Interim report Q2

1 JANUARY–30 JUNE 2023

Second quarter

- Net sales declined 7.4% to MSEK 568.5 (613.7)
- Comparable growth amounted to -9.0% (10.2)
- Gross profit declined 6.0% to MSEK 244.0 (260.0) while the gross margin improved to 42.9% (42.3)
- Adjusted EBITA totalled MSEK -2.3 (12.8) and the adjusted EBITA margin was -0.4% (2.1)
- The company posted an operating loss of MSEK -7.0 (profit: 8.5) and the operating margin was -1.2% (1.4)
- The net loss for the quarter amounted to MSEK -17.9 (profit: 1.3)
- Cash flow from operating activities totalled MSEK -9.1 (75.5)
- Earnings per share before and after dilution amounted to SEK -0.57 (0.04)

1 January–30 June (the period)

- Net sales declined 6.7% to MSEK 1,146.7 (1,229.0)
- Comparable growth amounted to -8.6% (10.3)
- Gross profit declined 5.0% to MSEK 495.4 (521.3) while the gross margin improved to 43.2% (42.4)
- Adjusted EBITA totalled MSEK 8.8 (36.9) and the adjusted EBITA margin was 0.8% (3.0)
- The company posted an operating loss of MSEK -0.6 (profit: 28.2) and the operating margin was 0.0% (2.3)
- The net loss for the period amounted to MSEK -25.4 (profit 13.9)
- Cash flow from operating activities totalled MSEK -28.8 (-54.1)
- Earnings per share before and after dilution amounted to SEK -0.81 (0.45)

Significant events during and after the end of the quarter

- In May, Kjell & Company launched an initiative to offer recycling and resale of secondhand phones, tablets and computers in partnership with ReuseIT, which is part of Elanders Group
- In June, AV-Cables introduced its assortment and brand to the Swedish market through the launch of its Swedish website

Performance measures

	Q2		Jan-Jun		Jul-Jun	Jan-Dec
MSEK	**2023**	**2022**	**2023**	**2022**	**22/23**	**2022**
Net Sales	568.5	613.7	1,146.7	1,229.0	2,525.7	2,607.9
Sales growth, %	-7.4%	18.9% *	-6.7%	24.1% *	-4.2%	8.8%
Comparable growth, %	-9.0%	10.2%	-8.6%	10.3%	-	0.7%
Gross profit	243.9	259.6	495.4	521.3	1,073.3	1,099.2
Gross margin, %	42.9%	42.3%	43.2%	42.4%	42.5%	42.1%
Adjusted EBITA	-2.3	12.8	8.8	36.9	106.7	134.8
Adjusted EBITA-margin, %	-0.4%	2.1%	0.8%	3.0%	4.2%	5.2%
Operating profit (EBIT)	-7.0	8.5	-0.6	28.2	88.4	117.2
Cash flow from operating activities	-9.1	75.5	-28.8	-54.1	267.6	242.3
Equity ratio	42.1%	38.7%	42.1%	38.7%	-	40.8%
Basic earnings (loss) per share, SEK*	-0.57	0.04	-0.81	0.45	-	2.29
Members in loyalty club, thousand	3,127	2,911	3,127	2,911	-	3,107

Net sales growth in the same quarter and period in 2022 includes the acquisition of AV-Cables. Excluding acquisitions, net sales growth amounted to 12.7% in the quarter and 13.1% in the period.

Continued investments to take advantage of market conditions

Like the first quarter, the second quarter of the year was characterised by more cautious consumers compared with the first half of 2022. However, the uncertain macro situation has provided us with a good opportunity to invest in, and enhance the efficiency of, our operations in order to capture market share and increase customer satisfaction over the long term. From a short-term perspective, we have nevertheless seen that price is becoming an increasingly important factor, with our customers continuing to select our own brands with lower price points rather than external brands with higher prices. During the first quarter, sales declined 7.4% to MSEK 568.5, while the gross margin for the quarter improved year on year and amounted to 42.9%.

Despite a challenging market in the short term, the need for digitalisation and technology in society will continue to grow in the future. In this future, Kjell aims to be the preferred destination for individuals, families or companies who want to maximise their technological possibilities. That is why we are continuing to invest in our offering as well as our organisation and brand – to make it clear to consumers why they should choose us. In June, we started one of our largest marketing campaigns to date in the Norwegian market. We intend to expand this campaign to the Swedish market in the autumn to make it even clearer why customers should choose Kjell.

New offerings and markets

In May, we launched a partnership with Elanders to offer collection and resale of secondhand technology through our wide network of stores, which consumers have clearly appreciated.

We also launched our e-commerce company AV-Cables in the Swedish market at the beginning of June, and for the first time the Group now has two brands in the same market. We are convinced that AV-Cables' service, quick deliveries, broad assortment and competitive prices will be as appreciated by Swedish consumers as they have been by Danish ones.

In August, our store-in-store solution "Kjell & Company Express," which is already available at Circle K and Skistar, will also be launched at the unstaffed convenience store chain 24 SJU. During the autumn, the concept will be installed at all of the chain's 86 unstaffed stores in Sweden.

Improved customer satisfaction

During the spring, we developed and implemented a new digital learning management system (LMS) for our staff in order to take Kjell Academy to the next level. The new system allows us to more quickly share knowledge within the company, and to measure and follow up on its development, in addition to giving our in-store experts a more dynamic training system. Our customers are always our main focus, and it is gratifying to see that these investments have led to new heights with regard to the customer experience, with customer satisfaction increasing during the quarter.

Cost control and price optimisation

When it comes to costs, inflation and the weak Swedish krona and Norwegian krone continue to have a negative impact. In combination with an efficient and flexible store network, our assortment of needs-driven products at lower price points and a high share of own brands have provided us with the conditions to offset many of the cost increases we have seen. Nonetheless, we still experienced clear cost increases. It is therefore important for us to over time continue to pass on our increased costs through our own prices while also working hard on cost control and streamlining all areas of the company in order to ensure our profitability in our continued journey.

It is still difficult to predict how the market will develop during the rest of the year, and we expect consumers to have significantly less purchasing power for the foreseeable future. This means that we need to work even harder on our offering and our relevance so that customers will choose us. For Kjell, this is our greatest focus and driving force. Thanks to the digitalisation and innovation we are seeing in society, there is every opportunity for growth and Kjell aims to be the preferred choice to help improve people's lives through technology.

Malmö,
1 August 2023
Andreas Rylander
President and CEO

Summary of the Group's financial performance

Net sales

Net sales declined 7.4% to MSEK 568.5 (613.7) in the quarter and 6.7% to MSEK 1,146.7 (1,229.0) in the period. Comparable growth amounted to -9.0% (10.3) in the quarter and -8.6% (10.2%) in the period.

Net sales in segment Sweden declined 8.1% in the quarter to MSEK 411.8 (448.2). Sales declined 8.6% to MSEK 819.8 (897.4) for the period. Net sales in segment Norway declined 5.6% in the quarter to MSEK 78.7 (83.4). Sales declined 4.8% to MSEK 163.4 (171.7) for the period. Net sales in segment Denmark declined 4.9% in the quarter to MSEK 78.0 (82.0). Sales in segment Denmark increased 2.3% to MSEK 163.5 (159.9) for the period.

More cautious customers with less purchasing power had an impact on the sales trend. The trend from the first quarter also continued, with customers increasingly choosing to visit us at service points rather than digitally during the second quarter. Online sales accounted for 29% of sales for the rolling 12-month period, and Click&Collect for an additional 8% of sales.

Operating expenses

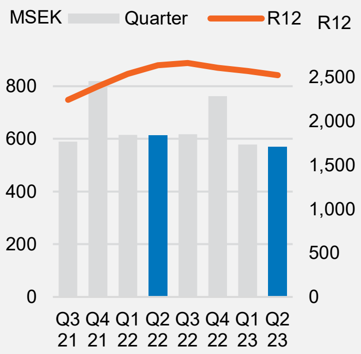
Operating expenses declined 4.1% in the quarter and in the period, amounting to MSEK 581.2 (606.0) for the quarter and MSEK 1,155.0 (1,204.6) for the period.

Costs of goods for resale amounted to MSEK 324.6 (354.1) for the quarter and to MSEK 651.3 (707.7) for the period. Gross profit amounted to MSEK 243.9 (259.6) for the quarter, down 6.0%, and to MSEK 495.4 (521.3) for the period, down 5.0%. The gross margin amounted to 42.9% (42.3) for the quarter and 43.2% (42.4) for the period. The gross margin improved in the quarter and in the period, mainly due to a higher share of sales of our own brands. During the quarter, we continued adapting our prices in a balanced manner, and we still see considerable opportunities to compensate for price increases, but in order to retain customer confidence, we plan to implement these increases in a balanced manner over time. The lower gross profit for the quarter and for the period was mainly attributable to lower net sales.

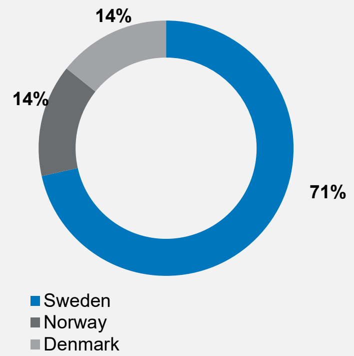
Personnel costs amounted to MSEK 128.1 (127.1) for the quarter and MSEK 253.6 (249.3) for the period, an increase of 0.8% and 1.7% respectively. The increase is partly attributable to general salary increases and to the fact that we had four more service points at the end of the quarter compared with the same period in the preceding year. The new salary levels from this year's agreement negotiations went into effect in the period. The service offering provided by our knowledgeable personnel under the Kjell & Company brand is one of our strongest competitive advantages, but it also means that our cost base is affected by higher-than-normal salary increases. We are continually enhancing our in-store efficiency to optimise our staff in relation to customer traffic.

Other external expenses amounted to MSEK 76.9 (75.5) for the quarter and MSEK 149.0 (150.1) for the period, an increase of 1.8% for the quarter and a decrease of 1.3% for the period. The increase in expenses during the quarter and the period were a result of comprehensive marketing investments in our growth markets, which were partly offset by reduced costs related to lower

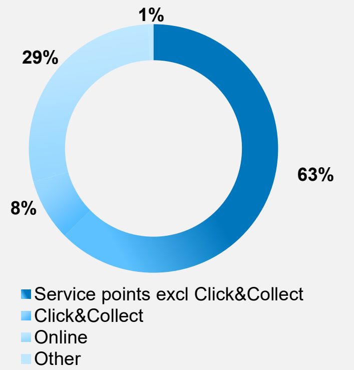
Net sales (MSEK)



Net sales per segment (%), period



Sales[1] per channel (%), R12



[1]Sales before deduction for customer loyalty bonuses

volumes and cost efficiency enhancements. We remain focused on enhancing efficiency and cost control in order to combat the increase in our cost base caused by inflation. The cost trend was impacted by the fact that we had four more service points at the end of the quarter than in the year-earlier period.

Other operating expenses amounted to MSEK 4.8 (6.3) for the quarter and MSEK 7.7 (11.0) for the period and consisted primarily of currency losses. Other operating income amounted to MSEK 5.6 (0.7) for the quarter and MSEK 7.7 (3.8) for the period and mainly comprised investment contributions in connection with relocations and the establishment of new service points. Operating income for the preceding year was primarily attributable to investment contributions. Total currency effects amounted to a net loss of MSEK 4.6 in the quarter and MSEK 7.7 for the period, compared with a loss of MSEK 6.1 in the comparative quarter and MSEK 7.7 in the comparative period.

Total depreciation and amortisation amounted to MSEK 46.8 (42.3) for the quarter and to MSEK 93.4 (85.5) for the period, of which MSEK 4.7 (4.3) in the quarter and MSEK 9.4 (8.3) 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 31.6 (29.0) for the quarter and MSEK 63.3 (57.6) for the period.

There were no items affecting comparability in the quarter or the period, or in the comparative quarter or period.

Adjusted EBITA

The Group's adjusted EBITA amounted to MSEK -2.3 (12.8) for the quarter and to MSEK 8.8 (36.9) for the period.

Operating profit

The Group posted an operating loss (EBIT) of MSEK -7.0 (profit: 8.5) for the quarter and MSEK -0.6 (profit: 28.2) for the period, corresponding to an operating margin of -1.2% (1.4) in the quarter and 0.0% (2.3) in the period.

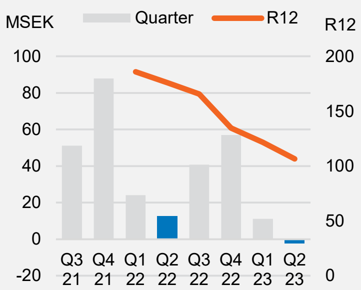
Net financial items

The Group's net financial items amounted to MSEK -10.1 (-6.5) for the quarter and MSEK -19.2 (-11.4) for the period. Net financial items include interest expenses pertaining to lease liabilities in an amount of MSEK 2.3 (2.1) for the quarter and MSEK 4.5 (4.5) for the period. The increase is attributable to higher interest expenses pertaining to the prevailing market conditions in the quarter and in the period.

Earnings

Earnings amounted to MSEK -17.9 (1.3) for the quarter and to MSEK -25.4 (13.9) for the period.

Adjusted EBITA (MSEK)



Adjusted EBITA margin

Period: 0.8% (3.0%)

Cash flow and financial position

The Group's cash flow from operating activities totalled MSEK -9.1 (75.5) for the quarter and MSEK -28.8 (-54.1) for the period. The delivery chain situation has stabilised significantly compared with the preceding year, which has led to a normalisation of seasonal variations in working capital. In the preceding year, supply chain delays resulted in product purchases being brought forward and in a larger build-up of working capital during the first quarter, which could then be decreased in the second quarter. Seasonal variations have returned to normal cycles this year, which has resulted in a more even build-up of working capital between the first two quarters. We are exiting the quarter with lower inventories compared with the year-earlier period, and our turnover rate has improved despite a decline in sales. Our total core working capital is also lower compared with the year-earlier period, both in absolute terms and as a share of net sales.

Cash flow from investing activities amounted to MSEK -6.6 (-11.9) for the quarter and MSEK -15.4 (-97.5) 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. The comparative period was charged with the payment of an earnout of MSEK 73.9 to the seller of AV-Cables, which marked the final payment.

Cash flow from financing activities amounted to MSEK -1.8 (-62.4) for the quarter and MSEK -43.6 (-6.6) for the period.Cash flow for the quarter and for the period this year comprised the repayment of lease liabilities and bank financing according to plan. The year-earlier period was positively impacted by external loans raised for financing the earnout for AV-Cables and a change in the utilisation of the revolving credit facility.

The Group's cash and cash equivalents amounted to MSEK 30.6 at the end of the reporting period, compared with MSEK 117.6 at the beginning of the year, not taking into account unutilised credit facilities.

The Group's financial net debt amounted to MSEK 518.8 at the end of the quarter, compared with MSEK 405.1 at the beginning of the year, corresponding to financial net debt in relation to adjusted EBITDAaL (rolling 12 months)[1] of 3.7. Financial net debt in relation to adjusted EBITDAaL (rolling 12 months) at the start of the year was 2.5x.

The Group's equity amounted to MSEK 997.5 at the end of the reporting period, compared with MSEK 998.8 at the beginning of the year.

[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.

Significant events during and after the end of the quarter

- In May, Kjell & Company launched an initiative to offer recycling and resale of secondhand phones, tablets and computers in partnership with ReuseIT, which is part of Elanders Group
- In June, AV-Cables introduced its assortment and brand to the Swedish market through the launch of its Swedish website

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 5.3 (7.5) for the quarter and MSEK 12.2 (11.9) for the period and pertained entirely to intra-Group invoicing. Operating expenses amounted to MSEK 6.5 (8.6) for the quarter and MSEK 14.4 (15.4) for the period and consisted of personnel costs for the management team of MSEK 5.3 (7.0) in the quarter and MSEK 12.0 (12.3) in the period. Other external expenses comprised other operating expenses of MSEK 1.2 (1.6) for the quarter and MSEK 2.4 (3.1) for the period as well as amortisation and depreciation. The quarter and the period were charged with interest expenses of MSEK 6.8 (3.4) and MSEK 12.3 (6.2), respectively, for the Group's credit facility. The increase compared with the previous year is due to increased interest rates for financing as a result of the prevailing market conditions. Interest income of MSEK 0.3 (0.5) for the quarter and MSEK 0.4 (0.8) for the period consisted primarily of intra-Group interest related to the cash pool. A loss after financial items of MSEK -7.6 (-4.0) was reported for the quarter and MSEK -14.1 (-9.0) for the period.

Financial non-current assets amounted to MSEK 1,611 (1,611). Short-term receivables amounted to MSEK 166.0 (196.6), which largely consisted of inter-company transactions due to the cash pool.

Equity has declined during the year as a result of the net loss for the period. Long-term interest-bearing liabilities declined as a result of repayments made during the quarter. Other operating liabilities increased compared with year-end 2022 and were primarily related to inter-company transactions.

Kjell Group AB's Annual General Meeting

Kjell Group AB's 2023 Annual General Meeting (AGM) was held on 16 May in Malmö. The Board proposed to the Meeting that profit for the 2022 financial year be carried forward and that no dividend be distributed for 2022. The AGM discharged the Board of liability for the 2022 financial year and re-elected all Board members up for re-election, which included the entire Board with the exception of Thomas Broe-Andersen who had declined re-election. Sandra Gadd 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 2023) was adopted. The Board was also authorised to resolve on a new share issue on one or more occasions before the next AGM. 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 28.90 and SEK 21.60 on 9 May and 29 June, respectively.

A total of 1,481,769 shares were traded during the quarter, corresponding to a turnover rate of approximately 5% during the measurement period.

As of 30 June 2023, Kjell Group AB (publ) had approximately 4,543 shareholders, the largest of which were FSN Capital (22.87%), Fosielund Holding (10.98%), Cervantes Capital (6.95%), AMF Pension & Fonder (6.95%) and Nordea Fonder (4.61%).

The number of shares issued as of 30 June 2023 was 31,151,514, all of which were common shares.

For more information, visit www.kjellgroup.com

Condensed consolidated statement of profit or loss

		Q2		Jan-Jun		Jan-Dec
TSEK	**Note**	**2023**	**2022**	**2023**	**2022**	**2022**
Operating income						
Net sales	4	568,540	613,705	1,146,742	1,229,008	2,607,929
Other operating income		5,637	737	7,720	3,790	13,884
		574,177	**614,442**	**1,154,462**	**1,232,798**	**2,621,813**
Operating expenses						
Goods for resale		-324,593	-354,084	-651,328	-707,712	-1,508,760
Personnel costs		-128,082	-127,119	-253,572	-249,329	-493,672
Other external expenses		-76,909	-75,526	-148,999	-150,996	-307,491
Other operating expenses		-4,823	-6,266	-7,694	-11,003	-18,836
Depreciation/amortisation of tangible and intangible assets		-46,814	-42,975	-93,418	-85,513	-175,873
Operating profit		**-7,044**	**8,472**	**-549**	**28,245**	**117,181**
Financial items						
Financial income		19	-	153	1,730	2,083
Financial expenses		-10,084	-6,485	-19,394	-13,164	-31,404
Net financial items		**-10,065**	**-6,485**	**-19,241**	**-11,434**	**-29,321**
Profit (loss) before tax		**-17,109**	**1,987**	**-19,790**	**16,811**	**87,860**
Income tax		-778	-644	-5,560	-2,894	-16,660
Net profit (loss) for the period		**-17,887**	**1,343**	**-25,350**	**13,917**	**71,200**
Net profit (loss) for the period attributable to:						
Parent Company's shareholders		-17,887	1,343	-25,350	13,917	71,200
Net profit (loss) for the period		**-17,887**	**1,343**	**-25,350**	**13,917**	**71,200**
Earnings (loss) per share						
Basic earnings (loss) per share, SEK*	5	-0.57	0.04	-0.81	0.45	2.29
Diluted earnings (loss) per share, SEK*	5	-0.57	0.04	-0.81	0.45	2.29

Condensed consolidated statement of profit or loss and other comprehensive income

TSEK	Q2 2023	Q2 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net profit (loss) for the period	**-17,887**	**1,343**	**-25,350**	**13,917**	**71,200**
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Exchange differences of foreign operations	22,968	15,738	22,594	21,520	35,996
Other comprehensive income for the period	**22,968**	**15,738**	**22,594**	**21,520**	**35,996**
Total comprehensive income for the period	**5,081**	**17,081**	**-2,756**	**35,437**	**107,196**
Comprehensive income for the period attributable to:					
Parent Company's shareholders	5,081	17,081	-2,756	35,437	107,196
Total comprehensive income for the period	**5,081**	**17,081**	**-2,756**	**35,437**	**107,196**

Kjell & Company

Condensed consolidated statement of financial position

		30 Jun		31 Dec
TSEK	**Note**	**2023**	**2022**	**2022**
Assets				
Intangible assets		1,382,603	1,368,256	1,372,032
Tangible assets		97,089	97,536	100,514
Right-of-use assets		266,115	247,543	275,888
Deferred tax assets		175	452	258
Total non-current assets		**1,745,982**	**1,713,787**	**1,748,692**
Inventory		507,456	559,016	487,525
Tax assets		24,380	27,536	28,774
Accounts receivable		29,849	24,204	28,369
Prepaid expenses and accrued income		26,073	29,814	34,321
Other receivables		2,800	1,499	1,616
Cash and cash equivalents		30,568	37,877	117,619
Total current assets		**621,126**	**679,946**	**698,224**
Total assets		**2,367,108**	**2,393,733**	**2,446,916**
Equity				
Share capital		515	515	515
Other contributed capital		457,607	455,071	456,111
Reserves		64,274	27,205	41,680
Retained earnings including net profit (loss) for the period		475,120	443,186	500,470
Equity attributable to Parent Company's shareholders		**997,516**	**925,977**	**998,776**
Total equity		**997,516**	**925,977**	**998,776**
Liabilities				
Non-current interest-bearing liabilities	6	500,419	517,718	513,528
Non-current lease liabilities		142,888	147,050	153,152
Other non-current liabilities		-	102	102
Deferred tax liabilities		128,742	128,868	127,350
Total non-current liabilities		**772,049**	**793,738**	**794,132**
Current interest-bearing liabilities	6	48,993	132,888	9,200
Current lease liabilities		106,049	95,484	113,465
Accounts payable		245,519	268,220	330,028
Tax liabilities		13,812	24,550	22,342
Other liabilities	6	55,080	41,346	74,592
Accrued expenses and deferred income		120,804	103,779	96,773
Provisions		7,286	7,751	7,608
Total current liabilities		**597,543**	**674,018**	**654,008**
Total liabilities		**1,369,592**	**1,467,756**	**1,448,140**
Total equity and liabilities		**2,367,108**	**2,393,733**	**2,446,916**

Condensed consolidated statement of changes in equity

TSEK	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings incl. net profit (loss) for the period	Total equity
	Equity attributable to Parent Company's shareholders					
Balance at 1 Jan 2023	515	456,111	41,680	-	500,470	998,776
Transactions with owners of the company						
Incentive programme		1,496				1,496
Comprehensive income for the period						
Net profit (loss) for the period	-	-	-	-	-25,350	-25,350
Other comprehensive income for the period	-	-	22,594	-	-	22,594
Total comprehensive income for the period	**-**	**-**	**22,594**	**-**	**-25,350**	**-2,756**
Closing balance 30 Jun 2023	**515**	**457,607**	**64,274**	**-**	**475,120**	**997,516**
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	-	-	21520	-	13,917	35,437
Closing balance 30 June 2022	**515**	**455,071**	**27,204**	**0**	**443,187**	**925,977**

Condensed consolidated statement of cash flows

	Q2		Jan-Jun		Jan-Dec
TSEK	**2023**	**2022**	**2023**	**2022**	**2022**
Cash flow from operating activities					
Profit (loss) before tax	-17,109	1,987	-19,790	16,811	87,860
Adjustments for non-cash items	47,478	44,305	88,878	85,049	174,939
Income tax paid	-2,996	-1,070	-10,258	-20,883	-39,460
	27,373	**45,222**	**58,830**	**80,977**	**223,339**
Increase (-)/decrease (+) in inventories	16,245	36,165	-21,252	-11,297	65,505
Increase (-)/decrease (+) in operating receivables	-1,431	3,967	5,864	24,467	16,280
Increase (+)/decrease (-) in operating liabilities	-51,249	-9,820	-72,261	-148,280	-62,874
Cash flow from operating activities	**-9,062**	**75,534**	**-28,819**	**-54,133**	**242,250**
Investing activities					
Acquisition of tangible assets	-4,003	-8,673	-8,802	-16,272	-30,042
Acquisition of intangible assets	-2,573	-3,196	-6,558	-7,245	-14,163
Acquisition of subsidiaries	-	-	-	-	-
Settlement of additional purchase price related to acquisition of subsidiaries	-	-	-	-73,944	-73,944
Cash flow from investing activities	**-6,576**	**-11,869**	**-15,360**	**-97,461**	**-118,149**
Proceeds of loans	33,326	-	33,326	231,617	258,977
Repayment of loans	-2,351	-31,074	-6,951	-175,674	-332,916
Repayment of lease liabilities	-32,806	-31,360	-69,946	-62,502	-130,460
Cash flow from financing activities	**-1,831**	**-62,434**	**-43,571**	**-6,559**	**-204,399**
Cash flow for the period	**-17,469**	**1,231**	**-87,750**	**-158,153**	**-80,298**
Cash and cash equivalents at the beginning of the period	47,244	36,428	117,619	193,770	193,770
Exchange rate differences in cash and cash equivalents	793	218	699	2,260	4,147
Cash and cash equivalents at the end of the period	**30,568**	**37,877**	**30,568**	**37,877**	**117,619**

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 2022. 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 2022 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 2022.

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 recognised for the segments is “Adjusted EBITA.”Information about each reportable segment is provided below.

Apr-Jun TSEK	Sweden 2023	Sweden 2022	Norway 2023	Norway 2022	Denmark 2023	Denmark 2022	Total 2023	Total 2022
Net sales	411,774	448,247	78,728	83,415	78,038	82,043	568,540	613,705
Depreciation excl.amortisation on intangible assets related to business combinations	34,446	30,949	7,089	7,176	547	519	42,082	38,644
Adjusted EBITA	**-2,784**	**8,229**	**-3,111**	**-28**	**3,582**	**4,600**	**-2,313**	**12,801**
Amortisation on intangible assets related to business combinations							-4,731	-4,329
Items affecting comparability							-	-
Operating profit							**-7,044**	**8,472**
Net financial items							-10,065	-6,485
Profit (loss) before tax							**-17,109**	**1,987**

Jan-Jun TSEK	Sweden 2023	Sweden 2022	Norway 2023	Norway 2022	Denmark 2023	Denmark 2022	Total 2023	Total 2022
Net sales	819,774	897,353	163,430	171,748	163,538	159,907	1,146,742	1,229,008
Depreciation excl.amortisation on intangible assets related to business combinations	68,715	61,654	14,504	14,449	839	748	84,058	76,852
Adjusted EBITA	**-2,310**	**24,702**	**-4,990**	**94**	**16,110**	**12,109**	**8,810**	**36,905**
Amortisation on intangible assets related to business combinations							-9,359	-8,660
Items affecting comparability							-	-
Operating profit							**-549**	**28,245**
Net financial items							-19,241	-11,434
Profit (loss) before tax							**-19,790**	**16,811**

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.

Not 6 Fair value of financial instruments

The fair value of the liabilities in the Group's credit facility is estimated at TSEK 552,074 (654,087), compared with the carrying amount of TSEK 549,412 (650,606). 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.

Final settlement of the acquisition of AV-Cables was completed in the first quarter of 2022. The total earnout paid amounted to MDKK 54.7, corresponding to MSEK 73.9 on the date of the transaction.

Contingent consideration	30 Jun		31 Dec
TSEK	2023	2022	2022
Balance at the beginning of the period	-	**75,387**	**75,387**
Added through business combinations	-	-	-
Payments	-	-73,944	-73,944
Recognised in profit or loss			
Change in fair value	-	-	-
Currency effects	-	-1,443	-1,443
Balance at the end of the period	**-**	**-**	**-**

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 2022. 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 growing tensions and increased trade restrictions between the US, Europe and China, and the potential impact of these changes on the global economy.

Not 9 Other disclosures

Incentive programmes
The AGM on 16 May 2023 introduced a long-term incentive programme (2023) in the form of a performance share savings programme. In order to participate in the long-term incentive programme, participants are required to acquire shares (known as "savings shares") in Kjell Group AB. Participants who retain their savings shares during the vesting period of about three years and remain an employee of Kjell & Company for the entire vesting period will be entitled to receive performance shares free of charge, on the condition that the performance criterion has been fulfilled. The performance criterion refers to the total shareholder return for the company's share during the vesting period of about three years, known as a "TSR criterion."

Full allotment will result in a dilution of approximately 1.21% of the total number of shares outstanding.

The costs for the long-term incentive programme are estimated at approximately MSEK 3.5 excluding social security contributions of about MSEK 1.8.

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

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

Not 10 Significant events after the reporting date

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

Condensed Parent Company income statement

TSEK	Q2 2023	Q2 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales					
Operating income	5,313	7,528	12,152	11,862	24,607
	5,313	**7,528**	**12,152**	**11,862**	**24,607**
Operating expenses					
Other external expenses	-1,243	-1,618	-2,423	-3,088	-7,584
Personnel costs	-5,284	-6,970	-11,983	-12,264	-21,788
Depreciation of tangible assets	-4	-	-7	-	-8
Operating profit	**-1,218**	**-1,060**	**-2,261**	**-3,490**	**-4,773**
Financial items					
Financial income	354	460	384	756	1,724
Financial expenses	-6,779	-3,367	-12,239	-6,219	-17,393
Profit (loss) after financial items	**-7,643**	**-3,967**	**-14,116**	**-8,953**	-20,442
Appropriations	-	-	-	-	55,825
Profit (loss) before tax	**-7,643**	**-3,967**	**-14,116**	**-8,953**	**35,383**
			-	-	
Income tax	-	-	-	-	-7,181
Profit (loss) for the period	**-7,643**	**-3,967**	**-14,116**	**-8,953**	**28,202**

Condensed Parent Company balance sheet

TSEK	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets				
Non-current assets				
Tangible assets				
Machinery and equipment		25	10	32
Total Tangible assets		**25**	**10**	**32**
Financial non-current assets				
Participation in group companies		1,610,479	1,609,767	1,610,068
Deferred tax assets		422	1,448	422
Total financial non-current assets		**1,610,901**	**1,611,215**	**1,610,490**
Total non-current assets		**1,610,926**	**1,611,225**	**1,610,522**
Current assets				
Account receivables		-	-	
Current receivables from group companies		153,390	191,223	53,069
Prepaid expenses and accrued income		2,136	2,475	1,823
Other receivables		199	532	-
Tax receivables		10,234	2,391	6,725
Total current receivables		**165,959**	**196,621**	**61,617**
Cash and cash equivalents		-	43	70,634
Total current assets		**165,959**	**196,664**	**132,251**
Total assets		**1,776,885**	**1,807,889**	**1,742,773**
Equity and liabilites				
Equity				
Resticted equtiy				
Share capital		515	515	515
Non-restricted equity				
Share premium reserve				
Retained earnings		62,927	32,190	33,230
Profit (loss) for the period		-14,116	-8,953	28,202
Total equity		1,140,759	1,115,185	1,153,380
Untaxed reserves				
Tax allocation reserves		9,275	-	
Total untaxed reserves		9,275	-	
Liabilities				
Non-current liabilities				
Non-current interest-bearing liabilities	6	434,338	442,719	438,529
Other non-current liabilities		-	-	-
Total non-current liabilities		434,338	442,719	438,529
Current liabilities				
Current interest-bearing liabilities	6	40,075	132,888	9,200
Accounts payable		-	497	319
Current liabilities to group companies		138,378	106,942	118,051
Other current liabilities		2,903	1,604	2,174
Tax liabilities		7,015	450	6,747
Accrued expenses and deferred income		4,142	7,604	5,098
Total current liabilities		192,513	249,985	141,589
Total equity and liabilities		**1,776,885**	**1,807,889**	**1,742,773**

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, 1 August 2023

Ingrid Johansson Blank
Chairman of the Board

Fredrik Dahnelius
Board member

Joel Eklund
Board member

Sandra Gadd
Board member

Ola Burmark
Board member

Andreas Rylander
CEO

Simon Larsson
Board member

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

Selected financial information

MSEK	Q2 2023	Q2 2022	Jul-Jun 22/23	Jan-Dec 2022
Members in loyalty club, thousand	3,127	2,911	3,127	3,107
Net sales	568.5	613.7	2,525.7	2,607.9
Sales growth, %	-7.4%	18.9%	-4.2%	8.8%
Comparable growth, %	-9.0%	10.2%	-	0.7%
Gross profit	243.9	259.6	1,073.3	1,099.2
Gross margin, %	42.9%	42.3%	42.5%	42.1%
Adjusted EBITA	-2.3	12.8	106.7	134.8
Adjusted EBITA margin, %	-0.4%	2.1%	4.2%	5.2%
Items affecting comparability	-	-	-	-
Cash flow from operating activities	-9.1	75.5	267.6	242.3
Working capital	148.1	196.4	-	49.3
Core working capital	291.8	315.0	-	185.9
Financial net debt	518.8	612.7	-	405.1
Financial net debt/Adjusted EBITDAaL	3.7	3.0	-	2.5
Equity ratio, %	42.1%	38.7%	-	40.8%
Investments	-6.6	-11.9	-36.0	-44.2
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 befor dilution	31,151,514	31,151,514	31,151,514	31,151,514
Average number of outstanding shares after dilution	31,151,514	31,151,514	31,151,514	31,151,514

Quarterly data

MSEK	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
Net sales	615.3	613.7	617.0	762.0	578.2	568.5
Gross profit	261.7	259.6	267.6	310.2	251.5	243.9
Gross margin, %	42.5%	42.3%	43.4%	40.7%	43.5%	42.9%
Adjusted EBITA	24.1	12.8	40.8	57.1	11.1	-2.3
Adjusted EBITA margin, %	3.9%	2.1%	6.6%	7.5%	1.9%	-0.4%
Cash flow from operating activities	-129.7	75.5	83.4	213.0	-19.8	-9.1
Working capital	224.2	196.4	183.1	49.3	112.6	148.1
Core working capital	351.9	315.0	297.9	185.9	238.2	291.8
Investments	-11.6	-11.9	-10.8	-9.9	-8.8	-6.6

Kjell & Company

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

	Q2		Jul-Jun	Jan-Dec
TSEK	**2023**	**2022**	**22/23**	**2022**
Profit (loss) for the period	-17,887	1,343	31,933	71,200
Income tax	778	644	19,326	16,660
Net financial items	10,065	6,485	37,128	29,321
Operating profit (EBIT)	**-7,044**	**8,472**	**88,387**	**117,181**
Amortisation on intangible assets related to business combinations	4,731	4,329	18,273	17,574
EBITA	**-2,313**	**12,801**	**106,660**	**134,755**
Depreciation excl. amortisation on intangible assets related to business combinations	42,082	38,644	165,505	158,299
EBITDA	**39,769**	**51,445**	**272,165**	**293,054**
EBITA	**-2,313**	**12,801**	**106,660**	**134,755**
Items affecting comparability	-	-	-	-
Adjusted EBITA	**-2,313**	**12,801**	**106,660**	**134,755**
EBITDA	**39,769**	**51,445**	**272,165**	**293,054**
Items affecting comparability	-	-	-	-
Adjusted EBITDA	**39,769**	**51,445**	**272,165**	**293,054**
Depreciation right-of-use assets	-31,645	-28,950	-124,966	-119,242
Interest on lease liabilities	-2,229	-2,132	-8,745	-8,726
Adjusted EBITDAaL	**5,895**	**20,363**	**138,454**	**165,086**
Net sales	568,540	613,705	2,525,663	2,607,929
EBIT-margin, %	**-1.2%**	**1.4%**	**3.5%**	**4.5%**
Adjusted EBITA margin, %	**-0.4%**	**2.1%**	**4.2%**	**5.2%**

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 for the current year or the comparative year.

NET SALES GROWTH

	Q2		Jul-Jun	Jan-Dec
%	2023	2022	22/23	2022
Net sales current period	568,540	613,705	2,525,663	2,607,929
Net sales preceeding period	613,705	516,213	2,636,841	2,398,033
Net sales growth, %	-7.4%	18.9%	-4.2%	8.8%

COMPARABLE GROWTH

	Q2		Jan-Jun		Jan-Dec
TSEK	**2023**	**2022**	**2023**	**2022**	**2022**
Comparable sales comparative period					
Recognised net sales comparative period	613,705	516,213	1,229,008	990,200	2,398,033
Adjustment for returns and loyalty programme comparative period	1,206	135	-250	1,283	11,349
Revenue new service points and other channels	-1,315	-	-3,250	-6,534	-9,419
Total comparable sales comparative period	**613,596**	**516,348**	**1,225,508**	**984,949**	**2,399,963**
Comparable sales current period					
Recognised net sales current period	568,540	613,705	1,146,742	1,229,008	2,607,929
Adjustment for returns and loyalty programme current period	1,211	1,191	45	-283	8,414
Revenue new service points and other channels	-9,519	-13,632	-21,844	-28,340	-65,735
Revenue from business combinations	-	-22,418	-	-100,082	-100,236
Currency effects	-1,895	-9,651	-4,354	-14,162	-33,779
Total comparable sales current period	**558,337**	**569,195**	**1,120,589**	**1,086,141**	**2,416,593**
Total comparable sales comparative period	613,596	516,348	1,225,508	984,949	2,399,963
Total comparable sales current period	558,337	569,195	1,120,589	1,086,141	2,416,593
Comparable growth, %	-9.0%	10.2%	-8.6%	10.3%	0.7%

GROSS PROFIT AND GROSS MARGIN

	Q2		Jul-Jun	Jan-Dec
TSEK	**2023**	**2022**	**22/23**	**2022**
Net sales	568,540	613,705	2,525,663	2,607,929
Goods for resale	-324,593	-354,084	-1,452,376	-1,508,760
Gross Profit	**243,947**	**259,621**	**1,073,287**	**1,099,169**
Gross Profit	243,947	259,621	1,073,287	1,099,169
Net sales	568,540	613,705	2,525,663	2,607,929
Gross margin, %	**42.9%**	**42.3%**	**42.5%**	**42.1%**

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

	30 Jun		31 Dec
TSEK	**2023**	**2022**	**2022**
Non-current interest bearing liabilities	500,419	517,718	513,528
Current interest bearing liabilities	48,993	132,888	9,200
Interest bearing liabilities	**549,412**	**650,606**	**522,728**
Cash and cash equivalents	-30,568	-37,877	-117,619
Net financial debt	**518,844**	**612,729**	**405,109**
Non-current lease liabilities	142,888	147,050	153,152
Current lease liabilities	106,049	95,484	113,465
Lease liabilities	**248,937**	**242,534**	**266,617**
Total interest bearing liabilities	**549,412**	**650,606**	**522,728**
Total lease liabilities	**248,937**	**242,534**	**266,617**
Total financial liabilites	**798,349**	**893,140**	**789,345**
Cash and cash equivalents	-30,568	-37,877	-117,619
Net debt	**767,781**	**855,263**	**671,726**
Net financial debt	**518,844**	**612,729**	**405,109**
Adjusted EBITDAaL, R12	138,454	203,792	165,086
Net financial debt/Adjusted EBITDAal, times	**3.7**	**3.0**	**2.5**

WORKING CAPITAL

	30 Jun		31 Dec
TSEK	**2023**	**2022**	**2022**
Current assets	621,126	679,946	698,224
Cash and cash equivalents	-30,568	-37,877	-117,619
Current liabilities excl. interest bearing liabilities and lease liabilities	-442,501	-445,646	-531,343
Working capital	**148,057**	**196,423**	**49,262**
Current liabilities excl. interest bearing liabilities and lease liabilities			
Accounts payable	245,519	268,220	330,028
Tax liabilities	13,812	24,550	22,342
Other liabilities	55,080	41,346	74,592
Accrued expenses and deferred income	120,804	103,779	96,773
Provisions	7,286	7,751	7,608
Total	**442,501**	**445,646**	**531,343**

CORE WORKING CAPITAL

	30 Jun		31 Dec
TSEK	**2023**	**2022**	**2022**
Inventory	507,456	559,016	487,525
Accounts receivable	29,849	24,204	28,369
Accounts payable	-245,519	-268,220	-330,028
Core working capital	**291,786**	**315,000**	**185,866**

INVESTMENTS

	Q2		Jul-Jun	Jan-Dec
TSEK	**2023**	**2022**	**22/23**	**2022**
Acquisition of tangible assets	-4,003	-8,673	-22,572	-30,042
Acquisition of intangible assets	-2,573	-3,196	-13,476	-14,163
Investments	**-6,576**	**-11,869**	**-36,048**	**-44,205**

EQUITY/ASSETS RATIO

	30 Jun		31 Dec
%	**2023**	**2022**	**2022**
Total equity	997,516	925,977	998,776
Total assets	2,367,108	2,393,733	2,446,916
Equity ratio, %	**42.1%**	**38.7%**	**40.8%**

Kjell & Company

Definitions – Alternative performance measures

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

Adjusted EBITA	EBITA excluding items affecting comparability.	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. 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."
Adjusted EBITA margin, %	EBITA excluding items affecting comparability divided by net sales.	This performance measure shows the company's profitability from the operating activities excluding items affecting comparability and amortisation and impairment of intangible assets arising in connection with business combinations, which enables a comparison with the underlying operating profitability.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	This measure indicates the company's underlying profit generated by the operating activities before amortisation, depreciation and impairment excluding items affecting comparability, which provides a more comparable performance measure over time.
Adjusted EBITDAaL	Adjusted EBITDA less amortisation, depreciation and interest expenses related to leases under IFRS 16 plus adjusted EBITDAaL for the periods in which acquired companies were not included in the Group's consolidated financial statements for the relevant period.	Adjusted EBITDAaL is used as the denominator in financial net debt/adjusted EBITDAaL for monitoring financial gearing.
Comparable growth, %	The change in comparable sales between the current and comparative period in which comparable sales are sales in comparable units and channels, excluding currency translation effects. Comparable units and channels are sales units and channels that were operational for the current and comparative period.	The measure facilitates a comparison of net sales over time by excluding revenue from sales units and channels that were not operational for corresponding periods, adjusted for currency effects. The measure makes it possible to evaluate sales growth in existing channels.
Items affecting comparability	Income and cost items that are presented separately due to their nature and amounts. All items that are included are larger and material in certain periods and smaller or non-existent in other periods.	Items affecting comparability are used by management to explain fluctuations in historical profitability. Presenting and specifying items affecting comparability separately makes it possible for readers of the financial statements to understand and evaluate the adjustments

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

Definitions – Operating performance measures

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

WEBCAST IN CONNECTION WITH THE PUBLICATION OF THE INTERIM REPORT

Andreas Rylander, President and CEO, and Niklas Tyrén, CFO, will hold a webcast in connection with the publication of the interim report at 10:00 a.m. on 1 August 2023. To participate in the conference, follow the link https://ir.financialhearings.com/kjell-group-q2-2023 The presentation material is available on the Group's website: https://www.kjellgroup.com/investerare/finansiella-rapporter/.

INTERIM REPORTS

The complete interim report for January–June 2023 and earlier reports are available on www.kjellgroup.com.

FINANCIAL CALENDAR

Forthcoming reports:

Third quarter 2023	31 October 2023

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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 1 August 2023 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 145 service points, of which 115 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.