

FENIX OUTDOOR INTERNATIONAL AG

Interim condensed consolidated financial statement for the period ended 30 September 2020

Third quarter 2020-07-01 – 2020-09-30

- The total income of the Group was TEUR 186 821 (194 481), a decrease of 3,9%.
- The EBITDA of the Group was TEUR 56 580 (57 280).
- The operating profit of the Group was TEUR 45 506 (45 486).
- The profit before tax of the Group was TEUR 43 243 (46 356).
- The profit after tax of the Group was TEUR 32 408 (35 632).
- Earnings per share amounted to EUR 2,43 (2,68).

Period 2020-01-01 – 2020-09-30

- The total income of the Group was TEUR 419 747 (466 171), an decrease of 10,0%.
- The EBITDA of the Group was TEUR 89 016 (108 486).
- The operating profit of the Group was TEUR 56 059 (76 379).
- The profit before tax of the Group was TEUR 52 944 (78 275).
- The profit after tax of the Group was TEUR 37 149 (59 492).
- Earnings per share amounted to EUR 2,78 (4,44).

Events after period closing

Except for the ongoing Covid19 uncertainty no significant events after period close are noted. The Covid19 situation is still unpredictable from many perspectives and any further/continued “lock downs” may affect sales in local regions, see also “Comments by Executive Chairman” and Note 3.

Repurchase of own shares

As per 2020-09-30 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 08:30, 2020.

CONTACTPERSON Martin Nordin, Executive Chairman +41 797 99 27 58

Content Page

Executive Chairman	2-6
The operation	7-10
Financial reports	11-15
Notes	16-19
Audit report	20

Financial information

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

CALENDARIUM FINANCIAL INFORMATION

Q4 report, February 9, 2021

COMMENTS BY THE EXECUTIVE CHAIRMAN

Q3 - Round no. 3 in the Covid war.

We have now finished our third quarter of trading effected by Covid-19. We entered the quarter in a positive, but cautious mode. The approach has proven correct. The Group has, in spite showing negative sales in comparable numbers, been able to deliver a quarterly operational result equal to last year. This relates to a number of developments. Our operations in Asia/Pacific is actually showing growth in sales and result. Particularly our operations in Taiwan have developed well. The country had domestically an extreme control of the Covid 19 and has therefor almost not been affected. The borders have been almost closed meaning that the Taiwanese have been forced not to travel, resulting in a lot of money spent locally on Fenix Outdoor products. The Korean market has also shown a good development, as does the rest of our business in the region. The only exception is our Chinese JV, which not started to recuperate until last part of the quarter.

Our Brands business in Europe has proven generally stable for most of our brands. Fjällräven has seen a negative effect on the Kånken sales, but this has almost completely been covered by the development of sales of other core products like jackets and trousers,. Primus stellar performance continued and could have been even better if we have had more inventory. Tierra also has a positive development. Hanwag sales picked up during the quarter and showed comparable growth. Unfortunately, I cannot say the same for Royal Robbins, predominantly a travel brand, which has not been doing to well.

Frilufts and our retail business has, as a total, performed really well. Our digital sales in Europe shows a growth of 33% in Q3. YTD 27% of Frilufts sales is digital. On the European brick and mortar business we generally see the same development as on global basis. This means that more rural and suburban locations have either recovered to last years number or better, whereas central city locations and most indoor malls are to different degrees recovering slowly. The trend is also that the more tourists a city traditionally has, the slower the recovery is. We also believe this development is driven by a lot of distance working driving shopping closer to home or to the web. This is also confirmed by our traditional retail customers. Cities that are particularly hit by this are cities like New York, Boston, Toronto, Munich, Stockholm, Oslo, Copenhagen and Helsinki. We also believe our brand stores are more effected by this than the Friluft stores. We do assume the recovery in these type of locations will take at least 18-24 months from now and we are therefore

implementing relevant measures of cost control as well as renegotiation of rents and in some cases even closures and relocation depending on contract length. We have so far been able to adjust our costs in the Friluftsgroup so that even with lower sales the financial result, during the quarter, has improved compared to last year with 50%. Given the current development we hope to see further improvements during the rest of the year. This is of course extremely depending upon the Covid-19 situation in our markets and of course how the weather turns out for the rest of the year.

Global sales has developed (recovered) nicely in the quarter showing a positive development compared to last year. We only show negative sales development in four non Asia/Pacific markets; US, UK, Czech Republic and Norway, of which the Norwegian development is not necessarily only driven by Covid-19. Another reason is a general chaos in the sports retail market in Norway, driven by the financial difficulties of the XXL group and a number of larger bankruptcies. However, none of the units of the segment shows a negative result. The segment shows an operative result of MEUR 14,0 (LY 13,3).

North America is however still lagging in recovery. Towards the end of the quarter we did see some improvement and hit above last year sale. It is evident that the social situation, riots and the uncertainty in the USA, due to the election, is having a negative effect on the recovery. This shown through that Canada is performing much better than the USA. We also have to contemplate that Kånken and its related products relatively contributes to a much larger part of our sales in the US. As there was no Back to school season in July this year the Kånken sales were really hit. The growth, in the US, of our other core product groups did however show a growth of 200-300%, but was not able to make up for the lost sales in Kånken during its peak season. This has however some very positive effects, long-term, in the USA. Due to the success/growth of our other products many major US retailers are expanding their Fjällräven assortment indicating a nice growth going forward. In spite of these negative effects we are still making money in North America and I am giving my compliments to our North American team for their good hard work in a very difficult situation.

In terms of our balance sheet the Group reports an increased inventory due to not achieving sales targets during the last two quarter as well as a conscience preparedness; possible further major effects on the supply chain as well as the more permanent return of normal trading. Our liquidity position is the best ever at the end of the third quarter equal to MEUR 101,6. We have also been able to secure another MEUR 90 in available financing to enable us to take advantage of possible business opportunities.

Digital

One thing that has been will and is a key for us is the development of our digital business. The combined direct to consumer digital sales shows a growth of 28% in the quarter. Digital sales contributed to 26,3% (LY 19,6%) of our direct consumer sales during the quarter and the digital consumer sales contributed to 14,1% (LY 10,6%) of the group's total sales.. The year to date growth of the digital sale was 37,4% and contributed to 30,2% (19,8%) of BtoC sales and 16,4% (10,8%) of total sales. As we strongly believe that this has been at least a partial permanent shift we have increased our investment in our digital business.

Amazons entry into Sweden

I have to make a few comments to this based on our experience and which effects it could have on our Swedish business. Firstly, Amazon has been available to Swedish customers for years through its global sites and given the digital maturity and traditional language skills of the Swedish customer we believe this the effect might be smaller than many persons anticipate. Secondly, our retail business in Germany has been facing Amazon for years and we do not believe that Amazon specifically plays any major role. As our retail is focused on a specialized niche and premium, we strongly believe that our omnichannel concept with a high advisory component stands strong. We also focus on brands that limit their use of Amazon. In terms of our brands we believe that Amazon, who is a great retailer, does not really fit our premium concept. We do have some of our retailers that use Amazon as a subchannel, which they are free to do. Unfortunately, we have in certain markets experienced that consumers buying our brands through Amazon have been unknowingly supplied with fakes, especially in the USA.

What are we doing now?

We have cautiously brought back personnel to our shops to maintain service, as well as keeping them safe. We have been very limited in opening our offices worldwide, meaning that a major proportion of our office employees are still working from home. Our logistic operations are still working in shifts both to keep our employees as safe as possible but also mitigating operational risk. We generally limit travel and coming to the office to essential need only. We are continuing our strict cost control and are watching the Covid 19 development to the best of our ability and try to be prepared for possible future lockdowns as well as dealing with handling the risk for employees, customers and operational risks. We have adjusted our purchasing and planning to enable us to minimize inventory risk and support our margin going into 2021.

The rest of the year and beyond

We are still not expecting that this is the end of the Covid 19 crisis. We do expect that there will be further negative effects, during the rest of the year as well at the first two quarters next year, from consumer behavior as well from pandemic development and political decisions. It is very likely that the Christmas trade will be different this year. We do expect at least some limitations will be imposed on our brick and mortar shops, but the effect of this is hard to predict. We do however believe that we stand prepared for this based on our experience from earlier in the year. As usual the weather will also play a major role during the next two quarters

Another concern is the general economy. What effects will the crisis contribute to and how long and when will a real recovery start. So far, the recovery has supported the hypothesis that our industry does have a countercyclical element to it, but if this carries into next year and beyond, we do not know yet. Another cause for concern is the development in the China US relationship as well the Hong Kong situation and the effect it will have.

What we have learned is that our business model seems to be robust, the combination of brands and retail has decreased our operational risk. The permanent shift from brick and mortar to digital is becoming more probable by the day and that means a major shift in the development curve. We are continuing the expansion of our digital organization to capitalize on this shift as well as adjusting our brick and mortar operation to support. We have already been able to renegotiate the rent at certain retail locations as well as been opportunistic and will be closing some where we have gotten better terms at better locations.

A I also want to take this opportunity to express my gratitude to all my coworkers who have stepped up their performants and showing unprecedented loyalty and patience in these hard times.

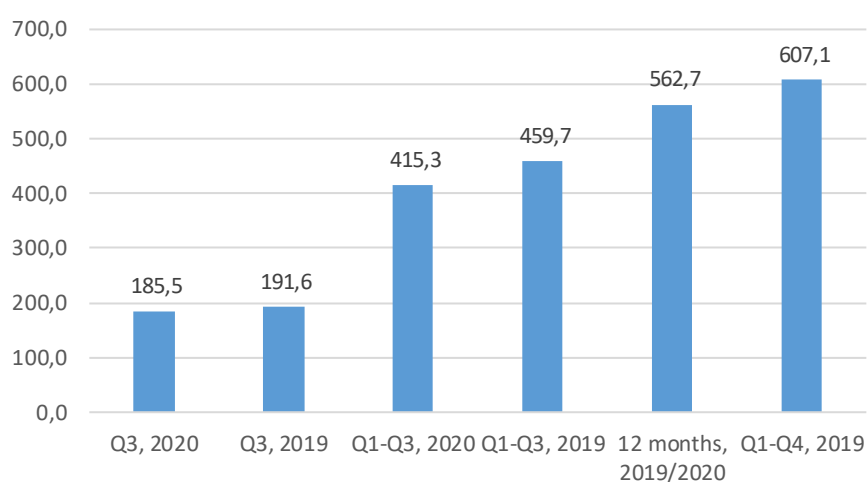
As always, we are continuing to look for opportunities in these troubled times.

Martin Nordin, Chairman

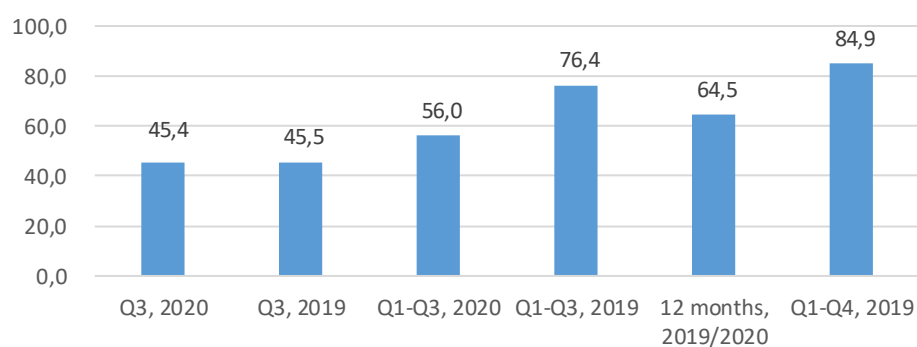
MEUR	July-Sept 2020	July-Sept 2019	Jan-Sept 2020	Jan-Sept 2019	Oct-Sept 2019/2020	Jan-Dec 2019
Net sales	185,5	191,6	415,3	459,7	562,7	607,1
EBITDA	56,5	57,3	89,0	108,5	108,5	128,0
Operating profit	45,4	45,5	56,0	76,4	64,5	84,9
Profit margin, %	24,5%	23,7%	13,5%	16,6%	11,5%	14,0%
Profit before tax	43,2	46,4	52,9	78,3	58,9	84,4
Net profit for the period	32,4	35,7	37,1	59,5	38,8	61,3
Earnings per share, EUR *)	2,43	2,68	2,78	4,44	2,88	4,57
Solvency rate, %			57,4%	57,9%		57,6%

*) Earnings per share are calculated on outstanding shares.

Net sales, MEUR



Operating profit, MEUR



THE OPERATION

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

- Brands includes the brands Fjällräven, Tierra, Primus, Hanwag, Royal Robbins and Brunton. It also includes Brand Retail (The E-com and monobrand operations of the Brands) and distribution companies concentrated on sales of one brand.
- In Friluft, the retailers Naturkompaniet AB, Partioaitta Oy, Globetrotter Ausrüstung GmbH and Friluftland 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.

Third quarter 2020-07-01 – 2020-09-30

	Brands		Friluft		Global sales		Common		Group	
	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External sales, MEUR	49,3	53,9	82,1	82,5	54,1	55,2			185,5	191,6
EBITDA, MEUR	29,3	33,1	13,0	11,6	14,6	13,8	-0,4	-1,2	56,5	57,3
Operating profit, MEUR	26,8	30,4	7,3	4,8	14,0	13,3	-2,7	-3,0	45,4	45,5

External sales per market	Brands		Friluft		Global sales		Common		Total	
	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Switzerland					4,8	3,7			2,6%	1,9%
Sweden	4,6	4,0	20,9	18,7					13,7%	11,8%
Other Nordic countries	0,5	0,4	15,9	14,0	13,3	12,4			16,0%	14,0%
Germany	19,7	19,3	44,9	49,5					34,8%	35,9%
Benelux	5,8	5,1	0,1	0,1	1,5	1,5			4,0%	3,5%
Other Europe	6,3	6,0	0,3	0,2	14,1	15,6			11,2%	11,4%
Americas	12,3	18,4			12,4	15,7			13,3%	17,8%
Other World	0,1	0,7			8,0	6,3			4,4%	3,7%
Total	49,3	53,9	82,1	82,5	54,1	55,2	0,0	0,0	100%	100%

Period 2020-01-01 – 2020-09-30

	Brands		Friluft		Global sales		Common		Group	
	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External sales, MEUR	111,0	126,9	188,0	205,6	116,3	126,7		0,6	415,3	459,7
EBITDA, MEUR	52,3	64,9	14,2	19,4	23,6	25,3	-1,0	-1,2	89,0	108,5
Operating profit, MEUR	44,3	57,6	-2,3	1,0	21,9	23,4	-7,9	-5,6	56,0	76,4
Number of Stores	37	34	81	80	27	27			145	141
of which are franchise			2	3					2	3
Fixed assets	50,0	44,2	137,0	132,8	12,0	12,4	54,9	50,2	253,9	239,6
Cap. Expenditures, net	4,8	3,5	5,4	7,9	0,6	0,9	5,2	7,5	16,0	19,8

External sales per market	Brands		Friluft		Global sales		Common		Total	
	Jan-Sept 2020	Jan-Sept 2019	Jan-Sept 2020	Jan-Sept 2019	Jan-Sept 2020	Jan-Sept 2019	Jan-Sept 2020	Jan-Sept 2019	Jan-Sept 2020	Jan-Sept 2019
Switzerland					10,5	9,0			2,5%	2,0%
Sweden	10,3	8,9	43,3	42,1					12,9%	11,1%
Other Nordic countries	1,1	0,9	34,4	34,1	27,2	27,2			15,1%	13,5%
Germany	45,0	47,7	109,4	128,9				0,6	37,2%	38,5%
Benelux	11,8	12,3	0,2	0,1	4,6	6,5			4,0%	4,1%
Other Europe	12,6	13,2	0,7	0,4	28,1	33,5			10,0%	10,2%
Americas	29,6	41,9			24,5	32,0			13,0%	16,1%
Other World	0,6	2,0			21,4	18,5			5,3%	4,5%
Total	111,0	126,9	188,0	205,6	116,3	126,7	0,0	0,6	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 IFRS16 the Group have decided to include it as an alternative key figure.

THE OPERATION

Brands

		2020 (2019)		2020 (2019)
External net sales	Q3	49,3 (53,9) - 8,5%	Q1-Q3	111,0 (126,9) - 12,5%
Operating profit	Q3	26,8 (30,4)	Q1-Q3	44,3 (57,6)

The drop in sales is related to North America, “(NA)”, suffering longer from close down effects than Europe and Asia. The drop in NA Brand Retail sales also effects the gross margin and operating profit in a negative direction.

Frilufts

		2020 (2019)		2020 (2019)
External net sales	Q3	82,1 (82,5) - 0,5%	Q1-Q3	188,0 (205,6) - 8,5%
Operating profit	Q3	7,3 (4,8)	Q1-Q3	-2,3 (1,0)

The minor loss in sales is limited to Germany. In the Nordic markets the sales increased vs LY levels. Lower costs push the operating profit to a higher level compared to LY.

Global sales

		2020 (2019)		2020 (2019)
External net sales	Q3	54,1 (55,2) - 2,0%	Q1-Q3	116,3 (126,7) - 8,3%
Operating profit	Q3	14,0 (13,3)	Q1-Q3	21,9 (23,4)

The limited drop in sales is mainly related to the North American distribution, even though limited by stronger sales in the end of the quarter. As for Frilufts the lower costs push the operating profit to a higher level compared to LY.

Common, Liquidity and financial standing

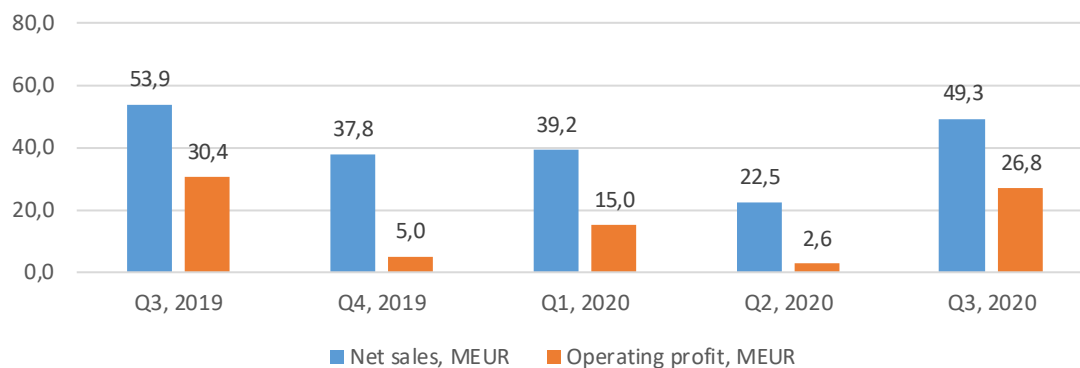
		2020 (2019)		2020 (2019)
Operating profit	Q3	-2,7 (-3,0)	Q1-Q3	-7,9 (-5,6)

The Group's financial position remains strong. Consolidated cash and cash equivalents amounted to MEUR 101,6 (62,1) per the end of the period. The higher inventory value relates to seasonal and valid carry over products. The increase in current payables relates to goods delivered late in period, still not paid, and slightly changed payment terms. The Group's interest-bearing liabilities amounted to MEUR 21,6 (26,1). Lease liabilities amounted to MEUR 127,9 (116,3). Consolidated equity attributable to shareholders was MEUR 352,8 (317,2), corresponding to an solvency rate of 57,4% (57,9%).

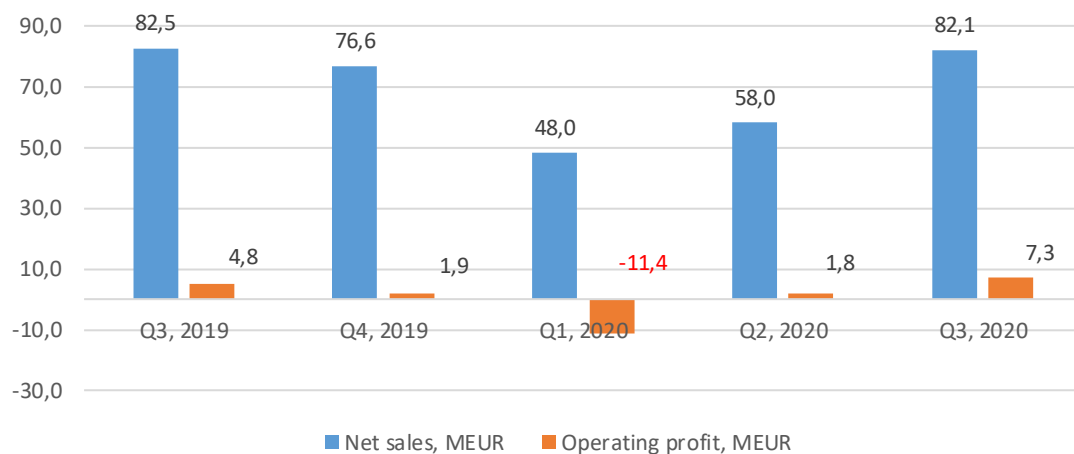
THE OPERATION

Net sales and operating result per segment

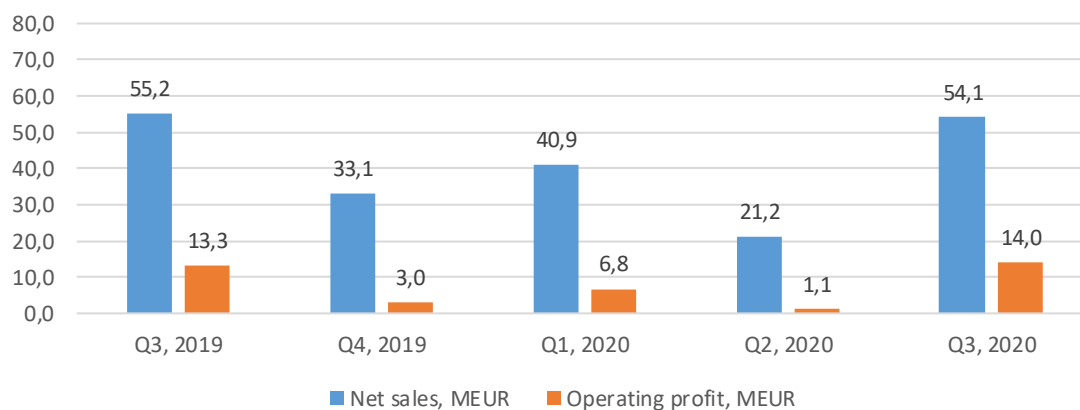
Brands



Frilufts



Global sales



FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT MEUR	3 months *)		9 months		12 months *)	
	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Oct-Sept	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Net sales	185,5	191,6	415,3	459,7	562,7	607,1
Other operating income	1,4	2,9	4,5	6,5	7,3	9,3
Total income	186,9	194,5	419,8	466,2	570,0	616,4
Cost of goods	-79,1	-79,7	-179,1	-191,8	-238,7	-251,4
Other external expenses	-24,0	-29,5	-73,2	-83,6	-110,4	-120,8
Personnel expenses	-26,9	-27,8	-77,5	-82,3	-111,5	-116,3
Depreciation/amortisation	-11,1	-11,8	-33,0	-32,1	-44,0	-43,1
Result from participations in associated companies	0,3	0,2	0,3	1,1	0,6	1,4
Other operating expenses	-0,7	-0,4	-1,3	-1,1	-1,5	-1,3
Operating expenses	-141,5	-149,0	-363,8	-389,8	-505,5	-531,5
Operating profit	45,4	45,5	56,0	76,4	64,5	84,9
Financial income	0,1	1,7	0,5	4,0	0,6	2,7
Financial expenses	-2,3	-0,8	-3,6	-2,1	-6,2	-3,3
Profit before tax	43,2	46,4	52,9	78,3	58,9	84,4
Income tax	-10,8	-10,7	-15,8	-18,8	-20,1	-23,1
Net profit	32,4	35,7	37,1	59,5	38,8	61,3
Net profit for the period attributable to:						
Parent Company's shareholders	32,4	35,7	37,1	59,5	38,8	61,2
Non-controlling interests	0,0	0,0	0,0	0,0	0,0	0,1
Earnings per share, EUR	2,43	2,68	2,78	4,44	2,88	4,57
Weighted average of outstanding shares, B, thousands	10 940	10 947	10 940	10 990	11 060	10 977
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 MEUR	3 months *)		9 months		12 months *)	
	July-Sept 2020	July-Sept 2019	Jan-Sept 2020	Jan-Sept 2019	Oct-Sept 2019/2020	Jan-Dec 2019
Net profit	32,4	35,7	37,1	59,5	38,8	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	-1,7	-0,1	-2,9	-2,0	-1,9	-1,0
Hedge accounting				-0,1	-0,1	-0,2
Total other comprehensive income for the period	-1,7	-0,1	-2,9	-2,1	-2,1	-1,3
Total comprehensive income for the period	30,7	35,6	34,2	57,3	36,7	60,0
Total comprehensive income attributable to:						
Parent Company's shareholders	30,7	35,6	34,2	57,3	36,7	59,9
Non-controlling interests	0,0	0,0	0,0	0,0	0,0	0,1

*) 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 2020	30 Sept 2019	31 Dec 2019
Assets			
Non-current assets			
Intangible fixed assets	39,9	39,7	40,8
Tangible fixed assets	69,6	66,7	67,8
Right-of-use assets	126,2	115,4	124,7
Other non-current assets	18,2	17,8	17,1
Total non-current assets	253,9	239,6	250,4
Current assets			
Inventories	174,9	156,5	159,7
Accounts receivable trade and other receivables	73,8	81,2	46,6
Prepaid expenses and accrued income	10,0	8,6	8,8
Cash and cash equivalents	101,6	62,1	88,9
Total current assets	360,3	308,4	304,0
Total assets	614,2	548,0	554,4
Equity and liabilities			
Equity and reserves attributable to the Parent Company's shareholders	352,8	317,2	319,1
Non-controlling interest	0,1	0,1	0,1
Total equity	352,9	317,3	319,3
Liabilities			
Non-current liabilities			
Other non-current liabilities	16,0	15,4	17,4
Lease liabilities	101,3	91,0	100,4
Interest bearing liabilities	-	12,0	-
Total non-current liabilities	117,3	118,4	117,8
Current liabilities			
Other current liabilities	74,2	53,5	47,7
Lease liabilities	26,6	25,3	25,6
Interest bearing liabilities	21,6	14,1	22,2
Accrued expenses and deferred income	21,6	19,4	21,9
Total current liabilities	144,0	112,3	117,4
Total equity and liabilities	614,2	548,0	554,4

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						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
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						37,2	37,2		37,1
Other comprehensive income for the period				-2,9			-2,9		-2,9
Total comprehensive income for the period				-2,9		37,2	34,3		34,3
Transfer of cash flow hedge reserve to inventories			-0,6				-0,6		-0,6
30-09-2020	12,4	39,8	-0,6	-8,3	-10,2	319,7	352,7	0,1	352,9

*) As per 2020-09-30 the company owned 119 598 of own B-shares.

FINANCIAL REPORT

Consolidated statement of cash flows	9 months		12 months
	Jan-Sept 2020	Jan-Sept 2019	Jan - Dec 2019
MEUR			
OPERATING ACTIVITIES			
Net profit for the period	37,1	59,5	61,3
Tax expense in income statement	15,8	18,8	23,1
Financial result net in income statement	3,1	-1,9	0,5
Depreciation for Right-of-use assets	19,2	19,7	26,3
Depreciation/amortisation tangible and intangible assets	13,7	12,4	16,8
Adjustment for non cash items	-2,4	-2,7	-2,4
Interest received	0,5	0,1	0,3
Interest paid	-1,9	-2,2	-3,3
Income tax paid	-13,5	-16,1	-21,5
Cash flow from operating activities before changes in working capital	71,6	87,6	101,1
Change in inventories	-14,7	-21,8	-25,1
Change in operating receivables	-21,5	-37,8	-7,1
Change in operating liabilities	14,3	-12,8	-7,5
Cash flow from operating activities	49,7	15,2	61,4
INVESTING ACTIVITIES			
Purchase of intangible assets	-4,8	-7,7	-10,2
Purchase of tangible fixed assets	-11,2	-12,1	-16,2
Sale of tangible fixed assets	0,2	1,1	1,1
Dividend from associated companies		1,6	1,7
Acquisition of subsidiaries, net of cash acquired ^{*)}	-0,4	0,5	0,5
Cash flow from investing activities	-16,2	-16,6	-23,1
FINANCING ACTIVITIES			
Borrowings		0,8	0,8
Repaid borrowings	-0,2	-0,1	-3,8
Acquisition of non-controlling interests	-0,1		
Payment of lease liabilities	-18,9	-18,9	-24,0
Purchase of own shares		-9,8	-9,8
Dividends paid		-15,2	-15,2
Cash flow from financing activities	-19,2	-43,2	-52,0
Change in cash and cash equivalents	14,3	-44,6	-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	-1,6	4,8	0,7
Cash and cash equivalents at period-end	101,6	62,1	88,9

^{*)} The minor acquisition effect accounted is related to acquisition of a franchise shop in Naturkompaniet.

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 and the new adopted IFRS 16 Amendment Rent Concessions, the Group have decided not to treat Rent Concessions as contract modifications from beginning of year. These changes have no material impact on this interim report.

Note 2 Right of use assets

30.09.2020, MEUR	Brands	Frilufts	Global sales	Common	Total
Right-of-use assets*)	22,6	99,2	1,9	2,5	126,2
Prepayments	0,8	-0,1	0,1	-0,1	0,7
Total assets	23,4	99,1	2,0	2,5	126,9
Leases liabilities					
Interest-bearing loans and borrowings	-24,1	-99,2	-1,9	-2,4	-127,7
Trade and other payables	-0,2				-0,2
Total liabilities	-24,3	-99,3	-1,9	-2,4	-127,9

	Brands	Frilufts	Global sales	Common	Total
Depreciation	-5,2	-12,8	-0,6	-0,6	-19,2
Interest cost	-0,7	-0,9			-1,6

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

	1,2	20,5	0,4	0,3	22,5
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31.12.2019, MEUR	Brands	Frilufts	Global sales	Common	Total
Right-of-use assets	25,3	95,2	2,5	1,6	124,7
Prepayments	0,3	0,4			0,7
Total assets	25,6	95,7	2,6	1,6	125,4
Leases liabilities					
Interest-bearing loans and borrowings	-26,1	-95,7	-2,5	-1,6	-125,9
Trade and other payables	-0,1	-0,1			-0,1
Total liabilities	-26,2	-95,7	-2,5	-1,6	-126,0

	Brands	Frilufts	Global sales	Common	Total
Depreciation	-6,3	-17,9	-1,3	-0,7	-26,3
Interest cost	-0,8	-1,4			-2,1

Note 3 Risks and Covid-19

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

As communicated by the Executive Chairman, the Group has taken rapid and decisive actions in all parts of the operation to mitigate the effects of Covid-19. A summary is given below.

- The safety of the employees and customers are high priority.
- We have activated our emergency plans, updated every second year, for crisis situations like this.
- The Group reports an increased inventory due to not achieving sales targets during the last two quarter as well as a conscience preparedness for; possible further major effects on the supply chain as well as more permanent return of normal trading. The absolute majority of the extra value is carry over products valid several seasons.
- We have still seen small effects in our sourcing of products.
- We are increasing our efforts and investments in the digital sector, given its strong momentum.
- There was no dividend distributed this spring.
- The group reports a high net liquidity position and the last two quarters has also shown stable results given the situation.

Note 4 Hedge accounting

	2020-09-30	2019-09-30	2019-12-31
Market value	-1 032	966	-204
FX Forwards			
Purchased TUSD	45 150	23 500	35 500
Sold TEUR	39 479	20 450	31 494
Rate	1,144	1,149	1,127
Purchased TUSD	-	2 000	3 000
Sold TNOK	-	17 066	26 859
Rate	-	8,533	8,953
Interest swap			
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 - Sept	Jan - Sept	Jan - Dec	2020-09-30	2019-09-30	2019-12-31
	2020	2019	2019			
SEK/EUR	10,5779	10,5881	10,5824	10,5713	10,6958	10,4468
CHF/EUR	1,0684	1,1159	1,1107	1,0804	1,0847	1,0854
USD/EUR	1,1280	1,1214	1,1191	1,1708	1,0889	1,1234
SEK/CHF	9,9011	9,4884	9,5278	9,7846	9,8606	9,6248

Note 6 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 are divided into geographical areas.

	Brands		Friluft		Global sales		Common		Group	
	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External sales, MEUR	49,3	53,9	82,1	82,5	54,1	55,2			185,5	191,6
EBITDA, MEUR	29,3	33,1	13,0	11,6	14,6	13,8	-0,4	-1,2	56,5	57,3
Operating profit, MEUR	26,8	30,4	7,3	4,8	14,0	13,3	-2,7	-3,0	45,4	45,5

(3 months are not included in auditor's review of the interim report)

	Brands		Friluft		Global sales		Common		Group	
	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External sales, MEUR	111,0	126,9	188,0	205,6	116,3	126,7		0,6	415,3	459,7
EBITDA, MEUR	52,3	64,9	14,2	19,4	23,6	25,3	-1,0	-1,2	89,0	108,5
Operating profit, MEUR	44,3	57,6	-2,3	1,0	21,9	23,4	-7,9	-5,6	56,0	76,4
Number of Stores	37	34	81	80	27	27			145	141
of which are franchise			2	3					2	3
Fixed assets	50,0	44,2	137,0	132,8	12,0	12,4	54,9	50,2	253,9	239,6
Cap. Expenditures, net	4,8	3,5	5,4	7,9	0,6	0,9	5,2	7,5	16,0	19,8

External sales per market	Brands		Friluft		Global sales		Common		Total	
	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Switzerland					10,5	9,0			10,5	9,0
Sweden	10,3	8,9	43,3	42,1					53,6	51,0
Other Nordic countries	1,1	0,9	34,4	34,1	27,2	27,2			62,7	62,2
Germany	45,0	47,7	109,4	128,9				0,6	154,4	177,2
Benelux	11,8	12,3	0,2	0,1	4,6	6,5			16,6	18,9
Other Europe	12,6	13,2	0,7	0,4	28,1	33,5			41,4	47,1
Americas	29,6	41,9			24,5	32,0			54,1	73,9
Other World	0,6	2,0			21,4	18,5			22,0	20,5
Total	111,0	126,9	188,0	205,6	116,3	126,7	0,0	0,6	415,3	459,7

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 valued at each quarter closing, no adjustment was necessary at September 30, 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 whereof 16,8 % were exercised in June 2020. The present value of the redemption amount is recognized as a short-term liability for the amount of MEUR 0,5 and the non-controlling interests are derecognized. The position is valued at each quarter closing, no adjustment was necessary at September 30, 2020.

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

Note 8 Events after period closing

Except for the ongoing Covid19 uncertainty no significant events after period close are noted. The Covid19 situation is still unpredictable from many perspectives and any further/continued “lock downs” may affect sales in that region.

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, October 29, 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

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 11 to 20, of Fenix Outdoor International AG for the period from 1 January 2020 to 30 September 2020. 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 2020

Ernst & Young Ltd
Roger Müller
Licensed Audit Expert
(Auditor in charge)

Roman Ottiger
Licensed Audit Expert