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Press release

BJÖRN BORG RELOCATES SPORTSWEAR OPERATIONS TO STOCKHOLM

Björn Borg AB (publ) has acquired the shares of Baseline B.V. in the subsidiary Björn Borg Sport B.V. The acquisition is the first step in implementing a relocation of the Björn Borg sportswear operations to Stockholm. The company plans to increase its strategic focus on sports fashion and the transaction is a natural step to strengthen control over the sportswear operations.

“Our market surveys show that consumers want a higher fashion level in their sportswear and that there is a great interest in buying sportswear from us. It is our job to cater to that. With 90% -100% brand recognition in our main markets we have a solid foundation to build upon. This transaction is a natural step in our increased focus on sports fashion” says Henrik Bunge, CEO of Björn Borg.

The operations of Björn Borg Sport involve design, sourcing, sale and distribution of Björn Borg branded sports apparel products. The shares acquired from Baseline represent 49.58% of total shares in Björn Borg Sport. After the acquisition Björn Borg will hold 99.63% of outstanding shares in the company.

Björn Borg pays a purchase price for the shares, consisting of a fixed purchase price and a variable purchase price based on future purchases of sportswear products in 2015-2017 by Baseline group, holding the distribution right for Björn Borg sportswear in Benelux. Estimate is that the total purchase price payable for the shares will not exceed 700 KEUR.

Wind down of operations in Björn Borg Sport in the Netherlands will entail some one-time cost implications that will mainly be taken in Q4 2014, estimated to not exceed 750 KEUR. The sportswear operations are financially anticipated to be able to contribute positively to the Björn Borg group already in 2015.

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ABOUT BJÖRN BORG: The Group owns the Björn Borg trademark; a sports fashion brand. It offers products within sportswear and underwear as well as footwear, bags, eyewear and fragrances. Björn Borg products are sold in around thirty 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. In total, there are 38 Björn Borg stores, of which 17 are operated in the Group. Total sales of Björn Borg products in 2013 amounted to around SEK 1.5 billion at the consumer level. Group net sales amounted to SEK 499 million in 2013, with 159 employees. The Björn Borg share has been listed on NASDAQ Stockholm since 2007.