

Fourth quarter – 1 February to 30 April 2018

- Sales increased by 7% to 1,683 MSEK (1,575), up 6% in local currencies
- Operating profit amounted to -106 MSEK (17), impacted by non-recurring cost and allocation of cost related to strategy implementation of 45 MSEK in total
- Earnings after tax amounted to -86 MSEK (20)
- Earnings per share was -1.36 SEK (0.31)
- The store portfolio was expanded by 5 stores (net)



During the quarter, we celebrated Clas Ohlson's 100th anniversary with a number of attractive offerings and surprises.

Financial year – 1 May 2017 to 30 April 2018

- Sales increased by 3% to 8,211 MSEK (7,990), up 3% in local currencies
- Operating profit amounted to 468 MSEK (610), impacted by non-recurring cost and allocation of cost related to strategy implementation of 70 MSEK in total
- Profit after tax amounted to 358 MSEK (479)
- Earnings per share amounted to 5.66 SEK (7.59)
- Cash flow from operating activities amounted to 373 MSEK (699)
- The proposed dividend is 6.25 SEK per share (6.25)

+7%
sales

+7%
sales in May

Events after the end of the reporting period

- Sales in May increased by 7% to 604 MSEK (566), up 4% in local currencies
- A new strategy and financial targets was presented on 3 May

| | 3 Months | | | 12 Months | | |
|---|------------------------|------------------------|----------------------|------------------------|------------------------|----------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | Percentage change | May 2017 - Apr 2018 | May 2016 - Apr 2017 | Percentage change |
| Sales, MSEK | 1,683 | 1,575 | 7 | 8,211 | 7,990 | 3 |
| Operating profit, MSEK | -106 | 17 | - | 468 | 610 | -23 |
| Profit before tax, MSEK | -106 | 17 | - | 467 | 609 | -23 |
| Profit after tax, MSEK | -86 | 20 | - | 358 | 479 | -25 |
| Gross margin, % | 36.7 | 42.0 | -5.3 p.e | 40.0 | 41.2 | -1.2 p.e |
| Operating margin, % | -6.3 | 1.1 | -7.4 p.e | 5.7 | 7.6 | -1.9 p.e |
| Return on capital employed, % | - | - | - | 21.0 | 28.4 | -7.4 p.e |
| Return on equity, % | - | - | - | 16.0 | 22.4 | -6.4 p.e |
| Equity/assets ratio, % | 53.9 | 57.7 | -3.8 p.e | 53.9 | 57.7 | -3.8 p.e |
| Earnings per share before dilution, SEK | -1.36 | 0.31 | - | 5.66 | 7.59 | -25 |

The 2017/18 financial year comprises the period from 1 May 2017 to 30 April 2018. This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

This is such information that Clas Ohlson AB (publ) is obliged to publish pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted for publication, through the agency of the contact person set out above, on 8 June 2018 at 7:00 a.m. (CET).

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New strategy for growth in a new time

During the fourth quarter we began implementing our new strategy, which will be necessary for Clas Ohlson's long-term future growth. During the period, we invested in developing our customer base for growth and was negatively impacted by currency. Fourth-quarter sales totalled 1,683 MSEK, an increase of 7 per cent year-on-year.

Retail is undergoing changes, and the willingness and ability to test new solutions to meet customers' needs – and new ways of shopping – are of importance. In addition, the conditions in today's market require new approaches going forward for ensuring profitability. Clas Ohlson's new strategy aims at precisely this, and takes its starting point from our strong brand and our broad customer base built up over the years.

In the fourth quarter, we began the change to this strategy, in which we make use of our financial strength and our underlying earnings to invest in the future. Sales increased by 7 per cent in the quarter, equivalent to a sales increase in local currency of 6 per cent. Sales in comparable units and local currency increased by 3 per cent. Online sales increased 48 per cent, though from low levels.

The SEK weakened during the quarter, negatively impacting earnings for the fourth quarter, which in terms of sales is Clas Ohlson's smallest. During the period, we also carried out extensive commercial initiatives – above all to strengthen the price position in relation to the consumer, but also investments in marketing. This negatively impacted earnings during the quarter compared with the preceding year, but will strengthen Clas Ohlson's competitiveness over the long term.

We also reported non-recurring costs of 45 MSEK during the quarter, linked with such issues as the development and launch of the new strategy and the implementation of a number of initiatives under it. Costs linked to the now-complete implementation of the IT platform sCORE, as well as costs for completing the store closure programme in the UK also form part of the non-recurring costs.

All these initiatives impacted earnings negatively, and we reported an operating loss totalling 106 MSEK for the fourth quarter.

Today, we are also reporting sales in May that increased by 7 per cent to 604 MSEK. Online sales increased by 24 per cent in May.

A quarter characterised by a high level of activity and high energy

During the quarter, we celebrated Clas Ohlson's 100th anniversary, not least with attractive customer offerings and surprises in both our stores and in our online shopping channel. We also opened an additional 5 stores during the quarter. Another milestone for the company is that on 27 March, we received our first ever customer order via MatHem.se. After a successful pilot process in April and May, a full-scale launch is under way in June that will cover approximately 700 products with delivery from MatHem's distribution centers in Stockholm, Gothenburg and Malmö in Sweden.

Clas Ohlson's new "100 More Years" strategy and new financial targets were presented at a Capital Markets Day in Stockholm on 3 May. The strategy will develop the company for long-term profitable growth. One of the central parts of the strategy is increased initiatives in online operations to achieve rapid growth and to double online sales every other year, in parallel with efforts to increase flexibility in our store network. Other central portions of the strategy are developing a more focused product offering oriented on the home, offering supplementary services, and finally – last but not least – simplifying and enhancing the efficiency of operations to lower costs.

As a link in developing an even more accessible and relevant offering, during the quarter we began initiatives such as improvements to the Clas Fixer service, which was launched during the autumn. We also began the preliminary phase of an



Sales remained stable during our fourth quarter, which was also marked by a high level of

activity around implementing our new strategy to make use of the opportunities in the changes in retail.

initiative to offer same-day or next-day shipping directly to the customer's door in the metropolitan areas in our markets, with a start prior to the 2018 Christmas shopping season. All this to further increase the availability and convenience of our offering.

As a link in developing even more efficient operations, we began using "big data" methods and tools during the quarter in order, for example, to optimise our commercial processes and campaigns.

Focus on long-term value creation – at least 100 more years

The fourth quarter of 2017/18 is the beginning of something new. It is the first quarter of our transition under the new strategy. We intend to keep the same pace of transformation, and we will continue our commercial initiatives to strengthen our customer offering over the next few quarters. In a period of change for the entire retail sector, we are also changing the course for Clas Ohlson. This means investments over the short term, and creates conditions for long-term competitiveness and profitable growth.



Lotta Lyrå
President and CEO of Clas Ohlson AB

New financial targets and frameworks

- Sales will increase organically an average of 5 per cent annually over a five-year period
- Operating margin will amount to 6–8 per cent within a five-year period
- Net debt in relation to EBITDA to be below two (2) times
- The dividend is to comprise at least 50 per cent of earnings per share after tax, considering the company's financial position

| Financial information | Calendar | |
|--|-------------|-----------------------------|
| Current financial information is available at about.clasohlson.com/en/investors . | 5 Sep 2018 | Three-month Report 2018/19 |
| | 8 Sep 2018 | Annual General Meeting 2018 |
| Press and analyst conference | 5 Dec 2018 | Six-month Report 2018/19 |
| The report will be presented on Friday, 8 June, at 8:30 a.m. by teleconference or audio broadcast. The presentation can also be followed on about.clasohlson.com/q4-2018 . | 13 Mar 2019 | Nine-month Report 2018/19 |
| | 5 Jun 2019 | Year-end Report 2018/19 |
| | 4 Sep 2019 | Three-month Report 2019/20 |

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Operations

Clas Ohlson works to help and inspire people to improve their everyday life by offering smart, simple, practical solutions at attractive prices. Our customer offering comprises a base of hardware, electrical, multimedia, home and leisure products as well as a supplementary offering of services that simplify customers' daily lives at home. Operations are conducted in Sweden, Norway, Finland, the UK and Germany via stores and online shopping.

Business environment and market¹

Retail sales in Sweden increased by 4.3 per cent compared with the same quarter in the preceding year, at current prices. During the quarter, consumer confidence in Sweden was 1.7, a quarter-on-quarter decline (7.5) and a decline year-on-year (3.4).

Retail sales in Norway increased by 2.5 per cent compared with the same quarter in the preceding year, at current prices. During the quarter, consumer confidence in Norway amounted to 9.2, a quarter-on-quarter decline (10.3) and an increase year-on-year (8.1).

Retail sales in Finland decreased by 3.1 per cent compared with the same quarter in the preceding year, at current prices. During the quarter, consumer confidence in Finland was 24.6, a quarter-on-quarter increase (23.7) and an increase year-on-year (21.7).

Retail sales in the UK increased by 3.5 per cent compared with the same quarter in the preceding year, at current prices. During the quarter, consumer confidence in the UK was -8.7, a quarter-on-quarter increase (-11.3) and a decline year-on-year (-6.3).

Sales

Fourth quarter

Sales for the fourth quarter increased by 7 per cent to 1,683 MSEK (1,575). In local currencies, sales increased by 6 per cent compared to the fourth quarter of the preceding year. Sales in comparable units and local currency increased by 3 per cent. Online sales for the fourth quarter increased by 48 per cent to 72 MSEK (49).

During the quarter, the store network was expanded by 5 stores (3). At the end of the quarter, the total number of stores was 229, representing a net increase of 13 stores compared with the year-earlier period (11).

Financial year

Sales for the financial year increased by 3 per cent to 8,211 MSEK (7,990). In local currencies, sales increased by 3 per cent year-on-year. Sales in comparable units and local currency were unchanged. Online sales for the financial year increased by 33 per cent to 295 MSEK (222).

During the financial year, the store network was expanded by 13 stores (11).

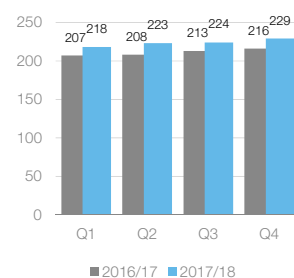
Distribution of sales

| MSEK | 3 Months | | | | 12 Months | | | |
|------------------------------|------------------------|------------------------|-------------------|-------------------|------------------------|------------------------|-------------------|-------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | Percentage change | | May 2017 - Apr 2018 | May 2016 - Apr 2017 | Percentage change | |
| | | | SEK | local currency | | | SEK | local currency |
| Sweden | 749 | 707 | 6 | 6 | 3,658 | 3,588 | 2 | 2 |
| Norway | 673 | 632 | 6 | 6 | 3,287 | 3,190 | 3 | 5 |
| Finland | 202 | 180 | 12 | 5 | 998 | 913 | 9 | 7 |
| Outside Nordic countries* | 59 | 56 | 5 | 1 | 268 | 299 | -10 | -10 |
| Total** | 1,683 | 1,575 | 7 | 6 | 8,211 | 7,990 | 3 | 3 |

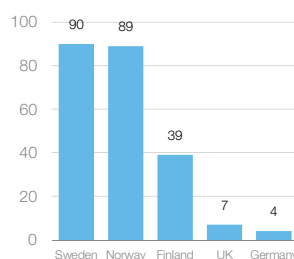
* Effected by store optimization in the UK

** Of which 72 MSEK (49) for the quarter and 295 MSEK (222) for the fiscal year comprises online sales.

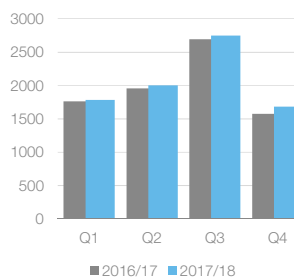
Total number of stores



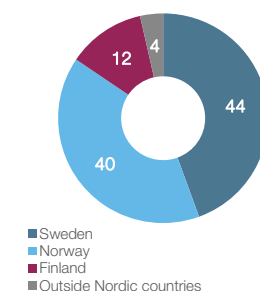
Distribution of numbers of stores



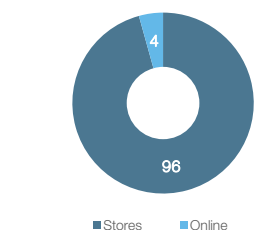
Sales, MSEK



Distribution of sales, %



Distribution per sales channel, %



¹ Source: HUI, National Institute of Economic Research, Office for National Statistics, Opinion, Statistics Finland, Statistics Norway, Trading Economics.

Distribution of sales increase

| Per cent | 3 Months | 12 Months |
|------------------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | May 2017 - Apr 2018 |
| Comparable units in local currency | 3 | 0 |
| New stores | 3 | 3 |
| Exchange-rate effects | 1 | 0 |
| Total | 7 | 3 |

Results

Fourth quarter

The gross margin declined to 36.7 per cent, down 5.3 percentage points compared with the year-earlier period (42.0).

Three factors impacted the gross margin to equal extents during the quarter: exchange-rate effects, increased commercial investments and other effects. The exchange-rate effects are related to delays in inventory, currency hedges in NOK and a stronger USD. The commercial initiatives related to margin investments to drive sales and effects of increasing online shopping. Other effects include increased sourcing costs and negative investment differences.

The share of selling expenses increased by 1.4 percentage points to 39.7 per cent (38.3). The share of selling expenses increased as a result of the strategic initiatives initiated during the quarter totalling approximately 25 MSEK, which is an allocation of costs as part of the strategic plan that has now been brought forward a quarter. In addition, the share decreased as a result of reduced costs in the UK and increased sales in comparable units, which was counteracted by increased commercial investments and higher costs in Germany.

Administrative expenses increased by around 10 MSEK as a result of the strategic review.

Operating earnings amounted to -106 MSEK (17). Operating profit, in addition to the above costs for strategic review and strategic initiatives, was impacted by non-recurring costs totalling approximately 10 MSEK, consisting of costs in connection with implementing a new business system and future costs associated with optimisation of the store network in the UK.

The operating margin was -6.3 per cent (1.1). Loss after financial items totalled -106 MSEK (17).

Depreciation for the period amounted to 56 MSEK (55).

Spot exchange rates for key currencies averaged 1.06 for NOK and 8.24 for USD, compared with 1.05 and 8.92, respectively, year-on-year. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

Financial year

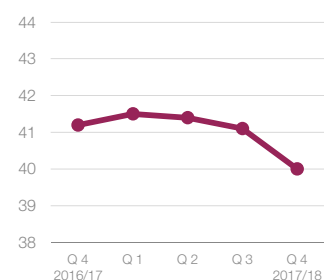
The gross margin was 40.0 per cent, down 1.2 percentage points compared with the year-earlier period (41.2). During the financial year, the gross margin was negatively impacted by the stronger USD, increased commercial investments, the weaker NOK and higher sourcing costs, which were offset by both currency hedges (NOK) and exchange-rate effects related to the delays in inventory.

The share of selling expenses increased by 0.3 percentage points to 31.4 per cent (31.1). The share of selling expenses increased as a result of the strategic initiatives begun during the financial year totalling approximately 25 MSEK, which is an allocation of costs as part of the strategic plan that has now been brought forward a quarter. In addition, the share has decreased as a result of decreased costs in the UK, which were offset by unchanged sales in comparable units.

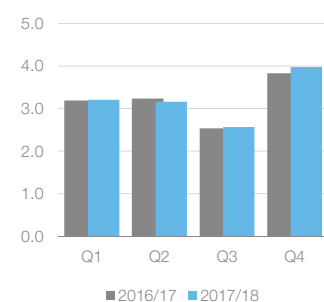
Administrative expenses increased approximately 30 MSEK as a result of the strategic review and the 5 MSEK donation to the Clas Ohlson Foundation decided by the 2017 AGM.

Operating profit amounted to 468 MSEK (610). Operating profit, in addition to the above costs for strategic review and strategic initiatives, was impacted by non-recurring costs totalling approximately 10 MSEK, consisting of costs in connection

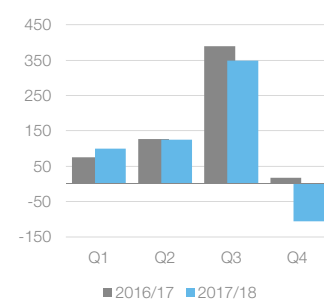
Gross margin rolling 12 months, %



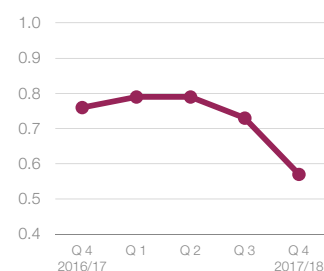
Share of selling expenses, %



Operating profit, MSEK



Operating margin rolling 12 months, %



with implementing a new business system and future costs associated with optimisation of the store network in the UK.

The operating margin was 5.7 per cent (7.6). Profit after financial items totalled 467 MSEK (609).

Depreciation for the financial year amounted to 226 MSEK (230).

Spot exchange rates for key currencies averaged 1.03 for NOK and 8.31 for USD, compared with 1.05 and 8.74, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

Investments

Operating profit during the financial year amounted to 497 MSEK (264). Of this amount, 224 MSEK referred to acquisitions of shares, including transaction expenses, corresponding to 10 per cent of MatHem i Sverige AB. In addition, 82 MSEK (128) pertains to investments in new or refurbished stores. Other investments were primarily IT and replacement investments. During the financial year, investments in IT systems amounted to 124 MSEK (106).

Financing and liquidity

Cash flow from operating activities during the financial year totalled 373 MSEK (699). Cash flow for the financial year, after investing and financing activities, totalled -514 MSEK (17). An investment of 224 MSEK was made in MatHem i Sverige AB in December 2017. The cash dividend paid to Clas Ohlson's shareholders in September 2017 totalled 395 MSEK (362).

The average 12-month value of inventories was 1,869 MSEK (1,739). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 6.5 times (6.6).

At the end of the financial year, the value of inventories was 2,038 MSEK (1,631). To ensure the continuity of the supply chain, an inventory expansion has been planned ahead of implementing the inventory module in the new sCORE IT platform. Compared with the preceding year, 13 stores, net, were added.

During the period, buy-backs of the company's own shares to secure the Long Term Incentive Plan 2017 (LTI 2017) amounted to 21 MSEK (76).

At the end of the financial year, the Group's net cash holdings, meaning cash and cash equivalents less interest-bearing liabilities, amounted to 116 MSEK (625). The equity/assets ratio was 54 per cent (58).

Employees

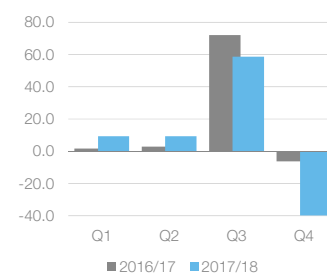
The average number of employees in the Group was approximately 4,800, recalculated to full-time equivalents, this corresponds to an average of 2,951 (2,835). The increase was mainly related to new stores.

Parent Company

During the financial year, Parent Company sales amounted to 6,444 MSEK (6,384) and profit after financial items totalled 298 MSEK (604).

Investments during the financial year totalled 403 MSEK (169). An investment of 224 MSEK was made in MatHem i Sverige AB in December 2017. Contingent liabilities for the Parent Company amounted to 273 MSEK (252).

Cash flow, MSEK*



* from operating activities

Events after the end of the reporting period

Sales in May

In May, sales increased by 7 per cent to 604 MSEK (566). In local currencies, sales increased by 4 per cent compared with the preceding year. Sales in May in comparable units and local currency increased by 1 per cent. Online sales in May increased by 24 per cent to 28 MSEK (23).

Compared with the same month of the preceding year, the store portfolio was expanded net by 14 stores (10). At the end of the period, the total number of stores was 231.

Distribution of sales

| MSEK | May 2018 | May 2017 | Percentage change | |
|--------------------------|------------|------------|-------------------|----------------|
| | | | SEK | local currency |
| Sweden | 271 | 270 | 0 | 0 |
| Norway | 240 | 213 | 13 | 7 |
| Finland | 72 | 64 | 12 | 5 |
| Outside Nordic countries | 21 | 19 | 10 | 5 |
| Total* | 604 | 566 | 7 | 4 |

* Of which 28 MSEK (23) comprises online sales.

Implementation of the strategy has begun, and new targets have been launched

Clas Ohlson's new "100 more years" strategy was presented at a Capital Markets Day on 3 May – a strategy that will develop the company for future profitable growth, with the important component of developing online operations. Clas Ohlson will also become even more relevant to the customer by offering a more focused product offering while adding a supplementary range of services.

On the same day, Clas Ohlson announced new financial targets and frameworks for the company over the forthcoming five-year period:

- Sales will increase organically an average of 5 per cent annually over a five-year period
- Operating margin will amount to 6–8 per cent within a five-year period
- Net debt in relation to EBITDA to be below two (2) times
- The dividend policy remains unchanged from previous policy. The dividend is to comprise at least 50 per cent of earnings per share after tax, considering the company's financial position.

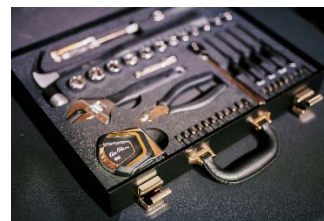
For more information about Clas Ohlson's new strategy and financial targets, please see <https://about.clasohlson.com/cmd2018>.

Costs associated with the new strategy

As previously communicated, 1-2 percentage points of the underlying operating margin are expected to be invested annually in strategic initiatives during the first two years. The fourth quarter should be regarded as the first quarter of our change in accordance with the new strategy.

A number of strategic initiatives were launched during the fourth quarter, the impact of which is approximately 25 MSEK. This is an allocation of costs under the framework of the strategic plan that has now been brought forward by a quarter.

As previously communicated, the strategic overview and launch of the new strategy were charged to the fourth quarter and the two subsequent quarters in an amount of approximately 10 MSEK per quarter. In connection with the internal launch of the strategy, we will gather together all our employees in Tällberg in August 2018, where we will also take the opportunity to celebrate Clas Ohlson's 100th anniversary.



On 2 June, Clas Ohlson Limited Edition was launched – an homage to our founder in the form of a limited run of a carefully selected range of everyday products with an exclusive twist.



Clas Ohlson's new strategy, as well as its new financial targets and frameworks, were presented at a Capital Markets Day in Stockholm.

Dividend proposal

The Board of Directors proposes that a dividend of 6.25 SEK per share (6.25) be paid for the 2017/18 financial year. The proposed dividend amounts to a total of 410 MSEK (410), which corresponds to 115 per cent (86) of the financial year's profit after tax.

Long-term incentive plans

End of performance period, Long-term Incentive Plan, LTI 2015

The qualification and performance periods for the LTI 2015 long-term incentive plan ran from 1 May 2015 until 30 April 2018. After the end of the reporting period, a total of 9,659 shares were allotted on 2 May in accordance with the AGM's resolution regarding share matching of one share per share purchased to those participants who remained employed after the three-year qualification period.

The established performance criteria regarding average sales growth and increased earnings per share for the period 2015–2018 were not achieved, meaning that no options were allotted to the participants and, accordingly, the LTI 2015 has been concluded.

LTI 2018 and utilisation of authorisation to buy back shares

In May 2018, the long-term incentive plan LTI 2018 was introduced under the same structure as LTI 2017. Senior management will purchase shares in LTI 2018 in mid-June. The exercise price for the conditional employee stock options has been set at SEK 93.80 per share, with exercise possible, following the three-year qualification period between June 2021 and April 2025.

On 9 September 2017, the Annual General Meeting of Clas Ohlson AB authorised the Board of Directors to acquire a maximum of 860,000 shares during the period until the next Annual General Meeting to secure the company's commitment in connection with the introduction of a share-based incentive programme, LTI 2018. The total number of shares required to secure the undertaking for LTI 2018 is estimated at 850,000. The entire LTI 2018 undertaking can be secured by using shares that were bought back to secure previous LTI plans where the need has been recalculated.

As per 30 April 2018, the company's holding of Clas Ohlson treasury shares amounted to 2,391,865 shares, corresponding to 4 per cent of the total number of registered shares.

Update on expansion

10-15 new stores, net, were planned during the 2017/18 financial year. At the end of the financial year, the store network had expanded by 13 stores, net. The number of forthcoming, contracted store openings amounted to nine stores. See the summary on page 23.

As a stage in the optimisation of the store network in the UK, initiated during the 2016/17 financial year, the closure of an additional store (Croydon) remains. It will be closed by the end of August 2018.

In accordance with Clas Ohlson's new financial target, online sales must at least double every other year during the coming five-year period. During the 2017/18 financial year, online sales increased by 33 per cent.

Update on new business system

Clas Ohlson's implementation of the new sCORE IT platform is a strategically important initiative and a programme that will run from the 2013/14 financial year until 2018/19. Our new business system – modern, scalable and flexible – creates the preconditions for better forecasts and planning, and simplifies and enhances the efficiency of processes and working methods.

As a consequence of this strategic plan, online sales will be moved from the ongoing implementation of the IT platform sCORE to be included instead in the development of a new digital platform whose financing is included in the financial plan linked to the strategy. With this change, the investment linked to sCORE will



Clas Ohlson's third Norwegian Compact Store was opened in March, this time at Rykkinn Center in Bærum.

amount to the previously communicated 500 MSEK over the five-year period from 2013/14 to 2018/19.

Changes to Clas Ohlson's management

Clas Ohlson has recruited Pär Christiansen to the role of CFO. Pär comes most recently from his role as CFO of Gant, and has previously held executive positions at Transcom, MTR and SAS. He will assume his position as CFO on 1 July 2018.

Risks and uncertainties

Clas Ohlson's operations entail risks that could negatively impact the Group to varying extents. Work is continuously carried out to update the Group's risk situation through a documented and systematic process in which risks are identified, assessed, monitored and reported. Those risks deemed to have the greatest negative potential based on the probability of occurrence and their possible impact on operations are prioritised. This work contributes to the strategic and operational management of the company.

Operational risks primarily comprise establishments in new markets, purchasing in Asia, IT systems, competition, logistics, strikes, key employees, social responsibility, product range and shrinkage, while financial risks mainly comprise economic conditions, wage inflation, raw-material prices, transport costs and exchange-rate exposure.

For a detailed description of the Group's risks and risk management, refer to pages 76-79 of the 2016/17 Annual Report. Apart from the risks described in the Annual Report, no other significant risks have arisen.

The company's auditors have not reviewed this report.

Insjön, Sweden, 8 June 2018

Lotta Lyrå
President and CEO

Financial statements

Consolidated Income Statement

| MSEK | 3 Months | | 12 Months | |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Sales | 1,683.1 | 1,574.8 | 8,210.7 | 7,990.1 |
| Cost of goods sold | -1,065.9 | -912.7 | -4,926.6 | -4,698.6 |
| Gross profit | 617.3 | 662.2 | 3,284.1 | 3,291.5 |
| Selling expenses | -668.1 | -603.2 | -2,579.7 | -2,485.2 |
| Administrative expenses | -56.6 | -43.0 | -237.1 | -193.1 |
| Other operating income/expenses | 1.5 | 1.5 | 1.0 | -3.4 |
| Operating profit | -105.9 | 17.5 | 468.3 | 609.9 |
| Financial income | 0.2 | 0.4 | 0.7 | 0.7 |
| Financial expense | -0.6 | -0.5 | -1.9 | -1.6 |
| Profit after financial items | -106.3 | 17.4 | 467.1 | 608.9 |
| Income tax | 20.6 | 2.2 | -109.3 | -130.2 |
| Profit for the period | -85.7 | 19.5 | 357.8 | 478.7 |

Consolidated Comprehensive Income Statement

| MSEK | 3 Months | | 12 Months | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Profit for the period | -85.7 | 19.5 | 357.8 | 478.7 |
| Other comprehensive income, net of tax: | | | | |
| Items that later can be reversed back to the Consolidated income statement: | | | | |
| Exchange rate differences | 58.5 | -3.8 | 54.3 | 22.9 |
| Cash flow hedging | 6.1 | 7.4 | -9.3 | 21.6 |
| Total | 64.6 | 3.6 | 45.0 | 44.5 |
| Items that later can not be reversed back to the Consolidated income statement: | | | | |
| Reevaluation of net pension obligations | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0,0 | 0,0 | 0,0 | 0,0 |
| Total other comprehensive income, net of tax | 64.6 | 3.6 | 45.0 | 44.5 |
| Total comprehensive income for the period | -21.1 | 23.1 | 402.8 | 523.2 |

Data per share

| | 3 Months | | 12 Months | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Number of shares before dilution | 63,208,135 | 63,008,773 | 63,200,598 | 63,052,803 |
| Number of shares after dilution | 63,234,209 | 63,209,448 | 63,311,743 | 63,254,614 |
| Number of shares at end of period | 63,208,135 | 63,083,438 | 63,208,135 | 63,083,438 |
| Earnings per share before dilution, SEK | -1.36 | 0.31 | 5.66 | 7.59 |
| Earnings per share after dilution, SEK | -1.36 | 0.31 | 5.65 | 7.57 |
| Comprehensive income per share, SEK | -0.33 | 0.37 | 6.37 | 8.30 |

Consolidated Balance Sheet

| MSEK | 30 Apr 2018 | 30 Apr 2017 |
|---|----------------|----------------|
| Assets | | |
| Intangible assets | 428.2 | 340.2 |
| Tangible assets | 1,041.3 | 1,064.3 |
| Securities held as fixed assets | 224.5 | - |
| Non-current receivables | 14.9 | 18.5 |
| Inventories | 2,038.0 | 1,630.7 |
| Other receivables | 336.9 | 220.6 |
| Liquid assets | 115.8 | 625.1 |
| Total assets | 4,199.7 | 3,899.4 |
| Equity and liabilities | | |
| Equity | 2,263.9 | 2,250.7 |
| Long-term liabilities, Non-interest-bearing | 227.4 | 226.8 |
| Current liabilities, Non interest-bearing | 1,708.4 | 1,421.9 |
| Total equity and liabilities | 4,199.7 | 3,899.4 |

Consolidated Cash Flow

| MSEK | 3 Months | | 12 Months | |
|--|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Operating profit | -105.9 | 17.5 | 468.3 | 609.9 |
| Adjustment for items not included in cash flow | 34.1 | 43.4 | 208.6 | 212.5 |
| Interest received | 0.2 | 0.4 | 0.7 | 0.7 |
| Interest paid | -0.6 | -0.5 | -1.9 | -1.6 |
| Tax paid | -41.8 | -57.8 | -131.8 | -160.8 |
| Cash flow from operating activities before changes in working capital | -114.1 | 3.0 | 543.9 | 660.6 |
| Change in working capital | -284.9 | -66.8 | -171.0 | 38.4 |
| Cash flow from operating activities | -399.0 | -63.8 | 372.8 | 698.9 |
| Investments in intangible assets | -35.3 | -27.7 | -124.0 | -105.9 |
| Investments in tangible assets | -39.1 | -43.4 | -148.8 | -157.6 |
| Investments in securities held as fixed assets | -0.5 | 0.0 | -224.5 | 0.0 |
| Change in current investments | 0.0 | -0.0 | 0.1 | 0.1 |
| Cash flow from investing activities | -74.8 | -71.1 | -497.2 | -263.5 |
| Repurchase of own shares | 0.0 | 0.0 | -20.9 | -75.7 |
| Sale of own shares | 0.0 | 7.2 | 26.1 | 19.7 |
| Dividend to shareholders | 0.0 | 0.0 | -395.0 | -362.0 |
| Cash flow from financing activities | 0.0 | 7.2 | -389.8 | -418.0 |
| Cash flow for the period | -473.8 | -127.7 | -514.2 | 17.5 |
| Liquid assets at the start of the period | 584.0 | 753.3 | 625.1 | 604.3 |
| Exchange rate difference for liquid assets | 5.7 | -0.5 | 4.9 | 3.3 |
| Liquid assets at the end of the period | 115.9 | 625.1 | 115.9 | 625.1 |

Sales by segment

| | 3 Months | | 12 Months | |
|---------------------------|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| MSEK | | | | |
| Sweden | 749.1 | 706.8 | 3,657.6 | 3,587.8 |
| Norway | 672.5 | 631.9 | 3,286.8 | 3,190.1 |
| Finland | 202.1 | 179.7 | 998.1 | 912.9 |
| Outside Nordic countries* | 59.3 | 56.5 | 268.2 | 299.3 |
| Group functions | 454.9 | 487.8 | 2,783.9 | 2,784.7 |
| Sales to other segments | -454.9 | -487.8 | -2,783.9 | -2,784.7 |
| Total | 1,683.1 | 1,574.8 | 8,210.7 | 7,990.1 |

* Effected by store optimization in the UK

Operating profit by segment

| | 3 Months | | 12 Months | |
|--------------------------|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| MSEK | | | | |
| Sweden | 30.9 | 35.0 | 150.3 | 147.3 |
| Norway | 28.5 | 31.3 | 138.6 | 134.4 |
| Finland | 6.8 | 6.3 | 32.0 | 28.9 |
| Outside Nordic countries | 2.8 | 2.8 | 9.1 | 10.7 |
| Group functions | -175.0 | -57.9 | 138.2 | 288.6 |
| Total | -105.9 | 17.5 | 468.3 | 609.9 |

Specification of change in profits*

| | 3 Months | 12 Months |
|---|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | May 2017 - Apr 2018 |
| MSEK | | |
| Profit from sales | -25.1 | -30.2 |
| Decreased gross margin | -89.8 | -98.3 |
| Increased administrative expenses** | -13.6 | -44.0 |
| Decreased expansion costs stores*** | 5.3 | 22.1 |
| Change in depreciation | -0.2 | 4.4 |
| Change in other operating income/expense | -0.1 | 4.3 |
| Change in financial income/expense | -0.3 | -0.3 |
| Change in profit after financial items | -123.7 | -141.8 |

*The table shows the change in profit after financial items compared with previous year.

** Includes costs for strategic review for about 10 MSEK each for quarter two, three and four and donation to the Clas Ohlson Foundation for about 5 MSEK.

*** During the first quarter 2016/17 includes start-up costs for the business operations in Germany.

Securities held as fixed assets, valued at fair value*

| MSEK | 30 Apr 2018 | 30 Apr 2017 |
|---|----------------|----------------|
| Securities held as fixed assets, valued at fair value at the beginning of the year | 0.0 | 0.0 |
| Acquisition | 224.5 | 0.0 |
| Revaluation during the year | 0.0 | 0.0 |
| Securities held as fixed assets, valued at fair value at the end of the year | 224.5 | 0.0 |

*According to level three in the fair value hierarchy

Change in equity

| (attributable to the Parent company shareholders) | 12 Months | |
|---|------------------------|------------------------|
| | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| MSEK | | |
| Equity brought forward | 2,250.7 | 2,138.8 |
| Dividend to shareholders | -395.0 | -362.0 |
| Repurchase of own shares | -20.9 | -75.7 |
| Sale of own shares | 26.1 | 19.7 |
| Paid-in option premiums: | | |
| Value of employee services | 0.2 | 6.7 |
| Total comprehensive income | 402.8 | 523.2 |
| Equity carried forward | 2,263.9 | 2,250.7 |

Forward contracts

As per balance-sheet date, outstanding cash-flow hedging existed according to the following table per currency pair (carrying amount and fair value)

| MSEK | 30 Apr 2018 | 30 Apr 2017 |
|-----------------|----------------|----------------|
| Sell/buy | | |
| NOK/SEK | -10.7 | 1.5 |
| NOK/USD | 4.4 | 5.0 |
| SEK/USD | 0.8 | 0.0 |
| Total | -5.5 | 6.5 |

Forward contracts belong to the derivative category, which is used for hedging purposes. All derivatives are measured at fair value, established by using forward contract prices on balance-sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 13. As per 30 April 2018 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled 14.1 MSEK (0.8), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to 8.6 MSEK (7.2), which is recognized in the item Other receivables. The company hedges the expected flow in each currency every month, with six-month maturities. A deferred tax asset of 1.2 MSEK (previous year a deferred tax liability 1.4) was taken into account and the remaining fair value of -4.3 MSEK (5.0) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of 4.4 MSEK (5.0) is allocated on the currency pair NOK/SEK with -18.0 MSEK (12.7) and on the currency pair SEK/USD with 22.4 MSEK (-7.7).

Key ratios

| | 3 Months | | 12 Months | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Sales growth, % | 6.9 | 4.7 | 2.8 | 5.1 |
| Gross margin, % | 36.7 | 42.0 | 40.0 | 41.2 |
| Operating margin, % | -6.3 | 1.1 | 5.7 | 7.6 |
| Return on capital employed, % | - | - | 21.0 | 28.4 |
| Return on equity, % | - | - | 16.0 | 22.4 |
| Equity/assets ratio, % | 53.9 | 57.7 | 53.9 | 57.7 |
| Net debt/EBITDA | - | - | 0.0 | 0.0 |
| Sales per sq.m in stores, SEK thousand | - | - | 31 | 31 |
| Number of stores at period end | 229 | 216 | 229 | 216 |
| Number of employees at period end | 2,951 | 2,835 | 2,951 | 2,835 |
| Data per share | | | | |
| Number of shares before dilution | 63,208,135 | 63,008,773 | 63,200,598 | 63,052,803 |
| Number of shares after dilution | 63,234,209 | 63,209,448 | 63,311,743 | 63,254,614 |
| Number of shares at period end | 63,208,135 | 63,083,438 | 63,208,135 | 63,083,438 |
| Earnings per share before dilution, SEK | -1.36 | 0.31 | 5.66 | 7.59 |
| Earnings per share after dilution, SEK | -1.36 | 0.31 | 5.65 | 7.57 |
| Comprehensive income per share, SEK | -0.33 | 0.37 | 6.37 | 8.30 |
| Cash flow per share*, SEK | -6.31 | -1.01 | 5.90 | 11.08 |
| Equity per share, SEK | 35.82 | 35.68 | 35.82 | 35.68 |
| Share price 30 April, SEK | 96 | 147 | 96 | 147 |
| Dividend per share, SEK | - | - | 6,25** | 6.25 |
| P/E ratio | - | - | 17 | 19 |
| Yield, % | - | - | 6.5 | 4.3 |
| Dividend proportion, % | - | - | 110 | 82 |

* From the operating activities

** Proposed dividend

Quarterly overview

| MSEK | Q4* 15/16 | Q1 16/17 | Q2 16/17 | Q3 16/17 | Q4 16/17 | Q1 17/18 | Q2 17/18 | Q3 17/18 | Q4 17/18 |
|-------------------------------------|---------------|--------------|--------------|----------------|--------------|--------------|--------------|----------------|---------------|
| Sales | 1,503.9 | 1,763.5 | 1,956.6 | 2,695.2 | 1,574.8 | 1,782.6 | 1,999.1 | 2,745.9 | 1,683.1 |
| Cost of goods sold | -890.8 | -1,074.5 | -1,144.1 | -1,567.3 | -912.7 | -1,059.9 | -1,175.7 | -1,625.1 | -1,065.9 |
| Gross profit | 613.1 | 689.0 | 812.5 | 1,127.9 | 662.2 | 722.7 | 823.3 | 1,120.8 | 617.3 |
| Selling expenses | -590.3 | -563.0 | -634.4 | -684.7 | -603.2 | -572.6 | -632.3 | -706.8 | -668.1 |
| Administrative expenses | -43.2 | -49.4 | -49.4 | -51.3 | -43.0 | -49.8 | -65.9 | -64.7 | -56.6 |
| Other operating income/expenses | -105.8 | -1.2 | -1.8 | -1.9 | 1.5 | -0.2 | -0.2 | -0.2 | 1.5 |
| Operating profit | -126.2 | 75.4 | 127.0 | 390.0 | 17.5 | 100.1 | 124.9 | 349.2 | -105.9 |
| Financial income | 0.4 | 0.2 | 0.1 | 0.0 | 0.4 | 0.1 | 0.1 | 0.3 | 0.2 |
| Financial expense | -0.1 | -0.1 | -0.5 | -0.5 | -0.5 | -0.3 | -0.5 | -0.5 | -0.6 |
| Profit after financial items | -126.0 | 75.5 | 126.5 | 389.5 | 17.4 | 99.9 | 124.5 | 349.0 | -106.3 |
| Income tax | 18.6 | -17.6 | -30.2 | -84.6 | 2.2 | -22.5 | -28.7 | -78.6 | 20.6 |
| Profit for the period | -107.4 | 57.9 | 96.4 | 305.0 | 19.5 | 77.4 | 95.8 | 270.4 | -85.7 |

Assets

| | | | | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Intangible assets | 270.6 | 285.6 | 297.6 | 321.3 | 340.2 | 360.8 | 376.4 | 401.4 | 428.2 |
| Tangible assets | 1,127.2 | 1,104.6 | 1,101.8 | 1,075.8 | 1,064.3 | 1,036.3 | 1,037.7 | 1,029.2 | 1,041.3 |
| Securities held as fixed assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 224.0 | 224.5 |
| Non-current receivables | 18.1 | 18.2 | 18.6 | 18.4 | 18.5 | 18.5 | 18.5 | 18.5 | 14.9 |
| Inventories | 1,639.2 | 1,720.6 | 1,988.8 | 1,616.6 | 1,630.7 | 1,695.6 | 2,067.8 | 1,880.3 | 2,038.0 |
| Other receivables | 263.4 | 263.8 | 269.0 | 213.3 | 220.6 | 230.4 | 257.8 | 222.6 | 336.9 |
| Liquid assets | 604.3 | 494.7 | 220.2 | 753.3 | 625.1 | 668.4 | 295.8 | 584.0 | 115.8 |
| Total assets | 3,922.8 | 3,887.4 | 3,896.0 | 3,998.8 | 3,899.4 | 4,010.1 | 4,054.1 | 4,360.0 | 4,199.7 |

Equity and liabilities

| | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Equity | 2,138.8 | 2,166.8 | 1,921.0 | 2,218.9 | 2,250.7 | 2,297.7 | 2,026.3 | 2,285.3 | 2,263.9 |
| Long-term liabilities, Non-interest-bearing | 195.1 | 197.1 | 174.4 | 214.3 | 226.8 | 233.4 | 236.0 | 231.2 | 227.4 |
| Current liabilities, Interest-bearing | 0.0 | 0.0 | 120.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities, Non interest-bearing | 1,588.9 | 1,523.6 | 1,680.3 | 1,565.5 | 1,421.9 | 1,479.0 | 1,791.9 | 1,843.4 | 1,708.4 |
| Total equity and liabilities | 3,922.8 | 3,887.4 | 3,896.0 | 3,998.8 | 3,899.4 | 4,010.1 | 4,054.1 | 4,360.0 | 4,199.7 |

Key ratios for the period

| | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Gross margin, % | 40.8 | 39.1 | 41.5 | 41.8 | 42.0 | 40.5 | 41.2 | 40.8 | 36.7 |
| Operating margin, % | -8.4 | 4.3 | 6.5 | 14.5 | 1.1 | 5.6 | 6.2 | 12.7 | -6.3 |
| Earnings per share before dilution, SEK | -1.70 | 0.91 | 1.53 | 4.84 | 0.31 | 1.22 | 1.52 | 4.28 | -1.36 |
| Earnings per share after dilution, SEK | -1.69 | 0.91 | 1.53 | 4.83 | 0.31 | 1.22 | 1.51 | 4.27 | -1.36 |
| Equity per share, SEK | 33.75 | 34.42 | 30.51 | 35.22 | 35.68 | 36.36 | 32.06 | 36.16 | 35.82 |

* During the fourth quarter 2015/16 a non-recurring cost of 107.0 MSEK related to the restructuring of the store network in the UK affected the result. In addition, there was a tax effect on non-deductible expenses estimated to 7.1 MSEK.

Seasonal fluctuations

Clas Ohlson's market and operations are influenced by consumer purchasing behaviour. The company's product range is particularly well suited to Christmas preparations and Christmas shopping, which means that the third quarter (November-January) is generally the strongest quarter of the financial year. This is followed by the second and first quarters and, finally, the fourth quarter, which is the weakest in terms of sales and profit.

Parent Company Income Statement

| MSEK | Note | 3 Months | | 12 Months | |
|-------------------------------------|------|------------------------|------------------------|------------------------|------------------------|
| | | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Sales | | 1,204.0 | 1,198.1 | 6,444.1 | 6,384.2 |
| Cost of goods sold | 1 | -1,004.2 | -905.1 | -4,817.6 | -4,579.7 |
| Gross profit | | 199.8 | 293.1 | 1,626.5 | 1,804.5 |
| Selling expenses | 1 | -344.3 | -274.2 | -1,244.9 | -1,150.9 |
| Administrative expenses | 1 | -39.6 | -27.9 | -195.8 | -149.1 |
| Other operating income/expenses | | 0.6 | -0.6 | 1.0 | -1.8 |
| Operating profit | | -183.5 | -9.6 | 186.8 | 502.7 |
| Dividends from group companies | | 108.8 | 103.2 | 112.7 | 103.2 |
| Financial income | | 0.8 | 0.4 | 1.3 | 0.4 |
| Financial expense | | -0.7 | -0.5 | -2.7 | -2.2 |
| Profit after financial items | | -74.6 | 93.3 | 298.0 | 604.1 |
| Appropriations | | 12.8 | -76.2 | 12.8 | -76.2 |
| Profit before tax | | -61.8 | 17.1 | 310.8 | 527.9 |
| Income tax | | 38.2 | 24.0 | -45.7 | -91.7 |
| Profit for the period | | -23.6 | 41.2 | 265.1 | 436.3 |

Parent Company Comprehensive Income Statement

| MSEK | 3 Months | | 12 Months | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Profit for the period | -23.6 | 41.2 | 265.1 | 436.3 |
| Other comprehensive income, net of tax: | | | | |
| Items that later can be reversed back to the Consolidated income statement: | | | | |
| Income from hedge of net investment in foreign operations | 11.6 | 3.8 | 11.3 | 2.4 |
| Other comprehensive income, net of tax | 11.6 | 3.8 | 11.3 | 2.4 |
| Total comprehensive income | -12.0 | 45.0 | 276.4 | 438.7 |

Note 1 Depreciations

| | 3 Months | | 12 Months | |
|------------------------------|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Depreciations for the period | 36.4 | 38.0 | 151.5 | 157.5 |

Parent Company Balance Sheet

| MSEK | 30 Apr 2018 | 30 Apr 2017 |
|---|----------------|----------------|
| Assets | | |
| Intangible assets | 428.2 | 340.2 |
| Tangible assets | 713.8 | 775.6 |
| Financial assets | 423.0 | 186.3 |
| Inventories | 1,327.6 | 1,062.0 |
| Other receivables | 348.5 | 205.2 |
| Liquid assets | 36.9 | 540.9 |
| Total assets | 3,278.1 | 3,110.2 |
| Equity and liabilities | | |
| Equity | 885.3 | 998.5 |
| Untaxed reserves | 1,035.7 | 1,048.5 |
| Provisions | 50.7 | 46.0 |
| Long-term liabilities, Non-interest-bearing | 5.0 | 5.0 |
| Current liabilities, Non interest-bearing | 1,301.4 | 1,012.2 |
| Total equity and liabilities | 3,278.1 | 3,110.2 |

Accounting policies

Clas Ohlson applies the International Financial Reporting Standards (IFRS) adopted by the EU. This interim report has been prepared in accordance with the Swedish Annual Accounts Act, IAS 34 Interim Financial Reporting and RFR 1 Supplementary Accounting Rules for Groups. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in the notes and elsewhere in this interim report.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2. The same accounting policies are applied as for the Group, except in those cases described under the section headed "Parent Company accounting policies" in the 2016/17 Annual Report on page 103. The same accounting policies and calculation methods are applied as in the latest annual report.

For a more detailed description of the accounting policies applied to the Group and Parent Company in this interim report, refer to the 2016/17 Annual Report, pages 100-104.

New accounting policies for 2018/19 and onward

IFRS 9 Financial Instruments: Recognition and Measurement. The standard enters force for financial years that begin on 1 January 2018 or later (financial year 2018/19 for Clas Ohlson) and at that point replaces IAS 39 Financial instruments: Recognition and Measurement. The standard is divided into three parts: classification and measurement, hedge accounting and impairment. The Group has begun its evaluation of the effects of the new standard.

IFRS 15 Revenue from Contracts with Customers, the new revenue standard, enters force on 1 January 2018 or later, and where Clas Ohlson is concerned replaces both IAS 18 Revenue and IFRIC 13 Customer Loyalty Programmes. The majority – approximately 96 per cent – of all Clas Ohlson's sales are store sales. Recognition in accordance with current principles regarding store sales corresponds well with the principles in IFRS 15, which is based on revenue being recognised when control over a commodity transfers to the customer. Variable payments attributable to store sales, such as discounts and price reductions, are not impacted by the introduction of the new standard. Regarding the remaining

4 per cent of revenue relating to online shopping, the introduction of the new standard will not impact recognition of revenue concerning these portions. Work is under way on the design of future disclosures in accordance with IFRS 15.

IFRS 16 Leases, the new lease standard entering force on 1 January 2019 or later, with 2018/19 as the comparison year, will impact Clas Ohlson. The new standard differs materially from the current IAS 17. It applies to all leases, as well as to subletting. A linear operating cost is replaced with a “front-heavy” cost profile for each individual lease. Portfolios with a spread of maturities are impacted less. One project has been established and an analysis of how the reports will be impacted, in terms of amounts, will continue through 2018 and going forward. The transition method has not yet been selected.

Key ratio definitions

Clas Ohlson uses certain financial measures in this interim report that are not defined in accordance with IFRS. Clas Ohlson believes that these key ratios are relevant to users of the financial report as a supplement for assessing Clas Ohlson's performance. These financial measures are not always comparable with the measures used by other companies since not all companies calculate such financial measures in the same way. Accordingly, these financial measures are not to be regarded as a replacement for measures defined according to IFRS. The measures not defined according to IFRS are presented below, unless otherwise stated.

Average inventory value

Average inventory value is calculated as the total inventories for the most recent 12 months divided by 12.

Capital employed

Balance-sheet total (total assets) less current liabilities and non-current liabilities, non-interest-bearing liabilities.

Cash flow from operating activities

Operating profit adjusted for items not included in cash flow, interest, paid tax and change in working capital.

Cash flow from operating activities per share

Cash flow from operating activities divided by the average number of shares before dilution.

Comprehensive income per share

Comprehensive income divided by average number of shares before dilution.

Dividend yield

Dividend per share divided by the year-end share price.

Earnings per share (before and after dilution)*

Profit for the period divided by the number of shares (before and after dilution).

EBITDA

Earnings before interest, taxes, depreciation and amortization

Equity/assets ratio

Equity at the end of the period divided by the balance-sheet total (total assets).

Equity per share

Equity divided by the number of shares outstanding at the end of the period.

Gross margin

Gross profit divided by sales for the period.

Gross profit

Gross profit is calculated as the total of sales less cost of goods sold.

Net debt/EBITDA

Net debt divided by EBITDA for the latest 12 months period.

Non-recurring cost

Cost that is not regularly found in the business.

Operating margin

Operating profit divided by sales for the period.

Operating profit

Operating profit comprises profit before financial items and tax.

Payout ratio

Dividend divided by earnings per share before dilution.

P/E ratio

Share price at year-end divided by earnings per share before dilution.

*Defined in accordance with IFRS.

Return on capital employed

Operating profit plus financial income expressed as a percentage of average capital employed. Average capital employed is calculated as the total capital employed for the most recent 12 months divided by 12.

Return on equity

Net profit for the period expressed as a percentage of average equity. Average equity is calculated as the total equity for the most recent 12 months divided by 12.

Sales growth

Sales in relation to sales during the year-earlier period.

Working capital

The total of current assets, minus cash and cash equivalents (inventories and current receivables), less current non-interest-bearing liabilities.

Glossary

Average receipt

Average amount per purchase.

Clas Office

Our concept that facilitates purchases for our corporate customers.

Club Clas

Our loyalty program, our loyalty club.

Code of Conduct

The standards we set for ourselves, and the suppliers of our products and services, regarding working conditions, workplace health and safety and the environment.

Comparable units

Units that have been in operation during the current period and the entire year-earlier period.

Conversion rate

The percentage of visitors who make a purchase.

Franchise

Concept whereby we “rent” our brand to an external player, who operates a store under our name.

GRI

The Global Reporting Initiative, a global standard for sustainability reporting.

Nasdaq Stockholm

Marketplace for trading with securities, where Clas Ohlson’s Series B share is listed.

Omni-channel

A shopping experience where customers perceive a seamless interaction between physical stores, the online store and telephone sales.

Products for a more sustainable lifestyle

Products with a positive, or significantly lower, environmental impact throughout their life cycle than a standard product.

Sales per square metre

Store sales in relation to the effective retail space. For new stores, a conversion has been made in relation to how long the store has been open.

sCORE

Systems for Clas Ohlson Retail Efficiency, our project for the introduction of a new business system.

Store traffic

Number of visitors.

Alternative performance measures

This section contains a reconciliation of certain alternative performance measures (APMs) with the closest reconcilable items in the financial statements. As analysis tools, APMs are limited, and must be considered in their context and not as a replacement of financial measures prepared in accordance with IFRS. APMs are presented to improve an investor's evaluation of the operations, as an aid in forecasts of forthcoming periods, and to simplify meaningful comparisons of earnings between periods. Management uses these APMs, for example, to evaluate the operating activities compared with previous results, for internal planning and forecasts and to calculate certain performance-related remuneration. For definitions, refer to page 16. The APMs recognised in this quarterly report may differ from similarly named measures used by other companies.

| | 3 Months | | 12 Months | |
|---------------------------|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Return on equity | | | | |
| Net profit for the period | – | – | 357.8 | 478.7 |
| Average equity | – | – | 2,230.7 | 2,136.9 |
| Return on equity | – | – | 16.0% | 22.4% |

Reason for use: Return on equity is a measure of profitability in relation to the carrying amount of equity. Return on equity is also a measure of how investments are used to generate increased income

Return on capital employed

| | | | | |
|-----------------------------------|----------|----------|--------------|--------------|
| Operating profit | – | – | 468.3 | 609.9 |
| Interest income | – | – | 0.7 | 0.7 |
| Average capital employed | – | – | 2,230.7 | 2,146.8 |
| Return on capital employed | – | – | 21.0% | 28.4% |

Reason for use: Return on capital employed is a measure of profitability after taking into account the amount of capital used. A higher return on capital employed indicates that capital is used more efficiently.

Gross margin

| | | | | |
|---------------------|--------------|--------------|--------------|--------------|
| Gross profit | 617.3 | 662.2 | 3,284.1 | 3,291.5 |
| Sales | 1,683.1 | 1,574.8 | 8,210.7 | 7,990.1 |
| Gross margin | 36.7% | 42.0% | 40.0% | 41.2% |

Reason for use: Gross margin shows the difference between net sales and the cost of goods sold expressed as a percentage of net sales. Gross margin is affected by several factors, for example, product mix, price trend and cost reductions.

Gross profit, MSEK

| | | | | |
|---------------------|--------------|--------------|----------------|----------------|
| Sales | 1,683.1 | 1,574.8 | 8,210.7 | 7,990.1 |
| Cost of goods sold | -1,065.9 | -912.7 | -4,926.6 | -4,698.6 |
| Gross profit | 617.3 | 662.2 | 3,284.1 | 3,291.5 |

Reason for use: Gross profit shows the difference between net sales and the cost of goods sold. Gross profit is affected by several factors, for example, product mix, price trend and cost reductions.

Equity per share, SEK

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Total equity | 2,263.9 | 2,250.7 | 2,263.9 | 2,250.7 |
| Number of shares at end of period (millions of share) | 63.21 | 63.08 | 63.21 | 63.08 |
| Equity per share | 35.82 | 35.68 | 35.82 | 35.68 |

Reason for use: Equity per share measures the company's net value per share and determines whether a company increases its shareholders capital over time.

Sales growth

| | | | | |
|-----------------------|-------------|-------------|-------------|-------------|
| Sales actual period | 1,683.1 | 1,574.8 | 8,210.7 | 7,990.1 |
| Sales previous period | 1,574.8 | 1,503.9 | 7,990.1 | 7,601.6 |
| Sales growth | 6.9% | 4.7% | 2.8% | 5.1% |

Reason for use: The change in sales reflects the company's realised sales growth over time.

| | 3 Months | | 12 Months | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | Feb 2018 - Apr 2018 | Feb 2017 - Apr 2017 | May 2017 - Apr 2018 | May 2016 - Apr 2017 |
| Average inventory value, MSEK | | | | |
| Average inventory value | - | - | 1,869.0 | 1,739.2 |

Cash flow from operating activities per share, SEK

| | | | | |
|--|--------------|--------------|-------------|--------------|
| Cash flow from operating activities | -399.0 | -63.8 | 372.8 | 698.9 |
| Number of shares before the dilution (millions of share) | 63.21 | 63.01 | 63.20 | 63.05 |
| Cash flow from operating activities per share | -6.31 | -1.01 | 5.90 | 11.08 |

Reason for use: Cash flow from operating activities per share measures the cash flow that the company generates per share before capital investments and cash flows attributable to the company's financing.

Working capital, MSEK

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Total current assets | 2,490.7 | 2,476.4 | 2,490.7 | 2,476.4 |
| -Cash and cash equivalents | -115.8 | -625.1 | -115.8 | -625.1 |
| -Current non-interest-bearing liabilities | -1,708.4 | -1,421.9 | -1,708.4 | -1,421.9 |
| Working capital | 666.5 | 429.3 | 666.5 | 429.3 |

Reason for use: Working capital is used to measure the company's ability to meet short-term capital requirements.

Operating margin

| | | | | |
|-------------------------|--------------|-------------|-------------|-------------|
| Operating profit | -105.9 | 17.5 | 468.3 | 609.9 |
| Sales | 1,683.1 | 1,574.8 | 8,210.7 | 7,990.1 |
| Operating margin | -6.3% | 1.1% | 5.7% | 7.6% |

Reason for use: The operating margin shows operating profit as a percentage of net sales and shows operational profitability.

Equity/assets ratio

| | | | | |
|----------------------------|--------------|--------------|--------------|--------------|
| Total equity | 2,263.9 | 2,250.7 | 2,263.9 | 2,250.7 |
| Total assets | 4,199.7 | 3,899.4 | 4,199.7 | 3,899.4 |
| Equity/Assets ratio | 53.9% | 57.7% | 53.9% | 57.7% |

Reason for use: A high equity/assets ratio provides the financial scope and independence required for conducting the operations and managing variations in the need for working capital and for capitalising on business opportunities.

Capital employed, MSEK

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Total assets | 4,199.7 | 3,899.4 | 4,199.7 | 3,899.4 |
| Long-term non-interest-bearing liabilities | -227.4 | -226.8 | -227.4 | -226.8 |
| Current non-interest-bearing liabilities | -1,708.4 | -1,421.9 | -1,708.4 | -1,421.9 |
| Capital employed | 2,263.9 | 2,250.7 | 2,263.9 | 2,250.7 |

Reason for use: Capital employed measures the company's ability, in addition to cash balances and cash and cash equivalents, to meet the needs of the operations.

Comprehensive income per share, SEK

| | | | | |
|--|--------------|-------------|-------------|-------------|
| Comprehensive income for the period | -21.1 | 23.1 | 402.8 | 523.2 |
| Average number of shares before dilution (millions of share) | 63.21 | 63.01 | 63.20 | 63.05 |
| Comprehensive income per share | -0.33 | 0.37 | 6.37 | 8.30 |

Earnings per share (before and after dilution), SEK*

| | | | | |
|--|--------------|-------------|-------------|-------------|
| Net profit for the period | -85.7 | 19.5 | 357.8 | 478.7 |
| Number of shares before dilution (millions of share) | 63.21 | 63.01 | 63.20 | 63.05 |
| Number of shares after dilution (millions of share) | 63.23 | 63.21 | 63.31 | 63.25 |
| Number of shares before dilution | -1.36 | 0.31 | 5.66 | 7.59 |
| Number of shares after dilution | -1.36 | 0.31 | 5.65 | 7.57 |

*Defined in accordance with IFRS

Store overview

New stores, fourth quarter – 1 February to 30 April 2018

- Bodø, Norway, opened in February 2018
- Husnes, Norway, opened in March 2018
- Bærum, Norway, opened in March 2018
- Tampere, Finland, opened in April 2018
- Gothenburg, Sweden, opened in April 2018
- Märsta, Sweden, opened in April 2018

Closed stores, fourth quarter – 1 February to 30 April 2018

- Entresse, Finland, April 2018

New stores after the end of the period

- Tyresö, Sverige, May 2018
- Sortland, Norway, May 2018

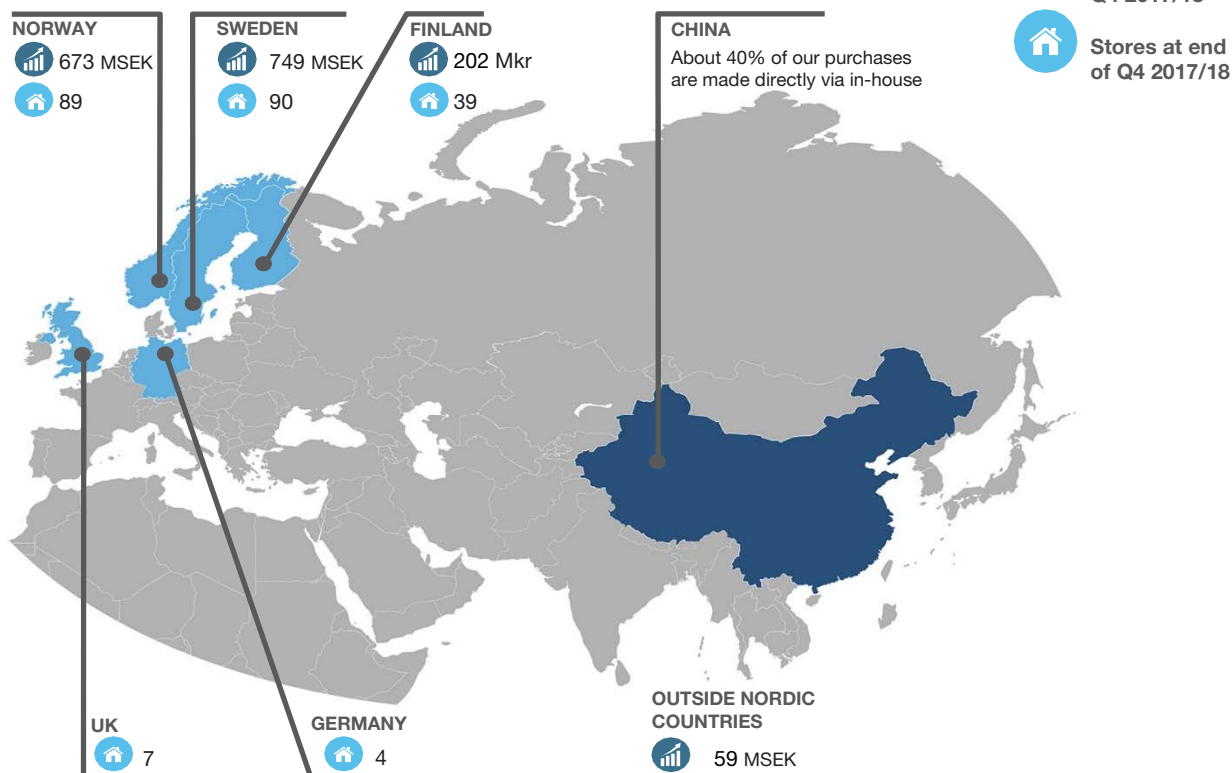
Future store openings

- Ljungby, Sweden, scheduled to open in June 2018
- Hakaniemi metro station, Finland, scheduled to open August 2018
- Stockholm, Sweden, scheduled to open in September 2018
- Helsinki, Finland, scheduled to open in September 2018
- Espoo, Finland, scheduled to open in September 2018
- Mölndal, Sweden, scheduled to open in September 2018
- Stockholm, Sweden, scheduled to open in October 2018
- Kungälv, Sweden, scheduled to open in March 2019
- Helsinki, Finland, scheduled to open in autumn of 2019



Clas Ohlson opened six new stores during the quarter. One of these was our new Compact Store in Märsta Centrum outside Stockholm.

For more information, refer to the detailed list on the website about.clasohlson.com



The share

Clas Ohlson Series B shares have been listed on Nasdaq Stockholm since 1999 and are included in the Consumer Services sector index. The price paid on 30 April 2018 was 96 SEK per share.

Number of shares

The number of registered shares totalled 65,600,000, unchanged from the preceding year. At 30 April 2018, the company held 2,391,865 shares (2,516,562) corresponding to 4 per cent (4) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buy-back, was 63,208,135 (63,083,438).

Dividend policy

Clas Ohlson's dividend policy is that the dividend is to comprise at least 50 per cent of earnings per share after tax, taking into account the company's financial position.

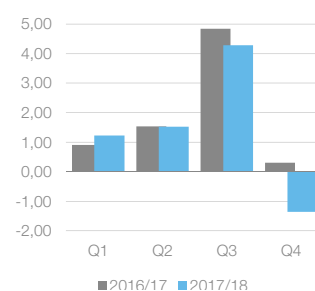
The largest shareholders 30 April 2018

| Owner | Number of A-shares | Number of B-shares | Equity, % | Votes, % |
|-----------------------|--------------------|--------------------|------------|------------|
| Helena Tidstrand | 1,368,060 | 6,179,828 | 12 | 17 |
| Björn Haid | 1,007,960 | 4,732,834 | 9 | 13 |
| Johan Tidstrand | 1,368,060 | 900,000 | 3 | 12 |
| Peter Haid | 1,007,960 | 3,785,243 | 7 | 12 |
| Claus-Toni Haid | 1,007,960 | 3,465,916 | 7 | 12 |
| Nordea | 0 | 3,867,985 | 6 | 3 |
| If Skadeförsäkring AB | 0 | 3,114,337 | 5 | 3 |
| Afa Försäkring | 0 | 1,949,959 | 3 | 2 |
| Odin Sverige | 0 | 1,762,392 | 3 | 1 |
| Swedbank | 0 | 1,176,154 | 2 | 1 |
| Other shareholders | 0 | 28,905,352 | 44 | 24 |
| Total | 5,760,000 | 59,840,000 | 100 | 100 |

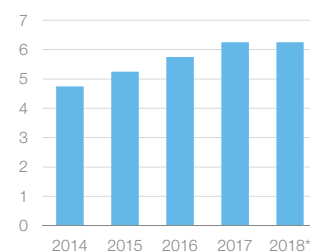
Share data

| | |
|-----------|-----------------------------|
| Listing | Nasdaq Stockholm Mid Cap |
| Ticker | Clas B |
| Industry | Consumer Services |
| ISIN code | SE0000584948 |

Earnings per share, SEK



Dividend per share, SEK



* Proposed dividend 6.25 SEK



THIS YEAR MARKS 100 YEARS since Clas Ohlson was founded. Much has changed since then, but our idea of helping customers solve everyday practical problems is just as relevant now as it was then.

When Clas Ohlson founded his mail order company in 1918 in Insjön in Dalarna, he did so with the conviction that there were many more people like him – people living in the countryside who were interested in technology and new innovation but with no access to the range of products available in the large towns and cities.

The first catalogue was a success and the company has continued to grow together with its customers over the years. And everything that initially could only be ordered by catalogue has been available in one of our stores since the end of the 1980s and via online shopping since the mid-1990s.

Clas Ohlson has grown to have more than 4,800 employees in six markets and generate sales of just over 8 billion SEK. Our share is listed on Nasdaq Stockholm.

Read more about our history at clasohlson100.com or where we are today at about.clasohlson.com.



Our mission

To help and inspire people to improve their everyday life by offering smart, simple, practical solutions at attractive prices.

Financial objectives

- Sales will increase organically an average of 5 per cent annually over a five-year period
- Operating margin will amount to 6–8 per cent within a five-year period
- Net debt in relation to EBITDA to be below two (2) times
- The dividend is to comprise at least 50 per cent of earnings per share after tax, with consideration for the company's financial position. This is our dividend policy.

Sustainability targets

- The proportion of products for a more sustainable lifestyle will represent at least 25 per cent of sales by 2020
- CO₂ emissions will gradually reduce relative to our sales
- 98 per cent of suppliers are to comply with the requirements of our Code of Conduct



www.clasohlson.com

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