ANNUAL REPORT

BJÖRN BORG AB

JAN - DEC 2025

BORG

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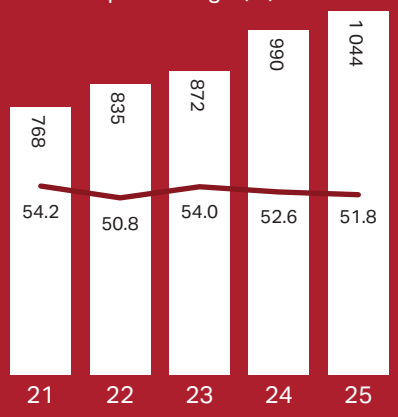
BORG

"What was once an underwear company continues to develop into an international sports fashion company. During the year, our clothing collection was the most evident growth engine and grew strongly in all four quarters. The development was particularly strong within our own e-commerce."

Henrik Bunge

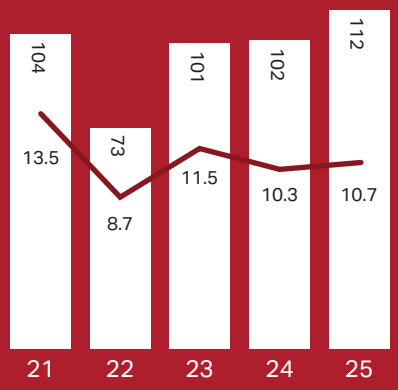
Björn Borg in brief



The gross profit margin was 51.8 percent

51.8

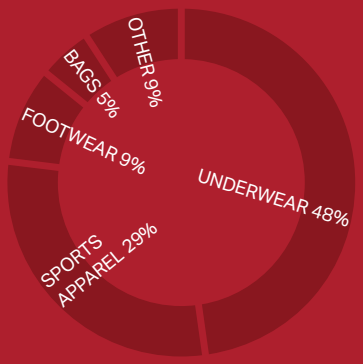
Total sales by country



The operating margin was 10.7 percent

10.7

Sales by product area



The Björn Borg Group

The Björn Borg Group owns and develops the Björn Borg brand. The focus of the business is underwear, sportswear, shoes, and bags. In addition, other product categories are offered, such as swimwear, socks, hats, and other accessories, as well as eyewear through licensees. Björn Borg products are sold in some twenty markets, of which Sweden and the Netherlands are the largest.

The Björn Borg Group has operations at every level from branding to consumer sales in its own Björn Borg stores and e-commerce. Operations comprise brand development and services for the network of licensees and distributors, as well as product development in the core underwear, sports apparel, footwear and bags businesses. The Group is also responsible for the distribution of underwear, sports apparel, footwear and bags in Sweden, the Netherlands, Finland, Germany, Belgium, and Denmark.

The Björn Borg share has been listed on Nasdaq Stockholm since 2007.

The year in figures

- The Group's net sales amounted to SEK 1,044 million (990), an increase of 5.5 percent. Currency-neutral, net sales increased by 7.8 percent.
- Net sales from own e-commerce increased by 19.7 percent to SEK 216.6 million (181.0). Combined sales from own e-commerce and e-tailers amounted to SEK 451.5 million (420.3), an increase of 7.4 percent.
- Gross margin amounted to 51.8 percent (52.6).
- Operating profit amounted to SEK 111.5 million (101.8), an increase of 9.5 percent.
- Profit after tax amounted to SEK 92.1 million (72.7), an increase of 26.7 percent.
- Earnings per share before and after dilution amounted to SEK 3.66 (2.89).
- The Board of Directors has decided to propose to the Annual General Meeting a dividend of SEK 3.00 (3.00) per share, corresponding to a total of SEK 75.4 million (75.4). In addition, the Board has decided to propose that the AGM authorizes the Board to repurchase the company's own shares.

The Björn Borg brand

The Björn Borg brand is characterized by creative products with the brand's typically sporty identity – products which make customers feel both active and attractive. A passion for sports fashion and the courage to challenge the industry shines through our marketing communications and product development.

The Björn Borg brand was established in the Swedish market in the first half of the 1990s and today has a strong position in its established markets, particularly in its largest product group, underwear.

Markets

- Björn Borg is represented in around twenty markets, the largest of which are Sweden and the Netherlands.

CEO comments

Record results and a strengthened position – despite a troubled world and business environment

2025 was yet another year which we demonstrated the strength of our business model. During a time which was characterised by geopolitical unrest, macroeconomic uncertainty, and a rapidly changing retail environment, we succeeded both in terms of growth and improving our results. We ended the year with a currency-neutral sales increase of 8.2 percent to SEK 1,072 million, and an operating profit which was up by 9.5 percent to SEK 111.5 million.

Developments in the year's fourth quarter were particularly pleasing, where operating profit increased by 28 percent and was our best fourth quarter in my eleven years as CEO. It was clear confirmation that our priorities are right, that our investments are having an effect and that our organisation is delivering.

But most importantly: we are successively strengthening our position as a global sports fashion brand.

OUR TRANSFORMATION CONTINUES

What was once an underwear company continues to develop into an international sports fashion company. During the year, our clothing collection was the most evident growth engine and grew strongly in all four quarters. The development was particularly strong within our own e-commerce.

Sports apparel is no longer a complement – it is a central part of Björn Borg. At the same time, underwear continued to be a stable, profitable core in our business.

The footwear category had a more challenging year. We have worked intensively on product development, team reinforcements, and structure since taking over the business from our previous license partner, but we were not satisfied with the development in 2025. However, we are convinced that the improvements we are now implementing will have an effect going forward. Good products always win in the long run.

FOCUS MARKETS AND STRATEGIC PRIORITIES

Our strategy remains unchanged:

- Sports apparel
- Footwear
- Bags
- Own e-commerce
- Germany

During 2025, clear progress was seen in several of these strategic areas. Our own e-commerce continued to develop strongly and was an increasingly important channel for both growth and brand building.

We continued to invest in Germany, our most important growth market, not least through local partnerships with gyms and fitness studios, and our clearly-stated focus on Hamburg. The effects are already visible in our own retailing. Building a brand locally and close to the consumer is the right way forward.

Meanwhile, Sweden continued to be a stable motor in the Group, and several of our Nordic markets showed good development during the year.

A BRAND THAT TRULY INSPIRES

During the year, we further strengthened our position as a brand that inspires movement – not to win medals, but to become the best version of yourself.

Seeing over 35,000 runners wearing our pink Borg t-shirts during the Midnight Races (Midnattsloppet) in Stockholm was a strong symbol for what we stand for. Our ambitions are greater than our products. We are building a community around training, energy and well-being.

In parallel, we continued to develop our marketing work, not least within influencer marketing and digital activation, which further strengthened our relevance among a new generation of consumers.

CULTURE, PERFORMANCE, AND TEAMWORK
Our performance was the result of teamwork.

I am proud of the way in which we navigated the complex business environment during the year with focus, determination, and high speed. We strengthened the organisation in key areas, continued to develop our sustainability work and, at the same time, delivered improved results.

Our conviction is clear: physical activity is a catalyst for well-being – and, therefore, for performance. This applies to our customers, but it also applies to ourselves. Our culture is a competitive advantage.

FORWARD – WITH HUMILITY AND HUNGER
We are proud of 2025. But we are not satisfied.

We know the potential is greater. We know we can grow faster. And we know that focus and discipline are crucial in an uncertain world.

As I look ahead, I do so with both humility and confidence. Our direction is clear. Our brand is stronger than ever. And our team has the energy and ability to take the next step.

We have already demonstrated that we can transform a company.

So now we will continue to build a global sports fashion brand.

Train to live!
Henrik Bunge
Head Coach

Vision, business concept, goals and strategy

Our Vision:
To build a sports fashion brand and to inspire an active lifestyle

We are on an exciting mission: to transform the way we think about fashion and training.
Our vision is to become the leading brand for everyone who wants to live a life filled with movement.
We want to inspire people to discover the joy and value of being activated.

Our Journey So Far and the Way Forward

Although we have made great progress, our journey is far from over. We have a clear picture of where we are going and the challenges that lie ahead. Our business plan, *Northern Star*, guides us towards a future where we not only win the hearts of consumers but also build a strong and sustainable company.

Our Foundation Pillars

- *People:* Our people are our greatest asset. Together we create a culture where passion, innovation and collaboration are the focus.
- *Brand:* We are building a brand that stands for more than just clothes. It is a promise of a lifestyle that inspires and motivates.
- *Customers:* Our customers are at the center of everything we do. We listen to their needs and develop products that make their lives better.

Our core values

- *Passion:* Energy literally flows from our bodies in our constant pursuit forward. Not because someone forces us, but because we love it. Sport is the force that gives us adrenaline and self-confidence, and our hearts show the way. We are driven by a passion for what we do, no matter what it is.
- *Empowering:* We show that we care about others. We strongly believe in personal development and that everyone can go beyond their limitations. That's why we push each other forward, because we all become stronger when we empower each other. That's why we believe that one plus one doesn't just make three, but even more.
- *Winning attitude:* We have high ambitions to achieve success. Winning is part of our DNA and we refuse to lose. Whether we compete individually or as a team, our goal is always to win. We never give up and always believe in our ability to win.
- *Bold:* We don't believe in conventions - we believe in following our own vision with strong determination. We stand up for our beliefs, no matter the cost. That's why we always go our own way and take the lead in fighting against any norms, ideals or traditions that limit people's ability to reach their full potential.
- *Magnetic:* We always face the world with a smile and have enough self-confidence not to take ourselves too seriously. Some call it aura, others attraction. We call it magnetic. A special glow that radiates from within, a combination of appearance, demeanor and expression.

Our Financial Goals

Björn Borg's long-term financial goals for the business have been prolonged and are now valid until further notice. The financial goals are:

- Annual sales growth of at least 10 percent.
- An 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 which never drops below 35 percent.

Why It's Important

We believe in a world where everyone has the opportunity to feel good and self-confident in their body. By promoting an active and healthy lifestyle, we contribute to a better society.

The Björn Borg brand

Brand development

The Björn Borg brand was registered in the late 1980s and began its rapid expansion on the Swedish market in the early 1990s. Since then, the company has grown strongly and established itself in several markets around the world. In recent years, and with the vision of becoming a leader in sports fashion, the focus has shifted increasingly towards the design and development of sportswear, and towards building a brand that inspires an active lifestyle.

Björn Borg today has a clear profile and strong position in its established markets, while the company continues to grow and strengthen its presence in newer markets. With different product areas and sales in around twenty countries, a comprehensive and consistent brand strategy is required to create long-term clarity and relevance. The brand platform is based on the belief that training is about life, and not the other way around – and the idea *Train To Live* permeates everything Björn Borg does and stands for.

Björn Borg works closely with distributors and license partners to give them the right conditions to build sales and brand awareness. This includes everything from clear guidelines and marketing support to adaptations to local needs and conditions. The goal is a strong and unified Björn Borg – no matter where in the world the consumer encounters us.

Market communication

With *Train To Live* as a starting point, a brand is being built that stands for motivation, training, fashion, and lifestyle.

The communication aims to both strengthen the brand in the long term and to drive sales here and now. In order to reach out widely and effectively, we work with a combination of store exposure, influencer collaborations, partnerships with gyms and fitness players, sponsorship of relevant events, social channels and reach channels. What all these activities have in common is that they all reflect the brand's identity, inspire to movement, are motivating and inspiring, and close to the end-customer.

Activities, channels and focus 2025

In 2025, Björn Borg continued to strengthen its position as a sports fashion brand through a year filled with collaborations, events, and creative activations in several markets. With *Train To Live* as the common thread, we have been present where the consumer trains, lives and is inspired – both digitally and physically.

Just as before, the work was based on our six priority areas: **store exposure, influencers, partnerships, sponsorships, social channels and reach media**. By keeping the expression, tone and presence together across all channels, we continued to build a clear, recognisable, energy-filled brand experience. We continued to establish our red brand colour visually, and it has now become an increasingly natural part of the overall expression.

Strong design collaborations and digital presence

2025 was yet another year of high energy on the social media. Our continued design collaboration with **Alice Stenlöf** was one of the year's major highlights and was met with strong demand. We also launched a new collection in collaboration with Dutch profile **Jessie Jazz**, which further strengthened our position in the Netherlands and generated great interest. All of this, combined with hundreds of influencer collaborations, created both breadth and depth in the brand presence.

Gym partnerships and local activations – from the Nordics to Hamburg

Partnerships with leading fitness players continued to play a central role. Several campaigns in the Nordics were activated together with **Barry's**, where the brand was visible in premium fitness environments and through local community events.

Our focus on **Germany**, with a particular focus on **Hamburg**, intensified during the year. We succeeded in building both community and awareness through local events, pop-ups and collaborations with gyms and partners, and saw clear growth in our own e-commerce in the region.

Sponsorship that meets people on the move

In 2025, we were the main sponsor of the Midnight races (Midnattsloppet) for the first time **with their four races**, where some 35,500 runners in Stockholm alone participated in our pink Borg T-shirts and created enormous exposure for the brand in the heart of several cities, and within a relevant target group. This type of activity not only strengthens visibility but also the emotional connection to the brand.

In addition, we continued to sponsor relevant training and sporting events in several markets, which has created both reach and credibility.

Comprehensive brand journey with clear direction

With a strong visual expression, local presence, digital power, and engaging collaborations, 2025 has further moved Björn Borg towards its ambition of becoming a global sports fashion brand which inspires. The focus has been on building relationships, strengthening recognition and making the brand relevant in people's everyday lives – every day, all year round.

Product development

The brand and the products

Björn Borg is a sports fashion brand that offers sportswear (training and leisure), underwear (fashion and sports), bags, swimwear, socks, and lounge wear. Björn Borg also offers footwear and glasses, which are made under license.

Björn Borg's products are characterized by a sporty and modern expression, and clear guidelines are used to ensure a uniform, contemporary design throughout our offer. The feeling and expression in our garments are established in a clear design platform built on timeless Scandinavian aesthetics. The products are functional while creating a modern look for an active urban consumer. The products that are created are timeless, which together with high quality enables a long lifespan. Furthermore, Björn Borg's internal design and product departments, as well as external licensees, are guided by high sustainability goals.

Important events in 2025

Several external factors that had significantly affected the business in the previous year stabilized in 2024. This included raw material prices, transportation costs and exchange rates. All of this had a positive effect on purchasing and lead times.

Our licensee for Footwear went bankrupt and, in February 2024, we took over the entire process, including the design and development of footwear to the head office in Stockholm. We currently handle sourcing, design, product development and production internally.

During the year, the product team was strengthened with new expertise in several areas. We now have an in-house footwear team where we own the entire process from design to finished product. This will strengthen our footwear collection going forward as the design expression becomes more uniform and follows our sustainability goals. Quality and comfort too are being created in line with Björn Borg standards. We now also have an in-house bag team to strengthen a uniform design language where all categories follow the same sustainability goals, quality standards, and design guidelines.

Four collections of sports apparel and underwear were launched during the year. Two collections of footwear and three collections of bags were also launched during the year.

A lot of work has gone into updating and improving the women's collection for the classical sports consumer in the upcoming seasons, 2025.

The ongoing work with our female reference group, together with the continued focus on monitoring sales data from our own e-commerce to reflect the customer's preferences for both him and her, has set the stage for further sales success in 2025.

The range for racket sports has been broadened and a lot of work has been done to launch a more technical racket collection. The focus has been on the development of new products and materials.

The range for training and leisure was also improved and broadened with more different qualities and fits.

Furthermore, a number of new innovations in underwear were developed, to be launched in 2025.

Sales in the swimwear range and products related to swimming increased during the year, paving the way for the development of a broader collection for future seasons.

In addition, the bag collection was further developed to more clearly reflect the focus of the sports collection. Both collections were developed to be in line with the company's sustainability ambitions.

Building a strong brand has been a central ambition for many years.

Since autumn 2021, all of our sports apparel wear and underwear has been produced more sustainably, and the share within Footwear and Bags is increasing each season. The sustainability work in 2025 focused on transparency, energy used in production, and fiber and process improvements. Customer demands are increasing, and Björn Borg meets these satisfactorily. During the year, the company's carbon emissions reduction model played a central role in the sustainability work.

I train by day,
so I can dance all night

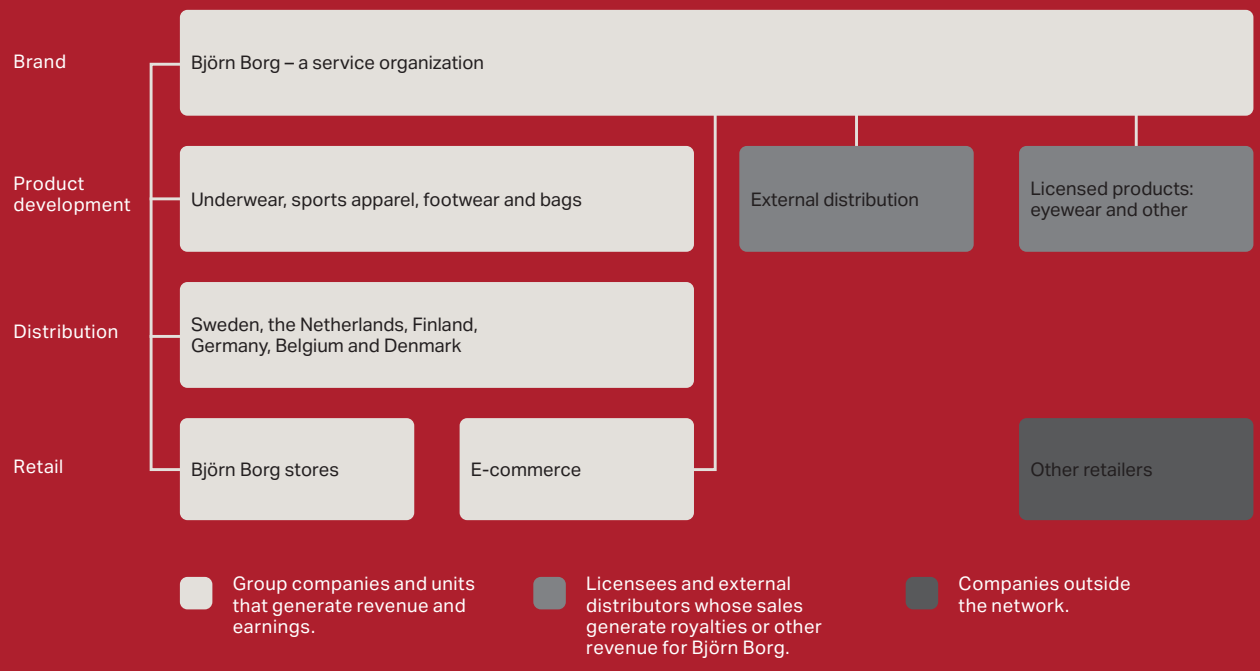
Operations

The business model

The Group's stable profitability and the successful positioning of the Björn Borg brand largely originate from the business model, which facilitates a geographical and product expansion with limited operational risk and capital investment.

Björn Borg's business model utilizes the Group's own companies as well as a network of external distributors and licensees, who on the basis of a license from Björn Borg manage a product area and/or a geographical market. The network also includes Björn Borg stores operated either by the Group or by external distributors or franchisees. Björn Borg owns strategically important operations at every level of the value chain, from product development to distribution and retail sales.

Through the business model with a network of its own units and independent partners, Björn Borg is able with a relatively small organization and with limited financial investments and risks, to be involved in key links of the value chain and develop the brand internationally. The part of the business model which relies on external partners is relatively capital efficient for the company since the external licensees and distributors in the network are responsible for marketing, including investments and inventory in their respective markets. This model, which combines in-house operations with independent partners, generates substantial consumer sales with limited risk and investment for Björn Borg.



Brand

Since acquiring the trademark in 2006, the Group has global rights to the Björn Borg trademark for relevant categories of products and services. By owning the trademark, the Björn Borg Group can operate from a position of strength internationally and control the brand's development. At the same time, ownership provides long-term security for the entire network of licensees and distributors.

The company is responsible for the development of the Björn Borg brand as well as implementation of and compliance with the brand strategy within the network. As a service organization, Björn Borg can provide its distributors with the best prospects of success in their markets. This is achieved through, among other things, guidelines and various tools for partners in the network, including marketing, displays and graphic identity, which creates brand consistency and is efficient for the distributor.

In a network comprising the Group's own entities as well as independent companies, tight control over the brand is essential. With the exception of production, which is handled outside the Group, Björn Borg has its own operations at every level from product development to distribution and sales in its own stores. This depth gives the Group the best chance of ensuring the continued development and correct positioning of the Björn Borg brand.

The Group has its own branding specialists. Since acquiring the Björn Borg trademark in 2006, the Group has been responsible for trademark registration and protection. Björn Borg devotes significant resources to fighting against the sale of counterfeit products.

Product areas

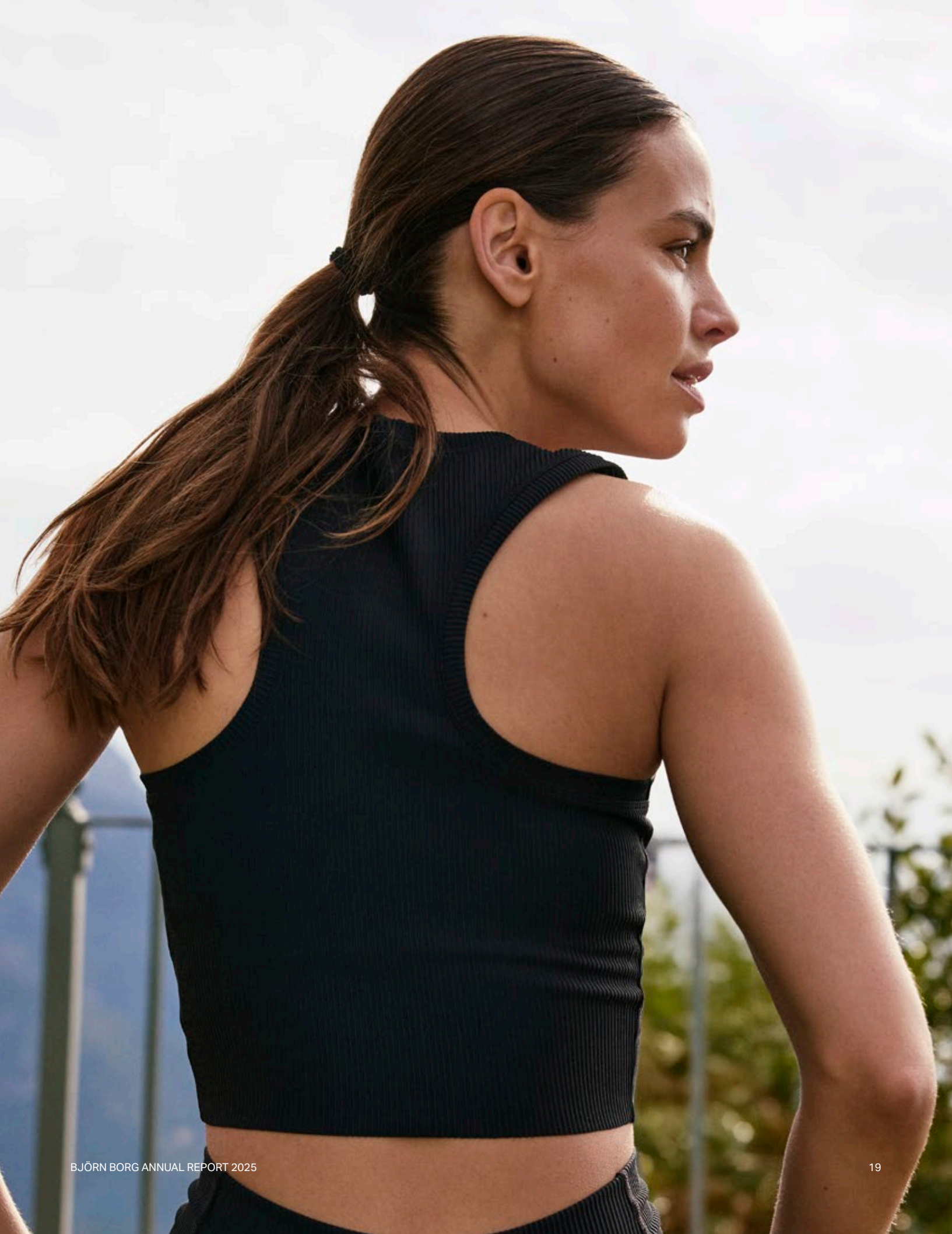
The largest and strategically important product areas of underwear, sportswear, functional clothing and bags are owned and developed within the Group. The design and product development of sportswear and functional clothing was moved from the Netherlands to Sweden in 2014 and has been run from the Swedish head office since 2015. Similarly, in early 2024, the design and product development of footwear was moved from an external partner in the Netherlands to Sweden, and has since been integrated and managed from the Swedish head office.

The product development of eyewear is licensed to an external partner.

Each product-responsible company, regardless of whether it is Group-owned or run by a licensee, is responsible in its respective area for the design, product development (with focus from the brand) and purchasing of collections for all markets, as well as the positioning of the various products based on Björn Borg's guidelines. The collections are displayed and sold to the distributors for the various geographical markets for further sale to the retailers. The product development companies also play a supporting role in their relationship with the distributors and retailers in the network.

All design and product development takes place internally in the companies, while production takes place with the external suppliers, mainly in Asia – primarily China – although in recent years some production has been moved to Europe, above all to Turkey, which means shorter deliveries.

The demands on quality and the ability to deliver in relation to price are high, and the suppliers' performance is monitored continuously. Björn Borg strives for increased flexibility and efficiency in both production and logistics – factors that have become increasingly important in recent years in line with increasing demands for fast product flows and the adaptation of production to fashion trends. The company also attaches great importance to ensuring that suppliers follow Björn Borg's guidelines for, among other things, working conditions and the environment. Read more about Björn Borg's sustainability work on page 30 and at www.bjornborg.com.



Distribution

Wholesale operations and product distribution to retailers are managed by external distributors with the right to market and resell Björn Borg products in one or more geographical markets, and also through the company's own distribution primarily in Sweden, Finland, the Netherlands, Belgium, Germany and Denmark.

Björn Borg's partners in the network are established players with experience in underwear or fast-moving consumer goods rather than fashion and have an extensive distribution network in their local markets with the resources for long-term investments. In new markets, each distributor is evaluated on the basis of opportunities, marketing capabilities and penetration during an initial two-year trial period, after which a decision is made on how to develop the market.

OWN DISTRIBUTION

An increasing share of the distribution is handled by companies within the Group. In the core areas of underwear, sports and performance apparel, footwear, and bags, Björn Borg is responsible for distribution through its own sales organizations.

COOPERATION WITH EXTERNAL DISTRIBUTORS

Distributors sell and distribute the products to retailers by building the brand in their markets through their sales organizations. They are responsible for sourcing, sales support, inventory, regional marketing, media planning and training. Björn Borg provides support and guidelines in the form of joint marketing and PR campaigns, among other things.

In their agreements, distributors commit to specific sales and investment targets in their markets. If a distributor can not fulfil the requirements, Björn Borg normally can terminate the agreement. The challenge for distributors, in the face of tough competition, is to establish and maintain their positions as a supplier to chains, department stores and individual retailers. Success requires a high level of service for retailers in the form of fast replenishment, attractive promotional materials and effective marketing. The ability to drive sell-through in this way is critical.

Marketing and sales feedback from distributors to Björn Borg and the licensees is important in order to continuously develop and adapt the collections and marketing activities. Several times a year, Björn Borg brings together all its distributors for sales meetings, where new collections and marketing campaigns are shown, and strategies and planning are discussed. The performance of each market is evaluated as well. This close cooperation in the network is important to the successful expansion of the brand.

Retail

Björn Borg products are sold partly through external department stores, retail chains and individual stores, and partly through own or franchise-owned Björn Borg stores and factory outlets. An increasing share of products are sold in Björn Borg stores and through own and external e-commerce. This combination of retailers creates the right positioning in the upper mid-price segment and volume in sales.

The large network of external retailers means significant exposure to consumers. The number of retailers with sales from their own product areas of underwear, sportswear, shoes and bags totals approximately 5,600, of which around 2,668 are in Sweden, 420 in Denmark, 582 in the Netherlands, 642 in Norway, 180 in Belgium, 25 in Germany and 1,082 in Finland. In the smaller markets, there are approximately 880 retailers that sell these products. Björn Borg products are sold through a total of approximately 6,479 retailers.

Fashion chains, sports chains and department stores have gradually increased in importance for the sale of Björn Borg products, whereas individual traders are decreasing in number. This means a more efficient sales process and leads to a greater distribution in store spaces with consistently high customer throughput.

Underwear from Björn Borg is often displayed in central locations in department stores, chain stores and fashion stores. The products generate brand recognition from the well-stocked racks. Björn Borg offers the stores flexible display solutions for small areas, and service with the quick replenishment of products. This enables high sales for the retailer; a strong selling argument for Björn Borg's distributors. In several major fashion chains and department stores, Björn Borg products are displayed in designated areas in so-called shop-in-shops, with the brand's own store interior.

E-COMMERCE

Björn Borg as a brand has the opportunity to display the breadth of its product range through its own e-commerce, which makes it a directly measurable channel in which to capture the latest consumer trends. The increasing weighting towards the sportswear range continued in 2025, although underwear still made up the majority of sales. Sales from its own e-commerce increased in 2025 and Björn Borg continues to see good growth opportunities within its own e-commerce which will be one of the most prioritized sales channels in the future.

Sales via so-called e-tailers, i.e. online "retailers", continue to increase, both in own markets and markets where distribution is handled by external partners. The total turnover of own e-commerce and so-called e-tailers amounted to SEK 452 million (419) in 2025. Björn Borg will continue to have a high focus on e-tailers and virtual marketplaces going forward.

BJÖRN BORG STORES

In addition to being an important component for sales and profitability, Björn Borg stores are important for the exposure of the brand and for marketing, and are important channels for Björn Borg's direct contact with the end consumer.

Björn Borgs continuously evaluates its presence in the retail sector to find an optimal number of Björn Borg stores, both own and externally owned, in both established and new markets. The assessment is that own stores together with e-commerce will continue to play a central role in Björn Borg's business model in both new and more mature markets.

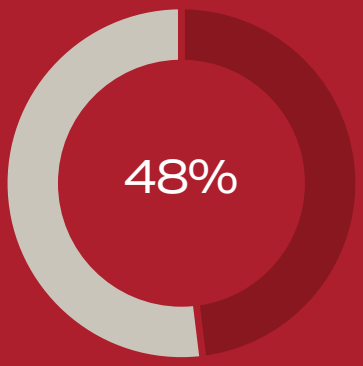
BJÖRN BORG STORES, AS OF DEC 31, 2025

	Own
Sweden	3
Netherlands	3
Belgium	1
Finland	4
Total	11

Product areas

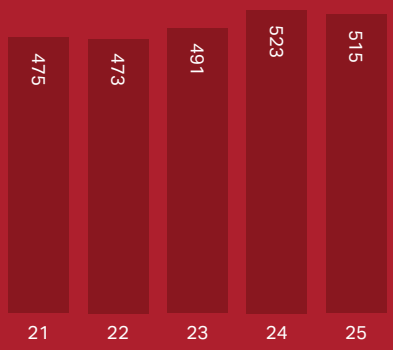
Underwear

**UNDERWEAR,
SHARE OF TOTAL SALES 2025**



**UNDERWEAR,
SALES BY COUNTRY 2025**

**UNDERWEAR,
SALES 2021-2025, SEK MILLION**



Underwear is Björn Borg's largest product area, with models for men, women and children in a variety of categories and segments. This is complemented by loungewear, mainly sleepwear and socks. The range consists of trendy and fashionable products with the brand's characteristically bold prints and colours as well as collections of classic models. It also includes a performance underwear collection and several models of bras.

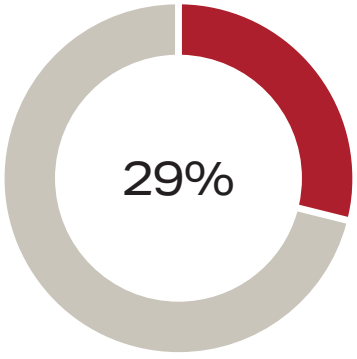
Björn Borg underwear is sold by independent retailers, apparel and sporting goods chains, department stores, Björn Borg stores, and our own and external e-commerce. Product development for underwear is managed within the Björn Borg Group.

Sales of underwear decreased in 2025 to SEK 515 million (523) and the product area made up 48 percent (52) of total sales. Sweden and Denmark show growth in 2025, while the other markets decline.

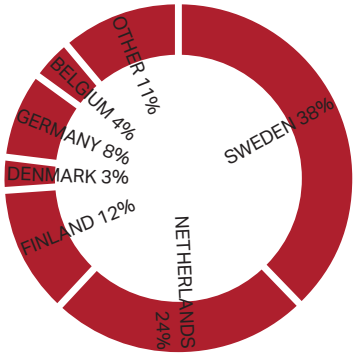
Lift like your
crush is watching

Sports Apparel

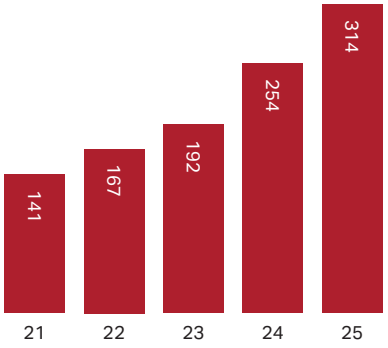
SPORTS APPAREL, SHARE OF TOTAL SALES 2025



SPORTS APPAREL, SALES BY COUNTRY 2025



SPORTS APPAREL, SALES 2021-2025, SEK MILLION



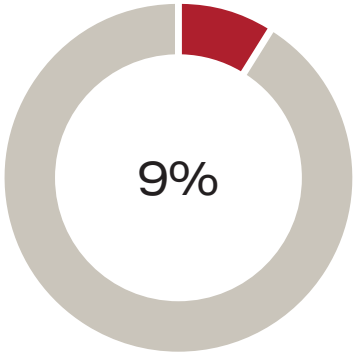
Björn Borg offers clothing collections for both women, men and juniors, with the main focus being on training apparel with good functionality and clear fashion elements. The range consists of four main categories: *Leisure, Training, Tennis/Padel* and *Running*.

Today, Björn Borg's sports products are sold in all markets. Retailers are sports retailers, sports chains, and department stores as well as Björn Borg stores and e-commerce. Product development for sports apparel is carried out within the Björn Borg Group.

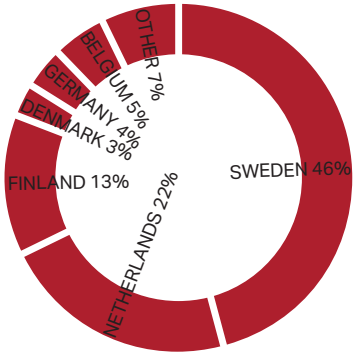
Sales of sports apparel increased in 2025 to SEK 314 million (254) and the product area made up 29 percent (25) of total sales. All markets show growth during the year, with the larger markets Sweden, the Netherlands, Finland and Germany increasing significantly.

Footwear

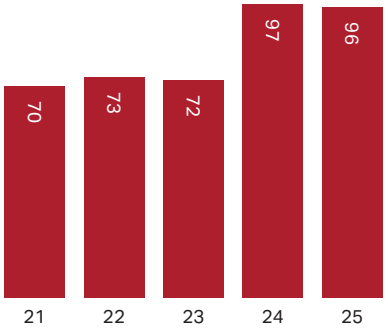
FOOTWEAR,
SHARE OF TOTAL SALES 2025



FOOTWEAR,
SALES BY COUNTRY 2025



FOOTWEAR,
SALES 2021-2025, SEK MILLION*

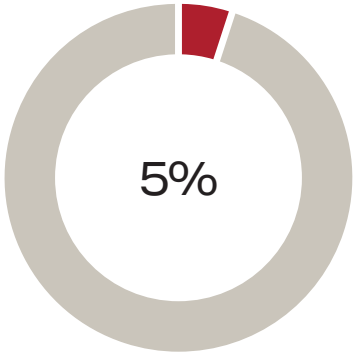


Within the footwear product category, which the company took over from an external party at the beginning of 2024, a range of fashion products is offered, including casual and sports shoes for men and women. Retailers include independent shoe stores, shoe and sports chains, department stores, major e-tailers, Björn Borg stores, and www.bjornborg.com. Since the integration of footwear at the beginning of 2024, all aspects – from product development and design to distribution – have been managed internally by the company. In 2025, Björn Borg footwear was sold in around twenty European markets, with Sweden, the Netherlands, Finland, and Belgium being the largest. Growth efforts are focused on Björn Borg's core markets in Northern Europe.

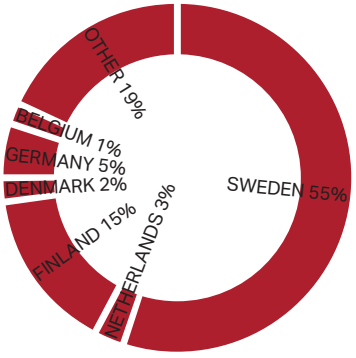
* *Försäljningen 2021-2023 inkluderar endast Sverige och Finland som bolaget hade distributionsrättigheterna för. 2024-2025 inkluderar även Nederländerna, Belgien, Tyskland och Danmark.*

Bags

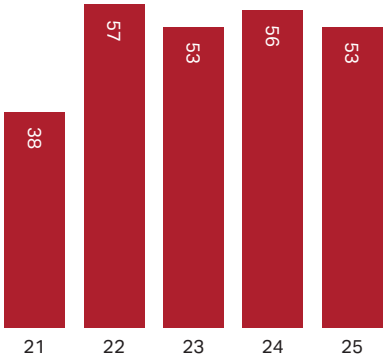
BAGS,
SHARE OF TOTAL SALES 2025



BAGS,
SALES BY COUNTRY 2025



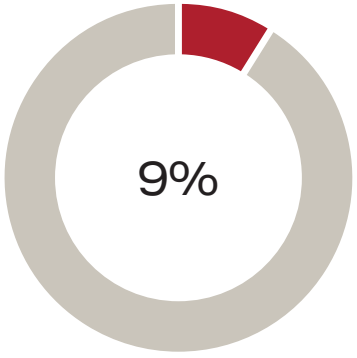
BAGS,
SALES 2021-2025, SEK MILLION



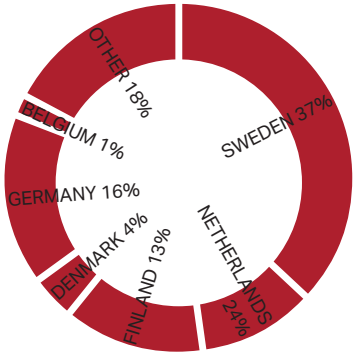
The bags product area falls into the fashion/trend segment and comprises gym bags, backpacks and duffle bags as well as wallets, gloves and belts. Retailers include luggage and sporting goods shops, retail chains, department stores, shop-in-shops, Björn Borg stores and e-commerce. Bags are mainly sold in Björn Borg's established markets in Northern Europe.

Other products

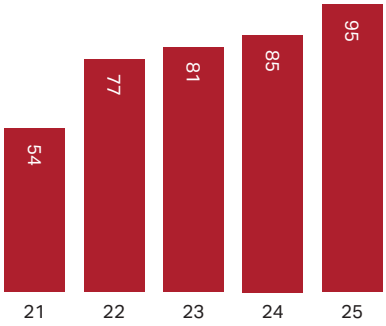
OTHER PRODUCTS, SHARE OF TOTAL SALES 2025



OTHER PRODUCTS, SALES BY COUNTRY 2025



OTHER PRODUCTS, SALES 2021-2025, SEK MILLION



The combined brand sales in the other product segments in 2025 amounted to SEK 95 million (85), an increase of 11 percent compared to 2024. In all, other products made up 9 percent of total sales.

It is primarily the product areas lounge wear and socks that show strong development during the year, growing by 33 percent and 23 percent respectively. Swimwear and eyewear, which belong to the trend segment of the market and are sold to the optical retail trade through the licensee's distribution organization, are in line with the previous year's sales.

Geographical markets

Larger markets

Björn Borg is currently represented in around 20 markets, the largest of which are Sweden, the Netherlands, Finland, Germany, Norway, Belgium and Denmark, in that order.

SWEDEN
The Björn Borg brand was registered in Sweden in 1989 and was established during the first half of the 1990s on the Swedish fashion market. The first Björn Borg store was opened in Stockholm in 1994. Today, Sweden accounts for 37 percent of total sales. Björn Borg products are sold through approximately 2,668 retailers around the country, through own retail sales in three Björn Borg stores, two of which are factory outlet stores, and via own e-commerce. Björn Borg today has a wide distribution on the Swedish market and the brand is represented with all product groups. Further broadening at the retailer level takes place selectively with existing and new product categories such as sportswear and performance wear. Sales showed an increase in 2025 of 13 percent compared to the previous year.

NETHERLANDS
Björn Borg AB has owned the former external distributor in the Benelux since January 2017. The acquisition of the Benelux business was an important step in accelerating the vertical integration of Björn Borg's business and was in line with the strategy to get closer to consumers and retailers in Björn Borg's main markets. In 2025, the Netherlands was the second largest market for the Björn Borg brand with 22 percent of total sales. Operations in the country started in 1993 and the brand quickly established a position in the Dutch market with growing volumes and a wide presence. Björn Borg products are sold today through approximately 582 retailers and three Björn Borg stores. Björn Borg products in all product areas are available for sale on the Dutch market. Sales in the Netherlands increased during the year by 2 percent.

FINLAND
The brand was established in Finland in the second half of the 1990s. It has developed strongly in recent years and today accounts for approximately 13 percent of total sales and is thus Björn Borg's third Geographical markets largest market. Underwear is the dominant product area, but footwear, sportswear and bags are also available for sale. Distribution is mainly through external retailers, approximately 1,082, but there are also four Björn Borg stores in Finland, three of which are factory outlet stores. Sales in Finland increased by 10 percent in 2025 compared to the previous year.

GERMANY
Björn Borg was launched in Germany in the spring 2016 and has shown rapid growth. Germany is today Björn Borg's fourth largest market with 10 percent of total sales. Underwear dominates the German market, and all product areas are available for sale. Björn Borg products are sold via approximately 25 external retailers, as there are currently no Björn Borg stores in the country. Sales on the German market decreased by 3 percent compared to 2024.

DENMARK
Björn Borg was launched in Denmark in 1992 and Denmark today accounts for 3 percent of total sales. Since 2021, the Danish operation has been an integrated part of the Björn Borg Group. On the Danish market, Björn Borg products are only sold via external retailers, approximately 420, as there are currently no Björn Borg stores in the country. In Denmark, the brand is represented with products in all product areas and, in 2024, sales showed an increase of 24 percent compared to 2024.

BELGIUM
Björn Borg was launched in Belgium in the second half of the 1990s. Belgium is today Björn Borg's sixth largest market with 4 percent of total sales. Underwear dominates the Belgian market, but all product areas are available for sale. Björn Borg products are sold via approximately 180 retailers and one Björn Borg factory-outlet store. Sales on the Belgian market decreased by 4 percent compared to 2024.

Smaller markets

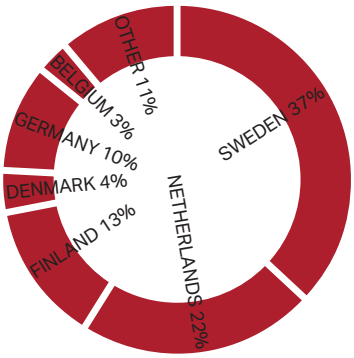
Smaller markets include primarily Norway and England and a number of other markets such as Austria, Switzerland, Slovenia, France and Canada.

NORWAY
The brand was launched on the Norwegian market in the early 1990s. Norway today accounts for 8 percent of total sales. The products are sold by approximately 642 retailers around the country. All product groups are represented in Norway. Sales on the Norwegian market showed an increase of 1 percent compared to the previous year.

ENGLAND
Björn Borg was established in England in 2006 through a launch at the Selfridges department store in London. In 2011, Björn Borg started its own operations together with a local partner after collaboration with the previous distributor was terminated. Distribution has since been broadened to include several other well-known retailers such as Harrods, John Lewis and House of Fraser, while more categories have been added, such as sports apparel. In addition to external retailers, Björn Borg had its own factory outlet in England until September 2020, after which the store was closed. Since 2021, the English operations are no longer an integrated part of the Björn Borg Group but are run by an external distributor. Sales in England showed a decrease in 2025 of 32 percent and accounted for 1 percent of total sales.

OTHER SMALLER MARKETS
Sales decreased in many other smaller markets, and total sales decreased by 7 percent. Björn Borg has chosen to focus its efforts more of those markets it considers to be its key markets, i.e., Northern Europe.

TOTAL SALES BY COUNTRY 2025



Björn Borg's Responsibility and Sustainability Work

2025 was another record year for Björn Borg. Revenue increased by 5 percent compared to 2024, while total carbon emissions decreased by 9 percent. Our actions to reduce climate impact are delivering results, and we continue to strengthen the decoupling between growth and emissions.

At the same time, our total emissions are 9 percent above 2020, our base year. This increase is mainly explained by higher production volumes as a result of our growth journey. However, we remain committed to combining profitable growth with reduced climate impact in our own operations and throughout the value chain. Our ambition is clear – growth and emission reductions should progress in parallel.

We continue to reduce the environmental impact of our products and production by increasing the share of materials with a lower climate footprint, strengthening the transition to renewable energy, and introducing more energy-efficient processes. Our emissions reduction model from 2022 provides us with science-based insights into our climate footprint and forms the basis for the actions and annual updates shaping our roadmap towards 2030.

Sustainability – environmental and social – is one of our three key focus areas, alongside profitable growth and a strong brand. During 2025, we have continued to prioritize responsible production, reduced climate impact, and increased internal anchoring of sustainability efforts.

We recognize that current efforts are not sufficient to achieve the goal of halving our absolute emissions by 2030; current measures are estimated to result in a 34 percent reduction. To close this gap, continued innovation and likely new business models will be required – and we are ready to take on that challenge. We remain committed to contributing to the goals of the Paris Agreement.

The entire value chain is involved in the transition, and all employees have individual sustainability targets linked to the company's overall strategy.

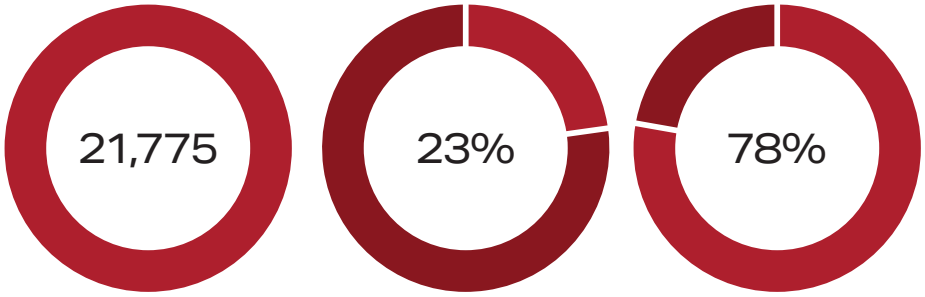
OUR COMMITMENT

Björn Borg's sustainability work can be summarized as a commitment to:

- Reduce our waste and dependence on finite resources
- Ensure high transparency and responsible production throughout the value chain
- Design and develop long-lasting products
- Ensure that suppliers comply with our guidelines on reduced environmental impact and social responsibility
- Integrate sustainability criteria throughout the product's entire journey to the consumer
- Encourage ethical and responsible behavior among consumers and other stakeholders
- Continuously strive to improve and actively seek new solutions

Read more about Björn Borg's sustainability work, strategy, and development in the Directors' Report of this Annual Report, as well as in the Sustainability Report that complements this report and is available for download on our website: https://corporate.bjornborg.com/en/section/sustainability

Environmental KPIs



Emissions, tonnes CO_2e

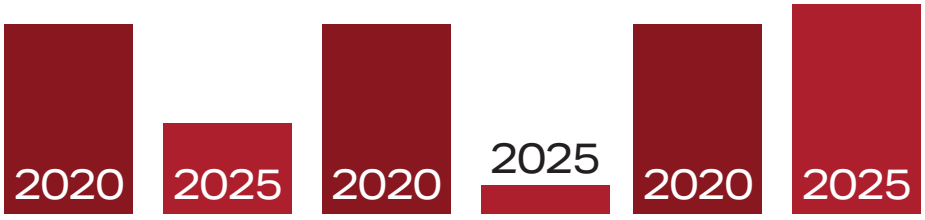
Recycled materials

Preferred materials*
(excluding footwear)

–52%

–85%

11%



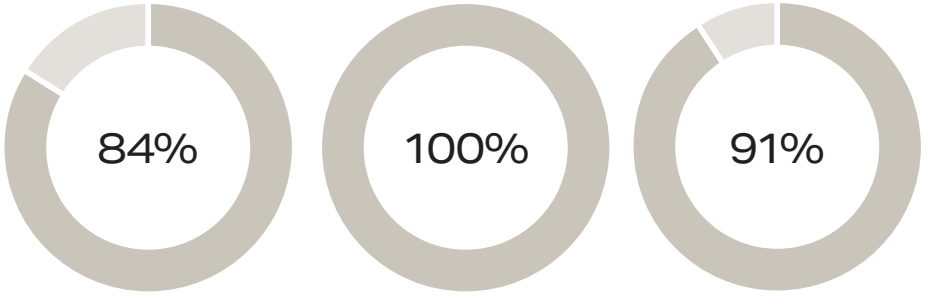
Reduction in Scope 1 emissions vs 2020

Reduction in Scope 2 emissions vs 2020

Increase in Scope 3 emissions vs 2020

* A preferred material in Björn Borg's assortment has a lower environmental footprint than its conventional counterpart. Our preferred materials are defined in our sustainability report.

Social KPIs

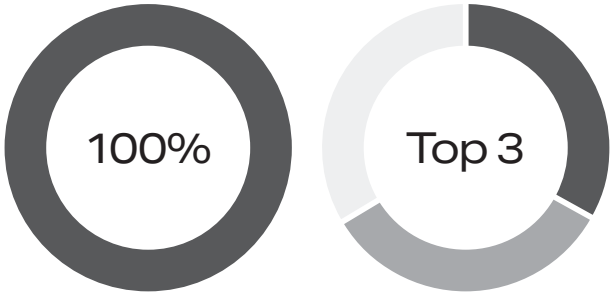


Employee satisfaction and motivation (2024: 84%)

Transparency Tier 1

Transparency Tier 2

Governance KPIs



Employees with a "green" target

Sustainability is one of our three key business priorities

An overview of Björn Borg's climate-related performance in 2025. Our climate calculation follows the GHG Protocol and includes Scope 1, 2, and 3. The results have been reviewed and approved by an external third party, the Head of Sustainability, and the management team.

We currently have full transparency in the first two tiers of manufacturing for apparel and bags, and we are working to reach the same level for footwear. Transparency is crucial for strengthening our environmental work and ensuring good social conditions. All our direct partners must sign and comply with our social Code of Conduct and ensure that these standards are upheld by subcontractors. Our Code of Conduct is based on the amfori BSCI Code of Conduct, and compliance is monitored annually through independent, semi-announced audits.

Employees and organization

With their competence, personality, creativity and drive, Björn Borg's employees contribute to the development of the brand and the Group and are essential to the success of the company. As an employer, Björn Borg wants to offer a stimulating work environment where management and staff together build a culture characterized by high ambition and drive, and a strong passion for sport and fashion.

One of management's top priorities is to provide current employees with development opportunities and attract new employees with the right talent into the organization. This is accomplished by building an open and stimulating corporate culture, where employees can grow and develop within the organization. In a growing business, there is a greater need for structure and standardized routines – while still maintaining creativity.

Björn Borg's employees are generally highly skilled with extensive business experience from large Swedish and international apparel companies and retailers, as well as possessing unique expertise in fashion and sports apparel. They share a great interest in fashion and sports, which is reflected in the strong culture. To sustain a high level of innovation and creativity in product development, inspiration is sought at trade shows and international fashion events. The company also places great importance on creating an inspiring culture internally, where the driving force is to inspire people to feel active and attractive.

SHARED VALUES

Shared values play a central and unifying role for Björn Borg, especially given the company's extensive international operations and large network of partners. These values are also crucial for the brand's development and success.

The values that define the approach within Björn Borg can be summarized as follows: *Passion, Empowering, Winning attitude, Bold* and *Magnetic*. These value words permeate both the way we work and all the communication, both internally and externally.

The company's mission is that *"We inspire people to be more through our belief that sports can make our mind, souls and bodies become something more than what they are today and that anyone can become anything."*

This mission is a significant driving force that unites employees and which we take very seriously. Everyone at Björn Borg is treated equally and given the same development opportunities, regardless of skin color, ethnicity, age, religion, gender, sexual orientation or disability.

THE ORGANIZATION DURING THE YEAR

During the year, Björn Borg maintained its very strong commitment to our employees. We held fast to our joint activities and symbolic actions that contributed to strengthening our culture and community. The company continued to work on developing our employees and ensuring the right skills and a good working environment. It is long-term work that also aims to create a competence-oriented work environment that is stimulating for the employees. Each employee has individual development goals that apply to both functional competence and personal well-being. The employees are offered various forms of competence development for both their professional competence and their personal development, where leadership, self-leadership and health are prioritized areas. The company has begun work on centralizing areas within the Group in order to reach out even more as a brand.

PERFORMANCE MANAGEMENT

In a growing company in a changing world, the demands on a well-structured organization and a clear division of labor increase. The company has clear job descriptions with measurable goals for each employee and works in a structured way to ensure efficient work in a work environment where employees feel good and perform well. The company has developed a business plan (*Northern Star*) with clear objectives for the coming years and it has been adjusted during the year to ensure relevance in the changing times in which the industry finds itself. Employees at all levels in the organization have been involved in that work and the anchoring work has been led from the top management at all levels. The overall objectives have then, with the same high degree of involvement, been broken down for each department and individual so that everyone who works within the company has clear goals and activities that lead to the common business goals. The goals are followed up in individual reconciliation sessions with each individual each month to maximize focus, development and results. In addition to strategic goals for the company's growth, the goals also include areas for improvement for the work environment, the internal company culture and each individual's development both professionally and personally (*"Get better goal"*). Each individual also has personal goals for their own health (*"Get stronger goal"*) which are adjusted in individual tests twice a year in collaboration with a professional personal trainer. Mental health is also mapped with a focus on stress and balance in life, and based on that mapping, goals and action plans are set annually both at the Group level and for each individual. Each employee also has personal goals for sustainability (*"Get greener goals"*), to contribute to Björn Borg's sustainability work with a focus on reducing the climate footprint.

The compensation systems that the company applies are based on a regular salary and a variable remuneration for certain key employees, where variable remuneration is based on performance against a combination of the company's financial objectives and the individual's prioritized goals.

THE ORGANIZATION IN FIGURES

The average number of employees in the Group in 2025 was 147 people, compared to 152 in 2024. Of the employees, 67 percent were women and 33 percent were men. Every year, we conduct physical fitness tests at the company in which all employees participate. These tests are performed with a professional personal trainer, and include exercises to measure fitness, strength, mobility and perceived well-being. Employees can then set goals to improve their health based on the results.

Employee engagement in the organization was again very high, with a score of 84 out of 100, the same high result as in the previous year. Unlike in earlier years, this year's employee survey was conducted by an external supplier. This enabled the use of an external benchmark, and the result showed that the company's score of 84 exceeded the benchmark value. Trust in management was very high and increased from the previous year. The results with the focus on immediate leadership were also high; something which greatly affects the development and performance of employees. All departments were engaged in setting their own goals to improve results in the coming years.

Björn Borg by the numbers

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Five-year summary

FIVE-YEAR SUMMARY

SEK thousands	2025	2024	2023	2022	2021
Income statement in summary					
Operating revenue	1,071,853	1,012,889	891,791	861,008	796,095
Operating profit	111,516	101,845	100,551	72,909	104,088
Profit after financial items	117,749	90,403	97,691	70,444	106,870
Profit for the year	92,060	72,668	75,969	50,873	86,030
Balance sheet in summary					
Intangible assets	229,762	231,221	230,355	231,579	233,134
Tangible non-current assets	22,081	21,035	17,663	16,195	15,405
Other long-term receivables	8,788	12,191	12,310	12,575	13,952
Deferred tax assets	30,702	42,220	43,942	52,571	54,950
Inventory	249,886	259,487	184,361	201,136	151,991
Current receivables	164,471	133,949	116,248	123,306	114,494
Cash & cash equivalents	13,535	8,771	26,646	16,032	96,743
Total assets	**719,225**	**708,874**	**631,525**	**653,394**	**680,668**
Equity	361,019	352,478	350,817	324,809	334,217
Non-current liabilities	–	–	–	–	1,932
Deferred tax liabilities	39,537	39,454	39,701	39,877	39,596
Non-current lease liability	14,979	22,591	25,470	32,386	33,777
Current liabilities	303,690	294,351	215,537	256,323	271,146
Total equity and liabilities	**719,225**	**708,874**	**631,525**	**653,394**	**680,668**
Key ratios[1]					
Gros profit margin, %	51.8	52.6	54.0	50.8	54.2
Operating margin, %	10.7	10.3	11.5	8.7	13.5
Profit margin, %	11.3	9.1	11.2	8.4	13.9
Return on capital employed, %	28.8	25.4	25.2	17.1	24.2
Return on average equity, %	25.8	20.7	22.5	15.4	27.5
Profit attributable to Parent Company's shareholders	92,060	72,668	75,969	50,873	86,030
Equity/assets ratio, %	50.2	49.7	55.6	49.7	49.1
Equity per share, SEK	14.36	14.02	13.95	12.92	13.29
Investments in intangible non-current assets	2,243	2,640	2,092	265	4,828
Investments in tangible non-current assets	10,161	11,410	9,049	8,059	5,680
Depreciation/amortization for the year	–29,066	–32,133	–33,015	–34,739	–35,503
Average number of employees	147	152	151	151	162
Data per share					
Earnings per share, SEK	3.66	2.89	3.02	2.02	3.42
Earnings per share, SEK (after dilution), SEK	3.66	2.89	3.02	2.02	3.42
Number of shares	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Weighted average number of shares	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Effect of dilution	–	–	–	–	–
Weighted average number of shares (after dilution)	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384

[1] For descriptions of alternative key ratios, see page 101.

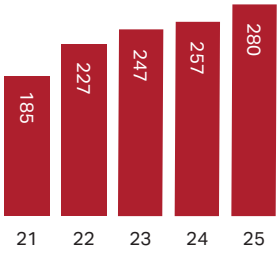
Quarterly data for the group

QUARTERLY DATA FOR THE GROUP

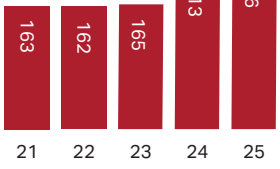
SEK thousands	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net sales	238,172	299,786	225,913	280,027	234,619	285,087	213,205	256,788
Gross profit margin, %	54.0	52.5	50.6	49.9	53.3	52.1	51.8	53.3
Operating profit	21,595	45,122	10,614	34,185	16,812	42,046	9,517	33,470
Operating margin, %	9.1	15.1	4.7	12.2	7.2	14.7	4.5	13.0
Profit (loss) after financial returns	21,337	45,541	5,006	45,864	10,294	44,082	9,073	26,954
Profit margin, %	9.0	15.2	2.2	16.4	4.4	15.5	4.3	10.5
Earnings per share, SEK	0.61	1.47	0.16	1.43	0.40	1.39	0.26	0.84
Earnings per share, after dilution, SEK	0.61	1.47	0.16	1.43	0.40	1.39	0.26	0.84
Number of Björn Borg stores at end of period	11	11	12	13	14	14	15	15
Of which Group-owned Björn Borg stores	11	11	11	12	13	13	14	14

SEASONAL VARIATIONS
The Björn Borg Group is active in an industry with seasonal variations. The four quarters vary in terms of sales and earnings.

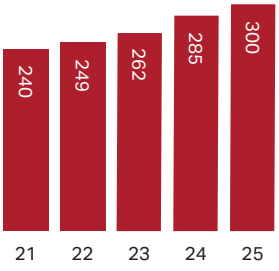
NET SALES 2021-2025, Q1, SEK MILLION



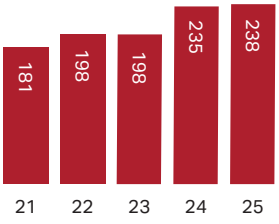
NET SALES 2021-2025, Q2, SEK MILLION



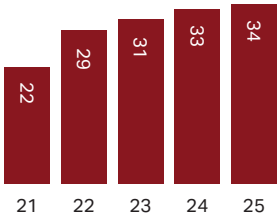
NET SALES 2021-2025, Q3, SEK MILLION



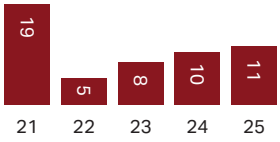
NET SALES 2021-2025, Q4, SEK MILLION



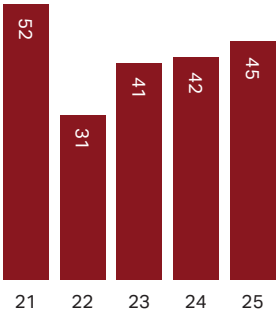
OPERATING PROFIT 2021-2025 Q1, SEK MILLION



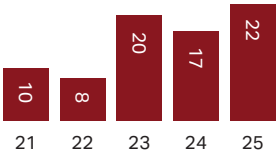
OPERATING PROFIT 2021-2025 Q2, SEK MILLION



OPERATING PROFIT 2021-2025 Q3, SEK MILLION



OPERATING PROFIT 2021-2025 Q4, SEK MILLION



Board of directors' report

The Board of Directors and the CEO of Björn Borg AB (publ), company registration number 556658-0683 with headquarters in Stockholm, herewith present the annual report and consolidated financial statements for the financial year 2025.

OPERATIONS

The Björn Borg Group owns and develops the Björn Borg brand. The focus of the business is underwear, sports apparel, shoes and bags, and via licensees also eyewear. Björn Borg products are sold in about twenty markets, the largest of which Sweden and the Netherlands.

The Björn Borg Group has operations at every level from branding to consumer sales in its own Björn Borg stores and e-commerce. Operations include brand development and service to the network of licensees and distributors, as well as product development in the core areas of underwear, sports apparel, footwear and bags. The Group is also responsible for the distribution of underwear, sports apparel, footwear and bags in Sweden, Finland, Denmark, the Netherlands, Belgium and Germany.

BJÖRN BORG SHARE AND OWNERSHIP

Björn Borg AB is listed on Nasdaq Stockholm. The total number of shares in Björn Borg amounts to 25,148,384. There is only one class of shares. The share capital amounts to SEK 7,858,870 and the quotient value per share is SEK 0.3125. Each share entitles the holder to one vote at the Annual General Meeting and there are no restrictions on how many votes each shareholder can cast at the Annual General Meeting. Björn Borg had 9,952 shareholders at year-end. The largest shareholder as of December 31, 2025, was Nordnet Pension. Nordnet Pension holds, directly and indirectly, 16.1 percent of the shares in Björn Borg.

There are no restrictions on the right to transfer the Björn Borg share according to current laws or in Björn Borg's Articles of Association. Nor is Björn Borg aware of any agreements between shareholders that could infringe upon the right to transfer Björn Borg shares.

Björn Borg's main debt financing, which consists of a three-year loan agreement of SEK 200 million with Danske Bank, contains a so-called "change of control" clause. The clause states that if anyone acquires an ownership interest in the company of 50 percent or more, the bank has the option of terminating the agreement.

Board members and any deputy Board members are appointed at the Annual General Meeting (AGM) for the period until the next Annual General Meeting. Björn Borg's Articles of Association contain only the customary provisions on Board elections and have no rules on special majority requirements for the appointment and dismissal of Board members.

ANNUAL GENERAL MEETING

The Annual General Meeting 2025 was held on May15t in Björn Borg's premises at Frösundavik allé 1 in Solna . At the Annual General Meeting, among other things, decisions were made on the re-election of Board members Alessandra Cama, Fredrik Lövstedt, Mats H Nilsson, Jens Høgsted och Johanna Schottenius and to elect Cecilia Bönström as a new Board member. Anette Klintfält and Heiner Olbrich declined re-election. The total number of members was thus six. The AGM resolved that Johanna Schottenius shall be elected as Chairman of the Board. At the meeting, decisions were made, among other things, limited authorization for the Board to make decisions about new issues with a total of no more than SEK 390,625 (divided into no more than 1,250,000 new shares). The authorization also included the right to decide on a new issue with determination of non-cash contributions, or that shares should be subscribed with set-off rights, or otherwise with conditions according to Chapter 13 Section 7, Chapter 14 Section 9 or Chapter 15 Section 9 of the Swedish Companies Act. The minutes from the Annual General Meeting are available on Björn Borg's website. The Board did not use the authorization in 2025.

THE WORK OF THE BOARD

The Board had five meetings in 2025, of which four in connection with the quarterly financial reports and one meeting per capsulam. Further information about the Board's work and the members' attendance at the year's Board meetings can be found in the corporate governance report on page 105. Please note that the corporate governance report is not part of the management report but a separate report.

FINANCIAL OBJECTIVES

Björn Borg's long-term financial goals for the business have been prolonged and are now valid until further notice. The financial goals are:

- Annual sales growth of minimum 10 percent
- Annual operating margin of minimum 10 percent
- An annual dividend of at least 50 percent of net profit
- The equity/assets ratio should not fall below 35 percent.

Comments on the financial targets:

Sales growth is expected to come mainly from growth in, above all, sports apparel, although other product groups are also expected to grow.

DIVIDEND

The Board proposed to the AGM that a distribution for 2025 of SEK 3.00 (3.00) per share be paid, corresponding to 82 (104) percent of profit after tax. The dividend will be paid, subject to approval by the Annual General Meeting, on the 26th of May 2026.

The Board's proposal corresponded to a transfer to the shareholders of SEK 75.4 million (75.4).

The Board of Directors has also decided to propose to the Annual General Meeting that the meeting authorizes the Board to repurchase the company's own shares.

EVENTS IN 2025

The organization

The company notes that Russia's war in Ukraine is ongoing and that the global geopolitical situation remains challenging. At present, it is difficult to determine how this will financially affect the Björn Borg Group's operations. However, the fact that the company does not conduct business in Russia, Ukraine, or Israel minimizes any potential risk of direct business impact, although weakening consumer confidence may have an indirect negative effect.

In 2025, the company decided to temporarily shut down its own e-commerce operations in the United States due to the prevailing uncertainty regarding tariffs and trade conditions. The decision was a precautionary measure given the difficulty in assessing the situation. The company is closely monitoring developments and continuously evaluating possible solutions in order to resume operations in the long term under more predictable conditions.

Björn Borg stores

During the year, three stores were closed; one in Sweden, one in the Netherlands and one franchise store in Norway. At year-end, there were 11 (14) Björn Borg stores, 11 (13) of which are Group-owned.

THE GROUP'S DEVELOPMENT

Net sales

Group net sales for the full year, 2025, amounted to SEK 1,043.9 million (989.7), an increase of 5.5 percent. Currency had a negative impact on sales during the year and adjusted for currency effects, sales increased by 7.8 percent.

The main reasons for the increase for the full year, 2025, is Sports Apparel which continued to show strong growth with an increase of 24 percent. For further details, see below under "Development by segment".

Results

The gross profit margin for the full year, 2025, fell to 51.8 percent (52.6). Adjusted for currency effects, the gross profit margin would have been 52.5 percent. It is primarily the distribution of shoes in new markets for the company, which have a temporarily lower gross profit margin, that gives rise to that reduction. Distribution to larger customers with higher discounts also leads to a reduced gross profit margin.

Other operating income amounted to SEK 28.0 million (23.2) and mainly referred to unrealized gains on accounts receivable in foreign currency.

Operating costs increased as planned by SEK 14.7 million compared to the previous year, primarily through increased investments in marketing.

Increased sales with lower gross profit margins and higher operating costs meant that operating profit increased to SEK 111.5 million (101.8).

Net financial items amounted to SEK –6.2 million (–11.4). The change in net financial items compared to the previous year was primarily attributable to the revaluation of financial assets and liabilities in foreign currency. As the Swedish krona strengthened against both EUR and USD, net financial items have been positively impacted during the year 2025. Furthermore, the company's valuation of future futures contracts in foreign currency had a negative effect on net financial items during the period of SEK –0.8 million (–).

Profit for the period after tax increased to SEK 92.1 million (72.7).

Investments and cash flow

The cash flow from the operating activities in the Group amounted to SEK 55.3 million (76.0) for the full year, 2025. The decrease, compared to the previous year, was primarily due to a higher capital commitment.

The cash flow from investment activities was negative at SEK –12.4 million (–14.1). The major investments related mainly to the re-modelling to the outlet store in Belgium and the renovation of the head office.

Cash flow from financing activities amounted to SEK –47.3 million (–77.9). Change in cash flow from financing activities is attributable to increased utilisation of the overdraft facility.

Financial position and liquidity

At the end of the period, the Björn Borg Group's cash and cash equivalents amounted to SEK 13.5 million (8.8), plus unused bank facilities of SEK 136.5 million (182.7). At the end of the fourth quarter of the year, the company had a net debt, excluding leasing liabilities, of SEK 50.0 million (8.5), compared with net cash of SEK 26.6 million the previous year. Total interest-bearing liabilities amounted to SEK 92.8 million (58.9), with total leasing liabilities amounting to SEK 29.2 million (41.7), of which SEK 15.0 million was the long-term share and SEK 14.2 million was the short-term share.

As of December 31, 2025, the Björn Borg Group had SEK 200 million in bank facilities, of which SEK 63.5 million (17.3) was utilized. The fair value of financial instruments corresponded in all material respects to the book value.

Commitments and contingent liabilities

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

As of December 31, 2025, the ratio was 0.41 (0.08) and the equity ratio was 50.2 percent (49.7).

There have been no significant changes in collateral and contingent liabilities compared to December 31, 2024.

FIVE-YEAR SUMMARY[1]

	2025	2024	2023	2022	2021
Net sales, SEK million	1,043.9	989.7	872.3	835.2	768.2
Operating profit, SEK million	111.5	101.8	100.6	72.9	104.1
Operating margin, %	10.7	10.3	11.5	8.7	13.5
Profit before tax, SEK million	117.7	90.4	97.7	70.4	106.9
Profit for the year, SEK million	92.1	72.7	76.0	50.9	86.0
Earnings per share before dilution, SEK	3.66	2.89	3.02	2.02	3.42
Earnings per share after dilution, SEK	3.66	2.89	3.02	2.02	3.42
Equity/asset ratio, %	50.2	49.7	55.6	49.7	49.1
Equity per share, SEK	14.36	14.02	13.95	12.92	13.29

[1] For descriptions of alternative key figures, see page 101.

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

SEGMENTS (FOR MORE INFORMATION, SEE NOTE K4)

Wholesale business
The segment consists of revenues and expenses 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, footwear, bags and complementary products.

The segment's external operating income for the full year, 2025, amounted to SEK 728.5 million (671.5), which was an increase of 8 percent. The main explanation for the increase is the distribution of sportswear, where growth is 31 percent and that underwear shows a growth of 2 percent. Overall, the company sees increased sales at physical stores in the segment, where growth is 14 percent to SEK 494 million (432), while e-tailers in the segment, players that primarily sell online, show a decrease of 2 percent to SEK 235 million (239), primarily due to weak development in the German market. In the wholesale business, the largest market, Sweden as a whole, shows an increase in sales of 13 percent compared with the previous year. The second largest market, the Netherlands, is growing in the segment by 6 percent, as the distribution of shoes now constitutes a significant part. The Finnish market shows growth of 9 percent, while Germany decreases by 5 percent due to weak through-sales at the major retailers.

The operating profit amounted to SEK 67.1 million (54.4). Increased sales with intact gross profit margins and higher operating costs in connection with the takeover of the distribution of footwear mean that operating profit is better than last year.

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, via Own e-commerce at www.bjornborg.com.

Own e-commerce continued to grow strongly. For the full year, 2025, own e-commerce increased by 20 percent to SEK 216.6 million (181.0). The increase was mainly due to the strong growth in the Sports Apparel product area, which increased by 30 percent compared to the previous year. The Underwear product area also increased strongly and grew by 7 percent. Footwear continued to show strong momentum and grew by 26 percent while bags increased by 30 percent.

The operating profit for the year 2025, amounted to SEK 40.2 million (32.9), an increase of 22 percent. The improvement was primarily due to increased sales, despite slightly lower maintained margins.

Own stores
The segment consists of revenues and costs associated with the Björn Borg Group´s directly to consumers sales through its own physical stores. The Björn Borg Group owns and operates a total of 11 (13) stores and factory outlet stores in Sweden, the Netherlands, Finland and Belgium, selling underwear, sports apparel, footwear, bags and complementary products.

Own physical stores show a total decrease of 18 percent for the year 2025 and amount to SEK 87.5 million (107.1), primarily due to the company's choice to close two of its own stores and one franchise store, in accordance with the company's strategy to close unprofitable stores. Another significant part of the decrease consists of late Covid contributions from the Dutch state in the first half of last year. In total, these grants amounted to SEK 6 million for 2024. For comparable stores, i.e. stores that were open in both comparison years and adjusted for government subsidies, sales will decrease by 3 percent for the full year 2025.

In the Netherlands, sales in own stores decreased by 32 percent including subsidies, and by 2 percent excluding subsidies and for comparable stores. In Sweden, sales in own stores decreased by 11 percent, while they increased by 1 percent for comparable stores. Sales in Finland increased by 5percent, while Belgium decreased by 21 percent in total and in comparable stores.

Operating profit for the full year 2025 amounted to SEK –5.1 million (2.7). The fall in operating profit was primarily explained by reduced sales due to the smaller number of stores, as well as the above-mentioned government Covid grants.

Distributors
The distributor segment mainly consists of income 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 decreased by 25 percent for the full year, 2025, compared to 2024 and amounted to SEK 38.1 million (51.0). Sales to the largest distributor market, Norway, decreased by 27 percent and sales to the United Kingdom decreased by 56 percent. Other smaller distributors were down by a combined 9 percent compared to the previous year, mainly due to large inventories and thus lower purchases in the respective markets.

The operating profit decreased slightly to SEK 8.3 million (10.0) as a result of decreased revenues.

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

The segment's external operating income decreased during the full year, 2025, compared to 2024 and amounted to SEK 1.2 million (2.2). This was due to the company taking over the distribution of Footwear which previously accounted for a significant part of the income for the segment.

Operating profit amounted to SEK 1.1 million (1.9) for 2025.

Intra-Group sales
Intra-Group sales for 2024 amounted to SEK 727 million (682).

PERSONNEL

The competence, creativity and drive of Björn Borg employees are important factors behind the positive development of the brand and the Group and are essential for continued success. Retaining staff and attracting new professional employees to the organization is thus considered a priority task for management. The company's current compensation system is based on basic salary and an individual bonus system for certain key employees where bonuses are paid according to performance against individual goals.

The average number of employees in the Group for the twelve-month period which ended on December 31, 2025, was 147 (152), of which 67 percent (67) were women.

GUIDELINES FOR REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES

At the Annual General Meeting on May 15, 2025, guidelines for remuneration to the CEO and other members of the executive management were adopted. An adjustment in the guidelines that intends to increase the CEO's maximum pension compensation to 35% will be presented to the Annual General Meeting 2026, otherwise it is proposed that the guidelines remain unchanged. The remuneration may consist of a fixed salary, variable compensation, pension,

and other benefits – see Note K8 and the corporate governance report on page 106 for more details. In addition, and independently of the guidelines, the General Meeting may decide on share- and share price-related compensation. Total remuneration shall be market-based and competitive, and proportional to responsibilities and authority. The variable compensation shall be based on outcomes in relation to defined and measurable targets, designed to promote the company's business strategy and long-term value creation. It shall also be capped at 50 percent of the fixed salary during the measurement period, which is normally one year. In the event of termination of employment by the company, the notice period shall not exceed six months. Severance pay will not be paid. Pension benefits are defined contribution.

ACTIVITIES IN RESEARCH AND DEVELOPMENT

Björn Borg does not conduct any research activities; however, development and design takes place in the product areas of underwear, sports apparel, footwear and bags.

BJÖRN BORG'S SUSTAINABILITY WORK AND RESULTS IN 2025

At Björn Borg, we strive towards a sustainable future, and sustainability continues to be one of the company's three main focus areas. We work to reduce our environmental impact, take social responsibility throughout the value chain, and integrate sustainability into corporate governance. Our goal is to reduce our total carbon emissions in line with the Paris Agreement, meaning a 50 percent reduction by 2030 compared to 2020. The action plan guiding this work covers the entire business and is approved by the Board of Directors and management.

Climate Impact

In 2025, our total carbon emissions decreased by 9 percent compared to 2024. This reduction is the result of lower production volumes, a significantly increased share of renewable energy in production, and a higher share of materials with a lower climate impact.

At the same time, we are improving efficiency. Emissions per kilogram of material produced continue to decrease through more efficient production processes, particularly in dyeing, and a gradual transition in energy use within our supplier chain. We know that the shift to renewable energy in production is crucial to achieving our climate targets, which is why it remains one of our key focus areas.

Compared to our base year 2020, emissions are still 9 percent higher, mainly driven by increased volumes over time. However, our direction is clear. To achieve a 50 percent absolute reduction by 2030, we continue to accelerate efforts in renewable energy, energy efficiency, material development, and structural improvements in the value chain.

Materials and Products

We aim to create products that last over time and are produced with a low environmental footprint. In 2025, 78 percent of the total volume of apparel and bags consisted of preferred materials, and we continue working towards 100 percent by 2030. We are also scaling up water-saving dyeing technologies for volume products, including Clean Color in men's underwear. Packaging materials and in-store materials continue to follow strict guidelines for preferred materials.

Energy

The transition to renewable energy is central to our climate goals. In 2025, 84 percent of total production in Tier 1 was powered by renewable electricity, and we are working towards 100 percent by 2030. We have also initiated efforts related to energy efficiency and renewable energy among subcontractors.

Transport

Except within our e-commerce operations, we do not plan air freight. Any air transport must be approved by the management team. Within our own e-commerce, products are only transported by air to continents outside Europe, and we are exploring solutions to reduce air transport distances, for example to Australia and New Zealand. Potential solutions include alternative transport methods, local warehousing, or different transport routes from factories.

Regulation and Customer Requirements

The EU has paused several sustainability-related regulations that were in progress. Despite this, we clearly see increasing expectations from our customers for us to act as a responsible partner, including higher demands for transparency and more detailed product information. We are monitoring developments and actively working to meet both customer expectations and future regulatory requirements.

Responsible Employer

Last but not least, we have the people who make all of this possible – those who work for us both internally and externally. We work hard to ensure they have a good working environment and fair working conditions, and to be, if not the best employer in the universe, then at least the best in the world. Read more about this and much more in our Sustainability Report, available at: https://corporate.bjornborg.com/en/section/sustainability/

The company has chosen to prepare the Sustainability Report as a separate document from the Annual Report in accordance with the Swedish Annual Accounts Act (ÅRL 6:11).

RISKS, UNCERTAINTY FACTORS AND RISK CONTROL

There are a number of internal and external operating and financial risks that can affect Björn Borg's results and operations.

Financial risks

Through its operations, Björn Borg is exposed to currency, interest, credit and counterparty as well as liquidity and refinancing risks. The Board has decided how the Group will manage these risks, see further note K3.

Credit risks

A large part of Björn Borg's total sales takes place directly through wholesale channels, which can mean an increased risk in the event that large customers become insolvent. Björn Borg works actively to reduce this risk by carrying out credit checks of all new wholesale customers with whom the company begins to collaborate. The company constantly monitors key figures such as order intake, sales and delivery speeds and reports these regularly to the company management. Björn Borg has processes in place to quickly identify customers with potential payment difficulties. The company uses measures such as advance payments, demands for interest on late payment, and in certain cases it freezes trading to reduce possible credit risks.

Manufacturing and transport risks

Risks for product companies include delays or stops in production, and transport of the product. This can happen when individual suppliers are unable to deliver according to the agreed terms, but situations can also arise when countries or regions are affected. It is difficult to assess the extent to which ongoing geopolitical unrest in the world may directly affect Björn Borg. However, it cannot be ruled out that this may have a major financial impact on the company through, for example, trade sanctions that might affect fuel prices or the company's production chain. A conflict that has

caused uncertainty and longer transport times for many product companies in 2025 is attacks on ships in the Suez Canal and the Red Sea, these conflicts may also have an impact in the future. In recent years, Björn Borg has worked to diversify where in the world we produce our products to reduce this risk. A more globally dispersed production also has the advantage of enabling different transport methods to be used in the delivery of the goods and reduces the company's currency exposure to any single currency.

Inflation
A potentially high inflation rate – such as the rate experienced during 2023 and early 2024 – in the markets where Björn Borg operates may pose a financial risk. An increased risk is that interest rates on bank loans might rise sharply, as well as the negative impact of high inflation on consumers' private finances, which could lead to reduced or changed purchasing behavior among consumers. The Björn Borg Group renegotiates the company's bank facilities regularly to ensure as favourable a position as possible regarding the company's credits. Björn Borg regularly reviews the company's pricing strategy to ensure that product prices are adjusted for inflation while at the same time maintaining competitive prices.

Economic impact
The company's sales are affected overall, like all retail sales, by changes in the general economic situation. A more favorable economy will have a positive impact on household finances and thereby on their consumption patterns. A deterioration in the economy has the opposite effect, something that has been particularly evident in recent years with unstable market demand, with effects on the Group's underwear and sports apparel sales. The company's profitability is also affected by changing raw material prices on the world market and by increased production, payroll and transport costs in the countries where the company purchases its products.

Market risks
Björn Borg is active in the highly competitive fashion industry. The company's vision is to consolidate the Björn Borg brand as a globally established sports fashion brand. The company's competitors, national and international brands usually focus on the same markets. They often have significant financial and human resources. However, Björn Borg has so far managed to hold its own in competition with other market players, but there are no guarantees that the company will continue to be able to assert itself well against current and future competitors.

Legal risks
Björn Borg sells consumer products. There is a risk that the products in question could be associated with safety risks or harm users for other reasons. In some countries, such as the United States, this type of product liability can lead to significant claims for damages from those affected which could adversely impact the company's earnings and reputation. Even though preventive measures are taken, Björn Borg runs the risk that the marketing and sales of its products could infringe the intellectual property rights of a third party's intellectual property rights, and it could be accused, for instance, of the unauthorized use of someone else's trademark or copyrighted material. This type of claim could entail liability for compensation that negatively affects the result and could harm the company's reputation.

Expansion of the business
The company's future growth is dependent on the network's ability to increase sales through existing sales channels, but also on the company identifying new geographical markets for the company's products. The ability to find new markets for Björn Borg is partly dependent on factors beyond the company's control, such as the general economy, trade barriers and the availability of attractive retail premises on commercially viable terms.

The network
The company's position and future expansion are, among other things, dependent on external entrepreneurs who serve as product companies, distributors and franchisees in the network. Termination of cooperation with one or more contractors who are part of the network may have a negative impact on the company's growth and earnings. Björn Borg's distribution model, with external distributors – both own and licensee's – also creates risks that these external parties do not make the investments or implement the measures necessary to, for example, achieve certain planned growth or certain types of changes. In order to minimize the risk that external partners do not make the necessary investments and other measures, the company sets requirements through the parties' agreements and regularly follows up that external parties comply with the agreed obligations that they have undertaken. In cases where external parties have not complied with agreed obligations, an individual assessment is made for each situation of how Björn Borg should act. Usually this is handled by Björn Borg, together with the partner concerned, drawing up an action plan to handle the situation, but it may also involve the company reviewing other legal means of pressure to ensure compliance or seek compensation for the financial damage caused by the external partner's breach of contract.

Fashion trends
The company's operations are affected by shifts in trends and fashions and consumer preferences regarding design, quality and price level. Positioning in relation to different competitors' products is critical. In general, there is a positive correlation between the degree of fashion content and business risk, where higher fashion level also means a shorter product life cycle and higher business risk. Rapid changes in fashion trends can mean declines in sales for certain collections. One measure the company is taking to counteract this risk is to actively work to reduce lead times for manufacturing our products. Shortening lead times increases the company's ability to make necessary changes more quickly and thus reduce exposure to this business risk.

IT risks
The increased digitization in society and companies' dependence on IT systems to be able to run their business efficiently means that Björn Borg is dependent on these systems working. Critical system errors and the risk of cyber-attacks can have a major financial impact on the company. To reduce these risks, the company has taken a number of measures. For Björn Borg's own systems, the company is constantly working to develop the security and robustness of its systems. The company conducts regular cyber security training and tests of the system. Björn Borg has also introduced MFA verification for all business-critical systems and has backup copies of important business data saved on separate servers to be able to quickly restore data in the event of a loss. For external systems and services that the company uses, risk

management takes place primarily by setting requirements during the procurement process and by regulating liability through the agreements so as to be able to demand compensation from the system supplier in the event that an external system causes financial damage to the company. The company's procedures for managing IT risks are regulated through policies that are followed up with the company's Board of Directors on a regular basis.

Climate risks
Björn Borg´s sustainability strategy strives to minimize the company's environmental impact and contribute to a more sustainable textile industry. Climate change is identified as a significant risk for the company, for example, limited access to raw materials as a result and increased extreme weather conditions which can cause instability in production countries and in the entire value chain. Björn Borg works actively to minimize the climate impact from its own business, as well as spreading risks by having a diversity of suppliers and production countries. Despite these measures, the risk remains for production disruptions as a result of climate change, which may affect the delivery quality to customers and thus customer satisfaction. In addition climate risks include transition risks, i.e. risks related to society's efforts to counteract climate change. Björn Borg strives constantly looking to be at the forefront of this realignment and is off the view that the importance of this area will increase during coming years with the implementation of laws and a generally increased interest in this area.

Protection for the Björn Borg brand
The Björn Borg brand is crucial to the company's position and success. Copyright infringements and the distribution of copied products, so-called piracy, damage the Björn Borg brand, the reputational capital of Björn Borg products and Björn Borg's profitability. In addition to risks associated with piracy, the possibility of expanding into new markets can be limited if, for example, a third party in a country has registered a trademark reminiscent of Björn Borg. The company works continuously with trademark protection. However, there are no guarantees that the measures taken to protect the Björn Borg brand are sufficient. The Björn Borg brand is further connected with the person Björn Borg. The position of the brand is therefore to some extent dependent on the person Björn Borg being associated with the core values that are included in the brand's platform.

Reputational damage
The company's reputation with the customer base is built on a consistent experience of the company's products in the markets where the products are visible. Björn Borg products should be presented in a way that reflects the values that Björn Borg represents. If the parties in the network take any action that presents Björn Borg products in a way that conflicts the company's positioning in the market or the values that the brand represents, Björn Borg's reputation could be damaged. Examples of reputational damage can be negative publicity about working conditions in factories that manufacture products, prohibited chemicals, safety concerns in products or accusations of sexist or gender stereotypical advertising. In the long term, reputational damage will harm the company's growth and earnings. Björn Borg has clear guidelines for how we handle all marketing to ensure that all our communication is in accordance with the company's principles, the company also regulates in all external agreements that all marketing where a third party uses Björn Borg's trademark or name must first obtain approval from the company before it can be published. In our agreements, Björn Borg regulates how our products are to be manufactured and ensures that the working conditions that apply at our partners are humane. We work with external partners as well as conduct our own audits of our partners to ensure that these requirements are respected. More information about this work can be read in the company's sustainability report.

OUTLOOK 2026
The company's policy is not to issue earnings forecasts. The company states however, that the geopolitical situation in the world remains challenging. It is in the current situation is difficult to determine how it affects the Björn Borg Group's business financially, but the fact that the company does not do business per se Russia, Ukraine or Israel minimizes any business risks impact even if consumers' declining faith in the future can have an indirect, negative effect.

THE PARENT COMPANY
Björn Borg AB (publ) mainly conducts intra-Group operations. As of December 31, 2025, the company owned 100 percent of the shares in Björn Borg Brands AB, Björn Borg Footwear AB, Björn Borg Inc, Björn Borg UK 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 Bjorn Borg (China) Ltd.

The parent company's net sales for the full year, 2025, amounted to SEK 128.4 million (106.1). Profit before tax amounted to SEK 89.3 million (71.7). Cash and cash equivalents at the end of the period amounted to SEK 0 million (0).

PROPOSED DISTRUBUTION OF PROFIT

The following unappropriated earnings are available to the Annual General Meeting:	
Retained earnings, SEK	8,621,176
Profit for the year, SEK	69,996,192
	78,617,368
The Board proposes that:	
Shareholders receive a dividend of SEK 3.00 per share	75 445 152
Carried forward, SEK	3,172,216
	78,617,368

Consolidated financial statements

Consolidated income statement

SEK thousands	Note	2025	2024
Net sales		1,043,899	989,699
Other operating revenue		27,954	23,191
Operating revenue	K4, K5	**1,071,853**	**1,012,889**
Goods for resale		–503,665	–469,050
Other external expenses		–261,101	–246,190
Staff costs		–147,603	–148,986
Depreciation/amortization of intangible/tangible non-current assets		–29,066	–32,133
Others operating expenses		–18,902	–14,685
Operating profit	K4, K6, K7, K8, K10, K12, K16, K17	**111,516**	**101,845**
Interest income and similar credits	K12, K13	13,230	460
Interest expenses and similar charges	K12, K13	–6,997	–11,902
Profit after financial items		**117,749**	**90,403**
Profit before tax		**117,749**	**90,403**
Tax on profit for the year	K14	**–25,689**	**–17,735**
Profit for the year		**92,060**	**72,668**
Profit for the year attributable to:			
Parent Company shareholders		92,060	72,668
Non-controlling interests	K25	–	–
Earnings per share before dilution, SEK	K15	3.66	2.89
Earnings per share after dilution, SEK	K15	3.66	2.89

Consolidated statement of comprehensive income

SEK thousands	Note	2025	2024
Profit for the year		**92,060**	**72,668**
Items that may be reclassified to profit or loss			
Translation difference for the year		-8,073	4,175
Total other comprehensive income for the year [1]		**–8,073**	**4,175**
Total comprehensive income for the year		**83,987**	**76,843**
Total comprehensive income for the year attributable to			
Parent Company shareholders		82,923	77,422
Non- controlling interest		1,064	–579

[1] The Group has no items that will not be reclassified to the income statement.

Consolidated statement of financial position

SEK thousands	Note	31 dec 2025	31 dec 2024
ASSETS			
Non-current assets			
Intangible assets	K16		
Goodwill		35,866	37,203
Trademarks		187,532	187,532
License/Customer Relations		1,337	2,178
Others intangible assets		5,027	4,308
		229,762	**231,221**
Tangible non-current assets			
Property, plant and equipment	K17	22,081	21,035
Right-of-use assets	K11	30,702	42,220
		52,783	**63,255**
Financial non-current assets			
Deferred tax assets	K14	8,788	12,191
		8,788	**12,191**
Total non-current assets		**291,333**	**306,667**
Current assets			
Inventory			
Trading book	K18	257,237	259,487
		257,237	**259,487**
Current receivables			
Accounts receivable	K19, K21	133,095	111,398
Other current receivables		12,412	15,021
Prepaid expenses, and accrued income	K20	11,613	7,529
		157,120	**133,949**
Cash & cash equivalents			
Cash and bank balances	K7, K21	13,535	8,771
		13,535	**8,771**
Total current assets		**427,892**	**402,207**
TOTAL ASSETS		**719,225**	**708,874**

SEK thousands	Note	31 dec 2025	31 dec 2024
EQUITY AND LIABILITIES			
Equity			
Share capital		7,859	7,859
Other paid-in capital		182,145	182,145
Reserves		–12,728	–3,590
Retained earnings		189,561	172,946
Equity attributable to Parent Company shareholders		**366,837**	**359,360**
Non-control interests	K25	–5,818	–6,882
Total equity		**361,019**	**352,478**
Non-current liabilities			
Deferred tax liabilities	K14	39,537	39,454
Long-term leasing debt	K11	14,979	22,591
		54,517	**62,045**
Current liabilities			
Accounts payable		158,962	188,961
Current lease liabilities	K11	14,266	19,071
Current tax liabilities		1,541	2,003
Short-term debt to credit institutions	K21, K22	63,540	17,281
Others current liabilities		30,913	27,831
Accrued expenses and prepaid income	K23	34,468	39,204
		303,689	**294,351**
Total liabilities		**358,206**	**356,396**
TOTAL EQUITY AND LIABILITIES		**719,225**	**708,874**

Consolidated statement of changes in equity

SEK thousands	Note	Share capital	Share premium reserve	Translation reserve	Retained earnings	Non-controlling interests	Total equity
Opening balance, January 1, 2024		**7,859**	**182,145**	**–8,344**	**175,460**	**–6,303**	**350,817**
Total comprehensive income for the year		–	–	4,754	72,668	–579	76,843
Transactions with shareholders							
Distribution for 2023 through share redemption	M18	–3,929	–	–	–71,516	–	–75,445
Bonus issue		3,929	–	–	–3,929	–	–
Warrant premium	K8	–	–	–	264	–	264
Total transactions with shareholders		**–**	**–**	**–**	**–75,181**	**–**	**–75,181**
Closing balance, December 31, 2024		**7,859**	**182,145**	**–3,590**	**172,946**	**–6,882**	**352,478**
Opening balance, January 1, 2025		**7,859**	**182,145**	**–3,590**	**172,946**	**–6,882**	**352,478**
Total comprehensive income for the year		–	–	–9,138	92,060	1,064	83,986
Transactions with shareholders							
Distribution for 2024 through share redemption	M18	–	–	–	–75,445	–	–75,445
Total transactions with shareholders		**–**	**–**	**–**	**–75,445**	**–**	**–75,445**
Closing balance, December 31, 2025		**7,859**	**182,145**	**–12,728**	**189,561**	**–5,818**	**361,019**

Consolidated statement of cash flows

SEK thousands	Note	2025	2024
OPERATING ACTIVITIES			
Profit after tax		92,060	72,668
Income tax expensed through profit and loss		25,689	17,735
Financial expenses and income recognized through profit or loss		–6,233	11,442
Depreciation/amortization of tangible/intangible non-current assets	K16, K17	29,066	32,133
Interest received		389	460
Interest paid		–5,297	–6,390
Taxes paid		–24,517	–27,271
Cash flow from operating activities before change in working capital		**111,157**	**100,777**
Changes in working capital			
Change in inventory		1,654	–75,126
Change in accounts receivable		–23,603	–12,019
Change in other receivables		–1,239	–3,652
Change in accounts payable		–28,967	53,169
Change in other current liabilities		–3,729	12,894
Change in working capital		**–55,884**	**–24,735**
Cash flow from operating activities		**55,273**	**76,041**
INVESTMENT ACTIVITIES			
Investments in intangible assets	K16	–2,243	–2,640
Investments in tangible non-current assets	K17	–10,161	–11,410
Cash flow from investment activities		**–12,404**	**–14,050**
FINANCING ACTIVITIES			
Warrant premium		–	264
Amortization of lease liability	K26	–18,108	–19,963
Overdraft facility		46,259	17,281
Distribution		–75,445	–75,445
Cash flow from financing activities		**–47,294**	**–77,863**
CASH FLOW FOR THE YEAR		**–4,424**	**–15,872**
Cash and cash equivalents at the beginning of the year		8,771	26,646
Translation difference in cash & cash equivalents		9,188	–2,003
Cash and cash equivalents at year-end	K7	**13,535**	**8,771**
Increase/decrease in cash and cash equivalents		**4,763**	**–17,875**

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NOTE K1 ACCOUNTING PRINCIPLES

GENERAL

Björn Borg owns the Björn Borg trademark and currently has operations in the product areas of underwear, sports apparel, footwear and bags, eyewear and fragrances. Björn Borg products are sold in about twenty markets, of which Sweden and the Netherlands are the largest. Operations are conducted through a network of product and distribution companies that are either part of the Group or are independent companies with licenses for product areas and geographical markets. The Björn Borg Group has its own operations at every level from brand development to consumer sales in its own Björn Borg stores.

The Parent Company operates as limited liability company and is headquartered in Stockholm. The head office's address is Frösundaviks allé 1, 169 70 Solna. The Parent Company's share is listed on Nasdaq OMX in Stockholm. Page 99 of this annual report shows a list of the largest individual shareholders as of December 31, 2025. The annual report and the consolidated financial statements were approved by the Board of Directors and the CEO on April 23, 2026, signed on April 24, 2026, and will be finally adopted by the Annual General Meeting of the parent company on May 19, 2026.

ACCOUNTING AND VALUATION PRINCIPLES

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards IFRS(®) approved by the EU as of December 31, 2025. Furthermore, the Group also applies the Swedish Corporate reporting Board´s recommendation RFR 1 Supplementary accounting rules for groups, which specifies the additions to IFRS information that are required according to the provisions of the Annual Accounts Act. The parent company's functional currency is Swedish kronor, which is also the Group's reporting currency. All amounts are stated in thousands of kroner unless otherwise stated. The consolidated accounts have been prepared according to the cost method, except for financial assets including derivative instruments valued at fair value via the income statement. The Group's essential accounting principles are described below.

NEW AND REVISED ACCOUNTING PRINCIPLES 2025

New and amended standards and new interpretations that apply from January 1, 2025, have not had any significant impact on the Group's financial reports.

NEW ACCOUNTING PRINCIPLES FROM 2026

New and amended standards, as well as new interpretations effective from January 1, 2026are not expected to have any significant impact on the Group's financial statements when first applied. The IASB has issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 becomes effective for financial years beginning on or after 1 January 2027, with early application permitted. Retrospective application is required. IFRS 18 has been approved by the EU. The standard introduces new categories and subtotals in the income statement. It also introduces new principles and guidance for aggregation and disaggregation of information, as well as new disclosures relating to certain performance measures. The Group's analysis and evaluation of the impact on its financial reporting is ongoing.

CONSOLIDATED ACCOUNTS

The consolidated accounts include the parent company and all companies over which the parent company has a controlling influence. By 'controlling influence' is meant when Björn Borg has influence over a company, is exposed to, or has the right to, variable returns from holdings in the company and has the opportunity to use the influence over the company to influence the return. Usually this is achieved by the share of ownership and voting rights exceeding 50 percent. The existence and effect of potential voting rights that are currently possible to use or convert are taken into account when assessing whether the Group can exercise a controlling influence over another company. Subsidiaries are included in the consolidated accounts from and including the time when controlling influence is achieved and until the time when controlling influence ceases. The composition of the Group is shown in note M15.

NON-CONTROLLING INTERESTS

In the case of acquisitions of less than 100 percent of shares in a company but when a controlling influence is achieved, non-controlling interests are determined either as a proportional share of the fair value of identifiable net assets excluding goodwill or at fair value. Non-controlling interests are reported as a separate item in the Group's equity. Any losses attributable to non-controlling interests are reported even if this means that the share becomes negative. Subsequent acquisitions up to 100 percent and divestments of ownership interests in a subsidiary, which does not lead to a loss of controlling influence, are reported as a transaction with the equity owners.

TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currency are translated into Swedish kronor based on the exchange rate on the transaction date. Monetary items (assets and liabilities) in foreign currency are translated into Swedish kronor based on the exchange rate on the balance sheet date. Exchange rate gains and losses arising from such conversions are reported in the income statement under Other operating income and/or Other operating expenses, except in the case of liquid funds or loans that are reported as financial income or expenses. Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which each unit in the Group conducts operations (functional currency). Income statement and balance sheet items for all Group companies that have a functional currency other than the reporting currency (SEK) are translated into the Group's reporting currency as follows:

- Assets and liabilities are translated at the balance date rate
- Revenue and expenses are translated at the average exchange rate (provided that the average exchange rate is a reasonable approximation of the accumulated effect of the exchange rates that apply on the transaction date, otherwise revenue and expenses are translated at the exchange rate on the transaction date), and
- all exchange rate differences that arise are reported in other comprehensive income and accumulated in the translation reserve in equity.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group mainly reports revenues from sales of Björn Borg products. Revenue is reported based on the contract with the customer and is measured as the consideration the company expects to be entitled to in exchange for the transfer of promised services, excluding amounts received on behalf of third parties. Revenue is reported when the control of goods has been transferred to the customer. Björn Borg's revenue consists of the following four categories:

1. *Revenue in the Distributor segment*
   The Group-owned product companies for the product areas underwear and sports apparel generate revenue for Björn Borg from products sales to distributors. Revenue is reported upon delivery in accordance with the terms of sale, which is the time when control passes to the buyer. Distributors have no right of return or any significant volume discounts. Payment terms are normally 10 days.
2. *Revenues in the Consumer*
   Direct segment Group-own Björn Borg stores and the web shop generate revenue for Björn Borg from their sales to consumers. Retail sales are usually made by credit card. Revenue is reported at the end of the business day in the store, which coincides with the time when control passes to the consumer. Provisions for returns are made based on the Group's combined experience of returns and historical data.
3. *Revenues in the Wholesale segment*
   The Group-own distribution companies for all product areas generate revenue for Björn Borg from their product sales to retailers. Revenue is reported upon delivery to the retailer, which coincides with the time when control passes to the retailer. Björn Borg applies various discount structures such as large customer discounts and volume discounts. General payment terms are 30 days, but 60 and 90 days are also available in specific cases. Björn Borg does not apply open purchase and there is no possibility of returns.
4. *Revenue in the Licensing segment*
   Royalty revenue is generated from the distributors, both Group owned and independent, and product companies' wholesale sales of Björn Borg products to retailers and is calculated as a share of those sales. Royalty revenue is reported in connection with the distributor's sale at the wholesale level.

INTEREST INCOME AND DIVIDEND REVENUE

Interest income is reported using the effective interest rate method. Dividend revenue is reported when the right to receive payment has been determined.

LEASING

The Group determines whether a contract is, or contains, a leasing agreement when the agreement is entered into. The Group reports a right-of-use asset with an associated leasing debt for all leasing agreements where the Group is the lessee, except for short-term leasing agreements (agreements classified as leases with a lease period of less than 12 months) and leasing agreements of low value (such as computers and office equipment). For these leasing agreements, the Group reports the leasing payments as an expense on a straight-line basis over the leasing term unless another systematic method is more representative of when the financial benefits from the leased assets are consumed by the Group.

The leasing liability is initially valued at the present value of the leasing payments that have not been psid at the commencement date unpaid, discounted using the leasing agreement's implied interest rate, if this interest rate can be easily determined. If this interest rate cannot be easily determined, the Group's incremental borrowing rate is used instead. The incremental borrowing rate is the estimated interest rate that the Group would have to pay for debt financing during a corresponding period, and with corresponding collateral, for the right to use an asset in a similar financial environment. When determining the incremental borrowing rate, Björn Borg takes into account the risk profile per country where the leasing agreements were signed and the terms of the leasing agreements.

If a change to the leasing agreement occurs and which is not reported as a separate lease agreement, the leasing liability is revalued by discounting the changed leasing fees with a changed discount rate.

Right-of-use comprises the sum of the initial valuation of the corresponding leasing debt, leasing payments paid on or before the commencement date and any initial direct expenditure. They are then valued at acquisition value after deductions for accumulated depreciation and write-downs. Rights-of-use are depreciated over the shorter of the leasing term and the useful life of the underlying asset. If the leasing agreement transfers ownership of the underlying asset to the Group or if the cost of the right-of-use reflects that the Group will exercise an option to purchase, the attributable right-of-use shall be written off over the useful life of the underlying asset. Depreciation begins at the commencement date of the leasing agreement, see Note 11. Rights of use are reported as a separate item in the Group's statement of financial position.

Variable leasing payments that do not depend on an index or price shall not be included in the valuation of the leasing debt or right-of-use. Such variable fees in the form of turnover rents for stores and their payments are reported as an expense in the period in which the event or condition giving rise to these payments occurs and are included in "Other external costs" in the result.

As a practical solution, IFRS 16 does not make a distinction between non-leasing components and leasing components and instead accounts for each leasing component and all associated non-leasing components as a single leasing component. The Group has chosen to apply this practical solution.

EMPLOYEE BENEFITS

The Group only has defined contribution pension plans. A defined contribution pension plan is a pension plan where the Group pays fixed premiums to a separate legal entity. After Björn Borg has paid the premium, no obligations remain for Björn Borg towards the Group's employees. The fees are reported as staff costs in the period to which the fees relate.

Termination benefits are payable when an employee is dismissed before the normal retirement date or when an employee accepts redundancy. The Group reports a liability and an expense in connection with a termination when Björn Borg is demonstrably committed to terminating employment before the normal retirement date or provides termination benefits as the result of an offer made to encourage voluntary redundancy.

Björn Borg reports a liability and expense for bonuses when there is a legal or informal obligation due to previous practice of paying bonuses to employees.

TAXES
The Group's total tax cost consists of current tax and deferred tax. Current tax is calculated on the period's taxable profit based on tax rates in the countries where the Group operates. Current tax also includes adjustments regarding the reported current tax for the previous period. Deferred tax is calculated on the difference between reported and tax values of the Company's assets and liabilities. Deferred tax is reported according to the so-called balance sheet method. Deferred tax liabilities are in principle reported for all taxable temporary differences, while deferred tax assets are reported to the extent that it is likely that the amounts can be used against future taxable surpluses.

The reported value of deferred tax assets is tested at each closing date and reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available to be utilized in whole or in part against the deferred tax asset. In order to assess the probability that loss deductions can be used in the future, Group management and the Board use established business plans and forecasts as a basis. As of December 31, 2025, the Group has reported SEK 7,018 thousand in deferred tax receivables attributable to loss carry-forwards, which are deemed to be able to be used over the next six years.

Deferred tax is calculated according to the tax rates expected to apply for the period when the asset is recovered, or the liability settled. Deferred tax is reported as income or expense in the income statement, except in cases where it refers to transactions or events reported directly against other comprehensive income or equity. The deferred tax is then also reported directly against other comprehensive income or equity. Tax assets and tax liabilities are set off when they relate to income tax charged by the same tax authority and when the Group intends to settle the tax with a single net amount.

INTANGIBLE ASSETS
Goodwill
Goodwill arises in the acquisition of subsidiaries and refers to the amount by which the sum of the transferred purchase price and fair value in subsequent acquisitions of previous non-controlling interests exceeds the fair value of identifiable assets, liabilities and contingent liabilities in the acquired company. In order to test impairment, goodwill is divided among cash-generating units that are expected to benefit from synergies from the acquisition. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which goodwill is monitored in internal control, which is not greater than one operating segment. Goodwill has an indeterminate period of use and is reported at cost less accumulated impairment losses.

Tenancy rights
Tenancy rights are recognized at cost less amortization. Amortization is booked on a straight-line basis over the estimated period of use of three and five years, which corresponds to the lease term.

Trademarks
Trademarks are tested annually to identify any impairment loss and are reported at acquisition value less accumulated amortization. The Björn Borg trademark was established in the Swedish fashion market during the first half of the 1990s. Continuity has given the brand a distinctive identity and a strong position in its markets. The brand is characterized by quality products with a creative, innovative design and is based on the sporty heritage associated with the name Björn Borg. Through consistent, long-term branding, Björn Borg has strengthened its role in the international fashion market. The brand is considered to have a very strong market position and is considered to have an indefinite period of use.

Website development
Costs for maintenance of software and websites are expensed as they arise. Development costs that are directly attributable to the development and testing of identifiable software, including websites controlled by the Group, are reported as intangible assets when the following criteria are met: it is technically possible to complete the website, there are conditions to use the website for commercial purposes, it can be shown that it will generate future financial benefits and that the expenses that are attributable to the development of the website can be calculated reliably. Directly attributable expenses primarily relate to outside consultants hired to build the website as well as expenses for employees. The development costs for the website are reported as an intangible asset and amortized over its estimated useful life, which is five years. Other development costs, which do not meet these criteria are expensed as they arise.

TANGIBLE NON-CURRENT ASSETS
Tangible non-current assets are reported as assets in the balance sheet if it is probable that future economic benefits will accrue to the company, and their cost can be calculated reliably. Tangible non-current assets, consisting primarily of property, plant and equipment and computers, are reported at acquisition value less accumulated depreciation and impairment losses.

Depreciation of tangible non-current assets is reported in a way that the asset's value is amortized on a straight-line basis over its estimated useful life. Annual depreciation for equipment and computers is 20-33 percent.

IMPAIRMENT
At the end of each reporting period the Group's assets are tested for impairment. If there is an indication of impairment, the asset's recoverable amount is calculated. Goodwill has been allocated to cash-generating units and, together with other intangible assets not in use, is subject to annual impairment testing even if there is no indication of diminished value. However, impairment testing is done more frequently if there are indications of diminished value. The recoverable amount is the higher of the asset's value in use and the value that would be obtained if the asset were sold to an independent party, i.e., its net selling price. The value in use consists of the present value of all receipts and disbursements expected to arise from continuing use of the assets plus the present net value of the net selling price at the end of the asset's useful life. If the estimated recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount. Previous impairment losses are reversed when the recoverable amount of the previously impaired asset exceeds the carrying amount and the impairment is no longer considered necessary and is reported in through profit and loss. Previous impairment losses may not be reversed to such an extent that the carrying amount, after the reversal, exceeds what would have been reported after depreciation/amortization if the impairment had not been made. Previous impairment losses are tested individually. Goodwill impairment is not reversed.

INVENTORY
Inventory is valued at the lower of acquisition value according to the first-in-first-out method and fair value (net sales value).

The net sales price corresponds to the estimated selling price less estimated expenses required to complete the sale.

The necessary reserves for obsolescence are based on individual assessments. The change between the year's opening and closing obsolescence reserve affects operating profit in its entirety.

FINANCIAL ASSETS AND LIABILITIES
A financial asset or financial liability is recognized in the statement of financial position when the company becomes a party to the contractual terms of the instrument. A receivable is recognized when the company has performed and the counterparty has a contractual obligation to pay, even if an invoice has not yet been issued. Trade receivables are recognized in the statement of financial position when an invoice has been sent. A liability is recognized when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. Trade payables are recognized when an invoice is received. A financial asset is derecognized from the statement of financial position when the rights under the contract are realized, expire, or the company loses control over them. The same applies to part of a financial asset. A financial liability is derecognized from the statement of financial position when the obligation in the contract is fulfilled or otherwise extinguished. The same applies to part of a financial liability. Acquisitions and disposals of financial assets are recognized on the trade date. The trade date is the date on which the company commits to acquire or dispose of the asset.

Financial assets are classified based on the business model in which the asset is managed and its cash flow characteristics. Björn Borg applies two different business models. Cash and cash equivalents, trade receivables, and other short-term receivables fall under the "hold to collect" business model, which means the purpose of these financial assets is to collect contractual cash flows. Financial assets in this business model are measured at amortized cost. However, as the expected maturity of trade receivables is short, they are measured at nominal value without discounting.

Short term investments and derivative instruments are included in the "other" business model, meaning the holdings are kept for trading purposes. Financial assets in this business model are measured at fair value through profit or loss.

Impairments (IFRS 9 Financial instruments)
The Group reports a loss reserve for expected credit losses on a financial asset that is valued at amortized cost or fair value via other comprehensive income, for a leasing debt and for a contract asset. As of each balance sheet date, the Group must report the change in expected credit losses since the first accounting period in the result.

The Group's exposure to credit risk is mainly attributable to accounts receivable. The simplified model is used to calculate the credit losses on the Group's accounts receivable. The calculation of the expected credit losses is made based on an individual assessment of each customer based on the customer's ability to pay, expected future risk and the value of any collateral obtained. The expected credit losses for accounts receivable are calculated using a commission matrix that is based on past events, current conditions and forecasts of future economic conditions, and the time value of money if applicable.

Impairments of accounts receivable and other receivables are reported in the business expenses. Impairment of liquid assets and other long-term securities holdings are reported as a financial cost as of the balance sheet date.

Cash and cash equivalents are covered by the general model for impairments. For cash and cash equivalents, the exception for low credit risk is applied.

The Group defines default as cases where it is unlikely that the counterparty will meet its obligations, which is demonstrated by signs of financial difficulties such as missed payments. Regardless of this, an asset is in default if payment is more than 90 days late. The Group writes off a receivable when the assessment is that there are no reasonable further opportunities for cash flows.

Cash and cash equivalents
Cash and cash equivalents include cash and bank deposits. Cash and bank deposits are reported at their nominal amount.

Financial liabilities
Accounts payable and loan liabilities are categorized as "Financial liabilities", which means that they are reported at amortized cost. The expected maturity of accounts payable is short, due to which the liability is reported at the nominal amount without discounting. Liabilities to credit institutions, borrowing, overdraft facilities and other liabilities (loans) are initially reported at fair value net of transaction costs. Thereafter, loans are reported at amortized cost. Amortized cost is calculated using the effective interest rate method, which means that any premiums or discounts and directly related transaction costs are accrued over the life of the contract using the calculated effective interest rate. The effective interest rate is the interest rate that gives the instrument's cost through a present value calculation of future cash flows. Non-current liabilities have an expected maturity of more than one year, while current liabilities have a maturity of less than one year.

Set-off of financial assets and liabilities
Financial assets and liabilities are set off and reported with a net amount in the balance sheet when there is a legal right to set off and when there is an intention to settle the items with a net amount or to simultaneously realize the asset and settle the liability.

SHARE CAPITAL
Ordinary shares are classified as share capital. Transaction costs in connection with a new share issue are reported as a deduction item, net after tax, from the issue proceeds.

PROVISIONS
Provisions for legal claims or other claims from external counterparties are reported when the Group has a legal or informal obligation as a result of a previously occurring event and it is probable that an outflow of resources is required to settle the commitment, and a reliable estimate of the amount can be made.

STATEMENT OF CASH FLOWS
The statement of cash flows has been prepared according to an indirect method. Reported cash flows only include transactions that result in receipts and disbursements.

NOTE K2 IMPORTANT ESTIMATES AND ASSUMPTIONS

IMPORTANT ESTIMATES AND ASSUMPTIONS FOR ACCOUNTING PURPOSES

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions. As part of the work of preparing the annual report, estimates and assumptions are made about the future. The estimates for accounting purposes that result from these will, by definition, not always correspond to the actual result.

Taxes

Deferred tax is calculated on temporary differences between the carrying amounts if assets and liabilities and their value for tax purposes. There are mainly two types of assumptions and estimates that affect the reported deferred tax. These are assumptions and assessments to determine the carrying amount of various assets and liabilities and for future taxable profits, in cases where a future utilization of deferred tax assets is dependent on this. As of December 31, 2025, reported deferred tax assets amounted to SEK 8,788 thousand (12,191). The part of the tax receivable that relates to loss carry forwards in the balance sheet is the value dependent on future profits in the companies and markets where the historical losses exist. The valuation of this asset is based on management's assessment of these units' ability to show profit and thus be able to use the deductions. Furthermore, there are additional loss carry forwards that are not included in the accounts, but in the event of a better-than-expected development, the value of these losses carry forwards may be higher as well as lower in the event of a worse future outcome. For further information, see Note K14.

Impairment testing for goodwill and brand

Impairment testing of both the Group's goodwill and the carrying amount for trademarks requires estimates and assumptions have regarding margins, growth, discount rate, etc. For a more detailed description of the impairment tests, see Note K16. The carrying amounts for trademarks and goodwill as of December 31, 2025, amounted to SEK 223,398 thousand (224,735).

Trademark reporting

In 2006, Björn Borg acquired the Björn Borg brand. The purchase price amounted in part to a cash purchase price at the time of acquisition of SEK 124,000 thousand and an additional purchase price that expired annually up to and including 2016, i.e., 2017 was the first year in which no additional purchase price was paid. The additional purchase price was divided into a fixed and a variable part. The fixed part corresponding to SEK 7,800 thousand per year has, in view of the fact that it can be determined in a reliable manner been reported as part of the acquisition value, while the variable part has been reported as an operating expense annually. The variable part was based on a percentage of wholesale sales during the period 2006-2016 and could therefore not be determined reliably at the time of acquisition. In accordance with IAS 38, the future payment of the additional purchase consideration has been discounted to present value, which is why the total acquisition value for the brand amounted to SEK 187,532 thousand. Continuity in brand building means that the brand today has a clear profile and a strong position in its markets. The brand is characterized by quality products with a creative and innovative design and is based on the sporty heritage that the name Björn Borg stands for. Through consistent and long-term brand work, the brand has strengthened its role in the international fashion market. The brand is considered to have a very strong market position. Based on the above, the brand is therefore considered to have an indeterminate useful life.

Inventory

Inventories have been valued at the lower of cost and fair value (net sales price). The net selling price corresponds to the estimated selling price less estimated expenses required to complete the sale. These estimates are based on historical outcomes and are evaluated on an ongoing basis. The fair value of future sales prices and selling costs may deviate from the assessments and estimates made.

Accounts receivable

Accounts receivable are assets with payments that can be determined in amounts. The receivables are linked to the Group's deliveries of goods and services and depending on the quality of these. Valuation is made at accrued acquisition value. The receivables are reported at the amount by which they are expected to be received, after deductions for doubtful receivables. The value of doubtful receivables is assessed individually by the management together with the business. The indicators used in assessing the value of doubtful receivables are age analysis, payment history, the counterparty's financial strength and the dialogue with the counterparty. The actual outcome of future sales prices and costs for carrying out the sale may deviate from the assumptions and estimates made.

Right-of-use assets

For estimates of right-of-use assets, see Note K11. When the Group signs a lease, a determination is made whether it is reasonably certain that the extension option will be exercised. In its determination, the Group weighs all relevant facts and circumstances that create an economic incentive, e.g., contractual terms for extension periods compared with market-rate rents, significant leasehold improvements that have been (or are expected to be) made, expenses that arise when the lease is terminated such as negotiating and relocation expenses, and the importance of the underlying asset to the business. A reassessment is made when an important event has occurred beyond the Group's control. At the latest, however, the lease is extended on the date of automatic extension (if neither party has terminated the lease).

NOTE K3 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT AND FINANCIAL DERIVATIVES
Through its operations, Björn Borg is exposed to currency, interest rate, credit and counterparty as well as liquidity and refinancing risks. The Board has decided how the Group will handle these risks.

CURRENCY RISK
Currency risk refers to the risk that the fair value of or future cash flows from a financial instrument varies due to changes in foreign exchange rates. Exposure to currency risk arises when transactions take place in different currencies (transaction exposure). Exchange rate fluctuations also affect the Group by translating foreign subsidiaries into SEK when they are consolidated (translation exposure).

Transaction exposure
Transaction exposure is divided into *commercial transaction exposure* and *financial transaction exposure*.

Commercial transaction exposure refers to exposure attributable to purchases and sales in foreign currencies. The Group's largest currency exposure is against the USD and the EUR, where USD affects the cost of goods, while EUR primarily affects sales and overheads. The Group's transaction risk relates to the fact that Björn Borg mainly sells in SEK and EUR, while purchases primarily take place in USD and in EUR. About 2 percent (3) of the Group's sales took place in USD, which eliminated part of the transaction risk. Björn Borg did not use any derivative instruments to manage this currency risk during 2025. During the year, realized and unrealized exchange rate differences affected the operating profit negatively by SEK –3,392 thousand (2,888).

Financial transaction exposure refers to exposure attributable to loans and investments in foreign currency. The company's only financial transaction exposure is related to cash and cash equivalents held in foreign currencies. This risk is managed through the use of foreign currency accounts.

Translation exposure
Exchange rate changes affect the Group when converting the net assets of foreign subsidiaries to SEK. Translation differences are reported in other comprehensive income and are accumulated in the translation reserve in equity. Björn Borg is mainly exposed to changes in EUR, USD, GBP, CNY and DKK. Björn Borg has chosen not to hedge the translation exposure. As of December 31, 2025, the exposure amounted to EUR 17,900 thousands (10,900), USD –1,200 thousands (–1,200), GBP 100 thousand (100), CNY –5,100 thousands (–5,100) and DKK 2,300 thousand (1,400). The company has used the following average exchange rates and closing day rates for each currency, as shown in the table below:

EXCHANGE RATES

	Average rate		Closing day rate	
	2025	2024	Dec 31, 2025	Dec 31, 2024
EUR	11.0677	11.4322	10.8180	11.4865
USD	9.8191	10.5614	9.2013	10.9982
GBP	12.9216	13.5045	12.4174	13.8475
CNY	1.3655	1.4680	1.3158	1.5067
DKK	1.4829	1.5327	1.4484	1.5398

SENSITIVITY ANALYSIS
Commercial transaction exposure
During 2025, the Björn Borg Group was affected by fluctuations in both the euro and the dollar.

The matrix below describes the impact of the two currencies on the Björn Borg Group's turnover, operating profit and its equity, based on the current business model. The effect of a changed USD only had a marginal impact on turnover but had a strong impact on operating profit and equity. Commodity costs were affected by the fluctuation of the US dollar since approximately 74 percent (81) of purchases were made in dollars. The net effect of a changed EUR had a significant impact on turnover as just under half of the Group's turnover was sold in EUR. It also had a strong impact on operating profit and equity mainly thanks to a higher turnover. Several other factors also affect the transaction exposure going forward, including the development of each business segment's share of total turnover, costs for distribution and marketing, and the exchange rate at the time of product deliveries.

Björn Borg has used currency derivatives to hedge exchange rate exposure when purchasing in foreign currencies. Below is a sensitivity analysis for commercial transaction exposure related to the changes in the currencies that affected the Group's sales and purchases of goods the most.

ESTIMATED CURRENCY IMPACT

2025	%	Estimated effect on sales, %	Estimated effect on operating profit, %	Estimated effect on equity, %
Stronger USD vs SEK	10	0.3	–30.9	–7.6
Weaker USD vs SEK	–10	–0.3	30.9	7.6
Stronger EUR vs SEK	10	3.9	16.0	6.4
Weaker EUR vs SEK	–10	–3.9	–16.0	–6.4

ESTIMATED CURRENCY IMPACT

2024	%	Estimated effect on sales, %	Estimated effect on operating profit, %	Estimated effect on equity, %
Stronger USD vs SEK	10	0.4	–33.3	–10.1
Weaker USD vs SEK	–10	–0.4	33.3	10.1
Stronger EUR vs SEK	10	4.2	22.0	10.2
Weaker EUR vs SEK	–10	–4.2	–22.0	–10.2

The estimated impact on revenue, and consequently on profit, is presented before tax. The estimated impact on equity is presented after tax.

Financial transaction exposure
Below is a sensitivity analysis for financial transaction exposure in the event of a change in the currencies that are significant for the Group.

ESTIMATED CURRENCY IMPACT

2025	%	Estimated effect on earnings, TSEK	Estimated effect on equity, TSEK
EUR	+/–10	+/–2,063	+/–1,638
USD	+/–10	+/–9	+/–7
DKK	+/–10	+/–1,056	+/–839

ESTIMATED CURRENCY IMPACT

2024	%	Estimated effect on earnings, TSEK	Estimated effect on equity, TSEK
EUR	+/–10	+/–1,062	+/–843
USD	+/–10	+/–3,369	+/–2,675
DKK	+/–10	+/–687	+/–546

Translation exposure
Below is a sensitivity analysis for translation exposure in the event of a change in the currencies that are significant to the Group.

ESTIMATED CURRENCY IMPACT

2025	%	Estimated effect on equity, TSEK
EUR	+/–10	+/–6,800
USD	+/–10	+/–1,100
GBP	+/–10	+/–100
CNY	+/–10	+/–700
DKK	+/–10	+/–300

ESTIMATED CURRENCY IMPACT

2024	%	Estimated effect on equity, TSEK
EUR	+/–10	+/–12,500
USD	+/–10	+/–1,300
GBP	+/–10	+/–100
CNY	+/–10	+/–800
DKK	+/–10	+/–200

PRICE RISK
Price risk refers to the risk that the fair value of or future cash flows from a financial instrument varies due to changes in market prices (other than those arising from interest rate or currency risk). The Björn Borg Group has no investments in financial instruments, because of which there is no price risk in the Group.

INTEREST RISK
Interest rate risk refers to the risk that changes in the market interest rate can affect the fair value and/or cash flows from a financial instrument. Björn Borg's interest rate risk mainly relates to bank funds and to borrowing in the form of bank loans and overdrafts.

As of December 31, 2025, interest-bearing assets in the form of bank funds amounted to SEK 13,535 thousand (8,771). Interest-bearing assets relating to bank funds mainly carry a variable interest rate, and changes in the market interest rate therefore lead to higher or lower future interest income.

If market interest rates were to change by one percentage point, the Group's net interest for outstanding assets as of the balance sheet date would be affected by approximately SEK +/–120 thousands (70), based on average interest-bearing assets in 2025. The effect on equity would amount to approximately SEK +/–95 thousands (57).

Furthermore, there is an interest rate risk linked to the SEK 200 million (200) overdraft that Björn Borg has signed with Danske Bank. The interest rate is variable and corresponds to STIBOR 3 months plus a margin. As of December 31, 2025, the utilized overdraft facility amounted to SEK 63,540 thousand (17,281). An increase of 1 percentage point in the 3-month STIBOR rate would, all else being equal, not affect Björn Borg's interest expenses as of the balance sheet date by SEK 173 thousand (0). A decrease of 1 percentage point would result in a corresponding reduction, if STIBOR is not negative. Equity would be affected to the same extent as of the balance sheet date, by +/– SEK 504 thousand (137).

CREDIT AND COUNTERPARTY RISKS

The Group's credit and counterparty risks consist of exposures to commercial and financial counterparties. Credit and counterparty risk refers to the risk of loss if the counterparty does not fulfil its obligations. According to the Board's decision, this risk shall be limited by accepting only counterparties with good creditworthiness and by established limits. Björn Borg's commercial credit risk mainly consists of accounts receivable which are distributed over a large number of counterparties. Credit risk to financial counterparties is limited to financial institutions with a high credit rating. The table below shows the Björn Borg Group's credit risks:

OUTSTANDING CREDIT RISK AS OF 31 DEC, 2025

SEK thousands	2025	2024
Accounts receivable, external	133,095	111,398
Other current receivables	10,616	15,021
Cash and bank balances	13,535	8,771
	157,246	**135,191**

For more information on the maturity structure of accounts receivable and the provision for expected credit losses, see Note K19.

LIQUIDITY AND REFINANCING RISKS

Liquidity and refinancing risks refer to the risk that the cost will be higher and the financing options limited when loans are to be converted, and that payment obligations cannot be fulfilled as a result of insufficient liquidity or difficulties in obtaining financing.

Björn Borg has an overdraft facility of SEK 200 million (200) with Danske Bank, of which SEK 63,5 million (17,3) was utilized as of December 31, 2025. As a commitment for the overdraft, and the three-year revolving credit, the company has undertaken to ensure that the ratio of the group's net debt and 12 months' rolling operating profit before depreciation per last day of each quarter end does not exceed 3.00. Furthermore, the group must at all times maintain an equity ratio of at least 35 percent.

Maturity analysis of the Björn Borg Group's outstanding receivables and liabilities as of 2025-12-31 (contractual and undiscounted cash flows):

MATURITY ANALYSIS OF OUTSTANDING ASSETS AND LIABILITIES

Dec 31, 2025	Up to 3 months	3-12 months	1-5 years	Over 5 years
Accounts receivable, external	133,095	–	–	–
Other receivables	10,616	–	–	–
Cash and bank balances	13,535	–	–	–
Lease liabilities	–1,585	–12,680	–14,581	–399
Other liabilities	–158,962	–	–	–
Accounts payable	–49,347	–16,884	–690	0
Current liability to credit institution	–63,540	–	0	–
Total	**–116,188**	**–29,564**	**–15,271**	**–399**

MATURITY ANALYSIS OF OUTSTANDING ASSETS AND LIABILITIES

Dec 31, 2024	Up to 3 months	3-12 months	1-5 years	Over 5 years
Accounts receivable, external	111,398	–	–	–
Other receivables	15,021	–	–	–
Cash and bank balances	8,771	–	–	–
Lease liabilities	–2,844	–16,227	–22,173	–418
Other liabilities	–51,553	–16,815	–654	–16
Accounts payable	–188,961	–	–	–
Current liability to credit institution	–17,281	–	–	–
Total	**–125,448**	**–33,042**	**–22,827**	**–434**

For further information on lease liabilities, see Note K11.

CAPITAL

Capital refers to shareholders' equity and loan capital. The Group's goal in managing capital is to ensure the Group's survival and freedom of action and to ensure that the owners receive a return on their invested funds. The distribution between equity and loan capital must be such that a good balance is obtained between risk and return. If necessary, the capital structure is adapted to changing economic conditions and other external factors. In order to maintain and adjust the capital structure, the Group may distribute funds, increase equity through the issue of new shares or capital injections or reduce or increase liabilities. The Group's liabilities and equity are stated in the Group's report on financial position, and in the report Change in the Group's equity, the various components included in reserves are stated. See also notes K15 (Earnings per share), K21 (Financial assets and liabilities) and M17 (Dividend per share).

As a commitment for the overdraft facility, and the three-year revolving credit, the company has undertaken to ensure that the ratio of the Group's net debt and 12 months' rolling operating 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 December 31, 2025, the ratio was 0.41 (0.08) and the equity/assets ratio was 50.2 percent (49.7).

NOTE K4 SEGMENT REPORTING

The CEO is the Group's highest executive decision-maker. Reported operating segments are those that are reported internally to the highest executive decision-maker and that are used as a basis for allocating resources and evaluating the results in the Group. Follow-up and assessment of the operating segments' results is based primarily on operating profit. Segment reporting is prepared in accordance with the same accounting principles as the consolidated accounts and is stated in Note K1, except that external sales are presented including other operating income.

WHOLESALE BUSINESS
The segment consists of revenues and expenses 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, footwear, bags and complementary products.

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 its own e-commerce at www.bjornborg.com.

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 stores in Sweden, the Netherlands, Finland and Belgium, for the sale of underwear, sports apparel, footwear, bags and complementary products.

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

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

2025 SEK thousands	Wholesale	Own e-com-merce	Own stores	Distributor	License	Operating revenue	Deducted other operating revenue	Net sales
Income								
Total income	732,366	219,312	87,628	719,561	39,735	1,798,603	–27,954	1,770,649
Internal sales	–3,886	–2,702	–166	–681,419	–38,576	–726,750		–726,750
External sales	**728,480**	**216,610**	**87,462**	**38,142**	**1,159**	**1,071,853**	**–27,954**	**1,043,899**
Deducted other operating revenue	–18,999	–5,649	–2,281	–995	–30	–27,954		
Net sales	709,481	210,961	85,181	37,147	1,129	1,043,899		1,043,899
Per country								
Sweden	300,878	70,119	24,995	–	1,159	397,151	–10,358	386,794
Netherlands	134,305	72,898	33,072	–	0	240,275	–6,266	234,008
Finland	106,399	8,223	21,425	–	–	136,047	–3,548	132,499
Germany	94,626	8,550	–	–	–	103,176	–2,691	100,485
Belgium	14,697	11,366	7,970	–	–	34,033	–888	33,145
Denmark	34,548	8,524	–	–	–	43,072	–1,123	41,949
Other countries	43,026	36,931	–	38,144	–	118,101	–3,080	115,020
	728,480	**216,610**	**87,462**	**38,144**	**1,159**	**1,071,853**	**–27,954**	**1,043,899**
Per product area								
Underwear	356,139	89,076	46,524	22,781	–	514,520	–13,419	501,102
Sports apparel	188,161	87,206	31,450	7,435	–	314,252	–8,196	306,056
Footwear	81,070	11,842	2,625	93	–	95,630	–2,494	93,136
Bags	45,086	6,141	901	683	–	52,811	–1,377	51,434
Other products	58,023	22,345	5,962	7,152	1,159	94,641	–2,468	92,171
	728,480	**216,610**	**87,462**	**38,144**	**1,159**	**1,071,853**	**–27,954**	**1,043,899**

2025 SEK thousands	Wholesale	Own e-com-merce	Own stores	Distributor	License	Total	Elimina-tions	Group
Goods for resale	–388,956	–63,109	–29,198	–22,402	–			–503,665
Depreciation	–23,893	–1,225	–3,551	–389	–7			–29,066
Operating profit	**67,095**	**40,154**	**–5,070**	**8,283**	**1,054**			**111,516**
Interest income and similar income items								13,230
Interest expenses and similar income items								–6,997
Profit before tax								**117,749**
Fixed assets	302,412	43,325	41,059	16,962	369	404,128	–112,795	291,333
Inventory	206,245	29,988	21,894	–	–	258,127	–890	257,237
Other current assets	540,063	43,475	134,617	14,584	342	733,081	–562,426	170,655
Total assets	**1,048,720**	**116,789**	**197,570**	**31,546**	**711**	**1,395,335**	**–676,111**	**719,225**
Other debts	743,905	86,457	109,277	33,753	302	973,694	–615,487	358,207
Total debts	**743,905**	**86,457**	**109,277**	**33,753**	**302**	**973,694**	**–615,487**	**358,207**
Investments in tangible and intangible fixed assets	6,682	1,604	3,952	163	4	12,404		12,404

2024 SEK thousands	Wholesale	Own e-com-merce	Own stores	Distributor	License	Operating revenue	Deducted other operating revenue	Net sales
Income								
Total income	676,174	181,291	107,128	690,679	39,903	1,695,176	–23,191	1,671,985
Internal sales	–4,627	–274	–	–639,712	–37,673	–682,287		–682,287
External sales	**671,547**	**181,017**	**107,128**	**50,967**	**2,230**	**1,012,889**	**–23,191**	**989,698**
Deducted other operating revenue	–10,931	–2,946	–8,447	–830	–36	–23,191		
Net sales	660,616	178,071	98,681	50,137	2,194	989,698		989,698
Per country								
Sweden	266,327	56,298	27,937	–	1,121	351,683	–5,724	345,959
Netherlands	126,320	59,552	48,593	–	1,109	235,574	–10,538	225,036
Finland	97,905	5,771	20,479	–	–	124,155	–2,021	122,134
Germany	99,264	6,955	–	–	–	106,219	–1,729	104,490
Belgium	15,336	10,085	10,119	–	–	35,540	–578	34,962
Denmark	27,316	7,393	–	–	–	34,709	–565	34,144
Other countries	39,080	34,964	–	50,967	–	125,011	–2,035	122,976
	671,547	**181,017**	**107,128**	**50,967**	**2,230**	**1,012,889**	**–23,191**	**989,698**
Per product area								
Underwear	348,383	84,367	56,664	33,491	–	522,905	–8,511	514,393
Sports apparel	143,493	67,970	35,132	7,765	–	254,360	–4,140	250,220
Footwear	85,145	9,543	2,225	108	–	97,021	–1,579	95,442
Bags	49,608	4,787	680	618	–	55,693	–907	54,786
Other products	44,919	14,350	12,428	8,985	2,230	82,911	–8,053	74,859
	671,547	**181,017**	**107,128**	**50,967**	**2,230**	**1,012,889**	**–23,191**	**989,698**

2024 SEK thousands	Wholesale	Own e-com-merce	Own stores	Distributor	License	Total	Elimina-tions	Group
Goods for resale	–356,639	–48,645	–33,675	–30,091	–			–469,050
Depreciation	–25,221	–1,350	–4,970	–572	–21			–32,133
Operating profit	**54,399**	**32,871**	**2,662**	**9,980**	**1,933**			**101,845**
Interest income and similar income items								460
Interest expenses and similar income items								–11,902
Profit before tax								**90,403**
Fixed assets	346,955	45,194	56,306	30,130	1,239	479,824	–173,156	306,668
Inventory	198,865	30,214	31,274	–	–	260,353	–866	259,487
Other current assets	1,314,359	115,314	186,461	77,188	2,147	1,695,469	–1,552,650	142,819
Total assets	**1,860,179**	**190,722**	**274,041**	**107,318**	**3,386**	**2,435,646**	**–1,726,672**	**708,974**
Other debts	1,415,214	142,845	170,712	95,617	2,228	1,826,616	–1,470,220	356,396
Total debts	**1,415,214**	**142,845**	**170,712**	**95,617**	**2,228**	**1,826,616**	**–1,470,220**	**356,396**
Investments in tangible and intangible fixed assets	12,494	502	855	211	4	14,066	–16	14,050

RECONCILIATION BETWEEN OPERATING PROFIT AND PROFIT BEFORE TAX

The difference between operating profit for segments for which information is to be provided is SEK 111,516 thousand (101,845) and profit before tax SEK 117,749 thousand (90,403) are net financial items, SEK 6,233 thousand (–11,442).

INTERNAL PRICING

Sales between segments take place on market terms. The income from external parties that is reported to management is valued in the same way as in the income statement.

ELIMINATIONS

The elimination column refers only to internal balances.

GEOGRAPHICAL AREAS

2025 SEK thousands	Assets	Investments
Sweden	104,691	3,647
Netherlands	63,338	2,849
Finland	35,862	1,457
Germany	27,198	343
Denmark	11,354	773
Belgium	8,971	3,013
Other countries	31,131	322
Group	**282,545**	**12,404**

GEOGRAPHICAL AREAS

2024 SEK thousands	Assets	Investments
Sweden	102,937	4,939
Netherlands	66,958	6,113
Finland	36,340	1,514
Germany	31,090	302
Denmark	10,159	726
Belgium	10,403	95
Other countries	36,590	361
Group	**294,477**	**14,050**

The Group presents its revenues for the four largest markets: Sweden, the Netherlands, Finland, and Germany, as well as its two other important Nordic markets, Belgium and Denmark.

Assets in each segment are exclusive of financial instruments and deferred tax assets.

NOTE K5 NET SALES DISTRIBUTION

NET SALE PER GEOGRAFICAL AREA

SEK thousands	2025	% of total	2024	% of total
Sweden	386,794	37	345,959	35
Netherlands	234,008	22	225,036	23
Finland	132,499	13	122,134	13
Germany	100,485	10	104,490	10
Belgium	33,145	3	34,962	4
Denmark	41,949	4	34,144	3
Other	115,020	11	122,975	12
Group	**1,043,899**	**100**	**989,698**	**100**

NET SALE PER PRODUCT AREA

SEK thousands	2025	% of total	2024	% of total
Underwear	501,102	48	514,393	52
Sports apparel	306,056	29	250,220	25
Footwear	93,136	9	95,442	10
Bags	51,434	5	54,786	5
Other	92,171	9	74,856	8
Group	**1,043,899**	**100**	**989,698**	**100**

The Group's other operating income consists mainly of foreign exchange revaluations on monetary items (assets and liabilities), except for cash and cash equivalents or loans, as well as re-invoiced expenses.

Outstanding trade receivables amounted to SEK 133,095 thousand (111,398) on the balance sheet date; see Note K19 for further details.

The Group has contract liabilities in the form of prepaid goods and settlements with licensees and franchisees, with a closing balance totaling SEK 134 thousand (650). These are included in the item accrued expenses and deferred income, Note K23. Of the opening liability amount, SEK 650 thouand (788) has been recognized as revenue during the period.

The Group has no contract assets.

NOTE K6 OTHER EXTERNAL EXPENSES

SEK thousands	2025	2024
Local costs	13,782	13,335
Sales costs	94,306	88,812
Marketing costs	100,965	92,663
Administrative costs	40,960	41,638
Other	11,088	9,741
	261,101	**246,190**

NOTE K7 CASH AND CASH EQUIVALENTS

SEK thousands	Dec 31, 2025	Dec 31, 2024
Cash and bank balances	13,535	8,771
	13,535	**8,771**

The company has cash and cash equivalents in Swedish banks with a rating of at least A+. The credit provision is calculated according to the general model with the assumption of low credit risk. Given the short maturity and stable counterparties, the expected future credit losses as of the balance sheet date are insignificant, which is why no reserve for future credit losses has been reported.

NOTE K8 INFORMATION ABOUT STAFF AND REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND OTHER SENIOR EXECUTIVES

SALARIES, OTHER BENEFITS AND SOCIAL COSTS

SEK thousands	2025	2024
Salaries and benefits	106,408	109,101
Social expenses	28,884	28,568
Pension costs	12,311	11,318
Total	**147,603**	**148,986**

SALARIES, OTHER REMUNERATION DISTRIBUTED BETWEEN SENIOR EXECUTIVES AND OTHER EMPLOYEES

SEK thousands	2025	2024
Board, CEO and other senior executives	20,224	18,273
Other employees	86,184	90,829
In total	**106,408**	**109,102**

MEDELANTALET ANSTÄLLDA PER LAND 2025 [1]

	Men	Women
Sweden	26	69
Netherlands	13	13
Finland	4	12
Other	5	3
Total	**49**	**98**

MEDELANTALET ANSTÄLLDA PER LAND 2024 [1]

	Men	Women
Sweden	26	68
Netherlands	15	15
Finland	3	14
Other	6	5
Total	**50**	**102**

[1] An annual working time of 1,800 hours has been used to calculate the average number of employees.

DISTRIBUTION BETWEEN WOMEN AND MEN AMONG SENIOR EXECUTIVES

	2025		2024	
	Men	Women	Men	Women
Board	3	3	4	3
Other senior executives	5	3	5	3
Total	**8**	**6**	**9**	**6**

REMUNERATION AND OTHER BENEFITS TO BOARD MEMBERS

	2025		2024	
TSEK	Board fees	Others compen-sation	Board fees	Others compen-sation
Chairman of the Board;				
Heiner Olbricht up until May 2025	180	40	446	99
Johanna Schottenius from June 2025	286	62	0	0
Other members of the Board;				
Mats H Nilsson	197	110	191	105
Alessandra Cama	197	–	191	–
Fredrik Lövstedt	197	82	191	79
Anette Klintfält	80	–	191	–
Jens Høgsted	197	–	191	–
Johanna Schottenius	80	–	191	–
Cecilia Bönström	117	–	–	–
Total	**1,541**	**294**	**1,592**	**283**

SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES 2025

SEK thousands	Basic salary	Variable compen-sation	Pen-sion	Other compen-sation	**Total**
CEO	4,998	570	1,418	225	**7,211**
Other senior executives (7 full-time employees)	11,376	1,444	2,786	32	**15,640**
Total	**16,374**	**2,014**	**4,205**	**257**	**22,851**

SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES 2024

SEK thousands	Basic salary	Variable compen-sation	Pen-sion	Other compen-sation	**Total**
CEO	4,730	889	1,274	196	**7,088**
Other senior executives (7 full-time employees)	9,222	1,557	2,064	132	**12,975**
Total	**13,951**	**2,446**	**3,338**	**328**	**20,064**

BENEFITS TO THE BOARD OF DIRECTORS, CEO AND OTHER SENIOR EXECUTIVES

Remuneration to the Board

According to the AGM resolution, the remuneration to the Chairman and members of the Board for 2025 amounts to a total of SEK 1,953 thousand (1,875). The Chairman of the Board receives a fee of SEK 466 thousand (446), while other members receive a remuneration of SEK 194 thousand (191) each. In addition to Board fees, the Chairman and members of the Board have received remuneration for travel and subsistence in connection with Board meetings. A fee for a total of SEK 88 thousand (84) for 2025 has been expensed to the Remuneration Committee and a fee amounting to a total of SEK 214 thousand (204) has been expensed to the Audit Committee. All remuneration is in accordance with the remuneration to the Board decided by the Annual General Meeting.

Remuneration to the CEO

Björn Borg's CEO has received salary and other remuneration amounting to SEK 4,998 thousand (4,730), in addition to which the CEO receives a variable remuneration of SEK 570 thousand (889). According to the agreement, the CEO is entitled to both a fixed salary and a variable remuneration, provided that certain predefined goals are achieved. In addition, the CEO is entitled to certain other benefits, e.g., company car and some insurance. The CEO is also entitled to a monthly pension provision corresponding to 30 (28.33) percent of the fixed salary. The variable remuneration has been calculated on the basis of the Group's achieved sales and operating profit in relation to the budget approved by the Board.

Proposed terms and conditions for the remuneration package for the CEO are prepared by the Remuneration Committee, which consists of Johanna Schottenius, Mats H Nilsson and Fredrik Lövstedt, and are decided on by the Board. A notice period of 12 months applies between the company and the CEO in the event of termination by the company. In the event of termination by the CEO, a notice period of 6 months applies. The President's share and option holdings are presented in the following table.

Remuneration of other senior executives

Senior executives refer to Group management. In 2025, Group management, excluding the CEO, consisted of six other senior executives. During 2025, the average number of other senior executives excluding the deputy CEO was seven. The basic salary for senior executives for 2025 amounted to SEK 11,376 thousand (9,222). In addition, senior executives receive variable remuneration based on the Group's sales and earnings in excess of the budget approved by the Board. The variable remuneration can amount to a maximum of 25 percent of fixed salary. The variable remuneration in 2025 amounted to SEK 1,444 thousand (1,557). In addition to this, some senior executives have access to a company car. Björn Borg pays pension premiums according to a defined contribution pension plan. Pension costs in 2025 amounted to SEK 2,786 thousand (2,064). If senior executives are dismissed by the company, they are entitled to a 3-6 month notice period. Senior executives' share and option holdings in Björn Borg are presented in the following table.

THE SHAREHOLDINGS OF THE BOARD OF DIRECTORS, THE CEO AND OTHER SENIOR EXECUTIVES AS OF DEC 31, 2025

	Number of shares
Mats H Nilsson	1,638,440
Fredrik Lövstedt	910,000
Johanna Schottenius	382,880
Alessandra Cama	20,000
Jens Høgsted	12,000
CEO	110,000
Other senior executives	28,256
Total number of shares	**3,101,576**

PENSIONS

The Group only has defined contribution pension plans. A defined contribution pension plan is a pension plan where the Group pays fixed premiums to a separate legal entity. After Björn Borg paid the premium, no obligations remain for Björn Borg towards the Group's employees. The fees are reported as personnel costs in the period to which the fee paid relates and amounted to SEK 12.3 M (11.3) in 2025.

INCENTIVE PROGRAM, ISSUE OF WARRANTS 2023/2026

The 2023 Annual General Meeting decided on the introduction of a new long-term incentive program; the issue of warrants 2023/2026, which means acquiring warrants in the company at market value. Eligible to participate in the incentive program, which runs between the years 2023 and 2026, are persons in Group management and certain additional key persons within the Group. The company's Board members shall not be assigned any warrants. The incentive program involves the issue of a total of 300,000 warrants, where each warrant entitles the holder to subscribe for one new share in the company. During 2024, the remaining 30,000 warrants were transferred to employees, with the subscription price generally set at SEK 54.70 per share (although participants may choose to apply a so-called net strike, in which case both the subscription price and the number of shares are adjusted). The value of the warrant has been calculated using the well-established valuation model, Black & Scholes, and was provided by Elleme AB. At the end of 2024, all 300,000 warrants had been subscribed for, and no changes occurred during 2025. The paid option premiums have been recognized directly in equity under the item "Share premium reserve." An additional cash bonus was paid as part of enabling the participants to pay for the warrants.

PROPOSED GUIDELINES FOR EXECUTIVE COMPENSATION EXECUTIVES

The Board's guidelines for remuneration to senior executives will be applied unchanged, in accordance with the guidelines adopted by the Annual General Meeting in 2024. For the complete guidelines on remuneration to senior executives, see https://cdn.prod.website-files.com/66a92ebaf5fe2539fb929b6d/66f53620fdc87a3b242b8b57_66d0f6654a8472bad099689c_13-styrelsens-forslag-till-riktlinjer-till-ledande-befattningshavare.pdf.

NOTE K9 TRANSACTIONS WITH RELATED PARTIES

In addition to the usual remuneration (salary, fees and other benefits) to the CEO, senior executives and the Board, as well as internal sales between Group companies, transactions with related parties occurred during the period 2025 but not of a material nature.

NOTE K10 AUDITORS' FEES

SEK thousands	2025	2024
BDO		
Audit assignment	2,433	1,958
Audit assignments in addition to auditing activities	865	897
Tax advice	174	136
Other services	11	77
Total	**3,483**	**3,068**

NOTE K11 LEASING

The Björn Borg Group leases mainly office and retail premises, vehicles and office equipment.

MATURITY ANALYSIS LEASE LIABILITY:

SEK thousands	
2026	14,266
2027	6,181
2028	3,846
2029	2,845
2030	1,708
later than 2031	399
Total payments	**29,245**

The Group has entered into leasing agreements that have not yet taken effect. The leasing payment for the entire leasing period amounts to SEK 16,209 thousand (126).

REPORTED LIABILITY ACCORDING TO THE BALANCE SHEET

SEK thousands	Dec 31, 2025	Dec 31, 2024
Short-term portion	14,266	19,071
Long-term portion	14,979	22,591
Total	**29,245**	**41,662**

RIGHT-OF-USE ASSETS

SEK thousands	Premises		Vehicle		Equipment		Total	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Acquisition cost								
Incoming values	33,574	37,543	7,838	5,967	808	432	42,220	43,942
Additional usufruct rights	5,600	7,524	2,274	4,934	223	619	8,097	13,077
Renegotiated/concluded agreements	–423	5,470	650	123	–17	35	210	5,628
Depreciation	–14,523	–17,773	–3,411	–3,295	–380	–289	–18,314	–21,357
Translation differences	–1,275	810	–222	109	–14	11	–1,511	930
Carrying amount								
Closing balance	**22,953**	**33,574**	**7,129**	**7,838**	**620**	**808**	**30,702**	**42,220**

AMOUNTS REPORTED IN PROFIT OR LOSS

SEK thousands	
Depreciation right-of-use assets	18,314
Interest expenses for lease liabilities	966
Expenses relating to short-term leases	210
Expenses relating to leases of low-value asset	143
Expenses relating to variable lease payments not included in the valuation of lease liabilities	4,174

The total cash flow for lease payments amounted to SEK 23,807 thousand.

Some leases for stores only have variable rents that are affected by sales, so-called sales-based rent, while some leases for stores run with a fixed minimum rent but with a supplement for sales rent. Variable leasing fees are not included in the leasing debt, which means that for agreements that only run in full or in part with sales rent, the sales rent is not included in the leasing debt but is expensed in the period in question.

Half of the Group's store agreements contain a variable leasing fee that is linked to sales in leased stores. Variable leasing fees are used to link the leasing fee to the stores' cash flow and reduce the fixed cost. The division of the leasing fee for these stores looks as follows and refers to the distribution of paid fixed fees and variable fees, respectively:

SEK thousands	2025	2024
Fixed payments	6,682	11,226
Variable lease payments	3,721	4,054
Total payments	**10,404**	**15,280**

The leasing agreements also generally mean that property tax is paid, which also constitutes a variable fee. However, amounts for property tax are not included in the table above.

An increase in sales of 10 percent in the stores that have full or partial sales-based rent would increase leasing costs by SEK 1,253 thousand (1,277).

For premises, the maturities and conditions differ depending on the country in which the premises are located. Retail premises run (minimum period) for an average of 3 years, while office premises run for an average of 5 years. For retail premises, the term is short, but with the option to extend, which gives the Group flexibility and the strategy is to strive for short leases. The terms of the agreement are generally designed so that if neither party terminates the agreement for a certain period before they expire, usually 3-9 months before, the agreement is extended for another period. For retail premises, the extension period is usually 1 year.

When the Group enters into a lease agreement, an assessment is made as to whether it is reasonably certain that the option to extend will be exercised. The assessment takes into account all relevant facts and circumstances that create financial incentives such as the terms of the agreement for extension periods compared to market rents, significant investments made (or expected to be made) in leased premises, costs that arise when the lease is terminated, such as negotiation costs and relocation costs and the importance of the underlying asset in the business. Reconsideration takes place when an important event has occurred that is within the Group's control. However, the lease agreement is extended as at the latest at the time of automatic extension (unless either party has terminated the agreement).

The table below shows the Group's exposure to future cash flows from leasing agreements whose extension option is not included in the reported leasing liability on the balance sheet date as it is not reasonably certain that the extension will take place. The future cash flow is based on the leasing agreement being extended for a period (1-3) years.

SEK thousands	2025
Within 1 year	7,674
Between 1-3 years	11,007
Between 3-5 years	13,063
Total cash flow	**31,744**

NOTE K12 NET PROFIT/LOSS FOR EACH CATEGORY OF FINANCIAL INSTRUMENT

SEK thousands	2025	2024
Assets at amortized cost	28,194	7,852
Financial liabilities valued at amortized cost (financial expenses)	–18,745	–14,919
Total	**9,450**	**–7,067**

Of the assets reported at amortized cost, SEK –3,392 thousand have been reported in operating profit and SEK 12,841 thousand in net financial items.

NOTE K13 NET FINANCIAL ITEMS

SEK thousands	2025	2024
Change in exchange rates	12,841	–
Interest income [1]	389	460
Total financial income	**13,230**	**460**
Change in exchange rates	–	–4,246
Interest expenses [1]	–5,297	–6,390
Interest expense leasing	–966	–1,266
Other financial expenses [2]	–734	–
Total financial expenses	**–6,997**	**–11,902**
Net financial items	**6,233**	**–11,442**

[1] The item in its entirety refers to financial assets and liabilities that are not valued at fair value, except for interest income corresponding to SEK 0 thousand (0) which refers to assets valued at fair value.
[2] The entire item relates to unrealized changes in foreign exchange forwards measured at fair value through profit or loss.

NOTE K14 TAXES

TAX ON PROFIT FOR THE YEAR

SEK thousands	2025	2024
Current tax on the profit for the year	–24,187	–18,602
Current tax attributable to previous years	–71	–212
Deferred tax asset/expense	–1,431	1,079
Total reported tax expense	**–25,689**	**–17,735**

TAX RATE RECONCILIATION

SEK thousands	2025	2024
Reported profit before tax	117,749	90,403
Tax according to the current tax rate in Sweden, 20.6%	–24,256	–18,623
Tax effect of:		
Non-deductible expenses	–1,184	–175
Tax-exempt income/expenses	–7	1,454
Effect of tax rates in other countries	–166	–174
Not taken into account deferred tax on loss carryforwards	–5	–5
Current tax attributable to previous years	–71	–212
Reported tax expense	**–25,689**	**–17,735**

DEFERRED TAXES

SEK thousands	2025	2024
Deferred tax assets reported in the balance sheet		
Property, plant & equipment	560	569
Rights-of-use assets	220	268
Internal gain on inventory	194	194
Doubtful accounts receivable	796	1,114
Tax loss carryforwards	7,018	10,046
Total deferred tax asset	**8,788**	**12,191**
Deferred tax liabilities reported in the balance sheet		
Trademarks	39,065	39,065
Untaxed reserves	472	389
Total deferred tax liability	**39,537**	**39,454**

No tax items have been recognized directly against equity or other comprehensive income.

TAX LOSS CARRYFORWARDS AND UNREPORTED DEFERRED TAX ASSETS

The Group has reported a deferred tax asset related to tax loss Carry forwards totalling SEK 7,018 thousand (10,046) of which the largest part refers to the Netherlands. Tax loss carry forwards amount to SEK 28,283 thousand (40,488), none of which have an expiration date. Tax loss carry forwards for which deferred tax assets have not been recognized in the balance sheet amount to SEK 130,703 thousand (153,904) as of December 31, 2025, and relate to operations in the U.S., Belgium, and the UK. No deferred tax asset has been recognized for these loss carry forwards due to the fact that these entities have historically reported tax losses and there is uncertainty as to if and when they will generate sufficient taxable profits in the future. This corresponds to an unrecognized deferred tax asset of approximately SEK 22,129 thousand (26,113). The majority of these loss carry forwards have no expiration date.

NOTE K15 EARNINGS PER SHARE

SEK thousands	Earnings per share 2025	Earnings per share 2024	Earnings per share after dilution 2025	Earnings per share after dilution 2024
Earnings				
Earnings attributable to the Parent Company's shareholders	92,060	72,668	92,060	72,668
Net profit used to determine results	**92,060**	**72,668**	**92,060**	**72,668**
Weighted average number of ordinary shares for calculation of earnings per share after dilution	**25,148,384**	**25,148,384**	**25,148,384**	**25,148,384**
Earnings per share	**3.66**	**2.89**	**3.66**	**2.89**

SEK thousands	2025	2024
Earnings per share, SEK	3.66	2.89
Earnings per share, SEK (after dilution)	3.66	2.89
Number of shares	25,148,384	25,148,384
Number of shares weighted average	25,148,384	25,148,384
Number of shares weighted average (after dilution)	25,148,384	25,148,384

Earnings per share before dilution are calculated by dividing the earnings attributable to the Parent Company's shareholders by a weighted average number of outstanding common shares during the period, excluding repurchased shares. For earnings per share after dilution, the weighted average number of outstanding common shares has been adjusted for the dilution effect of all potential common shares. The Group has potential common shares with a dilution effect related to convertible debt instruments and options. With regard to the Group's LTIP 2023/2026, as described in Note K8, there is a potential future dilution effect related to the company's shares, provided that certain conditions are met.

NOTE K16 INTANGIBLE ASSETS

SEK thousands	Note	Dec 31, 2025	Dec 31, 2024
Goodwill			
Accumulated acquisition values			
Opening balance		37,203	36,422
Translation differences for the year		–1,337	781
Carrying amount at year-end		**35,866**	**37,203**
Trademark			
Accumulated acquisition values			
Opening balance		187,532	187,532
Carrying amount at year-end		**187,532**	**187,532**
Licenses			
Accumulated acquisition values			
Opening balance		6,814	5,142
Investments		–	874
Translation differences for the year		–314	178
Closing balance		**6,501**	**6,814**
Accumulated amortization			
Opening balance		–4,637	–3,739
This year's depreciations		–791	–678
Translation differences for the year		263	–220
Closing balance		**–5,165**	**–4,637**
Carrying amount at year-end		**1,336**	**2,177**
Tenancies			
Accumulated acquisition values			
Opening balance		500	500
Divestments and discontinuation of operations		–500	–
Closing balance		**–**	**500**
Accumulated cost			
Opening balance		–500	–500
Divestments and discontinuation of operations		500	–
Closing balance		**–**	**–500**
Carrying amount at year-end		**–**	**–**

SEK thousands	Note	Dec 31, 2025	Dec 31, 2024
Capitalized expenses for software			
Accumulated cost			
Opening balance		20,092	18,272
Investments		2,243	1,766
Divestments and closure of operations		–3	–3
Translation differences for the year		–98	57
Closing balance		**22,234**	**20,092**
Accumulated amortization			
Opening balance		–15,784	–13,895
Divestments and closure of operations		3	3
Amortization for the year		–1,514	–1,842
Translation differences for the year		90	–50
Closing balance		**–17,205**	**–15,784**
Carrying amount at year-end		**5,029**	**4,308**

IMPAIRMENT TESTING THE GOODWILL AND TRADEMARKS

Goodwill exists for four cash-generating units, Björn Borg Brands AB, Björn Borg Clothing AB, Björn Borg Finland OY and Baseline.

In addition, there are also intangible non-current assets in the form of trademarks where the cash-generating unit is Björn Borg Brands AB.

Distribution is reported below.

SEK thousands	Dec 31, 2025	Dec 31, 2024
Goodwill		
Björn Borg Brands AB	9,330	9,330
Björn Borg Clothing AB	4,613	4,613
Björn Borg Finland OY	6,010	6,363
Baseline	15,913	16,897
	35,866	**37,203**
Trademark		
Björn Borg Brands AB	187,532	187,532
	187,532	**187,532**

Each year, the Group examines whether there is any need for impairment of goodwill and trademarks in accordance with the accounting principle described in Note K1. The future cash flows used in calculating the unit value of each unit are based for the first year on the legal budget for 2026 adopted for each unit. Thereafter, cash flows are based on assumptions about annual sales and cost growth in a five-year forecast period. Management bases assumptions in the forecast period on future growth on previous outcomes as well as in-depth discussions with the subsidiaries, distributors and licensees regarding future expectations. Impairment testing was performed as of December 31, 2025, applying approximately 13 percent (12) discount rate after tax and an assumption of sustainable annual growth of 2 percent (1) for the period beyond the forecast horizon. This growth is a cautious assumption as of December 31, 2025 based on the current economic situation in the markets, primarily in Europe, where Björn Borg operates. The forecast period extends from 2026 to 2030, i.e., over a five-year period. There is no need for impairment in the Group as the discounted present value of future cash flows exceeds the carrying amount of the net assets for both the brand and goodwill items in the table above. Assumptions about the discount rate and assumed growth in free cash f low in the forecast period are presented in the table below. If the assumed growth beyond the forecast period when calculating the value in use for both goodwill and brand had been –2 per cent instead of the assumed +2 per cent, there would still be no need for impairment. An increase in the discount rate by 2 percentage points would also not entail any need for impairment of either brand or goodwill. The same also applies within the forecast period.

2025	Trademark	Brands	Clothing	Finland	Baseline
Forecast period (years)	5	5	5	5	5
WACC after tax (%)	13	13	13	15	12
Growth in free cash flow (%)	15	15	–	9	7

2024	Trademark	Brands	Clothing	Finland	Baseline
Forecast period (years)	5	5	5	5	5
WACC after tax (%)	13	13	12	12	12
Growth in free cash flow (%)	16	16	–	37	84

NOTE K17 EQUIPMENT AND REFURBISHMENT

SEK thousands	Dec 31, 2025	Dec 31, 2024
Accumulated cost		
Opening balance	72,555	61,554
Investments	10,161	11,410
Sales and disposals	–3,508	–1,730
Translation differences for the year	–2,716	1,321
Closing balance	**76,492**	**72,555**
Accumulated depreciation		
Opening balance	–51,520	–43,891
Sales and disposals	3,494	1,730
Depreciation for the year	–8,529	–8,294
Translation differences for the year	2,144	–1,065
Closing balance	**–54,411**	**–51,520**
Carrying amount at year-end	**22,081**	**21,035**

During the year, the Group capitalized SEK 4,815 (5,446) thousand in improvement expenses for leased premises. Depreciation amounted to SEK 346 (685) thousand, and the carrying amount is SEK 1,867 (4,761) thousand.

NOTE K18 INVENTORY

The net selling price consists of the estimated sales price less direct selling expenses. Internal gains that have arisen on intra-Group sales are deducted from inventory's carrying amount.

INVENTORY

SEK thousands	2025	2024
Finished goods and goods for resale	257,237	259,487
	257,237	**259,487**

Impairment losses for obsolescence of finished goods of SEK 9,618 thousand (6,404) are included in the closing inventory balance. Total expenses for obsolescence amounted to SEK 3,214 thousand (–2,782) during the year.

Expensed inventory during the period amounted to SEK 396,642 thousand (343,775).

NOTE K19 ACCOUNTS RECEIVABLE

The credit quality of financial assets that have not yet fallen due for payment is determined primarily by evaluating the counterparty's payment history. In cases where external credit ratings are available, such information is obtained to support the credit evaluation.

ACCOUNTS RECEIVABLE

SEK thousands	Dec 31, 2025	Dec 31, 2024
Accounts receivable, gross	138,088	117,966
Reserve for expected credit losses	–4,993	–6,568
Total accounts receivable, net after reserve for impaired receivables	**133,095**	**111,398**

The reserve for expected credit losses as of December 31, 2025 amount to SEK 4,993 thousand (6,568) for the Group.

The ages of these receivables and the reserve are distributed as follows:

OVERDUE RECEIVABLES

SEK thousands	Dec 31, 2025	Dec 31, 2024
Not overdue	118,448	103,296
1–30 days	12,026	5,613
31–60 days	2,276	899
61–90 days	20	–
>90 days	325	1,590
Total	**133,095**	**111,398**

As of December 31, 2025, the Group had SEK 14,297 thousand (7,642) in overdue receivables that were not considered impaired. These overdue receivables relate to a number of customers that have not previously had payment problems.

Changes in the reserve for expected credit losses are recognized as an operating expenses. The period's changes were as follows:

EXPECTED CREDIT LOSSES – RECONCILIATION

SEK thousands	Dec 31, 2025	Dec 31, 2024
Provisions at beginning of the year	–6,568	–7,077
Reversed provisions for the period	5,140	6,270
Provisions for the period	–4,993	–6,568
Established losses	1,427	807
	–4,993	**–6,568**

The maximum exposure for credit risk as of the closing day is the carrying amount for each category of receivable.

NOTE K20 PREPAID EXPENSES AND ACCRUED INCOME

SEK thousands	Dec 31, 2025	Dec 31, 2024
Deferred income	–	277
Prepaid rents	142	13
Prepaid insurance	428	449
Prepaid leasing	115	233
Prepaid marketing expenses	967	2,903
Prepayments for goods	7,351	–
Sustainability costs	14	121
It costs	2,875	1,579
Consulting costs	138	131
HR-related items	883	891
Other	497	932
	13,410	**7,530**

NOTE K21 FINANCIAL ASSETS AND LIABILITIES

2025 SEK thousands	Measured at fair value through profit or loss	Measured at amortized cost	Financial assets and liabilities measured at fair value	Total assets
Accounts receivable, external	–	133,095	–	133,095
Cash and bank balances	–	13,535	–	13,535
Total financial assets	**–**	**146,630**	**–**	**146,630**
Foreign exchange forward contracts	734	–	–	734
Short-term liabilities to credit institutions	–	63,540	–	63,540
Lease liability	–	29,245	–	29,245
Accounts payable	–	158,962	–	158,962
Total financial liabilities	**734**	**251,747**	**–**	**251,747**

Björn Borg uses foreign exchange derivatives to hedge currency fluctuations in EUR and USD. The derivative instruments are measured at Level 2 in the IFRS fair value hierarchy, meaning that the instruments are not traded in an active market but are determined using valuation techniques largely based on observable market data. For other financial assets and liabilities measured at amortized cost, the fair values are considered to correspond to their carrying amounts.

2024 SEK thousands	Measured at fair value through profit or loss	Measured at amortized cost	Financial assets and liabilities measured at fair value	Total assets
Accounts receivable, external	–	111,398	–	111,398
Cash and bank balances	–	8,771	–	8,771
Total financial assets	**–**	**120,169**	**–**	**120,169**
Short-term liabilities to credit institutions	–	17,281	–	17,281
Lease liability	–	41,662	–	41,662
Accounts payable	–	188,961	–	188,961
Total financial liabilities	**–**	**247,904**	**–**	**247,904**

NOTE K22 LIABILITIES

NON-CURRENT AND CURRENT INTEREST-BEARING LIABILITIES

SEK thousands	Dec 31, 2025	Dec 31, 2024
Short-term debt to credit institutions	63,540	17,281
Total interest-bearing liabilities	**63,540**	**17,281**

OTHER CURRENT LIABILITIES

Björn Borg has an overdraft facility with Danske Bank amounting to SEK 200 million (200), which is subject to a so-called "change of control" clause. This clause stipulates that if an entity acquires 50 percent or more of the company's ownership, the bank has the right to terminate the agreement.

As of December 31, 2025, SEK 63.5 million (17.3) of the overdraft facility had been utilized.

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

As of December 31, 2025, the ratio was 0.41 (0.08), and the equity ratio amounted to 50.2 percent (49.7).

Apart from the above, no significant changes have occurred regarding pledged assets and contingent liabilities compared with December 31, 2024.

NOTE K23 ACCRUED EXPENSES, DEFERRED INCOME AND PROVISIONS

SEK thousands	Dec 31, 2025	Dec 31, 2024
HR-related items	16,177	20,592
Freight and customs	3,055	2,870
Audit expenses	2,807	2,230
Marketing expenses	3,252	1,867
Rent expenses	820	1,240
Deferred income	5,579	8,012
Consultant costs	328	308
Other	2,449	2,086
	34,467	**39,204**

NOTE K24 PLEDGED ASSETS

SEK thousands	Dec 31, 2025	Dec 31, 2024
Pledged bank funds	630	669
Shares in subsidiaries	203,885	203,793
	204,515	**204,461**

See also Note M16 under the Parent Company.

NOTE K25 NON-CONTROLLING INTERESTS

INFORMATION ON NON-CONTROLLING INTERESTS

SEK thousands	Dec 31, 2025	Dec 31, 2024
Opening balance	–6,882	–6,303
Share of profit for the year	–	–
Translation difference for the year	1,064	–579
Closing balance	**–5,818**	**–6,882**

The Björn Borg Group has a subsidiary in which, as of December 31, 2025, there are significant non-controlling interests, Björn Borg China Ltd. The company has been dormant since 2014.

SUBSIDIARIES

	Result distributed to non-controlling interests		Cumulative holdings of non-controlling interests	
SEK thousands	2025	2024	2025	2024
Other non-controlling interests	1,064	–579	–5,818	–6,882
Total	**1,064**	**–579**	**–5,818**	**–6,882**

NOTE K26 CHANGE IN FINANCIAL LIABILITIES

SEK thousands	Dec 31, 2024	Cash flow	Non-cash items			Dec 31, 2025
			Renegotiated/concluded agreements[1]	Translation differences	Fair value adjustment	
Overdraft facility	17,281	46,259	–	–	–	63,540
Currency derivatives	–	–	–	–	734	734
Lease liability	41,662	–18,108	8,307	–2,616	–	29,245
Total loans from financial activities	**58,943**	**28,151**	**8,307**	**–2,616**	**734**	**93,519**

1 "Renegotiated/concluded agreements" in the lease liability mainly refers to newly signed leases and extended leases and rental discounts. The amount also includes a decrease in the liability due to the decision not to exercise the extension option on some stores and exchange rate differences (SEK –1,853 thousand).

SEK thousands	Dec 31, 2023	Cash flow	Non-cash items			Dec 31, 2024
			Renegotiated/concluded agreements[1]	Translation differences	Fair value adjustment	
Overdraft facility	–	17 281	–	–	–	17 281
Lease liability	42 849	–19 963	18 706	70	–	41 662
Total loans from financial activities	**42 849**	**–2 682**	**18 706**	**70**	**–**	**58 943**

1 "Renegotiated/concluded agreements" in the lease liability mainly refers to newly signed leases and extended leases and rental discounts. The amount also includes a decrease in the liability due to the decision not to exercise the extension option on some stores and exchange rate differences (SEK 267 thousand).

NOTE K27 EVENTS AFTER THE BALANCE SHEET DATE

During the first quarter of 2026, the company announced that it had entered into a three-year partnership agreement with Åhléns in Sweden and the Belgian department store Inno. The partnership includes the development and sale of new, complementary lifestyle categories. Through this collaboration, Björn Borg, together with Åhléns and Inno, is expanding its offering with new categories tailored to each market and customer base.

After the end of the financial year, the global geopolitical situation has continued to be characterized by uncertainty, including as a result of the armed conflict that broke out between Iran and Israel in 2026. The Björn Borg Group does not conduct any operations or trade in these countries and therefore assesses that the direct business impact is limited. However, continued geopolitical instability may affect the global economy and consumer confidence, which in turn could have an indirect negative impact on demand.

Parent company's financial statements

Parent company income statement

SEK thousands	Note	2025	2024
Net sales		128,357	106,134
Other operating revenue		1,120	1,070
Operating revenue	M4	**129,477**	**107,204**
Other external expenses		–72,457	–70,103
Staff costs		–48,181	–47,341
Depreciation/amortization of intangible/tangible non-current assets		–1,997	–2,07
Other operating expenses		–429	–360
Operating profit	M4, M5, M6, M7, M8, M9, M14, M15	**6,413**	**–13,007**
Income from investments in subsidiaries	M10	0	–
Group contributions received		75,470	98,000
Interest income and similar credits	M11	4,643	–1,958
Interest expenses and similar charges	M11	3,202	–11,373
Profit after financial items		**89,729**	**71,663**
Appropriations	M12	–406	61
Profit before tax		**89,322**	**71,723**
Tax on profit for the year	M13	**–19,326**	**–15,447**
Profit for the year		**69,996**	**56,276**

Parent company statement of comprehensive income

SEK thousands	Note	2025	2024
Profit for the year		**69,996**	**56,276**
Other comprehensive income		**–**	**–**
Total comprehensive income for the year		**69,996**	**56,276**

Parent company balance sheet

SEK thousands	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Non-current assets			
Intangible assets	M14		
Retained expenditure		1,521	720
		1,521	**720**
Tangible non-current assets	M15		
Property, plant and equipment		4,873	4,223
		4,873	**4,223**
Financial non-current assets			
Shares in Group companies	M16	115,016	177,868
		115,016	**177,868**
Total non-current assets		**121,410**	**182,811**
Current assets			
Current receivables			
Accounts receivable		13	–
Receivables from Group companies		252,090	423,959
Others current receivables		2	–
Prepaid expenses and accrued income	M17	5,241	6,288
		257,346	**430,246**
Cash & cash equivalents			
Cash and bank balances		–	–
		–	**–**
Total current assets		**257,346**	**430,247**
TOTAL ASSETS		**378,756**	**613,058**

SEK thousands	Note	Dec 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		7,859	7,859
Reserve fund		46,817	46,817
		54,676	**54,676**
Unrestricted equity			
Retained earnings		8,621	27,791
Profit for the year		69,996	56,276
		78,617	**84,066**
Total equity		**133,293**	**138,743**
Deferred tax liability	M19	**1,241**	**835**
Current liabilities			
Accounts payable		6,927	7,755
Liabilities to Group companies		156,512	431,293
Short-term debt to credit institutions		63,540	17,281
Other current liabilities		4,906	6,068
Accrued expenses and prepaid income	M21	12,337	11,084
Total current liabilities		**244,222**	**473,481**
Total liabilities		**245,463**	**474,316**
TOTAL EQUITY AND LIABILITIES		**378,756**	**613,058**

Parent company statement of changes in equity

SEK thousands	Note	Share capital	Reserve fund	Retained earnings	Total equity
Opening balance, January 1, 2024		**7,859**	**46,817**	**102,972**	**157,648**
Distribution for 2023 through share redemption	M18	–3,929	–	–71,516	–75,445
Bonus issue		3,929	–	–3,929	–
Warrant premium	K8	–	–	264	264
Total comprehensive income for the period		–	–	56,276	56,276
Closing balance, December 31, 2024		**7,859**	**46,817**	**84,067**	**138,743**
Opening balance, January 1, 2025		**7,859**	**46,817**	**84,067**	**138,743**
Distribution for 2024 through share redemption	M18	–	–	–75,445	–75,445
Total comprehensive income for the period		–	–	69,996	69,996
Closing balance, December 31, 2025		**7,859**	**46,817**	**78,618**	**133,293**

Parent company statement of cash flows

SEK thousands	Note	2025	2024
OPERATING ACTIVITIES			
Profit after tax		69,996	56,276
Income tax expensed through profit or loss		19,326	15,447
Financial expenses and income reported through profit or loss	M11	–7,845	13,331
Depreciation/amortization of tangible/intangible non-current assets	M14, M15	1,997	2,407
Loss/gain on disposal of non-current assets		7	–
Impairment/reversal of impairment of investments in and receivables from subsidiaries	M16	62,852	–
Unrealized foreign currency translation differences		10,352	–
Year-end appropriations	M12	406	–61
Group contributions issued, unpaid		–75,470	–98,000
Dividends received from subsidiaries		–62,852	–
Interest received		4,643	1,438
Interest paid		–12,051	–10,216
Taxes paid		–20,892	–24,268
Cash flow from operating activities before changes in working capital		**–9,532**	**–43,646**
CHANGES IN WORKING CAPITAL			
Change in accounts receivable		–14	32
Change of other receivables		261,718	116,879
Change in accounts payable		–828	–137
Change in other current liabilities		–218,703	–30,957
Change in working capital		**42,172**	**85,817**
Cash flow from operating activities		**32,640**	**42,171**
INVESTMENT ACTIVITIES			
Investments in tangible non-current assets	M15	–2,411	–553
Investment in intangible non-current assets	M14	–1,043	–687
Cash flow from investment activities		**–3,454**	**–1,240**
FINANCING ACTIVITIES			
Warrant premium		–	264
Current liability to credit institution		46,259	17,281
Distribution	M18	–75,445	–75,445
Cash flow from financing activities	M23	**–29,186**	**–57,900**
CASH FLOW FOR THE YEAR		**–**	**–16,969**
Cash and cash equivalents at the beginning of the year		–	18,414
Translation differences		–	–1,445
Cash and cash equivalents at year-end		**–**	**–**
Increase/decrease in cash and cash equivalents		**–**	**–18,414**

Parent supplementary disclosures

84 NOTE M1 – PARENT COMPANY ACCOUNTING PRINCIPLES
84 NOTE M2 – IMPORTANT ASSESMENTS AND ESTIMATES
84 NOTE M3 – FINANCIAL RISK MANAGEMENT
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90 NOTE M24 – PROPOSED DISTRIBUTION OF PROFIT

BORG

NOTE M1 PARENT COMPANY ACCOUNTING PRINCIPLES

PARENT COMPANY ACCOUNTING PRINCIPLES
The annual accounts of the parent company have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities and statements from the Swedish Financial Reporting Board. RFR 2 means that in the annual accounts for the legal entity, the parent company shall apply all EU-approved IFRS and statements to the extent possible within the framework of the Annual Accounts Act and the Social Security Act, and with regard to the connection between accounting and taxation. The recommendation states which exceptions and additions are to be made from IFRS. The differences between the Group's and the parent company's accounting principles are set out below.

Changes in accounting principles 2025
Amendments to RFR 2 effective from 1 January 2025 have not had any material impact on the parent company's financial statements.

New accounting principles as from 2026
New and amended standards and interpretations that have been issued and are effective from 1 January 2026 or later are not expected to have any material impact on the Parent Company's financial statements. According to the Swedish Financial Reporting Board, it is not possible to apply all provisions of IFRS 18 relating to the presentation of the income statement and balance sheet within the framework of the Swedish Annual Accounts Act (ÅRL). Consequently, exemptions have been introduced in RFR 2 from those provisions of IFRS 18 that relate to the format of the income statement. This does not, however, prevent companies from adapting the income statement by adding subtotals in accordance with IFRS 18 where this is possible within the framework of ÅRL.

The Parent Company has not yet completed its analysis of how the income statement and balance sheet will be presented for the Parent Company following the introduction of IFRS 18.

In the Parent Company, the same accounting policies are applied as in the Group, with the following exceptions:

The income statement and balance sheet are presented in the format prescribed by the Swedish Annual Accounts Act.

Tax
The amounts allocated to untaxed reserves constitute taxable temporary differences. Due to the connection between accounting and taxation, the deferred tax liability attributable to the untaxed reserves is not separately reported in legal entities. Changes in untaxed reserves are reported in accordance with Swedish practice in the income statement of individual companies under the heading "Book-end appropriations". In the balance sheet, the accumulated value of the provisions is reported under the heading "Untaxed reserves", of which 20.6 percent can be considered as deferred tax liability and 79.4 percent as restricted equity.

Shares in subsidiaries
Shares in subsidiaries are reported using the cost method. Acquisition-related costs for acquiring shares in subsidiaries are included as part of the cost of shares in subsidiaries.

Group contribution
Group contributions received are reported according to the main rule, i.e. the same principles as for customary dividends, which means that it is reported as financial income.

Leased assets
The parent company does not apply IFRS16 in legal entity but reports in accordance with the exception in RFR 2. Lease payments are recognized as an expense on a straight-line basis over the lease term unless another systematic method better reflects the user's economic benefit over time.

Financial instruments
Due to the connection between accounting and taxation, the rules on financial instruments in IFRS9 are not applied to the parent company as a legal entity. Financial assets are valued at cost less impairment and financial current assets according to the lower cost principle.

Financial guarantee agreements
The parent company applies the exception set out in RFR 2 and reports financial guarantee agreements, such as surety commitments, according to the rules for provisions.

NOTE M2 IMPORTANT ASSESMENTS AND ESTIMATES

The valuation of shares in subsidiaries is an area that involves judgments and/or uncertainty for the parent company, in addition to the significant accounting principles and uncertainties presented for the Group.

NOTE M3 FINANCIAL RISK MANAGEMENT

CREDIT AND COUNTERPARTY RISKS
Björn Borg's financing and management of financial risks is centralized and conducted based on a financial policy established by the Board. Björn Borg is exposed to liquidity and refinancing risk through its operations. The credit risk is primarily linked to intra-Group receivables and credit risks with banks. The table below shows the parent company's credit risks as of December 31, 2025:

PARENT COMPANY OUTSTANDING CREDIT RISK

SEK thousands	2025	2024
Accounts receivable, external	13	–
Accounts receivable, internal	2,304	2,030
	2,317	**2,030**

LIQUIDITY AND REFINANCING RISKS
Liquidity and refinancing risk refers to the risk that costs will increase and financing opportunities become limited when loans are to be renewed, and that payment obligations cannot be met due to insufficient liquidity or difficulties in obtaining financing. Björn Borg has an overdraft facility of SEK 200 million with Danske Bank, of which SEK 63.5 million was utilized as of December 31, 2025. As a covenant for the overdraft facility, the company has undertaken to ensure that the ratio of the Group's net debt to 12-month rolling operating profit before depreciation does not exceed 3.00 as of the last day of each quarter.

Furthermore, the Group must maintain an equity ratio of at least 35 percent at all times. Maturity analysis of the Parent Company's outstanding receivables and liabilities as of December 31, 2025 (contractual and undiscounted cash flows):

MATURITY ANALYSIS OF OUTSTANDING ASSETS AND LIABILITIES

Dec 31, 2025	Up to 3 months	3-12 months	1-5 years	Over 5 years
Accounts receivable, external	13	–	–	–
Accounts receivable, internal	2,304	–	–	–
Other liabilities	–8,780	–8,462	–	–
Accounts payable	–6,927	–	–	–
Current liability to credit institution	–63,540	–	–	-
Total	**–76,930**	**–8,462**	**–**	**–**

MATURITY ANALYSIS OF OUTSTANDING ASSETS AND LIABILITIES

Dec 31, 2024	Up to 3 months	3-12 months	1-5 years	Over 5 years
Accounts receivable, internal	2,030	–	–	–
Other liabilities	–9,702	–7,242	–208	–
Accounts payable	–7,755	–	–	–
Current liability to credit institution	–17,281	–	–	–
Total	**–32,708**	**–7,242**	**–208**	**–**

NOTE M4 REVENUE

SEK thousands	2025	2024
Management fee	128,357	106,134
Other operating revenue	1,120	1,070
	129,477	**107,204**

Other operating revenue mainly consists of re-invoiced costs.

NOTE M5 OTHER EXTERNAL EXPENSES

SEK thousands	2025	2024
Local costs	7,368	7,342
Sales costs	1,479	1,195
Marketing costs	44,288	44,462
Administrative costs	17,531	15,599
Other	1,791	1,505
	72,457	**70,103**

NOTE M6 INFORMATION ABOUT STAFF AND REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND OTHER SENIOR EXECUTIVES

SALARIES, OTHER BENEFITS AND SOCIAL COSTS

SEK thousands	2025	2024
Salaries and benefits	32,019	32,374
Social expenses	11,123	10,629
Pension costs	5,039	4,338
Total	**48,181**	**47,341**

SALARIES, OTHER REMUNERATION DISTRIBUTED BETWEEN SENIOR EXECUTIVES AND OTHER EMPLOYEES

SEK thousands	2025	2024
Board, CEO and other senior executives	15,840	13,846
Other employees	16,179	18,527
In total	**32,019**	**32,373**

THE AVERAGE NUMBER OF EMPLOYEES [1]

	2025	2024
Women	20	19
Men	10	9
Total	**30**	**28**

[1] An annual working time of 1,800 hours has been used to calculate the average number of employees.

DISTRIBUTION BETWEEN WOMEN AND MEN AMONG SENIOR EXECUTIVES

	2025		2024	
	Men	Women	Men	Women
Styrelse	3	3	4	3
Övriga ledande befattningshavare	3	2	3	2
Totalt	**6**	**5**	**7**	**5**

REMUNERATION AND OTHER BENEFITS TO BOARD MEMBERS

	2025		2024	
TSEK	Board fees	Others compen-sation	Board fees	Others compen-sation
Chairman of the Board;				
Heiner Olbricht up until May 2025	180	40	446	99
Johanna Schottenius from June 2025	286	62	–	–
Other members of the Board;				
Mats H Nilsson	197	108	191	105
Alessandra Cama	197	–	191	–
Fredrik Lövstedt	197	82	191	79
Anette Klintfält	80	–	191	–
Jens Høgsted	197	–	191	–
Johanna Schottenius	80	–	191	–
Cecilia Bönström	117	–	–	–
Total	**1,541**	**294**	**1,592**	**283**

SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES 2025

SEK thousands	Basic salary	Variable compen-sation	Pension	Other compen-sation	**Total**
CEO	4,998	570	1,418	225	**7,211**
Other senior executives (5 full-time employees)	7,393	1,044	2,015	32	**10,484**
Total	**12,391**	**1,614**	**3,433**	**257**	**17,695**

SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES 2024

SEK thousands	Basic salary	Variable compen-sation	Pension	Other compen-sation	**Total**
CEO	4,730	889	1,274	196	**7,088**
Other senior executives (4 full-time employees)	5,519	833	1,376	132	**7,860**
Total	**10,249**	**1,722**	**2,650**	**328**	**14,949**

BENEFITS TO THE BOARD OF DIRECTORS, CHIEF EXECUTIVE OFFICER, AND OTHER SENIOR EXECUTIVES

For further information, see Note K8.

NOTE M7 TRANSACTIONS WITH RELATED PARTIES

In addition to the usual remuneration (salary, fees and other benefits) to the CEO, senior executives and the Board, as well as internal sales between Group companies, transactions with related parties occurred during the period 2025 but not of a material nature.

PARENT COMPANY'S TRANSACTIONS WITH SUBSIDIARIES

SEK thousands	2025	2024
Sales to subsidiaries	128,681	106,387
Purchases from subsidiaries	6,326	4,675

The Parent Company's sales to subsidiaries mainly consist of remuneration to cover common costs for rents, central administration, common systems and marketing services.

The Parent Company's purchases from subsidiaries consist primarily of marketing products.

NOTE M8 AUDITORS' FEES

SEK thousands	2025	2024
BDO		
Audit assignment	2,075	1,434
Audit assignments in addition to auditing activities	865	897
Tax advice	38	–
Other services	–	48
Total	**2,978**	**2,379**

NOTE M9 LEASING

SEK thousands	2025	2024
Rental and leasing costs during the year amounted to	6,202	6,733
Agreed rental and leasing costs amount to		
– within 1 year	6,776	5,993
– later than one year but within 5 years	13,206	6,199
– over 5 years	–	–
Amount	**26,184**	**18,925**

NOTE M10 RESULTS FROM SHARES IN SUBSIDIARIES

SEK thousands	2025	2024
Dividends received from subsidiaries	62,852	–
Impairment/reversal of impairment of investments in and receivables from subsidiaries	–62,852	–
	0	**–**

NOTE M11 NET FINANCIAL ITEMS

SEK thousands	2025	2024
Change in exchange rates	13,333	–
Interest income, external [1]	226	326
Interest income, internal	4,417	1,112
Total financial income	**17,976**	**1,438**
Change in exchange rates	–	–3,396
Interest expense, external [1]	–5,088	–6,275
Interest expense, internal	–4,309	–5,098
Other financial expenses [2]	–734	0
Total financial expenses	**–10,131**	**–14,769**
Net financial items	**7,845**	**–13,331**

[1] The item in its entirety relates to financial assets and liabilities not measured at fair value, except for interest income of SEK 0 thousand (0), which relates to assets measured at fair value.

[2] The item in its entirety relates to unrealized changes in foreign exchange forward contracts measured at fair value through profit or loss.

NOTE M12 APPROPRIATIONS

SEK thousands	2025	2024
Change in accelerated depreciation/ amortization	–406	61
	–406	**61**

NOTE M13 TAXES

TAX ON PROFIT FOR THE YEAR

SEK thousands	2025	2024
Current tax on the profit for the year	–19,322	–15,447
Current tax attributable to previous years	–4	–
Total reported tax expense	**–19,326**	**–15,447**

TAX RATE RECONCILIATION

SEK thousands	2025	2024
Reported profit before tax	89,322	71,723
Tax according to the current tax rate in Sweden, 20.6%	–18,400	–14,775
Tax effect of:		
Non-deductible expenses	–519	–366
Interest offsetting	–403	–306
Current tax attributable to previous years	–4	–
Reported tax expense	**–19,326**	**–15,447**

No tax items have been recognized directly against equity or other comprehensive income.

NOTE M14 INTANGIBLE ASSETS

SEK thousands	Dec 31, 2025	Dec 31, 2024
Capitalized expenses for software		
Accumulated cost		
Opening balance	8,528	7,841
Investments	1,043	687
Closing balance	**9,571**	**8,528**
Accumulated amortization		
Opening balance	–7,808	–7,162
Amortization for the year his year's	–242	–645
Closing balance	**–8,050**	**–7,808**
Carrying amount at year-end	**1,521**	**720**

NOTE M15 INVENTORY

SEK thousands	Dec 31, 2025	Dec 31, 2024
Accumulated cost		
Opening balance	8, 807	8,709
Investments	2,411	553
Sales and disposals	–1,394	–455
Closing balance	**9,824**	**8,807**
Accumulated depreciation		
Opening balance	–4,584	–3,278
Sales and disposals	1,394	455
Depreciation for the year	–1,761	–1,762
Closing balance	**–4,951**	**–4,584**
Carrying amount at year-end	**4,873**	**4,223**

NOTE M16 FINANCIAL NON-CURRENT ASSETS

SHARES IN SUBSIDIARIES

SEK thousands	Dec 31, 2025	Dec 31, 2024
Opening cost	177,868	177,868
Impairment of financial non-current assets	–62,852	–
Closing accumulated cost	**115,016**	**177,868**

SHARES IN SUBSIDIARIES AND THE GROUP'S COMPOSITION

SEK thousands	Reg.no	Registered address	No. of shares	Share of equity %	Book value
Björn Borg Brands AB	556537-3551	Stockholm	84,806	100	58,215
Björn Borg Clothing AB	556414-0373	Stockholm	1,000	100	
Björn Borg Sweden AB	556374-5776	Stockholm	3,000	100	
Björn Borg Retail AB	556577-4410	Stockholm	1,000	100	
Björn Borg Denmark ApS	41928905	Copenhagen	40	100	55
Björn Borg Footwear AB	556280-5746	Varberg	5,000	100	16,781
Björn Borg Inc		Delaware	3,000	100	–
Björn Borg UK Limited	7392965	Wales	400,000	100	–
Baseline BV	34268432	Amsterdam	90,000	100	29,005
Dutch Brand Management BV	34215236	Amsterdam	50,000	100	
Dutch Brand Management Retail BV	17169366	Amsterdam	500,000	100	
Belgian Brand Management BVBA	884801039	Gent	1,500	100	2,280
Belgian Brand Management Retail BVBA	810366902	Gent	186	100	
Björn Borg Finland OY	2126188-3	Helsinki	100	100	8,680
Björn Borg Limited (China) Limited CR	1671008	Hong Kong	7,500	75	–
Björn Borg (Shanghai) Trading Co. Ltd	310000400680797	Shanghai	n/a	100	
					115,016

NOTE M17 PREPAID EXPENSES AND ACCRUED INCOME

SEK thousands	Dec 31, 2025	Dec 31, 2024
Prepaid rents	1,929	1,591
Prepaid insurance	370	360
Prepaid leasing	18	58
Prepaid marketing expenses	599	2,059
It costs	1,403	1,150
HR-related items	631	578
Other	292	494
	5,241	**6,288**

NOTE M18 DIVIDEND PER SHARE

The Annual General Meeting on May 15, 2025, resolved a distribution of SEK 75,445,152 be paid for the financial year 2024 corresponding with a dividend of SEK 3.00 per share. The Board of Directors has decided to propose to the Annual General Meeting that a dividend of SEK 3.00 per share be distributed for the financial year 2025. Payment is expected to be made on May 26, 2026, subject to approval at the Annual General Meeting. The Board's proposal represents a transfer to the shareholders of –75,445 TSEK (–75,445).

NOTE M19 UNTAXED RESERVES

SEK thousands	Dec 31, 2025	Dec 31, 2024
Accumulated accelerated depreciation/amortization	1,241	835
	1,241	**835**

NOTE M20 LIABILITIES

NON-CURRENT INTEREST-BEARING LIABILITIES

SEK thousands	Dec 31, 2025	Dec 31, 2024
Short-term debt to credit institutions	63,540	17,281
Total interest-bearing liabilities	**63,540**	**17,281**

Other non-current liabilities
The company has an overdraft facility with Danske Bank amounting to SEK 200 million (200).

As of December 31, 2025, SEK 63.5 million (17.3) of the overdraft facility had been utilized.

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

As of December 31, 2025, the ratio was 0.41 (0.08), and the equity ratio amounted to 50.2 percent (49.7).

Apart from the above, no significant changes have occurred regarding pledged assets and contingent liabilities compared with December 31, 2024.

NOTE M21 ACCRUED EXPENSES, DEFERRED INCOME AND PROVISIONS

SEK thousands	Dec 31, 2025	Dec 31, 2024
HR-related items	6,708	7,889
Audit expenses	2,554	1,577
Marketing expenses	2,270	1,015
Rent expenses	208	417
Other	597	186
	12,337	**11,084**

NOTE M22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

PLEDGED ASSETS

SEK thousands	Dec 31, 2025	Dec 31, 2024
Shares in subsidiaries	58,215	58,215
	58,215	**58,215**

CONTINGENT LIABILITIES

SEK thousands	Dec 31, 2025	Dec 31, 2024
Rental guarantee and other guarantees	193	155
	193	**155**

See also Note M16.

NOTE M23 CHANGE IN FINANCIAL LIABILITIES

SEK thousands	Dec 31, 2024	Cash flow	Changes in fair value	Dec 31, 2025
Overdraft facility	17,281	46,259	–	63,540
Currency derivatives	–	–	734	734
Total loans from financial activities	**17,281**	**46,259**	**734**	**64,274**

SEK thousands	Dec 31, 2023	Cash flow	Changes in fair value	Dec 31, 2024
Short-term loans	–	17,281	–	17,281
Total loans from financial activities	**–**	**17,281**	**–**	**17,281**

NOTE M24 PROPOSED DISTRIBUTION OF PROFIT

The following unappropriated earnings are at disposal of the Annual General Meeting:

Retained earnings, SEK	8,621,176
Profit for the year, SEK	69,996,192
	78,617,368
The Board proposes that:	
Shareholders receive a dividend of SEK 3.00 per share, totaling SEK	75,445,152
Carried forward, SEK	3,172,216
	78,617,368

Signatures of the Board of Directors

The annual report was authorised for issue by the Board of Directors and the Chief Executive Officer on 23 April 2026.

The undersigned certify that the consolidated financial statements and the annual report have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU as well as generally accepted auditing standards and provide a true and fair view of the financial position and results of the Group and the Parent Company and that the Board of Directors' report provides a true and fair overview of the operations, financial position and results of operations of the Group and the Parent Company and describes the substantial risks and uncertainties faced by the Parent Company and companies in the Group.

Stockholm, April 24, 2026

Johanna Schottenius
Chairman

Alessandra Cama
Board member

Jens Høgsted
Board member

Cecilia Bönström
Board member

Fredrik Lövstedt
Board member

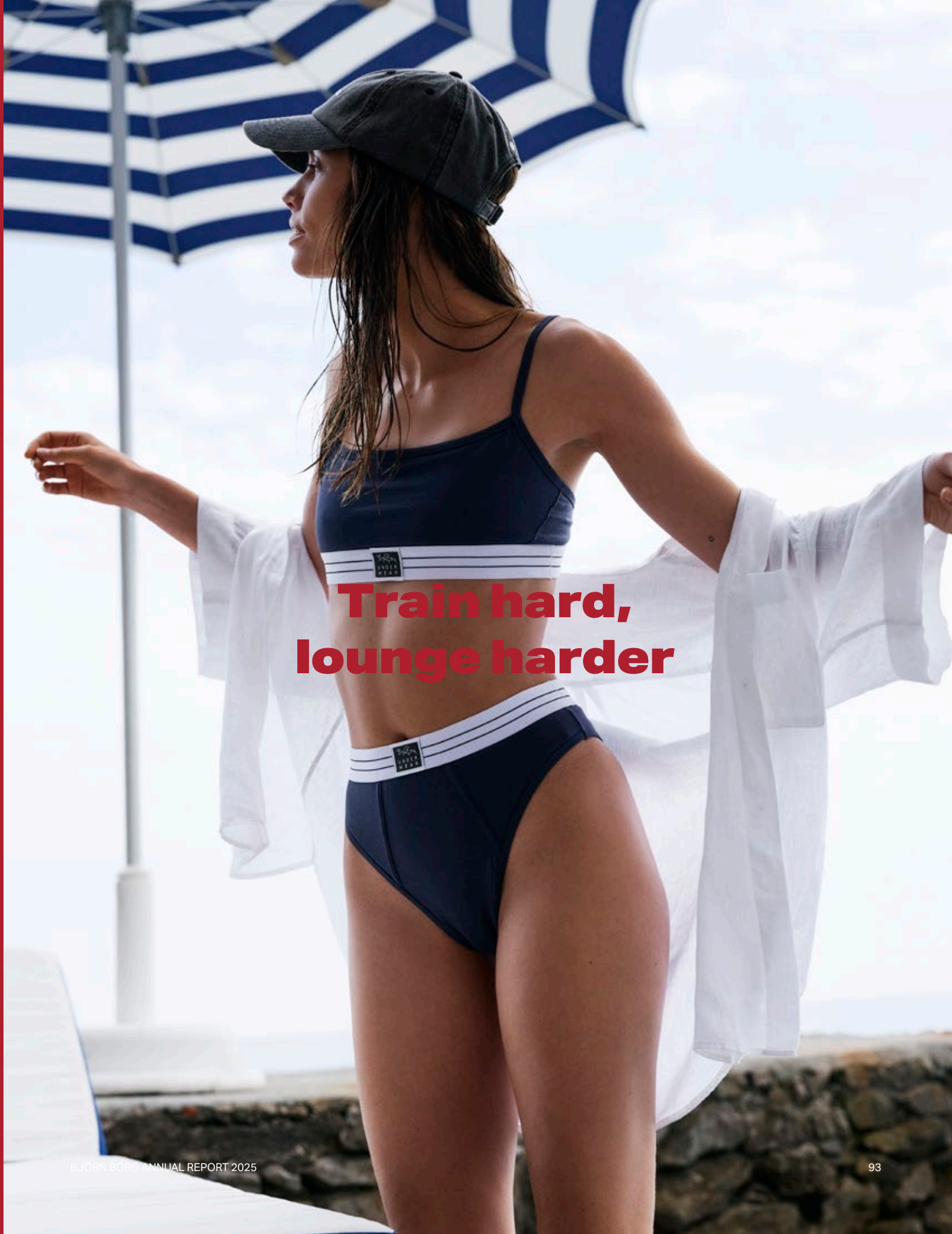
Mats H Nilsson
Board member

Henrik Bunge
CEO

Our audit report was submitted on April 24, 2026
BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant
Chief auditor

This is an English translation of the Swedish annual report. In case of discrepancies between the English translation and the Swedish annual report, the Swedish annual report shall prevail.



Train hard, lounge harder

Auditor's report

To the general meeting of the shareholders of Björn Borg AB (publ), corporate identity number 556658-0683

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Björn Borg AB (publ) for the financial year 2025. The annual accounts and consolidated accounts of the company are included on pages 38-93 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Audit Committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of inventory

The Group recognized inventory of SEK 257,2 million on December 31, 2025. Inventory is recognized at the lower of cost according to the first-in-first-out method and net selling price. Net selling price consists of net realizable value and corresponds to the estimated sales price less estimated selling expenses. We have identified this as an area of particular importance partly because the Group's inventory is a material item and because the Group's operations are highly affected by the changing trends and fashions, which can affect the ability of the Group to sell its collections. The obsolescence reserve is based on individual assessments from management's standpoint. For further information, refer to the section Risks, uncertainties and risk management in the Board of Directors' report and the Group's accounting principles in Note K1 and Note K18, Inventory.

How our audit addressed the Key audit matter

Our audit procedures included but were not limited to:

Initially we evaluated the group's routines and internal controls for managing inventory. We examined management's assessment of the inventory's valuation with a focus on ensuring that the correct inputs have been used in the valuation model and that it fairly reflects reality in view of the valuation of obsolete merchandise. In addition, we verified the inventory pricing by sample tests of the prices.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3-37, 98-103 and 109. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice, to the Board of Directors' responsibilities and tasks in general, among other things, oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS THE AUDITOR'S AUDIT OF THE ADMINISTRATION OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Björn Borg AB (publ) for the financial year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Björn Borg AB (publ) for the financial year 2025 Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Björn Borg AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 require us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standards on Quality Management 1, which requires the firm to design, implement and operate a system of quality management, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards, and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XTHML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

BDO Mälardalen AB was appointed auditor of Björn Borg AB (publ) by the general meeting of the shareholders on 15 May 2025 and has been the company's auditor since 18 May 2021.

Stockholm, date and signature on the Swedish original
BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant

This is a translation of the Swedish language original.
In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

The share

The Björn Borg share was listed on the Mid Cap list of Nasdaq Stockholm on May 7, 2007 but has been on the Small Cap list since January 2, 2013. The share, which is traded under the ticker symbol BORG, had previously been listed on the First North alternative marketplace since December 2004.

SHARE CAPITAL
The share capital in Björn Borg AB amounts to SEK 7,858,870, divided into 25,148,384 shares with a quota value of SEK 0.3125 per share. All shares carry equal rights to participate in the company's assets and profits.

SHARE TRADING
The last price paid on December 30, 2025, was SEK 62.80, which gave Björn Borg a market capitalization of approximately SEK 1,579 million. A total of 3,491,406 shares were traded in 2025, corresponding to a value of approximately SEK 203 million. The average number of shares traded per trading day was 14,022. The share price increased in value during the year by SEK 11.19, which was 21.7 percent higher than last year. The highest rate noted during the year was SEK 69.30 and the lowest rate was SEK 43.00.

INCENTIVE PROGRAM LTIP 2023/2026
The 2023 Annual General Meeting decided on the introduction of a new long-term incentive program, LTIP 2023/2026, which can be described as a warrant-based program whereby senior executives and other key personnel have acquired warrants issued by Björn Borg. In total, the company has issued 300,000 warrants which they subsequently have the right to hand over to the participants in the incentive program. The subscription price for the options was calculated to SEK 54.70, which corresponded to 130 percent of the average volume-weighted price paid for the company's share on Nasdaq Stockholm during the period from and including May 29, 2023, to and including June 12, 2023, which amounted to SEK 42.10. The calculation was performed by Elleme AB according to the Black and Scholes valuation model.

DIVIDEND POLICY
According to Björn Borg's long-term financial goals for the business, at least 50 percent of the net profit after tax must be distributed annually to the company's shareholders.

DIVIDEND PROPOSAL
The Board proposed to the AGM that a distribution for 2025 of SEK 3.00 per share be paid, corresponding to 82 percent of profit after tax.

The dividend will be paid in full, subject to approval by the Annual General Meeting, on 26 May 2026.

The Board's proposal corresponds to a transfer to the shareholders of SEK 75.4 million (75.4). For the financial year 2024, a distribution of SEK 3.00 per share took place, which corresponded to 104 percent of profit after tax.

The Board also decided to propose to the Annual General Meeting that the general meeting should issue an authorization for the Board to buy back the company's own shares.

SHAREHOLDERS
As of 30 December 2025, the number of shareholders in Björn Borg amounted to 9,952 (9,550), according to Modular Finance, following shareholder grouping by the company. Björn Borg's ten largest shareholders held shares corresponding to 61.7 per cent (60.3) of the voting rights and capital in the company.

CHANGES IN SHARE CAPITAL

Year	Transaction	Change in no. of shares	Total no. of shares	Change in share capital, SEK	Total share capital, SEK	Quota value, SEK	Issue price, SEK
2004	Company formation	1,000	1,000	100,000	100,000	100.00	–
2004	New share issue	7,500	8,500	750,000	850,000	100.00	6
2004	Non-cash issue	37,243	45,743	3,724,000	4,574,300	100.00	6
2004	20-for-1 split	869,117	914,860	–	4,574,300	5.00	–
2004	New share issue	450,000	1,364,860	2,225,000	6,824,300	5.00	17
2004	Bonus issue	66,176	1,431,036	330,880	7,155,180	5.00	16
2006	4-for-1 split	4,293,108	5,724,144	–	7,155,180	1.25	–
2006	Redemption of warrants	15,800	5,739,944	19,750	7,174,930	1.25	27
2006	Redemption of warrants	61,900	5,801,844	77,375	7,252,305	1.25	27
2007	New share issue	278,552	6,080,396	348,190	7,600,495	1.25	90
2007	4-for-1 split	18,241,188	24,321,584	–	7,600,495	0.31	–
2007	Redemption of warrants	422,400	24,743,984	132,000	7,732,495	0.31	33
2007	Redemption of warrants	293,000	25,036,984	91,563	7,824,058	0.31	33
2008	Redemption of warrants	4,600	25,041,584	1,438	7,825,495	0.31	33
2008	Redemption of warrants	17,600	25,059,184	5,500	7,830,995	0.31	33
2009	Redemption of warrants	89,200	25,148,384	27,875	7,858,870	0.31	33

LARGEST SHAREHOLDERS

	No. of shares	Votes/capital, %
Nordnet Pension	4,056,659	16.1
Martin Bjäringer	2,500,000	9.9
Mats Nilsson	1,638,440	6.5
The Schottenius family	1,406,400	5.6
Thomas Eklund	1,399,260	5.6
Avanza Pension	1,328,789	5.3
Lazard Frères Gestion	1,315,000	5.2
Fredrik Lövstedt	910,000	3.6
Henrik Ekelund	500,000	2.0
Carl Rosvall	465,000	1.9
Total, largest owners	**15,519,548**	**61.7**
Total, other	**9,628,836**	**38.3**
Total number of shares	**25,148,384**	**100.0**

According to share register on December 30, 2025, shareholders grouped by the company. With respect to major shareholders in Björn Borg, holdings of related parties are equated with the shareholder's own shares to the extent allowed by the Act on Reporting Obligations for Certain Holdings of Financial Instruments.

SHAREHOLDER ANALYSIS

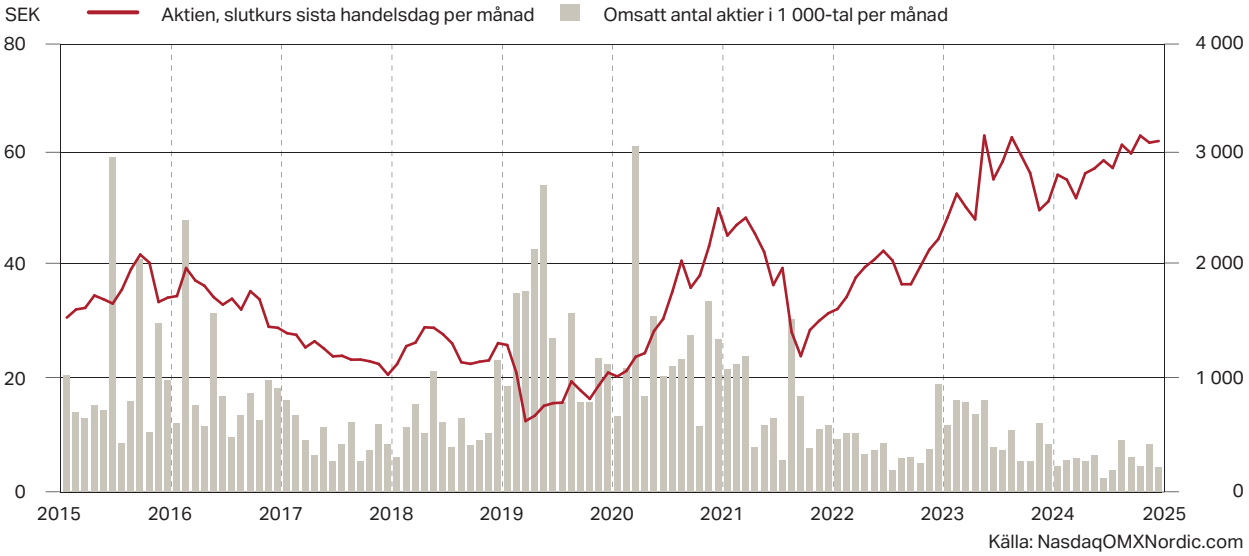
Size of holding	No. of shareholders	No. of shares	Capital and votes, %
1 – 500	7,897	869,789	3.46
501 – 1,000	927	742,304	2.95
1,001 – 5,000	919	2,075,520	8.25
5,001 – 10,000	109	828,172	3.29
10,001 – 20,000	46	679,747	2.70
20,001 – 50,000	19	646,149	2.57
50,001 –	35	19,306,703	76.77
Total	**9,952**	**25,148,384**	**100.0**

Source: Modular Finance AB on December 31, 2025, shareholders grouped by the company.

DATA PER SHARE

	2025	2024	2023	2022	2021
Earnings per share before dilution, SEK	3.66	2.89	3.02	2.02	3.42
Earnings per share after full dilution, SEK	3.66	2.89	3.02	2.02	3.42
Number of outstanding shares on closing day	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Average number of shares outstanding	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Average number of shares outstanding after full dilution	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384

KURSUTVECKLING



Källa: NasdaqOMXNordic.com

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/cs-financials/reports

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 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 less investments and cash and cash equivalents divided by operating profit before depreciation/amortizartion.
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.

Board of directors and auditors

Johanna Schottenius

Chairman of the Board since 2025.
Board member between 2022-2025.
Born: 1981.
Master in finance (MSc) from HHS Göteborg.
Other assignments: CEO Schottenius & Partners AB. Board member Vertiseit AB.
Previous assignments: Global responsible for sustainability and strategic projects at IKEA Centers, All Channel Experience Manager IKEA Norway, Deputy Store Manager IKEA, management consultant at Ekan Management.
Shares in Björn Borg: 382,880.

Independent from the company and management as well as from major shareholders.

Alessandra Cama

Director. Director since 2018
Born: 1967.
L.U.I.S.S. (Libera Università degli Studi Sociali), Rome. LICEO SCIENTIFICO "Leonardo da Vinci", Reggio Calabria.
Other assignments: CEO, Zertus and ZRT Fr. Meyers Sohn Holding.
Previous assignments: Managing Director Marketing & Sales, Warsteiner Brauerei, member of the Managing Board GfK, partner at Roland Berger Strategy Consultants.
Shares in Björn Borg: 20,000.

Independent from the company and management as well as from major shareholders.

Jens Høgsted

Director. Director since 2021.
Born: 1972.
Master of Science, Technical University of Denmark.
Other assignments: Chairman of the board of Imerco Group, Laudrup Vin.
Previous assignments: CEO Sportmaster and Sport Nordic Group (Holding), cofounder and partner Qvartz, partner and consultant Valtech and consultant Coopers & Lybrand. Previous Board member of Svendsen Sport, Pack Tech, Ball Group, Unisport, Change Lingerie and Bestseller Retail Europe.
Shares in Björn Borg: 12,000.

Independent from the company and management as well as from major shareholders.

Cecilia Bönström

Director. Director since 2025.
Born: 1970.
Upper secondary diploma from Rudebecks, Gothenburg.
Other assignments: Founder of CiaConsulting. Consultant with a focus on the fashion industry.
Previous assignments: Creative Director at Zadig&Voltaire, 2006-2024.
Shares in Björn Borg: 0.

Independent from the company and management as well as from major shareholders.

Fredrik Lövstedt

Director. Director since 2017.
Chairman 2005-2017.
Director 2004-2005.
Born: 1956.
MSc Eng, KTH Royal Institute of Technology; MBA, INSEAD.
Other assignments: Founder AlertSec Inc. CEO and major owner of Durator AB.
Previous assignments: Deputy CEO of Protect Data AB (1996–2001). Has run his own company since 1984.
Shares in Björn Borg: 910,000.

Independent from the company and management as well as from major shareholders.

Mats H Nilsson

Director. Director since 1998.
Born: 1955.
Civilekonom från Handelshögskolan i Stockholm.
Previous assignments: Former Executive Director of Swiss Bank Corporation, London, and Director of SG Warburg & Co Ltd, London.
Shares in Björn Borg: 1,638,440.

Independent from the company and management as well as from major shareholders.

Auditors

BDO Mälardalen AB.
Johan Pharmanson, Authorised Public Accountant, chief auditor.

Holdings as of December 31, 2025.

Senior management

Henrik Bunge
CEO.
Born: 1973.
Recruited: 2014.
LLB University of Uppsala, Sales Management Harvard.
Previous assignments: CEO of Peak Performance, Managing Director Group Area Nordic at Adidas and VP Sales and Marketing at Hästens sängar.
Shares in Björn Borg: 110,000.

Daniel Grohman
Global Operations Director.
Born: 1975.
Recruited: 2015.
MBA
Previous assignments: Business Development Director Björn Borg, CFO Björn Borg, CFO & Buying Director at Efva Attling, Nordic Finance Director at Adidas Group Nordic.
Shares in Björn Borg: 3,796.

Jens Nyström
CFO.
Born: 1973.
Recruited: 2018.
MBA.
Previous assignments: CFO Haglöfs, Nordic Finance Director Sanofi Pasteur MSD, Nordic Finance Director SC Johnson.
Shares in Björn Borg: 5,000.

Emma Bengtsson
Marketing Director.
Born: 1989.
Recruited: 2015.
BA Strategic communication, Lund University. Strategic communication & PR, Berghs School of Communication.
Previous assignments: PR Indiska, Social Media Manager, Global PR Manager, Brand Communications Manager, Björn Borg.
Shares in Björn Borg: 4,079.

Johanna Sevonius Södergren
Chief Commercial Officer.
*Born:*1988.
Recruited: 2024.
Masters degree in Accounting and Financial Mgmt, Stockholm School of Economics.
Previous assignments: Chief Product Officer, Vitamin Well Group.
Shares in Björn Borg: 3,881.

Robin Salazar
Global E-commerce Director.
Born: 1982.
Recruited: 2017.
Marketing Communications, Berghs SoC. Digital marketing, Hyper Island.
Previous assignments: Global E-commerce Manager at Peak Performance, Agency Director at Britny.
Shares in Björn Borg: 1,500.

Joacim Sjödin
Global Sales Director.
Born: 1975.
Recruited: 2015.
Previous assignments: Country manager Adidas Group, 2006-2012; European Sales Director Peak Performance, 2012-2015.
Shares in Björn Borg: 10,000.

Holdings as of December 31, 2025.

Corporate Governance Report 2025

The Björn Borg share is listed on Nasdaq Stockholm.

CORPORATE GOVERNANCE AT BJÖRN BORG

Corporate governance refers to the regulatory framework and structure established to govern and manage the operations of a limited liability company in an efficient and controlled manner. Ultimately, corporate governance aims to meet shareholders' demands for returns and all stakeholders' needs for information about the company and its development.

The principles of corporate governance that Björn Borg applies, in addition to the rules that follow from law or other regulations such as the Swedish Companies Act (2005:551), the Annual Accounts Act (1995:1554), Nasdaq's rules for issuers and the Swedish Code of Corporate Governance (the "Code"). The Board of Directors is responsible for monitoring the application of the Code on an ongoing basis. If companies covered by the Code do not comply with the Code in any respect, the company must report this deviation, describe the solution chosen instead and state the reasons for this. During the year, Björn Borg has not made any deviations from the Code.

This Corporate Governance Report does not form part of the formal Annual Report.

GENERAL MEETING

Björn Borg's highest decision-making body is the Annual General Meeting.

At the company's Annual General Meeting, the company's Board of Directors and Chairman of the Board are elected. The tasks of the Annual General Meeting also include adopting the company's balance sheet and income statement, deciding on the allocation of the company's results and deciding on discharge from liability for the members of the Board of Directors and the CEO. The AGM also resolves on remuneration to the Board of Directors and approves guidelines for remuneration to the executive management. The Annual General Meeting also elects the company's auditors and decides on fees to be paid to the auditors. The Annual General Meeting also has the opportunity to decide on an increase or decrease of the share capital and may also amend the Articles of Association. With regard to new issues of shares, convertibles or warrants, the AGM has, in addition to the possibility to decide on this, the opportunity to grant authorizations to the Board of Directors to make decisions. Notice of Björn Borg's Annual General Meeting is published on the company's website, in the Swedish Official Gazette and in the Swedish newspapers. More information about Björn Borg's Annual General Meetings is available on Björn Borg's website, https://corporate.bjornborg.com/en/arsstamman/.

Annual General Meeting 2026

The 2026 Annual General Meeting will be held on 19 May 2026 and this year's Annual General Meeting will take place at 5.30 p.m. at Gate:1's premises, Frösundaviks allé 1, 169 70 Solna, Sweden. Notice of the Annual General Meeting with further information will be published no later than four weeks prior and issued in accordance with the Articles of Association and the rules applicable under the Swedish Companies Act and taking into account the Code. More information about Björn Borg's Annual General Meeting is available on Björn Borg's website, https://corporate.bjornborg.com/en/arsstamma-2026/.

Annual General Meeting 2025

The 2025 Annual General Meeting was held on 15 May 2025. At the Annual General Meeting, resolutions were passed to re-elect Alessandra Cama, Fredrik Lövstedt, Mats H Nilsson, Jens Høgsted and Johanna Schottenius as members of the Board of Directors and to elect Cecilia Bönström as a new Board member. The AGM further resolved to elect Johanna Schottenius as new Chairman of the Board for the period until the end of the next AGM. The AGM also resolved, among other things, on a limited authorization for the Board of Directors to resolve on a new share issue of a maximum of SEK 390,625 (divided into a maximum of 1,250,000 new shares). The authorization also included the right to resolve on a new share issue with a determination on contribution in kind or that shares shall be subscribed for with the right of set-off or otherwise with conditions in accordance with Chapter 13, Section 7, Chapter 14, Section 9 or Chapter 15, Section 9 of the Swedish Companies Act. The Annual General Meeting also authorized the Board of Directors to acquire and transfer the company's own shares. The minutes from the Annual General Meeting are available on Björn Borg's website.

NOMINATION COMMITTEE

According to a resolution at the 2025 Annual General Meeting, a Nomination Committee for Björn Borg shall be appointed by the Chairman of the Board contacting the four largest shareholders in terms of voting rights as of 31 August 2025 and asking them to appoint one person to participate in the Nomination Committee. If any of these shareholders chooses to waive their right to appoint a member, the right will pass to the shareholder who, after these shareholders, has the largest shareholding. The Nomination Committee, the composition of which was published on the Group's website in October 2025, consists of the following members ahead of the 2026 Annual General Meeting:

- Mathias Nimlin, appointed by Martin Bjäringer
- Mats H Nilsson, shareholder
- André Schottenius, appointed by the Schottenius family
- Thomas Eklund, shareholder

Johanna Schottenius shall also in her role as Chairman of the Board be co-opted to the Nomination Committee, except when the Nomination Committee shall consider the issue of preparing proposals for the election of the Chairman of the Board. Mathias Nimlin has been appointed Chairman of the Nomination Committee. The Nomination Committee has, in accordance with a resolution at Björn Borg's Annual General Meeting 2025, been tasked with preparing proposals for the 2026 Annual General Meeting regarding the number of Board members to be elected by the Annual General Meeting, Board fees, any remuneration for committee work, the composition of the Board of Directors, the Chairman of the Board, decisions regarding the Nomination Committee, the Chairman of the Annual General Meeting and the election of auditors and auditors' fees. The Nomination Committee has had four meetings since the 2025 Annual General Meeting and contacts in between. No special remuneration has been paid to the members of the Nomination Committee.

Prior to the 2026 Annual General Meeting, the Nomination Committee focused on taking stock of and discussing potential Board candidates based on the Björn Borg Group's operations, stage of development and other conditions. The Nomination Committee discussed the size and composition of the Board of Directors in terms of experience and expertise in all areas relevant to Björn Borg's operations. The Nomination Committee paid particular attention to the need for an even gender distribution within the Board.

THE BOARD OF DIRECTORS

According to the Articles of Association, Björn Borg's Board of Directors shall consist of a minimum of four and a maximum of eight members. The members are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting. At the 2025 Annual General Meeting , Alessandra Cama, Fredrik Lövstedt, Mats H Nilsson, Jens Høgsted and Johanna Schottenius were re-elected as members of the Board of Directors and Cecilia Bönström was elected as a new Board member. Anette Klintfält and Heiner Olbrich declined re-election. Furthermore, the AGM resolved to elect Johanna Schottenius as new Chairman of the Board.

The Company's Board of Directors fulfils the requirements of the Code that a majority of the members shall be independent in relation to the Company and its management, and that at least two of these members shall be independent in relation to the Company's major shareholders. Ahead of the 2025 Annual General Meeting, the Nomination Committee made the assessment that all proposed Board members were independent from the company and its management as well as from major shareholders.

An annual Board evaluation, which aims to map how the Board's work works and whether the Board has a composition that is appropriate for the company's needs, has taken place within the company during the fourth quarter and the conclusions have been presented in their entirety to the Nomination Committee.

The Board of Directors is assisted by a lawyer as external Secretary of the Board. For other information about the Board members, please refer to page 102 of the Annual Report.

The Board's work procedures

It follows from the Swedish Companies Act that Björn Borg's Board of Directors is responsible for the company's organisation and the administration of the company's affairs and appoints the company's CEO. The Board of Directors establishes the company's objectives and strategy and adopts significant policy documents and continuously monitors compliance with these. The Board of Directors is also responsible for ensuring that the company's organization is structured in such a way that the company has satisfactory control over the company's bookkeeping, asset management and overall financial position. The Board also has the ultimate responsibility for the various Board committees. The Rules of Procedure of the Board of Directors, which were most recently adopted at the Board meeting on 14 August 2025, set out the principles for the work of the Board, the division of responsibilities within the Board, the division of responsibilities between the Board of Directors and the CEO, and financial reporting. The Chairman of the Board is responsible for ensuring that the work of the Board is conducted in an efficient manner, chairing meetings and maintaining ongoing contact with the company's CEO.

The work of the Board

In 2025, the Board of Directors held five meetings, four of which were in connection with the quarterly financial reporting and one meeting per capsulam. The attendance of Board members at this year's Board meetings is shown in the table below.

Remuneration Committee

The Board of Directors has established a Remuneration Committee consisting of the Chairman of the Board Johanna Schottenius, Mats H Nilsson and Fredrik Lövstedt, to prepare matters relating to remuneration and other terms of employment for the company management. Until the 2026 Annual General Meeting, the Remuneration Committee has had a recorded meeting, as well as informal meetings and contacts in between. During the year, the Committee, which has only a preparatory function, has, among other things, (i) prepared the Board's decisions on matters concerning remuneration principles, remuneration and other terms of employment for senior executives, (ii) evaluated the completed program for variable remuneration for senior executives, (iii) followed and evaluated the application of the guidelines for remuneration to senior executives adopted by the Annual General Meeting and applicable remuneration structures and remuneration levels in the company. Fredrik Lövstedt did not participate in the Remuneration Committee meeting, but was informed of the content agreed with the decisions made at the meeting.

BOARD ATTENDANCE IN 2025

	Feb 20	Apr 7*	May 15	Aug 14	Nov 13
Alessandra Cama	1	1	1	1	1
Jens Høgsted	1	1	1	1	1
Cecilia Bönström**				1	1
Johanna Schottenius	1	1	1	1	1
Anette Klintfeldt	1	1	1		
Fredrik Lövstedt	1	1	1	1	1
Mats H Nilsson	1	1	1	1	1
Heiner Olbrich***	1	1	1		
Number of participants	**7 (out of 7)**	**7 (out of 7)**	**7 (out of 7)**	**6 (of 6)**	**6 (of 6)**

* The meeting was held per capsulam, with all members participating in the decisions.
** The person in question joined the board at the 2025 annual general meeting.
*** The person in question left the board at the 2025 annual general meeting.

Audit Committee
The Board of Directors has established an Audit Committee consisting of the Chairman of the Board Heiner Olbrich, Mats H Nilsson and Fredrik Lövstedt. The Audit Committee supports the Board of Directors in its work to ensure the quality of Björn Borg's financial reporting and is tasked with, among other things, ensuring that correct financial reporting of high quality is prepared and communicated. The Audit Committee is also tasked with making a recommendation to the Nomination Committee regarding the election of auditors. In 2025, the committee held a total of four meetings, all in connection with the quarterly reports. All members of the Committee attended these meetings, with the exception of the meeting held on 12 May 2025, at which Fredrik Lövstedt was not present. In 2025, the CEO participated in the meetings of the Audit Committee as a so-called co-opted member. The committee has only one preparatory function.

THE CEO
The Board of Directors has adopted instructions for the work and role of the CEO, which in its current version was adopted on 15 August 2024. The CEO is responsible for the day-to-day management of the Group's operations in accordance with the Board's guidelines and other adopted policies and guidelines, and reports to the Board.

Henrik Bunge (1973) has been CEO since 4 August 2014. He does not own any shares in companies with which Björn Borg has significant business relationships. For other information about the CEO, please refer to page 103 of the Annual Report.

THE COMPANY'S AUDITORS
The external auditors shall review Björn Borg's annual report and accounting as well as the administration of the Board of Directors and the CEO. After each financial year, the auditors shall submit an auditor's report to the Annual General Meeting. At the 2025 Annual General Meeting, the registered accounting firm BDO Mälardalen AB was appointed as continued auditor of the company for the period until the end of the next Annual General Meeting. The auditor Johan Pharmanson was appointed auditor in charge. Election of auditor shall take place at the 2026 Annual General Meeting.

Further information about the auditors can be found on page 102 of the Annual Report and information on the auditors' fees can be found in Note K10.

REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES
The Chairman of the Board and members of the Board of Directors are paid in accordance with the resolution of the Annual General Meeting. The AGM resolved, in accordance with the Nomination Committee's proposal, that remuneration for the coming term of office shall be paid in the amount of (i) SEK 490,000 to the Chairman of the Board of Directors and SEK 200,000 to the other members, (ii) SEK 22,000 to the members of the Remuneration Committee and SEK 44,000 to the Chairman of the Board and (iii) SEK 62,000 to the members of the Audit Committee and SEK 90,000 to its chairman.

In accordance with the resolution at the 2024 Annual General Meeting on guidelines for remuneration to senior executives, remuneration to the CEO and other members of the executive management may consist of fixed salary, variable remuneration, pension and other benefits. In addition, and independently of the guidelines, the Annual General Meeting may resolve on share- and share-price-related remuneration. Any variable remuneration is based on the outcome in relation to defined and measurable targets designed to promote the company's business strategy and long-term value creation, and is capped at 50 percent of the fixed salary during the measurement period, which is normally one year.

Fixed salary and variable remuneration as well as benefits for the CEO and management of Björn Borg are set out in Note K8 in the Annual Report.

FINANCIAL REPORTING
The quality of financial reporting is ensured through policies and instructions for the division of responsibilities and governance adopted by the Board of Directors, such as the instructions for the CEO regarding financial reporting, among other things. The Board of Directors receives the latest financial reports before each Board meeting, and at each Board meeting, the financial situation of the parent company and the Group is discussed. The Board also deals with interim reports and annual reports. At least once a year, the company's auditors report on whether the company has ensured that accounting, administration and financial control function in a satisfactory manner. After a formal report, the representatives of the company management leave the board meeting so that the board members can have a dialogue with the auditors without the participation of executives in the company.

THE BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROL TO THE EXTENT THAT IT RELATES TO FINANCIAL REPORTING
The Board of Directors is responsible, in accordance with the Swedish Companies Act and the Code, for internal control. The below report on internal control regarding financial reporting 2025 has been prepared in accordance with these regulations and forms part of the Corporate Governance Report. Björn Borg's Board of Directors has evaluated the need for a special audit function (internal audit) and has concluded that such a function is not currently justified taking into account the staffing of the company's finance function in relation to the nature, scope and complexity of the business.

ORGANISATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING
Control environment and corporate governance
The control environment forms the basis for internal control of financial reporting. The Board's rules of procedure and instructions for the CEO and the Board's committees ensure a clear division of roles and responsibilities aimed at effective management of the company's risks. The Board has established a number of basic guidelines and frameworks that are important for internal control. Examples of these are the Board's rules of procedure, financial policy, code of conduct and communication policy, which have been reviewed during the year. The Board's Audit Committee has the specific task of monitoring and quality assuring the financial reporting. The Audit Committee follows up on internal control in connection with meetings prior to the quarterly reporting. The company management reports regularly to the Board of Directors based on established procedures, which the Audit Committee also does. The company management is responsible for ensuring that established procedures and systems for internal control are followed to ensure correct management of material risks in day-to-day operations. This includes, among other things, procedures and guidelines for various executives to understand the importance of their respective roles in maintaining good internal control.

Risk assessment
The company's management works continuously and actively with risk analysis, risk assessment and risk management to ensure that the risks faced by the company are managed appropriately within the framework established. The risk assessment takes into account, for example, the company's administrative procedures regarding operational, financial and legal risks. Balance sheet and profit and loss items where the risk of material error could arise are also reviewed continuously. Assessment of risks in various major balance sheet and profit and loss items is graded and followed up. The Audit Committee plays an important role in the risk assessment as it reports its observations and focus areas to Björn Borg's Board of Directors.

Communication and control activities
The Board receives financial reports before each Board meeting. The financial situation of the parent company and the group is discussed as a separate item at each board meeting. The Audit Committee plays an important role in the follow-up process as it reports its observations and focus areas to the Board. Manuals, guidelines and policy documents that are of importance to financial reporting are updated and informed to all interested parties on an ongoing basis via internal meetings or e-mails. To ensure that the external disclosure of information is correct, Björn Borg has a communication policy established by the Board of Directors. Information reporting and financial reporting for all Swedish subsidiaries are handled by Björn Borg's finance department. The foreign subsidiaries are managed locally. The company's auditors audit the financial reporting in the Group and thus audit processes, systems, procedures and year-end work carried out by Björn Borg's finance department.

Follow-up
The Board of Directors of Björn Borg is ultimately responsible for internal control. The tasks of the Audit Committee appointed by the Board of Directors are, among other things, to ensure the quality of the company's financial reporting, to inform itself about the focus of the audit and to review the effectiveness of the internal control systems for financial reporting. The Audit Committee has the internal control structure as a recurring item at its meetings.

THE BJÖRN BORG SHARE AND OWNERSHIP
The shares in Björn Borg AB are listed on Nasdaq Stockholm, the small cap list. The total number of shares in Björn Borg amounts to 25,148,384. There is only one class of shares. The share capital amounts to SEK 7,858,870 and the quota value per share is SEK 0.3125. A share entitles the holder to one vote at a general meeting and there are no restrictions on the number of votes each shareholder can cast at a general meeting. The number of shareholders in Björn Borg at the end of the year was 9,952 (9,550). The largest shareholder as of December 31, 2025 was Nordnet Pension, through companies and directly, with 16 percent of the shares and votes. There are no restrictions on the right to transfer the Björn Borg share due to a provision in law or in Björn Borg's Articles of Association. Björn Borg is also not aware of any agreements between shareholders that may entail restrictions on the right to transfer Björn Borg shares.

TEN LARGEST OWNERS AS OF 31 DEC, 2025

	Number	Share, %
Nordnet Pension	4,056,659	16.1
Martin Bjäringer	2,500,000	9.9
Mats Nilsson	1,638,440	6.5
The Schottenius family	1,406,400	5.6
Thomas Eklund	1,399,260	5.6
Avanza Pension	1,328,789	5.3
Lazard Frères Gestion	1,315,000	5.2
Fredrik Lövstedt	910,000	3.6
Henrik Ekelund	500,000	2.0
Carl Rosvall	465,000	1.9
Total, largest owners	**15,519,548**	**61.7**
Total, other	**9,628,836**	**38.3**
Total number of shares	**25,148,384**	**100.0**

Auditor's report on the corporate governance statement

To the Annual General Meeting of Björn Borg AB (publ.)
Corporate identity number 556658-0683

ASSIGNMENT AND DISTRIBUTION OF RESPONSIBILITY
The Board of Directors is responsible for the corporate governance report for the financial year 2025-01-01–2025-12-31 on pages 104-107 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT
Our examination has been conducted in accordance with FAR's statement RevU 16 The auditor's examination of the corporate statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination provides us with a sufficient basis for our statements.

STATEMENT
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7 Section 31, second paragraph, of the same Act are consistent with the annual accounts and the consolidated accounts and is in accordance with the Annual Accounts Act.

Stockholm, date as per electronic signature
BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant

Other information

ANNUAL GENERAL MEETING
The shareholders of Björn Borg AB (publ) ("Björn Borg") are hereby invited to the Annual General Meeting on Tuesday, May 19, 2026, at 5:30 p.m. in Gate:01's premises, Frösundaviks allé 1, 169 70 Solna. Registration begins at 16.45. In order to participate in the Annual General Meeting, share holders must, firstly, be registered in the share register kept by Euroclear Sweden AB on Friday, May 8, 2026 ("Record day"), and secondly, register their participation at the AGM no later than Tuesday, May 12, 2026, on the company's website (https://corporate.bjornborg.com/ en/arsstamma -2026/), or by e-mail to stamma@bjornborg.com, by post to Björn Borg AB Frösundaviks allé 1, 169 70 Solna or by phone on 08-506 33 700. If participation is by proxy, the proxy must bring a written, dated power of attorney to the meeting which is signed by the shareholder. If the power of attorney was issued by a legal entity, or if share holders are represented by legal representatives, a copy of the current registration certificate or corresponding authorization document for the legal entity is required. In order to facilitate registration at the meeting, a power of attorney as well as a certificate of registration and other authorization documents should be provided to the company in connection with the notification. A proxy form can be downloaded from the company's website (https://corporate.bjornborg.com/en/arsstamma -2026/). Shareholders who have their shares nominee-registered through a bank or other trustee, for example, they have their shares in a custody account, must – in addition to registering for the Annual General Meeting – request that the shares be temporarily re-registered in their own name so that the shareholder is entered in the share register kept by Euroclear as of the Record Day of Friday, May 8, 2026. Such registration may be temporary (so-called voting rights registration) and is requested from the administrator according to the administrator's routines at such a time in advance as the administrator determines. Voting rights registration that has been requested by shareholders in such a time that the registration has been made by the administrator no later than Tuesday, May 12, 2026, will be taken into account when preparing the share register as of the Record Day. Further information about the Annual General Meeting can be found in the notice and further instructions and conditions for postal voting can be found in the postal voting form, see https://corporate.bjornborg.com/en/arsstamma -2026/.

2025 CALENDAR
The Annual General Meeting 2025 will be held on May 19, 2026.

The interim report for January-March 2025 will be released at 5.30 pm (CET) on April 29, 2026.

The interim report for January-June 2025 will be released at 7.30 am (CET) on August 14, 2026.

The interim report for January-September 2025 will be released at 7.30 am (CET) on October 23, 2026.

The year-end report 2026 will be released on February 5, 2027.

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

SHAREHOLDER CONTACT
Henrik Bunge, CEO
E-mail: henrik.bunge@bjornborg.com
Tel: +46 8 506 33 700

Jens Nyström, CFO
E-mail: jens.nystrom@bjornborg.com
Tel: +46 8 506 33 700

IMAGES IN THE ANNUAL REPORT
The images used in the annual report were obtained from Björn Borg's spring/summer 2026 and high summer 2026 collections.

BJÖRN

BJÖRN BORG AB
Frösundaviks allé 1, SE-169 70 Solna
Tel: +46 8 506 33 700
www.bjornborg.com