



BJÖRN BORG

Björn Borg AB • Interim report
January-September 2023

Powerful improvement in profits

JULY 1 - SEPTEMBER 30, 2023

- Group net sales amounted to SEK 262.1 million (248.6), an increase of 5 percent. Currency-neutral, net sales increased by 1 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 95.6 million (83.4), an increase of 15 percent. Sales for own e-commerce increased by 25 percent to SEK 37.6 million (30.0).
- The gross profit margin amounted to 52.6 percent (48.2). Currency-neutral, the gross profit margin amounted to 52.5 percent, an increase of 4.3 percentage points.
- Operating profit amounted to SEK 40.9 million (30.6), an increase of 34 percent. Currency-neutral, the operating profit amounted to SEK 37.0 million, an increase of 23 percent.
- Profit after tax amounted to SEK 32.0 million (22.2), an increase of 44 percent.
- Earnings per share before and after dilution amounted to SEK 1.27 (0.88).

JANUARY 1 - SEPTEMBER 30, 2023

- Group net sales amounted to SEK 674.6 million (636.8), an increase of 6 percent. Currency-neutral, net sales increased by 2 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 265.3 million (230.1), an increase of 15 percent. Sales for own e-commerce increased by 32 percent to SEK 108.5 million (82.2).
- The gross profit margin amounted to 53.2 percent (50.4). Currency-neutral, the gross profit margin amounted to 54.2 percent, an increase of 3.8 percentage points.
- Operating profit amounted to SEK 80.4 million (65.1), an increase of 23 percent. Currency-neutral, operating profit amounted to SEK 78.5 million, an increase of 23 percent.
- Profit after tax amounted to SEK 61.0 million (45.6), an increase of 34 percent.
- Earnings per share before and after dilution amounted to 2.43 (1.81).
- The financial goals for Björn Borg that were adopted in 2019 for a five-year period have been prolonged with no change, and are now valid until further notice.

QUOTE FROM THE CEO

"Once again, we have improved both sales and operating profit compared to the previous year's quarter," comments CEO Henrik Bunge.

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct 2022-Sep 2023	Full year 2022
Net sales	262.1	248.6	674.6	636.8	873.0	835.2
Gross profit margin, %	52.6	48.2	53.2	50.4	52.9	50.8
Operating profit	40.9	30.6	80.4	65.1	88.2	72.9
Operating margin, %	15.6	12.3	11.9	10.2	10.1	8.7
Profit after tax	32.0	22.2	61.0	45.6	66.3	50.9
Earnings per share before dilution, SEK	1.27	0.88	2.43	1.81	2.64	2.02
Earnings per share after dilution, SEK	1.27	0.88	2.43	1.81	2.64	2.02



CEO comments

Our positive trend from the first six months of the year continued in the third quarter. We achieved our highest sales ever, both for a single quarter and for the year to date. Once again, we improved both our sales and our operating profit compared to the previous year's quarter. Operating profit increased by 34 percent, a sign of strength, and our sales increased by 5 percent to SEK 262.1 million, currency-neutral 1 percent. I am proud of this, even though our sales ambition was even higher. Despite the continuing challenging environment in which we found ourselves, we saw increased demand for our products and a brand that strengthened during the quarter. We are on the right track and moving forwards step by step, sometimes with small steps but always in the right direction, for us to reach our goal of becoming a global sports fashion brand.

When we see, time after time, that the demand for our products is increasing, then we know that we are on the right track. During the quarter, it was particularly pleasing to see the strong development in one of our most important and largest categories, underwear, which increased by 15 percent. Sports apparel continued to develop well and increased in total by 11 percent. However, we showed even greater increases in our own e-commerce, where sports apparel grew by 58 percent, bags by 59 percent and footwear by 171 percent. However, weak sales at the wholesale level meant that footwear and bags decreased overall during the quarter.

The channel strategy that we have worked with actively for several years is proving to be successful in an uncertain market, where we minimize the risks by having several strong legs to stand on. The wholesale channel, our largest channel, grew by 15 percent. Our external e-tailers developed strongly while, at the same time, we saw a very strong recovery for physical stores within the wholesale channel, which grew by 19 percent. This showed an increased demand in the retail environment, and it was gratifying to see such

good growth. Our own channels, both own e-commerce and own stores, developed very well during the quarter; significantly better than the market, in fact, which was the result of a very competent team, strong demand for our products and the positive development of our brand. Own e-commerce grew by 25 percent with own comparable stores growing by 16 percent. Overall, however, our own stores were down by 4 percent in the quarter due to planned store closures which was fully in line with our channel strategy launched in 2019. Our distributors continued to face challenges compared to previous years. This was mainly due to their reduced purchases which was a consequence of their efforts to reduce their inventory levels. In addition, we also saw a decrease in sales from our distributors to their customers.

When reviewing our various markets, we see that our two largest markets developed very well, with Sweden increasing by 23 percent and the Netherlands increasing by 13 percent. Belgium and Germany also grew. At the same time, our sales in Finland decreased, and we also saw decreases in our other smaller markets.

We have a strong quarter behind us, which makes me both proud and happy. But what makes me most proud is all our employees, the team. You who never give up, who continue forwards in both headwinds and tailwinds. Thank you very much!

The environment in which we operate continued to be very challenging during the quarter. And, of course, considering everything that is happening, our business and our challenges might appear insignificant. But we are continuing our journey to become a global sports fashion brand despite all the challenges, and with the third quarter of the year behind us, I can state that our strong development in 2023 has continued.

So, let's go!

Head coach,
Henrik Bunge



The Group's development

OPERATING REVENUE, THIRD QUARTER 2023

The third quarter of the year showed an improvement in total operating revenue, including other revenue, of 5.1 percent to SEK 268.0 million (255.0). Adjusted for currency effects, operating revenue increased by 0.6 percent for the quarter.

PRODUCT AREAS, THIRD QUARTER 2023

The underwear product area showed increased sales of 15 percent for the third quarter of 2023, where primarily sales within the wholesale business showed a strong increase of 28 percent, while sales to external distributors decreased by 38 percent. Other channels increased overall underwear sales by 5 percent. Sports apparel increased by 11 percent, and sales to own e-commerce continued to grow particularly strongly, with an increase of 58 percent.

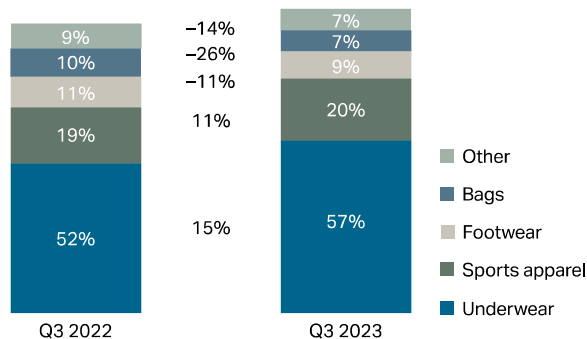
Sales of footwear decreased by 11 percent compared to the previous year's third quarter, and bags decreased by 26 percent. For other product areas, sales were down by 14 percent.

MARKETS, THIRD QUARTER 2023

The largest market, Sweden, increased sharply during the third quarter of the year by 23 percent, with wholesale operations increasing by 26 percent due to strong through-sales at the larger retailers, and own e-commerce increased by 36 percent. The second largest market, the Netherlands, increased by 13 percent. Here too, own e-commerce grew strongly with an increase of 20 percent. Germany showed a small increase compared to last year's third quarter.

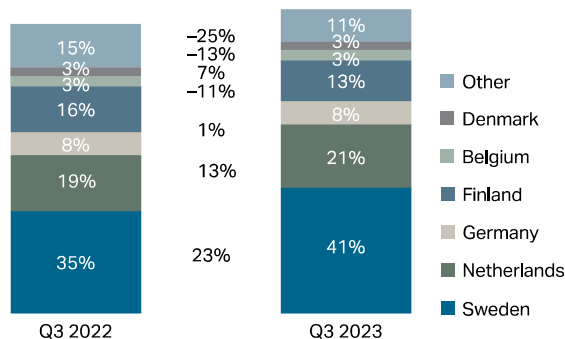
PRODUCT AREAS – SHARE OF TOTAL SALES

SEK 255 million – Growth 5% – SEK 268 million



MARKETS – SHARE OF TOTAL SALES

SEK 255 million – Growth 5% – SEK 268 million

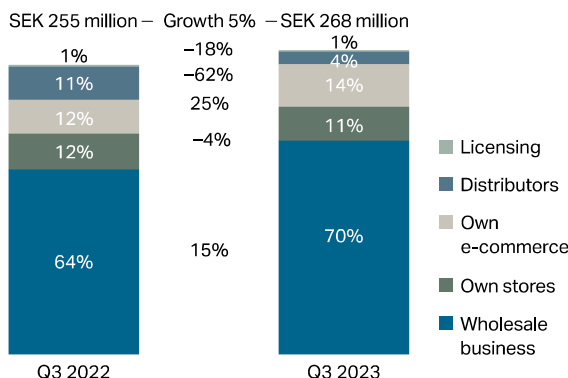


Finland decreased in the quarter by 11 percent due to the timing of the distribution between the quarters. Denmark was down by 13 percent due to weaker through-sales at the retailers. Belgium increased by 7 percent. The others smaller markets decreased by a total of 25 percent.

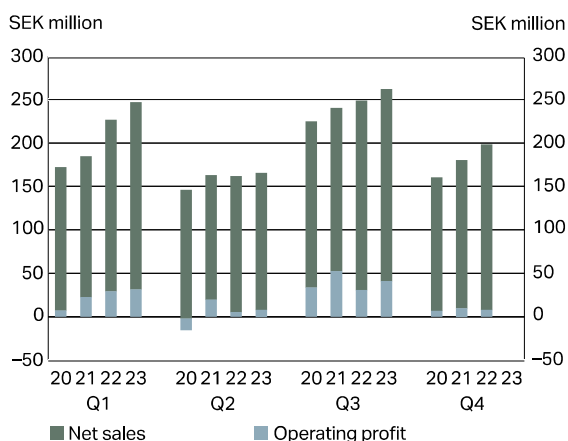
CHANNELS, THIRD QUARTER 2023

The largest channel, the wholesale business, showed an increase of 15 percent in the third quarter of 2023, with e-tailers in the wholesale business increasing by 9 percent, mainly due to strong development in the Swedish market. Physical stores increased by 19 percent, here again mainly due to strong development in the Swedish market. In total, own stores were down slightly by 4 percent compared to the previous year, due to the company's decision to close unprofitable stores. For comparable stores, i.e., stores that were open during both comparison quarters, sales increased by 16 percent in the quarter. Own e-commerce continued to show strong growth and increased by 25 percent. Distributors decreased by 62 percent compared to the previous year, mainly due to fewer purchases from Norway.

CHANNELS – SHARE OF TOTAL SALES



QUARTERLY NET SALES AND OPERATING PROFIT, 2020-2023



NET SALES

Third quarter, July-September 2023

Group net sales during the third quarter amounted to SEK 262.1 million (248.6), an increase of 5.4 percent. The currency effect on sales in the quarter was positive, and adjusted for currency effects, net sales increased by 0.8 percent.

The main explanation for the variance between the quarters was that the company saw an increased demand within its own e-commerce which grew by 25 percent, and that the wholesale business was strong and grew by 15 percent. However, external distributors showed the

opposite effect and decreased by 62 percent mainly due to reduced purchases from Norway. For further details, see below under 'Development by segment'.

The nine-month period, January-September 2023

Group net sales during the first nine months amounted to SEK 674.6 million (636.8), an increase of 5.9 percent. The currency effect on turnover in the quarter was positive and adjusted for currency effects, net sales increased by 1.7 percent.

The main explanation for the increase during the first nine months was that the company saw increased demand within the Consumer direct segment, where own physical stores increased sales by 1 percent and own e-commerce increased by 32 percent. The wholesale business also developed strongly and grew by 8 percent. For further details, see below under 'Development by segment'.

RESULTS

Third quarter, July-September 2023

The gross profit margin for the third quarter increased to 52.6 percent (48.2). Adjusted for currency effects, the gross profit margin would have been 52.5 percent. It was, above all, a greater focus generally on profitability in wholesale operations, and reduced discounts in own stores and own e-commerce, where certain sale-periods have been removed, that contributed to the positive effect.

Other operating income amounted to SEK 5.9 million (6.4) and referred mainly to unrealized gains on accounts receivable in foreign currency.

Operating costs in the quarter increased by SEK 7.2 million compared to the previous year's third quarter, primarily through increased marketing activities and reserves for doubtful accounts receivable.

Increased sales, higher gross profit margins and planned operating costs meant that the operating profit increased to SEK 40.9 million (30.6).

Net financial items amounted to -0.3 MSEK (-0.0). The change in net financial items compared to the previous year was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

The period's profit after tax increased to SEK 32.0 million (22.2).

The nine-month period, January-September 2023

The gross profit margin for the first nine months increased to 53.2 percent (50.4). Adjusted for currency effects, the gross profit margin would have been 54.2 percent. It was, above all, a greater focus generally on profitability in wholesale operations, and reduced discounts in own stores and own e-commerce, where certain sale-periods have been removed, that contributed to the positive effect.

Other operating income amounted to SEK 13.4 million (21.8) and mainly referred to unrealized gains on accounts receivable in foreign currency.

Operating costs increased according to plan for the first nine months by SEK 14.1 million compared to the previous year, primarily through increased marketing activities, where, however, lower personnel costs had the opposite positive effect on operating costs.

Increased sales, higher gross profit margins and planned increased operating costs, meant that the operating profit increased to SEK 80.4 million (65.1) compared to the previous year.

Net financial items amounted to -3.8 MSEK (-1.1). The deterioration of net financial items compared to the previous year was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

The period's profit after tax increased to SEK 61.0 million (45.6).

Development by segment

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

Wholesale

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

The segment's external operating income amounted to SEK 461.1 million (425.9) which was an increase of 8 percent. One explanation for the increase was that the company saw increased demand from e-tailers within the segment, i.e., players who primarily sell online, where growth for the first nine months was up 6 percent to SEK 157 million (148). Physical stores within the segment also showed growth and increased by 9 percent to SEK 304 million (278). Within wholesale operations, the largest market, Sweden, showed strong growth of 8 percent, and the second largest market, the Netherlands, showed growth of 6 percent. The Finnish market increased by 2 percent, while Germany was in line with the previous year.

Operating profit amounted to SEK 54.8 million (54.8). The fact that the operating profit was on a par with the previous year despite higher sales was primarily due to higher operating costs in the form of higher reserves for possible customer losses compared to the previous 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, directly to consumers via Own e-commerce at www.bjornborg.com.

Own e-commerce continued to grow strongly. During the first nine months of the year, Own e-commerce increased by 32 percent to SEK 108.5 million (82.2). The increase was mainly due to strong growth in the sports apparel product area which was up 88 percent compared to the previous year's first nine months. The underwear product area also increased strongly and grew by 14 percent. Footwear continued to show strong momentum and grew by 76 percent.

The operating profit for the first nine months of 2023 amounted to SEK 17.0 million (13.5), an increase of 27 percent. The improvement came primarily from greatly increased sales while maintaining high gross margins.

Own stores

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

Own physical stores increased slightly compared to the first nine months of last year. In total, the increase was 1 percent, up to SEK 76.2 million (75.5), despite the company choosing to close five stores in accordance with the company's strategy to close unprofitable stores. One explanation for the increase was that the stores in the Netherlands were closed for parts of the first nine months of last year as a result of the pandemic. For comparable stores, i.e., stores that were also open in the corresponding period of the previous year, the increase was 23 percent.

In the Netherlands, sales in Own stores increased by 22 percent, mainly because the stores were closed for part of the first nine months of 2022. In Sweden, sales in Own stores decreased by 1 percent in connection with the closure of unprofitable stores. For comparable stores in Sweden, sales increased by 8 percent. Sales in Finland and Belgium were down by 9 and 14 percent respectively as a result of fewer stores this year compared to the first nine months of last year. For comparable stores, Finland and Belgium increased by 47 and 11 percent respectively.

Operating profit for the first nine months of 2023 amounted to -6.2 MSEK (-24.3). The improvement in the operating profit was mainly due to increased sales and significantly improved gross profit margins, as well as reduced operating costs as a result of fewer stores.

Distributors

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

The segment's external operating income decreased during the first nine months of the year 2023 compared to 2022 and amounted to SEK 33.9 million (67.6). Sales to the two major distributor markets, Norway and Great Britain, decreased compared to the previous year, by 31 and 59 percent respectively, mainly due to large stocks and thus fewer purchases from the respective markets. For the other distributor markets, sales decreased by a total of 65 percent.

Operating profit decreased to SEK 7.3 million (15.1) as a result of the lower sales.

Segment	Revenue type	Operating income, SEK thousands January-September		Operating profit, SEK thousands January-September		Operating margin,% January-September	
		2023	2022	2023	2022	2023	2022
Wholesale	Products	461,067	425,869	54,779	54,807	12	13
Own e-commerce	Products	108,465	82,178	17,046	13,465	16	16
Own stores	Products	76,192	75,398	-6,164	-24,294	-8	-32
Distributors	Products	33,907	67,645	7,319	15,078	22	22
Licensing	Royalties	8,427	7,431	7,400	6,084	88	82
Total		688,058	658,520	80,380	65,140	12	10

Licensing

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

The segment's external operating income increased slightly during the first nine months of 2023 compared to 2022 and amounted to SEK 8.4 million (7.4). It was, above all, within the footwear category that royalty income increased during the first nine months of the year.

The operating profit amounted to SEK 7.4 million (6.1) for the first nine months of 2023.

Intra-Group sales

Intra-Group sales for the first nine months of the year 2023 amounted to SEK 470.8 million (344.5).

SEASONAL VARIATIONS

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

INVESTMENTS AND CASH FLOW

The cash flow from the ongoing operations in the Group during the first nine months of 2023 amounted to -8.1 MSEK (-10.9).

The cash flow from investment activities was negative at SEK -8.2 million (-6.6). The larger investments related to the remodeling of the head office's showroom. Cash flow from financing activities amounted to SEK 7.5 million (-7.5). The improvement, compared to the previous year, was due to the increased utilization of bank facilities, lower loan repayments, and a lower distribution to shareholders of -50.3 MSEK (-62.9).

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash and cash equivalents at the end of the period amounted to SEK 9.7 million (14.4), plus unused bank facilities of SEK 46.8 million (61.1). At the end of the third quarter of the year, the company had a net debt excluding lease liabilities of SEK 93.5 million (74.5). The company continued to have strong liquidity mainly due to increased earnings. Total interest-bearing liabilities amounted to SEK 149.9 million (140.0), where total leasing debt amounted to SEK 46.7 million (51.1), of which SEK 28.4 million was the long-term share and SEK 18.3 million was the short-term share.

The Björn Borg Group had SEK 150 million in bank facilities, of which SEK 103.2 million was utilized as of September 30, 2023. 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 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 September 30, 2023, the ratio of the Group's net debt was 0.95 (0.87) and the equity ratio amounted to 55.4 percent (52.3).

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

PERSONNEL

The average number of employees in the Group for the twelve-month period ending September 30, 2023, was 150 (154), of which 69 percent (67) were women. The reduction in personnel, compared to the previous year, was due to store closures.

TRANSACTIONS WITH RELATED PARTIES

Following a decision at the annual general meeting, the Björn Borg Group has introduced an incentive program under which the company invited persons in Group management and certain additional key persons within the Group to acquire warrants in the company at market value. 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. A total of 290,000 warrants were subscribed, with the remaining 10,000 warrants being held in reserve for future key personnel. For further information on the incentive program and its design, please refer to the company's website and the documentation relating to the 2023 annual general meeting.

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

MATERIAL RISKS AND UNCERTAINTIES

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

The company notes, however, that the geopolitical situation in the world is challenging. It is currently difficult to determine how this is affecting the Björn Borg Group's operations financially. The fact that the company does not have any business in either Russia or Ukraine, nor in Israel, minimizes the risk of any 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 continues to reach high levels, that interest rates on bank loans have risen sharply, and that the currencies in which the company trades have had an unfavorable development. Taken together, these macro-economic effects could have a further impact on consumer purchasing behavior.

THE PARENT COMPANY

Björn Borg AB (publ) mainly conducts Intra-Group operations. As of September 30, 2023, 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 Ltd, Baseline BV, Belgian Brand Management BVBA, Björn Borg Finland Oy and Björn Borg Denmark ApS. Furthermore, the company owned 75 percent of the shares in Björn Borg (China) Ltd.

The parent company's net sales for the first nine months of 2023 amounted to SEK 75.9 million (75.8).

Profit before tax amounted to -13.5 MSEK (-8.8) for the first nine months of 2023. Cash and cash equivalents at the end of the period amounted to 0 MSEK (0).

EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no significant events to report since the end of the reporting period.

NUMBER OF SHARES

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

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, have been prolonged and are now valid until further notice. The financial goals are:

- Annual sales growth of at least 5 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 of not less than 35 percent.

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

ANNUAL GENERAL MEETING

The annual general meeting held on 17 May 2023 decided on a distribution of 2.00 (2.50) per share to the shareholders for the financial year 2022. Fredrik Lövestedt, Mats H Nilsson, Heiner Olbrich, Alessandra Cama, Anette Klintfeldt, Jens Høgsted and Johanna Schottenius were re-elected to the Board. The total number of members is seven. The meeting decided that Heiner Olbrich should be re-elected as the Board's Chair.

The meeting also adopted the Board's proposal for a long-term incentive program including the issuance of warrants. For further information on the incentive program, see above under "Transactions with related parties".

ACCOUNTING PRINCIPLES

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

IMPORTANT JUDGMENTS AND ASSESSMENTS

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

AUDIT

This interim report has been subject to a general review by the company's auditors. The review report can be found on page 16.

OUTLOOK 2023

The company's policy is not to provide forecasts.

Consolidated income statement

IN SUMMARY

SEK thousands	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct 2022- Sep 2023	Full year 2022
Net sales	1	262,105	248,590	674,628	636,754	837,047	835,173
Other operating revenue		5,862	6,398	13,430	21,766	17,500	25,835
Operating revenue		267,967	254,988	688,058	658,520	890,547	861,008
Goods for resale		-124,246	-128,793	-315,782	-315,602	-410,840	-410,660
Other external expenses	2	-57,377	-50,396	-153,615	-128,424	-206,601	-181,411
Personnel costs		-33,393	-33,203	-101,304	-106,039	-136,712	-141,447
Depreciation/amortization of tangible/ intangible non-current assets		-8,106	-8,531	-24,911	-26,131	-33,519	-34,739
Other operating expenses		-3,952	-3,468	-12,066	-17,184	-14,724	-19,842
Operating profit		40,893	30,597	80,380	65,140	88,151	72,909
Net financial items		-341	-52	-3,760	-1,084	-5,141	-2,465
Profit before tax		40,552	30,545	76,620	64,056	83,010	70,444
Tax		-8,507	-8,355	-15,600	-18,473	-16,697	-19,571
Profit for the period		32,045	22,190	61,020	45,583	66,313	50,873
Profit for the period attributable to							
Parent Company shareholders		32,045	22,190	61,020	45,583	66,313	50,873
Non-controlling interests		-	-	-	-	-	-
Earnings per share before dilution, SEK		1.27	0.88	2.43	1.81	2.64	2.02
Earnings per share after dilution, SEK		1.27	0.88	2.43	1.81	2.64	2.02
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	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct 2022- Sep 2023	Full year 2022
Profit/loss for the period		32,045	22,190	61,020	45,583	66,313	50,873
OTHER COMPREHENSIVE INCOME							
Components that may be reclassified to profit or loss for the period							
Translation difference for the period		-3,546	-821	3,751	857	5,484	2,590
Total other comprehensive income for the period		-3,546	-821	3,751	857	5,484	2,590
Total comprehensive income for the period		28,499	21,369	64,771	46,440	71,797	53,463
Total comprehensive income attributable to							
Parent Company shareholders		28,499	21,369	64,771	46,440	71,797	53,463
Non-controlling interests		-	-	-	-	-	-

Consolidated statement of financial position

IN SUMMARY

SEK thousands	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Non-current assets				
Goodwill		37,214	36,065	36,486
Trademarks		187,532	187,532	187,532
Other intangible assets		6,459	8,510	7,561
Tangible non-current assets		17,844	16,483	16,195
Deferred tax assets		12,581	11,134	12,575
Right-of-use assets		47,693	52,597	52,571
Total non-current assets		309,323	312,321	312,920
Current assets				
Inventory		150,489	170,016	201,136
Accounts receivable		164,274	149,775	104,212
Other current receivables		28,157	16,482	19,094
Cash and cash equivalents		9,739	14,386	16,032
Total current assets		352,659	350,659	340,474
Total assets		661,982	662,980	653,394
Equity and liabilities				
Equity		340,186	317,786	324,809
Deferred tax liabilities		39,771	39,623	39,877
Long-term lease liabilities		28,379	33,059	32,386
Current liability to credit institution		103,698	88,896	30,000
Accounts payable		50,414	69,332	106,021
Short-term lease liabilities		18,319	17,978	19,265
Other current liabilities		81,214	96,306	101,036
Total equity and liabilities		661,982	662,980	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		47,534	-1,094	46,440
Distribution for 2021		-62,871	-	-62,871
Closing balance, September 30, 2022		324,747	-6,961	317,786
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		64,911	-140	64,771
Distribution for 2022		-50,297	-	-50,297
Warrant premium		903	-	903
Closing balance, September 30, 2023		346,928	-6,742	340,186

Consolidated statement of cash flows

IN SUMMARY

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Cash flow from operating activities					
Before changes in working capital	39,676	36,819	70,855	92,158	108,024
Changes in working capital	-98,307	-100,823	-78,964	-103,040	-47,524
Cash flow from operating activities	-58,631	-64,004	-8,109	-10,882	60,500
Investments in intangible non-current assets	-465	-429	-1,144	-740	-265
Investments in tangible non-current assets	-2,404	-1,560	-7,076	-5,824	-8,059
Cash flow from investing activities	-2,869	-1,989	-8,220	-6,564	-8,324
Distribution	-	-	-50,297	-62,871	-62,871
Warrant premium	-	-	903	-	-
Amortization of loans	-	-	-30,000	-80,000	-80,000
Amortization of lease liabilities	-6,369	-6,994	-16,827	-17,572	-23,068
Newly-raised loans	-	30,000	-	30,000	30,000
Overdraft facility	67,801	40,103	103,698	58,896	-
Cash flow from financing activities	61,432	63,109	7,477	-71,547	-135,939
Cash flow for the period	-67	-2,884	-8,852	-88,993	-83,763
Cash and cash equivalents at the beginning of the period	10,115	14,365	16,032	96,743	96,743
Translation difference in cash and cash equivalents	-309	2,905	2,559	6,637	3,052
Cash and cash equivalents at the end of the period	9,739	14,386	9,739	14,386	16,032

Key figures

GROUP

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct 2022- Sep 2023	Full year 2022
Gross profit margin,% *	52.6	48.2	53.2	50.4	52.9	50.8
Operating margin,%	15.6	12.3	11.9	10.2	10.1	8.7
Profit margin,%	15.5	12.3	11.4	10.1	9.5	8.4
Return on capital employed,%	18.7	17.4	18.7	17.4	18.7	17.1
Return on average equity,%	20.2	17.6	20.2	17.6	20.2	15.4
Profit attributable to the Parent Company's shareholders	32,045	22,190	61,020	45,583	66,313	50,873
Equity/assets ratio,% *	55.4	52.3	55.4	52.3	55.4	54.0
Equity per share, SEK	13.53	12.64	13.53	12.64	13.53	12.92
Investments in intangible non-current assets	465	429	1,144	740	1,144	265
Investments tangible non-current assets	2,404	1,560	7,076	5,824	8,836	8,059
Depreciation, amortization and impairment losses for the period	-8,106	-8,531	-24,911	-26,131	-33,519	-34,739
Average number of employees	152	154	150	154	150	151

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

Summary per segment

GROUP

SEK thousands	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct 2022- Sep 2023	Full year 2022
Operating revenue						
Wholesale business						
External revenue	188,148	163,082	461,067	425,869	575,073	539,871
Internal revenue	2,442	1,237	21,040	3,127	22,783	4,870
	190,590	164,319	482,107	428,996	597,856	544,741
Own e-commerce						
External revenue	37,575	30,022	108,465	82,178	139,698	113,411
Internal revenue	–	–52	1,148	239	1,158	250
	37,575	29,970	109,613	82,417	140,856	113,661
Own stores						
External revenue	29,940	31,248	76,192	75,398	107,360	106,566
Internal revenue	–	66	–	66	62	128
	29,940	31,314	76,192	75,464	107,422	106,694
Distributors						
External revenue	10,849	28,860	33,907	67,645	58,559	92,298
Internal revenue	183,433	115,852	423,076	305,286	597,565	479,774
	194,282	144,712	456,983	372,931	656,124	572,072
Licensing						
External revenue	1,455	1,778	8,427	7,431	9,857	8,862
Internal revenue	10,721	1,519	25,541	35,734	23,092	33,286
	12,176	3,297	33,968	43,165	32,949	42,148
Less internal sales	–196,596	–118,623	–470,805	–344,453	–644,661	–518,309
Operating revenue	267,967	254,989	688,058	658,520	890,547	861,008
Operating profit						
Wholesale business	28,663	23,156	54,779	54,807	52,799	52,824
Own e-commerce	5,884	–8,708	17,046	13,465	21,250	17,669
Own stores	689	6,706	–6,164	–24,294	–6,194	–24,324
Distributors	4,373	7,983	7,319	15,078	11,798	19,558
Licensing	1,284	1,460	7,400	6,084	8,498	7,182
Operating profit	40,893	30,597	80,380	65,140	88,148	72,909

Reconciliation between operating profit and profit before tax

The difference between operating profit for segments for which information must be provided SEK 40,893 thousand (30,597) and profit before tax SEK 40,552 thousand (30,545) are financial net items, SEK –341 thousand (–52).

Quarterly data

GROUP

SEK thousands	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net sales	262,105	165,631	246,893	198,420	248,590	161,544	226,620	180,576
Gross profit margin,%	52.6	55.6	52.2	52.1	48.2	54.5	50.0	53.1
Operating profit/loss	40,893	8,100	31,385	7,770	30,597	5,233	29,309	10,020
Operating margin,%	15.6	4.9	12.7	3.9	12.3	3.2	12.9	5.5
Profit/loss after net financial items	40,552	5,401	30,665	6,389	30,545	4,344	29,166	12,030
Profit margin,%	15.5	3.3	12.4	3.2	12.3	2.7	12.9	6.7
Earnings per share, before dilution, SEK	1.27	0.17	0.99	0.21	0.88	0.01	0.92	0.44
Earnings per share, after dilution, SEK	1.27	0.17	0.99	0.21	0.88	0.01	0.92	0.44
Number of Björn Borg retail stores at the end of the period	17	17	19	19	19	24	26	26
of which Group-owned Björn Borg retail stores	16	16	18	18	18	21	23	23

Parent company income statement

IN SUMMARY

SEK thousands	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct 2022- Sep 2023	Full year 2022
Net sales		25,414	25,457	75,942	75,795	101,352	101,205
Other operating revenue		264	95	833	1,105	902	1,174
Operating revenue		25,678	25,552	76,775	76,900	102,254	102,379
Goods for resale		-	-	-	-153	-	-153
Other external expenses	2	-13,444	-13,784	-42,208	-40,265	-58,199	-56,256
Personnel costs		-11,321	-12,290	-32,663	-38,795	-45,374	-51,506
Depreciation/amortization of intangible and tangible non-current assets		-777	-612	-2,159	-1,852	-2,793	-2,486
Other operating expenses		-148	-95	-287	-758	-398	-869
Operating profit		-12	-1,229	-542	-4,923	-4,510	-8,892
Result from shares in subsidiaries		-	-	-	-	4,493	4,493
Net financial items		-5,829	-2,483	-12,928	-3,919	-14,959	-5,950
Profit/loss after financial items		-5,841	-3,712	-13,470	-8,842	-14,976	-10,348
Group contributions received/paid		-	-	-	-	52,538	52,538
Appropriations		-	-	-	-	-360	-360
Profit/loss before tax		-5,841	-3,712	-13,470	-8,842	37,202	41,830
Tax		-	-	-	-	-9,512	-9,512
Profit/loss for the period		-5,841	-3,712	-13,470	-8,842	27,690	32,318
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		-5,841	-3,712	-13,470	-8,842	27,690	32,318

Parent company balance sheet

IN SUMMARY

SEK thousands	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Non-current assets				
Intangible assets		1,087	2,734	2,323
Tangible non-current assets		4,806	2,404	2,510
Deferred tax		-	4	-
Shares in Group companies		371,813	279,956	371,813
Total non-current assets		377,706	285,098	376,646
Current assets				
Receivables from Group companies		460,966	1,142,435	891,508
Current receivables		9,016	3,798	3,669
Cash and cash equivalents		-	-	1,558
Total current assets		469,982	1,146,233	896,735
Total assets		847,688	1,431,331	1,273,381
Equity and liabilities				
Equity		73,375	84,316	136,239
Untaxed reserves		1,616	1,256	1,616
Current liabilities credit institutions		103,206	88,896	30,000
Due to Group companies		650,319	1,216,567	1,049,151
Accounts payable		5,318	5,403	9,782
Other current liabilities		13,854	34,893	46,593
Total equity and liabilities		847,688	1,431,331	1,273,381

Parent company statement of changes in equity

IN SUMMARY

SEK thousands	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
Opening balance	136,239	156,029	166,792
Distribution	-50,297	-62,871	-62,871
Warrant premium	903	-	-
Total comprehensive income for the period	-13,470	-8,842	32,318
Closing balance	73,375	84,316	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-Sep 2023	Jan-Sep 2022
Sweden	237,708	228,682
Netherlands	155,790	133,803
Finland	92,299	89,275
Germany	61,523	63,835
Others	127,308	121,159
Total net sales	674,628	636,754

NOTE 2 OTHER EXTERNAL EXPENSES

SEK thousands	The group		Parent Company	
	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Cost of premises	8,519	15,788	4,950	5,135
Sales expenses	52,831	42,319	848	2,846
Marketing expenses	52,003	43,596	25,174	20,515
Administrative expenses	34,089	22,407	10,466	11,123
Other	6,173	4,314	770	646
	153,615	128,424	42,208	40,265

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 den 17 november 2023

Heiner Olbrich
Chairman of the Board

Alessandra Cama
Board member

Jens Högsted
Board member

Johanna Schottenius
Board member

Anette Klintfeldt
Board member

Fredrik Lövestedt
Board member

Mats H Nilsson
Board member

Henrik Bunge
CEO

REVIEW REPORT

INTRODUCTION

We have reviewed the interim report for Björn Borg AB (publ) for the period January 1 to September 30, 2023. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with the International Standards of Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material aspects, prepared in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, November 17, 2023
BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant
Responsible auditor

Carl-Johan Kjellman
Authorized Public Accountant

CALENDAR 2023

The year-end report 2023 will be released at 7.30 a.m. on February 23, 2024.

Annual report 2023 in late April 2024.

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

SHAREHOLDER CONTACTS

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THE BJÖRN BORG GROUP IN BRIEF

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

THE PICTURES IN THE INTERIM REPORT

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

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Denna information är sådan information som Björn Borg AB (publ) är skyldigt att offentliggöra enligt EU:s marknadsmissbruksförordning. Informationen lämnades, genom ovanstående kontaktpersons försorg, för offentliggörande den 17 november 2023 kl 07.30.