

PRESS RELEASE

Möln dal 12 October 2017



KAPPAHL PROPOSES A SHARE SPLIT AND AUTOMATIC SHARE REDEMPTION

The Board of Directors of KappAhl AB (publ) has decided to propose to the Annual General Meeting on 5 December 2017 to make a decision about a share split and reduction of the share capital through an automatic redemption procedure. Through the redemption procedure approximately SEK 500 million will be transferred to KappAhl's shareholders, corresponding to SEK 6.50 per share.

The proposal means that each KappAhl share will be split into two shares, of which one will be a redemption share. The redemption shares will then automatically be redeemed against a cash redemption payment of SEK 6.50 per share. Lastly, KappAhl's share capital will be restored to the original amount through a bonus issue without issuing new shares. In order to carry out the redemption procedure the Board also proposes that the provision in the Articles of Association concerning the maximum and minimum number of shares is changed.

The share split and redemption procedure will take place automatically without the shareholder needing to take any action. The cash redemption payment is expected to take place during February 2018. The automatic redemption procedure is proposed in addition to the ordinary dividend communicated in the 2016/2017 year-end report.

Further information about the proposal will be included in the notice to attend the Annual General Meeting, which is expected to be published on 3 November 2017, and in the information brochure regarding the redemption procedure, which is expected to be published on 14 November 2017.

This information is information that KappAhl AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 07.31 CET on 12 October 2017.

For further information, please contact

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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 and Poland. 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*