Kid ASA

Interim report Q2 2022

Dear Shareholders

Q2 was yet another quarter with continued top line growth following increased footfall to physical stores and revenue from new categories. The like-for-like growth including online sales of 5.6% comes on top of strong performance in Q2 during 2021 (2.9%) and 2020 (23.6%). A reduction in the gross margin compared with a particularly strong Q2 last year is mainly caused by increased freight costs which we now believe has peaked out and will come down in the coming quarters.

These are the key takeaways from the second quarter:

- We continue to see new categories as a key growth driver. Categories launched since 2017 accounted for MNOK 94[1] in revenues during the quarter compared to MNOK 66[1] in same quarter last year. We are particularly happy to see that two of the most recent new initiatives; 'outdoor range' and 'homewear' have developed positively and accounted for MNOK 43[1] of our sales in Q2 compared to MNOK 20[1] last year.
- According to our strategy we continue with new store openings, refurbishments, and expansion of stores. Kid Interior is now present in the important shopping area in Skøyen as well as in Kolbotn just outside Oslo. In Sweden, we have expanded two stores in Uppsala, and refurbished two stores in Kalmar as well as one in Malmö.
- The inventory levels have increased compared with previous periods as a result of earlier placement of orders, higher number of stores, category expansion and increased costs of raw materials and freights. Our spring collection was somewhat delayed, as expected, and to avoid inventory build-up from seasonal products we decided to campaign these specific products more actively.
- We have signed a freight agreement securing rates at lower levels on a main portion of purchased goods going forward. In Q2 freight costs peaked at approximately 20% of cost of purchased goods compared to 10% in Q2 last year. As a result of the new agreement the levels will start to come down from mid-August. Hence, we expect a gradual reduction towards a level of 13-15% of cost of purchased goods based on current freight spot rates levels.

We have delivered a good spring and summer season, and we are now looking forward to present new and exciting products. We remain confident that this will inspire both current and new customers as we are headed into the important second half of the year.

Yours sincerely,

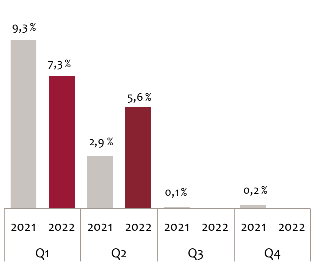
Anders Fjeld

[1] *Assuming NOK/SEK 1.00*

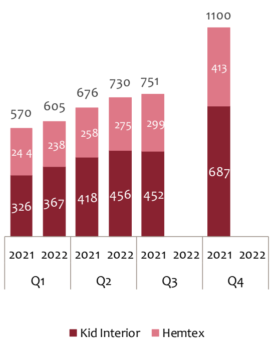
Second quarter in brief

- ✓ Group revenues increased by +8.8%, like-for-like growth (including online sales) increased by +5.6% and online sales increased by 3.7%.
- ✓ Gross margin decreased by -3.7 percentage points to 60.0% on the back of increased freight costs.
- ✓ OPEX-to-sales (excluding IFRS 16) was 47.3% (48.8%), and 47.4% (49.4%) when adding back last year's Covid-19 related cost reduction effects.
- ✓ EBITDA decreased by MNOK 4.9 to MNOK 167.6 (MNOK 172.5).
- ✓ LTM gearing ratio excluding IFRS16 effects was 1.35 (1.00) by the end of the quarter.

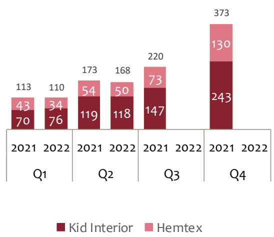
LFL growth (%), Group



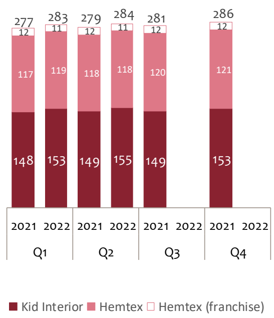
Revenue, MNOK



EBITDA, MNOK



No. of physical stores
(period end)



Alternative Performance Measures

(Amounts in NOK million)	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Revenue	**730,1**	**676,3**	**1 334,7**	**1 246,1**	**3 097,1**
Like-for-like growth including online sales [1]	5,6 %	2,9 %	7,9 %	3,7 %	-1,8 %
COGS	-292,1	-245,5	-526,6	-467,6	-1 159,5
Gross profit	**438,0**	**430,8**	**808,1**	**778,5**	**1 937,6**
Gross margin (%)	**60,0%**	**63,7%**	**60,5%**	**62,5%**	**62,6%**
Other operating income	1,8	1,4	2,5	2,7	10,0
Employee benefits expense	-155,9	-149,4	-309,0	-289,4	-617,3
Other operating expense	-189,7	-180,6	-370,9	-350,3	-739,8
Other operating expense - IFRS 16 effect	73,4	70,4	147,3	143,6	287,0
OPEX	**-272,2**	**-259,7**	**-532,6**	**-496,0**	**-1 070,0**
EBITDA	**167,6**	**172,5**	**278,1**	**285,3**	**877,6**
EBITDA margin (%)	**22,9%**	**25,5%**	**20,8%**	**22,8%**	**28,2%**
Depreciation	-18,6	-17,3	-37,3	-34,3	-70,1
Depreciation - IFRS 16 effect	-69,2	-65,7	-137,1	-131,8	-266,3
EBIT	**79,8**	**89,6**	**103,6**	**119,2**	**541,2**
EBIT margin (%)	**10,9%**	**13,2%**	**7,7%**	**9,5%**	**17,4%**
Net financial income (expense)	-3,7	-2,3	-8,5	-19,6	-29,1
Net financial expense - IFRS 16 effect	-7,1	-6,7	-13,8	-13,8	-26,9
Share of result from joint ventures	-1,2	0,0	-1,9	0,0	0,0
Profit before tax	**69,1**	**80,5**	**79,4**	**85,8**	**485,2**
Net income	**52,0**	**63,8**	**60,7**	**67,5**	**384,4**
Earnings per share	**1,28**	**1,57**	**1,49**	**1,66**	**9,46**
Liabilities to financial institutions	-788,8	-643,7	-788,8	-643,7	-546,6
Lease liabilities - IFRS 16 effect	-790,5	-735,0	-790,5	-735,0	-767,3
Cash	4,0	60,7	4,0	60,7	239,3
Net interest bearing debt	**-1 575,2**	**-1 318,0**	**-1 575,2**	**-1 318,0**	**-1 074,6**

[1] *Calculated in constant currency*

Financial review for the Kid Group

Group revenues increased by 8.8% compared to a strong quarter over the last years. The reduction in EBITDA of MNOK 4.9 was mainly caused by a reduction in the gross margin of 3.7 percentage points on the back of increased fright costs.

The Covid-19 cost reduction effect in the quarter is estimated at MNOK 0.2 (MNOK 4.2).

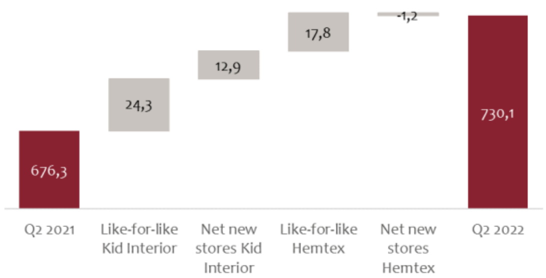
Revenues

Group revenues increased by +8.8% (+3.9%) to MNOK 730.1 (MNOK 670.8) based on a constant currency calculation, and by +8.0% when applying actual currency (MNOK 676.3). Group revenues on a like-for-like basis were up by +5.6% (+2.9%).

Both Kid Interior and Hemtex experienced increase in footfall to physical stores as well as increased Online traffic.

Both segments also experienced positive development in new categories, with the highest growth from 'Outdoor range' and 'Homewear'.

Q2 2021 vs Q2 2022 revenue bridge, MNOK



Gross profit increased by MNOK 7.2 to MNOK 438.0 with **Gross margin** at 60.0%, down 3.7 percentage points compared to Q2 2021. In a historical perspective, gross margin in Q2 last year was unusually high, and to a large degree caused by proactive price increases ahead of the expected freight costs increases.

Freight costs have remained high in Q2 2022. Pre-Covid freight cost accounted for approximately 5-7% of cost of purchased goods compared to levels of up to 20-22% since September 2021. With an average inventory turnover of 6 months Q2 2022 is the first quarter in which the inventory and a large proportion of the products sold during the quarter included these higher freight costs levels.

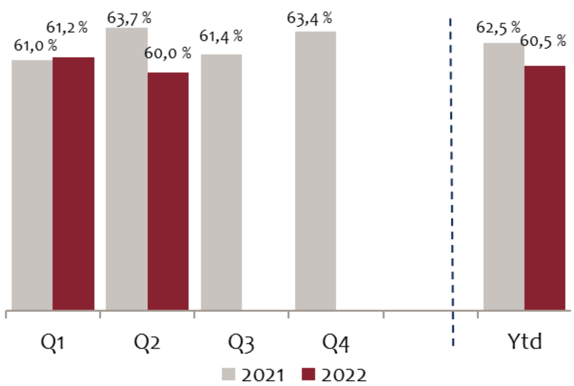
We expect freight costs to come down from current peak levels as the global freight situation seems to be normalising and Kid has agreed freight cost levels supporting lower costs. Hence, we expected to see a gradual reduction in freight costs going forward.

The gross margin reduction was also caused by higher campaigning volumes of seasonal products due to late arrivals of the spring collection, and especially when comparing to an unusual low campaigning volume in Q2 last year.

Furthermore, increased B2B-sales through Hemtex24H and increased costs of raw materials had a negative effect on the margin.

We remain confident of our Financial Objectives with a full-year gross margin in line with the past 10 years.

Gross margin:



Employee benefits expenses increased by +4.4% to MNOK 155.9:

- +2.2 percentage points due to net new stores
- +3.3 percentage points in LFL stores mainly due to less Covid-19 cost savings and salary increases

- -1.9 percentage points due to lower bonus provisions this year
- +0.8 percentage points in headquarter costs mainly due to increased logistics activity and general salary increase

FX effects represented a decrease in employee benefit expenses of approximately MNOK 1.4 following a weaker SEK/NOK in Q2 2022 compared to Q2 2022.

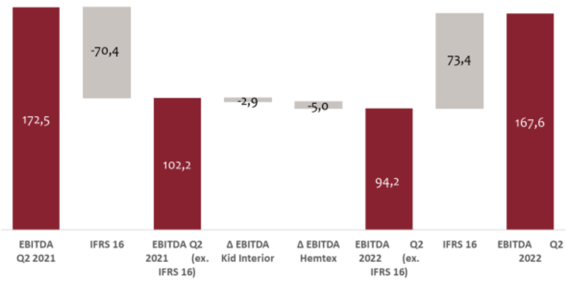
Other operating expenses including IFRS 16 increased by 5.6% to MNOK 116.3:

- +3.1 percentage points related to rental costs and other operating costs in net new stores
- +1.4 percentage points mainly related to less Covid-19 rental rebates, as well as higher shared operating- and marketing costs in LFL store rentals
- +0.5 percentage points from planned, increased marketing costs. Total 2022 spending is according to plan
- +3.3 percentage points mainly related to increase in third party logistics costs, electricity costs, use of temporary consultants and costs related to closing of store in Hemtex
- -2.7 percentage points related to change in IFRS 16 effects

FX effects accounted for a decrease in Other operating expenses of approximately MNOK 1.2 following a weaker SEK/NOK in Q2 2022 compared to Q2 2021.

OPEX (excluding IFRS 16) to sales margin was 47.3% (48.8%). When adding back Covid-19 related costs reduction effects OPEX to sales margin was 47.4% (49.4%).

EBITDA decreased by MNOK 4.9 to MNOK 167.6 due to a reduced gross margin and increased operating expense as described above.



Net financial expense of MNOK 10.7 (MNOK 9.1) relates to net interest expenses of MNOK 4.0 (MNOK 4.3), net other financial expenses of MNOK 1.1 (MNOK 1.5), net foreign exchange gain of MNOK 1,5 (MNOK -3.7) and IFRS 16 interest expense of MNOK 7.1 (MNOK 6.7).

Liquidity and borrowings. During Q2, Kid ASA paid MNOK 162.6 (MNOK 178.8) in dividend. Furthermore, inventory was at a higher level compared to last year due to earlier placement of orders, increased freight costs as well as new assortment and new stores. Consequently, MNOK 130 of the revolving credit facility was fully utilized at the end of the quarter. Additionally, MNOK 50 of the MNOK 100 term loan was drawn upon as part of the new storage project in Sweden.

Excluding IFRS16 effects, net interest-bearing debt was MNOK 784.7 (MNOK 583.0) at the end of the quarter, corresponding to 1.35x (1.00x) of the LTM EBITDA excluding IFRS16.

The Group had cash and available credit facilities of MNOK 159.5 (MNOK 407.7) as of 30 June 2022. The Group has a satisfactorily liquidity situation.

Capital Expenditures during Q2 amounted to MNOK 22.7 (MNOK 24.7) of which investment in the new ecommerce platform accounted for MNOK 2.1 (MNOK 3.9) and the remaining MNOK 20.6 (MNOK 20.8) mainly reflect store openings and refurbishments.

Segments: Key figures

KID Interior

(Amounts in NOK millions)	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Revenue	**455,5**	**418,4**	**822,3**	**744,5**	**1 883,5**
Revenue growth	8,9 %	1,7 %	10,5 %	6,6 %	1,1 %
LFL growth including online sales	5,8 %	-0,9%	7,9 %	3,7 %	-1,8%
COGS	-182,2	-152,9	-323,9	-279,7	-702,3
Gross profit	**273,3**	**265,5**	**498,4**	**464,7**	**1 181,2**
Gross margin (%)	60,0 %	63,5 %	60,6 %	62,4 %	62,7 %
Other operating revenue	0,0	-0,0	0,1	0,5	0,5
Employee benefits expense	-94,1	-86,1	-188,3	-166,9	-367,2
Other operating expense	-103,0	-100,2	-200,6	-189,5	-395,9
Other operating expense - IFRS 16 effect	41,8	39,3	84,4	79,7	159,8
EBITDA	**118,1**	**118,5**	**194,0**	**188,4**	**578,5**
EBITDA margin (%)	25,9 %	28,3 %	23,6 %	25,3 %	30,7 %
No. of shopping days	72	71	148	148	308
No. of physical stores at period end	155	149	155	149	153

Hemtex

(Amounts in NOK millions)	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021 [1]
Revenue	**274,6**	**257,9**	**512,4**	**501,7**	**1 213,6**
Revenue growth [1]	8,8 %	7,7 %	6,9 %	7,1 %	10,1 %
LFL growth including online sales [1]	5,2 %	9,8 %	3,7 %	8,8 %	9,8 %
COGS	-109,9	-92,7	-202,7	-187,9	-457,2
Gross profit	**164,7**	**165,2**	**309,8**	**313,8**	**756,4**
Gross margin (%)	60,0 %	64,1 %	60,5 %	62,6 %	62,3 %
Other operating revenue	1,8	1,5	2,4	2,3	9,5
Employee benefits expense	-61,8	-63,3	-120,8	-122,5	-250,0
Other operating expense	-86,7	-80,4	-170,3	-160,8	-343,9
Other operating expense - IFRS 16 effect	31,6	31,1	62,9	64,0	127,2
EBITDA	**49,6**	**54,0**	**84,0**	**96,8**	**299,1**
EBITDA margin (%)	17,9 %	20,8 %	16,3 %	19,2 %	24,5 %
No. of shopping days	90	90	179	179	363
No. of physical stores at period end (excl. franchise)	118	118	118	118	121

[1] *Calculated in local currency*

Segment: Kid Interior

Revenues in Kid Interior increased by +8.9% (+1.7%) to MNOK 455.5 (MNOK 418.4). Like-for-like revenues including online increased by +5.8% (-0.9%).

The increase in Q2 this year compared to Q2 last year was mainly due to an increase in footfall to physical stores. Average revenue per customer remained stable for the quarter.

In Q2 last year, 44 stores were temporarily closed on average from 1 April to 6 May due to governmental COVID-19 restrictions.

Online revenues increased by +8.4% (+23.2%) to MNOK 41.5 (MNOK 38.3).

Gross profit increased by MNOK 7.8 compared to last year due to increased revenues. The **gross margin** decreased by 3.5 percentage points on the back of increased freight costs, as well increased rebating due to late arrival of seasonal goods, increased cost of raw materials and an unfavourable change in product mix.

Employee expenses increased by +9.1% to MNOK 94.1:

- +2.8 percentage points due to net new stores
- +4.7 percentage points in LFL stores because of less Covid-19 cost reduction early in the quarter as well as general salary increase
- -3.4 percentage points due to lower bonus provisions for Q2.
- +5.0 percentage points in headquarter costs due to increase in HQ staff (offset by reduction in Hemtex), higher activity in the logistics department as well as general salary increases

Year to date bonus provision amounted to MNOK 0.5 (MNOK 3.9).

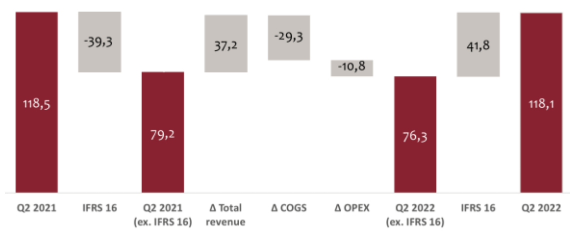
Other operating expenses increased by +0.6% to MNOK 61.2 including IFRS 16:

- +6.3 percentage points mainly related to net new stores as well as increased shared operating costs from store rentals and index adjustments
- -3.0 percentage points from reduced marketing costs. Year-total 2022 spending is according to plan on a Group consolidated basis
- +1.4 percentage points in other OPEX as a result of increased electricity costs as well as use of temporary consultants, lower Covid -19 related cost reduction effects offset by a reduction in fees related to the new e-commerce platform
- -4.1 percentage points related to change in IFRS 16 effects

Covid-19 cost effect during Q2 has been estimated at MNOK 0.0 compared to MNOK 3.7 in Q2 last year of which reduced employee expenses were MNOK 3.4.

EBITDA decreased by MNOK -0.4 to MNOK 118.1 (MNOK 118.5).

Q2 2021 vs. Q2 2022 EBITDA bridge, MNOK



Capital Expenditure during Q2 amounted to MNOK 17.8 (MNOK 13.8) mainly reflecting refurbishments and openings of stores.

Two stores were opened, three stores were refurbished, and one store was relocated during the second quarter. There were no closed stores. The total number of physical stores at the end of the quarter was 155 (149).

Segment: Hemtex

Revenues increased by MNOK 16.6 to MNOK 274.6. In local currency revenues increased by +8.8% to MSEK 282.6. Like-for-like revenues including online sales were up by 5.2%.

The revenue growth was mainly caused by an increase in footfall to physical stores.

Online revenues increased by +3.6% (+5.5%) to MNOK 36.7 (MNOK 35.5) based on a constant currency calculation, and by +0.5% when applying local currency.

Gross profit decreased by MNOK -0.5 due to a decreased margin. The **gross margin** decreased by 4.1 percentage points on the back of increased freight costs, as well increased B2B-sales through Hemtex24H, rebating due to late arrival of seasonal goods and increased cost of raw materials.

Employee expenses decreased by -2.4% to MNOK 61.8:

- +1.4 percentage points due to net new and closed stores
- +2.9 percentage points in LFL due to less Covid-19 cost reductions this quarter and general salary increase
- -4.5 percentage points due to fewer HQ employees in Borås partly offset by services provided by HQ in Norway
- -2.2 percentage points due to changes in NOKSEK exchange rate

Year to date bonus provision amounted to MNOK 0.0 (MNOK 0.5).

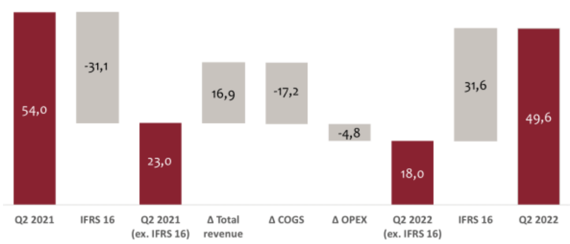
Other operating expenses increased by 11.8% to MNOK 55.1 including IFRS 16:

- +2.5 percentage points mainly related to index adjustments in LFL stores
- +6.1 percentage points related to marketing. Year-total 2022 spending is according to plan on a Group consolidated basis
- +9.7 percentage points mainly related to increased third-party logistics cost driven by higher volumes, as well as costs related to closing of store in Hemtex
- -3.8 percentage points due to changes in NOKSEK exchange rate
- -2.7 percentage points related to change in IFRS 16 effects

Covid-19 cost reduction effect during Q2 has been estimated at MNOK 0.2 (MNOK 0.5).

EBITDA decreased by MNOK -4.4 to MNOK 49.6 (MNOK 54.0). When applying the NOK/SEK-rates from Q2 2021 ("constant currency"), the EBITDA in Q2 2022 is negatively affected by MNOK -1.1 due to a weaker NOK/SEK.

Q2 2021 vs. Q2 2022 EBITDA bridge, MNOK



Capital Expenditure during Q2 amounted to MNOK 4.9 (MNOK 10.9) mainly related to refurbishment and relocation of stores.

One store was closed, two stores were refurbished, and one store was relocated during the quarter. There were no new stores in the period. The total number of physical stores (excl. 11 franchise stores) at the end of the quarter was 118 (118).

Events after the end of the reporting period

Following the pandemic situation, the global overseas freight situation and the strict COVID-19 regulatory situation have caused delays in the value chain, as well as increased freight rates.

We will maintain placement of earlier delivery of orders due to the uncertain over-sea transportation time. Delivery time was previously 35-40 days and have now increased to approximately 50-55 days. Even though we have most of our autumn seasonal products under shipment we remain cautious about the fragile freight situation.

Going forward, we expect our freight costs to come gradually down from current peak levels due to the current spot rate decrease and the agreement with our freight carrier securing fixed rates at levels below spot rates.

There have been no other significant events after the end of the reporting period.

Lier, 25 August 2022

The board of Kid ASA

Petter Schouw-Hansen

Karin Bing Orgland

Rune Marsdal

Liv Berstad

Eyrid Skalleberg Ingerø

Espen Gundersen

Kid ASA - Group figures Q2 2022

Financial statements

Interim consolidated statement of profit and loss

(Amounts in NOK thousand)	Note	Q2 2022 Unaudited	Q2 2021 Unaudited	H1 2022 Unaudited	H1 2021 Unaudited	FY 2021 Audited
Revenue		730 129	676 317	1 334 718	1 246 132	3 097 096
Other operating revenue		1 766	1 419	2 476	2 750	10 010
Total revenue		**731 895**	**677 736**	**1 337 194**	**1 248 882**	**3 107 106**
Cost of goods sold		-292 082	-245 548	-526 583	-467 590	-1 159 506
Employee benefits expense		-155 888	-149 433	-309 022	-289 391	-617 303
Depreciation and amortisation expenses	9	-87 798	-82 973	-174 466	-166 020	-336 376
Other operating expenses		-116 281	-110 220	-223 537	-206 646	-452 730
Total operating expenses		**-652 050**	**-588 173**	**-1 233 607**	**-1 129 647**	**-2 565 916**
Operating profit		**79 846**	**89 564**	**103 587**	**119 235**	**541 190**
Financial income		841	3 704	953	3 706	7 361
Financial expense		-11 575	-12 772	-23 257	-37 113	-63 384
Net financial income (+) / expense (-)		**-10 733**	**-9 068**	**-22 304**	**-33 407**	**-56 023**
Share of result from joint ventures		**-1 186**	**0**	**-1 874**	**0**	**0**
Profit before tax		**67 927**	**80 496**	**79 408**	**85 828**	**485 167**
Income tax expense		-15 909	-16 742	-18 710	-18 293	-100 741
Net profit (loss) for the period		**52 018**	**63 754**	**60 698**	**67 534**	**384 426**
Interim condensed consolidated statement of comprehensive income						
Profit for the period		52 018	63 754	60 698	67 534	384 426
Other comprehensive income		106 628	7 980	105 870	47 177	75 629
Tax on comprehensive income		-21 133	-1 748	-23 862	-10 161	-16 188
Total comprehensive income for the period		**137 513**	**69 986**	**142 706**	**104 551**	**443 867**
Attributable to equity holders of the parent		137 513	69 986	142 706	104 551	464 881
Basic and diluted Earnings per share (EPS):		**1,28**	**1,57**	**1,49**	**1,66**	**9,46**

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	30.06.2022	30.06.2021	31.12.2021
Assets		Unaudited	Unaudited	Audited
Goodwill	9	66 801	69 684	70 286
Trademark	9	1 511 247	1 513 476	1 511 788
Other intangible assets	9	22 147	10 900	19 096
Deferred tax asset		6 483	0	22 968
Total intangible assets		**1 606 679**	**1 594 060**	**1 624 140**
Right of use asset	9	777 151	719 396	756 941
Fixtures and fittings, tools, office machinery and equipment	9	200 350	205 027	203 158
Total tangible assets		**977 501**	**924 423**	**960 099**
Investments in associated companies and joint ventures	10	0	0	30
Loans to associated companies and joint ventures	10	31 203	0	0
Total financial fixed assets		**31 203**	**0**	**30**
Total fixed assets		**2 615 382**	**2 518 483**	**2 584 268**
Inventories		779 625	554 258	646 764
Trade receivables		20 998	13 188	21 999
Other receivables		31 115	29 065	25 023
Derivatives		120 414	2 270	17 439
Totalt receivables		**172 528**	**44 523**	**64 461**
Cash and bank deposits		4 039	60 716	239 331
Total currents assets		**956 191**	**659 497**	**950 556**
Total assets		**3 571 574**	**3 177 983**	**3 534 824**

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	30.06.2022	30.06.2021	31.12.2021
Equity and liabilities		Unaudited	Unaudited	Audited
Share capital		48 770	48 770	48 770
Share premium		321 050	321 050	321 050
Other paid-in-equity		64 617	64 617	64 617
Total paid-in-equity		**434 440**	**434 440**	**434 440**
Other equity		808 350	676 194	828 223
Total equity		**1 242 790**	**1 110 634**	**1 262 663**
Deferred tax		345 123	316 205	332 280
Total provisions		**345 123**	**316 205**	**332 280**
Lease liabilities		539 055	491 056	517 550
Liabilities to financial institutions	6	621 638	601 700	451 628
Total long-term liabilities		**1 160 693**	**1 092 756**	**969 177**
Lease liabilities		251 413	243 937	249 737
Liabilities to financial institutions	6	167 120	41 993	95 000
Trade payable		101 470	56 608	159 751
Tax payable		12 084	46 172	90 335
Public duties payable		100 640	101 962	172 851
Other short-term liabilities		189 230	141 248	197 865
Derivatives		1 012	26 468	5 166
Total short-term liabilities		**822 969**	**658 388**	**970 705**
Total liabilities		**2 328 785**	**2 067 349**	**2 272 162**
Total equity and liabilities		**3 571 574**	**3 177 983**	**3 534 824**

Interim consolidated statement of changes in equity

(Amounts in NOK thousand)	Total paid-in equity	Other equity	Total equity
Balance at 1 Jan 2021	**434 440**	**750 164**	**1 184 601**
Profit for the period YTD 2021	0	67 535	67 535
Other comprehensive income / Cash Flow Hedges	0	37 334	37 334
Dividend	0	-178 839	-178 839
Balance at 30 Jun 2021	**434 440**	**676 194**	**1 110 635**
Balance at 1 Jan 2022	**434 440**	**828 209**	**1 262 660**
Profit for the period YTD 2022	0	60 699	60 699
Other comprehensive income / Cash Flow Hedges	0	82 008	82 008
Dividend	0	-162 581	-162 581
Balance at 30 Jun 2022	**434 440**	**808 350**	**1 242 790**

Interim consolidated statement of cash flows

(Amounts in NOK thousand)	Note	Q2 2022 Unaudited	Q2 2021 Unaudited	H1 2022 Unaudited	H1 2021 Unaudited	FY 2021 Audited
Cash Flow from operation						
Profit before income taxes		67 927	80 496	79 409	85 828	485 166
Taxes paid in the period		-45 013	-25 000	-91 621	-58 128	-105 964
Depreciation & Impairment	9	87 798	82 973	174 466	166 020	336 376
Effect of exchange fluctuations		-1 570	-3 482	-1 700	8 901	16 861
Change in net working capital						
Change in inventory		-50 433	-16 015	-134 625	-80 354	-180 317
Change in trade debtors		-4 508	-3 802	788	4 799	-4 448
Change in trade creditors		-27 520	-19 477	-56 281	-9 016	71 228
Change in other provisions [1]		72 638	16 949	-62 735	-111 239	54 798
Net cash flow from operations		**99 319**	**112 642**	**-92 299**	**6 810**	**673 701**
Cash flow from investment						
Purchase of fixed assets	9	-22 498	-23 024	-38 112	-36 620	-92 614
Loans to associated companies and joint ventures	10	-8 700	0	-31 200	0	0
Net Cash flow from investments		**-31 198**	**-23 024**	**-69 312**	**-36 620**	**-92 614**
Cash flow from financing						
Proceeds from long term loans		50 000	0	50 000	0	0
Proceeds/repayment of revolving credit facility		130 000	130 000	64 882	130 000	65 000
Repayment of Term Loans		-10 000	0	-10 000	-8 678	-38 678
Overdraft facility		3 170	0	141 499	0	0
Lease payments for principal portion of lease liability		-68 135	-64 817	-136 515	-132 299	-264 951
Dividend payment		-162 581	-178 839	-162 581	-178 839	-365 807
Net interest		-9 970	-9 943	-20 348	-18 729	-39 283
Net cash flow from financing		**-67 515**	**-123 599**	**-73 063**	**-208 545**	**-643 719**
Cash and cash equivalents at the beginning of the period		0	91 441	239 331	301 276	301 276
Net change in cash and cash equivalents		607	-33 980	-234 671	-238 353	-62 631
Exchange gains / (losses) on cash and cash equivalents		3 431	3 256	-621	-2 207	683
Cash and cash equivalents at the end of the period		**4 039**	**60 716**	**4 039**	**60 716**	**239 331**

[1] Change in other provisions includes other receivables, public duties payable, short-term liabilities and accrued interest.

Note 1 Corporate information

Kid ASA and its subsidiaries` (together the "company" or the "Group") operating activities are related to the resale of home textiles in Norway, Sweden, Finland and Estonia. The Kid Group offers a full range of home and interior products, including textiles, curtains, bed linens, smaller furniture, accessories and other interior products. We design, source, market and sell these products through our stores as well as through our online sales platforms.

All amounts in the interim financial statements are presented in NOK 1,000 unless otherwise stated.

Due to rounding, there may be differences in the summation columns.

Note 2 Basis of preparations

These interim financial statements for the second quarter of 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

Note 3 Accounting policies

The accounting policies applied in the preparation of the consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended 31 December 2021. Amendments to IFRSs effective for the financial year ending 31 December 2022 are not expected to have a material impact on the group.

Note 4 Estimates, judgments and assumptions

The Preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2021.

Note 5 Segment information

Kid Group reports segments in accordance with how the chief operating decision maker makes, follows up and evaluates its decisions. Within the Group, Kid Interior relates to Norway and Hemtex relates to Sweden with a few stores in Estonia and Finland.

The Group also sells home textiles through the Group's online websites. Over 98% of the products are sold under own brands.

Q2 2022

(Amounts in NOK thousand)	KID Interior	Hemtex	Total
Revenue	455 540	274 589	730 129
COGS	-182 198	-109 884	-292 082
Gross profit	273 342	164 705	438 047
Other operating revenue	5	1 761	1 766
Operating expense (OPEX)	-155 273	-116 898	-272 170
EBITDA	118 075	49 568	167 643
Operating profit	67 614	12 230	79 845
Gross margin (%)	60,0 %	60,0 %	60,0 %
OPEX to sales margin (%)	34,1 %	42,6 %	37,3 %
EBITDA margin (%)	25,9 %	17,9 %	22,9 %
Inventory	488 872	290 753	779 625
Total assets	2 759 309	812 262	3 571 574

Note 6 Loans and borrowings

Financing agreements
At the balance sheet date, the Group has the following borrowing facilities

(Amounts in NOK thousand)	Utilised 30.06.2022	Available Facility	Interest	Maturity	Repayment
Total term loan	521 700	571 700		5 years	Instalments[1]
Of which secured with fixed interest rate:					
Denominated in NOK	395 000	445 000	*Fixed rate at 1,876% + 1.25%* [2]		
Denominated in SEK	75 000	75 000	*Fixed rate at 1,460% + 1.25%* [3]		
Revolving credit facility	130 000	130 000	3 months Nibor + 1.10%	3 years	At maturity
Overdraft	141 501	247 000	1 week IBOR + 1.10%	12 months	At maturity
	793 201	**898 700**			

[1] NOK 30M in annual instalments with bi-annual payments.
[2]Fixed interest rate is secured through an interest rate swap of MNOK 395 maturing May 2029 and subject to hedge accounting
[3]Fixed interest rate and denomination in SEK is hedged through a cross currency interest swap of MNOK 115 maturing November 2024
The effect of the change in fair value of the cross currency interest swap is booked against foreign exchange gains/losses in Statement of profit and loss

Note 7 Earnings per share

	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Weighted number of ordinary shares	40 645 162	40 645 162	40 645 162	40 645 162	40 645 162
Net profit or loss for the year	52 018	63 754	60 698	67 534	384 426
Earnings per share (basic and diluted) (Expressed in NOK per share)	**1,28**	**1,57**	**1,49**	**1,66**	**9,46**

Note 8 Related party transactions

The Group's related parties include its associates, joint ventures, key management and members of the board.

None of the Board members have been granted loans or guarantees in the current quarter. Furthermore, none of the Board members are included in the Group's pension or bonus plans.

The following table provides the total amount of transactions that have been entered into with related parties during the first half of 2022 and 2021:

Related Party	**H1 2022**	**H1 2021**
Prognosgatan Holding AS (Loan)	31 203	0
Total	31 203	0

Prognosgatan Holding AS is a single-purposed company investing in the joint-venture warehouse project in Borås, Sweden.

Note 9 Fixed assets and intangible assets

(amounts in NOK thousand)	Right of use Asset	PPE	Trademark	Other Intangibles	Goodwill
Balance 01.01.2022	**756 941**	**203 158**	**1 511 788**	**19 096**	**70 286**
Exchange differences	*-1 861*	*-387*	*-541*	*-194*	*-3 485*
Additions, disposals and adjustments	159 214	33 389		4 758	
Depreciation and amortisation	-137 142	-35 810		-1 513	
Balance 30.06.22	**777 151**	**200 350**	**1 511 247**	**22 147**	**66 801**

(amounts in NOK thousand)	Right of use Asset	PPE	Trademark	Other Intangibles	Goodwill
Balance 01.01.2021	**821 683**	**199 513**	**1 515 484**	**5 622**	**72 281**
Exchange differences	*-9 460*	*-1 247*	*-2 008*	*-147*	*-2 597*
Additions, disposals and adjustments	38 942	40 315	-	6 638	-
Depreciation and amortisation	-131 769	-33 554	-	-1 214	-
Balance 30.06.21	**719 396**	**205 028**	**1 513 476**	**10 900**	**69 684**

Note 10 Investments in subsidiaries and joint ventures

The group had the following subsidiaries as of 30 June 2022:

Name	Place of business	Nature of business	Proportion of shares directly held by parent (%)
Kid Interiør AS	Norway	Interior goods retailer	100
Kid Logistikk AS	Norway	Logistics	100
Hemtex Logistikk AS*	Norway	Logistics	100
Hemtex AB	Sweden	Interior goods retailer	100
Hemtex OY	Finland	Interior goods retailer	100
Hemtex international AB	Sweden	Non operating company	100

All subsidiary undertakings are included in the consolidation.

The group had the following joint ventures on 30 June 2022:

Name	Place of business	Nature of relationship	Measurement method	Ownership share	Carrying amount
Prognosgatan Holding AS	Norway	Joint venture	Equity method	50 %	-

The joint venture is reflected in the statement of profit and loss and the statement of financial position. The share of result from the joint venture for Q2 2022 was MNOK -1,2. Per the reporting date, the carrying amount is MNOK 0 and MNOK -1,9 has been classified as other short-term liabilities related to the investment.

RESPONSIBILITY STATEMENT KID ASA

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 30 June 2022 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm, to the best of our knowledge, that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Lier, 25 August 2022

The board of Kid ASA

Petter Schouw-Hansen

Karin Bing Orgland

Rune Marsdal

Liv Berstad

Gyrid Skalleberg Ingerø

Espen Gundersen

Definitions

- **Like-for-like** revenue are revenue from stores that were in operation from the start of last fiscal year all through the end of the current reporting period.
- **Revenue growth** represents the growth in revenue for the current reporting period compared to the comparative period the previous year. Revenue growth for Hemtex is calculated in constant currency. Revenue growth is an important key figure for the KID Group and the user of financial statements as it illustrates the underlying organic revenue growth.
- **Gross profit** is defined as revenue minus the cost of goods sold (COGS). The gross profit represents sales revenue that the Group retains after incurring the direct costs associated with the purchase and distribution of the goods.
- **Gross margin** is defined as Gross profit divided by Revenue. The gross margin reflects the percentage margin of the sales revenue that the Group retains after incurring the direct costs associated with the purchase and distribution of the goods and is an important internal KPI.
- **OPEX to sales margin** is the sum of Employee benefits expense and Other operating expenses divided by Revenue. The OPEX to sales margin measures operating cost efficiency as percentage of sales revenue and is an important internal KPI.
- **EBITDA** is earnings before tax, interests, amortisation of other intangibles and depreciation and write-down of property, plant and equipment and right-of-use assets. The performance measure is an important key figure for Kid Group and considered useful to the users of the financial statements when evaluating operational profitability on a more variable cost basis as it excludes amortisation and depreciation expense related to capital expenditure.
- **EBITDA margin** is EBITDA divided by Total revenue. The performance measure is an important key figure for Kid Group and considered useful to the users of the financial statements when evaluating operational efficiency on a more variable cost basis as is excludes amortisation and depreciation expense related to capital expenditure.
- **EBIT** (earnings before interest, tax) is operating profit. The performance measure is considered useful to the users of the financial statements when evaluating operational profitability.
- **EBIT margin** is EBIT divided by Total revenue. The performance measure is an important key figure for Kid Group and considered useful to the users of the financial statements when evaluating operational efficiency.
- **Net Capital expenditure** represent the cash flow from the investment spending in property, plant and equipment and other intangibles, less sale such asset.
- **Net Income is** profit (loss) for the period.
- **Constant currency** is exchange rates that the Group uses to eliminate the effect of exchange rates fluctuations when calculating financial performance numbers.

Adjusted EBITDA, adjusted EBITDA margin, adjusted EBIT and adjusted EBIT margin are no longer included in the Alternative Performance Measures because these performance measures are no longer considered relevant. Previous adjustments were due to integration costs. There were no such integration costs in 2021 and in the comparable periods these costs are not considered material.

Disclaimer

This report includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this report, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as “believe,” “expect,” “anticipate,”, “may,” “assume,” “plan,” “intend,” “will,” “should,” “estimate,” “risk” and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

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