Q3 2019 SUMMARY

• Net sales increase with +14% in the quarter mainly driven by a strong quarter in our wholesale business offset by a decline in the distributor business. Currency neutral the growth is +11%.

• Wholesale business is growing +21% in the quarter, driven by strong development in the Netherlands and Sweden, growing +64% and +54% respectively.

• Own retail sales is growing with +8% in total and +3% in comparable stores.

• Own e-commerce sales increase +32% in the quarter, where sports apparel grow +100%.

• External distributors decline with -23% in the quarter where the larger distributors in Norway and Denmark show a weak quarter, while the smaller distributors grow +64%.

• Gross profit margin decrease with -5.2 ppt vs LY mainly due to currency effects and clearance of inventory. Currency neutral the decrease is -3.4 ppt.

• Operating profit decreased to 33,1 MSEK (37,0) mainly due to the low gross margin.

• Brand sales increase +11%, coming mainly from the larger categories of sports apparel (+48%) and UW (+13%). Also Bags show an increase during the quarter (+22%), while footwear decrease -7%.
Q3 2019 show strong increase in sales, offset by negative FX effects on gross profit margin and OPEX.

NET SALES 230,6 MSEK (203,1)
+ Wholesale sales
+ Own e-commerce
+ Own retail
+ E-tail wholesale business
  - Distributor business

OPERATING PROFIT 33,1 MSEK (37,0)
  - Negative FX effects
  - Higher OPEX
# ACCOUNTS Q3 2018 – Q3 2019

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>203,1</td>
<td>230,6</td>
<td>+13,5%</td>
</tr>
<tr>
<td>Gross profit margin %</td>
<td>57,7%</td>
<td>52,5%</td>
<td>-5,2 ppt</td>
</tr>
<tr>
<td>Operating expenses 1)</td>
<td>80,9</td>
<td>94,3</td>
<td>+14,2%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>37,0</td>
<td>33,1</td>
<td></td>
</tr>
<tr>
<td>Operating margin %</td>
<td>18,2%</td>
<td>14,3%</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, SEK</td>
<td>1,15</td>
<td>1,07</td>
<td></td>
</tr>
</tbody>
</table>

1) Excluding goods

- The operating expenses are negatively affected with 1,0 MSEK due to fx effects.
- The gross profit margin is negatively affected with 1,9 ppt due to fx effects.
### ACCOUNTS YTD Q3 2018 – YTD Q3 2019

<table>
<thead>
<tr>
<th>MSEK</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>512.7</td>
<td>560.4</td>
<td>+9.3%</td>
</tr>
<tr>
<td>Gross profit margin %</td>
<td>58.1%</td>
<td>54.7%</td>
<td>-3.4</td>
</tr>
<tr>
<td>Operating expenses 1)</td>
<td>250.0</td>
<td>272.6</td>
<td>+8.3%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>55.0</td>
<td>49.9</td>
<td></td>
</tr>
<tr>
<td>Operating margin %</td>
<td>10.7%</td>
<td>8.9%</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, SEK</td>
<td>1.81</td>
<td>1.66</td>
<td></td>
</tr>
</tbody>
</table>

1) Excluding goods

- The operating expenses are negatively affected with 2.9 MSEK due to fx effects.
- The gross profit margin is negatively affected with 2.4 ppt due to fx effects.
Sales growth in all segments, offset by negative FX effects on operating profit.

- Wholesale; growth in all markets except Finland and Footwear, as well as e-tailer customers across all markets (+24%).
  - Operating profit declining due to negative FX effects on gross margin
- DTC; e-com +20% vs last year while own retail declines in total stores with -2%. Comparable stores is up +1% vs last year
  - Operating profit is showing slight increase due to sales increase and good cost control, offset by slightly lower margins.
- Distributor sales increase (+30%) due to strong development mainly in Norway.
- The licensing business increased vs last year mainly due to strong sales of footwear.
Increased brand sales where all larger areas show growth, driven by sportswear and footwear

BRAND SALES DEVELOPMENT YTD Sep 2019

- Brand sales increased with 8% YTD Sep vs last year 1,236 MSEK (1,149).
- Increase of +5% in UW, increase +29% in sportswear and +6% in footwear.
- Other licensed product groups decline with -3%, where smaller groups decline -57% while bags now show an increase of +8%.

Brand sales by category

Brand sales split 2019

BRAND SALES
Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported wholesale sales.
Purpose: Shows the sales trend measured as retail value excluding VAT.
Brand sales by market with Sweden and Holland showing strong growth

BRAND SALES DEVELOPMENT YTD 2019

- Sweden and Holland showing strong growth.
- Norway, Denmark and Germany showing moderate growth.
- Other main markets are declining vs LY.
TOP 10 PRIORITIES 2019

1. BRAND HEAT
2. ATTACK SPORTS APPAREL
3. PERFORMANCE MANAGEMENT
   Create a winning team.

- WORLD CLASS COLLECTION
  CONSUMER DESIRABLE COLLECTION
- WHOLESALE EXCELLENCE
  INCL. OMNICHANNEL & TRADE
- ONLINE ATTACK
  E-COM EXCELLENCE
  INCL. OMNICHANNEL
- RETAIL EXCELLENCE
  INCL. OMNICHANNEL
- CITY ATTACK
  ALL CHANNELS
- BLX RESTORATION
  INCL. ONE STOCK
- SYSTEM EXCELLENCE
**Online attack is divided in three different focus areas**

<table>
<thead>
<tr>
<th>E-com</th>
<th>Market places</th>
<th>E-tailers</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="E-com" /></td>
<td><img src="image2" alt="Market places" /></td>
<td><img src="image3" alt="E-tailers" /></td>
</tr>
</tbody>
</table>

- **Compound Annual Growth Rate** 2013-2018
  - E-com: +32%
  - Market places: +27%
  - E-tailers: +24%

- **YTD 2019**
  - E-com: +20%
  - Market places: +24%

- **Untapped potential**
  - Good start with Afound.
  - Market place model with Amazon Live.

**Underlying online market growth 2013-2018**: 18%
THANK YOU