

Odd Molly International AB (publ)  
Stockholm, Sweden, August 16, 2019

## Result still affected by ongoing restructuring - improved profitability in own channels

### 1 APRIL – JUNE 30, 2019

- Total operating revenue decreased 18 percent to SEK 62.7 million (76.3).
- The gross profit margin was 50.6 percent (57.6).
- The operating loss was SEK -17.9 million (-11.9).
- The net loss amounted to SEK -19.2 million (-10.3).
- Earnings per share amounted to SEK -2.12 (-1.78).

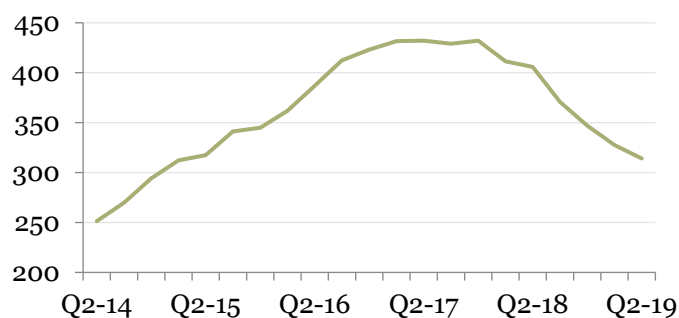
### JANUARY 1 – JUNE 30, 2019

- Total operating revenue decreased 18 percent to SEK 148.9 million (181.8).
- The gross profit margin was 49.8 percent (55.6).
- The operating loss was SEK -35.5 million (-18.6).
- The net loss amounted to SEK -38.4 million (-17.0).
- Earnings per share amounted to SEK -4.39 (-2.95).

### IMPORTANT EVENTS DURING AND AFTER THE QUARTER

- The restructuring and efficiency measures announced at the end of last year and in May to reduce complexity, tied-up capital and operating costs by about SEK 75 million on a full-year basis are progressing as planned.
- In April, the stores in the shopping centers Nova Lund and Hansa Malmö were closed. In May, Odd Molly closed the store in the shopping center A6 in Jönköping, where it instead has a shop-in-shop operated by a retailer.
- A licensing agreement was signed for the US and Canada. Germany and Austria have been licensed as well. Operations in these markets will be taken over by the respective licensee in fall 2019.
- The rights issue in June provided the company with SEK 22.5 million after issue costs.
- As of June 30, 2019, the share capital in Odd Molly amounts to SEK 1,486,556 and the total number of shares in the company is 14,865,555.
- In May, the company's CFO, Johanna Palm, was also named Deputy CEO, succeeding former Deputy CEO Sara Fernström, who left the role.

Sales LTM



KEY FIGURES

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019*	Jan-Jun 2018	Jan-Dec 2018**	Jul 18- Jun 19***
Total operating revenue, SEK million	62.7	76.3	148.9	181.8	346.9	314.1
Change, %	-18	-7	-18	-13	-20	
Gross profit margin, %	50.6	57.6	49.8	55.6	53.7	50.8
Operating profit/loss, SEK million	-17.9	-11.9	-35.5	-18.6	-60.6	-77.4
Operating margin, %	-28.5	-15.6	-23.8	-10.2	-17.5	-24.7
Net profit/loss, SEK million	-19.2	-10.3	-38.4	-17.0	-53.5	-74.8
Earnings per share before dilution, SEK	-2.12	-1.78	-4.39	-2.95	-7.52	-8.72
Earnings per share after dilution, SEK	-2.12	-1.78	-4.39	-2.95	-7.52	-8.72
Return on equity, %	-30.3	-10.3	-53.0	-16.7	-64.2	-82.5
Equity/assets ratio, %	38	63	38	63	47	38
Cash flow from operating activities, SEK million	4.0	7.3	-2.2	-0.6	-30.6	-33.9

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

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

\*\*\* Result affected by restructuring costs of SEK 9.6 million.

## Comment from the CEO

### Ongoing restructuring and savings for a stronger and more effective company in the long term

With the second quarter behind us, we can say three things. The changes we are making are continuing as planned, we are taking further steps to transform our foreign markets to the licensing model, and most gratifyingly we are beginning to see the positive effects of the action plan in our own retail operations, where profitability has increased. In total, the savings measures Odd Molly is implementing will reduce operating costs by around SEK 75 million on a full-year basis with a full impact during 2020. In addition, we are thankful for the faith shown in Odd Molly through a successful share issue, which provided the company with an additional SEK 25 million, before issue costs, in the quarter.

#### Increased profitability in the retail operations

Odd Molly's strategic focus on increasing online sales and strengthening the international platform is beginning to see results. We have an increasingly effective web shop which posted higher sales in the quarter and improved profitability. We have continued to optimize our own retail network and in the quarter we closed an additional three stores in Sweden. The store closures and the reduced costs they result in are also beginning to have a positive effect on profitability.

#### Additional measures for more effective wholesale operations

While our retail operations reported improved profitability, the wholesale operations continued to decline due to lower sales and the continued negative effect of discounted sales of older merchandise in inventory. Our priority in the first half-year was to greatly reduce the inventory we built up in 2018 in light of the sales slowdown. This has significantly affected the gross profit margin but strengthened our liquidity. After this we have a much more current inventory and the negative effect on profitability is expected to subside going forward.

To address the situation in this segment, we are continuing to restructure with the goal of a more effective sales model. As a result, and in line with our distribution strategy – where we mainly invest online and in strong retailers and international partnerships – we recently signed a licensing agreement with a new partner in Germany and Austria.



Caroline Winberg

*“Our own retail operations are beginning to show improvement, where despite lower sales from store closures we are seeing improved results – an effect of the action plan and more efficient operations of our web shop.”*

### **Brand and ambassadors**

We are taking additional steps to revitalize and strengthen the Odd Molly brand. Our campaigns during the quarter, with the model Caroline Winberg, together with the current partnership with the sisters Titiyo and Neneh Cherry, have received a positive response. New and continuing collaborations with strong ambassadors are planned, and the product line continues to be optimized based on our strategy and market conditions. These strategic branding investments are having a very limited effect on cash flow due to the collaboration with Aggregate Media entered into in spring 2019. We are also significantly more cost-effective in our digital marketing and are getting more targeted traffic from our marketing investments and digital advertising.

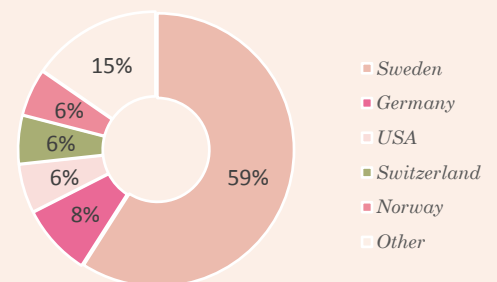
In summary, we are seeing a number of positive indications even though the comprehensive restructuring we are implementing will take time and the measures have initially had a negative effect on earnings. Our own retail operations are beginning to show improvement, where despite lower sales from store closures we are seeing improved results – an effect of the action plan and more efficient operations of our web shop. More puzzle pieces have to fall into place before the Group will experience a noticeable turnaround, but we are clearly seeing evidence that we are headed in the right direction.

**Jennie Högstedt Björk, CEO**

#### KEY FIGURES FIRST HALF-YEAR 2019

- Total operating revenue SEK 148.9 million (181.8)
- Operating loss SEK -35.5 million (-18.6)
- Operating margin -23.8% (-10.2)

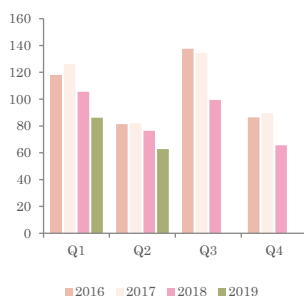
#### REVENUE BY COUNTRY, LTM



July 2018 – June 2019

# The Group's development

## QUARTERLY SALES

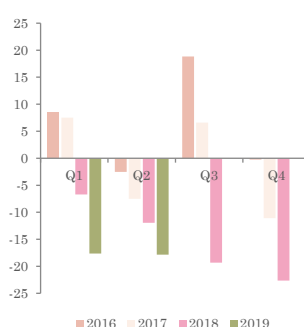


## TOTAL OPERATING REVENUE

### Second quarter April 1 - June 30, 2019

Total operating revenue in the second quarter amounted to SEK 62.7 million (76.3), a decrease of 18 percent compared with the same period in 2018. The company's retail operations (own sales to consumers through stores and web shop) decreased 15 percent to SEK 46.5 million (55.0), affected by the completed and ongoing store closures. The company's own web shop reported growth. Comparable sales in the retail operations, excluding closed stores, decreased 4 percent. Revenue from wholesale operations (sales to retailers and partners) decreased 29 percent compared with the previous year to SEK 15.2 million (21.3) in the second quarter. The new licensing segment generated revenue of SEK 1.0 million in the quarter.

## QUARTERLY OPERATING RESULT



### First half-year January 1 - June 30, 2019

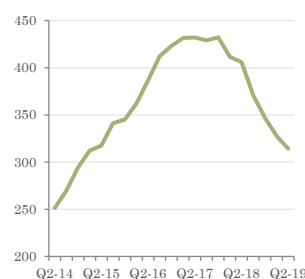
Total operating revenue in the first half-year amounted to SEK 148.9 million (181.8), a decrease of 18 percent compared with the same period in 2018. The company's retail operations decreased 18 percent to SEK 91.3 million (110.7) mainly due to store closures. Comparable sales in the retail operations, excluding closed stores, decreased 11 percent. Revenue from wholesale operations decreased 22 percent to SEK 55.2 million (71.0). The new licensing segment generated revenue of SEK 2.4 million in the period.

## EARNINGS

### Second quarter April 1 - June 30, 2019

The gross profit margin for the quarter was 50.6 percent (57.6), once again negatively affected by clearance sales of older merchandise through external outlets during the year, which has positively affected inventory levels and cash flow. Adjusted for effects from sales of older merchandise, the gross profit margin was a couple of percentage points higher than the previous year due to improvements in the retail operations and a larger share of sales from this segment, where the gross profit margin is higher. The effect from older seasons is expected to be less noticeable in coming quarters.

## ROLLING 12-MONTH SALES



The operating loss was SEK -17.9 million, compared with SEK -11.9 million in the same period of 2018. The result was negatively affected by the lower sales and gross profit margin, while operating costs decreased approximately SEK 7 million. The cost savings are a result of the action plan that is gradually being implemented, where the majority of the total savings of approximately SEK 75 million on a full-year basis will be realized in the second half of 2019 and in 2020.

## ROLLING 12-MONTH OPERATING RESULT



Personnel expenses amounted to SEK 17.7 million (28.3 percent of total operating revenue), compared with SEK 20.0 million (26.2 percent of total operating revenue) in the previous year. Other external expenses amounted to SEK 27.5 million (43.9 percent of total operating revenue), compared with SEK 33.1 million (43.3 percent of total operating revenue) in the previous year. The comparison of other external expenses between years is affected by the transition to IFRS 16, where lease costs for among other things premises are instead recognized as depreciation of the right-of-use asset. For more information on the effects of IFRS 16, see pages 11-12.

The net loss amounted to SEK -19.2 million (-10.3) and earnings per share amounted to SEK -2.12 (-1.78).

### First half-year January 1 - June 30, 2019

The gross profit margin in the first half-year was 49.8 percent (55.6), negatively affected by clearance sales of older merchandise in inventory during the year.

The operating loss was SEK -35.5 million, including restructuring costs of SEK 3.8 million, compared with SEK -18.6 million in the same period of 2018. The result was mainly affected by the lower sales and gross profit margin, while

operating costs decreased approximately SEK 12 million, excluding restructuring costs.

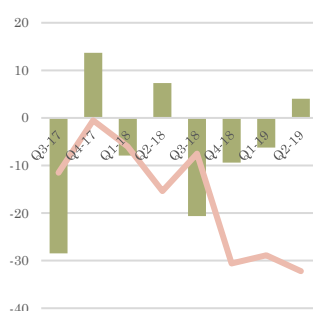
Personnel expenses amounted to SEK 36.3 million (24.3 percent of total operating revenue), compared with SEK 39.0 million (21.4 percent of total operating revenue) in the previous year. Other external expenses amounted to SEK 64.4 million (43.2 percent of total operating revenue) and SEK 74.6 million (41.0 percent of total operating revenue) in the previous year. The comparison of other external expenses between years is affected by the SEK 3.8 million allocated for restructuring this year as well as by the transition to IFRS 16, where lease costs for among other things premises are instead recognized as depreciation of the right-of-use asset. For more information on the effects of IFRS 16, see pages 11-12.

The net loss amounted to SEK -38.4 million (-17.0) and earnings per share amounted to SEK -4.39 (-2.95).

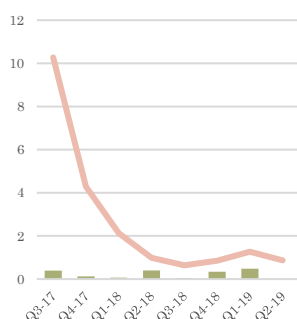
### Analysis of operating result

SEK million	Apr-Jun	Jan-Jun
<b>Operating loss 2018</b>	<b>-11.9</b>	<b>-18.6</b>
Effect of lower sales	-7.3	-15.4
Effect of gross profit margin	-4.4	-8.6
Higher distribution and commission costs (compensation to terminated agents)	-0.8	-1.4
Provision of restructuring costs for additional efficiency improvements	-	-3.8
Operating cost savings	+6.6	+12.3
<b>Operating loss 2019</b>	<b>-17.9</b>	<b>-35.5</b>

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



INVESTMENTS QUARTERLY AND ROLLING 12 MONTHS (LINE)



### INVESTMENTS AND CASH FLOW

No investments were made in the second quarter of 2019. Cash flow from operating activities amounted to SEK 4.0 million (7.3) and total cash flow was SEK 19.4 million (42.2), including the effect of the rights issue and parts of the directed new share issue which were registered in the second quarter totaling SEK 24.8 million after issue costs. The loan of SEK 8 million that was raised earlier in the year was repaid during the quarter. The lower operating result negatively affected cash flow, while the change in working capital had a positive effect.

In first half of 2019, the company's investments totaled SEK 0.5 million (0.5). Cash flow from operating activities amounted to SEK -2.2 million (-0.6). Total cash flow amounted to SEK 19.7 million (34.2), including the proceeds of the directed new share issue and rights issue totaling SEK 27.3 million after issue costs.

### INVENTORY

Inventory amounted to SEK 53.1 million at the end of the period, compared with SEK 74.4 million a year earlier. Compared with the previous quarter inventory decreased SEK 16.7 million. A major focus in the first half-year was selling remaining quantities of older merchandise in inventory. At the same time, purchases have been optimized based on current conditions, which has also contributed to the lower inventory level.

### FINANCIAL POSITION

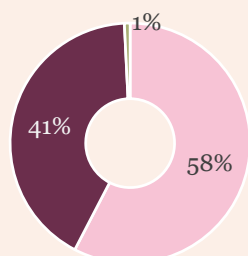
The Group's total assets amounted to SEK 172.1 million (181.3) at the end of the period. Shareholders' equity was SEK 65.8 million on the same date, compared with SEK 113.4 million on June 30, 2018. The equity/assets ratio was 38 percent (63). Total assets and the equity/assets ratio are affected by the transition to IFRS 16; see pages 11-12. Cash and cash equivalents amounted to SEK 16.5 million (26.1). Net liquidity, after utilization of parts of the overdraft facilities, amounted to SEK 11.9 million (22.4). Accounts receivable amounted to SEK 30.7 million on June 30, 2019, compared with SEK 50.5 million a year earlier



# Segments

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

## REVENUE PER SEGMENT



■ Retail  
■ Wholesale  
■ License

July 2018 - June 2019

## WHOLESALE

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

## RETAIL

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

## LICENSING

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

## RETAIL

### Development in the first half-year 2019

- Sales down 18 percent due to the weak market as well as completed and ongoing store closures.
- Positive earnings trend resulting from efficiency improvements, which have generated cost savings.

SEK in thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul 18-Jun 19
Sales	46,519	55,035	91,327	110,744	200,402	180,985
Operating profit	11,975	6,529	11,819	8,741	7,177	10,255
Operating margin, %	25.7	11.9	12.9	7.9	3.6	5.7

## WHOLESALE

### Development in the first half-year 2019

- Sales down 22 percent, affected by general market decline.
- Lower gross profit margin from discounted sales of older merchandise.
- Lower operating costs due to action plan.

SEK in thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul 18-Jun 19
Sales	15,209	21,289	55,199	71,044	146,516	130,671
Operating profit/loss	-9,932	-2,075	-7,000	7,191	8,481	-5,709
Operating margin, %	-65.3	-9.7	-12.7	10.1	5.8	-4.4

## LICENSING

The company has established a licensing model for gradual implementation in a number of international markets. In this model a local operator takes over operations in the licensed territory, which can include one or more markets. The operator can operate as a wholesaler and/or retailer and pays a royalty to Odd Molly based on sales in the territory. Odd Molly continues to manage the e-commerce operations through oddmolly.com. The licensing model makes it possible, with reduced fixed costs, tied-up capital and risk, to strengthen Odd Molly's international foothold and at the same time drive online sales ourselves.

Because of the implementation of the company's licensing model, a new segment has been added as of the first quarter of 2019. Royalties and other direct revenue

and costs attributable to this part of the business are reported in this segment.

***Development in the first half-year 2019***

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

SEK in thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul 18- Jun 19
Sales	1,004	-	2,410	-	-	2,410
Operating profit	62	-	586	-	-	586
Operating margin, %	6.2	-	24.3	-	-	24.3

**COMMON GROUP COSTS**

Operating expenses not directly attributable to the wholesale, licensing 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 the first half-year 2019***

- SEK 6.3 million higher costs compared with 2018, including restructuring costs of SEK 3.8 million.
- Underlying cost increase of SEK 2.5 million due to branding investments, with limited effect on cash flow due to the cooperation with Aggregate Media entered into in spring 2019. These added costs are partly compensated by savings in other areas.

SEK in thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul 18- Jun 19
Operating loss	-19,954	-16,392	-40,888	-34,565	-76,252	-82,574

# Other

STORES AS OF JUNE 30



## EVENTS DURING THE QUARTER AND AFTER ITS CONCLUSION

### Stores

In April, the stores in the shopping centers Nova Lund and Hansa Malmö were closed. In May, Odd Molly closed the store in the shopping center A6 in Jönköping, where it instead has a shop-in-shop operated by a retailer. In September, the store on Karl Johan in Oslo, Norway, will be closed. Negotiations are underway with employees and landlords on further store closings in line with the plan to drastically reduce the number of stores and focus on online sales, strong retailers and licensing partnerships.

In April, the licensee in Portugal opened a store at the El Corte Inglés department store in Porto. During the second quarter, the partner-operated stores in Boulder and Aspen, Colorado, in the US, were closed.

### Management

In May, the company's CFO, Johanna Palm, was also named Deputy CEO, succeeding former Deputy CEO Sara Fernström, who left the role. At the same time, the company's former Head of Business Development, Mathias Ericsson, was named Chief Operating Officer (COO), with overarching responsibility for the sales organization.

### Action plan and strategy

As previously announced, a comprehensive restructuring is underway where the business model is being adapted to the industry's changing conditions. As part of this process, the company has identified measures which are gradually being implemented during the year to save approximately SEK 75 million on a full-year basis, with a full financial impact mainly in the second half of 2019 and in 2020. In the first half-year, savings of approximately SEK 12 million were realized, of which approximately SEK 7 million in the second quarter.

The main areas in the action plan are consolidating Odd Molly's own retail network, implementing the licensing model in more international markets, improving efficiency and digitization of sales to end customers and retailers, and optimizing and reducing the product assortment.

During the quarter, the partnerships with additional agents in smaller foreign markets were terminated. Instead, licensing agreements have been entered into with a licensee for Germany and Austria. A licensing agreement has also been entered into with a new partner in US and Canada. Operations in these markets will be taken over this fall by the licensees in each market.

### Annual General Meeting

The Annual General Meeting of Odd Molly International AB (publ), held on May 7, 2019, adopted the Parent Company's and the Group's income statements and balance sheets for the financial year 2018. The AGM resolved that no dividend shall be paid for the financial year 2018. The Board of Directors and the CEO were discharged from liability for the financial year 2018.

The AGM resolved that the Board of Directors shall consist of five members without deputies and re-elected board members Mia Arnhult, Patrik Tillman, Elin Ryer and Anna Frick. Johan Mark was elected as a new member of the Board. Kia Orback Pettersson and Jacob Wall, who had declined re-election, left the Board of Directors in connection with the AGM. Patrik Tillman was re-elected as Chairman of the Board.

The registered accounting firm Ernst & Young AB was re-elected as the company's auditor for the period until the end of AGM 2020. Furthermore, the AGM passed resolutions on the remuneration guidelines for senior executives and the procedure for appointing the nomination committee ahead of AGM 2020, as resolved by AGM 2018.



The AGM also passed a resolution to approve the rights issue proposed by the Board of Directors, whereby the company's share capital will increase by not more than SEK 594,622.2 through issuance of not more than 5,946,222 new shares.

All other proposals listed in the notice to attend the AGM were approved by the AGM. For further information, see the company's website <https://corporate.oddmolly.com/sv/arsstamma-2019-5802/>

#### NUMBER OF SHARES AND NEW SHARE ISSUE

The previously announced rights issue was implemented in June and provided the company with SEK 22.5 million after issue costs at the same time that 5,946,222 new shares were issued. The new share issue strengthens the company's financial situation and provides opportunities to accelerate digital sales and implement actions that will reduce complexity and operating costs.

In the first quarter, Odd Molly completed a directed offset issue of 250,000 shares at a price of SEK 10 and a directed cash issue of 250,000 at a price of SEK 10 to Aggregate Media in order to cost-effectively achieve maximum media exposure in broad-based channels in connection with the branding efforts that are currently underway.

After implementation of the directed share issue and the rights issue, the share capital in Odd Molly amounts to SEK 1,486,556 as of June 30, 2019 and the total number of shares in the company amounts to 14,865,555.

Key ratios per share	Jun 30 2019	Jun 30 2018	Dec 31 2018
Weighted average no. of shares before dilution	8,738,884	5,781,473	7,111,244
Weighted average no. of shares after dilution	8,738,884	5,781,473	7,111,244
Equity per average share before dilution, SEK	7.53	19.62	10.63

As of July 31, 2019, after the allocation from the rights issue was registered, the company's ownership structure is as follows:

Owner	No. of shares	Holding, %
M2 Capital Management AB	2,811,470	18.9
Kattvik Financial Services AB	2,380,961	16.0
A.T.V. Holding AB	1,469,685	9.9
Aggregate Media Fund IX KB	833,332	5.6
New Moon Förvaltning AB	821,581	5.5
Björn Bengtsson	465,650	3.1
Rite Ventures	360,000	2.4
Försäkringsaktiebolaget, Avanza Pension	335,424	2.3
Jan-Olof Olson	329,126	2.2
Nordnet Pensionsförsäkring AB	237,369	1.6
<b>Total 10 largest shareholders</b>	<b>10,044,598</b>	<b>67.6</b>
Other	4,820,957	32.4
<b>Total</b>	<b>14,865,555</b>	<b>100.0</b>

#### EMPLOYEES

The total number of employees at the end of the period was 77 (99), of whom 7 are men and 70 women. The average number of employees in the second quarter was 83 (100).

#### PARENT COMPANY

The Parent Company reported total operating revenue of SEK 141.9 million (174.3) in the first half year with an operating loss of SEK -29.5 million (-10.3). The Parent Company's adjusted equity amounted to SEK 45.0 million (91.7).

Cash and cash equivalents amounted to SEK 11.7 million (19.6). Net liquidity, after utilization of parts of the overdraft facilities, amounted to SEK 7.1 million (15.9).

Sales in the US are through the wholly owned subsidiary Odd Molly Inc. Odd Molly also has subsidiaries in Denmark, Norway, Finland and Sweden that manage operations in their respective countries. All other sales are through the Parent Company.

#### TRANSACTIONS WITH RELATED PARTIES

Aside from the Parent Company's sales of products to subsidiaries, one transaction with related parties took place in the first half of 2019: in March the company received a short-term loan of SEK 8 million from Klosterhus AB. The loan was signed on market terms. Klosterhus AB is associated with Chairman of the Board Patrik Tillman and board member Mia Arnhult. The loan has been fully amortized and accrued interest was paid in the second quarter.

#### 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 2018, 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 2018.

#### ACCOUNTING PRINCIPLES

As of January 1, 2008 the Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Further, the consolidated statements are prepared in accordance with Swedish law by applying the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups. The Swedish Financial Reporting Board's recommendation RFR 2 Reporting for legal entities has been applied in the preparation of the Parent Company's financial statements. The accounting principles applied in this interim report are described on pages 51-54 of the Swedish annual report for 2018. The accounting principles are unchanged compared with the previous year's annual report.

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, 2019*** **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 see a significant impact on its balance sheet or equity due to the new classification and valuation requirements. Currency derivatives 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 2018, for example, they amounted to only 0.13 percent of sales. The company's assessment is that the transition to IFRS 9 does 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 will be applied beginning on 1 January 2019***

#### **IFRS 16 Leases**

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

Odd Molly's quarterly report as of June 30, 2019 is prepared in accordance with the new standard, which means that assets and liabilities in the balance sheet have been increased by these right-of-use assets and lease liabilities (divided between non-current and current liabilities). A change has also been made in the income statement, where the cost has been reclassified as depreciation, interest expense and currency adjustment. Odd Molly has applied the simplified transition approach.

The effect of the new standard on the balance sheet and income statement is shown below.

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Apr-Jun 2019 incl. IFRS 16	Apr-Jun 2019 IFRS 16 effect	Apr-Jun 2019 excl. IFRS 16	Jan-Jun 2019 incl. IFRS 16	Jan-Jun 2019 IFRS 16 effect	Jan-Jun 2019 excl. IFRS 16
Operating revenue	62,732	-	62,732	148,936	-	148,936
Operating expenses (adjustment on the line Other external expenses)	-76,218	-3,516	-79,734	-175,191	-7,023	-182,214
Depreciation/amortization	-4,364	3,077	-1,287	-9,228	6,170	-3,058
<b>Operating profit/loss</b>	<b>-17,850</b>	<b>-438</b>	<b>-18,288</b>	<b>-35,483</b>	<b>-853</b>	<b>-36,336</b>
Net financial items	-1,210	791	-419	-2,616	2,113	-503
<b>Profit/loss before taxes</b>	<b>-19,060</b>	<b>352</b>	<b>-18,707</b>	<b>-38,099</b>	<b>1,260</b>	<b>-36,840</b>
Taxes	-158	-	-158	-269	-	-269
<b>Net profit/loss</b>	<b>-19,217</b>	<b>352</b>	<b>-18,865</b>	<b>-38,368</b>	<b>1,260</b>	<b>-37,108</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

	June 30, 2019 incl. IFRS 16	June 30, 2019 IFRS 16 effect	June 30, 2019 excl. IFRS 16
SEK in thousands			
<b>ASSETS</b>			
<b>Total non-current assets</b>	<b>46,357</b>	<b>-35,860</b>	<b>10,497</b>
<b>Total current assets</b>	<b>125,750</b>	<b>-</b>	<b>125,750</b>
<b>Total assets</b>	<b>172,107</b>	<b>-35,860</b>	<b>136,247</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Total shareholders' equity</b>	<b>65,788</b>	<b>1,260</b>	<b>67,048</b>
<b>Total non-current liabilities</b>	<b>25,579</b>	<b>-24,090</b>	<b>1,489</b>
<b>Total current liabilities</b>	<b>80,740</b>	<b>-13,030</b>	<b>67,710</b>
<b>Total shareholders' equity and liabilities</b>	<b>172,107</b>	<b>-35,860</b>	<b>136,247</b>

## THE GROUP'S KEY FIGURES

	Apr-Jun 2019 incl. IFRS 16	Apr-Jun 2019 excl. IFRS 16	Jan-Jun 2019 incl. IFRS 16	Jan-Jun 2019 excl. IFRS 16
SEK in thousands				
Total operating revenue, SEK million	62.7	62.7	148.9	148.9
Gross profit margin, %	50.6	50.6	49.8	49.8
Operating profit/loss, SEK million	-17.9	-18.3	-35.5	-36.3
Operating margin, %	-28.5	-29.2	-23.8	-24.4
Net profit/loss, SEK million	-19.2	-18.9	-38.4	-37.1
Earnings per share before dilution , SEK	-2.12	-2.08	-4.39	-4.25
Earnings per share after dilution , SEK	-2.12	-2.08	-4.39	-4.25
Weighted average number of shares before dilution	9,054,923	9,054,923	8,738,884	8,738,884
Weighted average number of shares after dilution	9,054,923	9,054,923	8,738,884	8,738,884
Return on equity, %	-30.3	-29.5	-53.0	-52.0
Equity/assets ratio, %	38	49	38	49
Equity per share before dilution, SEK	7.27	7.40	7.53	7.67
Equity per share after dilution , SEK	7.27	7.40	7.53	7.67
Cash flow from operating activities, SEK million	4.0	2.7	-2.2	-7.1
Cash flow from operating activities per share before dilution, SEK	0.44	0.30	-0.25	-0.82

# Alternative performance measures

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

## GROSS PROFIT MARGIN

SEK in thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul 2018- Jun 2019
<i>Operating revenue</i>						
Net sales	62,436	75,451	148,263	180,397	344,940	312,806
<i>Operating expenses</i>						
Cost of goods sold	-30,849	-31,974	-74,375	-80,101	-159,766	-154,040
<b>Gross profit</b>	<b>31,587</b>	<b>43,477</b>	<b>73,888</b>	<b>100,296</b>	<b>185,173</b>	<b>158,765</b>
<b>Gross profit margin, %</b>	<b>50.6</b>	<b>57.6</b>	<b>49.8</b>	<b>55.6</b>	<b>53.7</b>	<b>50.8</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	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul 2018- Jun 2019
<i>Operating revenue</i>						
Net sales	62,436	75,451	148,263	180,397	344,940	312,806
Other operating revenue	296	874	673	1,390	1,978	1,261
<b>Total operating revenue</b>	<b>62,732</b>	<b>76,325</b>	<b>148,936</b>	<b>181,788</b>	<b>346,918</b>	<b>314,066</b>
<b>Operating profit/loss</b>	<b>-17,850</b>	<b>-11,938</b>	<b>-35,483</b>	<b>-18,633</b>	<b>-60,593</b>	<b>-77,443</b>
<b>Operating margin, %</b>	<b>-28.5</b>	<b>-15.6</b>	<b>-23.8</b>	<b>-10.2</b>	<b>-17.5</b>	<b>-24.7</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	Jun 30 2019	Jun 30 2018	Dec 31 2018
Shareholders' equity	65,788	113,440	75,604
Total assets	172,107	181,311	162,516
<b>Equity/assets ratio, %</b>	<b>38</b>	<b>63</b>	<b>47</b>

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

## RETURN ON EQUITY

SEK in thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul 2018- Jun 2019
Profit attributable to Parent Company's shareholders (net profit/loss)	-19,217	-10,320	-38,368	-17,047	-53,477	-74,798
Average equity	63,356	100,255	70,696	102,221	83,303	89,614
<b>Return on equity, %</b>	<b>-30.3</b>	<b>-10.3</b>	<b>-53.0</b>	<b>-16.7</b>	<b>-64.2</b>	<b>-82.5</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>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
SEK in thousands, Group	<b>2019</b>	<b>2018</b>	<b>2018</b>
Cash and cash equivalents	16,526	26,138	16,528
Utilized overdraft facilities at the end of the period	4,585	3,712	24,881
<b>Net liquidity</b>	<b>11,941</b>	<b>22,426</b>	<b>-8,352</b>

	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
SEK in thousands, Parent Company	<b>2019</b>	<b>2018</b>	<b>2018</b>
Cash and cash equivalents	11,711	19,617	8,739
Utilized overdraft facilities at the end of the period	4,585	3,712	24,881
<b>Net liquidity</b>	<b>7,126</b>	<b>15,904</b>	<b>-16,142</b>

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

#### EQUITY PER SHARE

	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
	<b>2019</b>	<b>2018</b>	<b>2018</b>
Weighted average number of shares before dilution	8,623,456	5,781,473	7,111,244
Shareholders' equity, SEK thousands	65,788	113,440	75,604
<b>Equity per share before dilution, SEK</b>	<b>7.63</b>	<b>19.62</b>	<b>10.63</b>

Equity per share, also called a company's net asset value, is calculated by measuring shareholders' equity in relation to the average number of shares before dilution. Equity per share after dilution has not been calculated. Calculation methods can be found in the consolidated balance sheet and the Number of shares.

#### PARENT COMPANY'S ADJUSTED EQUITY

	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
SEK in thousands	<b>2019</b>	<b>2018</b>	<b>2018</b>
Shareholders' equity	45,037	84,415	47,470
78/78.6 percent of the untaxed reserves	-	7,254	-
<b>Adjusted equity</b>	<b>45,037</b>	<b>91,669</b>	<b>47,470</b>

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



# Condensed financial information

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK in thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Apr 18- Mar 19
<i>Operating revenue</i>						
Net sales	62,436	75,451	148,263	180,397	344,940	312,806
Other operating revenue	296	874	673	1,390	1,978	1,261
<b>Total operating revenue</b>	<b>62,732</b>	<b>76,325</b>	<b>148,936</b>	<b>181,788</b>	<b>346,918</b>	<b>314,066</b>
<i>Operating expenses</i>						
Cost of goods sold	-30,849	-31,974	-74,375	-80,101	-159,766	-154,040
Other external expenses	-27,534	-33,064	-64,377	-74,565	-156,049	-145,861
Personnel expenses	-17,722	-19,962	-36,251	-38,956	-78,005	-75,300
Depreciation/amortization	-4,364	-3,093	-9,228	-6,098	-12,048	-15,177
Other operating expenses	-113	-170	-188	-701	-1,643	-1,131
<b>Operating profit/loss</b>	<b>-17,850</b>	<b>-11,938</b>	<b>-35,483</b>	<b>-18,633</b>	<b>-60,593</b>	<b>-77,443</b>
<i>Result from financial items</i>						
Interest income	35	161	208	394	654	467
Interest expenses	-1,244	-380	-2,824	-736	-1,227	-3,315
<b>Profit/loss after financial items</b>	<b>-19,060</b>	<b>-12,157</b>	<b>-38,099</b>	<b>-18,975</b>	<b>-61,167</b>	<b>-80,291</b>
Taxes	-158	1,837	-269	1,928	7,690	5,493
<b>Net profit/loss attributable to Parent Company's shareholders</b>	<b>-19,217</b>	<b>-10,320</b>	<b>-38,368</b>	<b>-17,047</b>	<b>-53,477</b>	<b>-74,798</b>
<i>Other comprehensive income</i>						
Items that will be reclassified to profit or loss						
Translation difference	204	922	713	1,723	1,307	297
Cash flow hedges	-57	626	650	3,181	1,897	-635
Tax effect cash flow hedges	12	-138	-139	-700	-406	155
<b>Total comprehensive income attributable to Parent Company's shareholders</b>	<b>-19,058</b>	<b>-8,910</b>	<b>-37,144</b>	<b>-12,842</b>	<b>-50,679</b>	<b>-74,981</b>
<b>Earnings per share before dilution, SEK</b>	<b>-2.18</b>	<b>-1.78</b>	<b>-4.39</b>	<b>-2.95</b>	<b>-7.52</b>	<b>-8.72</b>
<b>Earnings per share after dilution, SEK</b>	<b>-2.18</b>	<b>-1.78</b>	<b>-4.39</b>	<b>-2.95</b>	<b>-7.52</b>	<b>-8.72</b>

## CONSOLIDATED BALANCE SHEET

SEK in thousands	Jun 30 2019	Jun 30 2018	Dec 31 2018
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible non-current assets	1,060	2,926	1,211
Tangible non-current assets	38,350	9,549	5,564
Financial non-current assets	689	1,087	1,087
Deferred tax assets	6,258	2,820	6,258
	<b>46,357</b>	<b>16,383</b>	<b>14,121</b>
<i>Current assets</i>			
Inventories	53,053	74,396	80,571
Advance payments to suppliers	2,990	1,958	1,176
Accounts receivable	30,682	50,521	38,808
Current receivables	22,499	11,915	11,312
Cash and cash equivalents	16,526	26,138	16,528
	<b>125,750</b>	<b>164,928</b>	<b>148,395</b>
<b>TOTAL ASSETS</b>	<b>172,107</b>	<b>181,311</b>	<b>162,516</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	65,788	113,440	75,604
Deferred tax	1,489	3,726	1,311
Non-current liabilities	24,090	-	-
Current liabilities	80,740	64,145	85,602
	<b>172,107</b>	<b>181,311</b>	<b>162,516</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>172,107</b>	<b>181,311</b>	<b>162,516</b>

Cash and cash equivalents are recognized gross, before utilized overdraft facilities. Utilized overdraft facilities are recognized in current liabilities. The difference between net liquidity and gross liquidity is recognized in the consolidated cash flow statement. Right-of-use assets and corresponding lease liabilities are included as of January 1, 2019 in tangible non-current assets and non-current and current liabilities, respectively. Right-of-use assets amount as of June 30, 2019 to SEK 35,860 thousand, while the non-current lease liability amounts to SEK 24,090 thousand and the current lease liability to SEK 13,030 thousand. Comparative figures have not been restated. See also pages 11-12.

## PLEGDED ASSETS AND CONTINGENT LIABILITIES

SEK in thousands	Jun 30 2019	Jun 30 2018	Dec 31 2018
Pledged assets	30,000	30,000	30,000
Pledged receivables	9,638	3,712	6,222
Contingent liabilities	1,115	1,415	1,415

## CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY

SEK in thousands	Jun 30 2019	Jun 30 2018	Dec 31 2018
<b>Attributable to Parent Company's shareholders:</b>			
Shareholders' equity at the beginning of the year	75,604	91,002	91,002
New share issue	27,329	35,280	35,280
Total comprehensive income for the period	-37,144	-12,842	-50,679
<b>Shareholders' equity at the end of the period</b>	<b>65,788</b>	<b>113,440</b>	<b>75,604</b>

## CASH FLOW STATEMENT FOR THE GROUP

SEK in thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
<b>Operating activities</b>					
Operating profit/loss	-17,850	-11,938	-35,483	-18,633	-60,593
Adjustments	5,613	3,399	10,659	7,836	14,502
Interest received	35	161	208	394	654
Interest paid	-2,566	-380	-2,824	-736	-1,227
Income tax paid	-365	-1,142	-1,606	-7,126	-8,717
<b>Cash flow from operating activities before changes in working capital</b>	<b>-15,134</b>	<b>-9,900</b>	<b>-29,047</b>	<b>-18,266</b>	<b>-55,382</b>
<b>Changes in working capital</b>					
Change in inventories	16,793	5,728	27,944	4,027	-2,469
Change in receivables	-296	12,722	-3,438	10,128	24,013
Change in current liabilities	2,653	-1,211	2,328	3,527	3,253
<b>Cash flow from operating activities</b>	<b>4,015</b>	<b>7,340</b>	<b>-2,213</b>	<b>-584</b>	<b>-30,585</b>
<b>Investing activities</b>					
Acquisition of tangible non-current assets	-	-447	-485	-512	-896
Reversal of financial non-current assets	-	45	-	45	45
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-401</b>	<b>-485</b>	<b>-466</b>	<b>-851</b>
<b>Financing activities</b>					
New share issue	24,829	35,280	27,329	35,280	35,280
Loans	-8,000	0	-	0	0
Repayment of lease liability	-1,403	0	-4,910	0	0
<b>Cash flow from financing activities</b>	<b>15,426</b>	<b>35,280</b>	<b>22,419</b>	<b>35,280</b>	<b>35,280</b>
<b>Cash flow for the period</b>	<b>19,441</b>	<b>42,219</b>	<b>19,721</b>	<b>34,230</b>	<b>3,844</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>14,335</b>	<b>16,516</b>	<b>16,528</b>	<b>17,050</b>	<b>17,050</b>
Utilized overdraft facilities at the beginning of the period	21,960	36,598	24,881	29,602	26,920
<b>Cash and cash equivalents at the beginning of the period, net</b>	<b>-7,262</b>	<b>-20,082</b>	<b>-8,352</b>	<b>-12,553</b>	<b>-12,553</b>
Exchange rate difference in cash and cash equivalents	125	290	572	749	357
Change in overdraft facilities utilized	-17,376	-32,885	-20,296	-25,890	-4,722
<b>Cash and cash equivalents at the end of the period</b>	<b>16,526</b>	<b>26,138</b>	<b>16,526</b>	<b>26,138</b>	<b>16,528</b>
Utilized overdraft facilities at the end of the period*	4,585	3,712	4,585	3,712	24,881
<b>Cash and cash equivalents at the end of the period, net</b>	<b>11,941</b>	<b>22,426</b>	<b>11,941</b>	<b>22,426</b>	<b>-8,352</b>

\*The total overdraft and invoice factoring limit amounts to SEK 50 million as of June 30, 2019.

## REVENUE AND OPERATING RESULT BY SEGMENT

SEK in thousands	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018	Jul 18- Jun 19
<b>Wholesale</b>						
Revenue	15,209	21,289	55,199	71,044	146,516	130,671
Operating result	-9,932	-2,075	-7,000	7,191	8,481	-5,709
<b>Licensing</b>						
Revenue	1,004	-	2,410	-	-	2,410
Operating result	62	-	586	-	-	586
<b>Retail</b>						
Revenue	46,519	55,035	91,327	110,744	200,402	180,985
Operating result	11,975	6,529	11,819	8,741	7,177	10,255
<b>Common Group costs</b>						
Operating result	-19,954	-16,392	-40,888	-34,565	-76,252	-82,574
<b>Total</b>						
Revenue	62,732	76,325	148,936	181,788	346,918	314,066
Operating result	-17,850	-11,938	-35,483	-18,633	-60,593	-77,443

The company reports revenue and operating results for four segments: wholesale, retail, licensing 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

	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Total operating revenue, million	62.7	86.2	65.7	99.5	76.3	105.5	89.6	134.5
Gross profit margin, %	50.6	49.3	52.4	51.0	57.6	54.1	51.6	53.0
Operating profit/loss, SEK million	-17.9	-17.6	-22.6	-19.3	-11.9	-6.7	-11.1	6.6
Operating margin, %	-28.5	-20.5	-34.5	-19.4	-15.6	-6.3	-12.4	4.9
Net profit/loss, SEK million	-19.2	-19.2	-20.7	-15.7	-10.3	-6.7	-9.2	4.9
Earnings per share before dilution, SEK	-2.12	-2.27	-2.46	-1.87	-1.78	-1.17	-1.60	-1.25
Earnings per share after dilution, SEK	-2.12	-2.27	-2.46	-1.87	-1.78	-1.17	-1.60	-1.25
Weighted average number of shares before dilution, thousands	9,055	8,419	8,419	8,419	5,811	5,752	5,752	5,752
Weighted average number of shares after dilution, thousands	9,055	8,419	8,419	8,419	5,811	5,752	5,752	5,752
Return on equity, %	-30.3	-28.2	-24.0	-14.9	-10.3	-7.6	-9.7	5.0
Equity/assets ratio, %	38	31	47	53	63	47	50	48
Equity per share before dilution, SEK	7.27	7.13	8.98	11.52	19.52	15.14	15.82	17.23
Cash flow from operating activities, SEK million	4.0	-6.2	-9.4	-20.6	7.3	-7.9	13.7	-28.5
Cash flow from operating activities per share before dilution, SEK	0.44	-0.74	-1.11	-2.45	1.26	-1.38	2.38	-4.95

Some of the key ratios have been affected by IFRS 16 as of January 1, 2019. Comparative figures have not been restated. See page 12 for pro forma key ratios excluding the effect of IFRS 16.

## PARENT COMPANY INCOME STATEMENT

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
SEK in thousands					
<i>Operating revenue</i>					
Net sales	58,093	71,337	141,500	172,889	319,198
Other operating revenue	218	874	437	1,390	1,770
<b>Total operating revenue</b>	<b>58,311</b>	<b>72,211</b>	<b>141,937</b>	<b>174,280</b>	<b>320,968</b>
<i>Operating expenses</i>					
Cost of goods sold	-27,810	-30,067	-70,094	-76,241	-149,386
Other external expenses	-28,903	-31,085	-68,182	-71,555	-146,911
Personnel expenses	-15,515	-17,531	-31,578	-33,926	-68,190
Depreciation/amortization of tangible and intangible non-current assets	-551	-1,431	-1,423	-2,845	-5,530
Other operating expenses	-82	-	-158	-	-815
<b>Operating profit/loss</b>	<b>-14,550</b>	<b>-7,903</b>	<b>-29,498</b>	<b>-10,287</b>	<b>-49,864</b>
<i>Result from financial items</i>					
Interest income	35	161	208	394	647
Interest expenses	-443	-361	-691	-708	-1,179
Impairment of receivables to subsidiary	-	-	-	-	-8,335
<b>Profit/loss after financial items</b>	<b>-14,958</b>	<b>-8,103</b>	<b>-29,980</b>	<b>-10,601</b>	<b>-58,731</b>
Appropriations	-	-	-	-	9,300
<b>Profit/loss before tax</b>	<b>-14,958</b>	<b>-8,103</b>	<b>-29,980</b>	<b>-10,601</b>	<b>-49,431</b>
Taxes	-	1,936	-	2,364	5,801
<b>Net profit/loss</b>	<b>-14,958</b>	<b>-6,167</b>	<b>-29,980</b>	<b>-8,237</b>	<b>-43,629</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
SEK in thousands					
<i>Items that will be reclassified to profit or loss</i>					
Cash flow hedges	-57	626	650	3,181	1,897
Tax effect cash flow hedges	12	-138	-139	-700	-406
<b>Total comprehensive income for the period</b>	<b>-15,002</b>	<b>-5,679</b>	<b>-29,469</b>	<b>-5,755</b>	<b>-42,138</b>

## PARENT COMPANY BALANCE SHEET

SEK in thousands	Jun 30 2019	Jun 30 2018	Dec 31 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible non-current assets	42	366	183
Tangible non-current assets	1,325	5,261	2,945
Financial non-current assets	24,719	25,071	25,006
Deferred tax assets	6,258	2,820	6,258
	<b>32,343</b>	<b>33,518</b>	<b>34,392</b>
<b>Current assets</b>			
Inventory	46,947	66,926	72,942
Advance payments to suppliers	2,828	1,575	1,174
Accounts receivable	29,391	44,495	35,601
Current receivables	19,790	21,077	8,539
Cash and cash equivalents	11,711	19,617	8,739
	<b>110,667</b>	<b>153,689</b>	<b>126,995</b>
<b>TOTAL ASSETS</b>	<b>143,011</b>	<b>187,207</b>	<b>161,387</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	45,037	84,415	47,470
Untaxed reserves	-	9,300	0
Deferred tax	47	424	0
Current liabilities	97,927	93,067	113,917
	<b>143,011</b>	<b>187,207</b>	<b>161,387</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>143,011</b>	<b>187,207</b>	<b>161,387</b>

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

## PARENT COMPANY PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK in thousands	Jun 30 2019	Jun 30 2018	Dec 31 2018
Pledged assets	30,000	30,000	30,000
Pledged receivables	9,638	3,712	6,222
Contingent liabilities	1,115	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.

Stockholm, August 16, 2019

Patrik Tillman, Chairman

Mia Arnhult, Board Member

Anna Frick, Board Member

Johan Mark, Board Member

Elin Ryer, Board Member

Jennie Högstedt Björk, CEO

#### SCHEDULED INFORMATION DATES

- The interim report for January-September 2019 will be released on October 25, 2019.
- The year-end report for 2019 will be released on February 14, 2020.
- The interim report for January-March 2020 will be released on May 17, 2020.

#### PRESENTATION OF THE REPORT

The report will be presented at the company's head office, Kornhamnstorg 6, Stockholm, on August 16, 2019 at 1:00 pm CET. To attend the presentation, contact [jacob.neckmar@oddmolly.com](mailto:jacob.neckmar@oddmolly.com).

For further information, please contact:

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

This information is information that Odd Molly International AB is obliged to make public pursuant to the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set above, on August 16, 2019 at 8.00 am CET.

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

#### ABOUT ODD MOLLY

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

#### OUR STRATEGY

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

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

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

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

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

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