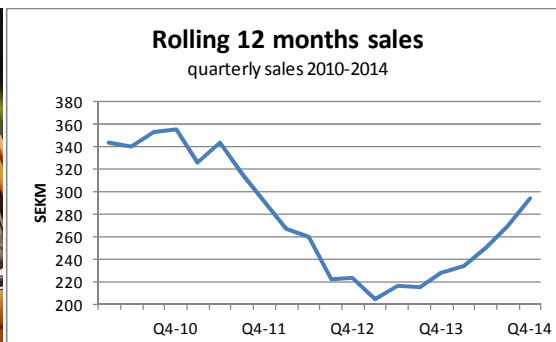




## Odd Molly International AB (publ)

Stockholm, Sweden, February 18, 2015



## Year-end report January 1 – December 31, 2014

Further increase in sales and improved profitability

### January 1 – December 31, 2014

- Net sales amounted to SEK 294.3 million (228.2), an increase of 29 percent.
- The gross profit margin was 54.1 percent (54.5).
- Operating profit amounted to SEK 5.5 million (-24.1).
- Net profit amounted to SEK 4.1 million (-19.4).
- Earnings per share amounted to SEK 0.71 (-3.38).

### October 1 – December 31, 2014

- Net sales amounted to SEK 71.9 million (47.3), an increase of 52 percent.
- The gross profit margin was 53.7 percent (52.7).
- Operating profit amounted to SEK 0.1 million (-14.1).
- Net profit amounted to SEK 0.5 million (-11.4).
- Earnings per share amounted to SEK 0.09 (-1.98).
- The Board of Directors is proposing to the Annual General Meeting a dividend of SEK 1.00 (0) per share for the financial year 2014.

### Events during and after the quarter

- In November Odd Molly opened a store in Nova Lund.
- During the quarter the store in Väla was named new retailer of the year in Väla Centrum.
- In January the company's shop-in-shop at Illum in Copenhagen was closed.

Key financial ratios	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2014	2013	2014	2013
Net sales, SEK million	71.9	47.3	294.3	228.2
Gross profit margin, %	53.7	52.7	54.1	54.5
Operating profit/loss, SEK million	0.1	-14.1	5.5	-24.1
Operating margin, %	0.1	-29.9	1.9	-10.6
Net profit/loss, SEK million	0.5	-11.4	4.1	-19.4
Earnings per share before dilution, SEK	0.09	-1.98	0.71	-3.38
Earnings per share after dilution, SEK	0.09	-1.98	0.71	-3.38
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	5,767,022	5,752,000

## **Comment from the CEO**

The positive trend continued during the last quarter of the year, which was the seventh consecutive quarter that Odd Molly reported higher sales. And we saw improved profitability for both the quarter and full-year 2014. The progress we have made is rooted in the hard work of dedicated people in the company and in our network, and a customer-oriented strategy.

Our own stores continued to report strong sales during the quarter, and both the web shop and Christmas sales beat expectations. The store in Väla, which opened in May, was named the best new retailer in the shopping center, and a new Odd Molly store in Nova Lund was opened during the quarter. I am very pleased that we have created a retail concept that is easy to roll out and that we have a fantastic retail team in place to make it possible.

During the year we took over sales responsibility in Scandinavia and enhanced our sales organization, introduced four fashion seasons and launched new product groups as part of Odd Molly's lifestyle concept. Home, Bath and Rain are a few of the new groups we have introduced so far, and Odd Molly was represented for the first time at both Formex, an interior design fair, and the Stockholm Furniture Fair (Möbelmässan) recently. The response has been very positive, and we see it as proof of the scalability of Odd Molly's design concept.

Within the framework of our development work, we have also designed a new brand platform centered on Molly, a skater girl from Venice Beach in the 80s, who was our source of inspiration by daring to break with convention and follow her own dreams. Molly is Odd Molly's soul; her courage and values can be seen in everything we do.

While we have gotten a lot done and proven ourselves, especially in our home market of Sweden, the organization is still bubbling with new ideas just waiting to be launched. Creating growth with strong collections through both our own retail channel and external retailers is the way we have chosen, and we are convinced that it is the right way to go. It gives us control, flexibility and room for creativity. Not to mention good opportunities for a fashion company with ambition.

Anna Attemark, CEO

## The Group's development

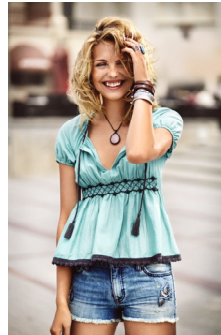
### Net sales

*The period January 1 - December 31, 2014*

Net sales for the year amounted to SEK 294.3 million (228.2), an increase of 29 percent compared with the previous year. The company's wholesale operations (sales to retailers) grew from SEK 173.2 million to SEK 205.6 million, an increase partly due to higher orders for the spring/summer 2014 and fall/winter 2014 seasons and partly to early shipments of the spring/summer 2015 season. Sales in the retail operations (Group sales to consumers) increased during the year from SEK 55.5 million to SEK 89.3 million, mainly driven by the company's web shop and the new stores that were opened.

*Fourth quarter October 1 - December 31, 2014*

Net sales for the fourth quarter amounted to SEK 71.9 million (47.3). Sales in the wholesale operations amounted to SEK 43.7 million compared with 29.6 million the previous year, an increase largely due to early shipments of the spring/summer 2015 collection. The retail operations again had a good quarter with sales increasing from SEK 17.8 million to SEK 28.3 million, mainly due to the web shop's continued positive development, but also good sales in the company's new stores.



### Earnings

*The period January 1 - December 31, 2014*

The gross profit margin for the year was 54.1 percent (54.5), with operating profit of SEK 5.5 million (-24.1).

Personnel expenses amounted to SEK 49.7 million (50.8), corresponding to 17 percent (22) of net sales. One-time restructuring expenses of SEK 5.6 million were charged against earnings in the previous year.

Other external expenses amounted to SEK 99.8 million, compared with SEK 94.8 million in the previous year. The increase is primarily due to expenses for new stores and increased distribution expenses related to the higher sales volume. The previous year was charged with one-off expenses of SEK 4.7 million to terminate agent agreements.

Depreciation/amortization amounted to SEK 4.5 million (2.6) and includes SEK 2.7 million (0) in amortization of intangible fixed assets related to the acquisition of the Swedish agent.

Net profit amounted to SEK 4.1 million (-19.4), while earnings per share amounted to SEK 0.71 (-3.38).

*Fourth quarter October 1 - December 31, 2014*

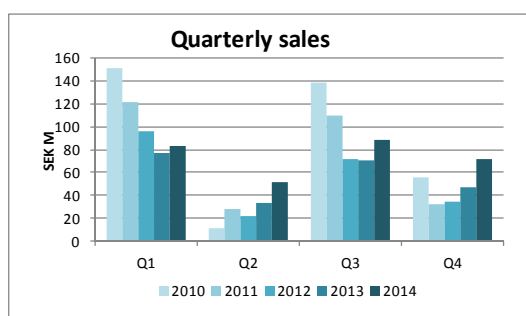
The gross profit margin for the fourth quarter was 53.7 percent (52.7).

Operating profit for quarter amounted to SEK 0.1 million (-14.1). Other external expenses amounted to SEK 24.1 million (21.6). Personnel expenses amounted to SEK 13.8 million (17.3). The previous year was charged with one-off personnel expenses of SEK 5.6 million related to restructuring.

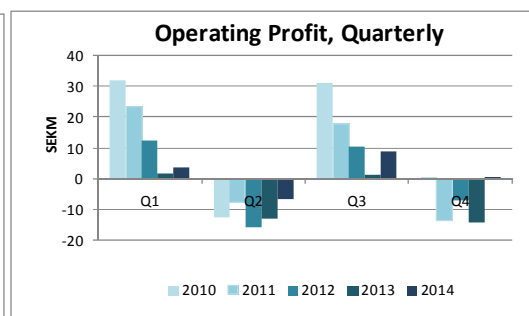
Net profit for the quarter amounted to SEK 0.5 million (-11.4), while earnings per share amounted to SEK 0.09 (-1.98).

### 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 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 2010-Q4 2014*



*The above diagram shows quarterly operating profit, Q1 2010-Q4 2014*

### Financial position

The company's total assets amounted to SEK 137.4 million (127.9) on December 31, 2014. Shareholders' equity was SEK 89.9 million on the same date, compared with SEK 83.0 million on December 31, 2013. The equity/assets ratio was 65 percent (65) and cash and cash equivalents amounted to SEK 39.0 million (49.0).

Accounts receivable amounted to SEK 32.0 million on December 31, 2014, compared with SEK 35.4 million at year-end 2013. Inventory amounted to SEK 39.9 million (33.8) at year-end and includes SEK 9.5 million (8.9) in merchandise shipped for the upcoming season. The inventory's composition is well-balanced, and the increase year-on-year reflects a higher share of the Group's own sales channels.

### Investments and cash flow

During the year the company's investments totaled SEK 14.9 million (3.6), the large part of which consists of the purchase price to assume sales responsibility for the Swedish market.

Cash flow from operating activities amounted to SEK 19.1 million (13.0) during the fourth quarter. Total cash flow amounted to SEK 17.9 million (12.8). Cash flow for the year amounted to SEK -11.1 million (-27.3).

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

### ***Stores and shop-in-shops***

In November Odd Molly opened a Group-owned store in the Nova Lund shopping center in Lund and in January the company's shop-in-shop at Illum in Copenhagen was closed. During the quarter the store in Väla was named new retailer of the year in Väla Centrum.

## **Number of shares**

As of December 31, 2014 there were 5,752,000 shares outstanding.

## **Employees**

The total number of employees at year-end was 70 (59), of whom 7 were men and 63 women. The average number of employees during the year was 70 (60).

## **Parent Company**

The Parent Company reported net sales of SEK 286.0 million (221.5) during the period, with operating profit of SEK 2.2 million, against a year-earlier loss of SEK 24.2 million. The Parent Company's adjusted shareholders' equity amounted to SEK 78.6 million (75.4). Cash and cash equivalents amounted to SEK 36.0 million (46.3).

Sales in the U.S. are through the wholly owned subsidiary Odd Molly Inc. Odd Molly also has subsidiaries in Denmark, Norway 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 and common Group expenses proportionate to the segment's share of the total cost of goods sold.

## **Risk factors**

A number of factors can affect Odd Molly's results and operations. Although a large part of these risks can be managed and minimized through internal procedures, there are others that are largely beyond the company's control.

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 2013, which is available on Odd Molly's website. No changes have taken place with respect to the assessment of risks and uncertainties.

**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 31-33 of the annual report for 2013. The accounting principles are unchanged compared with the previous year's annual report. New and revised accounting standards and interpretations that apply to 2014 are not considered to materially affect the company's financial reports.

The acquisition of the Swedish agent, 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 7, 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 and Odd Molly Norway A/S. Reference to the company in this year-end report pertains to the Odd Molly Group.

<b>Consolidated statement of comprehensive income</b>	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
SEK in thousands	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<i>Operating revenues</i>				
Net sales	71,924	47,331	294,298	228,163
Other operating revenues	92	36	655	499
	72,016	47,367	294,953	228,662
<i>Operating expenses</i>				
Cost of goods sold	-33,299	-22,402	-135,122	-103,801
Other external expenses	-24,152	-21,557	-99,793	-94,838
Personnel expenses	-13,805	-17,328	-49,743	-50,799
Depreciation/amortization	-1,037	-558	-4,479	-2,633
Other operating expenses	333	348	-301	-689
<b>Operating profit/loss</b>	<b>56</b>	<b>-14,130</b>	<b>5,516</b>	<b>-24,098</b>
<i>Result from financial items</i>				
Interest income	36	122	232	515
Interest expenses	-43	-39	-98	-71
<b>Profit/loss after financial items</b>	<b>49</b>	<b>-14,047</b>	<b>5,649</b>	<b>-23,654</b>
Taxes	456	2,643	-1,554	4,226
<b>Net profit/loss attributable to Parent Company's shareholders</b>	<b>504</b>	<b>-11,404</b>	<b>4,095</b>	<b>-19,428</b>
<i>Other comprehensive income</i>				
<i>Items that will be reclassified to profit or loss</i>				
Translation difference	758	112	1,678	-2
Cash flow hedges	892	-219	1,110	673
Tax effect fair value cash flow hedges	-196	48	-244	-148
<b>Total comprehensive income attributable to Parent Company</b>	<b>1,958</b>	<b>-11,463</b>	<b>6,639</b>	<b>-18,905</b>
<b>Earnings per share before dilution, SEK</b>	<b>0.09</b>	<b>-1.98</b>	<b>0.71</b>	<b>-3.38</b>
<b>Earnings per share after dilution, SEK</b>	<b>0.09</b>	<b>-1.98</b>	<b>0.71</b>	<b>-3.38</b>

<b>Consolidated balance sheet</b>	<b>December 31</b>	<b>December 31</b>
SEK in thousands	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<i>Fixed assets</i>		
Intangible fixed assets	11,229	722
Tangible fixed assets	2,967	3,015
Financial fixed assets	2,457	1,338
	<b>16,654</b>	<b>5,075</b>
<i>Current assets</i>		
Inventories	39,945	33,829
Accounts receivable	32,002	35,367
Current receivables	9,833	4,663
Cash and bank balances	39,015	48,999
	<b>120,795</b>	<b>122,858</b>
<b>TOTAL ASSETS</b>	<b>137,449</b>	<b>127,932</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	89,854	82,998
Deferred tax	4,882	4,642
Current liabilities	42,713	40,293
	<b>137,449</b>	<b>127,932</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>137,449</b>	<b>127,932</b>
<b>Pledged assets</b>	<b>25,050</b>	<b>2,500</b>

<b>Changes in the Group's shareholders' equity</b>	<b>December 31</b>	<b>December 31</b>
SEK in thousands	<b>2014</b>	<b>2013</b>
<b>Attributable to Parent Company's shareholders</b>		
Shareholders' equity at the beginning of the period/year	82,998	110,531
Dividend	0	-8,628
Övrigt tillskjutet kapital	218	0
Total comprehensive income for the year/period	6,639	-18,905
<b>Shareholders' equity at the end of the year/period</b>	<b>89,854</b>	<b>82,998</b>

<b>Cash flow statement for the Group</b>	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
SEK in thousands	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Operating activities</b>				
Operating profit/loss	56	-14,130	5,516	-24,098
Adjustments for items not included in cash flow	1,141	-306	4,722	3,079
Interest received	36	122	232	515
Interest paid	-43	-39	-98	-71
Income tax paid	25	-11	-1,050	-420
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,214</b>	<b>-14,365</b>	<b>9,322</b>	<b>-20,996</b>
<b>Changes in working capital</b>				
Change in inventories	5,686	-9,986	-5,829	-11,221
Change in receivables	11,797	22,548	206	-1,942
Change in current liabilities	436	14,756	-98	19,079
<b>Cash flow from operating activities</b>	<b>19,132</b>	<b>12,953</b>	<b>3,601</b>	<b>-15,080</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	0	0	-13,673	-723
Acquisition of tangible fixed assets	-858	-179	-858	-2,203
Acquisition of financial fixed assets	-398	0	-398	-652
<b>Cash flow from investing activities</b>	<b>-1,256</b>	<b>-179</b>	<b>-14,929</b>	<b>-3,577</b>
<b>Financing activities</b>				
Dividend paid	0	0	0	-8,628
Shareholders' contribution, warrants	0	0	218	0
<b>Cash flow from financing activities</b>	<b>0</b>	<b>0</b>	<b>218</b>	<b>-8,628</b>
Cash flow for the year/period	17,876	12,774	-11,111	-27,285
<b>Cash and cash equivalents at the beginning of the period</b>	<b>20,662</b>	<b>36,073</b>	<b>48,999</b>	<b>76,543</b>
Exchange rate difference in cash and cash equivalents	477	152	1,127	-260
<b>Cash and cash equivalents at the end of the period</b>	<b>39,015</b>	<b>48,999</b>	<b>39,015</b>	<b>48,999</b>

<b>Revenue and operating result by segment</b>	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Jan-Dec</b>	<b>Jan-Dec</b>
SEK in thousands	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Wholesale</b>				
Revenue	43,672	29,551	205,611	173,188
Operating result	-6,502	-16,925	-8,583	-25,766
<b>Retail</b>				
Revenue	28,344	17,816	89,342	55,474
Operating result	6,558	2,795	14,098	1,669
<b>Total</b>				
Revenue	72,016	47,367	294,953	228,662
Operating result	56	-14,130	5,516	-24,098

<b>Moderbolagets resultaträkning</b>	<b>okt-dec</b>	<b>okt-dec</b>	<b>jan-dec</b>	<b>jan-dec</b>
TSEK	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<i>Rörelsens intäkter</i>				
Nettoomsättning	70,550	45,450	285,555	220,719
Övriga rörelseintäkter	154	271	478	733
	70,704	45,721	286,034	221,453
<i>Rörelsens kostnader</i>				
Handelsvaror	-32,331	-21,386	-130,078	-99,550
Övriga externa kostnader	-32,019	-22,727	-107,485	-95,169
Personalkostnader	-11,765	-16,622	-45,484	-48,407
Avskrivning av materiella och immateriella anläggningstillgångar	-346	-392	-1,220	-1,983
Övriga rörelsekostnader	83	239	431	-582
<b>Rörelseresultat</b>	<b>-5,675</b>	<b>-15,167</b>	<b>2,197</b>	<b>-24,237</b>
<i>Resultat från finansiella poster</i>				
Ränteintäkter	36	122	232	515
Räntekostnader	-43	-39	-87	-71
<b>Resultat efter finansiella poster</b>	<b>-5,681</b>	<b>-15,084</b>	<b>2,342</b>	<b>-23,793</b>
Bokslutsdispositioner	-200	17,600	-200	17,600
<b>Resultat före skatt</b>	<b>-5,881</b>	<b>2,516</b>	<b>2,142</b>	<b>-6,193</b>
Skatt	1,660	-1,244	-208	363
<b>Resultat</b>	<b>-4,221</b>	<b>1,273</b>	<b>1,934</b>	<b>-5,830</b>
<i>Övrigt totalresultat</i>				
<i>Poster som kommer att omklassificeras till resultatet</i>				
Kassaflödessäkringar	892	-219	1,110	673
Skatteeffekt kassaflödessäkringar	-196	48	-244	-148
<b>Totalresultat för perioden</b>	<b>-3,526</b>	<b>1,102</b>	<b>2,800</b>	<b>-5,305</b>

<b>Parent Company balance sheet</b>	<b>December 31</b>	<b>December 31</b>
SEK in thousands	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<i>Fixed assets</i>		
Intangible fixed assets	301	722
Tangible fixed assets	2,955	2,066
Financial fixed assets	18,817	5,017
	<b>22,073</b>	<b>7,805</b>
<i>Current assets</i>		
Inventory	38,486	32,261
Accounts receivable	31,201	35,017
Short-term receivables	10,847	4,486
Cash and bank balances	35,973	46,271
	<b>116,506</b>	<b>118,035</b>
<b>TOTAL ASSETS</b>	<b>138,579</b>	<b>125,840</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	61,989	58,972
Untaxed reserves	21,300	21,100
Deferred tax	196	0
Current liabilities	55,094	45,768
	<b>138,579</b>	<b>125,840</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>138,579</b>	<b>125,840</b>
<b>Pledged assets</b>	<b>25,050</b>	<b>2,500</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, February 18, 2015

Patrik Tillman, Chairman

Lennart Björk, Board Member

Christer Andersson, Board Member

Kia Orback, Board Member

Mia Arnhult, Board Member

Nils Vinberg, Board Member

Anna Attemark, President & CEO

For further information, please contact:

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Henrik Fredin, CFO, phone: +46-8-522 28 514

#### **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 six of its own physical stores, its own web shop and a shop-in-shop. The Odd Molly share is traded as of June 21, 2010 on NASDAQ OMX Stockholm.

#### **Scheduled information dates**

- The annual report for 2014 will be released in late March 2015.
- The Annual General Meeting will be held on April 29, 2015.
- The interim report for January-March 2015 will be released on April 29.
- The interim report for April-June 2015 will be released on August 20.
- The interim report for July-September 2015 will be released on October 21.

*The information in this press release has been published by Odd Molly International AB on February 18, 2015 at 8.00 am CET in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.*

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