

The Offer is not being made, and this press release may not be distributed, directly or indirectly, in or into, nor will any tender of shares be accepted from or on behalf of holders in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States, or any other jurisdiction in which the making of the Offer, the distribution of this press release or the acceptance of any tender of shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law.

Press release

21 October 2019

MELLBY GÅRD ANNOUNCES FINAL OUTCOME IN THE OFFER FOR KAPPAHL

On 29 July 2019, Mellby Gård AB (“Mellby Gård”) announced a public offer to the shareholders of KappAhl AB (publ) (“KappAhl”) to tender all their shares in KappAhl to Mellby Gård at a price of SEK 20 in cash per share (the “Offer”). On 7 October 2019, Mellby Gård announced in a press release that Mellby Gård completes the Offer and declares the Offer unconditional and that Mellby Gård extends the acceptance period up to and including 18 October 2019. The Offer is now completed.

The shares tendered in the Offer at the end of the extended acceptance period on 18 October 2019, together with the shares already held by Mellby Gård, amount to in aggregate 71,711,980 shares, corresponding to approximately 93.4 percent¹ of the total number of shares and votes in KappAhl. On 7 October 2019, Mellby Gård announced that Mellby Gård held in KappAhl, after the extended acceptance period which ended on 4 October 2019, approximately 91.5 percent of the total number of shares and votes in KappAhl, that Mellby Gård completed the Offer and declared the Offer unconditional, and that Mellby Gård extended the acceptance period up to and including 18 October 2019.

During the extended, final, acceptance period which ended on 18 October 2019, 1,221,123 shares have been tendered in the Offer, which corresponds to approximately 1.6 percent of the total number of shares and votes in KappAhl. During the extended acceptance period, Mellby Gård has also acquired 147,532 shares in KappAhl in the market, which corresponds to approximately 0.2 percent of the total number of shares and votes in KappAhl. No acquisitions have been completed at a price exceeding the price in the Offer of SEK 20 per share.

Settlement for shares tendered in the Offer during the extended, final, acceptance period is expected to commence around 24 October 2019.

¹ Outstanding number of shares in KappAhl amounts to 76,820,380 shares.

Mellby Gård has initiated compulsory acquisition of the remaining shares in KappAhl. KappAhl has applied for de-listing of KappAhl's shares from Nasdaq Stockholm and the last day of trading is on 30 October 2019.

Mellby Gård does not hold any financial instruments that give financial exposure to KappAhl's share.

For additional information, please contact:

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Information about the Offer is available at: www.mellby-gaard.se

Mellby Gård discloses the information provided herein pursuant to the Takeover Rules. This information was submitted for publication on 21 October 2019, at 1:00 p.m. CET.

Important information

The Offer, pursuant to the terms and conditions presented in this press release, is not being made to persons whose participation in the Offer requires that an additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law and regulations.

This press release and any related Offer documentation are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country – any such action will not be permitted or sanctioned by Mellby Gård. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer is not being and will not be made, directly or indirectly, in or into, by use of mail or any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States. This includes, but is not limited to facsimile transmission, electronic mail, telex, telephone, the Internet and other forms of electronic transmission. The Offer cannot be accepted and shares may not be tendered in the Offer by any such use, means, instrumentality or facility of, or from within Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States or by persons located or resident in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States. Accordingly, this press release and any related Offer documentation are not being and should not be mailed or otherwise transmitted, distributed, forwarded or sent in or into Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States or to any Australian, Canadian, Hong Kong, Japanese, New Zealand, South African or U.S. persons or any persons located or resident in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States.

Any purported tender of shares in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of shares made by a person located in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from or within Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States will be invalid and will not be accepted. Each person who holds shares and participates in the Offer will certify to not being an Australian, Canadian, Hong Kong, Japanese, New Zealand, South African or U.S. person, not being located or participating in the Offer from

Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States and not acting on a non-discretionary basis for a principal that is an Australian, Canadian, Hong Kong, Japanese, New Zealand, South African or U.S. person, or that is located in or giving order to participate in the Offer from Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States. Mellby Gård will not deliver any consideration relating to the Offer to Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States.

This press release is not being, and must not be, sent to shareholders with registered addresses in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or the United States must not forward this press release or any other document related to the Offer to such persons.

For purposes of this section, "United States" and "U.S." refers to the United States of America (its territories and possessions, any state of the United States and the District of Columbia).

This press release has been published in Swedish and English. In the event of any discrepancy in content between the two language versions, the Swedish version shall prevail.

Forward-looking information

Information in this press release relating to future events or circumstances, including information regarding future results, growth and other projections as well as benefits of the Offer, are forward-looking information. Such information may generally, but not always, be identified by the use of words such as "anticipates", "expects", "believes", or similar expressions.

By its nature, forward-looking information involves risk and uncertainty, because it relates to events which depend on circumstances that may occur in the future. Due to several factors, of which a number of them are outside Mellby Gård's control, there are no guarantees to that actual results will not materially differ from the results expressed or implied by the forward-looking information. Any such forward-looking information only applies as per the date it was given and Mellby Gård has no obligation (and undertakes no such obligation) to update or revise it, whether as a result of new information, future events or otherwise, except for what is required by applicable laws and other regulations.