

FENIX OUTDOOR INTERNATIONAL AG

Condensed consolidated financial statements for the three and twelve month periods ended 31 December 2017

Fourth quarter 2017-10-01 – 2017-12-31

- The total income of the Group was TEUR 135 382 (123 642), an increase of 9,5 %.
- The operating profit of the Group was TEUR 14 759 (9 596), an increase of 53,8 %.
- The profit before tax of the Group was TEUR 15 039 (9 842).
- The higher tax cost compared to last year is related to USA and Germany.
- Earnings per share amounted to EUR 0,78 (0,93).

Dividend proposal

The Board proposes a dividend of 10,0 (8,0) Swedish Kronor, "SEK", per B-share and 1,0 (0,8) SEK per A-share.

Events after period closing

No significant events after period closing are noted.

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 February 8, 2018 at 15:00

CONTACTPERSON

Martin Nordin, CEO +41 797 99 27 58

CONTENT

CEO comment	2
The operation	3-6
Financial reports	7-11
Notes	12-16

FINANCIAL INFORMATION

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

CALENDARIUM

FINANCIAL INFORMATION

Annual report, distributed week 13, 2018.
Q1 report and Annual General Meeting, April 25th 2018.

COMMENTS BY THE CEO

A satisfying end to a good year

The positive trend continued. Not only for the year, but for the quarter as well.

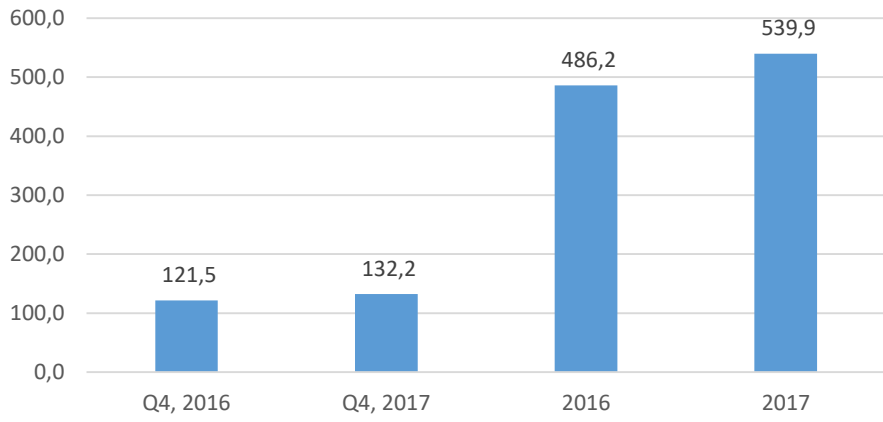
- Fenix Brands and Global Sales segments continued to grow with good profitability. Fjällräven continued to be the main contributor to the growth. But also Hanwag and Tierra showed double digit growth.
- The Sales growth for Fjällräven was in a wide range of products. Even though backpacks are still growing, other product groups outgrew them especially in markets like North America, the Nordics as well as some Asian countries like South Korea.
- The business in China (not consolidated), represented by the joint venture, where Fenix Outdoor holds 50%, contributed a healthy profit for the group. The investments made for entering China has now been more than repaid.
- Frilufts had a fluctuating year from a sales perspective, but ended the year and the quarter above plan. Improved gross margin as well as continued effects of the savings program and better cost control meant that the operating profit increased and thereby the operating margin.
- Frilufts reached an operating margin of 5,0 %, an improvement on last year but still below our long-term target. The Fenix group delivered an operating margin of 15,7 %, which we can be proud of.

2018 shows healthy order books so far. The challenges for the year are however plentiful. As always, we are facing increased competition, a changing retail environment and uncertainties about the general economic development. We also face some internal and operation challenges, such as the go live on a new ERP system at Globetrotter, a move of our B2C and retail warehouse to a semi automated facility in Ludwigslust.

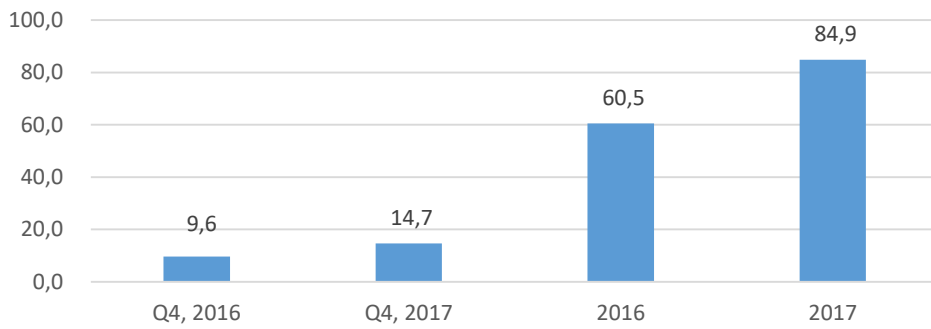
Martin Nordin, CEO

	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
MEUR	2017	2016	2017	2016
Net sales	132,2	121,5	539,9	486,2
Operating profit	14,7	9,6	84,9	60,5
Profit margin, %	11,1%	7,9%	15,7%	12,4%
Profit before tax	15,0	9,8	82,2	58,6
Net profit for the period	10,5	12,5	60,7	48,2
Earnings per share, EUR	0,78	0,93	4,51	3,58
Equity/assets ratio, %			62,1%	58,0%

Net sales, MEUR



Operating profit, MEUR



THE OPERATION

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

- Brands includes the brands Fjällräven, Tierra, Primus, Hanwag and Brunton. It also includes Brandretail (The E-com and monobrand operations of the Brands) and distribution companies concentrated on sales of one brand.
- Global sales includes distribution companies selling more than one Fenix brand.
- In Friluftss the retailers Naturkompaniet AB, Partioaitta Oy, Globetrotter Ausrüstung GmbH and Friluftssland A/S (from 2017 10 02) are included.

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

	Brands		Friluftss		Global sales		Common		Group	
	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
External sales, MEUR	29,5	25,6	75,0	68,0	27,4	27,6	0,3	0,3	132,2	121,5
Operating profit, MEUR	9,7	6,0	2,3	2,0	2,8	3,0	0,0	-1,4	14,7	9,6

	Brands		Friluftss		Global sales		Common		Group	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
External sales, MEUR	123,2	103,0	270,5	258,3	144,9	122,9	1,3	2,0	539,9	486,2
Operating profit, MEUR	51,6	44,0	13,4	6,8	25,5	17,5	-5,5	-7,8	84,9	60,5
Number of Stores	24	22	69	58	14				107	80
of which are franchise			4	3					4	3
Fixed assets	20,1	23,8	36,7	34,5	13,9	12,5	29,9	8,6	100,6	79,4
Cap. Expenditures	1,8	5,2	4,7	0,6	1,3	1,8	22,6	2,8	30,4	10,4

External sales per market	Brands		Friluftss		Global sales		Common		Total	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Switzerland					10,1	8,2			1,9%	1,7%
Sweden	19,0	19,4	57,5	54,7					14,2%	15,2%
Other Nordic countries	5,5	3,5	30,4	25,3	40,8	36,2			14,2%	13,4%
Germany	62,1	50,4	182,6	178,3			1,3	2,0	45,6%	47,4%
Benelux	8,1	8,2			11,2	9,9			3,6%	3,7%
Other Europe	1,8	1,3			37,2	27,4			7,2%	5,9%
North America	23,5	18,0			28,2	29,8			9,6%	9,8%
Other World	3,2	2,2			17,4	11,4			3,8%	2,8%
Total	123,2	103,0	270,5	258,3	144,9	122,9	1,3	2,0	100%	100%

THE OPERATION, twelve months

Brands

- The external net sales increased to MEUR 123,2 (103,0), an increase of 19,6 %.
- The operating profit increased to MEUR 51,6 (44,0)

The major growth of net sales is related to increased sales in the two major markets Germany and North America, the later represented by its growing Brand Retail network. Fjällräven and Hanwag are the brands showing the strongest growth.

Global sales

- The external net sales increased to MEUR 144,9 (122,9), an increase of 17,9 %.
- The operating profit increased to MEUR 25,5 (17,5).

Also Global sales shows increased sales. The increase is largest in "other Europe" but also in "other world", where the effect is strengthened by the acquisition of the South Korean distributor of Fenix products, Alpen International. The increase in profit is also affected by sales and profit increases in the Chinese Joint Venture.

Friluftss

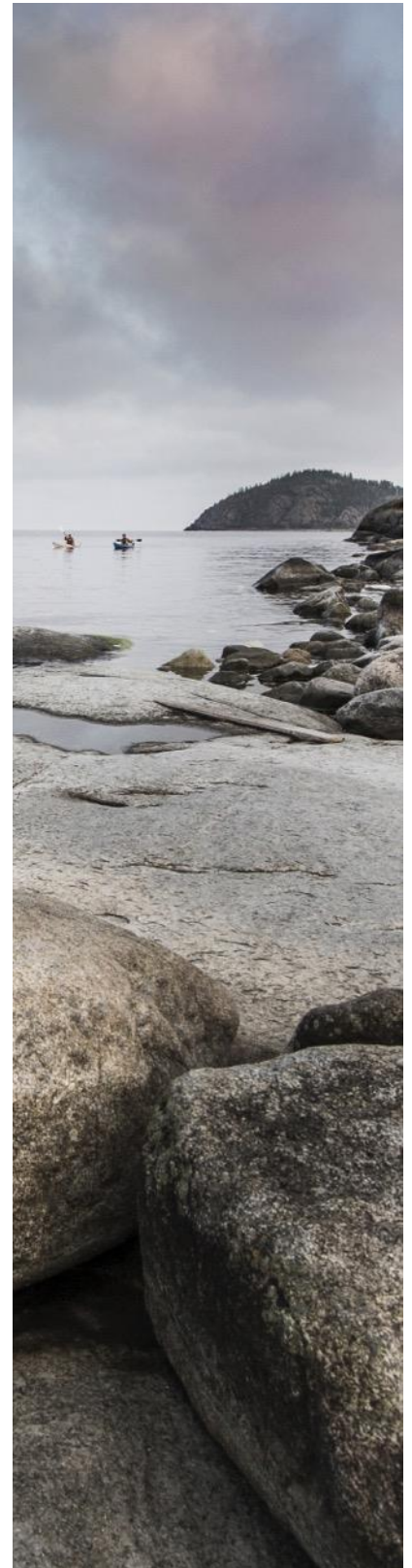
- The net sales increased to MEUR 270,5 (258,3), an increase of 4,7%
- The operating profit increased to MEUR 13,4 (6,9).

All markets show increased net sales. An improved grossmargin as well as continued effects from better cost control affects the result in a positive way. In the last quarter also the acquired retailer Friluftssland A/S contributes to net sales and profit.

Liquidity and financial standing

The Group's financial position remains strong.

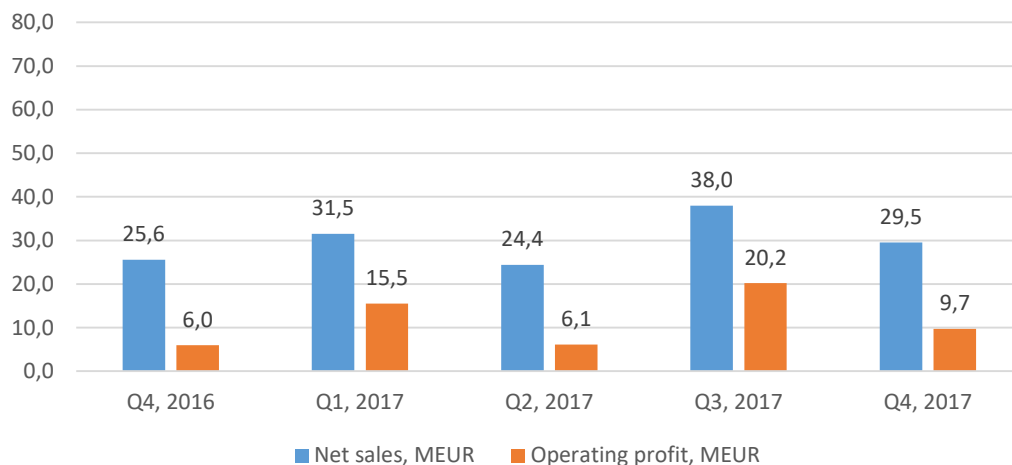
Consolidated cash and cash equivalents amounted to MEUR 93,7 (76,8). The Group's interest-bearing liabilities amounted to MEUR 52,6 (52,2). The higher capital expenditures are mainly related to the process of shifting the ERP systems in Globetrotter, an investment in a more efficient logistic software and the ongoing building of a European Business to Consumer warehouse in Ludwiglust in northern Germany. Consolidated equity attributable to shareholders was MEUR 230,8 (186,7), corresponding to an equity ratio of 62,1 (58,0)%.



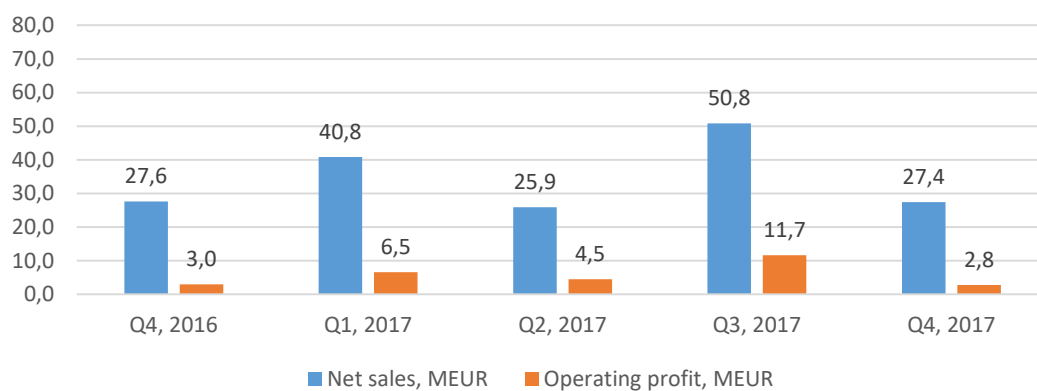
THE OPERATION

Net sales and operating result per segment

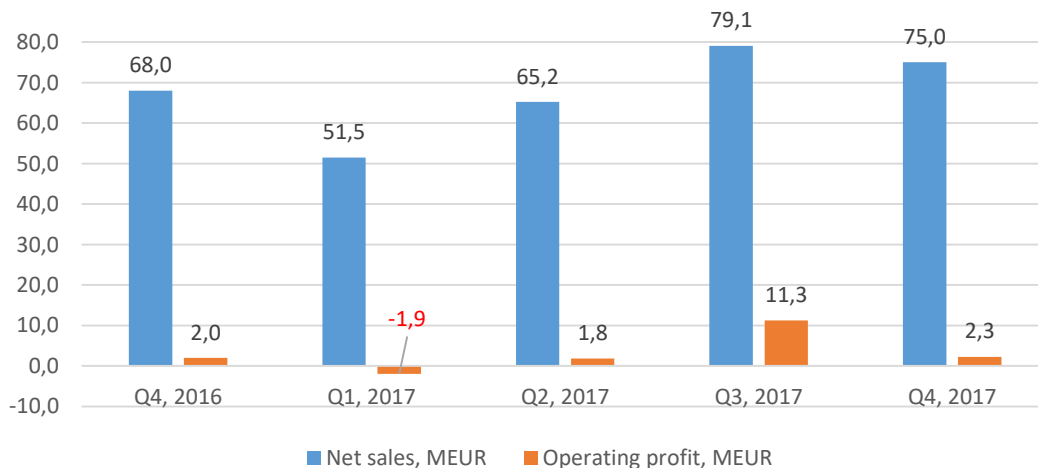
Brands



Global sales



Frilufts



FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT MEUR	3 months		12 months	
	Oct - Dec	Oct - Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016
Net sales	132,2	121,5	539,9	486,2
Other operating income	3,1	2,1	12,7	10,0
Total income	135,3	123,6	552,6	496,2
Cost of goods	-55,2	-53,3	-239,2	-223,4
Other external expenses	-33,2	-31,3	-118,0	-106,9
Personnel expenses	-28,9	-25,7	-99,3	-91,9
Depreciation/amortisation	-3,8	-3,3	-12,7	-13,1
Result from participations in associated companies	0,6	0,4	2,2	1,3
Other operating expenses	-0,1	-0,8	-0,7	-1,7
Operating expenses	-120,6	-114,0	-467,7	-435,7
Operating profit	14,7	9,6	84,9	60,5
Financial income		0,8	0,4	0,1
Financial expenses	0,3	-0,6	-3,1	-2,0
Profit before tax	15,0	9,8	82,2	58,6
Income tax	-4,5	2,7	-21,5	-10,4
Net profit	10,5	12,5	60,7	48,2
Net profit for the year attributable to:				
Parent Company's shareholders	10,7	12,4	60,5	47,9
Non-controlling interests	-0,2	0,1	0,2	0,3
Earnings per share, EUR	0,78	0,93	4,51	3,58
Number of outstanding shares, B, thousands	11 060	11 060	11 060	11 060
Number 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	
	Oct - Dec	Oct - Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016
Net profit	10,5	12,5	60,7	48,2
Not to be reclassified in the income statement in the future				
Remeasurements of post employment benefit obligations			0,1	
To be reclassified to the income statement in the future				
Change in translation reserve during the period	-1,5	0,2	-4,2	-1,9
Hedge accounting	0,3	1,7	-3,3	1,1
Taxes		-0,3	0,6	-0,2
Total other comprehensive income for the period	-1,2	1,6	-6,8	-1,0
Total comprehensive income for the period	9,3	14,1	53,8	47,2
Total comprehensive income attributable to:				
Parent Company's shareholders	9,5	14,0	53,6	46,9
Non-controlling interests	-0,2	0,1	0,2	0,3

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MEUR	31 Dec 2017	31 Dec 2016
Assets		
Fixed assets		
Intangible fixed assets	29,0	18,1
Tangible fixed assets	52,3	41,7
Financial assets	19,3	19,6
Total fixed assets	100,6	79,4
Current assets		
Inventories	132,7	121,1
Accounts receivable trade and other receivables	39,8	39,9
Prepaid expenses and accrued income	4,9	4,8
Cash and cash equivalents	93,7	76,8
Total current assets	271,1	242,6
Total assets	371,7	322,0
Equity and liabilities		
Equity and reserves attributable to the Parent Company's shareholders	230,8	186,7
Non-controlling interest	-	2,6
Total equity	230,8	189,3
Liabilities		
Non-current liabilities		
Other non-current liabilities	14,2	9,5
Interest bearing liabilities	1,9	-
Total non-current liabilities	16,1	9,5
Current liabilities		
Other current liabilities	48,4	48,5
Interest bearing liabilities	50,7	52,2
Accrued expenses and deferred income	25,7	22,5
Total current liabilities	124,8	123,2
Total equity and liabilities	371,7	322,0

FINANCIAL REPORT

Statement of changes in Equity MEUR	Share capital	Other contributed capital	Retained earnings	Total	Non-controlling interest	Total Equity
01-01-2016	12,4	39,8	95,6	147,8	2,3	150,0
Net Profit for the year			47,9	47,9	0,3	48,2
Other comprehensive income for the year			-0,9	-0,9	-	-0,9
Total comprehensive income for the year	-	-	47,0	47,0	0,3	47,2
Purchase of own shares			-0,8	-0,8		-0,8
Dividends			-7,3	-7,3	-	-7,3
31-12-2016	12,4	39,8	134,6	186,7	2,6	189,3
01-01-2017	12,4	39,8	134,6	186,7	2,6	189,3
Net Profit for the year			60,5	60,5	0,2	60,7
Other comprehensive income for the year			-6,8	-6,8	-	-6,8
Total comprehensive income for the year	-	-	53,6	53,6	0,2	53,8
Transactions with non-controlling interests **)			1,5	1,5	-2,8	-1,3
Fair value employee stock option *)			0,2	0,2	-	0,2
Pension adjustment opening balance			-0,4	-0,4	-	-0,4
Sales of own shares *)			0,4	0,4	-	0,4
Dividends			-11,1	-11,1	-	-11,1
31-12-2017	12,4	39,8	178,7	230,8	0,0	230,8

*) Fair value employee stock option and sales of own shares – Under the option program granted in February 2017, valid for 120 days, the senior executives purchased 6,200 shares in the company (Note 5)

***) Acquisition of the 29 % remaining non-controlling interests of the Bus Sport AG.

FINANCIAL REPORT

Consolidated statement of cash flows

	Jan - Dec	Jan - Dec
MEUR	2017	2016
OPERATING ACTIVITIES		
Net profit for the year	60,7	48,2
Tax expense in income statement	21,6	10,4
Financial result net in income statement	2,7	2,0
Depreciation/amortisation	12,7	13,1
Adjustment for non cash items	-4,1	0,4
Interest and dividends received	0,4	0,1
Interest paid	-2,5	-1,8
Income tax paid	-21,6	-10,5
	69,9	61,9
Change in inventories	-3,6	-4,8
Change in operating receivables	1,8	-5,3
Change in operating liabilities	0,5	-0,1
Cash flow from operating activities	68,6	51,7
INVESTING ACTIVITIES		
Purchase of intangible assets	-7,1	-0,8
Purchase of tangible fixed assets	-23,3	-11,0
Sale of tangible fixed assets	0,4	0,2
Acquisition of subsidiaries, net of cash acquired	-6,0	-0,2
Settlement of loans	-1,2	
Financial assets	0,6	
Cash flow from investing activities	-36,6	-11,8
FINANCING ACTIVITIES		
Borrowings	10,2	
Repaid borrowings	-13,5	-12,8
Acquisition of non-controlling interests	-1,3	-
Sale and purchase of own shares	0,4	-0,8
Dividends paid	-11,1	-7,3
Cash flow from financing activities	-15,3	-20,9
Change in cash and cash equivalents	16,7	19,0
Cash and cash equivalents at beginning of year	76,8	58,0
Effect of exchange rate differences on cash and cash equivalents	0,2	-0,2
Cash and cash equivalents at period-end	93,7	76,8

Notes to the financial report

Note 1 Accounting principles

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

The Group applies the International Financial Reporting Standards (IFRS) issued by the IASB and is compliant with IFRS as adopted by the EU. 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 2016 exception of new and revised standards and interpretations that become effective January 2017. The new additions and clarifications regarding IFRS, which become effective January 1, 2017, had no significant impact on the financial report.

IFRS 9 Financial instrument and IFRS 15 revenue from Contracts with customers become effective 1 January 2018. The preliminary conclusion that these will have no significant impact on the financial performance remains unchanged.

IFRS 16 Leases will become effective 1 January 2019 and expects, given the operational lease contracts in the group, to have an impact of the balance sheet and income statement of the Group. The review of the impact is ongoing.

The Group presents consolidated financial data in EUR (conversion rates in accordance with Note 3).

The report is not audited by the Auditors of the Group.

Note 2 Risks

The risk factors of the Group are presented in the last published annual report 2016, page 24.

Note 3 Exchange rates

	Average rate		Balance sheet closing rate	
	2017	2016	2017	2016
SEK/EUR	9,6464	9,4700	9,8438	9,5525
CHF/EUR	1,1152	1,0905	1,1702	1,0739
USD/EUR	1,1353	1,1026	1,1993	1,0541
SEK/CHF	8,6502	8,6837	8,4121	8,8951

Notes to the financial report

Note 4 Hedge accounting

	2017-12-31	2016-12-31
Market value	-1 455	2 219
FX Forwards		
Purchased TUSD	43 500	27 000
Sold TEUR	37 475	23 223
Rate	1,161	1,163
Purchased TUSD	1 500	3 000
Sold TNOK	12 736	24 716
Rate	8,491	8,239
Interest swap		
Paying long term due 2020-03-19, TUSD	15 000	15 000
Getting short term 3 months, TUSD	15 000	15 000
Paying long term due 2020-03-19, TEUR		10 000
Getting short term 3 months, TEUR		10 000

Accounting method

The market value is reported in full as a change in the hedging reserve in other comprehensive income in equity.

Hedge account on the interest swap TEUR 10 000 was discontinued upon repayment of the underlying loan.

Notes to the financial report

Note 5 Major events during 2017

Employee options

At an extraordinary shareholders meeting on June 3rd, 2016, Fenix Outdoor International AG changed its articles of association to enable the Board of the company to issue employee stock options to Senior executives. On February 14th, 2017, the Board of Directors granted 7,400 options to the Group's Senior executives, CEO exempted, where each option gave the right to acquire one share in the company. The exercise price was set at 600 SEK and the exercise period ran from February 14th to June 14th, 2017. The fair value of each option was determined using a binomial option pricing model and amounted to EUR 24 (SEK 230), resulting in a total grant date fair value of the award of TEUR 179, recognised within personnel expenses and a corresponding increase in other contributed capital. A total of 6,200 options were exercised, resulting in cash proceeds of TEUR 391. 1,200 options expired at the end of the exercise period.

Acquisitions

On May 31, 2017, Fenix Outdoor International AG acquired a 75% ownership in its South Korean distributor, Alpen International Co., Ltd., through the issuance of new shares in Alpen International Co., Ltd for a total of MEUR 2.67. As the cash was transferred to the new subsidiary this represents a non-cash transaction from the group's perspective. Cash acquired amounts to KEUR 14.

The agreement 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 has been recognized as a long-term liability for the amount of TEUR 656 and the non-controlling interests have been derecognized. The position will be valued at each quarter closing until the options are due or used. Future changes in the put option liability will be recognized in equity. In Q4 no adjustment was necessary.

As per October 2, Friluftsland Retail Europe AB acquired 100 % of the Danish outdoor retailer Friluftsland AS. The purchase price paid in cash was MEUR 6,1 (MDKK 46) and a contingent consideration liability at fair value of MEUR 0,4 was recognised. The amount is payable in 2018.

The two acquisitions increased the consolidated tangible assets with TEUR 843, mostly consisting of fixture and fittings in shops, and the consolidated Goodwill with TEUR 5 315.

KEUR	Alpen International	Friluftsland A/S
Assets		
Intangible fixed assets	9	121
Tangible fixed assets	601	242
Financial assets	191	
Total fixed assets	801	363
Inventories	4 220	3 769
Short terms receivables	1 005	741
Cash and cash equivalents	14	106
Total current assets	5 239	4 616
Total assets	6 040	4 979
Liabilities		
Interest bearing liabilities	1 594	
Total non-current liabilities	1 594	0
Interest bearing liabilities	1 208	1 215
Other current liabilities	3 298	1 814
Total current liabilities	4 506	3 029
Total Liabilities	6 100	3 029
Non-controlling interest, derecognized	656	
Goodwill arising on acquisition	716	4 599

Notes to the financial report

Note 7 Segment reporting – sales and operating result

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

	Brands		Friluft		Global sales		Common		Group	
	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec	Oct - Dec
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
External sales, MEUR	29,5	25,6	75,0	68,0	27,4	27,6	0,3	0,3	132,2	121,5
Operating profit, MEUR	9,7	6,0	2,3	2,0	2,8	3,0	0,0	-1,4	14,7	9,6

	Brands		Friluft		Global sales		Common		Group	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
External sales, MEUR	123,2	103,0	270,5	258,3	144,9	122,9	1,3	2,0	539,9	486,2
Operating profit, MEUR	51,6	44,0	13,4	6,8	25,5	17,5	-5,5	-7,8	84,9	60,5
Number of Stores	24	22	69	58	14				107	80
of which are franchise			4	3					4	3
Fixed assets	20,1	23,8	36,7	34,5	13,9	12,5	29,9	8,6	100,6	79,4
Cap. Expenditures	1,8	5,2	4,7	0,6	1,3	1,8	22,6	2,8	30,4	10,4

External sales per market	Brands		Friluft		Global sales		Common		Total	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Switzerland					10,1	8,2			10,1	8,2
Sweden	19,0	19,4	57,5	54,7					76,5	74,1
Other Nordic countries	5,5	3,5	30,4	25,3	40,8	36,2			76,7	65,0
Germany	62,1	50,4	182,6	178,3			1,3	2,0	246,0	230,7
Benelux	8,1	8,2			11,2	9,9			19,3	18,1
Other Europe	1,8	1,3			37,2	27,4			39,0	28,7
North America	23,5	18,0			28,2	29,8			51,7	47,8
Other World	3,2	2,2			17,4	11,4			20,6	13,6
Total	123,2	103,0	270,5	258,3	144,9	122,9	1,3	2,0	539,9	486,2

Notes to the financial report

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 2016.

.....

Zug February 8, 2018

The CEO 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.

MARTIN NORDIN
CEO

This twelve months report is not audited by the Auditors of the Group.

