

The business value of the future

An exciting discussion about sustainability, digitalization and business systems

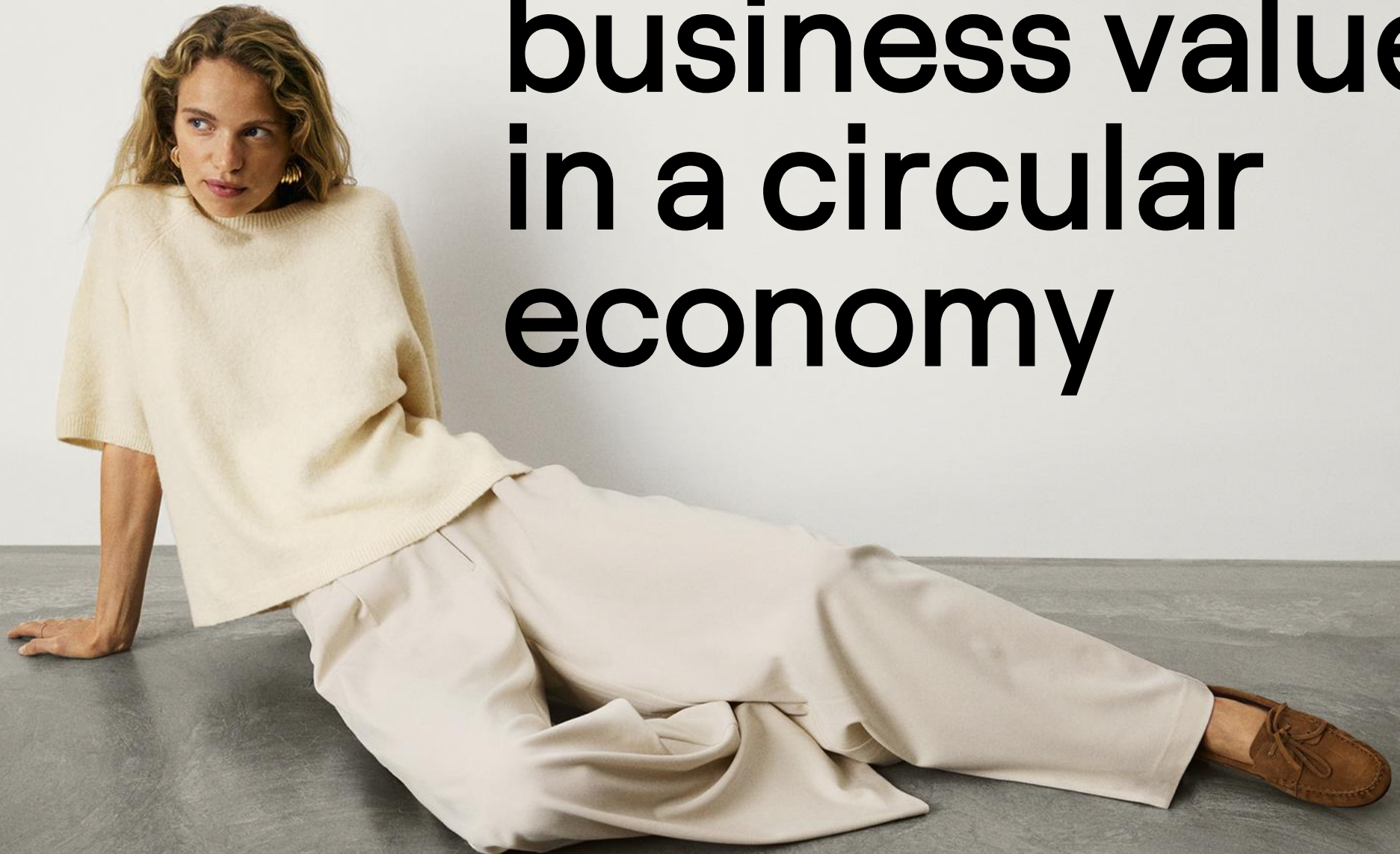
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Future business value in a circular economy



Year in Summary

310

Kappahl stores in 4 markets
Shop Online in 5 markets

**Share of sales
per brand in 2024**

84% Kappahl
16% Newbie

**Share of sales
in 2024**

Woman 47%,
Kids 47%, Men 6%

30

Newbie stores in 5 markets
Shop Online in 27 markets

34.4

million products sold

**Selected important
events**

- Highest net sales ever
- Expansion of second hand offer to Finland
- Roadmap for biodiversity
- Launch of Digital Product Passport pilot
- Nyamko Sabuni member of Kappahl Board
- Purchase of property for new logistics centre

5,135 million SEK in sales

**421 million SEK profit
before tax**

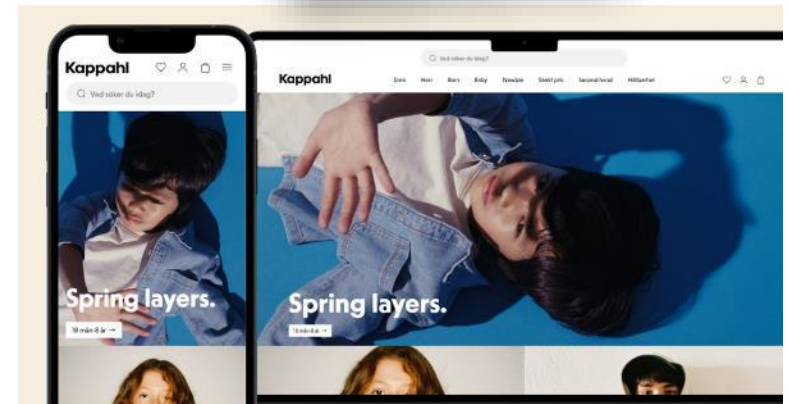
3,920

employees in 8 countries

Our Purpose

We exist to create a responsible world of fashion.





Changed market & customer behaviour towards a more circular consumption

Sweden - New forecast: Second hand will have a turnover of SEK 50 billion in ten years.



Today, second-hand accounts for seven percent of total fashion trade. In ten years, second-hand will have increased further to 17 percent, according to a new report from the Swedish Trade Federation. Photo: Press

Transition from a linear to more circular business

Legal requirements- Sustainability

VAT level for second hand

Global second-hand apparel market is expected to grow 3X faster

Clothes- 2nd most important category in a circular perspective

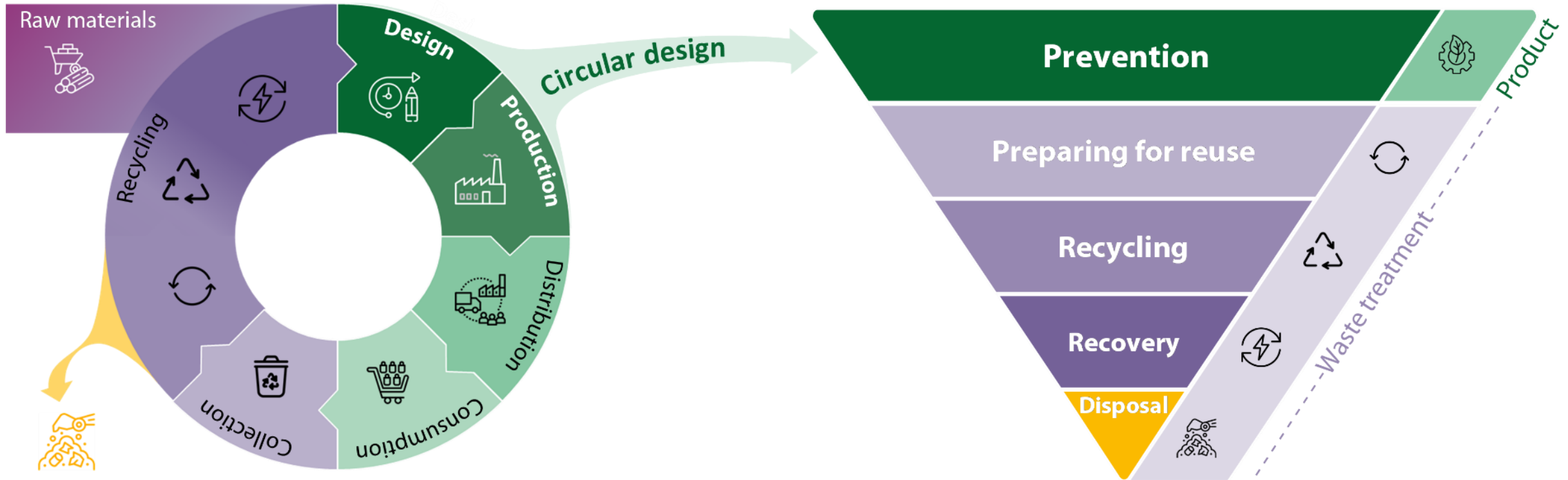
Increase in second hand mainly driven by women & Generation Z

Clothes - 2nd most important category in a circular

Uncertain market situation

Market & Customer Insights

Waste Hierarchy- need to be followed.

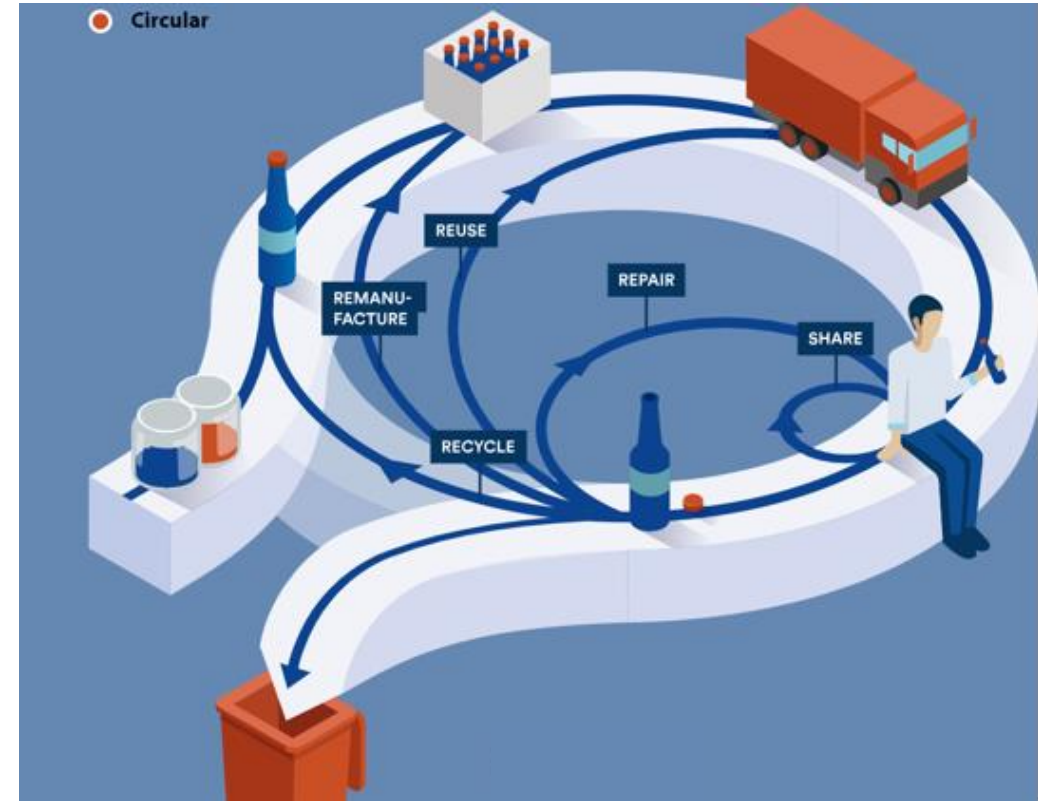
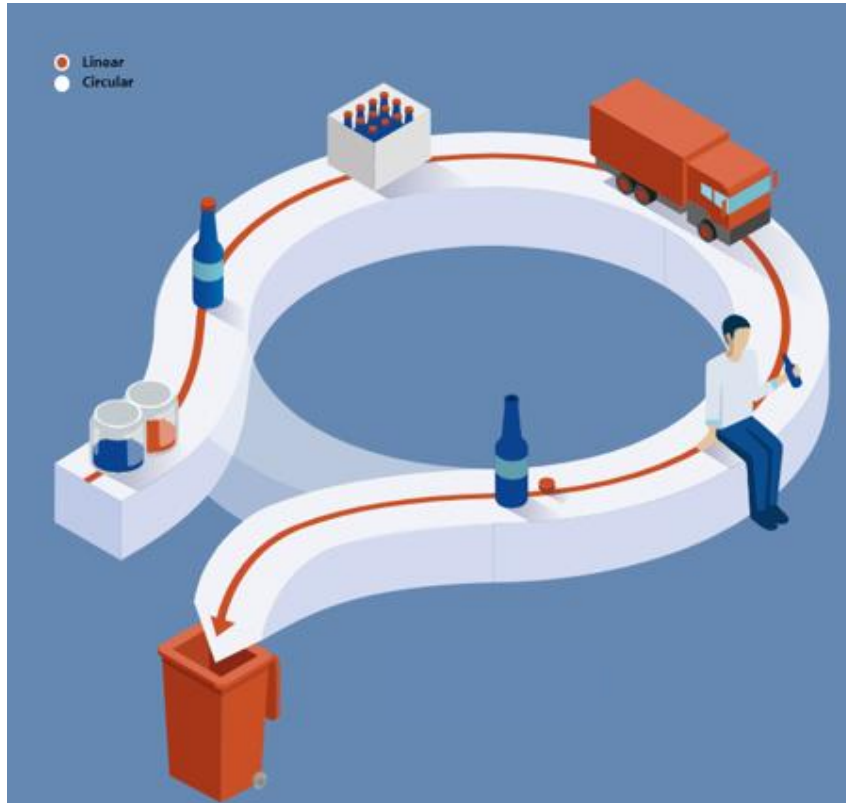


CIRCULAR ECONOMY

EU WASTE HIERARCHY

Source: ECA, based on Commission document "Cohesion policy support for the circular economy", June 2016; and on the [Waste Framework Directive](https://www.eca.europa.eu/en/publications?ref=SR-2023-17). <https://www.eca.europa.eu/en/publications?ref=SR-2023-17>

Circular Business Model- Description



A circular business model focuses on keeping products and materials in use for as long as possible.

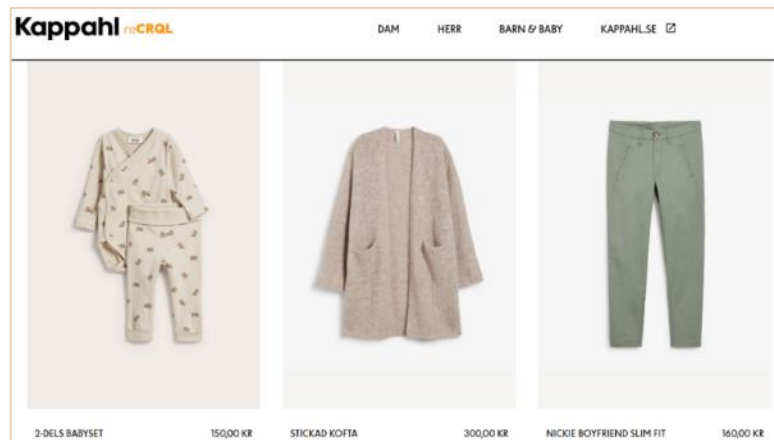
The goal is to minimize waste and make the most of resources,
creating a system that is both environmentally friendly and resource-efficient.

Circular business model at Kappahl Group

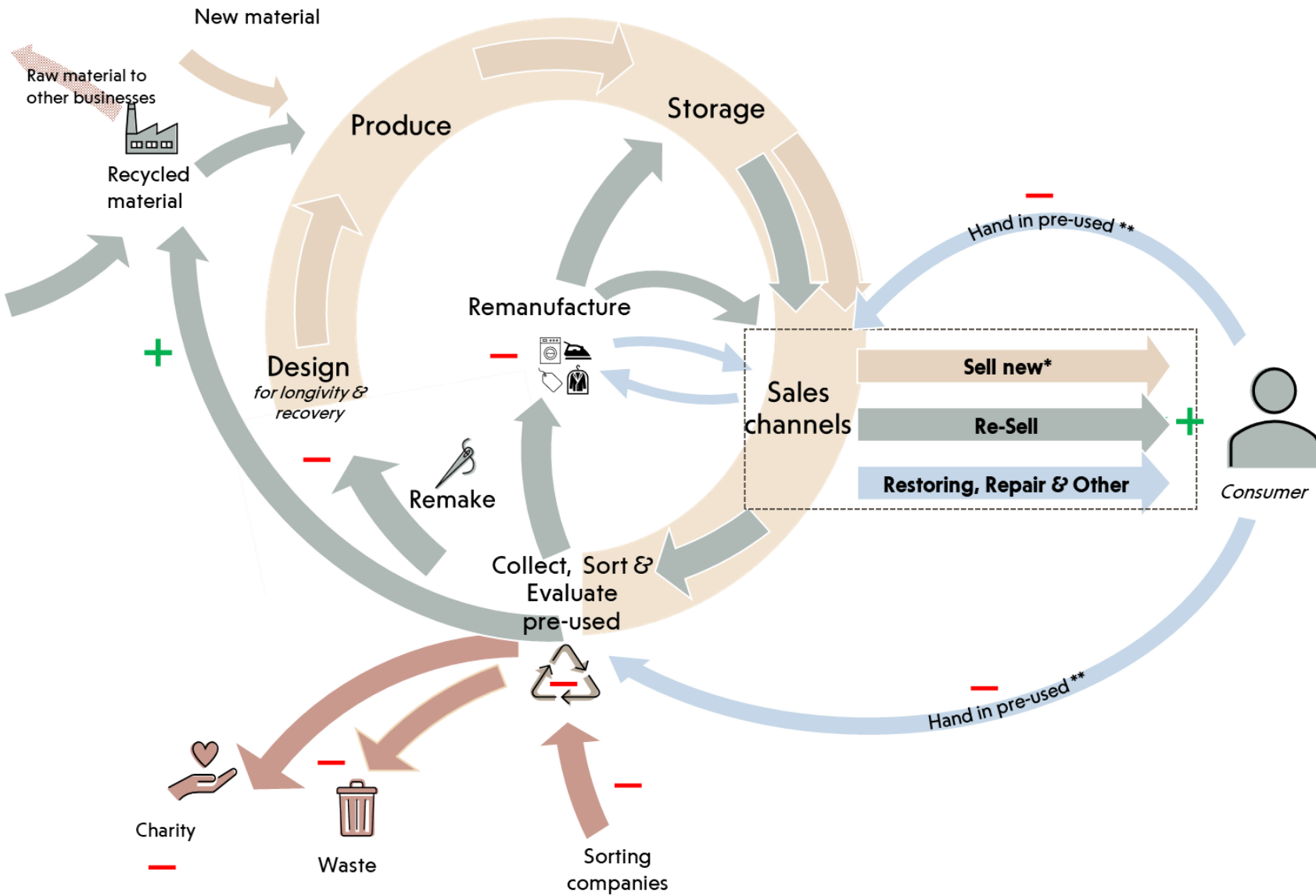
Design and produce for circularity

Help & guide the customer to make sustainable choices

Offer the customer circular services and circular products to help them to circulate their garments



New circular business offers → Future circular bussiness value



	= Revenue stream
	= Cost stream
	= New product flow
	= Circular product flow
	= Circular service flow
	= External business flow