



# BJÖRN BORG

## BJÖRN BORG AB INTERIM REPORT JANUARY-JUNE 2020

### ONLINE SALES NOW A THIRD OF THE BUSINESS

#### APRIL 1-JUNE 30, 2020

- The Group's net sales increased 4.4 percent to SEK 148.0 million (141.7). Excluding currency effects, sales rose 8.0 percent.
- Net sales for own e-commerce increased 77 percent to SEK 20.3 million (11.5). Net sales for own e-commerce and e-tailers amounted to SEK 50.1 million (31.6), an increase of 58 percent.
- The gross profit margin was 49.1 percent (55.4).
- The operating loss amounted to SEK -13.4 million (-1.7).
- The loss after tax amounted to SEK -18.8 million (-2.3).
- Earnings per share before and after dilution amounted to SEK -0.75 (-0.09).

#### JANUARY 1-JUNE 30, 2020

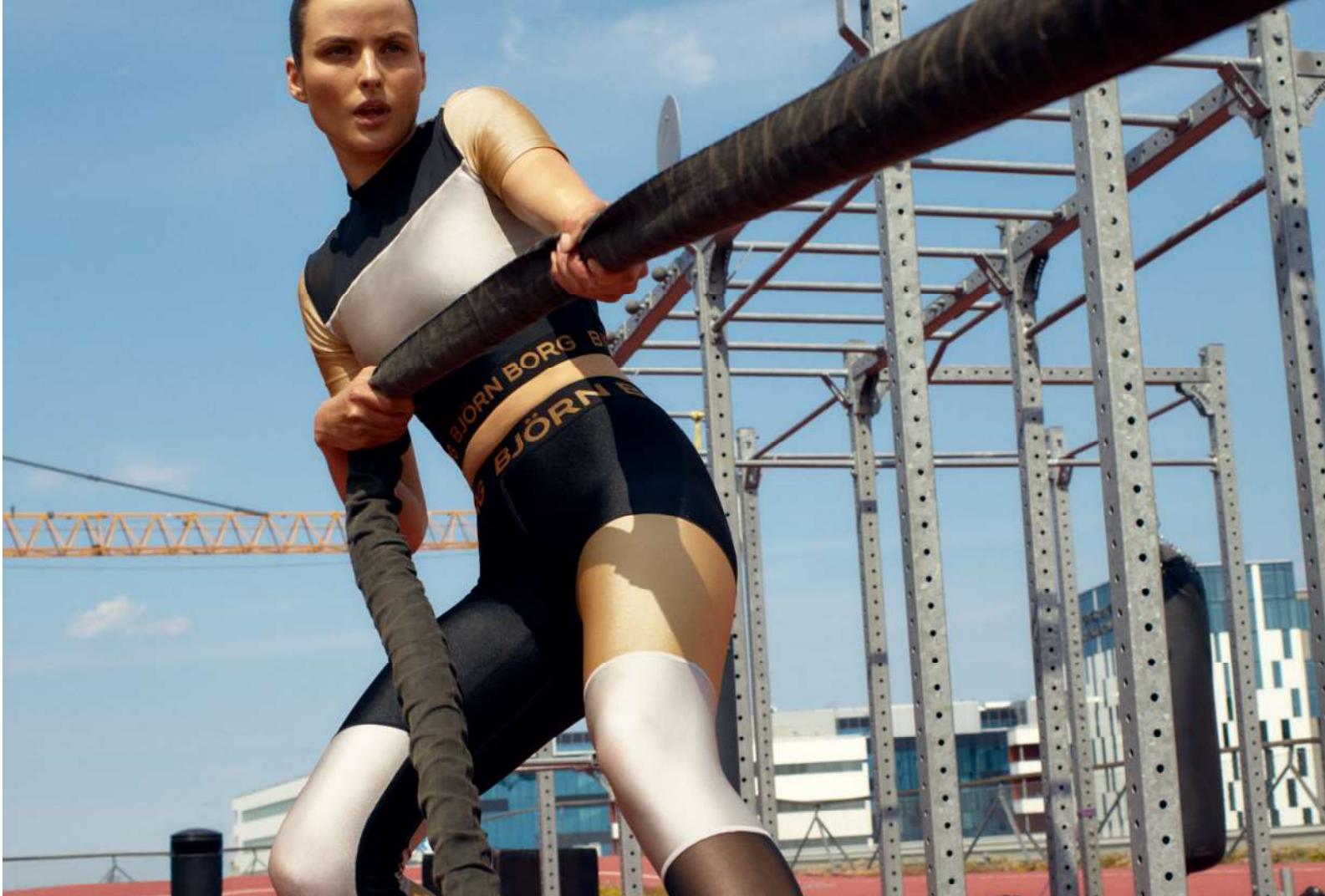
- The Group's net sales decreased 3.0 percent to SEK 319.9 million (329.9). Excluding currency effects, sales rose 0.6 percent.
- Net sales for own e-commerce increased 47 percent to SEK 37.7 million (25.7). Net sales for own e-commerce and e-tailers amounted to SEK 102.8 million (85.1), an increase of 21 percent.
- The gross profit margin was 51.8 percent (56.2).
- The operating loss amounted to SEK -6.2 million (16.9).
- The loss after tax amounted to SEK -8.2 million (14.6).
- Earnings per share before and after dilution amounted to SEK -0.33 (0.58).

#### QUOTE FROM THE CEO

"I am proud of how all our employees have acted in a very challenging time. We have demonstrated an ability to quickly adapt and drive our business to the consumer, with sales to the company's e-commerce partners, and also our own e-commerce, where sales rose 77 percent," commented CEO Henrik Bunge.

SEK millions	April-June 2020	April-June 2019	January- June 2020	January- June 2019	July 2019- June 2020	Full-year 2019
Net sales	148.0	141.7	319.9	329.9	746.9	756.9
Gross profit margin, %	49.1	55.4	51.8	56.2	51.8	53.7
Operating profit/loss	-13.4	-1.7	-6.2	16.9	28.3	51.4
Operating margin, %	-9.1	-1.2	-1.9	5.1	3.8	6.8
Profit/loss after tax	-18.8	-2.3	-8.2	14.6	16.1	38.9
Earnings per share before dilution, SEK	-0.75	-0.09	-0.33	0.58	0.64	1.55
Earnings per share after dilution, SEK	-0.75	-0.09	-0.33	0.58	0.64	1.55
Brand sales*	277	272	728	745	1,623	1,640

\* Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported sales at the wholesale level.



## CEO'S COMMENT

As I look back and reflect, I see our most challenging quarter ever. Not only for our company, but for all our employees and for humanity. During the quarter a large share of the world's population was forced to live under various forms of restrictions to reduce the spread of Covid-19. This has greatly impacted our business, with both our own stores and our customers' stores completely shut down for a large part of the quarter. We have taken forceful action to prepare ourselves for the extensive financial and business effects that the global shutdown has had and will have on our company. We have received government support in our markets, which has included temporary furloughs and reduced rents. We have successfully changed to work from home, and during the quarter we prepared for the relocation of our head office. At the end of the quarter I also announced that we are planning to eliminate positions at our headquarters. Difficult decisions, but necessary to manage the transition our business is undergoing.

Net sales in the quarter were SEK 148.0 million (141.7), up 4.4 percent from the previous year. Growth was driven by our own e-commerce, which performed very well and rose 77 percent year-over-year. We also saw very good results from our e-tailers, where we grew just under 50 percent compared with the previous year. Our own stores developed very weakly in the quarter, largely because of the stores we were temporarily forced to close in Finland, Belgium, the Netherlands and England. The pop-up stores we opened just before summer were a success, however. As the restrictions were gradually eased at the end of the quarter, we decided that the drop-off in foreign tourists provided the right opportunity to drive sales

toward domestic tourism in temporary Björn Borg stores. This has proven successful and in the last month of the quarter we saw higher growth in our own retail sales. This only partly offset the big drop in sales in April and May, however. In total, our own store sales were down 28 percent, while comparable store sales fell 38 percent in the quarter.

The gross profit margin decreased to 49.1 percent (55.4). Adjusted for currency effects, with the krona weakening against both the EUR and USD, the margin would have been 52.0 percent. The margin was also affected by increased discounts. Despite that we reduced staff costs in the quarter, our operating expenses rose SEK 6.6 million. This is partly due to higher shipping costs, but mainly it was increased customer losses of SEK 6.5 million that drove the increase in expenses. Higher revenue but a lower gross profit margin and increased expenses led to a weak operating result of SEK -13.4 million (-1.7).

A very challenging quarter has come to an end, and despite the very weak result, I am proud of how all our employees have acted in a very challenging time. We have demonstrated an ability to quickly adapt and drive our business to the consumer. The bright spot in a dark quarter is sales to the company's e-commerce partners, and also our own e-commerce, where sales rose 77 percent as noted above. In addition, we have despite the difficult situation maintained good liquidity and a strong brand, ready to continue our journey – to inspire individuals to exercise more to feel better.

Let's go!

Head coach,  
Henrik Bunge



## OPERATIONS

### BRAND SALES

Brand sales are a calculation of the total sales value of Björn Borg products at the consumer level excluding VAT. The second quarter of 2020 saw an improvement in brand sales. The increase was mainly in the product areas sports apparel and footwear, while underwear reported a minor decrease. In total, brand sales increased 2 percent to SEK 277 million (272). Adjusted for currency effects, brand sales rose 2 percent in the quarter.

### PRODUCT AREAS FIRST HALF-YEAR 2020

Brand sales in the underwear product area decreased 11 percent in the first half of 2020, while sports apparel fell 7 percent. Underwear accounted for 51 percent (56) of brand sales.

Footwear brand sales rose 17 percent compared with the first half of 2019, while other licensed products decreased 8 percent, with bags dropping the most. In total, sales of licensed products increased 14 percent in the first half of 2020.

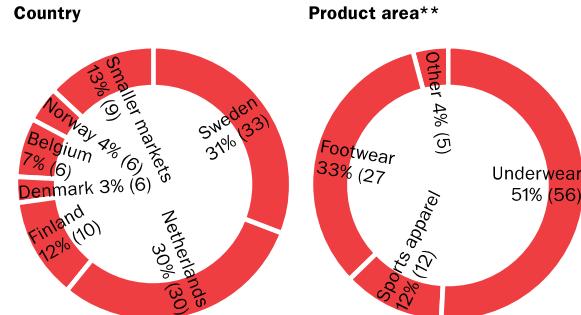
### MARKETS FIRST HALF-YEAR 2020

Among large markets, England, Belgium and Finland grew, while the Netherlands, Sweden, Norway and Denmark declined. Smaller markets combined for growth of 52 percent.

### BJÖRN BORG STORES

As of June 30, 2020, there were a total of 33 (32) Björn Borg stores, of which 30 (29) are Group-owned.

BRAND SALES\* OF BJÖRN BORG PRODUCTS  
JANUARY-JUNE 2020. TOTAL SEK 728 MILLION (745)



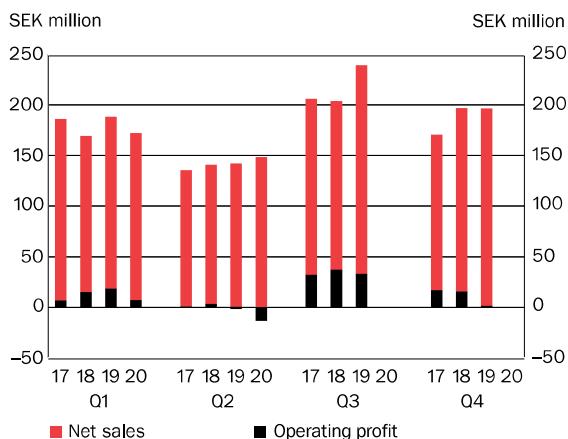
\* Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported sales at the wholesale level.

\*\* **Underwear:** Men's and women's underwear, swimwear, socks and adjacent products. **Other product areas:** Fragrances, bags and eyewear.

## THE GROUP'S DEVELOPMENT

Sales decreased in the first half-year, largely driven by the Dutch and Belgian wholesale business as well as generally for our own stores, where traffic dropped substantially in the second quarter due to the coronavirus outbreak. The operating result also decreased year-over-year due to the lower sales and lower gross profit margin.

### QUARTERLY NET SALES AND OPERATING PROFIT, 2017-2020



### SALES

#### Second quarter, April-June 2020

The Group's net sales amounted to SEK 148.0 million (141.7) in the second quarter, an increase of 4.4 percent. Currencies negatively affected sales in the quarter. Adjusted for currency effects, sales rose 8.0 percent.

The positive sales trend compared with the second quarter of 2019 is largely due to increased net sales in the Swedish wholesale business, which rose 55 percent. This increase was mainly driven by higher demand at the end of the quarter after the negative impact of Covid-19 at the beginning.

The German wholesale business performed strongly, growing 40 percent compared with the previous year. Growth in Germany was driven by e-tailers.

The Swedish retail company reported lower store traffic than the previous year due to the coronavirus, because of which quarterly sales fell. Sales decreased 19 percent for comparable stores and 24 percent in total. E-commerce grew strongly in the quarter, by 77 percent, with traffic and website conversion better than the previous year.

The Benelux operations were down 25 percent from the previous year. On a currency neutral basis, the decrease was also 25 percent. It was mainly our own retail business

that fell year-over-year, with our own stores closed for a large part of the quarter due to the coronavirus. Comparable store sales fell 50 percent, while total retail sales decreased 52 percent. The wholesale business was also down for the same reason, with sales declining 7 percent in the quarter.

For the company in total, quarterly sales in our own stores fell 28 percent compared with the same quarter in 2019, while the decrease for comparable stores was 38 percent.

Sales to external distributors decreased year-over-year, mainly because of the Norwegian and Danish markets, but other smaller markets also saw a negative trend.

External royalties decreased slightly, driven by licensing revenue from bags and other, while footwear and eyewear increased.

#### First half-year, January-June 2020

The Group's net sales for the first half of 2020 amounted to SEK 319.9 million (329.9), a decrease of 3.0 percent. Excluding currency effects, sales rose 0.6 percent.

The negative sales trend compared with the first half of 2019 is largely due to lower net sales in the retail business, which was down 21 percent due to the coronavirus, as well as the wholesale business in the Netherlands and Belgium, which fell 14 percent. All other wholesale markets except England grew, with the German market standing out with continued growth of 32 percent. The English market was down 14 percent.

Sales for the retail company in Sweden fell 20 percent in total due to the coronavirus. Sales for comparable stores decreased 11 percent for the same reason. The retail companies in the Netherlands and Belgium reported lower net sales, down 40 percent both in total and for comparable stores, driven by the coronavirus, which forced our own stores to close for a large part of the second quarter. The Finnish retail company reported a year-over-year sales increase of 52 percent, while sales fell 19 percent for comparable stores. The year-over-year increase was driven by a higher number of stores, many in pop-up form to meet demand, while the decrease for comparable stores is due to the coronavirus, which forced the majority of our own stores to close for a large part of the second quarter. Sales for the retail company in England dropped 45 percent as the store was closed for a large part of the second quarter. E-commerce saw growth of 47 percent, with better website conversion than the previous year.

Sales by external distributors decreased year-over-year, mainly driven by a negative trend in the Danish market.

External royalties increased due to higher licensing revenue from footwear.

### PROFIT

#### Second quarter, January-June 2020

The gross profit margin for the second quarter decreased to 49.1 percent (55.4). A stronger USD, combined with a strong

Segment	Revenue source	Operating revenue, SEK thousands January-June		Operating profit, SEK thousands January-June		Operating margin, % January-June	
		2020	2019	2020	2019	2020	2019
Wholesale	Products	233,684	223,640	-6,271	10,101	-3	5
Consumer Direct	Products	80,002	81,564	-9,599	-6,805	-12	-8
Distributors	Products	216,194	220,381	1,997	6,282	1	3
Licensing	Royalties	41,561	40,360	7,710	7,289	19	18
Less internal sales		-235,256	-226,199				
<b>Total</b>		<b>336,185</b>	<b>339,746</b>	<b>-6,163</b>	<b>16,867</b>	<b>-2</b>	<b>5</b>

EUR, negatively affected the margins. Adjusted for currency effects, the gross profit margin would have been 52.0 percent. Additionally, the gross profit margin was negatively affected by increased discounts to retailers to mitigate the negative effects of the coronavirus outbreak.

Other operating revenue amounted to SEK 5.9 million (5.3) and mainly refers to unrealized gains on accounts receivable in foreign currency, which positively affects profit.

Operating expenses increased SEK 6.6 million compared with the previous year mainly through higher logistics expenses due to the higher sales in the quarter, as well as due to increased customer losses of SEK 6.5 million. Quarterly staff and travel costs decreased, however, in connection with measures taken by the company to reduce the negative financial effects of the coronavirus outbreak. The company has implemented short-term layoffs and stopped all travel where appropriate.

The lower gross profit margin year-over-year and higher operating expenses lowered the operating result to SEK -13.4 million (-1.7). The operating margin was -9.1 percent (-1.2).

Net financial items amounted to SEK -9.4 million (-1.2). The decrease compared with 2019 is mainly due to the revaluation of financial assets and liabilities in foreign currency. The loss after tax for the period decreased to SEK -18.8 million (-2.3).

#### **First half-year, January-June 2020**

The gross profit margin for the first half of 2020 decreased to 51.8 percent (56.2). A stronger USD, combined with a strong EUR, negatively affected the margins. Adjusted for currency effects, the gross profit margin would have been 55.2 percent.

Other operating revenue amounted to SEK 16.2 million (9.9) and mainly refers to unrealized gains on accounts receivable in foreign currency, which positively affects profit.

Operating expenses increased SEK 9.9 million, or by 5.5 percent. Adjusted for currency effects, operating expenses would have increased SEK 9.0 million, or by 5.1 percent.

The lower revenue, coupled with the lower gross profit margin and higher operating expenses than the previous year, reduced the operating result to SEK -6.2 million (16.9). The operating margin was -1.9 percent (5.1).

Net financial items amounted to SEK -3.5 million (0.3). The decrease compared with 2019 is mainly due to the revaluation of financial assets and liabilities in foreign currency. The loss after tax decreased to SEK -8.2 million (14.6).

#### **Development by segment**

Björn Borg's segment reporting consists of the company's primary revenue sources, which are divided into: *Wholesale*, *Consumer*, *Distributors* and *Direct 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, Finland, the Netherlands, Belgium and England for apparel and underwear as well as in Sweden, Finland and the Baltic countries for footwear.*

The segment's operating revenue increased in the first half of 2020 to SEK 233.7 million (223.6). External operating revenue amounted to SEK 232.1 million (221.6), an increase of 5 percent. One reason for the increase is that the company saw higher demand at the end of the quarter after the negative effects at the start of the coronavirus outbreak, especially in the Swedish and German markets. The Finnish market and the footwear business also reported year-over-year growth. On the other hand, the markets in the Netherlands, Belgium and England, where the coronavirus has had a

major impact, have declined. Sales to e-tailers, which primarily sell online, increased a combined 9 percent in the first half of 2020 (with an increase of 48 percent for the second quarter) and amounted to SEK 65.0 million (59.4). All markets except the Netherlands grew, with Sweden and Germany seeing strong growth.

The operating loss amounted to SEK -6.3 million (10.1). The decrease is due to lower gross profit margins, which were negatively affected by currencies with a weaker SEK compared with USD and EUR, as well as higher discounts to retailers to mitigate the negative effects of the coronavirus, combined with slightly higher 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 30 stores and factory outlets in Sweden, Finland, the Netherlands, Belgium and England with sales of underwear, sports apparel, adjacent products and other licensed products. In addition, Björn Borg sells online through www.bjornborg.com.*

Operating revenue in the Consumer Direct segment decreased in the first half of 2020 to SEK 80.0 million (81.6). External operating revenue decreased in the first half-year to SEK 80.0 million (81.5), or by 5 percent. The decrease is the result of lower store traffic due to the coronavirus. The Group's own stores in Sweden declined 20 percent year-over-year, while comparable stores fell only 11 percent. The Benelux stores performed weakly as all our own stores were closed for a large part of the second quarter due to the coronavirus; sales decreased 40 percent in total as well as for comparable stores. The Finnish stores were partly closed as well during a large part of the second quarter. In total, however, the Finnish stores reported an increase compared with 2019 because of a higher number of stores, many in the form of pop-ups to meet demand; sales rose 52 percent in total, while comparable stores were down 19 percent. The store in England was also closed in the second quarter and sales were down 45 percent from the previous year. In total, sales in the Group's own stores decreased 21 percent, while comparable stores fell 29 percent. This trend was offset by continued strong growth in the Group's own e-commerce, which was up 47 percent in the first half of 2020 (with an increase of 77 percent for the second quarter) compared with the previous year, mainly thanks to high website conversion.

The operating loss for the first half of 2020 was SEK -9.6 million (-6.8). The increased loss is mainly due to lower gross profit margins than the previous year. External operating expenses have increased slightly from the previous year, primarily due to slightly higher logistics expenses as well as higher marketing expenses in e-commerce.

Brick-and-mortar stores play an important role for consumers when combined with a digital presence to create a consistent brand image. We therefore continuously assess conditions and locations to optimize our retail holdings.

#### **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 operating revenue amounted to SEK 216.2 million (220.4) in the first half of 2020. External operating revenue decreased to SEK 15.3 million (28.1), down 45 percent from the previous year. The main reason was a year-over-year decrease in sales to both major distributor markets, Norway and Denmark, primarily driven by Denmark, which reported a weak first half-year.

Operating profit decreased to SEK 2.0 million (6.3) due to the lower 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 operating revenue amounted to SEK 41.6 million (40.4) in the first half of 2020. External operating revenue rose to SEK 8.9 million (8.6). The increase is a result of higher brand sales of licensed products, with footwear accounting for most of the growth. Royalties as a percentage vary between product categories, because of which there is not always an exact correlation between royalties and brand sales.

Operating profit increased to SEK 7.7 million (7.3) for the half-year. The improvement is due to the higher external sales in the segment.

## Intra-Group sales

Intra-Group sales for the first half of 2020 amounted to SEK 235.3 million (226.2).

## 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 64.9 million (39.4) in the first half of 2020. The improvement from the previous year primarily came from the deferral of tax payments due to the coronavirus outbreak, as well as increased accounts payable.

Cash flow from investing activities was negative at SEK -3.7 million (-5.0). The largest investments were in the Group's own stores and the e-commerce platform.

Cash flow from financing activities amounted to SEK 17.5 million (-70.0). The year-over-year improvement primarily came from the elimination of the dividend to the shareholders, extended payment terms and an extra bank loan that the company obtained as a precautionary measure to mitigate the negative financial effects from the coronavirus outbreak.

## FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and investments amounted to SEK 105.2 million (2.2) at the end of the period with interest-bearing liabilities of SEK 262.4 million (282.3). Interest-bearing net liabilities, excluding lease liabilities, amounted to SEK 84.8 million (147.8). Total lease liabilities amounted to SEK 72.4 million (132.3), of which SEK 40.4 million represents the long-term share and SEK 32.0 million the short-term share. During the period the Group resolved not to exercise the option to extend the lease on the previous headquarters. The option was previously taken into account in the calculation of the lease liability, as the Group had previously considered it reasonably certain that the option would be exercised and the extension would occur, but during the second quarter the Group instead decided to search for new premises. As a result, the previous lease liability has been remeasured, which has led to lower lease liabilities and a right-of-use asset of SEK 46 million. The lease on the new headquarters takes effect on January 1, 2021. The preliminary estimated lease liability and right-of-use asset amount to approximately SEK 20.6 million. The Group has also renegotiated some of its store leases to be strictly sales-based rents, which has also reduced the lease liability.

In addition to the revolving credit of SEK 150 million, Björn Borg has an extra loan of SEK 40 million and an overdraft facility of SEK 90 million from Danske Bank, which has not been utilized as of June 30, 2020.

## 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 does 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. The commitments were updated during the year and today the company, due to the situation caused by the spread of the coronavirus, has agreed with the bank on more lenient terms, whereby net debt in relation to EBITDA does not have to be measured in the second quarter, in addition to which concessions have been granted on the covenants in quarters three and four.

As of June 30, 2020 the ratio was 2.34 (1.90) and the equity/assets ratio was 39.4 percent (35.2).

No significant changes have been made with regard to pledged assets and contingent liabilities compared with December 31, 2019.

## PERSONNEL

The average number of employees in the Group was 202 (213) for the twelve-month period ending June 30, 2020, of whom 69 percent (66) 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 2019.

The company has stated, however, that the coronavirus outbreak has greatly changed the world around us and is affecting the Björn Borg Group. The extent of this impact is difficult to assess, but the outbreak will have a material financial effect on the Björn Borg Group's business. We are currently seeing a major financial impact on our own stores with fewer visitors and a large decrease in sales. In particular, the company is seeing that overall development and/or regulatory decisions in the countries where the company conducts its business are leading to, or may lead to, reduced demand in the retail market, potential disruptions to the distribution chain, unfavorable currency impacts, payment difficulties by our customers and closed stores with reduced sales as a result. Such effects were already evident by the end of the first quarter as well as in the second quarter of 2020, where we at the end of March 2020 as well as in a large part the second quarter of 2020 closed all of our own stores in the Netherlands, Belgium and England as well as three stores in Finland. The stores in Sweden have been open. The negative financial effects were greater in the second quarter than in the first quarter of the year. Despite the strained situation, the company has a good financial position with satisfactory liquidity. As an added precaution, the company has applied for, and been granted, an additional loan from Danske Bank of SEK 40 million. The bank has also granted concessions on the covenants (net debt in relation to EBITDA) for all four quarters in 2020. Additional measures that the company has implemented to mitigate the financial effects of the coronavirus include short-term layoffs, renegotiated lease payments for the Group's own stores, an application to defer tax payments and overall reductions in operating expenses.

## PARENT COMPANY

Björn Borg AB (publ) is primarily engaged in intra-Group activities. As of June 30, 2020 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 and Björn Borg Finland Oy. In addition, the company owns 75 percent of the shares in Björn Borg (China) Ltd.

The Parent Company's net sales for the first half-year amounted to SEK 51.3 million (51.2).

The loss before tax amounted to SEK -2.6 million (-1.7) in the first half-year. Cash & cash equivalents amounted to SEK 48.9 million (2.5) as of June 30, 2020.

#### **EVENTS AFTER THE REPORTING PERIOD**

Maintaining adequate liquidity is very important, and at the time of this report's publication the company has a satisfactory position in terms of available cash & cash equivalents.

All negotiations with current unions on the company's plans to eliminate positions at the Stockholm headquarters in 2020, which was announced on June 24, 2020, have been settled amicably.

The company has moved its headquarters from Tulegatan in Stockholm to Frösundavik in Solna as of July 1, 2020. The move will generate major cost savings beginning on July 1, 2020.

Furthermore, the company is seeing the positive effects of the pop-up stores that were opened in the second quarter of 2020.

#### **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, but does not expect them to be met in 2020 due to 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 in Stockholm on June 30, 2020 resolved not to pay a dividend or distribution for the financial year 2019. Fredrik Lövstedt, Mats H Nilsson, Heiner Olbrich, Alessandra Cama and Anette Klintfeldt were re-elected to the Board of Directors. The total number of members is five. The AGM elected Heiner Olbrich as Chairman of the Board.

#### **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 2019 (see page 56 in the annual report 2019), except with regard to government support. New and revised standards as well as new interpretations that apply as of January 1, 2020 have not had a material impact on the Group's financial reports. Revisions to RFR 2 applicable as of January 1, 2020 have not had a material impact on the Parent Company's financial reports. During the period the Group recognized subsidies received from the government tied to Covid-19. Government support is recognized through profit or loss when it is reasonably certain that the terms associated with the support will be met and that the support will be received. The Group has received support in the form of publicly funded short-term furloughs and sick pay, which are recognized as cost reductions under staff costs during the period that the costs which the support are intended to cover are recognized. During the period SEK 3,2 million was reported in the income statement, which relates to support between March and June. A reconciliation of all government support has not yet been completed.

#### **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 estimates for accounting purposes that result will, by definition, not always correspond to actual results. Important assumptions and estimates are set out in the annual report for 2019. No material revisions have been made to the assumptions or estimates compared with the annual report 2019.

#### **AUDIT REPORT**

This interim report has not been reviewed by the company's auditors.

#### **OUTLOOK 2020**

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

## CONSOLIDATED INCOME STATEMENT

### CONDENSED

SEK thousands	Note	April-June 2020	April-June 2019	January- June 2020	January- June 2019	July 2019- June 2020	Full-year 2019
Net sales	1	147,966	141,705	319,939	329,860	746,933	756,854
Other operating revenue		5,917	5,269	16,246	9,886	28,561	22,201
<b>Operating revenue</b>		<b>153,883</b>	<b>146,974</b>	<b>336,185</b>	<b>339,746</b>	<b>775,494</b>	<b>779,055</b>
Goods for resale		-75,289	-63,225	-154,156	-144,574	-360,317	-350,735
Other external expenses	2	-42,800	-29,607	-85,007	-70,079	-166,696	-151,768
Staff costs		-25,979	-38,063	-61,286	-77,095	-134,659	-150,467
Depreciation/amortization of tangible/ intangible non-current assets		-11,993	-12 912	-23 972	-25,713	-55,486	-57,227
Other operating expenses		-11,232	-4 845	-17 927	-5,418	-30,003	-17,493
<b>Operating profit/loss</b>		<b>-13,410</b>	<b>-1,678</b>	<b>-6,163</b>	<b>16,867</b>	<b>28,333</b>	<b>51,365</b>
Net financial items		-9,436	-1,150	-3,464	251	-6,387	-2,672
<b>Profit/loss before tax</b>		<b>-22,846</b>	<b>-2,828</b>	<b>-9,627</b>	<b>17,118</b>	<b>21,946</b>	<b>48,693</b>
Tax		4,026	567	1,441	-2,499	-5,805	-9,745
<b>Profit/loss for the period</b>		<b>-18,820</b>	<b>-2,261</b>	<b>-8,186</b>	<b>14,619</b>	<b>16,141</b>	<b>38,948</b>
<b>Profit/loss for the period attributable to</b>							
Parent Company's shareholders		-18,820	-2,261	-8,186	14,619	16,141	38,948
Non-controlling interests		-	-	-	-	-	-
Earnings per share before dilution, SEK		-0.75	-0.09	-0.33	0.58	0.64	1.55
Earnings per share after dilution, SEK		-0.75	-0.09	-0.33	0.58	0.64	1.55
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	April-June 2020	April-June 2019	January- June 2020	January- June 2019	July 2019- June 2020	Full-year 2019
<b>Net profit/loss for the period</b>		<b>-18,820</b>	<b>-2,261</b>	<b>-8,186</b>	<b>14,619</b>	<b>16,141</b>	<b>38,948</b>
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Components that may be reclassified to profit or loss</b>							
Translation difference for the period		3,303	-2,260	3,169	-2,602	299	-5,472
<b>Total other comprehensive income for the period</b>		<b>3,303</b>	<b>-2,261</b>	<b>3,169</b>	<b>-2,602</b>	<b>299</b>	<b>-5,472</b>
<b>Total comprehensive income for the period</b>		<b>-15,517</b>	<b>-4,521</b>	<b>-5,017</b>	<b>12,017</b>	<b>16,440</b>	<b>33,476</b>
<b>Total comprehensive income attributable to</b>							
Parent Company's shareholders		-15,517	-4,521	-5,017	12,017	16,468	33,504
Non-controlling interests		-	-	-	-	-28	-28

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### CONDENSED

SEK thousands	Note	June 30 2020	June 30 2019	Dec 31 2019
<b>Non-current assets</b>				
Goodwill		35,191	35,347	35,098
Trademarks		187,532	187,532	187,532
Other intangible assets		9,946	10,650	9,908
Tangible non-current assets		16,658	14,941	18,127
Deferred tax assets		16,588	20,939	14,958
Right-of-use assets		65,329	131,677	131,458
<b>Total non-current assets</b>		<b>331,244</b>	<b>401,086</b>	<b>397,081</b>
<b>Current assets</b>				
Inventory		145,068	154,054	128,424
Accounts receivable		121,821	119,230	124,805
Other current receivables		23,261	15,395	19,901
Cash & cash equivalents		105,171	2,170	29,002
<b>Total current assets</b>		<b>395,321</b>	<b>290,849</b>	<b>302,132</b>
<b>Total assets</b>		<b>726,565</b>	<b>691,935</b>	<b>699,213</b>
<b>Equity and liabilities</b>				
Equity		259,867	243,425	264,884
Deferred tax liabilities		40,259	39,666	40,370
Non-current liabilities credit institutions		190,000	150,000	150,000
Long-term lease liability		40,445	92,929	96,137
Current liability to credit institution		–	–	7,242
Accounts payable		80,078	53,097	55,862
Short-term lease liability		31,980	39,400	37,123
Other current liabilities		83,936	73,418	47,595
<b>Total equity and liabilities</b>		<b>726,565</b>	<b>691,935</b>	<b>699,213</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, 2019</b>				
Total comprehensive income for the period		12,034	–17	12,017
Distribution for 2018		–50,297	–	–50,297
<b>Closing balance, June 30, 2019</b>		<b>249,304</b>	<b>–5,879</b>	<b>243,425</b>
<b>Opening balance, January 1, 2019</b>				
Total comprehensive income for the period		33,504	–28	33,476
Distribution for 2018		–50,297	–	–50,297
<b>Closing balance, December 31, 2019</b>		<b>270,774</b>	<b>–5,890</b>	<b>264,884</b>
<b>Opening balance, January 1, 2020</b>				
Total comprehensive income for the period		–5,000	–17	–5,017
Distribution for 2019		–	–	–
<b>Closing balance, June 30, 2020</b>		<b>265,774</b>	<b>–5,907</b>	<b>259,867</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## CONDENSED

SEK thousands	April-June 2020	April-June 2019	January- June 2020	January- June 2019	Full-year 2019
<b>Cash flow from operating activities</b>					
Before changes in working capital	–4,850	8,236	238	34,189	91,715
Changes in working capital	80,200	25,989	64,640	5,195	20,797
<b>Cash flow from operating activities</b>					
Investments in intangible non-current assets	–1,685	–630	–2,022	–2,570	–3,845
Investments in tangible non-current assets	–781	–1,489	–1,687	–2,429	–8,732
<b>Cash flow from investing activities</b>					
Distribution	–	–50,297	–	–50,297	–50,297
Amortization of loans	–	–	–3,890	–	–
Amortization of lease liability	–1,961	–9,441	–11,337	–19,653	–47,218
Repayment of convertible loan	–	–	–	–	–18,153
Loan proceeds	40,000	–	40,000	–	–
Overdraft facility	–23,347	–	–7,242	–	7,242
<b>Cash flow from financing activities</b>					
	<b>14,692</b>	<b>–59,738</b>	<b>17,531</b>	<b>–69,950</b>	<b>–108,426</b>
<b>Cash flow for the period</b>					
Cash & cash equivalents at beginning of year	21,968	29,355	29,002	36,388	36,388
Translation difference in cash & cash equivalents	–4,373	447	–2,531	1,347	1,105
<b>Cash &amp; cash equivalents at end of the period</b>					
	<b>105,171</b>	<b>2,170</b>	<b>105,171</b>	<b>2,170</b>	<b>29,002</b>

## KEY FIGURES

### GROUP

SEK thousands	April-June 2020	April-June 2019	January- June 2020	January- June 2019	July 2019- June 2020	Full-year 2019
Gross profit margin, %	49.1	55.4	51.8	56.2	51.8	53.7
Operating margin, %	–9.1	–1.2	–1.9	5.1	3.8	6.8
Profit margin, %	–15.4	–2.0	–3.0	5.2	2.9	6.4
Return on capital employed, %	5.7	16.7	5.7	16.7	5.7	12.0
Return on average equity, %	6.4	24.0	6.4	24.0	6.4	14.3
Profit attributable to Parent Company's shareholders	–18,820	–2,261	–8,186	14,619	16,141	38,948
Equity/assets ratio, % *	39.4	35.2	39.4	35.2	39.4	46.9
Equity per share, SEK	10.33	9.68	10.33	9.68	10.33	10.53
Investments in intangible non-current assets	1,685	630	2,022	2,570	3,297	3,845
Investments in tangible non-current assets	781	1,489	1,687	2,429	7,990	8,732
Depreciation, amortization and impairment losses for the period	–11,993	–12,912	–23,972	–25,713	–55,486	–57,227
Average number of employees**	172	212	172	212	202	212

\* The key figures have been adjusted for lease liabilities after the introduction of IFRS 16 Leasing as of January 1, 2019. Definitions of key figures can be found on page 14.

\*\* The key figure in the second quarter has been affected by short-term layoffs, as the key figure shows full-time employees.

## SUMMARY BY SEGMENT

### GROUP

SEK thousands	April-June 2020	April-June 2019	January- June 2020	January- June 2019	July 2019- June 2020	Full-year 2019
<b>Operating revenue</b>						
<b>Wholesale</b>						
External revenue	101,603	83,099	232,069	221,595	526,711	516,237
Internal revenue	914	1,078	1,615	2,045	13,768	14,198
	<b>102,517</b>	<b>84,177</b>	<b>233,684</b>	<b>223,640</b>	<b>540,479</b>	<b>530,435</b>
<b>Consumer Direct</b>						
External revenue	40,436	43,448	79,955	81,510	195,511	197,065
Internal revenue	47	24	47	54	217	225
	<b>40,483</b>	<b>43,472</b>	<b>80,002</b>	<b>81,564</b>	<b>195,728</b>	<b>197,290</b>
<b>Distributors</b>						
External revenue	9,863	18,97	15,307	28,066	37,524	50,284
Internal revenue	104,423	81,036	200,887	192,315	422,101	413,529
	<b>114,286</b>	<b>99,133</b>	<b>216,194</b>	<b>220,381</b>	<b>459,625</b>	<b>463,813</b>
<b>Licensing</b>						
External revenue	1,981	2,329	8,854	8,575	15,748	15,468
Internal revenue	16,539	13,436	32,707	31,785	68,891	67,969
	<b>18,520</b>	<b>15,765</b>	<b>41,561</b>	<b>40,360</b>	<b>84,639</b>	<b>83,437</b>
Less internal sales	-121,923	-95,573	-235,256	-226,199	-504,977	-495,920
<b>Operating revenue</b>	<b>153,883</b>	<b>146,974</b>	<b>336,185</b>	<b>339,746</b>	<b>775,494</b>	<b>779,055</b>
<b>Operating profit</b>						
Wholesale	-13,531	-5,028	-6,271	10,101	13,215	29,587
Consumer Direct	-1,986	-2,248	-9,599	-6,805	-5,502	-2,707
Distributors	541	3,633	1,997	6,282	6,809	11,094
Licensing	1,566	1,965	7,710	7,289	13,811	13,391
<b>Operating profit</b>	<b>-13,410</b>	<b>-1,678</b>	<b>-6,163</b>	<b>16,867</b>	<b>28,333</b>	<b>51,365</b>

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

The difference between operating profit for segments for which information must be disclosed, SEK -13,410 thousand (-1,678), and the result before tax, SEK -22,846 thousand (-2,828), is net financial items, SEK -9,436 thousand (-1,150).

## QUARTERLY DATA

### GROUP

SEK thousands	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net sales	147,966	171,973	196,407	230,585	141,705	188,155	196,898	203,132
Gross profit margin, %	49.1	54.1	50.8	52.5	55.4	56.8	55.5	57.7
Operating profit/loss	-13,410	7,247	1,432	33,065	-1,678	18,545	16,033	36,999
Operating margin, %	-9.1	4.2	0.7	14.3	-1.2	9.9	8.1	18.2
Profit/loss after financial items	-22,846	13,218	-2,566	34,140	-2,828	19,946	16,081	35,634
Profit margin, %	-15.4	7.7	-1.3	14.8	-2.0	10.6	8.2	17.5
Earnings per share before dilution, SEK	-0.75	0.42	-0.11	1.07	-0.09	0.67	0.58	1.15
Earnings per share after dilution, SEK	-0.75	0.42	-0.11	1.07	-0.09	0.67	0.58	1.15
Number of Björn Borg stores at end of period of which Group-owned	33	33	33	33	32	32	34	34
Björn Borg stores	30	30	30	30	29	29	30	30
Brand sales	277,149	450,792	380,927	513,901	272,185	473,112	453,784	443,527

## PARENT COMPANY INCOME STATEMENT

CONDENSED

SEK thousands	Note	April-June 2020	April-June 2019	January- June 2020	January- June 2019	July 2019- June 2020	Full-year 2019
Net sales		25,609	25,639	51,253	51,178	102,577	102,502
Other operating revenue		–	945	712	1,539	1,672	2,499
<b>Operating revenue</b>		<b>25,609</b>	<b>26,584</b>	<b>51,965</b>	<b>52,717</b>	<b>104,249</b>	<b>105,001</b>
Goods for resale		1	–1	–	–2	–	–2
Other external expenses	2	–15,705	–10,585	–29,432	–28,360	–65,375	–64,303
Staff costs		–8,506	–10,839	–18,129	–21,969	–36,418	–40,258
Depreciation/amortization of tangible/ intangible non-current assets		–604	–595	–1,167	–1,013	–2,250	–2,096
Other operating expenses		–1,063	–511	–1,333	–538	–2,100	–1,305
<b>Operating profit/loss</b>		<b>–268</b>	<b>4,053</b>	<b>1,904</b>	<b>835</b>	<b>–1,894</b>	<b>–2,963</b>
Result from shares in subsidiaries		–	–	–	–	37,725	37,725
Net financial items		–5,445	–2,108	–4,546	–2,540	–7,006	–5,000
<b>Profit/loss after financial items</b>		<b>–5,713</b>	<b>1,945</b>	<b>–2,642</b>	<b>–1,705</b>	<b>28,825</b>	<b>29,762</b>
Group contributions received		–	–	–	–	15,761	15,761
Appropriations		–	–	–	–	–429	–429
<b>Profit/loss before tax</b>		<b>–5,713</b>	<b>1,945</b>	<b>–2,642</b>	<b>–1,705</b>	<b>44,157</b>	<b>45,094</b>
Tax		–	–	–	–293	–1,780	–2,073
<b>Profit/loss for the period</b>		<b>–5,713</b>	<b>1,945</b>	<b>–2,642</b>	<b>–1,998</b>	<b>42,377</b>	<b>43,021</b>
Other comprehensive income		–	–	–	–	–	–
<b>Total comprehensive income for the period</b>		<b>–5,713</b>	<b>1,945</b>	<b>–2,642</b>	<b>–1,998</b>	<b>42,377</b>	<b>43,021</b>

## PARENT COMPANY BALANCE SHEET

CONDENSED

SEK thousands	Note	June 30 2020	June 30 2019	Dec 31 2019
<b>Non-current assets</b>				
Intangible assets		5,498	7,067	6,449
Tangible non-current assets		930	1,023	1,010
Deferred tax		11	16	11
Shares in Group companies		346,606	344,106	344,106
<b>Total non-current assets</b>		<b>353,045</b>	<b>352,212</b>	<b>351,576</b>
<b>Current assets</b>				
Receivables from Group companies		811,258	705,570	771,067
Current receivables		6,477	6,861	7,739
Cash & cash equivalents		48,941	2,541	–
<b>Total current assets</b>		<b>866,676</b>	<b>714,972</b>	<b>778,806</b>
<b>Total assets</b>		<b>1,219,721</b>	<b>1,067,184</b>	<b>1,130,382</b>
<b>Equity and liabilities</b>				
Equity		191,370	148,993	194,012
Untaxed reserves		1,038	609	1,038
Non-current liabilities credit institutions		190,000	150,000	150,000
Current liability to credit institution		–	–	7,242
Due to Group companies		814,474	723,626	755,248
Accounts payable		7,441	6,739	5,514
Other current liabilities		15,398	37,217	17,328
<b>Total equity and liabilities</b>		<b>1,219,721</b>	<b>1,067,184</b>	<b>1,130,382</b>

# PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

CONDENSED

SEK thousands	January-June 2020	January-June 2019	Full-year 2019
<b>Opening balance</b>	<b>194,012</b>	<b>201,288</b>	<b>201,288</b>
Distribution	–	–50,297	–50,297
Total comprehensive income for the period	–2,642	–1,998	43,021
<b>Closing balance</b>	<b>191,370</b>	<b>148,993</b>	<b>194,012</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-June 2020	Jan-June 2019
Sweden	122,603	119,099
Netherlands	80,118	91,420
Finland	49,867	42,447
Other	67,351	76,894
<b>Total net sales</b>	<b>319,939</b>	<b>329,860</b>

### NOTE 2 OTHER EXTERNAL EXPENSES

SEK thousands	Group		Parent Company	
	Jan-June 2020	Jan-June 2019	Jan-June 2020	Jan-June 2019
Cost of premises	4,016	2,820	8,821	5,242
Selling expenses	28,115	20,905	1,813	1,911
Marketing expenses	23,336	25,789	9,662	12,551
Administrative expenses	25,567	15,382	8,278	7,381
Other	3,973	5,183	858	1,275
<b>Total</b>	<b>85,007</b>	<b>70,079</b>	<b>29,432</b>	<b>28,360</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/>

## BRAND SALES

Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported wholesale sales.

**Purpose:** Shows the sales trend measured as retail value excluding VAT.

## 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 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 an investment from an owner's perspective.

## EQUITY/ASSETS RATIO

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

**Purpose:** This indicator shows financial risk, expressed as a share of 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 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 indicator 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:** The operating margin is used to measure operating profitability.

## OPERATING PROFIT

Profit before tax plus net financial items.

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

## PROFIT MARGIN

Profit before tax as a percentage of net sales.

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

## RETURN ON CAPITAL EMPLOYED

Profit before tax (per rolling 12-month period) plus financial expenses as a percentage of average capital employed.

**Purpose:** This indicator 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 by adding equity at January 1 to equity at December 31 and dividing by two.

**Purpose:** This indicator 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, August 18, 2020

Heiner Olbrich  
Chairman

Alessandra Cama  
Board member

Anette Klintfeldt  
Board member

Fredrik Lövstedt  
Board member

Mats H Nilsson  
Board member

Henrik Bunge  
CEO

**CALENDAR 2020**

The interim report for January-September 2020 will be released on at 7:30 am (CET) November 20, 2020.

The year-end report for 2020 will be released at 7:30 am (CET) on February 26, 2021.

**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).

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**ABOUT THE BJÖRN BORG GROUP**

The Group owns the Björn Borg trademark and its core business is sports apparel and underwear. It also offers footwear, bags and eyewear through licensees. Björn Borg products are sold in around twenty markets, of which Sweden and the Netherlands are the largest. The Björn Borg Group has operations at every level from branding to consumer sales in its own Björn Borg stores. Total sales of Björn Borg products in 2019 amounted to about SEK 1.6 billion, excluding VAT, at the consumer level. Group net sales amounted to SEK 756.9 million in 2019, with an average of 212 employees. The Björn Borg share has been listed on Nasdaq Stockholm since 2007.

**IMAGES IN THE INTERIM REPORT**

The images in the interim report are from Björn Borg's high summer 2020 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 August 18, 2020 at 7:30 am (CET).