



Year-end report January 1 – December 31, 2017

Odd Molly International AB (publ)
Stockholm, Sweden, February 16, 2018

The industry is changing - and Odd Molly with it

OCTOBER 1 – DECEMBER 31, 2017

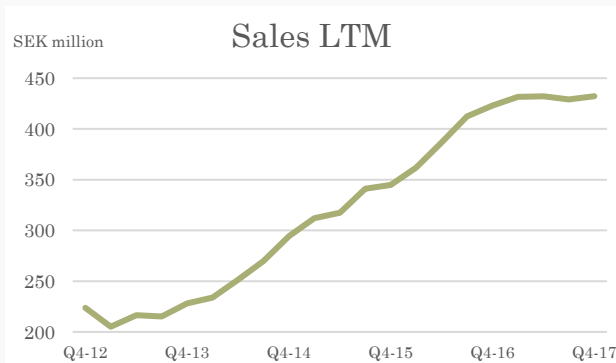
- Total operating revenue amounted to SEK 89.6 million (86.5), an increase of 4 percent.
- The gross profit margin was 51.6 percent (60.0).
- The operating loss was SEK -11.1 million (-0.3).
- The net loss amounted to SEK -9.2 million (0.8).
- Earnings per share amounted to SEK -1.60 (0.14).
- The Board of Directors proposes to the Annual General Meeting that no dividend per share be paid for the financial year 2017. For the financial year 2016 a dividend of SEK 1.00 per share was paid.

JANUARY 1 – DECEMBER 31, 2017

- Total operating revenue amounted to SEK 432.1 million (423.2), an increase of 2 percent.
- The gross profit margin was 53.9 percent (55.6).
- The operating loss was SEK -4.5 million (24.5), affected by costs of SEK 4.8 million for the termination and buyout of agents as well as organizational changes. Excluding these costs, operating profit amounted to SEK 0.3 million.
- The net loss amounted to SEK -6.3 million (17.7).
- Earnings per share amounted to SEK -1.09 (3.08).

EVENTS DURING AND AFTER THE QUARTER

- On February 5 it was announced that Anna Attemark had informed the Board of Directors that she wishes to leave her position as CEO of Odd Molly, and that Jennie Högstedt Björk, today Deputy CEO and Assortment Manager, has been named as her successor. The CEO shift will take place in August 2018, at the latest.



KEY FIGURES

Total operating revenue, SEK million	89.6	86.5	432.1	423.2
Change, %	4		2	
Gross profit margin, %	51.6	60.0	53.9	55.6
Operating profit/loss, SEK million	-11.1	-0.3	-4.5	24.5
Operating margin, %	-12.4	-0.3	-1.0	5.8
Net profit/loss, SEK million	-9.2	0.8	-6.3	17.7
Earnings per share before dilution, SEK	-1.60	0.14	-1.09	3.08
Earnings per share after dilution, SEK	-1.60	0.14	-1.09	3.08
Return on equity, %	-9.7	0.8	-6.4	17.8
Equity/assets ratio, %	50	55	50	55
Cash flow from operating activities, SEK million	13.7	2.7	-0.5	6.6

* Result affected by costs of SEK 4.8 million for termination and buyout of agents as well as organizational changes.

Comment from the CEO



“In a changing market we have today about 40 percent of total sales through digital channels”

The customer is leading the way – we accelerate the changes

When I joined Odd Molly at the end of 2011, we began a transformation process, and our work has accelerated as the market has changed. The big move we made was to go from a design-driven to a customer-centric company, from clothing to lifestyle, and we took better control of our own retail sales, where an early investment in e-commerce has clearly been the most important engine behind Odd Molly's growth. For 2017 about 40 percent of Odd Molly's total sales came from digital channels (including sales to digital external retailers) – compared to about 35 percent in the previous year and about 10 percent five years ago.

To serve the customer in the best possible way requires continuous adjustments in our offer and our organization and during the year we have accelerated the changes, focusing on the areas where we see largest potential for profitable growth. The industry's transformation continues: e-commerce is growing, the market is becoming increasingly promotion-driven and many brick-and-mortar retailers are struggling.

Odd Molly has a solid platform in many ways: we have a strong brand and lifestyle concept that can be offered in every channel and a profitable e-commerce business with strong growth that is well-suited to new buying patterns. Sales in our own channels (own stores and web shop) grew by 13 percent for the full-year. During 2018, we will strengthen the offer, the customer experience and increase the focus on digital sales.

Growth – but weaker than hoped

Odd Molly reported growth for both the full-year and the quarter, which compared to the market is relatively strong. Even though we reached all-time-high sales, there is no getting around the fact that 2017 was weaker than hoped. The strong digital channel growth is very positive long-term, but the strong slowdown in traditional retail gives short-term challenges that need to be handled. Adjusted for costs of SEK 4.8 million due to major investments, mainly in our international network of agents, we reached a slightly positive result for the full-year, while the fourth quarter had a negative result. The fourth quarter has become a period with decreasing share of sales at full price, and includes mid-season sale, Black Friday and end-of-year sale. Black Friday this year broke new records also for us but resulted in weaker Christmas sales. All in all, this had a strong negative impact on the gross margin.

Accelerated transformation

Altered purchase patterns between distribution channels require continuous cost adaptations for Odd Molly. This work will continue. We are reassessing profitability and costs in the entire retail segment and carefully monitoring developments in our wholesale business. Our physical stores are an important part of our offering and a complement and catalyst to other sales channels, but they must meet our profit requirements and strengthen the brand.

The category strategy we worked with during the year is reaching the market in a more extensive way this spring. The strategy represents a shift from traditional collections to smaller, more concept-driven releases to meet the increased demand for news. Our customers will find more but smaller specialty collections with shorter lead times, mainly sold online.

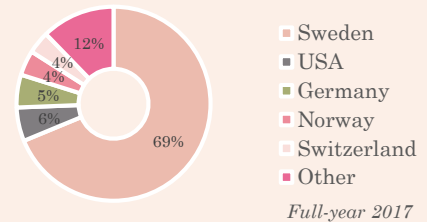
Lastly, I would like to note that it was with great sadness that I decided in the beginning of February to move on from Odd Molly's fantastic team and lifestyle concept to an assignment outside the company. I am convinced that this is the right time, after nearly 7 years, to hand the baton to Jennie Högstedt Björk, currently our Assortment Manager and Deputy CEO.

Anna Attemark, CEO

KEY FIGURES JANUARY-DECEMBER 2017

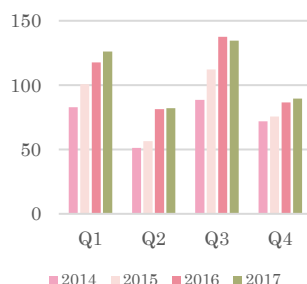
- Total operating revenue SEK 432.1 million, +2%
- Operating loss SEK -4.5 million (24.5)
- Operating margin -1.0% (5.8)

REVENUE BY COUNTRY, JANUARY-DECEMBER 2017

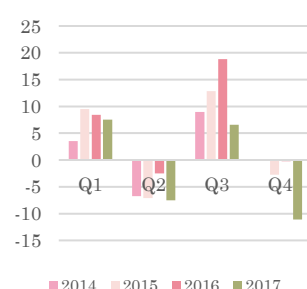


The Group's development

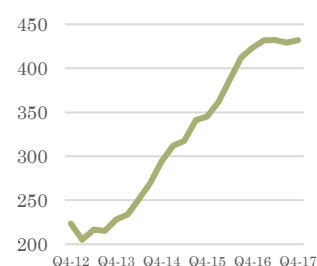
QUARTERLY SALES



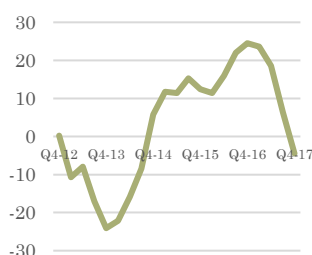
QUARTERLY OPERATING PROFIT



ROLLING 12-MONTH SALES



ROLLING 12-MONTH OPERATING PROFIT



SEASONAL FLUCTUATIONS

Odd Molly's operations are 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. Because of the growing share of retail sales, the seasonal fluctuations are gradually diminishing.

TOTAL OPERATING REVENUE

Fourth quarter October 1 - December 31, 2017

Total operating revenue in the fourth quarter amounted to SEK 89.6 million (86.5), an increase of 4 percent compared with same period in 2016. Revenue from wholesale operations (sales to retailers and partners) rose 1 percent compared with the previous year to SEK 40.8 million (40.2) in the fourth quarter. The company's retail operations (own sales to consumers through stores and web shop) rose 5 percent to SEK 48.8 million (46.2), driven by the web shop's positive development.

The period January 1 - December 31, 2017

Total operating revenue during the year amounted to SEK 432.1 million (423.2), an increase of 2 percent compared with the previous year. Revenue from wholesale operations decreased 7 percent to SEK 211.0 million (228.0). The company's retail operations increased 13 percent to SEK 221.1 million (195.1), driven by the web shop's strong development and sales from more stores. The number of stores during the year was higher on average than in 2016. Odd Molly had 18 of its own stores at the end of 2017, the same as at year-end 2016.

EARNINGS

Fourth quarter October 1 - December 31, 2017

The gross profit margin for the period was 51.6 percent (60.0), negatively affected mainly by a higher share of discounted sales, but also by unfavorable exchange rates. The share of sales from the retail versus wholesale operations was essentially the same as in the fourth quarter of 2016. As a result, the positive effect from the larger share of retail sales that benefitted the margin earlier in the year was not repeated in the fourth quarter.

The operating loss was SEK -11.1 million, compared with SEK -0.3 million in the same period in 2016. The bigger loss was mainly due to the lower gross margin and increased costs for digital investments and marketing.

Personnel expenses amounted to SEK 19.1 million (21.4 percent of total operating revenue), compared with SEK 20.0 million (23.1 percent of total operating revenue) in the previous year. Other external expenses amounted to SEK 35.2 million (39.3 percent of total operating revenue) and SEK 29.5 million (34.1 percent of total operating revenue) in the previous year. The cost increase was mainly due to marketing and digital investments.

The net loss amounted to SEK -9.2 million (0.8) and earnings per share amounted to SEK -1.60 (0.14).

The period January 1 - December 31, 2017

The gross profit margin for the year was 53.9 percent (55.6), negatively affected mainly by a higher share of discounted sales and unfavorable exchange rates, while the larger share of retail sales had a positive effect.

The operating loss was SEK -4.5 million, compared with operating profit of SEK 24.5 million in the previous year. The result for the year was affected by the transition in the industry and in the company, where customers are increasingly shopping online, which raises the costs of distribution and returns. The result was also affected by further investments to offer the best online shopping experience, higher costs to operate more stores and costs of SEK 4.8 million recognized in the third quarter for agent buyouts and organizational changes.

Operating profit excluding these costs was SEK 0.3 million.

Personnel expenses amounted to SEK 77.1 million (17.8 percent of total operating revenue), compared with SEK 73.6 million (17.4 percent of total operating revenue) in the previous year. Other external expenses amounted to SEK 147.4 million (34.1 percent of total operating revenue) and SEK 128.2 million (30.3 percent of total operating revenue) in the previous year.

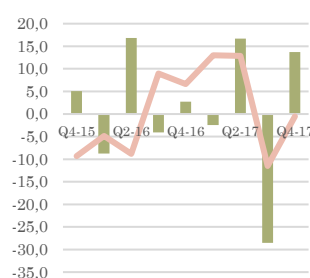
The net loss amounted to SEK -6.3 million (17.7) and earnings per share amounted to SEK -1.09 (3.08).

Analysis of operating profit

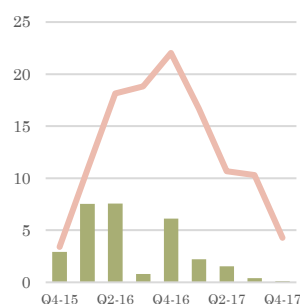
SEK million	Oct-Dec	Jan-Dec
Operating profit 2016	-0.3	24.5
Contribution from higher sales	+1.3	+4.1
Effect of lower gross profit margin	-7.5	-7.5
Higher distribution costs	-1.1	-5.7
Agent buyouts and organizational changes	-	-4.8
Higher costs associated with digital investments and marketing as well as expansion*	-3.5	-15.1
Operating loss 2017	-11.1	-4.5

*The number of stores during the year was higher on average than in 2016. At year-end 2017 the number of stores was the same as at year-end 2016.

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



INVESTMENTS QUARTERLY AND ROLLING 12 MONTHS (LINE)



INVESTMENTS AND CASH FLOW

In the fourth quarter of 2017 the company's investments totaled SEK 0.1 million (-6.1). Cash flow from operating activities amounted to SEK 13.7 million (2.7) and total cash flow was SEK 13.6 million (-3.4). The improved cash flow compared with the previous year was driven by positive changes in working capital, primarily receivables.

For the full-year 2017 the company's investments totaled SEK 4.3 million (22.0), mainly for fixtures in partner stores and shop-in-shops managed by retailers. Cash flow from operating activities amounted to SEK -0.5 million (6.6) and total cash flow amounted to SEK -4.3 million (-22.0).

INVENTORY

Inventory amounted to SEK 77.7 million at the end of the period, compared with SEK 67.2 million at the end of 2016. The increase is mainly tied to the growing sales from the company's web shop, which requires a larger inventory in order to offer a full product range and high service levels. Compared with the previous quarter inventory fell by SEK 2.6 million. The salability of the inventory is good and efforts to optimize purchased quantities are continuously ongoing.

FINANCIAL POSITION

The Group's total assets amounted to SEK 181.7 million (193.4) on December 31, 2017. Shareholders' equity was SEK 91.0 million on the same date, compared with SEK 105.7 million on December 31, 2016. The equity/assets ratio was 50 percent (55) at the end of the period and cash and cash equivalents amounted to SEK 17.0 million (25.1). Net liquidity, after utilized overdraft facilities, amounted to SEK -12.6 million (-1.8). Accounts receivable amounted to SEK 57.7 million on December 31, 2017, compared with SEK 58.9 million a year earlier.

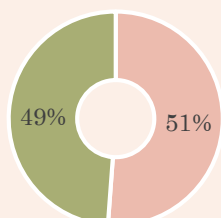
DIVIDEND

In light of the annual result and cash flow, as well as the continued challenges and opportunities faced by the company, the Board of Directors is proposing to the Annual General Meeting that no dividend be paid for the financial year 2017. For the financial year 2016 a dividend of SEK 1.00 per share was paid.

Segments

The company reports revenue and operating results for three segments: wholesale, retail and common group costs. Operating results for each segment are charged with direct costs for the segment. Costs not directly attributable to wholesale or retail are reported in the segment common group costs. Revenue and operating results were previously reported for two segments – wholesale and retail – where the common group costs were distributed by segment using a key based on each segment's share of the total cost of goods sold. Figures for 2016 according to the new segment reporting can be found under the heading Revenue and operating result by segment on page 15 as well as on the company's website <https://corporate.oddmolly.com/sv/odd-molly-i-siffror-1946/>.

REVENUE BY SEGMENT



■ Retail
■ Wholesale

Full-year 2017

WHOLESALE

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

RETAIL

- Odd Molly-managed stores, independent stores, outlets, stores in shopping centers and department stores
- Located in Sweden, Norway, Finland
- Web shop

WHOLESALE

Development January-December 2017

- Sales down 7 percent – changes in the industry, where many physical retailers have seen their sales decline
- Slightly lower gross margin due to negative FX effects
- Changes in organization and agents in key markets associated with one-off costs of SEK 4.8 million in the third quarter

SEK in thousands	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Sales	40,797	40,235	210,968	228,022
Operating profit	3,123	7,467	34,458	53,435
Operating margin, %	7.7	18.6	16.3	23.4

RETAIL

Development in January-December 2017

- Sales rose 13 percent driven by strong development in the web shop and more stores
- The margin was affected by a promotion-driven market, which led to a higher share of discounted sales, as well as negative FX effects and higher distribution costs
- Higher operating expenses due to more stores and digital investments

SEK in thousands	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Sales	48,762	46,223	221,150	195,142
Operating profit	3,966	10,077	30,972	42,717
Operating margin, %	8.1	21.8	14.0	21.9

COMMON GROUP COSTS

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

Development in January-December 2017

- SEK 1.7 million lower costs compared with the previous year – lower external services and no bonus provision

SEK in thousands	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating profit/loss	-18,187	-17,801	-69,910	-71,634

Other

STORES ON DECEMBER 31



EVENTS DURING THE QUARTER AND AFTER ITS CONCLUSION

Stores

In December the store in A6 Center in Jönköping was reopened.

Management

On February 5 it was announced that Anna Attemark had informed the Board of Directors that she wishes to leave her position as CEO of Odd Molly and assume a new operational assignment outside of the company. The Board has decided to appoint Jennie Högstedt Björk, today Deputy CEO and Assortment Manager, as her successor. The CEO shift will take place in August 2018, at the latest.

Rest of the organization

Odd Molly continues to make changes and adjustments to its organization with the aim of optimizing processes and increasing efficiency. The focus is on the profitability of the various sales channels, and the company is working to adapt its presence in various markets based on local conditions and potential.

The new agents in Germany, France and Austria have launched sales in their respective markets and a new seller has been engaged for the UK.

NUMBER OF SHARES

As of December 31, 2017 there were 5,752,000 shares outstanding.

Key ratios per share	Dec 31 2017	Dec 31 2016
Weighted average number of shares before dilution	5,752,000	5,752,000
Weighted average number of shares after dilution	5,752,000	5,752,000
Equity per share, SEK	15.82	18.38

EMPLOYEES

The total number of employees at the end of the period was 98 (107), of whom 6 were men and 92 women. The average number of employees during the year was 102 (94). The increase is driven staff in by newly opened stores.

PARENT COMPANY

The Parent Company reported total operating revenue of SEK 409.2 million (411.7) for the full-year 2017 with an operating loss of SEK -9.4 million (16.4). The Parent Company's adjusted shareholders' equity amounted to SEK 63.1 million (84.0). Cash and cash equivalents amounted to SEK 12.4 million (20.5). Net liquidity, after utilization of parts of the overdraft facilities, amounted to SEK -17.2 million (-6.4).

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 manage operations in their respective countries. All other sales are through the Parent Company.

In the fourth quarter the Parent Company's receivables from the subsidiaries in Norway and Finland were written down by SEK 4.9 million and SEK 1.5 million, respectively, which negatively affected the Parent Company's result.

TRANSACTIONS WITH RELATED PARTIES

Other than the Parent Company's sales of products to subsidiaries and remuneration paid to the Board of Directors, there were no transactions with related parties in 2017.

ANNUAL GENERAL MEETING 2018

The Annual General Meeting for Odd Molly International AB will be held in Stockholm on May 4, 2018. The annual report for the financial year 2017 will be published in late March 2018.

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 of Odd Molly's Swedish annual report for 2016, which is 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 2016.

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 43-46 of the Swedish annual report for 2016. The accounting principles are unchanged compared with the previous year's annual report. New and revised accounting standards and interpretations that apply to 2017 are not considered to materially affect the company's financial reports.

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 approximate to 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.

New IFRS and interpretations that have not yet been applied

IFRS 9 Financial Instruments

The standard enters into force on January 1, 2018 and has been adopted by the EU.

a) Classification and measurement

The company does not foresee a significant impact on its balance sheet or equity due to the new classification and valuation requirements. Currency derivatives will continue to be measured at fair value within level 2, i.e., fair value based on valuation techniques with observable market data. Other financial liabilities are classified as other financial liabilities at amortized cost. All financial assets and liabilities have short maturities and, as a result, book value is considered an approximation of fair value.

b) Impairment

According to IFRS 9, expected credit losses will be booked for all outstanding instruments and receivables. The company has evaluated the current method for measuring trade receivables and conducted a thorough analysis of historical

impairment losses. The company has historically had low credit losses; in 2016, for example, they amounted to only 0.17% of sales. The company's assessment is that the transition to IFRS 9 will not have a significant impact on impairment of trade receivables.

c) **Hedge accounting**

The company applies hedge accounting to the derivatives (forward exchange contracts) that are used to protect against the risk of exchange rate fluctuations tied to projected cash flows related to the movement of goods. The company will continue to report these instruments according to IAS 39, which is consistent with IFRS 9.

IFRS 15 Revenue from Contracts with Customers

The standard enters into force on January 1, 2018 and has been adopted by the EU. The standard provides a single model for recognizing revenue from contracts with customers. The company has evaluated the types of contracts and transactions that fall within the framework of this standard. The evaluation includes loss of income due to complaints and returns from customers, revenue from retailer customers with the right to return goods after each season, revenue from retailer customers with the right to a reduced price prior to the retail sales season, and revenue and shrinkage generated from consignment customers. Following the evaluation, the company remains of the opinion that the standard will not impact the Group's reporting other than that additional details on the company's revenue in some cases will have to be reported.

IFRS 16 Leases

The standard enters into force on January 1, 2019 and has been adopted by the EU. The company has leases on retail properties and vehicles, among other things, and in connection with the annual report for 2017 will provide an estimate of their effect on the company's balance sheet.



Alternative performance measures

Following are definitions of the concepts and measures used in the report to describe the company's performance which are not defined or specified according to IFRS.

GROSS PROFIT MARGIN

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
SEK in thousands				
Operating revenue				
Net sales	89,272	86,451	430,417	422,552
Operating expenses				
Cost of goods sold	-43,220	-34,594	-198,511	-187,644
Gross profit	46,052	51,857	231,906	234,908
Gross profit margin, %	51.6	60.0	53.9	55.6

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

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
SEK in thousands				
Operating revenue				
Net sales	89,272	86,451	430,417	422,552
Other operating revenue	287	8	1,701	613
Total operating revenue	89,559	86,458	432,118	423,165
Operating profit/loss	-11,099	-257	-4,480	24,518
Operating margin, %	-12.4	-0.3	-1.0	5.8

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

	Dec 31 2017	Dec 31 2016
SEK in thousands		
Shareholders' equity	91,002	105,725
Total assets	181,709	193,389
Equity/assets ratio, %	50	55

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 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
SEK in thousands				
Profit attributable to Parent Company's shareholders (net profit)	-9,208	809	-6,266	17,721
Average equity	95,044	104,855	98,364	99,421
Return on equity, %	-9.7	0.8	-6.4	17.8

The return on equity is calculated by measuring net profit for the period in relation to average equity during the period (opening balance + closing 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	Dec 31
SEK in thousands, Group	2017	2016
Cash and cash equivalents	17,050	25,131
Utilized overdraft facilities at the end of the period	29,602	26,920
Net liquidity	-12,553	-1,799

	Dec 31	Dec 31
SEK in thousands, Parent Company	2017	2016
Cash and cash equivalents	12,387	20,484
Utilized overdraft facilities at the end of the period	29,602	26,920
Net liquidity	-17,215	-6,436

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	Dec 31
	2017	2016
Weighted average number of shares	5,752,000	5,752,000
Shareholders' equity, SEK thousands	91,002	105,725
Equity per share before dilution, SEK	15.82	18.38

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

PARENT COMPANY'S ADJUSTED EQUITY

	Dec 31	Dec 31
SEK in thousands	2017	2016
Shareholders' equity	55,802	71,595
78 percent of the untaxed reserves	7,254	12,402
Adjusted equity	63,056	83,997

The Parent Company's adjusted equity is calculated by adding 78 percent 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

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
SEK in thousands				
<i>Operating revenue</i>				
Net sales	89,272	86,451	430,417	422,552
Other operating revenue	287	8	1,701	613
Total operating revenue	89,559	86,458	432,118	423,165
<i>Operating expenses</i>				
Cost of goods sold	-43,220	-34,594	-198,511	-187,644
Other external expenses	-35,157	-29,451	-147,437	-128,156
Personnel expenses	-19,135	-20,007	-77,071	-73,649
Depreciation/amortization	-3,087	-2,664	-12,009	-8,957
Other operating expenses	-59	0	-1,570	-240
Operating profit/loss	-11,099	-257	-4,480	24,518
<i>Result from financial items</i>				
Interest income	159	70	686	486
Interest expenses	-301	-489	-1,041	-815
Profit/loss after financial items	-11,241	-676	-4,835	24,189
Taxes	2,034	1,485	-1,431	-6,469
Net profit/loss attributable to Parent Company's shareholders	-9,208	809	-6,266	17,721
<i>Other comprehensive income</i>				
Items that will be reclassified to profit or loss				
Translation difference	-35	688	-1,168	1,481
Cash flow hedges	2,330	311	-1,126	2,109
Tax effect fair value cash flow hedges	-513	-68	248	-464
Total comprehensive income attributable to Parent Company's shareholders	-7,426	1,739	-8,312	20,846
Earnings per share before dilution, SEK	-1.60	0.14	-1.09	3.08
Earnings per share after dilution, SEK	-1.60	0.14	-1.09	3.08

CONSOLIDATED BALANCE SHEET

	Dec 31	Dec 31
SEK in thousands	2017	2016
ASSETS		
<i>Fixed assets</i>		
Intangible fixed assets	4,484	7,905
Tangible fixed assets	13,036	17,769
Financial fixed assets	1,131	1,129
	18,651	26,803
<i>Current assets</i>		
Inventories	77,663	67,180
Advance payments to suppliers	1,627	4,662
Accounts receivable	57,749	58,912
Current receivables	8,969	10,710
Cash and cash equivalents	17,050	25,121
	163,058	166,586
TOTAL ASSETS	181,709	193,389
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	91,002	105,725
Deferred tax	2,957	4,376
Current liabilities	87,750	83,289
	181,709	193,389
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	181,709	193,389

Cash and cash equivalents are since the interim report for January-September 2016 reported gross, before utilized overdraft facilities. Utilized overdraft facilities are reported in current liabilities. Previously, cash and cash equivalents were reported net as the value of cash and cash equivalents after utilized overdraft facilities. The difference between net liquidity and gross liquidity is reported in the cash flow statement for the Group.

PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Dec 31	Dec 31
SEK in thousands	2017	2016
Pledged assets	30,000	30,000
Pledged receivables	10,220	8,397
Contingent liabilities	1,415	1,415

CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

	Dec 31	Dec 31
SEK in thousands	2017	2016
Attributable to Parent Company's shareholders:		
Shareholders' equity at the beginning of the year	105,725	93,116
Dividend	-5,752	-8,628
Warrant premium	0	390
Other	-658	0
Total comprehensive income for the period	-8,312	20,846
Shareholders' equity at the end of the period	91,002	105,725

CASH FLOW STATEMENT FOR THE GROUP

SEK in thousands	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating activities				
Operating profit	-11,099	-257	-4,480	24,518
Adjustments	2,922	3,483	10,093	10,623
Interest received	159	70	686	486
Interest paid	-301	-489	-1,041	-815
Income tax paid	-1,256	-666	-3,703	-3,133
Cash flow from operating activities before changes in working capital	-9,575	2,142	1,554	31,680
Changes in working capital				
Change in inventories	2,579	-7,528	-10,816	-10,829
Change in receivables	20,229	2,843	5,333	-20,035
Change in current liabilities	460	5,249	3,410	5,822
Cash flow from operating activities	13,694	2,706	-519	6,637
Investing activities				
Acquisition of intangible fixed assets	0	-618	0	-2,129
Acquisition of tangible fixed assets	-127	-5,498	-4,285	-19,863
Acquisition of financial fixed assets	0	0	0	-42
Cash flow from investing activities	-127	-6,116	-4,285	-22,034
Financing activities				
Dividend paid	0	0	-5,752	-8,628
Warrant premium	0	0	0	390
Cash flow from financing activities	0	0	-5,752	-8,238
Cash flow for the period	13,567	-3,410	-10,556	-23,635
Cash and cash equivalents at the beginning of the period	17,049	25,775	25,121	26,693
Utilized overdraft facilities at the beginning of the period	43,619	24,684	26,920	6,094
Cash and cash equivalents at the beginning of the period, net	-26,570	1,091	-1,799	20,599
Exchange rate difference in cash and cash equivalents	451	520	-198	1,237
Change in overdraft facilities utilized	-14,017	2,236	2,682	20,826
Cash and cash equivalents at the end of the period	17,050	25,121	17,050	25,121
Utilized overdraft facilities at the end of the period*	29,602	26,920	29,602	26,920
Cash and cash equivalents at the end of the period, net	-12,553	-1,799	-12,553	-1,799

* The total overdraft limit amounts to SEK 40 million

REVENUE AND OPERATING RESULT BY SEGMENT

SEK in thousands	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Wholesale				
Revenue	40,797	40,235	210,968	228,022
Operating result	3,123	7,467	34,458	53,435
Retail				
Revenue	48,762	46,223	221,150	195,142
Operating result	3,966	10,077	30,972	42,717
Central costs				
Operating result	-18,187	-17,801	-69,910	-71,634
Total				
Revenue	89,559	86,458	432,118	423,165
Operating result	-11,099	-257	-4,480	24,518

The company reports revenue and operating results for three segments: wholesale, retail and central costs. Operating results for each segment are charged with direct costs for the segment. Costs not directly attributable to wholesale or retail are reported in the segment central costs.

QUARTERLY DATA

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Total operating revenue, SEK million	89.6	134.5	82.0	126.1	86.5	137.6	81.4	117.7
Gross profit margin, %	51.6	53.0	57.6	54.0	60.0	53.8	56.0	54.2
Operating profit/loss, SEK million	-11.1	6.6	-7.5	7.5	-0.3	18.8	-2.5	8.5
Operating margin, %	-12.4	4.9	-9.2	6.0	-0.3	13.7	-3.1	7.2
Net profit/loss, SEK million	-9.2	4.9	-6.6	4.7	0.8	14.0	-2.9	5.9
Earnings per share before dilution, SEK	-1.60	0.85	-1.15	0.81	0.14	2.43	-0.51	1.02
Earnings per share after dilution, SEK	-1.60	0.85	-1.15	0.77	0.14	2.43	-0.51	1.02
Weighted average number of shares before dilution, thousands	5,752	5,752	5,752	5,752	5,752	5,752	5,752	5,752
Weighted average number of shares after dilution, thousands	5,752	5,752	5,752	6,052	5,752	5,752	5,752	5,752
Return on equity, %	-9.7	5.0	-6.5	4.3	0.8	14.4	-3.1	6.1
Equity/assets ratio, %	50	48	50	56	55	56	54	61
Equity per share before dilution, SEK	15.82	17.23	16.41	18.90	18.38	18.08	15.54	17.22
Cash flow from operating activities, SEK million	13.7	-28.5	16.7	-2.4	2.7	-4.1	16.8	-8.8
Cash flow from operating activities per share before dilution, SEK	2.38	-4.95	2.90	-0.42	0.47	-0.71	2.92	-1.53

PARENT COMPANY INCOME STATEMENT

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
SEK in thousands				
<i>Operating revenue</i>				
Net sales	81,386	82,391	408,302	410,545
Other operating revenue	606	135	852	1,148
Total operating revenue	81,991	82,526	409,154	411,693
<i>Operating expenses</i>				
Cost of goods sold	-39,200	-32,771	-188,663	-179,347
Other external expenses	-43,094	-41,974	-155,283	-145,619
Personnel expenses	-16,271	-17,087	-67,228	-65,179
Depreciation/amortization of tangible and intangible fixed assets	-1,456	-1,272	-5,922	-4,543
Other operating expenses	0	-240	-1,476	-570
Operating profit/loss	-18,029	-10,818	-9,418	16,436
<i>Result from financial items</i>				
Interest income	153	67	682	483
Interest expenses	-286	-490	-1,005	-792
Impairment of receivables/shares in subsidiary	-6,461	-1,123	-6,461	-1,123
Profit/loss after financial items	-24,623	-12,363	-16,202	15,004
Appropriations	6,600	6,600	6,600	6,600
Profit before tax	-18,023	-5,763	-9,602	21,604
Taxes	2,337	561	440	-5,515
Net profit/loss	-15,686	-5,203	-9,162	16,089

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
SEK in thousands				
<i>Items that will be reclassified to profit or loss</i>				
Cash flow hedges	2,330	311	-1,126	2,109
Tax effect cash flow hedges	-513	-68	248	-464
Total comprehensive income for the period	-13,869	-4,960	-10,040	17,733

PARENT COMPANY BALANCE SHEET

SEK in thousands	Dec 31 2017	Dec 31 2016
ASSETS		
Fixed assets		
Intangible fixed assets	590	1,049
Tangible fixed assets	7,370	11,108
Financial fixed assets	24,854	24,435
	32,814	36,593
Current assets		
Inventory	71,960	63,258
Advance payments to suppliers	1,384	3,914
Accounts receivable	46,056	54,224
Other current receivables	16,188	14,716
Cash and cash equivalents	12,387	20,484
	147,974	156,597
TOTAL ASSETS	180,789	193,190
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	55,802	71,595
Untaxed reserves	9,300	15,900
Deferred tax	0	102
Current liabilities	115,686	105,594
	180,789	193,190
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	180,789	193,190

Cash and cash equivalents are since the interim report for January-September 2016 reported gross, before utilized overdraft facilities. Utilized overdraft facilities are reported in current liabilities. Previously, cash and cash equivalents were reported net as the value of cash and cash equivalents after utilized overdraft facilities.

PARENT COMPANY PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK in thousands	Dec 31 2017	Dec 31 2016
Pledged assets	30,000	30,000
Pledged receivables	10,220	8,397
Contingent liabilities	1,415	1,415

The Board of Directors and the CEO certify that the year-end 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. This year-end report has not been reviewed by the auditors.

Stockholm, February 16, 2018

Patrik Tillman, Chairman

Mia Arnhult, Board Member

Kia Orback, Board Member

Elin Ryer, Board Member

Nils Vinberg, Board Member

Jacob Wall, Board Member

Anna Attemark, President & CEO

SCHEDULED INFORMATION DATES

- The annual report for 2017 will be released in late March 2018.
- The interim report for January-March 2018 will be released on May 4, 2018.
- The Annual General Meeting 2018 will be held on May 4, 2018.
- The interim report for January-June 2018 will be released on August 16, 2018
- The interim report for January-September 2018 will be released on October 26, 2018

PRESENTATION OF THE REPORT

The report will be presented at the company's head office, Kornhamnstorg 6, Stockholm, on February 16, 2018 at 1.00 pm CET. To attend the presentation, contact jacob.neckmar@oddmolly.com

For further information, please contact:

Anna Attemark, CEO, phone: +46-8-522 28 502

Johanna Palm, CFO, phone: +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 and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set above, on February 16, 2018 at 8.00 am CET.

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 18 of its own physical stores and its own web shop. The Odd Molly share is traded as of June 21, 2010 on Nasdaq Stockholm.

OUR STRATEGY

Odd Molly will profitably grow by continuing to create attractive collections, leveraging its geographical platform and developing new and existing sales channels. The corporate culture is rooted in quality, responsibility and engagement. Odd Molly's strategic work can be summarized as follows:

Collection Odd Molly will design beautiful clothing and related lifestyle products for girls. The collections will be distinguished by color, patterns and workmanship, with a balance between volume and price within a distinctive design concept.

Channels Odd Molly will expand its retail presence by continuing to carefully choose retailers. Odd Molly will to a greater degree also manage and develop its own retail operations in multiple channels.

Markets Odd Molly will continue to strengthen its brand long term and drive sales with an emphasis on markets where it has the best opportunities to build a strong long-term position. Odd Molly will increase control in strategic markets, while continuously evaluating opportunities to expand to new markets.

People Odd Molly's organization will maintain the highest quality, drive and engagement and be adapted to the company's long-term needs and growth. Consideration for Odd Molly's stakeholders cuts across the entire company.

Odd Molly International AB, Kornhamnstorg 6, SE-111 27 STOCKHOLM,
Sweden
Phone +46 8 522 28 500
www.oddmolly.com

Press photos can be downloaded from Odd Molly's website at www.oddmolly.com under "press".

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

