
PRESS RELEASE

Möln dal 8 November 2018



NEW ANNUAL REPORT FROM KAPPAHL

presenting results and sustainability work 2017/2018

KappAhl have published its Annual Report for the fiscal year 2017/2018. Again this year, the fashion chain has chosen to combine the financial annual report and the sustainability report.

KappAhl's business year has been characterized by fierce competition and fewer visits to physical stores, but also of progress in the sustainability area, increased sales in Shop Online and a successful launch of Newbie Store in the UK

In the report, acting President and CEO Göran Bille summarizes the year with the words "The past year was challenging for KappAhl. Effects of fewer visits to stores and tough competition contributed to a decrease in sales of 3.2 per cent. At the same time, good cost control and intensive development work with digital solutions and in the store network have meant that we are in a stronger starting position than a year ago."

Some highlights from the year:

- KappAhl opened four new stores, closed four and converted 23. Newbie Store opened 11 stores and closed one during the year.
- Shop Online sales increased by 38 per cent compared with the previous year and is now about five per cent of total sales.
- KappAhl launched services such as Click&Collect, Shop Online in Store and Klarna in Store in order to increase the service level.
- A strategy customized to the local conditions in Poland has been successful in terms of price strategy and the overall offer.
- The share of sustainability labelled fashion increased to 57 (53) per cent.

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- KappAhl joined the Sustainable Apparel Coalition (SAC), aiming to intensify their work to contribute to an increased pace of change and increased transparency in the fashion industry
- The industry collaboration One Bag Habit has reduced the use of bags by as much as 70 per cent.

The Annual Report published today is the Swedish version. The English version will be published on 23 November. The Annual Report is produced in two parts. Part 1 describes the business including the sustainability work and is available to download as well as to order printed copies of at www.kappahl.com/ir. Part 2 is available to download on www.kappahl.com/ir and includes the official Annual Report, the GRI Index, the materiality analysis and corporate governance report, etc.

This information was submitted for publication, through the agency of the contact person set out above, at 12.00 am CET on 8 November 2018.

For more information

Charlotte Högberg, Head Corporate Communications. Tel. +46 704 715 631, charlotte.hogberg@kappahl.com

***KappAhl** was founded in Gothenburg in 1953 and is a leading fashion chain in the Nordic region with 370 KappAhl and Newbie stores and Shop Online in Sweden, Norway, Finland, Poland and Great Britain. Our business idea is to offer value-for-money fashion of our own design to the many people. Sustainability-labeled fashion accounts for 57 per cent of the range. Sales for 2017/2018 totaled SEK 4.8 billion and the company has approx. 4,000 employees in ten countries. KappAhl is quoted on Nasdaq Stockholm. More information at www.kappahl.com.*