



Interim report Q1

1 JANUARY–31 MARCH 2024

- Net sales increased 2.3% to MSEK 591.4 (578.2)
- Comparable growth amounted to 2.4% (-8.1)
- Gross profit declined 1.5% to MSEK 247.6 (251.5) The gross margin declined to 41.9% (43.5).
- Adjusted EBITA totalled MSEK -5.6 (11.1) and the adjusted EBITA margin was -0.9% (1.9)
- The company's operating loss amounted to MSEK -12.6 (Profit: 6.5) and the operating margin to -2.1% (1.1)
- The net loss for the quarter was MSEK -21.7 (-7.5)
- Cash flow from operating activities totalled MSEK -5.0 (-19.8)
- Earnings per share before and after dilution amounted to SEK -0.70 (-0.24)

Significant events during and after the end of the quarter

- Kjell & Company was ranked as Sweden's most sustainable brand in the category "Home Appliances & Electronics – Stores" in the Sustainable Brand Index, Europe's largest brand study with a focus on sustainability, for the third year in a row.
- In March, Kjell Group appointed Thomas Pehrsson as the company's new CFO. Thomas took up his new position on 15 April 2024, replacing Anders Hofvander who had served as interim CFO following the departure of the Group's former CFO Niklas Tyrén on 16 February 2024.

Performance measures

MSEK	Q1		Apr-Mar	Jan-Dec
	2024	2023	23/24	2023
Net Sales	591.4	578.2	2,572.5	2,559.4
Sales growth, %	2.3%	-6.0%	0.1%	-1.9%
Comparable growth, %	2.4%	-8.1%	-	-3.2%
Gross profit	247.6	251.5	1,074.8	1,078.6
Gross margin, %	41.9%	43.5%	41.8%	42.1%
Adjusted EBITA	-5.6	11.1	63.4	80.1
Adjusted EBITA-margin, %	-0.9%	1.9%	2.5%	3.1%
Operating profit (EBIT)	-12.6	6.5	40.5	59.6
Cash flow from operating activities	-5.0	-19.8	274.5	259.7
Equity ratio	41.9%	41.4%	-	41.8%
Basic earnings (loss) per share, SEK	-0.70	-0.24	-	0.40
Members in loyalty club, thousand	3,273	3,125	-	3,254

Continued growth in Sweden and strong cash flow

It is gratifying to be able to confirm that we once again increased our sales year-on-year, despite an early Easter, which meant fewer trading days for our service points compared with the preceding year. Sales increased 2.3% to MSEK 591.4 (578.2) in the quarter. Our main market, Sweden, was the primary contributor to the sales increase, while our Danish online business struggled with lower traffic and a lower conversion rate in a changing online market.

We had a lower gross margin in the quarter driven by successful campaigns for external brands that were not offset by stronger margins on our own brands. We are now addressing this by adapting our offering more quickly and launching new products under our own brands.

Focus on efficiency going forward

Our improvement efforts are contributing to stronger cash flow, which resulted in lower financial net debt of MSEK 353.2, corresponding to a year-on-year decrease of MSEK 117.9. Becoming more efficient as a company is a major focus area for the year. Several initiatives are under way in purchasing, warehousing, logistics and our store network, where costs are mainly related to rent for premises and personnel costs. Costs that have been impacted by general inflationary pressure over the past year. In the first quarter, we implemented changes that prioritise time with customers, and we are also in a position to make demands in ongoing rent negotiations, which will gradually have an effect in the coming quarters. We also commenced a restructuring of central functions which, coupled with our other efficiency and growth initiatives, is expected to help us achieve our long-term financial targets.

Our customers are increasingly demanding a continuously adapted assortment

Demand from customers for a constantly updated and relevant offering is greater than we have previously experienced. In the first quarter, for example, we noted stronger demand for products related to travel and commuting. We will launch several new products under our own brand to become more relevant for our



customers. We are also seeing that our focus on secondhand technology has sparked consumer interest, with the category quickly gaining traction. To be able to react faster to changes in online traffic patterns, we are adapting the organisation to be even more at the forefront of digital channels.

Unwavering consumer confidence

Consumers are continuing to show their confidence in the company. The company was ranked as Sweden's most sustainable brand in the category "Home Appliances & Electronics" in the Sustainable Brand Index, Europe's largest brand study with a focus on sustainability, for the third year in a row.

The market continues to offer excellent opportunities for those who continually adapt to customers' needs and finances. We are close to our customers, inspire new ones, and aim to become the obvious choice for everyone who wants to maximise the possibilities of technology in their everyday lives.

Malmö,
25 April 2024

Andreas Rylander
President and CEO

Summary of the Group's financial performance

Net sales

Net sales increased 2.3% to MSEK 591.4 (578.2) in the quarter. Comparable growth amounted to 2.4% (-8.1) in the quarter.

Segment Sweden increased 3.7% to MSEK 423.3 (408.0). Norway increased 1.5% in the quarter to MSEK 86.0 (84.7) while net sales for segment Denmark declined 3.9% to MSEK 82.1 (85.5).

The growth in Sweden and Norway was partly attributable to higher sales per purchase, while our online business in Denmark experienced the opposite. Online sales accounted for 28% (29) of sales for the rolling 12-month period, and Click&Collect for an additional 8% (8) of sales.

Operating expenses

Operating expenses increased 5.3% to MSEK 604.4 (573.8) in the quarter.

Costs of goods for resale increased 5.2% to MSEK 343.7 (326.7) in the quarter. Gross profit amounted to MSEK 247.6 (251.5) for the quarter, down 1.5%. The gross margin was 41.9% (43.5). The gross margin declined in the quarter, partly due to brand campaigns and the weak Swedish krona and Norwegian krone, which negatively impacted the respective segments.

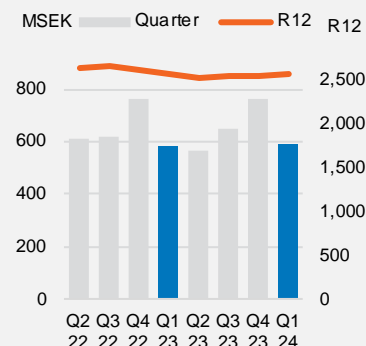
Personnel costs amounted to MSEK 130.4 (125.5) for the quarter, an increase of 3.9%. The cost increase compared with the preceding year was partly the result of general wage indexation and raised employer contributions for young people in Sweden. Initiatives to increase the efficiency of our store network partly offset the increased cost base in the quarter. We are continually enhancing our in-store efficiency to optimise our personnel costs and prioritise time for in-store customer service. The quarter includes items affecting comparability of MSEK 2.4 (0).

Other external expenses amounted to MSEK 76.4 (72.1) for the quarter, an increase of 6.0%. The cost increase was mainly related to inflation, higher costs for marketing, temporary resources and sustainability work.

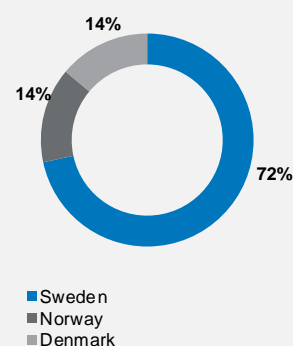
Other operating expenses amounted to MSEK 5.4 (2.9) for the quarter and consisted of currency losses. Other operating income amounted to MSEK 0.4 (2.1) for the quarter. Operating income for the preceding year was primarily attributable to moving compensation in conjunction with the relocation of service points.

Total depreciation and amortisation amounted to MSEK 48.4 (46.6) for the quarter, of which MSEK 4.6 (4.6) in the quarter pertained to amortisation of intangible assets arising from the acquisition of AV-Cables. Depreciation of right-of-use assets in accordance with IFRS 16 amounted to MSEK 33.5 (31.7) for the quarter.

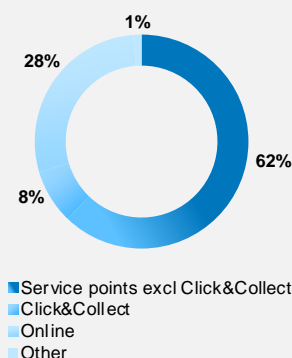
Net sales (MSEK)



Net sales per segment (%), period



Sales¹ per channel (%), R12



¹Sales before deduction for customer loyalty bonuses

Adjusted EBITA

The Group's adjusted EBITA amounted to MSEK -5.6 (11.1) for the quarter. Adjusted EBITA in the first quarter was negatively impacted by currency effects of MSEK 2.5 compared with the year-earlier period.

Operating profit

The Group's operating profit (EBIT) amounted to MSEK -12.6 (6.5) for the quarter, corresponding to an operating margin of -2.1% (1.1). As with adjusted EBITA, the comparison for the quarter was negatively impacted in an amount of MSEK 2.5 due to currency effects.

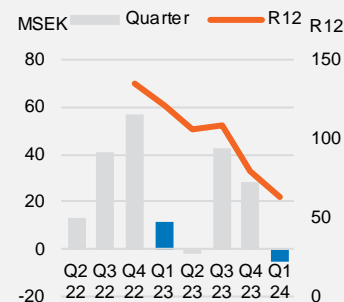
Net financial items

The Group's net financial items amounted to MSEK -8.4 (-9.2) for the quarter, including MSEK 2.5 (2.2) in interest expenses attributable to lease liabilities.

Net loss for the period

Earnings for the quarter amounted to a loss of MSEK -21.7 (-7.5).

Adjusted EBITA (MSEK)



Adjusted EBITA margin

Period: -0.9% (1.9)

Cash flow and financial position

The Group's cash flow from operating activities for the quarter totalled MSEK -5.0 (-19.8). The company's natural seasonal variation in working capital requirements during the year entails that the company traditionally has a negative cash flow during the first quarter, which we also saw this year, albeit to a lesser extent than in previous years. We have devoted considerable efforts to improving our inventory turnover rate which, combined with a significantly more predictable and stable situation in our supply chains compared with the preceding year, has led to improved working capital utilisation.

Cash flow from investing activities amounted to MSEK -3.8 (-8.8) for the quarter.

Cash flow from financing activities in the quarter amounted to MSEK -39.0 (-41.8). Cash flow for the quarter comprised the repayment of lease liabilities and bank financing according to plan.

The Group's cash and cash equivalents amounted to MSEK 151.2 at the end of the reporting period, compared with MSEK 196.3 at the beginning of the year.

The Group's financial net debt amounted to MSEK 353.2 (471.1) at the end of the quarter, compared with MSEK 312.6 at the beginning of the year, corresponding to financial net debt in relation to adjusted EBITDAaL (rolling 12 months) of 3.7 (3.1).

The Group's equity amounted to MSEK 1,005.0 at the end of the reporting period, compared with MSEK 1,009.2 at the beginning of the year.

Significant events during and after the first quarter of 2024

- Kjell & Company was ranked as Sweden's most sustainable brand in the category "Home Appliances & Electronics – Stores" in the Sustainable Brand Index, Europe's largest brand study with a focus on sustainability, for the third year in a row.
- In March, Kjell Group appointed Thomas Pehrsson as the company's new CFO. Thomas took up his new position on 15 April 2024, replacing Anders Hofvander who had served as interim CFO following the departure of the Group's former CFO Niklas Tyrén on 16 February 2024.

Financial targets

The Group has the following financial targets:

NET SALES

Net sales to reach at least SEK 4 billion by the 2025 financial year.

PROFITABILITY

Adjusted EBITA margin of 8% in the medium term.

CAPITAL STRUCTURE

Financial net debt in relation to adjusted EBITDAaL (rolling 12 months) should be below 2.5x.

DIVIDEND POLICY

To pay a dividend of at least 60% of net profit, considering the Group's financial position, acquisition opportunities and future growth prospects.

Parent Company

The object of the Parent Company's operations is to own and manage shares in subsidiaries and to provide intra-Group services.

The Parent Company's net sales amounted to MSEK 7.0 (6.8) for the quarter and pertained entirely to intra-Group invoicing. Operating expenses amounted to MSEK 8.5 (7.9) for the quarter and consisted of personnel costs for the management team of MSEK 7.3 (6.7) in the quarter. The management team has increased in number compared with the same quarter last year. Other operating expenses comprised other external expenses of MSEK 1.3 (1.2) for the quarter as well as depreciation. The quarter was charged with interest expenses of MSEK 6.7 (5.5) for the Group's credit facility as a result of increased interest-rate levels for financing given the prevailing market conditions. A loss after financial items of MSEK -6.6 (-6.5) was reported for the quarter.

Financial non-current assets amounted to MSEK 1,611 (1,611). Short-term receivables amounted to MSEK 164.9 (124.1), which largely consisted of inter-company transactions due to the cash pool.

Equity has declined during the year as a result of the loss for the quarter. Long-term interest-bearing liabilities declined as a result of repayments made during the quarter. Other operating liabilities primarily related to inter-company transactions.

Kjell Group AB's Annual General Meeting

Kjell Group AB's 2024 Annual General Meeting will be held at 10:00 a.m. on 15 May at the company's premises in Malmö. The Board's proposal to the Meeting is that profit for the 2023 financial year be carried forward and that no dividend be paid for 2023.

The share

Kjell Group AB's (publ) share is listed on Nasdaq First North Growth Market under the ticker KJELL, with the ISIN SE0016797591. The highest and lowest share prices during the quarter were SEK 34.70 and SEK 18.40 on 8 January and 7 March, respectively.

A total of 1,559,316 shares were traded during the quarter, corresponding to a turnover rate of approximately 5% during the measurement period.

As of 31 March 2024, Kjell Group AB (publ) had approximately 4,191 shareholders, the largest of which were FSN Capital (22.87%), Fosiellund Holding (10.98%), Cervantes Capital (6.95%), AMF Pension & Fonder (6.14%) and Nordea Fonder (5.05%).

The number of shares issued as of 31 March 2024 was 31,151,514, all of which were common shares.

For more information, visit www.kjellgroup.com

Condensed consolidated statement of profit or loss

TSEK	Note	Q1		Jan-Dec
		2024	2023	2023
Operating income				
Net sales	4	591,383	578,202	2,559,368
Other operating income		390	2,083	14,931
		591,773	580,285	2,574,299
Operating expenses				
Goods for resale		-343,772	-326,735	-1,480,729
Personnel costs		-130,428	-125,490	-516,386
Other external expenses		-76,428	-72,090	-319,004
Other operating expenses		-5,373	-2,871	-5,136
Depreciation/amortisation of tangible and intangible assets		-48,403	-46,604	-193,415
		-12,631	6,495	59,629
Financial items				
Financial income		2,748	134	1,965
Financial expenses		-11,115	-9,310	-43,464
		-8,367	-9,176	-41,499
Profit (loss) before tax				
		-20,998	-2,681	18,130
Income tax		-661	-4,782	-5,726
		-21,659	-7,463	12,404
Net profit (loss) for the period attributable to:				
Parent Company's shareholders		-21,659	-7,463	12,404
		-21,659	-7,463	12,404
Earnings (loss) per share				
Basic earnings (loss) per share, SEK	5	-0.70	-0.24	0.40
Diluted earnings (loss) per share, SEK	5	-0.70	-0.24	0.40

Condensed consolidated statement of profit or loss and other comprehensive income

TSEK	Q1		Jan-Dec
	2024	2023	2023
Net profit (loss) for the period	-21,659	-7,463	12,404
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Exchange differences of foreign operations	16,428	-374	-5,315
Other comprehensive income for the period	16,428	-374	-5,315
Total comprehensive income for the period	-5,231	-7,837	7,089
Comprehensive income for the period attributable to:			
Parent Company's shareholders	-5,231	-7,837	7,089
Total comprehensive income for the period	-5,231	-7,837	7,089

Condensed consolidated statement of financial position

TSEK	Note	31 Mar		31 Dec
		2024	2023	2023
Assets				
Intangible assets		1,354,005	1,371,656	1,346,967
Tangible assets		83,591	98,920	86,108
Right-of-use assets		254,856	274,055	258,856
Deferred tax assets		254	260	255
Total non-current assets		1,692,706	1,744,891	1,692,186
Inventory		464,837	520,912	437,410
Tax assets		22,867	24,163	17,542
Accounts receivable		26,955	26,084	23,882
Prepaid expenses and accrued income		36,125	30,012	48,826
Other receivables		1,914	599	955
Cash and cash equivalents		151,206	47,244	196,275
Total current assets		703,904	649,014	724,890
Total assets		2,396,610	2,393,905	2,417,076
Equity				
Share capital		515	515	515
Other contributed capital		460,438	456,855	459,439
Reserves		52,793	41,306	36,365
Retained earnings including net profit (loss) for the period		491,214	493,007	512,874
Equity attributable to Parent Company's shareholders		1,004,960	991,683	1,009,193
Total equity		1,004,960	991,683	1,009,193
Liabilities				
Non-current interest-bearing liabilities	6	489,078	501,910	493,503
Non-current lease liabilities		127,934	150,904	132,493
Other non-current liabilities		-	-	-
Deferred tax liabilities		122,142	128,342	122,252
Total non-current liabilities		739,154	781,156	748,248
Current interest-bearing liabilities	6	15,358	16,423	15,358
Current lease liabilities		109,552	115,520	107,518
Accounts payable		333,440	308,751	337,782
Tax liabilities		6,232	14,987	7,692
Other liabilities	6	56,012	51,055	77,209
Accrued expenses and deferred income		124,637	106,853	106,851
Provisions		7,265	7,477	7,225
Total current liabilities		652,496	621,066	659,635
Total liabilities		1,391,650	1,402,222	1,407,883
Total equity and liabilities		2,396,610	2,393,905	2,417,076

Condensed consolidated statement of changes in equity

TSEK	Equity attributable to Parent Company's shareholders					Retained earnings incl. net profit (loss) for the period	Total equity
	Share capital	Other contributed capital	Translation reserve	Hedge reserve			
Balance at 1 Jan 2024	515	459,439	36,365	-	512,874	1,009,193	
Transactions with owners of the company							
Incentive programme Adjustment		998				998	
Comprehensive income for the period							
Net profit (loss) for the period	-	-	-	-	-21,659	-21,659	
Other comprehensive income for the period	-	-	16,428	-	-	16,428	
Total comprehensive income for the period	-	-	16,428	-	-21,659	-5,231	
Closing balance 31 Mar 2024	515	460,437	52,793	-	491,215	1,004,960	
Balance at 1 Jan 2023	515	456,111	41,680	-	500,470	998,776	
Transactions with owners of the company						-	
Incentive programme	-	744	-	-	-	744	
Comprehensive income for the period							
Net profit (loss) for the period	-	-	-	-	-7,463	-7,463	
Other comprehensive income for the period	-	-	-374	-	-	-374	
Total comprehensive income for the period	-	-	-374	-	-7,463	-7,837	
Closing balance	515	456,855	41,306	0	493,007	991,683	

Condensed consolidated statement of cash flows

TSEK	Q1		Jan-Dec
	2024	2023	2023
Cash flow from operating activities			
Profit (loss) before tax	-20,998	-2,681	18,130
Adjustments for non-cash items	56,364	41,400	190,022
Income tax paid	-8,301	-7,262	-14,540
	27,065	31,457	193,612
Increase (-)/decrease (+) in inventories	-25,993	-37,497	47,355
Increase (-)/decrease (+) in operating receivables	8,977	7,295	-6,324
Increase (+)/decrease (-) in operating liabilities	-15,026	-21,012	25,065
Cash flow from operating activities	-4,977	-19,757	259,708
Investing activities			
Acquisition of tangible assets	-1,012	-4,799	-12,899
Acquisition of intangible assets	-2,746	-3,985	-11,197
Cash flow from investing activities	-3,758	-8,784	-24,096
Proceeds of loans	-	-	33,326
Repayment of loans	-4,395	-4,600	-48,012
Repayment of lease liabilities	-34,598	-37,140	-140,468
Cash flow from financing activities	-38,993	-41,740	-155,154
Cash flow for the period	-47,728	-70,281	80,458
Cash and cash equivalents at the beginning of the period	196,275	117,619	117,619
Exchange rate differences in cash and cash equivalents	2,659	-94	-1,802
Cash and cash equivalents at the end of the period	151,206	47,244	196,275

Condensed notes to the financial statements

Note 1 General information

Kjell Group AB (publ) (the “company”), Corp. Reg. No. 559115-8448, is a company with its registered offices in Malmö, Sweden. These consolidated interim financial statements for the Group (“interim report”) for the period January–March 2024 encompass the company and its subsidiaries, referred to jointly below as the “Group.” The Group’s consolidated accounting currency is SEK. All of the amounts are presented in thousands of SEK (TSEK), unless otherwise stated.

Note 2 Accounting policies

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the applicable provisions in the Swedish Annual Accounts Act, and should be read together with the Group’s annual report for 2023. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, *Interim Report*. This interim report does not contain all the information required for comprehensive reporting in accordance with IFRS. However, explanatory notes have been included to explain events and transactions that are material for understanding the changes in the Group’s financial position and performance. The accounting policies applied in this interim report are the same as those applied in the annual reports for 2023 for both the Group and the Parent Company. The Group did not apply any new IFRS or new interpretations published by the IFRS Interpretations Committee in advance. Issued standards and interpretations that have not yet come into effect are not expected to have any material impact on the Group.

Note 3 Important estimates and judgements

The management of the Group makes estimates and assumptions about the future, and makes judgements on which accounting policies should be applied to the preparation of the financial statements. Estimates and judgements are reviewed continuously and

assumptions are based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing circumstances. The resulting accounting estimates will, by definition, seldom correspond to the actual results. The material estimates made by management when applying the Group’s accounting policies and the most important sources of uncertainty in the estimates are the same as those described in Note 32 of the Group’s annual report for 2023.

Note 4 Revenue and operating segments

The Group’s operations are divided into operating segments based on the parts of the organisation monitored by the company’s chief operating decision maker, known as the management approach. For Kjell Group, this means that the Group’s operations are divided into three segments: Sweden, Norway and Denmark, which correspond to the operations in each country. The segments encompass sales via service points in Sweden and Norway and online-generated sales in all countries. Segment Denmark includes Danish online sales in Sweden. Segment Sweden includes costs for Group-wide functions, including the purchasing organisation in Shanghai, since this reflects how the segments are monitored internally by the Group. All revenue for the segments is from sales to external customers. The same accounting policies are applied to the segments as for the Group. The performance measure recognised for the segments is “Adjusted EBITA.” Information about each reportable segment is provided below.

Jan-Mar TSEK	Sweden		Norway		Denmark		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Net sales	423,278	408,000	85,981	84,702	82,124	85,500	591,383	578,202
Depreciation excl.amortisation on intangible assets related to business combinations	34,375	34,269	8,932	7,415	453	292	43,760	41,976
Adjusted EBITA	-11,914	474	-574	-1,879	6,924	12,528	-5,564	11,123
Amortisation on intangible assets related to business combinations							-4,642	-4,628
Items affecting comparability							-2,425	-
Operating profit							-12,631	6,495
Net financial items							-8,367	-9,176
Profit (loss) before tax							-20,998	-2,681

Note 5 Earnings per share

Earnings per share are calculated as net profit for the period divided by the weighted average number of shares during the period.

Note 6 Fair value of financial instruments

The fair value of the liabilities in the Group's credit facility is estimated at TSEK 506,514 (521,199), compared with the carrying amount of TSEK 504,057 (518,333). The facility carries a floating interest rate plus a margin. Management estimates that there has been no change in credit margins since the loan agreement was signed that could have a material impact on the fair value of the loan. The difference between the fair value and the carrying amount of the bank facilities is thus primarily attributable to the carrying amount of the loan including transaction costs that remain to be amortised as part of the effective interest rate.

The fair value belongs to Level 2 of the fair value hierarchy. The carrying amounts of all other financial liabilities and financial assets are considered to be a reasonable estimate of their fair values.

Note 7 Seasonal variations

The Group's operations are impacted by the effect of seasonal variations on demand and the Group's revenue also displays seasonal variations, with higher sales figures normally reported in the fourth quarter of the financial year compared with other quarters.

Note 8 Risks and uncertainties

All business operations are associated with risk. Risks can arise due to world events and can impact a specific industry or be more general in nature or impact a specific company. The Group works continuously to identify, measure and manage risks and can, in certain cases, influence the likelihood that a risk-related event will occur.

The Group's performance is largely impacted by consumer behaviour in the markets where it operates, and to be able to continuously provide customers with an attractive offering and thereby ensure the company's competitiveness, it is necessary to understand how the operating environment is changing. The operations that the Group conducts are associated with risks that could have a negative impact on the Group to varying degrees. These risks are divided into strategic, operating and financial risks.

The Group works to continuously update the Group's risk status following a systematic process whereby risks are identified, assessed and managed. Based on priority, the company focuses on the risks deemed to have the potential to have the greatest negative impact on the operations, and this work forms part of the strategic and operational management of the Group.

From both a short- and a long-term perspective, strategic risks mainly include risks associated with changes in the operating environment and increased competition, technology shifts and customer purchasing behaviour, market positioning, assortment and offering, and growth. Operating risks mainly comprise risks associated with purchasing, inventories, sustainability, IT systems, logistics and

transportation, employees, leases, waste and regulatory risks. Financial risks comprise risks associated with currency exposure, interest-rate exposure and undercapitalisation.

The Group's Board of Directors and management have reviewed the development of these material risks and uncertainties since the publication of the annual report for 2023. At the time this interim report was published, the war between Russia and Ukraine is still ongoing. Recent events in the Middle East have also led to a renewed flare-up of the long-standing conflict in Gaza. Although the Group has no direct exposure to these markets, Group management and the Board are continuously evaluating the potential negative effects of this conflict on demand for the Group's products, such as declining consumer confidence stemming from the indirect effects of the war, higher energy prices, rising interest rates and increased inflation.

Group management and the Board are regularly following changes in the geopolitical situation. Examples of geopolitical tensions that may affect the Group's operations include growing tensions and increased trade restrictions between the US, Europe and China, and the potential impact of these changes on the global economy. Tensions between Taiwan and China are also being continuously monitored.

Note 9 Other disclosures

Incentive programmes

The AGM on 16 May 2023 introduced a long-term incentive programme (2023) in the form of a performance share savings programme. In order to participate in the long-term incentive programme, participants are required to acquire shares (known as "savings shares") in Kjell Group AB. Participants who retain their savings shares during the vesting

period of about three years and remain an employee of Kjell & Company for the entire vesting period will be entitled to receive performance shares free of charge, on the condition that the performance criterion has been fulfilled. The performance criterion refers to the total shareholder return for the company's share during the vesting period of about three years, known as a "TSR criterion."

After final allotment, this will result in a dilution of approximately 1.14% of the total number of shares outstanding. The initial calculation of dilution on full allotment was estimated at 1.21%. The costs for the long-term incentive programme are estimated at approximately MSEK 3.0 excluding social security contributions of about MSEK 1.2. The initial calculation on full allotment amounted to MSEK 3.5 and MSEK 1.8 MSEK, respectively.

The long-term incentive programme is recognised in accordance with IFRS 2 *Share-based Payment*. Accordingly, the cost for the programme is recognised over the vesting period of approximately three years. For more information about the performance share savings programme 2023, refer to the minutes of the AGM at www.kjellgroup.com.

Kjell Group has two previously adopted performance share programmes (2022 and 2021) currently in effect. The total IFRS 2 cost for Kjell Group's performance share savings programme is reported under Equity.

Note 10 Significant events after the reporting date

No significant events took place after the end of the period.

Condensed Parent Company income statement

TSEK	Q1		Jan-Dec
	2024	2023	2023
Net sales			
Operating income	6,954	6,839	23,851
	6,954	6,839	23,851
Operating expenses			
Other external expenses	-1,274	-1,180	-5,112
Personnel costs	-7,265	-6,699	-26,097
Depreciation of tangible assets	-4	-3	-13
Operating profit	-1,589	-1,043	-7,371
Financial items			
Financial income	1,655	30	994
Financial expenses	-6,666	-5,460	-29,101
Profit (loss) after financial items	-6,600	-6,473	-35,478
Appropriations	-	-	25,300
Profit (loss) before tax	-6,600	-6,473	-10,178
Income tax	-	-	1,686
Profit (loss) for the period	-6,600	-6,473	-8,492

Condensed Parent Company balance sheet

TSEK	Note	31 Mar		31 Dec
		2024	2023	2023
Assets				
Non-current assets				
Tangible assets				
Machinery and equipment		28	29	19
Total Tangible assets		28	29	19
Financial non-current assets				
Participation in group companies		1,611,229	1,610,272	1,610,967
Deferred tax assets		4,784	422	4,784
Total financial non-current assets		1,616,013	1,610,694	1,615,751
Total non-current assets		1,616,041	1,610,723	1,615,770
Current assets				
Account receivables		-	22	8
Current receivables from group companies		153,583	112,913	29,046
Prepaid expenses and accrued income		2,916	2,715	1,607
Other receivables		1	-	1
Tax receivables		8,428	8,428	6,622
Total current receivables		164,928	124,078	37,284
Cash and cash equivalents		99,800	11,123	124,399
Total current assets		264,728	135,201	161,683
Total assets		1,880,769	1,745,924	1,777,453
Equity and liabilities				
Equity				
Restricted equity				
Share capital		515	515	515
Non-restricted equity				
Share premium reserve		1,091,433	1,091,433	1,091,433
Retained earnings		57,266	62,175	64,759
Profit (loss) for the period		-6,600	-6,473	-8,492
Total equity		1,142,614	1,147,650	1,148,215
Untaxed reserves				
Tax allocation reserves		13,575	9,275	13,575
Total untaxed reserves		13,575	9,275	13,575
Liabilities				
Non-current liabilities				
Non-current interest-bearing liabilities	6	425,753	434,134	430,148
Other non-current liabilities		-	-	-
Total non-current liabilities		425,753	434,134	430,148
Current liabilities				
Current interest-bearing liabilities	6	9,200	9,200	9,200
Accounts payable		544	1,103	807
Current liabilities to group companies		277,004	130,377	164,156
Other current liabilities		3,032	2,333	2,223
Tax liabilities		3,462	6,649	3,286
Accrued expenses and deferred income		5,585	5,203	5,843
Total current liabilities		298,827	154,865	185,515
Total equity and liabilities		1,880,769	1,745,924	1,777,453

The Board of Directors and CEO give their assurance that the interim report provides a fair review of the development of the Group's and Parent Company's operations, profit and financial position and describes the material risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

Malmö, 24 April 2024

Ingrid Johansson Blank

Chairman of the Board

Fredrik Dahnelius

Board member

Joel Eklund

Board member

Sandra Gadd

Board member

Ola Burmark

Board member

Andreas Rylander

CEO

Simon Larsson

Board member

The information in this interim report has not been reviewed by the company's auditors.

Selected financial information

MSEK	Q1		Apr-Mar	Jan-Dec
	2024	2023	23/24	2023
Members in loyalty club, thousand	3,273	3,125	3,273	3,254
Net sales	591.4	578.2	2,572.5	2,559.4
Sales growth, %	2.3%	-6.0%	0.1%	-1.9%
Comparable growth, %	2.4%	-8.1%	-	-3.2%
Gross profit	247.6	251.5	1,074.8	1,078.6
Gross margin, %	41.9%	43.5%	41.8%	42.1%
Adjusted EBITA	-5.6	11.1	63.4	80.1
Adjusted EBITA margin, %	-0.9%	1.9%	2.5%	3.1%
Items affecting comparability	2.4	-	4.0	1.5
Cash flow from operating activities	-5.0	-19.8	274.5	259.7
Working capital	25.0	112.6	-	-8.1
Core working capital	158.4	238.2	-	123.5
Financial net debt	353.2	471.1	-	312.6
Financial net debt/Adjusted EBITDAaL	3.7	3.1	-	2.8
Equity ratio, %	41.9%	41.4%	-	41.8%
Investments	-3.8	-8.8	-19.1	-24.1
Number of outstanding shares before dilution	31,151,514	31,151,514	31,151,514	31,151,514
Number of outstanding shares after dilution	31,151,514	31,151,514	31,151,514	31,151,514
Average number of outstanding shares before dilution	31,151,514	31,151,514	31,151,514	31,151,514
Average number of outstanding shares after dilution	31,151,514	31,151,514	31,151,514	31,151,514

Quarterly data

MSEK	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net sales	762.0	578.2	568.5	650.8	761.9	591.4
Gross profit	310.2	251.5	243.9	279.7	303.5	247.6
Gross margin, %	40.7%	43.5%	42.9%	43.0%	39.8%	41.9%
Adjusted EBITA	57.1	11.1	-2.3	42.9	28.4	-5.6
Adjusted EBITA margin, %	7.5%	1.9%	-0.4%	6.6%	3.7%	-0.9%
Cash flow from operating activities	213.0	-19.8	-9.1	131.2	157.4	-5.0
Working capital	49.3	112.6	148.1	94.3	-8.1	25.0
Core working capital	185.9	238.2	291.8	228.7	123.5	158.4
Investments	-9.9	-8.8	-6.6	-3.7	-5.1	-3.8

Reconciliation of alternative performance measures

Certain information in this report used by management and analysts to assess the company's performance has not been prepared in accordance with International Financial Reporting Standards (IFRS). Management is of the opinion that this information makes it easier for investors to analyse the Group's performance for the reasons stated below. These measures are not a substitute for or better than financial measures reported in accordance with IFRS and should be presented together with such measures. Note that the Group's definitions of these measures may differ from other companies' definitions of the same name. Investors are encouraged not to place undue reliance on these alternative performance measures.

ADJUSTED EBITA

Management has presented the performance measure of adjusted EBITA because it monitors this performance measure at Group level and believes that this measure is relevant for understanding the Group's financial performance.

Adjusted EBITA is calculated by adjusting net profit for the period so that it excludes the impact of tax, net financial items, amortisation and impairment of intangible assets arising in connection with business combinations and items affecting comparability.

OPERATING PROFIT (EBIT), EBIT MARGIN, EBITA, EBITA MARGIN, ADJUSTED EBITA, ADJUSTED EBITA MARGIN, EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDAAL

TSEK	Q1		Apr-Mar	Jan-Dec
	2024	2023	23/24	2023
Profit (loss) for the period	-21,659	-7,463	-1,792	12,404
Income tax	661	4,782	1,605	5,726
Net financial items	8,367	9,176	40,690	41,499
Operating profit (EBIT)	-12,631	6,495	40,503	59,629
Amortisation on intangible assets related to business combinations	4,642	4,628	18,963	18,949
EBITA	-7,989	11,123	59,466	78,578
Depreciation excl. amortisation on intangible assets related to business combinations	43,760	41,980	176,246	174,466
EBITDA	35,771	53,103	235,712	253,044
EBITA	-7,989	11,123	59,466	78,578
Items affecting comparability	2,425	-	3,970	1,545
Adjusted EBITA	-5,564	11,123	63,436	80,123
EBITDA	35,771	53,103	235,712	253,044
Items affecting comparability	2,425	-	3,970	1,545
Adjusted EBITDA	38,196	53,103	239,682	254,589
Depreciation right-of-use assets	-33,469	-31,661	-134,606	-132,798
Interest on lease liabilities	-2,496	-2,249	-9,373	-9,126
Adjusted EBITDAaL	2,231	19,193	95,703	112,661
Net sales	591,383	578,202	2,572,549	2,559,368
EBIT-margin, %	-2.1%	1.1%	1.6%	2.3%
Adjusted EBITA margin, %	-0.9%	1.9%	2.5%	3.1%

ITEMS AFFECTING COMPARABILITY

Income and cost items that are presented separately due to their nature and amounts. Items affecting comparability are used by management to explain fluctuations in historical profitability. The quarter includes items affecting comparability of MSEK 2.4 (0) for termination benefits paid in lieu of notice.

NET SALES GROWTH

%	Q1		Apr-Mar	Jan-Dec
	2024	2023	23/24	2023
Net sales current period	591,383	578,202	2,572,549	2,559,368
Net sales preceeding period	578,202	615,303	2,570,828	2,607,929
Net sales growth, %	2.3%	-6.0%	0.1%	-1.9%

COMPARABLE GROWTH

TSEK	Q1		Jan-Dec
	2024	2023	2023
<i>Comparable sales comparative period</i>			
Recognised net sales comparative period	578,202	615,303	2,607,929
Adjustment for returns and loyalty programme comparative period	-1,180	-1,456	8,492
Revenue new and closed service points and other channels	-5,143	-1,935	-13,164
Total comparable sales comparative period	571,879	611,912	2,603,257
<i>Comparable sales current period</i>			
Recognised net sales current period	591,383	578,202	2,559,368
Costs for returns and loyalty programme current period	-880	-1,166	8,707
Revenue new and closed service points and other channels	-7,340	-12,159	-43,256
Revenue from business combinations	-	-	-
Currency effects	2,353	-2,459	-5,593
Total comparable sales current period	585,516	562,418	2,519,226
Total comparable sales comparative period	571,879	611,912	2,603,257
Total comparable sales current period	585,516	562,418	2,519,226
Comparable growth, %	2.4%	-8.1%	-3.2%

GROSS PROFIT AND GROSS MARGIN

TSEK	Q1		Apr-Mar	Jan-Dec
	2024	2023	23/24	2023
Net sales	591,383	578,202	2,559,458	2,559,368
Goods for resale	-343,772	-326,735	-1,474,082	-1,480,729
Gross Profit	247,611	251,467	1,085,376	1,078,639
Gross Profit	247,611	251,467	1,085,376	1,078,639
Net sales	591,383	578,202	2,559,458	2,559,368
Gross margin, %	41.9%	43.5%	42.4%	42.1%

NET DEBT, FINANCIAL NET DEBT AND FINANCIAL NET DEBT/ADJUSTED EBITDAaL

TSEK	31 Mar		31 Dec
	2024	2023	2023
Non-current interest bearing liabilities	489,078	501,910	493,503
Current interest bearing liabilities	15,358	16,423	15,358
Interest bearing liabilities	504,436	518,333	508,861
Cash and cash equivalents	-151,206	-47,244	-196,275
Net financial debt	353,230	471,089	312,586
Non-current lease liabilities	127,934	150,904	132,493
Current lease liabilities	109,552	115,520	107,518
Lease liabilities	237,486	266,424	240,011
Total interest bearing liabilities	504,436	518,333	508,861
Total lease liabilities	237,486	266,424	240,011
Total financial liabilities	741,922	784,757	748,872
Cash and cash equivalents	-151,206	-47,244	-196,275
Net debt	590,716	737,513	552,597
Net financial debt	353,230	471,089	312,586
Adjusted EBITDAaL, R12	95,703	152,924	112,661
Net financial debt/Adjusted EBITDAaL, times	3.7	3.1	2.8

WORKING CAPITAL

TSEK	31 Mar		31 Dec
	2024	2023	2023
Current assets	703,904	649,014	724,890
Cash and cash equivalents	-151,206	-47,244	-196,275
Current liabilities excl. interest bearing liabilities and lease liabilities	-527,586	-489,123	-536,759
Working capital	25,112	112,647	-8,144
Current liabilities excl. interest bearing liabilities and lease liabilities			
Accounts payable	333,440	308,751	337,782
Tax liabilities	6,232	14,987	7,692
Other liabilities	56,012	51,055	77,209
Accrued expenses and deferred income	124,637	106,853	106,851
Provisions	7,265	7,477	7,225
Total	527,586	489,123	536,759

CORE WORKING CAPITAL

TSEK	31 Mar		31 Dec
	2024	2023	2023
Inventory	464,837	520,912	437,410
Accounts receivable	26,955	26,084	23,882
Accounts payable	-333,440	-308,751	-337,782
Core working capital	158,352	238,245	123,510

INVESTMENTS

TSEK	Q1		Apr-Mar	Jan-Dec
	2024	2023	23/24	2023
Acquisition of tangible assets	-1,012	-4,799	-9,112	-12,899
Acquisition of intangible assets	-2,747	-3,985	-9,959	-11,197
Investments	-3,759	-8,784	-19,071	-24,096

EQUITY/ASSETS RATIO

%	31 Mar		31 Dec
	2024	2023	2023
Total equity	1,004,960	991,683	1,009,193
Total assets	2,396,610	2,393,905	2,417,076
Equity ratio, %	41.9%	41.4%	41.8%

Definitions – Alternative performance measures

Earnings measures	Definition	Reason why the earnings measure is used
Gross margin, %	Gross profit divided by net sales.	The gross margin shows the company's profitability after the costs of goods for resale, which facilitates a comparison of the average gross margin on goods sold over time.
Gross profit	Net sales less costs of goods for resale.	The company's gross profit shows the amount that remains for financing other expenses after goods for resale have been sold.
Core working capital	Inventories plus accounts receivable less accounts payable.	This performance measure shows the business's tied-up capital for sales of goods.
EBIT margin, %	EBIT divided by net sales.	The performance measure shows the company's profitability generated by the operating activities after amortisation, depreciation and impairment.
EBITA	Operating profit before amortisation and impairment of intangible assets arising in connection with business combinations.	EBITA provides an overview of the profit generated in the operations before amortisation and impairment of intangible assets arising in connection with business combinations, which provides a more comparable performance measure over time.
EBITA margin, %	EBITA divided by net sales.	This performance measure shows the company's profitability from the operating activities before amortisation and impairment of intangible assets arising in connection with business combinations.
EBITDA	Profit before tax, financial items, amortisation, depreciation and impairment.	EBITDA provides an overview of the profit generated in the operations before amortisation, depreciation and impairment, which provides a more comparable performance measure over time.
Financial net debt	Net debt excluding current and non-current lease liabilities.	Used to monitor the debt trend and evaluate the level of refinancing requirements.
Financial net debt/Adjusted EBITDAaL (multiple)	Financial net debt in relation to 12 months' adjusted EBITDAaL.	This performance measure illustrates the company's capacity to repay its debts. Management uses the performance measure to monitor the level of financial gearing.
Investments	Acquisitions of tangible and intangible assets.	This performance measure describes the company's continuous investments in the operations.

Adjusted EBITA	EBITA excluding items affecting comparability.	<p>Management has presented the performance measure of adjusted EBITA because it monitors this performance measure and believes that this measure is relevant for understanding the Group's financial results.</p> <p>The measure shows the financial results of the operations without the effect of material cost or income items that impact comparability over time, as described under the heading "Items affecting comparability."</p>
Adjusted EBITA margin, %	EBITA excluding items affecting comparability divided by net sales.	This performance measure shows the company's profitability from the operating activities excluding items affecting comparability and amortisation and impairment of intangible assets arising in connection with business combinations, which enables a comparison with the underlying operating profitability.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	This measure indicates the company's underlying profit generated by the operating activities before amortisation, depreciation and impairment excluding items affecting comparability, which provides a more comparable performance measure over time.
Adjusted EBITDAaL	Adjusted EBITDA less amortisation, depreciation and interest expenses related to leases under IFRS 16 plus adjusted EBITDAaL for the periods in which acquired companies were not included in the Group's consolidated financial statements for the relevant period.	Adjusted EBITDAaL is used as the denominator in financial net debt/adjusted EBITDAaL for monitoring financial gearing.
Comparable growth, %	The change in comparable sales between the current and comparative period in which comparable sales are sales in comparable units and channels, excluding currency translation effects. Comparable units and channels are sales units and channels that were operational for the current and comparative period.	The measure facilitates a comparison of net sales over time by excluding revenue from sales units and channels that were not operational for corresponding periods, adjusted for currency effects. The measure makes it possible to evaluate sales growth in existing channels.
Items affecting comparability	Income and cost items that are presented separately due to their nature and amounts. All items that are included are larger and material in certain periods and smaller or non-existent in other periods.	Items affecting comparability are used by management to explain fluctuations in historical profitability. Presenting and specifying items affecting comparability separately makes it possible for readers of the financial statements to understand and evaluate the adjustments

		made by management when presenting adjusted EBITA. Taking into account items affecting comparability increases comparability and thus understanding of the Group's financial performance.
Net sales growth, %	Net sales for the current period in relation to net sales for the relevant comparative period, expressed as a percentage.	The measure makes it possible to analyse the Group's total net sales growth and compare it in relation to the market as a whole and competitors.
Net debt	The total of current and non-current interest-bearing liabilities and current and non-current lease liabilities less cash and cash equivalents.	Net debt illustrates the company's total indebtedness.
Working capital	Total current assets excluding cash and cash equivalents, less total current liabilities excluding interest-bearing and lease liabilities.	The measure is used to analyse the company's short-term tied-up capital.
Operating profit (EBIT)	Operating profit (EBIT) refers to the company's net sales and other operating income less goods for resale, personnel costs, other external expenses, other operating expenses, and depreciation, amortisation and impairment of tangible and intangible assets.	The measure indicates the company's underlying profit generated by the operating activities.
Equity/assets ratio, %	Total equity divided by total assets.	This performance measure describes the company's long-term payment capacity.

Definitions – Operating performance measures

Operating performance measures	Definition
Number of customer club members	Number of unique individuals who actively choose to be a member of Kjell & Company's customer club.



WEBCAST IN CONNECTION WITH THE PUBLICATION OF THE INTERIM REPORT

Andreas Rylander, President and CEO, and Anders Hofvander, interim CFO until 15 April 2024 when Thomas Pehrsson assumed the role of CFO, will hold a webcast in connection with the publication of the interim report at 10:00 a.m. on 25 April 2024. To participate in the conference, follow the link <https://ir.financialhearings.com/kjell-group-q1-report-2024>

The presentation material is available on the Group's website: <https://www.kjellgroup.com/investerare/finansiella-rapporter/>.



INTERIM REPORTS

The complete interim report for January–March 2024 and earlier reports are available on www.kjellgroup.com.



FINANCIAL CALENDAR

Forthcoming reports:

Annual General Meeting 2024	15 May 2024
Second quarter 2024	24 July 2024
Third quarter 2024	24 October 2024

Kjell & Company

This is the type of information that Kjell Group AB (publ) is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out below on 25 April 2024 at 7:00 a.m. CEST.



FOR MORE INFORMATION, CONTACT

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Kjell Group offers the market's most comprehensive product range in electronic accessories, including advisory services and installation. The business is conducted online in Sweden, Norway and Denmark and via 145 service points, of which 114 in Sweden and 31 in Norway.

Through Kjell & Company's customer club, with over 3.25 million members, and wholly owned Danish company AV-Cables, the company has a unique understanding of people's technology needs, and the Group's approximately 1,200 employees work every day to improve people's lives through technology.