

BJÖRN BORG

**Björn Borg AB • Interim report
January-March 2022**

Strong profit and revenue growth

1 JANUARY - 31 MARCH 2022

- The Group's net sales amounted to SEK 226.6 million (184.7), an increase of 22.7 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 91.2 million (85.6), an increase of 6.6 percent.
- The gross profit margin was 50.0 percent (53.3).
- Operating profit amounted to SEK 29.3 million (22.4), an increase of 30.8 percent.
- Profit after tax amounted to SEK 23.1 million (21.3), an increase of 8.5 percent.
- Earnings per share before and after dilution amounted to SEK 0.92 (0.85).

QUOTE FROM THE CEO

"2022 began very strongly with 22.7 percent growth compared with the previous year, and I can see that our momentum from 2021 has continued into 2022," commented CEO Henrik Bunge.

SEK million	January- March 2022	January- March 2021	April 2021- March 2022	Full year 2021
Net sales	226.6	184.7	810.1	768.2
Gross profit margin, %	50.0	53.3	53.3	54.2
Operating profit	29.3	22.4	111.0	104.1
Operating margin, %	12.9	12.1	13.7	13.5
Profit after tax	23.1	21.3	87.8	86.0
Earnings per share before dilution, SEK	0.92	0.85	3.49	3.42
Earnings per share after dilution, SEK	0.92	0.85	3.49	3.42



The CEO comments

2022 began very strongly with 22.7 percent growth compared with the previous year, and I can see that our momentum from 2021 has continued into 2022. We see good growth both in terms of profitability and sales, but above all we see that our brand is continuing to develop. This is very pleasing. Our brand preference in both sports apparel and underwear has strengthened substantially. Quite simply, more and more people prefer our products – and that is the explanation for our excellent growth development.

Net sales during the quarter were SEK 226.6 million (184.7), an increase of 22.7 percent compared with the previous year. Never before have we sold as much in the first quarter. All our markets are developing well, with both Sweden and the Netherlands posting record sales with increases of 29 percent and 30 percent, respectively, compared with the previous year. Our integration of Denmark from our former distributor is also developing strongly, with an increase in sales of 158 percent compared with the previous year. At the same time, our own e-commerce continues to develop – even if growth has temporarily slowed a little. Our own stores started the year very strongly with growth of 44 percent compared with the previous year. This means that our direct consumer sales have increased by 17 percent compared with the previous year. In addition, and one of the quarter's most important victories, the development for our sports apparel has been very good, with growth of 34 percent compared with the previous year.

The gross profit margin decreased temporarily to 50.0 percent (53.3), which was a result of increased shipping costs and negative currency effects. Currency-neutral,

the gross profit margin was 52.7 percent. As planned, we increased our operating costs in the quarter by SEK 7.3 million, which largely consisted of investments in the brand through increased marketing activities. Very good sales development, albeit with a lower gross profit margin and increased costs, still meant that operating profit increased by 31 percent to SEK 29.3 million (22.4). We thus continued to grow our profitability faster than our sales, which is part of our strategy – profitable growth.

Reviewing the first quarter of the year, I can state that we started 2022 incredibly strongly. Continued good growth, increased profitability and a brand that is constantly strengthening. Of all the positives, it is the development of our sports collection that satisfies me the most. However, even if we as a company are developing in the right direction, I have to say that, unfortunately, the world is going in the wrong direction with Russia's invasion of Ukraine on 24 February. We have, of course, contributed both products and money like so many others despite knowing that no matter what we do, it will never be enough. From a business perspective, the war does not directly affect our operations as we do not have suppliers or customers in the region. However, like many others, we can conclude that the situation, together with the prevailing inflation, has had a negative impact on consumers' confidence in the future. Our own growth journey has only just begun, but our dreams of new records are overshadowed by the strong wish that I share with our entire organization – that the Ukrainian people shall continue live in freedom.

Head coach,
Henrik Bunge



The Group's development

OPERATING INCOME FIRST QUARTER 2022

The first quarter of the year showed an improvement in the Group's total operating income, including other income, by 21.0 percent to SEK 236.6 million (195.5). Adjusted for currency effects, operating income increased by 18.1 percent for the quarter.

PRODUCT AREAS FIRST QUARTER 2022

The underwear product area showed increased sales of 23 percent for the first quarter of 2022 and sports apparel increased by 34 percent.

Sales of footwear decreased by 9 percent compared with the first quarter of the previous year, while for other product areas, sales increased by 28 percent, with bags primarily accounting for the increase.

MARKETS FIRST QUARTER 2022

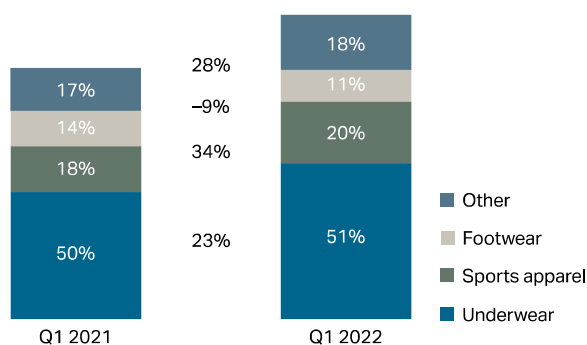
The largest market, Sweden, increased by 29 percent during the first quarter of the year, and the second largest market, the Netherlands, increased by 30 percent. Finland increased by 11 percent and Germany increased by 4 percent. Denmark and Belgium increased too, by 158 and 13 percent respectively. Other smaller markets increased by a total of 6 percent.

CHANNELS FIRST QUARTER 2022

The largest channel, the wholesale business, showed an increase of 24 percent during the first quarter of 2022, where e-tailers in the wholesale business increased by 10 percent. Our own stores increased by 44 percent

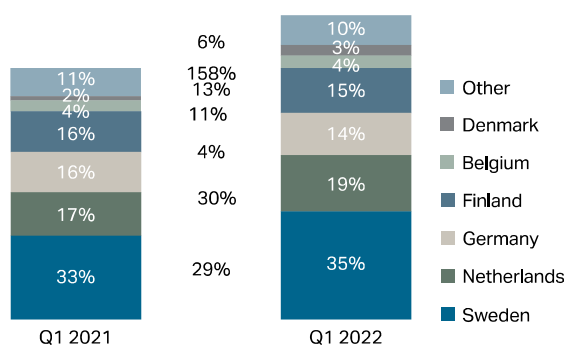
PRODUCT AREAS – SHARE OF TOTAL SALES

SEK 195 million – Growth 21% – SEK 237 million



MARKETS – SHARE OF TOTAL SALES

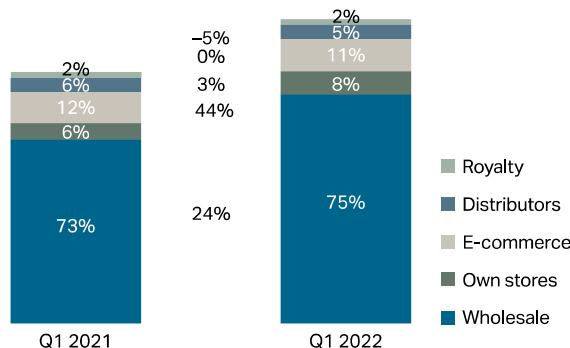
SEK 195 million – Growth 21% – SEK 237 million



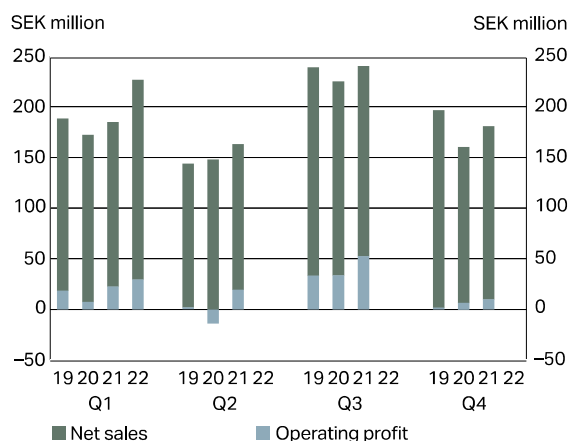
compared with the previous year due to the fact that stores in the Netherlands were closed for a large part of the previous year's first quarter because of Corona. Our own e-commerce showed continued growth and increased by 3 percent. External distributors stayed at the same level as in the previous year, while royalty revenues declined slightly.

CHANNELS – SHARE OF TOTAL SALES

SEK 195 million – Growth 21% – SEK 237 million



QUARTERLY NET SALES AND OPERATING PROFIT, 2019-2022



NET SALES

First quarter, January-March 2022

The Group's net sales during the first quarter amounted to SEK 226.6 million (184.7), an increase of 22.7 percent. Currency effects impacted sales positively which, adjusted for currency effects, increased by 20.1 percent.

The main explanation for the increase in the quarter was that the company saw increased demand in physical trade, both in the wholesale business and in its own stores. In the wholesale business, the company noted growth in all markets, with strong growth in Sweden and the Netherlands. For further details, see below under "Development by segment".

RESULTS

First quarter, January-March 2022

The gross profit margin in the first quarter decreased to 50.0 percent (53.3). Adjusted for currency effects, the gross profit margin would have been 52.7 percent. In addition to the negative currency effects, the decrease in the gross profit margin was due mainly to increased shipping costs during the quarter. However, a greater focus on profitability in wholesale operations had an opposite positive effect.

Other operating income amounted to SEK 9.9 million (10.8) and mainly consisted of unrealized gains on accounts receivable in foreign currency.

Operating expenses increased in the quarter by SEK 7.3 million compared with the first quarter of the previous year, primarily through increased marketing activities. The operating profit has also been negatively affected with SEK 3.9 million related to the company incentive program, LTIP 2022. The 2019 Annual General Meeting decided on the introduction of a new long-term incentive program, LTIP 2022, which can be described as a variable cash remuneration based on the share price for the Björn Borg share. Eligible to participate in the incentive program, which runs between the years 2019 and 2022, are employees of the company management. As of March 31, 2022, a cost of SEK 3.9 million (0) has been booked.

Sharply increased sales with a lower gross profit margin and increased operating expenses compared with the previous year, still resulted in an operating profit which increased to SEK 29.3 million (22.4). The operating margin was 12.9 percent (12.1).

Net financial items amounted to SEK -0.1 million (3.5). The deterioration in net financial items compared with the previous year was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

Profit after tax for the period increased to SEK 23.1 million (21.3). The profit after tax has been negatively affected with SEK 1.3 million during this year's first quarter due to an anticipated tax effect related to the closure of the company's UK legal entity.

Development by segment

Björn Borg's segment reporting consists of the company's primary revenue streams, which are divided into *Wholesale*, *Consumer Direct*, *Distributors* and *Licensing*, which is also how the business is monitored internally in the Group.

Wholesale business

This segment consists of revenues and expenses associated with the Björn Borg Group's wholesale operations. The Group conducts wholesale business in Sweden, Germany, Finland, the Netherlands, Belgium and Denmark for apparel, bags and underwear, as well as footwear in Sweden and Finland.

The segment's external operating income amounted to SEK 177.7 million (142.8), which was an increase of 25 percent. One explanation for the increase was the increased demand in brick and mortar shopping in the segment, even though e-tailers, who primarily sell online, increased by 10 percent. All markets in the wholesale business showed growth in the quarter with the two largest markets, Sweden and the Netherlands, increasing by 58 and 22 percent, respectively. The Finnish market increased by 28 percent while Germany and Belgium increased by 4 and 0.3 percent, respectively. Sales to e-tailers showed a total increase of 10 percent for the quarter and amounted to SEK 67.2 million (61.2).

Operating profit amounted to SEK 32.5 million (27.0), an increase of 20 percent. The improvement in earnings was primarily due to higher sales and the fact that gross profit margins and operating expenses were approximately on a par with the previous year.

Consumer Direct

This segment consists of revenues and costs associated with Björn Borg Group's sales directly to consumers. The Björn Borg Group owns and operates a total of 23 (28) stores and factory outlet stores in Sweden, Finland, the Netherlands and Belgium, with sales of underwear, sports apparel, complementary products and other licensed products. In addition, Björn Borg sells online through www.bjornborg.com.

The Consumer Direct segment increased its operating revenues for the first quarter of 2022 to SEK 43.4 million

(37.0), an increase of 17 percent. The increase was mainly due to strong growth in its own physical stores as the stores in the Netherlands were closed for large parts of last year's first quarter as a result of the pandemic. Company sales from retail operations in its own stores increased by a total of 44 percent, with the Netherlands accounting for the majority of the increase. Sales in its own stores increased by 45 percent in Belgium and by 2 percent in Sweden, while sales from its own stores in Finland decreased by 17 percent. This was due to fewer pop-up stores this year compared with the previous quarter.

Our own e-commerce continued to grow, although not at the same pace as we had seen before. The increase in the quarter was 3 percent compared with the first quarter of the previous year, which itself increased by 40 percent compared with the first quarter of 2020.

Operating profit for the first quarter of 2022 amounted to SEK –8.7 million (–11.3). The improvement in operating profit was primarily explained by increased sales and reduced operating costs, although the slightly reduced gross profit margins had the opposite effect.

Distributors

The Distributors segment mainly consists of revenues and costs associated with sales to external distributors of product groups that are developed in-house by the company.

The segment's external operating income was at the same level during the first quarter of 2022 compared with 2021 and amounted to SEK 11.1 million (11.0). Sales to the two major distributor markets, Norway and the United Kingdom, increased by 73 and 57 percent, respectively, on the previous year, while Denmark, which is now a fully integrated part of the wholesale operations, had the opposite effect in the distributors segment.

Operating profit decreased to SEK 1.7 million (2.4).

Licensing

The licensing segment mainly consists of royalty income from licensees and costs for the Group associated with the licensing operations.

The segment's external operating income decreased slightly during the first quarter of the year 2022 to SEK 4.4 million (4.6). The reduction was a result of lower brand sales of licensed products, where footwear in particular accounted for the reduction.

Operating profit decreased to SEK 3.8 million (4.3) for the first quarter of 2022. The deteriorating operating profit was a result of lower external sales in the segment.

Intra-Group sales

Intra-Group sales for the first quarter of 2022 amounted to SEK 138.7 million (123.4).

SEASONAL VARIATIONS

The Björn Borg Group operates in an industry with seasonal variations. The different quarters vary in terms of sales and earnings. See the diagram on quarterly net sales and operating profit on page 4.

INVESTMENTS AND CASH FLOW

The Group's cash flow from operating activities amounted to SEK –57.0 million (–62.6) during the first quarter of 2022.

The cash flow from investing activities was negative at SEK –2.2 million (–3.6). The major investments were related to the renovation of an outlet store. Cash flow from investing activities amounted to SEK –25.8 million (8.2). The deterioration on the previous year was mainly due to higher loan repayments.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash and cash equivalents at the end of the period amounted to SEK 13.5 million (14.0), plus unutilized banking facilities of SEK 90.4 million (127.4). At the end of the first quarter of the year, the company had a net debt, excluding leasing liabilities, of SEK 46.1 million (98.6). The company continued to have strong liquidity, mainly due to increased earnings and reduced long-term debt. Total interest-bearing liabilities amounted to SEK 108.5 million (184.8), where total leasing debt amounted to SEK 48.9 million (72.2), of which SEK 30.9 million constituted the long-term share and SEK 18.0 million the short-term share.

The Björn Borg Group has SEK 150 million in banking facilities, of which SEK 59.6 million was utilized as of March 31, 2022. The real value of financial instruments essentially corresponds to book value.

COMMITMENTS AND CONTINGENT LIABILITIES

As a commitment for the overdraft facility and the three-year revolving credit facility, the company has undertaken to ensure that the ratio of the Group's net debt and 12-month rolling profit before depreciation on the last day of each quarter does not exceed 3.00. Furthermore, the Group must, at all times, maintain an equity / assets ratio of at least 35 percent.

As of March 31, 2022, the ratio was 0.38 (1.74) and the equity/assets ratio was 60.9 percent (54.3).

No significant changes were made to pledged collateral and contingent liabilities compared with 31 December 2021.

PERSONNEL

The average number of employees in the Group for the twelve-month period ending March 31, 2022 was 158 (185), of which 66 percent (64) were women. The decline of number of employees compared to last year is due to the effect that stores have been closed.

Segment	Revenue type	Operating income, SEK thousands January-March		Operating profit, SEK thousands January-March		Operating margin,% January-March	
		2022	2021	2022	2021	2022	2021
Wholesale	Products	177,712	142,756	32,530	27,027	18	19
Consumer direct	Products	43,408	37,018	–8,700	–11,262	–20	–30
	of which stores	18,273	12,681	–11,328	–15,651	–62	–123
	of which e-commerce	25,135	24,337	2,628	4,389	10	18
Distributors	Products	11,050	11,049	1,698	2,392	15	22
Licensing	Royalties	4,440	4,645	3,781	4,277	86	92
Total		236,569	195,468	29,309	22,434	12	11

TRANSACTIONS WITH RELATED PARTIES

In addition to the usual remuneration (salary, fees, and other benefits) to the CEO, senior executives, and the Board of Directors, as well as intra-Group sales, no transactions with related parties were carried out during the period.

SIGNIFICANT RISKS AND UNCERTAINTIES

Through its operations, the Björn Borg Group is exposed to risks and uncertainties. Information on the Group's risks and uncertainties can be found on page 61 in the annual report for 2021.

The company notes, however, that at the end of February 2022, what has been called 'the most politically threatening event in Europe since World War II' began. Russia launched a large-scale offensive and thus started a war against Ukraine. Consequences of the war have been large flows of refugees and severe sanctions against Russia. Furthermore, it is currently difficult to determine how the war will affect the Björn Borg Group's operations financially. The fact that the company does not do business in either Russia or Ukraine should minimize any risks of business impact. However, the company knows that increased fuel prices will lead to increased shipping costs, something that should be seen as a financial risk.

PARENT COMPANY

Björn Borg AB (publ) primarily conducts intra-Group operations. As of March 31, 2022, the company owned 100 percent of the shares in Björn Borg Brands AB, Björn Borg Footwear AB, Björn Borg Inc, Björn Borg Services AB, Björn Borg UK, Baseline, BBM, Björn Borg Finland Oy and Björn Borg Denmark Aps. Furthermore, the company owned 75 percent of the shares in Björn Borg (China) Ltd. The company has restructured the Baseline Group, which as of December 31, 2021, consisted of six legal units and was 100 percent owned by Björn Borg AB. As of the first of January 2022, the two Belgian units were broken out of the Baseline group, and also became 100 percent owned by Björn Borg AB. The acquisition was announced on the first day of January, 2022.

The Parent Company's net sales for the first quarter of 2022 amounted to SEK 25.2 million (24.8).

Profit before tax amounted to SEK 1.5 million (6.3) for the first quarter of 2022. Cash and cash equivalents at the end of the period amounted to SEK 0 million (0).

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events after the end of the reporting period can be reported.

NUMBER OF SHARES

The number of shares in Björn Borg amounts to 25,148,384.

FINANCIAL GOALS

Björn Borg's long-term financial goals for the business, which were last updated in 2019 for a five-year period to 2023, are:

- Annual sales growth of at least 5 percent.
- Annual operating margin of at least 10 percent.
- An annual dividend of at least 50 percent of net profit after tax.
- An equity / assets ratio of not less than 35 percent.

The company remains committed to the above goals despite the ongoing unrest in the world.

Comments on the financial targets: Sales growth is expected to come from growth in sports apparel primarily, although other product groups are also expected to grow.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year 2021 will be held on 19 May 2022 and due to the ongoing pandemic, the Board has decided that the Annual General Meeting will be held without the physical presence of shareholders, proxies and outsiders and that postal voting will only take place by post before the meeting. Furthermore, the Board has decided to propose to the 2022 Annual General Meeting that a distribution of SEK 2.50 (1.50) per share be paid to the shareholders for the financial year 2021, corresponding to 73 percent (200) of profit after tax. As proposed, the distribution will take place through an automatic redemption procedure, where each share is divided into an ordinary share and a redemption share. The redemption share will then be automatically redeemed for SEK 2.50 per share. Subject to approval by the Annual General Meeting, payment for the redemption share is expected to be completed around 27 June 2022. The Board's proposal corresponds to a transfer to shareholders of SEK 62.9 million (37.7).

ACCOUNTING PRINCIPLES

This condensed interim report for the Group has been prepared in accordance with IAS 34 *Interim Financial Reporting* and applicable provisions of the *Annual Accounts Act*. The interim report for the Parent Company has been prepared in accordance with the *Annual Accounts Act*, Chapter 9, on interim reporting and RFR 2 *Accounting for Legal Entities*. The accounting principles applied in the interim report are in accordance with the accounting principles applied in the preparation of the consolidated and annual report for 2021 (see page 56 in the annual report for 2021). New and revised standards and new interpretations that apply from 1 January 2022 have not had any significant impact on the Group's financial reports. Changes in RFR 2 that apply from 1 January 2022 have had some significant impact on the Parent Company's financial reports.

IMPORTANT ASSUMPTIONS AND ESTIMATES

The preparation of the interim report requires management to make assumptions and estimates that affect the application of the Group's (and the Parent Company's) accounting principles as well as reported amounts for assets, liabilities, income and expenses. The effects of the negative financial impact of the Corona virus have been taken into account, as have any negative financial effects of the war in Ukraine. The results of these assumptions and estimates are then used to measure the reported values of assets and liabilities that are not otherwise clearly apparent from other sources. The estimates for accounting purposes that result from these will, by definition, not always correspond to the actual results. The outcome of the above assumptions and estimates has not had any significant impact on the Group's financial reports. Important assumptions and estimates are set out in the annual report for 2021. No significant changes in assumptions and estimates have been made compared with the annual report for 2021.

AUDIT REPORT

This interim report has not been subject to a review by the company's auditors.

OUTLOOK 2022

The company's policy is not to provide earnings forecasts.

Consolidated income statement

IN SUMMARY

SEK thousands	Note	January- March 2022	January- March 2021	April 2021- March 2022	Full year 2021
Net sales	1	226,620	184,651	810,173	768,203
Other operating revenue		9,949	10,817	27,024	27,892
Operating revenue		236,569	195,468	837,197	796,095
Goods for resale		-113,234	-86,273	-378,624	-351,663
Other external expenses	2	-40,824	-38,953	-160,181	-158,310
Personnel costs		-34,958	-31,792	-128,667	-125,501
Depreciation/amortization of tangible/intangible non-current assets		-8,766	-8,536	-35,733	-35,503
Other operating expenses		-9,478	-7,480	-23,028	-21,030
Operating profit		29,309	22,434	110,964	104,088
Net financial items		-143	3,454	-815	2,782
Profit before tax		29,166	25,888	110,149	106,870
Tax		-6,035	-4,575	-22,300	-20,840
Profit for the period		23,131	21,313	87,849	86,030
Profit for the period attributable to					
Parent Company shareholders		23,131	21,313	87,849	86,030
Non-controlling interests		-	-	-	-
Earnings per share before dilution, SEK		0.92	0.85	3.49	3.42
Earnings per share after dilution, SEK		0.92	0.85	3.49	3.42
Number of shares		25,148,384	25,148,384	25,148,384	25,148,384

Consolidated statement of comprehensive income

IN SUMMARY

SEK thousands	Note	January- March 2022	January- March 2021	April 2021- March 2022	Full year 2021
Profit/loss for the period		23,131	21,313	87,849	86,030
OTHER COMPREHENSIVE INCOME					
Components that may be reclassified to profit or loss for the period					
Translation difference for the period		183	-4,307	-613	-5,103
Total other comprehensive income for the period		183	-4,307	-613	-5,103
Total comprehensive income for the period		23,314	17,006	87,236	80,927
Total comprehensive income attributable to					
Parent Company shareholders		23,314	17,006	87,236	80,927
Non-controlling interests		-	-	-	-

Consolidated statement of financial position

IN SUMMARY

SEK thousands	Note	March 31, 2022	March 31, 2021	Dec 31, 2021
Non-current assets				
Goodwill		34,907	34,706	34,685
Trademarks		187,532	187,532	187,532
Other intangible assets		10,261	11,787	10,917
Tangible non-current assets		15,843	16,415	15,405
Deferred tax assets		13,398	15,171	13,952
Right-of-use assets		50,004	73,751	54,950
Total non-current assets		311,945	339,362	317,441
Current assets				
Inventory		131,609	143,503	151,991
Accounts receivable		156,949	121,935	91,969
Other current receivables		22,338	21,833	22,524
Cash and cash equivalents		13,499	13,958	96,743
Total current assets		324,395	301,229	363,227
Total assets		636,340	640,591	680,668
Equity and liabilities				
Equity		357,531	308,019	334,217
Deferred tax liabilities		39,619	39,281	39,596
Non-current liabilities credit institutions		–	99,000	80,000
Other non-current liabilities		3,925	–	1,932
Long-term lease liabilities		30,899	50,308	33,777
Current liability to credit institution		59,627	13,597	–
Accounts payable		40,291	49,252	97,036
Short-term lease liabilities		18,043	21,919	20,242
Other current liabilities		86,404	59,215	73,868
Total equity and liabilities		636,340	640,591	680,668

Consolidated statement of changes in equity

IN SUMMARY

SEK thousands	Note	Equity attributable to the parent company's shareholders	Possession without controlling influence	Total equity
Opening balance, January 1, 2021		296,308	–5,295	291,013
Total comprehensive income for the period		17,334	–328	17,006
Closing balance, March 31, 2021		313,642	–5,623	308,019
Opening balance, January 1, 2021		296,308	–5,295	291,013
Total comprehensive income for the period		81,499	–572	80,927
Distribution for 2020		–37,723	–	–37,723
Closing balance, December 31, 2021		340,084	–5,867	334,217
Opening balance, January 1, 2022		340,084	–5,867	334,217
Total comprehensive income for the period		23,453	–139	23,314
Closing balance, March 31, 2022		363,537	–6,006	357,531

Consolidated statement of cash flows

IN SUMMARY

SEK thousands	January- March 2022	January- March 2021	Full year 2021
Cash flow from operating activities			
Before changes in working capital	38,235	28,691	136,818
Changes in working capital	-95,199	-91,263	-22,891
Cash flow from operating activities	-56,964	-62,572	113,927
Investments in intangible non-current assets	-459	-2,306	-4,828
Investments in tangible non-current assets	-1,780	-1,255	-5,680
Cash flow from investing activities	-2,239	-3,561	-10,508
Distribution	-	-	-37,723
Amortization of loans	-31,000	-	-19,000
Amortization of lease liabilities	-5,395	-5,440	-23,400
Overdraft facility	10,627	13,597	-
Cash flow from financing activities	-25,768	8,157	-80,123
Cash flow for the period	-84,971	-57,976	23,296
Cash and cash equivalents at the beginning of the period	96,743	70,235	70,235
Translation difference in cash and cash equivalents	1,727	1,699	3,212
Cash and cash equivalents at the end of the period	13,499	13,958	96,743

Key figures

THE GROUP

SEK thousands	January- March 2022	January- March 2021	April 2021- March 2022	Full year 2021
Gross profit margin,% *	50.0	53.3	53.3	54.2
Operating margin,%	12.9	12.1	13.7	13.5
Profit margin,%	12.9	14.0	13.6	13.9
Return on capital employed,%	23.9	8.8	23.9	24.4
Return on average equity,%	26.4	10.1	26.4	27.5
Profit attributable to the Parent Company's shareholders	23,131	21,313	87,849	86,030
Equity/assets ratio,% *	60.9	54.3	60.9	53.4
Equity per share, SEK	14.22	12.25	14.22	13.29
Investments in intangible non-current assets	459	2,306	2,981	4,828
Investments tangible non-current assets	1,780	1,255	6,205	5,680
Depreciation, amortization and impairment losses for the period	-8,766	-8,536	-35,733	-35,503
Average number of employees	158	185	158	162

* The figure is an alternative performance measure (APM) and not (IFRS). It is described under definitions and explained on page 14.

Summary per segment

THE GROUP

SEK thousands	January- March 2022	January- March 2021	April 2021- March 2022	Full year 2021
Operating revenue				
Wholesale				
External revenue	177,712	142,756	537,230	502,273
Internal revenue	1,014	102	2,519	1,607
	178,726	142,858	539,749	503,880
Consumer Direct				
<i>Brick-and-mortar</i>				
External revenue	18,273	12,681	118,795	113,203
Internal revenue	229	–	248	19
<i>E-commerce</i>				
External revenue	25,135	24,337	100,306	99,509
Internal revenue	–	–	281	281
	43,637	37,018	219,630	213,012
Distributors				
External revenue	11,050	11,049	71,441	71,439
Internal revenue	116,922	104,825	477,693	465,596
	127,972	115,874	549,134	537,035
Licensing				
External revenue	4,400	4,645	9,426	9,671
Internal revenue	20,506	18,467	83,443	81,404
	24,906	23,112	92,869	91,075
Less internal sales	–138,672	–123,394	–564,185	–548,907
Operating revenue	236,569	195,468	837,197	796,095
Operating profit				
Wholesale	32,530	27,027	74,027	68,523
Consumer Direct, brick-and-mortar	–11,328	–15,651	–2,057	–6,380
Consumer Direct, e-commerce	2,628	4,389	18,433	20,194
Distributors	1,698	2,392	12,877	13,571
Licensing	3,781	4,277	7,684	8,180
Operating profit	29,309	22,434	110,964	104,088

Reconciliation between operating profit and profit before tax

The difference between operating profit for segments for which information must be disclosed is SEK 29,309 thousand (22,434) and profit before tax SEK 29,166 thousand (25,888) is net financial items, SEK –143 thousand (3,454).

Quarterly data

THE GROUP

SEK thousands	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Net sales	226,620	180,576	240,141	162,836	184,651	160,364	224,909	147,966
Gross profit margin,%	50.0	53.1	54.4	56.3	53.3	56.6	50.4	49.1
Operating profit/loss	29,309	10,020	52,357	19,277	22,434	6,455	33,403	–13,410
Operating margin,%	12.9	5.5	21.8	11.8	12.1	4.0	14.9	–9.1
Profit/loss after net financial items	29,166	12,030	50,937	18,015	25,888	–5,744	32,951	–22,846
Profit margin,%	12.9	6.7	21.2	11.1	14.0	–3.6	14.7	–15.4
Earnings per share, before dilution, SEK	0.92	0.44	1.59	0.54	0.85	0.05	1.02	–0.75
Earnings per share, after dilution, SEK	0.92	0.44	1.59	0.4	0.85	0.05	1.02	–0.75
Number of Björn Borg stores at the end of the period	26	26	27	28	31	32	33	33
of which Group-owned Björn Borg stores	23	23	24	25	28	29	30	30

Parent company income statement

IN SUMMARY

SEK thousands	Note	January- March 2022	January- March 2021	April 2021- March 2022	Full year 2021
Net sales		25,170	24,806	100,304	99,940
Other operating revenue		565	1,089	1,516	1,990
Operating revenue		25,735	25,895	101,820	101,930
Goods for resale		–	–	–51	–51
Other external expenses	2	–13,128	–10,433	–56,968	–54,272
Personnel costs		–11,977	–11,185	–41,483	–40,691
Depreciation/amortization of intangible and tangible non-current assets		–629	–574	–2,381	–2,326
Other operating expenses		–501	–6	–1,213	–668
Operating profit		–500	3,697	–276	3,922
Result from shares in subsidiaries		–	–3,420	–30,774	–34,194
Net financial items		1,961	6,038	6,840	10,918
Profit/loss after financial items		1,461	6,315	–24,210	–19,354
Group contributions received/paid		–	–	48,988	48,988
Appropriations		–	–	–218	–218
Profit/loss before tax		1,461	6,315	24,560	29,416
Tax		–	–	–14,451	–14,451
Profit/loss for the period		1,461	6,315	10,109	14,965
Other comprehensive income		–	–	–	–
Total comprehensive income for the period		1,461	6,315	10,109	14,965

Parent company balance sheet

IN SUMMARY

SEK thousands	Note	March 31, 2022	March 31, 2021	Dec 31, 2021
Non-current assets				
Intangible assets		3,525	4,403	3,669
Tangible non-current assets		2,170	2,622	2,112
Deferred tax		4	8	4
Shares in Group companies		279,956	305,343	277,676
Total non-current assets		285,655	312,376	283,461
Current assets				
Receivables from Group companies		1,058,363	933,966	980,598
Current receivables		1,390	6,364	3,864
Cash and cash equivalents		–	–	75,392
Total current assets		1,059,753	940,330	1,059,854
Total assets		1,345,408	1,252,706	1,343,315
Equity and liabilities				
Equity		157,490	185,102	156,029
Untaxed reserves		1,256	1,038	1,256
Non-current liabilities credit institutions		–	99,000	80,000
Other non-current liabilities		3,925	–	1,932
Current liabilities credit institutions		59,627	13,597	–
Due to Group companies		1,092,457	939,969	1,070,468
Accounts payable		5,407	3,786	9,251
Other current liabilities		25,246	10,214	24,379
Total equity and liabilities		1,345,408	1,252,706	1,343,315

Parent company statement of changes in equity

IN SUMMARY

SEK thousands	January- March 2022	January- March 2021	Full year 2021
Opening balance	156,029	178,787	178,787
Distribution	–	–	–37,723
Total comprehensive income for the period	1,461	6,315	14,965
Closing balance	157,490	185,102	156,029

Supplementary disclosures

NOTE 1 NET SALES

The Group's net sales consist of sales of products and royalties for the use of the company's brand. Transfers of goods/royalties are made at fixed points in time. Listed in the table below are markets with a net sales above 10 percent of the total.

SEK thousands	The group	
	Jan-Mar 2022	Jan-Mar 2021
Sweden	82,969	63,297
Netherlands	46,242	36,611
Finland	32,667	28,265
Germany	31,082	29,253
Others	33,660	27,225
Total net sales	226,620	184,651

NOTE 2 OTHER EXTERNAL EXPENSES

SEK thousands	The group		Parent Company	
	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
Cost of premises	3,169	2,378	2,007	1,250
Sales expenses	13,969	13,213	635	735
Marketing expenses	14,577	12,021	6,831	6,002
Administrative expenses	7,984	10,504	3,427	2,353
Other	1,099	837	228	93
	40,824	38,953	13,128	10,433

Definitions

The company presents certain financial measures in this year-end report that are not defined in accordance with IFRS. The company considers these measures to be valuable complementary information for investors and the company's management. Since not all companies calculate financial measures in the same way, they are not always comparable with measures used by other companies. Consequently, these financial measures should not be seen as a substitute for measures defined in accordance with IFRS. For more on the calculation of these key figures see:

<https://corporate.bjornborg.com/en/section/investors/interim-reports/>
<https://corporate.bjornborg.com/en/financial-definitions/>
<https://corporate.bjornborg.com/en/financial-data/>

CAPITAL EMPLOYED

Total assets less non-interest-bearing liabilities and provisions.

Purpose: Capital employed measures capital use and efficiency.

COMPARABLE STORE SALES

Sales for own stores that were also open in the previous period.

Purpose: To obtain comparable sales between periods for own stores.

EARNINGS PER SHARE (DEFINED ACCORDING TO IFRS)

Profit after tax in relation to the weighted average number of shares during the period.

Purpose: This indicator is used to assess an investment from an owner's perspective.

EARNINGS PER SHARE AFTER DILUTION (DEFINED ACCORDING TO IFRS)

Earnings per share adjusted for any dilution effect.

Purpose: This indicator is used to assess the investment from an owner's perspective.

EQUITY/ASSETS RATIO

Equity as a percentage of total assets adjusted for lease liabilities.

Purpose: This indicator shows financial risk, expressed as a share of the total restricted equity financed by the owners.

GROSS PROFIT MARGIN

Net sales less costs of goods sold divided by net sales.

Purpose: Gross margin is used to measure operating profitability.

GROSS PROFIT MARGIN BEFORE ACQUISITIONS

Net sales less cost of goods sold divided by net sales.

Purpose: Gross profit margin before acquisitions is used to measure operating profitability adjusted for acquisition effects.

GROSS PROFIT MARGIN EXCLUDING CURRENCY EFFECTS

Gross profit margin calculated using the previous year's exchange rate.

Purpose: To obtain a currency-neutral gross profit margin.

GROUP NET SALES EXCLUDING CURRENCY EFFECTS

Net sales calculated using the previous year's exchange rate.

Purpose: To obtain comparable and currency-neutral net sales.

NET DEBT

Interest-bearing liabilities excluding leasing liabilities less investments and cash and cash equivalents.

Purpose: Net debt reflects the company's total debt situation.

NET DEBT TO EBITDA RATIO

Interest-bearing liabilities excluding lease liabilities less investments and cash and cash equivalents divided by operating profit before depreciation/amortization.

Purpose: To show the company's ability to pay debts.

NET FINANCIAL ITEMS

Financial income less financial expenses.

Purpose: To describe the company's financial activities.

OPERATING MARGIN

Operating profit as a percentage of net sales.

Purpose: The operating margin is used to measure operating profitability.

OPERATING PROFIT

Profit before tax plus net financial items.

Purpose: : This indicator facilitates comparisons of profitability regardless of the company's tax rate and independent of the company's financing structure.

PROFIT MARGIN

Profit before tax as a percentage of net sales.

Purpose: Profit margin shows the company's profit in relation to its sales.

RETURN ON CAPITAL EMPLOYED

Profit before tax (per rolling 12-month period) plus financial expenses as a percentage of average capital employed. Average capital employed is calculated by adding equity at January 1 to equity at December 31 and dividing by two.

Purpose: This indicator is the key measure to quantify the return on all the capital used in operations.

RETURN ON EQUITY

Profit for the period/year attributable to the Parent Company's shareholders (for rolling 12 months) according to the income statement as a percentage of average equity. Average equity is calculated by adding equity at January 1 to equity at December 31 and dividing by two.

Purpose: This indicator shows, from an owner's perspective, the return generated on the owners' invested capital.

The Board of Directors and the CEO certify that the interim report provides a true and fair overview of the operations, financial position and results of the Parent Company and the Group and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, May 19, 2022

Heiner Olbrich
Chairman of the Board

Alessandra Cama
Board member

Jens Högsted
Board member

Anette Klintfeldt
Board member

Fredrik Lövestedt
Board member

Mats H Nilsson
Board member

Henrik Bunge
CEO

CALENDAR 2022

The interim report January-June 2022 will be released at 7.30 a.m. (CET) on 19 August 2022.

The interim report January-September 2022 will be released at 7.30 a.m. (CET) on 18 November 2022.

The year-end report 2022 will be released at 7.30 a.m. on 24 February 2023.

FINANCIAL REPORTS

Financial reports can be downloaded from the company's website www.bjornborg.com or ordered by phone +46 8 506 33 700 or by e-mail info@bjornborg.com.

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THE BJÖRN BORG GROUP IN BRIEF

The Björn Borg Group owns the Björn Borg brand and the focus of the business is sports apparel, underwear and bags. In addition, footwear and eyewear are also offered via licensees. Björn Borg products are sold in about twenty markets, of which Sweden and the Netherlands are the largest. The Björn Borg Group has its own operations at all stages from brand development to consumer sales in its own Björn Borg stores. In total, Group net sales in 2021 amounted to SEK 768.2 million and the average number of employees was 162. Björn Borg has been listed on Nasdaq Stockholm since 2007.

IMAGES IN THE INTERIM REPORT

The images in the interim report are taken from Björn Borg's spring and summer collection 2022.

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Björn Borg AB (publ) is required to make public this information in accordance with the EU Market Abuse Regulation. The information was released for publication by the above-mentioned contacts on 19 May 2022 at 5.30 p.m. (CET).