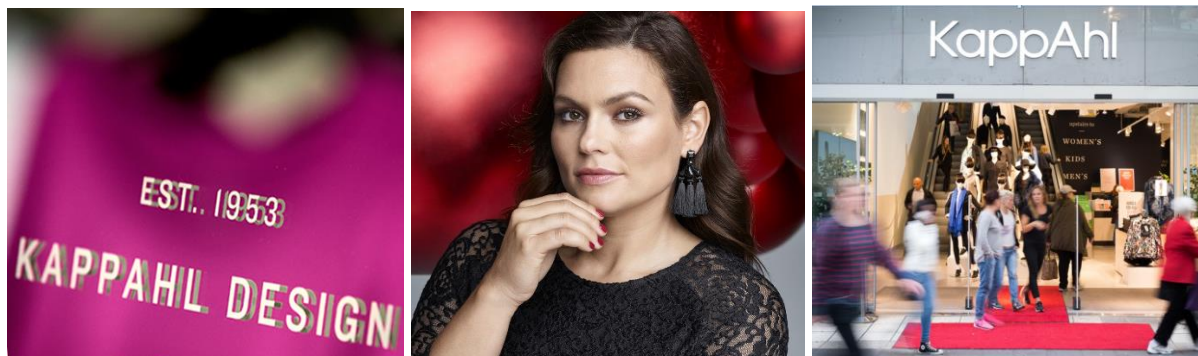


PRESS RELEASE

Möln dal 5 December 2017



BULLETIN FROM THE ANNUAL GENERAL MEETING 2017 IN KAPPAHL

KappAhl AB (publ) held its Annual General Meeting on Tuesday 5 December 2017 in Möln dal. The following resolutions were amongst others passed at the Annual General Meeting:

- A cash dividend of SEK 2.00 per share. The record day for the dividend is Thursday 7 December 2017.
- Determination on unchanged fees.
- Adoption of the accounts and discharge from liability for the financial year 2016/2017.
- Re-election of Anders Bülow, Kicki Olivensjö, Pia Rudengren, Susanne Holmberg, Göran Bille and Cecilia Kocken as ordinary members of the Board of Directors and election of Thomas Gustafsson as new ordinary member of the Board of Directors. Re-election of Anders Bülow as Chairman of the Board of Directors.
- Re-election of PwC (PricewaterhouseCoopers AB) as accounting firm, with Eva Carlsvi as the principally responsible auditor.
- Adoption of instructions and charter for the Nomination Committee.
- Adoption of a remuneration policy for the company management.
- Resolution on an automatic redemption procedure, meaning that a cash payment of SEK 6.50 per share will be distributed to the shareholders.

A summary of the resolutions passed is presented below. All resolutions were passed in accordance with the proposals made available to the shareholders before the Annual General Meeting.

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Resolution on adoption of the accounts and discharge from liability for the financial year 2016/2017

The income statement and balance sheet and consolidated income statement and balance sheet for 2016/2017 were adopted and the Annual General Meeting resolved to discharge the Board of Directors and the Chief Executive Officer from liability for the financial year 2016/2017.

Resolution regarding dividend

In accordance with the proposal from the Board of Directors, the Annual General Meeting resolved on a cash dividend of SEK 2.00 per share to be distributed for 2016/2017, corresponding to a total of SEK 153,640,760, and that the remaining profit is carried forward. Record day for the dividend is Thursday 7 December 2017. Expected date of payment via Euroclear Sweden AB is Tuesday 12 December 2017.

Determination of fees to the Board of Directors and the Auditor

The Annual General Meeting resolved that the fees to the Board of Directors and its committees shall be SEK 2,019,000, whereas the Chairman of the Board of Directors is awarded SEK 400,000 and each other elected member of the Board of Directors is awarded SEK 200,000. The chairman of the Audit Committee is awarded SEK 160,000 and each other member of the Audit Committee is awarded SEK 100,000, the chairman of the Remuneration Committee is awarded SEK 35,000 and each other member of the Remuneration Committee is awarded SEK 12,000. It was resolved that the fees to the accounting firm shall be unchanged in accordance with customary standards and approved invoice.

Election of the Board of Directors

In accordance with the proposal from the Nomination Committee, the Annual General Meeting resolved to elect seven ordinary members of the Board of Directors. Anders Bülow, Kicki Olivensjö, Pia Rudengren, Susanne Holmberg, Göran Bille and Cecilia Kocken were re-elected as ordinary members of the Board of Directors and Thomas Gustafsson was elected as new ordinary member of the Board of Directors. Anders Bülow was re-elected as Chairman of the Board of Directors. Consequently, the members of the Board of Directors elected by the Annual General Meeting are Anders Bülow (Chairman), Kicki Olivensjö, Pia Rudengren, Susanne Holmberg, Göran Bille, Cecilia Kocken and Thomas Gustafsson.

Election of accounting firm

In accordance with the proposal from the Nomination Committee, the Annual General Meeting resolved to elect an accounting firm. PricewaterhouseCoopers AB (PwC) was re-elected as accounting firm with Eva Carlsvi as the principally responsible auditor. The engagement will run until the next Annual General Meeting.

Instructions and charter for the Nomination Committee

The Annual General Meeting resolved to adopt the proposal from the Nomination Committee on instructions and charter for the Nomination Committee. The Nomination Committee shall consist of four ordinary members, who shall be appointed by the four largest shareholders as of

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April 30. The term largest shareholders refers to shareholders registered with Euroclear Sweden AB and grouped by ownership as of April 30.

Remuneration policy for the company management

The Annual General Meeting resolved to adopt the proposal from the Board of Directors on a remuneration policy for the company management. The remuneration policy implies that the Chief Executive Officer and Chief Financial Officer may be offered a bonus of a maximum of 50 percent of the fixed salary and that other management persons may be offered a bonus of a maximum of 33 percent of the fixed salary. The remuneration policy is substantially the same as the one adopted by the previous Annual General Meeting.

Automatic redemption procedure

The Annual General Meeting resolved to adopt the Board of Directors proposal on an automatic redemption procedure, including an amendment of the Articles of Association, share split (2:1), reduction of the share capital for repayment to the shareholders and an increase of the share capital through a bonus issue. Through the procedure, an aggregate amount of SEK 499,332,470 will be distributed to the shareholders, which corresponds to a cash payment of SEK 6.50 per existing share. Furthermore, the Annual General Meeting resolved to authorize the Board of Directors to determine the record date for the share split, which is estimated to be 12 January 2018. Payment of the redemption amount is estimated to be made by Euroclear Sweden AB on 6 February 2018. The ISIN code for the redemption share is SE0010520973 and the ISIN code for the ordinary share is SE0010520981.

All resolutions of the Annual General Meeting were passed with the requisite majority.

The information was submitted for publication, through the agency of President and CEO Danny Feltmann, at 12.30 CET on 5 December 2017.

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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 53 per cent of the range. Sales for 2016/2017 totaled SEK 4.9 billion and the company has approx. 4,000 employees in nine countries. KappAhl is quoted on Nasdaq Stockholm. More information at www.kappahl.com.

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.