

# FENIX OUTDOOR INTERNATIONAL AG

## Interim condensed consolidated financial statement for the period ended 31 March 2020

### First quarter 2020-01-01 – 2020-03-31

- The total income of the Group was TEUR 129 282 (138 228), a decrease of 6,5%.
- The EBITDA of the Group was TEUR 17 685 (28 760).
- The operating profit of the Group was TEUR 6 778 (19 353).
- The profit before tax of the Group was TEUR 8 938 (20 719).
- The profit after tax of the Group was TEUR 4 412 (16 297).
- Earnings per share amounted to EUR 0,33 (1,21).
- March sales was negatively affected by Covid 19 crisis hitting Europe and North America, but cost savings were not yet contributing in March.

### Events after period closing

- Compared to last year net sales in April was around 50%, affected by closed shops and local “lock downs”.
- Net Sales in April was heavily supported by strong on line sales. The digital channels represented more than 40% of total sales compared to 10% last year.
- Friluftss, with many shops closed, showed net sales of 60% compared to last year in April, also supported by strong on line sales.
- We can now also confirm that the cost saving programs gave effect in April.

Besides that no significant events after period closing. Further status update related to Covid19 is presented in the “Comments by the Chairman” part of the interim report.

### Repurchase of own shares

As per 2020-03-31 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 May 7 at 13 00, 2020.

**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](http://www.fenixoutdoor.se) under “Finansiellt”

**CALENDARIUM  
FINANCIAL INFORMATION**  
Q2 report, July 21, 2020

# COMMENTS BY THE CHAIRMAN

## Running into the Covid-19 wall

My concerns from the Q4 report has unfortunately proved true.

We were in line or above targets and last year at the end of February. Then March hit us - With retail closures in Germany , North America and Norway and lock downs in most of our markets. Because of this sales in open stores also declined. The loss of sales was between 10-60 percent dependent on market and location. This loss of sales hit especially hard in indoor malls and downtown locations, whereas smaller towns and more rural areas were less impacted. We also closed down our warehouse in the USA as a safety precaution and to adhere to State and local regulations. We are now open again and are delivering both wholesale replenishment through customers active on the web as well as B to C consumers through our web shop. This development is very much in line what we already saw in Asia earlier, except for Taiwan, which due to their control of Covid-19 never was affected, and where we are showing a healthy growth.

Since many of our Brand and Global sales markets faced similar situations the customers stopped buying, hitting these parts of the business as well. In March, many markets web sales also went down though not as radically. While most could not predict the severity of this crisis we were able to take action to best position our business and cash position. By working with our supply-chain, securing early delivery and cancelled, postponed and pausing even started investment projects as they have become irrelevant due to the new situation. We also have instigated hiring freeze, but we had some costs that had already started in Q4 in areas of hiring and restructuring, which we decided not to stop, as we were of the opinion that they will support our business long term as well as being important to support our web sales since this is the best revenue source at this time. This means that during March we only carried the burden of lost sales and had not yet realized major savings, especially in the retail segment which posted a considerable loss. We also had cost commitments in other areas in March, which was impossible to cancel. Lastly, we have taken additional strong measures in Q1, making reservations for customer receivables due to the uncertainty in the market.

Q2 will be a tough quarter, but we expect to show savings as well as positive changes in the behavior of customers, particularly in the area of web sales where we expect to see and capitalize on the existing trend towards substantial growth compared to last year.

What have we done and are doing

Basically, all our offices are working from home. All our warehouses are however open to support retailers still active as well as our digital shops. We have implemented new safety measures for working world wide to make an as safe working environment for our employees as possible. All local rules for social distancing etc. have been implemented. We have implemented more and smaller shifts in our warehouses to minimize exposure and maintain some efficiency.

In term of financial measures we have entered short term work agreements with our workers councils in Germany, which means we are using the support of the German government thereby enabling us to save up to 85% of the salary cost. These measures have not been limited to our shop personnel, but has also been implemented in our offices in Munich and in Hamburg, as well as in our shoe production plant in Vierkirchen. We have kept some small crews in place in our shops to enable us to deliver on line order from our shops if our warehouse become unable to do so. We are also being supported in Germany by not having to pay rent for our shops while they are closed. Our shoe plant in Hungary has so far been working for external customers, but as soon as needed and when the Hungarian governments support program comes into place there is a high likelihood for it being short term closed. In Denmark, Norway and in the Netherlands all shop personnel, in the shops that are or have been closed, have been furloughed with support of the governments. In Sweden we have a smaller part of the staff also been furloughed with the support of the local government, but the saving is much lower than in other countries. In North America similar measures have been taken. We have also been working on adjusting all costs on all levels and are implementing our crisis saving plans that we always have prepared in our desks. These plans are developed and updated every 2nd year.

How do we view the rest of the year and how is sales going?

Brands and Global sales are definitely having a negative impact on sales, as in most major markets many local shops are closed. Retail is also being hit through the pandemic. It is obvious that in markets where our shops are closed, we do not sell anything from the shops. We are also seeing a negative impact in sales in markets where shops are open but the impact varies, as stated in first clause.. The shop sales in some areas are down up

to 50% compared to last year. Initially we also saw a negative effect on the digital sales. However, in April the online sales have taken off and looks really promising. We are looking at on line growth rates on a like for like basis, depending on market, between 90-300% in our retail segment. In some countries and days the online sales has been able to bring the total chain sales up to last year's numbers. This looks really hopeful. The performance of the rest of the year is really depending upon when the markets open up and how the customers behave when that happens.

Firstly, we strongly believe that our part of the consumer goods industry is very well positioned for a faster recovery than the rest. The reasons are; recessions are historically a time when our industry outperforms others, especially in Europe. We also believe that the negative effect on travel will make people look for activities closer to home, which will then have a positive effect on our industry. We also believe that the trend towards more digital sales will increase. This means that brick and mortar sales will not only face challenges getting back from the corona crisis, but also will face that a permanent part of its sales have gone and that it will stay so. We therefor believe that recovery in sales is going to be gradual and that it will take some time.

We also believe that there are two major inherent exposures/risks when the markets open. Firstly, not all of our wholesale customers will survive and those who do will need support for paying their bills meaning that we potentially will face higher credit losses and more importantly extended credit terms. Secondly, given that the retail customers in some of our major markets have lost two of months selling and that many of our competitors might face illiquidity and overstock from the current season, there may result in a major price war in the market. We have seen some indications that brick and mortar customers with online stores in North America is already driving web sales through price. We do however also believe that, as our ranges are less seasonal and extend over more seasons, we are facing a much lower risk of this brand dilution happening to us.

Fenix Outdoor is currently reevaluating its strategic plans for the brick and mortar stores. We still strongly believe in our overall strategy of the combination of digital and brick and mortar, but we are reevaluating our brick and mortar shops both from a short- and medium-term perspective and how the current network fits together with that strategy, given what we believe to be a permanent change in the market. This is done on the basis of location, size and cost. In particular cost is being evaluated as we believe that there needs to be a shift downwards in the rental expenses, especially for the traditional retail stores.

Given the effects of the pandemic there is a high likelihood of decrease in sales, at least in medium term. We do not believe the complete recovery will occur until a vaccine against Covid-19 is found. Until then there is a

certain likelihood that restrictions, legal or otherwise, will remain for traffic in shops etc., limiting the possibility for paying the current rents. We are therefore currently trying to discuss this new world with our landlords worldwide. We are also making us prepared, if needed, to rescale our business based on the smaller volumes if permanent. We are also reevaluating our supply chain from the angles of dependency, reliability and in particular from an increased safety and CSR perspective. We are also looking for opportunities, both on the brand side as well as on the retail side, for possible acquisitions as well as closer cooperation opportunities in these troubling times.

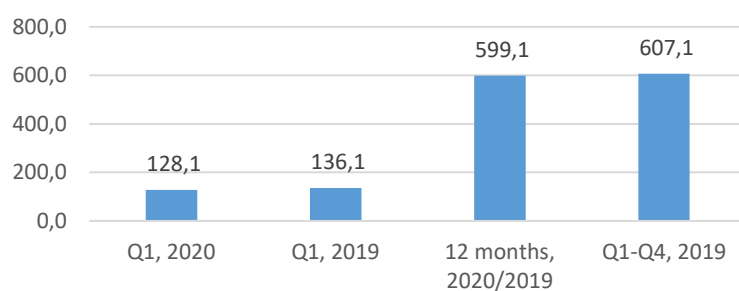
Zug May 7<sup>th</sup> 2020

Martin Nordin, Executive Chairman

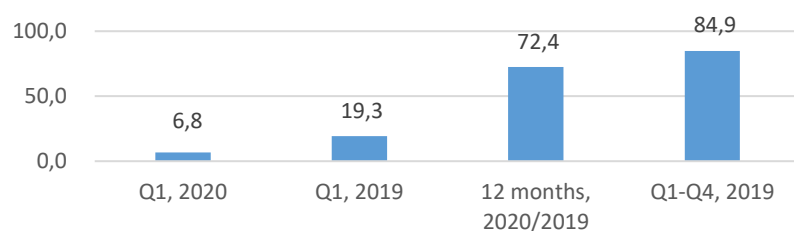
MEUR	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
Net sales	128,1	136,1	599,1	607,1
EBITDA	17,7	28,7	117,0	128,0
Operating profit	6,8	19,3	72,4	84,9
Profit margin, %	5,3%	14,2%	12,1%	14,0%
Profit before tax	8,9	20,7	72,5	84,4
Net profit for the period	4,4	16,3	49,3	61,3
Earnings per share, EUR *)	0,33	1,21	3,66	4,57
Solvency rate, %	57,8%	58,6%		57,6%

\*)Earnings per share are calculated on outstanding shares.

Net sales, MEUR



Operating profit, MEUR



# THE OPERATION

## Brands

		2020 (2019)
External net sales	Q1	39,2 (40,6) - 3,5%
Operating profit	Q1	15,0 (19,3)

The segment showed strong sales until the March “Covid19 stop” in Europe and North America slowed down the sales of Spring/summer products. Despite this, Brand Retail in North America showed an increase in sales during the period. EBIT is lower than last year, as the cost structure was planned for growth. Cost reductions are now implemented, but the effect will not be shown until Q2.

## Frilufts

		2020 (2019)
External net sales	Q1	48,0 (55,5) - 13,5%
Operating profit	Q1	-11,4 (-4,4)

Frilufts was affected by the mild winter, but of course also by Covid19 with all shops in Germany and a few in Finland and Denmark closed a substantial part of March.

## Global sales

		2020 (2019)
External net sales	Q1	40,9 (39,8) + 2,8%
Operating profit	Q1	6,8 (6,8)

As for Brands strong start of the quarter, but slowdown in March. The markets outside Europe contributes to increased sales for the total quarter.

## Common, Liquidity and financial standing

		2020 (2019)
Operating profit	Q1	-3,5 (-2,5)

The Group's financial position remains strong. Consolidated cash and cash equivalents amounted to MEUR 70,2 (85,6). The Group's interest-bearing liabilities amounted to MEUR 22,4 (25,5). Lease liabilities amounted to MEUR 129,2 (106,6). Consolidated equity attributable to shareholders was MEUR 319,0 (300,7), corresponding to an solvency rate of 57,8% (58,6%).

# THE OPERATION

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

- 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 Friluftss the retailers Naturkompaniet AB, Partioaitta Oy, Globetrotter Ausrüstung GmbH and Friluftssland A/S are included.
- Global sales includes distribution companies selling more than one Fenix Outdoor brand.

The three business segments are supported by common functions for Management, CSR/CSO, Finance, HR, Legal, Digital Technology and Logistics.

	Brands		Friluftss		Global sales		Common		Group	
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External sales, MEUR	39,2	40,6	48,0	55,5	40,9	39,8		0,2	128,1	136,1
EBITDA, MEUR	17,6	21,6	-6,2	1,2	7,3	7,5	-1,1	-1,6	17,7	28,7
Operating profit, MEUR	15,0	19,3	-11,4	-4,4	6,8	6,8	-3,5	-2,5	6,8	19,3
Number of Stores	36	32	80	75	25	16			141	123
of which are franchise			3	3					3	3
Fixed assets	54,1	43,3	132,7	122,7	12,2	12,1	51,7	50,7	250,7	228,8
Cap. Expenditures, net	2,3	1,1	0,5	2,6	0,4	0,3	1,8	1,0	5,0	5,0

External sales per market	Brands		Friluftss		Global sales		Common		Total	
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Switzerland					3,9	3,2			3,0%	2,4%
Sweden	2,7	2,4	9,5	10,5					9,5%	9,5%
Other Nordic countries	0,2	0,2	8,1	9,5	7,1	7,9			12,0%	12,9%
Germany	16,8	18,0	30,1	35,5				0,2	36,6%	39,5%
Benelux	4,2	4,6	0,1		2,4	3,3			5,2%	5,8%
Other Europe	3,8	3,9	0,2		10,9	11,8			11,6%	11,5%
Americas	11,1	10,9			8,6	6,7			15,4%	12,9%
Other World	0,4	0,6			8,0	6,9			6,6%	5,5%
<b>Total</b>	<b>39,2</b>	<b>40,6</b>	<b>48,0</b>	<b>55,5</b>	<b>40,9</b>	<b>39,8</b>	<b>0,0</b>	<b>0,2</b>	<b>100%</b>	<b>100%</b>

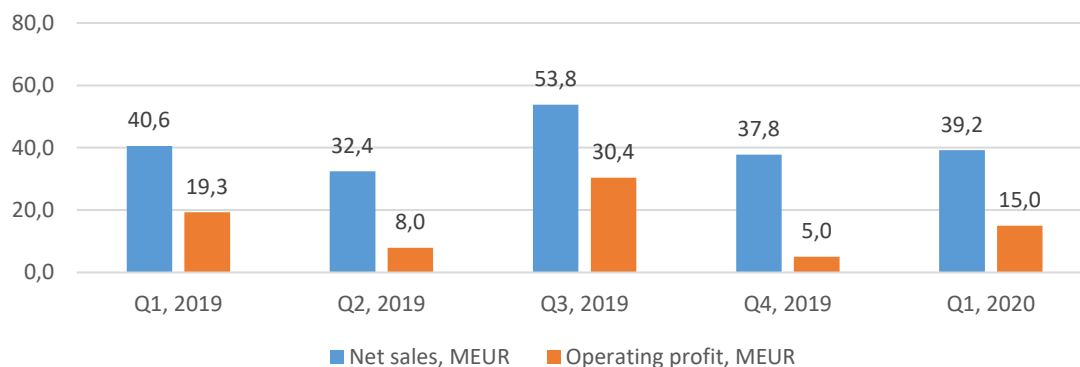
Fenix Outdoor's use of alternative key figures:

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 IFRS16 the Group have decided to include it as an alternative key figure.

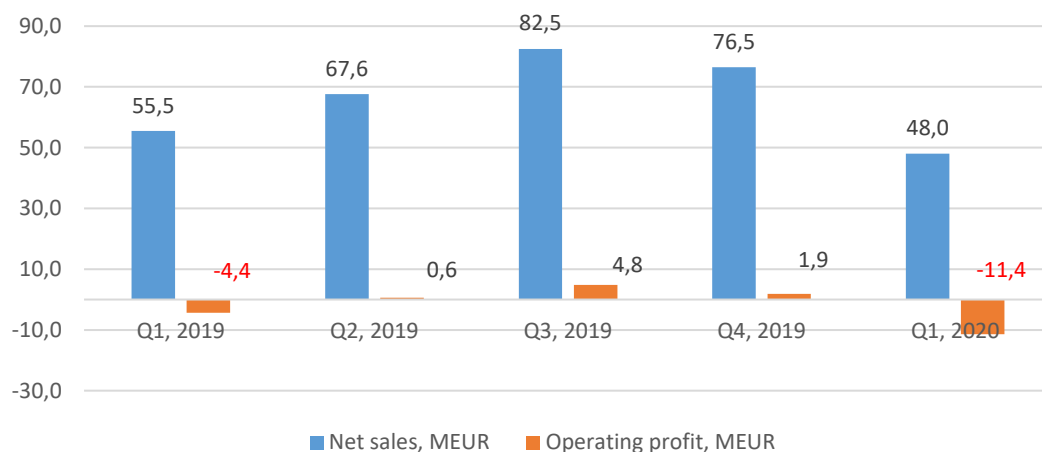
# THE OPERATION

## Net sales and operating result per segment

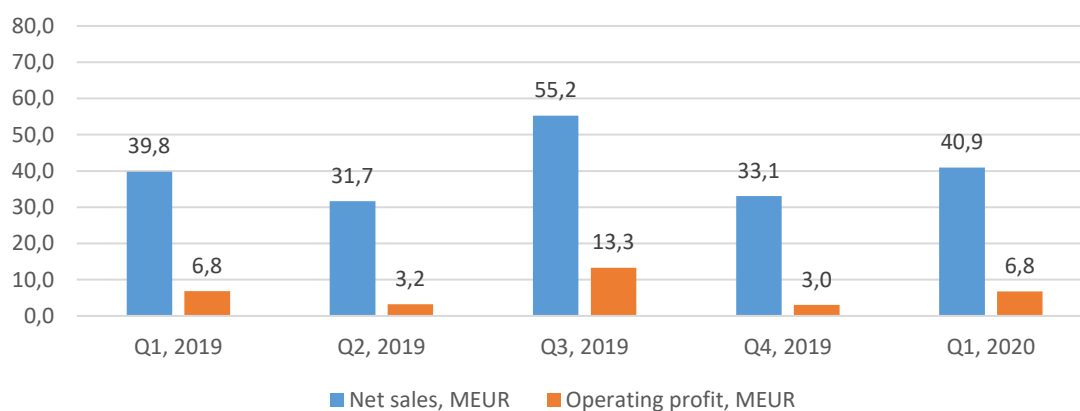
### Brands



### Friluftts



### Global sales





# FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT MEUR	3 months		12 months	
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
	2020	2019	2019/2020	2019
Net sales	128,1	136,1	599,1	607,1
Other operating income	1,2	2,1	8,4	9,3
<b>Total income</b>	<b>129,3</b>	<b>138,2</b>	<b>607,5</b>	<b>616,4</b>
Cost of goods	-54,3	-57,4	-248,3	-251,4
Other external expenses	-28,8	-26,2	-123,4	-120,8
Personnel expenses	-28,3	-26,4	-118,2	-116,3
Depreciation/amortisation	-10,9	-9,4	-44,6	-43,1
Result from participations in associated companies	0,1	0,6	0,9	1,4
Other operating expenses	-0,3	-0,1	-1,5	-1,3
<b>Operating expenses</b>	<b>-122,5</b>	<b>-118,9</b>	<b>-535,1</b>	<b>-531,5</b>
<b>Operating profit</b>	<b>6,8</b>	<b>19,3</b>	<b>72,4</b>	<b>84,9</b>
Financial income	2,8	2,1	3,4	2,7
Financial expenses	-0,7	-0,7	-3,3	-3,3
<b>Profit before tax</b>	<b>8,9</b>	<b>20,7</b>	<b>72,5</b>	<b>84,4</b>
Income tax	-4,5	-4,4	-23,2	-23,1
<b>Net profit</b>	<b>4,4</b>	<b>16,3</b>	<b>49,3</b>	<b>61,3</b>
Net profit for the period attributable to:				
Parent Company's shareholders	4,4	16,3	49,2	61,2
Non-controlling interests	0,0	0,0	0,1	0,1
Earnings per share, EUR	0,33	1,21	3,66	4,57
Weighted average of outstanding shares, B, thousands	10 940	11 060	11 060	10 977
Weighted average of outstanding shares, A, thousands	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.

# FINANCIAL REPORT

Consolidated Statement of Comprehensive Income MEUR	3 months		12 months	
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
	2020	2019	2019/2020	2019
<b>Net profit</b>	4,4	16,3	49,3	61,3
Not to be reclassified in the income statement in the future				
Remeasurements of post employment benefit obligations			-0,2	-0,2
Taxes			0,1	0,1
To be reclassified to the income statement in the future				
Change in translation reserve during the period	-5,3	-0,3	-6,0	-1,0
Hedge accounting	0,0	-0,1	-0,1	-0,2
Taxes				
<b>Total other comprehensive income for the period</b>	-5,3	-0,4	-6,2	-1,3
<b>Total comprehensive income for the period</b>	-0,9	15,8	43,1	60,0
Total comprehensive income attributable to:				
Parent Company's shareholders	-0,9	15,8	43,0	59,9
Non-controlling interests	0,0	0,0	0,1	0,1

# FINANCIAL REPORT

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MEUR</b>	31 Mar 2020	31 Mar 2019	31 Dec 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible fixed assets	39,1	37,6	40,8
Tangible fixed assets	67,9	63,7	67,8
Right-of-use assets	127,8	106,4	124,7
Other non-current assets	15,9	21,1	17,1
<b>Total non-current assets</b>	<b>250,7</b>	<b>228,8</b>	<b>250,4</b>
<b>Current assets</b>			
Inventories	167,8	138,7	159,7
Accounts receivable trade and other receivables	54,8	54,4	46,6
Prepaid expenses and accrued income	8,6	5,6	8,8
Cash and cash equivalents	70,2	85,6	88,9
<b>Total current assets</b>	<b>301,4</b>	<b>284,3</b>	<b>304,0</b>
<b>Total assets</b>	<b>552,1</b>	<b>513,1</b>	<b>554,4</b>
<b>Equity and liabilities</b>			
Equity and reserves attributable to the Parent Company's shareholders	319,0	300,7	319,1
Non-controlling interest	0,1	0,1	0,1
<b>Total equity</b>	<b>319,1</b>	<b>300,8</b>	<b>319,3</b>
<b>Liabilities</b>			
Non-current liabilities			
Other non-current liabilities	15,3	13,6	17,4
Lease liabilities	103,9	86,0	100,4
Interest bearing liabilities	-	12,0	-
<b>Total non-current liabilities</b>	<b>119,2</b>	<b>111,6</b>	<b>117,8</b>
Current liabilities			
Other current liabilities	46,6	42,3	47,7
Lease liabilities	25,3	20,6	25,6
Interest bearing liabilities	22,4	13,5	22,2
Accrued expenses and deferred income	19,5	24,3	21,9
<b>Total current liabilities</b>	<b>113,8</b>	<b>100,7</b>	<b>117,4</b>
<b>Total equity and liabilities</b>	<b>552,1</b>	<b>513,1</b>	<b>554,4</b>

# 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
01-01-2019	12,4	39,8	1,6	-4,4	-0,4	236,7	285,6	0,1	285,7
Net Profit for the period						16,3	16,3	-	16,3
Other comprehensive income for the period				-0,3			-0,4	-	-0,4
Total comprehensive income for the period				-0,3		16,3	15,9		15,9
Purchase of own shares *)					-0,3	0,0	-0,3		-0,3
Transfer of cash flow hedge reserve to inventories			-0,5				-0,5	-	-0,5
31-03-2019	12,4	39,8	1,1	-4,8	-0,7	253,0	300,7	0,1	300,8
01-01-2020	12,4	39,8	0,1	-5,5	-10,2	282,5	319,1	0,1	319,3
Net Profit for the period						4,4	4,4	-	4,4
Other comprehensive income for the period				-5,3			-5,3	-	-5,3
Total comprehensive income for the period				-5,3		4,4	-0,9		-0,9
Transfer of cash flow hedge reserve to inventories			0,7				0,7	-	0,7
31-03-2020	12,4	39,8	0,8	-10,7	-10,2	287,0	319,0	0,1	319,1

\*) 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 2020-03-31 the company owned 119 598 of own B-shares.

# FINANCIAL REPORT

Consolidated statement of cash flows	3 months		12 months
	Jan-Mar	Jan-Mar	Jan - Dec
	2020	2019	2019
<b>MEUR</b>			
<b>OPERATING ACTIVITIES</b>			
Net profit for the period	4,4	16,3	61,3
Tax expense in income statement	4,5	4,4	23,1
Financial result net in income statement	-2,2	-1,4	0,5
Depreciation for Right-of-use assets	6,4	5,9	26,3
Depreciation/amortisation tangible and intangible assets	4,5	3,5	16,8
Adjustment for non cash items	-3,6	-0,6	-2,4
Interest received	0,7	0,1	0,3
Interest paid	-1,2	-0,7	-3,3
Income tax paid	-5,4	-6,7	-21,5
	8,1	20,8	101,1
Change in inventories	-8,1	-5,4	-25,1
Change in operating receivables	-5,1	-12,0	-7,1
Change in operating liabilities	-5,7	-11,7	-7,5
<b>Cash flow from operating activities</b>	<b>-10,8</b>	<b>-8,3</b>	<b>61,4</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of intangible assets	-1,7	-1,9	-10,2
Purchase of tangible fixed assets	-3,3	-3,1	-16,2
Sale of tangible fixed assets		0,2	1,1
Dividend from associated companies			1,7
Acquisition of subsidiaries, net of cash acquired			0,5
Change financial assets	0,3		
<b>Cash flow from investing activities</b>	<b>-4,7</b>	<b>-4,8</b>	<b>-23,1</b>
<b>FINANCING ACTIVITIES</b>			
Borrowings		0,4	0,8
Repaid borrowings			-3,8
Payment of finance lease liabilities	-5,6	-5,6	-24,0
Purchase of own shares		-0,3	-9,8
Dividends paid			-15,2
<b>Cash flow from financing activities</b>	<b>-5,6</b>	<b>-5,5</b>	<b>-52,0</b>
Change in cash and cash equivalents	-21,1	-18,6	-13,7
Cash and cash equivalents at beginning of year	88,9	101,9	101,9
Effect of exchange rate differences on cash and cash equivalents	2,4	2,3	0,7
Cash and cash equivalents at period-end	70,2	85,6	88,9

# 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 2019 with the exception of new and revised standards and interpretations that become effective January 2020.

## Note 2 Right of use assets

31.03.2020, MEUR	Brands	Frilufts	Global sales	Common	Total
Right-of use assets *)	27,0	97,5	2,2	1,0	127,8
Prepayments	0,3	0,2			0,6
<b>Total assets</b>	<b>27,4</b>	<b>97,7</b>	<b>2,2</b>	<b>1,0</b>	<b>128,4</b>
<b>Leases liabilities</b>					
Interest-bearing loans and borrowings	-28,0	-97,8	-2,2	-1,0	-129,0
Trade and other payables	-0,1				-0,1
<b>Total liabilities</b>	<b>-28,2</b>	<b>-97,8</b>	<b>-2,2</b>	<b>-1,0</b>	<b>-129,2</b>

	Brands	Frilufts	Global sales	Common	Total
Depreciation	-1,8	-4,2	-0,2	-0,2	-6,4
Interest cost	-0,2	-0,3			-0,5

\*) Whereof for options of extensions that is estimated to be renewal

	1,3	12,4	0,5	0,7	14,9
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31.03.2019, MEUR	Brands	Frilufts	Global sales	Common	Total
Right-of use assets	17,2	87,0	1,6	0,5	106,4
Prepayments	0,0	0,1			0,1
<b>Total assets</b>	<b>17,2</b>	<b>87,1</b>	<b>1,6</b>	<b>0,5</b>	<b>106,5</b>
<b>Leases liabilities</b>					
Interest-bearing loans and borrowings	-17,3	-87,2	-1,6	-0,5	-106,6
Trade and other payables					
<b>Total liabilities</b>	<b>-17,3</b>	<b>-87,2</b>	<b>-1,6</b>	<b>-0,5</b>	<b>-106,7</b>

	Brands	Frilufts	Global sales	Common	Total
Depreciation	-1,3	-4,1	-0,4	-0,1	-5,9
Interest cost	-0,2	-0,3			-0,5

## Note 3 Risks

The risk factors of the Group are presented in the last published annual report 2019 and are still valid, page 26.

## Note 4 Hedge accounting

	2020-03-31	2019-03-31	2019-12-31
<b>Market value</b>	704	983	-197
<b>FX Forwards</b>			
Purchased TUSD	30 500	27 000	35 500
Sold TEUR	27 194	22 937	31 494
Rate	1,122	1,177	1,127
Purchased TUSD	2 000	2 000	3 000
Sold TNOK	18 332	16 640	26 859
Rate	9,166	8,320	8,953
<b>Interest swap</b>			
Paying" long term" due 2020-03-19, TUSD	-	11 000	11 000
Getting short term 3 months, TUSD	-	11 000	11 000

## Note 5 Exchange rates

	Average rate			Balance sheet closing rate		
	Jan - Mar 2020	Jan - Mar 2019	Jan - Dec 2019	2020-03-31	2019-03-31	2019-12-31
SEK/EUR	10,8040	10,4185	10,5824	11,0613	10,3980	10,4468
CHF/EUR	1,0630	1,1308	1,1107	1,0585	1,1181	1,0854
USD/EUR	1,0994	1,1379	1,1191	1,0956	1,1235	1,1234
SEK/CHF	10,1634	9,2137	9,5278	10,4500	9,2997	9,6248

## Note 6 Segment reporting – sales and operating result

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

	Brands		Frilufits		Global sales		Common		Group	
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External sales, MEUR	39,2	40,6	48,0	55,5	40,9	39,8		0,2	128,1	136,1
EBITDA, MEUR	17,6	21,6	-6,2	1,2	7,3	7,5	-1,1	-1,6	17,7	28,7
Operating profit, MEUR	15,0	19,3	-11,4	-4,4	6,8	6,8	-3,5	-2,5	6,8	19,3
Number of Stores	36	32	80	75	25	16			141	123
of which are franchise			3	3					3	3
Fixed assets	54,1	43,3	132,7	122,7	12,2	12,1	51,7	50,7	250,7	228,8
Cap. Expenditures, net	2,3	1,1	0,5	2,6	0,4	0,3	1,8	1,0	5,0	5,0

External sales per market	Brands		Frilufits		Global sales		Common		Total	
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Switzerland					3,9	3,2			3,9	3,2
Sweden	2,7	2,4	9,5	10,5					12,2	12,9
Other Nordic countries	0,2	0,2	8,1	9,5	7,1	7,9			15,4	17,6
Germany	16,8	18,0	30,1	35,5				0,2	46,9	53,7
Benelux	4,2	4,6	0,1		2,4	3,3			6,7	7,9
Other Europe	3,8	3,9	0,2		10,9	11,8			14,9	15,7
Americas	11,1	10,9			8,6	6,7			19,7	17,6
Other World	0,4	0,6			8,0	6,9			8,4	7,5
<b>Total</b>	39,2	40,6	48,0	55,5	40,9	39,8	0,0	0,2	128,1	136,1

## 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, no adjustment was necessary at March 31, 2020.

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 March 31, 2020.

Future changes in the put options liabilities will be recognized in equity.



## Note 8 Events after period closing

Besides Covid19 impact, status update in “Chairman” part of the interim report, 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 2019.

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Zug, May 7, 2020

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