



Year-end report 2021

1 October–31 December

- Net sales increased 22.9% to MSEK 818.8 (666.1). Excluding the acquisition of AV-Cables, sales growth totalled 9.0%, corresponding to MSEK 59.7
- Comparable growth amounted to 5.8% (8.5)
- Gross profit increased 17.7% to MSEK 331.8 (281.9) and the gross margin was 40.5% (42.3)
- Adjusted EBITA totalled MSEK 87.9 (73.7) and the adjusted EBITA margin was 10.7% (11.1)
- Operating profit amounted to MSEK 85.9 (71.4) and the operating margin to 10.5% (10.7)
- Net profit for the quarter amounted to MSEK 66.2 (50.1)
- Cash flow from operating activities totalled MSEK 144.1 (177.8)
- Earnings per share before and after dilution amounted to SEK 2.13* (3.40)

1 January–31 December

- Net sales increased 20.0% to MSEK 2,398.0 (1,999.0). Excluding the acquisition of AV-Cables, sales growth totalled 9.7%, corresponding to MSEK 194.6
- Comparable growth amounted to 6.8% (5.7)
- Gross profit increased 16.6% to MSEK 1,023.2 (877.5) and the gross margin was 42.7% (43.9)
- Adjusted EBITA totalled MSEK 188.1 (146.9) and the adjusted EBITA margin was 7.8% (7.3)
- Operating profit amounted to MSEK 140.0 (139.3) and the operating margin to 5.8% (7.0)
- Net profit for the period amounted to MSEK 62.4 (58.8)
- Cash flow from operating activities totalled MSEK 152.3 (237.0)
- Earnings per share before and after dilution amounted to SEK 1.75* (1.43)

Significant events during the quarter and after the end of the quarter

- Kjell & Company awarded “Omni-Channel of the Year” at the 2021 Retail Awards.
- During the quarter, five new service points were established, two in Norway and three in Sweden.
- As of the publication of this report, two new service points had been established in the first quarter of 2022.
- During the quarter, all markets experienced the highest rate of infection yet during the pandemic, with subsequent restrictions. However, after the end of the quarter, the majority of restrictions had been lifted in all markets.

Performance measures

MSEK	Q4		Jan-Dec	
	2021	2020	2021	2020
Net Sales	818.8	666.1	2,398.0	1,999.0
Sales growth, %	22.9%	9.0%	20.0%	6.8%
Comparable growth, %	5.8%	8.5%	6.8%	5.7%
Gross profit	331.8	281.9	1,023.3	877.5
Gross margin, %	40.5%	42.3%	42.7%	43.9%
Adjusted EBITA	87.9	73.7	188.1	146.9
Adjusted EBITA-margin, %	10.7%	11.1%	7.8%	7.3%
Operating profit (EBIT)	85.9	71.4	140.0	139.3
Cash flow from operating activities	144.1	177.8	152.3	237.0
Equity ratio	-	-	34.7%	17.2%
Basic earnings (loss) per share, SEK*	2.13	3.40	1.75	1.43
Members in loyalty club, thousand	-	-	2,647	2,115
Customer NPS	-	-	74	70

* Earnings per share excl. the cumulative dividend (after tax) that accrues on the preference shares described in Note 6 amounted to SEK 2.13 (4.37) for the quarter and SEK 3.71 (5.13) for the period



Strong end to an eventful 2021

With a genuine interest and high level of expertise, our fantastic employees work to improve our customers' lives through technology, demonstrating how important positive customer relationships are for success in retail. In a changing world, we stand strong by offering an award-winning customer experience in every aspect of our omni-channel offering. I'm very pleased that we can see new record highs in the outcome for 2021!

In addition to strong earnings, 2021 was an eventful year during which we both improved our position for future growth and increased our market share.

We started the year by rolling out our new concept Kjell Express in cooperation with Circle K and now have a presence at 292 Circle K stations around Sweden.

In April, we carried out the company's first acquisition through the purchase of AV-Cables.dk. The Danish operations performed well in 2021, and we look forward to the new opportunity for growth that the Danish market offers us.

On 16 September, Kjell & Company took the historic step of listing the company on Nasdaq First North Growth Market. The interest from investors clearly showed that our brand is appreciated, not only by our 2.6 million customer club members and other customers, but also by the financial market.

Strong financial performance

Growth amounted to 23% in the fourth quarter and 20% for the full year. Online sales, which increased the most, accounted for 32% of sales in the fourth quarter, with Click&Collect accounting for an additional 8% digitally generated sales. In addition to robust comparable growth of 5.8% for the quarter and 6.8% for the period, growth was also supported by the collaboration with Circle K, service points that opened in 2021 and AV-Cables.dk.

The Group's adjusted EBITA increased just over 19% to MSEK 88 in the quarter and just over 28% to MSEK 188 for the full year thanks to increased sales and strict cost control.

All segments reported growth

Net sales in segment Sweden increased 6.9% in the quarter and 8.3% in the period compared with last year. In the fourth quarter, we increased the number of service points in Sweden from 107 to 110.

Net sales for segment Norway rose 23.0% in the quarter and 19.4% in the period. This growth is particularly impressive considering the high level of infection in Norway throughout the entire Christmas shopping season and the fact that almost half of our service points in Norway were closed for portions of the first two quarters as a result of the pandemic. We opened two new service points in Norway in the fourth quarter and plan to open two more during the first quarter of 2022. We see excellent potential for continued growth in Norway in the coming years.

AV-Cables.dk, which has been consolidated in the Kjell Group since 30 April 2021, also performed according to plan. Sales in segment Denmark amounted to MSEK 92.9 in the quarter and MSEK 204.4 in the period.

After an eventful year we are now looking forward to working together with our employees to take the next step towards even more satisfied customers!

Malmö,

25 February 2022

Andreas Rylander

President and CEO

Summary of the Group's financial performance

Net sales

Net sales increased 22.9% to MSEK 818.8 (666.1) in the quarter and 20.0% to MSEK 2,398.0 (1,999.0) in the period. Excluding the acquisition of AV-Cables, sales growth amounted to 9.0% or MSEK 59.7 for the quarter and 9.7% or MSEK 194.7 for the period. Comparable growth amounted to 5.8% for the quarter and 6.8% for the period. The new service points and the partnership with Circle K also contributed to growth.

All segments and channels contributed to continued growth in both the quarter and the period, which is very pleasing given the external conditions during the quarter. A rapidly growing infection rate in combination with uncertainty surrounding how serious the latest covid-variant was and the subsequent restrictions all affected society at large as well as retail, particularly in Norway where infections took off quickly. The ability to meet our customers in various channels, in combination with smart planning in terms of purchases of goods, means that we can deliver strong sales figures despite challenging situations.

Net sales in segment Sweden increased 6.9% in the quarter and 8.3% in the period compared with the last year. Net sales for segment Norway rose 23.0% in the quarter and 19.4% in the period. Growth in these two segments is evidence that our omni-channel model, with seamless and channel-independent customer service, is fully functional.

AV-Cables has been consolidated in the Kjell Group since 30 April 2021. Sales in segment Denmark amounted to MSEK 92.9 in the quarter and MSEK 204.4 in the period.

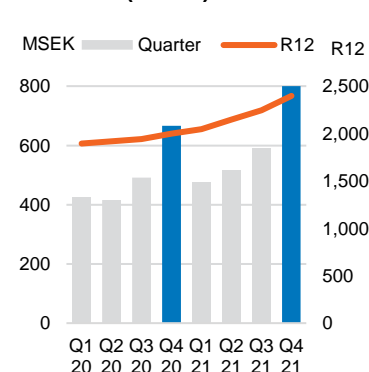
Our digital customer acquisition remained strong during the quarter, with online sales accounting for 32% of sales and Click&Collect for an additional 8%. During the period, online sales accounted for 27% of sales and Click&Collect for an additional 9%. All channels grew both in the quarter and the period, with digital growth remaining the strongest.

Operating expenses

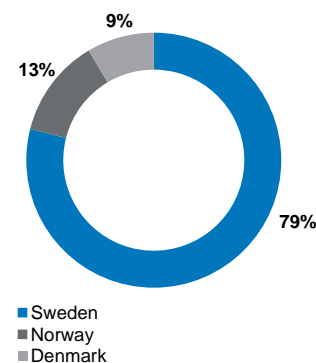
Operating expenses increased 22.4% in the quarter and 21.4% in the period. Excluding the acquisition of AV-Cables, the increase in expenses amounted to 8.8% or MSEK 52.8 for the quarter and 11.1% or MSEK 207.8 for the period and was mainly attributable to increases in goods for resale driven by the increase in sales as well as personnel costs and other external expenses, both of which included significant items affecting comparability. Items affecting comparability for the quarter consisted of a reversal of MSEK 2.1 pertaining to a reserve for listing costs, while the comparative period had items affecting comparability of MSEK 2.4. Items affecting comparability in the period amounted to MSEK 36.9 (7.6). Furthermore, the preceding full year was characterised by a general cautiousness with regard to costs and investments as a result of the uncertainty prevailing during the pandemic, whereas this year we have continued our investments in future growth.

Costs of goods for resale amounted to MSEK 486.9 (384.2) in the quarter and MSEK 1,374.7 (1,121.5) in the period. Gross profit amounted to MSEK 331.8 (281.9) for the quarter, up 17.7%, while gross profit for the period increased to MSEK 1,023.2 (877.5), up 16.6%. The gross margin amounted to 40.5% (42.3) for the quarter and 42.7% (43.9) for the period. The gross margin was affected by our new segment Denmark, by continued competition within the external brands, which grew tougher due to the pandemic, as well as continued shift in assortment. The increase in gross profit was primarily due to the strong sales growth.

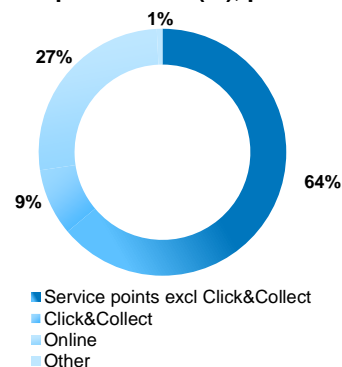
Net sales (MSEK)



Net sales per segment (%), period



Sales¹ per channel (%), period



¹Sales before deduction for customer loyalty bonuses

Personnel costs amounted to MSEK 129.5 (119.7) for the quarter and MSEK 467.2 (418.1) for the period. The acquisition of AV-Cables resulted in an increase in personnel costs of MSEK 4.9 for the quarter and MSEK 13.4 for the period. Personnel costs for the quarter do not include any items affecting comparability. Items affecting comparability in the period amounted to MSEK 12.1 (1.0). Excluding the acquisition of AV-Cables and items affecting comparability, personnel costs increased MSEK 4.9 in the quarter and MSEK 24.6 in the period, which is a good balance in relation to the increase in gross profit.

Other external expenses amounted to MSEK 76.9 (66.3) for the quarter and MSEK 266.9 (184.9) for the period. The acquisition of AV-Cables resulted in a cost increase of MSEK 14.1 in the quarter and MSEK 33.4 in the period (excluding items affecting comparability from the acquisition). Items affecting comparability for the quarter consisted of a reversal of MSEK 2.1 (that is, income) pertaining to a reserve for listing costs, while the comparative period had an expense of MSEK 2.4 affecting comparability. Items affecting comparability in the period amounted to MSEK 24.8 (9.5) and pertain mainly to preparations ahead of the listing and acquisition-related costs. The increase was also attributable to increased selling and marketing expenses to improve the customer experience and drive growth.

Total depreciation and amortisation for the quarter amounted to MSEK 42.4 (36.3), of which MSEK 4.2 (-) pertained to amortisation of intangible assets from the acquisition of AV-Cables and MSEK 28.9 (27.5) to depreciation of right-of-use assets in accordance with IFRS 16. Total depreciation and amortisation for the period amounted to MSEK 156.1 (139.6), of which MSEK 11.2 (-) pertained to amortisation of intangible assets related to acquisitions and MSEK 111.1 (109.2) to right-of-use assets.

Adjusted EBITA

The Group's adjusted EBITA increased 19.2% to MSEK 87.9 (73.7) in the quarter and 28.1% to MSEK 188.1 (146.9) in the period, corresponding to an adjusted EBITA margin of 10.7% (11.1) for the quarter and 7.8% (7.3) for the period. In addition to the effect of the acquisition of AV-Cables, which amounted to MSEK 15.1 in the quarter and MSEK 28.5 in the period, the earnings improvement in the period was mainly attributable to increased sales and thus higher gross profit combined with strict cost control.

Operating profit

The Group's operating profit (EBIT) amounted to MSEK 85.9 (71.4) for the quarter, corresponding to an operating margin of 10.5% (10.7), and to MSEK 140.0 (139.3) for the period, corresponding to an operating margin of 5.8% (7.0). Items affecting comparability related to the IPO and acquisitions had a significant impact on operating profit in both the quarter and the period.

Net financial items

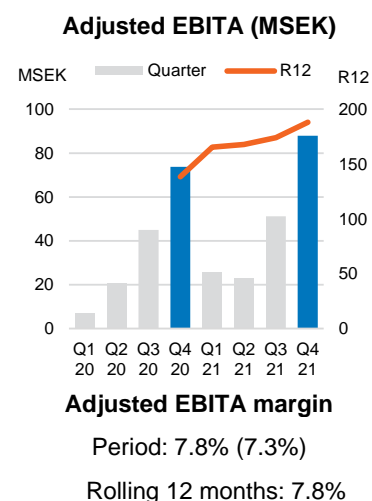
The Group's net financial items amounted to MSEK -10.7 (-13.2) for the quarter, including MSEK 2.5 (2.4) in interest expenses attributable to lease liabilities. Net financial items for the period amounted to MSEK -59.3 (-61.8), including MSEK 10.1 (10.7) in interest expenses attributable to lease liabilities.

Profit

Profit amounted to MSEK 66.2 (50.1) for the quarter and to MSEK 62.4 (58.8) for the period.

Cash flow and financial position

The Group's cash flow from operating activities amounted to MSEK 144.1 (177.8) for the quarter and MSEK 152.3 (237.0) for the period. The year-on-year decrease in the period was mainly attributable to cautiousness with regards to product sourcing in 2020 in order to protect liquidity during the pandemic as well as a strategic inventory build-up in 2021 to ensure availability given the uncertain situation now facing the world's supply chains. Access to shipping alternatives from Asia has declined significantly during the year, resulting in longer lead times and cost increases. To ensure the availability of our products, particularly ahead of the all-important Christmas shopping



period, we moved our product purchases to an earlier date. Simultaneously, longer transit times impacted our inventory turnover, thus further affecting our cash flow. Our increased focus on own-brand products, which are imported directly from China, is increasing our exposure to the ongoing freight problems.

Cash flow from investing activities amounted to MSEK -20.3 (-14.7) for the quarter and MSEK -291.9 (-41.3) for the period. The decrease in the period is mainly attributable to the acquisition of AV-Cables, amounting to MSEK -242.8.

Cash flow from financing activities amounted to MSEK -11.0 (-48.9) for the quarter and MSEK -10.3 (-149.3) for the period and was mainly attributable to the new share issue in connection with the listing of the company's shares, which amounted to MSEK 377.1 after the deduction of issue costs, and to the refinancing of the Group's credit facilities, with a new financing agreement comprising credit facilities of MSEK 910 signed. In connection with the refinancing, the old loans raised in 2017 were repaid; refer to Note 7 for more information.

The Group's cash and cash equivalents amounted to MSEK 193.8 at the end of the reporting period, compared with MSEK 340.4 at the beginning of the year.

The Group's financial net debt amounted to MSEK 402.3 at the end of the period, compared with MSEK 529.4 at the beginning of the year, corresponding to financial net debt in relation to adjusted EBITDAaL (rolling 12 months)¹ of 1.7x.

The Group's equity amounted to MSEK 889.4 at the end of the reporting period, compared with MSEK 369.3 at the beginning of the year.

Significant events during and after the fourth quarter of 2021

On 20 October, Kjell & Company was named "Omni-Channel of the Year" at the 2021 Retail Awards. This competition is organised by the Swedish Trade Federation and the leading trade news channel Market, which have been celebrating high performers within Swedish retail since 2008.

Establishment of new service points during the quarter began in October, with openings in Fredriksstad and Trondheim. In November, a service point was opened at the Grand Samarkand shopping centre in Växjö, Sweden and on Linnégatan in Gothenburg. The last store establishment of the year was on Carlskatan at Malmö Central Station on 10 December.

In 2022, the year's first establishments were made in Trondheim City Syd on 11 February and in Oslo on 25 February.

Additionally, openings have been planned in Ängelholm for the first quarter. There are plans for additional establishments in Trondheim in the second quarter and in Stavanger in the third quarter.

During the quarter, all markets experienced the highest rate of infection yet during the pandemic, with subsequent restrictions. However, after the end of the quarter, the majority of restrictions had been lifted in all markets.

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.

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.

CAPITAL STRUCTURE

Financial net debt in relation to 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 3.9 (-) for the quarter and MSEK 5.5 (-) for the period and pertain entirely to intra-Group invoicing. The Parent Company reported a loss after financial items of MSEK -5.5 (-4.4) for the quarter and MSEK -40.8 (-4.5) for the period, which was primarily attributable to costs associated with the preparations for the IPO. The Group's financing is raised in the Parent Company.

Kjell Group AB's Annual General Meeting

Kjell Group AB's 2022 Annual General Meeting will be held on 19 May in Malmö. The Board's proposal for the Meeting is that profit for the 2021 financial year be carried forward and that no dividend for the 2021 financial year be paid. Furthermore, a proposal for adoption of principles for the Nomination Committee will be put forward.

Share

Kjell Group AB's (publ) share is listed on Nasdaq First North Growth Market under the ticker KJELL, with the ISIN SE0016797591. As of the listing on 16 September 2021, the share price was SEK 55. The share price on the final day of trading during the period was SEK 59.3. The highest price paid, SEK 71.4, and lowest price paid, SEK 55.5, were quoted on 16 September and 20 December, respectively.

A total of 6,246,075 shares were traded during the quarter, corresponding to a turnover rate of 20% during the measurement period.

As of 31 December 2021, Kjell Group AB (publ) had approximately 4,500 shareholders, the largest of which were FSN Capital (22.87%), Fosielund Holding (7.06%), AMF Pension & Fonder (6.95%), Christian Damgaard Møller (4.76%) and Nordea Fonder (4.32%).

The number of shares issued as of 31 December 2021 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	
		2021	2020	2021	2020
Operating income					
Net sales	5	818,791	666,138	2,398,033	1,999,000
Other operating income		4,209	7,501	10,366	8,709
		823,000	673,639	2,408,399	2,007,709
Operating expenses					
Goods for resale		-486,953	-384,242	-1,374,762	-1,121,524
Personnel costs		-129,536	-119,732	-467,241	-418,134
Other external expenses		-76,986	-66,304	-266,916	-184,917
Other operating expenses		-1,288	4,304	-3,354	-4,201
Depreciation/amortisation of tangible and intangible assets		-42,374	-36,293	-156,101	-139,617
		85,863	71,372	140,025	139,316
Operating profit					
Financial items					
Financial income		3	4	3	6
Financial expenses		-10,676	-13,242	-59,350	-61,805
		-10,673	-13,238	-59,347	-61,799
Net financial items					
		-10,673	-13,238	-59,347	-61,799
Profit (loss) before tax					
		75,190	58,134	80,678	77,517
Income tax		-8,984	-8,062	-18,259	-18,679
		66,206	50,072	62,419	58,838
Net profit (loss) for the period					
Net profit (loss) for the period attributable to:					
Parent Company's shareholders		66,206	50,072	62,419	58,838
		66,206	50,072	62,419	58,838
Earnings (loss) per share					
Basic earnings (loss) per share, SEK*	6	2.13	3.40	1.75	1.43
Diluted earnings (loss) per share, SEK*	6	2.13	3.40	1.75	1.43

* Earnings per share excl. the cumulative dividend (after tax) that accrues on the preference shares described in Note 6 amounted to SEK 2.13 (4.37) for the quarter and SEK 3.71 (5.13) for the period

Condensed consolidated statement of profit or loss and other comprehensive income

TSEK	Q4		Jan-Dec	
	2021	2020	2021	2020
Net profit (loss) for the period	66,206	50,072	62,419	58,838
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange differences of foreign operations	5,744	2,358	5,483	-1,160
Cash flow hedges	95	14	95	296
Tax attributable to items that have been or may be reclassified to net profit (loss) for the period	-16	-14	-16	-63
<i>Items that will not be reclassified to profit or loss</i>				
Other comprehensive income for the period	5,823	2,358	5,562	-927
Total comprehensive income for the period	72,029	52,430	67,981	57,911
Comprehensive income for the period attributable to:				
Parent Company's shareholders	72,029	52,430	67,981	57,911
Total comprehensive income for the period	72,029	52,430	67,981	57,911

Condensed consolidated statement of financial position

TSEK	Note	31 Dec	
		2021	2020
Assets			
Intangible assets		1,360,084	1,000,104
Tangible assets		92,034	49,861
Right-of-use assets		266,024	270,927
Deferred tax assets		433	25
Total non-current assets		1,718,575	1,320,917
Inventory		545,737	408,825
Tax assets		27,106	17,268
Accounts receivable		26,687	24,337
Prepaid expenses and accrued income		45,434	31,814
Other receivables		7,355	1,103
Cash and cash equivalents		193,770	340,422
Total current assets		846,089	823,769
Total assets		2,564,664	2,144,686
Equity			
Share capital		515	162
Other contributed capital		453,978	1,999
Reserves		5,684	122
Retained earnings including net profit (loss) for the period		429,270	367,045
Equity attributable to Parent Company's shareholders		889,447	369,328
Total equity		889,447	369,328
Liabilities			
Non-current interest-bearing liabilities	7	446,909	843,839
Non-current lease liabilities		158,750	156,539
Other non-current liabilities		1,496	102
Deferred tax liabilities		130,086	111,646
Total non-current liabilities		737,241	1,112,126
Current interest-bearing liabilities	7	149,200	26,000
Current lease liabilities		103,318	116,308
Accounts payable		377,181	314,953
Tax liabilities		39,853	30,561
Other liabilities	8	151,781	67,618
Accrued expenses and deferred income		109,278	101,486
Provisions		7,365	6,306
Total current liabilities		937,976	663,232
Total liabilities		1,675,217	1,775,358
Total equity and liabilities		2,564,664	2,144,686

Condensed consolidated statement of changes in equity

TSEK	Equity attributable to Parent Company's shareholders					Retained earnings incl. net profit (loss) for the period	Total equity
	Share capital	Other contributed capital	Translation reserve	Hedge reserve			
Balance at 1 Jan 2021	162	1,999	201	-79	367,045	369,328	
Transactions with owners of the company							
Offset issue and settlement of Promissory note ¹	16	69,678				69,694	
Bonus issue ²	389	-			-389	-	
New share issue ³	143	381,661				381,804	
Redeption of preference shares ⁴	-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 31 Dec 2021	515	453,978	5,684	-	429,270	889,447	
Balance at 1 Jan 2020	162	1,999	1,361	-312	308,207	311,417	
Comprehensive income for the period							
Net profit (loss) for the period	-	-	-	-	58,838	58,838	
Other comprehensive income for the period	-	-	-1,160	233	-	-927	
Total comprehensive income for the period	-	-	-1,160	233	58,838	57,911	
Closing balance 31 Dec 2020	162	1,999	201	-79	367,045	369,328	

1) Pertains to the offset issue and settlement of a promissory note. Both transactions were attributable to the acquisition of AV-Cables; refer to Note 11 for more information.

2) Pertains to a bonus issue of TSEK 39 carried out in connection with the withdrawal of preference shares and to a bonus issue of TSEK 350 carried out in connection with a share split.

3) Pertains to a new share issue in connection with the listing of the company's shares on Nasdaq First North Growth Market. The issue amount of TSEK 400,000 was recognised net after the deduction of issue costs of TSEK 22,917 and tax effects of TSEK 4,721.

4) Reduction of share capital through the withdrawal preference shares.

Condensed consolidated statement of cash flows

TSEK	Q4		Jan-Dec	
	2021	2020	2021	2020
Cash flow from operating activities				
Profit (loss) before tax	75,190	58,134	80,678	77,517
Adjustments for non-cash items	45,220	36,296	162,702	161,895
Income tax paid	486	10,537	-33,168	-14,329
	120,896	104,967	210,212	225,083
Increase (-)/decrease (+) in inventories	-3,171	-26,044	-107,343	-32,639
Increase (-)/decrease (+) in operating receivables	-19,010	-25,193	-14,631	-16,265
Increase (+)/decrease (-) in operating liabilities	45,357	124,065	64,051	60,800
Cash flow from operating activities	144,072	177,795	152,289	236,979
Investing activities				
Acquisition of tangible assets	-18,502	-10,279	-31,685	-26,220
Acquisition of intangible assets	-1,821	-4,415	-17,396	-15,031
Acquisition of subsidiaries	-	-	-242,858	-
Cash flow from investing activities	-20,323	-14,694	-291,939	-41,251
Financing activities				
New share issue	-	-	400,000	-
Issue expenses	-5,549	-	-22,917	-
Proceeds of loans	60,000	-	723,743	150,000
Repayment of loans	-35,022	-13,000	-991,750	-176,000
Repayment of lease liabilities	-30,506	-35,900	-119,326	-123,339
Cash flow from financing activities	-11,077	-48,900	-10,250	-149,339
Cash flow for the period	112,672	114,201	-149,900	46,389
Cash and cash equivalents at the beginning of the period	80,868	225,983	340,422	299,403
Exchange rate differences in cash and cash equivalents	230	238	3,248	-5,370
Cash and cash equivalents at the end of the period	193,770	340,422	193,770	340,422

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 2021 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 reports for 2018–2020. 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 2018–2020 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 30 of the Group’s annual reports for 2018–2020. For a description of the effects of the ongoing COVID-19 pandemic on the Group, refer to Note 12.

Not 4 Other disclosures

Incentive programmes

An extraordinary general meeting on 15 September 2021 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 1.5% of the total number of shares outstanding. The costs for the long-term incentive programme are estimated at approximately MSEK 6.7 excluding social security contributions of about MSEK 3.2.

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 854.

Not 5 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 each country. Segment Sweden includes costs for Group-wide functions, including the purchasing organisation in Shanghai, since this reflects how the segments are monitored internally by the Group. No sales are conducted between the segments. Accordingly, all revenue for the segments is from sales to external customers. The same accounting policies are applied to the segments as for the Group. The performance measure reported for the segments is “adjusted EBITA.”

Information about each reportable segment is provided below.

Oct-Dec TSEK	Sweden		Norway		Denmark		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	619,683	579,840	106,184	86,298	92,924	-	818,791	666,138
Depreciation excl.amortisation on intangible assets related to business combinations	31,260	30,555	6,499	5,738	425	-	38,184	36,293
Adjusted EBITA	63,341	66,497	9,541	7,247	15,052	-	87,934	73,744
Amortisation on intangible assets related to business combinations							-4,190	-
Items affecting comparability							2,118	-2,372
Operating profit							85,862	71,372
Net financial items							-10,673	-13,238
Profit (loss) before tax							75,189	58,134

Jan-Dec TSEK	Sweden		Norway		Denmark		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	1,892,962	1,747,236	300,696	251,764	204,375	-	2,398,033	1,999,000
Depreciation excl.amortisation on intangible assets related to business combinations	119,707	114,857	24,285	24,760	922	-	144,914	139,617
Adjusted EBITA	142,348	146,851	17,329	19	28,463	-	188,140	146,870
Amortisation on intangible assets related to business combinations							-11,187	-
Items affecting comparability							-36,929	-7,554
Operating profit							140,024	139,316
Net financial items							-59,347	-61,799
Profit (loss) before tax							80,677	77,517

Not 6 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 has been reduced by the amount of the dividend that had accrued on the preference shares as long as these shares were outstanding.

Not 7 Refinancing of the Group

In connection with the IPO of Kjell Group AB, a new financing agreement comprising credit facilities totalling MSEK 910 was signed. These facilities were provided by Nordea and, along with the proceeds from the new share issue, were used to refinance the Group's existing indebtedness.

The facilities have a term of three years from the settlement date for the allotted shares on 20 September 2021. The Group has the option of two extensions of one year each, subject to the lender accepting such an extension. The facilities will be subject to interest periods of one, two, three or six months. The credit facilities are conditional on the ratio between the Group's total net debt to EBITDA (calculated in accordance with the terms of the credit facilities) not exceeding the levels stipulated in the credit agreement.

As of the reporting date, the Group had met these conditions.

An earlier credit facility was raised in July 2017 and was repaid in full in connection with the signing of the new credit facility. In addition to the credit facility, the Group also had a PIK bond. The bond, which was issued in July 2017, had an original nominal amount of MSEK 165 and a fixed interest rate that was capitalised by the Group issuing new bonds corresponding to the interest rate for the period, in accordance with the loan agreement. The bond matured in conjunction with the signing of a new credit facility as specified above.

Not 8 Fair value of financial instruments

The fair value of the liabilities in the Group's credit facility is estimated at TSEK 599,999 (873,789), compared with the carrying amount of TSEK 596,109 (869,839). The facility bears a floating interest rate plus a margin. Management estimates that there has been no change in credit margins since the loan agreement was signed that could have a material impact on the fair value of the loan. The difference between the fair value and the carrying amount of the bank facilities is thus primarily attributable to the carrying amount of the loan including transaction costs that remain to be amortised as part of the effective interest rate.

The fair value belongs to Level 2 of the fair value hierarchy. The carrying amounts of all other financial liabilities and financial assets are considered to be a reasonable estimate of their fair values. The Group has a financial liability for the contingent earnout linked to the acquisition of AV-Cables. The fair value of the liability for the contingent consideration is based on the present value of the expected payment according to the relevant acquisition agreement. The outcome of the undiscounted fair value of the

earnout was established at MSEK 75.4. Payment of the earnout is scheduled for the first half of 2022. Refer to Note 11 for more information.

31 Dec 2021

TSEK	Level 1	Level 2	Level 3	Total
Contingent consideration	-	-	75,387	75,387

31 Dec 2020

TSEK	Level 1	Level 2	Level 3	Total
Contingent consideration	-	-	-	-

Contingent consideration TSEK	31 Dec		31 Dec
	2021	2020	2020
Balance at the beginning of the period	-	-	-
Added through business combinations	71,929	-	-
Payments	-	-	-
<i>Recognised in profit or loss</i>			
Change in fair value	2,853	-	-
Currency effects	605	-	-
Balance at the end of the period	75,387	-	-

Not 9 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 10 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 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, product range and offering, and growth. Operating risks mainly comprise risks associated with purchasing, sustainability, IT systems, logistics, key employees, leases, waste and regulatory risks. Financial risks comprise risks associated with currency exposure, undercapitalisation, transport costs, raw material prices and increased payroll costs.

The impact of the COVID-19 pandemic is described in Note 12.

Kjell Group and its group companies have no commercial relations in Russia or Ukraine. However, the situation in Ukraine may lead to indirect effects on world trade.

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 2020 and can confirm that no changes have occurred other than those specified in this interim report.

Not 11 Business combinations

The Group acquired 100% of the unlisted Danish company AV-Cables.dk on 29 April 2021. The total purchase consideration transferred was TSEK 383,759.

The purchase consideration amounted to MSEK 383.8, of which MSEK 243.8 was paid in cash. MSEK 68.0 will be paid by issuing a promissory note. MSEK 22.4 was reinvested in Kjell Group AB (formerly Kjell HoldCo AB) through an offset issue. The remaining MSEK 45.6 was settled by issuing a promissory note with an interest rate of 10%, which

was settled with shares in Kjell Group AB on 17 September 2021. The seller also has the option to receive an earnout of a maximum of MSEK 102.5 on the condition that specific earnings targets have been met. The fair value of the earnout on the acquisition date of 29 April 2021 was deemed to amount to MSEK 71.9.

a) Transferred consideration

The following table summarises the fair value of the consideration transferred on the acquisition date.

TSEK	
Cash and cash equivalents	243,808
New issued shares, 12,436 Common shares A	22,404
Promissory note	45,618
Contingent consideration	71,929
Total transferred consideration	383,759

The fair value of the transferred common shares in Kjell Group AB has been estimated using a multiple valuation to calculate an enterprise value (EV) reduced by net debt. The EV has thereafter been reduced by the value of the preference shares to arrive at a fair value of the common shares.

b) Contingent consideration

The acquisition agreement states that a contingent earnout is to be paid to the former owners of AV-Cables depending on the earnings performance of AV-Cables in 2021. The maximum consideration that may be paid under the transfer agreement amounts to MSEK 102.5. The minimum amount that may be paid is SEK 0. The outcome of the undiscounted fair value of the earnout was established at MSEK 75.4. Payment of the earnout is scheduled for the first half of 2022. The contingent consideration is recognised as a current liability under "Other liabilities" in the consolidated statement of financial position.

c) Acquisition-related costs

Acquisition-related costs of TSEK 5,508 were excluded from the acquisition price and recognised as an expense for the current year on the row "Other external expenses" in the consolidated statement of profit or loss. These costs are also classified as costs affecting comparability.

d) Identifiable assets acquired and liabilities assumed

The following table summarises the carrying amounts of assets acquired and liabilities assumed on the acquisition date.

TSEK	
Tangible assets	32,540
Right-of-use assets	358
Other intangible assets	122,748
Deferred tax assets	227
Current assets	35,492
Cash and cash equivalents	8,271
Non-interest-bearing liabilities	-26,284
Deferred tax liabilities	-28,470
Lease liabilities	-344
Total acquired identifiable net assets	144,538
Goodwill	239,221
Total transferred consideration	383,759

e) Impact on the Group's earnings

In 2021, the acquisition contributed TSEK 204,415 to the Group's revenue and TSEK 3,838 to the Group's profit before tax. If the acquisition had taken place on 1 January 2021, management estimates that the Group's revenue would have been impacted by TSEK 340,495 and the Group's profit before tax for the period by TSEK 21,391.

f) Goodwill

Goodwill is recognised on the acquisition in 2021 since the purchase considerations paid for the business combinations included amounts for expected synergies, growth in revenue and the future market performance of the acquired company. These benefits are not recognised separately from goodwill since they do not fulfil the criteria for identifiable intangible assets. Goodwill arising on this acquisition is not currently expected to be tax deductible.

Accumulated cost	
Balance at the beginning of the period	520,866
Business combinations	239,221
Currency effects	2,013
Balance at the end of the period	762,100

Not 12 Impact of COVID-19 pandemic

The pandemic continues to impact the 2021 financial year, and the Group has closely monitored and continues to closely monitor the course of events, taking action and adapting its operations as needed.

The COVID-19 pandemic has been handled in different ways in the markets where the Group is currently active as a result of the restrictions and recommendations in the respective countries.

During the first and second quarters of the year, service points in Sweden were open, albeit with fewer customers in the stores at any given time since the company complied with the existing recommendations for Swedish retail, including limiting the number of customers depending on the size of the store. Towards the end of the third quarter, these restrictions were lifted, and we noted a gradual recovery in physical channels as a result. The next variant of COVID-19 arrived during the fourth quarter, with the highest rate of infection yet. The uncertainty regarding how serious this strain was led to tough new restrictions and once again affected physical customer flows during the all-important Christmas shopping season. As before during the pandemic, we continued to monitor how demand for products changed depending on the stage of the pandemic.

In Norway, there was initially an increased spread of contagion and the government imposed tougher restrictions, which compelled Kjell & Company to furlough some 60 employees and close 11 stores (nine in Oslo and one each in Bodø and Haugesund). These measures continued into April before being significantly reduced in May. After physical retail locations were opened again, sales at service points began to recover during the third quarter only to once again suffer the negative impact of the omicron variant, which has demonstrated the highest rate of infection yet during the pandemic. The spread of the virus affected Norway earlier, and harder, than Sweden.

In Denmark, where we currently only have an online presence, we see a clear correlation between the trend in terms of sales growth and the dates over the last year on which the Danish authorities discussed the pandemic and restrictions. The omicron variant also spread quickly throughout Denmark.

Not 13 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	
	2021	2020	2021	2020
Net sales	3,886	-	5,475	-
Operating expenses				
Other external expenses	315	-4,407	-19,108	-4,536
Personnel costs	-7,069	-	-22,663	-
Operating profit	-2,868	-4,407	-36,296	-4,536
Financial items				
Financial expenses	-2,612	-	-4,483	-1
Profit (loss) after financial items	-5,480	-4,407	-40,779	-4,537
Appropriations	51,925	4,536	51,925	4,536
Profit (loss) before tax	46,445	129	11,146	-1
Income tax	-3,273	-25	-3,273	-
Profit (loss) for the period	43,172	104	7,873	-1

Condensed Parent Company balance sheet

TSEK	Note	31 Dec	
		2021	2020
Assets			
Non-current assets			
Tangible assets			
Machinery and equipment		12	
Total Tangible assets		12	
Financial non-current assets			
Participation in group companies		1,609,548	661,157
Deferred tax assets		1,448	-
Total financial non-current assets		1,610,996	661,157
Total non-current assets		1,611,008	661,157
Current assets			
Current receivables from group companies		-	5,336
Prepaid expenses and accrued income		1,923	61
Other receivables		4,581	-
Total current receivables		6,504	5,397
Cash and cash equivalents		2,159	920
Total current assets		8,663	6,317
Total assets		1,619,671	667,474
Equity and liabilities			
Equity			
Restricted equity			
Share capital		515	162
Non-restricted equity			
Share premium reserve		1,091,433	662,495
Retained earnings		23,224	377
Profit (loss) for the period		7,873	-1
Total equity		1,123,045	663,033
Non-current liabilities			
Non-current interest-bearing liabilities	7	446,910	-
Total non-current liabilities		446,910	-
Current liabilities			
Current interest-bearing liabilities	7	9,200	-
Accounts payable		974	-
Current liabilities to group companies		31,035	-
Other current liabilities		754	-
Tax liabilities		199	47
Accrued expenses and deferred income		7,554	4,394
Total current liabilities		49,716	4,441
Total equity and liabilities		1,619,671	667,474

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, 25 February 2022

Ingrid Johansson Blank

Chairman of the Board

Fredrik Danelius

Board member

Catrin Folkesson

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	
	2021	2020	2021	2020
Members in loyalty club, thousand	-	-	2,647	2,115
Customer NPS	-	-	74	70
Net sales	818.8	666.1	2,398.0	1,999.0
Sales growth, %	22.9%	9.0%	20.0%	6.8%
Comparable growth, %	5.8%	8.5%	6.8%	5.7%
Gross profit	331.8	281.9	1,023.3	877.5
Gross margin, %	40.5%	42.3%	42.7%	43.9%
Adjusted EBITA	87.9	73.7	188.1	146.9
Adjusted EBITA margin, %	10.7%	11.1%	7.8%	7.3%
Items affecting comparability	-2.1	2.4	36.9	7.6
Cash flow from operating activities	144.1	177.8	152.3	237.0
Working capital	-	-	-33.1	-37.6
Core working capital	-	-	195.2	118.2
Financial net debt	-	-	402.3	529.4
Financial net debt/Adjusted EBITDAaL	-	-	1.7	3.2
Equity ratio, %	-	-	34.7%	17.2%
Investments	-20.3	-14.7	-49.1	-41.3
Number of outstanding shares before dilution	-	-	31,151,514	11,470,400
Number of outstanding shares after dilution	-	-	31,151,514	11,470,400
Average number of outstanding shares before dilution	-	-	16,807,821	11,470,400
Average number of outstanding shares after dilution	-	-	16,807,821	11,470,400

Quarterly data

MSEK	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Net sales	492.0	666.1	474.0	516.2	589.0	818.8
Gross profit	217.6	281.9	215.3	225.9	250.3	331.8
Gross margin, %	44.2%	42.3%	45.4%	43.8%	42.5%	40.5%
Adjusted EBITA	45.0	73.7	25.8	23.2	51.2	87.9
Adjusted EBITA margin, %	9.2%	11.1%	5.4%	4.5%	8.7%	10.7%
Cash flow from operating activities	46.8	177.8	-100.1	58.6	49.7	144.1
Working capital	43.4	-37.6	99.5	16.9	-0.2	-33.1
Core working capital	159.2	118.2	220.9	223.3	208.5	195.2

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	Jan-Dec
	2021	2020	2021	2020	2021	2020
Profit (loss) for the period	66,206	50,072	62,419	58,838	62,419	58,838
Income tax	8,984	8,062	18,259	18,679	18,259	18,679
Net financial items	10,673	13,238	59,347	61,799	59,347	61,799
Operating profit (EBIT)	85,863	71,372	140,025	139,316	140,025	139,316
Amortisation on intangible assets related to business combinations	4,190	-	11,187	-	11,187	-
EBITA	90,053	71,372	151,212	139,316	151,212	139,316
Depreciation excl. amortisation on intangible assets related to business combinations	38,184	36,293	144,914	139,617	144,914	139,617
EBITDA	128,237	107,665	296,126	278,933	296,126	278,933
EBITA	90,053	71,372	151,212	139,316	151,212	139,316
Items affecting comparability	-2,118	2,372	36,929	7,554	36,929	7,554
Adjusted EBITA	87,935	73,744	188,141	146,870	188,141	146,870
EBITDA	128,237	107,665	296,126	278,933	296,126	278,933
Items affecting comparability	-2,118	2,372	36,929	7,554	36,929	7,554
Adjusted EBITDA	126,119	110,037	333,055	286,487	333,055	286,487
Depreciation right-of-use assets	-	-	-110,948	-109,157	-110,948	-109,157
Interest on lease liabilities	-	-	-10,070	-10,687	-10,070	-10,687
Impact from business combinations, EBITDAaL	-	-	-	-	24,421	-
Adjusted EBITDAaL	-	-	212,036	166,643	236,458	166,643
Net sales	818,791	666,138	2,398,033	1,999,000	2,398,033	1,999,000
EBIT-margin, %	10.5%	10.7%	5.8%	7.0%	5.8%	7.0%
Adjusted EBITA margin, %	10.7%	11.1%	7.8%	7.3%	7.8%	7.3%

ITEMS AFFECTING COMPARABILITY

Income and cost items that are presented separately due to their nature and amounts. Items affecting comparability are used by management to explain fluctuations in historical profitability.

The items comprise costs for preparations for the listing, bonuses in connection with the listing, damages received and compensation for legal costs, acquisition costs and costs for severance pay. All items that are included are larger and material in certain periods and smaller or non-existent in other periods.

TSEK	Q4		Jan-Dec	
	2021	2020	2021	2020
Cost for listing	-2,118	6,211	19,308	10,402
Bonuses related to the IPO	-	-	11,186	-
Costs for business combinations	-	-	5,508	-
Damages received and compensation for legal costs	-	-3,839	-	-3,839
Severance pay	-	-	927	991
Items affecting comparability	-2,118	2,372	36,929	7,554

NET SALES GROWTH

%	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales current period	818,791	666,138	2,398,033	1,999,000
Net sales preceeding period	666,138	611,384	1,999,000	1,870,964
Net sales growth, %	22.9%	9.0%	20.0%	6.8%

COMPARABLE GROWTH

TSEK	Q4		Jan-Dec	
	2021	2020	2021	2020
<i>Comparable sales comparative period</i>				
Recognised net sales comparative period	666,138	611,384	1,999,000	1,870,964
Adjustment for returns and loyalty programme comparative period	4,763	2,318	10,141	20,372
Revenue new service points and other channels	-4,937	-1,171	-5,501	-1,507
Total comparable sales comparative period	665,964	612,531	2,003,640	1,889,829
<i>Comparable sales current period</i>				
Recognised net sales current period	818,791	666,138	2,398,033	1,999,000
Recognised net sales current period	7,156	4,820	11,306	10,260
Revenue new service points and other channels	-21,865	-17,103	-53,817	-42,786
Revenue from business combinations	-92,924	-	-204,375	-
Currency effects	-6,848	10,991	-11,739	30,283
Total comparable sales current period	704,310	664,846	2,139,408	1,996,757
Total comparable sales comparative period	665,964	612,531	2,003,640	1,889,829
Total comparable sales current period	704,310	664,846	2,139,408	1,996,757
Comparable growth, %	5.8%	8.5%	6.8%	5.7%

GROSS PROFIT AND GROSS MARGIN

TSEK	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales	818,791	666,138	2,398,033	1,999,000
Goods for resale	-486,953	-384,242	-1,374,762	-1,121,524
Gross Profit	331,838	281,896	1,023,271	877,476
Gross Profit	331,838	281,896	1,023,271	877,476
Net sales	818,791	666,138	2,398,033	1,999,000
Gross margin, %	40.5%	42.3%	42.7%	43.9%

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

TSEK	31 Dec	
	2021	2020
Non-current interest bearing liabilities	446,909	843,839
Current interest bearing liabilities	149,200	26,000
Interest bearing liabilities	596,109	869,839
Cash and cash equivalents	-193,770	-340,422
Net financial debt	402,339	529,417
Non-current lease liabilities	158,750	156,539
Current lease liabilities	103,318	116,308
Lease liabilities	262,068	272,847
Total interest bearing liabilities	596,109	869,839
Total lease liabilities	262,068	272,847
Total financial liabilities	858,177	1,142,686
Cash and cash equivalents	-193,770	-340,422
Net debt	664,407	802,264
Net financial debt	402,339	529,417
Adjusted EBITDAaL, R12	236,458	166,643
Net financial debt/Adjusted EBITDAaL, times	1.7	3.2

WORKING CAPITAL

TSEK	31 Dec	
	2021	2020
Current assets	846,089	823,769
Cash and cash equivalents	-193,770	-340,422
Current liabilities excl. interest bearing liabilities and lease liabilities	-685,458	-520,924
Working capital	-33,139	-37,577
Current liabilities excl. interest bearing liabilities and lease liabilities		
Accounts payable	377,181	314,953
Tax liabilities	39,853	30,561
Other liabilities	151,781	67,618
Accrued expenses and deferred income	109,278	101,486
Provisions	7,365	6,306
Total	685,458	520,924

CORE WORKING CAPITAL

TSEK	31 Dec	
	2021	2020
Inventory	545,737	408,825
Accounts receivable	26,687	24,337
Accounts payable	-377,181	-314,953
Core working capital	195,243	118,209

INVESTMENTS

TSEK	Q4		Jan-Dec	
	2021	2020	2021	2020
Acquisition of tangible assets	-18,502	-10,279	-31,685	-26,220
Acquisition of intangible assets	-1,821	-4,415	-17,396	-15,031
Investments	-20,323	-14,694	-49,081	-41,251

EQUITY/ASSETS RATIO

%	31 Dec	
	2021	2020
Total equity	889,447	369,328
Total assets	2,564,664	2,144,686
Equity ratio, %	34.7%	17.2%

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 costs of goods for resale, facilitating a comparison with the average gross margin for goods sold over time.
Gross profit	Net sales less costs of goods for resale.	The company's gross profit shows the profit left 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 in the operations 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 operations for the entire current and the entire comparative period.	The measure facilitates a comparison of net sales over time by excluding revenue from sales units and channels that were not operational for corresponding periods and 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 as a percentage of net sales for the relevant comparative period, expressed in percent.	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 amortisation, depreciation and impairment of tangible and intangible assets.	The measure indicates the company's underlying profit generated by the operating activities.
Equity/assets ratio, %	Total equity divided by total assets.	This performance measure describes the company's long-term payment capacity.

Definitions – Operating performance measures

Operating performance measures

Definition

Number of customer club members	Number of unique individuals who actively choose to be a member of Kjell & Company's customer club
Customer NPS (Net Promoter Score)	Describes the likelihood that a customer would recommend Kjell & Company to a friend or colleague on a scale of -100 to 100.



TELEPHONE CONFERENCE IN CONNECTION WITH THE PUBLICATION OF THE YEAR-END REPORT

Andreas Rylander, President and CEO, and Niklas Tyrén, CFO, will hold a telephone conference in connection with the publication of the year-end report at 10:00 a.m. on 25 February 2022. To participate in the conference, call +46850558357 or follow the link <https://tv.streamfabriken.com/kjell-group-q4-2021>. The presentation material is available on the Group's website: <https://www.kjellgroup.com/investerare/presentationer>.



INTERIM REPORTS

The complete year-end report for January–December 2021 and earlier reports are available on www.kjellgroup.com.

The Annual Report will not be distributed to shareholders through the post. Instead, after publication, it can be accessed on the website, www.kjellgroup.com.



FINANCIAL CALENDAR

Forthcoming reports:

Annual Report 2021	20 April 2022
First quarter 2022	18 May 2022
Annual General Meeting 2022	19 May 2022
Second quarter 2022	18 August 2022
Third quarter 2022	11 November 2022

Kjell & Company

This is the type of information that Kjell Group AB (publ) is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out below on 25 February 2022 at 7:00 a.m. CET.



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Kjell & Company offers the market's most comprehensive range of electronic accessories, including advisory services and installation. The business is conducted online in Sweden, Norway and Denmark and via 137 service points, of which 110 in Sweden and 27 in Norway.

Through Kjell & Company's customer club, with over 2.6 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.