b>	<b>735.5</b>	<b>751.2</b>
<b>Shareholders' equity and liabilities</b>			
Equity	246.8	263.6	259.1
Non-current liabilities	395.6	380.0	395.1
Current liabilities	90.0	91.9	97.0
<b>Total equity and liabilities</b>	<b>732.4</b>	<b>735.5</b>	<b>751.2</b>

# Reconciliation of key ratios

SEK M	3 months		12 months	
	Sep 2018 -Nov 2018	Sep 2017 -Nov 2017	Dec 2017 -Nov 2018	Sep 2017 -Aug 2018
Net sales	599.5	582.5	2,255.4	2,238.4
Goods for resale	-276.5	-265.8	-1,132.7	-1,122.0
<b>Gross profit</b>	<b>323.0</b>	<b>316.7</b>	<b>1,122.7</b>	<b>1,116.4</b>
Other operating income	6.6	7.1	33.3	33.8
Other external expenses	-141.3	-132.7	-525.5	-516.9
Personnel expenses	-142.0	-140.6	-545.7	-544.3
Depreciation and impairment of non-current assets	-10.7	-10.5	-42.1	-41.9
<b>Operating income (EBIT)</b>	<b>35.6</b>	<b>40.0</b>	<b>42.7</b>	<b>47.1</b>
Interest income and similar profit/loss items	0.7	2.0	3.9	5.2
Interest expenses and similar profit/loss items	-8.9	-5.9	-30.4	-27.4
Unrealized profit/loss on futures contracts	-1.8	9.3	2.7	13.8
<b>Net financial items</b>	<b>-10.0</b>	<b>5.4</b>	<b>-23.8</b>	<b>-8.4</b>
<b>Profit/loss after financial items</b>	<b>25.6</b>	<b>45.4</b>	<b>18.9</b>	<b>38.7</b>
Adjustments:				
Tax on net profit/loss for the period	-0.2	0.0	-2.5	-2.3
<b>Net income for the period</b>	<b>25.4</b>	<b>45.4</b>	<b>16.4</b>	<b>36.4</b>
Operating income	35.6	40.0	42.7	47.1
Depreciation and impairment of non-current assets	10.7	10.5	42.1	41.9
<b>Operating income before depreciation, amortization and impairment of non-current assets (EBITDA)</b>	<b>46.3</b>	<b>50.5</b>	<b>84.8</b>	<b>89.0</b>
Loans	0.0	380.0	0.0	0.0
Contingent consideration	23.2	20.4	23.2	23.4
Other non-current interest-bearing liabilities	395.6	0.0	395.6	395.1
<b>Non-current liabilities</b>	<b>418.8</b>	<b>400.4</b>	<b>418.8</b>	<b>418.5</b>
Loans	0.0	380.0	0.0	0.0
Contingent consideration	23.2	20.4	23.2	23.4
Other non-current interest-bearing liabilities	395.6	0.0	395.6	395.1
Other current interest-bearing liabilities	0.0	0.0	0.0	26.3
Cash and cash equivalents	-6.7	-86.5	-6.7	-11.3
<b>Net debt</b>	<b>412.1</b>	<b>313.9</b>	<b>412.1</b>	<b>433.5</b>
Equity, opening balance	389.4	340.0	394.5	340.0
Equity, closing balance	408.1	394.5	408.1	389.4
<b>Average equity</b>	<b>398.8</b>	<b>367.3</b>	<b>401.3</b>	<b>364.7</b>
Total assets	1,203.7	1,204.0	1,203.7	1,225.5
Trade payables	-177.0	-207.8	-177.0	-204.1
Other current liabilities	-199.8	-201.3	-199.8	-213.5
<b>Capital employed</b>	<b>826.9</b>	<b>794.9</b>	<b>826.9</b>	<b>807.9</b>
Net income for the period	25.4	45.4	16.4	36.4
Average equity	398.8	367.3	401.3	364.7
<b>Return on equity, %</b>	<b>6.4</b>	<b>12.4</b>	<b>4.1</b>	<b>10.0</b>
Capital employed, opening balance	807.9	739.1	794.9	739.1
Capital employed, closing balance	826.9	794.9	826.9	807.9
<b>Average capital employed</b>	<b>817.4</b>	<b>767.0</b>	<b>810.9</b>	<b>773.5</b>
Interest expenses and similar profit/loss items	-8.9	-5.9	-30.4	-27.4
Unrealized expense on futures contracts	-1.8	0.0	0.0	0.0
Profit before tax from continuing operations	25.6	45.4	18.9	38.7
Average capital employed	817.4	767.0	810.9	773.5
<b>Return on capital employed, %</b>	<b>4.4</b>	<b>6.7</b>	<b>6.1</b>	<b>8.5</b>
Operating income	35.6	40.0	42.7	47.1
Interest income and similar profit/loss items	0.7	2.0	3.9	5.2
Unrealized income on futures contracts	0.0	9.3	2.7	13.8
<b>Profit/loss after financial income</b>	<b>36.3</b>	<b>51.3</b>	<b>49.3</b>	<b>66.1</b>

# Definition of key ratios

This report contains financial metrics not defined in IFRS. These financial metrics are used to monitor, analyze and control operations, and to provide the Group's stakeholders with financial information about the Group's financial position, results and performance. These financial targets are considered necessary to follow and control the progress of the Group's financial targets and are therefore presented on a continual basis.

A list of definitions of the key ratios used in this report follows.

## MARGIN METRICS

### *Gross profit margin*

Net sales less goods for resale in relation to net sales.

*Purpose:* The margin illustrates the proportion of sales remaining to cover other expenses.

### *Operating margin*

Operating income as a percentage of net sales.

*Purpose:* The margin measures operational profitability.

## RETURN METRICS

### *Return on equity*

Net income excluding minority interests as a percentage of average equity. Average equity is calculated as equity attributable to parent company shareholders at the beginning of the year plus equity attributable to parent company shareholders at year-end divided by two.

*Purpose:* The measure illustrates returns generated on shareholders' equity.

### *Return on capital employed*

Profit/loss after net financial items plus financial expenses as a percentage of average capital employed. Average capital employed is calculated as capital employed at the beginning of the year plus capital employed at year-end divided by two. Capital employed is calculated as equity plus interest-bearing liabilities.

*Purpose:* Return generated by the company independently of financing.

## FINANCIAL METRICS

### *Equity/assets ratio*

Shareholders' equity in relation to total assets.

*Purpose:* The equity/assets ratio indicates the proportion of assets financed by shareholders' equity.

### *Net debt*

Loans and other current and non-current interest-bearing liabilities less financial assets including cash and cash equivalents.

*Purpose:* Net debt illustrates the company's ability to use cash and cash equivalents to repay interest-bearing liabilities if they were to become due on the day of calculation.

### *Net debt/equity ratio*

Net debt as a percentage of equity attributable to parent company shareholders.

*Purpose:* The measure illustrates the company's financial strength.

### *Interest coverage ratio*

Profit/loss after net financial items plus financial expenses divided by financial expenses and the expense for unrealized profit/loss on futures contracts.

*Purpose:* The interest coverage ratio illustrates the company's ability to cover its financial expenses.

### *Ratio of net debt and operating income before depreciation/amortization*

Debt less investments and cash and cash equivalents divided by operating income before depreciation/amortization.

*Purpose:* The measure illustrates the company's ability to pay its debts.

## SHARE-BASED METRICS

### *Equity per share*

Equity attributable to parent company shareholders divided by the number of shares at the end of the period.

*Purpose:* The measure illustrates shareholders' equity per share.

### *Earnings per share*

Net income divided by the weighted average number of shares in the period.

*Purpose:* The measure is used to assess investment progress from a shareholder perspective.

## OTHER TERMS

### *Number of full-time employees*

Total number of hours of attendance during the past 12-month period divided by the normal hours worked per year in each country.

### *Average number of shares*

Weighted average of outstanding common shares in the period.

### *Sales for comparable units, change, %*

Change in sales for comparable units including e-commerce after adjustment for opened/closed units and exchange rate effects.

### *Sales points*

Physical stores, own e-commerce sites and e-commerce partnerships.

### *Stilindex*

The index of sales growth of clothing in proprietary stores and on internet in Sweden, as measured in comparable units and in current prices. Presented by Svensk Handel Stil. HUI Research is responsible for data collection and processing.

# Noter

## NOTE 1 ACCOUNTING POLICIES

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The Interim Report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2—Accounting for Legal Entities. The accounting policies applied correspond to the information provided in the Annual Report 2017/2018 with the exception that the Group apply IFRS 9 and IFRS 15 as of 1 September 2018.

In the Interim Report, gross profit is reported separately, which diverges from the presentation in the Annual Report.

Furthermore, since the previous quarter, unrealized losses on currency hedges that fail to comply with hedge accounting are reported, in the Group, on a dedicated line under Net financial items.

In the third quarter 2017/2018 Brothers reclassified re-invoiced rent from Net sales to Other operating income. Previous periods have been adjusted.

*IFRS 9 Financial Instruments.* The Group has evaluated the reservation of doubtful accounts receivable and the transition to IFRS 9 did not have any significant effects.

*IFRS 15 Revenue from Customer Contracts.* The RNB Group's primary income is derived from sales of goods to consumers and franchisees, where the performance commitment, the point in time when the customer gains control over an item, and when payment is made, are clearly distinguishable. Accordingly, the transition to IFRS 15 did not have any material impact on the RNB Group's revenue recognition. The point in time when control over an item is transferred to the customer corresponds to the point in time when revenue is recognized by the RNB Group according to IAS 18. Regarding revenue recognition for rights of return, loyalty schemes and gift vouchers, the Group considers that no material differences arised from the transition to IFRS 15.

### **New IFRS standards that have been issued but not yet become effective**

*IFRS 16 Leases,* applies to financial years starting January 1, 2019, which for RNB Retail and Brands means the financial year 2019/2020. The company's preliminary assessment is that the standard will significantly affect the Financial Statements as the standard will result in the reporting of material assets and liabilities attributed to the Group's rental agreements for its premises.

The Group has initiated preparations ahead of implementing the standard and has started upgrading its systems support and has adapted its internal reporting to ensure compliance with the regulatory framework.

## NOTE 2 FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

The Group's financial instruments consist of cash and cash equivalents, trade receivables, accrued income, other receivables, trade payables, interest-bearing liabilities, accrued expenses, conditional purchase consideration and other liabilities and currency derivatives. Trade receivables and trade payables are reported at estimated fair value. Group borrowing is reported at accrued cost. Currency derivatives in the form of currency futures and currency options are valued at fair value based on the valuation of credit institutions in accordance with level 2 in the Fair value hierarchy.

The Group uses derivative instruments to manage currency risks in USD and EUR. Hedge accounting is applied when there is an effective link between hedged future cashflows and financial derivatives.

Furthermore, since the previous quarter, unrealized losses on currency hedges that fail to comply with hedge accounting are reported on a dedicated line under Net financial items.

Fair value of financial derivatives was SEK 13 (2) M.

# RNB RETAIL AND BRANDS

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