FENIX OUTDOOR INTERNATIONAL AG

Interim condensed consolidated financial statement for the period ended 30 September 2019

Third quarter 2019-07-01 – 2019-09-30

- The total income of the Group was TEUR 194 481 (181 840), an increase of 7,0%.
- The EBITDA of the Group was TEUR 57 280 (47 131), where TEUR 7 219 of the increase is related to depreciation for adopted IFRS 16.
- The operating profit of the Group was TEUR 45 486 (43 808), an increase of 3,8%.
- The profit before tax of the Group was TEUR 46 356 (44 173).
- The profit after tax of the Group was TEUR 35 632 (35 689).
- Earnings per share amounted to EUR 2,68 (2,65).

Period 2019-01-01 – 2019-09-30

- The total income of the Group was TEUR 466 171 (441 632), an increase of 5,6%.
- The EBITDA of the Group was TEUR 108 486 (85 137), where TEUR 19 747 of the increase is related to depreciation for adopted IFRS 16.
- The operating profit of the Group was TEUR 76 379 (75 789), an increase of 0,8%.
- The profit before tax of the Group was TEUR 78 275 (76 399).
- The profit after tax of the Group was TEUR 59 492 (58 374).
- The adoption of IFRS 16 has resulted in an increase of assets (“Right-of-use assets, of MEUR 115 448) and liabilities. This growth in total assets is explaining the lower solvency rate 57,9% (68,3%).
- Earnings per share amounted to EUR 4,44 (4,34).

Events after period closing

No significant events after period closing are noted.

Repurchase of own shares

As per 2019-09-30 the company holds 119 598 B-shares representing 0,89% of capital.

This report contains information which Fenix Outdoor International AG is obliged to publish under the EU Market Abuse Regulation rules. The information was provided by the contact person stated below, for publication October 29 at 14 00, 2019.

CONTACTPERSON

Martin Nordin, Executive Chairman +41 797 99 27 58

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Financial information

Actual financial information is available at www.fenixoutdoor.se under “Finansiellt”

CALENDARIUM FINANCIAL INFORMATION

Q4 report Oct-Dec, 10 Feb, 2020
AGM and Q1 report, May 10, 2020

COMMENTS BY THE EXECUTIVE CHAIRMAN

Continuing struggle for Globetrotter.

In my comments after Q2 I was hoping for improvements at Globetrotter in reference for the effects of our changed logistics and IT set up. We have seen improvements, but far from enough meaning that we are still suffering from significant short comings. We are partially able to maintain relationships with our consumers, but it is coming at a cost and also in lost sales. The organization is working hard on improving the situation. The major reasons for the shortcoming are, however, identified and we have started a project to change these, unfortunately I do not believe a final solution to the problem can be in place before Q1 2020. On the positive note, the newly opened Germans stores are performing satisfactory in spite of the problems. The Swedish, Finnish and Danish retail operations are performing well and both the Danish and Finnish ones are showing substantial improvements compared to the same quarter last year.

The Brand and Global sales segments are mainly showing a good development. The Asia/Oceanian markets are continuing to improve and are growing 39% in the quarter. In North America five new stores have been opened this year. In total Americas shows a growth of 33% vs Q3 last year and after last year's adjustment in our Swedish distribution, the improvement in sales is continuing.

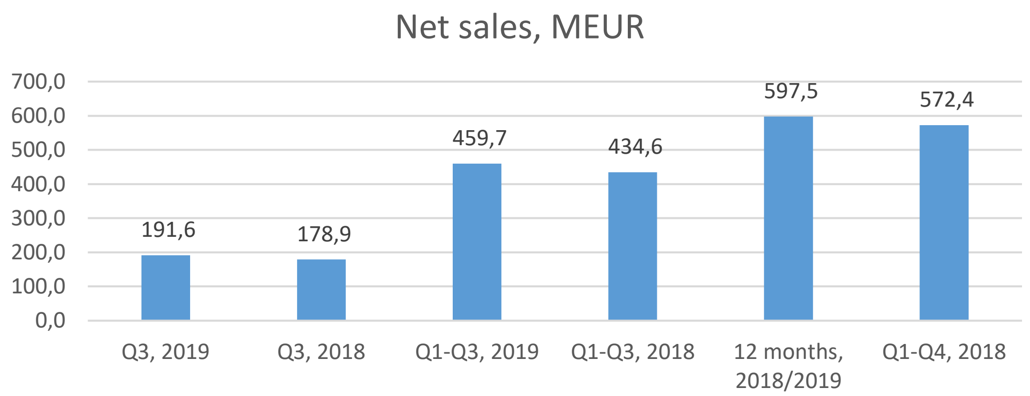
In total we grew 7,1% during the quarter. Brands external sales was up 4,3%, Global Sales 14,5% and Retail +5,1%. Our operating profit is up 3,8%. I am not satisfied with neither sales nor result, as we are still hit with effects of our IT and logistics problems. We have also started implementing our Fenix 2025 plans, which includes some long-term investment and organizational changes in some areas especially in our digital infrastructure and organization. This is increasing our fixed cost base with a later payoff.

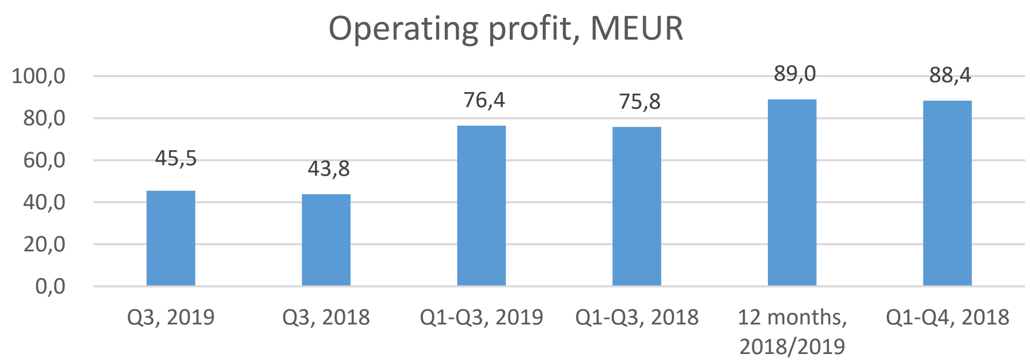
What about the rest of the year? The Q4 sales for us is dominated by our retail division and thereby directly weather dependent. There is also a political risk in the market with election in US coming closer and Brexit in Europe. The insecurity in how we will be able to bring our IT and logistics in Germany in some kind of working order is pivotal to enable us to perform well and as I have stated earlier, we are still refining our distribution, a process which is continuing in more markets which might have some negative topline effects not only for the rest of this year but also for next year. I have been a bit negative, but my overall long term view is very positive and I strongly believe that some of the hard decisions and all investments we are doing will pay off long term and as I always say "It is hard, but if it was easy everybody would do it and no gains would be possible to be make".

Martin Nordin, Executive Chairman

MEUR	July-Sept 2019	July-Sept 2018	Jan-Sept 2019	Jan - Sept 2018	Oct-Sept 2018/2019	Jan-Dec 2018
Net sales	191,6	178,9	459,7	434,6	597,5	572,4
EBITDA	57,3	47,1	108,5	85,2	126,0	102,6
Operating profit	45,5	43,8	76,4	75,8	89,0	88,4
Profit margin, %	23,7%	24,5%	16,6%	17,4%	14,9%	15,4%
Profit before tax	46,4	44,2	78,3	76,4	90,4	88,5
Net profit for the period	35,7	35,7	59,5	58,4	68,5	67,4
Earnings per share, EUR *)	2,68	2,65	4,44	4,34	5,11	5,01
Solvency rate, %			57,9%	68,3%		70,9%

*) Earnings per share are calculated on outstanding shares.





THE OPERATION

Brands

		2019 (2018)		2019 (2018)
External net sales	Q3	53,9 (51,7) + 4,3%	Q1-Q3	126,9 (118,0) + 7,5%
Operating profit	Q3	30,4 (28,9)	Q1-Q3	57,6 (54,9)

As in previous periods, during this year, the growth is primarily driven by the American markets.

Frilufts

		2019 (2018)		2019 (2018)
External net sales	Q3	82,5 (78,5) + 5,1%	Q1-Q3	205,6 (202,3) + 1,6%
Operating profit	Q3	4,8 (8,9)	Q1-Q3	1,0 (8,4)

The sales increase is driven by the Nordic markets. The drop in operating profit is related to Germany, where the 2018-2019 investments and related higher costs have still not been matched by higher sales.

Global sales

		2019 (2018)		2019 (2018)
External net sales	Q3	55,2 (48,2) + 14,5%	Q1-Q3	126,7 (113,0) + 12,2%
Operating profit	Q3	13,3 (9,7)	Q1-Q3	23,4 (20,6)

Stable and strong development over the year. The main contributors to the growth, of higher sales and profits, are the distribution companies located outside the Nordic markets.

Common, Liquidity and financial standing

		2019 (2018)		2019 (2018)
Operating profit	Q3	-3,0 (-3,7)	Q1-Q3	-5,6 (-8,2)

The Group's financial position remains strong, even though increases in inventories affects the net cash position. The increase of short term assets is also driven by higher customer receivables, from the increased sales, and higher VAT receivables compared to same period last year. Consolidated cash and cash equivalents amounted to MEUR 62,1 (80,7). The Group's interest-bearing liabilities amounted to MEUR 26,1 (36,3). Lease liabilities amounted to MEUR 116,3 (0,0), adapting IFRS 16 accounting principle from 1 January 2019. This increase in total assets has lowered the equity ratio. Consolidated equity attributable to shareholders was MEUR 317,2 (276,7), corresponding to an solvency rate of 57,9% (68,3%).

THE OPERATION

The Group is organized in three business segments: Brands, Global sales and Frilufts.

- Brands includes the brands Fjällräven, Tierra, Primus, Hanwag, Royal Robbins and Brunton. It also includes Brandretail (The E-com and monobrand operations of the Brands) and distribution companies concentrated on sales of one brand.
- In Frilufts the retailers Naturkompaniet AB, Partioaitta Oy, Globetrotter Ausrüstung GmbH and Friluftsland A/S are included.
- Global sales includes distribution companies selling more than one Fenix brand.

The three business segments are supported by common functions for management, CSR/CSO, finance, HR, legal, IT and logistics.

	Brands		Frilufts		Global sales		Common		Group	
	July-Sept 2019	July-Sept 2018	July-Sept 2019	July-Sept 2018	July-Sept 2019	July-Sept 2018	July-Sept 2019	July-Sept 2018	July-Sept 2019	July-Sept 2018
External sales, MEUR	53,9	51,7	82,5	78,5	55,2	48,2	0,0	0,5	191,6	178,9
EBITDA, MEUR *)	33,1	29,8	11,6	10,3	13,8	10,1	-1,2	-3,0	57,3	47,1
Operating profit, MEUR	30,4	28,9	4,8	8,9	13,3	9,7	-3,0	-3,7	45,5	43,8

	Brands		Frilufts		Global sales		Common		Group	
	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018
External sales, MEUR	126,9	118,0	205,6	202,3	126,7	113,0	0,6	1,3	459,7	434,6
EBITDA, MEUR *)	64,9	57,5	19,4	12,6	25,3	21,5	-1,2	-6,5	108,5	85,1
Operating profit, MEUR	57,6	54,9	1,0	8,4	23,4	20,6	-5,6	-8,2	76,4	75,8
Number of Stores	34	29	80	71	27	16			141	116
of which are franchise			3	3	4				7	3
Fixed assets *)	44,2	24,2	132,8	36,1	12,4	12,2	50,2	42,7	239,6	115,2
Cap. Expenditures, net	3,5	2,3	7,9	3,2	0,9	1,4	7,5	17,0	19,8	23,9

*) Fixed assets 2019 includes Right-of-use assets from adopting IFRS 16 and EBITDA in 2019 are affected by adopting IFRS 16. The Group defines earnings before interest, tax, depreciation and amortization (EBITDA) as operating profit, excluding depreciation and write-downs of tangible, intangible assets and Right-of-use assets.

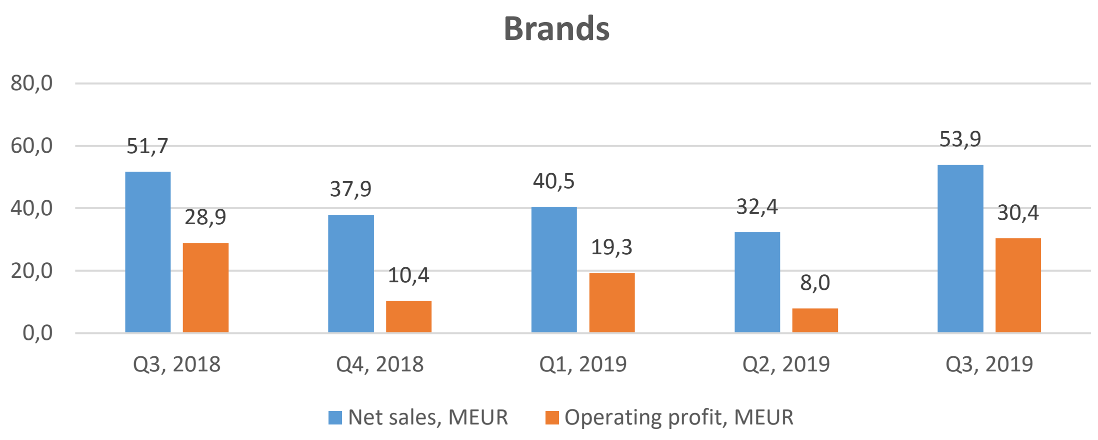
External sales per market	Brands Jan-Sept 2019	Brands Jan-Sept 2018	Frilufts Jan-Sept 2019	Frilufts Jan-Sept 2018	Global sales Jan-Sept 2019	Global sales Jan-Sept 2018	Common Jan-Sept 2019	Common Jan-Sept 2018	Total Jan-Sept 2019	Total Jan-Sept 2018
Switzerland					9,0	8,3			2,0%	1,9%
Sweden	8,9	10,5	42,1	38,9					11,1%	11,4%
Other Nordic countries	0,9	3,4	34,1	29,0	27,2	31,4			13,5%	14,7%
Germany	47,7	50,8	128,9	134,4			0,6	1,3	38,5%	42,9%
Benelux	12,3	12,0	0,1		6,5	5,9			4,1%	4,1%
Other Europe	13,2	10,0	0,4		33,5	30,9			10,2%	9,4%
Americas	41,9	29,5			32,0	23,3			16,1%	12,1%
Other World	2,0	1,8			18,5	13,2			4,5%	3,5%
Total	126,9	118,0	205,6	202,3	126,7	113,0	0,6	1,3	100%	100%

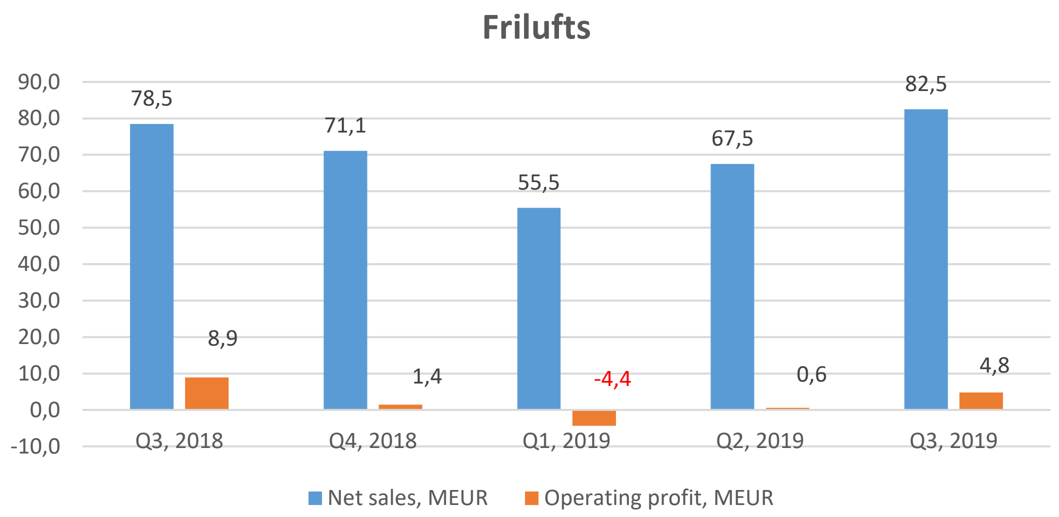
Fenix Outdoor's use of alternative key figures:

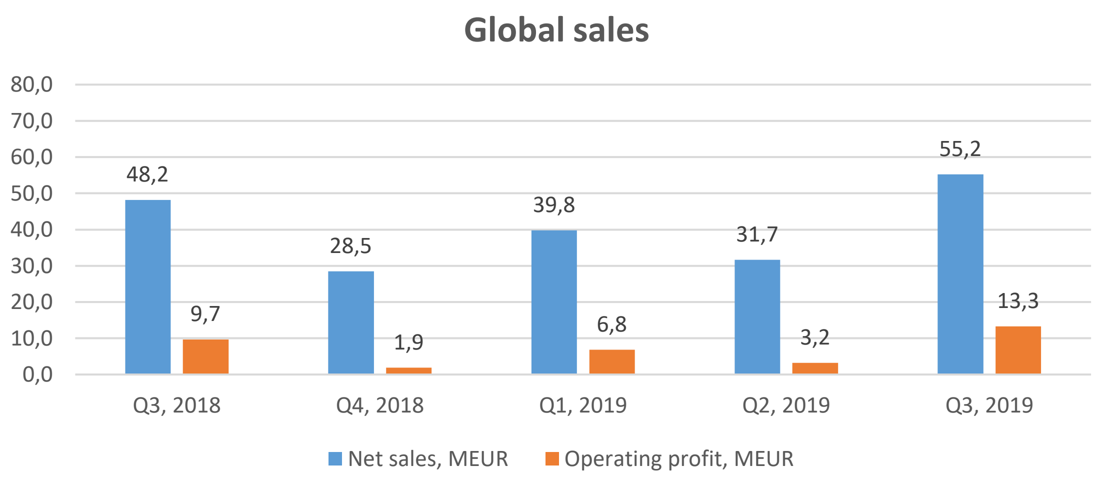
Fenix Outdoor provides a number of key figures in the summary on the front page of the interim report. The Group defines earnings before interest, tax, depreciation and amortization (EBITDA) as operating profit excluding depreciation and write-downs of tangible, intangible assets and Right-of-use assets. As EBITDA is affected by adopting IFRS16 the Group have decided to include it as an alternative key figure.

THE OPERATION

Net sales and operating result per segment







FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT MEUR	3 months July-Sept 2019	*) July-Sept 2018	9 months Jan-Sept 2019	Jan-Sept 2018	12 months Oct-Sept 2018/2019	*) Jan-Dec 2018
Net sales	191,6	178,9	459,7	434,6	597,5	572,4
Other operating income	2,9	2,9	6,5	7,0	9,9	10,4
Total income	194,5	181,8	466,2	441,6	607,4	582,8
Cost of goods	-79,7	-75,2	-191,8	-187,9	-245,4	-241,5
Other external expenses	-29,5	-33,3	-83,6	-91,9	-123,0	-131,8
Personnel expenses	-27,8	-25,4	-82,3	-77,2	-113,4	-108,3
Depreciation/amortisation	-11,8	-3,3	-32,1	-9,3	-37,0	-14,2
Result from participations in associated companies	0,2	-0,2	1,1	1,5	1,7	2,1
Other operating expenses	-0,4	-0,6	-1,1	-1,0	-1,3	-0,7
Operating expenses	-149,0	-138,0	-389,8	-365,8	-518,4	-494,4
Operating profit	45,5	43,8	76,4	75,8	89,0	88,4
Financial income	1,7	0,9	4,0	2,0	4,4	2,4
Financial expenses	-0,8	-0,5	-2,1	-1,4	-3,0	-2,3
Profit before tax	46,4	44,2	78,3	76,4	90,4	88,5
Income tax	-10,7	-8,5	-18,8	-18,0	-21,9	-21,1
Net profit	35,7	35,7	59,5	58,4	68,5	67,4
Net profit for the period attributable to:						
Parent Company's shareholders	35,7	35,7	59,5	58,4	68,5	67,4
Non-controlling interests	-	-	-	-	-	-
Earnings per share, EUR	2,68	2,65	4,44	4,34	5,11	5,01
Weighted average of outstanding shares, B, thousands	10 947	11 060	10 990	11 060	11 006	11 060
Weighted average of outstanding shares, A, thousands	24 000	24 000	24 000	24 000	24 000	24 000

Earnings per share calculated as, number of B-shares + 2 400 000 A-shares, as A-shares only qualify to a tenth of the dividend compared to B-shares. There are no outstanding options or convertibles which would result in a dilution.

*) 3 months and 12 months of historical data that are not included in auditors' review of the interim report.

FINANCIAL REPORT

Consolidated Statement of Comprehensive Income	3 months	*)	9 months		12 months	*)
MEUR	July-Sept 2019	July-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Oct-Sept 2018/2019	Jan-Dec 2018
Net profit	35,7	35,7	59,5	58,4	68,5	67,4
To be reclassified to the income statement in the future						
Change in translation reserve during the period	-0,1	0,8	-2,0	-2,4	-2,0	-2,4
Hedge accounting		-0,1	-0,1	0,1	-0,1	0,1
Taxes		0,1				
Total other comprehensive income for the period	-0,1	0,8	-2,1	-2,3	-2,1	-2,3
Total comprehensive income for the period	35,6	36,5	57,3	56,0	66,4	65,1
Total comprehensive income attributable to:						
Parent Company's shareholders	35,6	36,5	57,3	56,0	66,4	65,1
Non-controlling interests	-	-	-	-	-	-

*) 3 months and 12 months of historical data that are not included in auditors' review of the interim report.

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MEUR	30 Sept 2019	30 Sept 2018	31 Dec 2018
Assets			
Non-current assets			
Intangible fixed assets	39,7	35,4	36,9
Tangible fixed assets	66,7	61,7	63,3
Right-of-use assets	115,4	-	-
Other non-current assets	17,8	18,1	19,0
Total non-current assets	239,6	115,2	119,2
Current assets			
Inventories	156,5	130,6	133,3
Accounts receivable trade and other receivables	81,2	73,5	42,9
Prepaid expenses and accrued income	8,6	5,0	5,4
Cash and cash equivalents	62,1	80,7	101,9
Total current assets	308,4	289,8	283,5
Total assets	548,0	405,0	402,7
Equity and liabilities			
Equity and reserves attributable to the Parent Company's shareholders	317,2	276,7	285,6
Non-controlling interest	0,1	0,1	-
Total equity	317,3	276,8	285,6
Liabilities			
Non-current liabilities			
Other non-current liabilities	15,4	11,6	13,9
Lease liabilities	91,0	-	-
Interest bearing liabilities	12,0	1,6	12,0
Total non-current liabilities	118,4	13,2	25,9
Current liabilities			
Other current liabilities	53,5	57,6	49,7
Lease liabilities	25,3	-	-
Interest bearing liabilities	14,1	34,7	12,9
Accrued expenses and deferred income	19,4	22,7	28,6
Total current liabilities	112,3	115,0	91,2
Total equity and liabilities	548,0	405,0	402,7

FINANCIAL REPORT

Statement of changes in Equity MEUR	Share capital	Other contributed capital	Cash flow hedge reserve	Foreign currency translation reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total Equity
01-01-2018	12,4	39,8	-0,9	-2,1	-0,4	182,1	230,8	0,0	230,8
Net Profit for the period						58,3	58,3		58,4
Other comprehensive income for the period			0,1	-2,4			-2,3		-2,3
Total comprehensive income for the period	-	-	0,1	-2,4	-	58,2	56,1	-	56,0
Dividends						-12,8	-12,8		-12,8
Transfer of cash flow hedge reserve to inventories			2,6				2,6		2,6
30-09-2018	12,4	39,8	1,8	-4,5	-0,4	227,5	276,7	0,1	276,8

Statement of changes in Equity MEUR	Share capital	Other contributed capital	Cash flow hedge reserve	Foreign currency translation reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total Equity
01-01-2019	12,4	39,8	1,6	-4,4	-0,4	236,7	285,6	0,1	285,7
Net Profit for the period						59,5	59,5		59,5
Other comprehensive income for the period			-0,1	-2,0			-2,1		-2,1
Total comprehensive income for the period	-	-	-0,1	-2,0	-	59,5	57,4	-	57,4
Acquisition of subsidiaries								0,5	0,5
Transactions with non-controlling interests						-0,5	-0,5	-0,5	-1,0
Purchase of own shares *)					-9,8		-9,8	-	-9,8
Dividends						-15,2	-15,2	-	-15,2
Transfer of cash flow hedge reserve to inventories			-0,5				-0,5	-	-0,5
30-09-2019	12,4	39,8	1,1	-6,4	-10,2	280,5	317,1	0,1	317,3

*) Fenix Outdoor International AG announcement by press releases dated 7 and 14 February 2019 that the company, in one or more occasions would, if possible, repurchase up to 700 000 own B-shares during the current calendar year. As per 2018-12-31 the company owned 6 700 of own B-shares. As per 2019-09-30 the company owned 119 598 of own B-shares.

FINANCIAL REPORT

Consolidated statement of cash flows MEUR	9 months Jan-Sept 2019	 Jan-Sept 2018	12 months Jan - Dec 2018
OPERATING ACTIVITIES			
Net profit for the period	59,5	58,4	67,4
Tax expense in income statement	18,8	18,0	21,1
Financial result net in income statement	-1,9	-0,6	-0,1
Depreciation for Right-of-use assets	19,7		
Depreciation/amortisation tangible and intangible assets	12,4	9,3	14,2
Adjustment for non cash items	-2,7	-0,7	-4,0
Interest received	0,1	0,4	0,8
Interest paid	-2,2	-1,4	-1,7
Income tax paid	-16,1	-18,3	-23,0
	87,6	65,1	74,7
Change in inventories	-21,8	5,0	2,4
Change in operating receivables	-37,8	-28,1	-2,2
Change in operating liabilities	-12,8	-1,5	4,2
Cash flow from operating activities	15,2	40,5	79,1
INVESTING ACTIVITIES			
Purchase of intangible assets	-7,7	-7,1	-10,1
Purchase of tangible fixed assets	-12,1	-16,8	-22,0
Sale of tangible fixed assets	1,1		
Sale of associated companies			0,6
Dividend from associated companies	1,6	2,3	2,3
Acquisition of subsidiaries, net of cash acquired	0,5	-1,5	-1,5
Settlement of loans		-0,9	-0,9
Financial assets		0,1	
Cash flow from investing activities	-16,6	-23,9	-31,6
FINANCING ACTIVITIES			
Borrowings	0,8	1,5	5,4
Repaid borrowings	-0,1	-18,1	-33,0
Payment of finance lease liabilities	-18,9		
Purchase of own shares	-9,8		
Dividends paid	-15,2	-12,8	-12,8
Cash flow from financing activities	-43,2	-29,4	-40,3
Change in cash and cash equivalents	-44,6	-12,8	7,2
Cash and cash equivalents at beginning of year	101,9	93,7	93,7
Effect of exchange rate differences on cash and cash equivalents	4,8	-0,2	1,0
Cash and cash equivalents at period-end	62,1	80,7	101,9

Notes to the financial report

Note 1 Accounting principles

Fenix Outdoor International AG is a listed company with its registered office in Zug, Switzerland.

This quarterly report is prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies adopted are consistent with those applied in the Annual Report for the year ended 31 December 2018 with the exception of new and revised standards and interpretations that become effective on the period from 1 January 2019 onwards.

IFRS 16 Leases became effective for annual periods beginning on or after January 1, 2019 and the Group has applied the new standard as from January 1, 2019. At transition, the Company applied the practical expedient under IFRS 16 to not reassess whether a contract is, or contains, a lease. Therefore, the Group has applied the standard to contracts previously identified as leases, or as containing a lease under IAS 17 and IFRIC 4. The Company implemented the standard procedure using the cumulative catch-up method, with the cumulative effect being adjusted to the opening balance at transition date and no restated information presented for any period before December 31, 2018. At transition, the Group recognized lease liability for leases previously classified as operating leases. The incremental borrowing rate to be applied to lease liabilities recognized in the balance sheet at the transition date were estimated to 1,55% - 4,55% p.a., depending on market for lease. Right-of-use assets were recognized based on the amount equal to the related lease liability.

The Group applied the following practical expedients when applying IFRS 16 at transition date. As substitute for measurement of impairment for right-of-use assets onerous lease contract method is used and initial direct cost are excluded from the measurement of the right-to-use asset.

The Group applies the short-term lease recognition exemption to its short-term leases, those leases that have a total lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value, below TEUR 5. Lease payments on short-term leases and leases of low-value assets are recognized as expenses over the lease term.

The right-of-use assets for lease contracts is depreciated on a straight-line method over the shorter of the asset's useful live and the length of the lease.

Overview of assets, liabilities and profit and loss positions 30.09.2019 related to IFRS 16.

30.09.2019, MEUR	Brands	Frilufts	Global sales	Common	Total
Right-of use assets					
Property, plant and equipment	18,4	94,8	1,9	0,3	115,4
Prepayments	0,1	0,6			0,8
Total assets	**18,6**	**95,5**	**1,9**	**0,3**	**116,3**
Leases liabilities					
Interest-bearing loans and borrowings	-18,6	-95,5	-1,9	-0,3	-116,3
Total liabilities	**-18,6**	**-95,5**	**-1,9**	**-0,3**	**-116,3**

	Brands	Frilufts	Global sales	Common	Total
Right-of use assets					
Depreciation	-4,3	-14,1	-1,0	-0,3	-19,7
Interest cost	-0,6	-0,9			-1,5

Opening balances on transition date, IFRS16.

01.01.2019, MEUR	Brands	Frilufts	Global sales	Common	Total
Right-of use assets					
Property, plant and equipment	20,6	87,0	2,2	0,6	110,4
Total assets	**20,6**	**87,0**	**2,2**	**0,6**	**110,4**
Liabilities					
Interest-bearing loans and borrowings	-20,6	-87,0	-2,2	-0,6	-110,4
Total liabilities	**-20,6**	**-87,0**	**-2,2**	**-0,6**	**-110,4**

Note 2 Risks

The risk factors of the Group are presented in the last published annual report 2018 and are still valid, page 26.

Note 3 Hedge accounting

	2019-09-30	2018-12-31	2018-09-30
Market value	966	1 617	1 853
FX Forwards			
Purchased TUSD	23 500	43 500	27 500
Sold TEUR	20 450	36 066	21 910
Rate	1,149	1,206	1,255
Purchased TUSD	2 000	2 000	1 500
Sold TNOK	17 066	16 640	12 311
Rate	8,533	8,320	8,207
Interest swap			
Paying long term due 2020-03-19, TUSD	11 000	11 000	15 000
Getting short term 3 months, TUSD	11 000	11 000	15 000

Note 4 Exchange rates

	Average rate			Balance sheet closing rate		
	Jan - Sept 2019	Jan - Sept 2018	Jan - Dec 2018	2019-09-30	2018-09-30	2018-12-31
SEK/EUR	10,5881	10,2831	10,2937	10,6958	10,3090	10,2548
CHF/EUR	1,1159	1,1572	1,1512	1,0847	1,1316	1,1269
USD/EUR	1,1214	1,1919	1,1778	1,0889	1,1576	1,1450
SEK/CHF	9,4884	8,8863	8,9418	9,8606	9,1101	9,1000

Note 5 Segment reporting – sales and operating result

The Group is organized in three business segments: Brands, Global sales and Frilufts. Fenix Outdoor International AG reports sales and operating result for the segments Brands, Global Sales, Frilufts and Common. The internal monitoring of the operations takes place in this segmentation. Additionally sales are divided into geographical areas.

	Brands		Frilufts		Global sales		Common		Group	
	July-Sept 2019	July-Sept 2018	July-Sept 2019	July-Sept 2018	July-Sept 2019	July-Sept 2018	July-Sept 2019	July-Sept 2018	July-Sept 2019	July-Sept 2018
External sales, MEUR	53,9	51,7	82,5	78,5	55,2	48,2	0,0	0,5	191,6	178,9
EBITDA, MEUR *)	33,1	29,8	11,6	10,3	13,8	10,1	-1,2	-3,0	57,3	47,1
Operating profit, MEUR	30,4	28,9	4,8	8,9	13,3	9,7	-3,0	-3,7	45,5	43,8

	Brands		Frilufts		Global sales		Common		Group	
	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018
External sales, MEUR	126,9	118,0	205,6	202,3	126,7	113,0	0,6	1,3	459,7	434,6
EBITDA, MEUR *)	64,9	57,5	19,4	12,6	25,3	21,5	-1,2	-6,5	108,5	85,1
Operating profit, MEUR	57,6	54,9	1,0	8,4	23,4	20,6	-5,6	-8,2	76,4	75,8
Number of Stores	34	29	80	71	27	16			141	116
of which are franchise			3	3	4				7	3
Fixed assets *)	44,2	24,2	132,8	36,1	12,4	12,2	50,2	42,7	239,6	115,2
Cap. Expenditures, net	3,5	2,3	7,9	3,2	0,9	1,4	7,5	17,0	19,8	23,9

*) Fixed assets 2019 includes Right-of-use assets from adopting IFRS 16 and EBITDA in 2019 are affected by adopting IFRS 16. The Group defines earnings before interest, tax, depreciation and amortization (EBITDA) as operating profit, excluding depreciation and write-downs of tangible, intangible assets and Right-of-use assets.

External sales per Market	Brands		Frilufts		Global sales		Common		Total	
	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018	Jan-Sept 2019	Jan-Sept 2018
Switzerland					9,0	8,3			9,0	8,3
Sweden	8,9	10,5	42,1	38,9					51,0	49,4
Other Nordic countries	0,9	3,4	34,1	29,0	27,2	31,4			62,2	63,8
Germany	47,7	50,8	128,9	134,4			0,6	1,3	177,2	186,5
Benelux	12,3	12,0	0,1		6,5	5,9			18,9	17,9
Other Europé	13,2	10,0	0,4		33,5	30,9			47,1	40,9
Americas	41,9	29,5			32,0	23,3			73,9	52,8
Other World	2,0	1,8			18,5	13,2			20,5	15,0
Total	126,9	118,0	205,6	202,3	126,7	113,0	0,6	1,3	459,7	434,6

Note 6 Acquisition of Taiwanese distributor

During 2019, Fenix Outdoor International AG has acquired its Taiwanese distributor. Fenix Outdoor took a 70% ownership by acquiring shares in a new issue of shares made by the Taiwanese company. The investment was TEUR 1 000 and the acquisition resulted in a goodwill position of TEUR 40. As the cash was transferred to the new subsidiary this represents a non-cash transaction from the Group's perspective. The acquisition has a very limited effect on the financial figures of the Group.

Note 7 Outstanding options from acquisitions

From the acquisition of the Taiwanese distributor, Fenix Outdoor International AG has a right and an obligation through a put and call arrangement, where the price is based on a profit multiple, to acquire the remaining 30% of the company. The exercise period starts on 30 June 2022 and ends 30 June 2027. The present value of the redemption was recognized as a long-term liability for the amount of MEUR 0,5 and will be valued at each quarter closing.

Fenix Outdoor International AG acquired 2017 Alpen International. The agreement from 2017 includes put/call arrangements for the 25% non-controlling interests, exercisable in the period between 2020 and 2029. The present value of the redemption amount was recognized as a long- term liability for the amount of MEUR 0,7 and the non-controlling interests were derecognized. The position will be valued at each quarter closing, no adjustment was necessary at September 30, 2019. Future changes in the put option liability will be recognized in equity.

Note 8 Events after period closing

No major events after period closing.

Note 9 Transactions with related parties

There have been no major changes in relations to transactions with related parties compared to 2018.

Zug, October 29, 2019

The President certifies that this report gives a true and fair view of the Group's operations, position and results and describes the principal risks and uncertainties that the Company and the companies in the group are exposed to.

Alexander Koska
President

Report on the review of interim condensed consolidated financial statements

To the Board of Directors of

Fenix Outdoor International AG, Zug, org.nr CHE-206.390.054

Introduction

We have reviewed the interim condensed consolidated financial statements (consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial report), pages 7 to 15, of Fenix Outdoor International AG for the period from 1 January 2019 to 30 September 2019. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

Zurich, 29 October 2019

Ernst & Young Ltd

Roger Müller	Roman Ottiger
Licensed Audit Expert	Licensed Audit Expert
(Auditor in charge)	