



Year-end report 2022

1 JANUARY–31 DECEMBER 2022

Fourth quarter

- Net sales declined 6.9% to MSEK 762.0 (818.8).
- Comparable growth amounted to -10.6% (5.8)
- Gross profit declined 6.5% to MSEK 310.2 (331.8) and the gross margin was 40.7% (40.5)
- Adjusted EBITA totalled MSEK 57.1 (87.9) and the adjusted EBITA margin was 7.5% (10.7)
- Operating profit amounted to MSEK 52.5 (85.9) and the operating margin to 6.9% (10.5)
- Net profit for the quarter amounted to MSEK 31.5 (66.2)
- Cash flow from operating activities totalled MSEK 213.0 (144.1)
- Earnings per share before and after dilution amounted to SEK 1.01 (2.13)

1 January–31 December (period)

- Net sales increased 8.8% to MSEK 2,607.9 (2,398.0).
- Comparable growth amounted to 0.7% (6.8)
- Gross profit increased 7.4% to MSEK 1,099.2 (1,023.3) and the gross margin was 42.1% (42.7)
- Adjusted EBITA totalled MSEK 134.8 (188.1) and the adjusted EBITA margin was 5.2% (7.8)
- Operating profit amounted to MSEK 117.2 (140.0) and the operating margin to 4.5% (5.8)
- Net profit for the period amounted to MSEK 71.2 (62.4)
- Cash flow from operating activities totalled MSEK 242.2 (152.3)
- Earnings per share before and after dilution amounted to SEK 2.29 (1.75*)

Significant events during and after the end of the quarter

- Two new service points were opened in Sweden during the quarter
- At the Retail Awards on 6th of October, arranged by the Swedish Trade Federation, Kjell & Company won the purchasing experience of the year award for 2022, as voted by consumers
- The partnership with SkiStar began as a pilot project where, starting in December, the company's products are available via Kjell & Company Express for consumers at 14 SkiStar stores in Sweden and Norway

Performance measures

MSEK	Q4		Jan-Dec	
	2022	2021	2022	2021
Net Sales	762.0	818.8	2,607.9	2,398.0
Sales growth, %	-6.9%	22.9%	8.8%	20.0%
Comparable growth, %	-10.6%	5.8%	0.7%	6.8%
Gross profit	310.2	331.8	1,099.2	1,023.3
Gross margin, %	40.7%	40.5%	42.1%	42.7%
Adjusted EBITA	57.1	87.9	134.8	188.1
Adjusted EBITA-margin, %	7.5%	10.7%	5.2%	7.8%
Operating profit (EBIT)	52.5	85.9	117.2	140.0
Cash flow from operating activities	213.0	144.1	242.3	152.3
Equity ratio	40.8	34.7	40.8%	34.7%
Basic earnings (loss) per share, SEK*	1.01	2.13	2.29	1.75
Members in loyalty club, thousand	3,107	2,647	3,107	2,647

* Earnings per share excl. the cumulative dividend (after tax) that accrues on the preference shares described in Note 5 amounted to SEK 3.71 for the Jan–Dec 2021 period. This only had an effect up to and including 31 December 2021.

Growth of own brands and strong cash flow boost our confidence in the future

During a year characterised by geopolitical and economic uncertainty, Kjell continued to grow profitably in 2022.

Kjell's niche is normally characterised by more need-driven consumption, which means that our model is less sensitive to market fluctuations over longer periods. However, it is important to remember that the fourth quarter differs from other quarters. Since the traditional sales increase in the quarter is largely attributable to Christmas shopping and not to the same need-driven consumption seen during the rest of the year, the fourth quarter is the period when our performance most closely resembles that of the rest of the consumer electronics market.

We therefore noted greater caution among customers towards the end of the year and saw a decline in sales during Kjell's Christmas shopping period. Nevertheless, we succeeded in maintaining our gross margin compared with the preceding year and received further confirmation of the strength of our own brands, which continued to grow during the quarter. High prices on freight from Asia combined with a weak SEK prevented us from strengthening our gross margin further. Sales of external brands at higher price points declined during the quarter, and our strong offering of own products will therefore likely become even more relevant to our customers going forward, which provides us with confidence. The relatively lower price points and lower degree of price comparison associated with our own brands will also make it easier to compensate through price adjustments in the future.

Our growth markets both delivered strong performances in the fourth quarter. Sales in Norway increased compared with the same period last year, and segment Denmark's performance was in line with last year's high comparative figures.

During the quarter, the Group's sales fell 6.9% to MSEK 762, while the gross margin increased to 40.7% (40.5). For the full year, sales increased 8.8% to MSEK 2,608 MSEK and profit amounted to MSEK 71.2 (62.4).

Strong cash flow in the fourth quarter

For Kjell Group, the rising inflation has been most pronounced when it came to costs for freight and premises, driven by increasing fuel and energy prices. In addition, we are continuing to invest in future growth through expansion and marketing. We are continuously implementing efficiency enhancements and price consumption measures in order to protect our EBITA margin.

Our cash flow was very strong during the quarter as a result of an improved inventory turnover rate and the fact that we did not end the period with excessive inventories of products from the Christmas shopping period. Our inventory levels at the end of the year were lower than in both the preceding quarter and the



same quarter last year, which is a sign of our strength given that our sales were weaker than expected.

Optimisation of store network

With our profitable and need-driven business model, we are highly optimistic that we will be able to serve even more customers in 2023. We will continue to adjust our assortment and prices and to streamline and invest where we see potential.

We will optimise the store network in Sweden by relocating selected service points in order to maximise their potential and profitability. In the coming months, three stores will move to new, optimised locations. Our space- and resource-efficient store concept gives us an advantage when it comes to adapting quickly based on customer traffic.

The entrepreneurial spirit inherent within Kjell is strongest and most important in a challenging market. My colleagues and I look forward to leveraging new and improved solutions to take advantage of the opportunities that arise in the market in 2023.

Malmö,
16 February 2023

Andreas Rylander
President and CEO

Summary of the Group's financial performance

Net sales

Net sales declined 6.9% to MSEK 762.0 (818.8) in the quarter, but increased 8.8% to MSEK 2,607.9 (2,398.0) in the period. Comparable growth amounted to -10.6% (5.8) for the quarter and 0.7% (6.8) for the period.

Net sales in segment Sweden declined 10.9% in the quarter, but increased 0.8% in the period. Net sales for segment Norway rose 6.6% in the quarter and 22.0% in the period. Net sales for segment Denmark rose 4.3% in the quarter and amounted to MSEK 332.4 for the period.

Online sales decreased more in the quarter than sales at service points. Sales grew in all channels and segments in the period, with a higher growth rate online than in other channels. Online sales accounted for 30% of sales, unchanged for the rolling 12-month period, and Click&Collect for an additional 8% of sales.

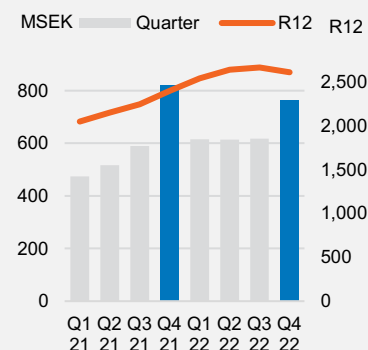
Operating expenses

Operating expenses declined 3.0% in the quarter and increased 10.4% in the period, with the increase in the period partly attributable to the fact the expenses for the acquired company AV-Cables was only included starting in May in the comparative period. No items affecting comparability arose during the quarter or the period in 2022, while in 2021, items affecting comparability of MSEK 2.1 were reported for the quarter (revenue) and MSEK 36.9 for the period (expense).

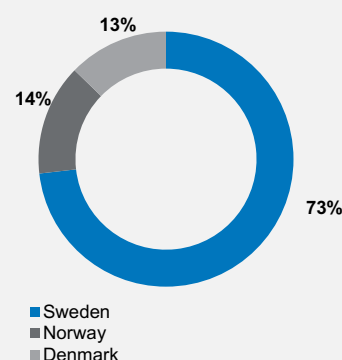
Costs of goods for resale amounted to MSEK 451.7 (486.9) in the quarter and MSEK 1,508.7 (1,374.8) in the period. Gross profit amounted to MSEK 310.2 (331.8) for the quarter, down 6.5%, and to MSEK 1,099.2 (1,023.3) for the period, up 7.4%. The gross margin amounted to 40.7% (40.5) for the quarter and 42.1% (42.7) for the period. The gross margin for the quarter was also strengthened by a higher share of own brands, which continued to grow, but this improvement was impeded somewhat by a substantial currency effect on purchasing ahead of the Christmas shopping period. Price compensation is more challenging during the Christmas shopping period than other periods of the year, particularly this year when competition for declining disposable income among consumers was intense. The fact that our gross margin improved in the quarter and declined only slightly during the period in a market with high cost-push inflation and a significantly weaker SEK is a sign of our strength. The lower gross profit for the quarter was mainly attributable to lower net sales, while the year-on-year increase in gross profit was primarily the result of higher net sales for the period.

Personnel costs amounted to MSEK 128.2 (129.5) for the quarter and MSEK 493.7 (467.3) for the period, a decrease of 1.0% for the quarter and an increase of 5.7% for the period. In the fourth quarter, which is strongly impacted by Christmas shopping, the company gains significant leverage from the relatively high sales over the Christmas period. Strong Christmas sales do not necessarily equate to significantly higher personnel costs, while Christmas sales are weak the company has limited opportunities to rapidly adjust its costs.

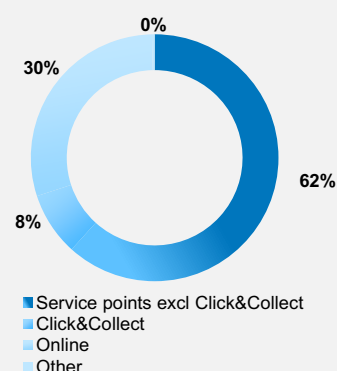
Net sales (MSEK)



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 of MSEK 0.0 and MSEK 12.1 were reported for the quarter and the period in the preceding year.

Other external expenses amounted to MSEK 86.6 (77.0) for the quarter and MSEK 307.5 (266.9) for the period. Other external expenses for the quarter and the period did not include any items affecting comparability, while items affecting comparability of MSEK 2.1 (revenue) and MSEK 24.8 (expense) 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, primarily in our growth markets. We had eight more service points at the end of the quarter than in the year-earlier period. Inflation has increased further since the preceding quarter 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. These costs are therefore increasing more than our sales, which is impacting the EBITA margin, and this is something we will address going forward through price increases and efficiency enhancements.

Other operating expenses amounted to MSEK 2.1 (1.3) for the quarter and MSEK 18.8 (3.3) for the period and consisted almost exclusively of currency losses related to the remeasurement of balance sheet items. Other operating income amounted to MSEK 5.5 (4.2) for the quarter and MSEK 13.9 (10.4) for the period. Part of the deviation in the quarter and the period compared with the preceding year is attributable to currency effects due to the remeasurement of balance sheet items. Total currency effects from the remeasurement of balance sheet items amounted to a net gain of MSEK 1.2 in the quarter, compared with a loss of MSEK 0.8 in the comparative quarter. Total currency effects from the remeasurement of balance sheet items amounted to a net loss of MSEK 8.9 in the period, compared with a loss of MSEK 0.8 in the comparative period.

Total depreciation and amortisation amounted to MSEK 46.3 (42.4) for the quarter and to MSEK 175.9 (156.1) for the period, of which MSEK 4.5 (4.2) in the quarter and MSEK 17.6 (11.1) 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 31.9 (28.8) for the quarter and MSEK 119.4 (111.1) for the period.

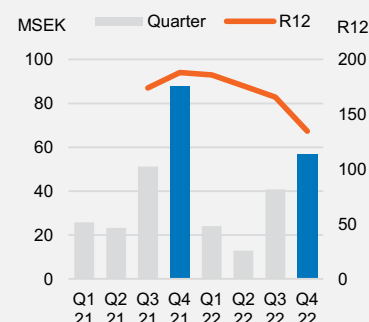
Adjusted EBITA

The Group's adjusted EBITA amounted to MSEK 57.1 (87.9) for the quarter and to MSEK 134.8 (188.1) for the period. The fourth quarter was positively impacted by currency effects of MSEK 2.0 compared with the comparative quarter. Currency effects had a negative impact of MSEK 9.7 compared with the comparative period.

Operating profit

The Group's operating profit (EBIT) amounted to MSEK 52.5 (85.9) for the quarter and MSEK 117.2 (140.0) for the period, corresponding to an operating margin of 6.9% (10.5) in the quarter and 4.5% (5.8) in the period. As with adjusted EBITA, the quarter was positively impacted in an amount of MSEK 2.0 and the period was negatively impacted in an amount of MSEK 9.7 due to currency effects.

Adjusted EBITA (MSEK)



Adjusted EBITA margin

Period: 5.2% (7.8%)

Net financial items

The Group's net financial items amounted to MSEK -10.4 (-10.7) for the quarter and MSEK -29.3 (-59.3) for the period, including MSEK 2.2 (2.5) in interest expenses attributable to lease liabilities in the quarter and MSEK 8.7 (10.1) in the period.

Profit

Profit amounted to MSEK 31.5 (66.2) for the quarter and MSEK 71.2 (62.4) for the period.

Cash flow and financial position

The Group's cash flow from operating activities totalled MSEK 213.0 (144.1) for the quarter and MSEK 242.3 (152.3) for the period. The year-on-year improvement for the quarter was mainly attributable to a strong positive change in working capital. The fourth quarter is historically the quarter when we have our strongest performance in terms of working capital, but was even better than normal in 2022 since we devoted considerable focus to increasing our inventory turnover rate and not ending the period with excessive inventories of products intended for the Christmas shopping period. Our inventory levels at the end of the year were lower than in both the preceding quarter and the same quarter last year, which is a sign of our strength given that our sales were weaker than expected. Cash flow for the period was positively impacted by earnings and by our improved utilisation of working capital.

Cash flow from investing activities amounted to MSEK -9.9 (-20.3) for the quarter and MSEK -118.1 (-291.9) 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, which also reflects the increase in tangible and intangible assets for the period. In the year-earlier period, a purchase consideration of MSEK 242.8 was transferred to the seller for the acquisition of AV-Cables. An earnout, which also represents the final payment, of MSEK 73.9 was paid to the seller during the period.

Cash flow from financing activities amounted to MSEK -124.2 (-11.1) in the quarter and MSEK -204.4 (-10.3) in the period. Cash flow for the quarter was mainly attributable to lower utilisation of the revolving credit facility and the repayment of lease liabilities. Cash flow for the period was primarily attributable to lower utilisation of the revolving credit facility, loans raised for financing of earnouts, and the repayment of lease liabilities.

The Group's cash and cash equivalents amounted to MSEK 117.6 at the end of the reporting period, compared with MSEK 193.8 at the beginning of the year.

The Group's financial net debt amounted to MSEK 405.1 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 2.5. Net debt decreased in the quarter through the positive cash flow from operating activities. The change in net debt for the period was also affected by the earnout included in the acquisition of AV-Cables in the first quarter, which was financed through external loans.

The Group's equity amounted to MSEK 998.8 at the end of the reporting period, compared with MSEK 889.5 at the beginning of the year.

Significant events during and after the fourth quarter of 2022

- Two new service points were opened in Sweden during the quarter
- At the Retail Awards on 6th of October, arranged by the Swedish Trade Federation, Kjell & Company won the purchasing experience of the year award for 2022, as voted by consumers
- The partnership with SkiStar began as a pilot project where, starting in December, the company's products are available via Kjell & Company Express for consumers at 14 SkiStar stores in Sweden and Norway

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.

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 6.5 (3.9) for the quarter and MSEK 24.6 (5.5) for the period and pertained entirely to intra-Group invoicing. Operating expenses amounted to MSEK 6.2 (6.8) for the quarter and MSEK 29.4 (41.8) for the period and consisted of personnel costs for the management team of MSEK 4.0 (7.1) in the quarter and MSEK 21.8 (22.7) in the period. Other external expenses comprised other operating expenses of MSEK 2.3 (0.3) for the quarter and MSEK 7.6 (19.1) for the period. The quarter and the period were charged with interest expenses of MSEK 6.8 (2.6) and MSEK 17.4, respectively, for the Group's credit facility. These interest expenses for the Parent Company first arose in the third quarter of the previous year, in conjunction with the Group's financing raised in Kjell Group AB. The year-earlier period was charged with MSEK 4.5. A loss after financial items of MSEK -6.1 (-5.5) was reported for the quarter and MSEK -20.4 (-40.8) for the period.

Financial non-current assets amounted to MSEK 1,610 (1,611). Short-term receivables amounted to MSEK 61.6 (6.5), which largely consisted of inter-company transactions due to the cash pool established in the beginning of 2022.

Equity increased from the year-earlier period, which is largely 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 and third quarters of 2022. Other operating liabilities increased compared with year-end 2021 and primarily related to inter-company transactions.

Kjell Group AB's Annual General Meeting

Kjell Group AB's 2023 Annual General Meeting will be held on 16 May in Malmö. The Board's proposal to the Meeting is that profit for the 2022 financial year be carried forward and that no dividend be paid for 2022.

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 39.70 and SEK 31.10 on 5 December and 10 November, respectively.

A total of 2,024,936 shares were traded during the quarter, corresponding to a turnover rate of 6.5% during the measurement period.

As of 31 December 2022, Kjell Group AB (publ) had approximately 4,543 shareholders, the largest of which were FSN Capital (22.87%), Fosielund Holding (10.91%), Cervantes Capital (6.95%), AMF Pension & Fonder (6.95%) and Nordea Fonder (3.47%).

The number of shares issued as of 31 December 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	Q4		Jan-Dec	
		2022	2021	2022	2021
Operating income					
Net sales	4	761,963	818,791	2,607,929	2,398,033
Other operating income		5,492	4,209	13,884	10,366
		767,455	823,000	2,621,813	2,408,399
Operating expenses					
Goods for resale		-451,727	-486,953	-1,508,760	-1,374,762
Personnel costs		-128,244	-129,536	-493,672	-467,241
Other external expenses		-86,568	-76,986	-307,491	-266,916
Other operating expenses		-2,119	-1,288	-18,836	-3,354
Depreciation/amortisation of tangible and intangible assets		-46,268	-42,374	-175,873	-156,101
Operating profit		52,529	85,863	117,181	140,025
Financial items					
Financial income		126	3	2,083	3
Financial expenses		-10,544	-10,676	-31,404	-59,350
Net financial items		-10,418	-10,673	-29,321	-59,347
Profit (loss) before tax		42,111	75,190	87,860	80,678
Income tax		-10,565	-8,984	-16,660	-18,259
Net profit (loss) for the period		31,546	66,206	71,200	62,419
Net profit (loss) for the period attributable to:					
Parent Company's shareholders		31,546	66,206	71,200	62,419
Net profit (loss) for the period		31,546	66,206	71,200	62,419
Earnings (loss) per share					
Basic earnings (loss) per share, SEK*	5	1.01	2.13	2.29	1.75
Diluted earnings (loss) per share, SEK*	5	1.01	2.13	2.29	1.75

* Earnings per share excl. the cumulative dividend (after tax) that accrues on the preference shares described in Note 5 amounted to SEK 3.71 for the Jan-Dec 2021 period. This only had an effect up to and including 31 December 2021.

Condensed consolidated statement of profit or loss and other comprehensive income

TSEK	Q4		Jan-Dec	
	2022	2021	2022	2021
Net profit (loss) for the period	31,546	66,206	71,200	62,419
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange differences of foreign operations	8,928	5,744	35,996	5,483
Cash flow hedges	-	95	-	95
Tax attributable to items that have been or may be reclassified to net profit (loss) for the period	-	-16	-	-16
Other comprehensive income for the period	8,928	5,823	35,996	5,562
Total comprehensive income for the period	40,474	72,029	107,196	67,981
Comprehensive income for the period attributable to:				
Parent Company's shareholders	40,474	72,029	107,196	67,981
Total comprehensive income for the period	40,474	72,029	107,196	67,981

Condensed consolidated statement of financial position

TSEK	Note	31 Dec	
		2022	2021
Assets			
Intangible assets		1,372,032	1,360,084
Tangible assets		100,514	92,034
Right-of-use assets		275,888	266,024
Deferred tax assets		258	433
Total non-current assets		1,748,692	1,718,575
Inventory		487,525	545,737
Tax assets		28,774	27,106
Accounts receivable		28,369	26,687
Prepaid expenses and accrued income		34,321	45,434
Other receivables		1,616	7,355
Cash and cash equivalents		117,619	193,770
Total current assets		698,224	846,089
Total assets		2,446,916	2,564,664
Equity			
Share capital		515	515
Other contributed capital		456,111	453,978
Reserves		41,680	5,684
Retained earnings including net profit (loss) for the period		500,470	429,270
Equity attributable to Parent Company's shareholders		998,776	889,447
Total equity		998,776	889,447
Liabilities			
Non-current interest-bearing liabilities	6	513,528	446,909
Non-current lease liabilities		153,152	158,750
Other non-current liabilities		102	1,496
Deferred tax liabilities		127,350	130,086
Total non-current liabilities		794,132	737,241
Current interest-bearing liabilities	6	9,200	149,200
Current lease liabilities		113,465	103,318
Accounts payable		330,028	377,181
Tax liabilities		22,342	39,853
Other liabilities	6	74,592	151,781
Accrued expenses and deferred income		96,773	109,278
Provisions		7,608	7,365
Total current liabilities		654,008	937,976
Total liabilities		1,448,140	1,675,217
Total equity and liabilities		2,446,916	2,564,664

Condensed consolidated statement of changes in equity

TSEK	Equity attributable to Parent Company's shareholders					Total equity
	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings incl. net profit (loss) for the period	
Balance at 1 Jan 2022	515	453,978	5,684	-	429,270	889,447
Transactions with owners of the company						
Incentive programme		2,133				2,133
Comprehensive income for the period						
Net profit (loss) for the period	-	-	-	-	71,200	71,200
Other comprehensive income for the period	-	-	35,996	-	-	35,996
Total comprehensive income for the period	-	-	35,996	-	71,200	107,196
Closing balance 31 Dec 2022	515	456,111	41,680	-	500,470	998,776
Balance at 1 Jan 2021	162	1,999	201	-79	367,045	369,328
Transactions with owners of the company						-
Offset issue and settlement of Promissory note	16	69,678				69,694
Bonus issue	389				-389	-
New share issue	143	381,661	-	-	-	381,804
Redeption of preference shares	-195	-	-	-	195	-
Incentive programme	-	640	-	-	-	640
Comprehensive income for the period						-
Net profit (loss) for the period	-	-	-	-	62,419	62,419
Other comprehensive income for the period	-	-	5,483	79	-	5,562
Total comprehensive income for the period	-	-	5,483	79	62,419	67,981
Closing balance	515	453,978	5,684	0	429,270	889,447

Condensed consolidated statement of cash flows

TSEK	Q4		Jan-Dec	
	2022	2021	2022	2021
Cash flow from operating activities				
Profit (loss) before tax	42,111	75,190	87,860	80,678
Adjustments for non-cash items	37,681	45,220	174,939	162,702
Income tax paid	-11,646	486	-39,460	-33,168
	68,146	120,896	223,339	210,212
Increase (-)/decrease (+) in inventories	78,953	-3,171	65,505	-107,343
Increase (-)/decrease (+) in operating receivables	-7,497	-19,010	16,280	-14,631
Increase (+)/decrease (-) in operating liabilities	73,397	45,357	-62,874	64,051
Cash flow from operating activities	212,999	144,072	242,250	152,289
Investing activities				
Acquisition of tangible assets	-6,287	-18,502	-30,042	-31,685
Acquisition of intangible assets	-3,567	-1,821	-14,163	-17,396
Acquisition of subsidiaries	-	-	-	-242,858
Settlement of additional purchase price related to acquisition of subsidiaries	-	-	-73,944	-
Cash flow from investing activities	-9,854	-20,323	-118,149	-291,939
Financing activities				
New share issue	-	-	-	400,000
Issue expenses	-	-5,549	-	-22,917
Proceeds of loans	-	60,000	258,977	723,743
Repayment of loans	-88,561	-35,022	-332,916	-991,750
Repayment of lease liabilities	-35,622	-30,506	-130,460	-119,326
Cash flow from financing activities	-124,183	-11,077	-204,399	-10,250
Cash flow for the period	78,962	112,672	-80,298	-149,900
Cash and cash equivalents at the beginning of the period	37,590	80,868	193,770	340,422
Exchange rate differences in cash and cash equivalents	1,067	230	4,147	3,248
Cash and cash equivalents at the end of the period	117,619	193,770	117,619	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. These consolidated interim financial statements for the Group (“interim report”) for the period January–December 2022 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.

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. 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.

Oct-Dec TSEK	Sweden		Norway		Denmark		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	551,905	619,683	113,145	106,184	96,913	92,924	761,963	818,791
Depreciation excl.amortisation on intangible assets related to business combinations	33,531	31,260	8,090	6,499	124	425	41,749	38,185
Adjusted EBITA	32,031	63,341	12,746	9,541	12,272	15,052	57,049	87,934
Amortisation on intangible assets related to business combinations							-4,520	-4,189
Items affecting comparability							-	2,118
Operating profit							52,529	85,863
Net financial items							-10,418	-10,673
Profit (loss) before tax							42,111	75,190

Jan-Dec TSEK	Sweden		Norway		Denmark		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	1,908,753	1,892,962	366,740	300,696	332,436	204,375	2,607,929	2,398,033
Depreciation excl.amortisation on intangible assets related to business combinations	126,674	119,707	30,578	24,285	1,047	922	158,299	144,915
Adjusted EBITA	91,273	142,348	14,108	17,329	29,375	28,463	134,756	188,140
Amortisation on intangible assets related to business combinations							-17,575	-11,186
Items affecting comparability							-	-36,929
Operating profit							117,181	140,025
Net financial items							-29,321	-59,347
Profit (loss) before tax							87,860	80,678

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 525,799 (578,899), compared with the carrying amount of TSEK

522,728 (596,109). 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.

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	31 Dec	
	2022	2021
Balance at the beginning of the period	75,387	-
Added through business combinations	-	71,929
Payments	-73,944	-
<i>Recognised in profit or loss</i>		
Change in fair value	-	2,853
Currency effects	-1,443	605
Balance at the end of the period	-	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, 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 2021. At the time this interim report was published, the war between Russia and Ukraine is still ongoing. The Group has no direct exposure to these markets, but Group management and the Board are continuously evaluating the potential negative effects on demand for the Group's products that this conflict may have, such as declining consumer confidence stemming from the indirect effects of the war, higher energy prices, growing interest rates and increased inflation.

Group management and the Board are regularly following changes in the geopolitical situation, such as tensions between China and the US, and the potential impact of these changes on the global economy.

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. During the first and second quarters of 2021, 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. Towards the end of the third quarter last year, these restrictions were lifted, and we could note a gradual recovery in physical channels as a result. 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. Absenteeism in the third quarter increased approximately 12% year-on-year, while absenteeism in the fourth quarter decreased 18% compared with the same quarter last year. The year-on-year increase for the period amounted to 16%.

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. In December, China generally eased its restrictions, which resulted in a higher rate of infection in the country. There is also uncertainty concerning which virus variants are circulated in China compared with the variants spreading in other parts of the world. The reporting of confirmed cases, hospitalisations and fatalities is also subject to uncertainty, making it difficult to assess the epidemiological situation in China. The Group's purchasing office remained in operation during the entire interim period, and no significant impact was noted in terms of product purchasing. Management and the Board are closely following developments to ensure alternative ways of working should the situation change.

Not 10 Other disclosures

Incentive programmes

An extraordinary general meeting on 19 May 2022 introduced a long-term incentive programme 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."

Full allotment will result in a dilution of approximately 0.84% of the total number of shares outstanding.

The costs for the long-term incentive programme are estimated at approximately MSEK 3.7 excluding social security contributions of about MSEK 1.5.

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. The total cost of IFRS 2 and social security contributions for the interim period amounts to TSEK 431 for the new incentive programme. For more information about the performance share savings programme 2022, refer to the minutes of the Annual General Meeting at www.kjellgroup.com.

Kjell Group offers a performance share savings programme that was adopted at the Extraordinary General Meeting on 16 September 2021. The total IFRS 2 cost for Kjell Group's performance share savings programme is reported under Equity.

Not 11 Significant events after the reporting date

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	Q4		Jan-Dec	
	2022	2021	2022	2021
Net sales				
Operating income	6,513	3,886	24,607	5,475
	6,513	3,886	24,607	5,475
Operating expenses				
Other external expenses	-2,270	315	-7,584	-19,108
Personnel costs	-3,986	-7,069	-21,788	-22,663
Depreciation of tangible assets	-4		-8	
Operating profit	253	-2,868	-4,773	-36,296
Financial items				
Financial income	444	-	1,724	-
Financial expenses	-6,766	-2,612	-17,393	-4,483
Profit (loss) after financial items	-6,069	-5,480	-20,442	-40,779
Appropriations	55,825	51,925	55,825	51,925
Profit (loss) before tax	49,756	46,445	35,383	11,146
Income tax	-7,181	-3,273	-7,181	-3,273
Profit (loss) for the period	42,575	43,172	28,202	7,873

Condensed Parent Company balance sheet

TSEK	Note	31 Dec	
		2022	2021
Assets			
Non-current assets			
Tangible assets			
Machinery and equipment		32	12
Total Tangible assets		32	12
Financial non-current assets			
Participation in group companies		1,610,068	1,609,548
Deferred tax assets		422	1,448
Total financial non-current assets		1,610,490	1,610,996
Total non-current assets		1,610,522	1,611,008
Current assets			
Current receivables from group companies		53,069	-
Prepaid expenses and accrued income		1,823	1,923
Other receivables		-	4,581
Tax receivables		6,725	-
Total current receivables		61,617	6,504
Cash and cash equivalents		70,634	2,159
Total current assets		132,251	8,663
Total assets		1,742,773	1,619,671
Equity and liabilities			
Equity			
Restricted equity			
Share capital		515	515
Non-restricted equity			
Share premium reserve		1,091,433	1,091,433
Retained earnings		33,230	23,224
Profit (loss) for the period		28,202	7,873
Total equity		1,153,380	1,123,045
Untaxed reserves			
Tax allocation reserves		9,275	-
Total untaxed reserves		9,275	-
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	6	438,529	446,910
Other non-current liabilities		-	-
Total non-current liabilities		438,529	446,910
Current liabilities			
Current interest-bearing liabilities		9,200	9,200
Accounts payable		319	974
Current liabilities to group companies		118,051	31,035
Other current liabilities		2,174	754
Tax liabilities		6,747	199
Accrued expenses and deferred income		5,098	7,554
Total current liabilities		141,589	49,716
Total equity and liabilities		1,742,773	1,619,671

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, 16 February 2023

Ingrid Johansson Blank

Chairman of the Board

Fredrik Dahlenius

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	Q4		Jan-Dec	
	2022	2021	2022	2021
Members in loyalty club, thousand	3,107	2,647	3,107	2,647
Net sales	762.0	818.8	2,607.9	2,398.0
Sales growth, %	-6.9%	22.9%	8.8%	20.0%
Comparable growth, %	-10.6%	5.8%	0.7%	6.8%
Gross profit	310.2	331.8	1,099.2	1,023.3
Gross margin, %	40.7%	40.5%	42.1%	42.7%
Adjusted EBITA	57.1	87.9	134.8	188.1
Adjusted EBITA margin, %	7.5%	10.7%	5.2%	7.8%
Items affecting comparability	-	-2.1	-	36.9
Cash flow from operating activities	213.0	144.1	242.3	152.3
Working capital	49.3	-33.1	49.3	-33.1
Core working capital	185.9	195.2	185.9	195.2
Financial net debt	405.1	402.3	405.1	402.3
Financial net debt/Adjusted EBITDAaL	2.5	1.7	2.5	1.7
Equity ratio, %	40.8%	34.7%	40.8%	34.7%
Investments	-9.9	-20.3	-44.2	-49.1
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	16,807,821	31,151,514	16,807,821
Average number of outstanding shares after dilution	31,151,514	16,807,821	31,151,514	16,807,821

Quarterly data

MSEK	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Net sales	589.0	818.8	615.3	613.7	617.0	762.0
Gross profit	250.3	331.8	261.7	259.6	267.6	310.2
Gross margin, %	42.5%	40.5%	42.5%	42.3%	43.4%	40.7%
Adjusted EBITA	51.2	87.9	24.1	12.8	40.8	57.1
Adjusted EBITA margin, %	8.7%	10.7%	3.9%	2.1%	6.6%	7.5%
Cash flow from operating activities	49.7	144.1	-129.7	75.5	83.4	213.0
Working capital	-0.2	-33.1	224.2	196.4	183.1	49.3
Core working capital	208.5	195.2	351.9	315.0	297.9	185.9
Investments	-8.5	-20.3	-11.6	-11.9	-10.8	-9.9

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	Q4		Jan-Dec	Jan-Dec
	2022	2021	2022	2021
Profit (loss) for the period	31,546	66,206	71,200	62,419
Income tax	10,565	8,984	16,660	18,259
Net financial items	10,418	10,673	29,321	59,347
Operating profit (EBIT)	52,529	85,863	117,181	140,025
Amortisation on intangible assets related to business combinations	4,519	4,189	17,575	11,187
EBITA	57,048	90,052	134,756	151,212
Depreciation excl. amortisation on intangible assets related to business combinations	41,749	38,185	158,298	144,914
EBITDA	98,797	128,237	293,054	296,126
EBITA	57,048	90,052	134,756	151,212
Items affecting comparability	-	-2,118	-	36,929
Adjusted EBITA	57,048	87,934	134,756	188,141
EBITDA	98,797	128,237	293,054	296,126
Items affecting comparability	-	-2,118	-	36,929
Adjusted EBITDA	98,797	126,119	293,054	333,055
Depreciation right-of-use assets	-29,822	-26,160	-119,242	-110,948
Interest on lease liabilities	-2,021	-2,382	-8,726	-10,070
Impact from business combinations, EBITDAaL	-	-	-	24,421
Adjusted EBITDAaL	66,954	97,577	165,086	236,457
Net sales	761,963	818,791	2,607,929	2,398,033
EBIT-margin, %	6.9%	10.5%	4.5%	5.8%
Adjusted EBITA margin, %	7.5%	10.7%	5.2%	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	Q4		Jan-Dec		Jan-Dec	
	2022	2021	2022	2021	2022	2021
Cost for listing	-	-2,118	-	19,308	-	19,308
Bonuses related to the IPO	-	-	-	11,186	-	11,186
Costs for business combinations	-	-	-	5,508	-	5,508
Severance pay	-	-	-	927	-	927
Items affecting comparability	-	-2,118	-	36,929	-	36,929

NET SALES GROWTH

%	Q4		Jan-Dec	
	2022	2021	2022	2021
Net sales current period	761,963	818,791	2,607,929	2,398,033
Net sales preceeding period	818,791	666,138	2,398,033	1,999,000
Net sales growth, %	-6.9%	22.9%	8.8%	20.0%

COMPARABLE GROWTH

TSEK	Q4		Jan-Dec	
	2022	2021	2022	2021
<i>Comparable sales comparative period</i>				
Recognised net sales comparative period	818,791	666,138	2,398,033	1,999,000
Adjustment for returns and loyalty programme comparative period	7,182	4,763	11,349	10,141
Revenue new service points and other channels	-2,885	-4,937	-9,419	-5,501
Total comparable sales comparative period	823,088	665,964	2,399,963	2,003,640
<i>Comparable sales current period</i>				
Recognised net sales current period	761,963	818,791	2,607,929	2,398,033
Adjustment for returns and loyalty programme current period	6,169	7,156	8,414	11,306
Revenue new service points and other channels	-21,053	-21,865	-65,735	-53,817
Revenue from business combinations	67	-92,924	-100,236	-204,375
Currency effects	-11,157	-6,848	-33,779	-11,739
Total comparable sales current period	735,989	704,310	2,416,593	2,139,408
Total comparable sales comparative period	823,088	665,964	2,399,963	2,003,640
Total comparable sales current period	735,989	704,310	2,416,593	2,139,408
Comparable growth, %	-10.6%	5.8%	0.7%	6.8%

GROSS PROFIT AND GROSS MARGIN

TSEK	Q4		Jan-Dec	Jan-Dec
	2022	2021	2022	2021
Net sales	761,963	818,791	2,607,929	2,398,033
Goods for resale	-451,727	-486,953	-1,508,760	-1,374,762
Gross Profit	310,236	331,838	1,099,169	1,023,271
Gross Profit	310,236	331,838	1,099,169	1,023,271
Net sales	761,963	818,791	2,607,929	2,398,033
Gross margin, %	40.7%	40.5%	42.1%	42.7%

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

TSEK	31 Dec	
	2022	2021
Non-current interest bearing liabilities	513,528	446,909
Current interest bearing liabilities	9,200	149,200
Interest bearing liabilities	522,728	596,109
Cash and cash equivalents	-117,619	-193,770
Net financial debt	405,109	402,339
Non-current lease liabilities	153,152	158,750
Current lease liabilities	113,465	103,318
Lease liabilities	266,617	262,068
Total interest bearing liabilities	522,728	596,109
Total lease liabilities	266,617	262,068
Total financial liabilities	789,345	858,177
Cash and cash equivalents	-117,619	-193,770
Net debt	671,726	664,407
Net financial debt	405,109	402,339
Adjusted EBITDAaL, R12	165,086	236,457
Net financial debt/Adjusted EBITDAaL, times	2.5	1.7

WORKING CAPITAL

TSEK	31 Dec	
	2022	2021
Current assets	698,224	846,089
Cash and cash equivalents	-117,619	-193,770
Current liabilities excl. interest bearing liabilities and lease liabilities	-531,343	-685,458
Working capital	49,262	-33,139
Current liabilities excl. interest bearing liabilities and lease liabilities		
Accounts payable	330,028	377,181
Tax liabilities	22,342	39,853
Other liabilities	74,592	151,781
Accrued expenses and deferred income	96,773	109,278
Provisions	7,608	7,365
Total	531,343	685,458

CORE WORKING CAPITAL

TSEK	31 Dec	
	2022	2021
Inventory	487,525	545,737
Accounts receivable	28,369	26,687
Accounts payable	-330,028	-377,181
Core working capital	185,866	195,243

INVESTMENTS

TSEK	Q4		Jan-Dec	Jan-Dec
	2022	2021	2022	2021
Acquisition of tangible assets	-6,287	-18,502	-30,042	-31,685
Acquisition of intangible assets	-3,567	-1,821	-14,163	-17,396
Investments	-9,854	-20,323	-44,205	-49,081

EQUITY/ASSETS RATIO

%	31 Dec	
	2022	2021
Total equity	998,776	889,447
Total assets	2,446,916	2,564,664
Equity ratio, %	40.8%	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 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.
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.



WEBCAST 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 16 February 2023. To participate in the conference, follow the link <https://ir.financialhearings.com/kjell-group-q4-2022>.

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



INTERIM REPORTS

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



FINANCIAL CALENDAR

Forthcoming reports:

Annual Report 2022	17 April 2023
First quarter 2023	10 May 2023
Annual General Meeting 2023	16 May 2023
Second quarter 2023	1 August 2023
Third quarter 2023	31 October 2023

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 16 February 2023 at 7:00 a.m. CET.



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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 144 service points, of which 114 in Sweden and 30 in Norway.

Through Kjell & Company's customer club, with over 3.1 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.