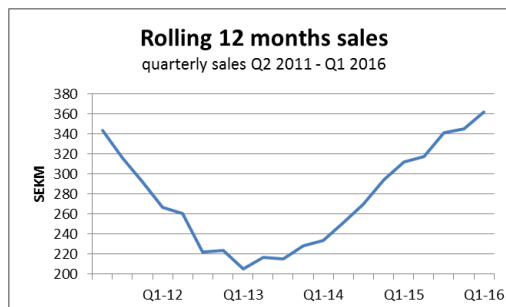




## Odd Molly International AB (publ)

Stockholm, Sweden, April 19, 2016



## Interim report January 1 – March 31, 2016

More aggressive investments – profitable growth

### January 1 – March 31, 2016

- Net sales amounted to SEK 117.7 million (100.7), an increase of 17 percent.
- The gross profit margin was 54.2 percent (54.2).
- Operating profit amounted to SEK 8.5 million (9.5).
- Net profit amounted to SEK 5.9 million (7.6).
- Earnings per share before dilution amounted to SEK 1.02 (1.33).

### Events during and after the quarter

- In February Odd Molly opened a store in the Emporia shopping center in Malmö.
- During the quarter a contract was signed for an Odd Molly store in Hansa Citygalleria, Malmö, scheduled to open in fall 2016.
- An Extraordinary General Meeting on February 24 resolved to adopt a new incentive program for the Chief Executive Officer and Vice President.
- In March Johanna Palm was appointed the new CFO effective April 18, 2016.
- After the end of the quarter a contract was signed for the first company-owned store in Norway. The grand opening of the Odd Molly store on Karl Johans gate in Oslo is planned at the end of May 2016.

Key financial ratios	Jan-Mar	Jan-Mar	Full Year	Apr 2015-
	2016	2015	2015	Mar 2016
Net sales, SEK million	117,7	100,7	345,0	362,0
Gross profit margin, %	54,2	54,2	55,6	55,5
Operating profit/loss, SEK million	8,5	9,5	12,5	11,4
Operating margin, %	7,2	9,4	3,6	3,1
Net profit/loss, SEK million	5,9	7,6	9,8	8,0
Earnings per share before dilution, SEK	1,02	1,33	1,70	1,40
Earnings per share after dilution, SEK	1,02	1,33	1,70	1,40
Weighted average number of shares, before dilution	5 752 000	5 752 000	5 752 000	5 752 000
Weighted average number of shares, after dilution	5 752 000	5 752 000	5 752 000	5 752 000

## Comment from the CEO

The first quarter of 2016 reflects Odd Molly's investments in growth initiatives. We increased sales by 17 percent and succeeded – despite initial startup costs for new stores and other strategic investments – in driving growth with profitability.

We have had a fantastic online sales increase thanks to broad-based proactive efforts, and our other sales channels have also performed strongly. During the quarter we reached a total of 14 of our own stores, which is six more than the same period last year. Our newest product groups, swimwear and footwear, are quickly selling out, which gives us the confidence to further develop Odd Molly's lifestyle concept both physically and digitally.

During the quarter we opened our own store in the Emporia shopping center outside Malmö and we will open another store in the Malmö area this fall. In addition, we are now expanding to Norway, where we are opening our own store in a prime location in central Oslo early this summer. We are seeing a positive trend in the US for Odd Molly, where, for example, one of our retailers in Vail, after generating very high sales with our shop-in shop solution, has decided to open an Odd Molly store there.

A continued expansion with a focus on our own retail operations opens new opportunities at the same time that it creates new demands. Expenses and cash flow are carefully being monitored. We are in an investment phase where we are incurring expenses that will generate continued revenue increases in the short and long term. Over time these expenses will decrease, however, in relation to sales. We have further help as of today from our new CFO, Johanna Palm.

We continue to develop Odd Molly's collections, concept and retail network according to the strategy we have staked out. We repeatedly saw evidence in 2015 that we are doing the right things. A lot of stimulating work still remains in order to drive our web and retail sales as well as to learn from our Swedish wholesale sales force and grow sales in Norway, Finland and Denmark in the same way. We are looking forward to many strong springs.

Anna Attemark, CEO



## The Group's development

### Net sales

#### *First quarter January 1 - March 31, 2016*

Net sales for the first quarter of the year amounted to SEK 117.7 million (100.7), an increase of 17 percent compared with the same period in 2015. Revenue in the wholesale operations (sales to retailers) rose from SEK 71.7 million to SEK 73.4 million. The company's retail operations (Group sales to consumers) continued to grow significantly, by just over 50 percent, from SEK 29.1 million to SEK 44.3 million, driven by strong sales mainly in January as well as more by new stores and continued growth in the company's web shop.

### Earnings

#### *First quarter January 1 - March 31, 2016*

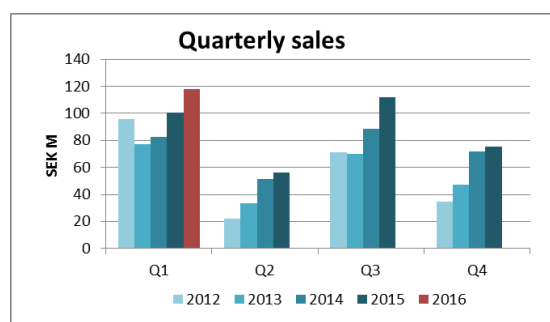
The gross profit margin for the first quarter was 54.2 percent (54.2).

Operating profit amounted to SEK 8.5 million (9.5). Other external expenses rose by SEK 6.3 million to SEK 36.2 million (29.9) in the first quarter. Personnel expenses amounted to SEK 16.5 million (13.1), up SEK 3.4 million. The increases in other external expenses and personnel expenses are mainly due to newly opened stores and the company's web operations. Odd Molly has 14 of its own stores today, compared with eight in the same period of 2015. Profit for the quarter was charged with SEK 0.8 million to write down outstanding receivables from a large wholesale customer that filed for bankruptcy.

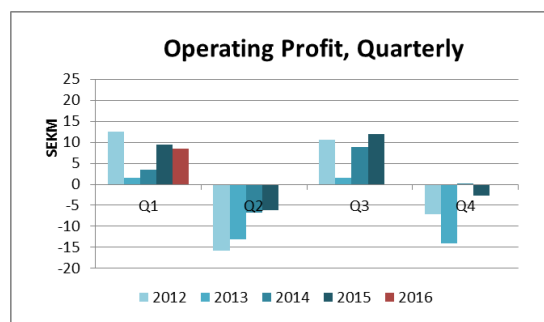
Net profit for the quarter amounted to SEK 5.9 million (7.6) and earnings per share before dilution amounted to SEK 1.02 (1.33).

### Seasonal fluctuations

Odd Molly's operations are highly seasonal, with the strongest sales in the first and third quarters, while the second and fourth quarters are significantly weaker. As a result, the company's operations, sales and profits are best followed on a semiannual basis.



The above diagram shows quarterly sales, Q1 2012-Q1 2016



The above diagram shows quarterly operating profit, Q1 2012-Q1 2016

### Financial position

The company's total assets amounted to SEK 150.3 million (144.4) on March 31, 2016. Shareholders' equity was SEK 99.1 million on the same date, compared with SEK 98.7 million on March 31, 2015. The equity/assets ratio was 66 percent (68) at the end of the quarter and cash and cash equivalents amounted to SEK 4.7 million (26.1).

Accounts receivable amounted to SEK 56.0 million on March 31, 2016, compared with SEK 56.8 million a year earlier. Inventory amounted to SEK 60.4 million (38.2) on March 31, 2016. The increase is a natural consequence of more new stores and increased web sales.

### **Investments and cash flow**

During the quarter the company's investments totaled SEK 7.5 million (0.1). Cash flow from operating activities amounted to SEK -9.4 million (-13.2). Total cash flow amounted to SEK -15.9 million (-13.3) for the first quarter 2016. Growth with investments in more new company-owned stores, as well as the increased working capital that entails, is the main reason for the negative cash flow and decreased liquidity for the period.

### **Events during and after the quarter**

#### ***Stores***

In February Odd Molly opened its own store in the Emporia shopping center in Malmö. In the same month the company renovated the Odd Molly store in Täby centrum. During the quarter a contract was signed for an Odd Molly store in Hansa Citygalleria, Malmö, scheduled to open in fall 2016

After the end of the quarter a contract was signed for the first company-owned store in Norway. The grand opening of the Odd Molly store on Karl Johans gate in Oslo is planned at the end of May 2016.

#### ***Extraordinary General Meeting***

An Extraordinary General Meeting held February 24 resolved to adopt a new warrant program for the Chief Executive Officer and Vice President. For more information on the terms and conditions, please see the company's website.

#### ***Organization***

In March Johanna Palm was appointed the new CFO of the company effective April 18, 2016.

### **Number of shares**

As of March 31, 2016 there were 5,752,000 shares outstanding.

### **Employees**

The total number of employees at the end of the quarter was 83 (71), of whom 7 were men and 76 women. The average number of employees during the quarter was 83 (71).

### **Parent Company**

The Parent Company reported net sales of SEK 115.2 million (99.2) during the period, with operating profit of SEK 7.6 million (7.6). The Parent Company's adjusted shareholders' equity amounted to SEK 85.0 million (85.2). Cash and cash equivalents amounted to SEK -0.4 million (22.8).

Sales in the U.S. are through the wholly owned subsidiary Odd Molly Inc. Odd Molly also has subsidiaries in Denmark, Norway, Finland and Sweden that are responsible for operations in their respective markets. All other sales are through the Parent Company.

## **Segments**

The company reports revenues and operating results for two segments: wholesale and retail.

The **wholesale** segment comprises sales to Odd Molly's retailers through agents, distributors or its own sales corps. The stores and shop-in-shops managed by retailers are included in the wholesale segment.

The **retail** segment refers to sales to consumers through the company's own channels: physical stores, outlets, shop-in-shops and web shops where Odd Molly has its own personnel. Operating results for each segment are charged with direct expenses for the segment. Common Group expenses for the first quarter of 2016 are distributed by segment based on their share of the total cost of goods sold. To improve comparability, the figures for the first quarter of 2015 have also been adjusted by the same proportionate share of the common expenses.

## **Risk factors**

Due to the nature of its operations, the Odd Molly Group is exposed to risks and uncertainties. A detailed description of the risks and uncertainties to which Odd Molly is exposed is provided in the Board of Directors' report and in note 27 in Odd Molly's annual report for 2015, which is available on Odd Molly's website. There we also explain how Odd Molly manages and tries to minimize the risks. The assessment of these risks is unchanged compared with the assessment in the annual report 2015.

**Accounting principles**

As of January 1, 2008 the Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report is prepared in accordance with IAS 34 Interim Financing Reporting and the Annual Accounts Act.

Further, the consolidated statements are prepared in accordance with Swedish law by applying the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups. The Swedish Financial Reporting Board's recommendation RFR 2 Reporting for legal entities has been applied in the preparation of the Parent Company's financial statements. The accounting principles applied in this interim report are described on pages 39-42 of the annual report for 2015. The accounting principles are unchanged compared with the previous year's annual report. New and revised accounting standards and interpretations that apply to 2016 are not considered to materially affect the company's financial reports.

The acquisition of the Swedish agent in 2014, where Odd Molly took over responsibility for sales work in the Swedish market, is treated in the consolidated accounts as an intangible fixed asset in accordance with IAS 38.

Currency derivatives are measured at fair value within level 2, according to the definition in IFRS 13, i.e., fair value based on valuation models using observable market data. Other financial assets have been classified as loans and accounts receivable. Other financial liabilities have been classified as other financial liabilities at amortized cost. All financial assets and liabilities have short maturities, based on which their book value is considered to approximate fair value.

The consolidated statements comprise Odd Molly International AB (Parent Company), Odd Molly Sverige AB, Odd Molly Inc, Odd Molly Denmark ApS, Odd Molly Finland Oy and Odd Molly Norway A/S. Reference to the company in this interim report pertains to the Odd Molly Group.

<b>Consolidated statement of comprehensive income</b>	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Full Year</b>	<b>Apr 2015 -</b>
SEK in thousands	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>Mar 2016</b>
<i>Operating revenues</i>				
Net sales	117 660	100 665	344 954	361 949
Other operating revenues	30	92	306	243
	117 690	100 757	345 259	362 192
<i>Operating expenses</i>				
Cost of goods sold	-53 897	-46 114	-153 202	-160 984
Other external expenses	-36 237	-29 874	-114 648	-121 011
Personnel expenses	-16 506	-13 093	-59 089	-62 502
Depreciation/amortization	-1 780	-1 117	-4 638	-5 301
Other operating expenses	-818	-1 054	-1 232	-995
<b>Operating profit/loss</b>	<b>8 453</b>	<b>9 505</b>	<b>12 451</b>	<b>11 399</b>
<i>Result from financial items</i>				
Interest income	184	174	415	426
Interest expenses	-86	-13	-105	-178
<b>Profit/loss after financial items</b>	<b>8 551</b>	<b>9 667</b>	<b>12 762</b>	<b>11 646</b>
Taxes	-2 670	-2 020	-2 955	-3 605
<b>Net profit/loss attributable to Parent Company's shareholders</b>	<b>5 881</b>	<b>7 647</b>	<b>9 807</b>	<b>8 041</b>
<i>Other comprehensive income</i>				
<i>Items that will be reclassified to profit or loss</i>				
Translation difference	-235	1 036	731	-540
Cash flow hedges	-928	226	-1 954	-3 108
Tax effect fair value cash flow hedges	204	-50	430	684
<b>Total comprehensive income attributable to Parent Company</b>	<b>4 922</b>	<b>8 860</b>	<b>9 014</b>	<b>5 076</b>
<b>Earnings per share before dilution, SEK</b>	<b>1,02</b>	<b>1,33</b>	<b>1,70</b>	<b>1,40</b>
<b>Earnings per share after dilution, SEK</b>	<b>1,02</b>	<b>1,33</b>	<b>1,70</b>	<b>1,40</b>

<b>Consolidated balance sheet</b>	<b>March 31</b>	<b>March 31</b>	<b>December 31</b>
SEK in thousands	<b>2016</b>	<b>2015</b>	<b>2015</b>
<b>ASSETS</b>			
<i>Fixed assets</i>			
Intangible fixed assets	8 144	10 483	8 952
Tangible fixed assets	11 611	2 718	3 902
Financial fixed assets	1 153	1 050	1 153
	<b>20 907</b>	<b>14 251</b>	<b>14 008</b>
<i>Current assets</i>			
Inventories	60 396	38 233	56 077
Accounts receivable	55 988	56 812	41 498
Current receivables	8 312	9 022	11 636
Cash and bank balances	4 721	26 056	20 599
	<b>129 417</b>	<b>130 124</b>	<b>129 810</b>
<b>TOTAL ASSETS</b>	<b>150 324</b>	<b>144 375</b>	<b>143 817</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	99 077	98 714	93 116
Deferred tax	4 766	4 932	5 037
Current liabilities	46 481	40 730	45 665
	<b>150 324</b>	<b>144 375</b>	<b>143 817</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>150 324</b>	<b>144 375</b>	<b>143 817</b>
<b>Pledged assets</b>	<b>31 153</b>	<b>25 050</b>	<b>31 153</b>
<b>Contingent Liability</b>	<b>915</b>	<b>915</b>	<b>915</b>

<b>Changes in the Group's shareholders' equity</b>	<b>March 31</b>	<b>March 31</b>	<b>December 31</b>
SEK in thousands	<b>2016</b>	<b>2015</b>	<b>2015</b>
<b>Attributable to Parent Company's shareholders</b>			
Shareholders' equity at the beginning of the period/year	93 116	89 854	89 854
Other contributed capital	1 039	0	0
Total comprehensive income for the year/period	4 922	8 860	9 014
<b>Shareholders' equity at the end of the year/period</b>	<b>99 077</b>	<b>98 714</b>	<b>93 116</b>

<b>Cash flow statement for the Group</b>	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Full Year</b>
SEK in thousands	<b>2016</b>	<b>2015</b>	<b>2015</b>
<b>Operating activities</b>			
Operating profit/loss	8 453	9 505	12 451
Adjustments for items not included in cash flow	1 116	1 645	5 011
Interest received	184	174	415
Interest paid	-86	-13	-105
Income tax paid	-962	-1 526	-3 352
<b>Cash flow from operating activities before changes in working capital</b>	<b>8 705</b>	<b>9 786</b>	<b>14 420</b>
<b>Changes in working capital</b>			
Change in inventories	-4 361	1 896	-16 054
Change in receivables	-11 572	-22 856	-11 666
Change in current liabilities	-2 200	-2 027	4 009
<b>Cash flow from operating activities</b>	<b>-9 428</b>	<b>-13 201</b>	<b>-9 291</b>
<b>Investing activities</b>			
Acquisition of intangible fixed assets	0	0	-750
Acquisition of tangible fixed assets	-7 546	-120	-2 546
Acquisition of financial fixed assets	0	0	-103
<b>Cash flow from investing activities</b>	<b>-7 546</b>	<b>-120</b>	<b>-3 399</b>
<b>Financing activities</b>			
Shareholders' contribution, warrants	1 039	0	0
<b>Cash flow from financing activities</b>	<b>1 039</b>	<b>0</b>	<b>-5 752</b>
Cash flow for the year/period	-15 936	-13 321	-18 442
<b>Cash and cash equivalents at the beginning of the period</b>	<b>20 599</b>	<b>39 015</b>	<b>39 015</b>
Exchange rate difference in cash and cash equivalents	57	361	26
<b>Cash and cash equivalents at the end of the period</b>	<b>4 721</b>	<b>26 056</b>	<b>20 599</b>

<b>Revenue and operating result by segment</b>	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Full Year</b>	<b>Apr 2015 -</b>
SEK in thousands	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>Mar 2016</b>
<b>Wholesale</b>				
Revenue	73 356	71 663	210 864	212 558
Operating result	5 283	6 515	-6 636	-7 868
<b>Retail</b>				
Revenue	44 334	29 094	134 395	149 634
Operating result	3 170	2 991	19 087	19 266
<b>Total</b>				
Revenue	117 690	100 757	345 259	362 192
Operating result	8 453	9 505	12 451	11 399

The operating result for each segment is charged with direct expenses for that segment. Common Group expenses are distributed based on the share of the total cost of goods sold for Q1 2016. The figures for Q1 2015 are adjusted for the same share (%) to improve comparability.



<b>Parent Company income statement</b>	<b>Jan-Mar 2016</b>	<b>Jan-Mar 2015</b>	<b>Full Year 2015</b>
SEK in thousands			
<i>Operating revenues</i>			
Net sales	115 213	99 186	338 308
Other operating revenues	15	31	409
	115 228	99 217	338 717
<i>Operating expenses</i>			
Cost of goods sold	-52 058	-45 152	-149 258
Other external expenses	-39 387	-32 504	-122 026
Personnel expenses	-15 072	-12 196	-54 612
Depreciation/amortization of tangible and intangible fixed assets	-1 016	-429	-1 879
Other operating expenses	-140	-1 296	-1 440
<b>Operating profit/loss</b>	<b>7 555</b>	<b>7 639</b>	<b>9 502</b>
<i>Result from financial items</i>			
Interest income	169	174	415
Interest expenses	-68	-9	-94
<b>Profit/loss after financial items</b>	<b>7 657</b>	<b>7 805</b>	<b>9 823</b>
Appropriations	0	0	-1 200
<b>Profit/loss before tax</b>	<b>7 657</b>	<b>7 805</b>	<b>8 623</b>
Taxes	-2 020	-1 400	-847
<b>Net profit/loss</b>	<b>5 637</b>	<b>6 404</b>	<b>7 776</b>
<i>Other comprehensive income</i>			
<i>Items that will be reclassified to profit or loss</i>			
Cash flow hedges	-928	226	-1 954
Tax effect cash flow hedges	204	-50	430
<b>Total comprehensive income for the period</b>	<b>4 913</b>	<b>6 581</b>	<b>6 252</b>

<b>Parent Company balance sheet</b>	<b>December 31 2016</b>	<b>December 31 2015</b>	<b>December 31 2015</b>
SEK in thousands			
<b>ASSETS</b>			
<i>Fixed assets</i>			
Intangible fixed assets	646	241	769
Tangible fixed assets	9 774	2 706	3 816
Financial fixed assets	20 687	18 717	18 789
	<b>31 107</b>	<b>21 663</b>	<b>23 374</b>
<i>Current assets</i>			
Inventory	56 673	35 390	53 028
Accounts receivable	57 480	56 345	43 183
Short-term receivables	10 475	8 867	11 822
Cash and bank balances	-369	22 770	17 251
	<b>124 258</b>	<b>123 371</b>	<b>125 285</b>
<b>TOTAL ASSETS</b>	<b>155 365</b>	<b>145 035</b>	<b>148 659</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	67 402	68 570	62 489
Untaxed reserves	22 500	21 300	22 500
Deferred tax	-438	246	-234
Current liabilities	65 901	54 919	63 903
	<b>155 365</b>	<b>145 035</b>	<b>148 659</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>155 365</b>	<b>145 035</b>	<b>148 659</b>
<b>Pledged assets</b>	<b>31 153</b>	<b>25 050</b>	<b>31 153</b>
<b>Contingent Liability</b>	<b>915</b>	<b>915</b>	<b>915</b>

The Board of Directors and the CEO certify that the interim report gives a true and fair overview of the operations, financial position and results of the Parent Company and the Group and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, April 19, 2016

Patrik Tillman, Chairman

Mia Arnhult, Board Member

Lennart Björk, Board Member

Kia Orback, Board Member

Elin Ryer, Board Member

Nils Vinberg, Board Member

Anna Attemark, President & CEO

For further information, please contact:

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#### **About Odd Molly**

Odd Molly is a Swedish company that designs, markets and sells distinctive fashion. The company's products are mainly sold through agents to retailers in around thirty countries around the world, which facilitates expansion with limited capital requirements. Odd Molly is responsible for selling to external retailers in the Scandinavian market and also manages 14 of its own physical stores and its own web shop. The Odd Molly share is traded as of June 21, 2010 on Nasdaq Stockholm.

#### **Scheduled information dates**

- The Annual General Meeting will be held on April 19, 2016.
- The interim report for April-June 2016 will be released on August 18, 2016.
- The interim report for July-September 2016 will be released on October 19, 2016.

*The information in this press release has been published by Odd Molly International AB on April 19, 2016 at 8.00 am CET in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.*

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