



BJÖRN BORG

Björn Borg AB • Year-end report
January-December 2023

Strong development for own e-commerce

OCTOBER 1 - DECEMBER 31, 2023

- Group's net sales amounted to SEK 197.6 million (198.4), a decrease of 0.4 percent. Currency neutral, net sales decreased by 3 percent.
- Net sales for own e-commerce increased by 46 percent to SEK 45.5 million (31.2), sales for own e-commerce and e-tailers amounted to SEK 92.8 million (77.4), an increase of 20 percent.
- The gross profit margin amounted to 56.8 percent (52.1). Currency-neutral, the gross profit margin amounted to 56.2 percent, an increase of 4.1 percentage points.
- Operating profit amounted to SEK 20.2 million (7.8), an increase of 160 percent. Currency neutral, the operating profit amounted to SEK 17.6 million, an increase of SEK 126 percent.
- Profit after tax amounted to SEK 15.0 million (5.3), a increase of 183 percent.
- Earnings per share before and after dilution amounted to SEK 0.59 (0.21).

JANUARY 1 - DECEMBER 31, 2023

- Group's net sales amounted to SEK 872.3 million (835.2), an increase of 4 percent. Currency neutral, net sales increased by 1 percent.
- Net sales for own e-commerce increased by 36 percent to SEK 154.0 million (113.4), sales for own e-commerce and e-tailers amounted to SEK 358.2 million (307.5), an increase of 16 percent.
- The gross profit margin amounted to 54.0 percent (50.8). Currency-neutral, the gross profit margin amounted to 54.6 percent, an increase of 3.8 percentage points.
- Operating profit amounted to SEK 100.6 million (72.9), an increase of 38 percent. Currency-neutral, the operating profit amounted to SEK 95.5 million, an increase of 31 percent.
- Profit after tax amounted to SEK 76.0 million (50.9), an increase of 49 percent.
- Earnings per share before and after dilution amounted to 3.02 (2.02).
- The Board has decided to propose to the annual general meeting a distribution of SEK 3.00 (2.00) per share, equivalent to a total of SEK 75.4 million (50.3). In addition, the Board has decided to propose to the AGM that the AGM should give the authorization for the Board to buy back the company's own shares.

QUOTE FROM THE CEO

"The highlights from the last quarter of the year were, without doubt, the strong development of our own e-commerce which grew by 46 percent, as well as the considerable improvement in our operating profit, which increased by 160 percent," comments CEO Henrik Bunge.

SEK million	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Net sales	197.6	198.4	872.3	835.2
Gross profit margin, %	56.8	52.1	54.0	50.8
Operating profit	20.2	7.8	100.6	72.9
Operating margin, %	10.2	3.9	11.5	8.7
Profit after tax	15.0	5.3	76.0	50.9
Earnings per share before dilution, SEK	0.59	0.21	3.02	2.02
Earnings per share after dilution, SEK	0.59	0.21	3.02	2.02



CEO comments

The highlights from the last quarter of the year were, without doubt, the strong development of our own e-commerce which grew by 46 percent, as well as the considerable improvement in our operating profit, which increased by 160 percent to SEK 20.2 million (7.8).

In terms of sales, however, the last quarter of the year did not live up to our plans. Admittedly, our total revenue increased during the quarter but currency neutral, our net sales decreased by 2.7 percent. This depended entirely on very weak sales to our distributors. We can do better, and growth is now a clear focus for us.

The global environment also continued to be challenging during the fourth quarter of the year. Household consumption decreased throughout the year in all our markets. Despite this, we saw an increased demand for our products, not only at the wholesale level but above all in our own e-commerce. We also saw several clear signs that our brand was strengthening. Our strategy is right, and we are taking clear steps in the right direction to reach our goal to become a global sports fashion brand.

Our various product categories developed very differently during the quarter. All categories grew strongly in our own e-commerce, where footwear increased by 104 percent, bags by 80 percent and sports apparel by 53 percent. Totally, for all channels, we saw continued strong demand for our sports apparel, which grew by 17 percent. Footwear and underwear, on the other hand, decreased in the quarter, mainly due to the weak development of our distributors. Bags were in line with the previous year, and the other smaller product groups grew by 3 percent.

We continued to see great strength in our well-developed channel strategy. This became particularly clear during the fourth quarter of the year, where the very strong development of own e-commerce made up for many of the losses we saw from our distributors at the same time.

The wholesale channel, which is also our largest channel, grew by 2 percent. Our own channels, both own e-com-

merce and own stores, developed differently during the quarter. As mentioned earlier, own e-commerce grew by 46 percent, which was considerably better than the market. This was the result of a very competent team, strong demand for our products, efficient marketing and the positive development of our brand. Our own comparable stores showed figures which were on a par with the fourth quarter of last year. In total, however, our own stores were down by 8 percent in the quarter due to planned store closures, which was fully in line with our channel strategy from 2019. We then made the decision to significantly, but in a controlled manner, increase and reallocate our investments to digital channels. Our distributors continued to fall, with decreased purchases to reduce their inventory levels being the main reason. But we also saw a drop in sales from our distributors to their customers.

When reviewing our various markets, we see that our two largest markets, Sweden and the Netherlands, continued to develop well. Sweden increased by 7 percent and the Netherlands by 21 percent. Belgium and Denmark also grew. At the same time, our sales in Germany and Finland decreased. We also saw a reduction in other smaller markets.

During the last quarter of the year, we also carried out our annual anonymous employee survey. It makes me both proud and happy that, together, we have created a workplace which so many think is fantastic. Committed and proud employees are guaranteed to create strong results.

Having said that, I am convinced that we are well prepared for both known and unknown challenges. We have a strong brand, a dedicated staff and a well-structured strategy. This will help us continue to grow and develop in the future.

So, let's go!

Head coach,
Henrik Bunge



The Group's development

OPERATING INCOME FOURTH QUARTER 2023

The fourth quarter of the year showed an improvement in the total operating revenue, including other revenues, by 0.6 percent to SEK 203.7 million (202.5). Adjusted for currency effects, operating revenue was down by 2.0 percent for the quarter.

CATEGORIES FOURTH QUARTER 2023

The underwear category showed a decrease in sales of 4 percent for the fourth quarter of 2023, where above all, sales to external distributors showed a large decrease of 45 percent, due to weak through-sales in the quarter. Sales to own e-commerce increased by 18 percent, while own stores underwear sales decreased by 9 percent, primarily due to the reduced number of stores. The wholesale business was at the same level as the previous year's fourth quarter.

Sports apparel increased by 17 percent where, above all, sales to own e-commerce continued to grow strongly with an increase of 53 percent. The wholesale business too grew strongly and increased by 28 percent, while sales to external distributors fell by 43 percent.

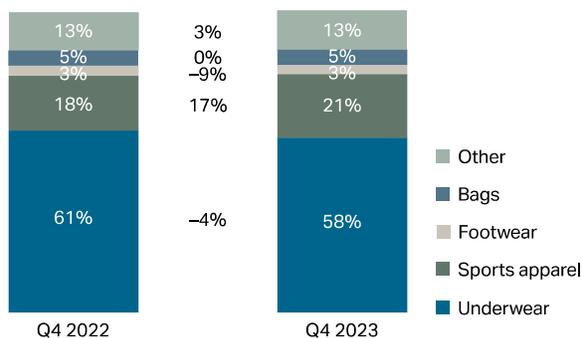
Sales of footwear decreased by 9 percent compared to the previous year's fourth quarter, while bags were at the same level as in the previous year. For other categories, sales increased by 3 percent.

MARKETS FOURTH QUARTER 2023

The largest market, Sweden, increased in the fourth quarter of the year by 7 percent, where wholesale

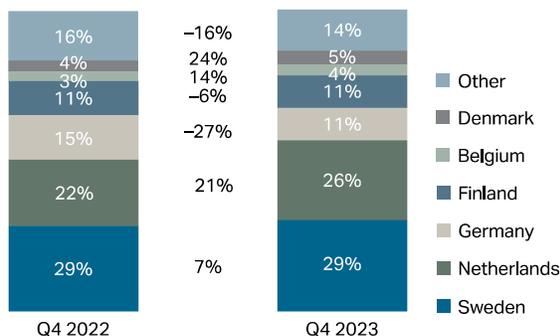
CATEGORIES – SHARE OF TOTAL SALES

SEK 202 million – Growth 1% – SEK 204 million



MARKETS – SHARE OF TOTAL SALES

SEK 202 million – Growth 1% – SEK 204 million

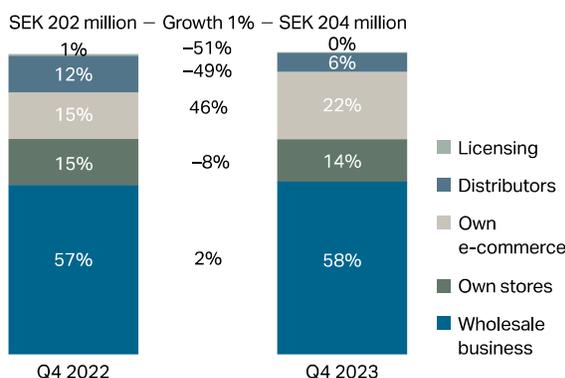


operations increased by 2 percent due to strong sell-through at the larger retailers, and own e-commerce increased by 38 percent. The second largest market, the Netherlands, increased by 21 percent. Here too, own e-commerce grew strongly, with an increase of 58 percent. Germany showed a decrease against last year's fourth quarter by 27 percent due to weak sales at the major retailers. Finland was down in the quarter by 6 percent, while Denmark increased by 24 percent. Belgium increased by 14 percent. Other smaller markets decreased by a total of 16 percent.

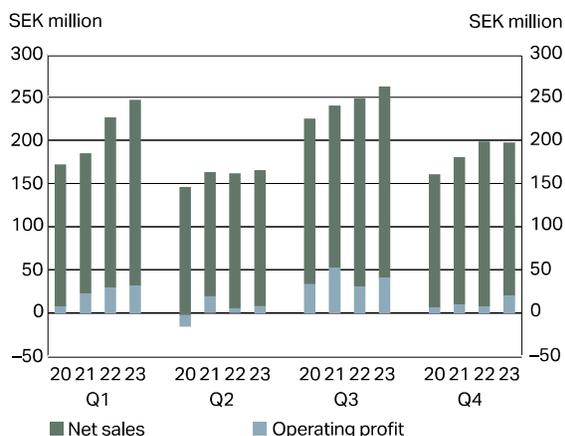
SALES CHANNELS FOURTH QUARTER 2023

The largest channel, the wholesale operations, showed an increase of 2 percent in the fourth quarter of 2023, where e-tailers within the wholesale operations increased by 3 percent, primarily due to strong development in the Swedish market. Physical stores increased by 2 percent, here again, mainly through strong development on the Swedish market. Own stores decreased overall compared to the previous year by 8 percent due to the company choosing to close down unprofitable stores. For comparable stores, i.e. stores that were open during both comparison quarters, sales were on a par with the previous year's fourth quarter. Own e-commerce continued to show strong growth and was up by 46 percent, while distributors decreased by 49 percent compared to the previous year, mainly due to lower purchases from Norway.

SALES CHANNELS – SHARE OF TOTAL SALES



QUARTERLY NET SALES AND OPERATING PROFIT, 2020-2023



NET SALES

Fourth quarter, October-December 2023

Group net sales during the fourth quarter amounted to SEK 197.6 million (198.4), a decrease of 0.4 percent. The currency effect on net sales was positive, and adjusted for currency effects, sales decreased by 2.7 percent.

The main explanation for the variance between the quarters was that company sales to external distributors decreased as a result of weak sell-through. However, our own e-commerce continued to show increased demand and grew by 46 percent, while the wholesale business grew by 2 percent. For further details, see below under "Developments by segment".

Full year, January-December 2023

Group net sales for the full year 2023 amounted to SEK 872.3 million (835.2), an increase of 4.4 percent. The currency effect affected net sales positively in the quarter, and adjusted for currency effects, net sales increased by 0.7 percent.

The main explanation for the increase for the full year 2023 was that the company saw an increased demand within its own e-commerce, which increased by 36 percent. The wholesale operations also developed strongly and grew by 7 percent. For further details, see below under "Developments by segment".

RESULTS

Fourth quarter, October-December 2023

The gross profit margin for the fourth quarter increased to 56.8 percent (52.1). Adjusted for currency effects, the gross profit margin would be 56.2 percent. It was primarily a greater focus on profitability in wholesale operations in general, as well as reduced discounts in own stores and own e-commerce, where, for example, certain sale periods were removed, which contributed to the positive effect.

Other operating revenue amounted to SEK 6.1 million (4.1) and mainly referred to unrealized gains on accounts receivable in foreign currency.

Operating costs in the quarter decreased by SEK 1.5 million compared to the previous year's fourth quarter, above all, through reduced personnel costs since the previous year contained costs for incentive programs, and also through reduced reserves for doubtful accounts receivable.

Higher gross profit margins and reduced operating costs resulted in an increase in the operating profit to SEK 20.2 million (7.8).

Net financial items amounted to SEK 0.9 million (-1.4). The change in net financial items was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

The period's profit after tax increased to SEK 15.0 million (5.3).

Full year, January-December 2023

The gross profit margin for the full year 2023 increased to 54.0 percent (50.8). Adjusted for currency effects, the gross profit margin would have been 54.6 percent. It was primarily a greater focus on profitability in wholesale operations in general, as well as reduced discounts in own stores and own e-commerce, where, for example, certain sale periods were removed, which contributed to the positive effect.

Other operating revenue amounted to SEK 19.5 million (25.8) and mainly referred to unrealized gains on accounts receivable in foreign currency.

Operating costs increased as planned for the full year 2023 by SEK 12.7 million compared to the previous year, above all, through increased marketing activities. However, lower personnel costs had an opposite positive effect on operating costs.

Higher sales, higher gross profit margins and planned, increased operating costs compared to the previous year, resulted in the operating profit increasing to SEK 100.6 million (72.9).

Net financial items amounted to SEK –2.9 million (–2.5). The deterioration in net financial items was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

The period's profit after tax increased to SEK 76.0 million (50.9).

Developments by segment

Björn Borg's segment reporting consists of the company's main revenue streams which are divided into Wholesale, Own e-commerce, Own stores, Distributors and Licensing, which is also how the business is followed up internally in the Group.

Wholesale operations

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

The segment's external operating revenue amounted to SEK 577.5 million (539.9), which was an increase of 7 percent. One explanation for the increase was that the company saw an increase in demand from e-tailers within the segment, players who primarily sell online, where growth for the full year 2023 was 5 percent to SEK 204 million (194). Physical stores within the segment also showed growth and increased by 8 percent to SEK 373 million (346). Within the wholesale operations, the largest market, Sweden, showed strong growth of 7 percent, and the second largest market, the Netherlands, showed growth of 9 percent. The Norwegian market increased 1 percent, while Germany decreased by 10 percent.

Operating profit amounted to SEK 60.8 million (52.8). It was, above all, higher sales combined with improved margins that caused the operating profit to increase by 15 percent.

Own e-commerce

The segment consists of revenues and costs associated with the Björn Borg Group's sales of underwear, sports apparel, footwear, bags, and complementary products, directly to consumers via Own e-commerce at www.bjornborg.com.

Own e-commerce continued to grow strongly. In 2023 own e-commerce increased by 36 percent to SEK 154.0 million (113.4). This increase was mainly due to strong growth in the sports apparel category, which increased by 76 percent compared to the previous year. The underwear category is also increased strongly and grew by 15 percent. Footwear continued to show strong momentum and grew by 104 percent.

The operating profit for 2023 amounted to SEK 28.8 million (17.7), an increase of 63 percent. The improvement was due primarily to greatly increased sales with maintained high margins.

Own stores

The segment consists of revenues and costs associated with the Björn Borg Group's sales directly to consumers via its own physical stores. The Björn Borg Group owns and operates a total of 16 (18) stores and factory outlet stores in Sweden, the Netherlands, Finland and Belgium, selling underwear, sports apparel, footwear, bags, and complementary products.

Own physical stores decreased slightly compared to last year. In total, the reduction was 2 percent to SEK 104.7 million (106.6) after the company chose to close down two stores, in line with the company's strategy to close unprofitable stores. For comparable stores, i.e. stores that were also open in the corresponding period last year, the increase was 15 percent.

In the Netherlands, sales in own stores also rose by 15 percent, mainly because the stores were closed at the beginning of 2022. For comparable stores in the Netherlands, sales increased by 17 percent. In Sweden, sales in own stores fell by 5 percent related to the closure of unprofitable stores. For comparable stores in Sweden, sales increased by 4 percent. Sales in Finland and Belgium were down by 11 and 14 percent respectively as a result of fewer stores this year compared to last year. For comparable stores, Finland and Belgium increased by 33 and 9 percent respectively.

The operating profit for the full year 2023 amounted to SEK –7.0 million (–24.3). The improvement in the operating profit was primarily due to improved margins and reduced operating costs as a result of fewer stores.

Segment	Revenue type	Operating income, SEK thousands January-December		Operating profit, SEK thousands January-December		Operating margin,% January-December	
		2023	2022	2023	2022	2023	2022
Wholesale	Products	577,469	539,871	60,818	52,824	11	10
Own e-commerce	Products	153,975	113,411	28,809	17,669	19	16
Own stores	Products	104,713	106,566	–7,009	–24,324	–7	–23
Distributors	Products	46,512	92,298	9,848	19,558	21	21
Licensing	Royalties	9,122	8,862	8,084	7,182	89	81
Total		891,791	861,008	100,550	72,909	11	8

Distributors

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

The segment's external operating revenue decreased during the full year 2023 compared to 2022, and amounted to SEK 46.5 million (92.3). Sales to the two major distributor markets, Norway and Great Britain, decreased compared to the previous year by 23 and 63 percent respectively, mainly due to large stocks and thus fewer purchases from the respective markets. For other distributor markets, sales decreased by a total of 71 percent.

Operating profit decreased to SEK 9.8 million (19.6) as a result of the lower sales.

Licensing

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

The segment's external operating revenue increased somewhat during the full year 2023 compared to 2022, and amounted to SEK 9.1 million (8.9). It was, above all, in the footwear category that royalty income increased during the year.

The operating profit amounted to SEK 8.1 million (7.2) for 2023.

Intra-Group sales

Intra-Group sales for 2023 amounted to SEK 597.5 million (518.3).

SEASONAL VARIATIONS

The Björn Borg Group operates in an industry with seasonal variations. The different quarters vary in terms of sales and profits. See diagram on 'Net sales and operating profit per quarter' on page 5.

INVESTMENTS AND CASH FLOW

The cash flow from the day-to-day operations of the Group amounted to SEK 121.3 million (60.5) during the full year 2023. The improvement compared to the previous year came primarily from lower capital sums tied up in working capital.

The cash flow from investment activities was negative at SEK -11.1 million (-8.3). The larger investments primarily referred to the rebuilding of the head office showroom. The cash flow from financing operations amounted to SEK -101.6 million (-135.9). The improvement compared to the previous year was due to lower loan repayments and a lower distribution to shareholders of SEK -50.3 million (-62.9).

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash and cash equivalents at the end of the period amounted to SEK 26.6 million (16.0), plus unused bank facilities of SEK 150.0 million (120.0). At the end of the year's fourth quarter, the company had a net cash balance of SEK 26.6 million, excluding lease liabilities, to be compared with a net debt in the previous year of SEK 14.0 million. The company had continued strong liquidity mainly due to increased earnings. Total interest-bearing liabilities amounted to SEK 42.9 million (81.7) which, in its entirety consisted of a leasing liability of SEK 42.8 million (51.7), of which SEK 25.5 million was the long-term share and SEK 17.4 million was the short-term share.

The Björn Borg Group had SEK 150 million in bank facilities, of which SEK 0.0 million was utilized as of December 31, 2023. The fair value of financial instruments corresponded in all material respects to the book value.

COMMITMENTS AND CONTINGENT LIABILITIES

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

As of December 31, 2023, the ratio of the Group's net debt was + 0.24, as compared to a negative ratio of 0.17 the previous year, and the equity ratio amounted to 59.6 percent (54.0).

There have been no significant changes in collateral and contingent liabilities compared to 31 December 2022.

PERSONNEL

The average number of employees in the Group for the twelve-month period ending December 31, 2023, was 151 (151) of which 69 percent (67) were women.

TRANSACTIONS WITH RELATED PARTIES

Following a decision at the annual general meeting, the Björn Borg Group introduced an incentive program under which the company offered persons in Group management and certain additional key persons within the Group the opportunity to acquire warrants in the company at market value. The incentive program involves an issue of a total of 300,000 warrants, where each warrant entitles the holder to subscribe to one new share in the company. A total of 290,000 warrants were subscribed, with the remaining 10,000 warrants being held in reserve for future key personnel. For further information about the incentive program and its design, please refer to the company's website and the documentation relating to the 2023 annual general meeting.

In addition to customary 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.

MATERIAL RISKS AND UNCERTAINTIES

Through its operations, the Björn Borg Group is exposed to risks and uncertainties. Information about the Group's risks and uncertainties is given on page 61 of the annual report for 2022.

The company notes, however, that the geopolitical situation in the world remains challenging. It is currently difficult to determine how it is affecting the Björn Borg Group operations financially, but the fact that the company does not conduct business with Russia, Ukraine or Israel minimizes the possible risks of impact on the business albeit that consumers' declining faith in the future could have an indirect, negative effect.

Furthermore, the company notes that inflation in the markets in which the Björn Borg Group operates continue to be at high levels, that interest rates on bank loans have risen sharply, and that the currencies in which the company trades have had an unfavorable development. Taken together, these macro-economic effects could have a further impact on consumer buying behaviour.

THE PARENT COMPANY

Björn Borg AB (publ) mainly conducts intra-Group operations. As of December 31, 2023, the company owned 100 percent of the shares in Björn Borg Brands AB, Björn Borg Footwear AB, Björn Borg Inc, Björn Borg Ltd, Baseline BV, Belgian Brand Management BVBA, Björn Borg Finland Oy and Björn Borg Denmark ApS. Furthermore, the company owned 75 percent of the shares in Björn Borg (China) Ltd. During the fourth quarter, Björn Borg Services AB was merged with Björn Borg AB (publ).

The parent company's net sales for 2023 amounted to SEK 101.2 million (101.2).

Profit before tax amounted to SEK 84.9 million (41.8).

Cash and cash equivalents at the end of the period amounted to SEK 18.4 million (1.6).

EVENTS AFTER THE END OF THE REPORTING PERIOD

Since the end of the reporting period, Björn Borg has been informed that Unlimited Footwear Group B.V., whose subsidiary Serve&Volley B.V., as licensee is responsible for Björn Borg's product category shoes, has initiated restructuring proceedings in the Netherlands. Serve&Volley's responsibility for shoes means that the company designs and manufactures shoes for Björn Borg, and that they are responsible for distributing the products in Europe, with the exception of Sweden, Finland and Denmark where Björn Borg is responsible for distribution. Björn Borg notes that orders already placed for the spring/summer collection are currently in Europe ready to be delivered to customers, and that the risk of decreased sales in the short term is therefore assessed to be low. Björn Borg's CEO Henrik states that the distribution of shoes is already an integrated part in Björn Borg's business in Sweden, Finland and Denmark and that footwear has a great future potential for Björn Borg. For further information, please see the press release Björn Borg issued on February 20, 2024.

NUMBER OF SHARES

The number of shares in Björn Borg amounts to 25,148,384 shares (25,148,384) i.e. no change from the previous period.

FINANCIAL GOALS

Björn Borg's long-term financial goals for the business, which were last set in 2019 for a five-year period to 2023, have been extended and now apply until further notice.

The financial goals 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.
- The equity ratio should not fall below 35 percent.

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

DIVIDEND

The Board has decided to propose to the annual general meeting 2023 that a distribution of SEK 3.00 (2.00) per share shall be paid for the financial year 2023, corresponding to 99 percent (99) of the profit after tax. The distribution is proposed to take place through an automatic redemption procedure, where each share is divided into one ordinary and one redemption share. The redemption share will then be automatically redeemed for SEK 3.00 per share. Payment for the redemption share, subject to approval at the annual general meeting, is expected to be carried out at the end of June 2024. The Board's proposal corresponds to a transfer to the shareholders of SEK 75.4 million (50.3). In addition, the Board has decided to request authorization by the AGM to buy back company's own shares.

ANNUAL REPORT

The annual report for the financial year 2023 will be published and available on the company's website no later than April 25, 2024.

ANNUAL GENERAL MEETING

The AGM for the financial year 2023 will be held at 17.30 on 16 May 2024.

ACCOUNTING PRINCIPLES

This interim report in summary for the Group has been prepared in accordance with IAS 34 *Interim reporting* and applicable regulations in the *Annual Accounts Act*. The interim report for the parent company has been prepared in accordance with *Annual Accounts Act* 9 chapters, *Interim report* and RFR 2 *Accounting for legal entities*. The accounting principles applied in the interim report are consistent with the accounting principles that were applied when preparing the Group and Annual Report for 2022 (see page 56 of the Annual Report for 2022). New and amended standards and new interpretations that apply from 1 January 2023 have not had any significant impact on the Group's financial reports. Changes in RFR 2 that apply from 1 January 2023 have not had any significant impact on the parent company's financial reports.

IMPORTANT JUDGMENTS AND ASSESSMENTS

When preparing an interim report, management is required to make assessments and estimates regarding assumptions that affect the application of the Group's (and the parent company's) accounting principles as well as reported amounts for assets, liabilities, revenues, and costs. The effects of the negative financial impact of the current geopolitical situation in the world have been taken into account. The outcome of the aforementioned assessments has not had any significant impact on the Group's financial reports. Important assessments and estimates appear in the Annual Report for 2022. No significant changes to assessments and estimates have taken place compared to the 2022 Annual Report.

AUDIT REPORT

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

OUTLOOK 2024

The company's policy is not to provide forecasts.

Consolidated income statement

IN SUMMARY

SEK thousands	Note	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Net sales	1	197,632	198,420	872,261	835,173
Other operating revenue		6,101	4,069	19,530	25,835
Operating revenue		203,733	202,489	891,791	861,008
Goods for resale		-85,350	-95,058	-401,132	-410,660
Other external expenses	2	-52,692	-52,987	-206,307	-181,411
Personnel costs		-33,726	-35,408	-135,029	-141,447
Depreciation/amortization of tangible/intangible non-current assets		-8,104	-8,609	-33,015	-34,739
Other operating expenses		-3,689	-2,657	-15,758	-19,842
Operating profit		20,172	7,770	100,550	72,909
Net financial items		901	-1,381	-2,859	-2,465
Profit before tax		21,073	6,389	97,691	70,444
Tax		-6,122	-1,099	-21,722	-19,571
Profit for the period		14,951	5,290	75,969	50,873
Profit for the period attributable to					
Parent Company shareholders		14,951	5,290	75,969	50,873
Non-controlling interests		-	-	-	-
Earnings per share before dilution, SEK		0.59	0.21	3.02	2.02
Earnings per share after dilution, SEK		0.59	0.21	3.02	2.02
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	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Profit/loss for the period		14,951	5,290	75,969	50,873
OTHER COMPREHENSIVE INCOME					
Components that may be reclassified to profit or loss for the period					
Translation difference for the period		-4,319	1,733	-567	2,590
Total other comprehensive income for the period		-4,319	1,733	-567	2,590
Total comprehensive income for the period		10,632	7,023	75,402	53,463
Total comprehensive income attributable to					
Parent Company shareholders		10,632	7,023	75,402	53,463
Non-controlling interests		-	-	-	-

Consolidated statement of financial position

IN SUMMARY

SEK thousands	Note	Dec 31, 2023	Dec31, 2022
Non-current assets			
Goodwill		36,422	36,486
Trademarks		187,532	187,532
Other intangible assets		6,401	7,561
Tangible non-current assets		17,663	16,195
Deferred tax assets		12,310	12,575
Right-of-use assets		43,942	52,571
Total non-current assets		304,270	312,920
Current assets			
Inventory		184,361	201,136
Accounts receivable		99,379	104,212
Other current receivables		16,869	19,094
Cash and cash equivalents		26,646	16,032
Total current assets		327,255	340,474
Total assets		631,525	653,394
Equity and liabilities			
Equity		350,817	324,809
Deferred tax liabilities		39,701	39,877
Long-term lease liabilities		25,470	32,386
Current liability to credit institution		–	30,000
Accounts payable		135,792	106,021
Short-term lease liabilities		17,379	19,265
Other current liabilities		62,366	101,036
Total equity and liabilities		631,525	653,394

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, 2022		340,084	-5,867	334,217
Total comprehensive income for the period		54,198	-735	53,463
Distribution for 2021		-62,871	–	-62,871
Closing balance, December 31, 2022		331,411	-6,602	324,809
Opening balance, January 1, 2023		331,411	-6,602	324,809
Total comprehensive income for the period		75,103	299	75,402
Distribution for 2022		-50,297	–	-50,297
Warrant premium		903	–	903
Closing balance, December 31, 2023		357,120	-6,303	350,817

Consolidated statement of cash flows

IN SUMMARY

SEK thousands	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Cash flow from operating activities				
Before changes in working capital	23,506	15,866	94,361	108,024
Changes in working capital	105,886	55,516	26,921	-47,524
Cash flow from operating activities	129,392	71,382	121,282	60,500
Investments in intangible non-current assets	-948	-	-2,092	-265
Investments in tangible non-current assets	-1,973	-2,235	-9,049	-8,059
Cash flow from investing activities	-2,921	-2,235	-11,141	-8,324
Distribution	-	-	-50,297	-62,871
Warrant premium	-	-	903	-
Amortization of loans	-	-	-30,000	-80,000
Amortization of lease liabilities	-5,330	-5,496	-22,157	-23,068
Newly-raised loans	-	-	-	30,000
Overdraft facility	-103,698	-58,896	-	-
Cash flow from financing activities	-109,028	-64,392	-101,551	-135,939
Cash flow for the period	17,443	4,755	8,590	-83,763
Cash and cash equivalents at the beginning of the period	9,739	14,386	16,032	96,743
Translation difference in cash and cash equivalents	-536	-3,109	2,024	3,052
Cash and cash equivalents at the end of the period	26,646	16,032	26,646	16,032

Key figures

GROUP

SEK thousands	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Gross profit margin,% *	56.8	52.1	54.0	50.8
Operating margin,%	10.2	3.	11.5	8.7
Profit margin,%	10.7	3.2	11.2	8.4
Return on capital employed,%	25.2	17.1	25.2	17.1
Return on average equity,%	22.5	15.4	22.5	15.4
Profit attributable to the Parent Company's shareholders	14,951	5,290	75,969	50,873
Equity/assets ratio,% *	59.6	54.0	59.6	54.0
Equity per share, SEK	13.95	12.92	13.95	12.92
Investments in intangible non-current assets	948	-	2,092	265
Investments tangible non-current assets	1,973	2,054	9,049	8,059
Depreciation, amortization and impairment losses for the period	-8,104	-8,609	-33,015	-34,739
Average number of employees	151	147	151	151

* The figure is an alternative performance measure (APM) and not (IFRS). It is described under definitions and explained on page 15.

Summary per segment

GROUP

SEK thousands	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Operating revenue				
Wholesale business				
External revenue	116,403	114,004	577,469	539,871
Internal revenue	2,282	1,744	23,323	4,870
	118,685	115,748	600,792	544,741
Own e-commerce				
External revenue	45,510	31,233	153,975	113,411
Internal revenue	6	10	1,154	250
	45,516	31,243	155,129	113,661
Own stores				
External revenue	28,521	31,167	104,713	106,566
Internal revenue	–	62	–	128
	28,521	31,229	104,713	106,694
Distributors				
External revenue	12,604	24,655	46,512	92,298
Internal revenue	117,642	174,488	540,716	479,774
	130,246	199,143	587,228	572,072
Licensing				
External revenue	696	1,431	9,122	8,862
Internal revenue	6,799	–2,449	32,340	33,286
	7,495	–1,018	41,462	42,148
Less internal sales	–126,729	–173,856	–597,533	–518,309
Operating revenue	203,733	202,489	891,791	861,008
Operating profit				
Wholesale business	6,040	–1,983	60,818	52,824
Own e-commerce	11,762	4,204	28,809	17,669
Own stores	–845	–30	–7,009	–24,324
Distributors	2,530	4,480	9,848	19,558
Licensing	685	1,099	8,084	7,182
Operating profit	20,172	7,770	100,550	72,909

Reconciliation between operating profit and profit before tax

The difference in the fourth quarter between operating profit for segments for which information must be provided SEK 20,172 thousand (7,770) and profit before tax SEK 21,073 thousand (6,389) is net financial items, SEK 901 thousand (–1,381). The difference for the full year 2023 between operating profit for segments for which information must be provided SEK 100,550 thousand (72,909) and profit before tax SEK 97,691 thousand (70,444) is net financial items, SEK –2,859 thousand (–2,465).

Quarterly data

GROUP

SEK thousands	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net sales	197,632	262,105	165,631	246,893	198,420	248,590	161,544	226,620
Gross profit margin,%	56.8	52.6	55.6	52.2	52.1	48.2	54.5	50.0
Operating profit/loss	20,172	40,893	8,100	31,385	7,770	30,597	5,233	29,309
Operating margin,%	10.2	15.6	4.9	12.7	3.9	12.3	3.2	12.9
Profit/loss after net financial items	21,073	40,552	5,401	30,665	6,389	30,545	4,344	29,166
Profit margin,%	10.7	15.5	3.3	12.4	3.2	12.3	2.7	12.9
Earnings per share, before dilution, SEK	0.59	1.27	0.17	0.99	0.21	0.88	0.01	0.92
Earnings per share, after dilution, SEK	0.59	1.27	0.17	0.99	0.21	0.88	0.01	0.92
Number of Björn Borg retail stores at the end of the period	17	17	17	19	19	19	24	26
of which Group-owned Björn Borg retail stores	16	16	16	18	18	18	21	23

Parent company income statement

IN SUMMARY

SEK thousands	Note	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Net sales		25,250	25,411	101,192	101,205
Other operating revenue		97	69	930	1,174
Operating revenue		25,347	25,480	102,122	102,379
Goods for resale		–	–	–	–153
Other external expenses	2	–16,862	–15,991	–59,070	–56,256
Personnel costs		–10,689	–12,711	–43,352	–51,506
Depreciation/amortization of intangible and tangible non-current assets		–804	–634	–2,963	–2,486
Other operating expenses		–154	–110	–441	–869
Operating profit		–3,162	–3,966	–3,704	–8,892
Result from shares in subsidiaries		–	4,493	–	4,493
Net financial items		5,849	–2,031	–7,079	–5,950
Profit/loss after financial items		2,687	–1,504	–10,783	–10,348
Group contributions received/paid		95,000	52,538	95,000	52,538
Appropriations		720	–360	720	–360
Profit/loss before tax		98,407	50,674	84,937	41,830
Tax		–19,184	–9,512	–19,184	–9,512
Profit/loss for the period		79,223	41,162	65,753	32,318
Other comprehensive income		–	–	–	–
Total comprehensive income for the period		79,223	41,162	65,753	32,318

Parent company balance sheet

IN SUMMARY

SEK thousands	Note	Dec 31, 2023	Dec 31, 2022
Non-current assets			
Intangible assets		679	2,323
Tangible non-current assets		5,431	2,510
Shares in Group companies		177,868	371,813
Total non-current assets		183,978	376,646
Current assets			
Receivables from Group companies		448,586	891,508
Current receivables		3,968	3,669
Cash and cash equivalents		18,414	1,558
Total current assets		470,968	896,735
Total assets		654,946	1,273,381
Equity and liabilities			
Equity		157,648	136,239
Untaxed reserves		896	1,616
Current liabilities credit institutions		–	30,000
Due to Group companies		465,254	1,049,151
Accounts payable		7,891	9,782
Other current liabilities		23,257	46,593
Total equity and liabilities		654,946	1,273,381

Parent company statement of changes in equity

IN SUMMARY

SEK thousands	Full year 2023	Full year 2022
Opening balance	136,239	166,792
Distribution	-50,297	-62,871
Warrant premium	903	-
Merger results	5,050	-
Total comprehensive income for the period	65,753	32,318
Closing balance	157,648	136,239

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	
	Full year 2023	Full year 2022
Sweden	298,777	286,541
Netherlands	209,141	178,912
Finland	113,376	111,865
Germany	82,283	93,292
Others	168,684	164,563
Total net sales	872,261	835,173

NOTE 2 OTHER EXTERNAL EXPENSES

SEK thousands	The group		Parent Company	
	Full year 2023	Full year 2022	Full year 2023	Full year 2022
Cost of premises	11,813	19,727	6,628	6,711
Sales expenses	71,751	54,601	1,203	1,073
Marketing expenses	75,752	68,287	36,465	33,028
Administrative expenses	38,715	32,629	13,800	14,523
Other	8,276	6,167	974	921
	206,307	181,411	59,070	56,256

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 retail stores that were also open in the previous period.

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

EQUITY PER SHARE

Equity, including those with non-controlling interests, divided by the average number of shares.

Purpose: To show the share price in relation to the company's book value.

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 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 / NET CASH

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

Purpose: Net debt / Net cash 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, February 23, 2024

Heiner Olbrich
Chairman of the Board

Alessandra Cama
Board member

Jens Högsted
Board member

Johanna Schottenius
Board member

Anette Klintfeldt
Board member

Fredrik Lövstedt
Board member

Mats H Nilsson
Board member

Henrik Bunge
CEO

CALENDAR 2024

The Annual Report 2023 will be published at the end of April, 2024.

The Annual General Meeting 2024 will be held on May 16, 2024.

The Interim report January-March 2024 will be issued at 17:30 on May 16, 2024.

The Interim report January-June 2024 will be issued at 07:30 on August 16, 2024.

The Interim report January-September 2024 will be issued at 07:30 on November 15, 2024.

The Year-end report 2024 will be issued at 07:30 on February 21, 2025.

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 glasses are also offered via licensees. Björn Borg products are sold in around twenty markets, of which Sweden and the Netherlands are the largest. The Björn Borg Group has its own operations at all levels, from brand development to consumer sales in its own Björn Borg stores. In total, the Group's net sales in 2022 amounted to SEK 835.2 million and the average number of employees was 151. Björn Borg has been listed on Nasdaq Stockholm since 2007.

THE PICTURES IN THE INTERIM REPORT

The images in the interim report are taken from Björn Borg's spring and summer 2024 collection.

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This information is such information that Björn Borg AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the care of the above contact person, for publication on February 23, 2024 at 07:30.