



Odd Molly International AB (publ)  
Stockholm, Sweden, May 4, 2018

## Adapting to meet the industry's challenges and opportunities

JANUARY 1 – MARCH 31, 2018

- Total operating revenue amounted to SEK 105.5 million (126.1), a decrease of 16 percent.
- The gross profit margin was 54.1 percent (54.0).
- The operating loss was SEK -6.7 million (7.5).
- The net loss amounted to SEK -6.7 million (4.7).
- Earnings per share before dilution amounted to SEK -1.17 (0.81).

### 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.
- On April 5 the Board of Directors announced that it had resolved on a share issue of approximately SEK 26.8 million and to seek authorization for an overallotment option of approximately SEK 10.5 million. Both decisions are subject to approval by the Annual General Meeting on May 4, 2018.
- An update of the preliminary result for the first quarter 2018, in line with today's reported numbers, was made public via press release on April 19 2018.



### KEY FIGURES

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017*	Apr 17- Mar 18*
Total operating revenue, SEK million	105.5	126.1	432.1	411.5
Change, %	-16		2	
Gross profit margin, %	54.1	54.0	53.9	53.9
Operating profit/loss, SEK million	-6.7	7.5	-4.5	-18.7
Operating margin, %	-6.3	6.0	-1.0	-4.5
Net profit/loss, SEK million	-6.7	4.7	-6.3	-17.7
Earnings per share before dilution, SEK	-1.17	0.81	-1.09	-3.07
Earnings per share after dilution, SEK	-1.17	0.77	-1.09	-3.07
Return on equity, %	-7.6	4.3	-6.4	-18.0
Equity/assets ratio, %	47	56	50	47
Cash flow from operating activities, SEK million	-7.9	-2.4	-0.5	-6.0

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



# Comment from the CEO

## Transformation continues to have an impact – weak start to the year

Odd Molly operates in an industry undergoing a major transformation, where e-commerce is growing, the market is becoming increasingly promotion-driven and the brick-and-mortar model is being challenged. Odd Molly's total operating revenue in the first quarter of 2018 fell 16 percent compared with the same quarter a year earlier and the operating loss was SEK -6.7 million, against operating profit of SEK 7.5 million in the same period in 2017.

### *New consumption patterns are affecting the entire industry*

Odd Molly was quick to adapt its operations to the shift to digital sales. In 2017 the company's sales via digital channels, our own and other retailers', amounted to about 40 percent. The corresponding figure for the first quarter of 2018 continued to rise. The company's online sales grew well in the first quarter of 2018, while sales through physical stores, our own and other retailers', declined.

In our view, the industry's transformation is the big reason for the weak development in the wholesale business in the quarter. In our largest market, Sweden, a late, cold spring affected sales in our own channels. While it is costly to drive digital sales through marketing and distribution, the channel has good profitability. Sales growth in the web shop was not enough, however, to compensate for other areas of operations, and the result ended up well below the same period in 2017.

### *Aggressive measures require capital*

Odd Molly has focused for several years on increasing control over distribution, both through our own sales force and increased sales in our own channels, and on increasing the proportion of the sales via digital channels. This has put us in a stronger position, since our own channels offer greater flexibility to steer sales.

Our focus now is to taking initiatives to further strengthen our position in e-commerce and expand internationally, including refocusing resources and optimization of our stores, organization and working methods.

We have to increase our marketing and IT investments to continue to drive sales with a focus on e-commerce. Increasing our own sales creates better conditions for profitability at the same time that it increases the need for working capital. Odd Molly's distinctive lifestyle concept and brand position give us the potential to capitalize on the opportunities that exist, implement changes and create growth. This transformation entails initial costs and The Board of Directors therefore decided in April on a share issue with pre-emption rights for existing shareholders. The share issue is fully covered by subscription and guarantee commitments from the company's four largest shareholders.

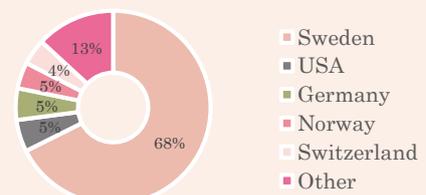
The industry is changing - and we at Odd Molly are fully focused on navigating smartly and making decisions that will lead us in the right long-term direction.

**Anna Attemark, CEO**

#### KEY FIGURES FIRST QUARTER 2018

- Total operating revenue SEK 105.5 million, -16%
- Operating loss SEK -6.7 million (7.5)
- Operating margin -6.3% (6.0)

#### REVENUE BY COUNTRY, ROLLING 12 MONTHS



April 1, 2017 - March 31, 2018

“Refocusing of resources and optimization of our stores, organization and working methods”

# The Group's development

## QUARTERLY SALES



## QUARTERLY OPERATING RESULT



## ROLLING 12-MONTH SALES



## ROLLING 12-MONTH OPERATING RESULT



## SEASONAL FLUCTUATIONS

Odd Molly's operations are seasonal, with the largest share of sales in the first and third quarters, while the second and fourth quarters are seasonally smaller. 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

### First quarter January 1 - March 31, 2018

Total operating revenue in the first quarter amounted to SEK 105.5 million (126.1), a decrease of 16 percent compared with same period in 2017. Revenue from wholesale operations (sales to retailers and partners) fell 32 percent compared with the previous year to SEK 49.8 million (73.5) in the first quarter. Weaker sales in the industry as a whole are affecting many retailers, as reflected in the reduced need to replenish with new merchandise. The company's retail operations (own sales to consumers through stores and web shop) rose 6 percent to SEK 55.7 million (52.5), driven by the web shop's continued positive development.

## EARNINGS

### First quarter January 1 - March 31, 2018

The gross profit margin for the period was 54.1 percent (54.0). The margin was positively affected by the increased proportion of sales from the retail operations, while the higher proportion of total sales generated from seasonal promotions had a negative impact.

The operating loss was SEK -6.7 million, compared with operating profit of SEK 7.5 million in the same period in 2017. The decline was mainly due to the lower sales and increased costs for digital investments and the web shop's operations as well as higher distribution costs due to increased digital sales.

Personnel expenses amounted to SEK 19.0 million (18.0 percent of total operating revenue), compared with SEK 19.7 million (15.6 percent of total operating revenue) in the previous year. Other external expenses amounted to SEK 41.5 million (39.4 percent of total operating revenue) and SEK 38.3 million (30.4 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 -6.7 million (4.7) and earnings per share amounted to SEK -1.17 (0.81).

## Analysis of operating result

SEK million	Jan-Mar
<b>Operating profit 2017</b>	<b>7.5</b>
Effect of lower sales	-8.8
Effect of higher gross profit margin	+0.1
Higher distribution costs driven by higher proportion of web shop sales	-4.0
Higher costs associated with digital investments and marketing	-1.5
<b>Operating loss 2018</b>	<b>-6.7</b>

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



INVESTMENTS QUARTERLY AND  
ROLLING 12 MONTHS (LINE)



INVESTMENTS AND CASH FLOW

In the first quarter of 2018 the company's investments totaled SEK 0.1 million (2.2). Cash flow from operating activities amounted to SEK -7.9 million (-2.4) and total cash flow was SEK -8.0 million (-4.6). The cash flow compared with the previous year was negatively affected by the lower operating result, but also by the final settlement of tax for fiscal year 2016 and payments related to last year's organizational change and termination of agents amounting to in total about SEK 7 million. Adjusted for these items, total cash flow improved to about SEK -1,0 million as a result of a more favorable working capital development compared to the previous year.

INVENTORY

Inventory amounted to SEK 79.7 million at the end of the period, compared with SEK 75.8 million on March 31, 2017. The increase is mainly tied to the growing sales from the company's web shop, which require a larger inventory in order to offer a full product range and high service levels. Compared with the previous quarter inventory rose SEK 2.1 million. The company is working continuously to optimize purchased quantities based on shifts in sales to its own channels.

FINANCIAL POSITION

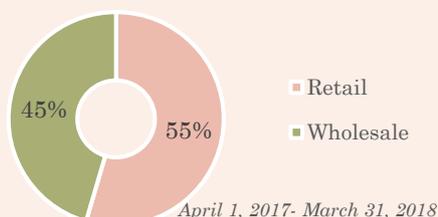
The Group's total assets amounted to SEK 184.1 million (194.7) on March 31, 2018. Shareholders' equity was SEK 87.1 million on the same date, compared with SEK 108.7 million on March 31, 2017. The equity/assets ratio was 47 percent (56) at the end of the period and cash and cash equivalents amounted to SEK 16.5 million (16.2). Net liquidity, after utilization of parts of the overdraft facilities, amounted to SEK -20.1 million (-6.6). Accounts receivable amounted to SEK 58.7 million on March 31, 2018, compared with SEK 65.1 million a year earlier.

To take advantage of the growth opportunities that the company sees internationally and digitally, adapt more quickly based on changing market conditions and satisfy the increased need for working capital due to the higher proportion of sales in the company's own channels, the Board of Directors announced on April 5 its resolution on a share issue with pre-emption rights for existing shareholders of approximately SEK 26.8 million and to seek authorization for an overallotment option of approximately SEK 10.5 million. The share issue is fully covered by subscription and guarantee commitments from the company's four largest shareholders. The Board's resolutions on the share issue and authorization for the overallotment option are subject to approval by the Annual General Meeting on May 4, 2018.

# 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 BY SEGMENT



## WHOLESALE

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

## RETAIL

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

## WHOLESALE

### Development in January-March 2018

- Sales down 32 percent – changes in the industry, where many physical retailers have seen their sales decline
- Improved gross margin due to positive FX effects
- Lower operating costs due to reorganization in previous year

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Apr 17-Mar 18
SEK in thousands				
Sales	49,755	73,548	210,968	187,175
Operating profit	9,267	17,530	34,458	26,194
Operating margin, %	18.6	23.8	16.3	14.0

## RETAIL

### Development in January-March 2018

- Sales rose 6 percent driven by continued healthy growth in the company's web shop
- The margin was affected by a promotion-driven market and higher distribution costs due to an increased proportion of digital sales
- Higher expenses for digital investments and marketing

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Apr 17-Mar 18
SEK in thousands				
Sales	55,708	52,546	221,150	224,312
Operating profit	2,212	7,611	30,972	25,573
Operating margin, %	4.0	14.5	14.0	11.4

## 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-March 2018

- SEK 0.6 million higher costs compared with the previous year driven by higher personnel expenses

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Apr 17-Mar 18
SEK in thousands				
Operating profit/loss	-18,173	-17,611	-69,910	-70,473

# Other

STORES ON MARCH 31



## EVENTS DURING THE QUARTER AND AFTER ITS CONCLUSION

### **Share issue and overallotment option**

On April 5 the Board of Directors announced that it had resolved on a share issue of approximately SEK 26.8 million and to seek authorization for an overallotment option of approximately SEK 10.5 million. The share issue is fully covered by subscription and guarantee commitments from the company's four largest shareholders. Both decisions are subject to approval by the Annual General Meeting on May 4, 2018. For more information, see Financial position on page 4.

### **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**

The transformation that the company has been undergoing in recent years will now be accelerated. This includes refocusing resources and optimizing the organization and working methods. 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.

## NUMBER OF SHARES

As of March 31, 2018 there were 5,752,000 shares outstanding.

Key ratios per share	Mar 31 2018	Mar 31 2017	Dec 31 2017
Weighted average number of shares before dilution	5,752,000	5,752,000	5,752,000
Weighted average number of shares after dilution	5,752,000	6,052,000	5,752,000
Equity per share, SEK	15.14	18.90	15.82

## EMPLOYEES

The total number of employees at the end of the period was 100 (109), of whom 6 were men and 94 women. The average number of employees during the first quarter was 99 (108).

## PARENT COMPANY

The Parent Company reported total operating revenue of SEK 102.1 million (120.8) in the first quarter of 2018 with an operating loss of SEK -2.4 million (7.6). The Parent Company's adjusted shareholders' equity amounted to SEK 62.0 million (88.9). Cash and cash equivalents amounted to SEK 9.9 million (10.0). Net liquidity, after utilization of parts of the overdraft facilities, amounted to SEK -26.7 million (-12.9).

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.

## TRANSACTIONS WITH RELATED PARTIES

Other than the Parent Company's sales of products to subsidiaries, there were no transactions with related parties in the first quarter of 2018.

To bridge the gap until the subscription proceeds from the share issue are available, the company in April 2018 obtained a short-term loan of SEK 5 million at market conditions from one of its major owners, Kattvik Financial Services AB, which expires on June 21, 2018. For more information on the share issue,

see Financial position on page 4.

#### 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 2017, 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 2017.

#### 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 45-48 of the Swedish annual report for 2017. The accounting principles are unchanged compared with the previous year's annual report. New and revised accounting standards and interpretations that apply to 2018 are not considered to materially affect the company's financial reports. For further information, 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 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 are applied as of January 1, 2018***

##### **IFRS 9 Financial Instruments**

The standard entered 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 entered 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.

***New IFRS and interpretations that have not yet been applied***

**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, which will result in an increase in total assets.



# 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

SEK in thousands	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Apr 17- Mar 18
<i>Operating revenue</i>				
Net sales	104,947	125,259	430,417	410,105
<i>Operating expenses</i>				
Cost of goods sold	-48,127	-57,561	-198,511	-189,077
<b>Gross profit</b>	<b>56,820</b>	<b>67,698</b>	<b>231,906</b>	<b>221,028</b>
<b>Gross profit margin, %</b>	<b>54.1</b>	<b>54.0</b>	<b>53.9</b>	<b>53.9</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	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Apr 17- Mar 18
<i>Operating revenue</i>				
Net sales	104,947	125,259	430,417	410,105
Other operating revenue	516	836	1,701	1,382
<b>Total operating revenue</b>	<b>105,463</b>	<b>126,094</b>	<b>432,118</b>	<b>411,487</b>
<b>Operating profit/loss</b>	<b>-6,695</b>	<b>7,531</b>	<b>-4,480</b>	<b>-18,706</b>
<b>Operating margin, %</b>	<b>-6.3</b>	<b>6.0</b>	<b>-1.0</b>	<b>-4.5</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	Mar 31 2018	Mar 31 2017	Dec 31 2017
Shareholders' equity	87,070	108,691	91,002
Total assets	184,109	194,679	181,709
<b>Equity/assets ratio, %</b>	<b>47</b>	<b>56</b>	<b>50</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

SEK in thousands	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Apr 17- Mar 18
Profit attributable to Parent Company's shareholders (net profit)	-6,727	4,663	-6,266	-17,656
Average equity	89,036	107,208	98,364	97,881
<b>Return on equity, %</b>	<b>-7.6</b>	<b>4.3</b>	<b>-6.4</b>	<b>-18.0</b>

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

	<b>Mar 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
SEK in thousands, Group	<b>2018</b>	<b>2017</b>	<b>2017</b>
Cash and cash equivalents	16,516	16,209	17,050
Utilized overdraft facilities at the end of the period	36,589	22,834	29,602
<b>Net liquidity</b>	<b>-20,082</b>	<b>-6,625</b>	<b>-12,553</b>

	<b>Mar 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
SEK in thousands, Parent Company	<b>2018</b>	<b>2017</b>	<b>2017</b>
Cash and cash equivalents	9,864	9,969	12,387
Utilized overdraft facilities at the end of the period	36,589	22,834	29,602
<b>Net liquidity</b>	<b>-26,734</b>	<b>-12,865</b>	<b>-17,215</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

	<b>Mar 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
	<b>2018</b>	<b>2017</b>	<b>2017</b>
Weighted average number of shares before dilution	5,752,000	5,752,000	5,752,000
Shareholders' equity, SEK thousands	87,070	108,691	91,002
<b>Equity per share before dilution, SEK</b>	<b>15.14</b>	<b>18.90</b>	<b>15.82</b>

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

	<b>Mar 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
SEK in thousands	<b>2018</b>	<b>2017</b>	<b>2017</b>
Shareholders' equity	54,786	76,470	55,802
78 percent of the untaxed reserves	7,254	12,402	7,254
<b>Adjusted equity</b>	<b>62,040</b>	<b>88,872</b>	<b>63,056</b>

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

SEK in thousands	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Apr 17- Mar 18
<i>Operating revenue</i>				
Net sales	104,947	125,259	430,417	410,105
Other operating revenue	516	836	1,701	1,382
<b>Total operating revenue</b>	<b>105,463</b>	<b>126,094</b>	<b>432,118</b>	<b>411,487</b>
<i>Operating expenses</i>				
Cost of goods sold	-48,127	-57,561	-198,511	-189,077
Other external expenses	-41,501	-38,310	-147,437	-150,628
Personnel expenses	-18,993	-19,652	-77,071	-76,412
Depreciation/amortization	-3,006	-2,884	-12,009	-12,131
Other operating expenses	-531	-157	-1,570	-1,944
<b>Operating profit/loss</b>	<b>-6,695</b>	<b>7,531</b>	<b>-4,480</b>	<b>-18,706</b>
<i>Result from financial items</i>				
Interest income	233	148	686	771
Interest expenses	-357	-281	-1,041	-1,117
<b>Profit/loss after financial items</b>	<b>-6,819</b>	<b>7,399</b>	<b>-4,835</b>	<b>-19,052</b>
Taxes	91	-2,735	-1,431	1,396
<b>Net profit/loss attributable to Parent Company's shareholders</b>	<b>-6,727</b>	<b>4,663</b>	<b>-6,266</b>	<b>-17,656</b>
<i>Other comprehensive income</i>				
Items that will be reclassified to profit or loss				
Translation difference	801	-179	-1,168	-188
Cash flow hedges	2,556	-1,945	-1,126	3,375
Tax effect fair value cash flow hedges	-562	428	248	-743
<b>Total comprehensive income attributable to Parent Company's shareholders</b>	<b>-3,932</b>	<b>2,967</b>	<b>-8,312</b>	<b>-15,211</b>
<b>Earnings per share before dilution, SEK</b>	<b>-1.17</b>	<b>0.81</b>	<b>-1.09</b>	<b>-3.07</b>
<b>Earnings per share after dilution, SEK</b>	<b>-1.17</b>	<b>0.77</b>	<b>-1.09</b>	<b>-3.07</b>

## CONSOLIDATED BALANCE SHEET

SEK in thousands	Mar 31 2018	Mar 31 2017	Dec 31 2017
<b>ASSETS</b>			
<i>Fixed assets</i>			
Intangible fixed assets	3,721	7,041	4,484
Tangible fixed assets	11,086	17,881	13,036
Financial fixed assets	1,133	1,129	1,131
	<b>15,940</b>	<b>26,052</b>	<b>18,651</b>
<i>Current assets</i>			
Inventories	79,743	75,830	77,663
Advance payments to suppliers	3,716	3,115	1,627
Accounts receivable	58,704	65,121	57,749
Current receivables	9,490	8,351	8,969
Cash and cash equivalents	16,516	16,209	17,050
	<b>168,169</b>	<b>168,627</b>	<b>163,058</b>
<b>TOTAL ASSETS</b>	<b>184,109</b>	<b>194,679</b>	<b>181,709</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	87,070	108,691	91,002
Deferred tax	3,559	4,231	2,957
Current liabilities	93,479	81,756	87,750
	<b>184,109</b>	<b>194,679</b>	<b>181,709</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>184,109</b>	<b>194,679</b>	<b>181,709</b>

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.

## PLEGDED ASSETS AND CONTINGENT LIABILITIES

SEK in thousands	Mar 31 2018	Mar 31 2017	Dec 31 2017
Pledged assets	30,000	30,000	30,000
Pledged receivables	9,786	17,890	10,220
Contingent liabilities	1,415	1,415	1,415

## CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

SEK in thousands	Mar 31 2018	Dec 31 2017	Dec 31 2017
<b>Attributable to Parent Company's shareholders:</b>			
Shareholders' equity at the beginning of the year	91,002	105,725	105,725
Dividend	0	0	-5,752
Other	0	0	-658
Total comprehensive income for the period	-3,932	2,967	-8,312
<b>Shareholders' equity at the end of the period</b>	<b>87,070</b>	<b>108,691</b>	<b>91,002</b>

## CASH FLOW STATEMENT FOR THE GROUP

SEK in thousands	<b>Jan-Mar 2018</b>	<b>Jan-Mar 2017</b>	<b>Jan-Dec 2017</b>
<b>Operating activities</b>			
Operating profit	-6,695	7,531	-4,480
Adjustments	4,437	1,621	10,093
Interest received	233	148	686
Interest paid	-357	-281	-1,041
Income tax paid	-5,984	-749	-3,703
<b>Cash flow from operating activities before changes in working capital</b>	<b>-8,365</b>	<b>8,271</b>	<b>1,554</b>
<b>Changes in working capital</b>			
Change in inventories	-1,701	-8,728	-10,816
Change in receivables	-2,595	-3,078	5,333
Change in current liabilities	4,737	1,121	3,410
<b>Cash flow from operating activities</b>	<b>-7,924</b>	<b>-2,414</b>	<b>-519</b>
<b>Investing activities</b>			
Acquisition of tangible fixed assets	-65	-2,221	-4,285
<b>Cash flow from investing activities</b>	<b>-65</b>	<b>-2,221</b>	<b>-4,285</b>
<b>Financing activities</b>			
Dividend paid	0	0	-5,752
<b>Cash flow from financing activities</b>	<b>0</b>	<b>0</b>	<b>-5,752</b>
<b>Cash flow for the period</b>	<b>-7,989</b>	<b>-4,635</b>	<b>-10,556</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>17,050</b>	<b>25,121</b>	<b>25,121</b>
Utilized overdraft facilities at the beginning of the period	29,602	26,920	26,920
<b>Cash and cash equivalents at the beginning of the period, net</b>	<b>-12,553</b>	<b>-1,799</b>	<b>-1,799</b>
Exchange rate difference in cash and cash equivalents	459	-192	-198
Change in overdraft facilities utilized	6,996	-4,086	2,682
<b>Cash and cash equivalents at the end of the period</b>	<b>16,516</b>	<b>16,209</b>	<b>17,050</b>
Utilized overdraft facilities at the end of the period*	36,598	22,834	29,602
<b>Cash and cash equivalents at the end of the period, net</b>	<b>-20,082</b>	<b>-6,625</b>	<b>-12,553</b>

\* The total overdraft limit amounts to SEK 48 million

## REVENUE AND OPERATING RESULT BY SEGMENT

SEK in thousands	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Apr 17- Mar 18
<b>Wholesale</b>				
Revenue	49,755	73,548	210,968	187,175
Operating result	9,267	17,530	34,458	26,194
<b>Retail</b>				
Revenue	55,708	52,546	221,150	224,312
Operating result	2,212	7,611	30,972	25,573
<b>Central costs</b>				
Operating result	-18,173	-17,611	-69,910	-70,473
<b>Total</b>				
Revenue	105,463	126,094	432,118	411,487
Operating result	-6,695	7,531	-4,480	-18,706

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.

## QUARTERLY DATA

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016
Total operating revenue, SEK million	105.5	89.6	134.5	82.0	126.1	86.5	137.6	81.4
Gross profit margin, %	54.1	51.6	53.0	57.6	54.0	60.0	53.8	56.0
Operating profit/loss, SEK million	-6.7	-11.1	6.6	-7.5	7.5	-0.3	18.8	-2.5
Operating margin, %	-6.3	-12.4	4.9	-9.2	6.0	-0.3	13.7	-3.1
Net profit/loss, SEK million	-6.7	-9.2	4.9	-6.6	4.7	0.8	14.0	-2.9
Earnings per share before dilution, SEK	-1.17	-1.60	0.85	-1.15	0.81	0.14	2.43	-0.51
Earnings per share after dilution, SEK	-1.17	-1.60	0.85	-1.15	0.77	0.14	2.43	-0.51
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	5,752	6,052	5,752	5,752	5,752
Return on equity, %	-7.6	-9.7	5.0	-6.5	4.3	0.8	14.4	-3.1
Equity/assets ratio, %	47	50	48	50	56	55	56	54
Equity per share before dilution, SEK	15.14	15.82	17.23	16.41	18.90	18.38	18.08	15.54
Cash flow from operating activities, SEK million	-7.9	13.7	-28.5	16.7	-2.4	2.7	-4.1	16.8
Cash flow from operating activities per share before dilution, SEK	-1.38	2.38	-4.95	2.90	-0.42	0.47	-0.71	2.92

## PARENT COMPANY INCOME STATEMENT

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
SEK in thousands			
<i>Operating revenue</i>			
Net sales	101,552	120,795	408,302
Other operating revenue	516	2	852
<b>Total operating revenue</b>	<b>102,068</b>	<b>120,797</b>	<b>409,154</b>
<i>Operating expenses</i>			
Cost of goods sold	-46,174	-55,823	-188,663
Other external expenses	-40,469	-38,555	-155,283
Personnel expenses	-16,395	-17,185	-67,228
Depreciation/amortization of tangible and intangible fixed assets	-1,414	-1,439	-5,922
Other operating expenses	0	-156	-1,476
<b>Operating profit/loss</b>	<b>-2,384</b>	<b>7,640</b>	<b>-9,418</b>
<i>Result from financial items</i>			
Interest income	233	150	682
Interest expenses	-347	-281	-1,005
Impairment of receivables in subsidiary	0	0	-6,461
<b>Profit/loss after financial items</b>	<b>-2,498</b>	<b>7,510</b>	<b>-16,202</b>
Appropriations	0	0	6,600
<b>Profit before tax</b>	<b>-2,498</b>	<b>7,510</b>	<b>-9,602</b>
Taxes	428	-1,817	440
<b>Net profit/loss</b>	<b>-2,070</b>	<b>5,693</b>	<b>-9,162</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
SEK in thousands			
<i>Items that will be reclassified to profit or loss</i>			
Cash flow hedges	2,556	-1,945	-1,126
Tax effect cash flow hedges	-562	428	248
<b>Total comprehensive income for the period</b>	<b>-77</b>	<b>4,176</b>	<b>-10,040</b>

## PARENT COMPANY BALANCE SHEET

SEK in thousands	Mar 31 2018	Mar 31 2017	Dec 31 2017
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	478	927	590
Tangible fixed assets	6,134	10,649	7,370
Financial fixed assets	25,021	24,828	24,854
	<b>31,633</b>	<b>36,404</b>	<b>32,814</b>
<b>Current assets</b>			
Inventory	72,669	70,066	71,960
Advance payments to suppliers	3,718	2,913	1,384
Accounts receivable	51,207	68,739	46,056
Other current receivables	17,781	8,775	16,188
Cash and cash equivalents	9,864	9,969	12,387
	<b>155,240</b>	<b>160,461</b>	<b>147,974</b>
<b>TOTAL ASSETS</b>	<b>186,873</b>	<b>196,865</b>	<b>180,789</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	54,786	76,470	55,802
Untaxed reserves	9,300	15,900	9,300
Deferred tax	280	0	0
Current liabilities	122,506	104,495	115,686
	<b>186,873</b>	<b>196,865</b>	<b>180,789</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>186,873</b>	<b>196,865</b>	<b>180,789</b>

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	Mar 31 2018	Mar 31 2017	Dec 31 2017
Pledged assets	30,000	30,000	30,000
Pledged receivables	9,786	17,890	10,220
Contingent liabilities	1,415	1,415	1,415

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. This interim report has not been reviewed by the auditors.

Stockholm, May 4, 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 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

For further information, please contact:

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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. The information was submitted for publication, through the agency of the contact persons set above, on May 4, 2018 at 8.00 am CET.

This is an English translation of the Swedish original report.

## ABOUT ODD MOLLY

Odd Molly is a Swedish company that designs, markets and sells distinctive fashion. The Company's products are mainly sold through own channels as well as through own sales teams and external agents to retailers. An increasing proportion of sales are derived from Odd Molly's own channels, mainly the Company's webshop, which reaches more than 40 countries. Furthermore, Odd Molly has 18 own stores as well as stores managed by partners on selected markets. The Odd Molly share is traded on Nasdaq Stockholm, small cap.

## 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.

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

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Odd Molly also produces a newsletter with reports on daily operations. To subscribe, go to [www.oddmolly.com](http://www.oddmolly.com).

