

RNB

INTERIM REPORT FOR THE PERIOD
SEPTEMBER 1, 2020 - FEBRUARY 28, 2021

2



RNB RETAIL AND BRANDS

POLARN O. PYRET

BROTHERS

Focus on divestment

Following focused efforts to identify new owners of the subsidiaries, Departments & Stores (including Man of a kind) was divested in February and Polarn O. Pyret in March. The focus is now on finding a good solution for the remaining parts of the Group with RNB and Brothers.

SECOND QUARTER, DECEMBER 1, 2020 - FEBRUARY 28, 2021 IN SUMMARY

- Net sales decreased to SEK 47 M (118).
- Comparable sales on all national markets for all business areas decreased by -26.2 percent (-11.6).
- Sales for comparable units in Sweden for all business areas decreased by -29.4 percent (-9.4), compared to the market downturn of -22.9 percent (0.1).
- Operating income from remaining operations was SEK -40 M (-28).
- Profit after tax from remaining operations was SEK -50 M (-38).
- Profit after tax was SEK -173 M (-63).
- Earnings per share was SEK -1.70 (-0.66).
- Cash flow from operating activities was SEK -35 M (-32).

THE PERIOD, SEPTEMBER 1, 2020 - FEBRUARY 28, 2021 IN SUMMARY

- Net sales decreased to SEK 102 M (235).
- Comparable sales on all national markets for all business areas decreased by -21.8 percent (-10.3).
- Sales for comparable units in Sweden for all business areas decreased by -25.1 percent (-8.9), compared to the market downturn of -28.4 percent (-1.2).

- Operating income from remaining operations was SEK -20 M (-59).
- Profit after tax from remaining operations was SEK -40 M (-77).
- Profit after tax was SEK 16 M (-67).
- Earnings per share was SEK 0.16 (-1.03).
- Cash flow from operating activities was SEK 35 M (68).

EVENTS IN THE QUARTER

- Operations in the Departments & Stores business area were divested in February.

EVENTS AFTER THE END OF THE QUARTER

- The business area Polarn O. Pyret was divested for a preliminary purchase consideration of SEK 353 M.
- The company remains affected by the restrictions resulting from Covid-19 and Swedish fashion retailing has not yet returned to the sales levels seen before the breakout of the pandemic.

CONTACT

CEO Kristian Lustin

+46 (0)8 410 524 63

PRESS AND ANALYST MEETING

RNB will hold a press and analyst conference in connection with the publication of the report, presented by Kristian Lustin, President and CEO, and Richard Roa, Group Business Controller. The presentation will be held on April 15 at 10:00 a.m. CET and can be followed through a teleconference/audiocast.

To participate in the teleconference please call before the opening of the conference:

+46 8 505 583 68 [Sweden]

+44 333 300 92 66 [UK]

Or at the following link: <http://www.rnb.se/Investor-relations/>

FINANCIAL CALENDAR

Interim Report, third quarter 2020/2021	June 24, 2021
Interim Report, fourth quarter 2020/2021	October 7, 2021
Annual General Meeting 2020/2021	December 22, 2021
Interim Report, first quarter 2021/22	December 22, 2021

This information is such that RNB RETAIL AND BRANDS AB [publ] is required to disclose according to the EU's Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication through the agency of the above contact persons on April 15, 2021 at 07:00 a.m. (CEST).

This report has been prepared in English and Swedish versions. In the event of any discrepancy between the two versions, the Swedish report shall prevail.

Comments from the CEO

The Group's strategy, which was decided at the AGM in December 2018, included divestment of the operations. Two divestments were completed in February and March. Polarn O. Pyret was sold to Procuritas and Departments & Stores to NK. I assess that both operations face positive prospects of continued development with their new owners.

Operations remained negatively affected by Covid-19 in the quarter, and the tendencies and patterns remain the same. Sales in physical stores are falling, e-commerce is increasing and Polarn O. Pyret was less affected than Brothers and Departments & Stores.

The Group's comparable sales decreased by 26 percent in the quarter while e-commerce increased by 37 percent. Intense cost control continued in the quarter with the aim of offsetting lower sales. Operating income from remaining operations, i.e. Brothers and the Parent Company amounted to SEK -40 M in the quarter.

BROTHERS

Stricter restrictions from mid-December and recommendations to avoid in-store purchases led to reduced visitor numbers. In the quarter, the decrease was most significant in December, to gradually improve in January and February. To mitigate the effects of fewer visitors, a multitude of offers and discounts were introduced in the quarter. Other examples of measures to offset lower sales included adjustments to opening hours and staffing, short-term redundancies of store and administrative staff and delayed goods deliveries.

Comparable sales in the quarter decreased by 49 percent with the largest decrease in December, to then improve in January and February. It is pleasing that e-commerce sales increased by 13 percent, and here too the increase was higher for each consecutive month in the quarter. Updates and improvements to the e-commerce operations were carried out in the quarter, and the positive effects of this are now becoming visible.

Sales for March were affected by low visitor numbers in physical stores. E-commerce continued to increase in March and was up by 45 percent. The e-commerce share is now just under 16 percent over 12 months. Total comparable sales for March decreased by 3 percent. New content was introduced in the customer loyalty scheme in mid-March, including more member benefits, and an updated communication concept will be rolled out in April/May.

DEPARTMENTS & STORES AND MOAK

Comparable sales in the department stores decreased by 43 percent in December-January year-on-year. In December, in-store visitor numbers decreased more than sales decreased, which indicates that visitors were more focused on making a purchase and are being well cared for once they come into the stores. The cost cuts continued with the aim of partly offsetting lower sales.

The operations were divested in February through an asset acquisition of SEK 42 M (see Note 6) in preliminary and adjusted purchase consideration. Departments & Stores rest on a solid foundation and the attractive in-store departments and e-commerce platform Man of a kind provide the new owner with good potential to develop operations.

POLARN O. PYRET

Comparable total sales in the quarter were unchanged on the previous year, while e-commerce increased by an excellent 47 percent. The same applied on all national markets, where sales in physical stores decreased each month while e-commerce sales increased. The proportion of e-commerce sales over 12 months was 45 percent.

Polarn O. Pyret focused on operating income over sales through more full price sales and lower discounting in combination with thorough cost control. As a result operating income was SEK 5 M in the quarter against SEK -10 M in the previous year. Polarn O. Pyret has now outperformed the previous year for two consecutive quarters.

The measures introduced during the corporate restructuring alongside active brand positioning and well-established e-commerce operations paid off for PO.P in the quarter.

The divestment of PO.P to Procuritas was completed on March 31. After a dividend of SEK 40 M from Polarn O. Pyret to RNB, the preliminary purchase consideration amounted to SEK 353 M, which implies estimated capital gains of SEK 165 M. The capital gains will be recognized in the third quarter. I feel confident that Procuritas will be a good home for Polarn O. Pyret.

OUTLOOK

We achieved our main goal for the quarter, which was to divest operations and deliver on our strategy. The process of finding a suitable solution for the remainder RNB and Brothers continues.

Kristian Lustin
President and CEO

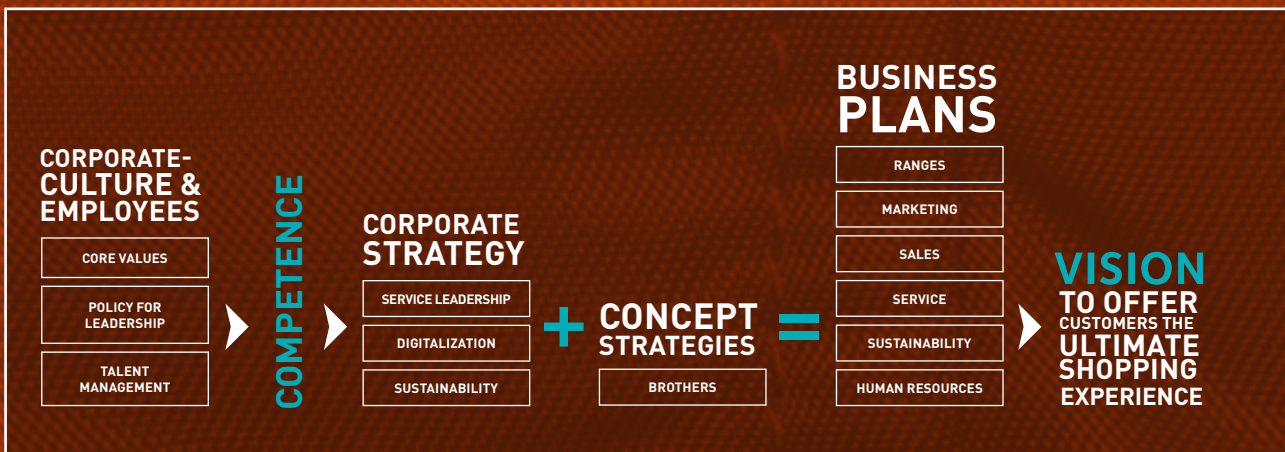
RNB RETAIL AND BRANDS

RNB RETAIL AND BRANDS owns, operates and develops stores and e-commerce in fashion wear, clothing and accessories. The focus is on providing excellent service and a world-class shopping experience. Sales are conducted through the concept Brothers. Brothers is a nationwide men's fashion chain with 44 stores including an e-commerce platform. Brothers is the number one destination when it comes to a smart and casual way of dressing, for all men no matter the occasion. RNB RETAIL AND BRANDS is listed on Nasdaq Stockholm under the ticker RNBS.

Vision

RNB RETAIL AND BRANDS' vision is to offer customers the ultimate shopping experience.

Business model



The above figure illustrates how our corporate culture and core values, coupled with our strategy and vision, express RNB's business model and show the way forward. The core values – "The customer is most important", "We believe in people", "We do sustainable and smart business", and "Direct communication" pervade RNB's operations and define our strong corporate culture, which is a key building block of our strategy. The strategies are then given concrete form in the business plans of individual subsidiaries with the aim of realizing our vision.

The starting point for RNB's strategy is to operate through two clearly positioned and differentiated store concepts aimed at the respective target groups. The concepts are characterized by inspiring stores, excellent service with a pronounced digital presence, accessibility and attractive fashion ranges. Sales are conducted in large cities, smaller towns and in shopping centers and through e-commerce operations. All aspects of operations are carried out on the basis of achieving clear and long-term sustainability.

Revenue and earnings RNB Group

SECOND QUARTER, DECEMBER 1, 2020 - FEBRUARY 28, 2021

The Group's reported net sales from remaining operations totaled SEK 47 M (118) in the second quarter. Total sales for all business areas for comparable units in Sweden were -29.4 percent (-9.4), and sales decreased by -26.2 percent (-11.6) for all national markets, expressed in SEK.

Gross margin for the Group improved to 51.1 percent (47.7).

Total operating expenses decreased significantly in the quarter in year-on-year terms due to completed rationalizations. Depreciation/amortization in the quarter totaled SEK 20 M (25), of which SEK 16 M (22) related to IFRS 16.

Operating income was SEK -40 M (-28), IFRS 16 had a positive impact on operating income of SEK 1 M (1), which equals operating income, excluding IFRS 16, of SEK -40 M (-29).

Net financial items totaled SEK -10 M (-10), of which IFRS 16 affected net financial items by SEK -3 M (-2).

Profit after tax amounted to SEK -173 M (-63) of which SEK -123 M (-25) relates to divested operations.

Market progress in the quarter

According to Stilindex (the Swedish Retail and Wholesale Trade Research Institute), clothing sales in Sweden decreased by -22.9 (0.1) percent in the quarter.

THE PERIOD, SEPTEMBER 1, 2020 - FEBRUARY 28, 2021

The Group's reported net sales from remaining operations were SEK 102 M (235), in the period. Total sales for all business areas for comparable units in Sweden were -25.1 percent (-8.9), and sales decreased by -21.8 percent (-10.3) for all national markets, expressed in SEK. Gross margin for the Group improved to 48.7 percent (49.9).

Total operating expenses decreased significantly in the period in year-on-year terms due to completed rationalizations. Depreciation/amortization in the period totaled SEK 36 M (51), of which SEK 29 M (44) related to IFRS 16.

Operating income totaled SEK -20 M (-59), including gains from arrangements with creditors of SEK 61 M. IFRS 16 had a negative impact on the operating income of SEK -1 M (2), which equals operating income, excluding IFRS 16, of SEK -19 M (-60).

Net financial items totaled SEK -19 M (-19), of which IFRS 16 affected net financial items by SEK -6 M (-5).

Profit after tax amounted to SEK 16 M (-67) of which SEK 56 M (10) related to divested operations.

Market progress in the period

According to Stilindex (the Swedish Retail and Wholesale Trade Research Institute), clothing sales in Sweden decreased by -28.4 percent (-1.2) in the period.

Assessment of going concern

The Board and CEO continuously monitor Group liquidity and financial resources in the short and long term. This quarterly report has been prepared on the basis of the assumption that the company has the ability to continue operations for the coming 12-month period, on a going concern basis. This assumption is based on RNB Retail and Brands AB and its subsidiaries having implemented forceful measures to strengthen the financial position since March 2020. The corporate restructuring of the subsidiaries was approved in March 2020, and the proposed arrangements with creditors gained legal force in November 2020. The gains from arrangements with creditors were recognized in November and strengthened the subsidiaries' financial position. The significant negative impact of Covid-19 on clothing sales has led to decreased sales revenue since March 2020.

The divestment of Polarn O. Pyret was finalized March 31, 2021. After the divestment, the Group has eliminated its overdraft and has a positive cash position.

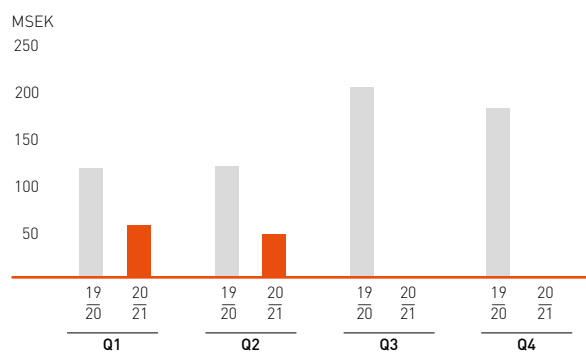
Accordingly, in the Board's and CEO's assessment, provided that the remaining operations generate cash flow as planned, the Group is expected to have sufficient liquidity and cash flow for continued operations in the coming 12-month period.

Should the above conditions not be satisfied, there is a risk to the Group's continued operations.

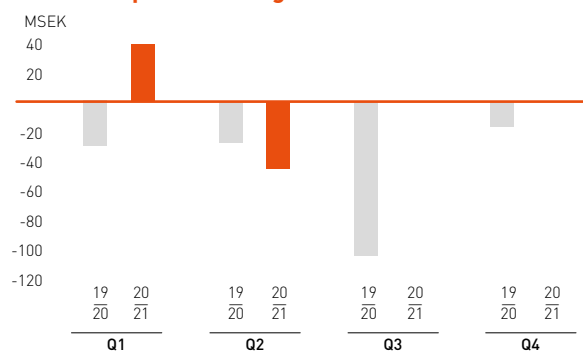
Group overview

	3 months		6 months		12 months	Full Year
	Dec 2020	Dec 2019	Sep 2020	Sep 2019	Mar 2020	Sep 2019
	-Feb 2021	-Feb 2020	-Feb 2021	-Feb 2020	-Feb 2021	-Aug 2020
Net sales, SEK M	47	118	102	235	231	363
Gross margin,(%)	51.1	47.7	48.7	49.9	52.8	52.0
Operating income ,SEK M	-40	-28	-20	-59	-104	-142
<i>Operating income excl. IFRS 16 and goodwill impairment, SEK M</i>	-40	-29	-19	-60	-68	-109
Profit after tax, SEK M	-173	-63	16	-67	-352	-435
Operating margin (%)	-85.3	-23.8	-19.8	-25.0	-44.9	-39.1
<i>Operating margin (%), excl. IFRS16 and goodwill impairment, SEK M</i>	-86.8	-24.6	-19.0	-25.8	-29.3	-29.9
Earnings per share, SEK	-1.70	-0.66	0.16	-1.03	-3.46	-5.21
Cash flow from operating activities, SEK M	-35	-32	35	68	211	243
Number of sales points	44	68	44	68	44	44

Net sales per quarter




Operating income per quarter before impairment of goodwill



Financial overview, business areas

RNB Retail and Brands reports net sales and operating income for the remaining operations Brothers, and Departments & Stores and Polarn O. Pyret as divested operations.

Business area	Net sales, period, 6 months	Share, (%)	Operating income for the period excl. IFRS 16 and good- will impairment, 6 months	Own stores		Franchise agreements		
				Stores	E-commerce	Stores	E-commerce	
BROTHERS	SEK 102M	 14%	SEK 62M	Total	39	1	4	0
				Sweden	39	1	4	-
				Finland	0	0	-	-

Divested operations	SEK 619M	 86%	SEK 223M
----------------------------	-----------------	---	-----------------

Total	SEK 722M	SEK 71M	43 stores	1 e-commerce	1 country
RNB RETAIL AND BRANDS					

Net sales and operating income per business area	3 months		6 months		12 months	Full Year
	Dec 2020 -Feb 2021	Dec 2019 -Feb 2020	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Net sales, SEK M						
Brothers	46.5	118.2	102.1	234.8	230.8	363.5
Central operations & eliminations	0.0	0.0	0.0	0.0	0.0	0.0
Net sales remaining operations	46.5	118.2	102.1	234.8	230.8	363.5
Divested operations	274.6	442.7	619.4	898.8	1,140.6	1,420.0
Net sales	321.1	560.9	721.5	1,133.6	1,371.4	1,783.5
Operating income, SEK M						
Brothers	-18.9	-16.0	62.4	-31.6	11.2	-82.9
Central operations & eliminations	-21.5	-13.0	-214.1	-28.8	-211.2	-25.9
Operating income, excluding IFRS 16 and goodwill impairment from remaining operations	-40.4	-29.0	-151.7	-60.4	-200.1	-108.8
Divested operations	-127.2	-25.9	222.6	13.8	126.9	-81.9
Operating income, excluding IFRS 16 and goodwill impairment	-167.6	-54.9	70.9	-46.6	-73.1	-190.6

BROTHERS

Brothers is a menswear fashion retailer and the number one destination when it comes to a smart and casual way of dressing, with superb fit and great value for money for all men no matter the occasion.

SECOND QUARTER, DECEMBER 1, 2020 - FEBRUARY 28, 2021

Net sales in the Brothers business area totaled SEK 47 M (118). Sales in comparable stores in Sweden decreased by - 49.0 percent expressed in SEK. The proportion of e-commerce sales increased significantly in the quarter and totaled 18 percent (7). Brothers's e-commerce sales for R12 were 15 percent. Net sales from franchise stores were down in the quarter compared to the corresponding quarter in the previous year.

The number of paying customers in comparable physical stores was down nearly 55 percent in the quarter in year-on-year terms but with an increased hit rate.

The business area gross margin declined in the quarter, partly due to positive translation differences. Due to the rationalizations implemented, costs were down in the quarter compared to the corresponding quarter in the previous year. The main cost reductions were derived from store rents and personnel costs.

Operating income totaled SEK -18 M (-15). Operating income excluding IFRS 16 amounted to SEK -19 M (-16).

Business area inventories were lower and with a better product mix at the end of the quarter compared to the corresponding quarter in the previous year. The focus is on active inventory control and ensuring a good product mix.

The store holding remained unchanged in the quarter.

THE PERIOD, SEPTEMBER 1, 2020 - FEBRUARY 28, 2021

Net sales in the Brothers business area totaled SEK 102 M (235). Sales in comparable stores in Sweden decreased by -43.4 percent expressed in SEK. E-commerce increased significantly in the period and totaled 16 percent (7). Net sales from franchise stores were down in the period compared to the corresponding period of the previous year. Total brand sales for rolling twelve months amounted to SEK 275 M (565).

The number of paying customers in comparable physical stores was down nearly 45 percent in the period in year-on-year terms, with an increased hit rate.

The business area gross margin declined in the period, due to aggressive campaigns at lower prices. Due to the rationalizations implemented, costs were down in the period compared to the corresponding period in the previous year. The main cost reductions were derived from store rents and personnel costs.

Operating income totaled SEK 62 M (-30). Operating income excluding IFRS 16 amounted to SEK 62 M (-32).



DEPARTMENTS & STORES

Departments & Stores offers paying customers an international product mix in an inspiring environment with world class service. Man of a kind offers a curated fashion range from the leading international and Scandinavian brands in an inspiring environment with world-class service.

SECOND QUARTER, DECEMBER 1, 2020 - FEBRUARY 28, 2021

Net sales in the Departments & Stores business area was SEK 118 M (255) for the months December-January. Gross margin decreased compared to the corresponding quarter of the previous year. Due to the rationalizations implemented, operating expenses were down in the quarter compared to the corresponding quarter in the previous year. Losses from divested operations totaled SEK -105 M in the quarter.

Operating income totaled SEK -110 M (-14). Operating income excluding IFRS 16 amounted to SEK -132 M (-15).

In the second quarter, the operations in the Departments & Stores business area were divested through an asset acquisition to a wholly-owned subsidiary of AB Nordiska Kompaniet. The proceeds from the sale were recognized under *divested operations* in the Group's Income Statement.

THE PERIOD, SEPTEMBER 1, 2020 - FEBRUARY 28, 2021

Net sales in the Departments & Stores business area totaled SEK 275 M (497) for the period September-January. Gross margin decreased compared to the corresponding period of the previous year. Due to the rationalizations implemented, operating expenses were down in the period compared to the corresponding period in the previous year. The main cost reductions were derived from personnel costs.

Operating income totaled SEK 50 M (1) including gains from arrangements with creditors of SEK 183 M. Operating income excluding IFRS 16 and goodwill impairment amounted to SEK 51 M (-2).

The operations in the business area were divested in the period.



POLARN O. PYRET

Through its devotion to children, Polarn O. Pyret shall provide the most relevant and attractive range of quality clothing. With expertise, passion and commitment, we guide and inspire our customers towards better purchases—today and in the future.

SECOND QUARTER, DECEMBER 1, 2020 - FEBRUARY 28, 2021

Net sales totaled SEK 157 M (188) in the quarter. Sales in comparable proprietary stores on all national markets decreased -0.4 percent year-on-year, expressed in SEK. Comparable e-commerce sales increased by 47 percent. PO.P's e-commerce sales for R12 were 45 percent.

The number of paying customers in comparable physical stores was down by 47 percent in year-on-year terms. The in-store conversion rate and average spend per customer increased. In e-commerce, visitor numbers increased by nearly 40 percent, with a higher conversion rate and average spend per customer. Gross margin for the quarter increased compared to the corresponding quarter of the previous year.

Operating expenses were clearly down year-on-year, due to the rationalizations implemented. Personnel expenses, followed by rents were the two cost items that decreased most in year-on-year terms.

Operating income totaled SEK 5 M (-10). Operating income excluding IFRS 16 amounted to SEK 5 M (-11).

Business area inventories were lower and with a better product mix at the end of the quarter compared to the corresponding quarter in the previous year.

On March 10, 2021 RNB agreed to sell the Polarn O. Pyret business area to Procuritas. The transfer was completed on March 31, 2021.

THE PERIOD, SEPTEMBER 1, 2020 - FEBRUARY 28, 2021

Net sales totaled SEK 344 M (402) in the period. Sales in comparable proprietary stores on all national markets increased by 1.7 percent year-on-year, expressed in SEK. Comparable e-commerce sales increased by 54.1 percent. Total brand sales for rolling twelve months amounted to SEK 716 M (854).

The number of paying customers in comparable physical stores was nearly 36 percent down in year-on-year terms. The in-store conversion rate increased while average spend per customer slightly decreased. In e-commerce, visitor numbers increased by nearly 35 percent, with a higher conversion rate and slightly lower average spend per customer. Gross margin in the period decreased compared to the corresponding quarter of the previous year.

Operating expenses were clearly down year-on-year, due to the rationalizations implemented. Personnel expenses, followed by rents were the two cost items that decreased most compared to the corresponding period in the previous year.

Operating income totaled SEK 170 M (18). Operating income excluding IFRS 16 amounted to SEK 171 M (16).



Financial position and liquidity

The Group's total assets amounted to SEK 940 M, compared to SEK 1,736 M at the end of the previous financial year. As of February 28, inventories totaled SEK 91 M (111), compared to SEK 80 M at the end of the previous financial year.

Cash flow from changes in working capital was positive in the period at SEK 35 M (-16). Cash flow from operating activities was SEK 35 M (68) in the period. After investments, cash flow was SEK 58 M (37).

Net debt decreased to SEK 588 M (811), compared to SEK 664 M at the end of the previous financial year. Excluding the IFRS 16 effect, net debt decreased to 349 M (460). On March 31 2021 the net debt was at -17 M excluding the IFRS 16 effect, ie a net receivable.

SHAREHOLDERS' EQUITY

Group equity was SEK -32 M at the end of the period, against SEK -133 M at the end of the previous financial year, implying an equity/assets ratio of -3.4 percent (-7.6) at year-end. Excluding IFRS 16, the equity/assets ratio was -2.6 percent (12.7).

In the quarter, a total of SEK 85 M of the corporate bond and accrued interest were converted to subordinated debt with perpetual maturity, Perpetual Subordinated Capital Security, known as a hybrid bond. The hybrid bond is classified as equity.

LIQUIDITY

The Group's cash and cash equivalents including overdraft facilities of SEK 65 M totaled SEK 56 M (19) at the end of the period, compared to SEK 47 M at the end of the previous financial year. Settlements from arrangements with creditors for Departments & Stores and Polarn O. Pyret were paid out in January. The settlements from arrangements with creditors for Brothers are planned to be paid out in June 2021.

LIABILITIES

As of March 31, 2021, Brothers has a credit facility of SEK 10 M. The facility which is used for guarantee commitments is fully secured through deposits of blocked funds. The earlier credit limit in the Parent Company of SEK 110 M was amortized and terminated on March 31, 2021.

In the quarter, a total of SEK 60 M of the corporate bond and accrued interest were converted to subordinated debt with perpetual maturity, known as a hybrid bond.

In connection with the divestment of Polarn O. Pyret, SEK 159 M of the corporate bond was amortized. The bond debt amounted to SEK 181 M as of March 31, 2021.

The purchase consideration for Polarn O. Pyret is divided into two parts: one initial cash payment on March 31 of SEK 233 M and the remaining SEK 120 M which will be received in 2021. Net receivable, excluding IFRS 16, amounted to SEK 17 M as of March 31.

The corporate restructuring that took place between March 23, 2020 and November 6, 2020 means that certain bond covenants have been breached, although this does not affect maturity. Interest since March 2020 has been expensed but not paid, which has increased the corporate bond debt. SEK 25 M of accrued interest has been converted to a subordinated debenture with perpetual maturity.

INVESTMENTS AND DEPRECIATION/AMORTIZATION

Investments during the period, excluding investments in subsidiaries, totaled SEK 6 M (14). Depreciation/amortization totaled SEK -36 M (-51), of which SEK -29 M (-44) related to IFRS 16. In the second quarter, the value of the shares in Brothers was written down by SEK 22 million to SEK 124 million. For more information see Note 4.

EMPLOYEES

The average number of employees, recalculated as full time equivalents, was 132 (226) for remaining operations. For all operations the average number was 609 (917).

RELATED-PARTY TRANSACTIONS

There were no transactions in the financial year between the RNB Group and related parties that materially impacted the Group's financial position and results of operations. For more information on transactions with related parties, see Note 35 of the 2019/2020 Annual Report.

TAX

During the financial year, the Group paid tax totaling SEK 0 M (0). As the company has non-capitalized loss carry-forwards of SEK 949 M at the end of the previous financial year, tax expenses are expected to remain low. For more information, see Note 10 of the 2019/2020 Annual Report.

PARENT COMPANY

Parent Company net sales were SEK 14 M (20). Profit/loss after net financial items was SEK -291 (-41) M. Investments totaled SEK 0 M (2).

SEASONAL VARIATIONS

Retail sales vary according to season and gross margins are affected by sales periods. Deviations from normal weather conditions impact both sales and margins. Brothers' quarterly sales are relatively evenly distributed over the year. Operating income varies significantly between quarters. The first and third quarters have the highest share of the operating income for the year, while operating income is lower in the second and fourth quarters.

RISKS AND UNCERTAINTIES

RNB is exposed to a number of risk factors that are wholly or partly outside the company's control, but which could affect the Group's earnings and operations.

Financial risks

- Financing risk relating to the Group's borrowing.
- Currency risk in fair value terms and future cash flow where the estimated highest risk is attributable to goods purchased in foreign currency.
- Interest-rate exposure associated with the Group's net debt.
- Liquidity risk associated with the Group's financial liabilities.

Operational risks

- Demand for RNB's products, like general demand in the retail sector, is affected by changes in overall market conditions, consumer behavior, seasonal variations and weather patterns.
- Competition from existing and new operators active in RNB's segments.
- Identifying continuously shifting fashion trends and customer preferences.
- Covid-19 has negatively affected, and will continue to negatively affect, sales and profit, although it is difficult to gauge the extent and duration of this impact.

For a more detailed description of the Group's risks and risk management, see the 2019/2020 Annual Report.

EVENTS AFTER THE END OF THE QUARTER

The segment Polarn O. Pyret was divested 31 March 2021 to a preliminary purchase price of SEK 353 M, entailing estimated capital gains of approximately SEK 165 million which will be reported in the third quarter. The Group's credit facility was amortized and terminated in connection with the divestment. As of 31 March 2021, the Group had a net receivable of SEK 17 million, excluding the IFRS 16 effect.

REVIEW

This Interim Report has not been subject to review by the Company's Auditors.

The Board of Directors and President provide their assurance that the Interim Report provides a fair and accurate view of the company's and Group's operations, financial position and results of operations, and describes the material risks and uncertainties the company and the companies included in the Group face.

Stockholm, Sweden, April 15, 2021
The Board of Directors and Chief Executive Officer of
RNB Retail and Brands AB

Michael Lemner
Board member

Per Thunell
Chairman

Joel Lindeman
Board member

Kristian Lustin
CEO

Consolidated Income Statement

SEK M	3 months		6 months		12 months	Full Year
	Dec 2020 -Feb 2021	Dec 2019 -Feb 2020	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Net sales	46.6	118.3	102.1	234.8	230.7	363.5
Goods for resale	-22.8	-61.9	-52.3	-117.7	-109.0	-174.3
Gross income	23.8	56.4	49.8	117.2	121.7	189.2
Other operating income	5.3	15.2	56.3	26.3	35.7	5.8
Other external expenses	-20.0	-25.3	-34.3	-51.7	-40.1	-57.5
Personnel expenses	-28.8	-49.2	-55.6	-100.0	-90.8	-135.2
Depreciation/amortization of non-current assets	-20.0	-25.4	-36.3	-50.6	-82.2	-96.5
Goodwill impairment	0.0	0.0	0.0	0.0	-43.0	-43.0
Profit/loss from divestment of subsidiaries	0.0	0.0	0.0	0.0	-4.8	-4.8
Operating income from remaining operations	-39.7	-28.2	-20.3	-58.8	-103.5	-142.0
Financial income etc.	0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses etc.	-10.9	-10.1	-19.9	-18.5	-47.5	-46.1
Unrealized profit/loss on futures contracts	0.6	0.0	0.6	0.0	0.6	0.0
Net financial items	-10.3	-10.1	-19.3	-18.5	-46.9	-46.1
Profit before tax from remaining operations	-50.0	-38.3	-39.5	-77.3	-150.4	-188.2
Tax on profit for the period	0.0	0.0	0.0	0.0	-0.3	-0.2
Net income for the period from remaining operations	-49.9	-38.2	-39.6	-77.3	-150.7	-188.4
Divested operations						
Net income for the period from divested operations	-123.3	-24.9	55.6	10.3	-201.1	-246.4
Net income for the period	-173.2	-63.1	16.0	-67.0	-351.8	-434.8
Other comprehensive income						
<i>Other comprehensive income to be reclassified to net income in subsequent periods</i>						
Cash flow hedges – value changes	0.0	4.2	0.0	-4.0	8.8	4.8
Cash flow hedges recognized in income	0.0	-1.0	0.0	-5.4	-6.7	-12.1
Translation differences	-0.4	0.8	-0.4	-0.1	-0.6	-0.3
Tax attributable to items in other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	-173.6	-59.1	15.6	-76.5	-350.3	-442.4
Net income for the period attributable to:						
Parent Company shareholders	-173.2	-63.1	16.0	-67.0	-351.8	-434.8
	-173.2	-63.1	16.0	-67.0	-351.8	-434.8
Comprehensive income attributable to:						
Parent Company shareholders	-173.6	-59.1	15.6	-76.5	-350.3	-442.4
	-173.6	-59.1	15.6	-76.5	-350.3	-442.4
Earnings per share before and after dilution (SEK)						
	-1.70	-0.66	0.16	-1.03	-3.46	-5.21
Average number of shares (000s)	101,737	95,774	101,737	64,843	101,737	83,391

Consolidated Balance Sheet, in summary

SEK M	Feb 28, 2021	Feb 29, 2020	August 31, 2020
Assets			
Intangible assets	65.0	114.7	68.9
Tangible assets	9.7	20.6	12.9
Right-of-use assets	225.5	348.4	212.8
Financial assets	3.9	17.1	3.9
Total non-current assets	304.0	500.8	298.4
Inventories	91.3	111.4	79.8
Current receivables	59.8	53.2	30.5
Cash and cash equivalents	46.2	8.3	38.1
Total current assets	197.2	173.0	148.4
Assets included in disposal groups are classified as if held for sale	438.4	1,537.9	1,288.9
Total assets	939.6	2,211.7	1,735.7
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	-31.9	233.4	-132.5
Total equity	-31.9	233.4	-132.5
Long-term lease liabilities	58.8	275.6	186.8
Other non-current liabilities	339.9	398.5	412.3
Current lease liabilities	180.1	75.8	42.2
Other current liabilities	181.0	34.3	24.9
Total liabilities	759.8	784.2	666.2
Liabilities included in disposal groups are classified as if held for sale	211.7	1,194.1	1,202.0
Total equity and liabilities	939.6	2,211.7	1,735.7

Changes in shareholders' equity, in summary

SEK M	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Sep 2019 -Aug 2020
Opening balance	-132.5	235.0	235.0
Net income for the period	16.0	-67.0	-434.8
Other comprehensive income			
Changes to cash flow hedges	0.0	-4.0	4.8
Cash flow hedges recognized in income	0.0	-5.4	-12.1
Translation differences	-0.4	-0.1	-0.3
Total comprehensive income for the year	15.6	-76.5	-442.4
Rights issue	0.0	74.9	74.9
Hybrid bond	85.0	-	-
Balance at the end of the period	-31.9	233.4	-132.5

Consolidated Cash Flow Statement, in summary

SEK M	3 months		6 months		12 months	Full Year
	Dec 2020 -Feb 2021	Dec 2019 -Feb 2020	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Operating activities						
Operating income from remaining operations	-39.7	-28.2	-20.3	-58.8	-56.4	-94.9
Operating income from divested operations	-105.4	-23.5	88.0	18.7	-177.1	-246.4
Interest received and other financial income	0.2	-0.1	0.6	1.2	0.7	1.3
Interest paid	-34.4	-18.0	-44.7	-33.7	-88.2	-77.1
Adjustment for non-cash items	150.1	78.2	-22.8	156.0	258.4	437.2
Tax paid	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow before change in working capital	-29.2	8.4	0.8	83.4	-62.6	20.1
Cash flow from change in working capital						
Change in inventories	44.4	54.2	74.1	31.1	107.2	64.2
Decrease (+)/increase (-) in current receivables	12.4	48.4	52.7	12.4	59.9	19.6
Decrease (+)/increase (-) in current liabilities	-62.1	-142.8	-92.2	-59.4	106.6	139.4
Change in working capital	-5.3	-40.2	34.6	-15.9	273.7	223.2
Cash flow from operating activities	-34.5	-31.7	35.4	67.6	211.1	243.3
Cash flow from investing activities	25.4	-22.0	22.7	-30.4	24.5	-28.6
Cash flow after investments	-9.1	-53.7	58.1	37.2	235.6	214.7
Financing activities						
Change in overdraft facility	-2.6	69.8	-6.6	36.9	-14.9	28.6
Change in other debt	0.0	0.0	0.0	20.0	0.0	20.0
Issue of corporate bond	0.0	0.6	0.0	1.3	-1.3	0.0
Amortization of loan	0.0	0.0	0.0	0.0	-20.0	-20.0
Amortization of lease liabilities (rental payments)	-13.0	-64.3	-66.8	-129.0	-106.2	-168.4
Rights issue	0.0	74.9	0.0	74.9	0.0	74.9
Cash flow from financing activities	-15.6	81.0	-73.4	4.1	-142.4	-64.9
Cash flow for the period	-24.7	27.3	-15.3	41.3	93.2	149.8
Cash and cash equivalents at beginning of year	170.6	24.7	161.1	10.6	53.1	10.6
Exchange rate difference in cash and cash equivalents	-0.1	1.2	0.0	1.3	-0.5	0.7
Cash and cash equivalents at end of period	145.8	53.1	145.8	53.1	145.8	161.1

Income Statement, Parent Company

SEK M	3 months		6 months		12 months	Full Year
	Dec 2020 -Feb 2021	Dec 2019 -Feb 2020	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Net sales	4.5	5.6	13.7	19.7	35	41.0
Other operating income	1.3	0.4	1.9	1.1	1.0	0.2
	5.8	6.0	15.6	20.8	36.0	41.2
Operating expenses						
Other external expenses	-22.0	-10.6	-31.2	-30.8	-43.7	-43.3
Personnel expenses	-2.5	-6.4	-5.1	-15.4	-8.8	-19.1
Depreciation/amortization and impairment of non-current assets	-2.8	-1.6	-4.2	-2.9	-7	-5.7
Operating income	-21.5	-12.6	-24.9	-28.3	-23.5	-26.9
Profit from participations in Group companies	-255.9	0.0	-254.5	0.0	-455.4	-200.9
Financial income etc.	0.5	1.7	1.7	3.1	5.1	6.5
Financial expenses etc.	-6.4	-8.2	-13.4	-15.6	-30	-32.2
Profit/loss after financial items	-283.3	-19.1	-291.1	-40.8	-503.8	-253.5
Taxes	-	-	-	-	-	-
Net income for the period	-283.3	-19.1	-291.1	-40.8	-503.8	-253.5

Comprehensive income for the period corresponds to net income for the period

Balance Sheet, Parent Company, in summary

SEK M	Feb 28, 2021	Feb 29, 2020	August 31, 2020
Assets			
Intangible assets	8.4	14.6	12.1
Tangible assets	0.2	1.1	0.7
Financial assets	430.1	524.7	462.7
Other current receivables	15.0	212.0	56.4
Cash and cash equivalents	0.0	0.0	0.0
Total assets	453.7	752.4	531.9
EQUITY AND LIABILITIES			
<i>Restricted equity</i>			
Share capital	30.5	30.5	30.5
Revaluation reserve	200.0	0.0	0.0
<i>Total restricted equity</i>	<i>230.5</i>	<i>30.5</i>	<i>30.5</i>
<i>Non-restricted equity</i>			
Retained earnings	100.1	268.5	268.6
Net income for the period	-291.1	-40.8	-253.5
<i>Total non-restricted equity</i>	<i>-191.0</i>	<i>227.7</i>	<i>15.1</i>
Total Equity	39.5	258.2	45.6
Non-current liabilities	339.9	398.5	412.3
Current liabilities	74.3	95.7	74.0
Total equity and liabilities	453.7	752.4	531.9

Notes

NOTE 1 ACCOUNTING PRINCIPLES

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The Interim Report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2—Accounting for Legal Entities. The accounting policies applied correspond to the information provided in the Annual Report 2019/2020. Disclosures in accordance with IAS 34.16A appear in addition to the financial statements and their accompanying notes in other parts of this interim report.

This report includes critical estimates and judgments. For more information, see Note 2 of the Annual Report for 2019/2020.

Gross profit is reported separately in the Interim Report, diverging from the presentation in the Annual Report.

In the financial summary on page 8 of this report, operating income has been reported exclusive of IFRS 16 and goodwill impairment.

New IFRS standards issued but not yet applied
None of the IFRS or IFRIC interpretations that have not yet become effective are expected to have any material impact on the Financial Statements of the Group and Parent Company. The Group applies the concession rule for reporting rent concessions due to Covid-19 introduced by IASB under IFRS 16, and which has been approved by the EU.

NOTE 2 FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

The Group's financial instruments consist of cash and cash equivalents, trade receivables, accrued income, other receivables, trade payables, interest-bearing liabilities, accrued expenses, conditional purchase consideration and other liabilities. Trade receivables and trade payables are reported at estimated fair value. Group borrowing is reported at accrued cost.

The Group normally uses derivative instruments to manage currency risks in USD and EUR. The reporting applies hedge accounting when there is an effective link between hedged future cash flows and financial derivatives. The Group had no financial derivatives outstanding as of February 28, 2021 SEK (-4) M.

NOTE 3 LEASE AGREEMENTS IFRS 16

From September 1, 2019, RNB applies the standard IFRS 16 Leases, whereby lease agreements are reported in the Balance Sheet and all lease expenses are reported as amortization and interest expenses (the company applies exemptions, for more information see paragraph 3 below). The Group's lease agreements are mainly rent agreements for store premises. The lease period is determined by the contractual non-cancellable period governing extension or expected cancellation of the agreement. If it cannot be determined with reasonable certainty that an extension or cancellation will take place, the extension is not included in the calculation of the lease liability. Rent agreements are reviewed continuously, most recently on February 28, 2021.

RNB applies IFRS 16's modified retrospective transition approach, which means that comparative figures have not been restated, in accordance with IFRS 16.C5(b). The right-of-use asset has been recognized according to the principle described in IFRS 16.C8(b.ii), i.e. at an amount corresponding to the lease liability adjusted for prepaid or accrued expenses. Comparative figures have not been restated. RNB also applies the practical exemptions regarding reporting payments attributable to short-term lease agreements and lease agreements for assets of low value as an expense in the Income Statement.

In cases where rental discounts have been obtained and fall under the Accounting for Covid-19 lease modification rule, these discounts have not affected IFRS 16 calculations. In cases where rental discounts have been obtained and do not fall under this rule, these discounts have reduced the value of lease assets and lease liabilities, and depreciation/amortization and interest have been decreased.

NOTE 4 GOODWILL IMPAIRMENT

Group	Feb 28, 21	Aug 31, 20
Opening cost	151,143	335,229
Purchases in the year	919	0
Impairment in the year	-27,445	-184,000
Translation difference	-20	-86
Closing accumulated cost	124,597	151,143

Goodwill item allocated by segment:

	Feb 28, 21	Aug 31, 20
Brothers	54,668	54,668
Departments & Stores	-	27,445
Polarn O. Pyret	69,929	69,030
Closing accumulated cost	124,597	151,143

Impairment testing of goodwill

Impairment testing is carried out by calculating value-in-use on a segment-by-segment basis. The calculations are based on forecast cash flows over the period based on the outturns, budget and strategic plans generated in 2020. The key parameters are revenue, operating income, working capital, investments and WACC. Future cash flows are calculated on the basis of present conditions, i.e. planned store expansions and other growth plans are not included in the cash flow forecasts. The cash flows of the operating segments are affected by commercial factors such as changed purchasing patterns, market growth, competitiveness, margins, cost trends, investment levels and tied-up working capital. Additional assessments of factors such as interest rates, cost of borrowing, market risk, beta values and tax rates are carried out in connection with discounting.

Forecast cash flows during the terminal period are based on an annual growth rate of 0.2 percent (0.2). This is based on an assessment of the future long-term market growth rate at the time of impairment testing. Forecast cash flows have been calculated at present value based on a discount rate of 11.0 percent (9.0) after tax. The discount rate reflects the market assessment of monetary values over time and the specific risks that pertain to the asset for which estimates of future cash flows have not been adjusted. A higher discount rate has been applied as a result of higher applied risk premiums due to increased uncertainty in the market climate. All operating segments are deemed to have a similar risk profile, which is why the same discount rate is used.

Outcome from impairment testing in the quarter

Impairment testing carried out in the second quarter was based on updated forecasts for the current financial year. The impairment testing did not result in any goodwill impairment for the segments Brothers and Polarn O. Pyret.

In the second quarter, the parent company wrote down the value of the shares in Brothers by SEK 22 million to SEK 124 million.

NOTE 5 IFRS 15 REVENUE RECOGNITION

See page 7 for revenue recognition by segment and product category.

NOTE 6 DIVESTED OPERATIONS

The operations in the Departments & Stores business area were divested in an asset acquisition in February 2021. The operations were reported as an independent segment in the financial year. The segment Departments & Stores' results are presented below:

SEK M	3 months		6 months		12 months	Full Year
	Dec 2020 -Feb 2021	Dec 2019 -Feb 2020	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Net sales	117.8	254.9	275.3	496.9	542.7	764.3
Goods for resale	-81.3	-157.6	-176.4	-286.1	-349.6	-459.4
Gross income	36.5	97.3	98.9	210.8	193.1	305.0
Other operating income	14.5	4.5	145.1	10.3	168.7	33.8
Other external expenses	0.2	-33.0	-15.3	-62.8	-55.0	-102.5
Personnel expenses	-36.0	-51.9	-67.3	-97.0	-135.1	-164.8
Depreciation/amortization and impairment of non-current assets	-20.3	-30.5	-49.0	-60.4	-96.7	-108.1
Goodwill impairment	0.0	0.0	-27.5	0.0	-168.5	-141.0
Profit/loss from divestment of subsidiaries	-104.9	0.0	-104.9	0.0	-104.9	0.0
Operating income	-110.1	-13.6	-20.0	0.8	-198.4	-177.6
Financial income etc.	0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses etc.	-7.3	-4.0	-14.3	-7.3	-39.5	-32.5
Net financial items	-7.3	-4.0	-14.3	-7.3	-39.5	-32.4
Profit before tax from divested operations	-117.4	-17.6	-34.3	-6.5	-237.9	-210.0
Tax on profit for the period	0.0	0.0	0.0	0.0	0.0	0.0
Net income for the period from divested operations	-117.4	-17.6	-34.3	-6.5	-237.9	-210.0

The Operating income 6 months 20/21 is excluding internal gains from corporate restructuring of SEK 70 M.

Assets and liabilities for the Departments & Stores segment:

SEK M	Feb 28, 2021	Feb 29, 2020	August 31, 2020
Assets			
Intangible assets	0.0	168.6	27.5
Tangible assets	0.0	38.2	43.0
Right-of-use assets	0.0	538.8	425.9
Financial assets	0.0	0.0	0.0
Total non-current assets	0.0	745.6	496.4
Inventories	0.0	169.1	166.6
Current receivables	0.0	52.3	73.4
Cash and cash equivalents	0.0	13.7	45.0
Total current assets	0.0	235.1	284.9
Total assets for divestment	0.0	980.7	781.3
Liabilities			
Long-term lease liabilities	0.0	447.7	359.5
Other non-current liabilities	0.0	0.0	0.0
Current lease liabilities	0.0	93.7	78.6
Other current liabilities	0.0	227.4	334.9
Total liabilities directly associated with assets for divestment	0.0	768.8	772.9
Net assets directly associated with operations for divestment	0.0	211.9	8.4
Included in Other comprehensive income:			
Translation differences	0.1	0.0	0.0
Other reserves for operations for divestment	0.0	0.0	0.0

Net cash flow in the segment Departments & Stores is as follows:

SEK M	3 months		6 months		12 months	Full Year
	Dec 2020 -Feb 2021	Dec 2019 -Feb 2020	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Operating activities	-34.0	39.9	-16.8	67.5	43.2	127.4
Investments	28.8	-6.8	25.5	-10.1	17.2	-18.5
Financing	-33.5	-20.0	-53.7	-44.2	-74.0	-64.5
Net cash flow	-38.7	13.1	-45.0	13.1	-13.7	44.5

The preliminary purchase consideration of SEK 58 M was dependent on factors including forecast inventories on the transfer date. Inventories were lower, while more debt than assumed was acquired by the buyer. This implied that the estimated, preliminary and adjusted purchase consideration amounts to SEK 42 M. The payment of the purchase consideration is based on measurements relating to the transfer of operations. At the end of the quarter 29 M of the purchase consideration had been received.

NOTE 7 OPERATIONS FOR DIVESTMENT

At the end of the quarter, RNB Retail and Brands were party to negotiations regarding the divestment of Polarn O. Pyret to an external buyer. The operations were divested on March 31, 2021. The operations were reported as an independent segment in the financial year. Results of operations for the segment Polarn O. Pyret are presented below:

SEK M	3 months		6 months		12 months	Full Year
	Dec 2020 -Feb 2021	Dec 2019 -Feb 2020	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Net sales	156.7	187.8	344.1	401.9	597.9	655.7
Goods for resale	-76.7	-98.3	-158.5	-184.3	-276.1	-301.9
Gross income	80.0	89.5	185.6	217.6	321.8	353.8
Other operating income	2.5	1.2	86.4	3.5	90.1	7.2
Other external expenses	-23.6	-27.3	-59.1	-60.6	-118.0	-119.4
Personnel expenses	-38.9	-50.9	-75.1	-97.7	-141.0	-163.6
Depreciation/amortization and impairment of non-current assets	-15.4	-22.4	-29.9	-45.0	-84.5	-99.6
Goodwill impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating income	4.7	-9.9	107.9	17.9	68.4	-21.7
Financial income etc.	0.2	-0.1	0.6	1.2	2.2	2.8
Financial expenses etc.	-10.5	2.0	-18.1	-2.5	-32.9	-17.2
Net financial items	-10.3	1.9	-17.6	-1.3	-30.7	-14.4
Profit before tax from divested operations	-5.6	-8.0	90.4	16.5	37.7	-36.1
Tax on profit for the period	-0.2	0.8	-0.5	0.2	-0.9	-0.3
Net income for the period from divested operations	-5.8	-7.2	89.9	16.7	36.8	-36.4

The Operating Income 6 months 20/21 is excluding internal gains from corporate restructuring of SEK 62 M.

Assets and liabilities for the segment Polarn O. Pyret.

SEK M	Feb 28, 2021	Feb 29, 2020	August 31, 2020
Assets			
Intangible assets	93.2	98.3	94.7
Tangible assets	14.6	24.7	17.2
Right-of-use assets	96.2	211.4	134.2
Financial assets	9.0	5.9	8.6
Total non-current assets	213.1	340.4	254.7
Inventories	103.2	146.6	132.3
Current receivables	22.5	39.2	42.6
Cash and cash equivalents	99.6	31.1	78.0
Total current assets	225.3	216.8	252.9
Total assets for divestment	438.4	557.2	507.6
Liabilities			
Long-term lease liabilities	45.4	149.8	110.8
Other non-current liabilities	0.0	0.0	0.0
Current lease liabilities	55.4	63.8	47.3
Other current liabilities	110.9	211.7	271.1
Total liabilities directly associated with assets for divestment	211.7	425.3	429.1
Net assets directly associated with operations for divestment	226.6	131.9	78.5
Included in Other comprehensive income:			
Translation differences	-1.3	-0.6	-0.9
Other reserves for operations for divestment			

Net cash flow in the segment Polarn O. Pyret.

SEK M	3 months		6 months		12 months	Full Year
	Dec 2020 -Feb 2021	Dec 2019 -Feb 2020	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Operating activities	-26.0	45.3	26.7	63.6	82.5	119.4
Investments	5.3	-12.7	-2.6	-8.5	-4.8	-10.7
Financing	4.1	-16.8	-2.5	-33.6	-9.2	-40.3
Net cash flow	-16.5	15.8	21.6	21.5	68.5	68.4

The purchase consideration for Polarn O. Pyret is divided into two parts: one initial cash payment received on March 31 of SEK 233 M and the remaining SEK 120 M which will be received in 2021.

Key ratios for remaining operations

SEK M	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Gross margin, %	48.7	49.9	52.8	52.0
Operating margin, %	-19.8	-25.0	-44.9	-39.1
Operating margin excl. IFRS 16, %	-19.1	-25.8	-47.9	-41.7
Equity/assets ratio, %	-3.4	10.6	-3.4	-7.6
Equity/assets ratio, excl. IFRS 16, %	-2.6	12.7	-2.6	-8.3
Interest coverage ratio, multiple ¹	-1.0	-3.2	-2.2	-3.1
Ratio of net debt and operating income before depreciation/amortization	36.6	-98.5	27.0	-258.9
Net debt, MSEK	587.5	811.4	587.5	664.7
Net debt/equity ratio, %	-1,841.7	347.6	-1,841.7	-501.7
Return on equity, %	48.1	-33.0	-149.6	-367.6
Return on capital employed, %	-1.7	-3.7	-7.7	-10.3
Average number of shares (000s)	101,737	64,843	101,737	83,391
Number of shares at end of period, 000s	101,737	101,737	101,737	101,737
Profit after tax per share, SEK	0.16	-1.03	-3.46	-5.21
Equity per share at end of period, SEK	-0.31	2.29	-0.31	-1.30
Number of full-time employees	132	226	88	182

See Definition of key ratios at page 23

Shareholders

Largest shareholders as of February 28, 2021

	Number of shares	Share capital/votes, %
Konsumentföreningen Stockholm	41,832,649	41.1
Novobis AB	11,957,790	11.8
Nordnet Pensionsförsäkring AB	5,084,530	5.0
Strategiq Capital AB	2,100,000	2.1
Avanza Pension Försäkringsaktiebolaget	1,970,242	1.9
SEB Investment Management	1,885,670	1.9
Tony Jansson	1,183,806	1.2
Per Dans	1,000,000	1.0
Lars-Erik Harvig	704,072	0.7
Thomas Ottosson	689,000	0.7
Total, 10 largest shareholders	68,407,759	67.4
Other	33,328,769	32.6
Total	101,736,528	100.0

Source: Euroclear Sweden AB

Income Statement per quarter, Group

SEK M	Q2		Q1		Q4		Q3	
	2020/ 2021	2019/ 2020	2020/ 2021	2019/ 2020	2019/ 2020	2018/ 2019	2019/ 2020	2018/ 2019
Net sales	46.6	118.3	55.6	116.5	180.0	315.5	202.5	141.9
Goods for resale	-22.8	-61.9	-29.5	-55.8	-72.2	-165.8	-105.0	-62.7
Gross income	23.8	56.4	26.0	60.8	107.7	149.7	97.6	79.2
Other operating income	5.3	15.2	51.0	11.1	4.0	15.8	12.8	12.4
Other external expenses	-20.0	-25.3	-14.3	-26.4	-9.6	-112.5	-61.6	-38.2
Personnel expenses	-28.8	-49.2	-26.9	-50.8	-53.8	-69.7	-71.6	-54.1
Depreciation/amortization and impairment of non-current assets	-20.0	-25.4	-16.3	-25.2	-65.8	-9.1	-34.7	-5.6
Goodwill impairment	-	-	-	-	-	-	-43.0	-
Profit/loss from divestment of subsidiaries	0.0	-	-	-	-	-	-4.8	-
Operating income from remaining operations	-39.7	-28.2	19.5	-30.6	-17.4	-25.7	-105.3	-6.3
Financial income etc.	0.0	0.0	0.0	0.0	1.0	1.4	0.6	0.1
Financial expenses etc.	-10.9	-10.1	-9.0	-8.5	-21.7	-6.4	-20.7	-6.3
Unrealized profit/loss on futures contracts	0.6	0.0	0.0	0.0	0.0	-0.1	0.0	0.1
Net financial items	-10.3	-10.1	-9.0	-8.4	-20.7	-5.1	-20.1	-6.1
Profit after financial items remaining operations	-50.0	-38.3	10.5	-39.0	-38.1	-30.8	-125.4	-12.4
Tax on profit for the quarter	0.0	0.0	0.0	0.0	-1.5	0.2	0.8	0.1
Profit for the quarter remaining operations	-49.9	-38.2	10.4	-39.0	-39.6	-30.6	-124.6	-12.4
Divested operations								
Net income for the period from divested operations	-123.3	-24.9	178.8	35.1	-10.5	-75.6	-193.1	-14.6
Profit for the quarter	-173.2	-63.1	189.2	-3.9	-50.1	-106.2	-317.7	-26.9
Other comprehensive income								
Other comprehensive income to be reclassified to net income in subsequent quarter								
Cash flow hedges – value changes	0.0	4.2	0.0	-8.2	0.0	5.3	8.8	5.2
Cash flow hedges recognized in income	0.0	-1.0	0.0	-4.4	0.0	-8.4	-6.7	-7.8
Translation differences	-0.4	0.8	0.1	-0.9	-0.9	1.0	0.7	0.2
Tax attributable to items in other comprehensive income	-	-	-	-	-	-	-	-
Comprehensive income for the quarter	-173.6	-59.1	189.3	-17.4	-51.0	-108.3	-314.9	-29.3

Key ratios for remaining operations

SEK M	Q2		Q1		Q4		Q3	
	2020/ 2021	2019/ 2020	2020/ 2021	2019/ 2020	2019/ 2020	2018/ 2019	2019/ 2020	2018/ 2019
Gross margin, %	51.1	47.7	46.8	52.1	59.9	47.4	48.2	55.8
Operating margin, %	-85.3	-23.8	35.1	-26.2	-9.7	-8.2	-52.0	-4.4
Return on equity, %	-401.2	-17.0	-27.6	-13.9	37.0	-10.6	-164.1	-3.5
Average number of shares (000s)	101,737	95,774	101,737	33,912	101,737	33,912	101,737	33,912
Number of shares at end of quarter, 000s	101,737	101,737	101,737	33,912	101,737	33,912	101,737	33,912
Profit after tax per share, SEK	-0.49	-0.40	0.10	-1.15	-0.39	-0.90	-1.22	-0.36
Equity per share at end of quarter, SEK	-0.31	2.29	0.56	6.42	-1.30	6.93	-0.80	10.12
Total Equity	-31.9	233.4	56.8	217.6	-132.5	235.0	-81.5	343.3
Cash flow from operating activities per share, SEK	-0.3	-0.3	0.6	2.9	0.1	-1.3	1.4	0.5
Cash flow from operating activities	-34.5	-31.8	63.4	99.3	10.1	-43.6	147.0	18.4
Share price at end of quarter	0.7	1.0	0.6	1.3	0.7	3.8	0.4	4.7

Reconciliation of key ratios

SEK M	6 months		12 months	Full Year
	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Net sales	102.1	234.8	230.7	363.5
Goods for resale	-52.3	-117.7	-109.0	-174.3
Gross income	49.8	117.2	121.7	189.2
Other operating income	56.3	26.3	35.7	5.8
Other external expenses	-34.3	-51.7	-40.1	-57.5
Personnel expenses	-55.6	-100.0	-90.8	-135.2
Depreciation/amortization and impairment of non-current assets	-36.3	-50.6	-82.2	-96.5
Goodwill impairment	0.0	0.0	-43.0	-43.0
Profit/loss from divestment of subsidiaries	0.0	0.0	-4.8	-4.8
Operating income (EBIT)	-20.3	-58.8	-103.5	-142.0
Financial income etc.	0.0	0.0	0.0	0.0
Financial expenses etc.	-19.9	-18.5	-47.5	-46.1
Unrealized profit/loss on futures contracts	0.6	0.0	0.6	0.0
Net financial items	-19.3	-18.5	-46.9	-46.1
Profit/loss after financial items	-39.5	-77.3	-150.4	-188.2
Adjustments:				
Tax on net profit/loss for the period	0.0	0.0	-0.3	-0.2
Net income for the period	-39.6	-77.3	-150.7	-188.4
Operating income	-20.3	-58.8	-103.5	-142.0
Depreciation/amortization and impairment of non-current assets	36.3	50.6	82.2	96.5
Goodwill impairment	0.0	0.0	43.0	43.0
Operating income before depreciation/amortization of non-current assets (EBITDA)	16.1	-8.2	21.7	-2.6
Operating income	-20.3	-58.8	-103.5	-142.0
Other external expenses IFRS16	-28.3	-45.3	-73.9	-90.9
Depreciation/amortization of right-of-use assets IFRS 16	29.1	43.6	66.8	81.3
Goodwill impairment	0.0	0.0	43.0	43.0
Operating income, excluding IFRS 16 and goodwill impairment	-19.4	-60.5	-67.6	-108.6

Definition of key ratios, cont.

SEK M	6 months		12 months	Full Year
	Sep 2020 -Feb 2021	Sep 2019 -Feb 2020	Mar 2020 -Feb 2021	Sep 2019 -Aug 2020
Contingent purchase consideration	0.0	0.0	0.0	0.0
Other non-current interest-bearing liabilities	339.9	398.5	339.9	412.3
Other non-current liabilities	0.0	0.0	0.0	0.0
Long-term lease liabilities	58.8	275.6	58.8	186.8
Non-current liabilities	398.7	674.1	398.7	599.1
Contingent purchase consideration	0.0	0.0	0.0	0.0
Long-term lease liabilities	58.8	275.6	58.8	186.8
Other non-current interest-bearing liabilities	339.9	398.5	339.9	412.3
Current lease liabilities	180.1	75.8	180.1	42.2
Other current interest-bearing liabilities	54.9	69.8	54.9	61.5
Cash and cash equivalents	-46.2	-8.3	-46.2	-38.1
Net debt	587.5	811.4	587.5	664.7
Equity, opening balance	-132.5	235.0	233.4	235.0
Equity, closing balance	-31.9	233.4	-31.9	-132.5
Average equity	-82.2	234.2	100.8	51.3
Total assets	939.6	2,211.7	939.6	1,735.7
Trade payables	-36.1	-75.0	-36.1	-73.7
Current lease liabilities	-180.1	-75.8	-180.1	-42.2
Other current liabilities	-144.9	40.7	-144.9	48.7
Capital employed	578.6	2,101.6	578.6	1,668.5
Net income for the period	-39.6	-77.3	-150.7	-188.4
Average equity	-82.2	234.2	100.8	51.3
Return on equity, %	48.1	-33.0	-149.6	-367.6
Capital employed, opening balance	1,668.5	1,103.4	2,101.6	1,103.4
Capital employed, closing balance	578.6	2,101.6	578.6	1,668.5
Average capital employed	1,123.6	1,602.5	1,340.1	1,386.0
Financial expenses etc.	-19.9	-18.5	-47.5	-46.1
Unrealized expense on currency hedges	0.0	0.0	0.0	0.0
Profit/loss after financial items	-39.5	-77.3	-150.4	-188.2
Average capital employed	1,123.6	1,602.5	1,340.1	1,386.0
Return on capital employed, %	-1.7	-3.7	-7.7	-10.3
Operating income	-20.3	-58.8	-103.5	-142.0
Financial income etc.	0.0	0.0	0.0	0.0
Unrealized income on currency hedges	0.6	0.0	0.6	0.0
Profit/loss after financial items	-19.6	-58.8	-102.9	-142.1

Definition of key ratios

This report contains financial metrics not defined in IFRS. These financial metrics are used to follow-up, analyze and control operations and to provide the Group's stakeholders with financial information about the Group's financial position, results and performance. These financial targets are considered necessary to follow and control progress of the Group's financial goals and are relevant to present on a continual basis.

A list of definitions of the key ratios used in this report follows.

MARGIN METRICS

Gross profit margin

Net sales less goods for resale in relation to net sales.

Purpose: The margin illustrates the proportion of net sales remaining to cover other expenses.

Operating margin

Operating income as a percentage of net sales.

Purpose: The measure is used to measure operational profitability.

Operating margin excluding IFRS 16

Operating income excluding effects of the IFRS 16 reporting standard as a percentage of net sales (this KPI includes lease charges as an operating expense and not as depreciation/amortization and interest expenses).

Purpose: The measure is used to measure operational profitability and illustrate the effect of the relatively new reporting standard IFRS 16, thus facilitating comparability with earlier periods.

RETURN METRICS

Return on equity

Net income for the period excluding minority interests as a percentage of average equity. Average equity is calculated as equity attributable to the Parent Company's shareholders at the beginning of the year plus equity attributable to the Parent Company's shareholders at year-end divided by two.

Purpose: The measure illustrates the return generated by the company on shareholders' equity.

Return on capital employed

Profit after net financial items plus financial expenses as a percentage of average capital employed. Average capital employed is calculated as capital employed at the beginning of the year plus capital employed at year-end divided by two. Capital employed is calculated as equity plus interest-bearing liabilities.

Purpose: Illustrates the company's returns independent of financing.

FINANCIAL METRICS

Equity/assets ratio

Shareholders' equity in relation to total assets.

Purpose: Equity/assets illustrates the proportion of assets financed by equity.

Equity/assets ratio excluding IFRS 16

Equity in relation to total assets excluding effects from the reporting standard IFRS 16. (This KPI does not include lease contracts as an asset/liability in the Balance Sheet)

Purpose: Equity/assets illustrates the proportion of assets financed by equity. Removing the effect of the IFRS 16 reporting standard from the KPI facilitates comparability with previous periods.

Net debt

Loans and other current and non-current interest-bearing liabilities less financial assets including cash and cash equivalents.

Purpose: Net debt illustrates the ability to pay off interest-bearing liabilities using available liquid funds if due on the date of calculation.

Net debt excluding IFRS 16

Loans and other non-current and current interest-bearing liabilities less financial assets including cash and cash equivalents, excluding the effect of IFRS 16. The KPI does not include lease contracts as an asset/liability in the Balance Sheet.

Purpose: Net debt illustrates the ability to pay off interest-bearing liabilities using available liquid funds if due on the date of calculation. Removing the effect of the IFRS 16 reporting standard from the KPI facilitates comparability with previous periods.

Net debt equity ratio

Net debt as a percentage of equity attributable to Parent Company shareholders.

Purpose: The measure illustrates the company's financial strength.

Interest coverage ratio

Profit after net financial items plus financial expenses divided by financial expenses and the expense for unrealized results on currency forwards.

Purpose: Interest coverage ratio illustrates the company's ability to cover its financial expenses.

Ratio of net debt and operating income before depreciation/amortization

Debt less investments and cash and cash equivalents divided by operating income before depreciation/amortization

Purpose: The measure illustrates the company's ability to pay its debts.

SHARE-BASED METRICS

Equity per share

Equity attributable to the Parent Company's shareholders divided by the number of shares at the end of the period.

Purpose: The measure illustrates shareholders' equity per share.

Earnings per share

Net income for the period divided by the weighted average number of shares during the period.

Purpose: The performance measure is used to evaluate investment performance from a shareholder perspective.

OTHER TERMS

Number of full-time employees

Total number of hours of attendance during the 12-month period divided by the normal hours worked per year in each country.

Average number of shares

Weighted average of outstanding ordinary shares in the period.

Sales for comparable units, change %

Change in sales for comparable units including e-commerce after adjustment for opened/closed units and exchange rate effects.

Sales points

Physical stores, proprietary e-commerce sites and e-commerce partnerships.

The Swedish Retail and Wholesale Trade Research Institute.

Indications of sales development in physical fashion stores and e-commerce in Sweden, measured by comparable units and by ongoing pricing. Presented by Svensk Handel Stil. HUI Research is responsible for collection and processing.

Total expenses

Total expenses include: other external expenses, personnel expenses and depreciation/amortization.

Total brand sales

Total sales in proprietary stores and franchisee stores to consumers, excluding sales tax, on all markets, measured on a rolling 12-month basis.

Restructuring expenses

Restructuring expenses are costs related to the separation and divestment project agreed at the AGM on December 20, 2018 and finalized in February 2020.

Operating income before restructuring costs

Operating income according to the Income Statement, excluding costs relating to the separation and divestment project agreed at the AGM on December 20, 2018.

Operating income before restructuring costs and goodwill impairment.

Operating income according to the Income Statement, excluding costs relating to the separation and divestment project agreed at the AGM on December 20, 2018, including goodwill impairment.

Operating income excluding IFRS 16

Operating income according to the Income Statement adjusted for the effect of the IFRS 16 reporting standard. (This KPI includes lease expenses as an operating expense and not as a cost of depreciation/amortization and interest expenses)

RNB RETAIL AND BRANDS

Postal address:

P.O. Box 161 42
SE-103 23 Stockholm,
Sweden

Visitors:

Drottninggatan 33
Stockholm, Sweden

www.rnb.se

Telephone +46 8 410 520 00
Corp. ID no. 556495-4682

Ticker:

RNBS in Nasdaq OMX
RNBS:SS in Bloomberg
RNBS.ST in Reuters
ISIN-kod: SE0005223674

Questions about this report should be directed to info@retailandbrands.se