

BJÖRN BORG

BJÖRN BORG AB YEAR-END REPORT JANUARY-DECEMBER 2021

RECORD YEAR

OCTOBER 1 - DECEMBER 31, 2021

- The Group's net sales amounted to SEK 180.6 M (160.4), an increase of 12.6 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 63.0 million (57.5), an increase of 9.6 percent.
- The gross profit margin was 53.1 percent (56.6).
- Operating profit amounted to SEK 10.0 million (6.5).
- Profit after tax amounted to SEK 11.1 million (1.3).
- Earnings per share before and after dilution amounted to SEK 0.44 (0.05).

JANUARY 1 - DECEMBER 31, 2021

- The Group's net sales amounted to SEK 768.2 M (705.2), an increase of 8.9 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 294.6 M (231.5), an increase of 27.2 percent.
- The gross profit margin was 54.2 percent (52.5).
- Operating profit amounted to SEK 104.1 million (33.7).
- Profit after tax amounted to SEK 86.0 million (18.8).
- Earnings per share before and after dilution amounted to SEK 3.42 (0.75).
- The board of Directors has decided to propose to the Annual General meeting a distribution of SEK 2.50 (1.50) per share, totaling SEK 62.9 million (37.7).

QUOTE FROM THE CEO

"What gives me the most confidence going forward is that we have established ourselves at a completely new level of operating profit, 13.5 percent or SEK 104.1 million (33.7)." comments CEO Henrik Bunge.

SEK million	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales	180.6	160.4	768.2	705.2
Gross profit margin, %	53.1	56.6	54.2	52.5
Operating profit	10.0	6.5	104.1	33.7
Operating margin, %	5.5	4.0	13.5	4.8
Profit after tax	11.1	1.3	86.0	18.8
Earnings per share before dilution, SEK	0.44	0.05	3.42	0.75
Earnings per share after dilution, SEK	0.44	0.05	3.42	0.75



THE CEO'S COMMENTS

We ended the year with another very strong quarter. Despite operating restrictions where stores in the Netherlands were forced to close for large parts of December, we increased both sales and profitability. The absolute biggest victory of the quarter, however, was that the Björn Borg brand continued to develop very strongly. Consumer surveys showed that our brand preference was three times as high as the corresponding period last year. More and more people are choosing Björn Borg as their first choice in sports, and our diligent work to move the brand and build a sports fashion brand is clearly working.

Net sales during the quarter were SEK 180.6 M (160.4), which was an increase of 12.6 percent compared with the previous year. Currency-neutral, the increase was 12.9 percent. Sales developed very well in Germany, which increased by 44 percent, but Sweden and Denmark also increased compared to the previous year. Despite a strong recovery in most of our stores, sales decreased by four percent, which can be attributed to fewer points of sale. At the same time, our own e-commerce continued to develop well and increased by 8 percent in the quarter.

The gross profit margin temporarily decreased to 53.1 percent (56.6), a result of increased shipping costs and

negative currency effects. Currency-neutral, the gross profit margin was 54.2 percent. Our planned operating costs increased in the quarter by SEK 5.6 million, which was entirely an investment in the brand through increased marketing activities. In total, we increased our operating profit by 54 percent in the quarter to SEK 10.0 million (6.5). Furthermore, we saw a sharp increase in profit after tax from SEK 1.3 million to SEK 11.1 million.

The figures for the last quarter brought to an end our best ever year by far. The group has never had more sales, neither has our brand ever been stronger - a clear result of our digital focus with both communication and online sales. What gives me the most confidence going forward is that we have established ourselves at a completely new level of operating profit, 13.5 percent or SEK 104.1 million (33.7).

In conclusion, I am very pleased with our work during the year and I end 2021 once again convinced that people make a difference and that our quest to build the world's best workplace was the key to our financial success in 2021. Our journey has just begun, and now we aim for another record year.

Here we go!

Head coach,
Henrik Bunge



THE GROUP'S DEVELOPMENT

OPERATING REVENUE FOURTH QUARTER 2021

The fourth quarter of the year showed an improvement in total operating revenue, including other income, by 14.6 percent to SEK 189.9 million (165.7). Adjusted for currency effects, operating revenue increased by 14.9 percent for the quarter.

PRODUCT AREAS FOURTH QUARTER 2021

The underwear product area showed increased sales of 22 percent for the fourth quarter 2021, while sports apparel decreased by 5 percent.

Sales of shoes decreased by 27 percent compared with the fourth quarter of the previous year, while for other product areas sales increased by 24 percent, with bags primarily accounting for the increase.

MARKETS FOURTH QUARTER 2021

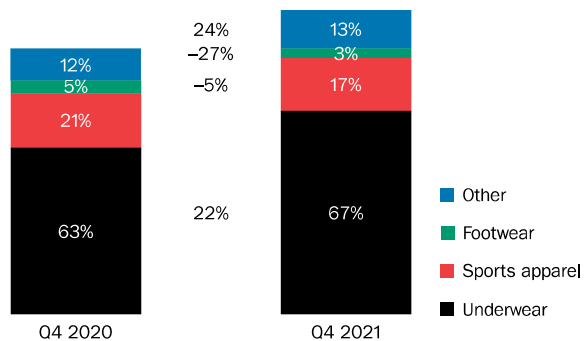
The largest market, Sweden, increased by 11 percent during the fourth quarter of the year, while the second largest market, the Netherlands, decreased by 1 percent. Finland decreased by 6 percent due to a fewer number of own stores. Germany grew strongly by 42 percent. Denmark and Belgium increased too, by 145 and 81 per cent respectively. Other smaller markets increased by a total of 24 percent.

CHANNELS FOURTH QUARTER 2021

The largest channel, the wholesale business, showed an increase of 16 percent during the fourth quarter 2021, of which e-tailers in the wholesale business increased by 10 percent. Own stores decreased by 4 percent compared to the previous year, due to fewer pop-up stores during the

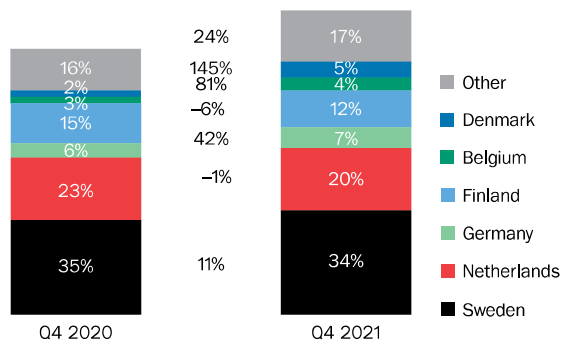
PRODUCT AREAS – SHARE OF TOTAL SALES

SEK 166 million — Growth 15% — SEK 190 million



MARKETS – SHARE OF TOTAL SALES

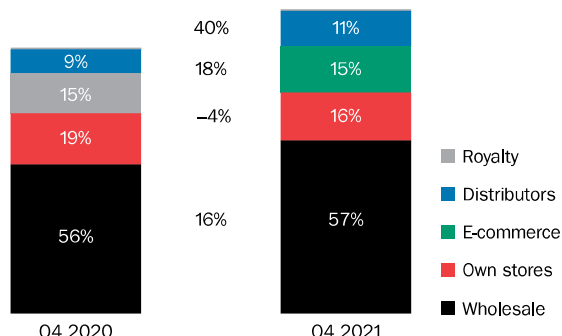
SEK 166 million — Growth 15% — SEK 190 million



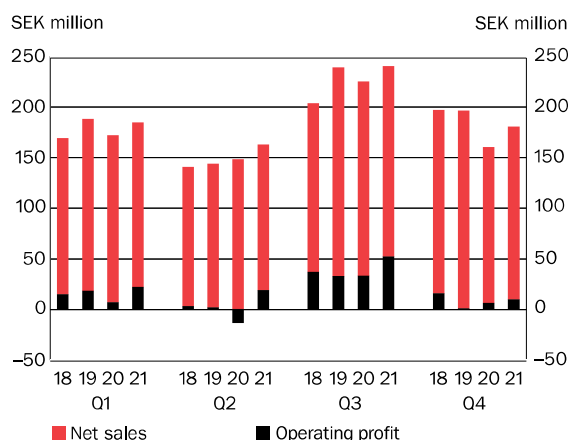
year. Own e-commerce showed continued growth and increased by 18 percent. External distributors continue to grow strongly and increased by 40 percent, while royalty revenues decreased slightly.

CHANNELS – SHARE OF TOTAL SALES

SEK 166 million — Growth 15% — SEK 190 million



QUARTERLY NET SALES AND OPERATING PROFIT, 2018-2021



NET SALES

Fourth quarter, October-December 2021

The Group's net sales during the fourth quarter amounted to SEK 180.6 M (160.4), an increase of 12.6 percent. There was a negative currency effect on sales in the quarter, but adjusted for currency effects, sales increased by 12.9 percent.

In the wholesale operations, the Swedish operations increased by 22 percent in the quarter, while Benelux decreased by 1 percent. The German wholesale business, which mainly consists of e-tailers, continued to show strong development in the fourth quarter and grew by 44 percent. The Finnish wholesale business also showed a strong quarter and grew by 69 percent. In total, wholesale operations increased by 16 percent.

In the retail business, Sweden increased in-store traffic compared with the fourth quarter of the previous year and increased sales by 24 percent. The Benelux business also grew and sales increased by 28 percent, while Finland lost ground due to a smaller number of stores and sales were down by 40 percent. In total, the company's retail business decreased by 4 percent.

Own e-commerce continued to grow and increased in the quarter by 8 percent, where primarily traffic and conversion on the website were better than last year.

Revenues from external distributors increased compared with the previous year by 38 percent, which was mainly due to the fact that operations in the UK during the year were

run by an external distributor, which was not the case in the previous year. The increase can also be explained by growth in the Norwegian market.

External royalty income decreased somewhat.

The company closed the quarter with a continued focus on strong online growth, both in terms of own e-commerce and e-tailers in the wholesale business, which together accounted for 35 percent of net sales in the fourth quarter of the year.

Full year, January-December 2021

The Group's net sales for the full year 2021 amounted to SEK 768.2 M (705.2), an increase of 8.9 percent. There was a negative currency effect on sales, but adjusted for currency effects, sales increased by 11.5 percent.

The positive sales development compared with the previous year was, just as for the quarter, largely explained by strong online growth, both in terms of own e-commerce and e-tailers in the wholesale business, which together accounted for 38 percent of net sales for the full year 2021.

In the wholesale business, it was primarily the German market, which largely consists of e-tailers, which showed strong growth, increasing by 75 percent compared with the full year the previous year. The two largest markets, Sweden and the Netherlands, increased in wholesale operations by 11 and 4 per cent, respectively, while footwear operations showed a decrease of 20 per cent.

Sales in company retail operations for own stores decreased by a total of 9 percent compared with the previous year's full year, as operations in the Netherlands and Finland were largely closed during the beginning of 2021 due to the pandemic. Sales for comparable stores increased by 4 percent. E-commerce grew during the full year by 16 percent, where primarily traffic and conversion on the website were better than the previous year.

Revenues from external distributors increased compared with the previous year by 37 percent, which was mainly due to the fact that operations in the UK during the year were run by an external distributor, which was not the case in the previous year. The increase was also due to growth in the Norwegian market.

External royalty income decreases slightly.

RESULTS

Fourth quarter, October-December 2021

The gross profit margin for the fourth quarter decreased to 53.1 percent (56.6). Adjusted for currency effects, the gross profit margin would have been 54.2 percent. The decrease in the gross profit margin was mainly due to increasing shipping costs during the quarter. However, a greater focus on profitability generally in the wholesale business and the fact that own e-commerce, which has a higher level of profitability, took a larger share of the total, had an opposite positive effect.

Other operating income amounted to SEK 9.3 million (5.3) and mainly related to unrealized profits on accounts receivable in foreign currency.

Operating expenses increased in the quarter by SEK 5.6 million compared with the fourth quarter of the previous year, primarily through increased marketing activities.

Sharply increased sales with a lower gross profit margin, as well as increased operating expenses compared with the previous year, still meant that operating profit increased to SEK 10.0 million (6.5). The operating margin was 5.5 percent (4.0).

Net financial items amounted to SEK 2.0 million (-12.2). The improvement in net financial items compared with the previous year was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

Profit after tax for the period increased to SEK 11.1 million (1.3).

Full year, January-December 2021

The gross profit margin for the full year 2021 increased to 54.2 percent (52.5). Adjusted for currency effects, the gross profit margin would have been 52.9 percent. The increase in the gross profit margin is mainly explained by a generally greater focus on profitability in the wholesale operations and that own e-commerce, which has a higher profitability, took a larger share of the total.

Other operating income amounted to SEK 27.9 M (28.8) and mainly consisted of unrealized gains on accounts receivable in foreign currency.

Operating expenses decreased by SEK 24.7 million compared with the previous year, primarily through reduced customer losses, logistics and travel. Rental costs also decreased when the head office moved to smaller, less expensive premises.

Increased sales with a higher gross profit margin, as well as reduced operating expenses compared with the previous year, meant that operating profit increased to SEK 104.1 million (33.7). The operating margin was 13.5 percent (4.8).

Net financial items amounted to SEK 2.8 million (–16.1). The improvement in net financial items compared with the previous year was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

Profit after tax for the period increased to SEK 86.0 million (18.8).

Development by segment

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

Wholesale

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

The segment's external operating revenue amounted to 502.3 MSEK (464.4), which was an increase of 8 percent. One explanation for the increase was that the company saw increased demand through e-tailers, which primarily sell online, especially in the German market. The Finnish market and footwear operations, on the other hand, showed a decline due to the negative impact of the coronavirus. Sales to e-tailers showed a total increase of 33 percent for the full year and amounted to SEK 197.5 million (148.2). All markets, with the exception of footwear e-tailers, showed growth, with Germany, the Netherlands and Sweden showing strong growth.

Operating profit amounted to SEK 68.5 million (16.9) compared with the previous year, an increase of SEK 51.6 million. The improvement in earnings was primarily due to higher sales in combination with better gross profit margins, as well as reduced operating expenses.

Consumer direct

The segment consists of revenues and costs associated with the Björn Borg Group's sales directly to consumers. The Björn Borg Group owns and operates a total of 23 stores and factory outlet stores in Sweden, Finland, the Netherlands and Belgium, with sales of underwear, sports apparel, complementary products and other licensed products. In addition, Björn Borg runs e-commerce via www.bjornborg.com.

The consumer direct segment increased its operating income for the full year 2021 to SEK 212.7 million (211.0), an increase of 1 percent. The increase was mainly due to strong growth in own e-commerce, which grew by 19 percent during the period, while sales in own stores decreased. Retail business sales for own stores decreased in total by 11 percent compared with the full year in the previous year when the operations in the Netherlands and Finland were largely closed at the beginning of the year due to the pandemic. Sales for comparable stores increased by 4 percent. However, our own stores in Sweden increased compared to the previous year and grew by a total of 10 percent, while comparable stores increased by 11 percent. Stores in Benelux were closed for a large part of the period and thus sales decreased compared to the full year in the previous year, by 4 percent in total, with an increase of 13 percent for comparable stores. The Finnish stores were also negatively affected by the coronavirus, with closed stores as a result, reducing sales by a total of 31 percent compared with the previous year. Comparable stores lost 12 percent.

Operating profit for the full year 2021 amounted to SEK 13.8 million (–2.7). The increase in operating profit, from loss to profit, is mainly explained by increased gross profit margins and reduced operating expenses compared with the previous year, and that own e-commerce, which shows very strong profitability, grew and took a larger share of the total.

Distributors

This segment mainly consists of revenue and costs associated with sales to external distributors of product groups that are developed by the company.

The segment's external operating revenue increased during 2021 to SEK 71.4 M (44.7), which corresponded to an increase of 60 percent compared to the previous year. This was due mainly to sales to the two major distributor markets, Norway and the United Kingdom, which increased compared with the previous year, and were primarily driven by the United Kingdom which from January 2021 has a new distributor.

Segment	Revenue type	Operating income, SEK thousands January-December		Operating profit, SEK thousands January-December		Operating margin,% January-December	
		2021	2020	2021	2020	2021	2020
Wholesale	Products	502,273	464,394	68,523	16,904	14	4
Consumer direct	Products	212,712	210,986	13,814	–2,686	6	–1
<i>of which stores</i>		113,203	127,335	–6,380	–12,893	–6	–10
<i>of which e-commerce</i>		99,509	83,651	20,194	10,207	20	12
Distributors	Products	71,439	44,667	13,571	6,955	19	16
Licensing	Royalties	9,671	13,960	8,180	12,521	85	90
Total		796,095	734,007	104,088	33,694	13	5

Operating profit increased to SEK 13.6 M (7.0) due to higher external sales in the segment.

Licensing

The licensing segment mainly consists of royalty revenue from licensees and expenses for the Group associated with the licensing operations.

The segment's external operating revenue decreased during 2021 to SEK 9.7 million (14.0). The decrease was the result of lower brand sales of licensed products where footwear in particular accounted for the reduction as did the bag category which was absorbed as an integral part of the wholesale business.

Operating profit decreased to SEK 8.2 M (12.5) for the full year 2021. The lower operating profit was the result of the lower external sales in the segment.

Intra-Group sales

Intra-Group sales for the full year 2021 amounted to SEK 548.9 M (481.3).

SEASONAL VARIATIONS

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

INVESTMENTS AND CASH FLOW

Cash flow from operating activities in the Group during the full year 2021 amounted to SEK 113.9 M (142.6). The deterioration compared with the previous year was due primarily to higher capital tied up in inventory.

The cash flow from investing activities was negative at SEK -10.5 million (-9.0). The largest investments were made to update the e-commerce platform, as well as a new outlet store in Sweden and the Danish office.

Cash flow from financing activities amounted to SEK -80.1 million (-90.3). The improvement over the previous year was mainly due to lower loan repayments.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash and cash equivalents at the end of the period amounted to SEK 96.7 million (70.2), plus unutilized banking facilities of SEK 160.0 million (141.0). At the end of the year, the company had net cash, excluding leasing liabilities, of SEK 16.7 million, to be compared with an interest-bearing net debt, excluding leasing liabilities, at the end of the previous year which amounted to SEK 28.8 million. The company has strong liquidity and the reason for the change to net cash at the end of the year was mainly due to increased earnings and reduced long-term liabilities. Total interest-bearing liabilities amounted to SEK 134.0 million (156.1), where total leasing debt amounted to SEK 54.0 million (57.1), of which SEK 33.8 million constituted the long-term share and SEK 20.2 million the short-term share.

The agreement for the new head office took effect on 1 January 2021 and the lease liability and the right-of-use asset amount to SEK 20.6 million.

The Björn Borg Group has SEK 240 million in banking facilities, of which SEK 80 million was utilized as of December 31, 2021. The fair value of financial instruments essentially coincides with book value.

COMMITMENTS AND CONTINGENT LIABILITIES

As a commitment for the overdraft facility and the three-year revolving credit facility, the company has undertaken to ensure that the ratio of the Group's net debt and 12-month

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

As of December 31, 2021, the ratio was positive by +0.15 when the company had net cash (0.70) and the equity/assets ratio was 53.4 percent (51.8).

No significant changes have been made to the collateral provided and contingent liabilities compared to 31 December, 2020.

PERSONNEL

The average number of employees in the Group for the twelve-month period ending 31 December, 2021 was 162 (192), of which 65 percent (65) were women.

TRANSACTIONS WITH RELATED PARTIES

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

SIGNIFICANT RISKS AND UNCERTAINTIES

Through its operations, the Björn Borg Group is exposed to risks and uncertainties. Information on the Group's risks and uncertainties is stated on page 61 in the annual report for 2020.

The company notes, however, that the outbreak of the coronavirus has meant that the external situation has changed significantly and has had a negative effect on the Björn Borg Group. The extent of this impact is difficult to assess, but the outbreak has had, and will continue to have, a significant negative financial impact on the Björn Borg Group's operations. We currently see a large negative financial impact on our own stores with a reduced number of visitors and a large drop-off in sales. The company notes in particular that the general development and/or government decisions in the countries where the company conducts operations has led to, or may lead to, reduced demand in the retail market, potential disruptions in the distribution chain, unfavorable currency impacts, payment difficulties with our customers and closed stores with reduced sales as a result. Such effects have already occurred as was seen in the spring of 2020 where, at certain times of the year, stores were closed in the Netherlands, Belgium, Finland and England. During the first quarter of 2021, we saw the same situation in the Netherlands and Belgium as well as in Finland, after which they reopened during the second quarter of the year. The stores in Sweden have stayed open. Despite the strained situation, the Björn Borg Group has a very good financial position with adequate liquidity. Measures implemented by the company to mitigate the negative financial effects from the outbreak of the coronavirus included the renegotiation of rental payments for its own stores and general austerity measures within operational costs.

PARENT COMPANY

Björn Borg AB (publ) is primarily engaged in intra-Group operations. As of December 31, 2021, the company owns 100 percent of the shares in Björn Borg Brands AB, Björn Borg Footwear AB, Björn Borg Inc, Björn Borg Services AB, Björn Borg UK, Baseline, Björn Borg Finland Oy and Björn Borg Denmark Aps. Furthermore, the company owns 75 percent of the shares in Björn Borg (China) Ltd.

The Parent Company's net sales for the full year 2021 amounted to SEK 99.9 million (102.1). Profit from shares in subsidiaries was negatively affected by SEK 34.2 million for write-downs of shares and receivables from subsidiaries.

Profit before tax amounted to SEK 29.4 million (–15.2) for the full year 2021. Cash and cash equivalents at the end of the period amounted to SEK 75.4 million (55.5).

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

NUMBER OF SHARES

Björn Borg has 25,148,384 shares outstanding.

FINANCIAL GOALS

Björn Borg's long-term financial goals for the business, which were last updated in 2019 for a 5-year period to 2023, are as follows:

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

The company is maintaining the above goals despite the negative financial impact of the coronavirus on operations.

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

DIVIDEND

The Board decided to propose to the 2021 Annual General Meeting that a distribution of SEK 2.50 (1.50) per share be paid for the financial year 2021, corresponding to 73 percent (200) of profit after tax. It was proposed that the distribution take place through an automatic redemption procedure, where each share is divided into one ordinary and one redemption share. The redemption share is then automatically redeemed for SEK 2.50 per share. Payment for the redemption share, subject to approval by the Annual General Meeting, is expected to be completed around June 27, 2022.

The Board's proposal corresponds to a transfer to shareholders of SEK 62.9 million (37.7).

ANNUAL REPORT

The annual report for the financial year 2021 will be available on the company's website no later than April 28, 2022.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year 2021 will be held at 17:30 on 19 May, 2022.

ACCOUNTING PRINCIPLES

This year-end report for the Group has been prepared in accordance with IAS 34 *Interim Financial Reporting* and applicable provisions in the *Annual Accounts Act*. The interim report for the Parent Company has been prepared in accordance with the *Annual Accounts Act*, Chapter 9, *Interim Report* and RFR 2 *Accounting for Legal Entities*. Applied accounting principles in the interim report conform to the accounting principles applied in the preparation of the consolidated and annual accounts for 2020 (see page 56 in the annual accounts for 2020). New and amended standards as well as new interpretations that apply from 1 January 2021 have not had any significant impact on the Group's financial reports. Changes in RFR 2 that apply from 1 January 2021 have not had any significant impact on the parent company's financial reports.

During the period, the Group reported contributions from the government linked to Covid-19. This aid is reported in the income statement when there is reasonable assurance that the conditions associated with the support will be met and that the support will be received. During the fourth quarter of 2021, government support of SEK 3.3 million was received, and SEK 5.5 million (4.5), accumulated for the year, was reported in the income statement. Reconciliation of all support has not yet been completed.

IMPORTANT ASSESSMENTS AND ESTIMATES

When preparing an interim report, management is required to make assessments and estimates regarding assumptions that affect the application of the Group's (and the Parent Company's) accounting principles as well as reported amounts for assets, liabilities, revenues and expenses. The negative financial effects of the impact of the coronavirus have been considered. The results of these estimates and assumptions are then used to assess the reported values of assets and liabilities that are not otherwise clearly apparent from other sources. The estimates for accounting purposes that result from these will, by definition, not always correspond to the actual results. The outcome of the above assessment has not had any significant impact on the Group's financial reports. Important assessments and estimates are set out in the annual report for 2020. No other significant changes in estimates or assessments have been made compared with the 2020 annual report.

AUDIT REPORT

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

OUTLOOK 2022

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

CONSOLIDATED INCOME STATEMENT IN SUMMARY

SEK thousands	Note	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales	1	180,576	160,364	768,203	705,211
Other operating revenue		9,326	5,346	27,892	28,796
Operating revenue		189,902	165,710	796,095	734,007
Goods for resale		-84,617	-69,588	-351,663	-335,228
Other external expenses	2	-50,244	-35,093	-158,310	-158,585
Personnel costs		-31,016	-35,492	-125,501	-129,528
Depreciation/amortization of tangible/intangible non-current assets		-8,814	-8,179	-35,503	-40,846
Other operating expenses		-5,191	-10,903	-21,030	-36,126
Operating profit		10,020	6,455	104,088	33,694
Net financial items		2,010	-12,199	2,782	-16,115
Profit before tax		12,030	-5,744	106,870	17,579
Tax		-955	7,002	-20,840	1,254
Profit for the period		11,075	1,258	86,030	18,833
Profit for the period attributable to					
Parent Company shareholders		11,075	1,258	86,030	18,833
Non-controlling interests		-	-	-	-
Earnings per share before dilution, SEK		0.44	0.05	3.42	0.75
Earnings per share after dilution, SEK		0.44	0.05	3.42	0.75
Number of shares		25,148,384	25,148,384	25,148,384	25,148,384

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	Note	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Profit/loss for the period		11,075	1,258	86,030	18,833
OTHER COMPREHENSIVE INCOME					
Components that may be reclassified to profit or loss for the period					
Translation difference for the period		-1,777	3,881	-5,103	7,296
Total other comprehensive income for the period		-1,777	3,881	-5,103	7,296
Total comprehensive income for the period		9,298	5,139	80,297	26,129
Total comprehensive income attributable to					
Parent Company shareholders		9,298	5,139	80,297	26,129
Non-controlling interests		-	-	-	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

SEK thousands	Note	Dec 31, 2021	Dec 31, 2020
Non-current assets			
Goodwill		34,685	34,306
Trademarks		187,532	187,532
Other intangible assets		10,917	10,255
Tangible non-current assets		15,405	16,580
Deferred tax assets		13,952	15,761
Right-of-use assets		54,950	57,481
Total non-current assets		317,441	321,915
Current assets			
Inventory		151,991	123,357
Accounts receivable		91,969	83,627
Other current receivables		22,524	19,884
Cash and cash equivalents		96,743	70,235
Total current assets		363,227	297,103
Total assets		680,668	619,018
Equity and liabilities			
Equity		334,217	291,013
Deferred tax liabilities		39,596	39,289
Non-current liabilities credit institutions		80,000	99,000
Other non-current liabilities		1,932	–
Long-term lease liabilities		33,777	35,701
Accounts payable		97,036	77,245
Short-term lease liabilities		20,242	21,383
Other current liabilities		73,868	55,387
Total equity and liabilities		680,668	619,018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

SEK thousands	Note	Equity attributable to the parent company's shareholders	Possession without controlling influence	Total equity
Opening balance, January 1, 2020				
Total comprehensive income for the period		270,774	–5,890	264,884
		25,534	595	26,129
Closing balance, December 31, 2020		296,308	–5,295	291,013
Opening balance, January 1, 2021				
Total comprehensive income for the period		296,308	–5,295	291,013
		81,499	–572	80,297
Distribution for 2020		–37,723	–	–37,723
Closing balance, December 31, 2021		340,084	–5,867	334, 217

CONSOLIDATED STATEMENT OF CASH FLOWS IN SUMMARY

SEK thousands	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Cash flow from operating activities				
Before changes in working capital	19,458	10,078	136,818	53,358
Changes in working capital	58,624	62,617	-22,891	89,222
Cash flow from operating activities	78,082	72,695	113,927	142,580
Investments in intangible non-current assets	-693	-1,298	-4,828	-3,474
Investments in tangible non-current assets	-1,408	-3,453	-5,680	-5,490
Cash flow from investing activities	-2,101	-4,751	-10,508	-8,964
Distribution	-	-	-37,723	-
Amortization of loans	-19,000	-51,000	-19,000	-94,890
Amortization of lease liabilities	-7,070	-5,527	-23,400	-28,183
Loan proceeds	-	-	-	40,000
Overdraft facility	-	-	-	-7,242
Cash flow from financing activities	-26,070	-56,527	-80,123	-90,315
Cash flow for the period	49,911	11,417	23,296	43,301
Cash and cash equivalents at the beginning of the period	45,795	60,409	70,235	29,002
Translation difference in cash and cash equivalents	1,037	-1,591	3,212	-2,068
Cash and cash equivalents at the end of the period	96,743	70,235	96,743	70,235

KEY FIGURES THE GROUP

SEK thousands	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Gross profit margin,% *	53.1	56.6	54.2	52.5
Operating margin,%	5.5	4.0	13.5	4.8
Profit margin,%	6.7	-3.6	13.9	2.5
Return on capital employed,%	24.4	4.8	24.4	4.8
Return on average equity,%	27.5	6.8	27.5	6.8
Profit attributable to the Parent Company's shareholders	11,075	1,258	86,030	18,833
Equity/assets ratio,% *	53.4	51.8	53.4	51.8
Equity per share, SEK	13.29	11.57	13.29	11.57
Investments in intangible non-current assets	693	1,298	4,828	3,474
Investments tangible non-current assets	1,408	3,453	5,680	5,490
Depreciation, amortization and impairment losses for the period	-8,814	-8,179	-35,503	-40 846
Average number of employees	162	192	162	192

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

SUMMARY PER SEGMENT

THE GROUP

SEK thousands	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Operating revenue				
Wholesale				
External revenue	107,842	92,642	502,273	464,394
Internal revenue	482	402	1,607	2,244
	108,324	93,044	503,880	466,638
Consumer Direct				
<i>Brick-and-mortar</i>				
External revenue	30,439	31,646	113,203	127,336
Internal revenue	18	–	19	89
<i>E-commerce</i>				
External revenue	29,392	24,589	99,509	83,650
Internal revenue	281	–	281	–
	60,130	56,505	213,012	211,075
Distributors				
External revenue	21,572	15,455	71,439	44,667
Internal revenue	112,729	85,503	465,596	410,210
	134,301	100,958	537,035	454,877
Licensing				
External revenue	656	1,107	9,671	13,960
Internal revenue	24,348	14,199	81,404	68,785
	25,004	15,306	91,075	82,745
Less internal sales	–137,857	–100,104	–548,907	–481,328
Operating revenue	189,902	165,710	796,095	734,007
Operating profit				
Wholesale	–72	1,738	68,523	16,904
Consumer Direct, brick-and-mortar	1,740	–3,999	–6,380	–12,893
Consumer Direct, e-commerce	7,512	5,535	20,194	10,207
Distributors	660	2,238	13,571	6,955
Licensing	180	943	8,180	12,521
Operating profit	10,020	6,455	104,088	33,694

Reconciliation between operating profit and profit before tax

The difference for the full year 2021 between operating profit for segments for which information must be disclosed is SEK 104,088 thousand (33,694) and profit before tax SEK 106,870 thousand (17,579) is net financial items, SEK 2,782 thousand (–16,115).

QUARTERLY DATA

THE GROUP

SEK thousands	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net sales	180,576	240,141	162,836	184,651	160,364	224,909	147,966	171,973
Gross profit margin,%	53.1	54.4	56.3	53.3	56.6	50.4	49.1	54.1
Operating profit/loss	10,020	52,357	19,277	22,434	6,455	33,403	–13,410	7,246
Operating margin,%	5.5	21.8	11.8	12.1	4.0	14.9	–9.1	4.2
Profit/loss after net financial items	12,030	50,937	18,015	25,888	–5,744	32,951	–22,846	13,218
Profit margin,%	6.7	21.2	11.1	14.0	–3.6	14.7	–15.4	7.7
Earnings per share, before dilution, SEK	0.44	1.59	0.54	0.85	0.05	1.02	–0.75	0.42
Earnings per share, after dilution, SEK	0.44	1.59	0.54	0.85	0.05	1.02	–0.75	0.42
Number of Björn Borg stores at the end of the period	26	27	28	31	32	33	33	33
of which Group-owned Björn Borg stores	23	24	25	28	29	30	30	30

PARENT COMPANY INCOME STATEMENT IN SUMMARY

SEK thousands	Note	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales		25,049	25,446	99,940	102,144
Other operating revenue		554	208	1,990	1,059
Operating revenue		25,603	25,654	101,930	103,203
Goods for resale		-51	-1	-51	-4
Other external expenses	2	-22,829	-8,003	-54,272	-43,690
Personnel costs		-10,250	-10,220	-40,691	-35,932
Depreciation/amortization of intangible and tangible non-current assets		-591	-478	-2,326	-2,247
Other operating expenses		-90	-544	-668	-1,963
Operating profit		-8,208	6,408	3,922	19,367
Result from shares in subsidiaries		-439	-7,831	-34,194	-7,831
Net financial items		5,789	-10,781	10,918	-17,126
Profit/loss after financial items		-2,859	-12,204	-19,535	-5,590
Group contributions received/paid		48,988	-9,610	48,988	-9,610
Appropriations		-218	-	-218	-
Profit/loss before tax		45,911	-21,814	29,415	-15,200
Tax		-14,451	-26	-14,451	-26
Profit/loss for the period		31,460	-21,840	14,964	-15,226
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		31,460	-21,840	14,964	-15,226

PARENT COMPANY BALANCE SHEET IN SUMMARY

SEK thousands	Note	Dec 31, 2021	Dec 31, 2020
Non-current assets			
Intangible assets		3,669	4,741
Tangible non-current assets		2,112	1,764
Deferred tax		4	8
Shares in Group companies		277,676	306,185
Total non-current assets		283,461	312,698
Current assets			
Receivables from Group companies		980,598	831,000
Current receivables		3,864	5,483
Cash and cash equivalents		75,392	55,450
Total current assets		1,059,854	891,933
Total assets		1,343,315	1,204,631
Equity and liabilities			
Equity		156,029	178,787
Untaxed reserves		1,256	1,038
Non-current liabilities credit institutions		80,000	99,000
Other non-current liabilities		1,932	-
Due to Group companies		1,070,468	913,229
Accounts payable		9,251	5,104
Other current liabilities		24,379	7,473
Total equity and liabilities		1,343,315	1,204,631

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY IN SUMMARY

SEK thousands	Full year 2021	Full year 2020
Opening balance	178,787	194,012
Distribution	-37,723	-
Total comprehensive income for the period	14,964	-15,227
Closing balance	156,029	178,787

SUPPLEMENTARY DISCLOSURES

NOTE 1 NET SALES

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

SEK thousands	The group	
	2021	2020
Sweden	225,239	268,325
Netherlands	172,519	164,058
Finland	104,010	118,880
Germany	80,916	43,795
Others	185,516	110,153
Total net sales	768,203	705,211

NOTE 2 OTHER EXTERNAL EXPENSES

SEK thousands	The group		Parent Company	
	2021	2020	2021	2020
Cost of premises	5,327	10,015	5,216	9,303
Sales expenses	52,219	55,444	3,377	2,866
Marketing expenses	60,187	41,850	33,472	17,339
Administrative expenses	36,139	45,195	11,631	12,986
Other	4,439	6,081	576	1,196
	158,310	158,585	54,272	43,690

DEFINITIONS

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

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.

GROSS PROFIT MARGIN BEFORE ACQUISITIONS

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

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

NET FINANCIAL ITEMS

Financial income less financial expenses.

Purpose: To describe the company's financial activities.

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 TO EBITDA RATIO

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

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

NET DEBT

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

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

COMPARABLE STORE SALES

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

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

EARNINGS PER SHARE (DEFINED ACCORDING TO IFRS)

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

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

EARNINGS PER SHARE AFTER DILUTION (DEFINED ACCORDING TO IFRS)

Earnings per share adjusted for any dilution effect.

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

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.

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.

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.

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.

CAPITAL EMPLOYED

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

Purpose: Capital employed measures capital use and efficiency.

PROFIT MARGIN

Profit before tax as a percentage of net sales.

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

The Board of Directors and the CEO assure that this year-end report provides a fair overview of the Parent Company's and the Group's operations, position and results and describes the significant risks and uncertainties that face the Parent Company and the companies within the Group.

Stockholm, February 25, 2022

Heiner Olbrich
Chairman of the Board

Alessandra Cama
Board member

Jens Högsted
Board member

Anette Klintfeldt
Board member

Fredrik Lövestedt
Board member

Mats H Nilsson
Board member

Henrik Bunge
CEO

CALENDAR 2021

Annual Report 2021 28 April, 2022.

The 2021 Annual General Meeting will be held on May 19, 2022.

Interim report January-March 2022 will be submitted at 17:30 on 19 May, 2022.

Interim report January-June 2022 will be submitted at 07:30 on 19 August, 2022.

Interim report January-September 2022 will be submitted at 07:30 on 18 November, 2022.

Year-end report 2022 will be issued at 07:30 on 17 February, 2023.

FINANCIAL REPORTS

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

SHAREHOLDER CONTACTS

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THE BJÖRN BORG GROUP IN BRIEF

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

THE PICTURES IN THE YEAR-END REPORT

The pictures in the year-end report are taken from Björn Borg's Christmas collection 2021.

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This information is such information that Björn Borg AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the care of the above contact person, for publication on 25 February, 2022 at 07:30.