

# BJÖRN BORG

BJÖRN BORG AB INTERIM REPORT  
JANUARY-SEPTEMBER 2021

## RECORD QUARTER

### JULY 1- SEPTEMBER 30, 2021

- The Group's net sales amounted to SEK 240.1 million (224.9), an increase of 6.8 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 85.8 million (69.8), an increase of 22.8 percent.
- The gross profit margin was 54.4 percent (50.4).
- Operating profit amounted to SEK 52.4 million (33.4).
- Profit after tax amounted to SEK 40.1 million (25.8).
- Earnings per share before and after dilution amounted to SEK 1.59 (1.02).

### JANUARY 1- SEPTEMBER 30, 2021

- The Group's net sales amounted to SEK 587.6 million (544.8), an increase of 7.9 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 230.5 million (173.2), an increase of 33.1 percent.
- The gross profit margin was 54.6 percent (51.2).
- Operating profit amounted to SEK 94.1 million (27.2).
- Profit after tax amounted to SEK 75.0 million (17.6).
- Earnings per share before and after dilution amounted to SEK 2.98 (0.70).

### QUOTE FROM THE CEO

"Björn Borg has never had higher profitability in a single quarter, nor have sales been higher in a single quarter and the profitability is now above SEK 100 million on rolling 12 months," commented CEO Henrik Bunge.

SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020- Sep 2021	Full-year 2020
Net sales	240.1	224.9	587.6	544.8	748.0	705.2
Gross profit margin, %	54.4	50.4	54.6	51.2	55.0	52.5
Operating profit	52.4	33.4	94.1	27.2	100.5	33.7
Operating margin, %	21.8	14.9	16.0	5.0	13.4	4.8
Profit after tax	40.1	25.8	75.0	17.6	76.2	18.8
Earnings per share before dilution, SEK	1.59	1.02	2.98	0.70	3.03	0.75
Earnings per share after dilution, SEK	1.59	1.02	2.98	0.70	3.03	0.75



## CEO'S COMMENT

Another record quarter has just concluded. Björn Borg has never had higher profitability in a single quarter, nor have sales been higher in a single quarter and the profitability is now above SEK 100 million on rolling 12 months. Our biggest victory is still that our brand has never been stronger and that our team has never been more engaged. People build brands, and strong brands drive growth.

Our digital focus creates profitability, growth and a strong brand. The plan has been clear for some time, and we continued during the quarter to transition our business and communication online with good results. In the quarter more than 50 percent of our sales was generated online through our own e-commerce, marketplaces, e-tailers and online sales from our retailers' e-commerce sites. Our brand also continued to strengthen and in the quarter we increased our recognition within sports apparel by 43 percent compared with the third quarter 2020. At the same time, we maintained our market-leading position in men's underwear.

Net sales in the quarter were SEK 240.1 million (224.9), an increase of 6.8 percent year-over-year. We continue to grow online, where our own e-commerce and e-tailers grew by 23 percent in the quarter. Moreover, we are also continuing according to plan to shrink our retail footprint and have now closed another unprofitable concept store in the Netherlands.

We are seeing a recovery in our own stores, however, where comparable stores grew by 2 percent compared with the same quarter in 2020. As a country, the Netherlands had a very strong quarter and sales at the wholesale level increased by 29 percent year-over-year.

Our gross profit margin continued to rise to 54.4 percent (50.4). The majority of the increase is a result of our profitability focus with fewer discounts in all channels as well as the increased share of our own e-commerce with high gross profit margins. In addition, our operating expenses continued to decrease and in the quarter were SEK 5.2 million lower than the previous year. In summary, the increased sales with a higher gross profit margin, coupled with lower operating expenses, led to a very strong operating profit of SEK 52.3 million (33.4), which produces an operating margin of 21.8 percent (14.9).

Another record quarter is in the books, and yet it feels like our journey has just begun. I am extremely proud of what we as a team have created, and perhaps most of all the high scores we received in our annual anonymous employee survey. Never have we been more engaged and motivated.

Now let's go!

Head coach  
Henrik Bunge



## OPERATIONS

### OPERATING REVENUE THIRD QUARTER 2021

The third quarter saw an increase in total revenue, including other income, of 5 percent to SEK 243.9 million (232.1). Adjusted for currency effects, operating revenue increased by 6 percent in the quarter.

### PRODUCT AREAS THIRD QUARTER 2021

Sales in the underwear product area increased by 5 percent in the third quarter 2021, while sports apparel decreased by 7 percent.

Footwear sales decreased by 13 percent compared with the third quarter 2020, while sales for other product areas increased by 52 percent, with bags improving the most.

### MARKETS THIRD QUARTER 2021

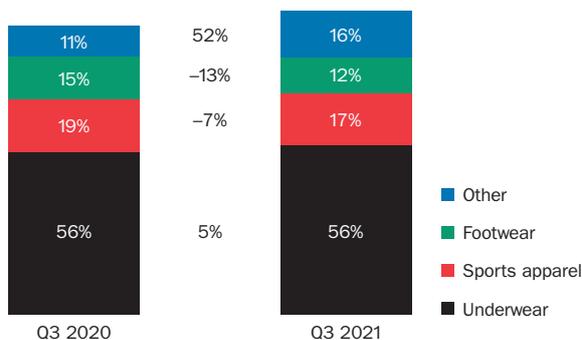
The two largest markets, Sweden and the Netherlands, increased in the third quarter by 7 percent and 20 percent, respectively. At the same time, Finland and Belgium fell by 14 percent and 2 percent, respectively, related to delayed shipments. Germany reported the same level as last year, while other smaller markets decreased by a combined 4 percent.

### CHANNELS THIRD QUARTER 2021

The largest channel, wholesale, saw an increase of 12 percent in the third quarter 2021, of which e-tailers within the wholesale business grew by 28 percent. Own stores fell from the previous year by 19 percent related to fewer pop-up stores this year. Own e-commerce generated continued

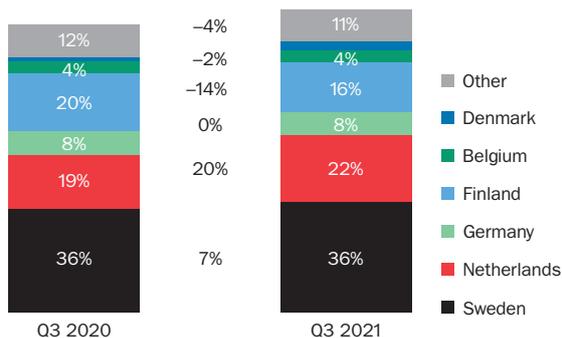
## PRODUCT AREAS – SHARE OF TOTAL SALES

SEK 232 million — Growth 5% — SEK 244 million



## MARKETS – SHARE OF TOTAL SALES

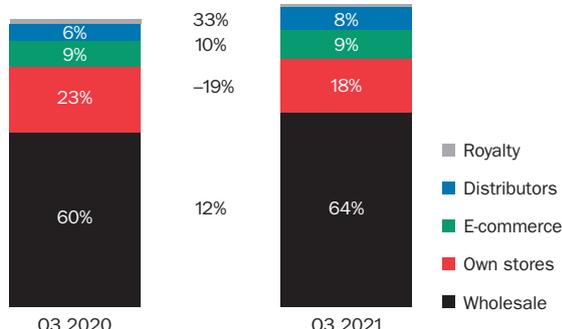
SEK 232 million — Growth 5% — SEK 244 million



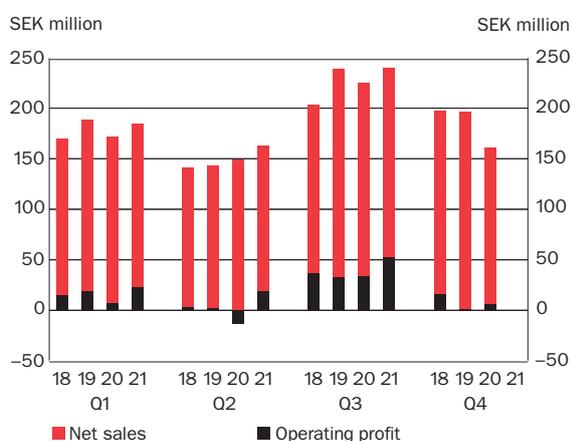
growth and increased by 10 percent. External distributors continued to report significant growth, increasing by 33 percent, while royalties decreased slightly.

### CHANNELS – SHARE OF TOTAL SALES

SEK 232 million — Growth 5% — SEK 244 million



### QUARTERLY NET SALES AND OPERATING PROFIT, 2018-2021



### NET SALES

#### Third quarter, July-September 2021

The Group's net sales amounted to SEK 240.1 million (224.9) in the third quarter, an increase of 6.8 percent. Currencies negatively affected sales in the quarter. Adjusted for currency effects, sales increased by 7.8 percent.

The positive sales trend compared with the third quarter of 2020 is largely due to a positive trend and strong growth online, both for our own e-commerce and e-tailers within the wholesale business, which together accounted for 36 percent of net sales in the third quarter.

The Swedish wholesale business increased by 20 percent in the quarter, while retail operations in Sweden reported higher store traffic than the previous year with sales rising 16 percent.

The Benelux operations increased by 14 percent from the previous year. On a currency neutral basis, the increase was 16 percent. It was mainly the wholesale business that grew, up 31 percent in the quarter compared with a year earlier. The retail operations in the Netherlands and Belgium decreased by 10 percent.

The German wholesale business, which largely consists of e-tailers, continued its strong performance even though the third quarter was in line with the previous year.

For the company as a whole, e-commerce increased by 10 percent in the quarter, with website traffic and conversion in particular improving from the previous year.

Income from external distributors increased by 33 percent year-over-year, mainly because the UK operations are managed this year by an external distributor, which was not the case in 2020. The increase is also attributable to growth in the Norwegian market.

External royalties decreased slightly.

#### Nine-month period, January-September 2021

The Group's net sales amounted to SEK 587.6 million (544.8) in the first nine months of 2021, an increase of 7.9 percent. Currencies negatively affected sales. Adjusted for currency effects, sales increased by 11.1 percent.

The positive sales trend compared with the first nine months of 2020, just like for the quarter, is largely due to strong online growth, both our own e-commerce and e-tailers within the wholesale business, which together accounted for 39 percent of net sales in the first nine months of the year.

In the wholesale business it is mainly the German market, which largely consists of e-tailers, that reported strong growth, up 82 percent year-over-year. The two largest markets, Sweden and the Netherlands, grew by 7 percent each within the wholesale business, while the footwear business dropped 18 percent.

For the company as a whole, retail sales for own stores decreased by 14 percent compared with the first nine months of 2020, when the operations in the Netherlands and Finland were largely shut down at the beginning of the year due to the pandemic. Sales for comparable stores fell by 4 percent. E-commerce grew in the first nine months by 20 percent, with website traffic and conversion in particular improving from the previous year.

Income from external distributors rose by 71 percent year-over-year, mainly because the UK operations are managed this year by an external distributor, which was not the case in 2020. The increase is also attributable to growth in the Norwegian market.

External royalties decreased slightly.

### PROFIT

#### Third quarter, July-September 2021

The gross profit margin for the third quarter increased to 54.4 percent (50.4). A weaker USD against SEK positively affected margins, while a weaker EUR against SEK had the opposite effect. Adjusted for currency effects, the gross profit margin would have been 54.0 percent. The increase in the gross profit margin is mainly due to a greater profitability focus in the wholesale business and because our own e-commerce, which has higher profitability, accounted for a larger share of the total.

Other operating revenue amounted to SEK 3.8 million (7.2) and mainly refers to unrealized gains on accounts receivable in foreign currency.

Operating expenses decreased by SEK 5.2 million compared with the previous year mainly through lower expenses for customer losses. Rental expenses also decreased after the headquarters was moved to a smaller, less expensive location.

Increased sales with a higher gross profit margin, as well as lower operating expenses compared with the previous year, increased operating profit to SEK 52.4 million (33.4). The operating margin was 21.8 percent (14.9).

Net financial items amounted to SEK -1.4 million (-0.5). The decrease compared with 2020 is mainly due to the revaluation of financial assets and liabilities in foreign currency.

Profit after tax for the period increased to SEK 40.1 million (25.8).

### Nine-month period, January-September 2021

The gross profit margin for the first nine months of 2021 increased to 54.6 percent (51.2). A weaker USD against SEK positively affected margins, while a weaker EUR against SEK had the opposite effect. Adjusted for currency effects, the gross profit margin would have been 52.6 percent. The increase in the gross profit margin is mainly due to a stronger profitability focus in the wholesale business and because our own e-commerce, which has higher profitability, accounted for a larger share of the total.

Other operating revenue amounted to SEK 18.6 million (23.5) and mainly refers to unrealized gains on accounts receivable in foreign currency.

Operating expenses decreased by SEK 30.3 million compared with the previous year mainly through lower customer losses, logistics and travel. Rental expenses also decreased after the headquarters was moved to a smaller, less expensive location.

Increased sales with a higher gross profit margin, as well as lower operating expenses compared with the previous year, increased operating profit to SEK 94.1 million (27.2). The operating margin was 16.0 percent (5.0).

Net financial items amounted to SEK 0.8 million (-3.9). The improvement compared with 2020 is mainly due to the revaluation of financial assets and liabilities in foreign currency.

Profit after tax for the period increased to SEK 75.0 million (17.6).

### Development by segment

Björn Borg's segment reporting consists of the company's primary revenue sources, 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 revenue and expenses associated with the Björn Borg Group's wholesale operations. The Group has wholesale businesses in Sweden, Germany, Finland, the Netherlands, Belgium and Denmark for apparel and underwear as well as in Sweden, Finland and the Baltic countries for footwear.

The segment's external operating revenue amounted to SEK 394.4 million (371.8), an increase of 6 percent. One reason for the increase is that the company is seeing increased demand through e-tailers, which primarily sell online, especially in the German market. The Finnish market and the footwear business, on the other hand, reported decreases due to the negative impact of Covid-19. Sales to e-tailers rose a combined 40 percent in the first nine months to SEK 160.4 million (114.7). All markets with the exception of footwear e-tailers reported growth, with Germany, the Netherlands and Sweden seeing strong growth.

Operating profit amounted to SEK 68.6 million (15.2) compared with the previous year, an increase of SEK 53.4 million. The improvement is primarily due to higher sales combined with better gross profit margins and lower operating expenses.

#### Consumer Direct

The segment consists of revenue and expenses associated with the Björn Borg Group's direct sales to consumers. The Björn Borg Group owns and operates a total of 24 stores and factory outlets in Sweden, Finland, the Netherlands and Belgium with sales of underwear, sports apparel, adjacent products and other licensed products. In addition, Björn Borg sells online through [www.bjornborg.com](http://www.bjornborg.com).

External operating revenue in the Consumer Direct segment decreased in the first nine months of 2021 to SEK 152.9 million (154.5), or by 1 percent. The decrease is mainly due to lower sales in own stores, but was offset by own e-commerce, which grew by 20 percent in the period. For the company as a whole, retail sales for own stores decreased by 14 percent compared with the first nine months of 2020, when the operations in the Netherlands and Finland were largely shut down due to the pandemic. Sales for comparable stores fell by 4 percent. The Group's own stores in Sweden increased year-over-year, however, growing in total by 4 percent, while comparable stores rose by 6 percent. The Benelux stores were closed for a large part of the period and therefore decreased compared with the first nine months of 2020, down 7 percent in total and 4 percent for comparable stores. The Finnish stores have also been impacted by the coronavirus, with closed stores and sales down in total by 25 percent year-over-year. Comparable stores were down 13 percent.

Operating profit for the first nine months of 2021 was SEK 4.6 million, against a year-earlier loss of SEK 4.2 million. The increase in the operating result, from loss to profit, is mainly due to increased gross profit margins and lower operating expenses compared with the previous year, and because our own e-commerce, which is generating very strong profitability, is growing and accounting for a larger share of the total.

#### Distributors

The Distributors segment mainly consists of revenue and expenses associated with sales to external distributors of product groups developed by the company.

The segment's external operating revenue increased in the first nine months of 2021 to SEK 49.9 million (29.2), up 71 percent from the previous year. The main reason was a year-over-year sales increase to both major distributor markets, Norway and the UK, mainly driven by the UK, which as of January 2021 is a new distributor for the company.

Operating profit increased to SEK 12.9 million (4.7) due to the higher external sales in the segment.

Segment	Revenue source	Operating revenue, SEK thousands January-September		Operating profit, SEK thousands January-September		Operating margin, % January-September	
		2021	2020	2021	2020	2021	2020
Wholesale	Products	394,431	371,753	68,598	15,167	17	4
Consumer Direct	Products	152,882	154,480	4,563	-4,221	3	-3
	of which stores	82,764	95,689	-8,118	-8,893	-10	-9
	of which e-commerce	70,118	58,791	12,681	4,672	18	8
Distributors	Products	49,866	29,212	12,908	4,717	3	1
Licensing	Royalties	9,014	12,853	7,999	11,578	12	17
<b>Total</b>		<b>606,193</b>	<b>568,298</b>	<b>94,068</b>	<b>27,240</b>	<b>16</b>	<b>5</b>

## 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 in the first nine months of 2021 to SEK 9.0 million (12.9). The decrease is a result of lower brand sales of licensed products, with footwear accounting for most of that, and because the bag category was absorbed as an integral part of the wholesale business.

Operating profit decreased to SEK 8.0 million (11.6) in the first nine months of 2021. The decline is due to the lower external sales in the segment.

## Intra-Group sales

Intra-Group sales for the first nine months of 2021 amounted to SEK 411.1 million (381.2).

## SEASONAL VARIATIONS

The Björn Borg Group is active in an industry with seasonal variations. Sales and earnings vary by quarter. See the figure on quarterly net sales and operating profit on page 4.

## INVESTMENTS AND CASH FLOW

The Group's cash flow from operating activities amounted to SEK 35.8 million (69.9) in the first nine months of 2021. The decrease from the previous year primarily comes from higher capital tied up in inventory due to higher revenue from own e-commerce.

Cash flow from investing activities was negative at SEK -8.4 million (-4.2). The largest investments were to update the e-commerce platform as well as a new store in Sweden and the Danish office.

Cash flow from financing activities amounted to SEK -52.3 million (-33.8). The negative flow mainly comes from the company's distribution of SEK 37.7 million (0).

## FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents amounted to SEK 45.8 million (60.4) at the end of the period, plus unutilized overdraft facilities of SEK 141.0 million (90.0). Interest-bearing net liabilities, excluding lease liabilities, amounted to SEK 53.2 million (89.6). The company has strong liquidity, and the lower net debt at the end of the quarter is mainly due to lower long-term liabilities. Total interest-bearing liabilities amounted to SEK 163.2 million (210.0), where total lease liabilities amounted to SEK 64.2 million (60.0), of which SEK 41.6 million represents the long-term share and SEK 22.7 million the short-term share.

The lease on the new headquarters took effect on January 1, 2021 and the lease liability and right-of-use asset amount to SEK 20.6 million.

The Björn Borg Group has SEK 240 million in bank facilities, whereof SEK 99 million was utilized as of September 30, 2021. The fair value of financial instruments essentially coincides with book value.

## COMMITMENTS AND CONTINGENT LIABILITIES

As a commitment for the overdraft facility and three-year revolving credit, the company has pledged to ensure that the ratio between the Group's net debt and rolling 12-month EBITDA will not exceed 3.00 on the last day of each quarter. Moreover, the Group will maintain an equity/assets ratio of at least 35 percent.

As of September 30, 2021 the ratio was 0.48 (2.43) and the equity/assets ratio was 53.1 percent (47.8).

No significant changes have been made with regard to pledged assets and contingent liabilities compared with December 31, 2020.

## PERSONNEL

The average number of employees in the Group was 169 (191) for the twelve-month period ending September 30, 2021, of whom 68 percent (72) are women.

## RELATED PARTY TRANSACTIONS

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

## SIGNIFICANT RISKS AND UNCERTAINTIES

In its operations the Björn Borg Group is exposed to risks and uncertainties. Information on the Group's risks and uncertainties can be found on page 61 in the annual report for 2020.

The company has stated that the coronavirus outbreak has greatly impacted the market and is negatively affecting the Björn Borg Group. The extent of this is difficult to assess, but the outbreak has had, and will continue to have, a material financial effect on the Group's operations. We are currently seeing a significant financial impact on our own stores, with fewer visitors and a large drop-off in sales. In particular, the company is seeing that overall development and/or regulatory decisions in the countries where it operates are leading to, or may lead to, reduced retail demand, potential disruptions to the supply chain, unfavorable currency impacts, payment difficulties by customers and closed stores with reduced sales as a result. Such effects were already evident in spring 2020, and in parts of 2020 our stores were closed in the Netherlands, Belgium, Finland and England. We saw the same situation in the Netherlands, Belgium and Finland in the first quarter of 2021, after which they reopened in the second quarter. The stores in Sweden have been open. Despite the difficult situation, the company has a very good financial position with adequate liquidity. The measures taken to mitigate the financial effects of Covid-19 include renegotiated lease payments for own stores and operating cost cuts.

## PARENT COMPANY

Björn Borg AB (publ) is primarily engaged in intra-Group activities. As of September 30, 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. In addition, the company owns 75 percent of the shares in Björn Borg (China) Ltd.

The Parent Company's net sales for the first nine months of 2021 amounted to SEK 74.9 million (76.7). The result from shares in subsidiaries was negatively affected by SEK 33.8 million for write-downs of shares and receivables from subsidiaries.

The pre-tax loss amounted to SEK 16.5 million for the first nine months of 2021, compared with a profit of SEK 6.6 million a year earlier. Cash & cash equivalents amounted to SEK 25.6 million (37.3) as of September 30, 2021.

## EVENTS AFTER THE REPORTING PERIOD

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

## NUMBER OF SHARES

Björn Borg has 25,148,384 shares outstanding.

## FINANCIAL GOALS

Björn Borg's long-term financial goals, which were last updated in 2019, 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
- The equity/assets ratio should not fall below 35 percent.

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

**Comments to the financial objectives:** Sales growth is expected to mainly come from sports apparel, although other product groups are also expected to grow.

## ANNUAL GENERAL MEETING

The Annual General Meeting held on May 18, 2021 approved a distribution of SEK 1.50 (0) per share to the shareholders for the financial year 2020. Directors Fredrik Lövested, Mats H Nilsson, Heiner Olbrich, Alessandra Cama and Anette Klintfält were re-elected. Jens Högsted was elected as a new member of the Board. The total number of members is six. The Meeting resolved to elect Heiner Olbrich as Chairman of the Board. Further, the Meeting resolved to replace the auditor with BDO Mälardalen.

## ACCOUNTING PRINCIPLES

This condensed interim report for the Group has been prepared in accordance with IAS 34 *Interim Financial Reporting* and applicable provisions of the *Annual Accounts Act*. The interim report for the Parent Company has been prepared in accordance with chapter 9 of the *Annual Accounts Act* on interim reporting and RFR 2 *Accounting in Legal Entities*. The accounting principles applied in the interim report conform to the accounting principles applied in the preparation of the consolidated accounts and annual report for 2020 (see page 56 in the annual report 2020). New and revised standards and new interpretations that

apply as of January 1, 2021 have not had a material impact on the Group's financial reports. Revisions to RFR 2 applicable as of January 1, 2021 have not had a material impact on the Parent Company's financial reports.

During the period, the Group recognized grants received from the government related to Covid-19. The support is recognized in the income statement when there is reasonable certainty that the conditions associated with the support will be met and the support will be received. No material support was received in the third quarter 2021, while SEK 2.2 million (4.5) was recognized cumulatively for the year in the income statement. A reconciliation of all government support has not yet been finalized.

## CRITICAL ESTIMATES AND ASSUMPTIONS

The preparation of the interim report requires management to make estimates and assumptions that affect the application of the Group's (and Parent Company's) accounting principles as well as recognized amounts for assets, liabilities, revenue and expenses. The financial impact of Covid-19 has been taken into account. The results of these estimates and assumptions are then used to measure the carrying amounts of assets and liabilities that otherwise are not clearly indicated by other sources. The estimates for accounting purposes that result will, by definition, not always correspond to actual results. The outcome of the above estimate has not had a significant impact on the Group's financial reports. Important assumptions and estimates are set out in the annual report for 2020. No material revisions have been made to the assumptions or estimates compared with the annual report 2020.

## AUDIT REPORT

This interim report has been reviewed by the company's auditors. The review report can be found on page 15.

## OUTLOOK 2021

As a policy, the company does not issue earnings forecasts.

## CONSOLIDATED INCOME STATEMENT CONDENSED

SEK thousands	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020- Sep 2021	Full-year 2020
Net sales	1	240,141	224,909	587,627	544,848	747,991	705,211
Other operating revenue		3,799	7,204	18,565	23,450	23,911	28,796
<b>Operating revenue</b>		<b>243,940</b>	<b>232,113</b>	<b>606,193</b>	<b>568,298</b>	<b>771,902</b>	<b>734,007</b>
Goods for resale		-109,579	-111,484	-267,046	-265,639	-336,635	-335,228
Other external expenses	2	-37,321	-38,485	-108,066	-123,492	-143,159	-158,585
Staff costs		-32,636	-32,750	-94,485	-94,036	-129,977	-129,528
Depreciation/amortization of tangible/ intangible non-current assets		-9,451	-8,695	-26,689	-32,667	-34,868	-40,846
Other operating expenses		-2,596	-7,296	-15,839	-25,224	-26,741	-36,126
<b>Operating profit</b>		<b>52,357</b>	<b>33,403</b>	<b>94,068</b>	<b>27,240</b>	<b>100,522</b>	<b>33,694</b>
Net financial items		-1,420	-452	772	-3,916	-11,427	-16,115
<b>Profit before tax</b>		<b>50,938</b>	<b>32,951</b>	<b>94,840</b>	<b>23,324</b>	<b>89,095</b>	<b>17,579</b>
Tax		-10,836	-7,190	-19,885	-5,749	-12,882	1,254
<b>Profit for the period</b>		<b>40,102</b>	<b>25,761</b>	<b>74,955</b>	<b>17,575</b>	<b>76,213</b>	<b>18,833</b>
<b>Profit for the period attributable to</b>							
Parent Company's shareholders		40,102	25,761	74,955	17,575	76,213	18,833
Non-controlling interests		-	-	-	-	-	-
Earnings per share before dilution, SEK		1.59	1.02	2.98	0.70	3.03	0.75
Earnings per share after dilution, SEK		1.59	1.02	2.98	0.70	3.03	0.75
Number of shares		25,148,384	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CONDENSED

SEK thousands	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020- Sep 2021	Full-year 2020
<b>Profit/loss for the period</b>		<b>40,102</b>	<b>25,761</b>	<b>74,955</b>	<b>17,575</b>	<b>76,213</b>	<b>18,833</b>
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Components that may be reclassified to profit or loss</b>							
Translation difference for the period		1,050	301	-3,326	3,470	500	7,296
<b>Total other comprehensive income for the period</b>		<b>1,050</b>	<b>301</b>	<b>-3,326</b>	<b>3,470</b>	<b>500</b>	<b>7,296</b>
<b>Total comprehensive income for the period</b>		<b>41,152</b>	<b>26,062</b>	<b>71,629</b>	<b>21,045</b>	<b>76,713</b>	<b>26,129</b>
<b>Total comprehensive income attributable to</b>							
Parent Company's shareholders		41,152	26,062	71,629	21,045	76,713	26,129
Non-controlling interests		-	-	-	-	-	-

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED

SEK thousands	Note	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
<b>Non-current assets</b>				
Goodwill		34,633	35,312	34,306
Trademarks		187,532	187,532	187,532
Other intangible assets		11,930	9,315	10,255
Tangible non-current assets		16,058	15,306	16,580
Deferred tax assets		10,702	13,270	15,761
Right-of-use assets		64,385	58,150	57,481
<b>Total non-current assets</b>		<b>325,240</b>	<b>318,885</b>	<b>321,915</b>
<b>Current assets</b>				
Inventory		134,869	114,755	123,357
Accounts receivable		145,226	151,681	83,627
Other current receivables		24,995	13,376	19,884
Cash & cash equivalents		45,795	60,409	70,235
<b>Total current assets</b>		<b>350,886</b>	<b>340,221</b>	<b>297,103</b>
<b>Total assets</b>		<b>676,127</b>	<b>659,106</b>	<b>619,018</b>
<b>Equity and liabilities</b>				
Equity		324,919	285,929	291,013
Deferred tax liabilities		39,279	40,356	39,289
Non-current liabilities credit institutions		99,000	150,000	99,000
Other non-current liabilities		1,753	–	–
Long-term lease liability		41,554	35,462	35,701
Accounts payable		62,355	40,507	77,245
Short-term lease liability		22,690	24,509	21,383
Other current liabilities		84,577	82,343	55,387
<b>Total equity and liabilities</b>		<b>676,127</b>	<b>659,106</b>	<b>619,018</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONDENSED

SEK thousands	Note	Equity attributable to Parent Company's shareholders	Non-controlling interests	Total equity
<b>Opening balance, January 1, 2020</b>				
Total comprehensive income for the period		20,896	149	21,045
<b>Closing balance, September 30, 2020</b>		<b>291,670</b>	<b>-5,741</b>	<b>285,929</b>
<b>Opening balance, January 1, 2020</b>				
Total comprehensive income for the period		25,534	595	26,129
<b>Closing balance, December 31, 2020</b>		<b>296,308</b>	<b>-5,295</b>	<b>291,013</b>
<b>Opening balance, January 1, 2021</b>				
Total comprehensive income for the period		72,018	-389	71,629
Distribution for 2020		-37,723	–	-37,723
<b>Closing balance, September 30, 2021</b>		<b>330,603</b>	<b>-5,684</b>	<b>324,919</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED

SEK thousands	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full-year 2020
<b>Cash flow from operating activities</b>					
Before changes in working capital	63,057	43,042	117,360	43,280	53,358
Changes in working capital	-42,412	-38,036	-81,515	26,605	89,222
<b>Cash flow from operating activities</b>	<b>20,645</b>	<b>5,006</b>	<b>35,845</b>	<b>69,885</b>	<b>142,580</b>
Investments in intangible non-current assets	-1,259	-154	-4,135	-2,176	-3,474
Investments in tangible non-current assets	-631	-350	-4,272	-2,036	-5,490
<b>Cash flow from investing activities</b>	<b>-1,890</b>	<b>-504</b>	<b>-8,407</b>	<b>-4,212</b>	<b>-8,964</b>
Distribution	-	-	-37,723	-	-
Amortization of loans	-	-40,000	-	-43,890	-94,890
Amortization of lease liability	-6,008	-11,319	-16,330	-22,656	-28,183
Loan proceeds	-	-	-	40,000	40,000
Overdraft facility	-	-	-	-7,242	-7,242
<b>Cash flow from financing activities</b>	<b>-6,008</b>	<b>-51,319</b>	<b>-54,053</b>	<b>-33,788</b>	<b>-90,315</b>
<b>Cash flow for the period</b>	<b>12,747</b>	<b>-46,817</b>	<b>-26,615</b>	<b>31,885</b>	<b>43,301</b>
Cash & cash equivalents at beginning of the period	30,760	105,171	70,235	29,002	29,002
Translation difference in cash & cash equivalents	2,288	2,055	2,175	-478	-2,068
<b>Cash &amp; cash equivalents at end of the period</b>	<b>45,795</b>	<b>60,409</b>	<b>45,795</b>	<b>60,409</b>	<b>70,235</b>

## KEY FIGURES GROUP

SEK thousands	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020- Sep 2021	Full-year 2020
Gross profit margin, % *	54.4	50.4	54.6	51.2	55.0	52.5
Operating margin, %	21.8	14.9	16.0	5.0	13.4	4.8
Profit margin, %	21.2	14.7	16.1	4.3	11.9	2.5
Return on capital employed, %	21.2	5.3	21.2	5.3	21.2	4.8
Return on average equity, %	25.0	5.4	25.0	5.4	25.0	6.8
Profit attributable to Parent Company's shareholders	40,101	25,761	74,955	17,575	76,213	18,833
Equity/assets ratio, % *	53.1	47.8	53.1	47.8	53.1	51.8
Equity per share, SEK	12.92	11.37	12.92	11.37	12.92	11.57
Investments in intangible non-current assets	1,259	154	4,135	2,176	5,433	3,474
Investments in tangible non-current assets	631	350	4,272	2,036	7,726	5,490
Depreciation, amortization and impairment losses for the period	-9,451	-8,695	-26,689	-32,667	-34,868	-40,846
Average number of employees	164	176	164	176	169	192

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

## SUMMARY BY SEGMENT

### GROUP

SEK thousands	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020- Sep 2021	Full-year 2020
<b>Operating revenue</b>						
<b>Wholesale</b>						
External revenue	156,000	139,684	394,431	371,753	487,072	464,394
Internal revenue	873	227	1,126	1,842	1,527	2,244
	<b>156,873</b>	<b>139,911</b>	<b>395,557</b>	<b>373,595</b>	<b>488,599</b>	<b>466,638</b>
<b>Consumer Direct</b>						
<i>Brick-and-mortar</i>						
External revenue	43,537	53,665	82,764	95,689	114,411	127,336
Internal revenue	2	43	2	89	2	89
<i>E-commerce</i>						
External revenue	22,947	20,859	70,118	58,791	94,977	83,650
Internal revenue	-	-	-	-	-	-
	<b>66,486</b>	<b>74,567</b>	<b>152,884</b>	<b>154,569</b>	<b>209,390</b>	<b>211,075</b>
<b>Distributors</b>						
External revenue	18,523	13,906	49,866	29,212	65,320	44,667
Internal revenue	139,928	123,820	352,868	324,707	438,371	410,210
	<b>158,451</b>	<b>137,726</b>	<b>402,733</b>	<b>353,919</b>	<b>503,691</b>	<b>454,877</b>
<b>Licensing</b>						
External revenue	2,933	3,999	9,014	12,853	10,122	13,960
Internal revenue	24,525	21,879	57,056	54,586	71,255	68,785
	<b>27,458</b>	<b>25,878</b>	<b>66,070</b>	<b>67,439</b>	<b>81,377</b>	<b>82,745</b>
Less internal sales	-165,328	-145,969	-411,051	-381,224	-511,155	-481,328
<b>Operating revenue</b>	<b>243,941</b>	<b>232,113</b>	<b>606,193</b>	<b>568,298</b>	<b>771,902</b>	<b>734,007</b>
<b>Operating profit</b>						
Wholesale	34,604	21,438	68,598	15,167	70,335	16,904
Consumer Direct, brick-and-mortar	3,348	3,002	-8,118	-8,893	-12,119	-12,893
Consumer Direct, e-commerce	3,444	2,375	12,681	4,672	18,216	10,207
Distributors	8,252	2,719	12,908	4,717	15,147	6,955
Licensing	2,709	3,866	7,999	11,578	8,942	12,521
<b>Operating profit</b>	<b>52,357</b>	<b>33,403</b>	<b>94,067</b>	<b>27,240</b>	<b>100,521</b>	<b>33,694</b>

#### Reconciliation between operating profit and profit before tax

The difference between operating profit for segments for which information must be disclosed, SEK 52,357 thousand (33,403), and the result before tax, SEK 50,937 thousand (32,951), is net financial items, SEK -1,420 thousand (-452).

## QUARTERLY DATA

### GROUP

SEK thousands	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net sales	240,141	162,836	184,651	160,364	224,909	147,966	171,973	196,407
Gross profit margin, %	54.4	56.3	53.3	56.6	50.4	49.1	54.1	50.8
Operating profit (loss)	52,357	19,277	22,434	6,455	33,403	-13,410	7,246	1,432
Operating margin, %	21.8	11.8	12.1	4.0	14.9	-9.1	4.2	0.7
Profit (loss) after financial items	50,937	18,015	25,888	-5,744	32,951	-22,846	13,218	-2,566
Profit margin, %	21.2	11.1	14.0	-3.6	14.7	-15.4	7.7	-1.3
Earnings per share before dilution, SEK	1.59	0.54	0.85	0.05	1.02	-0.75	0.42	-0.11
Earnings per share after dilution, SEK	1.59	0.54	0.85	0.05	1.02	-0.75	0.42	-0.11
Number of Björn Borg stores at end of period	27	28	31	32	33	33	33	33
of which Group-owned Björn Borg stores	24	25	28	29	30	30	30	30

## PARENT COMPANY INCOME STATEMENT CONDENSED

SEK thousands	Note	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Oct 2020- Sep 2021	Full-year 2020
Net sales		25,058	25,445	74,891	76,698	100,337	102,144
Other operating revenue		257	241	1,486	851	1,694	1,059
<b>Operating revenue</b>		<b>25,315</b>	<b>25,686</b>	<b>76,377</b>	<b>77,549</b>	<b>102,031</b>	<b>103,203</b>
Goods for resale		-	-3	-	-3	-1	-4
Other external expenses	2	-10,562	-6,255	-31,443	-35,687	-39,446	-43,690
Staff costs		-9,251	-7,583	-30,441	-25,712	-40,661	-35,932
Depreciation/amortization of tangible/ intangible non-current assets		-582	-602	-1,735	-1,769	-2,213	-2,247
Other operating expenses		-296	-188	-628	-1,419	-1,172	-1,963
<b>Operating profit</b>		<b>4,624</b>	<b>11,055</b>	<b>12,130</b>	<b>12,959</b>	<b>18,538</b>	<b>19,367</b>
Result from shares in subsidiaries		294	-	-33,755	-	-41,586	-7,831
Net financial items		3,312	-1,799	5,129	-6,345	-5,652	-17,126
<b>Profit/loss after financial items</b>		<b>8,230</b>	<b>9,256</b>	<b>-16,496</b>	<b>6,614</b>	<b>-28,700</b>	<b>-5,590</b>
Group contributions received/paid		-	-	-	-	-9,610	-9,610
Appropriations		-	-	-	-	-	-
<b>Profit/loss before tax</b>		<b>8,230</b>	<b>9,256</b>	<b>-16,496</b>	<b>6,614</b>	<b>-38,310</b>	<b>-15,200</b>
Tax		-	-	-	-	-26	-26
<b>Profit/loss for the period</b>		<b>8,230</b>	<b>9,256</b>	<b>-16,496</b>	<b>6,614</b>	<b>-38,336</b>	<b>-15,226</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>8,230</b>	<b>9,256</b>	<b>-16,496</b>	<b>6,614</b>	<b>-38,336</b>	<b>-15,226</b>

## PARENT COMPANY BALANCE SHEET CONDENSED

SEK thousands	Note	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
<b>Non-current assets</b>				
Intangible assets		3,894	5,037	4,741
Tangible non-current assets		2,252	859	1,764
Deferred tax		8	11	8
Shares in Group companies		277,676	346,606	306,185
<b>Total non-current assets</b>		<b>283,830</b>	<b>352,513</b>	<b>312,698</b>
<b>Current assets</b>				
Receivables from Group companies		940,380	827,649	831,000
Current receivables		8,709	1,659	5,483
Cash & cash equivalents		25,624	37,314	55,450
<b>Total current assets</b>		<b>974,713</b>	<b>866,622</b>	<b>891,933</b>
<b>Total assets</b>		<b>1,258,543</b>	<b>1,219,135</b>	<b>1,204,631</b>
<b>Equity and liabilities</b>				
Equity		124,568	200,626	178,787
Untaxed reserves		1,038	1,038	1,038
Non-current liabilities credit institutions		99,000	150,000	99,000
Other non-current liabilities		1,753	-	-
Due to Group companies		1,017,923	853,070	913,229
Accounts payable		2,688	3,498	5,104
Other current liabilities		11,573	10,903	7,473
<b>Total equity and liabilities</b>		<b>1,258,543</b>	<b>1,219,135</b>	<b>1,204,631</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY CONDENSED

SEK thousands	Jan-Sep 2021	Jan-Sep 2020	Full-year 2020
<b>Opening balance</b>	<b>178,787</b>	<b>194,012</b>	<b>194,012</b>
Distribution	-37,723	-	-
Total comprehensive income for the period	-16,496	6,614	-15,227
<b>Closing balance</b>	<b>124,568</b>	<b>200,626</b>	<b>178,787</b>

## SUPPLEMENTARY DISCLOSURES

### NOTE 1 NET SALES

The Group's net sales consist of sales of products and royalties for usage of the company's brand. Transfers of goods/royalties are made at fixed points in time.

SEK thousands	Group	
	Jan-Sep 2021	Jan-Sep 2020
Sweden	210,765	203,943
Netherlands	134,909	125,758
Finland	80,382	95,132
Germany	65,402	35,912
Other	96,169	84,103
<b>Total net sales</b>	<b>587,627</b>	<b>544,848</b>

### NOTE 2 OTHER EXTERNAL EXPENSES

SEK thousands	Group		Parent Company	
	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020
Cost of premises	7,287	8,450	4,006	9,039
Selling expenses	37,782	42,790	1,844	2,139
Marketing expenses	35,632	31,942	17,232	13,027
Administrative expenses	24,368	35,042	8,005	10,396
Other	2,997	5,268	356	1,086
	<b>108,066</b>	<b>123,492</b>	<b>31,443</b>	<b>35,687</b>

## DEFINITIONS

The company presents certain financial measures in this interim report that are not defined according to 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 measures should not be seen as a substitute for measures defined according to IFRS. For more on the calculation of these key financial ratios, see <https://corporate.bjornborg.com/en/section/investors/interim-reports/> <https://corporate.bjornborg.com/en/financial-definitions/> <https://corporate.bjornborg.com/en/financial-data/>

### CAPITAL EMPLOYED

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

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

### COMPARABLE STORE SALES

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

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

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

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

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

### EQUITY/ASSETS RATIO

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

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

### GROSS PROFIT MARGIN

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

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

### GROSS PROFIT MARGIN BEFORE ACQUISITIONS

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

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

### GROSS PROFIT MARGIN EXCL. CURRENCY EFFECTS

Gross profit margin calculated using year-earlier exchange rates.

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

### GROUP NET SALES EXCL. CURRENCY EFFECTS

Net sales calculated using year-earlier exchange rates.

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

### NET DEBT

Interest-bearing liabilities excluding lease liabilities less investments and cash & cash equivalents.

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

### NET DEBT TO EBITDA RATIO

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

**Purpose:** This measure shows the company's ability to pay debts.

### NET FINANCIAL ITEMS

Financial income less financial expenses.

**Purpose:** Describes the company's financial activities.

### OPERATING MARGIN

Operating profit as a percentage of net sales.

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

### OPERATING PROFIT

Profit before tax plus net financial items.

**Purpose:** This measure facilitates profitability comparisons regardless of the company's tax rate and independent of its funding structure.

### PROFIT MARGIN

Profit before tax as a percentage of net sales.

**Purpose:** Profit margin shows the company's profit in relation to 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 as capital employed at end of the period plus capital employed at the same point in time in the preceding year, divided by two.

**Purpose:** This is the key measure to quantify the return on 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 as shareholders' equity at the end of the period plus shareholders' equity during the corresponding period in the preceding year divided by two.

**Purpose:** This measure is used to show, from an ownership perspective, the return generated on the owners' invested capital.

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

Stockholm, November 19, 2021

Heiner Olbrich  
Chairman

Alessandra Cama  
Board member

Jens Högsted  
Board member

Anette Klintfeldt  
Board member

Fredrik Lövestedt  
Board member

Mats H Nilsson  
Board member

Henrik Bunge  
CEO

## REVIEW REPORT

### INTRODUCTION

We have reviewed the interim report for Björn Borg AB (publ) for the period January 1 to September 30, 2021. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### SCOPE OF REVIEW

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

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

### CONCLUSION

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

Stockholm, November 19, 2021  
BDO Mälardalen AB

Johan Pharmanson  
Authorized Public Accountant  
Responsible auditor

Carl-Johan Kjellman  
Authorized Public Accountant

**CALENDAR 2021**

Year-end report for 2021 will be released at 7:30 am (CET) on February 25, 2022.

Annual report 2021 in late April 2022.

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

**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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**ABOUT THE BJÖRN BORG GROUP**

The Group owns the Björn Borg trademark and its core business is sports apparel, underwear and bags. It also offers footwear and eyewear through licensees. Björn Borg products are sold in around twenty markets, the largest of which are Sweden and the Netherlands. The Björn Borg Group has operations at every level from branding to consumer sales in its own Björn Borg stores. Total Group net sales amounted to SEK 705.2 million in 2020, with an average of 192 employees. The Björn Borg share has been listed on Nasdaq Stockholm since 2007.

**IMAGES IN THE INTERIM REPORT**

The images used in the interim report are taken from Björn Borg's fall/winter 2021 collection.

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[www.bjornborg.com](http://www.bjornborg.com)

Björn Borg is required to make public this information according to the EU's Market Abuse Regulation. The information was released for publication by the above-mentioned contacts on November 19, 2021 at 7:30 am (CET).