



2017 / 2018



MELLBY GÅRD



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AN INTERESTING YEAR THAT BUILT FURTHER ON OUR LONG-TERM BUSINESS MODEL

Most of Mellby Gård's companies developed favourably over the past year, in line with our expectations.

It was a record year both in regards to pre-tax profit and operating profit (EBITDA), which amounted to SEK 1,513 million, an improvement from the previous year (1,276).

Feralco achieved its strongest profit to date. Cale, which was involved in a major structural transaction during the year, showed substantial improvement in earnings and also delivered record profit. Smarteyes also performed significantly better than last year through profitability improvements in all markets. It is also gratifying that Eriksberg, which we have now owned and invested in for ten years, could now contribute positively to the Group's operating profit.

Two companies held profit back compared with the preceding year. For several years, Roxtec's most important market segment has been dependent on investments in the oil and gas sector, which continued to shrink during the year due to lower oil prices. Roxtec has, however, successfully realigned itself to other end-markets and we have recently also begun to see positive trends in the Marine Oil & Gas Offshore segment. Söderberg & Haak's market is also challenging. The situation for farmers in Sweden is tough, the company has introduced new brands and is working to get closer to end-customers. This is a conscious realignment that will take time and resources, and that will continue for some time to come. It is also worth mentioning the company's relatively favourable development in construction equipment – a market adjacent to agricultural equipment.

One of the major changes during the year was the merger of Mellby Gård's Cale and Parkeon of France, which together have become Flowbird. The transaction was completed in January 2018 and has already developed better than expected. Globally, Flowbird is now clearly the largest player in the market for parking solutions in urban environments.

During the year, we also increased our ownership in the listed holdings AcadeMedia and KappAhl. In AcadeMedia, we became the largest shareholder in the autumn of 2017. The Board of Directors was reorganized at that time and we assumed the principal responsibility for the company. We increased our ownership in KappAhl from about 20 percent to about 30 percent, a significant investment. In addition, just prior to the end of the financial year, we acquired the Swedish clothing company Oscar Jacobson.

Over the year, opportunities for company acquisitions continued to be characterized by high valuations and fierce competition. We are very pleased with the acquisition of Oscar Jacobson, but have not noted anything else sufficiently attractive for Mellby Gård. Our assessment is that we will remain cautious

regarding major acquisitions next year. In cooperation with our portfolio companies, however, we will be open to supplementary acquisitions or structural transactions.

The reputable Oscar Jacobson brand has an illustrious 115-year history. Over the past ten years, the company has shifted in an interesting direction, creating products that appeal to several target groups. The foremost reasons for the acquisition are to continue to develop the company's strong position in Sweden and to expand internationally. The first steps have already been taken with shops in Norway, as well as sales in Germany and at the classic Selfridges in London.

We think differently when we do business and seek to go against the grain somewhat. We dared to enter AcadeMedia when others were avoiding welfare companies because of the political debate. Many have doubts regarding parking machines and how they will stand the test of time in today's world. We had the opportunity to leave that market, but chose instead to invest as a major shareholder in the newly formed Flowbird, now the world's largest company in its market. We are investing even more in retail and brands with increased holdings in KappAhl, the merger of Flash and Dea Axelssons as Lund Fashion, and now the acquisition of Oscar Jacobson.

By confidently daring to think differently, you can do good business. With everyone staring at certain industries and flocking to them, valuations and competition decline in others.

This approach is only possible with a business model like Mellby Gård's. We have a very long horizon, and do not focus on making an exit within a specific period of time.

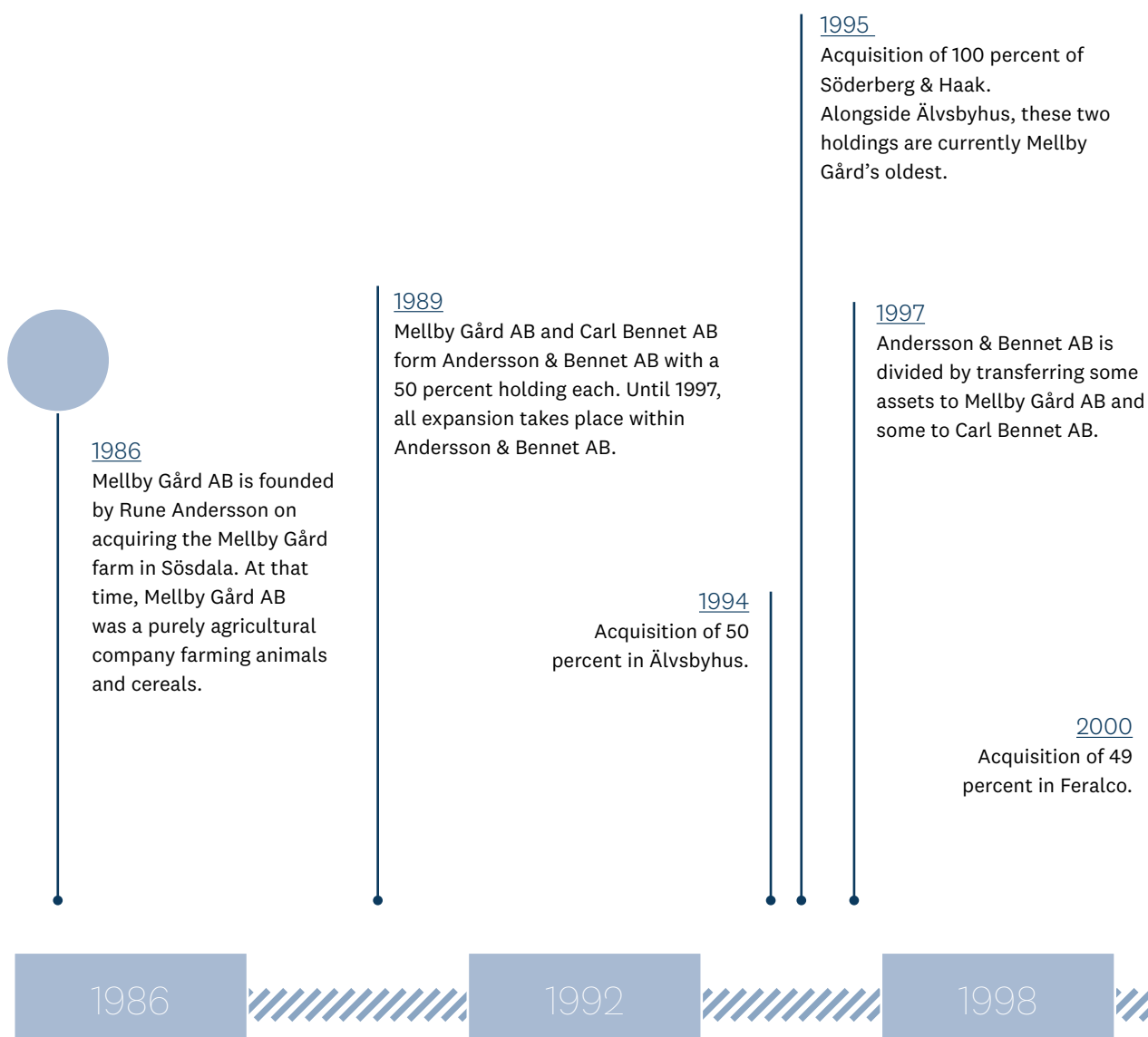
Thinking and acting differently to build companies that are profitable long-term. Mellby Gård has been doing this for over 30 years and will continue doing so.

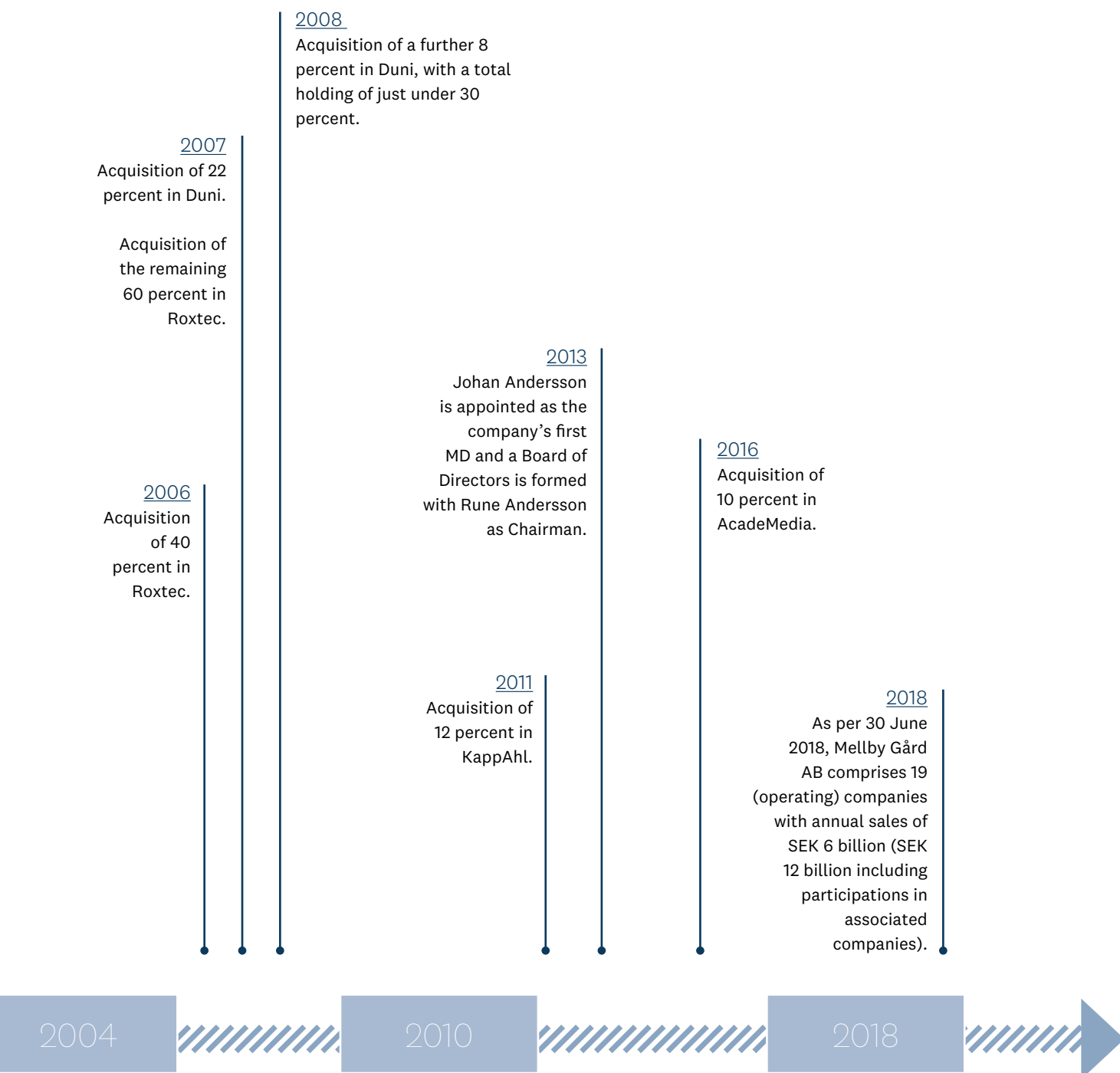
Malmö, October 2018


Johan Andersson,
MD, Mellby Gård AB



A FEW HISTORICAL MILESTONES





THE YEAR IN BRIEF

- » Mellby Gård's total revenue amounted to SEK 6 billion (SEK 12 billion including participations in associated companies). Profit, EBITDA, amounted to SEK 1.5 billion.
- » Subsidiary Cale joined forces with Parkeon of France, forming the new Flowbird Group with a 70 percent global market share for parking terminals. Following the transaction, Mellby Gård's holding in Flowbird is approximately 23 percent. Mellby Gård's representative on the Board of Directors is Johan Andersson.
- » During the year Mellby Gård increased its holding in KappAhl by another 9 percent. Mellby Gård thus owns just under 30 percent in KappAhl.
- » In September 2017, Mellby Gård increased its ownership in listed AcadeMedia to 21 percent when EQT divested its holding. This made Mellby Gård the largest individual owner in AcadeMedia, and Anders Bülow has since stepped in as Chairman.
- » In June 2018, ready-to-wear menswear company Oscar Jacobson was acquired, with Mellby Gård's Deputy MD Thomas Gustafsson stepping in as Chairman.
- » Just before the financial year began, Flash AB, wholly owned since 2003, was merged with Dea Axelssons to form Lund Fashion, a company in which Mellby Gård has the opportunity to manage several women's clothing concepts. Flash has 75 shops in Sweden and three stores in Denmark, while Dea Axelssons has 25 shops in Sweden.



A black and white photograph showing a close-up of a metal nameplate attached to a woven fabric strap. The nameplate is rectangular with rounded ends and has two screws, one at the top and one at the bottom. The text "Melby Gård" is engraved in a cursive script. The strap has a distinct woven texture. The background is blurred, showing other parts of the strap and some indistinct shapes.

Melby Gård

HOW MELLBY GÅRD GENERATES LONG-TERM VALUES

Mellby Gård is a family-owned, long-term investor that endeavours to preserve the entrepreneurial spirit of its portfolio companies. A basic part of the business model is to be the largest shareholder in each company. That affords us suitable opportunities to set the strategic agenda and assume overall responsibility for the company's development.

LONG-TERM OWNERSHIP WITHOUT REGARD TO EXIT

Another basic part is that Mellby Gård does not acquire companies in order to sell them at a particular time. All companies face challenges, encounter more difficult times, periods of realignment and market downturns. Quite simply, things do not always work out as planned but, as an owner, Mellby Gård is less stressed because we apply a long-term horizon.

Although we continuously challenge our companies, we also support them when they need to make essential changes and possible investments in order to defend their leading positions or continue to develop long-term.

ACTIVE CORPORATE GOVERNANCE FOCUSED ON RESOLVING THE COMPANIES' PROBLEMS

We are active owners. We maintain close contacts with our companies, primarily through their MDs, but also through our active involvement in board work. Mellby Gård always strives to hold the Chairmanship on the boards of its portfolio companies.

As owners, we delve into the details to understand the companies' markets and operations. It is often in the details that the foundations for distinctive strategic decisions are to be found.

Encountering problems is usually not a problem, but it's a big problem if you don't understand that you have problems.

In our corporate governance, we focus on the areas in our portfolio companies that are not working or where there are untapped opportunities. This generates a dynamic in our relationship with management, continuously helping improve the operations.

FROM PROMISING TO LEADING

Our objective is to take our companies from promising to leading. This describes the direction in which the companies are to develop, while confirming the value of all of the portfolio companies in the group. Whether a company is small or large, promising or leading, each has equal value and validation. It can take many years to reach a leading position, but the company should be promising during the journey, so that together we can see the objective.

For us, there is a big difference between "promising" and "hopeful" – we avoid hopeful companies. The company shall have proven its business model and reached a certain size in terms of sales. To be promising, we must be able to see that it can become leading. Promising means there should be something unique about the business model. This may be in the product, the logistics, the organization or something else.

Leading means the company should be in first or second position in its vertical. That allows it to affect the prerequisites of the vertical regarding, for example, price, technical development and innovation.

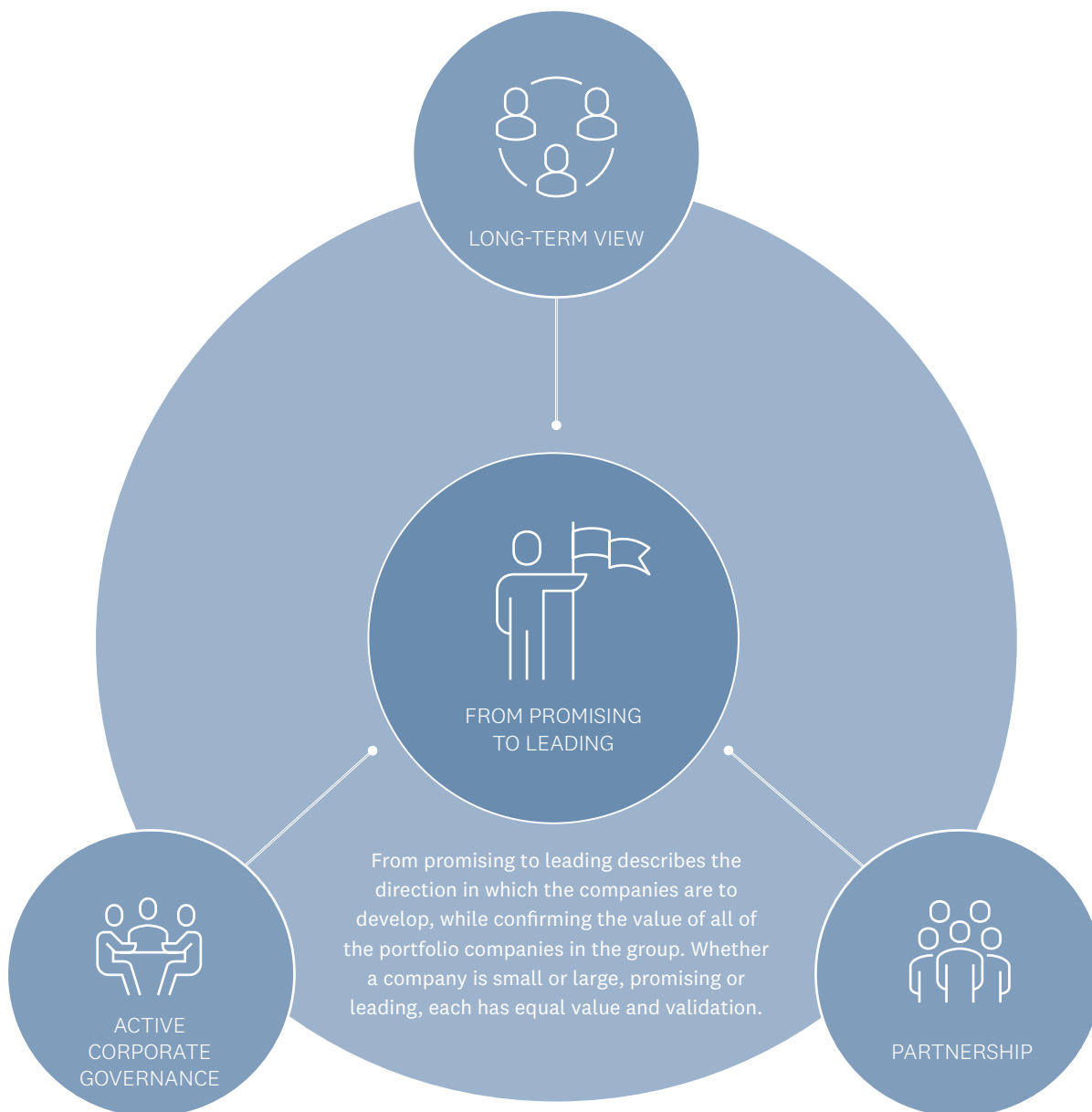
PARTNERSHIP PROVIDES SHARED DIRECTION

It is important to acquire a shared perception of the company between shareholders and management – it is we together who will develop the company. For this reason, we invest a lot of time finding an incentive structure focusing on ownership among management, so that we truly work together towards the same objectives.

HOLDINGS IN MULTIPLE VERTICALS SPREADS THE RISK

Mellby Gård has chosen to be present in five different verticals: industry, retail, construction-related, agriculture and services. From an overarching portfolio perspective, it is important to balance the verticals to spread the risks. There are currently no plans to invest in other verticals, although we do not rule this out for the future.

A basic consideration is that Mellby Gård does not acquire companies to sell them at a particular time. We continuously challenge our companies, and support them in making essential changes and possible investments.



We are active owners. We maintain close contacts with our companies, primarily through their MDs, as well as our active involvement in board work. Mellby Gård always strives to hold the Chairmanship on the boards of its portfolio companies.

It is important to acquire a shared perception of the company between shareholders and management – it is we together who will develop the company.

OUR HOLDINGS

RETAIL

CHEVALIER
 > 90 %

LUND FASHION
 > 90 %

KAPPAHL
 29,6 %

SMARTEYES
 > 90 %

OSCAR JACOBSON
 > 90 %

INDUSTRY

FLOWBIRD
 22,6 %

DUNI
 29,9 %

FERALCO
 > 90 %

HEDSON
 65 %

ROXTEC
 > 90 %

SERVICES

EXCALIBUR
 50 %

KLARAHILL
 78 %

TRUDE
 53 %

STUDENTCONSULTING
 46,5 %

ACADEMEDIA
 21 %

AGRICULTURE

BM AGRI
 33 %

SÖDERBERG & HAAK MASKIN
 > 90 %

CONSTRUCTION-RELATED

NIKKARIT
 > 90 %

ÄLVSBYHUS
 50 %

OUR RESULTS

FINANCIAL KEY RATIOS

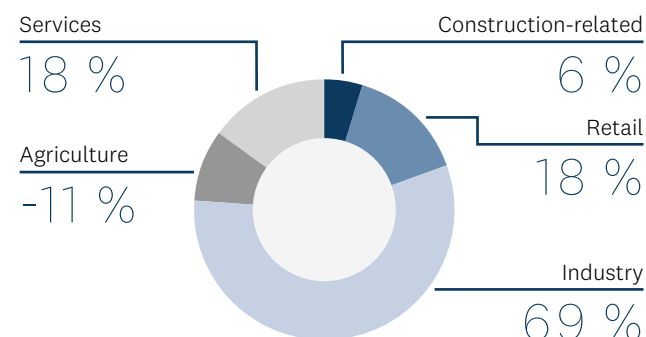
SEK million	2013/2014*	2014/2015	2015/2016	2016/2017	2017/2018**	Pro forma 2017/2018
Sales	4.617	5.494	5.685	6.056	6.008	12.256
EBITDA	1.119	1.357	1.173	1.276	1.513	1.711
EBITDA %	24 %	25 %	21 %	21 %	25 %	14 %
EBIT	992	1.210	1.018	1.121	1.367	1.400
EBT	956	1.206	1.185	1.113	1.506	1.506
Equity	4.932	5.523	6.298	6.424	7.642	
Net (-debt)/cash	-335	173	655	-564	-1.249	
Total assets	8.260	8.208	8.649	9.115	11.049	
Equity/assets ratio	60 %	67 %	73 %	70 %	69 %	

* During the year, restructuring has occurred through the sale of subsidiaries to related companies to thereby better meet the strategic objectives the Mellby Gård AB Group

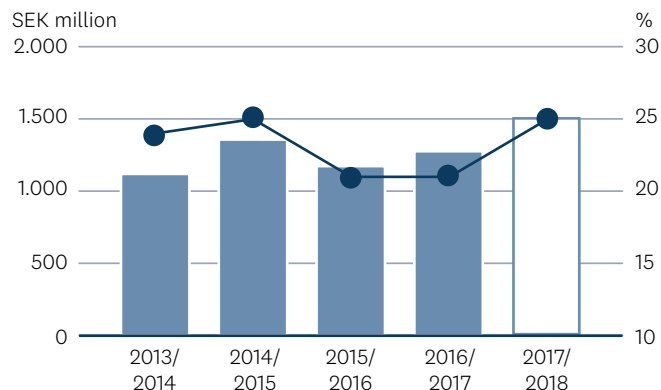
** Incl. non-recurring income and expenses and disposals of securities (preliminary financial statements 2017/2018)

Pro forma includes consolidation of associated companies' income statements corresponding to the degree of ownership to better portray Mellby Gård's total commitment.

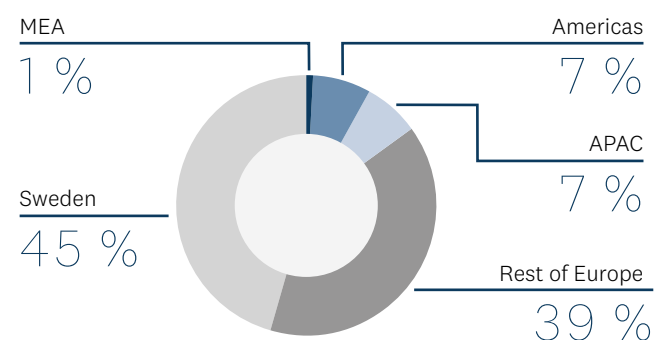
EBITDA 2017/2018 (%)



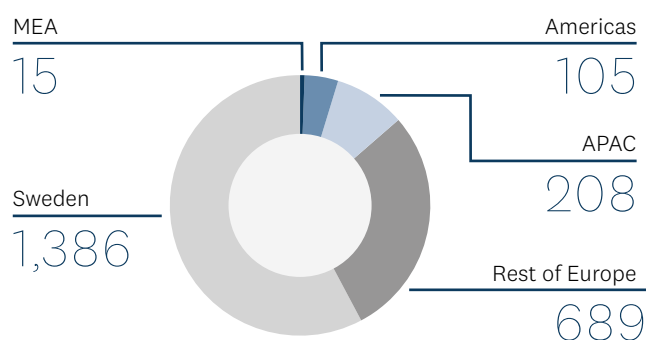
EBITDA (SEK MILLION)



SALES 2017/2018 (%)



EMPLOYEES 2017/2018 (NUMBER)





OUR
COMPANIES

ENTREPRENEURIAL SPIRIT DRIVES QUALITY AT SCHOOL

AcadeMedia is Northern Europe's largest education company and is listed on the Mid Cap list of the Nasdaq Stockholm exchange. During the year, Mellby Gård increased its holding to 21 percent of the shares. MD Marcus Strömberg sees entrepreneurship as an important driving force for quality and creativity, and he foresees continued expansion.

AcadeMedia operates 285 preschools in Sweden, Norway and Germany and 216 primary and lower-secondary schools in Sweden. It also operates adult education schools in some 150 locations in Sweden. In total, the operations comprise more than 76,000 school and preschool pupils, as well as 100,000 participants annually in adult education.

"The freedom of choice reform introduced in Sweden in the early 1990s is completely unique. It allows everyone to choose what school they want to attend regardless of how much money they have. Precisely because we have many different players within one and the same system, the school voucher system, everyone can choose what suits them. Parents choose preschool and primary and lower-secondary schools in the right location, while upper-secondary students choose schools based on their dreams for the future. AcadeMedia's growth is attributable to many people choosing our schools, and for them to do that, we must maintain a high level of quality", says Marcus Strömberg.

In Sweden, the debate on profits in the welfare sector culminated during the year when the Riksdag (Swedish parliament) opposed the government's proposal to set a ceiling for how much profit a publicly funded private school or care company may make. However, it is unlikely that means the debate is over. Mellby Gård's representative in AcadeMedia, Chairman Anders Bülow, feels the debate must still be taken seriously.

"For Mellby Gård, the fundamental view is that an education provider of this size bears a very considerable social responsibility.

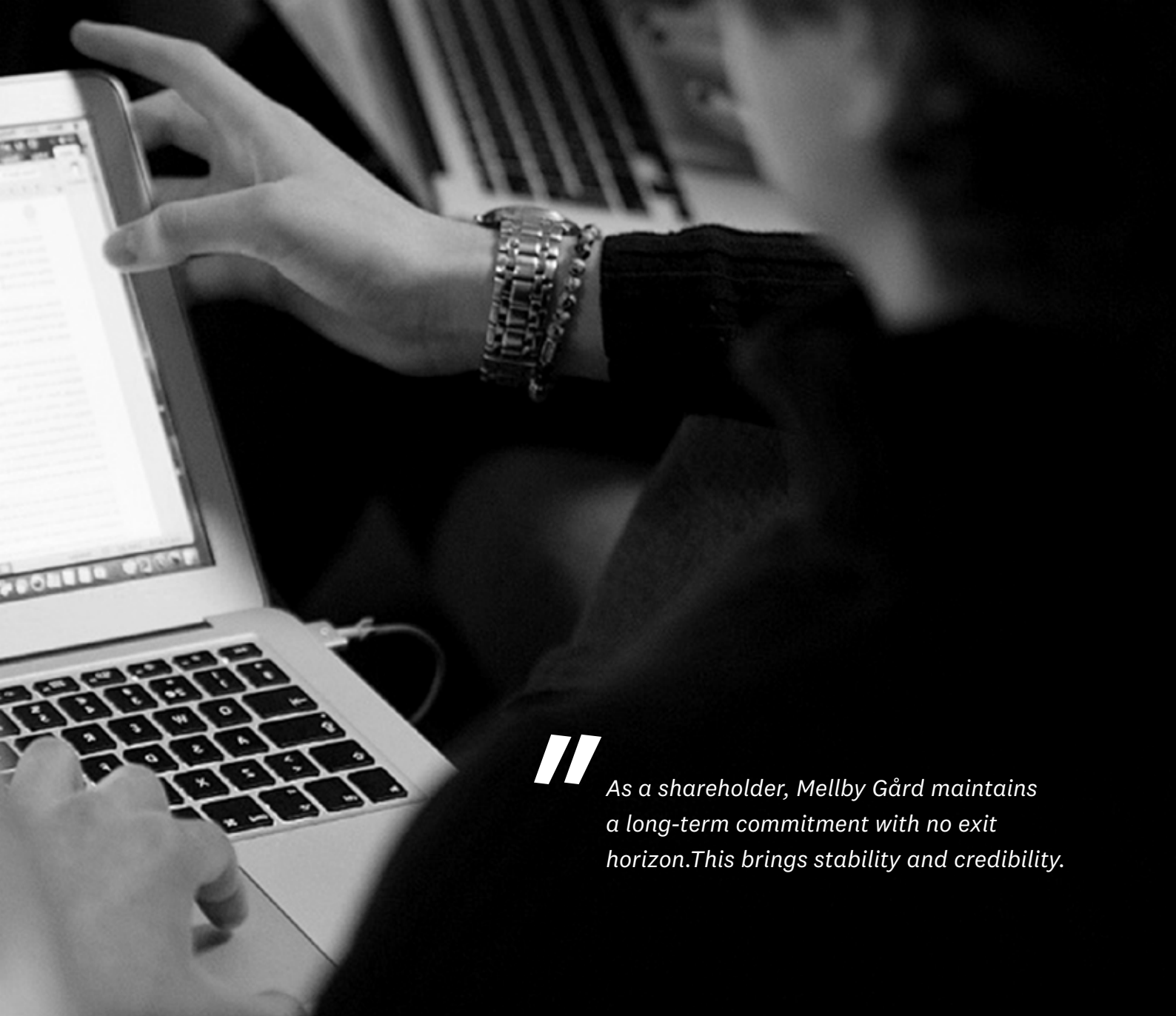
AcadeMedia must contribute to improvements in education. If we fail in this regard, the company will have no raison d'être and will not generate profit. But if we are to succeed in improving Sweden's schools, the debate must be about quality rather than profit," he says.

An important issue for many involved in the debate on Swedish welfare in general and education in particular, is what demands should be imposed on owners of companies in the welfare sector. Both Marcus Strömberg and Anders Bülow see great benefits with AcadeMedia's current ownership.

"The company is listed on the stock exchange, which creates transparency. In addition, the main owner, Mellby Gård, maintains a long-term commitment without an exit horizon. This brings stability and credibility," says Anders Bülow.

They both point out that, to date, AcadeMedia has never paid any dividends to shareholders. All profit after tax, which amounted to SEK 430 million for 2017/2018, is reinvested in the operations.





“

As a shareholder, Mellby Gård maintains a long-term commitment with no exit horizon. This brings stability and credibility.

The past year has shown a positive trend. AcadeMedia has grown by launching 15 new preschools in Sweden, Germany and Norway, as well as seven new upper-secondary schools in Sweden. In addition, 51 upper-secondary schools and preschools have been added through acquisitions. In the adult education segment, the number of Swedish for immigrants students has increased, due not least to the substantial wave of refugee immigration in 2015.

“In preschools, we are growing in Norway and have successfully established ourselves in Germany. The Nordic preschool model, in which we combine care with learning, serves as a model internationally and I foresee continued organic growth in the future. We do not rule out establishing operations in other countries,” says Marcus Strömberg.

At the primary, lower-secondary and upper-secondary levels, the number of students will increase due to demographic trends. What proportion of these children and young people chooses one of AcadeMedia’s schools will depend on the level of quality the schools offer. Another important factor is the clarity of the offering.

“We need to be better at showing what our different schools and brands offer. A prospective upper-secondary student should be able to make a well-informed choice, and that means we must be able to demonstrate what distinguishes our various schools,” says Marcus Strömberg.

For everyone in the education sector, one challenge is the increasing lack of qualified and competent teachers. Combined with a political will to raise the attractiveness of the teaching profession, this will soon start driving up wages.

“Although rising teacher wages are basically a good thing, it will take time for players to offset this through school vouchers. For the near future, this means we must first and foremost ensure the quality of our offering and secondly expand further in primary and lower- and upper-secondary education,” says Anders Bülow.

In adult education, the year was a period of realignment as several major contracts expired, while new contracts will be phased in next year. Subsidiary Hermod’s Swedish for immigrants programme in Malmö was affected by managers submitting false details regarding which teachers were working at the unit to the City of Malmö.

“Although what happened was most unfortunate and regrettable, we responded quickly and with complete transparency. AcadeMedia is the leading player in adult education and enjoys a high level of trust from customers, including municipalities and the Swedish Public Employment Service. It is absolutely crucial that we succeed in nurturing that confidence,” says Marcus Strömberg.

“For AcadeMedia, there is no inherent value in growth,” he continues. “For us, it is about maintaining superior quality, thereby earning the confidence of the public. If the market then grows, we will also grow, but only as a side effect of our focus on quality.”

SIGNIFICANT EVENTS 2017/2018

- » AcadeMedia merged with Vindora. Vindora includes Praktiska Gymnasiet, Hagströmska Gymnasiet and Movant which conduct vocational training for adults.
- » Breakthrough for organic growth in Germany, with a large number preschools being established.
- » Successful work with quality assurance and a stable number of employees although the number of teachers is decreasing.
- » The Group’s “Road Map 2020” was updated. This describes AcadeMedia’s objective, which is to be a leader in quality, appeal, efficiency and innovation. The document also describes how these goals are to be achieved.
- » Development of existing brands in preschools, elementary schools and lower secondary schools. Development and merger of the upper-secondary school brands.
- » Mellby Gård’s representative Anders Bülow was appointed Chairman.

MD Marcus Strömberg



FACTS

AcadeMedia is Northern Europe’s largest independent educational actor with operations in Sweden, Norway and Germany.

The Group’s schools have different brands that are operated as subsidiaries. These include Pysslingen, Vittra, ProCivitas, Rhythm, NTI High School and Eductus.

AcadeMedia has been an associated company in the Mellby Gård portfolio since 2016. Mellby Gård’s representatives on the Board of Directors: Anders Bülow, Chairman, and Johan Andersson.

Headquarters.....	Stockholm
Sales 2017/2018:.....	SEK 10,810 million
Number of employees:.....	16,286
Number of pupils.....	176,000
Number of units:.....	501



PROFITABILITY A PREREQUISITE FOR DIGNITY



Klarahill is the company that is consolidating Sweden's funeral directors. In a highly fragmented market, the need for cooperation and long-term ownership is growing. In a time of digitalization and efficient processes, Klarahill stands out as a guarantor of a dignified and intimate farewell.

Klarahill was formed in 2014 by a group of family entrepreneurs within SBF, the Swedish Association of Funeral Directors. They realized the need for cooperation and, not least, a shared digital platform. Today, relatives of the deceased find a funeral director online, and many family-owned firms find it hard to reach out because they lack the resources for web development and keyword optimization. Accordingly, it is a great advantage for a small firm to be part of the Klarahill brand and network.

While Klarahill realizes the need for consolidation of the market, it also understands that a firm of funeral directors is a business requiring wholehearted entrepreneurship. It is therefore important that the contractor remains in the business as a partner. The MD of Klarahill is Niklas Steenberg:

"We usually compare it with the model of major Swedish supermarket chain ICA. Entrepreneurs join forces in a group in which participation can vary somewhat depending on circumstances, but where everyone shares the central functions while maintaining their independent entrepreneurship," he says.

Mellby Gård initially invested SEK 50 million in Klarahill in 2015. Today, the company has 30 wholly and partially-owned funeral director offices in the regions of Skåne, Småland, Western Sweden and Stockholm. Sven Knutsson is Chairman of the Board and one of Mellby Gård's representatives in the company, and he is pleased with its development.

"We have invested continuously in Klarahill as the company has expanded. Klarahill has now reached the critical mass required to continue expanding profitably on its own and we can see that more synergies can be achieved," he says.

"It is fascinating to see how isolated the individual firms have been historically," he continues. "They have not exchanged experiences and they often find it unseemly to discuss money and profit. When we come in, we can contribute much that is positive, although we also disturb old, accustomed behaviours."

Being able to address profitability and commercial viability has been an educational hurdle. In an business that deals with mortality and mourning, talking about money has been considered undignified. The consequences have been unfortunate: combined with digitalization, low profitability in firms that truly care about the meeting with the relatives of the deceased, has afforded space for new players providing direct cremation – a cost-efficient but impersonal digital process in which the relatives do not even attend the funeral.

"That is why we must dare to talk about profitability. If we want to have firms of funeral directors who care about the funeral ceremony and the wishes of the relatives, they must operate long-term sustainable businesses. Klarahill is to be the serious premium option, and it will never be a high-margin business – although, in the long term, profitability is a guarantor of dignity," says Sven Knutsson.

Klarahill's concept builds on regional cooperation and exchanging best practices. For example, firms that previously operated completely independently can now share transport vehicles and, not least, on-call staffing, without which independent funeral directors more or less never have any free time. The expansion must therefore be geographically cohesive, based on the locations in which the company is already present. Opening up a new region requires the possibility of linking a



“ We usually compare it with the ICA-model.

larger firm to the Group as a regional head office. During the year, Klarahill acquired Blixt Begravningsbyrå, with four offices in locations including Trollhättan and Vänersborg. This became Klarahill’s foothold in western Sweden.

“Mellby Gård has made this project possible. Few other owners combine the characteristics of a long-term perspective, financial strength, credibility and an understanding and sympathy for the business concept. A venture capital company with an exit horizon would never have been able to bring together these entrepreneurs, with their professional pride,” says Niklas Steenberg.

“We have prepared a document with our basic values, in which we state that the relatives of the deceased need a gentle rock, someone who shows understanding and consideration, but who can, in particular, make all of the practical arrangements in a time of sadness,” Sven Knutsson adds. “At Mellby Gård, we see Klarahill, in turn, as a gentle rock for the funeral directors, by understanding their situation and taking care of the practical arrangements.”

The subsidiary Verahill has emerged alongside Klarahill. The company was founded in 2016/2017 and deals with family law. Over the past year, operations have gathered pace and today the company employs 25.

“Verahill has emerged through the need to address legal matters arising in connection with a death. Although we see considerable possibilities for expansion in general family law, such as prenuptial agreements, cohabitation agreements, estate settlement and tax returns,” says Niklas Steenberg.

MD Niklas Steenberg



FACTS

Klarahill was founded in 2014 with the business concept of consolidating the highly fragmented funeral director segment. The intention is for the group to be the serious premium option for people in mourning. This is achieved by retaining the commitment of individual entrepreneurs through participation and joint ownership in an “ICA-model”. The subsidiary Verahill was founded in 2016/2017 and deals with aspects of family law that arise when someone dies, including estate inventory and inheritance issues, part of life’s legal matters for the family.

Klarahill has been a part of Mellby Gård since 2015. Mellby Gård’s representatives on the Board of Directors: Sven Knutsson, Chairman, and Johan Andersson.

Headquarters..... Stockholm
Sales 2017/2018:..... SEK 128 million
Number of employees:..... 100
Number of offices 31

SIGNIFICANT EVENTS 2017/2018

- » The acquisition of Blixt Begravningsbyrå enabled establishment in western Sweden.
- » Substantial resources were invested in the development of the klarahill.se online portal.
- » The Annual Meeting with Klarahill’s entrepreneurs on 12 December 2017, at which the funeral directors who had gathered, testified to Klarahill being generally accepted as a serious player in the segment.
- » Subsidiary Verahill, which deals with family law, expanded and gained momentum.

THE NORDIC REGION'S LEADING TALENT CHANNEL



StudentConsulting began more than 20 years ago, staffed by students. Today, the company is one of the Nordic region's most profitable staffing and recruitment companies. For MD and founder Tobias Lindfors, the recipe for success lies in a methodical initiative in digital job matching.

Tobias Lindfors is a genuine entrepreneurial story personified. The company generated sales of SEK 32 million in 2005, for example. The company's sales are now at the SEK 1 billion, and the company now generates in ten days the equivalent of its full-year sales 13 years ago.

Today, the business concept has been expanded beyond recruiting students and hiring them out to also include graduate academics and vocational trainees. The company's recruitment and staffing system is called TalentChannel™. It has evolved gradually over the years and flexibly and rapidly matches job applicants with employers. In 2006, StudentConsulting was the first to use digital video CVs, in which job applicants are recorded. This is a way of digitizing traditional job interviews, allowing applicants to present their personal qualities and, in combination with job seekers being able to take tests free of charge, increases their opportunities to secure employment based on personal qualities.

"We recognized early on that our candidates do not compete with 15 years of work experience but with their personalities and personal experience. Accordingly, we sought to create a complementary stage," says Tobias Lindfors.

For customers, "just in time" staffing is becoming increasingly important as a complement to customers' regular staff. In the TalentChannel™ recruitment and staffing system, customers can follow the job matching process in real time, through which StudentConsulting can provide staff at an hour's or a couple of hours' notice – in the morning, for example, when a customer needs substitute workers for the same day.

SIGNIFICANT EVENTS 2017/2018

- » Tobias Lindfors was awarded the Royal Patriotic Society's Enterprise Medal for outstanding entrepreneurship.
- » The sector's most satisfied customers for the third consecutive year (according to Evimetrix).
- » StudentConsulting – Norrbotten's largest private employer 2017.
- » Winner of Entrepreneur Of The Year North and Swedish national finalist 2017.

"Our system is at the forefront in our industry and, combined with the fact that we have Scandinavia's largest talent channel with more than 400,000 candidates, we can achieve the industry's greatest flexibility, speed and availability. Several municipalities have joined us, who value speed and efficiency when seeking substitute teachers for their schools. This is a service of substantial value for customers, reflected in the fact that we have had the industry's most satisfied customers for three consecutive years (according to Evimetrix)," says Tobias Lindfors.

While the recruitment and staffing industry is struggling with low EBITDA margins of around 3-5 percent, StudentConsulting is able to show a margin of 7.2 percent for 2017/2018.

StudentConsulting is present in 176 assignment locations in the Nordic region and has 39 offices that job seekers can visit for personal interviews. The combination with digital matching makes the company a proper employment agency and is the key to its success.



// *With 400,000 job seekers,
we are Sweden's leading
talent channel.*

"We have always worked with recruitment proactively. We have more than 400,000 job seekers in our database, so I'd rather call it a talent channel. We also have a new service that continuously monitors CVs for customers registering the specifications for what they want. When there is a match, we receive a success fee of between one and three months' salary depending on the position," says Tobias Lindfors.

During the year, StudentConsulting entered an exclusive agreement with the employers' organization, Företagarna, with 70,000 member companies. Existing customers include Ikea, H&M, PostNord, Trygg Hansa and IT company CGI.

The company's successes have earned it and Tobias Lindfors a number of awards over the years. Four times StudentConsulting has won the Gazelle award in the Swedish province of Norrbotten, presented by Swedish financial newspaper Dagens Industri, on three occasions it has been named Sweden's fastest growing company by Åhréns Rapid Growth, and in 2010 Tobias Lindfors was named Swedish Entrepreneur of the Year.


The most recent award came in April 2017, when Crown Princess Victoria presented the Royal Patriotic Society's Enterprise Medal to Tobias Lindfors for outstanding entrepreneurship.

"I feel extremely proud, having been a entrepreneur half my life, having just turned 40 years and having been in business for 20 years. I am touched that issues of entrepreneurship, job-creation and long-term perspective are rewarded. I believe this is very important, because it is precisely in owner-operated small and medium-sized companies that jobs are emerging in Sweden. This award means so much to me and I also believe it will inspire others to start companies and invest long-term effort," says Tobias Lindfors.

He looks forward to a very exciting future, which will be shaped in particular by the political decisions to be made moving ahead. For example, the future of the Swedish Public Employment Service is in question and Tobias Lindfors stands ready, offering a private alternative.

The fact that StudentConsulting is a part of Mellby Gård means a great deal to Tobias Lindfors.

"My role models include Rune Andersson and Ingvar Kamrad. I want to work like them myself, developing companies long term that have ambitions to achieve leading positions, running companies and creating jobs. Both of them have been an inspiration to me," he says.



MD Tobias Lindfors

FACTS

StudentConsulting is one of the Nordic region's leading staffing and recruitment companies and specializes in students and graduates of academic and vocational programmes. StudentConsulting operates in staffing, recruitment, retraining and matching, as well as contracting. The recruitment network comprises 13,800 clients and approximately 400,000 job seekers in 176 assignment locations in Sweden, Norway, Denmark and Finland.

StudentConsulting has been a part of Mellby Gård since 2010. Mellby Gård's representatives on the Board of Directors: Johan Andersson and Anders Bülow.

Chairman	Bengt Wallentin
Headquarters:.....	Luleå
Sales 2017/2018.....	SEK 975 million
Number of offices	39
Number of recruitments, 2017:	11,314 individuals

PREPARED FOR A NEW INTEREST RATE ENVIRONMENT

Excalibur Asset Management offers management of fixed income assets for institutional investors and private savers alike. The Excalibur and Trude unit trusts have experienced a couple of difficult years in the current low interest rate environment, although both are prepared with a management model that will generate positive returns when interest rates rise.

The two companies, Excalibur Asset Management and Trude Asset Management, are separate legal entities owned in parallel by Mellby Gård through majority votes in each. In their operations, however, the two companies work together closely applying similar but complementary management models.

Of total managed assets of SEK 3.5 billion, Excalibur manages SEK 2.5 billion and Trude SEK 500 million. The remaining SEK 500 million is managed discretionarily in a mixed unit trust on behalf of Lancelot Asset Management.

Both Excalibur and Trude operate in the fixed income market, which has significantly lower risk than the stock market. Highly simplified, the difference between the two unit trusts is that Excalibur invests in securities with a high credit rating in the bond market, government bonds for example, while Trude is a credit hedge fund that invests in corporate bonds and derivative instruments for example.

“Together, we offer exposure to the entire fixed income market. Thanks to our highly experienced management team, we can offer management that not even the major banks can provide,” says Thomas Pohjanen, MD of Excalibur Asset Management and one of the founders.

The two funds apply an absolute return management model, meaning that invested capital shall grow. This differs from many other unit trusts with relative returns that target outperforming a certain index. That type of management may be considered successful, even if managed capital decreases in absolute terms, as long as the return exceeds the benchmark index.

“For each of our 16 years in operation, except one, Excalibur has achieved a positive absolute return. This is because we can take positions providing positive returns even when asset values are

falling. For example, during the financial crisis of 2008/2009 we had an annual return of more than 10 percent,” says Thomas Pohjanen.

In 2017/2018, the total return ended up at a modest 0.5 percent. The reason was the highly aggressive monetary policy implemented by western central banks with negative interest rates and bond purchases.

“This year has been about preserving and defending capital. Real returns on government bonds have been negative and the central banks’ market interventions have suppressed volatility, making it difficult to find shorter-term fluctuations in which to take positions,” Thomas Pohjanen continues.

The pressured situation in the fixed income market has also subdued interest in fixed income investments. Customers such as pension funds and insurance companies, as well as private savers, have chosen the stock market where returns have been higher, albeit at significantly higher risk. It is often said that investors have been squeezed out along the risk scale.

However, all of this is about to change. The US Federal Reserve has begun to raise its key rate and reduce its support buying of bonds. The Swedish Riksbank is expected to start raising its key rate within the next year. The European Central Bank, ECB, is also expected to reduce its support buying.

“We are witnessing the end of the repercussions of the 2009 financial crisis. The labour market is strong, primarily in the US, inflation is close to the 2 percent target in both the US and Sweden and central banks are ready to start normalizing their monetary policy. This will generate greater fluctuations in the market, giving us better conditions for raising returns,” says Thomas Pohjanen.



“We offer customers exposure to the entire fixed income market.”

SIGNIFICANT EVENTS 2017/2018

- » The US Central Bank, the Federal Reserve, initiated a normalization of interest rates.
- » Sweden’s Riksbank and the ECB indicated that a normalization of monetary policy could be upcoming.
- » Labour markets in the US and Sweden were strengthened, and unemployment figures were low.
- » In turn, the strong labour market pushed up inflation expectations and inflation rose towards the 2 percent target.
- » The new securities market regulations, Mifid 2, became law in the EU. Despite this, transparency in the market decreased.

“The exposure to credit bonds in the market is six times greater now than in 2008,” adds Trude’s MD Anders Nordborg. “In the future, skill will be needed to navigate the market, but we see considerable opportunities.”

A reawakening of the fixed income market also means that the two unit trusts can look forward to an influx of capital from customers.

“Things can happen very fast when customers gain interest in our type of management. We anticipate at least SEK 1 billion in Trude and SEK 5 billion in Excalibur,” says Thomas Pohjanen.

Mellby Gård’s interest in Excalibur was aroused in 2000 when Thomas Pohjanen presented his business plan to Rune Andersson who liked what he saw. Although the unit trust company was initially owned by Lancelot, Mellby Gård acquired that holding in 2006 and Rune Anderson took over as Chairman. Trude started in 2015.

“Mellby Gård is part of our DNA. We have been partners ever since the original business plan was to be translated into reality. Here, we apply the long-term approach to investment of which our Chairman Rune Andersson often speaks,” says Thomas Pohjanen.

“Mellby Gård applies a long-term approach in its undertakings, which provides strong support when starting a business as we are at Trude. It is also an advantage to have the backing of a strong owner when we are assessed by our counterparties,” says Anders Nordborg.

MD Thomas Pohjanen



MD Anders Nordborg



FACTS

Excalibur Asset Management and Trude Asset Management are parallel fund companies owned by Mellby Gård through voting majorities. Excalibur and Trude are managed in accordance with the EU’s Alternative Investment Fund Managers Directive, AIFMD. Excalibur’s asset management began in 2001 and focuses primarily on institutional fixed interest markets in Europe and the G7 area. Trude was launched in 2015 and is a credit hedge fund with global management based on advanced quantitative models.

Excalibur has been part of Mellby Gård since 2008 and Trude since 2015. Mellby Gård’s representatives on the Board of Directors: Rune Andersson, Chairman, and Johan Andersson.

Headquarters:..... Stockholm
Sales Excalibur 2017/2018..... SEK 44.6 million
Sales Trude 2017/2018.....SEK 5 million
Number of employees:.....9
Assets under management:SEK 3.5 billion
Number of unit trusts:.... 2, and one discretionary assignment

EFFICIENT STRUCTURE WITH THE POTENTIAL TO MANAGE MULTIPLE CLOTHING CONCEPTS

In 2003, Mellby Gård acquired family-owned company Flash. In recent years, an opportunity to add concepts was noted and, in 2017, Lund Fashion was launched and now operates two clothing concepts – Dea Axelssons in addition to Flash.

“With Lund Fashion, Mellby Gård has built an infrastructure with the potential to manage several clothing concepts,” says Thomas Gustafsson, Chairman of Lund Fashion. “The company’s focus is to continue developing Flash and Dea Axelssons. If it can then manage additional concepts is a matter we will approach with great caution – and curiosity. We should be prepared if the opportunity arises.”

“When Mellby Gård acquired Flash, it was a very well-managed company with 30 shops,” says Thomas Gustafsson. “Mellby Gård’s basic philosophy is to continuously develop and grow companies. The common thread is the long-term approach and being an active owner in both prosperity and adversity.”

“Today, Flash has stable operations with 75 shops across Sweden and three in Denmark. Although Flash is continuously capturing market share, rapid expansion by adding shops is difficult as we more or less cover the entire country already,” says Fredrik Johansson, MD of Lund Fashion. “The opportunity to add Dea Axelssons’ 25 shops therefore came at a good time.”

Both Flash and Dea Axelssons target “women in the prime of life”, with clothes for everyday life, in private and in the workplace. Customers are loyal and return continuously.

“With our broad target group, we differ from many of our competitors who target young women. Our target group is exciting and has money to spend.”

The clothing industry in Sweden has had a tough year. Most Flash shops have nonetheless developed better than the industry. The profit trend also remained favourable. For Dea Axelssons, much time has been spent integrating and securing the operations within the new structure.

“We are now fully up to speed and see a very exciting time ahead of us,” says Fredrik Johansson, MD of Lund Fashion. “It has been a big change to progress from one to two concepts and to get everyone thinking in terms of two different concepts internally. Our organization has managed this much better than expected. Many have seen it as a challenge and an opportunity to develop.”

All Lund Fashion products are of proprietary design and sold only through the two concepts. Accordingly, the purchasing and design departments are key and those working there have become familiar with the customers and their needs. The process continues to create selections that appeal to existing and new customers alike.

“We know the Swedish market and that was a major reason for investing in Dea Axelssons. By focusing on the best retail locations, we ensure that customers find our shops. Today, omni-channel retail, accessing customers through several channels, is essential. Customers start by browsing on their phones and then visiting shops to try clothes on. Some buy products online, others in shops. It’s not ‘either or’, it’s ‘both and’ – the channels complement each other.”

“Today, retail focuses on creating flexible approaches to be able to respond rapidly to customers’ purchasing behaviours,” says Thomas Gustafsson. “We are constantly reviewing our shop portfolio. As a result, we may choose to have more or fewer shops, what is important is that we can act quickly.”

Both Flash and Dea Axelssons have e-commerce operations that are continuously growing, but still account for relatively modest volumes. Many customers have switched to shopping online or complement their shopping there. Most online sales actually occur in locations where Lund Fashion already has shops.



SIGNIFICANT EVENTS 2017/2018

- » Changed name to Lund Fashion to be able to manage several shop concepts in a credible manner.
- » Took over operation of 25 Dea Axelsson shops.
- » Implemented organizational changes to be able to manage multiple shop concepts.
- » Opened two new Flash shops.

“Lund Fashion has a flat organization,” says Thomas Gustafsson. “Its history as a family businesses plays a role – management has always worked closely with employees, plus there is a huge focus on the shops and customers. Lund Fashion is an entrepreneurial company at heart and acts in a straightforward and intelligent way. Our shop employees know they are there to take care of customers, not to fill in unnecessary reports.”

“That way, we get employees who like selling and working in shops,” says Fredrik Johansson. “Many of our employees, both centrally and in the shops, have worked with us for several years. We have grown quickly, but maintained the atmosphere of a small company where everyone knows each other. Our organization is like an upside-down triangle with the shops at the top and the rest of the organization supporting them.”

“It is a privilege to have an owner that acts as long term as Mellby Gård, providing support in many areas, particularly in contract negotiations,” says Fredrik Johansson. “Being a part of Mellby Gård creates a sense of security for employees, while our owners do naturally expect us to deliver results. We want to develop continuously, taking the business one step further, and adding Dea Axelssons is clear evidence of that.”

“It has been a big change to progress from one to two concepts and to get everyone thinking in terms of two different concepts internally. Our organization has managed this much better than expected. Many have seen it as a challenge and an opportunity to develop. We are now fully up to speed and see a very exciting time ahead of us,” says Fredrik Johansson.

MD Fredrik Johansson



FACTS

Lund Fashion offers colourful basic female fashions with trendy touches. The clothes are predominantly designed in-house and are sold through proprietary shops with two different concepts: Flash and Dea Axelssons. The target group comprises independent, active women who are young at heart and who care about their appearance.

Flash has been part of Mellby Gård since 2003. Dea Axelssons was acquired in 2017 and, in connection with this, Lund Fashion AB was formed to manage both concepts.

Mellby Gård’s representatives on the Board of Directors: Thomas Gustafsson, Chairman, Erik Andersson and Orvar Magnusson.

Sales 2017/2018.....SEK 483 million
 Number of employees:..... 274
 Number of shops:103

During the final days of the 2017/2018 financial year, Mellby Gård completed the acquisition of ready-to-wear company Oscar Jacobson. This venerable brand has recently been broadened to include younger target groups and the company is now ready for geographical expansion.

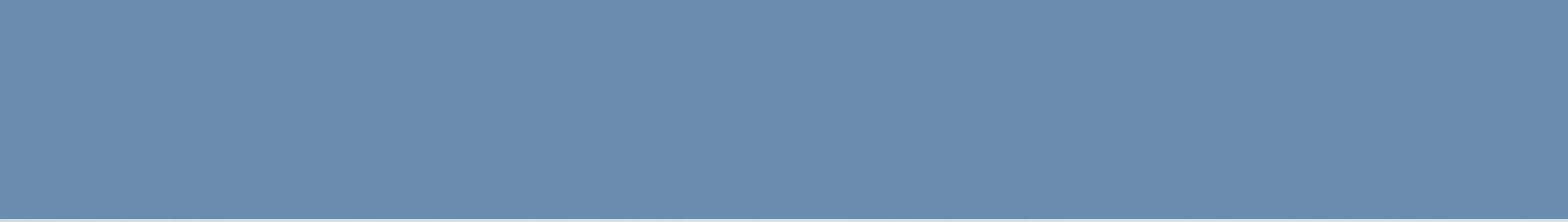
Oscar Jacobson was founded in 1903 and is a leading brand in men's fashion in the Nordic region and Northern Europe. A high level of quality in design, fabrics and fit is combined with timeless elegance and attractive styles for fashion-conscious men of all ages. In this way, Oscar Jacobson attracts quality-conscious consumers across three generations.

In 2017, the company generated sales of SEK 282 million, with a respectable level of profitability among successful fashion companies. With the Nordic region as its principal market, the company sells its products via more than 250 independent retailers, ten proprietary shops, three factory outlets and its own recently-launched online shop. The MD of Oscar Jacobson is David Thunmarker who was previously MD of fashion company Tiger.

"Oscar Jacobson has begun an international expansion in Germany and the UK and we are seeing good initial results in shops and department stores. This is a new chapter in the company's long and successful history," says David Thunmarker.

As an owner, Mellby Gård will support the company's experienced management team in implementing this business plan. Oscar Jacobson also complements Mellby Gård's other engagements in the fashion industry.

"We believe Oscar Jacobson will be a strong business on its own merits. The company also brings knowledge synergies since Mellby Gård owns companies operating in other parts of the fashion industry value chain. The industry is changing and there are both challenges and opportunities for us to address. Owning five companies in this vertical increases our insight and brings new perspectives on how we can benefit best from the realignment of the industry," says Mellby Gård's Deputy MD Thomas Gustafsson, who has stepped in as the company's Chairman following the acquisition.



HUNTING WITH SENSE AND SENSIBILITY

Chevalier is a branded hunting wear company in the premium segment. Although the company is one of Mellby Gård's smaller holdings, the catchphrase "from promising to leading" is highly appropriate here. The target is to double sales through expansion, both geographically and in terms of products.

Chevalier was founded in 1950 and has, since the early 1990s, been owned and operated by well-matched duo Lasse Björkman and Lars Elofsson. Mellby Gård acquired the operations in 2015. Over the past 20 years, Chevalier has been a well-known and established brand for quality-conscious hunters in Sweden and the Nordic region.

"Hunting is a lifestyle that many seek to express through functional clothing with a distinct, classic look. Through the years, our ambition has been to dress hunters from top to toe with the most functional and attractive garments, both for hunting and other activities," says Lasse Björkman.

However, this target group is not growing at a pace matching Chevalier's ambitions.

"A few years ago, we were pleased with what we had achieved, a well-known and profitable brand in the Nordic region with Sweden as the principal market. To take the next step, funding was needed exceeding annual cash flow. Mellby Gård has those resources," continues Lasse Björkman.

Today, Chevalier conducts sales in 30 countries across Europe through distributors and agents, and the expansion has just begun. During the 2017/2018 financial year, the company incurred costs for its future. While sales rose by 7 percent with a slight margin increase, investments in inventory, logistics, new recruits and a new business system impacted earnings. During the year, the company also moved its headquarters from Mölndal to newly renovated and functional premises in Mölnlycke, outside Gothenburg.

Geographically, Chevalier is covering an increasing number of markets including in Eastern Europe, Germany, the UK and Norway. However, small differences in the tonality of what a brand represents can be decisive for how it is perceived in different markets and intensive work on the company's brand platform is therefore in progress. This emphasizes authenticity, commitment and the company's view that it has a long-term interaction with fellow hunters rather than just customers. Stylish and functional clothes are designed with discreet but intelligent details and without compromising on quality or fit.

"Internally, we talk of capturing the essence of the hunt and, even today, this is reflected in Chevalier's design. Our branding work is about defining a message that is attractive in all markets and where the brand is not yet known. This has consequences for everything from the imagery in marketing to what the logo looks like and where it is placed on garments," says Sven Knutsson, Chairman of the company.

SIGNIFICANT EVENTS 2017/2018

- » MD Johan Lind stepped down and recruitment of a new MD had not been completed when this yearbook went to press.
- » A new export manager was recruited, Andreas Hanftoft.
- » Headquarters relocated to new premises in Mölnlycke.
- » The warehouse was relocated and a new partnership for third party logistics was initiated.
- » New business systems were implemented.
- » The brand platform was defined.





// *This involves capturing
the essence of the hunt.*

The expansion will also involve broadening the product range, which includes, on the one hand, clothing and accessories used for daily life but that still include markers of the lifestyle and, on the other hand, products for new customer groups. One example of a new target group is dog owners.

Examples of activities during the year include the company engaging a number of social media influencers targeting a younger audience, and the launch of a special collection designed by Bernadotte & Kylberg.

“This company is not sensitive to economic fluctuations. The Board of Directors’ ambition is for the company’s sales to increase by approximately 15 percent annually. Over five years, this will mean doubling sales with a respectable level of profitability for the segment,” says Sven Knutsson.

All restarts are associated with upheaval. In 2016, Johan Lind, was recruited as the new MD, although he stepped down two years later following disagreement with the Board of Directors regarding the company’s continued development. Lasse Björkman was reinstated as Acting MD and, at the time of writing, recruitment of a new MD is in progress.

Acting MD
Lasse Björkman



FACTS

Chevalier develops, designs and markets clothing and accessories for hunting and leisure under its own brand. The company was founded in 1950 and today conducts sales in 30 markets, with Sweden and the other Nordic countries as its principal markets.

Chevalier has been part of Mellby Gård since 2015. Mellby Gård’s representatives on the Board of Directors: Sven Knutsson, Chairman, and Erik Andersson.

Headquarters.....	Mölnlycke
Sales 2017/2018.....	SEK 76 million
Number of employees.....	16

CAPTURES NEW POSITION WITH ITS SIGHTS SET ON THE FUTURE

Smarteyes is the affordable optical chain with its own design. Since its inception 11 years ago, the company's goal has been to make buying eyeglasses enjoyable and to lower the buying threshold by offering low fixed prices. Following a period of strong growth, MD Thomas Kusoffsky has increased the company's focus on consolidation and profitability.

Smarteyes is present in Sweden, Denmark and Germany, with a total of 83 shops, of which 63 are located in Sweden. Since the outset, the business concept has been to build cost-efficient operations by avoiding a number of intermediaries. With eyeglass frames of its own design, Smarteyes takes control of the entire value chain, gaining clear cost advantages over its competitors. A strategy with low fixed prices also means that customers perceive a clear and attractive offering.

Many people find buying eyeglasses difficult and expensive. Smarteyes wants it to be simple, pleasurable and affordable.

There are differences between the three markets and they are at different phases of development. Denmark is the newest market and recent years have been tough there. In the preceding financial year, several measures were taken to increase profitability, including restructuring, which involved closing five shops. Over the past year, the Danish market has exceeded all expectations and is showing profitability at the shop level, a significantly improvement on both the budget and the previous year.

In recent years, Germany has shown a favourable trend and reached "break even" last year. Accordingly, management decided to open two new shops in the regions where Smarteyes is already established. The existing shops in Germany are progressing towards another record year. It therefore appears as though the positive trend in the country is continuing.

In Sweden, Smarteyes is in the process of repositioning itself in the market. This entails a transition from communicating a low price to what is referred to as "affordable design". This involves a broadened range of high-quality products that command a somewhat higher price. The number of price groups has been increased from two to three.

"Entering the year, we had high expectations that this would generate positive effects. But it has taken longer than expected

to maximize the benefit of the new model. Consequently, we did not quite meet expectations in the Swedish market. However, we are generating earnings in line with last year's record performance and we have learned a great deal over the year, insights that will be applied to further improve our performance", says Thomas Kusoffsky.

Following ten years of rapid expansion, he is now focusing on optimizing the existing operations and strengthening financial performance and the balance sheet to facilitate the next stage of growth.

"I am also investing considerable effort into our being perceived, both internally and among customers, as an exciting design company, rather than as a chain of opticians, which generally conveys a bit of a dull tone," says Thomas Kusoffsky.

"In the past few years," he continues, "we have invested heavily in our employees and developed an organization based on value, from support offices to shops. Ranking fourth among Sweden's best workplaces in the large companies category in Great Place To Work's annual analysis and competition provided satisfying recognition that these efforts have worked. We take pride in this being our third consecutive year on the top ten list."

E-commerce has yet to affect opticians to any significant extent. This is mostly because there are technical limitations to selling progressive glasses and because a purchase of eyeglasses is associated with an eye exam. Clear changes can, however, be discerned in the customer journey, with purchases beginning digitally and generally by mobile phone. This applies to eye exam bookings, inspiration and comparisons of product ranges and frames alike.

Competition is fierce. In addition to Smarteyes, the leading players in Sweden are Synsam, Synpotik and Specsavers. Marketing investments generally rose over the year, with campaign and discount-driven activities from all players. In addition, new players



// *We want to be perceived as an exciting design company, rather than a chain of opticians.*

SIGNIFICANT EVENTS 2017/2018

- » Positive restructuring in Denmark.
- » Newly developed product range strategy.
- » New price model in Sweden.
- » Two new shops in Germany.
- » Named as Sweden's fourth-best workplace in the Large Organizations category by Great Place to Work.

and concepts have been established in Sweden and Stockholm in particular. The Apoteket pharmacy chain has, for example, opened optician operations as a "shop-in-shop".

Financially, a relatively large proportion of Smarteyes' purchasing is in EUR and USD while sales are made in local currency. The exchange rate for EUR, in particular, impacted profitability negatively. It was nonetheless possible to strengthen gross earnings and profitability.

"Despite the challenges, we expect to strengthen our performance over the coming year. In Germany, we expect the positive trend to continue. The same applies to Denmark, which recovered well after the major restructuring programme. In Sweden, we will apply our increased knowledge of the opportunities granted by our new pricing model and we will continue to develop our range and offering. I anticipate that this will generate additional income and stronger profits compared with the preceding year," says Thomas Kusoffsky.

According to him, the fact that Smarteyes is a part of Mellby Gård brings security. This was particularly so during the expansive growth phase.

"Now that we are a more mature company, however, we have greater potential to stand on our own two feet. At that stage, Mellby Gård mainly contributes a high level of expertise through its commitment to the work of the Board of Directors."

MD Thomas Kusoffsky



FACTS

Smarteyes is an chain of opticians launched in 2007 with the business concept of taking control of the entire value chain, from the customer meeting in shops to proprietary design and manufacture. With low prices and proprietary design, the customer offering is enjoyable and exciting. The mission is to provide fashionable eyeglasses for all. The vision is to be the most recommended optician.

Smarteyes is present in Sweden, Germany and Denmark.

Smarteyes has been part of Mellby Gård since 2007. Mellby Gård's representatives on the Board of Directors: Thomas Gustafsson, Chairman, Rune Andersson, Johan Andersson and Erik Andersson.

Headquarters:..... Gothenburg
 Sales 2017/2018:.....SEK 613 million
 Number of employees:..... 369
 Number of shops:60
 Number of eyeglasses sold in 2017/2018:.....260,000

AN INDUSTRY IN RAPID TRANSFORMATION

KappAhl is one of the Nordic region's leading clothing chains with a total of 363 shops. The company is listed on the Mid Cap list of the Nasdaq Stockholm exchange. In a year of major challenges in the clothing and fashion industry in general, and with downward pressure on the share price, Mellby Gård has stepped up and significantly increased its holding in the Group.



KappAhl dates back to the 1950s and is one of Sweden's most well-known retail chains. With some variation over the years, the focus has been on clothes for the whole family, both adults and children. In recent years, KappAhl's sales mix has changed. Today, children's clothes and clothes and accessories for mature women dominate.

Norway is KappAhl's second-largest market and KappAhl is also established in Finland and Poland. During the past year, Newbie was launched – a brand of organic children's clothing developed by KappAhl and marketed in the UK through proprietary shops and e-commerce.

During 2016/2017, KappAhl harvested sales successes, which had a positive impact on the share price. Over the past year, however, the company has faced both short and long-term challenges. MD Danny Feltmann stepped down in June 2018 and, at the time of writing, Göran Bille is the Acting MD.

Among other causes, the management change was motivated by the MD and Board holding different views regarding target group priorities, primarily regarding who KappAhl's women's clothing customers are and should be – a key issue because it involves the company's largest individual area of operations. Another important issue on which consensus was not reached was the need for differentiation in communications and shop expression given that KappAhl addresses several different target groups with different behaviours.

Combined with changes in the product range and an excessively rapid realignment from printed to digital customer communications, weather effects, which often impact the industry both favourably and unfavourably, had negative effects evident in KappAhl's earnings for the first half of its split financial year. The stock market's judgement of the outcome was harsh, since short-term challenges were also placed in relation to uncertainty regarding how the industry's future conversion from retail to online sales will progress and where owners of major

retail networks may experience a cost disadvantage compared to companies only operating online.

However, as the largest individual shareholder, Mellby Gård assessed several of the problems to be temporary and KappAhl, with its awareness and expertise, as having good prospects of turning its challenges into opportunities. Accordingly, Mellby Gård increased its holding during the spring. From May 2017 to May 2018, ownership has increased from just over 20 percent to 29.6 percent.

"Although the realignment to e-commerce is clearly one of KappAhl's long-term challenges, the days of its physical shops are definitely not over. Moving forward, the difference is that shops and e-commerce must support one another, while we should recognize more the differences in behaviours and preferences between the various target groups that KappAhl addresses," says Chairman Anders Bülow.

An example of functions launched to link shops and e-commerce is the Click&Collect concept, in which the customer shops online and collects the goods from a shop, creating opportunities for additional sales. Conversely, opportunities for online shopping are provided in shops, with the option of home delivery. Now, customers also have the option of paying using their mobile phones and Klarna's payment service.

During 2017/2018, KappAhl has begun to see positive results in the shop network from its restructuring of the operations in Poland. Shops in 30 locations have been closed and rental contracts have been renegotiated for some 25 remaining shops in attractive retail locations. During the year, decisions were also taken to establish a few new shops in the Polish market.

In 2017, KappAhl also launched the Newbie brand of organic children's clothing in the UK, with shops in and around London, as well as proprietary online sales. Initially, the shops have developed favourably, while it takes time to build broader awareness and volumes in e-commerce.



KappAhl is vigorously committed to sustainability. More than half of the clothes in the product range are eco-labelled and the proportion is continuously increasing. KappAhl is a member of the international organization Better Cotton Initiative, which promotes sustainable cotton farming. In the video series “Make It Feel Right”, presenter Annika Leone tells us how we can make clothes feel right, for ourselves and the planet.

“Although we have many good projects in progress, we need to improve at reaching out with our stories so that customers see how hard we work for the environment and how attractive our offerings are,” says Anders Bülow.

Moving ahead, KappAhl’s strategic efforts can be summarized with three “Cs” – Collection, Communication and Channels.

SIGNIFICANT EVENTS 2017/2018

- » The restructuring of the retail network in Poland was completed.
- » The Newbie Store shop concept for children’s clothing was launched in the UK.
- » Click&Collect was launched, online shopping with collection in shops.
- » Mobile payment via Klarna was launched.
- » The autumn’s customer communication – in which the printed mail-out to club members was replaced by a digital communication – did not achieve the expected effect. KappAhl had to take a step back and returned to printed send-outs and a slower transition to digital customer communications.
- » In the autumn of 2017, customers’ transition from shops to online channels accelerated.
- » The spring of 2018 was first extremely cold and then extremely warm.
- » MD Danny Feltmann stepped down and was replaced by Acting MD Göran Bille.

Acting MD
Göran Bille



FACTS

KappAhl was founded in Gothenburg in 1953 and is one of the Nordic region’s leading fashion chains with 363 shops under the KappAhl and Newbie Store brands. KappAhl has physical shops in Sweden, Norway, Finland and Poland, as well as Shop Online. The business concept is to offer affordable, proprietary-design fashion collections for women, men and children. More than half of the company’s products are eco-labelled..

KappAhl is listed on the Mid Cap list of the Nasdaq Stockholm exchange.

KappAhl has been part of Mellby Gård since 2013. Mellby Gård’s representatives on the Board of Directors: Anders Bülow, Chairman, and Thomas Gustafsson.

Headquarters.....	Gothenburg
Sales 2017/2018*:	SEK 4,771 million
Number of shops	369
Number of employees.....	4,000 in ten countries

* Financial year extends from September to August

COMBINED STRENGTH FOR THE FUTURE

Cale develops and markets parking solutions worldwide. The company is one of Mellby Gård's oldest holdings and also underwent the greatest change over the year. Through a merger with Parkeon of France, a parking giant was created, holding 70 percent of the world market. The group's new name is Flowbird.

Johan Andersson was Chairman of Cale and now represents Mellby Gård's as a member of the French company's Board of Directors:

"We saw that the industry is changing rapidly and with digitalization as the driving force. This brings new competition from both start-ups and major car brands, which are in the process of creating their own payment solutions for parking," says Johan Andersson who initiated the merger.

The transaction, which was signed in January 2018, entails Mellby Gård becoming a minority shareholder in Flowbird, with approximately 23 percent of the shares. The majority shareholder, with a 67 percent holding, is the French venture capital fund Astorg.

"Like other venture capital funds, Astorg has an exit horizon. This involves a different environment than that familiar to Mellby Gård, which works with long-term ownership. In this case, however, we perceive such substantial opportunities, synergies and exchange of technical know-how that we can justify an exception to our ownership philosophy," says Johan Andersson.

The creation of Flowbird is visionary and motivated by industrial logic. This involves the merger of two healthy companies that are leaders in their individual markets. Until the merger, Anton Kaya was MD and CEO of Cale and, in the new group, he will be Senior Vice President of the Digital City business area, responsible for research and development:

"The operations are doing very well. We achieved strong earnings in the preceding year and entered this year at a high pace. Both order bookings and earnings have improved. Even without the merger with Parkeon, I would have expected continued growth," he says.

Cale's core business is parking machines, which are primarily sold to municipalities through public procurement. About 60 percent of income derives from sales of these machines, the remaining 40 percent from service and IT system services. However, a modern parking machine bears little resemblance the analogue ticket machines of old. The latest generation does not provide tickets but instead records the car's registration number. The data is cloud-based, making monitoring more efficient and will, in the future, allow drivers to receive information on available parking spaces.

The parking machine is nonetheless being challenged by new solutions including mobile apps. Here, Cale operates under the WayToPark brand and Parkeon has several proprietary brands. However, the physical machine still has a lot to offer in terms of both sales and innovation.

"In the spring, we signed an agreement with the City of Chicago for nearly 5,000 machines. This was our largest individual order to date. In 2009, the city invested in nearly 4,000 Cale machines. The machines are an important component in the infrastructure surrounding regulated and charged parking. We are seeing demand beginning to slow in mature markets where interest in fully digital solutions is increasing, although there is still considerable need in many countries, particularly in Asia and South America," says Anton Kaya.

The parking machines, and the network they constitute, will also play a central role in the smart city of the future. Urbanization means the world's cities are growing and, with that, car traffic is increasing. Major cities urgently need to streamline and regulate traffic and mobility. With hundreds of thousands of interconnected parking machines, municipalities are afforded substantial opportunities to gather intelligent data on traffic flows, where cars are parked, at what times and for how long. Another possibility is to combine parking machines with charging stations for electric vehicles.



We saw that the industry is changing rapidly with digitalization as the driving force.

SIGNIFICANT EVENTS 2017/2018

- » Cale secured several key orders from the Stockholm Traffic Office for nearly 1,000 ticket-less parking machines.
- » Cale supplied systems for digital parking permits for all residents in Oslo.
- » Cale and Parkeon of France joined forces, forming the Flowbird Group.
- » Cale secured its largest individual order to date, for nearly 5,000 parking machines in Chicago.
- » The WayToPark parking app was launched in Stockholm.

“More than 15 percent of all car driving in cities occurs as drivers seek available parking spaces. There are great environmental benefits and logistics improvements to be gained here, and we have only seen the beginning of this development,” says Anton Kaya.

He also points out that Flowbird provides an independent parking system unlike that of competitors including Volkswagen and BMW who are developing proprietary parking services for their own vehicles. In the relationship with municipal customers worldwide, this independence is a great asset. Johan Andersson summarizes:

“We are at the start of our journey with Parkeon and Astorg. Over the coming year, we will have a lot of work to do integrating the two companies. Mellby Gård is the second-largest owner of the company and we will have to act accordingly, but we know we are respected for our expertise in the industry and I am convinced that this is the right way to go to maintain a leading position in an industry undergoing rapid change.”

Deputy MD Anton Kaya



FACTS

Cale was founded in Sweden in 1955 and is one of the world's leading suppliers of parking machines, mobile applications, permit solutions, systems for monitoring and issuing fines, as well as transaction management. In January 2018, Cale and Parkeon of France, with combined total sales of approximately SEK 3 billion, decided to merge. In March 2018, it was announced that Flowbird would be the group's new name.

Cale has been part of Mellby Gård since 1997.

Mellby Gård's representative on the Board of Directors: Johan Andersson.

Headquarters.....Paris
Proforma sales 2017/1018 (Jan- Jun)EUR 155 million
Number of employees..... 1,380
Number of parking machines installed: 280,000

RAINY WINTER BOOSTED EARNINGS

Feralco manufactures and sells water treatment products, primarily inorganic chemicals. After almost 20 years in Mellby Gård's portfolio, the company achieved its strongest earnings to date in 2017/2018. Feralco targets being number one or two in European markets characterized by a high level of maturity. The strategy for continued growth involves acquisitions.

About 70 percent of Feralco's sales are made to municipal water treatment plants around Europe. The company is present in all major European countries and also conducts sales in a number of African countries. Besides sales for water treatment, some sales are also made to the paper and pulp industry and other sectors.

Feralco is profitable and has been so for a long time. Given the character of the market, with stable but barely increasing demand, the number of parameters that could affect earnings is limited in the short-term. However, weather and seasons can have a significant impact. The reason why the past year generated record results was a very rainy winter in much of Europe, meaning that more pollutants were introduced into the watercourses from which drinking water is collected. The need for water purification chemicals increased accordingly.

"We operate in a mature market with limited organic growth. At the same time, we are careful about entering growth markets. There is clearly a great need for water treatment in many parts of the world, although many other players have also observed this. Competition is therefore fierce in emerging markets and limits opportunities for profitable investments," says Stephen Childs, one of the company's two MDs.

His associate is Ludovic Huitorel and together they have run Feralco for more than ten years. They explain that Europe is Feralco's principal market, in which it benefits from a market-leading position in many countries.

"There is room to grow in Europe, albeit through market consolidation. We have made many successful acquisitions over the years and we have a pipeline of companies we are considering," says Ludovic Huitorel.

The latest acquisition was made in June 2018 when Feralco acquired Italian company Braia srl, the Italian leader in inorganic coagulants, which are used in water purification and paper manufacture.

"In Italy, the market for water purification chemicals is extremely competitive. This transaction brought us closer to customers throughout the Italian market. This also meant that we were able to broaden our product portfolio," says Ludovic Huitorel.

"Besides consolidation of the water purification market, we are also considering opportunities to grow in complementary areas of industry where our solutions may be relevant. But, for reasons of competition, we do not want to go into this in greater detail," says Stephen Childs.

He also points out that the company invested in its core business during the year. Among other things, production capacity for ferrous salts was increased in both the UK and France. During the year, Feralco sold its 50-percent ownership in the joint venture company Akferal in Turkey. The company was sold to the joint venture partner Akkim Chemicals. The reason for the sale was that the market in the Middle East is highly competitive and that the political situation is expected to remain unstable for some time.



// We operate in
a mature market.
But there is room
to grow in Europe.

SIGNIFICANT EVENTS 2017/2018

- » Acquisition of Italian company Braia srl.
- » The 50-percent holding in Akferal in Turkey was sold.
- » Several investments in new and supplementary production capacity.
- » A rainy winter gave record profits.



MDs Ludovic Huitorel and Stephen Childs

FACTS

Feralco is one of Europe's largest producers of inorganic water purification chemicals, mainly different kinds of ferrous and aluminium salts. Among other purposes, the company's products are used to provide clean drinking water for more than 120 million people. The products are also used in the treatment of waste water and for specialized industrial applications. Feralco's headquarters are located in Helsingborg and the group has subsidiaries in eight European countries. Feralco conducts sales in a total 30 countries and maintains production in 14.

Feralco has been part of Mellby Gård since 2001.
Mellby Gård's representatives on the Board of Directors:
Johan Andersson, Chairman.

Headquarters..... Helsingborg
Sales 2017/2018..... SEK 971 million
Number of employees..... 187

SEALED BUSHINGS

FIND NEW

MARKETS

Roxtec is Mellby Gård's largest subsidiary in terms of sales. The company manufactures cable and pipe transits used in demanding environments. Following several years of challenges in the offshore market segment, MD Mikael Helmersen explains that new customers in other industries are offsetting the decline in oil and gas.

Roxtec was founded in connection with the invention of Multidiameter™. This is a solution for sealed transits of cables and pipes of different dimensions based on sealing modules with removable layers. The modules come in two parts that are placed around cables and pipes in frames mounted in openings in floors, walls, ceilings, decks or bulkheads. When the installation is closed using a compression unit, a transit is created that meets the requirements of heavy industry, against fire and water or gas leakage, for example.

Since the transit is safe for virtually all conceivable areas of application, it is a premium product. As a product company, the business model is to manufacture and sell to all, from owners to installers. This often involves addressing engineers and engineering consultants so that they draw in Roxtec's products right from the planning of a project.

"There are other cheaper ways to seal a transit, with sealing putty for example. But such solutions usually protect against only one risk factor, such as fire or water. Accordingly, our sales work largely involves explaining to customers the benefits of what we call 'multiple demands'. We could therefore say we create our market ourselves," says Mikael Helmersen.

Roxtec's products are designed to cope in very harsh environments over long periods of time. For this reason, the products have been an obvious choice for the oil and gas industry in both recovery (upstream) and refineries (downstream). However, as

oil prices have fallen the desire to invest, particularly upstream, has decreased, impacting Roxtec's sales.

"We realized four years ago that the oil boom could not last forever. That's why we established business areas based on market segments, to systematically address new customers. Today, we see that this has yielded results and it has been the strategic decision with which I have been most pleased during my time in the company to date," says Mikael Helmersen.

The three business areas are Marine & Offshore, Power & Process Industries, and Industry & Infrastructure. Examples of applications now gaining ground are cruise ships, wind turbines, trains, tunnelling projects and data centres.

"Offshore oil and gas was previously our largest customer segment. Today it is our smallest. In 2017/2018, our total sales decreased by a few percent due to the continued decline in offshore, although we have now offset this to such an extent that I believe we are now ready to grow again," says Mikael Helmersen.

"During this difficult period, profits have also decreased slightly, although we have also made major investments in our sales force," he continues. "We have defended our margin favourably."

Mikael Helmersen sees Mellby Gård as part of the explanation for the company having emerged strengthened from the realignment.





*You might say
we create our
market ourselves.*

SIGNIFICANT EVENTS 2017/2018

- » Passed 20,000 users of the RTD (Roxtec Transit Designer) software, that aids engineers in designing seals.
- » Major order from the Canadian Navy for AOPS (Arctic and Offshore Patrol Ships).
- » Successful launch of new products, including pipe seals and cable seals for subterranean applications and above the waterline in the Marine segment.

“The combination of long-term perspective and industrial know-how has been invaluable. This is manifested in the Board of Directors where we have Hans Stråberg as Chairman and Rune Andersson, Anders Bülow and Johan Andersson, among others, as members. Without the support this has provided in terms of both finances and skills, our realignment would have been a much tougher journey,” says Mikael Helmersson.



MD Mikael Helmersson

FACTS

Roxtec develops, manufactures and sells modular sealing solutions for cables and pipes. Examples of industries and areas of application include ship builders, the oil industry and manufacturing industries, construction companies, power plants and telecom. Roxtec conducts sales in over 80 markets through 27 subsidiaries and a growing network of agents and distributors.

Roxtec has been part of Mellby Gård since 2005. Mellby Gård's representatives on the Board of Directors: Hans Stråberg, Chairman, Rune Andersson, Johan Andersson and Anders Bülow.

Headquarters.....	Karlskrona
Sales 2017/2018.....	SEK 1,675 million
Number of employees.....	759

READY FOR A NEW ERA IN THE AUTOMOTIVE INDUSTRY

Hedson develops and sells equipment, primarily to automotive paint shops and tire centres. Originating in the 1960s, the company delivers leading brands in hydraulic lifts, lacquer drying and wheel washers. When Mellby Gård bought out the company from the stock exchange in 2014, it was a company needing improvement in many areas. Today, Hedson is ready to meet the enormous changes that await the automotive industry.

Hedson's leading brands are Herkules (car lifts), Drester (wheel washers), and IRT and Trisk, which manufacture lacquer drying equipment. Hedson has its headquarters in Arlöv, outside Malmö and sells to 80 countries in all parts of the world. Subsidiaries are located in Germany, France, Canada and the US. Customers include both small workshops and major automotive manufacturers.

"The year was generally good. In particular, we have had growth in the industry and tire centre customer segments. Although the economy is strong and the weak SEK has benefited us as an export company, the key to growth lies, above all, in our constantly improved customer offering. At the same time, we have noticed a slightly subdued willingness to invest among automotive workshops," says MD Magnus Björnström.

The automotive industry faces its most revolutionary transformation since its inception 100 years ago. Commercial breakthroughs in electric and self-driving cars are imminent, demanding radically different manufacturing and repair processes than in the handling of traditional cars. Among other things, they are built using several different materials, enhancing performance and reducing weight. Among other things, this will entail lacquering lines becoming more complex because different materials impose different demands on the lacquering process. For example, electric cars must be handled in a very

SIGNIFICANT EVENTS 2017/2018

- » 30-percent growth in the industry division.
- » Significant expansion of distribution and partner networks in the US and France.
- » Training of retailers and partners through the Partner Portal and Hedson Academy.
- » Resolution of problems in delivery of Herkules lifts, following outsourcing of manufacturing in Germany.
- » Implementation of business systems to support ordering and efficient operations.

different way, with the lifting and transportation of vehicles becoming important for workshops. For Hedson, this is resulting in increased demand for the company's know-how and products. The company invests the equivalent of 6 percent of its annual sales in new development.

"This will impose new demands on car workshops being upgraded. In addition, all car brands already impose increasing requirements regarding how their cars may be repaired to maintain safety and guarantees. One example is the Volkswagen Group, which has certified our IRT machines for curing more complicated repairs. By offering high-tech solutions, we become the only choice for VAG," says Magnus Björnström.





// *Ours are the original brands. All others are merely copies.*

“All of this will drive a process of consolidation among workshops and sub-suppliers alike,” he continues. “Our market faces a major transformation and I am very pleased that we are equipped to meet it.”

Hedson’s equipment also contributes to major environmental benefits. The product range includes equipment for recycling solvents and treating water and dirt from tire shops.

The year’s challenges included the outsourcing of manufacturing in Germany entailing certain delivery problems. These have now been remedied. A new business system is being implemented to facilitate a more efficient order flow and thus increased growth.

“During the year we have focused strategically on the US. We did not fully achieve what we had planned for 2017/2018, although we have laid the foundation for a process of growth of which I have great expectations for the next few years,” says Magnus Björnström.

He considers it a great advantage that Hedson is part of Mellby Gård’s portfolio. The company is the result of a merger of the three brands IRT, Drester and Herkules but was inadequately integrated three years ago. Thanks to a long-term ownership perspective, the group has been able benefit from synergies and take on the challenges of the future.

MD Magnus Björnström



FACTS

Hedson is a leading supplier of high-quality equipment for paint shops, tire centres and car workshops, as well as for automotive manufacturers and other industries. The company offers solutions in curing, lifting and washing in 80 countries. Its brands are Drester, Herkules, IRT and Trisk.

Hedson has been part of Mellby Gård since 2014. Mellby Gård’s representatives on the Board of Directors: Hans Stråberg and Sven Knutsson.

Chairman	Fredrik Hansson
Headquarters.....	Arlöv
Sales 2017/2018.....	SEK 271 million
Number of employees.....	141

GROWTH BY BEING WHERE THE CONSUMERS ARE

Duni manufactures and sells serving accessories and meal packages. The company is listed on the Mid Cap list of the Nasdaq Stockholm exchange. Mellby Gård is the largest individual shareholder with 29.9 percent of the shares. The new MD, since October 2017, is Johan Sundelin. He is tasked with achieving further expansion in a well-functioning business.

Duni has a very strong core that has delivered an operating margin as targeted, at 10 percent, for a long time. The company is vertically integrated, meaning that it commands the entire value chain, from its own paper mill to a sales force directly addressing customers such as restaurants and retail chains with products including tablecloths, napkins and serving products in recyclable materials.

In a segment characterized by fierce competition, with a number of major players in paper and board, Duni has chosen a niche that is relatively small globally. By mastering the complexity of this niche and focusing its product range on premium products, Duni has established a market-leading position in the Nordic region and Europe.

“As the new MD, my task, during the first year, is to manage my predecessor’s strategy and improve profit. In parallel with this, I am working on developing a new strategy for the upcoming years that will focus on growth with sustained profitability,” says Johan Sundelin, who was most recently MD of food company Santa Maria.

The potential for growth is substantial. In the short term, Duni will be pushing even harder in areas that are already performing well. These include premium napkins, the environmentally-profiled ecoecho range and customized solutions, such as printing of special patterns and company names on food serving and table setting products. In the short term, there is also organic growth potential in Asia and Oceania.

SIGNIFICANT EVENTS 2017/2018

- » Johan Sundelin took over as MD from Thomas Gustafsson in October 2017.
- » Acquisition of 75 percent of shares in Biopac UK Ltd. in the UK.
- » SEK 50 million was invested in the Rexcell paper mill in Skåpafors in the Swedish province of Dalsland with the upgrading of the airlaid machine.
- » A major investment was made in a logistics property in Osnabrück, Germany.

“The long term will be about strengthening our capacity to meet customer needs and new trends. We have an extensive environmental focus and will be developing that further. Digitalization affords us new opportunities in our customer encounter and in manufacturing, as well as in how we link the two,” says Johan Sundelin.

In 2017, Duni acquired UK company Biopac, which focuses on customized sustainable packaging solutions. The acquisition is in line with Duni’s focus areas of customization, sustainability and the growing trend of packaged take-away food in urban environments.

Johan Sundelin does not rule out the possibility that considerable future growth may derive from acquisitions.





“It’s about meeting customer needs and new trends.

“One idea may be to identify smaller, but attractive and fast-growing companies and, with Duni’s market presence, to shift them up a gear in several markets,” he says.

Over the years, Duni has progressed through a number of different strategic phases. From originally being production-oriented, Duni came to be owned by venture capitalists and was, accordingly, largely financially-oriented.

“With Mellby Gård as the principal shareholder following the 2007 listing, Duni is now a more customer-oriented company. And that is what we will continue to be. A strong principal owner who sets clear demands is also a guarantor for the long term. That provides me with great support as I work on our strategy for the future,” says Johan Sundelin.

MD Johan Sundelin



FACTS

Duni is a leading supplier of attractive and functional table setting and take away products. The Duni brand is present in 133 countries and is a market leader in Northern and Central Europe. Duni has employees in 35 countries. The company is listed on the Mid Cap list of the Nasdaq Stockholm exchange. Duni maintains proprietary manufacture, predominantly at its wholly-owned paper mill, Rexcell, in Dalsland. Manufacture also takes place in Germany, Poland, Thailand and New Zealand.

Business areas:

Table Top offers concepts and products, primarily to hotels, restaurants and catering services. Meal Service offers concepts for meal packaging and serving products for take away, fresh ready-made meals and catering services. Consumer offers consumer products to retailers. New Markets offers concepts focusing on new markets beyond Europe.

Duni has been part of Mellby Gård since 2007.

Mellby Gård’s representative on the Board of Directors: Johan Andersson.

Chairman Magnus Yngen
 Headquarters:..... Malmö
 Sales 2017 SEK 4,613 million
 Number of employees..... 2,350

THREE PHASES OF DEVELOPMENT IN A SINGLE COMPANY

Nikkarit is the company of Finnish origin that has captured a niche in the construction sector by installing lists and invoicing by the metre rather than for hours worked. This is efficient and profitable while also cheaper for the customer. Following strong growth in Sweden, MD Mikael Olrog set his sights on Norway.

Nikkarit was founded in Finland in 1990, set up operations in Sweden in the early 2000s, and has been part of Mellby Gård since 2014. The company has found a narrow niche in the construction market and, through its specialization in this niche, the company achieves a competitive offering in terms of quality, efficiency and price. This involves installing lists, window and door frames and casings in commercial construction projects.

This is often the last work carried out in a construction project, and Nikkarit's customers, who are the larger and medium-sized construction companies, appreciate being able to move their own carpenters on to the next project, assigning the final fine carpentry to Nikkarit. The business model entails invoicing by metre of list installed, making it profitable for Nikkarit to work quickly, while it can be cheaper for the customer compared with invoicing by the hour. Nikkarit's employees are highly specialized and use equipment developed in-house. The end result is higher quality in less time and at a lower price.

Mikael Olrog began working at Nikkarit in 2015 and took over as MD in August 2017. He works alongside the managers of the three subsidiaries in Finland, Sweden and Norway.

"We have held a dominant position in Finland for quite some time, and the market is also mature. Accordingly, we have broadened the operations there to include installing windows," he says.

In Sweden, Nikkarit is suffering growth pains following several years with growth of 20-30 percent. For this reason, the past year

SIGNIFICANT EVENTS 2017/2018

- » Mikael Olrog stepped in as MD in August 2017.
- » Breakthrough order in Norway.
- » Successful launch of window installation in Finland, outside Helsinki.
- » Procurement and ongoing implementation of a business system in Sweden.
- » Henrik Lindström became the MD of the Swedish subsidiary, and Kjetil Holmström became the MD of the Norwegian subsidiary.

has involved investing in renewed internal administration and a brand new business system to manage the increased volumes.

"We saw that we had a little trouble keeping up. Accordingly, we have pulled back on the pace of growth in Sweden. Over the coming year too, the focus will be on establishing new procedures around the business system and internal skills development. In Sweden, we have set a fairly cautious budget for 2018/2019 and, after that, expect to return with renewed impetus for growth in Sweden," says Mikael Olrog.

On the other hand, at the time of writing, the much-discussed slowdown in housing construction in Sweden has yet to affect the company.

"We are monitoring developments closely because we see our customers are affected. In Sweden, we are still too small to be





// We are present in three markets that have completely different prerequisites.

influenced by such trends. However, that also means I regard our future potential with great confidence,” Mikael Olrog continues. In Norway, however, the company is being positioned for rapid growth. Operations were established in that country just over two years ago and, in the past year, the company secured a breakthrough order, larger than the entire subsidiary’s annual turnover to date.

“Our three subsidiaries have completely different prerequisites. In Finland, we are dominant in lists and must broaden our operations to grow. In Sweden, we are transitioning from being a small regional player to being active in many of the larger cities, and in Norway we are still at the start-up phase. This requires different strategies in each country,” says Mikael Olrog.

It is partly because of this that he appreciates the company being part of Mellby Gård. The Board of Directors incorporates experience from all three stages of development. It also takes the long-term perspective required to allow, for example, the Swedish operations to consolidate and catch up.

“Nikkarit being part of Mellby Gård played an important part in my accepting this job. This brings expertise and financial clout. Mellby Gård also represents a good value base that I share. You must be honest and make fair deals, which is not always the case in the construction industry,” says Mikael Olrog.

“The atmosphere at Mellby Gård is relaxed but still highly professional. When the Board meets, members stop to chat with our fitters and supervisors. A positive contribution in every way.”

Group MD Mikael Olrog



FACTS

Nikkarit was founded in Finland in 1990 and operations were established in Sweden in 2005. The company is a specialist installer of lists, frames and casings for all types of buildings, both new builds and renovations.

The unique concept is based on fixed prices per metre, including both materials and installation. This entails higher quality at a lower price compared with a traditional business model.

Nikkarit has been part of Mellby Gård since 2014. Mellby Gård’s representatives on the Board of Directors: Hans Stråberg, Chairman, and Sven Knutsson.

Sales 2017/2018..... SEK 215 million
Number of employees..... 240

REVIEWING OPERATIONS IN PREPARATION FOR CHALLENGING TIMES

Älvsbyhus is Sweden's leading manufacturer of prefabricated homes. The company has been profitable every year since its inception 74 years ago. However, the uncertainty in the Swedish housing market had a negative impact during the year. MD Kent Johansson is investing in the factories to meet future challenges from further tightening of energy requirements for single-family homes.

Älvsbyhus's business model is based on cost-efficiently producing high-quality single-family houses at the market's lowest prices. This is achieved through a high degree of prefabrication in production. Today Älvsbyhus owns factories in Kauhajoki, Finland, in Bjärnum and Vålberg, Sweden, as well as in Älvsbyn, Sweden, where the group also owns a sawmill and concrete moulding factory.

The Group conducts sales through subsidiaries in Sweden, Finland and Norway with a total of about 40 sales offices. The three markets are developed differently depending on the economic trend in each country, regulatory changes and, in particular, different customer preferences. In Norway, the market is stable and has been so for a long time.

"In Finland, the market has been challenging since the financial crisis ten years ago. A Russian embargo on imports further worsened the situation in Finland. Recently, however, the Finnish market has shown signs of recovery and Finnish households are beginning to dare to invest in their homes. Traditionally, Finnish households have been very careful about borrowing, although we are beginning to see a change here," says Kent Johansson.

In Sweden, the trend is the opposite. After ten years of economic upswing with falling interest rates, many now consider the housing market to be overheated, with heavily indebted households. Political measures such as amortization requirements and debt ceilings have been introduced, quickly causing the housing market to slow considerably.

"It is only partly true to say that the market has ground to a halt across the board. This trend can be seen mostly in tenant-owner apartments in the major cities. Those of us selling prefabricated

SIGNIFICANT EVENTS 2017/2018

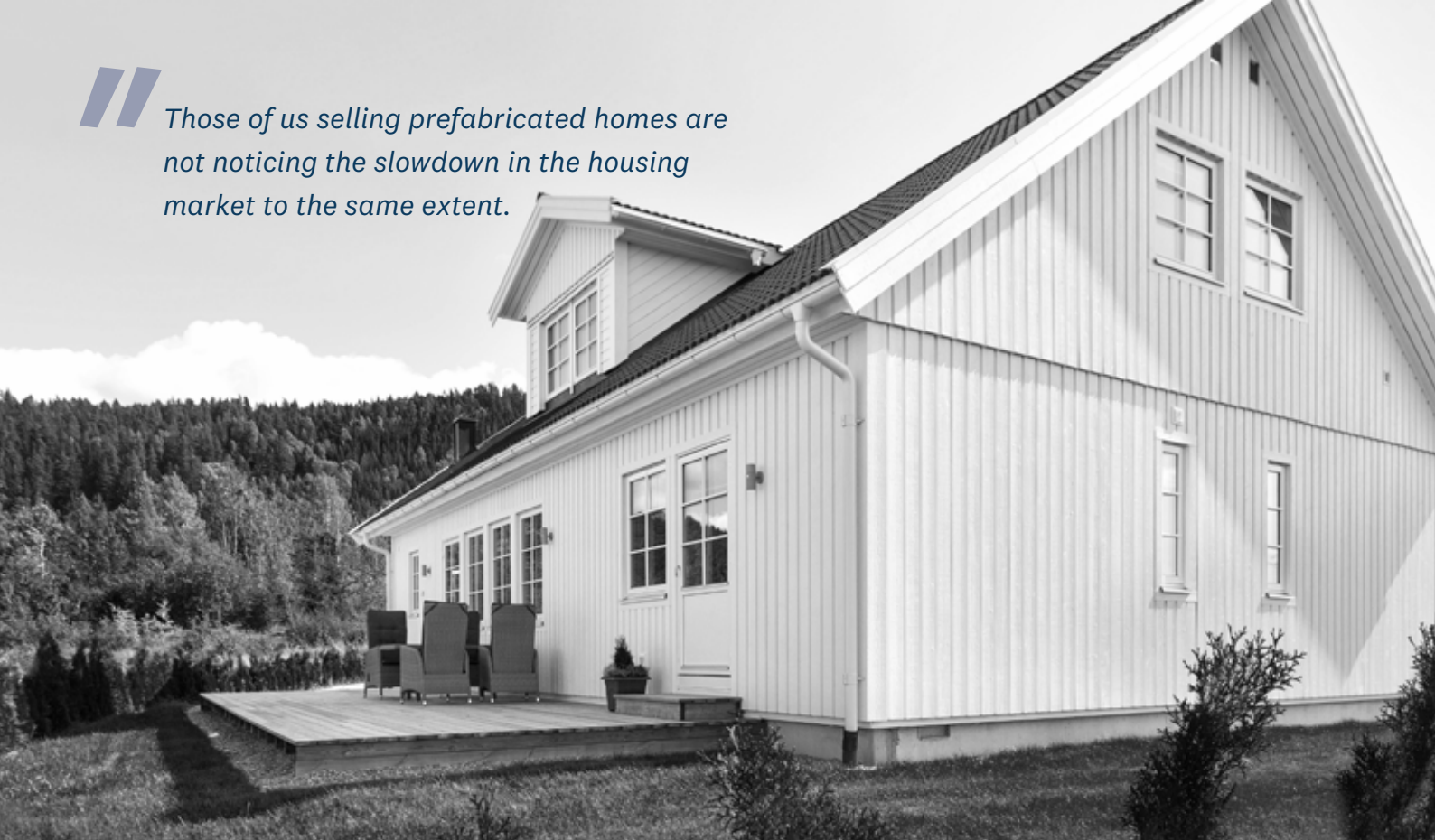
- » A land company was set up to acquire plots in attractive locations.
- » The new model series "Framtidshusen" was implemented fully at all factories.
- » Adjustment to a potentially lower level of activity among customers was initiated. This includes efficiency enhancements, new investments in increased rail transport and the erection of a new unheated warehouse in Älvsbyn.
- » Älvsbyhus was recognized by the Fair Pay foundation for equality in sponsorship following the company's decision to sponsor Luleå Hockey's men's and women's teams to the same extent. Today, 67 percent of sponsorship by Älvsbyhus is devoted to women's sports.

homes, mainly outside the major cities are not noticing the slowdown to the same extent. We are still selling many houses in numerous locations around Sweden," says Kent Johansson.

However, the slowdown in the Swedish market has not passed completely unnoticed by Älvsbyhus. While some 600 houses were sold in Sweden in 2017, the forecast for full-year 2018 is about 500 houses.

In parallel with the Swedish slowdown, Älvsbyhus has developed a completely new generation of house models, called "Framtidshusen" – the Houses of the Future. These are characterized by having thicker walls and thus improved energy values expected to meet new target values that the Swedish National Board of Housing, Building and Planning is

// Those of us selling prefabricated homes are not noticing the slowdown in the housing market to the same extent.



expected to adopt within a couple of years. Over the past year, all of the factories have been realigned for production of the new model range. The past year has been spent phasing out of the old models and phasing in the new ones. Together with the slowdown in the market, this has brought lower sales and profitability in 2017/2018 compared with the preceding year.

“In developing the Framtidshusen models, we wanted to create a Nordic house model that would serve as a foundation for all three markets, meaning that a number of models were launched in Finland lacking a sauna, which proved to be a mistake. The sauna is an important element in Finnish homes, and we have developed two new single-family homes for the Finnish market with a sauna as standard. We also see a glimmer of light this autumn and are targeting better order bookings in 2018/2019 than last year,” says Kent Johansson.

To safeguard quick and efficient access to land on which to build, Älvsbyhus started a land company during the year, which acquires land in attractive locations.

“In many municipalities, plots for single-family homes are not prioritized when drawing up detailed development plans, or single-family homes are handed over entirely to the open market. With our own land company, we improve conditions for our house sales,” says Kent Johansson.

Mellby Gård supports Älvsbyhus in its Board work, contributing knowledge on financial matters, currency and general economic matters, and sharing a broad contact network. Kent Johansson is one of three siblings who currently own half of the company alongside Mellby Gård.



MD Kent Johansson

FACTS

Älvsbyhus was founded in 1944 by Göran Johansson, grandfather of the current MD, Kent Johansson. What was initially a carpentry operation transitioned into house production in the 1960s. Today, Älvsbyhus is Sweden's largest manufacturer of prefabricated homes, developing, manufacturing and selling high-quality, ready-assembled wooden houses at the lowest prices in the market. This is enabled through cost-efficient prefabrication of essential components and the company managing the entire project from the foundations to the occupant-ready home. Having its own sawmill means the group is self-sufficient in timber. Älvsbyhus conducts sales in Sweden, Finland and Norway through some 40 sales offices.

Älvsbyhus has been part of Mellby Gård since 1995. Mellby Gård's representatives on the Board of Directors: Erik Andersson, Chairman, Johan Andersson and Anders Bülow.

Sales 2017/2018.....	SEK 1,056 million
Number of employees.....	30
Number of houses sold in 2017/2018.....	810

PREMIUM BRANDS AND NEW TECHNOLOGY

Söderberg & Haak is an importer and retailer of agricultural and construction machinery. The company is Mellby Gård's oldest wholly owned holding with 23 years in the portfolio. Although the company is going through a difficult period, the Board's strategy is to recapture market share through aggressive investment.

Three years ago, Söderberg & Haak suffered from contract terminations for certain key brands that the company had imported to Sweden for some time. Two thirds of sales were lost and, the following year, the income statement showed a loss for the first time in the company's 150-year history.

The situation remains challenging. The company has replaced the range with several new premium brands, including Deutz-Fahr of Germany in tractors and Komatsu of Japan in construction equipment, although establishing new brands in a market characterized by long product cycles takes time and costs money.

With aggressive investments, supported by Mellby Gård, Söderberg & Haak aims to recapture its position as one of the leading players in the segment. Söderberg & Haak is currently present in some 40 locations in Sweden, with half of the facilities being majority or wholly owned.

The company's initiative in the premium segment and highly specialized brands represents a measure to ensure a leading edge position when new technologies such as IoT and self-driving, autonomous vehicles transform working methods in both agriculture and the construction industry.

The segment is exposed to strong price pressure. In such an environment, offering technologically leading brands will be crucial in the long term. Söderberg & Haak will also offer the best service and expertise as customers' industries experience the shift in technology.

During the year, Söderberg & Haak has established new and complete sales and service facilities in Falköping, Hörby and Rosersberg, and acquired a retailer in Karlstad. Although further additions to the range, adding another brand, may be necessary and the need to establish or acquire more operations cannot be ruled out, the focus for the near future will be on adapting and integrating the growing organization.

On taking over the dealerships, Deutz-Fahr and Komatsu had market shares of only a few percent in Sweden, despite being market leaders in other parts of the world. The target is for Deutz-Fahr to attain a market share of 10 percent and Komatsu 10-15 percent.

This means that about half of sales will consist of construction equipment – historically a completely new product mix for Söderberg & Haak. This realignment is why, on 1 September 2018, former MD Hans Ripa handed over his post to Jonas Jaenecke, who has extensive experience in the construction industry.

"Hans Ripa has accomplished a great deal. He has realigned the product mix and implemented an expansive reorganization to extend the retailer network. These efforts are now entering a new phase of adaptation, fine tuning the organization," says Erik Andersson, Chairman of Söderberg & Haak.

"Söderberg & Haak is an illustrious company and Mellby Gård is a strong and long-term owner. This imbues confidence in customers, who can rest assured that the company, which has been in existence for 150 years, will endure, providing service, support and spare parts. I look forward to developing the potential of the construction operations and enhancing efficiency in the agricultural organization," says Jonas Jaenecke.



*There is strong pressure on prices.
We must have the best
expertise and service.*



SIGNIFICANT EVENTS 2017/2018

- » The tough start, inherited from 2016/2017 continued during the year. Sizable investments in new facilities and employee training in new brands. Although sales rose, profit deteriorated.
- » The 2017 agricultural year was tough with a difficult autumn harvest following adverse weather. The cost of the harvest and the lower quality of the crops were expensive for farmers, in turn reducing their willingness to invest.
- » Deutz-Fahr switched out its entire product programme and established a completely new factory in 2016/2017. The result was an acute product shortage and these problems continued into 2017/2018.
- » The value of the SEK fell against the EUR during the year, making imported goods more expensive in Sweden. This impacted Söderberg & Haak's competitiveness.
- » The dairy farmers' situation improved in 2017/2018 after several very challenging years. This led to a pent-up need for investment being released.
- » The business cycle in construction and civil engineering was very strong with high demand for equipment.
- » On 1 September, Hans Ripa handed over the post of MD to Jonas Jaenecke.

MD Jonas Jaenecke



FACTS

Söderberg & Haak is Sweden's leading privately-owned importer and retailer of machinery for agriculture and the construction industry. The company began as an iron and steel wholesaler in 1866.

Brands: Deutz-Fahr, Komatsu, Amazone, Dal-Bo, Geringhoff and Krone. The company also serves New Holland and Case IH.

Number of facilities: The company has a total of 40 facilities in Sweden with sales, service and sales of spare parts. Of these, 21 are wholly or majority-owned.

Söderberg & Haak Maskin AB has been part of Mellby Gård since 1995. Mellby Gård's representative on the Board of Directors: Erik Andersson, Chairman, and Sven Knutsson.

Headquarters:..... Staffanstorp
Sales 2017/2018:..... SEK 1,179 million
Number of employees:..... 280

NEW START WITH CHALLENGES

BM Agri is a wholesaler of cereals, oilseeds and fertilizers. As a privately-owned company, it is a challenger in a market dominated by member-owned cooperatives. Over the past year, the company gained both a new partner and a new MD in Johan Andersson. He is tasked with taking BM Agri to the next level. However, the summer of 2018 brought drought.

BM Agri was founded some 15 years ago by Mats and Britt-Marie Eriksson. Mellby Gård joined in 2011 through the acquisition of a minority holding, while the Eriksson family retained a majority holding of more than 50 percent. Last year, however, the opportunity appeared for a star recruitment in the shape of Johan Andersson who has extensive experience of agricultural operations from highly senior positions at Scan, Danish Crown and Lantmännen. The recruitment entailed Johan Andersson acquiring 15 percent of the shares, with the other two owners reducing their holdings. The Eriksson family decreased to 49 percent and Mellby Gård to 33 percent. Accordingly, no individual shareholder has its own majority in the company.

"I know this industry and am convinced that BM Agri has a fine future ahead. After many years as an employee, I am pleased to have the opportunity to also be a partner," says Johan Andersson.

BM Agri trades mainly in wheat, malt and rapeseed, purchasing from farmers throughout Sweden. The company maintains very small inventories of its own, collecting directly from the farms instead. This permits cost-efficient and flexible operations. The largest individual customers are Viking Malt, one of the world's leading suppliers of malt for beer breweries, Absolut Vodka, and oil and fat company AAK. A large proportion is also exported.

BM Agri is also a fertilizer retailer, purchasing from Yara of Norway, for example, and selling to Swedish farms.

"Our competitive advantages include having no cause to exert pressure on prices paid to farmers for grain, since we do not make purchases of our own for processing. Furthermore, as a small company, we can maintain good personal contacts with those who sell to us, providing them with smooth and responsive service," says Johan Andersson.

He points out that one of the keys to this industry is having good access to ports, since increasing quantities of cereals are shipped by boat, mainly for export. BM Agri has a well-developed network of port facilities through lease contracts.

"We have relatively small volumes compared with Lantmännen, for example, but we have the highest share of exports among companies operating in Sweden. When, for example, we fill a boat with 3,000 tonnes, 80 lorries drive simultaneously to collect the grain directly from the farms around Sweden," he says.

In 2017, profitability was restored following a difficult 2016 in which a stock of fertilizer had to be written down due to falling prices, and several companies within Lantmännen stopped purchasing grain on the open market to buy internally instead, within their own cooperative.

Johan Andersson took office in May 2018, as the sun parked itself over Sweden. The summer's drought will go down in history as the worst in southern and central Sweden since the Swedish Meteorological and Hydrological Institute began taking measurements in the 18th century. This will affect operations with reduced volumes and poorer grades in future financial years.





SIGNIFICANT EVENTS 2017/2018

- » Johan Anderson was appointed MD and became a new shareholder in May 2018.
- » Good grain harvest in 2017 with a large share of exports. Many boats were loaded in Västerås and Trelleborg.
- » The summer drought of 2018 began as early as in May, going down in history as the worst for many years, exerting pressure on profitability.

“We sympathize with the farmers whose harvests were halved and of poorer quality. Many have not been able to deliver what they had previously sold through forward transactions. As a result, we have been forced to exit transactions we had previously entered into, pressuring profitability both for us and for our growers,” says Johan Andersson.

Accordingly, Johan Andersson has taken over a company facing plenty of challenges. He nonetheless views the future with confidence:

“We will consider how we can develop the business with additional products. It is also important that we take new steps in digitalization,” he says.

“With my background from organizations with thousands of employees,” he continues “it is unaccustomed but simultaneously exciting to work in a small company that is challenging the market. From that point of view, it is important for me that we have long-term owners contributing strength and stability.”

MD Johan Andersson



FACTS

BM Agri is a trading company focusing on cereals, oilseeds and fertilizers. BM Agri also works with price hedging through various commodity exchanges and provides market information to Swedish farmers. BM Agri operates throughout Sweden, focusing on benefit for farmers through cost-efficiency and close relationships with growers and customers.

BM Agri has been part of Mellby Gård since 2011.
Mellby Gård's representatives on the Board of Directors:
Erik Andersson.

ChairmanThomas Svensson
Headquarters: Skara
Sales 2017/2018..... SEK 469 million
Number of employees..... 6
Tonnes of cereals sold in 2017/2018..... 200,000 tonnes

THE NORDIC REGION'S LARGEST SAFARI PARK TARGETS REACHING 200,000 VISITORS

Eriksberg Hotel & Nature Reserve is Nordic region's largest safari park. Over the year, 60,000 guests visited Eriksberg to stay at the hotel, attend conferences, eat from the restaurant's game menu or to take a safari among the approximately 1,500 wild animals. Eriksberg is now investing to increase the number of visitors, with a target of 200,000.

"We are continuously developing the operations to make the facility and the reserve a superior experience in every detail," says Eriksberg's MD Per-Arne Olsson. "In recent years, we have invested about SEK 300 million and in the summer of 2018 we completed the year's largest individual investment, a brand new entrance building, Outdoor Eriksberg."

The wild animals and the nature reserve are the foundation of the operations. The animals are included in all aspects – being depicted in the furnishings and the decor of the rooms, as well as on the menus in the restaurants. Over time, the animals develop the biodiversity of the reserve and evolution continues relatively undisturbed at Eriksberg. Accordingly, Eriksberg is now a site of national importance with regard to biodiversity and is one of the areas in which most studies are made of different organisms, birds and animals. Eriksberg is a "gene bank".

"Mellby Gård has now owned Eriksberg for ten years, contributing long-term cultural benefit. Through extensive investments, we have created something unique, and the experiences we offer are constantly improving. Such operations are of increasing importance for modern man. Many customers describe their annual visits as an opportunity to unwind and re-energize," says Per-Arne Olsson.

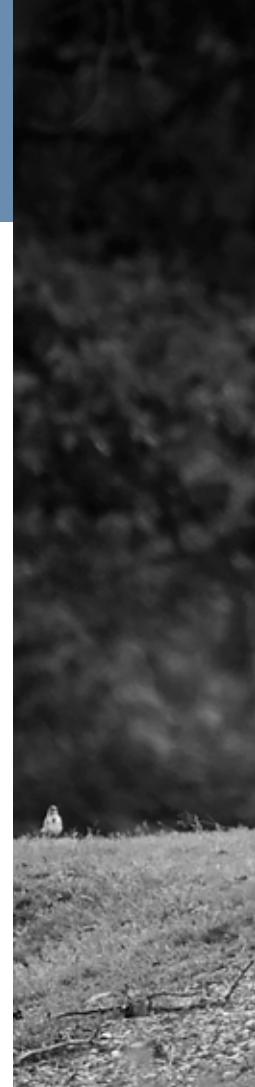
Eriksberg has a broad target group. Today, most visitors are Swedes, but an increasing number come from Germany and Denmark. Tourists visit Eriksberg with bus excursions, travelling

around the park for a couple of hours or eating in the restaurant. The nature reserve also receives families with their own cars, as well as companies of varying sizes that visit for team building or business planning. Private hotel guests and experience seekers from abroad are becoming more common and are in focus for Eriksberg.

Since Mellby Gård took over in 2008, the number of visitors has tripled, with sales increasing more than tenfold. The watchword is "long-term", which permeates everything. The target is to achieve annual sales in the region of SEK 65-70 million within a few years.

The largest investment during the year was the new entrance building, which was completed at the end of June 2018. Architect Thomas Sandell was commissioned to create a building reflecting Eriksberg through modern architecture. The objective is for this to help increase the number of visitors to 200,000 within a few years. The number of days during the year on which Eriksberg is open increased to 360. The entrance is now continuously manned, allowing Eriksberg to welcome visitors in an even more personal way.

"We have named the new entrance 'Outdoor Eriksberg'," says Per-Arne Olsson. "It houses a café and a shop offering Eriksberg's own game produce, souvenirs and outdoor clothing from Chevalier."





Mellby Gård has contributed long-term cultural benefit and, through extensive investment, has created something unique. Such operations are of increasing importance for modern man. Many customers describe their annual visits here as an opportunity to unwind and re-energize,” says Per-Arne Olsson, MD of Eriksberg.



SIGNIFICANT EVENTS 2017/2018

- » Investment in a new entrance building, “Outdoor Eriksberg”, which will help increase the number of visitors and boost sales of Eriksberg’s entire product range.
- » To strengthen wild bison herds in Russia, Eriksberg participated in one of the largest-ever shipments of bison. A total of 17 animals, of which 12 are from Eriksberg, will be returned to the wild.
- » Restoration of important flood plains, where pike can spawn and lay eggs.
- » International culinary tourism venture seeking, in partnership with Icehotel in Jukkasjärvi, to attract more international guests, aided by Nordic cuisine.
- » Eriksberg was nominated for the Stora turismpriset tourism award.

“In the longer term, we want to use the value of the reserve even more effectively, offering new options for spending the night close to nature, barbecue huts and movable camera huts for getting close to the animals. Another trend is ‘glamping’ – glamorous camping in a hand-sewn tent in the same sail cloth as an East Indies clipper and with architect-designed beds.”

“We also want to develop spectacular feeding houses in designs based on Eriksberg’s ‘soul’. Architects will be able to interpret this in their own way,” Says Per-Arne Olsson. “It’s important to create locations in which genuine experiences always occur and where there are photo opportunities, regardless of the season and the weather.”

MD Per-Arne Olsson



FACTS

Eriksberg Hotel & Nature Reserve is located in the Municipality of Karlshamn. It is one of Northern Europe’s largest wildlife reserves and the largest safari park in the Nordic region. The property covers 1,348 hectares, of which 409 hectares are water. There is abundant wildlife here, including red deer, fallow deer, Père David’s deer, wild boar, European bison (Europe’s largest breeding herd) and mouflon sheep. In the summertime there are a total of about 1,500 animals. The number of visitors during the year was approximately 60,000. Operations include a restaurant, a hotel and a conference centre, events, tourism, forestry, nature conservation and hunting.

Eriksberg has been part of Mellby Gård since 2008. Mellby Gård’s representatives on the Board of Directors: Sten Libell, Chairman, Rune Andersson and Johan Andersson.

AGRICULTURE IN CONTINUOUS DEVELOPMENT

Mellby Gård Jordbruk is engaged in large scale agriculture and forestry, focusing primarily on pig and cattle farming, forestry and horse breeding. Following several years focusing on renovation and refurbishment of existing buildings and new construction, operations are now focusing on growth and expansion.

“Consumption of Swedish meat is increasing, which is satisfying,” says steward Petter Beckman, who is responsible for operations at Mellby Gård. “We take a very positive view of the future with regard to our pig farming. The Swedish model of animal husbandry, entailing good animal care and restricted use of antibiotics, is an important competitive advantage internationally. Considerable potential remains and Mellby Gård is therefore increasing its pig farming.”

The weather impacted the year, particularly for horticultural operations. The summer and autumn of 2017 brought more rain than usual, impeding harvesting.

“In the forestry operations, the market has remained strong, with high demand for both pulp and wood. In general, profitability is also good. We have felled somewhat more than usual, particularly pine, because of the improved price situation,” says Petter Beckman.

Mellby Gård continuously considers opportunities for expansion and land acquisitions. This is an important part of the growth strategy.

To increase growth and profitability, Mellby Gård seeks new ways of increasing demand for its products. The focus is currently on pig farming.

“We have 15 permanent employees doing a great job,” says Petter Beckman. “In green industry, finding the right employees with the right skills is a challenge and the requirements are increasing.”

Mellby Gård also maintains sizable horse breeding and racing operations. In total Mellby Gård has about 100 horses, including 25 breeding mares and the breeding stallion Mellby Viking. Several horses are stabled with elite trainers around Sweden and other countries.

“A few years ago, we restructured our horse operations with the aim of more quickly assessing which of the horses has the best potential,” says Jan-Olov Andersson, harness racing trainer at Mellby Gård. “As a consequence, results have gradually improved and, in 2018, we have seen a significant increase in winnings.”





“ We take a very positive view of the future with regard to our pig farming. The Swedish model of animal husbandry, entailing good animal care and restricted use of antibiotics is an important competitive advantage internationally. Considerable potential remains and we are therefore increasing our pig farming, says steward Petter Beckman, Operations Manager.

SIGNIFICANT EVENTS 2017/2018

- » Environmental permits were obtained for increasing pig farming at one of the farm's two facilities.

FACTS

The Mellby Gård farm is located just south of Hässleholm in the southernmost Swedish province of Skåne. The farm conducts modern, large-scale farming operations focusing primarily on pig and cattle farming, forestry and horse breeding. The farm belongs to one of the largest pig farmers in Skåne and annually produces some 17,000 pigs for slaughter. The total area is a little more than 4,000 hectares, divided between about 80 percent forest, 15 percent arable land and 5 percent pasture. Mellby Gård's forestry operations are certified in accordance with FCS and PEFC and are conducted efficiently with long-term planning. The land is rich in game, offering hunting for elk, red deer, wild boar and roe deer. Hunting is conducted regularly, led by Andreas Molin.

Mellby Gård Jordbruk is a sister company to Mellby Gård. Mellby Gård's representative on Board of Directors: Rune Andersson, Chairman.

Petter Beckman,
Operations Manager



Jan-Olov Alfredsson,
Harness racing trainer



SOCIAL COMMITMENT IN MANY AREAS



THE KYRKHULTSTUGAN COTTAGE AT SKANSEN GETS A NEW LEASE OF LIFE

In the autumn of 1890, Doctor Artur Hazelius arrived in the village of Lilla Brödhult in the parish of Kyrkhult in western Blekinge. He had been told that he would find a well-preserved “Southern Geatish” house, that is, a low cottage, connected to higher sheds on either side. The son of the house, Thomas Svensson, wrote about Hazelius’s visit in a letter:

“Hazelius arrived at our house late one evening at about eleven. We had all gone to bed when there was a knock at the front door and my sister Bengta hurried to the door to enquire who was there. The answer was: Doctor Hazelius from Stockholm. Bengta opened the door and Hazelius handed her a card on which his name was written. He asked Bengta if he might be permitted to enter to view the cottage. Once inside the cottage he began to speak with my father, and father and Bengta followed Hazelius through both the lower and upper floors of the building and he marvelled at this old building method, which you understood from how he clapped his hands as he walked through the nooks and crannies. Finally Hazelius asked my father if he would sell the cottage, which was then effectuated in the winter of 1891.”

The Kyrkhultstugan cottage was one of the first buildings to be erected at the Skansen outdoor museum in 1891. In recent years, Mellby Gård has been the main sponsor for the refurbishment of the cottage, which was originally located in the same parish in which the founder of Mellby Gård, Rune Andersson, was born and raised. The Kyrkhultstugan cottage at Skansen on the island of Djurgården in Stockholm is scheduled to be re-inaugurated in the summer of 2019.

DRIVHUSET – WHERE STUDENTS’ IDEAS GROW

Mellby Gård partners with Drivhuset (the Greenhouse), which helps new entrepreneurs start and run companies or realize their ideas in other ways. By offering guidance, education and a creative office environment, Drivhuset helps build the companies of the future.

The success factor is a reality-oriented process in which entrepreneurs continuously test their ideas against those of their target group. This shortens the companies’ start-up period while developing them in harmony with the market. Through expert advice and practical assistance, Drivhuset achieves concrete results in the form of 1,000 new companies in Sweden each year.



“

At Mellby Gård, we have always had a commitment to society. This occasionally appears in the form of statements about what is important for Swedish business, Swedish tax policy or Swedish education. At other times, it may involve quite different, more mundane things. It may not look like our philanthropic activities follow any common thread, but ultimately it is that everything we do should be a catalyst for achieving success. Seeing companies progress from promising to leading. Achieving new, groundbreaking research results. Seeing smaller sports clubs achieve unexpected successes. And, perhaps most importantly, seeing children in exposed parts of the world attain a better life, and creating the conditions for them to fulfil their dreams.

Johan Andersson
MD, Mellby Gård AB

FC ROSENGÅRD – FOR EQUALITY IN MALMÖ

We believe in the power of dreams and want to help build equality in Malmö, embracing all areas and people. Where all children and families dare to believe in their dreams and set goals for the future. Both on and off the pitch. That is why Mellby Gård supports women's soccer team FC Rosengård!

TEACH FOR SWEDEN – FOR EQUAL EDUCATION FOR ALL

Children's success at school should not be limited by their parents' level of education, which school they attend or their socioeconomic background. Teach for Sweden wants all children to be able to choose their own future and believes in a world where everyone, regardless of background, has access to equal education.

If all children enjoy the same conditions to succeed in the classroom, the foundation is laid for building a strong democratic society with diversity, knowledge and creativity, pervaded by strong leadership that drives Sweden forward. Teach for Sweden works for equal education through good leadership in classrooms based on the conviction that all children are capable. Mellby Gård believes in Teach for Sweden's value base and partners with the organization.

PROJECT PLAYGROUND – GIVES CHILDREN AND YOUNG PEOPLE FAITH IN THE FUTURE

Mellby Gård partners with Project Playground whose overarching vision is a safe world in which children and young people grow up with faith in the future and opportunities to influence their own lives. Project Playground's principal task is to provide a sanctuary where children and young people can develop self-respect and ambitions. A place where children are allowed to be children, where young people are met with understanding, where they are seen and validated.

In South Africa, Project Playground is working to strengthen the personal and social development of children and young people through free, organized after-school activities five days a week. All children and young people between 4 and 21 years of age, regardless of their background and circumstances, are welcome at two activity centres outside Cape Town.

In connection with the influx of refugees that arrived in Sweden in 2015, the idea emerged to reuse parts of the South African experience in Sweden. In 2016, Project Playground gained access to its own premises in Hallonbergen and, in 2017, the operations were developed to include some 150 young people belonging to a group unable to finance their leisure activities themselves.

POST-GRADUATE POSITION LINKED TO SLU

Mellby Gård supports a post-graduate position at the Swedish University of Agricultural Sciences' (SLU) Company Management Competence Centre (KCF). The theme of the project is "Obstacles and opportunities for entrepreneurship in green industries". This involves mapping and analyzing hindrances to enterprise in the green industries. The agricultural sector in particular is currently characterized by structures and conditions that can prevent entrepreneurs from achieving profitability and growth.

Söderberg & Haak's chairman, Erik Andersson, also a board member in Mellby Gård, sits on the project's steering committee.

"In many industries, entrepreneurship and innovation flow are prerequisite to the industry's success and growth," says Erik Andersson. "We therefore seek to contribute to the green industries developing in a positive and profitable direction."

THE TEACHERS' GALA – WHEN STUDENTS CHOOSE

Without education, no country can develop. For this reason, Mellby Gård is the main sponsor of the annual Teachers' Gala. In Sweden, where education is free, teachers can easily be taken for granted. The Teachers' Gala serves to remind Swedes of what a wonderful job our teachers are doing. With a positive and respectful attitude toward teachers, Swedish society will develop. More will choose the teaching profession, the admission requirements for studying teaching will rise and, not least, our teachers will feel greater passion for their profession.

The Teachers' Gala is arranged annually and is an important inspiration for today's teachers and students. All middle school, lower-secondary and upper-secondary pupils in Sweden may nominate their favourite teacher. Aided by pupils' and teachers' motivations, the qualities fundamental to successful, engaging and instructive teaching are then analyzed.

SPORTS ASSOCIATIONS – TEAM WORK, BOTH IN OUR COMPANIES AND IN SOCIETY

At Mellby Gård, we believe in team work, both in terms of our companies and in society in general. It is important that children and young people participate in team sports. We therefore support a number of sports associations. In addition to FC Rosengård we also support BK Union, IFK Hässleholm and Sösdala IF. Our biggest sports commitment is as the main sponsor of Trelleborgs FF, which we have supported for more than 25 years.



WE AT MELLBY GÅRD





Orvar Magnusson - CFO, Anna Blom - Group Controller, Johan Andersson - MD, Mellby Gård AB, Rune Andersson - Founder and Chairman of the Board, Mellby Gård AB, Magnus Brokelind - Tax Director, Thomas Gustafsson - Deputy MD Mellby Gård AB, Suzanne Arvidsson - Accountant, Susanne Canerstam - Assistant to the MD, Rolf Andersson - Chief Accountant, Sven Knutsson - MD Mellby Gård Innovation & Tillväxt, Bo Bjelkenstav - Financial Market, Sten Libell - Administrative Director

BOARD OF DIRECTORS





Anders Bülow, Rune Andersson, Erik Andersson, Johan Andersson,
Thomas Gustafsson, Hans Stråberg. Missing from photo: Gustav Andersson.

COMPANY OVERVIEW

SUBSIDIARY



CHEVALIER

Acting MD Lasse Björkman
Sales SEK 76 million
Part of Mellby Gård since 2015

Mellby Gård's representatives on the Board of Directors:
Sven Knutsson, Chairman, and Erik Andersson.



EXCALIBUR

MD Thomas Pohjanen
Sales SEK 44,6 million
Part of Mellby Gård since 2008

Mellby Gård's representatives on the Board of Directors:
Rune Andersson, Chairman, and Johan Andersson.



FERALCO

MD Stephen Childs and Ludovic Huitorel
Sales SEK 971 million
Part of Mellby Gård since 2001

Mellby Gård's representatives on the Board of Directors:
Johan Andersson, Chairman.



HEDSON

MD Magnus Björnström
Sales SEK 271 million
Part of Mellby Gård since 2014

Mellby Gård's representatives on the Board of Directors:
Hans Stråberg and Sven Knutsson.



KLARAHILL

MD Niklas Steenberg
Sales SEK 128 million
Part of Mellby Gård since 2015

Mellby Gård's representatives on the Board of Directors:
Sven Knutsson, Chairman, and Johan Andersson.

Lund Fashion AB



LUND FASHION

MD Fredrik Johansson
Sales SEK 483 million
Part of Mellby Gård since 2003

Mellby Gård's representatives on the Board of Directors:
Thomas Gustafsson, Chairman, Erik Andersson and
Orvar Magnusson.



NIKKARIT

MD Mikael Olrog
Sales SEK 215 million
Part of Mellby Gård since 2014

Mellby Gård's representatives on the Board of Directors:
Hans Stråberg, Chairman, and Sven Knutsson.



OSCAR JACOBSON

MD David Thunmarker
Part of Mellby Gård since June 2018

Mellby Gård's representatives on the Board of Directors:
Thomas Gustafsson, Chairman, och Sven Knutsson.



ROXTEC

MD Mikael Helmersson
Sales SEK 1,675 million
Part of Mellby Gård since 2005

Mellby Gård's representatives on the Board of Directors:
Hans Stråberg, Chairman, Rune Andersson,
Johan Andersson and Anders Bülow.



SMARTEYES

MD Thomas Kusoffsky
Sales SEK 613 million
Part of Mellby Gård since 2007

Mellby Gård's representatives on the Board of Directors:
Thomas Gustafsson, Chairman, Rune Andersson,
Johan Andersson and Erik Andersson.



SÖDERBERG & HAAK

MD Jonas Jaenecke
 Sales SEK 1,179 million
 Part of Mellby Gård since 1995

Mellby Gård's representatives on the Board of Directors:
 Erik Andersson, Chairman, and Sven Knutsson.



TRUDE

MD Anders Nordborg
 Sales SEK 5 million
 Part of Mellby Gård since 2015

ASSOCIATED COMPANIES

Academedia

ACADEMEDIA

MD Marcus Strömberg
 Sales SEK 10,810 million
 Part of Mellby Gård since 2017

Mellby Gård's representatives on the Board of Directors:
 Anders Bülow, Chairman, and Johan Andersson.



BM AGRI

MD Johan Andersson
 Sales SEK 469 million
 Part of Mellby Gård since 2011

Mellby Gård's representatives on the Board of Directors:
 Erik Andersson.



DUNI

MD Johan Sundelin
 Sales SEK 4,613 million
 Part of Mellby Gård since 2007

Mellby Gård's representative on the Board of Directors:
 Johan Andersson.



FLOWBIRD

MD Marius Koerselman
 Sales (Jan-Jun) EUR 155 million
 Part of Mellby Gård since 1997 (Cale)

Mellby Gård's representative on the Board of Directors:
 Johan Andersson.

KappAhl

KAPPAHL

Acting MD Göran Bille
 Sales SEK 4,771 million
 Part of Mellby Gård since 2013

Mellby Gård's representatives on the Board of Directors:
 Anders Bülow, Chairman, and Thomas Gustafsson.



STUDENTCONSULTING

MD Tobias Lindfors
 Sales SEK 975 million
 Part of Mellby Gård since 2010

Mellby Gård's representatives on the Board of Directors:
 Johan Andersson and Anders Bülow.



ÄLVSBYHUS

MD Kent Johansson
 Sales SEK 1,056 million
 Part of Mellby Gård since 1995

Mellby Gård's representatives on the Board of Directors:
 Erik Andersson, Chairman, Johan Andersson and
 Anders Bülow.



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