

BJÖRN BORG

Björn Borg AB • Interim report
January-March 2023

Strengthened operating profit

JANUARY 1 - MARCH 31, 2023

- Group's net sales amounted to SEK 246.9 million (226.6), an increase of 8.9 percent. Currency-neutral, the net sales increased by 5.2 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 92.9 million (94.6), a decrease of 1.7 percent. Sales for own e-commerce increased by 32.9 percent to SEK 33.4 million (25.1).
- The gross profit margin amounted to 52.2 percent (50.0). Currency-neutral, the gross profit margin amounted to 54.4 percent, an increase of 4.4 percentage points.
- Operating profit amounted to SEK 31.4 million (29.3), an increase of 7.1 percent. Currency-neutral, operating profit amounted to SEK 33.6 million, an increase of 14.8 percent.
- Profit after tax amounted to SEK 24.8 million (23.1), an increase of 7.2 percent.
- Earnings per share before and after dilution amounted to SEK 0.99 (0.92).

QUOTE FROM THE CEO

"The strength of our sports collection becomes particularly clear when we look at the growth of our own e-commerce, where our sports collection grew by 102 percent in the quarter," CEO Henrik Bunge comments.

SEK million	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Full year 2022
Net sales	246.9	226.6	855.4	835.2
Gross profit margin, %	52.2	50.0	51.4	50.8
Operating profit	31.4	29.3	75.0	72.9
Operating margin, %	12.7	12.9	8.8	8.7
Profit after tax	24.8	23.1	52.5	50.9
Earnings per share before dilution, SEK	0.99	0.92	2.09	2.02
Earnings per share after dilution, SEK	0.99	0.92	2.09	2.02



CEO's comments

We start the year with good sales and very good development of our operating profit. The fact that we increased our operating profit in the quarter to SEK 31.4 million, despite the continued weak krona and a troubled world, is a real statement of strength.

Net sales during the quarter were SEK 246.9 million (226.6), an increase of 8.9 percent compared to the previous year. Currency-neutral our net sales increase with 5.2 percent. All markets, except Germany, grew during the quarter. Sweden, Finland and above all the Netherlands grew very strongly. In Germany, the performance of our German e-tailers, mainly Zalando, developed worse than in the corresponding period last year.

At the same time, our own e-commerce continued to develop very strongly, with growth of 33 percent. Our own stores also developed very well with comparable stores growing by 41 percent in the quarter. All our product areas grew with our fastest growing category being sports apparel, which increased by 19 percent, followed by bags, which grew by 17 percent. Both underwear and footwear grew by 6 percent in the quarter. The strength of our sports collection becomes particularly clear when we look at the growth of our own e-commerce, where our sports collection grew by 102 percent in the quarter.

The gross profit margin increased to 52.2 percent (50.0). Adjusted for currency effects, the gross profit margin would have been 54.4 percent, an increase of 4.4 percent. This was the result of a continued focus on profitability, with reduced

discounts both at the wholesale level and in our own stores and own e-commerce. For own e-commerce, increased full-price sales resulted in an operating profit of over 20 percent.

We increased our operating costs in the quarter by SEK 6.9 million as planned. These were mainly investments in the brand through increased marketing activities.

The excellent development in sales with an increased gross profit margin meant that, despite the planned higher operating costs, we increased our operating profit by 7.1 percent to SEK 31.4 million (29.3). Currency-neutral, our operating profit increased by almost 15 percent to SEK 33.6 million.

With the first quarter behind us, I can state that we have started 2023 strongly with continued good growth, increased profitability and a brand that is constantly strengthening. There is, of course, much to be proud of. The highlights include our sports collection which continues to develop very well, very strong growth for our own e-commerce and the brand, which continued to strengthen during the first quarter. At the same time, it is becoming clearer that we are operating in a troubled world which is already affecting consumption, even though we did not see any such tendencies during the quarter. Regardless of the developments in the world around us, I am convinced that we will also deliver profitable growth going forward and continue our journey to build a global sports fashion brand.

Now, let's go!

Head coach,
Henrik Bunge



The Group's development

OPERATING INCOME, FIRST QUARTER 2023

The first quarter of the year showed an improvement in total operating revenue, including other revenue, by 5.8 percent to SEK 250.2 million (236.6). Adjusted for currency effects, operating income increased by 2.2 percent for the quarter.

PRODUCT AREAS, FIRST QUARTER 2023

The underwear product area showed an increase in sales of 6 percent for the first quarter of 2023, where primarily our direct sales to consumers (own stores and own e-commerce) increased by 20 percent. Sports apparel increased by 19 percent. In this product area too, direct-to-consumer sales accounted for strong growth and increased by 66 percent.

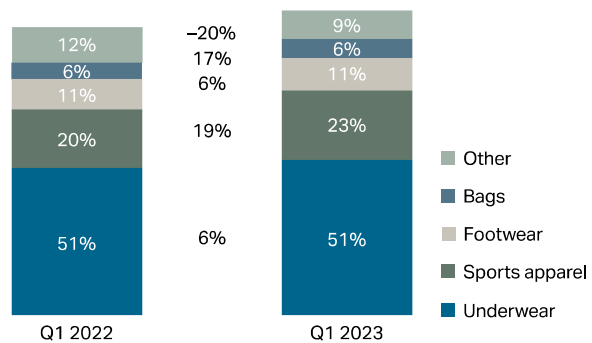
Sales of footwear increased by 6 percent compared to the previous year's first quarter, and bags continued strongly, increasing by 17 percent. For other product areas, sales fell by 20 percent.

MARKETS, FIRST QUARTER 2023

The largest market, Sweden, increased during the first quarter of the year by 8 percent, and the second largest market, the Netherlands, increased by 17 percent. Our own e-commerce drove the increases in these two markets, with 61 and 40 percent growth respectively. Finland increased by 10 percent, while Germany decreased by 18 percent due to the weak development of German e-tailers. Denmark and Belgium also increased, by 3 and 2 percent respectively. Other smaller markets increased by a total of 8 percent.

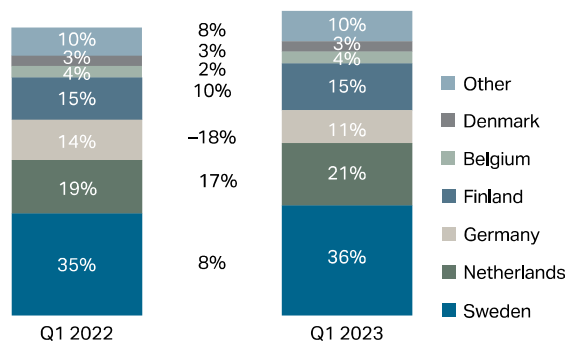
PRODUCT AREAS – SHARE OF TOTAL SALES

SEK 237 million – Growth 6% – SEK 250 million



MARKETS – SHARE OF TOTAL SALES

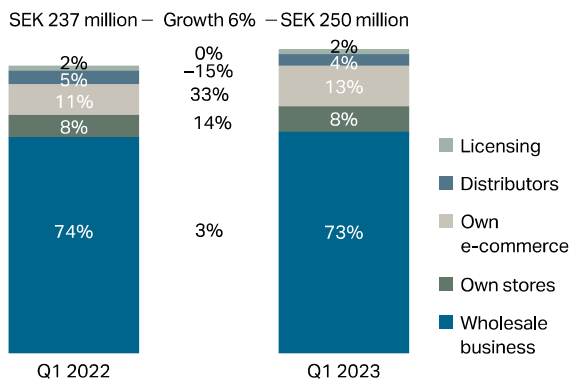
SEK 237 million – Growth 6% – SEK 250 million



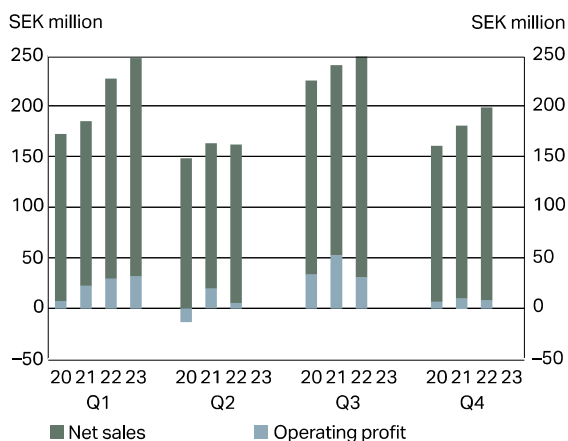
CHANNELS, FIRST QUARTER 2023

The largest channel, the wholesale business, showed an increase of 3 percent in the first quarter of 2023. Physical stores in the wholesale business increased by 13 percent, while e-tailers decreased by 14 percent, mainly due to the afore-mentioned development in the German market. Our own stores increased on the previous year by 14 percent, due to the fact that stores in the Netherlands were closed for a large part of the first quarter of the previous year because of Corona. Our own e-commerce continued to show strong growth and increased by 33 percent. Distributors were down 15 percent year-on-year, mainly due to timing in distribution, while licensing income was unchanged, year-on-year.

CHANNELS – SHARE OF TOTAL SALES



QUARTERLY NET SALES AND OPERATING PROFIT, 2020-2023



NET SALES

First quarter, January-March 2023

Group net sales during the first quarter amounted to SEK 246.9 million (226.6), an increase of 8.9 percent. Turnover in the quarter, adjusted for positive currency effects, increased by 5.2 percent.

The main reason for the increase in the quarter was the increased demand within the Consumer Direct segment, where sales in our own physical stores increased by 14 percent and by 33 percent in our own e-commerce. For further details, see below under "Development by segment."

PROFIT

First quarter, January-March 2023

The gross profit margin for the first quarter increased to 52.2 percent (50.0). Adjusted for currency effects, the gross profit margin would have been 54.4 percent. It was, above all, the greater focus on profitability in the wholesale operations and the reduced discounts in our own stores and in our own e-commerce that contributed to the positive effect.

Other operating income amounted to SEK 3.3 million (9.9) and referred mainly to unrealized profits on trade receivables in foreign currency.

Operating costs increased in the quarter by SEK 6.9 million compared to the previous year's first quarter, primarily through increased marketing activities and reserves for uncertain accounts receivable.

Increased sales and higher gross profit margin, notwithstanding planned increases in operating costs compared to the previous year, resulted in an increase in the operating profit to SEK 31.4 million (29.3).

Net financial items amounted to -0.7 MSEK (-0.1). The worsening of the financial net compared to the previous year was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

Profit after tax for the quarter increased to SEK 24.8 million (23.1).

Developments by segment

Björn Borg's segment reporting consists of the company's main revenue streams, which are divided into: Wholesale business, Own e-commerce, Own stores, Distributors, and Licensing, which is also how the business is followed up internally in the Group. Since the last quarterly report, the company has adjusted the follow-up per segment by dividing the previous segment "Consumer direct" into two parts; "Own e-commerce" and "Own stores". This is to further clarify for the reader how the two different revenue streams develop.

Wholesale business

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

The segment's external operating income amounted to SEK 182.2 million (177.7), which was an increase of 3 percent. One explanation for the increase was that the company saw an increased demand in physical trade within the segment and growth in the quarter was 13 percent, amounting to SEK 123 million (108). Sales for E-tailers, on the other hand, who primarily sell online, were down by 14 percent and amounted to SEK 60 million (69). Within the wholesale business, the two largest markets, Sweden and the Netherlands, showed growth and increased by 2 and 6 percent respectively. The Finnish market increased by 12 percent, while Germany decreased by 20 percent due to weak development of German e-tailers.

Operating profit amounted to SEK 25.1 million (32.5), a decrease of 23 percent. The fall in earnings was primarily due to increased operating costs in the form of reserves for possible customer losses.

Own e-commerce

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

Own e-commerce continued to grow strongly. During the first quarter of the year, own e-commerce increased by 33 percent to SEK 33.4 million (25.1). The increase was mainly due to strong growth in the sports apparel product area, which was up 102 percent compared to the previous year's first quarter. The underwear product area also increased strongly and grew by 24 percent. Bags continued to show strong momentum and grew by 118 percent.

In terms of growth in the different markets, all major markets grew strongly, with the largest market, the Netherlands, growing by 40 percent. Sweden increased by 61 percent, Finland by 81 percent and Denmark by 91 percent.

Operating profit for the first quarter of 2023 amounted to SEK 6.9 million (2.6), an increase of 163 percent and was the result of improvements in all the parameters of the income statement; higher sales, better gross profit margins and lower operating costs.

Own stores

The segment consists of revenues and costs associated with the Björn Borg Group's sales of underwear, sports apparel, complementary products and other licensed products, directly to consumers via own physical stores. The Björn Borg Group owns and operates a total of 18 (23) stores and factory outlet stores in Sweden, Finland, the Netherlands and Belgium

Our own physical stores showed strong development compared to last year's first quarter. In total, the increase was 14 percent despite the company choosing to close down five stores, according to company strategy to close down unprofitable stores. This was offset by the fact that the stores in the Netherlands were closed for large parts of last year's first quarter as a result of the pandemic. For comparable stores, i.e., stores that were open in the corresponding period of the previous year, the increase was 41 percent.

In the Netherlands, sales in own stores increased by 44 percent, mainly because the stores were closed for a large part of the first quarter of 2022. In Sweden, sales in our own stores increased by 20 percent, related to the increased traffic to the stores and the fact that the average spend was also higher than in previous years. Sales for the quarter in Finland and Belgium were down by 12 percent each, as a result of fewer stores this year compared to last year's first quarter. For comparable stores, Finland and Belgium increased by 64 and 31 percent, respectively.

The operating profit for the first quarter of 2023 amounted to -5.8 MSEK (-11.3). The improvement in operating profit was mainly explained by increased sales and significantly improved gross profit margins plus the reduced operating costs which resulted from fewer stores.

Distributors

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

The segment's external operating income decreased during the first quarter of 2023 compared to 2022 and amounted to SEK 9.4 million (11.1). Sales to the two major distributor markets, Norway and Great Britain, decreased compared to the previous year, by 41 and 34 percent respectively, mainly due to the timing of the distribution. For other distributor markets, sales increased by a total of 27 percent.

Operating profit decreased to SEK 1.3 million (1.7) because of the lower sales.

Licensing

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

The segment's external operating income remained at the same level during the first quarter of 2023 as in 2022 and amounted to SEK 4.4 million (4.4). All categories within the segment remained at the previous year's level.

Operating profit amounted to SEK 3.9 million (3.8) for the first quarter of 2023.

Intra-Group sales

Intra-Group sales for the first quarter of 2023 amounted to SEK 169.0 million (138.7).

SEASONAL VARIATIONS

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

INVESTMENTS AND CASH FLOW

The Group's cash flow from operating activities in the first quarter of 2023 amounted to -27.1 MSEK (-57.0). The improvement was mainly due to reduced accounts receivable.

Cash flow from investment activities was negative SEK -2.7 million (-2.2). The larger investments related to the remodeling of the head office's showroom. Cash flow from financial activities amounted to SEK 22.7 million (-25.8). The improvement compared to the previous year was due to increased utilization of bank facilities.

Segment	Revenue type	Operating income, SEK thousands January-March		Operating profit, SEK thousands January-March		Operating margin,% January-March	
		2023	2022	2023	2022	2023	2022
Wholesale business	Products	182,171	177,712	25,135	32,530	14	18
Own e-commerce	Products	33,404	25,135	6,918	2,628	21	10
Own stores	Products	20,874	18,273	-5,816	-11,328	-26	-62
Distributors	Products	9,367	11,050	1,264	1,698	13	15
Licensing	Royalties	4,406	4,440	3,884	3,781	88	86
Total		250,222	236,569	31,385	29,309	13	12

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash and cash equivalents at the end of the period amounted to SEK 10.2 million (13.5), plus unused bank facilities of SEK 91.7 million (90.4). At the end of the first quarter of the year, the company had a net debt, excluding lease liabilities, of SEK 48.1 million (46.1). The continued strong liquidity was mainly due to increased earnings and reduced long-term debt. Total interest-bearing liabilities amounted to SEK 106.1 million (108.5), where total leasing debt amounted to SEK 47.9 million (48.9), of which SEK 29.0 million was the long-term share and SEK 18.9 million was the short-term share.

The Björn Borg Group has SEK 150 million in bank facilities, of which SEK 58.3 million were utilized as of March 31, 2023. The fair value of financial instruments corresponds 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 12-month rolling operating profit before depreciation, as of the last day of each quarter, does not exceed 3.00. Furthermore, the Group must at all times maintain an equity ratio of at least 35 percent.

As of March 31, 2023, the ratio was 0.53 (0.38) and the equity ratio amounted to 61.9 percent (60.9).

No significant changes have been made with regard to pledged assets and contingent liabilities compared to December 31, 2022.

PERSONNEL

The average number of employees in the Group for the twelve-month period ending March 31, 2023, was 150 (158), of which 67 percent (66) were women. The reduction in personnel compared to the previous year was due to store closures.

TRANSACTIONS WITH RELATED PARTIES

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

SIGNIFICANT RISKS AND UNCERTAINTIES

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

The company notes, however, that at the end of February 2022, what has been called 'the most politically threatening event in Europe since the Second World War' began. Russia launched a large-scale attack and thus started a war against Ukraine. Consequences of the war have included large flows of refugees and severe retaliatory sanctions against Russia from the outside world. It is currently difficult to determine how the war will affect the Björn Borg Group's operations financially. The fact that the company does not do business in either Russia or Ukraine should minimize any risk of business impact, although declining consumer confidence in the future may have an indirect, negative effect.

Furthermore, the company notes that inflation in the markets in which the Björn Borg Group operates is reaching

high levels, that interest rates on bank loans are rising sharply, and that the currencies in which the company trades have had an unfavorable development. Taken together, these macro-economic effects could have an additional impact on consumer purchasing behavior.

THE PARENT COMPANY

Björn Borg AB (publ) is primarily engaged in intra-Group activities. As of March 31, 2023, the company owns 100 percent of the shares in Björn Borg Brands AB, Björn Borg Footwear AB, Björn Borg Inc, Björn Borg Services AB, Björn Borg Ltd, Baseline BV, Belgian Brand Management BVBA, Björn Borg Finland Oy and Björn Borg Denmark ApS. Furthermore, the company owns 75 percent of the shares in Björn Borg (China) Ltd.

The Parent Company's net sales for the first quarter of 2023 amounted to SEK 25.1 million (25.2).

Profit before tax amounted to SEK -5.1 million (1.5) for the first quarter of 2023. Cash and cash equivalents at the end of the period amounted to SEK 0 million (0).

EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no significant events to report after the end of the reporting period.

NUMBER OF SHARES

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

FINANCIAL GOALS

Björn Borg's long-term financial goals for the business, which were most recently established in 2019 for a five-year period until 2023, are:

- Annual sales growth of at least 5 percent
- Annual operating margin of at least 10 percent
- An annual dividend of at least 50 percent of net profit after tax
- The equity/assets ratio should not fall below 35 percent

The company retains the above goals despite the ongoing unrest in the world.

Comments on the financial targets: Growth in total sales is expected to come first and foremost from the growth in sportswear, although the other product groups are also expected to grow.

ANNUAL GENERAL MEETING

The Annual General Meeting for the fiscal year 2022 will be held on May 17, 2023. The Board has decided to propose to the Annual General Meeting in 2023 that a distribution of SEK 2.00 (2.50) per share should be paid to the shareholders for the fiscal year 2022, corresponding to 99 percent (73) of profit after tax. The distribution is proposed to take place through an automatic redemption procedure, where each share is divided into one ordinary and one redemption share. The redemption share will then automatically be redeemed for SEK 2.00 per share. The payment for the redemption share, assuming approval at the Annual General Meeting, is expected to be carried out around June 22, 2023. The Board's proposal corresponds to a transfer to the shareholders of SEK 50.3 million (62.9).

ACCOUNTING PRINCIPLES

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

IMPORTANT JUDGMENTS AND ESTIMATES

The preparation of the interim report requires management to make judgments and estimates regarding assumptions that affect the application of the Group's (and the Parent Company's) accounting principles as well as reported amounts for assets, liabilities, revenue and costs. The effects of the negative financial impact of the Corona virus have been taken into account, as well as any possible negative financial effects of the war in Ukraine. The results of these estimates and assumptions have been used to assess the reported values of assets and liabilities that are not otherwise clearly evident from other sources. The estimates for accounting purposes that result from these will, by definition, not always correspond to the actual result. The outcome of the above-mentioned considerations has not had any significant impact on the Group's financial reports. Important estimates and assessments appear in the Annual Report for 2022. No other estimates or assessments have been significantly changed compared to the Annual Report 2022.

AUDIT

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

OUTLOOK 2023

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

Consolidated income statement

IN SUMMARY

SEK thousands	Note	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Full year 2022
Net sales	1	246,893	226,620	855,445	835,173
Other operating revenue		3,329	9,949	19,214	25,835
Operating revenue		250,222	236,569	874,659	861,008
Goods for resale		-117,960	-113,234	-415,386	-410,660
Other external expenses	2	-55,020	-40,824	-195,606	-181,411
Personnel costs		-33,959	-34,958	-140,448	-141,447
Depreciation/amortization of tangible/intangible non-current assets		-8,623	-8,766	-34,597	-34,739
Other operating expenses		-3,275	-9,478	-13,638	-19,842
Operating profit		31,385	29,309	74,984	72,909
Net financial items		-720	-143	-3,042	-2,465
Profit before tax		30,665	29,166	71,942	70,444
Tax		-5,880	-6,035	-19,415	-19,571
Profit for the period		24,785	23,131	52,527	50,873
Profit for the period attributable to					
Parent Company shareholders		24,785	23,131	52,527	50,873
Non-controlling interests		-	-	-	-
Earnings per share before dilution, SEK		0.99	0.92	2.09	2.02
Earnings per share after dilution, SEK		0.99	0.92	2.09	2.02
Number of shares		25,148,384	25,148,384	25,148,384	25,148,384

Consolidated statement of comprehensive income

IN SUMMARY

SEK thousands	Note	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Full year 2022
Profit/loss for the period		24,785	23,131	52,527	50,873
OTHER COMPREHENSIVE INCOME					
Components that may be reclassified to profit or loss for the period					
Translation difference for the period		1,706	183	4,113	2,590
Total other comprehensive income for the period		1,706	183	4,113	2,590
Total comprehensive income for the period		26,491	23,314	56,640	53,463
Total comprehensive income attributable to					
Parent Company shareholders		26,491	23,314	56,640	53,463
Non-controlling interests		-	-	-	-

Consolidated statement of financial position

IN SUMMARY

SEK thousands	Note	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
Non-current assets				
Goodwill		36,782	34,907	36,486
Trademarks		187,532	187,532	187,532
Other intangible assets		7,203	10,261	7,561
Tangible non-current assets		17,042	15,843	16,195
Deferred tax assets		12,918	13,398	12,575
Right-of-use assets		48,508	50,004	52,571
Total non-current assets		309,985	311,945	312,920
Current assets				
Inventory		148,469	131,609	201,136
Accounts receivable		132,158	156,949	104,212
Other current receivables		14,136	22,338	19,094
Cash and cash equivalents		10,244	13,499	16,032
Total current assets		305,007	324,395	340,474
Total assets		614,992	636,340	653,394
Equity and liabilities				
Equity		351,300	357,531	324,809
Deferred tax liabilities		39,805	39,619	39,877
Other non-current liabilities		–	3,925	–
Long-term lease liabilities		28,966	30,899	32,386
Current liability to credit institution		58,298	59,627	30,000
Accounts payable		38,949	40,291	106,021
Short-term lease liabilities		18,885	18,043	19,265
Other current liabilities		78,789	86,404	101,036
Total equity and liabilities		614,992	636,340	653,394

Consolidated statement of changes in equity

IN SUMMARY

SEK thousands	Note	Equity attributable to the parent company's shareholders	Possession without controlling influence	Total equity
Opening balance, January 1, 2022				
Total comprehensive income for the period		23,453	–139	23,314
Closing balance, March 31, 2022		363,537	–6,006	357,531
Opening balance, January 1, 2022				
Total comprehensive income for the period		54,198	–735	53,463
Distribution for 2021		–62,871	–	–62,871
Closing balance, December 31, 2022		331,411	–6,602	324,809
Opening balance, January 1, 2023				
Total comprehensive income for the period		26,431	60	26,491
Closing balance, March 31, 2023		357,842	–6,542	351,300

Consolidated statement of cash flows

IN SUMMARY

SEK thousands	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Cash flow from operating activities			
Before changes in working capital	19,087	38,235	108,024
Changes in working capital	-46,153	-95,199	-47,524
Cash flow from operating activities	-27,066	-56,964	60,500
Investments in intangible non-current assets	-	-265	-265
Investments in tangible non-current assets	-2,690	-1,974	-8,059
Cash flow from investing activities	-2,690	-2,239	-8,324
Distribution	-	-	-62,871
Amortization of loans	-30,000	-31,000	-80,000
Amortization of lease liabilities	-5,607	-5,395	-23,068
Newly-raised loans	-	-	30,000
Overdraft facility	58,298	10,627	-
Cash flow from financing activities	22,691	-25,768	-135,939
Cash flow for the period	-7,065	-84,971	-83,763
Cash and cash equivalents at the beginning of the period	16,032	96,743	96,743
Translation difference in cash and cash equivalents	1,277	1,727	3,052
Cash and cash equivalents at the end of the period	10,244	13,499	16,032

Key figures

THE GROUP

SEK thousands	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Full year 2022
Gross profit margin,% *	52.2	50.0	51.4	50.8
Operating margin,%	12.7	12.9	8.8	8.7
Profit margin,%	12.4	12.9	8.4	8.4
Return on capital employed,%	16.7	23.9	16.7	17.1
Return on average equity,%	14.8	26.4	14.8	15.4
Profit attributable to the Parent Company's shareholders	24,85	23,131	52,527	50,873
Equity/assets ratio,% *	61.9	60.9	61.9	54.0
Equity per share, SEK	13.97	14.22	13.97	12.92
Investments in intangible non-current assets	-	265	-	265
Investments tangible non-current assets	2,690	1,974	8,775	8,059
Depreciation, amortization and impairment losses for the period	-8,623	-8,766	-34,597	-34,739
Average number of employees	147	158	150	151

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

Summary per segment

THE GROUP

SEK thousands	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Full year 2022
Operating revenue				
Wholesale business				
External revenue	182,171	177,712	544,334	539,871
Internal revenue	1,896	1,014	5,752	4,870
	184,067	178,726	550,086	544,741
Own e-commerce				
External revenue	33,404	25,135	121,680	113,411
Internal revenue	1,139	–	1,389	250
	34,543	25,135	123,069	113,661
Own stores				
External revenue	20,874	18,273	109,166	106,566
Internal revenue	–	229	–101	128
	20,874	18,502	109,065	106,694
Distributors				
External revenue	9,367	11,050	90,611	92,298
Internal revenue	155,780	116,922	518,633	479,774
	165,147	127,972	609,244	572,072
Licensing				
External revenue	4,406	4,400	8,868	8,862
Internal revenue	10,203	20,506	22,983	33,286
	14,609	24,906	31,851	42,148
Less internal sales	–169,018	–138,672	–548,656	–518,309
Operating revenue	250,222	236,569	874,659	861,008
Operating profit				
Wholesale business	25,135	32,530	45,427	52,824
Own e-commerce	6,918	2,628	21,959	17,669
Own stores	–5,816	–11,328	–18,810	–24,324
Distributors	1,264	1,698	19,124	19,558
Licensing	3,884	3,781	7,284	7,182
Operating profit	31,385	29,309	74,984	72,909

Reconciliation between operating profit and profit before tax

The difference between operating profit for segments for which information must be provided SEK 31,385 thousand (29,309) and profit before tax SEK 30,665 thousand (29,166) are financial net items, SEK –720 thousand (–143).

Quarterly data

THE GROUP

SEK thousands	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net sales	246,893	198,420	248,590	161,544	226,620	180,576	240,141	162,836
Gross profit margin,%	52.2	52.1	48.2	54.5	50.0	53.1	54.4	56.3
Operating profit/loss	31,385	7,770	30,597	5,233	29,309	10,020	52,357	19,277
Operating margin,%	12.7	3.9	12.3	3.2	12.9	5.5	21.8	11.8
Profit/loss after net financial items	30,665	6,89	30,545	4,344	29,166	12,030	50,937	18,015
Profit margin,%	12.4	3.2	12.3	2.7	12.9	6.7	21.2	11.1
Earnings per share, before dilution, SEK	0.99	0.21	0.88	0.01	0.92	0.44	1.59	0.54
Earnings per share, after dilution, SEK	0.99	0.21	0.88	0.01	0.2	0.44	1.59	0.54
Number of Björn Borg retail stores at the end of the period	19	19	19	24	26	26	27	28
of which Group-owned Björn Borg retail stores	18	18	18	21	23	23	24	25

Parent company income statement

IN SUMMARY

SEK thousands	Note	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Full year 2022
Net sales		25,102	25,170	101,137	101,205
Other operating revenue		148	565	757	1,174
Operating revenue		25,250	25,735	101,894	102,379
Goods for resale		-	-	-153	-153
Other external expenses	2	-16,433	-13,128	-59,571	-56,256
Personnel costs		-10,563	-11,977	-50,092	-51,506
Depreciation/amortization of intangible and tangible non-current assets		-643	-629	-2,500	-2,486
Other operating expenses		-48	-501	-417	-869
Operating profit		-2,447	-500	-10,839	-8,892
Result from shares in subsidiaries		-	-	4,493	4,493
Net financial items		-2,742	1,961	-10,653	-5,950
Profit/loss after financial items		-5,189	1,461	-16,999	-10,348
Group contributions received/paid		-	-	52,538	52,538
Appropriations		-	-	-360	-360
Profit/loss before tax		-5,189	1,461	35,179	41,830
Tax		-	-	-9,512	-9,512
Profit/loss for the period		-5,189	1,461	25,667	32,318
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-5,189	1,461	25,67	32,318

Parent company balance sheet

IN SUMMARY

SEK thousands	Note	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
Non-current assets				
Intangible assets		1,910	3,525	2,323
Tangible non-current assets		3,546	2,170	2,510
Deferred tax		-	4	-
Shares in Group companies		371,813	279,956	371,813
Total non-current assets		377,269	285,655	376,646
Current assets				
Receivables from Group companies		538,760	1,058,363	891,508
Current receivables		4,214	1,390	3,669
Cash and cash equivalents		-	-	1,558
Total current assets		542,974	1,059,753	896,735
Total assets		920,243	1,345,408	1,273,381
Equity and liabilities				
Equity		131,050	157,490	136,239
Untaxed reserves		1,616	1,256	1,616
Other non-current liabilities		-	3,925	-
Current liabilities credit institutions		58,298	59,627	30,000
Due to Group companies		676,366	1,092,457	1,049,151
Accounts payable		8,606	5,407	9,782
Other current liabilities		44,307	25,246	46,592
Total equity and liabilities		920,243	1,345,408	1,273,381

Parent company statement of changes in equity

IN SUMMARY

SEK thousands	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Opening balance	136,239	156,029	166,792
Distribution	–	–	–62,871
Total comprehensive income for the period	–5,189	1,461	32,318
Closing balance	131,50	157,490	136,239

Supplementary disclosures

NOTE 1 NET SALES

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

SEK thousands	The group	
	Jan-Mar 2023	Jan-Mar 2022
Sweden	88,001	82,969
Netherlands	55,162	46,242
Finland	35,815	32,667
Germany	26,650	31,082
Others	41,265	33,660
Total net sales	246,893	226,620

NOTE 2 OTHER EXTERNAL EXPENSES

SEK thousands	The group		Parent Company	
	Jan-Mar 2023	Jan-Mar 2022	Jan-Mar 2023	Jan-Mar 2022
Cost of premises	2,918	3,169	1,670	2,007
Sales expenses	16,483	13,969	247	635
Marketing expenses	17,327	14,577	10,796	6,831
Administrative expenses	16,176	7,984	3,450	3,427
Other	2,116	1,099	280	228
	55,020	40,824	16,443	13,128

Definitions

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

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

<https://corporate.bjornborg.com/en/financial-definitions/>

<https://corporate.bjornborg.com/en/financial-data/>

CAPITAL EMPLOYED

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

Purpose: Capital employed measures capital use and efficiency.

COMPARABLE STORE SALES

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

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

EARNINGS PER SHARE (DEFINED ACCORDING TO IFRS)

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

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

EARNINGS PER SHARE AFTER DILUTION (DEFINED ACCORDING TO IFRS)

Earnings per share adjusted for any dilution effect.

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

EQUITY/ASSETS RATIO

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

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

GROSS PROFIT MARGIN

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

Purpose: Gross margin is used to measure operating profitability.

GROSS PROFIT MARGIN BEFORE ACQUISITIONS

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

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

GROSS PROFIT MARGIN EXCLUDING CURRENCY EFFECTS

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

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

GROUP NET SALES EXCLUDING CURRENCY EFFECTS

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

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

NET DEBT

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

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

NET DEBT TO EBITDA RATIO

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

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

NET FINANCIAL ITEMS

Financial income less financial expenses.

Purpose: To describe the company's financial activities.

OPERATING MARGIN

Operating profit as a percentage of net sales.

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

OPERATING PROFIT

Profit before tax plus net financial items.

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

PROFIT MARGIN

Profit before tax as a percentage of net sales.

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

RETURN ON CAPITAL EMPLOYED

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

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

RETURN ON EQUITY

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

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

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

Stockholm, May 17, 2023

Heiner Olbrich
Chairman of the Board

Alessandra Cama
Board member

Jens Högsted
Board member

Johanna Schottenius
Board member

Anette Klintfeldt
Board member

Fredrik Lövstedt
Board member

Mats H Nilsson
Board member

Henrik Bunge
CEO

CALENDAR 2023

The Interim report January-June 2023 will be issued at 07:30 on August 18, 2023.

The Interim report January-September 2023 will be issued at 07:30 on November 17, 2023.

The Year-end report 2023 will be issued at 07:30 on February 23, 2024.

FINANCIAL REPORTS

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

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THE BJÖRN BORG GROUP IN BRIEF

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

THE PICTURES IN THE INTERIM REPORT

The images in the interim report are taken from Björn Borg's spring and high summer 2023 collection.

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This information is such information that Björn Borg AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the care of the above contact person, for publication on May 17, 2023 kl 17.30.