

BJÖRN BORG

Björn Borg AB • Interim report
January–June 2022

Strong growth for our own e-commerce

APRIL 1 - JUNE 30, 2022

- Group's net sales amounted to SEK 161.5 million (162.8), a decrease of 0.8 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 51.6 million (61.3), a decrease of 15.9 percent. Net sales for own e-commerce increased with 18 percent to SEK 27.0 million (22.8).
- Gross profit margin was 54.5 percent (56.3). Currency neutral the gross profit margin was 59.6 percent, an increase of 3.3 percentage points.
- Operating profit amounted to SEK 5.2 million (19.3).
- Profit after tax amounted to SEK 0.3 million (13.5).
- Earnings per share before and after dilution amounted to SEK 0.01 (0.54).

JANUARY 1 - JUNE 30, 2022

- Group's net sales amounted to SEK 388.2 million (347.5), an increase of 11.7 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 143.7 million (132.7), an increase of 8.3 percent. Net sales for own e-commerce increased with 11 percent to SEK 52.2 million (47.2)
- Gross profit margin was 51.9 percent (54.7). Currency neutral the gross profit margin was 55.6 percent, an increase of 0.9 percentage points.
- Operating profit amounted to SEK 34.5 million (41.7), a decrease of 17.3 percent.
- Profit after tax amounted to SEK 23.4 million (34.9).
- Earnings per share before and after dilution amounted to SEK 0.93 (1.39).

QUOTE FROM THE CEO

"We see strong growth in own e-commerce that increase with 18 percent in the quarter and a gross profit margin that currency neutral grow strongly," commented CEO Henrik Bunge.

SEK million	April-June 2022	April-June 2021	January-June 2022	January-June 2021	July 2021-June 2022	Full year 2021
Net sales	161.5	162.8	388.2	347.5	808.9	768.2
Gross profit margin, %	54.5	56.3	51.9	54.7	52.9	54.2
Operating profit	5.2	19.3	34.5	41.7	96.9	104.1
Operating margin, %	3.2	11.8	8.9	12.0	12.0	13.5
Profit after tax	0.3	13.5	23.4	34.9	74.6	86.0
Earnings per share before dilution, SEK	0.01	0.54	0.93	1.39	2.97	3.42
Earnings per share after dilution, SEK	0.01	0.54	0.93	1.39	2.97	3.42



Comments by the CEO

2022 started strongly, but the second quarter of the year was full of challenges. Once again, I have to say that we live and operate in a troubled world. More expensive raw materials, higher freight costs, rising inflation, unfavorable exchange rates and declining consumer sentiment. We as a company and I as an individual are not unaffected by everything that happens. However, this makes it even more important to look at things over a longer time perspective. The fact I can state is that despite a drop in operating profit compared to the second quarter of last year, we were well above our historical levels for the second quarter. Other signs of strength were the continued growth of our sports apparel collections and the strong growth in our own e-commerce and our comparable stores during the quarter.

Net sales during the quarter were SEK 161.5 million (162.8), a decrease of 0.8 percent compared to the previous year. Adjusted for currency effects, turnover decreased by 4.2 percent. The lack of growth during the quarter was attributable entirely to the sales challenges faced by our e-tailers, where their total turnover decreased, as did our turnover. Our assessment is that this is temporary, and that e-tailers are still an important part of our growth strategy. We saw strong growth during the quarter in markets with fewer e-tailers and more physical trading. Finland, Belgium, and Denmark all increased strongly. We also saw strong growth in our own e-commerce, which increased by 18 percent during the second quarter of the year. Own comparable stores increased by 11 percent during the quarter. In our various product groups, underwear lost 11 percent, while the other product groups all developed well, with sports apparel growing by 9 percent, bags by 7 percent and footwear by 125 percent, the latter mainly due to a

timing effect in distribution even though we see a strong development for the first six months of the year.

The gross profit margin decreased to 54.5 percent (56.3). Adjusted for currency effects, the gross profit margin would have been 59.6 percent, a significant increase. The currency-neutral, powerful gross profit margin increased thanks to reduced discounts both in own stores and own e-commerce, and in our wholesale operations. As planned, we increased our operating costs in the quarter by SEK 11.8 million, in part due to increased marketing costs. However, the result was also negatively affected by SEK 3.9 million related to the company's incentive program that expires in 2022.

Weaker sales, with lower gross profit margins and increased costs meant that our operating profit fell to SEK 5.2 million (19.3) and that our operating margin was 3.2 percent.

There will always be short-term challenges, and there is no doubt that we are currently operating in a very troubled market. Despite this, our second quarter showed a number of victories. We see strong growth in own e-commerce that increase with 18 percent in the quarter and a gross profit margin that currency neutral grow strongly. Own stores show good growth as well as our sports apparel collections. But most importantly, more and more consumers said in our customer surveys that they preferred us, and during the quarter we increased our preference as a sports brand by 12 percent. We also saw a continued strong underlying trend regarding health, training and well-being. Perfect for those of us who want to inspire everyone to see that through training they can become their own best version.

Let's do it!

Head coach,
Henrik Bunge



The Group's development

OPERATING INCOME, SECOND QUARTER, 2022

The second quarter of the year showed an improvement in the Group's total operating income, including other income, of 0.1 percent to SEK 167.0 million (166.8). Adjusted for currency effects, operating income decreased by 2.1 percent for the quarter.

PRODUCT AREAS, SECOND QUARTER, 2022

The underwear product area showed a decrease in sales of 11 percent for the second quarter of 2022, while sports apparel increased by 9 percent.

Sales of footwear increased by 125 percent compared to the previous year's second quarter, mainly due to timing effects in distribution, and sales increased by 7 percent for other product areas, with bags primarily accounting for the increase.

MARKETS, SECOND QUARTER, 2022

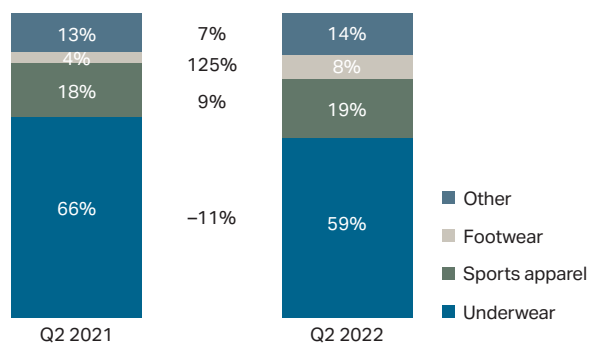
The largest market, Sweden, showed similar sales to the previous year's second quarter. The second largest market, the Netherlands, was down by 14 percent. Finland increased by 23 percent, while Germany decreased by 37 percent. Denmark and Belgium increased by 29 and 12 percent respectively. Other smaller markets increased by a total of 36 percent.

CHANNELS, SECOND QUARTER, 2022

The largest channel, the wholesale business, showed an overall decrease of 11 percent in the second quarter of 2022, whereas physical stores increased by 6 percent.

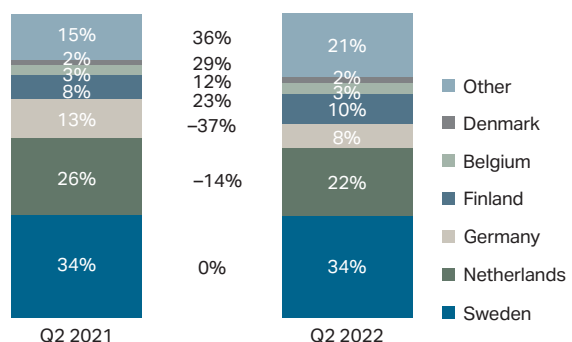
PRODUCT AREAS – SHARE OF TOTAL SALES

SEK 167 million – Growth 0% – SEK 167 million



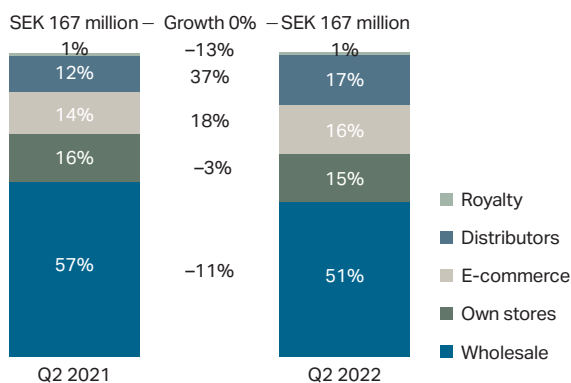
MARKETS – SHARE OF TOTAL SALES

SEK 167 million – Growth 0% – SEK 167 million

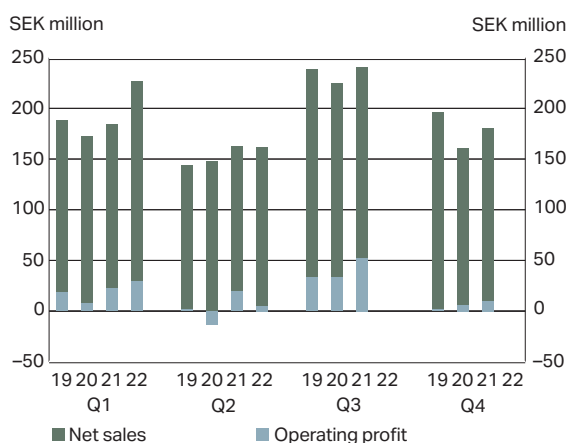


E-tailers in the wholesale business, on the other hand, were down by 36 percent. Own stores decreased compared to the previous year by 3 percent, while own e-commerce showed continued strong growth and increased by 18 percent. External distributors increased sales by 37 percent compared to the previous year, while royalty revenues decreased slightly.

CHANNELS – SHARE OF TOTAL SALES



QUARTERLY NET SALES AND OPERATING PROFIT, 2019-2022



NET SALES

Second quarter, April-June, 2022

Group net sales during the second quarter amounted to SEK 161.5 million (162.8), a decrease of 0.8 percent. Currency effects impacted sales positively in the quarter, which, adjusted for currency effects, decreased by 4.2 percent.

The main explanation for the decrease in the second quarter was that the company experienced a temporary decrease in demand from e-tailers within the wholesale business, particularly in Germany and Sweden. For further details, see below under "Development by segment".

First half of the year, January-June, 2022

Group's net sales during the first half of the year amounted to SEK 388.2 million (347.5), an increase of 11.7 percent. Currency effects impacted sales positively in the six-month period, which, adjusted for currency effects, increased by 8.7 percent.

The main explanation for the increase in the first six months of the year was an increase in demand from the physical trade, where the wholesale business, particularly in Sweden and Finland experienced higher turnover. For further details, see below under "Development by segment".

RESULTS

Second quarter, April-June, 2022

The gross profit margin for the second quarter decreased to 54.5 percent (56.3). Adjusted for currency effects, the gross profit margin would have been 59.6 percent, i.e. an increase of 3.3 percentage points compared to the previous year. A greater, general, focus on profitability in the wholesale business had a positive effect on the margin.

Other operating income amounted to SEK 5.4 million (4.0) and consisted mainly of unrealized gains on accounts receivable in foreign currencies.

Operating costs increased in the quarter by SEK 11.8 million compared to the previous year's second quarter, primarily due to increased marketing activities. The operating profit was negatively affected further during the second quarter of the year by SEK 3.9 million which was related to the company's incentive program, LTIP 2022. The 2019 AGM decided on the introduction of a new long-term incentive program, LTIP 2022, which can be described as a variable cash compensation scheme based on the share price of the Björn Borg share. Those entitled to participate in the incentive program, which runs between the years 2019 and 2022, are employees in the company management team. As of 30 June 2022, a sum of SEK 7.9 million (0) had been reserved.

Despite the lower gross profit margin related to the negative currency effects and the increased operating costs compared to the previous year, sales still resulted in a positive operating profit of SEK 5.2 million (19.3). The operating margin was 3.2 percent (11.8).

Net financial items amounted to -0.9 MSEK (-1.3). The improvement in net financial items, compared to the previous year, was mainly attributable to the revaluation of financial assets and liabilities in foreign currencies.

The period's profit after tax amounted to SEK 0.3 million (13.5). Profit after tax was negatively affected by SEK 1.3 million during the second quarter of the year due to an anticipated tax effect regarding the liquidation of the company's English operations.

First half of the year, January-June, 2022

The gross profit margin for the first half of the year decreased to 51.9 percent (54.7). Adjusted for currency effects, the gross profit margin would have been 55.6 percent, i.e. an increase of 0.9 percentage points compared to the previous year.

Other operating income amounted to SEK 15.4 million (14.8) and mainly referred to unrealized profits on accounts receivable in foreign currencies.

Operating expenses increased in the quarter by SEK 19.1 million compared to the previous year's first half-year, primarily through increased marketing activities. Operating profit was negatively affected by SEK 7.9 million during the first half-year, related to the company's incentive program, LTIP 2022, which is described above under "RESULTS, second quarter".

Despite the lower gross profit margin related to negative currency effects and increased operating costs compared to the previous year, the increased sales still resulted in a strong operating profit of SEK 34.5 million (41.7). The operating margin was 8.9 percent (12.0).

Net financial items amounted to SEK -1.0 million (2.2). The deterioration in net financial items compared to the previous year was mainly attributable to the revaluation of financial assets and liabilities in foreign currencies.

The period's result after tax decreased to SEK 23.4 million (34.9). Profit after tax was negatively affected by SEK 2.6 million during the first half of the year due to an

anticipated tax effect regarding the liquidation of the company's English operations.

Development by segment

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

Wholesale business

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

The segment's external operating income during the first six months of the year amounted to SEK 262.8 million (238.4), which was an increase of 10 percent. One explanation for the increase was that the company saw an increased demand both online and in physical trade within the segment, where e-tailers, who primarily sell online, increased by 9 percent. Sweden and Finland increased by 16 and 24 percent respectively. Footwear business in the segment increased by 12 percent, while Germany and the Netherlands decreased by 13 and 2 percent, respectively. Sales to e-tailers showed a total increase to SEK 92.8 million (85.5), an increase of 9 percent for the first six months of the year.

Operating profit for the first half of the year amounted to SEK 31.7 million (34.0), a decrease of 7 percent. The deterioration in earnings was primarily due to lower gross profit margins related to negative currency effects and the planned increase in operating costs.

Consumer direct

The segment consists of revenues and costs associated with the Björn Borg Group's direct sales to consumers. The Björn Borg Group owns and operates a total of 21 (24) stores and factory outlet stores in Sweden, Finland, the Netherlands and Belgium, selling underwear, sports apparel, complementary products and other licensed products. In addition, Björn Borg sells online via www.bjornborg.com.

The consumer direct segment increased its external operating revenues during the first half of 2022 to SEK 96.3 million (86.4), an increase of 11 percent. The increase was mainly due to strong growth in own physical stores as the stores in the Netherlands were closed for large parts of the first half of last year as a result of the pandemic. In total, company turnover from retail operations in own stores increased by 13 percent, with the Netherlands accounting for most of the increase, with an increase of 38 percent. In Belgium, the turnover for

own stores increased by 31 percent, and in Sweden by 4 percent, while the turnover for own stores in Finland decreased by 15 percent as a result of fewer pop-up stores this year compared to the first half of the previous year.

Own e-commerce continued to grow. The increase during the first half of the year was 11 percent compared to the previous year, which was an increase of 32 percent compared to the first half of 2020.

The operating profit for the first half of 2022 amounted to -8.8 MSEK (-2.2). The deterioration in operating profit was mainly due to reduced gross margins as a result of negative currency effects, as well as slightly increased operating costs.

Distributors

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

The segment's external operating income during the first half of the year 2022 amounted to SEK 38.8 million (31.3), which was an increase of 24 percent. Sales to the two largest distributor markets, Norway and Great Britain, increased compared to the previous year by 48 percent, due to a wider distribution, and 192 percent, due to that the British market is now fully taken over by an external distributor. Denmark, on the other hand, which is now a fully integrated part of the wholesale business, experienced a decrease in sales within the distributor segment.

Operating profit increased to SEK 7.1 million (4.7).

License

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

The segment's external operating income decreased slightly during the first half of 2022 to SEK 5.7 million (6.1). The decrease was a result of lower brand sales of licensed products, particularly footwear.

Operating profit decreased to SEK 4.6 million (5.3) for the first half of 2022. The reduced operating profit was a consequence of the lower external sales in the segment.

Intra-Group sales

The intra-Group sales for the first half of 2022 amounted to SEK 225.8 million (245.7).

SEASONAL VARIATIONS

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

Segment	Revenue type	Operating income, SEK thousands January-June		Operating profit, SEK thousands January-June		Operating margin,% January-June	
		2022	2021	2022	2021	2022	2021
Wholesale	Products	262,786	238,431	31,650	33,994	12	14
Consumer direct	Products	96,306	86,397	-8,827	-2,231	-9	-3
	of which stores	44,150	39,227	-15,586	-11,468	-35	-29
	of which e-commerce	52,156	47,170	6,759	9,237	13	20
Distributors	Products	38,786	31,343	7,096	4,657	18	2
Licensing	Royalties	5,654	6,082	4,624	5,290	82	87
Total		403,532	362,253	34,543	41,710	9	12

INVESTMENTS AND CASH FLOW

The Group's cash flow from ongoing operations during the first half of 2022 amounted to SEK 53.1 million (15.2).

The cash flow from investment activities was negative at SEK -4.6 million (-6.5). The major investments were in the remodeling of an outlet store. The cash flow from financial activities amounted to SEK -134.7 million (-48.0). The deterioration compared to the previous year was mainly due to higher repayments of loans and higher dividends of -62.9 MSEK (-37.7).

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash and cash equivalents at the end of the period amounted to SEK 14.4 million (30.8), plus unutilized bank facilities of SEK 131.2 million (141.0). At the end of the second quarter of the year, the company had a net debt, excluding leasing liabilities, of SEK 4.4 million (68.2). The company continued to have strong liquidity mainly due to increased earnings and reduced long-term debt. Total interest-bearing liabilities amounted to SEK 65.3 million (165.6), where total leasing debt amounted to SEK 46.5 million (67.1), of which SEK 28.7 million constituted the long-term share and SEK 17.8 million was the short-term share.

The Björn Borg Group has SEK 150 million in banking facilities, of which SEK 18.8 million was utilized as of June 30, 2022. The real value of financial instruments essentially corresponds to the book value.

COMMITMENTS AND CONTINGENT LIABILITIES

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-month rolling profit before depreciation on the last day of each quarter does not exceed 3.00. Furthermore, the Group must at all times maintain an equity/assets ratio of at least 35 percent.

As of June 30, 2022, the ratio was 0.04 (0.75) and the equity/assets ratio was 53.3 percent (50.1).

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

PERSONNEL

The average number of employees in the Group for the twelve-month period ending June 30, 2022 was 157 (179), of which 66 percent (65) were women. The reduction in personnel compared to the previous year was due to store closures.

TRANSACTIONS WITH RELATED PARTIES

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

SIGNIFICANT RISKS AND UNCERTAINTIES

Through its operations, the Björn Borg Group is exposed to risks and uncertainties. Information about the Group's risks and uncertainties is given on page 61 of the 2021 Annual Report.

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 when 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 sanctions against Russia from the rest of the world. Clearly, 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 the direct risk of any commercial impact, even if the indirect risk of declining consumer sentiment will have a negative effect. However, the company knows that increased fuel prices will lead to increased shipping costs, something that should be seen as a financial risk.

THE PARENT COMPANY

Björn Borg AB (publ) mainly conducts intra-Group operations. As of June 30, 2022, the company owned 100 percent of the shares in Björn Borg Brands AB, Björn Borg Footwear AB, Björn Borg Inc, Björn Borg Services AB, Björn Borg UK, Baseline, BBM, Björn Borg Finland Oy and Björn Borg Denmark Aps. Furthermore, the company owned 75 percent of the shares in Björn Borg (China) Ltd. The company has restructured the Baseline Group which as of December 31, 2021 consisted of six legal units and was 100 percent owned by Björn Borg AB. As of the first of January 2022, the two Belgian units were broken out of the Baseline group, and became 100 percent directly owned by Björn Borg AB. The acquisition was carried out on the entry date of January 1, 2022.

The Parent Company's net sales for the first half of 2022 amounted to SEK 50.3 million (49.8).

Profit before tax amounted to -5.1 MSEK (-24.7) for the first half of 2022. Cash and cash equivalents at the end of the period amounted to 0 MSEK (13.4).

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.

FINANCIAL GOALS

Björn Borg's long-term financial goals for the business, which were last updated in 2019 for the 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.
- An equity/assets ratio of not less than 35 percent.

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

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

ANNUAL GENERAL MEETING

The Annual General Meeting held on 19 May 2022 decided on a distribution of SEK 2.50 (1.50) per share to the shareholders for the financial year 2021. Fredrik Lövestedt, Mats H Nilsson, Heiner Olbrich, Alessandra Cama, Anette Klintfeldt and Jens Høgstved were re-elected to the Board. Johanna Schottenius was elected as a new Board member. The total number of members is seven. The meeting decided that Heiner Olbrich should be re-elected as Chair of the Board.

ACCOUNTING PRINCIPLES

This condensed interim report for the Group has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the applicable provisions of the *Annual*

Accounts Act. The interim report for the Parent Company has been prepared in accordance with the *Annual Accounts Act, Chapter 9, on interim reporting* and RFR 2 *Accounting for legal entities*. The accounting principles applied in the interim report are conform to the accounting principles applied in the preparation of the consolidated accounts and annual report for the 2021 (see page 56 in the Annual Report for 2021). New and amended standards and new interpretations that apply from 1 January 2022 have not had any significant impact on the Group's financial reports. Changes in RFR 2 that apply from 1 January 2022 have had a significant impact on the Parent Company's financial reports.

IMPORTANT ASSUMPTIONS AND ESTIMATES

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

AUDIT REPORT

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

OUTLOOK 2022

The company's policy is not to provide forecasts.

Consolidated income statement

IN SUMMARY

SEK thousands	Note	April-June 2022	April-June 2021	January- June 2022	January- June 2021	July 2021- June 2022	Full year 2021
Net sales	1	161,544	162,836	388,164	347,486	808,881	768,203
Other operating revenue		5,419	3,950	15,368	14,767	28,493	27,892
Operating revenue		166,963	166,786	403,532	362,253	837,374	796,095
Goods for resale		-73,575	-71,194	-186,809	-157,467	-381,005	-351,663
Other external expenses	2	-37,204	-31,792	-78,028	-70,745	-165,593	-158,310
Personnel costs		-37,878	-30,057	-72,836	-61,849	-136,488	-125,501
Depreciation/amortization of tangible/ intangible non-current assets		-8,835	-8,703	-17,600	-17,239	-35,865	-35,503
Other operating expenses		-4,238	-5,763	-13,716	-13,243	-21,503	-21,030
Operating profit		5,233	19,277	34,543	41,710	96,920	104,088
Net financial items		-889	-1,262	-1,032	2,192	-442	2,782
Profit before tax		4,344	18,015	33,511	43,902	96,78	106,870
Tax		-4,082	-4,473	-10,117	-9,049	-21,909	-20,840
Profit for the period		262	13,542	23,394	34,853	74,569	86,030
Profit for the period attributable to							
Parent Company shareholders		262	13,542	23,394	34,853	74,569	86,030
Non-controlling interests		-	-	-	-	-	-
Earnings per share before dilution, SEK		0.01	0.54	0.93	1.39	2.97	3.42
Earnings per share after dilution, SEK		0.01	0.54	0.93	1.39	2.97	3.42
Number of shares		25,148,384	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384

Consolidated statement of comprehensive income

IN SUMMARY

SEK thousands	Note	April-June 2022	April-June 2021	January- June 2022	January- June 2021	July 2021- June 2022	Full year 2021
Profit/loss for the period		262	13,542	23,394	34,853	74,69	86,030
OTHER COMPREHENSIVE INCOME							
Components that may be reclassified to profit or loss for the period							
Translation difference for the period		1,495	-69	1,678	-4,376	951	-5,103
Total other comprehensive income for the period		1,495	-69	1,678	-4,376	951	-5,103
Total comprehensive income for the period		1,757	13,473	25,072	30,477	75,520	80,927
Total comprehensive income attributable to							
Parent Company shareholders		1,757	13,473	25,072	30,477	75,520	80,927
Non-controlling interests		-	-	-	-	-	-

Consolidated statement of financial position

IN SUMMARY

SEK thousands	Note	June 30, 2022	June 30, 2021	Dec 31, 2021
Non-current assets				
Goodwill		35,591	34,481	34,685
Trademarks		187,532	187,532	187,532
Other intangible assets		9,408	11,713	10,917
Tangible non-current assets		16,726	16,940	15,405
Deferred tax assets		11,707	11,321	13,952
Right-of-use assets		46,201	67,071	54,950
Total non-current assets		307,166	329,058	317,441
Current assets				
Inventory		167,561	153,865	151,991
Accounts receivable		87,686	89,857	91,969
Other current receivables		24,812	29,413	22,524
Cash and cash equivalents		14,365	30,760	96,743
Total current assets		294,424	303,895	363,227
Total assets		601,590	632,953	680,668
Equity and liabilities				
Equity		296,417	283,767	334,217
Deferred tax liabilities		39,593	39,279	39,596
Non-current liabilities credit institutions		–	99,000	80,000
Other non-current liabilities		7,851	44,845	1,932
Long-term lease liabilities		28,694	50,308	33,777
Current liability to credit institution		18,793	–	–
Accounts payable		117,529	88,329	97,036
Short-term lease liabilities		17,800	21,716	20,242
Other current liabilities		74,913	56,017	73,868
Total equity and liabilities		601,590	632,953	680,668

Consolidated statement of changes in equity

IN SUMMARY

TSEK	Note	Equity attributable to the parent company's shareholders	Possession without controlling influence	Total equity
Opening balance, January 1, 2021		296,308	-5,295	291,013
Total comprehensive income for the period		30,698	-221	30,477
Distribution for 2020		-37,723	–	-37,723
Closing balance, June 30, 2021		289,283	-5,516	283,767
Opening balance, January 1, 2021		296,308	-5,295	291,013
Total comprehensive income for the period		81,499	-572	80,927
Distribution for 2020		-37,723	–	-37,723
Closing balance, December 31, 2021		340,084	-5,867	334,217
Opening balance, January 1, 2022		340,084	-5,867	334,217
Total comprehensive income for the period		25,713	-641	25,072
Distribution for 2021		-62,871	–	-62,871
Closing balance, June 30, 2022		302,926	-6,508	296,417

Consolidated statement of cash flows

IN SUMMARY

SEK thousands	April-June 2022	April-June 2021	January- June 2022	January- June 2021	Full year 2021
Cash flow from operating activities					
Before changes in working capital	17,104	25,612	55,339	54,303	136,818
Changes in working capital	93,128	52,160	-2,218	-39,103	-22,891
Cash flow from operating activities	110,232	77,772	53,121	15,200	113,927
Investments in intangible non-current assets	-	-570	-311	-2,876	-4,828
Investments in tangible non-current assets	-2,483	-2,386	-4,263	-3,641	-5,680
Cash flow from investing activities	-2,483	-2,956	-4,574	-6,517	-10,508
Distribution	-62,871	-37,723	-62,871	-37,723	-37,723
Amortization of loans	-49,000	-	-80,000	-	-19,000
Amortization of lease liabilities	-5,183	-4,882	-10,578	-10,322	-23,400
Overdraft facility	8,166	-13,597	18,793	-	-
Cash flow from financing activities	-108,888	-56,202	-134,656	-48,045	-80,123
Cash flow for the period	-1,139	18,614	-86,109	-39,362	23,296
Cash and cash equivalents at the beginning of the period	13,499	13,958	96,743	70,235	70,235
Translation difference in cash and cash equivalents	2,005	-1,812	3,731	-113	3,212
Cash and cash equivalents at the end of the period	14,365	30,760	14,365	30,760	96,743

Key figures

THE GROUP

SEK thousands	April-June 2022	April-June 2021	January- June 2022	January- June 2021	July 2021- June 2022	Full year 2021
Gross profit margin,% *	54.5	56.3	51.9	54.7	52.9	54.2
Operating margin,%	3.2	11.8	8.9	12.0	12.0	13.5
Profit margin,%	2.7	11.1	8.6	12.6	11.9	13.9
Return on capital employed,%	24.8	17.8	24.8	17.8	24.8	24.4
Return on average equity,%	25.7	22.8	25.7	22.8	25.7	27.5
Profit attributable to the Parent Company's shareholders	262	13,542	23,394	34,853	74,569	86,30
Equity/assets ratio,% *	53.3	50.1	53.3	50.1	53.3	53.4
Equity per share, SEK	11.79	11.28	11.79	11.28	11.79	13.29
Investments in intangible non-current assets	-	570	311	2,876	2,263	4,828
Investments tangible non-current assets	2,483	2,386	4,263	3,641	6,302	5,680
Depreciation, amortization and impairment losses for the period	-8,835	-8,703	-17,600	-17,239	-35,865	-35,503
Average number of employees	157	179	157	179	157	162

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

Summary per segment

THE GROUP

SEK thousands	April-June 2022	April-June 2021	January-June 2022	January-June 2021	July 2021-June 2022	Full year 2021
Operating revenue						
Wholesale						
External revenue	85,075	95,676	262,786	238,431	526,628	502,273
Internal revenue	876	151	1,891	253	3,245	1,607
	85,951	95,827	264,677	238,684	529,873	503,880
Consumer Direct						
<i>Brick-and-mortar</i>						
External revenue	25,877	26,546	44,150	39,227	118,126	113,203
Internal revenue	-229	-	-	-	19	19
<i>E-commerce</i>						
External revenue	27,021	22,833	52,156	47,170	104,495	99,509
Internal revenue	291	-	291	-	572	281
	52,960	49,379	96,597	86,397	223,12	213,012
Distributors						
External revenue	27,738	20,294	38,786	31,343	78,882	71,439
Internal revenue	72,512	108,115	189,434	212,940	442,090	465,596
	100,250	128,409	228,220	244,283	520,972	537,035
Licensing						
External revenue	1,253	1,436	5,654	6,082	9,243	9,671
Internal revenue	13,709	14,064	34,215	32,530	83,089	81,404
	14,962	15,500	39,869	38,612	92,332	91,075
Less internal sales	-87,160	-122,329	-225,831	-245,723	-529,015	-548,907
Operating revenue	166,963	166,786	403,532	362,253	837,374	796,095
Operating profit						
Wholesale	-880	6,966	31,650	33,994	66,179	68,523
Consumer Direct, brick-and-mortar	-4,258	4,182	-15,586	-11,468	-10,499	-6,380
Consumer Direct, e-commerce	4,131	4,848	6,759	9,237	17,716	20,194
Distributors	5,397	2,267	7,096	4,657	16,009	13,571
Licensing	843	1,014	4,624	5,290	7,513	8,180
Operating profit	5,233	19,277	34,543	41,710	96,920	104,088

Reconciliation between operating profit and profit before tax

The difference for the full year 2021 between operating profit for segments for which information must be disclosed is SEK 5,233 thousand (19,277) and profit before tax SEK 4,344 thousand (18,015) is net financial items, SEK -889 thousand (-1,262).

Quarterly data

THE GROUP

SEK thousands	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Net sales	161,544	226,620	180,576	240,141	162,836	184,651	160,364	224,909
Gross profit margin,%	54.5	50.0	53.1	54.4	56.3	53.3	56.6	50.4
Operating profit/loss	5,233	29,309	10,020	52,357	19,277	22,434	6,455	33,403
Operating margin,%	3.2	12.9	5.5	21.8	11.8	12.1	4.0	14.9
Profit/loss after net financial items	4,344	29,166	12,030	50,937	18,015	25,888	-5,744	32,951
Profit margin,%	2.7	12.9	6.7	21.2	11.1	14.0	-3.6	14.7
Earnings per share, before dilution, SEK	0.01	0.92	0.44	1.59	0.54	0.85	0.05	1.02
Earnings per share, after dilution, SEK	0.01	0.92	0.44	1.59	0.4	0.85	0.05	1.02
Number of Björn Borg stores at the end of the period of which Group-owned Björn Borg stores	24	26	26	27	28	31	32	33
	21	23	23	24	25	28	29	30

Parent company income statement

IN SUMMARY

SEK thousands	Note	April-June 2022	April-June 2021	January- June 2022	January- June 2021	July 2021- June 2022	Full year 2021
Net sales		25,168	25,027	50,338	49,833	100,445	99,940
Other operating revenue		445	240	1,010	1,279	1,771	1,990
Operating revenue		25,613	25,267	51,348	51,112	102,216	101,930
Goods for resale		-153	-	-153	-	-204	-51
Other external expenses	2	-13,353	-10,448	-26,481	-20,881	-59,873	-54,272
Personnel costs		-14,528	-10,005	-26,505	-21,190	-46,006	-40,691
Depreciation/amortization of intangible and tangible non-current assets		-611	-579	-1,240	-1,153	-2,413	-2,326
Other operating expenses		-162	-426	-663	-382	-998	-668
Operating profit		-3,194	3,809	-3,694	7,506	-7,278	3,922
Result from shares in subsidiaries		-	-30,629	-	-34,049	-145	-34,194
Net financial items		-3,396	-4,221	-1,435	1,817	7,665	10,918
Profit/loss after financial items		-6,590	-31,041	-5,129	-24,726	242	-19,354
Group contributions received/paid		-	-	-	-	48,988	48,988
Appropriations		-	-	-	-	-218	-218
Profit/loss before tax		-6,590	-31,041	-5,129	-24,726	49,012	29,416
Tax		-	-	-	-	-14,451	-14,451
Profit/loss for the period		-6,590	-31,041	-5,129	-24,726	34,561	14,965
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		-6,590	-31,041	-5,129	-24,726	34,561	14,965

Parent company balance sheet

IN SUMMARY

SEK thousands	Note	June 30, 2022	June 30, 2021	Dec 31, 2021
Non-current assets				
Intangible assets		3,146	4,142	3,669
Tangible non-current assets		2,149	2,464	2,112
Deferred tax		4	8	4
Shares in Group companies		279,956	277,676	277,676
Total non-current assets		285,255	284,290	283,461
Current assets				
Receivables from Group companies		1,031,101	882,043	980,598
Current receivables		5,473	9,181	3,864
Cash and cash equivalents		-	13,431	75,392
Total current assets		1,036,574	904,55	1,059,854
Total assets		1,321,829	1,188,945	1,343,315
Equity and liabilities				
Equity		88,029	116,338	156,029
Untaxed reserves		1,256	1,038	1,256
Non-current liabilities credit institutions		-	99,000	80,000
Other non-current liabilities		7,851	-	1,932
Current liabilities credit institutions		18,793	-	-
Due to Group companies		1,175,929	956,081	1,070,468
Accounts payable		6,346	5,629	9,251
Other current liabilities		23,625	10,859	24,379
Total equity and liabilities		1,321,829	1,188,945	1,343,315

Parent company statement of changes in equity

IN SUMMARY

SEK thousands	January- June 2022	January- June 2021	Full year 2021
Opening balance	156,029	178,787	178,787
Distribution	-62,871	-37,723	-37,723
Total comprehensive income for the period	-5,129	-24,726	14,965
Closing balance	88,029	116,338	156,029

Supplementary disclosures

NOTE 1 NET SALES

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

SEK thousands	The group	
	Jan-Jun 2022	Jan-Jun 2021
Sweden	136,856	119,607
Netherlands	83,710	79,751
Finland	49,791	41,915
Germany	44,272	49,861
Others	73,535	56,352
Total net sales	388,164	347,486

NOTE 2 OTHER EXTERNAL EXPENSES

SEK thousands	The group		Parent Company	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Cost of premises	5,971	3,832	3,489	2,660
Sales expenses	27,372	24,677	2,364	1,481
Marketing expenses	30,016	23,842	13,058	11,602
Administrative expenses	12,042	16,409	7,188	4,986
Other	2,627	1,985	382	152
	78,028	70,745	26,481	20,881

Definitions

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

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

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

CAPITAL EMPLOYED

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

Purpose: Capital employed measures capital use and efficiency.

COMPARABLE STORE SALES

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

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

EARNINGS PER SHARE (DEFINED ACCORDING TO IFRS)

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

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

EARNINGS PER SHARE AFTER DILUTION (DEFINED ACCORDING TO IFRS)

Earnings per share adjusted for any dilution effect.

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

EQUITY/ASSETS RATIO

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

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

GROSS PROFIT MARGIN

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

Purpose: Gross margin is used to measure operating profitability.

GROSS PROFIT MARGIN BEFORE ACQUISITIONS

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

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

GROSS PROFIT MARGIN EXCLUDING CURRENCY EFFECTS

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

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

GROUP NET SALES EXCLUDING CURRENCY EFFECTS

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

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

NET DEBT

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

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

NET DEBT TO EBITDA RATIO

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

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

NET FINANCIAL ITEMS

Financial income less financial expenses.

Purpose: To describe the company's financial activities.

OPERATING MARGIN

Operating profit as a percentage of net sales.

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

OPERATING PROFIT

Profit before tax plus net financial items.

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

PROFIT MARGIN

Profit before tax as a percentage of net sales.

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

RETURN ON CAPITAL EMPLOYED

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

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

RETURN ON EQUITY

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

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

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

Stockholm, August 19, 2022

Heiner Olbrich
Chairman of the Board

Alessandra Cama
Board member

Jens Høgsted
Board member

Johanna Schottenius
Board member

Anette Klintfeldt
Board member

Fredrik Lövestedt
Board member

Mats H Nilsson
Board member

Henrik Bunge
CEO

CALENDAR 2022

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

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

FINANCIAL REPORTS

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

SHAREHOLDER CONTACTS

Henrik Bunge, CEO

Email: henrik.bunge@bjornborg.com

Phone: +46 8 506 33 700

Jens Nyström, CFO

Email: jens.nystrom@bjornborg.com

Phone: +46 8 506 33 700

THE BJÖRN BORG GROUP IN BRIEF

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

IMAGES IN THE INTERIM REPORT

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

Björn Borg AB
Frösundaviks allé 1
169 70 Solna
Sweden
www.bjornborg.com

Björn Borg AB (publ) is required to make public this information in accordance with the EU Market Abuse Regulation. The information was released for publication by the above-mentioned contacts on August 19, 2022 at 7.30 a.m. (CET).