



**BJÖRN BORG** 

Annual report 2024








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"Growth was driven by all product groups, with particularly strong development in our two strategic focus areas: Footwear – up by 36 percent and Sports Apparel – up by 32 percent. These categories represent the areas where we see the most significant growth opportunities."

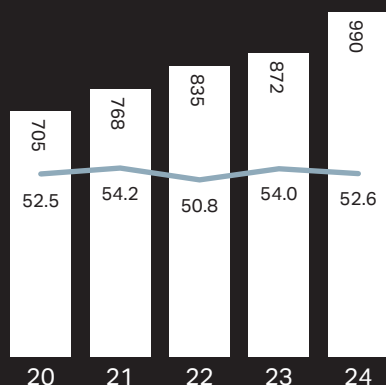
*Henrik Bunge*





# Björn Borg in brief

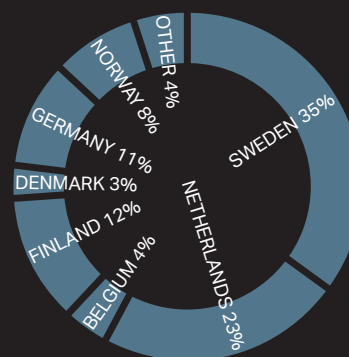
Net sales, SEK million  
Gross profit margin (%)



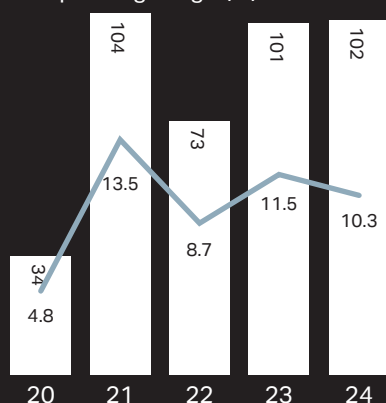
The gross profit margin was 52.6 percent

52.6

Total sales by country



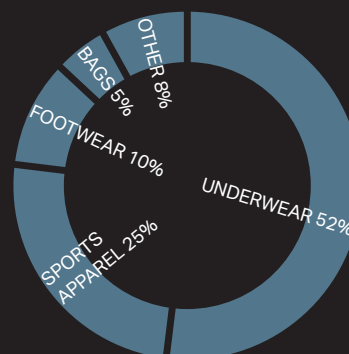
Operating profit, SEK million  
Operating margin (%)



The operating margin was 10.3 percent

10.3

Sales by product area



## The Björn Borg Group

The Björn Borg Group owns and develops the Björn Borg brand. The focus of the business is on underwear and sports apparel, bags and footwear. In addition, eyewear products are sold through our licensees. Björn Borg products are sold in some twenty markets, of which Sweden and the Netherlands are the largest.

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

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

## The Björn Borg brand

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

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

## Markets

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

## The year in figures

- The Group's net sales amounted to SEK 989.7 million (872.3), an increase of 13.5 percent.
- Net sales from own e-commerce increased by 17.6 percent to SEK 181.0 million (154.0). Combined sales from own e-commerce and e-tailers amounted to SEK 419.5 million (358.2), an increase of 17.1 percent.
- Gross margin amounted to 52.6 percent (54.0). Adjusted for currency effects, the gross margin was 52.5 percent, a decrease of 1.5 percentage points.
- Operating profit amounted to SEK 101.8 million (100.6), an increase of 1.3 percent. Adjusted for currency effects, operating profit amounted to SEK 94.5 million, a decrease of 6.0 percent.
- Profit after tax amounted to SEK 72.7 million (76.0), a decrease of 4.4 percent.
- Earnings per share before and after dilution amounted to SEK 2.89 (3.02).
- The Board of Directors has decided to propose to the Annual General Meeting a dividend of SEK 3.00 (3.00) per share, to be distributed in two payments, corresponding to a total of SEK 75.4 million (75.4). In addition, the Board has decided to propose that the AGM authorizes the Board to repurchase the company's own shares.

# CEO's comments

I proudly begin my summary of 2024 with the words: record sales! Despite a continued uncertain environment and an economy that has shown signs of recovery with lower inflation and interest rate cuts, we have succeeded in surpassing ourselves. We have improved our key figures compared to 2023, and the strong growth of 14 percent was undoubtedly the highlight of the year.

## **EMPLOYEES WHO MAKE A DIFFERENCE**

At Björn Borg, we are convinced that our employees are our greatest asset. We strive to create a workplace where every individual has the opportunity to develop and reach their full potential. We do this by setting clear goals, providing regular feedback, and promoting a culture of training and well-being. We believe that an active and healthy life is the foundation for high performance and long-term success. That is why we offer joint training sessions as a natural part of our working day. It is an investment in the health and well-being of our employees, which in turn leads to increased productivity, creativity and commitment.

## **OUR BRAND IS OUR MOST IMPORTANT ASSET**

Our brand, together with our team, is our most important asset. In 2024, we continued to develop and strengthen it, which led to a strong end to the year. We saw a continued increase in preference for us as a sports brand, while we maintained our leading position in the men's underwear market. Our greatest success was in Germany, where an increased focus resulted in a 31 percent increase in the sports segment. Our message of training to feel better and for better health successfully reached its target audience.

## **SALES**

Net sales increased in 2024 to SEK 989.7 million, an increase of 14 percent compared to the previous year. Growth was driven by all product groups, with particularly strong development in our two strategic focus areas: Footwear (up by 36 percent) and Sports Apparel (up by 32 percent). These categories represent the areas where we see the most significant growth opportunities. Our largest category, Underwear, also

showed good development with an increase of 6 percent, as did the Bags category, which grew by 6 percent.

By country, we saw particularly strong growth in our largest market, Sweden (up by 18 percent), and in our strategic focus market, Germany (up by 21 percent). The other larger markets, Finland and the Netherlands, grew by 4 and 11 percent respectively. Of the smaller markets, Denmark performed very well with an increase of 14 percent, and Belgium with an increase of 51 percent.

Our largest channel, the wholesale channel, had a very strong year and grew by 16 percent. Own e-commerce continued to develop well and grew by 18 percent. Our own comparable stores increased by 2 percent during the year. Finally, our distributors grew by 10 percent.

## **PROFITABILITY**

The gross profit margin for 2024 decreased to 52.6 percent (54.0). Adjusted for currency effects, the gross profit margin would have been 52.5 percent. The decrease was primarily due to increased short-term discounts for Footwear, which can be entirely attributed to the takeover of the footwear business from our former partner that went bankrupt in early 2024. Operating expenses increased during the year by SEK 51.9 million compared to 2023. The increased costs were due to the integration of Footwear and increased investments in marketing, both of which aim to create conditions for future growth.

Increased sales, albeit at lower gross profit margins, and increased planned, operating expenses as compared to the previous year, resulted in an operating profit of SEK 101.8 million (100.6), an increase of 1.3 percent, and an operating margin of 10.3 percent (11.5).





#### **A SUSTAINABLE BUSINESS MODEL AND GROWTH**

In 2024, we continued our work to drive growth while operating a more sustainable business. Each employee had individual sustainability goals, both work-related and more personal. I am particularly proud that our best-selling fitness products were made from recycled polyester. During the year, we also introduced Clean Color for our underwear, a new dyeing method that reduces water consumption by 93 percent, electricity consumption by 84 percent, and CO2 emissions by 53 percent compared to traditional dyeing. In addition, we increased the proportion of recycled material in our transport packaging. Our head office is environmentally certified and uses only electricity from wind power, and heating and cooling from an aquifer.

#### **AMBITION**

We always strive to do better each year than the previous one. Looking back on 2024, I am happy to say that

we are making great strides forward. We have broken record sales in fifteen of the last sixteen quarters and ended the year with a fantastic sales increase of 14 percent! But I am convinced that we have even more potential and that we can grow even faster. Looking back, we can now state that we have succeeded in transforming an underwear company into a successful sports fashion company – it was just a dream at the end of 2014. Now that dream is becoming a reality, year after year. Imagine that! And it is thanks to our fantastic employees, who with their commitment and fighting spirit, are driving us forward. We share a strong belief: to inspire each other and others to an active life to feel better and for better health.

*Train to live!*  
Henrik Bunge  
Head Coach

# Vision, business concept, goals and strategy

## Our Vision:

***To build a sports fashion brand and to inspire an active lifestyle***

We are on an exciting mission: to transform the way we think about fashion and training.

Our vision is to become the leading brand for everyone who wants to live a life filled with movement.

We want to inspire people to discover the joy and value of being activated.

## Our Journey So Far and the Way Forward

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

## Our Foundation Pillars

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

## Our core values

- **Passion:** Energy literally flows from our bodies in our constant pursuit forward. Not because someone forces us, but because we love it. Sport is the force that gives us adrenaline and self-confidence, and our hearts show the way. We are driven by a passion for what we do, no matter what it is.
- **Empowering:** We show that we care about others. We strongly believe in personal development and that everyone can go beyond their limitations. That's why we push each other forward, because we all become stronger when we empower each other. That's why we believe that one plus one doesn't just make three, but even more.

- **Winning attitude:** We have high ambitions to achieve success. Winning is part of our DNA and we refuse to lose. Whether we compete individually or as a team, our goal is always to win. We never give up and always believe in our ability to win.
- **Bold:** We don't believe in conventions - we believe in following our own vision with strong determination. We stand up for our beliefs, no matter the cost. That's why we always go our own way and take the lead in fighting against any norms, ideals or traditions that limit people's ability to reach their full potential.
- **Magnetic:** We always face the world with a smile and have enough self-confidence not to take ourselves too seriously. Some call it aura, others attraction. We call it magnetic. A special glow that radiates from within, a combination of appearance, demeanor and expression.

## Our Financial Goals

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

- Annual sales growth of at least 10 percent.
- An annual operating margin of at least 10 percent.
- An annual dividend of at least 50 percent of net profit after tax.
- An equity/assets ratio which never drops below 35 percent.

## Why It's Important

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





# The Björn Borg brand

## Brand development

The Björn Borg trademark was registered in the late 1980's and established in the first half of the 1990's on the Swedish fashion market. Since then, the company has grown strongly and established itself in a number of markets around the world. Björn Borg's business plan is to become a leading player within sports fashion, and the company has therefore increased its focus on the design and production of sports apparel.

Björn Borg has a clear profile and a strong position in its established markets, especially in underwear. In the newer markets, the company is still in the establishment phase. With five different product areas and sales in around twenty markets – mature as well as completely newly established and with different preconditions and preferences – there is a great need for management to achieve cohesive and long-term brand work.

The company has therefore developed a brand platform that reflects the brand's sporty identity and the aspiration to inspire others to reach their full potential, an idea on which the entire brand is built on and driven by. The belief that we do not live to train but that we train to live is strong – *Train To Live*.

Björn Borg strives to provide the best possible service to its distributors and licensees who commit to a certain level of marketing investment in each market. The aim is to give them good opportunities to create sales and brand awareness and, at the same time, ensure a uniform development of the brand. The support to distributors and licensees includes guidelines for brand work as well as marketing support. The support is adapted to the needs of the different markets, development phase and the budget.

## Market communications

Björn Borg wants to inspire people to become the best version of themselves. Training is a central part of this, as it provides the energy and motivation to achieve other goals in life. Björn Borg's entire brand and communication is based on this idea: *Train To Live*. The focus is on continuing to drive the movement and strengthen its position as a fashion sports brand. The strategy aims to build the brand long-term and to consistently drive sales. In order to achieve cost efficiency and broad impact, the Group focuses on forming a strong community primarily through social

media, campaigns and events, as well as through store exposure. Social media continues to have increasing importance for the meetings between Björn Borg and its end consumers, and the company sees these channels as both important and cost-effective for branding and sales-driving activities.

## Activities, channels and focus 2024

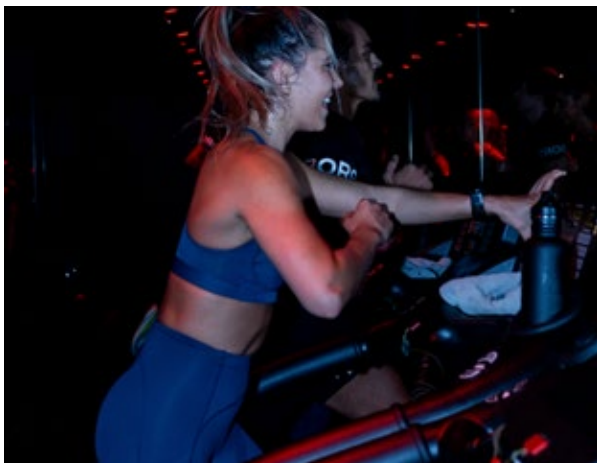
Björn Borg continued to position itself as a sports fashion brand through a series of activities and campaigns in 2024. With the concept *Train To Live*, the brand communicated that training is a lifestyle and a key to becoming the best version of yourself. The brand has put a lot of effort into being constantly present where the end-consumer is every day, all year round.

Björn Borg has continued to strengthen its brand through a number of initiatives. As previously mentioned, the brand has chosen six main areas to reach the customer: store exposure, influencers, partnerships, sponsorships, social channels and reach media. One of the most important aspects is that, regardless of where or in what context the customer encounters the brand, it should always have the same identity and tone, all in order to effectively build recognition. This has been a major focus in 2024.

A strong, consistent visual expression has been used, and the new red brand color has continued to be phased in. A major investment has also been made in building a strong community through hundreds of influencer collaborations, which works well both for building the brand in the long term and for directly attracting new converts to the brand here and now. During the year, another collection collaboration was also launched together with influencer *Alice Stenlöf*; a collection that was an even greater sales success than the collection collaboration from 2023.

In addition to the online activities, Björn Borg has also created offline activities. It has, for instance, collaborated with the gym chain, *Train More*, in the Netherlands and the studio, *Barry's*, in the Nordics. These activities, too, have been successful, and have helped Björn Borg create strong relationships with consumers. In addition, the Group has continued to sponsor various types of sporting events, such as *Tough Viking*, *Red Bull 400* and *Zandvoort Circuit Run*, which has increased the brand's visibility and reached a wide audience.





# Product development

## The brand and the products

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

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

## Important events in 2024

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

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

During the year, the product team was strengthened with new expertise in several areas. When it comes to footwear, we currently collaborate with knowledgeable consultants who have extensive experience in the shoe industry and support us throughout the entire process – from design to finished product. We expect that this shift will strengthen our footwear collection going forward, when the design expression becomes more uniform and meets our sustainability goals. The first collection developed in Stockholm will be launched in the fall of 2025.

Four collections of sports apparel and underwear were launched during the year.

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

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

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

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

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

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

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

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

Since autumn 2021, all of our sports apparel wear and underwear has been produced more sustainably, and the share within Footwear and Bags is increasing each season. The sustainability work in 2024 focused on transparency, energy used in production, and fiber and process improvements. Customer demands are increasing, and Björn Borg meets these satisfactorily. During the year, the company's carbon emissions reduction model played a central role in the sustainability work.





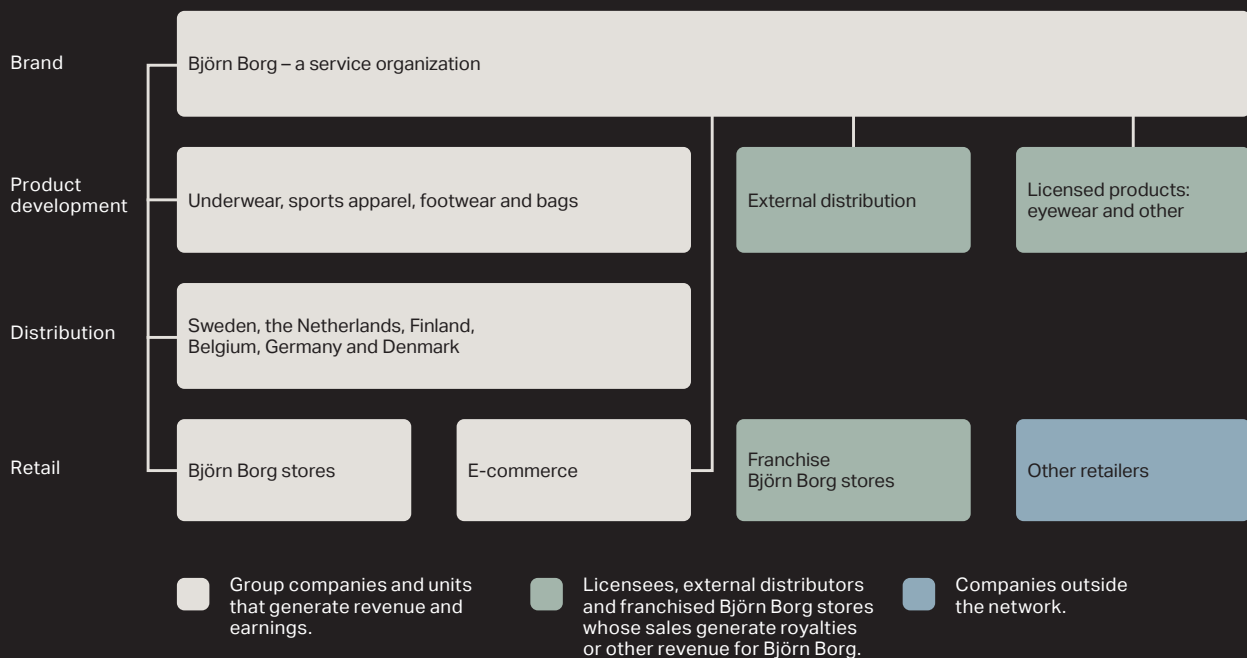
# Operations

## The business model

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

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

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







## Brand

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

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

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

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

## Product areas

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

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

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

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

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





## Distribution

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

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

### OWN DISTRIBUTION

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

### COOPERATION WITH EXTERNAL DISTRIBUTORS

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

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

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



## Retail

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

The large network of external retailers means significant exposure to consumers. The number of retailers with sales from their own product areas of underwear, sportswear, shoes and bags totals approximately 5,700, of which around 2,666 are in Sweden, 420 in Denmark, 582 in the Netherlands, 682 in Norway, 168 in Belgium, 60 in England, 22 in Germany, and 1,122 in Finland. In the smaller markets, there are approximately 882 retailers that sell these products. In addition, there are approximately 1,842 retailers in the footwear segment in the Swedish, Finnish and Danish markets combined. Björn Borg products are sold through a total of approximately 6,604 retailers.

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

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

### BJÖRN BORG STORES

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

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

### E-COMMERCE

Björn Borg as a brand has the opportunity to display the breadth of its product range through its own e-commerce, which makes it a directly measurable channel in which to capture the latest consumer trends. The increasing weighting towards the sportswear range continued in 2024, although underwear still made up the majority of sales. Sales from its own e-commerce increased in 2024 and Björn Borg continues to see good growth opportunities within its own e-commerce which will be one of the most prioritized sales channels in the future.

Sales via so-called e-tailers, i.e. online "retailers", continue to increase, both in own markets and markets where distribution is handled by external partners. The total turnover of own e-commerce and so-called e-tailers amounted to SEK 419 million (358) in 2024. Björn Borg will continue to have a high focus on e-tailers and virtual marketplaces going forward.

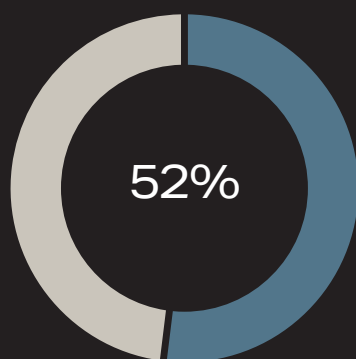
#### BJÖRN BORG STORES, AS OF DEC 31, 2024

	Own	Franchise-owned
Sweden	4	–
Netherlands	4	–
Belgium	1	–
Finland	4	–
Norway	–	1
Total	13	1

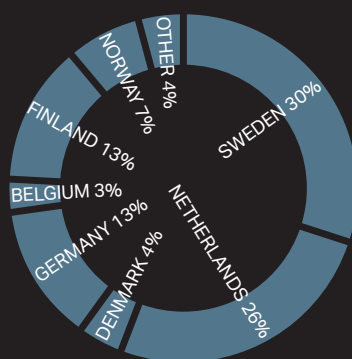
# Product areas

## Underwear

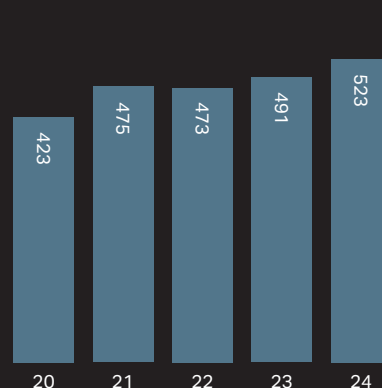
UNDERWEAR,  
SHARE OF TOTAL SALES 2024



UNDERWEAR,  
SALES BY COUNTRY 2024



UNDERWEAR,  
SALES 2020-2024, SEK MILLION



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

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

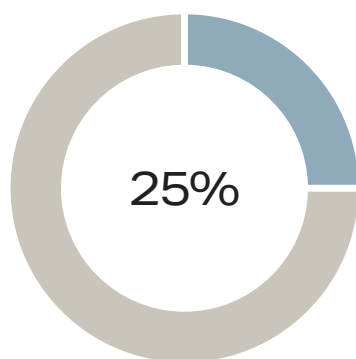
Sales of underwear increased in 2024 to SEK 523 million (491) and the product area made up 52 percent (55) of total sales. Among the larger markets, all showed growth except Belgium, with Norway, Germany, and Finland reporting strong increases.



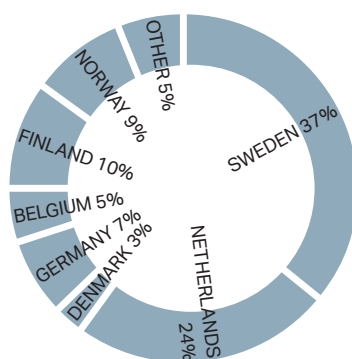


# Sports apparel

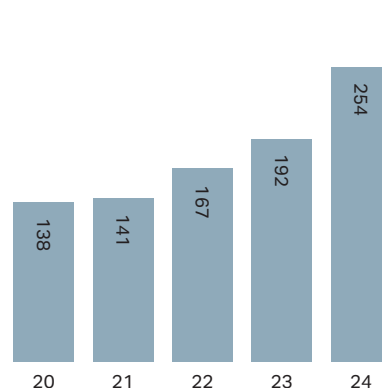
**SPORTS APPAREL,  
SHARE OF TOTAL SALES 2024**



**SPORTS APPAREL,  
SALES BY COUNTRY 2024**



**SPORTS APPAREL,  
SALES 2020-2024, SEK MILLION**



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

Today, Björn Borg's sports products are sold in a total of 14 markets. Retailers are sports retailers, sports chains, and department stores as well as Björn Borg stores and e-commerce. Product development for sports apparel is carried out within the Björn Borg Group.

Sales of sports apparel increased in 2024 to SEK 254 million (192) and the product area made up 25 percent (21) of total sales. All markets showed growth during the year, with the larger markets – Sweden, Germany, and Norway – reporting strong increases.

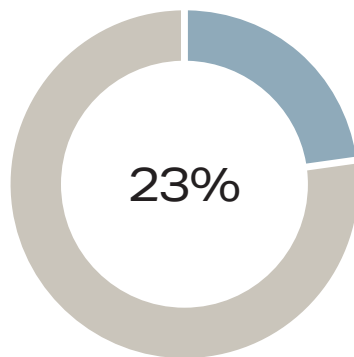




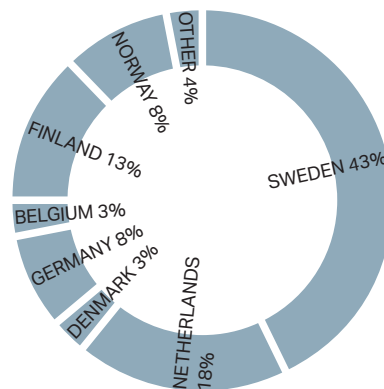


## Other products

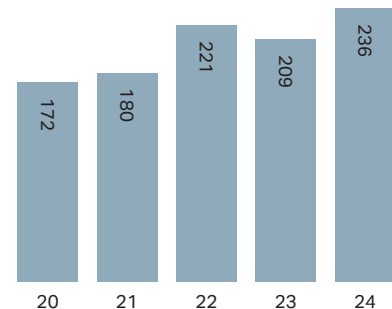
OTHER PRODUCTS,  
SHARE OF TOTAL SALES 2024



OTHER PRODUCTS,  
SALES BY COUNTRY 2024



OTHER PRODUCTS,  
SALES 2020-2024, SEK MILLION



## Footwear

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

## Bags

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

## Eyewear

Björn Borg's frames are part of the trend segment and are sold to opticians through the licensee's distribution organization. A line of sunglasses is sold as well through other categories of retailers such as fashion boutiques, department stores and Björn Borg stores.

## Development of other products in 2024

The combined brand sales in the other product segments in 2024 amounted to SEK 236 million (209), an increase of 13 percent compared to 2023. In all, other products made up 23 percent of total sales.

Footwear was the primary product category showing strong performance in 2024, mainly driven by new markets for the company following the integration. Footwear grew by a total of 36 percent and accounted for 10 percent of total sales. Bags also showed a positive development in 2024, growing by 6 percent and representing 5 percent of the Group's total sales for the year. Other product categories – primarily socks, swimwear, and eyewear – together accounted for 8 percent of total sales.





# Geographical markets

## Larger markets

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

### SWEDEN

The Björn Borg brand was registered in Sweden in 1989 and was established during the first half of the 1990s on the Swedish fashion market. The first Björn Borg store was opened in Stockholm in 1994. Today, Sweden accounts for 35 percent of total sales. Björn Borg products are sold through approximately 2,666 retailers around the country, through own retail sales in four Björn Borg stores, two of which are factory outlet stores, and via own e-commerce. Björn Borg today has a wide distribution on the Swedish market and the brand is represented with all product groups. Further broadening at the retailer level takes place selectively with existing and new product categories such as sportswear and performance wear. Sales showed an increase in 2024 of 15 percent compared to the previous year.

### NETHERLANDS

Björn Borg AB has owned the former external distributor in the Benelux since January 2017. The acquisition of the Benelux business was an important step in accelerating the vertical integration of Björn Borg's business and was in line with the strategy to get closer to consumers and retailers in Björn Borg's main markets. In 2024, the Netherlands was the second largest market for the Björn Borg brand with 23 percent of total sales. Operations in the country started in 1993 and the brand quickly established a position in the Dutch market with growing volumes and a wide presence. Björn Borg products are sold today through approximately 582 retailers and four Björn Borg stores. Björn Borg products in all product areas are available for sale on the Dutch market. Sales in the Netherlands increased during the year by 11 percent.

### FINLAND

The brand was established in Finland in the second half of the 1990s. It has developed strongly in recent years and today accounts for approximately 12 percent of total sales and is thus Björn Borg's third Geographical markets largest market. Underwear is the dominant

product area, but footwear, sportswear and bags are also available for sale. Distribution is mainly through external retailers, approximately 1,122, but there are also four Björn Borg stores in Finland, three of which are factory outlet stores. Sales in Finland increased by 3 percent in 2024 compared to the previous year.

### GERMANY

Björn Borg was launched in Germany in the spring 2016 and has shown rapid growth. Germany is today Björn Borg's fourth largest market with 10 percent of total sales. Underwear dominates the German market, and all product areas are available for sale. Björn Borg products are sold via approximately 22 external retailers, as there are currently no Björn Borg stores in the country. Sales on the German market increased by 21 percent compared to 2023.

### NORWAY

The brand was launched on the Norwegian market in the early 1990s. Norway today accounts for 8 percent of total sales. The products are sold by approximately 682 retailers around the country and in one Björn Borg franchise store. All product groups are represented in Norway. Sales on the Norwegian market showed an increase of 27 percent compared to the previous year.

### BELGIUM

Björn Borg was launched in Belgium in the second half of the 1990s. Belgium is today Björn Borg's sixth largest market with 4 percent of total sales. Underwear dominates the Belgian market, but all product areas are available for sale. Björn Borg products are sold via approximately 168 retailers and one Björn Borg store. Sales on the Belgian market increased by 11 percent compared to 2023.

### DENMARK

Björn Borg was launched in Denmark in 1992 and Denmark today accounts for 3 percent of total sales. Since 2021, the Danish operation has been an integrated part of the Björn Borg Group. On the Danish market, Björn Borg products are only sold via external retailers, approximately 420, as there are currently no Björn Borg stores in the country. In Denmark, the brand is represented with products in all product areas and, in 2024, sales showed an increase of 15 percent compared to 2023.

## Smaller markets

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

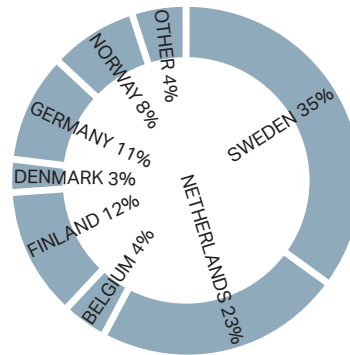
### ENGLAND

Björn Borg was established in England in 2006 through a launch at the Selfridges department store in London. In 2011, Björn Borg started its own operations together with a local partner after collaboration with the previous distributor was terminated. Distribution has since been broadened to include several other well-known retailers such as Harrods, John Lewis and House of Fraser, while more categories have been added, such as sports apparel. In addition to external retailers, Björn Borg had its own factory outlet in England until September 2020, after which the store was closed. Since 2021, the English operations are no longer an integrated part of the Björn Borg Group but are run by an external distributor. Sales in England showed an increase in 2024 of 27 percent and accounted for 2 percent of total sales.

### OTHER SMALLER MARKETS

Sales decreased in many other smaller markets, and total sales decreased by 2 percent. Björn Borg has chosen to focus its efforts more of those markets it considers to be its key markets, i.e., Northern Europe.

TOTAL SALES BY COUNTRY 2024





# Björn Borg's responsibility and sustainability work

2024 was another record year for Björn Borg, with sales increasing by 13.5 percent compared to 2023. We sold and produced more products than ever before, which led to an increase in our carbon dioxide emissions by 21 percent compared to the base year, 2020. At the same time, the production volumes increased more than the emissions, which shows that our sustainability measures are having an effect. Our focus remains on reducing environmental impact by increasing the use of materials with a lower climate footprint, by increasing the share of renewable energy in production, and by implementing energy-efficient processes. Our emissions reduction model, developed in 2022, provides science-based insights into our entire climate footprint. The analysis of this data guides the actions we take and forms the basis for the annual update of our 2030 plan.

Operating a sustainable business – both environmentally and socially – is one of our three most important focus areas together with profitable growth and a strong brand. In 2024, we focused on responsible production, reducing our climate footprint, and increasing internal integration of sustainability work. We now know, however, that our goal – to halve our absolute carbon emissions by 2030 compared to 2020 – will not be possible to achieve with today's efforts. Current measures will lead to a reduction of 34 percent, which is not enough. To succeed, innovation and probably new business models will be required – a challenge we are ready to take on. We stand firm in our commitment to achieving the goals of the Paris Agreement. The entire value chain is engaged in the sustainability journey, and all the employees have individual sustainability goals which reflect the company's overall strategy.

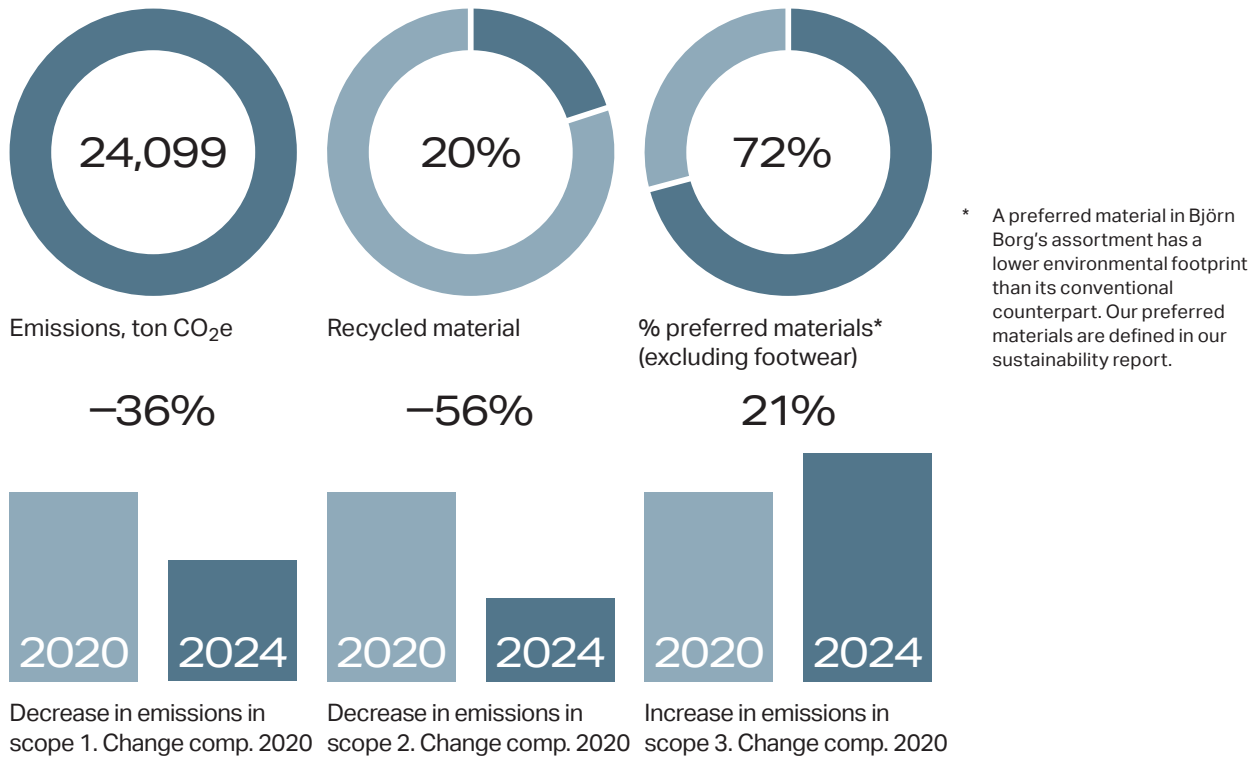
## OUR COMMITMENTS

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

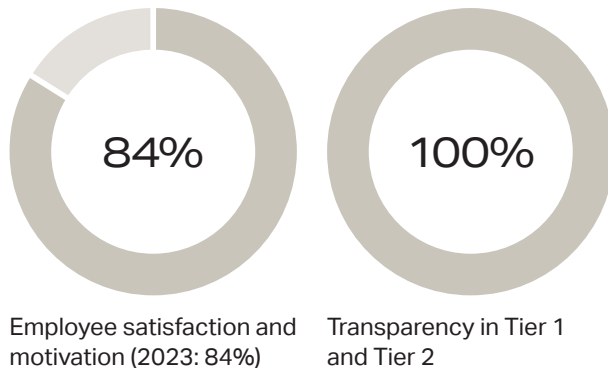
- Reduce our waste and dependence on limited resources
- Act responsibly
- Maintain sustainable production and sustainable design
- Ensure that our suppliers follow our guidelines for reduced environmental impact and social responsibility
- Include sustainability criteria throughout the product's entire journey towards the consumer
- Maintain transparency
- Always encourage ethics and sustainability for consumers and other stakeholders
- Always strive to be better, never stop finding new solutions.

Find further details about Björn Borg's sustainability work, strategy and development in the management report in this annual report and in the sustainability report that supplements this report, and which can be downloaded from our website: <https://corporate.bjornborg.com/en/section/sustainability/>

## Environmental KPIs



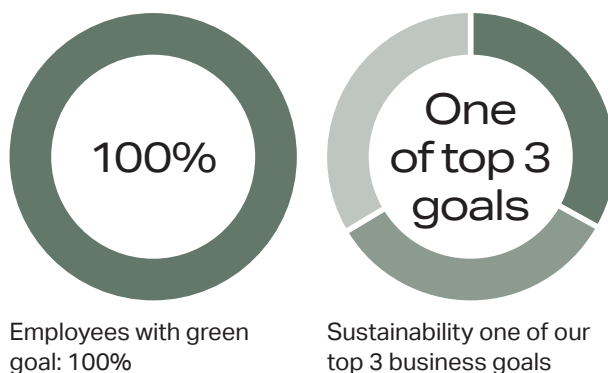
## Social KPIs



An overview of Björn Borg's sustainability-related results for 2024. Climate data is based on results from calculations of actual data within scopes 1, 2, and 3 of the GHG Protocol. The figures have been reviewed and approved by the company's management team, sustainability management, and a third-party auditor.

Björn Borg currently has 100 percent transparency in the first and second tiers of manufacturing (sewing, as well as dyeing & printing). All Björn Borg partners are required to follow a social code of conduct. All of the company's tier 1 and several tier 2 partners comply with the Amfori BSCI code of conduct, primarily regarding social conditions, but also certain environmental aspects. Compliance is monitored by a third party once a year through semi-announced visits.

## Governance KPIs



# Employees and organization

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

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

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

## SHARED VALUES

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

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

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

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



### THE ORGANIZATION DURING THE YEAR

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

### PERFORMANCE MANAGEMENT

In a growing company in a changing world, the demands on a well-structured organization and a clear division of labor increase. The company has clear job descriptions with measurable goals for each employee and works in a structured way to ensure efficient work in a work environment where employees feel good and perform well. The company has developed a business plan (*Northern Star*) with clear objectives for the coming years and it has been adjusted during the year to ensure relevance in the changing times in which the industry finds itself. Employees at all levels in the organization have been involved in that work and the anchoring work has been led from the top management at all levels. The overall objectives have then, with the same high degree of involvement, been broken down for each department and individual so that everyone who works within the company has clear goals and activities that lead to the common business goals. The goals are followed up in individual reconciliation sessions with each individual each month to maximize focus, development and results. In addition to strategic goals for the company's growth, the goals also include areas for improvement for the work environment, the internal company

culture and each individual's development both professionally and personally (*"Get better goal"*). Each individual also has personal goals for their own health (*"Get stronger goal"*) which are adjusted in individual tests twice a year in collaboration with a professional personal trainer. Mental health is also mapped with a focus on stress and balance in life, and based on that mapping, goals and action plans are set annually both at the Group level and for each individual. Each employee also has personal goals for sustainability (*"Get greener goals"*), to contribute to Björn Borg's sustainability work with a focus on reducing the climate footprint.

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

### THE ORGANIZATION IN FIGURES

The average number of employees in the Group in 2024 was 152 people, compared to 151 in 2023. Of the employees, 67 percent were women and 33 percent were men. Every year, we conduct physical fitness tests at the company in which all employees participate. These tests are performed with a professional personal trainer, and include exercises to measure fitness, strength, mobility and perceived well-being. Employees can then set goals to improve their health based on the results.

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

# Björn Borg by the numbers

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# Five-year summary

## FIVE-YEAR SUMMARY

SEK thousands	2024	2023	2022	2021	2020
<b>Income statement in summary</b>					
Operating revenue	1,012,889	891,791	861,008	796,095	734,007
Operating profit	101,845	100,551	72,909	104,088	33,694
Profit after financial items	90,403	97,691	70,444	106,870	17,579
Profit for the year	72,668	75,969	50,873	86,030	18,833
<b>Balance sheet in summary</b>					
Intangible assets	231,221	230,355	231,579	233,134	232,094
Tangible non-current assets	21,035	17,663	16,195	15,405	16,580
Other long-term receivables	12,191	12,310	12,575	13,952	15,761
Deferred tax assets	42,220	43,942	52,571	54,950	57,481
Inventory	259,487	184,361	201,136	151,991	123,357
Current receivables	133,949	116,248	123,306	114,494	103,510
Cash & cash equivalents	8,771	26,646	16,032	96,743	70,235
<b>Total assets</b>	<b>708,874</b>	<b>631,525</b>	<b>653,394</b>	<b>680,668</b>	<b>619,018</b>
Equity	352,478	350,817	324,809	334,217	291,013
Non-current liabilities	–	–	–	1,932	–
Deferred tax liabilities	39,454	39,701	39,877	39,596	39,289
Non-current lease liability	22,591	25,470	32,386	33,777	35,701
Current liabilities	294,351	215,537	256,323	271,146	253,015
<b>Total equity and liabilities</b>	<b>708,874</b>	<b>631,525</b>	<b>653,394</b>	<b>680,668</b>	<b>619,018</b>
<b>Key ratios<sup>1</sup></b>					
Gros profit margin, %	52.6	54.0	50.8	54.2	52.5
Operating margin, %	10.3	11.5	8.7	13.5	4.8
Profit margin, %	9.1	11.2	8.4	13.9	2.5
Return on capital employed, %	25.4	25.2	17.1	24.2	4.8
Return on average equity, %	20.7	22.5	15.4	27.5	6.8
Profit attributable to Parent Company's shareholders	72,668	75,969	50,873	86,030	18,833
Equity/assets ratio, %	49.7	55.6	49.7	49.1	47.0
Equity per share, SEK	14.02	13.95	12.92	13.29	11.57
Investments in intangible non-current assets	2,640	2,092	265	4,828	3,474
Investments in tangible non-current assets	11,410	9,049	8,059	5,680	5,490
Depreciation/amortization for the year	–32,133	–33,015	–34,739	–35,503	–40,846
Average number of employees	152	151	151	162	192
<b>Data per share</b>					
Earnings per share, SEK	2.89	3.02	2.02	3.42	0.75
Earnings per share, SEK (after dilution), SEK	2.89	3.02	2.02	3.42	0.75
Number of shares	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Weighted average number of shares	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Effect of dilution	–	–	–	–	–
Weighted average number of shares (after dilution)	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384

<sup>1</sup> For descriptions of alternative key ratios, see page 101.

# Quarterly data for the group

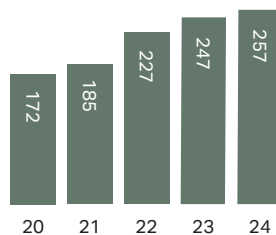
## QUARTERLY DATA FOR THE GROUP

SEK thousands	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net sales	234,619	285,087	213,205	256,788	197,632	262,105	165,631	246,893
Gross profit margin, %	53.3	52.1	51.8	53.3	56.8	52.6	55.6	52.2
Operating profit	16,812	42,046	9,517	33,470	20,172	40,891	8,100	31,385
Operating margin, %	7.2	14.7	4.5	13.0	10.2	15.6	4.9	12.7
Profit (loss) after financial returns	10,294	44,082	9,073	26,954	21,073	40,552	5,401	30,664
Profit margin, %	4.4	15.5	4.3	10.5	10.7	15.5	3.3	12.4
Earnings per share, SEK	0.40	1.39	0.26	0.84	0.59	1.27	0.17	0.99
Earnings per share, after dilution, SEK	0.40	1.39	0.26	0.84	0.59	1.27	0.17	0.99
Number of Björn Borg stores at end of period	14	14	15	15	16	16	17	19
Of which Group-owned Björn Borg stores	13	13	14	14	15	15	16	18

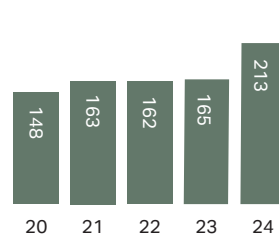
## SEASONAL VARIATIONS

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

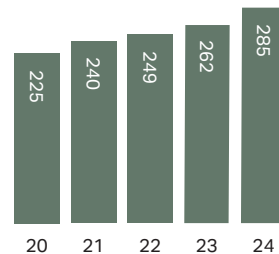
**NET SALES**  
2020-2024, Q1, SEK MILLION



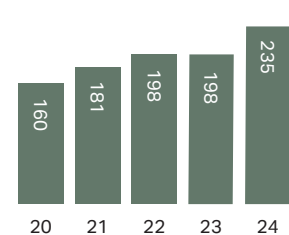
**NET SALES**  
2020-2024, Q2, SEK MILLION



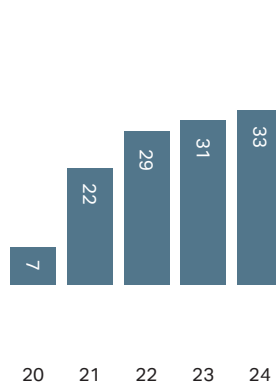
**NET SALES**  
2020-2024, Q3, SEK MILLION



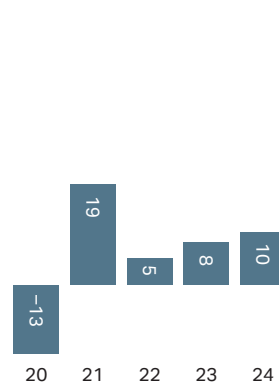
**NET SALES**  
2020-2024, Q4, SEK MILLION



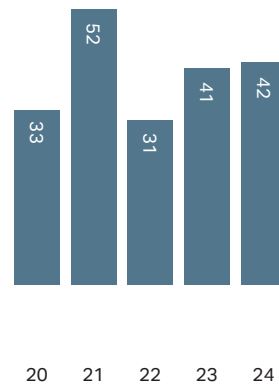
**OPERATING PROFIT**  
2020-2024, Q1, SEK MILLION



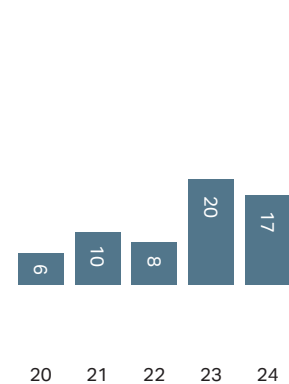
**OPERATING PROFIT**  
2020-2024, Q2, SEK MILLION



**OPERATING PROFIT**  
2020-2024, Q3, SEK MILLION



**OPERATING PROFIT**  
2020-2024, Q4, SEK MILLION





# Board of directors' report

The Board of Directors and the CEO of Björn Borg AB (publ), company registration number 556658-0683 with headquarters in Stockholm, herewith present the annual report and consolidated financial statements for the financial year 2023.

## OPERATIONS

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

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

## BJÖRN BORG SHARE AND OWNERSHIP

Björn Borg AB is listed on Nasdaq Stockholm. The total number of shares in Björn Borg amounts to 25,148,384. There is only one class of shares. The share capital amounts to SEK 7,858,870 and the quotient value per share is SEK 0.3125. Each share entitles the holder to one vote at the Annual General Meeting and there are no restrictions on how many votes each shareholder can cast at the Annual General Meeting. Björn Borg had 9,550 shareholders at year-end. The largest shareholder as of December 31, 2024, was Nordnet Pension. Nordnet Pension holds, directly and indirectly, 15.1 percent of the shares in Björn Borg.

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

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

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

## ANNUAL GENERAL MEETING

The Annual General Meeting 2024 was held on May 16<sup>th</sup> in Björn Borg's premises at Frösundavik allé 1 in Solna. At the Annual General Meeting, among other things, decisions were made on the re-election of Board members Alessandra Cama, Anette Klintfält, Fredrik Lövestedt, Mats H Nilsson, Jens Høgsted, Johanna Schottenius and Heiner Olbrich. The total number of members was thus seven. The meeting decided that Heiner Olbrich should be re-elected as Chairman of the Board. At the meeting, decisions were made, among other things, about a new incentive program for senior executives and other key people in the company, and a decision about limited authorization for the Board to make decisions about

new issues with a total of no more than SEK 390,625 (divided into no more than 1,250,000 new shares). The authorization also included the right to decide on a new issue with determination of non-cash contributions, or that shares should be subscribed with set-off rights, or otherwise with conditions according to Chapter 13 Section 7, Chapter 14 Section 9 or Chapter 15 Section 9 of the Swedish Companies Act. The minutes from the Annual General Meeting are available on Björn Borg's website. The Board did not use the authorization in 2024.

## THE WORK OF THE BOARD

The Board had six meetings in 2024, of which four in connection with the quarterly financial reports and two meetings per capsulam. Further information about the Board's work and the members' attendance at the year's Board meetings can be found in the corporate governance report on page 105. Please note that the corporate governance report is not part of the management report but a separate report.

## FINANCIAL OBJECTIVES

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

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

## Comments on the financial targets:

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

## DIVIDEND

The Board proposed to the AGM that a distribution for 2024 of SEK 3.00 (3.00) per share be paid, corresponding to (104) 99 percent of profit after tax. The dividend will be divided into two payments of SEK 1.50 each subject to approval at the Annual General Meeting, one payment in May and another one in November 2025.

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

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

## EVENTS IN 2024

### The organization

The company notes that Russia's war in Ukraine continues and that the geopolitical situation in the world remains challenging. At present, it is difficult to determine how this will financially impact the Björn Borg Group's operations, but the fact that the company does not conduct business in Russia, Ukraine, or Israel minimizes potential risks for business-related effects, even though waning consumer confidence could indirectly have a negative impact.

### Björn Borg stores

During the year, two stores were closed; one in Sweden and one in the Netherlands. At year-end, there were 14 (16) Björn Borg stores, 13 (15) of which are Group-owned.

## THE GROUP'S DEVELOPMENT

### Net sales

Group net sales for the full year, 2024, amounted to SEK 989.7 million (872.3), an increase of 13.5 percent. Currency had a negative impact on sales during the year and adjusted for currency effects, sales increased by 13.8 percent.

The main reasons for the increase for the full year, 2024, were the distribution of Footwear in what were new markets for the company, and Sports Apparel which continued to show strong growth with an increase of 32 percent. For further details, see below under "Development by segment".

### Results

The gross profit margin for the full year, 2024, fell to 52.6 percent (54.0). Adjusted for currency effects, the gross profit margin would have been 52.5 percent. The decrease was primarily due to increased short-term discounts for Footwear, which in turn was linked to the takeover of the Footwear business from a former third party that went bankrupt. However, a greater focus on profitability generally in the wholesale business together with reduced discounts in direct-to-consumer sales led to the opposite positive effect.

Other operating income amounted to SEK 23.2 million (19.5) and mainly referred to unrealized gains on accounts receivable in foreign currency and government Covid grants from the Netherlands.

Operating costs increased as planned by SEK 51.9 million compared to the previous year, primarily through increased investments in marketing.

Increased sales with lower gross profit margins and higher operating costs meant that operating profit increased to SEK 101.8 million (100.6).

Net financial items amounted to SEK -11.4 million (-2.9). The change in net financial items compared to the previous year was primarily attributable to the revaluation of financial assets and liabilities in foreign currency.

Profit for the period after tax decreased to SEK 72.7 million (76.0).

### Investments and cash flow

The cash flow from the operating activities in the Group amounted to SEK 76.0 million (121.3) for the full year, 2024. The decrease, compared to the previous year, was primarily due to a higher capital commitment resulting from the integration of the Footwear business.

The cash flow from investment activities was negative at SEK -14.3 million (-11.1). The major investments related mainly to the re-modelling of the office in the Netherlands.

Cash flow from financing activities amounted to SEK -77.9 million (-101.6). The improvement, compared to the previous year, was due to a higher utilization of overdraft facilities and lower loan repayments. During the year, a dividend payout of SEK 75.4 million (50.3) was made, negatively impacting cash flow.

### Financial position and liquidity

At the end of the period, the Björn Borg Group's cash and cash equivalents amounted to SEK 8.8 million (26.6), plus unused bank facilities of SEK 182.7 million (150.0). At the end of the fourth quarter of the year, the company had a net debt, excluding leasing liabilities, of SEK 8.5 million, compared with net cash of SEK 26.6 million the previous year. Total interest-bearing liabilities amounted to SEK 58.9 million (42.8), with total leasing liabilities amounting to SEK 41.7 million (42.9), of which SEK 22.6 million was the long-term share and SEK 19.1 million was the short-term share.

As of December 31, 2024, the Björn Borg Group had SEK 200 million in bank facilities, of which SEK 17.3 million was utilized. The fair value of financial instruments corresponded in all material respects to the book value.

### Commitments and contingent liabilities

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

As of December 31, 2024, the ratio was 0.08 (+0.24) and the equity ratio was 49.7 percent (55.6).

There have been no significant changes in collateral and contingent liabilities compared to December 31, 2023.

### Transactions with related parties

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

## FIVE-YEAR SUMMARY<sup>1</sup>

	2024	2023	2022	2021	2020
Net sales, SEK million	989.7	872.3	835.2	768.2	705.2
Operating profit, SEK million	101.8	100.6	72.9	104.1	33.7
Operating margin, %	10.3	11.5	8.7	13.5	4.8
Profit before tax, SEK million	90.4	97.7	70.4	106.9	17.6
Profit for the year, SEK million	72.7	76.0	50.9	86.0	18.8
Earnings per share before dilution, SEK	2.89	3.02	2.02	3.42	0.75
Earnings per share after dilution, SEK	2.89	3.02	2.02	3.42	0.75
Equity/asset ratio, %	49.7	55.6	49.7	49.1	47.0
Equity per share, SEK	14.02	13.95	12.92	13.29	11.57

<sup>1</sup> For descriptions of alternative key figures, see page 101.

## SEGMENTS (FOR MORE INFORMATION, SEE NOTE K4)

### Wholesale business

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

The segment's external operating income for the full year, 2024, amounted to SEK 671.5 million (577.5), which was an increase of 16 percent. One explanation for the increase was the distribution of Footwear in what were new markets for the company, and that Sports Apparel continued to show strong growth with an increase of 51 percent. Furthermore, the company saw an increase in demand from e-tailers in the segment – players who primarily sell online, where growth for the full year was 17 percent and amounted to SEK 238 million (204). Physical stores in the segment grew by 16 percent and amounted to SEK 433 million (373). Within the wholesale business, the largest market, Sweden, showed an overall increase in sales of 17 percent compared to the previous year. Sales in the second largest market, the Netherlands, increased within the segment by 13 percent since the distribution of Footwear now constitutes a significant part of the business. The Finnish market increased by 4 percent while Germany increased by 20 percent due to strong through-sales at the larger retailers.

The operating profit amounted to SEK 54.4 million (60.8). It was, above all, the higher, planned operational costs in connection with the takeover of Footwear distribution that caused the operating profit to decrease by 11 percent.

### Own e-commerce

*The segment consists of revenues and costs associated with the Björn Borg Group's sales of underwear, sports apparel, footwear, bags and complementary products, via Own e-commerce at [www.bjornborg.com](http://www.bjornborg.com).*

Own e-commerce continued to grow strongly. For the full year, 2024, own e-commerce increased by 18 percent to SEK 181.0 million (154.0). The increase was mainly due to the strong growth in the Sports Apparel product area, which increased by 23 percent compared to the previous year. The Underwear product area also increased strongly and grew by 14 percent. Footwear continued to show strong momentum and grew by 91 percent while bags increased by 48 percent.

The operating profit for the year, 2024, amounted to SEK 32.9 million (28.8), an increase of 14 percent. The improvement was primarily due to increased sales with maintained margins.

### Egna butiker

*The segment consists of revenues and costs associated with the Björn Borg Group's directly to consumers sales through its own physical stores. The Björn Borg Group owns and operates a total of 13 (15) stores and factory outlet stores in Sweden, the Netherlands, Finland and Belgium, selling underwear, sports apparel, footwear, bags and complementary products.*

Own physical stores showed a total growth of 2 percent for the full year, 2024, which amounted to SEK 107.1 million (104.7), despite the company choosing to close two stores in accordance with the company's strategy to close unprofitable stores. However, a significant part of the increase consisted of late contributions from

the Dutch state in the form of Covid grants. In total, these contributions amounted to SEK 6 million for the full year, 2024. For comparable stores, i.e. stores that were open during both comparison quarters, and adjusted for government contributions, sales increased by 2 percent for the full year, 2024.

In the Netherlands, sales in own stores increased by 15 percent including the grants, and by 1 percent excluding the grants. In Sweden, sales in own stores decreased by 7 percent due to the closure of unprofitable stores. For comparable stores in Sweden, sales increased by 7 percent. Sales in Finland were on par with the previous year both in total and for comparable stores, while Belgium decreased by 17 percent in total but increased by 2 percent in comparable stores.

The operating profit for the full year, 2024, amounted to SEK 2.7 million (–7.0). The improvement in operating profit was primarily explained by improved margins and reduced operational costs due to fewer stores, as well as the above-mentioned government Covid grants.

### Distributors

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

The segment's external operating income increased by 10 percent for the full year, 2024, compared to 2023 and amounted to SEK 51.0 million (46.5). Sales to the largest distributor market, Norway, increased by 24 percent while sales to the UK and other smaller distributors were down by a combined 18 percent compared to the previous year, mainly due to large inventories and thus lower purchases in the respective markets.

The operating profit increased slightly to SEK 10.0 million (9.8) as a result of increased revenues and maintained gross profit margins.

### Licensing

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

The segment's external operating income decreased during the full year, 2024, compared to 2023 and amounted to SEK 2.2 million (9.1). This was due to the company taking over the distribution of Footwear which previously accounted for a significant part of the income for the segment.

Operating profit amounted to SEK 1.9 million (8.1) for 2024.

### Intra-Group sales

Intra-Group sales for 2024 amounted to SEK 682.3 million (597.5).

## PERSONNEL

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

The average number of employees in the Group for the twelve-month period which ended on December 31, 2024, was 152 (151), of which 67 percent (69) were women.



## **GUIDELINES FOR REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES**

At the Annual General Meeting on May 16, 2024, guidelines for remuneration to the CEO and other members of the executive management were adopted. No proposal for new guidelines will be presented at the 2025 Annual General Meeting; the guidelines adopted at the 2024 meeting will remain unchanged for the coming year. The remuneration may consist of a fixed salary, variable compensation, pension, and other benefits – see Note K8 and the corporate governance report on page 106 for more details. In addition, and independently of the guidelines, the General Meeting may decide on share- and share price-related compensation. Total remuneration shall be market-based and competitive, and proportional to responsibilities and authority. The variable compensation shall be based on outcomes in relation to defined and measurable targets, designed to promote the company's business strategy and long-term value creation. It shall also be capped at 50 percent of the fixed salary during the measurement period, which is normally one year. In the event of termination of employment by the company, the notice period shall not exceed six months. Severance pay will not be paid. Pension benefits are defined contribution.

## **ACTIVITIES IN RESEARCH AND DEVELOPMENT**

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

## **BJÖRN BORG'S SUSTAINABILITY WORK AND RESULTS IN 2024**

We influence and get involved in climate and social issues through integration in our daily business operations. The annually updated action plan that forms the basis of the work towards our 2030 goals has been approved by both the Board and the management team. The plan is followed up with the company's function manager every six months and is both functional and mandatory. It also forms the basis for the work that develops the company, its partners, and its employees towards better protecting our environment. With the help of dialogue and training, we spread knowledge and encourage environmental promotion measures throughout the value chain. We work for a sustainable lifestyle internally and externally – an outstanding driving force for a more balanced everyday life and for climate change. Digitization, product development and process management are central to operational efficiency and for enabling profitable growth. By developing ourselves and implementing better solutions, we also equip our stakeholders to take further steps in their sustainability journey.

Our goal of offering a product range made exclusively from preferred materials is progressing well. In 2024, 71 percent of the materials used in our clothing and bags were made from alternatives with a lower environmental impact compared to their conventional counterparts. During the year, we increased the share of recycled fibers and organic cotton in our assortment, among other improvements. Our product development team continuously works to find and implement new innovations, and we are therefore proud to introduce both bio-based synthetic fibers and a new water-saving dyeing technique for cotton – one of our most commonly used fibers. Both of these initiatives will be launched on the market in 2025. In 2024, we also began integrating footwear into our sustainability plan. The focus is on transitioning to preferred materials and switching to renewable energy in our suppliers' factories – work that will continue into 2025.

Except in our e-commerce business, we never schedule in air transport. Any air transport must be approved by the management team. Within our own e-commerce, products are only transported by air to continents other than Europe, and we are looking at solutions to reduce flight distances to, for example, the USA and Australia. Solutions can be alternative transport methods, local warehouses or other transport routes from the factory, to take a few examples.

In 2024, our carbon dioxide emissions increased by 21 percent compared to 2020, our base year. The main reason is an increased production volume. At the same time, we see that the increase in emissions is lower than the increase in volume, which indicates that our climate measures have had a positive effect. Despite ambitious efforts, we are aware that more is needed to reach the goal of a 50 percent reduction in carbon dioxide emissions in absolute terms by 2030. Our current activities take us to minus 34 percent. To close the gap, innovation, streamlining and probable new business models are required.

It is clear that the external expectations on our sustainability work are increasing. New EU laws will come into force shortly and our customers' expectations of us as a responsible partner are being raised. We have a dedicated team that ensures we are well prepared.

Last but not least, we have those who help us make all this happen – the people who work for us both internally and externally. We work hard to ensure that they have as good a working environment and the best working conditions as possible and that we should be, if not the universe's, then at least the world's best employer. Read more about this and much more in our sustainability report, which is available at: <https://corporate.bjornborg.com/en/section/sustainability/>

The company has chosen to prepare the sustainability report as a one separate document separate from the annual report in accordance with ÅRL 6:11.

## **RISKS, UNCERTAINTY FACTORS AND RISK CONTROL**

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

### **Financial risks**

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

### **Credit risks**

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

### **Manufacturing and transport risks**

Risks for product companies include delays or stops in production, and transport of the product. This can happen when individual suppliers are unable to deliver according to the agreed terms, but situations can also arise when countries or regions are affected. It is difficult to assess the extent to which ongoing geopolitical unrest in the world may directly affect Björn Borg. However, it cannot be ruled out that this may have a major financial impact on the company through, for example, trade sanctions that might affect fuel prices or the company's production chain. In recent years, Björn Borg has worked to diversify where in the world we produce our products to reduce this risk. More globally dispersed production also has the advantage of enabling different transport methods to be used when delivering the goods and reduces the company's currency exposure against any single currency.

### **Inflation**

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

### **Economic impact**

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

### **Market risks**

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

### **Legal risks**

Björn Borg sells consumer products. There is a risk that the products in question could be associated with safety risks or harm users for other reasons. In some countries, such as the United States, this type of product liability can lead to significant claims for damages from those affected which could adversely impact the company's earnings and reputation. Even though preventive measures are taken, Björn Borg runs the risk that the marketing and sales of its products could infringe the intellectual property rights of a third

party's intellectual property rights, and it could be accused, for instance, of the unauthorized use of someone else's trademark or copyrighted material. This type of claim could entail a liability for compensation that negatively affects the result and could harm the company's reputation.

### **Expansion of the business**

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

### **The network**

The company's position and future expansion are, among other things, dependent on external entrepreneurs who serve as product companies, distributors and franchisees in the network. Despite the fact that Björn Borg, on the whole, has well-functioning and extensive contractual relations, directly or indirectly, with the external parties that are part of the network, these agreements can be terminated and there are no guarantees that corresponding agreements can be signed. The termination of a collaboration with one or more entrepreneurs in the network could adversely affect the company's growth and results. Björn Borg's distribution model, with external distributors – both its own and licensees – further creates risks that these external parties do not make the investments or implement the measures that are needed, for example, to achieve certain planned growth targets or certain types of changes.

### **Fashion trends**

The company's operations are affected by shifts in trends and fashions and consumer preferences regarding design, quality and price level. Positioning in relation to different competitors' products is critical. In general, there is a positive relationship between fashion level and business risk, where a higher degree of fashion means a shorter product life cycle and a higher business risk. Rapid changes in fashion trends can mean declines in sales for certain collections.

### **IT risks**

The increased digitization in society and companies' dependence on IT systems to be able to run their business efficiently means that Björn Borg is dependent on these systems working. Critical system errors and the risk of cyber-attacks can have a major financial impact on the company. To reduce these risks, the company has taken a number of measures. For Björn Borg's own systems, the company is constantly working to develop the security and robustness of its systems. The company conducts regular cyber security training and system tests. Björn Borg has also introduced MFA verification for all business-critical systems and has backup copies of important business data saved on separate servers to be able to quickly restore data in the event of a loss. For external systems and services that the company uses, risk management takes place primarily by setting requirements during the procurement process and by regulating liability through the agreements so as to be able to demand compensation from the system supplier in the event that an external system causes financial damage to the company. The company's routines for managing IT risks are regulated by policies that are regularly followed-up by the company's Board.

### Climate risks

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

### Protection for the Björn Borg brand

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

### Reputational damage

The company's reputation with the customer base is built on a consistent experience of the company's products in the markets where the products are visible. Björn Borg products should be presented in a way that reflects the values that Björn Borg represents. If the parties in the network take any action that presents Björn Borg products in a way that conflicts the company's positioning in the market or the values that the brand represents, Björn Borg's reputation could be damaged. Examples of reputational damage can be negative publicity about working conditions in factories that manufacture products, prohibited chemicals, safety concerns in products or accusations of sexist or gender stereotypical advertising. In the long term, reputational damage will harm the company's growth and earnings.

### OUTLOOK 2025

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

### THE PARENT COMPANY

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

The parent company's net sales for the full year, 2024, amounted to SEK 106.1 million (101.2). Profit before tax amounted to SEK 71.7 million (84.9). Cash and cash equivalents at the end of the period amounted to SEK 0 million (18.4).

### PROPOSED DISTRIBUTION OF PROFIT

The following unappropriated earnings are available to the Annual General Meeting:

Retained earnings, SEK	27,790,853
Profit for the year, SEK	56,275,475
	<b>84,066,328</b>
The Board proposes that:	
Shareholders receive a dividend of SEK 3.00 per share	75,445,152
Carried forward, SEK	8,621,176
	<b>84,066,328</b>



# Consolidated financial statements

## Consolidated income statement

SEK thousands	Note	2024	2023
Net sales		989,699	872,261
Other operating revenue		23,191	19,530
<b>Operating revenue</b>	K4, K5	<b>1,012,889</b>	<b>891,791</b>
Goods for resale		–469,050	–401,132
Other external expenses		–246,190	–206,307
Staff costs		–148,986	–135,029
Depreciation/amortization of intangible/tangible non-current assets		–32,133	–33,015
Others operating expenses		–14,685	–15,758
<b>Operating profit</b>	K4, K6, K7, K8, K10, K12, K16, K17	<b>101,845</b>	<b>100,550</b>
Interest income and similar credits	K12, K13	460	3,264
Interest expenses and similar charges	K12, K13	–11,902	–6,123
<b>Profit after financial items</b>		<b>90,403</b>	<b>97,691</b>
<b>Profit before tax</b>		<b>90,403</b>	<b>97,691</b>
<b>Tax on profit for the year</b>	K14	<b>–17,735</b>	<b>–21,722</b>
<b>Profit for the year</b>		<b>72,668</b>	<b>75,969</b>
<b>Profit for the year attributable to:</b>			
Parent Company shareholders		72,668	75,969
Non-controlling interests	K25	–	–
Earnings per share before dilution, SEK	K15	2.89	3.02
Earnings per share after dilution, SEK	K15	2.89	3.02

# Consolidated statement of comprehensive income

SEK thousands	Note	2024	2023
<b>Profit for the year</b>		<b>72,668</b>	<b>75,969</b>
<b>Items that may be reclassified to profit or loss</b>			
Translation difference for the year		4,175	-567
<b>Total other comprehensive income for the year <sup>1</sup></b>		<b>4,175</b>	<b>-567</b>
<b>Total comprehensive income for the year</b>		<b>76,843</b>	<b>75,402</b>
<b>Total comprehensive income for the year attributable to</b>			
Parent Company shareholders		77,422	75,103
Non- controlling interest		-579	299

<sup>1</sup> The Group has no items that will not be reclassified to the income statement

# Consolidated statement of financial position

SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>	K16		
Goodwill		37,203	36,422
Trademarks		187,532	187,532
License/Customer Relations		2,178	2,023
Others intangible assets		4,308	4,377
		<b>231,221</b>	<b>230,355</b>
<b>Tangible non-current assets</b>			
Property, plant and equipment	K17	21,035	17,663
Right-of-use assets	K11	42,220	43,942
		<b>63,255</b>	<b>61,605</b>
<b>Financial non-current assets</b>			
Deferred tax assets	K14	12,191	12,310
		<b>12,191</b>	<b>12,310</b>
<b>Total non-current assets</b>		<b>306,667</b>	<b>304,270</b>
<b>Current assets</b>			
<b>Inventory</b>			
Trading book	K18	259,487	184,361
		<b>259,487</b>	<b>184,361</b>
<b>Current receivables</b>			
Accounts receivable	K19	111,398	99,379
Other current receivables		15,021	11,880
Prepaid expenses, and accrued income	K20	7,529	4,989
		<b>133,949</b>	<b>116,248</b>
<b>Cash &amp; cash equivalents</b>			
Cash and bank balances	K7, K21	8,771	26,646
		<b>8,771</b>	<b>26,646</b>
<b>Total current assets</b>		<b>402,207</b>	<b>327,255</b>
<b>TOTAL ASSETS</b>		<b>708,874</b>	<b>631,525</b>



SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		7,859	7,859
Other paid-in capital		182,145	182,145
Reserves		-3,590	-8,344
Retained earnings		172,946	175,460
<b>Equity attributable to Parent Company shareholders</b>		<b>359,360</b>	<b>357,120</b>
Non-control interests	K25	-6,882	-6,303
<b>Total equity</b>		<b>352,478</b>	<b>350,817</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	K14	39,454	39,701
Long-term leasing debt	K11	22,591	25,470
		<b>62,045</b>	<b>65,171</b>
<b>Current liabilities</b>			
Accounts payable		188,961	135,792
Current lease liabilities	K11	19,071	17,379
Current tax liabilities		2,003	10,562
Short-term debt to credit institutions	K21, K22	17,281	-
Others current liabilities		27,831	22,808
Accrued expenses and prepaid income	K23	39,204	28,996
		<b>294,351</b>	<b>215,537</b>
<b>Total liabilities</b>		<b>356,396</b>	<b>280,708</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>708,874</b>	<b>631,525</b>

# Consolidated statement of changes in equity

SEK thousands	Note	Share capital	Share premium reserve	Translation reserve	Retained earnings	Non-controlling interests	Total equity
<b>Opening balance, January 1, 2023</b>		<b>7,859</b>	<b>182,145</b>	<b>-7,478</b>	<b>148,885</b>	<b>-6,602</b>	<b>324,809</b>
Total comprehensive income for the year		-	-	-866	75,969	299	75,402
<b>Transactions with shareholders</b>							
Distribution for 2022 through share redemption	M17	-3,929	-	-	-46,368	-	-50,297
Bonus issue		3,929	-	-	-3,929	-	-
Warrant premium	K8	-	-	-	903	-	903
<b>Total transactions with shareholders</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-49,394</b>	<b>-</b>	<b>-49,394</b>
<b>Closing balance, December 31, 2023</b>		<b>7,859</b>	<b>182,145</b>	<b>-8,344</b>	<b>175,460</b>	<b>-6,303</b>	<b>350,817</b>
<b>Opening balance, January 1, 2024</b>		<b>7,859</b>	<b>182,145</b>	<b>-8,344</b>	<b>175,460</b>	<b>-6,303</b>	<b>350,817</b>
Total comprehensive income for the year		-	-	4,754	72,668	-579	76,843
<b>Transactions with shareholders</b>							
Distribution for 2023 through share redemption	M17	-3,929	-	-	-71,516	-	-75,445
Bonus issue		3,929	-	-	-3,929	-	-
Warrant premium	K8	-	-	-	264	-	264
<b>Total transactions with shareholders</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>-75,181</b>	<b>0</b>	<b>-75,181</b>
<b>Closing balance, December 31, 2024</b>		<b>7,859</b>	<b>182,145</b>	<b>-3,590</b>	<b>172,946</b>	<b>-6,882</b>	<b>352,478</b>

# Consolidated statement of cash flows

SEK thousands	Note	2024	2023
<b>OPERATING ACTIVITIES</b>			
Profit after tax		72,668	75,969
Income tax expensed through profit and loss		17,735	21,722
Financial expenses and income recognized through profit or loss		11,442	2,859
Depreciation/amortization of tangible/intangible non-current assets		32,133	33,015
Interest received		460	406
Interest paid		-6,390	-4,714
Taxes paid		-27,271	-34,897
<b>Cash flow from operating activities before change in working capital</b>		<b>100,777</b>	<b>94,361</b>
<b>Changes in working capital</b>			
Change in inventory		-75,126	16,775
Change in accounts receivable		-12,019	4,833
Change in other receivables		-3,652	3,726
Change in accounts payable		53,169	29,771
Change in other current liabilities		12,894	-28,184
<b>Change in working capital</b>		<b>-24,735</b>	<b>26,921</b>
<b>Cash flow from operating activities</b>		<b>76,041</b>	<b>121,282</b>
<b>INVESTMENT ACTIVITIES</b>			
Investments in intangible assets	K16	-2,640	-2,092
Investments in tangible non-current assets	K17	-11,410	-9,049
<b>Cash flow from investment activities</b>		<b>-14,050</b>	<b>-11,141</b>
<b>FINANCING ACTIVITIES</b>			
Amortization of loans	K26	-	-30,000
Warrant premium		264	903
Amortization of lease liability	K26	-19,963	-22,157
Overdraft facility		17,281	-
Distribution		-75,445	-50,297
<b>Cash flow from financing activities</b>		<b>-77,863</b>	<b>-101,551</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-15,872</b>	<b>8,590</b>
Cash and cash equivalents at the beginning of the year		26,646	16,032
Translation difference in cash & cash equivalents		-2,003	2,024
<b>Cash and cash equivalents at year-end</b>		<b>8,771</b>	<b>26,646</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>-17,875</b>	<b>10,614</b>



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## NOTE K1 ACCOUNTING PRINCIPLES

### GENERAL

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

The Parent Company operates as limited liability company and is headquartered in Stockholm. The head office's address is Frösundaviks allé 1, 169 70 Solna. The Parent Company's share is listed on Nasdaq OMX in Stockholm. Page 99 of this annual report shows a list of the largest individual shareholders as of December 31, 2024. The annual report was approved by the Board of Directors and the CEO on April 16, 2025, and adopted at the Annual General Meeting of the Parent Company on May 15, 2025.

### ACCOUNTING AND VALUATION PRINCIPLES

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards IFRS<sup>®</sup>) approved by the EU as of December 31, 2024. Furthermore, the Group also applies the Swedish Corporate reporting Board's recommendation RFR 1 Supplementary accounting rules for groups, which specifies the additions to IFRS information that are required according to the provisions of the Annual Accounts Act. The parent company's functional currency is Swedish kronor, which is also the Group's reporting currency. All amounts are stated in thousands of kronor unless otherwise stated. The consolidated accounts have been prepared according to the cost method, except for financial assets including derivative instruments valued at fair value via the income statement. The Group's essential accounting principles are described below.

### REVISED ACCOUNTING PRINCIPLES 2024

New and amended standards and new interpretations that apply from January 1, 2024 have not had any significant impact on the Group's financial reports.

### NEW ACCOUNTING PRINCIPLES FROM 2025

New and amended standards, as well as new interpretations effective from January 1, 2025, are assessed not to have any material impact on the Group's financial statements when applied for the first time. There are new standards that have been published but not yet adopted by the EU. Among these, Björn Borg assesses that IFRS 18 – Presentation and Disclosures in Financial Statements – may have an effect on the Group. The Group is currently evaluating the impact of IFRS 18.

### CONSOLIDATED ACCOUNTS

The consolidated accounts include the parent company and all companies over which the parent company has a controlling influence. By 'controlling influence' is meant when Björn Borg has influence over a company, is exposed to, or has the right to, variable returns from holdings in the company and has the opportunity to use the influence over the company to influence the return. Usually this is achieved by the share of ownership and voting rights exceeding 50 percent. The existence and effect of

potential voting rights that are currently possible to use or convert are taken into account when assessing whether the Group can exercise a controlling influence over another company. Subsidiaries are included in the consolidated accounts from and including the time when controlling influence is achieved and until the time when controlling influence ceases. The composition of the Group is shown in note M15.

### NON-CONTROLLING INTERESTS

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

### TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCY

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

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

### REVENUE FROM CONTRACTS WITH CUSTOMERS

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

Björn Borg's revenue consists of the following four categories:

#### 1. *Revenue in the Distributor segment*

The Group-owned product companies for the product areas underwear and sports apparel generate revenue for Björn Borg from products sales to distributors. Revenue is reported upon delivery in accordance with the terms of sale, which is the time when control passes to the buyer. Distributors have no right of return or any significant volume discounts. Payment terms are normally 10 days.



## 2. *Revenues in the Consumer*

Direct segment Group-own Björn Borg stores and the web shop generate revenue for Björn Borg from their sales to consumers. Retail sales are usually made by credit card. Revenue is reported at the end of the business day in the store, which coincides with the time when control passes to the consumer. Provisions for returns are made based on the Group's combined experience of returns and historical data.

## 3. *Revenues in the Wholesale segment*

The Group-own distribution companies for all product areas generate revenue for Björn Borg from their product sales to retailers. Revenue is reported upon delivery to the retailer, which coincides with the time when control passes to the retailer. Björn Borg applies various discount structures such as large customer discounts and volume discounts. General payment terms are 30 days, but 60 and 90 days are also available in specific cases. Björn Borg does not apply open purchase and there is no possibility of returns.

## 4. *Revenue in the Licensing segment*

Royalty revenue is generated from the distributors, both Group owned and independent, and product companies' wholesale sales of Björn Borg products to retailers and is calculated as a share of those sales. Royalty revenue is reported in connection with the distributor's sale at the wholesale level.

## INTEREST INCOME AND DIVIDEND REVENUE

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

## LEASING

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

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

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

Right-of-use comprises the sum of the initial valuation of the corresponding leasing debt, leasing payments paid on or before the commencement date and any initial direct expenditure. They are then

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

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

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

## EMPLOYEE BENEFITS

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

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

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

## TAXES

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

The reported value of deferred tax assets is tested at each closing date and reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available to be utilized in whole or in part against the deferred tax asset. In order to assess the probability that loss deductions can be used in the future, Group management and the Board use established business plans and forecasts as a basis. As of December 31, 2024, the Group has reported SEK 10,046 thousand in deferred tax receivables attributable to loss carry-forwards, which are deemed to be able to be used over the next six years.

Deferred tax is calculated according to the tax rates expected to apply for the period when the asset is recovered, or the liability settled. Deferred tax is reported as income or expense in the income statement, except in cases where it refers to transactions or events reported directly against other comprehensive income or equity. The deferred tax is then also reported directly against other comprehensive income or equity.

Tax assets and tax liabilities are set off when they relate to income tax charged by the same tax authority and when the Group intends to settle the tax with a single net amount.

## INTANGIBLE ASSETS

### Goodwill

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

### Tenancy rights

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

### Trademarks

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

### Website development

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

## TANGIBLE NON-CURRENT ASSETS

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

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

## IMPAIRMENT

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

## INVENTORY

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

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

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

## FINANCIAL ASSETS AND LIABILITIES

Accounting for and removal from the statement of financial position A financial asset or financial liability is reported in the statement of financial position when the company becomes a party to the instrument's contractual terms. A receivable is reported when the company has performed as agreed and there is a contractual obligation for the counterparty to pay, even if the invoice has not yet been received. Accounts receivable are reported in the statement of financial position when the invoice has been issued. Liabilities are reported when the counterparty has performed as agreed and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts

payable are reported in the statement of financial position when an invoice has been received. A financial asset is derecognized from the statement of financial position when the rights in the agreement are realized, expire or the company loses control of it. The same applies to part of a financial asset. A financial liability is derecognized from the statement of financial position when the obligation in the agreement is fulfilled or otherwise discharged. The same applies to part of a financial liability. Acquisitions and sales of financial assets are reported on the trade day. The trade day is the day when the company undertakes to buying or selling the asset.

Financial assets are classified on the basis of the business model in which the asset is managed and its cash flow characteristics. Björn Borg applies two different business models. Cash and cash equivalents, accounts receivable and other current receivables are included in the "hold to collect" business model, which means that the purpose of the financial assets is to collect cash flows in accordance with the contract. Financial assets included in this business model are reported at amortized cost. However, the expected maturity of accounts receivables is short, which is why reporting takes place at a nominal amount without discounting.

Short-term investments and derivatives are included in the business model "other", which means that the holdings are held for trading purposes. Financial assets included in this business model are reported at fair value through profit and loss.

Cash and cash equivalents include cash, bank deposits and other short-term investments maturing within three months. Cash and bank deposits are reported at their nominal amounts and short-term investments at their fair value with any changes in value reported through profit or loss. Financial liabilities are reported at fair value through profit or loss if it is a contingent purchase consideration as defined by IFRS 3 Business Combinations, if it is held for trading purposes or if the liability is initially identified as a liability at fair value through profit and loss. Other financial liabilities are valued at amortized cost.

Accounts payable are valued at amortized cost. The expected maturity of accounts payable is short, which is why the liability is reported at the nominal amount without discounting. Interest-bearing bank loans, overdraft facilities and other loans are reported at amortized cost according to the effective interest rate method. Any differences between the loan proceeds (net after transaction costs) and loan repayments or amortization are reported over the life of the loans. Contingent consideration is classified and measured at fair value through profit or loss.

#### *Impairments (IFRS 9 Financial instruments)*

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

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

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

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

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

#### **Cash and cash equivalents**

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

#### **Financial liabilities**

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

#### **Set-off of financial assets and liabilities**

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

#### **SHARE CAPITAL**

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

#### **PROVISIONS**

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

#### **STATEMENT OF CASH FLOWS**

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



## NOTE K2 IMPORTANT ESTIMATES AND ASSUMPTIONS

### IMPORTANT ESTIMATES AND ASSUMPTIONS FOR ACCOUNTING PURPOSES

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

#### Taxes

Deferred tax is calculated on temporary differences between the carrying amounts if assets and liabilities and their value for tax purposes. There are mainly two types of assumptions and estimates that affect the reported deferred tax. These are assumptions and assessments to determine the carrying amount of various assets and liabilities and for future taxable profits, in cases where a future utilization of deferred tax assets is dependent on this. As of December 31, 2024, reported deferred tax assets amounted to SEK 12,191 thousand (12,310). The part of the tax receivable that relates to loss carry forwards in the balance sheet is the value dependent on future profits in the companies and markets where the historical losses exist. The valuation of this asset is based on management's assessment of these units' ability to show profit and thus be able to use the deductions. Furthermore, there are additional loss carry forwards that are not included in the accounts, but in the event of a better-than-expected development, the value of these loss carry forwards may be higher as well as lower in the event of a worse future outcome. For further information, see Note K14

#### Impairment testing for goodwill and brand

Impairment testing of both the Group's goodwill and the carrying amount for trademarks requires estimates and assumptions have regarding margins, growth, discount rate, etc. For a more detailed description of the impairment tests, see Note K16. The carrying amounts for trademarks and goodwill as of December 31, 2024 amounted to SEK 224,735 thousand (223,954).

#### Trademark reporting

In 2006, Björn Borg acquired the Björn Borg brand. The purchase price amounted in part to a cash purchase price at the time of acquisition of SEK 124,000 thousand and an additional purchase price that expired annually up to and including 2016, i.e., 2017 was the first year in which no additional purchase price was paid. The additional purchase price was divided into a fixed and a variable part. The fixed part corresponding to SEK 7,800 thousand per year has, in view of the fact that it can be determined in a reliable manner been reported as part of the acquisition value, while the variable part has been reported as an operating expense

annually. The variable part was based on a percentage of wholesale sales during the period 2006-2016 and could therefore not be determined reliably at the time of acquisition. In accordance with IAS 38, the future payment of the additional purchase consideration has been discounted to present value, which is why the total acquisition value for the brand amounted to SEK 187,532 thousand.

Continuity in brand building means that the brand today has a clear profile and a strong position in its markets. The brand is characterized by quality products with a creative and innovative design and is based on the sporty heritage that the name Björn Borg stands for. Through consistent and long-term brand work, the brand has strengthened its role in the international fashion market. The brand is considered to have a very strong market position. Based on the above, the brand is therefore considered to have an indeterminate useful life.

#### Inventory

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

#### Accounts receivable

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

#### Right-of-use assets

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

## NOTE K3 FINANCIAL RISK MANAGEMENT

### FINANCIAL RISK MANAGEMENT AND FINANCIAL DERIVATIVES

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

### CURRENCY RISK

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

### Transaction exposure

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

*Commercial transaction exposure* refers to exposure attributable to purchases and sales in foreign currencies. The Group's largest currency exposure is against the USD and the EUR, where USD affects the cost of goods, while EUR primarily affects sales and overheads. The Group's transaction risk relates to the fact that Björn Borg mainly sells in SEK and EUR, while purchases primarily take place in USD and in EUR. About 3 percent (3) of the Group's sales took place in USD, which eliminated part of the transaction risk. Björn Borg did not use any derivative instruments to manage this currency risk during 2024. During the year, realized and unrealized exchange rate differences affected the operating profit positively by SEK 2,888 thousand (2,100).

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

### Translation exposure

Exchange rate changes affect the Group when converting the net assets of foreign subsidiaries to SEK. Translation differences are reported in other comprehensive income and are accumulated in the translation reserve in equity. Björn Borg is mainly exposed to changes in EUR, USD, GBP, CNY and DKK. Björn Borg has chosen not to hedge the translation exposure. As of December 31, 2024, the exposure amounted to EUR 10,900 thousands (9,700), USD –1,200 thousands (–1,200), GBP 100 thousands (100), CNY –5,100 thousands (–5,100) and DKK 1,400 thousands (800). The company has used the following average exchange rates and closing day rates for each currency, as shown in the table below:

### EXCHANGE RATES

	Average rate		Closing day rate	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
EUR	11.4322	11.4765	11.4865	11.0960
USD	10.5614	10.6128	10.9982	10.0416
GBP	13.5045	13.1979	13.8475	12.7680
CNY	1.4680	1.4982	1.5067	1.4133
DKK	1.5327	1.5403	1.5398	1.4888

## SENSITIVITY ANALYSIS

### Commercial transaction exposure

During 2024, the Björn Borg Group was affected by fluctuations in both the euro and the dollar.

The matrix below describes the impact of the two currencies on the Björn Borg Group's turnover, operating profit and its equity, based on the current business model. The effect of a changed USD only had a marginal impact on turnover but had a strong impact on operating profit and equity. Commodity costs were affected by the fluctuation of the US dollar since approximately 75 percent (76) of purchases were made in dollars. The net effect of a changed EUR had a significant impact on turnover as just under half of the Group's turnover was sold in EUR. It also had a strong impact on operating profit and equity mainly thanks to a higher turnover. Several other factors also affect the transaction exposure going forward, including the development of each business segment's share of total turnover, costs for distribution and marketing, and the exchange rate at the time of product deliveries.

Björn Borg has not used currency derivatives to hedge exchange rate exposure when selling and purchasing in foreign currencies. Below is a sensitivity analysis for commercial transaction exposure related to the changes in the currencies that affected the Group's sales and purchases of goods the most.

### ESTIMATED CURRENCY IMPACT

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

### ESTIMATED CURRENCY IMPACT

		Estimated effect on sales, %	Estimated effect on operating profit, %	Estimated effect on equity, %
2023	%			
Stronger USD vs SEK	10	0.4	–26.4	–8.0
Weaker USD vs SEK	–10	–0.4	26.4	8.0
Stronger EUR vs SEK	10	4.2	16.9	8.3
Weaker EUR vs SEK	–10	–4.2	–16.9	–8.3

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

**Financial transaction exposure**

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

**ESTIMATED CURRENCY IMPACT**

2024	%	Estimated effect on earnings, TSEK	Estimated effect on equity, TSEK
EUR	+/-10	+/-1,062	+/-843
USD	+/-10	+/-3,369	+/-2,675
DKK	+/-10	+/-687	+/-546
HKD	+/-10	+/-98	+/-78
NOK	+/-10	+/-1	+/-1

**ESTIMATED CURRENCY IMPACT**

2023	%	Estimated effect on earnings, TSEK	Estimated effect on equity, TSEK
EUR	+/-10	+/-972	+/-771
USD	+/-10	+/-1,803	+/-1,431
DKK	+/-10	+/-608	+/-483
HKD	+/-10	+/-316	+/-251
NOK	+/-10	+/-188	+/-149

**Translation exposure**

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

**ESTIMATED CURRENCY IMPACT**

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

**ESTIMATED CURRENCY IMPACT**

2023	%	Estimated effect on equity, TSEK
EUR	+/-10	+/-10,800
USD	+/-10	+/-1,200
GBP	+/-10	+/-100
CNY	+/-10	+/-700
DKK	+/-10	+/-100

**PRICE RISK**

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

**INTEREST RISK**

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

As of December 31, 2024, interest-bearing assets in the form of bank funds amounted to SEK 8,771 thousand (26,646). Interest-bearing assets relating to bank funds mainly carry a variable interest rate, and changes in the market interest rate therefore lead to higher or lower future interest income.

If market interest rates were to change by one percentage point, the Group's net interest for outstanding assets as of the balance sheet date would be affected by approximately SEK +/-70 thousands (140), based on average interest-bearing assets in 2024. The effect on equity would amount to approximately SEK +/-57 thousands (113).

Furthermore, there is an interest rate risk linked to the SEK 200 million (150) overdraft that Björn Borg has signed with Danske Bank. The interest rate is variable and corresponds to STIBOR 3 months plus a margin. As of December 31, 2024, the utilized overdraft facility amounted to SEK 17,281 thousand (0). An increase of 1 percentage point in the 3-month STIBOR rate would, all else being equal, not affect Björn Borg's interest expenses as of the balance sheet date by SEK 173 thousand (0). A decrease of 1 percentage point would result in a corresponding reduction, if STIBOR is not negative. Equity would be affected to the same extent as of the balance sheet date, by +/- SEK 137 thousand (0).

**CREDIT AND COUNTERPARTY RISKS**

The Group's credit and counterparty risks consist of exposures to commercial and financial counterparties. Credit and counterparty risk refers to the risk of loss if the counterparty does not fulfil its obligations. According to the Board's decision, this risk shall be limited by accepting only counterparties with good creditworthiness and by established limits. Björn Borg's commercial credit risk mainly consists of accounts receivable which are distributed over a large number of counterparties. Credit risk to financial counterparties is limited to financial institutions with a high credit rating. The table below shows the Björn Borg Group's credit risks as of December 31, 2024.



#### OUTSTANDING CREDIT RISK AS OF 31 DEC, 2024

SEK thousands	2024	2023
Accounts receivable, external	111,398	99,379
Other current receivables	15,021	11,880
Cash and bank balances	8,771	26,646
	<b>135,190</b>	<b>137,905</b>

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

#### LIQUIDITY AND REFINANCING RISKS

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

Björn Borg has an overdraft facility of SEK 200 million (150) with Danske Bank, of which SEK 17.3 million (0) was utilized as of December 31, 2024. As a commitment for the overdraft, and the three-year revolving credit, the company has undertaken to ensure that the ratio of the group's net debt and 12 months' rolling operating profit before depreciation per last day of each quarter end does not exceed 3.00. Furthermore, the group must at all times maintain an equity ratio of at least 35 percent.

Maturity analysis of the Björn Borg Group's outstanding receivables and liabilities as of 2024-12-31 (contractual and undiscounted cash flows):

#### MATURITY ANALYSIS OF OUTSTANDING ASSETS AND LIABILITIES

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

#### MATURITY ANALYSIS OF OUTSTANDING ASSETS AND LIABILITIES

Dec 31, 2023	Up to 3 months	3-12 months	1-5 years	Over 5 years
Accounts receivable, external	99,379	–	–	–
Other receivables	11,880	–	–	–
Cash and bank balances	26,646	–	–	–
Lease liabilities	–2,277	–15,101	–23,875	–1,595
Other liabilities	–43,232	–18,587	–548	–
Accounts payable	–135,792	–	–	–
<b>Total</b>	<b>–43,396</b>	<b>–33,688</b>	<b>–24,423</b>	<b>–1,595</b>

For further information on lease liabilities, see Note K11.

#### CAPITAL

Capital refers to shareholders' equity and loan capital. The Group's goal in managing capital is to ensure the Group's survival and freedom of action and to ensure that the owners receive a return on their invested funds.

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

As a commitment for the overdraft facility, and the three-year revolving credit, the company has undertaken to ensure that the ratio of the Group's net debt and 12 months' rolling operating profit before depreciation on the last day of each quarter does not exceed 3.00. Furthermore, the Group must at all times maintain an equity/assets ratio of at least 35 percent. As of December 31, 2024, the ratio was 0.08 (+0.24) and the equity/assets ratio was 49.7 percent (55.6).

## NOTE K4 SEGMENT REPORTING

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

### WHOLESALE BUSINESS

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

### OWN E-COMMERCE

The segment consists of revenues and costs associated with the Björn Borg Group's sales of underwear, sports apparel, footwear, bags and complementary products, directly to consumers via its own e-commerce at [www.bjornborg.com](http://www.bjornborg.com).

### OWN STORES

The segment consists of revenues and costs associated with the Björn Borg Group's sales directly to consumers via its own physical stores. The Björn Borg Group owns and operates stores in Sweden, the Netherlands, Finland and Belgium, for the sale of underwear, sports apparel, footwear, bags and complementary products.

### DISTRIBUTOR

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

### LICENSE

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

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

Note K4, continued

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

<b>2023</b> SEK thousands	Wholesale	Own e-com- merce	Own stores	Distributor	License	Operating revenue	Deducted other operating revenue	Net sales
<b>Income</b>								
Total income	600,792	155,129	104,713	587,228	41,462	1,489,324	-19,530	1,469,794
Internal sales	-23,323	-1,154	-	-540,716	-32,340	-597,533		-597,533
<b>External sales</b>	<b>577,469</b>	<b>153,975</b>	<b>104,713</b>	<b>46,512</b>	<b>9,122</b>	<b>891,791</b>	<b>-19,530</b>	<b>872,261</b>
Deducted other operating revenue	-12,646	-3,372	-2,293	-1,019	-200	-19,530		
Net sales	564,823	150,603	102,420	45,493	8,922	872,261		872,261
<b>Per country</b>								
Sweden	226,724	47,073	29,920	-	899	304,615	-6 671	297,944
Netherlands	112,003	50,385	42,181	-	8,224	212,794	-4,660	208,133
Finland	94,440	5,291	20,427	-	-	120,158	-2,631	117,526
Germany	82,634	5,226	0	-	-	87,860	-1,924	85,936
Belgium	10,090	9,615	12,184	-	-	31,890	-698	31,191
Denmark	24,287	5,866	0	-	-	30,153	-660	29,493
Other	27,291	30,519	0	46,512	-	104,321	-2,285	102,037
	<b>577,469</b>	<b>153,974</b>	<b>104,713</b>	<b>46,512</b>	<b>9,122</b>	<b>891,791</b>	<b>-19,530</b>	<b>872,261</b>
<b>Per product area</b>								
Underwear	325,607	73,754	60,289	31,549	-	491,199	-10,757	480,442
Sports apparel	94,984	55,049	34,738	7,371	-	192,143	-4,208	187,935
Footwear	64,940	5,000	1,538	0	-	71,479	-1,565	69,913
Bags	48,404	3,230	662	392	-	52,687	-1,154	51,533
Other	43,534	16,941	7,486	7,200	9,122	84,283	-1,846	82,437
	<b>577,469</b>	<b>153,974</b>	<b>104,713</b>	<b>46,512</b>	<b>9,122</b>	<b>891,791</b>	<b>-19,530</b>	<b>872,261</b>



<b>2023</b> SEK thousands	Wholesale	Own e-com- merce	Own stores	Distributor	License	Total	Elimina- tions	Group
Goods for resale	-297 593	-41 209	-35 455	-26,875	-			-401,132
Depreciation	-24 128	-1 687	-6 486	-616	-97			-33,015
<b>Operating profit</b>	<b>60 817</b>	<b>28 809</b>	<b>-7 009</b>	<b>9,848</b>	<b>8,084</b>			<b>100,550</b>
Interest income and similar income items								3,264
Interest expenses and similar income items								-6,123
<b>Profit before tax</b>								<b>97,691</b>
Fixed assets	326,656	44,086	67,421	32,078	5,354	475,595	-171,326	304,270
Inventory	138,651	19,652	26,955	-	-	185,258	-897	184,361
Other current assets	1,204,187	105,053	150,813	76,439	9,048	1,545,540	-1,402,646	142,894
<b>Total assets</b>	<b>1,669,494</b>	<b>168,791</b>	<b>245,189</b>	<b>108,517</b>	<b>14,402</b>	<b>2,206,393</b>	<b>-1,574,869</b>	<b>631,525</b>
Other debts	1,375,178	139,410	196,120	101,438	9,452	1,821,598	-1,540,890	280,708
<b>Total debts</b>	<b>1,375,178</b>	<b>139,410</b>	<b>196,120</b>	<b>101,438</b>	<b>9,452</b>	<b>1,821,598</b>	<b>-1,540,890</b>	<b>280,708</b>
Investments in tangible and intangible fixed assets	8,904	666	947	485	56	11,058	82	11,141

#### RECONCILIATION BETWEEN OPERATING PROFIT AND PROFIT BEFORE TAX

The difference between operating profit for segments for which information is to be provided is SEK 101,845 thousand (100,551) and profit before tax SEK 90,403 thousand (97,691) are net financial items, SEK -11,442 thousand (-2,859).

#### INTERNAL PRICING

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

#### ELIMINATIONS

The elimination column refers only to internal balances.

#### GEOGRAPHICAL AREAS

<b>2024</b> SEK thousands	Assets	Investments
Sweden	243,532	4,939
Netherlands	158,412	6,113
Finland	85,974	1,514
Germany	73,554	302
Belgium	24,611	95
Denmark	24,035	726
Other	86,566	361
<b>Group</b>	<b>696,683</b>	<b>14,050</b>

#### GEOGRAPHICAL AREAS

<b>2023</b> SEK thousands	Assets	Investments
Sweden	211,511	5,115
Netherlands	147,754	1,922
Finland	83,432	1,011
Germany	61,006	639
Belgium	22,143	151
Denmark	20,937	1,236
Other	72,433	1,066
<b>Group</b>	<b>619,216</b>	<b>11,141</b>

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

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

## NOTE K5 NET SALES DISTRIBUTION

### NET SALE PER GEOGRAPHICAL AREA

SEK thousands	2024	% of total	2023	% of total
Sweden	345,959	35	297,944	34
Netherlands	225,036	23	208,133	24
Finland	122,134	13	117,526	13
Germany	104,490	10	85,936	10
Belgium	34,962	4	31,191	4
Denmark	34,144	3	29,493	3
Other	122,975	12	102,037	12
<b>Group</b>	<b>989,698</b>	<b>100</b>	<b>872,261</b>	<b>100</b>

### NET SALE PER PRODUCT AREA

SEK thousands	2024	% of total	2023	% of total
Underwear	514,393	52	480,442	55
Sports apparel	250,220	25	187,935	22
Footwear	95,442	10	69,913	8
Bags	54,786	5	51,533	6
Other	74,856	8	82,437	9
<b>Group</b>	<b>989,698</b>	<b>100</b>	<b>872,261</b>	<b>100</b>

The Group's other operating income mainly consists of currency revaluations on monetary items (assets and liabilities) in addition to cash and loans and re-invoiced costs. during 2024, Björn Borg received late Covid-related grants from the Dutch government amounting to SEK 6,000 thousand.

Outstanding accounts receivable amounted to SEK 111,398 thousand (99,379) on the balance sheet date, see also Note K19.

The Group's has contractual liabilities in the form of prepaid goods as well as settlement against license and franchisees with a closing balance of a total of SEK 60 thousand (788).

These are included in the item accrued expenses and prepaid income, note K23. Of the incurred debt amount, SEK 788 thousand (1,648) was recognized as income during the period. The Group lacks contract assets.

## NOTE K6 OTHER EXTERNAL EXPENSES

SEK thousands	2024	2023
Local costs	13,335	11,813
Sales costs	88,812	71,751
Marketing costs	92,663	75,752
Administrative costs	41,638	38,715
Other	9,741	8,276
	<b>246,190</b>	<b>206,307</b>

## NOTE K7 CASH AND CASH EQUIVALENTS

SEK thousands	Dec 31, 2024	Dec 31, 2023
Cash and bank balances	8,771	26,646
	<b>8,771</b>	<b>26,646</b>

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

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

**SALARIES, OTHER BENEFITS AND SOCIAL COSTS**

SEK thousands	2024	2023
Salaries and benefits	109,101	93,916
Social expenses	28,568	30,740
Pension costs	11,318	10,373
<b>Total</b>	<b>148,986</b>	<b>135,029</b>

**SALARIES, OTHER REMUNERATION DISTRIBUTED BETWEEN  
SENIOR EXECUTIVES AND OTHER EMPLOYEES**

SEK thousands	2024	2023
Board, CEO and other senior executives	18,273	20,584
Other employees	90,829	73,331
<b>In total</b>	<b>109,101</b>	<b>93,915</b>

**THE AVERAGE NUMBER OF EMPLOYEES PER COUNTRY 2024 <sup>1</sup>**

	Män	Kvinnor
Sweden	26	68
Netherlands	15	15
Finland	3	14
Other	9	5
<b>Total</b>	<b>50</b>	<b>102</b>

**THE AVERAGE NUMBER OF EMPLOYEES PER COUNTRY 2023 <sup>1</sup>**

	Män	Kvinnor
Sweden	22	76
Netherlands	17	12
Finland	4	13
Other	3	4
<b>Total</b>	<b>46</b>	<b>105</b>

<sup>1</sup> An annual working time of 1,800 hours has been used to calculate the average number of employees.

**DISTRIBUTION BETWEEN WOMEN AND MEN AMONG SENIOR  
EXECUTIVES**

	2024		2023	
	Men	Women	Men	Women
Board	4	3	4	3
Other senior executives	5	3	7	2
<b>Total</b>	<b>9</b>	<b>6</b>	<b>11</b>	<b>5</b>

**REMUNERATION AND OTHER BENEFITS TO BOARD MEMBERS**

SEK thousands	2024		2023	
	Board fees	Others compensation	Board fees	Others compensation
<i>Chairman of the Board;</i> Heiner Olbrich	446	99	428	91
<i>Other members of the Board;</i> Mats H Nilsson	191	105	185	101
Alessandra Cama	191	–	185	–
Fredrik Lövestedt	191	79	185	76
Anette Klintfält	191	–	185	–
Jens Høgsted	191	–	185	–
Johanna Schottenius	191	–	185	–
<b>Total</b>	<b>1,592</b>	<b>283</b>	<b>1,538</b>	<b>268</b>

**SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES 2024**

SEK thousands	Basic salary	Variable compensation	Pension	Other compensation	Total
CEO	4,730	889	1,274	196	<b>7,088</b>
Other senior executives (7 full-time employees)	9,222	1,557	2,064	132	<b>12,975</b>
<b>Total</b>	<b>13,951</b>	<b>2,446</b>	<b>3,338</b>	<b>328</b>	<b>20,064</b>

**SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES 2023**

SEK thousands	Basic salary	Variable compensation	Pension	Other compensation	Total
CEO	4,472	1,243	1,086	158	<b>6,959</b>
Other senior executives (6 full-time employees)	10,949	2,113	2,001	128	<b>15,192</b>
<b>Total</b>	<b>15,421</b>	<b>3,356</b>	<b>3,087</b>	<b>286</b>	<b>22,151</b>



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

### Remuneration to the Board

According to the AGM resolution, the remuneration to the Chairman and members of the Board for 2024 amounts to a total of SEK 1,875 thousand (1,806). The Chairman of the Board receives a fee of SEK 446 thousand (428), while other members receive a remuneration of SEK 191 thousand (185) each. In addition to Board fees, the Chairman and members of the Board have received remuneration for travel and subsistence in connection with Board meetings. A fee for a total of SEK 84 thousand (80) for 2024 has been expensed to the Remuneration Committee and a fee amounting to a total of SEK 204 thousand (197) has been expensed to the Audit Committee. All remuneration is in accordance with the remuneration to the Board decided by the Annual General Meeting.

### Remuneration to the CEO

Björn Borg's CEO has received salary and other remuneration amounting to SEK 4,730 thousand (4,472), in addition to which the CEO receives a variable remuneration of SEK 889 thousand (1,244). According to the agreement, the CEO is entitled to both a fixed salary and a variable remuneration, provided that certain predefined goals are achieved. In addition, the CEO is entitled to certain other benefits, e.g., company car and some insurance. The CEO is also entitled to a monthly pension provision corresponding to 28.33 (26.67) percent of the fixed salary. The variable remuneration has been calculated on the basis of the Group's achieved sales and operating profit in relation to the budget approved by the Board.

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

### Remuneration of other senior executives

Senior executives refer to Group management. In 2024, Group management, excluding the CEO, consisted of seven other senior executives. During 2024, the average number of other senior executives excluding the deputy CEO was six. The basic salary for senior executives for 2024 amounted to SEK 9,222 thousand (10,949). In addition, senior executives receive variable remuneration based on the Group's sales and earnings in excess of the budget approved by the Board. The variable remuneration can amount to a maximum of 25 percent of fixed salary. The variable remuneration in 2024 amounted to SEK 1,557 thousand (2,113). In addition to this, some senior executives have access to a company car. Björn Borg pays pension premiums according to a defined contribution pension plan. Pension costs in 2024 amounted to SEK 2,064 thousand (2,001). If senior executives are dismissed by the company, they are entitled to a 3-6 month notice period. Senior executives' share and option holdings in Björn Borg are presented in the following table.

## THE SHAREHOLDINGS OF THE BOARD OF DIRECTORS, THE CEO AND OTHER SENIOR EXECUTIVES AS OF DEC 31, 2024

	Number of shares
Fredrik Löfstedt	950,040
Mats H Nilsson	1,638,440
Anette Klintfält with related parties	10,000
Johanna Schottenius	382,880
Heiner Olbrich	60,000
Alessandra Cama	20,000
Jens Høgsted	11,500
CEO	110,000
Other senior executives	18,501
<b>Total number of shares</b>	<b>3,201,361</b>

## PENSIONS

The Group only has defined contribution pension plans. A defined contribution pension plan is a pension plan where the Group pays fixed premiums to a separate legal entity. After Björn Borg paid the premium, no obligations remain for Björn Borg towards the Group's employees. The fees are reported as personnel costs in the period to which the fee paid relates and amounted to SEK 11.3 M (10.4) in 2024.

## INCENTIVE PROGRAM, ISSUE OF WARRANTS 2023/2026

The 2023 Annual General Meeting decided on the introduction of a new long-term incentive program; the issue of warrants 2023/2026, which means acquiring warrants in the company at market value. Eligible to participate in the incentive program, which runs between the years 2023 and 2026, are persons in Group management and certain additional key persons within the Group. The company's Board members shall not be assigned any warrants. The incentive program involves the issue of a total of 300,000 warrants, where each warrant entitles the holder to subscribe for one new share in the company. During 2024, the remaining 30,000 warrants were transferred to employees, with the subscription price generally set at SEK 54.70 per share (although participants may choose to apply a so-called net strike, in which case both the subscription price and the number of shares are adjusted). The value of the warrant has been calculated using the well-established valuation model, Black & Scholes, and was provided by Elleme AB. A total of 300,000 warrants have been subscribed. The paid option premiums have been recognized directly in equity under the item "Share premium reserve." An additional cash bonus was paid as part of enabling participants to purchase the warrants. This variable compensation amounted to SEK 527 thousand for 2024.

## PROPOSED GUIDELINES FOR EXECUTIVE COMPENSATION EXECUTIVES

The Board's guidelines for remuneration to senior executives will be applied unchanged, in accordance with the guidelines adopted by the Annual General Meeting in 2024. For the complete guidelines on remuneration to senior executives, see [https://cdn.prod.website-files.com/66a92ebaf5fe2539fb929b6d/66f53620fdc87a3b242b8b57\\_66d0f6654a8472bad099689c\\_13-styrelsens-forslag-till-riktlinjer-till-ledande-befattningshavare.pdf](https://cdn.prod.website-files.com/66a92ebaf5fe2539fb929b6d/66f53620fdc87a3b242b8b57_66d0f6654a8472bad099689c_13-styrelsens-forslag-till-riktlinjer-till-ledande-befattningshavare.pdf).

## NOTE K9 TRANSACTIONS WITH RELATED PARTIES

In addition to the usual remuneration (salary, fees and other benefits) to the CEO, senior executives and the Board, as well as internal sales between Group companies, transactions with related parties occurred during the period 2024 but not of a material nature.

## NOTE K10 AUDITORS' FEES

SEK thousands	2024	2023
<i>BDO</i>		
Audit assignment	2,646	2,032
Audit assignments in addition to auditing activities	217	137
Tax advice	136	145
Other services	77	105
<b>Total</b>	<b>3,075</b>	<b>2,418</b>

## NOTE K11 LEASING

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

### MATURITY ANALYSIS LEASE LIABILITY:

SEK thousands	
2025	20,857
2026	12,220
2027	4,134
2028	2,505
2029	2,061
later than 2030	1,671
<b>Total payments</b>	<b>43,448</b>

The Group has entered into leasing agreements that have not yet taken effect. The leasing payment for the entire leasing period amounts to SEK 126 thousand (950).

### REPORTED LIABILITY ACCORDING TO THE BALANCE SHEET

SEK thousands	Dec 31, 2024	Dec 31, 2023
Short-term portion	19,071	17,379
Long-term portion	22,591	25,470
<b>Total</b>	<b>41,662</b>	<b>42,849</b>

### RIGHT-OF-USE ASSETS

SEK thousands	Premises		Vehicle		Equipment		Total	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
<i>Acquisition cost</i>								
Incoming values	37,543	47,133	5,967	4,757	432	681	43,942	52,571
Additional usufruct rights	7,524	725	4,934	5,458	619	65	13,077	6,248
Renegotiated/concluded agreements	5,470	8,150	123	-1,636	35	-21	5,628	6,493
Depreciation	-17,773	-19,263	-3,295	-2,600	-289	-294	-21,357	-22,157
Translation differences	810	798	109	-12	11	2	930	788
<i>Carrying amount</i>								
<b>Closing balance</b>	<b>33,574</b>	<b>37,543</b>	<b>7,838</b>	<b>5,967</b>	<b>808</b>	<b>433</b>	<b>42,220</b>	<b>43,943</b>

**AMOUNTS REPORTED IN PROFIT OR LOSS**

SEK thousands	
Depreciation right-of-use assets	21,357
Interest expenses for lease liabilities	1,266
Expenses relating to short-term leases	261
Expenses relating to leases of low-value asset	109
Expenses relating to variable lease payments not included in the valuation of lease liabilities	4,573

The total cash flow for lease payments amounted to SEK 27,566 thousand.

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

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

SEK thousands	2024	2023
Fixed payments	11,226	10,771
Variable lease payments	4,054	3,921
<b>Total payments</b>	<b>15,280</b>	<b>14,692</b>

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

An increase in sales of 10 percent in the stores that have full or partial sales-based rent would increase leasing costs by SEK 1,277 thousand (1,201).

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

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

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

SEK thousands	2024
Within 1 year	5,716
Between 1-3 years	22,323
Between 3-5 years	14,625
<b>Total cash flow</b>	<b>42,663</b>

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

SEK thousands	2024	2023
Assets at amortized cost	7,852	20,551
Financial liabilities valued at amortized cost (financial expenses)	-14,919	-15,592
<b>Total</b>	<b>-7,067</b>	<b>4,959</b>

Of the assets reported at amortized cost, SEK -2 888 thousand have been reported in operating profit and SEK -4 179 thousand in net financial items.



## NOTE K13 NET FINANCIAL ITEMS

SEK thousands	2024	2023
Change in exchange rates	–	2,858
Interest income <sup>1</sup>	460	406
<b>Total financial income</b>	<b>460</b>	<b>3,264</b>
Change in exchange rates	–4,246	–
Interest expenses <sup>1</sup>	–6,390	–4,752
Interest expense leasing	–1,266	–1,371
<b>Total financial expenses</b>	<b>–11,902</b>	<b>–6,123</b>
<b>Net financial items</b>	<b>–11,442</b>	<b>–2,859</b>

<sup>1</sup> The item in its entirety refers to financial assets and liabilities that are not valued at fair value, except for interest income corresponding to SEK 0 thousand (0) which refers to assets valued at fair value.

## NOTE K14 TAXES

### TAX ON PROFIT FOR THE YEAR

SEK thousands	2024	2023
Current tax on the profit for the year	–18,602	–20,118
Current tax attributable to previous years	–212	–1,332
Deferred tax asset/expense	1,079	–272
<b>Total reported tax expense</b>	<b>–17,735</b>	<b>–21,722</b>

### TAX RATE RECONCILIATION

SEK thousands	2024	2023
Reported profit before tax	90,403	97,691
Tax according to the current tax rate in Sweden, 20.6%	–18,623	–20,124
<i>Tax effect of:</i>		
Non-deductible expenses	–175	–331
Tax-exempt income	1,454	8
Effect of tax rates in other countries	–174	–150
Utilized tax loss carryforwards where undeferred tax is taken into account	–	5
Not taken into account deferred tax on loss carryforwards	–5	202
Current tax attributable to previous years	–212	–1,332
<b>Reported tax expense</b>	<b>–17,735</b>	<b>–21,722</b>

## DEFERRED TAXES

SEK thousands	2024	2023
<i>Deferred tax assets reported in the balance sheet</i>		
Property, plant & equipment	569	358
Rights-of-use assets	268	268
Internal gain on inventory	194	202
Doubtful accounts receivable	1,114	1,293
Tax loss carryforwards	10,046	10,189
<b>Total deferred tax asset</b>	<b>12,191</b>	<b>12,310</b>
<i>Deferred tax liabilities reported in the balance sheet</i>		
Trademarks	39,065	39,065
Other	–	235
Untaxed reserves	389	401
<b>Total deferred tax liability</b>	<b>39,454</b>	<b>39,701</b>

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

### TAX LOSS CARRYFORWARDS AND UNREPORTED DEFERRED TAX ASSETS

The Group has reported a deferred tax asset related to tax loss carryforwards totalling SEK 10,046 thousand (10,189) of which the largest part refers to the Netherlands. Tax loss carryforwards amount to SEK 40,488 thousand (41,065), none of which have an expiration date. Tax loss carryforwards for which deferred tax assets have not been recognized in the balance sheet amount to SEK 153,904 thousand (142,292) as of December 31, 2024, and relate to operations in the U.S., Belgium, and the UK. No deferred tax asset has been recognized for these loss carryforwards due to the fact that these entities have historically reported tax losses and there is uncertainty as to if and when they will generate sufficient taxable profits in the future. This corresponds to an unrecognized deferred tax asset of approximately SEK 26,113 thousand (23,960). The majority of these loss carryforwards have no expiration date.

## NOTE K15 EARNINGS PER SHARE

SEK thousands	Earnings per share		Earnings per share after dilution	
	2024	2023	2024	2023
<b>Earnings</b>				
Earnings attributable to the Parent Company's shareholders	72,668	75,969	72,668	75,969
<b>Net profit used to determine results</b>	<b>72,668</b>	<b>75,969</b>	<b>72,668</b>	<b>75,969</b>
<b>Weighted average number of ordinary shares for calculation of earnings per share after dilution</b>	<b>25,148,384</b>	<b>25,148,384</b>	<b>25,148,384</b>	<b>25,148,384</b>
<b>Earnings per share</b>	<b>2.89</b>	<b>3.02</b>	<b>2.89</b>	<b>3.02</b>

SEK thousands	2024	2023
Earnings per share, SEK	2.89	3.02
Earnings per share, SEK (after dilution)	2.89	3.02
Number of shares	25,148,384	25,148,384
Number of shares weighted average	25,148,384	25,148,384
Number of shares weighted average (after dilution)	25,148,384	25,148,384

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

## NOTE K16 INTANGIBLE ASSETS

SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
<b>Goodwill</b>			
<i>Accumulated acquisition values</i>			
Opening balance		36,422	36,486
Translation differences for the year		781	-64
<b>Carrying amount at year-end</b>		<b>37,203</b>	<b>36,422</b>
<b>Trademark</b>			
<i>Accumulated acquisition values</i>			
Opening balance		187,532	187,532
<b>Carrying amount at year-end</b>		<b>187,532</b>	<b>187,532</b>
<b>Licenses</b>			
<i>Accumulated acquisition values</i>			
Opening balance		5,763	5,165
Investments		874	621
Translation differences for the year		178	-23
<b>Closing balance</b>		<b>6,815</b>	<b>5,763</b>
<i>Accumulated amortization</i>			
Opening balance		-3,739	-3,209
This year's depreciations		-678	-543
Translation differences for the year		-212	13
<b>Closing balance</b>		<b>-4,629</b>	<b>-3,739</b>
<b>Carrying amount at year-end</b>		<b>2,186</b>	<b>2,024</b>
<b>Tenancies</b>			
<i>Accumulated acquisition values</i>			
Opening balance		500	500
<b>Closing balance</b>		<b>500</b>	<b>500</b>
<i>Accumulated cost</i>			
Opening balance		-500	-500
<b>Closing balance</b>		<b>-500</b>	<b>-500</b>
<b>Carrying amount at year-end</b>		<b>-</b>	<b>-</b>

SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
<b>Capitalized expenses for software</b>			
<i>Accumulated cost</i>			
Opening balance		18,272	19,480
Investments		1,766	2,092
Divestments and closure of operations		-3	-3,294
Translation differences for the year		57	-6
<b>Closing balance</b>		<b>20,092</b>	<b>18,272</b>
<i>Accumulated amortization</i>			
Opening balance		-13,895	-13,874
Divestments and closure of operations		3	3,294
Amortization for the year		-1,842	-3,320
Translation differences for the year		-57	5
<b>Closing balance</b>		<b>-15,791</b>	<b>-13,895</b>
<b>Carrying amount at year-end</b>		<b>4,301</b>	<b>4,377</b>

**IMPAIRMENT TESTING THE GOODWILL AND TRADEMARKS**

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

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

SEK thousands	Dec 31, 2024	Dec 31, 2023
<b>Goodwill</b>		
Björn Borg Brands AB	9,330	9,330
Björn Borg Clothing AB	4,613	4,613
Björn Borg Finland OY	6,363	6,157
Baseline	16,897	16,322
	<b>37,203</b>	<b>36,422</b>
<b>Trademark</b>		
Björn Borg Brands AB	187,532	187,532
	<b>187,532</b>	<b>187,532</b>

Each year, the Group examines whether there is any need for impairment of goodwill and trademarks in accordance with the accounting principle described in Note K1. The future cash flows used in calculating the unit value of each unit are based for the first year on the legal budget for 2024 adopted for each unit. Thereafter, cash flows are based on assumptions about annual sales and cost growth in a five-year forecast period.

Management bases assumptions in the forecast period on future growth on previous outcomes as well as in-depth discussions with the subsidiaries, distributors and licensees regarding future expectations. Impairment testing was performed as of December 31, 2024, applying approximately 12 percent (12) discount rate after tax and an assumption of sustainable annual growth of 2 percent (1) for the period beyond the forecast horizon. This growth is a cautious assumption as of December 31, 2024 based on the current economic situation in the markets, primarily in Europe, where Björn Borg operates. The forecast period extends from 2025 to 2029, i.e., over a five-year period.

There is no need for impairment in the Group as the discounted present value of future cash flows exceeds the carrying amount of the net assets for both the brand and goodwill items in the table above. Assumptions about the discount rate and assumed growth in free cash flow in the forecast period are presented in the table below.

If the assumed growth beyond the forecast period when calculating the value in use for both goodwill and brand had been -2 per cent instead of the assumed +2 per cent, there would still be no need for impairment. An increase in the discount rate by 2 percentage points would also not entail any need for impairment of either brand or goodwill. The same also applies within the forecast period.

2024	Trademark	Brands Clothing	Finland	Baseline
Forecast period (years)	5	5	5	5
WACC after tax (%)	13	13	12	12
Growth in free cash flow (%)	16	16	-	37
84				
2023	Trademark	Brands Clothing	Finland	Baseline
Forecast period (years)	5	5	5	5
WACC after tax (%)	12	12	12	12
Growth in free cash flow (%)	8	8	2	2
13				



## NOTE K17 EQUIPMENT AND REFURBISHMENT

SEK thousands	Dec 31, 2024	Dec 31, 2023
<i>Accumulated cost</i>		
Opening balance	61,554	60,869
Investments	11,410	9,049
Sales and disposals	-1,730	-8,242
Translation differences for the year	1,321	-122
<b>Closing balance</b>	<b>72,555</b>	<b>61,554</b>
<i>Accumulated depreciation</i>		
Opening balance	-43,891	-44,674
Sales and disposals	1,730	8,242
Depreciation for the year	-8,294	-7,729
Translation differences for the year	-1,065	270
<b>Closing balance</b>	<b>-51,520</b>	<b>-43,891</b>
<b>Carrying amount at year-end</b>	<b>21,035</b>	<b>17,663</b>

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

## NOTE K18 INVENTORY

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

### INVENTORY

SEK thousands	2024	2023
Finished goods and goods for resale	259,487	184,361
	<b>259,487</b>	<b>184,361</b>

Impairment losses for obsolescence of finished goods of SEK 6,404 thousand (9,186) are included in the closing inventory balance. Total expenses for obsolescence amounted to SEK 2,782 thousand (2,357) during the year.

Expensed inventory during the period amounted to SEK 343,775 thousand (298,648).

## NOTE K19 ACCOUNTS RECEIVABLE

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

### ACCOUNTS RECEIVABLE

SEK thousands	Dec 31, 2024	Dec 31, 2023
Accounts receivable, gross	117,966	106,456
Reserve for expected credit losses	-6,568	-7,077
<b>Total accounts receivable, net after reserve for impaired receivables</b>	<b>111,398</b>	<b>99,379</b>

The reserve for expected credit losses as of December 31, 2024 amount to SEK 6,568 thousand (7,077) for the Group.

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

### OVERDUE RECEIVABLES

SEK thousands	2024	2023
Not overdue	103,296	92,120
1-30 days	5,613	4,411
31-60 days	899	278
61-90 days	-	536
>90 days	1,590	2,035
<b>Total</b>	<b>111,398</b>	<b>99,379</b>

As of December 31, 2024, the Group had SEK 7,642 thousand (6,761) in overdue receivables that were not considered impaired. These overdue receivables relate to a number of customers that have not previously had payment problems.

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

### EXPECTED CREDIT LOSSES - RECONCILIATION

SEK thousands	2024	2023
Provisions at beginning of the year	-7,077	-5,240
Reversed provisions for the period	6,270	3,047
Provisions for the period	-6,568	-7,077
Established losses	807	2,193
	<b>-6,568</b>	<b>-7,077</b>

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

## NOTE K20 PREPAID EXPENSES AND ACCRUED INCOME

SEK thousands	Dec 31, 2024	Dec 31, 2023
Deferred income	277	–
Prepaid rents	13	296
Prepaid insurance	449	373
Prepaid leasing	233	105
Prepaid marketing expenses	2,903	1,410
Sustainability costs	121	–
It costs	1,579	967
Consulting costs	131	–
HR-related items	891	607
Other	932	1,232
	<b>7,529</b>	<b>4,989</b>

## NOTE K21 FINANCIAL ASSETS AND LIABILITIES

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

2023 SEK thousands	Measured at amortized cost	Financial assets and liabilities measured at fair value	Total assets
Accounts receivable, external	99,379	–	99,379
Cash and bank balances	26,646	–	26,646
<b>Total financial assets</b>	<b>126,025</b>	<b>–</b>	<b>126,025</b>
Lease liability	42,849	–	42,849
Accounts payable	135,792	–	135,792
<b>Total financial liabilities</b>	<b>178,641</b>	<b>–</b>	<b>178,641</b>

## NOTE K22 LIABILITIES

### NON-CURRENT AND CURRENT INTEREST-BEARING LIABILITIES

SEK thousands	Dec 31, 2024	Dec 31, 2023
Short-term debt to credit institutions	17,281	–
<b>Total interest-bearing liabilities</b>	<b>17,281</b>	<b>–</b>

### OTHER CURRENT LIABILITIES

Björn Borg has an overdraft facility with Danske Bank amounting to SEK 200 million (150), which is subject to a so-called "change of control" clause. This clause stipulates that if an entity acquires 50 percent or more of the company's ownership, the bank has the right to terminate the agreement.

As of December 31, 2024, SEK 17.3 million (0) of the overdraft facility had been utilized.

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

As of December 31, 2024, the ratio was 0.08 (+0.24), and the equity ratio amounted to 49.7 percent (55.6).

Apart from the above, no significant changes have occurred regarding pledged assets and contingent liabilities compared with December 31, 2023.

## NOTE K23 ACCRUED EXPENSES, DEFERRED INCOME AND PROVISIONS

SEK thousands	Dec 31, 2024	Dec 31, 2023
HR-related items	20,591	15,889
Freight and customs	2,869	1,437
Audit expenses	2,230	1,813
Marketing expenses	1,867	1,346
Rent expenses	1,240	1,097
Deferred income	8,012	5,369
Consulting costs	308	–
Other	2,086	2,045
	<b>39,204</b>	<b>28,996</b>

## NOTE K24 PLEDGED ASSETS

SEK thousands	Dec 31, 2024	Dec 31, 2023
Pledged bank funds	669	646
Shares in subsidiaries	203,793	203,698
	<b>204,461</b>	<b>204,343</b>

See also Note M15 under the Parent Company.



## NOTE K25 NON-CONTROLLING INTERESTS

### INFORMATION ON NON-CONTROLLING INTERESTS

SEK thousands	Dec 31, 2024	Dec 31, 2023
Opening balance	-6,303	-6,602
Share of profit for the year	-	-
Årets omräkningsdifferenser	-579	299
<b>Closing balance</b>	<b>-6,882</b>	<b>-6,303</b>

The Björn Borg Group has a subsidiary in which, as of December 31, 2024, there are significant non-controlling interests, Björn Borg China Ltd. The company has been dormant since 2014.

### SUBSIDIARIES

SEK thousands	Result distributed to non-controlling interests		Cumulative holdings of non-controlling interests	
	2024	2023	2024	2023
Other non-controlling interests	-579	299	-6,882	-6,303
<b>Total</b>	<b>-579</b>	<b>299</b>	<b>-6,882</b>	<b>-6,303</b>

## NOTE K26 CHANGE IN FINANCIAL LIABILITIES

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

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

SEK thousands	Dec 31, 2022	Cash flow	Non-cash items		Dec 31, 2023
			Renegotiated/concluded agreements <sup>1</sup>	Translation differences	
Short-term loans	30,000	–30,000	–	–	–
Lease liability	51,652	–22,157	12,740	614	42,849
<b>Total loans from financial activities</b>	<b>81,652</b>	<b>–52,157</b>	<b>12,740</b>	<b>614</b>	<b>42,849</b>

<sup>1</sup> “Renegotiated/concluded agreements” in the lease liability mainly refers to newly signed leases and extended leases and rental discounts. The amount also includes a decrease in the liability due to the decision not to exercise the extension option on some stores and exchange rate differences (SEK –1,727 thousand).

## NOTE K27 EVENTS AFTER THE BALANCE SHEET DATE

The company notes that the geopolitical situation in the world remains challenging. It is difficult to determine the financial impact on the Björn Borg Group's operations, but the fact that the company does not conduct business in Russia, Ukraine, or Israel minimizes potential business-related risks, although declining consumer confidence may have an indirect negative effect. Furthermore, the company observes that interest rates in the markets where the Björn Borg Group operates remain at high levels. Taken together, these macroeconomic effects may further influence consumer purchasing behavior.



# Parent company's financial statements

## Parent company income statement

SEK thousands	Note	2024	2023
Net sales		106,134	101,192
Other operating revenue		1,070	930
<b>Operating revenue</b>	M4	<b>107,204</b>	<b>102,122</b>
Other external expenses		-70,103	-59,070
Staff costs		-47,341	-43,352
Depreciation/amortization of intangible/tangible non-current assets		-2,07	-2,963
Other operating expenses		-360	-441
<b>Operating profit</b>	M4, M5, M6, M7, M8, M9, M13, M14	<b>-13,007</b>	<b>-3,704</b>
Group contributions received		98,000	95,000
Interest income and similar credits	M10	-1,958	3,305
Interest expenses and similar charges	M10	-11,373	-10,384
<b>Profit after financial items</b>		<b>71,663</b>	<b>84,217</b>
Appropriations	M11	61	720
<b>Profit before tax</b>		<b>71,723</b>	<b>84,937</b>
<b>Tax on profit for the year</b>	M12	<b>-15,447</b>	<b>-19,184</b>
<b>Profit for the year</b>		<b>56,276</b>	<b>65,753</b>

## Parent company statement of comprehensive income

SEK thousands	Note	2024	2023
<b>Profit for the year</b>		<b>56,276</b>	<b>65,753</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>56,276</b>	<b>65,753</b>



# Parent company balance sheet

SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i><b>Intangible assets</b></i>	M13		
Retained expenditure		720	679
		<b>720</b>	<b>679</b>
<i><b>Tangible non-current assets</b></i>	M14		
Property, plant and equipment		4,223	5,431
		<b>4,223</b>	<b>5,431</b>
<i><b>Financial non-current assets</b></i>			
Shares in Group companies	M15	177,868	177,868
		<b>177,868</b>	<b>177,868</b>
<b>Total non-current assets</b>		<b>182,811</b>	<b>183,978</b>
<b>Current assets</b>			
<i><b>Current receivables</b></i>			
Accounts receivable		–	32
Receivables from Group companies		423,959	448,586
Others current receivables		–	214
Prepaid expenses and accrued income	M16	6,288	3,722
		<b>430,246</b>	<b>452,554</b>
<b>Cash &amp; cash equivalents</b>			
Cash and bank balances		–	18,414
		<b>–</b>	<b>18,414</b>
<b>Total current assets</b>		<b>430,247</b>	<b>470,968</b>
<b>TOTAL ASSETS</b>		<b>613,058</b>	<b>654,946</b>

SEK thousands	Note	Dec 31, 2024	Dec 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b><i>Restricted equity</i></b>			
Share capital		7,859	7,859
Reserve fund		46,817	46,817
		<b>54,676</b>	<b>54,676</b>
<b><i>Unrestricted equity</i></b>			
Retained earnings		27,791	37,219
Profit for the year		56,276	65,753
		<b>84,066</b>	<b>102,972</b>
<b>Total equity</b>		<b>138,743</b>	<b>157,648</b>
<b>Deferred tax liability</b>	M18	<b>835</b>	<b>896</b>
<b>Current liabilities</b>			
Accounts payable		7,755	7,891
Liabilities to Group companies		431,293	465,254
Short-term debt to credit institutions		17,281	–
Other current liabilities		6,068	14,272
Accrued expenses and prepaid income	M20	11,084	8,985
<b>Total current liabilities</b>		<b>473,481</b>	<b>496,402</b>
<b>Total liabilities</b>		<b>474,316</b>	<b>497,298</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>613,058</b>	<b>654,946</b>

## Parent company statement of changes in equity

SEK thousands	Note	Share capital	Reserve fund	Retained earnings	Total equity
<b>Opening balance, January 1, 2023</b>		<b>7,859</b>	<b>46,817</b>	<b>81,563</b>	<b>136,239</b>
Distribution for 2022 through share redemption	M17	-3,929	-	-46,368	-50,297
Bonus issue		3,929	-	-3,929	-
Warrant premium	K8	-	-	903	903
Merger results		-	-	5,050	5,050
Total comprehensive income for the period		-	-	65,753	65,753
<b>Closing balance, December 31, 2023</b>		<b>7,859</b>	<b>46,817</b>	<b>102,972</b>	<b>157,648</b>
<b>Opening balance, January 1, 2024</b>		<b>7,859</b>	<b>46,817</b>	<b>102,972</b>	<b>157,648</b>
Distribution for 2023 through share redemption	M17	-3,929	-	-71,516	-75,445
Bonus issue		3,929	-	-3,929	-
Warrant premium	K8	-	-	264	264
Total comprehensive income for the period		-	-	56,276	56,276
<b>Closing balance, December 31, 2024</b>		<b>7,859</b>	<b>46,817</b>	<b>84,067</b>	<b>138,743</b>

# Parent company statement of cash flows

SEK thousands	Note	2024	2023
<b>OPERATING ACTIVITIES</b>			
Profit after tax		56,276	65,753
Income tax expensed through profit or loss		15,447	19,184
Financial expenses and income reported through profit or loss	M10	13,331	7,079
Depreciation/amortization of tangible/intangible non-current assets	M13, M14	2,407	2,963
Year-end appropriations	M11	-61	-720
Group contributions issued, unpaid		-98,000	-95,000
Interest received		1,438	2,595
Interest paid		-10,216	-9,761
Taxes paid		-24,268	-27,138
<b>Cash flow from operating activities before changes in working capital</b>		<b>-43,646</b>	<b>-35,045</b>
<b>CHANGES IN WORKING CAPITAL</b>			
Change in accounts receivable		32	-24
Change of other receivables		116,879	538,357
Change in accounts payable		-137	-1,891
Change in other current liabilities		-30,957	-400,113
<b>Change in working capital</b>		<b>85,817</b>	<b>136,330</b>
<b>Cash flow from operating activities</b>		<b>42,171</b>	<b>101,285</b>
<b>INVESTMENT ACTIVITIES</b>			
Investments in tangible non-current assets	M14	-553	-4,240
Investment in intangible non-current assets	M13	-687	-
<b>Cash flow from investment activities</b>		<b>-1,240</b>	<b>-4,240</b>
<b>FINANCING ACTIVITIES</b>			
Amortization	M22	-	-30,000
Warrant premium		264	903
Current liability to credit institution		17,281	-
Distribution	M17	-75,445	-50,297
<b>Cash flow from financing activities</b>	M22	<b>-57,900</b>	<b>-79,394</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-16,969</b>	<b>17,651</b>
Cash and cash equivalents at the beginning of the year		18,414	1,558
Translation differences		-1,445	-795
<b>Cash and cash equivalents at year-end</b>		<b>-</b>	<b>18,414</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>-18,414</b>	<b>16,856</b>



# Parent supplementary disclosures

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## NOTE M1 PARENT COMPANY ACCOUNTING PRINCIPLES

### PARENT COMPANY ACCOUNTING PRINCIPLES

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

### Application of new and amended standards

Unless otherwise stated below, the parent company's accounting policies in 2024 have been changed in accordance with what applies to the Group.

### Changed accounting principles 2025 and later

New or amended standards and interpretations that have been published, and which come into force in 2025 or later, are not considered to have any significant impact on the parent company's financial statements.

### Tax

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

### Shares in subsidiaries

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

### Group contribution

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

### Leased assets

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

### Financial instruments

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

### Financial guarantee agreements

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

## NOTE M2 IMPORTANT ASSESMENTS AND ESTIMATES

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

## NOTE M3 FINANCIAL RISK MANAGEMENT

### CREDIT AND COUNTERPARTY RISKS

Björn Borg's financing and management of financial risks is centralized and conducted based on a financial policy established by the Board. Björn Borg is exposed to liquidity and refinancing risk through its operations.

The credit risk is primarily linked to intra-Group receivables and credit risks with banks. The table below shows the parent company's credit risks as of December 31, 2024

### PARENT COMPANY OUTSTANDING CREDIT RISK

SEK thousands	2024	2023
Accounts receivable, external	–	32
Accounts receivable, internal	2,030	1,243
Other current receivables	–	214
Cash and bank balances	–	18,414
	<b>2,030</b>	<b>19,903</b>

### LIQUIDITY AND REFINANCING RISKS

Liquidity and refinancing risk refers to the risk that costs will increase and financing opportunities become limited when loans are to be renewed, and that payment obligations cannot be met due to insufficient liquidity or difficulties in obtaining financing.

Björn Borg has an overdraft facility of SEK 200 million with Danske Bank, of which SEK 17.3 million was utilized as of December 31, 2024. As a covenant for the overdraft facility, the company has undertaken to ensure that the ratio of the Group's net debt to 12-month rolling operating profit before depreciation does not exceed 3.00 as of the last day of each quarter. Furthermore, the Group must maintain an equity ratio of at least 35 percent at all times.

Maturity analysis of the Parent Company's outstanding receivables and liabilities as of December 31, 2024 (contractual and undiscounted cash flows):

### MATURITY ANALYSIS OF OUTSTANDING ASSETS AND LIABILITIES

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

#### MATURITY ANALYSIS OF OUTSTANDING ASSETS AND LIABILITIES

Dec 31, 2023	Up to 3 months	3-12 months	1-5 years	Over 5 years
Accounts receivable, external	32	–	–	–
Accounts receivable, internal	1,243	–	–	–
Other receivables	214	–	–	–
Cash and bank balances	18,414	–	–	–
Other liabilities	–12,191	–10,649	–417	–
Accounts payable	–7,891	–	–	–
<b>Total</b>	<b>–179</b>	<b>–10,649</b>	<b>–417</b>	<b>–</b>

#### NOTE M4 REVENUE

SEK thousands	2024	2023
Management fee	106,134	101,192
Other operating revenue	1,070	930
	<b>107,204</b>	<b>102,122</b>

Other operating revenue mainly consists of re-invoiced costs.

#### NOTE M5 OTHER EXTERNAL EXPENSES

SEK thousands	2024	2023
Local costs	7,342	6,628
Sales costs	1,195	1,203
Marketing costs	44,462	36,465
Administrative costs	15,599	13,800
Other	1,505	974
	<b>70,103</b>	<b>59,070</b>

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

##### SALARIES, OTHER BENEFITS AND SOCIAL COSTS

SEK thousands	2024	2023
Salaries and benefits	32,374	27,024
Social expenses	10,629	12,826
Pension costs	4,338	3,502
<b>Total</b>	<b>47,341</b>	<b>43,352</b>

##### SALARIES, OTHER REMUNERATION DISTRIBUTED BETWEEN SENIOR EXECUTIVES AND OTHER EMPLOYEES

SEK thousands	2024	2023
Board, CEO and other senior executives	13,846	15,357
Other employees	18,527	11,667
<b>In total</b>	<b>32,374</b>	<b>27,024</b>

##### THE AVERAGE NUMBER OF EMPLOYEES <sup>1</sup>

	2024	2023
Women	19	19
Men	9	8
<b>Total</b>	<b>28</b>	<b>27</b>

<sup>1</sup> An annual working time of 1,800 hours has been used to calculate the average number of employees.

##### DISTRIBUTION BETWEEN WOMEN AND MEN AMONG SENIOR EXECUTIVES

	2024		2023	
	Men	Women	Men	Women
Board	4	3	4	3
Other senior executives	3	2	5	1
<b>Total</b>	<b>7</b>	<b>5</b>	<b>9</b>	<b>4</b>



**REMUNERATION AND OTHER BENEFITS TO BOARD MEMBERS**

SEK thousands	2024		2023	
	Board fees	Others compensation	Board fees	Others compensation
<i>Chairman of the Board;</i>				
Heiner Olbrich	446	99	428	91
<i>Other members of the Board;</i>				
Mats H Nilsson	191	105	185	101
Alessandra Cama	191	–	185	–
Fredrik Löfstedt	191	79	185	76
Anette Klintfält	191	–	185	–
Jens Høgsted	191	–	185	–
Johanna Schottenius	191	–	185	–
<b>Total</b>	<b>1,592</b>	<b>283</b>	<b>1,538</b>	<b>268</b>

**SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES 2024**

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

**SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES 2023**

SEK thousands	Basic salary	Variable compensation	Pension	Other compensation	Total
CEO	4 472	1 244	1 086	158	<b>6 960</b>
Other senior executives (4 full-time employees)	6 312	1 523	1 324	128	<b>9 288</b>
<b>Total</b>	<b>10 784</b>	<b>2 767</b>	<b>2 411</b>	<b>286</b>	<b>16 247</b>

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

For further information, see Note K8.

**NOTE M7 TRANSACTIONS WITH RELATED PARTIES**

In addition to the usual remuneration (salary, fees and other benefits) to the CEO, senior executives and the Board, as well as internal sales between Group companies, transactions with related parties occurred during the period 2024 but not of a material nature.

**PARENT COMPANY'S TRANSACTIONS WITH SUBSIDIARIES**

SEK thousands	2024	2023
Sales to subsidiaries	106,387	101,207
Purchases from subsidiaries	4,675	7,590

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

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

**NOTE M8 AUDITORS' FEES**

SEK thousands	2024	2023
<i>BDO</i>		
Audit assignment	2,122	1,510
Audit assignments in addition to auditing activities	217	137
Tax advice	–	78
Other services	48	105
<b>Total</b>	<b>2,387</b>	<b>1,830</b>

**NOTE M9 LEASING**

SEK thousands	2024	2023
Rental and leasing costs during the year amounted to	6,733	6,325
Agreed rental and leasing costs amount to		
– within 1 year	5,993	5,560
– later than one year but within 5 years	6,199	10,955
– over 5 years	–	–
<b>Amount</b>	<b>18,925</b>	<b>22,840</b>

## NOTE M10 NET FINANCIAL ITEMS

SEK thousands	2024	2023
Change in exchange rates	–	1,192
Interest income	1,438	2,113
<b>Total financial income</b>	<b>1,438</b>	<b>3,305</b>
Change in exchange rates	–3,396	–
Interest expenses	–11,373	–10,384
<b>Total financial expenses</b>	<b>–14,769</b>	<b>–10,384</b>
<b>Net financial items</b>	<b>–13,331</b>	<b>–7,079</b>

## NOTE M11 APPROPRIATIONS

SEK thousands	2024	2023
Change in accelerated depreciation/ amortization	61	720
	<b>61</b>	<b>720</b>

## NOTE M12 TAXES

### TAX ON PROFIT FOR THE YEAR

SEK thousands	2024	2023
Current tax on the profit for the year	–15,447	–18,269
Current tax attributable to previous years	–	–915
<b>Total reported tax expense</b>	<b>–15,447</b>	<b>–19,184</b>

### TAX RATE RECONCILIATION

SEK thousands	2024	2023
Reported profit before tax	71,723	84,937
Tax according to the current tax rate in Sweden, 20.6%	–14,775	–17,497
<i>Tax effect of:</i>		
Non-deductible expenses	–366	–287
Interest offsetting	–306	–485
Current tax attributable to previous years	–	–915
<b>Reported tax expense</b>	<b>–15,447</b>	<b>–19,184</b>

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

## NOTE M13 INTANGIBLE ASSETS

SEK thousands	Dec 31, 2024	Dec 31, 2023
<b>Capitalized expenses for software</b>		
<i>Accumulated cost</i>		
Opening balance	7,841	11,132
Investments	687	–
Divestments and closure of operations	–	–3,291
<b>Closing balance</b>	<b>8,528</b>	<b>7,841</b>
<i>Accumulated amortization</i>		
Opening balance	–7,162	–8,808
Amortization for the year his year's	–645	–1,644
Divestments and closure of operations	–	3,291
<b>Closing balance</b>	<b>–7,808</b>	<b>–7,162</b>
<b>Carrying amount at year-end</b>	<b>720</b>	<b>679</b>

## NOTE M14 INVENTORY

SEK thousands	Dec 31, 2024	Dec 31, 2023
<i>Accumulated cost</i>		
Opening balance	8,709	4,781
Investments	553	4,240
Sales and disposals	–455	–312
<b>Closing balance</b>	<b>8,807</b>	<b>8,709</b>
<i>Accumulated depreciation</i>		
Opening balance	–3,278	–2,271
Sales and disposals	455	312
Depreciation for the year	–1,762	–1,318
<b>Closing balance</b>	<b>–4,584</b>	<b>–3,277</b>
<b>Carrying amount at year-end</b>	<b>4,223</b>	<b>5,431</b>

## NOTE M15 FINANCIAL NON-CURRENT ASSETS

### SHARES IN SUBSIDIARIES

SEK thousands	Dec 31, 2024	Dec 31, 2023
Opening cost	177,868	371,814
Merger	–	–193,946
<b>Closing accumulated cost</b>	<b>177,868</b>	<b>177,868</b>

### SHARES IN SUBSIDIARIES AND THE GROUP'S COMPOSITION

SEK thousands	Reg.no	Registered address	No. of shares	Share of equity %	Book value
Björn Borg Brands AB	556537-3551	Stockholm	84,806	100	58,215
Björn Borg Clothing AB	556414-0373	Stockholm	1,000	100	
Björn Borg Sweden AB	556374-5776	Stockholm	3,000	100	
Björn Borg Retail AB	556577-4410	Stockholm	1,000	100	
Björn Borg Denmark ApS	41928905	Copenhagen	40	100	55
Björn Borg Footwear AB	556280-5746	Varberg	5,000	100	16,781
Björn Borg Inc		Delaware	3,000	100	–
Björn Borg UK Limited	7392965	Wales	400,000	100	–
Baseline BV	34268432	Amsterdam	90,000	100	91,857
Björn Borg Netherlands B.V	34215227	Amsterdam	90,000	100	
Dutch Brand Management BV	34215236	Amsterdam	50,000	100	
Dutch Brand Management Retail BV	17169366	Amsterdam	500,000	100	
Belgian Brand Management BVBA	884801039	Gent	1,500	100	2,280
Belgian Brand Management Retail BVBA	810366902	Gent	186	100	
Björn Borg Finland OY	2126188-3	Helsinki	100	100	8,680
Björn Borg Limited (China) Limited CR	1671008	Hong Kong	7,500	75	–
Björn Borg (Shanghai) Trading Co. Ltd	310000400680797	Shanghai	n/a	100	
					<b>177,868</b>



#### NOTE M16 PREPAID EXPENSES AND ACCRUED INCOME

SEK thousands	Dec 31, 2024	Dec 31, 2023
Prepaid rents	1,591	1,566
Prepaid insurance	360	354
Prepaid leasing	58	40
Prepaid marketing expenses	2,059	394
It costs	1,150	612
HR-related items	578	446
Other	494	311
	<b>6,288</b>	<b>3,722</b>

#### NOTE M17 DIVIDEND PER SHARE

The Annual General Meeting on May 16, 2024 resolved a distribution of SEK 75,445,152 be paid for the financial year 2023 corresponding with a dividend of SEK 3.00 per share.

The Board of Directors has proposed to the Annual General Meeting a distribution of SEK 3.00 per share for the financial year 2024. The dividend will be distributed in two instalments of SEK 1.50 each, subject to approval at the Annual General Meeting. Payment is expected to be made in May 2025 and November 2025. The Board's proposal corresponds to a transfer to shareholders of SEK 75,445 thousand (75,445).

#### NOTE M18 UNTAXED RESERVES

SEK thousands	Dec 31, 2024	Dec 31, 2023
Accumulated accelerated depreciation/amortization	835	896
	<b>835</b>	<b>896</b>

#### NOTE M19 LIABILITIES

##### NON-CURRENT INTEREST-BEARING LIABILITIES

SEK thousands	Dec 31, 2024	Dec 31, 2023
Short-term debt to credit institutions	17,281	–
<b>Total interest-bearing liabilities</b>	<b>17,281</b>	<b>–</b>

##### Other non-current liabilities

The company has an overdraft facility with Danske Bank amounting to SEK 200 million (150).

As of December 31, 2024, SEK 17.3 million (0) of the overdraft facility had been utilized.

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

As of December 31, 2024, the ratio was 0.08 (+0.24), and the equity ratio amounted to 49.7 percent (55.6).

Apart from the above, no significant changes have occurred regarding pledged assets and contingent liabilities compared with December 31, 2023.

#### NOTE M20 ACCRUED EXPENSES, DEFERRED INCOME AND PROVISIONS

SEK thousands	Dec 31, 2024	Dec 31, 2023
HR-related items	7,889	5,988
Audit expenses	1,577	1,134
Marketing expenses	1,015	707
Rent expenses	417	625
Other	186	532
	<b>11,084</b>	<b>8,985</b>

## NOTE M21 PLEDGED ASSETS AND CONTINGENT LIABILITIES

### PLEDGED ASSETS

SEK thousands	Dec 31, 2024	Dec 31, 2023
Shares in subsidiaries	58,215	58,215
	<b>58,215</b>	<b>58,215</b>

### CONTINGENT LIABILITIES

SEK thousands	Dec 31, 2024	Dec 31, 2023
Rental guarantee and other guarantees	155	139
	<b>155</b>	<b>139</b>

See also Note M15.

## NOTE M22 CHANGE IN FINANCIAL LIABILITIES

SEK thousands	Dec 31, 2023	Cash flow	Dec 31, 2024
Overdraft facility	–	17,281	17,281
<b>Total loans from financial activities</b>	<b>–</b>	<b>17,281</b>	<b>17,281</b>

SEK thousands	Dec 31, 2022	Cash flow	Dec 31, 2023
Short-term loans	30,000	–30,000	–
<b>Total loans from financial activities</b>	<b>30,000</b>	<b>–30,000</b>	<b>–</b>

## NOTE M23 PROPOSED DISTRIBUTION OF PROFIT

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

Retained earnings, SEK	27,790,853
Profit for the year, SEK	56,275,475
	<b>84,066,328</b>
The Board proposes that:	
Shareholders receive a dividend of SEK 3.00 per share, totaling SEK	75,445,152
Carried forward, SEK	8,621,176
	<b>84,066,328</b>



# Signatures of the Board of Directors

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

Stockholm, April 16, 2025

Heiner Olbrich  
Chairman

Alessandra Cama  
Board member

Anette Klintfält  
Board member

Fredrik Lövestedt  
Board member

Mats H Nilsson  
Board member

Jens Høgsted  
Board member

Johanna Schottenius  
Board member

Henrik Bunge  
CEO

Our audit report was submitted on April 16, 2025  
BDO Mälardalen AB

Johan Pharmanson  
Authorized Public Accountant  
Chief auditor

Carl-Johan Kjellman  
Authorized Public Accountant

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





# Auditor's report

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

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Björn Borg AB (publ) for the financial year 2024. The annual accounts and consolidated accounts of the company are included on pages 38-93 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

### Basis for Opinions

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

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

### Key Audit Matters

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

### Valuation of inventory

The Group recognized inventory of SEK 259,5 million on December 31, 2024. Inventory is recognized at the lower of cost according to the first-in-first-out method and net selling price. Net selling price consists of net realizable value and corresponds to the estimated sales price less estimated selling expenses. We have identified this as an area of particular importance partly because the Group's inventory is a material item and because the Group's operations are highly affected by the changing trends and fashions, which can affect the ability of the Group to sell its collections. The obsolescence reserve is based on individual assessments from management's standpoint. For further information, refer to the section Risks, uncertainties and risk management in the Board of Directors' report and the Group's accounting principles in Note K1 and Note K18, Inventory.

### How our audit addressed the Key audit matter

*Our audit procedures included but were not limited to:*

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

### Other Information than the annual accounts and consolidated accounts

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

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

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

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

#### **Responsibilities of the Board of Directors and the Managing Director**

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

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

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

#### **Auditor's responsibility**

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

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

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

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

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

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

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

##### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Björn Borg AB (publ) for the financial year 2024 and the proposed appropriations of the company's profit or loss.

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

##### **Basis for Opinions**

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

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

##### **Responsibilities of the Board of Directors and the Managing Director**

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

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

##### **Auditor's responsibility**

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

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

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

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

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



## THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Björn Borg AB (publ) for the financial year 2024. Our examination and our opinion relate only to the statutory requirements.

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

### Basis for opinion

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

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

### Responsibilities of the Board of Directors and the Managing Director

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

### Auditor's responsibility

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

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

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

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

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

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

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

BDO Mälardalen AB was appointed auditor of Björn Borg AB (publ) by the general meeting of the shareholders on 16 May 2024 and has been the company's auditor since 18 May 2021.

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

Johan Pharmanson  
Authorized Public Accountant

Carl-Johan Kjellman  
Authorized Public Accountant

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

# The share

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

## SHARE CAPITAL

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

## SHARE TRADING

The last price paid on December 30, 2024 was SEK 51.61, which gave Björn Borg a market capitalization of approximately SEK 1,298 million. A total of 6,893,783 shares were traded in 2024, corresponding to a value of approximately SEK 369 million. The average number of shares traded per trading day was 27,465. The share price increased in value during the year by SEK 7.01, which was 15.7 percent higher than last year. The highest rate noted during the year was SEK 67.00 and the lowest rate was SEK 44.20.

## INCENTIVE PROGRAM LTIP 2023/2026

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

The calculation was performed by Elleme AB according to the Black and Scholes valuation model.

## DIVIDEND POLICY

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

## DIVIDEND PROPOSAL

The Board proposed to the AGM that a distribution for 2024 of SEK 3.00 per share be paid, corresponding to 104 percent of profit after tax. The dividend will be paid in two instalments, one in May and one in November 2025, at SEK 1.50 per payment.

The Board's proposal corresponds to a transfer to the shareholders of SEK 75.4 million (75.4). For the financial year 2023, a distribution of SEK 3.00 per share took place, which corresponded to 99 percent of profit after tax.

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

## SHAREHOLDERS

As of December 30, 2024, Björn Borg had 9,550 shareholders (8,721), according to Euroclear, after shareholder grouping by the company. Björn Borg's ten largest shareholders owned shares corresponding to 60.3 percent (59.6) of the votes and capital in the company.

## CHANGES IN SHARE CAPITAL

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

## LARGEST SHAREHOLDERS

	No. of shares	Votes/capital, %
Nordnet Pension	3,786,777	15.1
Martin Bjäringer	2,500,000	9.9
Mats Nilsson	1,638,440	6.5
Schottenius family	1,406,400	5.6
Avanza Pension	1,327,732	5.3
Lazard Frères Banque	1,315,000	5.2
Thomas Eklund	1,249,260	5.0
Fredrik Löfstedt	950,040	3.8
Per Josefsson	500,000	2.0
Henrik Ekelund	500,000	2.0
<b>Total, largest owners</b>	<b>15,173,649</b>	<b>60.3</b>
<b>Total, others</b>	<b>9,974,735</b>	<b>39.7</b>
<b>Total number of shares</b>	<b>25,148,384</b>	<b>100.0</b>

According to share register on December 30, 2024, shareholders grouped by the company.

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

## SHAREHOLDER ANALYSIS

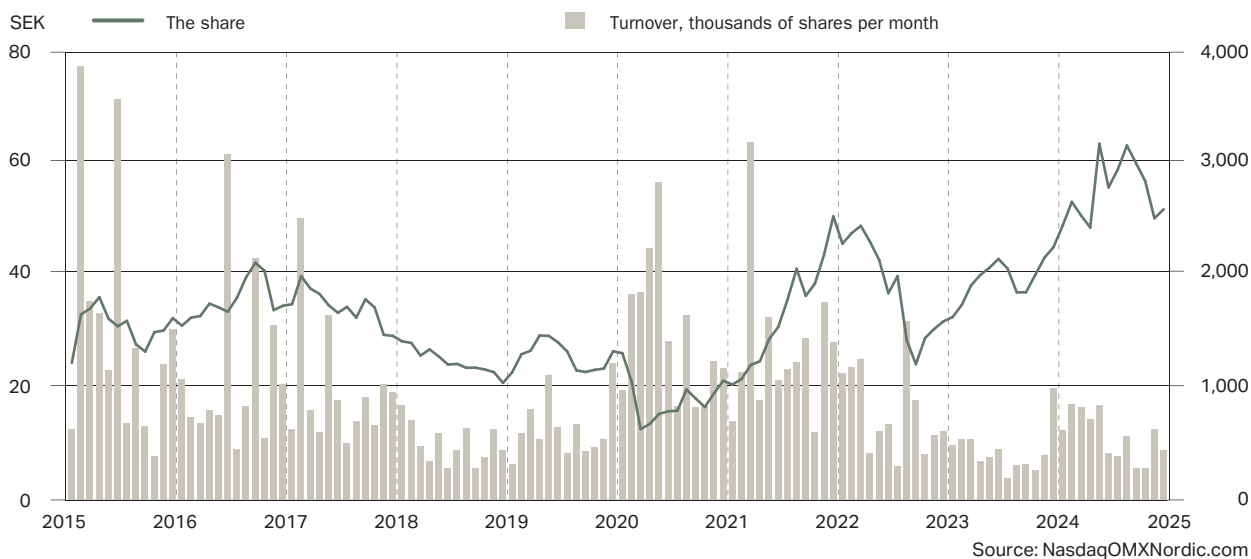
Size of holding	No. of shareholders	No. of shares	Capital and votes, %
1 – 500	7,502	837,168	3.3
501 – 1,000	906	728,129	2.9
1,001 – 5,000	902	2,067,340	8.2
5,001 – 10,000	121	892,991	3.6
10,001 – 15,000	36	458,316	1.8
15,001 – 20,000	21	375,472	1.5
20,001 –	62	19,788,968	78.7
<b>Total</b>	<b>9,550</b>	<b>25,148,384</b>	<b>100.0</b>

Source: Euroclear Sweden AB on December 30, 2024, shareholders grouped by the company.

## DATA PER SHARE

	2024	2023	2022	2021	2020
Earnings per share before dilution, SEK	2.89	3.02	2.02	3.42	0.75
Earnings per share after full dilution, SEK	2.89	3.02	2.02	3.42	0.75
Number of outstanding shares on closing day	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Average number of shares outstanding	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Average number of shares outstanding after full dilution	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384

## SHARE PRICE PERFORMANCE





# Definitions

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

<https://corporate.bjornborg.com/cs-financials/reports>

## **CAPITAL EMPLOYED**

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

**Purpose:** Capital employed measures capital use and efficiency.

## **COMPARABLE STORE SALES**

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

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

## **EARNINGS PER SHARE (DEFINED ACCORDING TO IFRS)**

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

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

## **EARNINGS PER SHARE AFTER DILUTION (DEFINED ACCORDING TO IFRS)**

Earnings per share adjusted for any dilution effect.

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

## **EQUITY/ASSETS RATIO**

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

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

## **EQUITY PER SHARE**

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

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

## **GROSS PROFIT MARGIN**

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

**Purpose:** Gross margin is used to measure operating profitability.

## **GROSS PROFIT MARGIN EXCLUDING CURRENCY EFFECTS**

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

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

## **GROUP NET SALES EXCLUDING CURRENCY EFFECTS**

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

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

## **NET DEBT (+) / NET CASH (-)**

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

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

## **NET DEBT TO EBITDA RATIO**

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

# Board of directors and auditors



## Heiner Olbrich

Chairman of the Board since 2017.  
Board member between 2015–2017.  
*Born:* 1965.  
BSc Econ from the University of Montpellier, MBA, "Diploma Kaufmann" from the University of Hamburg, and PhD in economics, St. Gallen, Switzerland.  
*Other assignments:* Board member of Eckes Granini AG, Harvia Oyj, ABS Protection GmbH and WHU, Zentrum für Marktorientierte Unternehmensführung.  
*Previous assignments:* Chief Marketing and Sales Officer, Miele, Senior VP President Global Sales, Adidas.  
*Shares in Björn Borg:* 60,000.  
Independent from the company and management as well as from major shareholders.



## Fredrik Löfstedt

Director. Director since 2017.  
Chairman 2005–2017.  
Director 2004–2005.  
*Born:* 1956.  
MSc Eng, KTH Royal Institute of Technology; MBA, INSEAD.  
*Other assignments:* Founder AlertSec Inc. CEO and major owner of Durator AB.  
*Previous assignments:* Deputy CEO of Protect Data AB (1996–2001). Has run his own company since 1984.  
*Shares in Björn Borg:* 950,040.

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



## Alessandra Cama

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

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



## Mats H Nilsson

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

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



## Jens Høgsted

Director. Director since 2021.  
*Born:* 1972.  
Master of Science, Technical University of Denmark.  
*Other assignments:* Board member in Imerco Group, Laudrup Vin and DAY ET.  
*Previous assignments:* CEO Sportmaster and Sport Nordic Group (Holding), cofounder and partner Qvartz, partner and consultant Valtech and consultant Coopers & Lybrand. Previous Board member of Svendsen Sport, Pack Tech, Ball Group, Unisport, Change Lingerie and Bestseller Retail Europe.  
*Shares in Björn Borg:* 11,500.

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



## Johanna Schottenius

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

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



## Anette Klintfält

Director. Director since 2019.  
*Born:* 1963.  
Architecture at KTH Royal Institute of Technology.  
*Other assignments:* Cofounder Matter of Time. Consultant with a focus on fashion.  
*Previous assignments:* Design work for GANT, Zalando, Klättermusen, Åhlens, H&M New Business, BRIO, SAS. Responsible for design at Polarn O. Pyret, Creative Manager for Dockers Levi's, Designer Esprit de Corp, H&M Rocky. Director of NK Nära Kroppen.  
*Shares in Björn Borg:* 10,000.

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

## Auditors

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

Holdings as of December 31, 2024.

# Ledande befattningshavare



## Henrik Bunge

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



## Daniel Grohman

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



## Jens Nyström

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



## Emma Bengtsson

Marketing Director.  
Born: 1989.  
Recruited: 2020.  
BA Strategic communication, Lund University. Strategic communication & PR, Berghs School of Communication.  
Previous assignments: PR Indiska, Social Media Manager, Global PR Manager, Brand Communications Manager, Björn Borg.  
Shares in Björn Borg: 4 079.



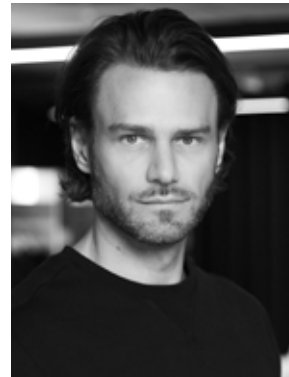
## Johanna Sevoni Södergren

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



## Laura Tapia

Chief Product & Sustainability Officer.  
Born: 1980.  
Recruited: 2024.  
Bachelor of Science in Sports Technology – Mid University, Design Management and Materials – Swedish School of Textiles.  
Previous assignments: Head of Design Peak Performance, Sourcing Manager Peak Performance, Product Manager Craft, Material Manager Craft, After Sales Manager GL&V (Valmet).  
Shares in Björn Borg: 0.



## Andreas Gran

Creative Director.  
Born: 1978.  
Recruited: 2019.  
Previous assignments: Freelance stylist, Fashion Buyer H&M, Designer and Product Manager GANT, Head of Accessories Tiger of Sweden, Head of Design Menswear Tiger of Sweden, Head of Design Björn Borg.  
Shares in Björn Borg: 245.



## Robin Salazar

Global E-commerce Director.  
Born: 1982.  
Recruited: 2017.  
Marketing Communications, Berghs SoC. Digital marketing, Hyper Island.  
Previous assignments: Global E-commerce Manager at Peak Performance, CEO at Societ46, Agency Director at Britny.  
Shares in Björn Borg: 1 500.

Holdings as of December 31, 2024.

# Corporate governance report 2024

The Björn Borg share is listed on Nasdaq Stockholm.

## CORPORATE GOVERNANCE WITHIN BJÖRN BORG

Corporate governance refers to the regulations and the structure established in order to lead the operations of a limited company in an efficient and controlled way. Ultimately, corporate governance aims to satisfy shareholders' demands for returns and all stakeholders' needs for information about the company and its development.

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

This corporate governance report does not form part of the formal annual report.

## ANNUAL GENERAL MEETING

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

The AGM elects the company's Board of Directors and the Chairman. Among the other duties of the AGM are to adopt the balance sheet and income statement, decide on the disposition of the profit from the company's operations and decide whether to discharge from liability the Directors and the CEO. The AGM also decides on remuneration to the Board and approves the compensation guidelines for management. The AGM in addition elects the company's auditors and decides on their remuneration. Further, the AGM may resolve to increase or reduce the share capital and can amend the Articles of Association. With respect to new issues of shares, convertibles or warrants, the AGM may authorize the Board to take decisions.

### Annual General Meeting 2025

The 2025 Annual General Meeting will be held on 15 May 2025 and this year's AGM will take place at 5.30 pm in Gate 01's premises, Frösundaviks allé 1, 169 70 Solna. Notice of the AGM with additional information will be published no later than four weeks in advance and will be issued in accordance with the Articles of Association and the rules that apply under the Swedish Companies Act as well as the Code. More information about Björn Borg's Annual General Meeting is available on Björn Borg's website, <https://corporate.bjornborg.com/en/arsstamma-2025/>.

### Annual General Meeting 2024

The 2024 Annual General Meeting was held on 16 May 2024. At the AGM, among other things, decisions were made on the re-election of Board members Alessandra Cama, Anette Klintfält, Fredrik Löfstedt, Mats H Nilsson, Jens Høgsted, Heiner Olbrich and Johanna Schottenius. A decision was also made, among other things, on a limited authorization for the Board to decide on a new issue with a total of no more than SEK 390,625 (divided into no more than 1,250,000 new shares). The authorization also included the right to decide on a new share issue with determination of in kind or that shares should be subscribed with set-off rights, or otherwise with conditions according to Chapter 13 Section 7, Chapter 14 Section 9

or Chapter 15 Section 9 of the Swedish Companies Act. The AGM also authorized the Board to acquire and transfer own shares. The minutes from the Annual General Meeting are available on Björn Borg's website.

## NOMINATION COMMITTEE

According to the resolution of the 2024 AGM, Björn Borg's Nomination Committee shall be appointed by having the Chairman of the Board contact the four largest shareholders by votes as of August 31, 2024, and ask them to appoint one person each to participate in the Nomination Committee. If any of these shareholders chooses to waive their entitlement to appoint a member, the entitlement passes to the shareholder who, after these shareholders, has the largest shareholding. The Nomination Committee, whose composition was published on the Group's website in October 2024, consists of the following members for the 2025 AGM:

- Heiner Olbrich, Chairman of the Board
- Mathias Nimlin, appointed by Martin Bjäringer
- Mats H Nilsson, shareholder
- André Schottenius, appointed by Schottenius family
- Thomas Eklund, shareholder

Mathias Nimlin was named Chairman of the Nomination Committee. According to the resolution of Björn Borg's 2024 AGM, the Nomination Committee's mandate is to propose to the 2025 AGM the number of Directors to be elected by the meeting, their remuneration, any compensation for committee work, the composition of the Board, the Chairman of the Board, a resolution on the Nomination Committee, the Chairman of the AGM and the election of the auditors and their remuneration. The Nomination Committee has held three meetings at which minutes were taken since the 2024 AGM, in addition to other contacts. No compensation was paid to the members of the committee.

Rule 4.1 of the Swedish Code of Corporate Governance is applied as a diversity policy for the Board of Directors. Leading up to 2025 AGM the Nomination Committee focused on analyzing and discussing potential Board candidates from the standpoint of Björn Borg Group's operations, stage of development and circumstances in general. The Nomination Committee discussed the Board's size and composition in terms of experience and competence in all the areas relevant to Björn Borg's operations. The Nomination Committee paid special attention to the need for gender parity on the Board.

## THE BOARD OF DIRECTORS

According to the Articles of Association, Björn Borg's Board must consist of a minimum of four and a maximum of eight directors. The directors are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting. At the 2024 Annual General Meeting, Alessandra Cama, Anette Klintfält, Fredrik Löfstedt, Mats H Nilsson, Jens Høgsted, Johanna Schottenius and Heiner Olbrich were re-elected as Board members. Heiner Olbrich was re-elected as Chairman of the Board.

The Board meets the requirements of the Code in that a majority of the directors must be independent in relation to the company and the company management, and that at least two of them must be independent in relation to the company's major shareholders. Prior to the 2024 Annual General Meeting, the Nomination Committee made the assessment that all the proposed Board members were independent of both the company and its management as well as the major shareholders.



An annual Board evaluation, which among other things aims to look at how the Board works and whether the composition of the Board is appropriate for the company's needs, took place within the company during the fourth quarter and the conclusions were fully reported to the Nomination Committee.

The Board is assisted by a lawyer as the external Board secretary. For more information about the Board members, refer to page 102 of the annual report.

#### The Board's rules of procedure

Pursuant to the Swedish Companies Act, Björn Borg's Board is responsible for the company's organization and the management of its affairs as well as appointing the CEO. The Board lays down the company's goals and strategy, adopts critical policy documents and continuously monitors compliance with these. The Board is also has the ultimate responsibility for ensuring that the company's organization is structured in such a way that the company has satisfactory control over the company's accounting, asset management and overall financial position. The Board also has the ultimate responsibility for its various committees. The Board's rules of procedure, which were last adopted at the Board meeting on 15 August 2024, establish the principles for the Board's work, the division of work within the Board, the delegation between the Board and the CEO, and the financial reporting. The Chairman of the Board is responsible for ensuring that the Board's work is conducted in an efficient manner, to chair the meetings and maintain ongoing contact with the CEO.

#### The work of the Board

The Board held six meetings in 2024, of which four were in connection with the quarterly financial reporting and two meetings per capsulam. The attendance of the Board members at the year's Board meetings is shown in the table below.

#### Compensation Committee

The Board has established a Compensation Committee consisting of the Chairman Heiner Olbrich and Mats H Nilsson and Fredrik Lövestedt, to prepare proposals concerning remuneration and other terms of employment for the senior executives. Until the 2025 Annual General Meeting, the Remuneration The committee held one meeting at which minutes were taken leading up to the 2025 AGM, as well as informal meetings and other contacts. During the year, the committee, which is only a drafting committee, (i) prepared the Board's resolutions on remuneration principles, remuneration and other terms of employment for company management, (ii) monitored and evaluated current and expiring remuneration schemes for management, and (iii) monitored and evaluated the application of the guidelines for remuneration to senior executives as resolved by the AGM as well as current remuneration structures and remuneration levels in the company. All members were present at the meeting.

#### Audit Committee

The Board has established an Audit Committee consisting of Chairman Heiner Olbrich, Mats H Nilsson and Fredrik Lövestedt. The Audit Committee supports the Board in its work to ensure the quality of Björn Borg's financial reporting and is tasked, among other things, with ensuring that accurate, qualitative financial reports are prepared and communicated. The Audit Committee is also tasked with issuing a recommendation to the Nomination Committee on the election of auditors. In 2024, the committee held a total of four meetings, all in connection with the quarterly reports. All of the Committee's members attended these meetings. In 2024, the CEO attended the meetings as a co-opted member. The Audit Committee is a drafting committee.

#### ATTENDANCE OF DIRECTORS IN 2024

	Feb 22	Apr 8*	May 16	Aug 15	Sep 17*	Nov 14
Alessandra Cama	–	1	1	1	1	1
Jens Høgstved	1	1	1	1	1	1
Johanna Schottenius	1	1	1	1	1	1
Anette Klintfeldt	1	1	1	1	1	1
Fredrik Lövestedt	1	1	1	1	1	1
Mats H Nilsson	1	1	1	1	1	1
Heiner Olbrich	1	1	1	1	1	1
<b>Number of participants</b>	<b>6 (of 7)</b>	<b>7 (of 7)</b>	<b>7 (of 7)</b>	<b>7 (of 7)</b>	<b>7 (of 7)</b>	<b>7 (of 7)</b>

\* The meeting was held per capsulam, with all members participating in the decisions.

### THE CHIEF EXECUTIVE OFFICER

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

Henrik Bunge (b. 1973) has been CEO since August 4, 2014. He does not own any shares in companies with which Björn Borg has significant business interests. For more information about the CEO, see page 103 in the annual report.

### THE COMPANY'S AUDITORS

The external auditors review Björn Borg's annual report and accounts as well as the administration of the Board and the CEO. After each financial year, the auditors submit an audit report to the AGM. At the 2024 AGM, the registered auditing company BDO Mälardalen AB was appointed auditor of the company for the period until the conclusion of the next AGM. The auditor Johan Pharmanson was appointed as the principal auditor. The election of an auditor shall take place at the 2025 AGM.

Further information on the auditors can be found on page 102 in the annual report and information on the auditors' fees can be found in Note K10.

### REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Remuneration is paid to the Chairman and members of the Board in accordance with the decision of the Annual General Meeting. The AGM resolved in accordance with the Nomination Committee's proposal that fees for the coming term of office shall be paid with (i) SEK 455,000 to the Chairman of the Board and SEK 193,000 to the other 6 members, (ii) SEK 21,000 to members of the Compensation Committee and SEK 42,000 to its chairman and (iii) SEK 59,000 to members of the Audit Committee and SEK 86,000 to its chairman.

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

Fixed salary and variable remuneration as well as benefits for the CEO and management of Björn Borg appear from note K8 in the annual report.

### FINANCIAL REPORTING

The quality of the financial reporting is ensured through policies and instructions established by the Board for division of responsibilities and governance, such as the instructions for the CEO regarding, among other things, the financial reporting. The Board receives the latest financial reports prior to each Board meeting, and at each Board meeting the financial situation of the Parent Company and the Group is discussed. The Board also deals with interim reports and the annual report. At least once a year, the company's auditors report on whether the company has ensured that accounting, management and financial control function satisfactorily. After a formal report, the company management's representatives leave the Board meeting so that the Board members can have a dialogue with the audit.

### THE BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROL TO THE PART IT RELEASES FINANCIAL REPORTING

The Board is responsible, in accordance with the Swedish Companies Act and the Code, for internal control. The following report on internal control regarding financial reporting 2023 has been prepared in accordance with these regulations and forms part of the corporate governance report. Björn Borg's Board of Directors has evaluated the need for a special review function (internal audit) and has concluded that no such function is currently justified taking into account the staffing of the company's finance function in relation to the nature, scope and complexity of the business.

### ORGANIZATION OF INTERNAL CONTROL REGARDING FINANCIAL REPORTING

#### Control environment and corporate governance

The control environment forms the basis for internal control regarding financial reporting. The Board's rules of procedure and instructions for the CEO and the Board's committees ensure a clear division of roles and responsibilities aimed at efficient management of the company's risks. The Board has established a number of basic guidelines and frameworks that are important for internal control. Examples of these are the Board's rules of procedure, financial policy, code of conduct and communication policy, which have been reviewed during the year. The Board's audit committee's specific task is to monitor and ensure the quality of financial reporting. The Audit Committee follows up the internal control in connection with meetings prior to the quarterly reporting. The company's management reports regularly to the Board based on established routines, as does the audit committee. Management is responsible for ensuring that established routines and systems for internal control are followed to ensure correct management of significant risks in day-to-day operations. This includes, among other things, routines and guidelines for various executives in order for them to understand the importance of their respective roles in maintaining good internal control.

### Risk assessment

The company management works continuously and actively with risk analysis, risk assessment and risk management to ensure that the risks faced by the company are managed in an appropriate manner within the established framework. The risk assessment takes into account, for example, the company's administrative routines regarding operational, financial and legal risks. Balance sheet and income statement items where the risk of significant errors could arise are also reviewed continuously. Assessment of risks in various major balance sheet and income items is graded and followed up. The risk analysis has identified a number of critical processes, the greatest focus being on the purchasing and revenue processes, where valuation of inventories and accounts receivable has a high focus in the analysis of the balance sheet. The Audit Committee plays an important role in the risk assessment as it reports its observations and focus areas to Björn Borg's Board.

### Communication and control activities

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

### Follow-up

The Board of Björn Borg is ultimately responsible for internal control. The task of the audit committee appointed by the Board is to, among other things, ensure the quality of the company's financial reporting, to obtain information on the direction of the audit and to review the effectiveness of the internal control systems for financial reporting. The Audit Committee has the internal control structure as a recurring item at its meetings.

### BJÖRN BORG SHARE AND OWNERSHIP

The shares in Björn Borg AB are listed on Nasdaq Stockholm, the small cap list. The total number of shares in Björn Borg amounts to 25,148,384. There is only one class of shares. The share capital amounts to SEK 7,858,870 and the quotient value per share is SEK 0.3125. A share entitles the holder to one vote at the Annual General Meeting and there are no restrictions on how many votes each shareholder can cast at the Annual General Meeting. The number of shareholders in Björn Borg at the end of the year was 9,550 (8,721). The largest shareholder as of December 30, 2024 was Nordnet Pension Insurance, through companies and directly, with 15.1 percent of the shares and votes. There are no restrictions on the right to transfer the Björn Borg share due to a provision in law or in Björn Borg's Articles of Association. Björn Borg is also not aware of any agreements between shareholders that may entail restrictions on the right to transfer Björn Borg shares.

### TEN LARGEST OWNERS AS OF DEC 31, 2024

	No. of shares	%
Nordnet Pension Insurance	3,786,777	15.1
Martin Bjäringer	2,500,000	9.9
Mats Nilsson	1,638,440	6.5
Schottenius family	1,406,400	5.6
Avanza Pension	1,327,732	5.3
Lazard Frères Banque	1,315,000	5.2
Thomas Eklund	1,249,260	5.0
Fredrik Lövestedt	950,040	3.8
Per Josefsson	500,000	2.0
Henrik Ekelund	500,000	2.0
<b>Total, largest owners</b>	<b>15,173,649</b>	<b>60.3</b>
<b>Sum, others</b>	<b>9,974,735</b>	<b>39.7</b>
<b>Total number of shares</b>	<b>25,148,384</b>	<b>100.0</b>

# Auditor's report on the corporate governance statement

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

## **ASSIGNMENT AND DISTRIBUTION OF RESPONSIBILITY**

The Board of Directors is responsible for the corporate governance report for the financial year 2024-01-01–2023-12-31 on pages 104-107 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

## **THE SCOPE OF THE AUDIT**

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

## **STATEMENT**

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

Stockholm, date as per electronic signature  
BDO Mälardalen AB

Johan Pharmanson  
Authorized Public Accountant

Carl-Johan Kjellman  
Authorized Public Accountant



# Other information

## ANNUAL GENERAL MEETING

The shareholders of Björn Borg AB (publ) ("Björn Borg") are hereby invited to the Annual General Meeting on Wednesday, May 15, 2025, at 5:30 p.m. in Gate:01's premises, Frösundaviks allé 1, 169 70 Solna. Registration begins at 16.45.

In order to participate in the Annual General Meeting, shareholders must, firstly, be registered in the share register kept by Euroclear Sweden AB on Wednesday, May 7, 2025 ("Record day"), and secondly, register their participation at the AGM no later than Friday, May 9, 2025, on the company's website (<https://corporate.bjornborg.com/en/arsstamma-2025/>), or by e-mail to [stamma@bjornborg.com](mailto:stamma@bjornborg.com), by post to Björn Borg AB Frösundaviks allé 1, 169 70 Solna or by phone on 08-506 33 700.

If participation is by proxy, the proxy must bring a written, dated power of attorney to the meeting which is signed by the shareholder. If the power of attorney was issued by a legal entity, or if shareholders are represented by legal representatives, a copy of the current registration certificate or corresponding authorization document for the legal entity is required. In order to facilitate registration at the meeting, a power of attorney as well as a certificate of registration and other authorization documents should be provided to the company in connection with the notification. A proxy form can be downloaded from the company's website (<https://corporate.bjornborg.com/en/arsstamma-2025/>).

Shareholders who have their shares nominee-registered through a bank or other trustee, for example, they have their shares in a custody account, must – in addition to registering for the Annual General Meeting – request that the shares be temporarily re-registered in their own name so that the shareholder is entered in the share register kept by Euroclear as of the Record Day of Wednesday, May 7, 2025. Such registration may be temporary (so-called voting rights registration) and is requested from the administrator according to the administrator's routines at such a time in advance as the administrator determines. Voting rights registration that has been requested by shareholders in such a time that the registration has been made by the administrator no later than Friday, May 9, 2025, will be taken into account when preparing the share register as of the Record Day.

Further information about the Annual General Meeting can be found in the notice and further instructions and conditions for postal voting can be found in the postal voting form, see <https://corporate.bjornborg.com/en/arsstamma-2025/>.

## 2025 CALENDAR

The Annual General Meeting 2025 will be held on May 15, 2025.

The interim report for January-March 2025 will be released at 5.30 pm (CET) on May 15, 2025.

The interim report for January-June 2025 will be released at 7.30 am (CET) on August 15, 2025.

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

The year-end report 2025 will be released on February 13, 2026.

## FINANCIAL REPORTS

Financial reports can be downloaded from the company's website [www.bjornborg.com](http://www.bjornborg.com) or ordered by telephone +46 8 506 33 700 or by e-mail [info@bjornborg.com](mailto:info@bjornborg.com).

## SHAREHOLDER CONTACT

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## IMAGES IN THE ANNUAL REPORT

The images used in the annual report were obtained from Björn Borg's spring/summer 2025 and high summer 2025 collections.











train to live

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