

Odd Molly International AB (publ)  
Stockholm, Sweden, February 14, 2020

# Substantial measures during 2019 constitute foundation for turnaround

## OCTOBER 1 – DECEMBER 31, 2019

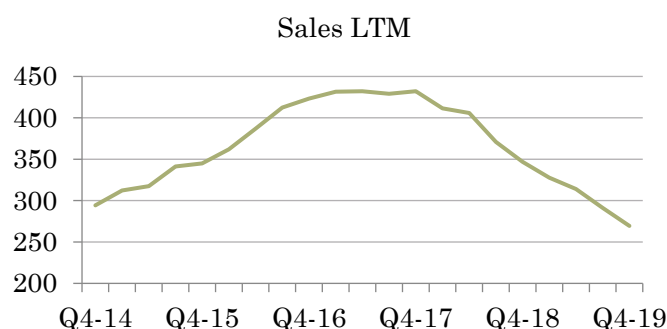
- Total operating revenue decreased 33 percent to SEK 43.9 million (65.7) due to half the number of stores as the same period in 2018.
- The gross profit margin was 33.4 percent (52.4), affected by a more conservative valuation of remaining quantities of older merchandise in inventory.
- The operating loss was SEK -26.9 million (-22.6).
- The net loss amounted to SEK -28.5 million (-20.7).
- Earnings per share amounted to SEK -1.92 (-2.46).
- The Board of Directors has proposed to the Annual General Meeting that no dividend be paid for the financial year.

## JANUARY 1 – DECEMBER 31, 2019

- Total operating revenue decreased 22 percent to SEK 269.4 million (346.9).
- The gross profit margin was 46.5 percent (53.7).
- The operating loss was SEK -71.6 million (-60.6).
- The net loss amounted to SEK -75.9 million (-53.5).
- Earnings per share amounted to SEK -5.11 (-7.52).

## IMPORTANT EVENTS DURING THE QUARTER

- Underlying costs decreased in the quarter by SEK 16 million and for the full-year by SEK 45 million, in line with the action plan to gradually generate savings of approximately SEK 75 million on a full-year basis in 2019 and 2020.
- On November 19, the company signed an agreement to acquire Used A Porter International AB (Used By), an online marketplace for second hand fashion, as well as a large logistics property, by acquiring the shares in the property owner's company, Ilija Batljan Invest Kristianstad Fastigheter AB. Both acquisitions were implemented, following a resolution by the Extraordinary General Meeting, through issues for non-cash consideration, and the closing for both companies was December 19. As a result, Ilija Bataljan is directly and through his company the largest shareholder in Odd Molly with 45.5 percent of the shares and votes.
- The Extraordinary General Meeting on December 19 also approved a directed share issue, which was implemented later in the month and provided the company with proceeds of SEK 16 million before issue costs.



## KEY FIGURES

Total operating revenue, SEK million	
Change, %	
Gross profit margin, %	
Operating profit/loss, SEK million	
Operating margin, %	
Net profit/loss, SEK million	
Earnings per share before and after dilution, SEK	
Return on equity, %	
Equity/assets ratio, %	
Cash flow from operating activities, SEK million	

Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
2019	2018	2019**	2018***
43.9	65.7	269.4	346.9
-33	-27	-22	-20
33.4	52.4	46.5	53.7
-26.9	-22.6	-71.6	-60.6
-61.2	-34.5	-26.6	-17.5
-28.5	-20.7	-75.9	-53.5
-1.92*	-2.46	-5.11*	-7.52
-30.3	-24.0	-73.6	-64.2
40	47	40	47
-7.8	-9.4	-11.9	-30.6

\*Number of shares 2019 does not include the 22,9 million shares registered in the beginning of 2020.

\*\*Result affected by restructuring costs of SEK 3.8 million.

\*\*\*Result affected by restructuring costs of SEK 5.8 million.

## Comment from the CEO

### Efficiency improvements and growth initiatives – tough quarter from a profitability point of view

2019 was affected by the industry's continued transition to changing consumption patterns and new needs. For us at Odd Molly, this meant the implementation of planned efficiency improvements as well as new growth initiatives. The main line in our strategy is to focus on our core products, build the brand and continue the digital transition. In line with our action plan, we cut the number of stores in half in 2019, significantly reduced the product assortment and lowered operating costs by about SEK 45 million during the year. At the same time, we have taken growth initiatives, including the licensing agreement with Hunkydory, which improve opportunities to utilize our strength as a brand.

### Actions and efficiencies

Sales at the end of the year were affected by a continued tough market and a consciously lower degree of promotions and campaigns than in the same period in 2018. Odd Molly's own web shop was still the channel that performed the best. The ongoing action plan, which is expected to reduce Odd Molly's operating costs by around SEK 75 million on a full-year basis with a full effect in 2020, is progressing, and we are realizing the cost savings we had planned.

The actions that have been taken have also resulted in costs that have impacted the income statement in the short term, but with the goal of positive effects further in the future. The fourth quarter was therefore affected by non-recurring costs attributable to ongoing activities, including acquisitions and the inventory transfer. The decision to use a significantly more conservative assessment of the value of older inventory at the end of the year resulted in a large write-down in the quarter, which was the biggest reason for the weaker gross profit margin.

### Growth initiatives

In parallel with day-to-day operations, we took several steps in the quarter to ensure a sustainable development.

- We strengthened our preworn offer with the acquisition of the second hand marketplace Used By. Odd Molly's clothing already has a strong position in the second hand market and the acquisition gives us a firmer grip on preworn in a digital format that own ourselves. We see that the consumer's increased focus on sustainability will contribute to continued growth in the sale of second hand branded clothing. Used By strengthens Odd Molly's sustainability efforts in a concrete way – a sustainable idea, digital focus and a longer connection with customers.
- We also strengthened the company's financial position through the acquisition of a logistics property with stable cash flows and through a capital contribution in the form of a directed new share issue of SEK 16 million. The subsidiary Odd Molly Fastigheter AB will evaluate further

*"In parallel with day-to-day operations, we took several steps in the quarter to ensure a sustainable development."*

opportunities in the Swedish real estate market.

We expect both Hunkydory and Used By to be integrated into our operations with economies of scale and synergies.

### **A stronger brand**

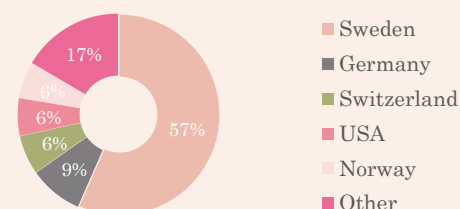
The year we now leave behind was very challenging and required forceful action and efforts. In summary, I am proud that we decided on and implemented a tough action plan that significantly reduces operating costs and at the same time combined it with steps to strengthen opportunities for future growth. We have improved efficiencies in many parts of our business while also strengthening our financial position. We are looking forward to entering this spring with a stronger brand and capitalize on opportunities with our acquisitions, further develop Odd Molly and relaunch Hunkydory.

***Jennie Högestedt Björk, CEO***

#### KEY FIGURES JANUARY-DECEMBER 2019

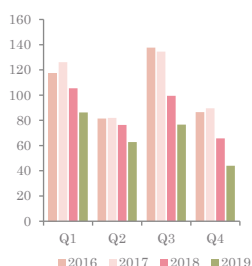
- Total operating revenue SEK 269.4 million (346.9)
- Operating loss SEK -71.6 million (-60.6)
- Operating margin -26.6% (-17.5)

#### REVENUE BY COUNTRY, JANUARY-DECEMBER 2019

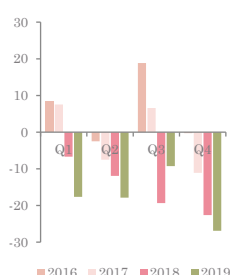


# The Group's development

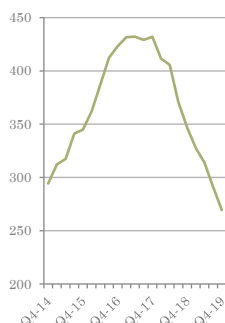
## QUARTERLY SALES



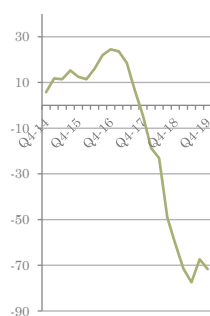
## QUARTERLY OPERATING RESULT



## ROLLING 12-MONTH SALES



## ROLLING 12-MONTH OPERATING RESULT



## TOTAL OPERATING REVENUE

### Fourth quarter October 1 - December 31 2019

Total operating revenue in the fourth quarter amounted to SEK 43.9 million (65.7), a decrease of 33 percent compared with the same period in 2018. The company's retail operations (own sales to consumers through stores and web shop as well as through Used By) decreased 35 percent to SEK 24.3 million (37.2), strongly affected by store closures, but also lower customer traffic and a lower degree of promotions and campaigns compared with the same period in 2018. Revenue from wholesale operations (sales to retailers and partners) decreased 34 percent year-over-year and in the fourth quarter amounted to SEK 19.0 million (28.5). The licensing segment generated revenue of SEK 0.3 million in the quarter. The recently acquired real estate company has generated revenue of SEK 0.4 million since the acquisition closed on December 19.

### The period January 1 - December 31, 2019

Total operating revenue during the year amounted to SEK 269.4 million (346.9), a decrease of 22 percent compared with the previous year. The company's retail operations decreased 20 percent to SEK 160.9 million (200.4), mainly due to store closures that were completed according to plan. Revenue from wholesale operations decreased 28 percent to SEK 105.1 million (146.5). The licensing segment generated revenue of SEK 3.0 million during the year. The recently acquired real estate company has generated revenue of SEK 0.4 million since the acquisition closed on December 19.

## EARNINGS

### Fourth quarter October 1 - December 31, 2019

The gross profit margin for the quarter was 33.4 percent (52.4), affected by the decision to more conservatively value the remaining quantities of older merchandise in inventory, which led to increased non-recurring costs for obsolescence.

The operating loss was SEK -26.9 million, compared with SEK -22.6 million in the same period in 2018, negatively affected by the lower sales and gross profit margin. Moreover, the result was affected by non-recurring costs of slightly over SEK 3 million for among other things moving inventory to a new management company and acquisition costs in connection with the transactions implemented at the end of the year. Underlying operating costs decreased SEK 16.5 million in the quarter, in line with the action plan to gradually generate savings of approximately SEK 75 million on a full-year basis in 2019 and 2020.

Personnel expenses amounted to SEK 14.8 million (33.6 percent of total operating revenue), compared with SEK 20.4 million (31.1 percent of total operating revenue) in the previous year. Other external expenses amounted to SEK 23.3 million (53.0 percent of total operating revenue), compared with SEK 33.8 million (51.4 percent of total operating revenue) in the previous year. The comparison of other external expenses between years is affected by the transition to IFRS 16, where leasing costs for among other things premises are instead recognized as depreciation of right-to-use assets. For more details on the effects of IFRS 16, see pages 13-14.

The net loss was SEK -28.5 million (-20.7) and earnings per share amounted to SEK -1.92 (-2.46).

### The period January 1 - December 31, 2019

The gross profit margin for the year was 46.5 percent (53.7), negatively affected by the sale of older merchandise to external outlets, foreign exchange effects and the decision to more conservatively value remaining quantities of older merchandise in inventory at year-end. Adjusted for effects from the sale of older merchandise and the inventory valuation at year-end, the gross profit margin was in line with the previous year.

The operating loss was SEK -71.6 million, including restructuring costs of SEK

3.8 million, compared with SEK -60.6 million, including restructuring costs of SEK 5.8 million, in the previous year. Earnings were mainly affected by the lower sales and gross profit margin, while operating expenses decreased SEK 44.9 million, excluding restructuring costs in both periods and non-recurring costs in the fourth quarter 2019.

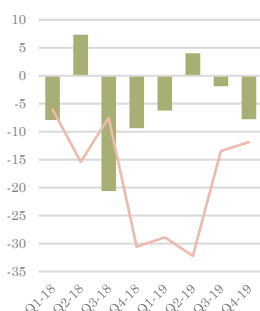
Personnel expenses amounted to SEK 66.4 million (24.7 percent of total operating revenue), compared with SEK 78.0 million (22.5 percent of total operating revenue) in the previous year. Other external expenses amounted to SEK 114.9 million (42.6 percent of total operating revenue) and SEK 156.0 million (45.0 percent of total operating revenue) in the previous year. The comparison of other external expenses between years is affected by restructuring costs in each year as well as the transition to IFRS 16, where leasing costs for among other things premises are instead recognized as depreciation of right-of-use assets. For more details on the effects of IFRS 16, see pages 13-14.

The net loss amounted to SEK -75.9 million (-53.5) and earnings per share amounted to SEK -5.11 (-7.52).

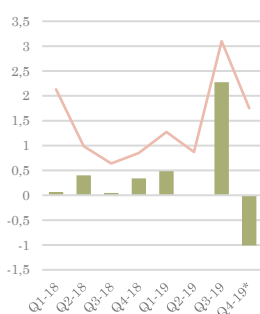
### Analysis of operating result

SEK million	Oct-Dec	Jan-Dec
<b>Operating loss 2018</b>	<b>-22.6</b>	<b>-60.6</b>
Effect of lower sales	-9.3	-34.5
Effect of gross profit margin, affected by sales to external outlets at large discounts as well as higher obsolescence costs resulting from a more conservative valuation of remaining quantities of older merchandise in inventory at year-end	-8.3	-19.5
Distribution and commission costs (compensation to terminated agents and costs to move inventory to a new management company)	-0.8	-1.6
Effect of restructuring costs in current and previous year	-	+2.0
Other non-recurring costs	-2.3	-2.3
Operating cost savings from action plan	+16.5	+44.9
<b>Operating loss 2019</b>	<b>-26.9</b>	<b>-71.6</b>

CASH FLOW FROM OPERATING ACTIVITIES QUARTERLY AND ROLLING 12 MONTHS (LINE)



INVESTMENTS QUARTERLY AND ROLLING 12 MONTHS (LINE)



\*The company received proceeds of SEK 1.4 million from the two companies that were acquired through issues for non-cash consideration in December.

### INVESTMENTS AND CASH FLOW

In the fourth quarter 2019, investments amounted to SEK 0.4 million (0.3). At the same time, the company received the proceeds of SEK 1.4 million from the two companies acquired through the issues for non-cash consideration. The net effect from investing activities therefore amounted to a surplus of SEK 1.0 million in the quarter. Cash flow from operating activities amounted to SEK -7.8 million (-9.4) and total cash flow was SEK 4.6 million (-9.7), including the net effect of SEK 13.4 million from the directed share issue and issue costs for this issue as well as the two issues for non-cash consideration.

For the full-year 2019, the company's net investments totaled SEK 1.8 million (0.9). This amount includes the cash proceeds of SEK 1.4 million received by the company through the two issues for non-cash consideration at the end of the year. Cash flow from operating activities amounted to SEK -11.9 million (-30.6). Total cash flow amounted to SEK 16.3 million (3.8), including the proceeds of the directed new share issue and rights issue totaling SEK 40.7 million after issue costs. In the previous year, proceeds of SEK 35.3 million were received through the rights and overallotment issues.

### INVENTORY

Inventory amounted to SEK 41.7 million at year-end, compared with SEK 80.6 million at year-end 2018. Compared with the previous quarter, inventory decreased SEK 14.3 million. Much of the focus during the year was on selling older merchandise in inventory, at the same time that purchases have been optimized based on current conditions. Given current market conditions, where many companies are highly discounting older merchandise, the remaining quantities of older merchandise were more conservatively valued at year-end.

### FINANCIAL POSITION

The Group's total assets amounted to SEK 326.4 million (162.5) at the end of the

period. The increase is due to the acquisitions at the end of the year, through which the company added total assets of SEK 205.4 million, including goodwill. Shareholders' equity was SEK 130.6 million at December 31, 2019, compared with SEK 75.6 million a year earlier. The equity/assets ratio at the end of the period was 40 percent (47).

The acquired property is partly financed through external long-term loans in Odd Molly Fastigheter AB of SEK 113.4 million. Besides the acquisitions and new share issues, total assets and the equity/assets ratio are also affected by the transition to IFRS 16, see pages 13-14. Cash and cash equivalents amounted to SEK 15.4 million (16.5). Net liquidity, after utilized overdraft facilities, amounted to SEK 8.4 million (-8.4). Accounts receivable amounted to SEK 23.1 million on December 31 2019, compared with SEK 38.8 million at the end of 2018.

#### DIVIDEND

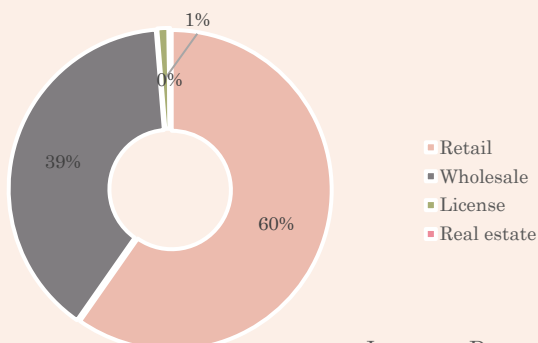
The Board of Directors is proposing to the Annual General Meeting that no dividend be paid for the financial year 2019.



# Segments

The company reports revenue and operating results for five segments: wholesale, retail, licensing, real estate and common group costs. Operating results for each segment are charged with direct costs for the segment. Costs not directly attributable to wholesale, retail, licensing or real estate are recognized in the segment common group costs

## REVENUE PER SEGMENT



January - December 2019

## WHOLESALE

- Retailers (stores and web shops)
- Stores managed by partners
- Shop-in-shops managed by retailers

## RETAIL

- Web shop
- Stores managed by Odd Molly as independent stores, outlets, stores in shopping centers and department stores
- Digital sales of second-hand fashion (Used By)

## LICENSING

- Licensees that manage operations in their respective markets
- Sales to retailers and through Odd Molly stores

## RETAIL

### Development in January-December 2019

- Sales down 20 percent due to the weak market as well as completed store closures.
- Positive earnings trend resulting from efficiency improvements, which have generated cost savings

	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
SEK in thousands				
Sales	24,293	37,151	160,889	200,402
Operating profit/loss	-1,473	289	14,621	7,177
Operating margin, %	-6.1	0.8	9.1	3.6

## WHOLESALE

### Development in January-December 2019

- Sales down 28 percent, affected by market slump and transition to licensing model in certain international markets.
- Lower gross profit margin from writedowns and discounted sales of older merchandise, which has significantly reduced inventory.
- Lower operating costs due to action plan.

	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
SEK in thousands				
Sales	18,957	28,527	105,102	146,516
Operating profit/loss	-5,947	-3,907	-10,139	8,481
Operating margin, %	-31.4	-13.7	-9.6	5.8

## LICENSING

The company has established a licensing model that was implemented in a number of international markets. In this model, a local operator takes over operations in the licensed territory, which can include one or more markets. The operator can operate as a wholesaler and/or retailer and pays a royalty to Odd Molly based on sales in the territory. Odd Molly continues to manage the e-commerce operations through oddmolly.com. During the year, a number of changes were made with respect to partners in various international markets. At the same time, the distribution model and contracts were modified based on market conditions and include licensee, distributor and agent mark-ups.

Revenue and results from all partnership models will be recognized in the wholesale segment in 2020, at which point the licensing segment will disappear.

### ***Development in January-December 2019***

- Licensed markets during the year: Portugal, Spain, Czech Republic, Slovakia and Hungary.

	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
SEK in thousands				
Sales	274	-	3,032	-
Operating profit	212	-	1,038	-
Operating margin, %	77.3	-	34.2	-

### **REAL ESTATE**

A logistics property was acquired at the end of the year through the acquisition of all the shares in the property owner's company, Ilija Batljan Invest Kristianstad Fastigheter AB, through an issue for non-cash consideration. Since the closing, the operation has been managed by the wholly owned subsidiary Odd Molly Fastigheter AB. The logistics property, designated Kristianstad Vå 1:10, is located in Norra Åsum, in Kristianstad municipality in the province of Skåne, and has 16,468 m<sup>2</sup> of leasable warehouse and office space. The entire leasable space is leased out to two tenants with leases that expire in 2031 and contributes total leasing income of approximately SEK 10 million per year.

### ***Development in January-December 2019***

- The property was acquired on December 19, 2019, because of which the operation had a limited effect on revenue and results in 2019.

	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
SEK in thousands				
Sales	426	-	426	-
Operating profit	409	-	409	-
Operating margin, %	96.1	-	96.1	-

### **COMMON GROUP COSTS**

Operating expenses not directly attributable to the wholesale, licensing, retail or real estate operations are classified as common group costs. Examples include the cost of design, production and marketing not attributable to either segment as well as general and administrative costs for accounting, logistics and IT.

### ***Development in January-December 2019***

- SEK 1.3 million higher costs compared with 2018, including restructuring costs of SEK 3.8 million this year and SEK 5.8 million in the previous year.
- In the fourth quarter, the segment was affected by non-recurring costs of SEK 2.3 million, partly in connection with the transactions on December 19.
- Underlying cost increase of approximately SEK 1 million due to branded investments, with limited effect on cash flow due to the cooperation entered into with Aggregate Media in spring 2019. These added costs are partly compensated by savings in other areas.

	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
SEK in thousands				
Operating loss	-20,105	-19,012	-77,577	-76,252



# Other

## EVENTS DURING THE QUARTER AND THE YEAR

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

The shareholders at the Extraordinary General Meeting held on December 19, 2019 resolved primarily as follows.

#### **Resolution to amend the Articles of Association**

The wording of paragraph 3 in the Articles of Association was amended as follows:

The company shall engage in the design and sale of clothing and accessories and engage, directly or indirectly through Group companies, in the purchase, sale and management of properties, as well as conduct associated activities.

#### **Resolution on share issues for non-cash consideration to finalize the acquisitions of Ilija Batljan Invest Kristianstad Fastigheter AB and Used A Porter International AB**

Odd Molly reached an agreement on November 19, 2019 to acquire two companies: Ilija Batljan Invest Kristianstad Fastigheter AB (the real estate company) and Used A Porter International AB (Used By) through issues for non-cash consideration.

The Extraordinary General Meeting resolved to issue shares to the seller of the real estate company in accordance with the Board's proposal. The resolution means that the company issues not more than 16,800,000 new shares to the seller of the Real estate company at a subscription price of SEK 4.50 per share.

The Extraordinary General Meeting also resolved to issue shares to the sellers of Used By in accordance with the Board's proposal. The resolution means that the company issues not more than 2,547,871 new shares to the seller of Used By at a subscription price of SEK 4.50 per share.

#### **Resolution on directed share issue**

The Extraordinary General Meeting resolved in accordance with the Board's proposal on a directed share issue of not more than 3,555,556 shares at a subscription price of SEK 4.50 per share. The right to subscribe for shares is granted to Jakob Ryer (1,777,778 shares) and M2 Capital Management AB (1,777,778 shares). The reason for deviating from the shareholders' preferential right is that the Board has determined that the offer enables Odd Molly to acquire capital on favorable terms and in a time-efficient manner. Through the issue the company obtains proceeds of not more than SEK 16,000,002.

The resolutions mean that the company's share capital increases by not more than SEK 2,290,342.70 through the new issue of not more than 22,903,427 new shares.

#### **Acquisitions**

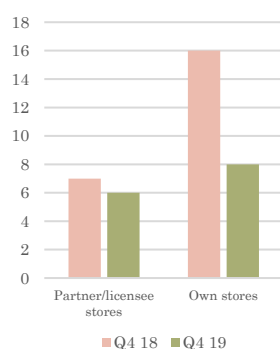
Used A Porter International AB was acquired on December 19, 2019 through an issue for non-cash consideration of 2,547,871 new shares at a subscription price of SEK 4.50 per share. Used By offers an online marketplace for second hand branded clothing and home decor. At the same time, Ilija Batljan Invest Kristianstad Fastigheter AB was acquired for SEK 75.6 million through an issue for non-cash consideration. The acquired company operates in the real estate industry and owns a large logistics property which is leased out to external tenants. The logistics property has a market value of SEK 189 million.

The acquisitions are an element in the strategic transition underway within the company to adapt to the market's changing conditions as well as to capitalize on the opportunities that the changes create. Used By represents a new business area for the company with high growth potential that meets the growing demand for sustainable consumption. The acquisition of the logistics property is a vertical step in the value chain that, with a 12-year lease as a foundation, will

contribute stable cash flows and with further development opportunities going forward.

Both businesses are operated as separate wholly owned subsidiaries: Used A Porter International AB and Odd Molly Fastigheter AB. Used By is reported in the retail segment, while the real estate business is a new segment.

STORES AS OF  
DECEMBER 31



### Stores

During the year, eight of the company's own stores were closed. Negotiations are underway with personnel and landlords on additional store closures in line with the plan to drastically reduce the company's own retail footprint and focus on online sales, strong retailers and partners.

### Licensing of the Hunkydory trademark

In late September, the company announced that it had signed an agreement to license the well-established Swedish trademark Hunkydory in order to strengthen its brand position and reach new target groups. The trademark is being licensed through 2023 with an option to then purchase it from the Finnish financial company Bruk Financial Services Oy.

Hunkydory was effectively integrated last fall into the business and relaunched with the fall/winter 2020 collection, with sales starting in the second half of 2020 through the web shop and selected retailers. The agreement did not have a material effect on the Group's earnings or financial position in 2019.

### Action plan and strategy

A comprehensive restructuring is underway within the company where the business model is being adapted to the industry's changing conditions. As part of this process, the company has identified measures which were gradually implemented during the year to save approximately SEK 75 million on a full-year basis, with a financial impact mainly in the second half of 2019 and in 2020. During the year, total savings of SEK 45 million were realized, of which SEK 16 million in the fourth quarter. The main areas in the action plan are the consolidation of Odd Molly's own retail footprint, adaption of the business model in more international markets, efficiency improvements and digitization of sales to end customers and retailers, and the optimization and reduction of the product assortment.

### International expansion through partners

During the year, a number of changes were made with respect to partners in various international markets to strengthen our presence. At the same time, the distribution model and contracts were modified based on market conditions and include licensee, distributor and agent mark-ups.

### NUMBER OF SHARES AND NEW SHARE ISSUE

In December, a directed share issue and two issues for non-cash consideration were implemented, through which all shares in Used A Porter International AB and Ilija Batljan Invest Kristianstad Fastigheter AB were acquired. The directed new share issue provided the company with proceeds of SEK 13.4 million after issue costs for the three issues.

In connection with the three new share issues, a total of 22,903,427 new shares were issued, which were registered and admitted to trading on January 7, 2020. As of December 31, 2019, the share capital in Odd Molly amounted to SEK 3,776,898, of which SEK 2,290,343 was unregistered. The total number of shares in company at year-end is 14,865,555.

Key ratios per share	Dec 31 2019	Dec 31 2018
Weighted average no. of shares before dilution (full-year)	11,827,397	7,111,244
Weighted average no. of shares after dilution (full-year)	11,827,397	7,111,244
Equity per average share before dilution, SEK	8.78	10.63

As of January 31, 2020, after registration of the new shares in connection with completed issues, the number of shares in Odd Molly is 37,768,982 and the company's ownership structure is as follows:

Owner	No. of shares	Holding, %
Ilija Batljan directly or through company	17,175,867	45.5
M2 Capital Management AB	4,589,248	12.2
Kattvik Financial Services AB	2,682,979	7.1
A.T.V. Holding AB	2,294,995	6.1
Elin and Jakob Ryer directly or through company	2,256,611	6.0
Försäkringssharebolaget Avanza Pension	1,205,186	3.2
Aggregate Media Fund IX KB	833,332	2.2
Swedbank Försäkring	478,918	1.3
Jan-Olof Olson	329,126	0.9
Rite Ventures	310,000	0.8
<b>Total 10 largest shareholders</b>	<b>32,156,262</b>	<b>85.1</b>
Other	5,612,720	14.9
<b>Total</b>	<b>37,768,982</b>	<b>100.0</b>

Sources: Euroclear and the shareholders themselves.

### EMPLOYEES

The total number of employees at the end of the period was 71 (97), of whom 7 are men and 64 women. The average number of employees during the year was 84 (97).

### PARENT COMPANY

The Parent Company reported total operating revenue of SEK 243.6 million (321.0) during the year with an operating loss of SEK -69.7 million (-49.9). The Parent Company's adjusted equity amounted to SEK 106.7 million (47.5). Cash and cash equivalents amounted to SEK 5.7 million (8.7). Net liquidity, after utilized overdraft facilities, amounted to SEK -1.3 million (-16.1).

Sales in the US are through the wholly owned subsidiary Odd Molly Inc. Odd Molly also has subsidiaries in Denmark, Norway, Finland and Sweden that manage operations in their respective countries. The real estate business is managed by the wholly owned subsidiary Odd Molly Fastigheter AB, while the wholly owned subsidiary Used A Porter International AB manages online sales of second hand fashion. All other sales are through the Parent Company.

In 2020, the operations of the Norwegian, Danish and US subsidiaries will be discontinued and instead managed through the Parent Company. Because of this, the fourth quarter 2019 included a write-down of the Parent Company's holdings in the subsidiaries in the US and Denmark, which negatively affected the Parent Company's result by SEK 0.5 million.

### TRANSACTIONS WITH RELATED PARTIES

Aside from the Parent Company's sales of products to subsidiaries, a number of transactions with related parties took place during the year.

In March, the company received a short-term, market-rate loan of SEK 8 million from Klosterhus AB, a company closely associated with Chairman of the Board Patrik Tillman and Board member Mia Arnhult. The loan has been fully amortized and accrued interest was paid in the second quarter.

In November 2019, Odd Molly reached an agreement to acquire Used A Porter International AB for a purchase price of SEK 11.5 million. The shares were paid for through non-cash consideration in accordance with the resolution of the Extraordinary General Meeting. The shares in Used By were acquired from a total of 49 shareholders, a few of whom mentioned below are closely associated with Odd Molly. The shares were issued at a price of SEK 4.50 per new share.

The following related parties participated in the offer:

- Elin Ryer is a member of the Board of Directors of Odd Molly and was at the time of the transfer the CEO of Used A Porter International AB. Jakob Ryer is married to Board member Elin Ryer. Elin Ryer and Jakob Ryer were at the time of the transaction indirect shareholders in Used By through the company Nes Capital AB. In connection with the transaction, Nes Capital AB transferred 2,145,745 shares in Used By for which the company received 476,833 shares in Odd Molly, valued at SEK 2.1 million.
- A.T.V Holding Aktiebolag (A.T.V) is one of Odd Molly's large shareholders and is a company closely associated with Christer Anderson, who at the time of the transfer was a board member of Used By. A.T.V was also a shareholder in Used By. In connection with the transaction, A.T.V transferred 3,713,892 shares in Used By for which A.T.V received 825,310 shares in Odd Molly, valued at SEK 3.7 million.
- Kattvik Financial Services AB (Kattvik) is one of Odd Molly's large shareholders and is a company closely associated with Odd Molly's Chairman of the Board, Patrik Tillman. Kattvik was also a shareholder in Used By. In connection with the transaction, Kattvik transferred 417,000 shares in Used By for which Kattvik received 92,667 shares in Odd Molly, valued at SEK 0.4 million.

The purpose of the issues for non-cash consideration was to facilitate the acquisition of Used By.

A directed share issue was implemented in December to Jakob Ryer and M2 Asset Management AB totaling SEK 16.0 million, corresponding to 3,555,556 shares at a price of SEK 4.50. Jakob Ryer is the husband of Elin Ryer, who is a Board member of Odd Molly. M2 Capital Management AB is a company closely associated with the Board member Mia Arnhult. The purpose of the cash share issue was to cost-effectively facilitate funding for Odd Molly on favorable terms.

The Extraordinary General Meeting on December 19, 2019 resolved to implement an issue for non-cash consideration of not more than 16,800,000 shares in Odd Molly to finalize the acquisition of Ilija Batljan Invest Kristianstad Fastigheter AB from Ilija Batljan Invest Kristianstad AB. Odd Molly acquired shares in Ilija Batljan Invest Kristianstad Fastigheter AB on the same day. In connection with the acquisition, Ilija Batljan Invest Kristianstad Fastigheter AB received a promissory note from Ilija Batljan Invest Kristianstad AB of SEK 18.9 million. The note, which falls due for payment in December 2022, carries market rate interest.

#### ANNUAL GENERAL MEETING 2019

The Annual General Meeting of Odd Molly International AB will be held in Stockholm on May 7, 2020. The annual report for the financial year 2019 will be published in early April 2020.

#### 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, in note 27 of Odd Molly's Swedish annual report for 2018 and in the prospectus published on December 27, 2019 in connection with the admission to trading of the newly issued shares. The annual report and the prospectus are published on Odd Molly's website. There we also explain how Odd Molly manages and tries to minimize these risks. The assessment of these risks is unchanged compared with the assessment in the Swedish annual report 2018 and in the prospectus.

#### 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 Financial 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 51-54 of the Swedish annual report for 2018. The accounting principles are unchanged compared with the previous year's annual report with the exception of IFRS 16 and addition of förvaltningsfastigheter, funding and business combination, see below.

Currency derivatives are measured at fair value within level 2, according to the definition in IFRS 13, i.e., fair value based on valuation techniques using observable market data. Forward contracts with negative market values amounted to SEK 0.3 million (0.0) as of December 31, 2019, which is recognized in other current liabilities. 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 have short maturities, based on which their book value is considered approximate to fair value. The Group's funding is classified as non-current and current liabilities. Funding is initially recognized at fair value, net after transaction costs. Funding is subsequently recognized at amortized cost.

The recently acquired investment property is initially recognized at cost, which includes expenses directly attributable to the acquisition. Investment properties are subsequently recognized at fair value with changes in value through profit or loss.

The acquisition of Used A Porter International AB is a business combination according to the definition in IFRS 3. In a business combination, the acquired assets and assumed liabilities are identified, classified and measured at fair value on the acquisition date. If the cost of the subsidiary's shares exceeds the estimated value of identifiable net assets in the acquired company on the acquisition date, the difference is recognized as a Group goodwill. Transaction costs in connection with an acquisition are not included in the acquisition cost and instead are expensed directly.

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, Odd Molly Fastigheter AB and Used A Porter International AB. Reference to the company in this interim report pertains to the Odd Molly Group.

### ***New IFRS and interpretations applied beginning on January 1, 2019***

#### **IFRS 16 Leasing**

The IFRS 16 standard entered into force for the financial year beginning on January 1, 2019 and replaces IAS 17 Leases and related interpretations. The standard requires the lessee to recognize assets and liabilities associated with all leases in the balance sheet, with a few exceptions. This is based on the view that the lessee has a right to use an asset during a specific period of time and at the same time an obligation to pay for this right.

Odd Molly's report for the year ended December 31, 2019 is prepared in accordance with the new standard, which means that assets and liabilities in the balance sheet have been increased by the right-of-use asset and lease liabilities (divided between non-current and current liabilities). A change also occurs in the income statement, where the cost has been reclassified as depreciation, interest expense and currency adjustment. Odd Molly has applied the simplified transition method.

The opening effect on the consolidated balance sheet in 2019 was a right-of-use asset of SEK 43.1 million as well as a non-current lease liability of SEK 30.1 million and a current lease liability of SEK 13.0 million. As of December 31 2019, the right-of-use asset amounts to SEK 13.7 million, while the non-current lease liability amounts to SEK 6.7 million and the current lease liability to SEK 7.1

million. The change in the right-of-use asset and lease liability is because Odd Molly closed a number of stores during the year. Odd Molly has not applied any simplifications for short-term leases or leases of low value. The discount rate that has been applied is 6 percent. Shown below is the effect of the new standard on the balance sheet, income statement and key ratios.

#### EFFECT OF IFRS 16 ON THE CONSOLIDATED INCOME STATEMENT

	Oct-Dec 2019 incl. IFRS 16	Oct-Dec 2019 IFRS 16 effect	Oct-Dec 2019 excl. IFRS 16	Jan-Dec 2019 incl. IFRS 16	Jan-Dec 2019 IFRS 16 effect	Jan-Dec 2019 excl. IFRS 16
Operating revenue	43,949	-	43,949	269,449	-	269,449
Operating expenses (adjustment on the line Other external expenses)	-68,048	-2,357	-70,406	-325,493	-12,858	-338,351
Depreciation/amortization	-2,805	2,073	-732	-15,604	11,009	-4,595
<b>Operating loss</b>	<b>-26,904</b>	<b>-285</b>	<b>-27,189</b>	<b>-71,649</b>	<b>-1,849</b>	<b>-73,498</b>
Net financial items	-1,467	293	-1,174	-3,886	2,007	-1,879
<b>Profit/loss before taxes</b>	<b>-28,372</b>	<b>9</b>	<b>-28,363</b>	<b>-75,534</b>	<b>157</b>	<b>-75,377</b>
Taxes	-112	-	-112	-359	-	-359
<b>Net profit/loss</b>	<b>-28,484</b>	<b>9</b>	<b>-28,475</b>	<b>-75,894</b>	<b>157</b>	<b>-75,737</b>

#### EFFECT OF IFRS 16 ON THE CONSOLIDATED BALANCE SHEET

SEK in thousands	Dec 31, 2019 incl. IFRS 16	Dec 31, 2019 IFRS 16 effect	Dec 31, 2019 excl. IFRS 16
ASSETS			
<b>Total non-current assets</b>	<b>226,371</b>	<b>-13,699</b>	<b>212,671</b>
<b>Total current assets</b>	<b>100,041</b>	<b>-</b>	<b>100,041</b>
<b>Total assets</b>	<b>326,412</b>	<b>-13,699</b>	<b>312,713</b>
SHAREHOLDERS' EQUITY AND LIABILITIES			
<b>Total shareholders' equity</b>	<b>130,573</b>	<b>157</b>	<b>130,730</b>
<b>Total non-current liabilities</b>	<b>121,637</b>	<b>-6,727</b>	<b>114,910</b>
<b>Total current liabilities</b>	<b>74,202</b>	<b>-7,129</b>	<b>67,073</b>
<b>Total shareholders' equity and liabilities</b>	<b>326,412</b>	<b>-13,699</b>	<b>312,713</b>



## EFFECT OF IFRS 16 ON THE GROUP'S KEY FIGURES

	Oct-Dec 2019	Oct-Dec 2019	Jan-Dec 2019	Jan-Dec 2019
SEK in thousands	incl. IFRS 16	excl. IFRS 16	incl. IFRS 16	excl. IFRS 16
Total operating revenue, SEK million	43.9	49.3	269.4	269.4
Gross profit margin, %	33.4	33.4	46.5	46.5
Operating loss, SEK million	-26.9	-27.2	-71.6	-73.5
Operating margin, %	-61.2	-61.9	-26.6	-27.3
Net profit/loss, SEK million	-28.5	-28.5	-75.9	-75.7
Earnings per share before dilution , SEK	-1.92	-1.92	-5.11	-5.09
Earnings per share after dilution , SEK	-1.92	-1.92	-5.11	-5.09
Weighted average number of shares before dilution	14,865,555	14,865,555	11,827,397	11,827,397
Weighted average number of shares after dilution	14,865,555	14,865,555	11,827,397	11,827,397
Return on equity, %	-30.3	-30.3	-73.6	-73.4
Equity/assets ratio, %	40	42	40	42
Equity per share before dilution, SEK	8.78	8.79	8.78	8.79
Equity per share after dilution , SEK	8.78	8.79	8.78	8.79
Cash flow from operating activities, SEK million	-7.8	-9.8	-11.9	-22.7
Cash flow from operating activities per share before dilution, SEK	-0.52	-0.66	-1.0	-1.92

# Alternative performance measures

Following are definitions of the concepts and measures that have been identified as vital to describe the company's performance and financial position and therefore are used in the report but not defined or specified as concepts according to IFRS.

## GROSS PROFIT MARGIN

SEK in thousands	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
<i>Operating revenue</i>				
Net sales	43,862	65,483	267,595	344,940
<i>Operating expenses</i>				
Cost of goods sold	-29,228	-31,137	-143,159	-159,766
<b>Gross profit</b>	<b>14,634</b>	<b>34,346</b>	<b>124,437</b>	<b>185,173</b>
<b>Gross profit margin, %</b>	<b>33.4</b>	<b>52.4</b>	<b>46.5</b>	<b>53.7</b>

To calculate the gross profit margin, gross profit is calculated first by subtracting the cost of goods sold from net sales. Gross profit is then measured in relation to net sales to obtain the gross profit margin. The margin, which indicates how large a percentage of net sales becomes profit after the cost of goods sold, is impacted by factors such as pricing, commodity and manufacturing costs, inventory writedowns and exchange rates. All measures used in the calculation can be found in the consolidated income statement.

## OPERATING MARGIN

SEK in thousands	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
<i>Operating revenue</i>				
Net sales	43,862	65,483	267,595	344,940
Other operating revenue	87	195	1,853	1,978
<b>Total operating revenue</b>	<b>43,949</b>	<b>65,678</b>	<b>269,449</b>	<b>346,918</b>
<b>Operating loss</b>	<b>-26,904</b>	<b>-22,630</b>	<b>-71,649</b>	<b>-60,593</b>
<b>Operating margin, %</b>	<b>-61.2</b>	<b>-34.5</b>	<b>-26.6</b>	<b>-17.5</b>

To calculate the operating margin, operating profit is measured in relation to total operating revenue. This measure indicates how large a percentage of total operating revenue becomes profit after operating expenses. All measures used in the calculation can be found in the consolidated income statement. Operating margin is one of the company's communicated financial targets.

## EQUITY/ASSETS RATIO

SEK in thousands	Dec 31 2019	Dec 31 2018
Shareholders' equity	130,573	75,604
Total assets	<b>326,412</b>	<b>162,516</b>
<b>Equity/assets ratio, %</b>	<b>40</b>	<b>47</b>

The equity/assets ratio is calculated by measuring equity in relation to total assets, providing an indication of how large a percentage of the assets is financed with equity. All measures used in the calculation can be found in the consolidated balance sheet. Equity/assets ratio is one of the company's communicated financial targets.

## RETURN ON EQUITY

	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
SEK in thousands				
Result attributable to Parent Company's shareholders (net after tax)	-28,484	-20,718	-75,894	-53,477
Average equity	93,873	86,312	103,088	83,303
<b>Return on equity, %</b>	<b>-30.3</b>	<b>-24.0</b>	<b>-73.6</b>	<b>-64.2</b>

The return on equity is calculated by measuring net profit for the period in relation to average equity during the period (opening balance + closure balance divided by two). The return on equity measures the company's return during the period on the equity invested by shareholders, and thus how profitable a company is for its shareholders. Measures used in the calculation can be found in the consolidated balance sheet and income statement.

## NET LIQUIDITY

	Dec 31 2019	Dec 31 2018
SEK in thousands, Group		
Cash and cash equivalents	15,421	16,528
Utilized overdraft facilities at the end of the period	7,038	24,881
<b>Net liquidity</b>	<b>8,383</b>	<b>-8,352</b>

	Dec 31 2019	Dec 31 2018
SEK in thousands, Parent Company		
Cash and cash equivalents	5,714	8,739
Utilized overdraft facilities at the end of the period	7,038	24,881
<b>Net liquidity</b>	<b>-1,324</b>	<b>-16,142</b>

Net liquidity is calculated by subtracting utilized overdraft facilities from cash and cash equivalents. Measures used in the calculation come from the Group's and the Parent Company's balance sheet and cash flow statement.

## EQUITY PER SHARE

	Dec 31 2019	Dec 31 2018
Weighted average number of shares before dilution (full-year)	11,827,397	7,111,244
Shareholders' equity, SEK thousands	130,573	75,604
<b>Equity per share before dilution, SEK</b>	<b>8.78</b>	<b>10.63</b>

Equity per share, also called a company's net asset value, is calculated by measuring shareholders' equity in relation to the average number of shares before dilution. Calculation methods can be found in the consolidated balance sheet and in the section Number of shares and new share issue.

## PARENT COMPANY'S ADJUSTED EQUITY

	Dec 31 2019	Dec 31 2018
SEK in thousands		
Shareholders' equity	106,741	47,470
78/78.6 percent of the untaxed reserves	-	-
<b>Adjusted equity</b>	<b>106,741</b>	<b>47,470</b>

The Parent Company's adjusted equity is calculated by adding 78 percent (2018) and 78.6 percent (2019 given the change in the corporate tax rate from 2019) of the Parent Company's untaxed reserves to the Parent Company's shareholders' equity. All measures used in the calculation can be found in the Parent Company's balance sheet.

# Condensed financial information

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK in thousands	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
<i>Operating revenue</i>				
Net sales	43,862	65,483	267,595	344,940
Other operating revenue	87	195	1,853	1,978
<b>Total operating revenue</b>	<b>43,949</b>	<b>65,678</b>	<b>269,449</b>	<b>346,918</b>
<i>Operating expenses</i>				
Cost of goods sold	-29,228	-31,137	-143,159	-159,766
Other external expenses	-23,308	-33,754	-114,908	-156,049
Personnel expenses	-14,768	-20,423	-66,435	-78,005
Depreciation/amortization	-2,805	-2,861	-15,604	-12,048
Other operating expenses	-745	-134	-992	-1,643
<b>Operating profit/loss</b>	<b>-26,904</b>	<b>-22,630</b>	<b>-71,649</b>	<b>-60,593</b>
<i>Result from financial items</i>				
Interest income	117	63	1,525	654
Interest expenses	-1,584	-309	-5,411	-1,227
<b>Loss after financial items</b>	<b>-28,372</b>	<b>-22,876</b>	<b>-75,534</b>	<b>-61,167</b>
Taxes	-112	2,158	-359	7,690
<b>Net loss attributable to Parent Company's shareholders</b>	<b>-28,484</b>	<b>-20,718</b>	<b>-75,894</b>	<b>-53,477</b>
<i>Other comprehensive income</i>				
Items that will be reclassified to profit or loss				
Translation difference	-253	-364	444	1,307
Cash flow hedges	-633	-444	580	1,897
Tax effect cash flow hedges	136	109	-124	-406
<b>Total comprehensive income attributable to Parent Company's shareholders</b>	<b>-29,235</b>	<b>-21,417</b>	<b>-74,994</b>	<b>-50,679</b>
<b>Earnings per share before dilution, SEK</b>	<b>-1.92</b>	<b>-2.46</b>	<b>-5.11</b>	<b>-7.52</b>
<b>Earnings per share after dilution, SEK</b>	<b>-1.92</b>	<b>-2.46</b>	<b>-5.11</b>	<b>-7.52</b>

## CONSOLIDATED BALANCE SHEET

	Dec 31	Dec 31
SEK in thousands	2019	2018
<b>ASSETS</b>		
<i>Non-current assets</i>		
Intangible non-current assets	14,443	1,211
Investment properties	189,000	-
Other tangible non-current assets	15,849	5,564
Financial non-current assets	820	1,087
Deferred tax assets	6,258	6,258
	<b>226,371</b>	<b>14,121</b>
<i>Current assets</i>		
Inventories	41,688	80,571
Advance payments to suppliers	1,542	1,176
Accounts receivable	23,114	38,808
Current receivables	18,277	11,312
Cash and cash equivalents	15,421	16,528
	<b>100,041</b>	<b>148,395</b>
<b>TOTAL ASSETS</b>	<b>326,412</b>	<b>162,516</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	130,573	75,604
Deferred tax	1,474	1,311
Non-current liabilities	120,163	-
Current liabilities	74,202	85,602
	<b>326,412</b>	<b>162,516</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>326,412</b>	<b>162,516</b>

Cash and cash equivalents are recognized gross, before utilized overdraft facilities. Utilized overdraft facilities are recognized in current liabilities. The difference between net liquidity and gross liquidity is recognized in the consolidated cash flow statement. Right-of-use assets and corresponding lease liabilities are included as of January 1, 2019 in tangible non-current assets and non-current and current liabilities, respectively. Right-of-use assets amount as of December 31, 2019 to SEK 13,699 thousand, while the non-current lease liability amounts to SEK 6,727 thousand and the current lease liability to SEK 7,129 thousand. Comparative figures have not been restated. See also pages 13-14.

## PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Dec 31	Dec 31
SEK in thousands	2019	2018
Pledged assets	30,000	30,000
Pledged receivables	4,982	6,222
Contingent liabilities	500	1,415

## CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

	Dec 31	Dec 31
SEK in thousands	2019	2018
<b>Attributable to Parent Company's shareholders:</b>		
Shareholders' equity at the beginning of the year	75,604	91,002
New share issue	40,737	35,280
Issues for non-cash consideration	89,226	-
Total comprehensive income for the period	-74,994	-50,679
<b>Shareholders' equity at the end of the period</b>	<b>130,573</b>	<b>75,604</b>

## CASH FLOW STATEMENT FOR THE GROUP

SEK in thousands	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
<b>Operating activities</b>				
Operating loss	-26,904	-22,630	-71,649	-60,593
Adjustments	2,792	2,681	18,651	14,502
Interest received	108	63	1,517	654
Interest paid	-1,402	-309	-5,229	-1,227
Repaid/paid income tax	4,658	-389	2,387	-8,717
<b>Cash flow from operating activities before changes in working capital</b>	<b>-20,748</b>	<b>-20,584</b>	<b>-54,322</b>	<b>-55,382</b>
<b>Changes in working capital</b>				
Change in inventories	13,994	-3,336	39,191	-2,469
Change in receivables	-881	17,597	5,651	24,013
Change in current liabilities	-133	-3,060	-2,380	3,253
<b>Cash flow from operating activities</b>	<b>-7,768</b>	<b>-9,383</b>	<b>-11,860</b>	<b>-30,585</b>
<b>Investing activities</b>				
Acquisition of intangible non-current assets	-73	-	-1,071	-
Acquisition of tangible non-current assets	-197	-339	-1,960	-896
Acquisition/reversal of financial non-current assets	-89	-	-89	45
Acquisition through Issues for non-cash consideration*	1,367	-	1,367	-
<b>Cash flow from investing activities</b>	<b>1,009</b>	<b>-339</b>	<b>-1,752</b>	<b>-851</b>
<b>Financing activities</b>				
New share issue	13,408	-	40,737	35,280
Repayment of lease liability	-2,064	-	-10,852	-
<b>Cash flow from financing activities</b>	<b>11,344</b>	<b>-</b>	<b>29,886</b>	<b>35,280</b>
<b>Cash flow for the period</b>	<b>4,585</b>	<b>-9,722</b>	<b>16,273</b>	<b>3,844</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>17,925</b>	<b>21,156</b>	<b>16,528</b>	<b>17,050</b>
Utilized overdraft facilities at the beginning of the period	13,687	19,569	24,881	26,920
<b>Cash and cash equivalents at the beginning of the period, net</b>	<b>4,238</b>	<b>1,587</b>	<b>-8,352</b>	<b>-12,553</b>
Exchange rate difference in cash and cash equivalents	-440	-217	462	357
Change in overdraft facilities utilized	-6,649	5,312	-17,843	-4,722
<b>Cash and cash equivalents at the end of the period</b>	<b>15,421</b>	<b>16,528</b>	<b>15,421</b>	<b>16,528</b>
Utilized overdraft facilities at the end of the period*	7,038	24,881	7,038	24,881
<b>Cash and cash equivalents at the end of the period, net</b>	<b>8,383</b>	<b>-8,352</b>	<b>8,383</b>	<b>-8,352</b>

\*See note 1 Acquisitions

\*\* The total overdraft and invoice factoring limit amounts to SEK 50 million as of December 31, 2019.



## REVENUE AND OPERATING RESULT BY SEGMENT

	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
SEK in thousands				
<b>Wholesale</b>				
Revenue	18,957	28,527	105,102	146,516
Operating result	-5,947	-3,907	-10,139	8,481
<b>Licensing</b>				
Revenue	274	-	3,032	-
Operating result	212	-	1,038	-
<b>Retail</b>				
Revenue	24,293	37,151	160,889	200,402
Operating result	-1,473	289	14,621	7,177
<b>Real estate</b>				
Revenue	426	-	426	-
Operating result	409	-	409	-
<b>Common Group costs</b>				
Operating result	-20,105	-19,012	-77,577	-76,252
<b>Total</b>				
Revenue	43,949	65,678	269,449	346,918
Operating result	-26,904	-22,630	-71,648	-60,593

The company reports revenue and operating results for five segments: wholesale, retail, licensing, real estate and common group costs. Operating results for each segment are charged with direct costs for the segment. Costs not directly attributable to wholesale, retail, licensing and real estate are reported in the segment common group costs.

## QUARTERLY DATA

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Total operating revenue, million	43.9	76.6	62.7	86.2	65.7	99.5	76.3	105.5
Gross profit margin, %	33.4	47.6	50.6	49.3	52.4	51.0	57.6	54.1
Operating loss, SEK million	-26.9	-9.3	-17.9	-17.6	-22.6	-19.3	-11.9	-6.7
Operating margin, %	-61.2	-12.1	-28.5	-20.5	-34.5	-19.4	-15.6	-6.3
Net loss, SEK million	-28.5	-9.0	-19.2	-19.2	-20.7	-15.7	-10.3	-6.7
Earnings per share before dilution, SEK	-1.92	-0.61	-2.12	-2.27	-2.46	-1.87	-1.78	-1.17
Earnings per share after dilution, SEK	-1.92	-0.61	-2.12	-2.27	-2.46	-1.87	-1.78	-1.17
Weighted average number of shares before dilution, thousands	14,866	14,866	9,055	8,419	8,419	8,419	5,811	5,752
Weighted average number of shares after dilution, thousands	14,866	14,866	9,055	8,419	8,419	8,419	5,811	5,752
Return on equity, %	-30.3	-14.6	-30.3	-28.2	-24.0	-14.9	-10.3	-7.6
Equity/assets ratio, %	40	38	38	31	47	53	63	47
Equity per share before dilution, SEK	8.78	3.85	7.27	7.13	8.98	11.52	19.52	15.14
Cash flow from operating activities, SEK million	-7.8	-1.9	4.0	-6.2	-9.4	-20.6	7.3	-7.9
Cash flow from operating activities per share before dilution, SEK	-0.52	-0.13	0.44	-0.74	-1.11	-2.45	1.26	-1.38

Some of the key ratios have been affected by IFRS 16 as of January 1, 2019. Comparative figures have not been restated. See page 15 for pro forma key ratios excluding the effect of IFRS 16.

## PARENT COMPANY INCOME STATEMENT

SEK in thousands	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
<i>Operating revenue</i>				
Net sales	33,607	56,462	242,844	319,198
Other operating revenue	65	162	739	1,770
<b>Total operating revenue</b>	<b>33,673</b>	<b>56,625</b>	<b>243,583</b>	<b>320,968</b>
<i>Operating expenses</i>				
Cost of goods sold	-24,863	-27,095	-130,825	-149,386
Other external expenses	-23,545	-30,947	-121,303	-146,911
Personnel expenses	-15,013	-17,965	-60,027	-68,190
Depreciation/amortization of tangible and intangible non-current assets	-419	-1,253	-2,140	-5,530
Other operating expenses	-460	-12	1,045	-815
<b>Operating loss</b>	<b>-30,628</b>	<b>-20,648</b>	<b>-69,667</b>	<b>-49,864</b>
<i>Result from financial items</i>				
Interest income	76	57	393	647
Interest expenses	-549	-302	-1,540	-1,179
Impairment of shares in/receivables to subsidiary	-536	-8,335	-536	-8,335
<b>Loss after financial items</b>	<b>-31,636</b>	<b>-29,228</b>	<b>-71,349</b>	<b>-58,731</b>
Appropriations	-	9,300	-	9,300
<b>Loss before tax</b>	<b>-31,636</b>	<b>-19,928</b>	<b>-71,349</b>	<b>-49,431</b>
Taxes	-	-	-	5,801
<b>Net loss</b>	<b>-31,636</b>	<b>-19,928</b>	<b>-71,349</b>	<b>-43,629</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK in thousands	Oct-Dec 2019	Oct-Dec 2018	Jan-Dec 2019	Jan-Dec 2018
<i>Items that will be reclassified to profit or loss</i>				
Cash flow hedges	-633	-444	580	1 897
Tax effect cash flow hedges	136	109	-124	-406
<b>Total comprehensive income for the period</b>	<b>-32,134</b>	<b>-20,263</b>	<b>-70,893</b>	<b>-42,138</b>

## PARENT COMPANY BALANCE SHEET

SEK in thousands	Dec 31 2019	Dec 31 2018
<b>ASSETS</b>		
<b><i>Non-current assets</i></b>		
Intangible non-current assets	907	183
Tangible non-current assets	2,150	2,945
Financial non-current assets	114,435	25,006
Deferred tax assets	6,258	6,258
	<b>123,750</b>	<b>34,392</b>
<b><i>Current assets</i></b>		
Inventory	39,160	72,942
Advance payments to suppliers	1,521	1,174
Accounts receivable	18,825	35,601
Current receivables	15,338	8,539
Cash and cash equivalents	5,714	8,739
	<b>80,557</b>	<b>126,995</b>
<b>TOTAL ASSETS</b>	<b>204,307</b>	<b>161,387</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	106,741	47,470
Current liabilities	97,565	113,917
	<b>204,307</b>	<b>161,387</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>204,307</b>	<b>161,387</b>

Cash and cash equivalents are recognized gross, before utilized overdraft facilities. Utilized overdraft facilities are recognized in current liabilities.

## PARENT COMPANY PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK in thousands	Dec 31 2019	Dec 31 2018
Pledged assets	30,000	30,000
Pledged receivables	4,982	6,222
Contingent liabilities	500	1,415

## NOTES

### Note 1 Acquisitions

On November 19, 2019, Odd Molly International AB signed an agreement to acquire, through an issue for non-cash consideration, a logistics property by acquiring all the shares in Ilija Batljan Invest Kristianstad Fastigheter AB. This an asset acquisition with the primary purpose of acquiring the company's property. On the same date, an agreement was signed with Used A Porter International AB's (Used By's) shareholders to acquire Used A Porter International AB through an issue for non-cash consideration. This acquisition is a business combination according to the definition in IFRS 3. The closing day for both companies was December 19 after the Extraordinary General Meeting's approval. The share acquisitions were financed through two issues for non-cash consideration totaling 19,347,871 shares in Odd Molly.

#### Preliminary acquisition analysis – fair value of acquired assets and assumed liabilities

SEK in thousands	Used A Porter International AB	Ilija Batljan Invest Kristianstad Fastigheter AB	Total Dec 31, 2019	Total Dec 31, 2018
Acquired share of the target companies	100%	100%		
Intangible non-current assets	7,362	-	7,362	-
Other non-current assets	43	189,000	189,043	-
<b>Total non-current assets</b>	<b>7,404</b>	<b>189,000</b>	<b>196,404</b>	<b>-</b>
Cash and cash equivalents	82	1,285	1,367	-
Other current assets	658	711	1,368	-
<b>Total assets</b>	<b>8,144</b>	<b>190,995</b>	<b>199,140</b>	<b>-</b>
Non-current liabilities	-	113,436	113,436	-
Deferred tax	-	119	119	-
Current liabilities	865	1,710	2,575	-
<b>Total liabilities</b>	<b>865</b>	<b>115,264</b>	<b>116,130</b>	<b>-</b>
<b>Fair value of acquired assets and assumed liabilities, net</b>	<b>7,279</b>	<b>75,731</b>	<b>83,010</b>	<b>-</b>
Goodwill	6,225	-	6,225	-
<b>Total purchase price</b>	<b>13,504</b>	<b>75,731</b>	<b>89,235</b>	<b>-</b>

Used By's intangible non-current assets consist of an online marketplace for secondhand fashion that it developed and has assessed at fair value within level 3, according to the definition in IFRS 13, i.e., fair value based on valuation techniques with observable market data. The acquisition price has been determined based on the value of Odd Molly on the closing day, December 19, 2019, using the price of Odd Molly's share at the time of SEK 5.30 multiplied by 2,547,871 shares, for a total purchase price of SEK 13,504,000. This compares with the estimated fair value of Used By's net assets of SEK 7,279,000, thus generating goodwill of SEK 6,225,000.

The investment property is recognized at fair value with changes in value through profit or loss, which means that there is no depreciation.

This is a preliminary acquisition analysis and when finalized could mean that other assets may be identified or remeasured, which could have an impact in future periods.

#### Background to the transactions

The acquisitions are an element in the strategic transition underway within the company to adapt to the market's changing conditions as well as to capitalize on the opportunities that the changes create. Used By represents a new business area for the company with high growth potential that meets the growing demand for sustainable consumption. The acquisition of the logistics property is a vertical step in the value chain that, with a 12-year lease as a foundation, will contribute stable cash flows and with further development opportunities going forward.

After the closing, the two companies contributed SEK 0.5 million of the Group's total operating revenue in 2019. If the acquisitions had taken place at the beginning of the year, the contribution to total operating revenue would have been SEK 11.2 million and to the operating result SEK 7.6 million. The contribution to the Group's operating result has been immaterial since the closing day.

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, February 14, 2020

Patrik Tillman, Chairman

Mia Arnhult, Board Member

Anna Frick, Board Member

Johan Mark, Board Member

Elin Ryer, Board Member

Jennie Högstedt Björk, CEO

The year-end report has not been audited by the company's auditors.

## SCHEDULED INFORMATION DATES

- The Annual Report 2019 will be published in the week starting 30<sup>th</sup> March 2020.
- The Annual General Meeting 2020 will be held on May 7, 2020.
- The interim report for January-March 2020 will be released on May 7, 2020.
- The interim report for January-June 2020 will be released on August 26, 2020.
- The interim report for January-September 2020 will be released on October 23, 2020.

## PRESENTATION OF THE REPORT

The report will be presented at the company's head office, Kornhamnstorg 6, Stockholm, on February 14, 2020 at 10:00 am CET. To attend the presentation, contact [jacob.neckmar@oddmolly.com](mailto:jacob.neckmar@oddmolly.com).

For further information, please contact:

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Johanna Palm, CFO, +46-760-10 24 55

This information is information that Odd Molly International AB is obliged to make public pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set above, on February 14, 2020 at 8.00 am CET.

This is a translation of the original Swedish language report. In the event of discrepancies, the original Swedish wording shall prevail.

## ABOUT ODD MOLLY

Odd Molly is a Swedish company that designs, markets and sells distinctive fashion. The company's products are mainly sold through its own channels as well as through its own sellers and external agents and licensees to retailers. A growing share of sales comes from Odd Molly's own channels, mainly from the company's web shop, which reaches over 40 countries. The company also has of its own physical stores as well as stores managed by partners in selected markets. The Odd Molly share is traded Nasdaq Stockholm's small cap list.

## OUR STRATEGY

Odd Molly will profitably grow by continuing to create inspiring collections, strengthening the brand and developing new and existing sales channels and models. The corporate culture is rooted in quality, responsibility and engagement. At the end of 2018, Odd Molly reformulated its growth strategy to strengthen digital and international growth with lower costs, complexity and tied-up capital:

**Brand and product range** Odd Molly will strengthen its brand position with more streamlined product range.

**Channels** Odd Molly will refine its channel strategy with a focus online – by increasing our own e-commerce and reducing the number of stores.

**Expansion** Odd Molly will focus on international growth through a licensing model outside main strategic markets.

**Sustainability** Odd Molly's organization will maintain the highest quality, drive and engagement and be adapted to the company's long-term needs and growth. Care for Odd Molly's world will be reflected in everything we do.

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[www.oddmolly.com](http://www.oddmolly.com)

Press photos can be downloaded from Odd Molly's website at [www.oddmolly.com](http://www.oddmolly.com) under "press".

Odd Molly also produces a newsletter with reports on daily operations. To subscribe, go to

[www.oddmolly.com](http://www.oddmolly.com).