



Interim report Q2

1 JANUARY–30 JUNE 2022

Second quarter

- Net sales increased 18.9% to MSEK 613.7 (516.2). Excluding the acquisition of AV-Cables, sales growth totalled 12.7%, corresponding to MSEK 60.1
- Comparable growth amounted to 10.2% (10.3)
- Gross profit increased 14.9% to MSEK 259.6 (225.9) and the gross margin was 42.3% (43.8)
- Adjusted EBITA totalled MSEK 12.8 (23.2) and the adjusted EBITA margin was 2.1% (4.5)
- Operating profit amounted to MSEK 8.5 (8.6) and the operating margin to 1.4% (1.7)
- Net profit for the quarter amounted to MSEK 1.3 (-9.6)
- Cash flow from operating activities totalled MSEK 75.5 (58.6).
- Earnings per share before and after dilution amounted to SEK 0.04* (-1.94)

1 January–30 June (the period)

- Net sales increased 24.1% to MSEK 1,229.0 (990.2). Excluding the acquisition of AV-Cables, sales growth totalled 13.1%, corresponding to MSEK 123.5
- Comparable growth amounted to 10.3% (9.6)
- Gross profit increased 18.2% to MSEK 521.3 (441.2) and the gross margin was 42.4% (44.6)
- Adjusted EBITA totalled MSEK 36.9 (49.0) and the adjusted EBITA margin was 3.0% (5.0)
- Operating profit amounted to MSEK 28.2 (31.5) and the operating margin to 2.3% (3.2)
- Net profit for the period amounted to MSEK 13.9 (-5.1)
- Cash flow from operating activities totalled MSEK -54.1 (-41.5).
- Earnings per share before and after dilution amounted to SEK 0.45* (-2.58)

Significant events during and after the end of the quarter

- A new service point was opened in Trondheim during the quarter. After the end of the quarter, an additional service point was opened in Stavanger.
- The Annual General Meeting was held on 19 May.

Performance measures

MSEK	Q2		Jan-Jun		Jul-Jun	Jan-Dec
	2022	2021	2022	2021	21/22	2021
Net Sales	613.7	516.2	1,229.0	990.2	2,636.8	2,398.0
Sales growth, %	18.9%	24.0%	24.1%	24.8%	22.7%	20.0%
Comparable growth, %	10.2%	10.3%	10.3%	9.6%	-	6.8%
Gross profit	259.6	225.9	521.3	441.2	1,103.4	1,023.3
Gross margin, %	42.3%	43.8%	42.4%	44.6%	41.8%	42.7%
Adjusted EBITA	12.8	23.2	36.9	49.0	176.0	188.1
Adjusted EBITA-margin, %	2.1%	4.5%	3.0%	5.0%	6.7%	7.8%
Operating profit (EBIT)	8.5	8.6	28.2	31.5	136.8	140.0
Cash flow from operating activities	75.5	58.6	-54.1	-41.5	139.7	152.3
Equity ratio	38.7	16.4	38.7%	16.4%	-	34.7%
Basic earnings (loss) per share, SEK*	0.04	-1.94	0.45	-2.58	-	1.75
Members in loyalty club, thousand	2,911	2,378	2,911	2,378	2,911	2,647

* Earnings per share excluding the cumulative dividend (after tax) that accrues on the preference shares described in Note 5 amounted to SEK 0.04 (-1.94) for the quarter. This only had an effect up to and including 31 December 2021.

Strong growth in a turbulent market

Year-on-year, second quarter sales increased 18.9% and comparable growth was 10.2%. Our e-commerce operations continue to deliver a strong performance and, like the Group's other channels, grew in the second quarter, despite a general decline in e-commerce growth in the Nordic markets and strong comparatives. The Group's total sales increased 24.1% in the first six months of the year, and more customers than ever are finding their way to Kjell.

In a time when consumers are increasingly adapting their purchasing decisions to their wallets, our offering and our market relevance are crucial. The first half of the year demonstrated the strength of our unique omni-channel model and market niche focused on accessories – a niche where, unlike the consumer electronics industry, consumption is largely needs-based. The most recent period once again proved that our curated assortment with relatively low price points and a high level of service is in demand, irrespective of the state of the economy.

Physical retail is continuing to recover, with many shopping patterns returning to pre-pandemic norms. We have also noted that traffic in our city centres, major retail locations and hubs is recovering at a faster-than-average rate. As society once again opens up, Kjell is noting strong growth in several product categories that lost ground during the pandemic, at the same time as pandemic winner categories such as home offices and networks continue to perform well.

Kjell is by no means immune to the prevailing economic climate, with several external factors impacting Kjell and consumer retail in general. Market conditions are approaching a perfect storm in terms of purchasing and costs. In addition, the Swedish krona has shown a historic decline against the USD, which has led to higher purchase prices for us in conjunction with high shipping costs from Asia and supply chain challenges. High fuel prices in our Nordic markets have also resulted in increased costs for deliveries to customers and service points. We are working intensively to counter these cost increases, but it is also important to achieve a good balance in the short term in order to maintain the attractiveness and relevance of our consumer offering.

Investment in profitable growth

We continue to grow profitably and in the second quarter, we took a conscious decision to continue investing in customer service, develop central functions and establish



new service points to leverage growth opportunities. In combination with continued investments in future growth, the above external factors led to a dip in profitability in the second quarter. Adjusted EBITA totalled MSEK 12.8 (23.2) and the adjusted EBITA margin was 2.1% (4.5). Earnings included a negative currency effect of MSEK 5.8 compared with last year.

Second quarter earnings amounted to MSEK 1.3, compared with MSEK -9.6 for the year-earlier period.

We will continue to invest in growth moving forward, while also devoting considerable focus to adapting to market changes and the cost situation through new business opportunities, delivery alternatives, price adjustments, efficiencies and additional measures to maintain profitable growth.

I am proud that, despite the toughest of circumstances, our fantastic organisation is always on its toes and ready to adapt to new conditions. And always with the customer in focus. We continue to grow our business and strengthen our omni-channel platform with partnerships, more service points and channel-independent customer service in order to always remain available to our customers and to improve their lives through technology.

Malmö,
18 August 2022
Andreas Rylander
President and CEO

Summary of the Group's financial performance

Net sales

Net sales increased 18.9% to MSEK 613.7 (516.2) in the quarter and 24.1% to MSEK 1,229.0 (990.2) in the period. Excluding the acquisition of AV-Cables, sales growth amounted to 12.7% or MSEK 60.1 for the quarter and 13.1% or MSEK 123.5 for the period. Comparable growth amounted to 10.2% (10.3) for the quarter and 10.3% (9.6) for the period.

Net sales in segment Sweden increased 8.8% in the quarter and 9.1% in the period. Net sales for segment Norway rose 40.1% in the quarter and 39.9% in the period. Growth in these two segments is evidence that our omni-channel model, with seamless and channel-independent customer service, is fully functional.

AV-Cables has been consolidated in the Kjell Group since 30 April 2021. Sales in segment Denmark amounted to MSEK 82.0 in the quarter and MSEK 159.9 in the period.

Despite facing strong growth figures, our digital customer acquisition remained strong during the quarter, with online sales accounting for 32% of sales and Click&Collect for an additional 8%. On a rolling 12-months basis, online sales amounted to 30% and Click&Collect to 8%.

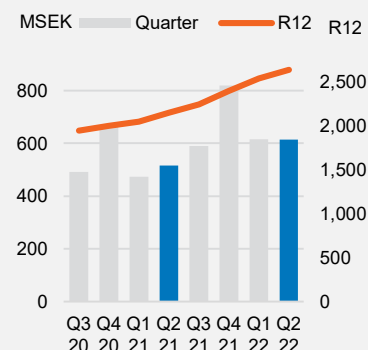
Operating expenses

Operating expenses increased 18.5% in the quarter and 24.6% in the period. A certain effect was attributable to the acquisition of AV-Cables, which was included in the Group for the full second quarter in 2022 but only for the May to June period in 2021. No items affecting comparability arose during the quarter or the period in 2022, while in 2021, items affecting comparability of MSEK 11.8 and MSEK 14.8 were reported for the quarter and the period respectively.

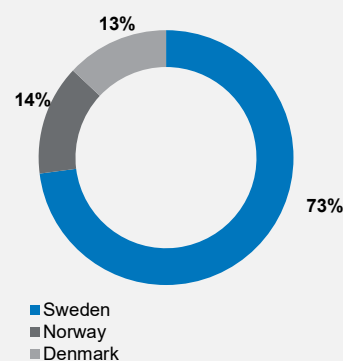
Costs of goods for resale amounted to MSEK 354.1 (290.3) in the quarter and MSEK 707.7 (549.0) in the period. Gross profit amounted to MSEK 259.6 (225.9) for the quarter, up 14.9%, and MSEK 521.3 (441.2) for the period, up 18.2%. The gross margin amounted to 42.3% (43.8) for the quarter and 42.4% (44.6) for the period. The change in the gross margin was due in part to a continued shift in the assortment as well as our new segment Denmark but also to increased purchase prices and price competition. Purchase prices were also affected by a weaker Swedish krona and by rising inflation. Growth in net sales was the primary reason for the increased gross profit.

Personnel costs amounted to MSEK 127.1 (112.3) for the quarter and MSEK 249.3 (220.9) for the period, an increase of 13.2% and 12.9% respectively. The impact of the acquisition of AV-Cables resulted in an increase in personnel costs of MSEK 2.6 for the quarter and MSEK 8.0 for the period.

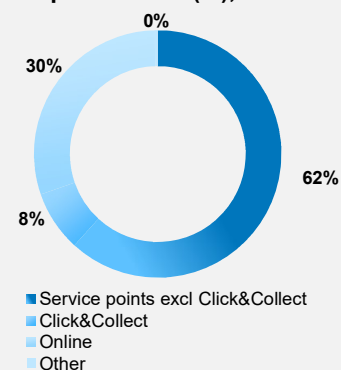
Net sales (MSEK)



Net sales per segment (%), period



Sales¹ per channel (%), R12



¹Sales before deduction for customer loyalty bonuses

Personnel costs for the quarter and the period did not include any items affecting comparability, while expenses affecting comparability of MSEK 0.9 were reported for the quarter and the period in the preceding year. Excluding the acquisition of AV-Cables, personnel costs increased MSEK 12.2, up 11.2%, in the quarter and MSEK 20.4, up 9.4%, in the period.

Other external expenses amounted to MSEK 75.5 (63.8) for the quarter and MSEK 151.0 (118.5) for the period. The acquisition of AV-Cables resulted in a cost increase of MSEK 9.7 in the quarter and MSEK 24.1 in the period. Other external expenses for the quarter and the period did not include any items affecting comparability, while expenses affecting comparability of MSEK 10.9 and MSEK 13.8 were reported for the quarter and the period in the preceding year respectively. In addition to the cost increase from the acquisition, the increase was also attributable to higher selling and marketing expenses to improve the customer experience and drive growth. We had nine more service points at the end of this quarter than in the year-earlier period, and increased online sales entailed higher shipping costs. Inflation has become more perceptible and is visible not least in freight costs, which are affected by rising fuel surcharges, and in costs of premises, which are affected by increased energy costs.

Other operating expenses amounted to MSEK 6.3 (0.7) for the quarter and MSEK 11.0 (1.3) for the period and consisted almost exclusively of currency losses. Other operating income amounted to MSEK 0.7 (1.1) for the quarter and MSEK 3.8 (5.8) for the period. Part of the deviation in the quarter and the period compared with the preceding year is attributable to currency effects. Total currency effects amounted to a net loss of MSEK 6.1 in the quarter, compared with a loss of MSEK 1.3 in the comparative quarter. Total currency effects amounted to a net loss of MSEK 7.7 in the period, compared with a loss of MSEK 2.1 in the comparative period.

Total depreciation and amortisation amounted to MSEK 43.0 (41.4) for the quarter and to MSEK 85.5 (74.8) for the period, of which MSEK 4.3 (2.8) in the quarter and MSEK 8.3 (2.8) in the period 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 29.0 (30.3) for the quarter and MSEK 57.6 (55.9) for the period.

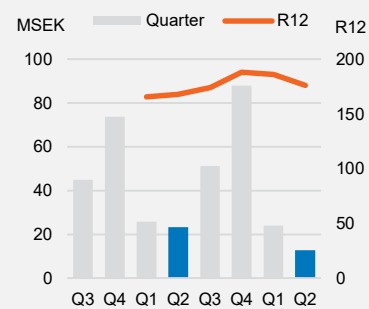
Adjusted EBITA

The Group's adjusted EBITA amounted to MSEK 12.8 (23.2) for the quarter and to MSEK 36.9 (49.0) for the period. The second quarter was negatively impacted by currency effects of MSEK 4.8 compared with the comparative quarter. Currency effects had a negative impact of MSEK 9.8 compared with the comparative period.

Operating profit

The Group's operating profit (EBIT) amounted to MSEK 8.5 (8.6) for the quarter and MSEK 28.2 (31.5) for the period, corresponding to an operating margin of 1.4% (1.7) in the quarter and 2.3% (3.2) in the period. As with adjusted EBITA, the quarter and the period were negatively impacted in an amount of MSEK 4.8 and MSEK 9.8 respectively.

Adjusted EBITA (MSEK)



Adjusted EBITA margin

Period: 3.0% (5.0)

Rolling 12 months: 6.7%

Net financial items

The Group's net financial items amounted to MSEK -6.5 (-16.0) for the quarter and MSEK -11.4 (-30.8) for the period, including MSEK 2.1 (2.6) in interest expenses attributable to lease liabilities in the quarter and MSEK 4.5 (5.2) in the period.

Profit

Earnings amounted to MSEK 1.3 (-9.6) for the quarter and MSEK 13.9 (-5.1) for the period.

Cash flow and financial position

The Group's cash flow from operating activities totalled MSEK 75.5 (58.6) for the quarter and MSEK -54.1 (-41.5) for the period. The year-on-year improvement for the quarter was the result of improved profit and higher working capital. During the quarter, we reduced our inventories somewhat following the build-up that took place during the preceding quarter. Cash flow for the period was positively impacted by improved profit but negatively impacted by the working capital trend earlier in the year.

Cash flow from investing activities amounted to MSEK -11.9 (-253.6) for the quarter and MSEK -97.5 (-263.1) for the period. The change in the quarter was primarily the result of the establishment of service points and the further development of our omni-channel model as well as the preceding year's acquisition of AV-Cables, which led to a purchase consideration of MSEK 242.8 being disbursed to the seller in the second quarter of 2021. An earnout of MSEK 73.9 was paid during the period to the previous owner of AV-Cables.

Cash flow from financing activities amounted to MSEK -62.4 (50.7) in the first quarter and MSEK -6.6 (20.9) in the period. The difference in the quarter and the period primarily comprised the change in the utilisation of the revolving credit facility.

The Group's cash and cash equivalents amounted to MSEK 37.9 at the end of the reporting period, compared with MSEK 59.5 at the beginning of the year, not taking into account unutilised credit facilities.

The Group's financial net debt amounted to MSEK 612.8 at the end of the quarter, compared with MSEK 402.3 at the beginning of the year, corresponding to financial net debt in relation to adjusted EBITDAaL (rolling 12 months)¹ of 3.0x. The increase in net debt is due in part to seasonal variations in working capital as well as to raising external borrowings for financing the earnout included in the acquisition of AV-Cables in the first quarter.

The Group's equity amounted to MSEK 926.0 at the end of the reporting period, compared with MSEK 889.5 at the beginning of the year.

Significant events during and after the first quarter of 2022

- A new service point was opened in Trondheim during the quarter. After the end of the quarter, an additional service point was opened in Stavanger.
- The Annual General Meeting was held on 19 May.

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.

¹ Including adjusted EBITDAaL for the periods in which acquired companies were not included in the Group's consolidated financial statements for the most recent 12-month period. Refer to the section "Definitions – Alternative performance measures" for more information.

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 7.5 (0.4) for the quarter and MSEK 11.8 (0.4) for the period and pertained entirely to intra-Group invoicing. Operating expenses amounted to MSEK 8.6 (10.0) for the quarter and MSEK 15.4 (10.8) for the period and consisted of personnel costs for the management team of MSEK 7.0 (2.4) in the quarter and MSEK 12.2 (2.4) in the period. Other external expenses comprised other operating expenses of MSEK 1.6 (7.6) for the quarter and MSEK 3.1 (8.4) for the period. The quarter and the period were charged with interest expenses for the Group's credit facility, which the Parent Company did not have in the respective quarter and period of 2021. A loss after financial expenses of MSEK -4.0 (-10.4) was reported for the quarter and MSEK -8.9 (-11.2) for the period.

Financial non-current assets amounted to MSEK 1,611 (729) due to shareholders' contributions in subsidiaries during the fourth quarter of the previous year. Short-term receivables amounted to MSEK 196.6 (5.8), which largely consisted of inter-company transactions due to the cash pool established in the beginning of 2022.

Equity increased compared to the same period in the previous year due to a capital injection in conjunction with the listing of the company's share on First North Growth Market. The change compared with the 2021 year-end report was primarily due to net profit for the period. Long-term interest-bearing liabilities that were taken up by the Parent Company in the third quarter of the previous year were reduced through capital repayments made during the first quarter of 2022. The increase in current interest-bearing liabilities was the result of a utilised bank overdraft facility. Other operating liabilities increased compared with the year-earlier period and the fourth quarter of the previous year, and primarily related to utilised bank overdraft facilities with Nordea.

Kjell Group AB's Annual General Meeting

Kjell Group AB's 2022 Annual General Meeting (AGM) was held on 19 May in Malmö. The Board proposed to the Meeting that profit for the 2021 financial year be carried forward and that no dividend be distributed for 2021. The AGM discharged the Board of liability for the 2021 financial year and re-elected all Board members up for re-election, which included the entire Board with the exception of Catrin Folkesson who had declined re-election. Joel Eklund was elected as new member of the board. Audit firm KPMG was re-elected as the company's auditor and the proposed long-term incentive programme (Performance Share Programme 2022) was adopted. More information about Kjell Group AB's AGM is available at www.kjellgroup.com

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 52 and SEK 42.30 on 5 April and 17 June, respectively.

A total of 2,140,263 shares were traded during the quarter, corresponding to a turnover rate of 6.9% during the measurement period.

As of 30 June 2022, Kjell Group AB (publ) had approximately 4,600 shareholders, the largest of which were FSN Capital (22.87%), Fosielund Holding (8.67%), AMF Pension & Fonder (6.95%), Cervantes Capital (4.49%) and Nordea Fonder (3.46%).

The number of shares in issue as of 30 June 2022 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	Q2		Jan-Jun		Jan-Dec
		2022	2021	2022	2021	2021
Operating income						
Net sales	4	613,705	516,213	1,229,008	990,200	2,398,033
Other operating income		737	1,057	3,790	5,762	10,366
		614,442	517,270	1,232,798	995,962	2,408,399
Operating expenses						
Goods for resale		-354,084	-290,336	-707,712	-549,030	-1,374,762
Personnel costs		-127,119	-112,299	-249,329	-220,889	-467,241
Other external expenses		-75,526	-63,813	-150,996	-118,488	-266,916
Other operating expenses		-6,266	-777	-11,003	-1,302	-3,354
Depreciation/amortisation of tangible and intangible assets		-42,975	-41,414	-85,513	-74,775	-156,101
		8,472	8,632	28,245	31,479	140,025
Financial items						
Financial income		-	372	1,730	373	3
Financial expenses		-6,485	-16,356	-13,164	-31,204	-59,350
Net financial items		-6,485	-15,984	-11,434	-30,831	-59,347
Profit (loss) before tax		1,987	-7,352	16,811	648	80,678
Income tax		-643	-2,207	-2,894	-5,747	-18,259
Net profit (loss) for the period		1,344	-9,559	13,917	-5,099	62,419
Net profit (loss) for the period attributable to:						
Parent Company's shareholders		1,344	-9,559	13,917	-5,099	62,419
Net profit (loss) for the period		1,344	-9,559	13,917	-5,099	62,419
Earnings (loss) per share						
Basic earnings (loss) per share, SEK*	5	0.04	-1.94	0.45	-2.58	1.75
Diluted earnings (loss) per share, SEK*	5	0.04	-1.94	0.45	-2.58	1.75

* Earnings per share excl. the cumulative dividend (after tax) that accrues on the preference shares described in Note 5 amounted to SEK 0.04 (-1.94) for the quarter. Calculating the cumulative dividend for previous preference shares ended on 31 December 2021.

Condensed consolidated statement of profit or loss and other comprehensive income

TSEK	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net profit (loss) for the period	1,344	-9,559	13,917	-5,099	62,419
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Exchange differences of foreign operations	15,738	-6,229	21,520	-3,830	5,483
Cash flow hedges	-	-	-	-	95
Tax attributable to items that have been or may be reclassified to net profit (loss) for the period	-	-	-	-	-16
<i>Items that will not be reclassified to profit or loss</i>					
Other comprehensive income for the period	15,738	-6,229	21,520	-3,830	5,562
Total comprehensive income for the period	17,082	-15,788	35,437	-8,929	67,981
Comprehensive income for the period attributable to:					
Parent Company's shareholders	17,082	-15,788	35,437	-8,929	67,981
Total comprehensive income for the period	17,082	-15,788	35,437	-8,929	67,981

Condensed consolidated statement of financial position

TSEK	Note	30 Jun		31 Dec
		2022	2021	2021
Assets				
Intangible assets		1,368,256	1,361,592	1,360,084
Tangible assets		97,536	83,207	92,034
Right-of-use assets		247,543	267,721	266,024
Deferred tax assets		452	-	433
Total non-current assets		1,713,787	1,712,520	1,718,575
Inventory		559,016	480,175	545,737
Tax assets		27,536	30,718	27,106
Accounts receivable		24,204	23,245	26,687
Prepaid expenses and accrued income		29,814	31,787	45,434
Other receivables		1,499	1,144	7,355
Cash and cash equivalents		37,877	59,468	193,770
Total current assets		679,946	626,537	846,089
Total assets		2,393,733	2,339,057	2,564,664
Equity				
Share capital		515	162	515
Other contributed capital		455,071	24,403	453,978
Reserves		27,205	-3,708	5,684
Retained earnings including net profit (loss) for the period		443,186	361,946	429,270
Equity attributable to Parent Company's shareholders		925,977	382,803	889,447
Total equity		925,977	382,803	889,447
Liabilities				
Non-current interest-bearing liabilities	6	517,718	835,535	446,909
Non-current lease liabilities		147,050	161,619	158,750
Other non-current liabilities		102	103	1,496
Deferred tax liabilities		128,868	139,248	130,086
Total non-current liabilities		793,738	1,136,505	737,241
Current interest-bearing liabilities	6	132,888	163,895	149,200
Current lease liabilities		95,484	105,674	103,318
Accounts payable		268,220	280,115	377,181
Tax liabilities		24,550	32,793	39,853
Other liabilities	6	41,346	119,875	151,781
Accrued expenses and deferred income		103,779	110,293	109,278
Provisions		7,751	7,105	7,365
Total current liabilities		674,018	819,749	937,976
Total liabilities		1,467,756	1,956,254	1,675,217
Total equity and liabilities		2,393,733	2,339,057	2,564,664

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 2022	515	453,978	5,684	-	429,270	889,447	
Transactions with owners of the company							
Incentive programme		1,093				1,093	
Comprehensive income for the period							
Net profit (loss) for the period	-	-	-	-	13,917	13,917	
Other comprehensive income for the period	-	-	21,520	-	-	21,520	
Total comprehensive income for the period	-	-	21,520	-	13,917	35,437	
Closing balance 30 Jun 2022	515	455,071	27,204	-	443,187	925,977	
Balance at 1 Jan 2021	162	1,999	201	-79	367,045	369,328	
Transactions with owners of the company						-	
Offset issue		22,404				22,404	
Comprehensive income for the period							
Net profit (loss) for the period	-	-	-	-	-5,099	-5,099	
Other comprehensive income for the period	-	-	-3,830	-	-	-3,830	
Total comprehensive income for the period	-	-	-3,830	-	-5,099	-8,929	
Closing balance 30 Jun 2021	162	24,403	-3,629	-79	361,946	382,803	

Condensed consolidated statement of cash flows

TSEK	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Cash flow from operating activities					
Profit (loss) before tax	1,987	-7,352	16,811	648	80,678
Adjustments for non-cash items	44,305	49,000	85,049	84,643	162,702
Income tax paid	-1,070	-5,237	-20,883	-21,865	-33,168
	45,222	36,411	80,977	63,426	210,212
Increase (-)/decrease (+) in inventories	36,165	-65,396	-11,297	-44,566	-107,343
Increase (-)/decrease (+) in operating receivables	3,967	-4,432	24,467	8,707	-14,631
Increase (+)/decrease (-) in operating liabilities	-9,820	91,979	-148,280	-69,064	64,051
Cash flow from operating activities	75,534	58,561	-54,133	-41,498	152,289
Investing activities					
Acquisition of tangible assets	-8,673	-5,766	-16,272	-11,071	-31,685
Acquisition of intangible assets	-3,196	-4,967	-7,245	-9,186	-17,396
Acquisition of subsidiaries	-	-242,858	-	-242,858	-242,858
Settlement of additional purchase price related to acquisition of subsidiaries	-	-	-73,944	-	-
Cash flow from investing activities	-11,869	-253,591	-97,461	-263,115	-291,939
Financing activities					
New share issue	-	-	-	-	400,000
Issue expenses	-	-	-	-	-22,917
Proceeds of loans	-	91,508	231,617	91,508	723,743
Repayment of loans	-31,074	-13,000	-175,674	-13,000	-991,750
Repayment of lease liabilities	-31,360	-27,834	-62,502	-57,653	-119,326
Cash flow from financing activities	-62,434	50,674	-6,559	20,855	-10,250
Cash flow for the period	1,231	-144,356	-158,153	-283,758	-149,900
Cash and cash equivalents at the beginning of the period	36,428	205,790	193,770	340,422	340,422
Exchange rate differences in cash and cash equivalents	218	-1,966	2,260	2,804	3,248
Cash and cash equivalents at the end of the period	37,877	59,468	37,877	59,468	193,770

Condensed notes to the financial statements

Not 1 General information

Kjell Group AB (publ) (the “company”), Corp. Reg. No. 559115-8448, is a company with its registered offices in Malmö, Sweden. This consolidated interim report for the Group (the “Interim Report”) for the period January–June 2022 encompasses 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.

Not 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 2021. 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 2021 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.

Not 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 33 of the Group’s annual report for 2021. For a description of the effects of the ongoing COVID-19 pandemic on the Group, refer to Note 9 in this interim report.

Not 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 the 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 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. No sales are conducted between the segments. Accordingly, 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 reported for the segments is “adjusted EBITA.”

Information about each reportable segment is provided below.

Apr-Jun TSEK	Sweden		Norway		Denmark		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	448,247	411,992	83,415	59,555	82,043	44,665	613,705	516,213
Depreciation excl.amortisation on intangible assets related to business combinations	30,949	31,989	7,176	6,465	519	167	38,644	38,621
Adjusted EBITA	8,229	15,751	-28	1,268	4,600	6,207	12,801	23,226
Amortisation on intangible assets related to business combinations							-4,329	-2,793
Items affecting comparability							-	-11,801
Operating profit							8,472	8,631
Net financial items							-6,485	-15,984
Profit (loss) before tax							1,987	-7,353

Not 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. Prior to the company's IPO on 16 September 2021, there were preference shares that carried entitlement to a cumulative dividend. When calculating earnings per share, the cumulative dividend (after tax) that accrues on the preference shares reduced net profit for the period. In connection with the IPO, these preference shares were converted to common shares or withdrawn. When calculating earnings per share, net profit for the period was reduced by the amount of the dividend that had accrued on the preference shares as long as these shares were outstanding. This adjustment was taken into consideration for the last time on 31 December 2021.

Not 6 Fair value of financial instruments

The fair value of the liabilities in the Group's credit facility is estimated at TSEK 654,087 (929,396), compared with the carrying amount of TSEK 650,606 (926,513). The facility bears 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.

On 31 December 2021, the Group had a financial liability linked to the acquisition of AV-Cables. This was paid in its entirety during the first quarter of the year. The total earnout paid amounted to MDKK 54.7, corresponding to MSEK 73.9 on the date of the transaction.

Contingent consideration TSEK	30 Jun		31 Dec
	2022	2021	2021
Balance at the beginning of the period	75,387	-	-
Added through business combinations	-	71,929	71,929
Payments	-73,944	-	-
<i>Recognised in profit or loss</i>			
Change in fair value	-	1,360	2,853
Currency effects	-1,443	-372	605
Balance at the end of the period	-	72,917	75,387

Not 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.

Not 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 position, assortment and offering, and growth. Operating risks mainly comprise risks associated with purchasing, 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 2021 and can confirm that no changes have been identified other than those described in this interim report and the annual report.

The impact of the COVID-19 pandemic is described in Note 9.

Not 9 Impact of the COVID-19 pandemic

At the time this interim report was submitted, pandemic restrictions had been lifted in all markets where Kjell Group conducts sales. This was an entirely different situation than in the second quarter of 2021, when service points in Sweden were open, though with fewer customers at any given time in the stores, in line with the recommendations from the Swedish Trade Federation that included a maximum number of customers depending on the size of the store. In Norway, 2021 began with closing 11 service points and furloughing some 60 employees due to the high rate of infection. Prior to April 2021, 44 employees were furloughed and several service points remained closed. On 6 May, all furloughed employees returned to work and stores reopened.

In the first quarter of 2022, the spread of COVID-19 led to double the amount of absenteeism year-on-year while absenteeism levels for the second quarter of 2022 were similar year-on-year.

In Shanghai, where the Group has its purchasing office, stringent quarantine rules were introduced at the beginning of April. At the start of June, employees were able to return to the office. Despite lockdowns, the Group's purchasing office remained in operation during the first half of the year, and no significant impact was noted in terms of product purchasing since the majority of products are purchased from other parts of China where the pandemic is under better control. Management and the Board are closely following developments to ensure alternative ways of working should the situation change.

Not 10 Significant events after the end of the period

No significant events took place after the reporting date other than those events referred to earlier in the report.

Condensed Parent Company income statement

TSEK	Q2		Jan-Jun		Jan-Dec
	2022	2021	2022	2021	2021
Net sales					
Operating income	7,528	389	11,862	389	5,475
	7,528	389	11,862	389	5,475
Operating expenses					
Other external expenses	-1,618	-7,592	-3,088	-8,383	-19,108
Personnel costs	-6,970	-2,404	-12,264	-2,404	-22,663
Operating profit	-1,060	-9,607	-3,490	-10,398	-36,296
Financial items					
Financial income	460	-	756	-	-
Financial expenses	-3,367	-769	-6,219	-769	-4,483
Profit (loss) after financial items	-3,967	-10,376	-8,953	-11,167	-40,779
Appropriations	-	-	-	-	51,925
Profit (loss) before tax	-3,967	-10,376	-8,953	-11,167	11,146
Income tax	-	-	-	-	-3,273
Profit (loss) for the period	-3,967	-10,376	-8,953	-11,167	7,873

Condensed Parent Company balance sheet

TSEK	Note	30 Jun		31 Dec
		2022	2021	2021
Assets				
Non-current assets				
Tangible assets				
Machinery and equipment		10		
Total Tangible assets		10		
Financial non-current assets				
Participation in group companies		1,609,767	729,179	1,609,548
Deferred tax assets		1,448	-	1,448
Total financial non-current assets		1,611,215	729,179	1,610,996
Total non-current assets		1,611,225	729,179	1,611,008
Current assets				
Current receivables from group companies		191,223	5,836	55,112
Prepaid expenses and accrued income		2,475	24	1,923
Other receivables		532	-	4,581
Total current receivables		196,621	5,860	61,616
Cash and cash equivalents		43	117	2,159
Total current assets		196,664	5,978	63,775
Total assets		1,807,889	735,157	1,674,783
Equity and liabilities				
Equity				
Restricted equity				
Share capital		515	162	515
Non-restricted equity				
Share premium reserve		1,091,433	662,498	1,091,433
Retained earnings		32,190	22,777	23,224
Profit (loss) for the period		-8,953	-11,167	7,873
Total equity		1,115,185	674,270	1,123,045
Non-current liabilities				
Non-current interest-bearing liabilities	6	442,719	-	446,910
Total non-current liabilities		442,719	46,386	446,910
Current liabilities				
Current interest-bearing liabilities	6	132,888	-	9,200
Accounts payable		497	-	974
Current liabilities to group companies		106,942	186	86,147
Other current liabilities		1,604	430	754
Tax liabilities		450	-	199
Accrued expenses and deferred income		7,604	13,886	7,554
Total current liabilities		249,985	14,502	104,828
Total equity and liabilities		1,807,889	735,157	1,674,783

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, 18 August 2022

Ingrid Johansson Blank

Chairman of the Board

Fredrik Dahnelius

Board member

Joel Eklund

Board member

Thomas Broe-Andersen

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	Q2		Jul-Jun	Jan-Dec
	2022	2021	21/22	2021
Members in loyalty club, thousand	2,911	2,378	2,911	2,647
Net sales	613.7	516.2	2,636.8	2,398.0
Sales growth, %	18.9%	24.0%	22.7%	20.0%
Comparable growth, %	10.2%	10.3%	-	6.8%
Gross profit	259.6	225.9	1,103.4	1,023.3
Gross margin, %	42.3%	43.8%	41.8%	42.7%
Adjusted EBITA	12.8	23.2	176.0	188.1
Adjusted EBITA margin, %	2.1%	4.5%	6.7%	7.8%
Items affecting comparability	-	11.8	22.2	36.9
Cash flow from operating activities	75.5	58.6	139.7	152.3
Working capital	196.4	16.9	-	-33.1
Core working capital	315.0	223.3	-	195.2
Financial net debt	612.7	940.0	-	402.3
Financial net debt/Adjusted EBITDAaL	3.0	5.0	-	1.7
Equity ratio, %	38.7%	16.4%	-	34.7%
Investments	-11.9	-10.7	-52.3	-49.1
Number of outstanding shares before dilution	31,151,514	10,848,600		31,151,514
Number of outstanding shares after dilution	31,151,514	10,848,600		31,151,514
Average number of outstanding shares before dilution	31,151,514	10,848,600		16,807,821
Average number of outstanding shares after dilution	31,151,514	10,848,600		16,807,821

Quarterly data

MSEK	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
Net sales	474.0	516.2	589.0	818.8	615.3	613.7
Gross profit	215.3	225.9	250.3	331.8	261.7	259.6
Gross margin, %	45.4%	43.8%	42.5%	40.5%	42.5%	42.3%
Adjusted EBITA	25.8	23.2	51.2	87.9	24.1	12.8
Adjusted EBITA margin, %	5.4%	4.5%	8.7%	10.7%	3.9%	2.1%
Cash flow from operating activities	-100.1	58.6	49.7	144.1	-129.7	75.5
Working capital	99.5	16.9	-0.2	-33.1	224.2	196.4
Core working capital	220.9	223.3	208.5	195.2	351.9	315.0

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 with 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	Q2		Jul-Jun	Jan-Dec
	2022	2021	21/22	2021
Profit (loss) for the period	1,344	-9,559	81,435	62,419
Income tax	643	2,207	15,406	18,259
Net financial items	6,485	15,984	39,950	59,347
Operating profit (EBIT)	8,472	8,632	136,791	140,025
Amortisation on intangible assets related to business combinations	4,331	2,793	17,056	11,187
EBITA	12,803	11,425	153,847	151,212
Depreciation excl. amortisation on intangible assets related to business combinations	38,644	38,621	149,783	144,914
EBITDA	51,447	50,046	303,630	296,126
EBITA	12,803	11,425	153,847	151,212
Items affecting comparability	-	11,801	22,165	36,929
Adjusted EBITA	12,803	23,226	176,012	188,141
EBITDA	51,447	50,046	303,630	296,126
Items affecting comparability	-	11,801	22,165	36,929
Adjusted EBITDA	51,447	61,847	325,795	333,055
Depreciation right-of-use assets	-28,950	-30,295	-112,625	-110,948
Interest on lease liabilities	-2,132	-2,575	-9,376	-10,070
Impact from business combinations, EBITDAaL	-	-	-	24,421
Adjusted EBITDAaL	43,053	59,959	203,794	236,457
Net sales	613,705	516,213	2,636,841	2,398,033
EBIT-margin, %	1.4%	1.7%	5.2%	5.8%
Adjusted EBITA margin, %	2.1%	4.5%	6.7%	7.8%

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.

No items affecting comparability were identified in 2022.

TSEK	Q2		Jan-Jun		Jul-Jun	Jan-Dec
	2022	2021	2022	2021	21/22	2021
Cost for listing	-	5,366	-	8,329	10,979	19,308
Bonuses related to the IPO	-	-	-	-	11,186	11,186
Costs for business combinations	-	5,508	-	5,508	-	5,508
Severance pay	-	927	-	927	-	927
Items affecting comparability	-	11,801	-	14,764	22,165	36,929

NET SALES GROWTH

%	Q2		Jul-Jun	Jan-Dec
	2022	2021	21/22	2021
Net sales current period	613,705	516,213	2,636,841	2,398,033
Net sales preceeding period	516,213	416,222	2,148,300	1,999,000
Net sales growth, %	18.9%	24.0%	22.7%	20.0%

COMPARABLE GROWTH

TSEK	Q2		Jul-Jun	Jan-Dec
	2022	2021	21/22	2021
<i>Comparable sales comparative period</i>				
Recognised net sales comparative period	516,213	416,222	-	1,999,000
Adjustment for returns and loyalty programme comparative period	135	2,767	-	10,141
Revenue new service points and other channels	-	-34	-	-5,501
Total comparable sales comparative period	516,348	418,955	-	2,003,639
<i>Comparable sales current period</i>				
Recognised net sales current period	613,705	516,213	-	2,398,033
Adjustment for returns and loyalty programme current period	1,191	258	-	11,306
Revenue new service points and other channels	-13,632	-9,990	-	-53,817
Revenue from business combinations	-22,418	-44,665	-	-204,375
Currency effects	-9,651	91	-	-11,739
Total comparable sales current period	569,195	461,907	-	2,139,407
Total comparable sales comparative period	516,348	418,955	-	2,003,639
Total comparable sales current period	569,195	461,907	-	2,139,407
Comparable growth, %	10.2%	10.3%	-	6.8%

GROSS PROFIT AND GROSS MARGIN

TSEK	Q2		Jul-Jun	Jan-Dec
	2022	2021	21/22	2021
Net sales	613,705	516,213	2,495,525	2,398,033
Goods for resale	-354,084	-290,336	-1,438,510	-1,374,762
Gross Profit	259,621	225,877	1,057,015	1,023,271
Gross Profit	259,621	225,877	1,057,015	1,023,271
Net sales	613,705	516,213	2,495,525	2,398,033
Gross margin, %	42.3%	43.8%	42.4%	42.7%

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

TSEK	30 Jun		31 Dec
	2022	2021	2021
Non-current interest bearing liabilities	517,718	835,535	446,909
Current interest bearing liabilities	132,888	163,895	149,200
Interest bearing liabilities	650,606	999,430	596,109
Cash and cash equivalents	-37,877	-59,468	-193,770
Net financial debt	612,729	939,962	402,339
Non-current lease liabilities	147,050	161,619	158,750
Current lease liabilities	95,484	105,674	103,318
Lease liabilities	242,534	267,293	262,068
Total interest bearing liabilities	650,606	999,430	596,109
Total lease liabilities	242,534	267,293	262,068
Total financial liabilities	893,140	1,266,723	858,177
Cash and cash equivalents	-37,877	-59,468	-193,770
Net debt	855,263	1,207,255	664,407
Net financial debt	612,729	939,962	402,339
Adjusted EBITDAaL, R12	203,794	189,858	236,457
Net financial debt/Adjusted EBITDAaL, times	3.0	5.0	1.7

WORKING CAPITAL

TSEK	30 Jun		31 Dec
	2022	2021	2021
Current assets	679,946	626,537	846,089
Cash and cash equivalents	-37,877	-59,468	-193,770
Current liabilities excl. interest bearing liabilities and lease liabilities	-445,646	-550,180	-685,458
Working capital	196,423	16,889	-33,139
Current liabilities excl. interest bearing liabilities and lease liabilities			
Accounts payable	268,220	280,115	377,181
Tax liabilities	24,550	32,793	39,853
Other liabilities	41,346	119,875	151,781
Accrued expenses and deferred income	103,779	110,293	109,278
Provisions	7,751	7,105	7,365
Total	445,646	550,180	685,458

CORE WORKING CAPITAL

TSEK	30 Jun		31 Dec
	2022	2021	2021
Inventory	559,016	480,175	545,737
Accounts receivable	24,204	23,245	26,687
Accounts payable	-268,220	-280,115	-377,181
Core working capital	315,000	223,305	195,243

INVESTMENTS

TSEK	Q2		Jul-Jun	Jan-Dec
	2022	2021	21/22	2021
Acquisition of tangible assets	-8,673	-5,766	-36,886	-31,685
Acquisition of intangible assets	-3,196	-4,967	-15,455	-17,396
Investments	-11,869	-10,733	-52,341	-49,081

EQUITY/ASSETS RATIO

%	30 Jun		31 Dec
	2022	2021	2021
Total equity	925,977	382,803	889,447
Total assets	2,393,733	2,339,057	2,564,664
Equity ratio, %	38.7%	16.4%	34.7%

Definitions – Alternative performance measures

Earnings measures	Definition	Reason that 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 entire current and the entire 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.
Customer NPS (Net Promoter Score)	Describes the likelihood that a customer would recommend Kjell & Company to a friend or colleague on a scale of -100 to 100.



TELEPHONE CONFERENCE IN CONNECTION WITH THE PUBLICATION OF THE INTERIM REPORT

Andreas Rylander, President and CEO, and Niklas Tyrén, CFO, will hold a webcast in connection with the publication of the interim report at 10:00 a.m. on 18 August 2022. To participate in the conference, follow the link <https://tv.streamfabriken.com/kjell-group-q2-2022>. The presentation material is available on the Group's website: <https://www.kjellgroup.com/investerare/presentationer>.



INTERIM REPORTS

The complete interim report for January–June 2022 and earlier reports are available on www.kjellgroup.com.



FINANCIAL CALENDAR

Forthcoming reports:
Third quarter 2022 11 November 2022

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 18 August 2022 at 7:00 a.m. CEST.



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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 140 service points, of which 111 in Sweden and 29 in Norway.

Through Kjell & Company's customer club, with over 2.9 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.