Kid

Interim report Q4 2018

Dear Shareholders

The fourth quarter of 2018 was the best three month period ever for Kid. The early winter and Christmas season is extremely busy in all parts of the business and hence planning and execution are key factors for delivering results. We are happy to report solid revenue and EBITDA growth of 7.2% and 26.1% respectively, which proves that we again succeeded in the most important quarter of the year for Kid. For the full year we delivered sales and EBITDA growth of 6.2% and 17.1% respectively, which makes 2018 our best financial year ever!

These are the key takeaways from the fourth quarter:

- Sales in the fourth quarter started slowly in October and early November, before peaking during the condensed Black Week shopping period, with a growth of 14%. The Black Friday growth of 25% was a new one-day revenue record for Kid, and we were able to continue to deliver high growth for the remaining and important Christmas period, resulting in a total growth of 7.2% for the quarter.
- Our online store grew by 30% in the fourth quarter and is an increasingly important sales channel and traffic generator to our physical stores. Since last year we have improved the online shopping experience by increasing inspirational elements and design, reducing delivery times, and improving product availability and site speed. Yet, we still see a large potential in further developing our online store and omnichannel approach.
- Physical stores will still be important for us going forward and our experience is that investments aimed at increasing the shopping experience in-store pays off. We have therefore decided to increase the maintenance capital expenditure level in 2019 to MNOK 40 (MNOK 27.3) in order to speed up store upgrades and ensure that customers get the best in-store experience with Kid.
- Gross margin was up 0.7 percentage points from the fourth quarter last year, mainly due to a favourable USD exchange rate. The positive increase in gross margin is considered temporary, and we expect to gradually revert to 2016 and 2017 levels.
- Innovation and product development remain key to our success. We consider the current design and assortment mix our best ever, and by improving our logistics forecasts we were able to ensure that sufficient volumes of our best-selling products were in the right store at the right time. Kid also successfully introduced high quality spices and oil as a new product group.
- In Q4, we implemented and started to use the new CRM system for our customer club. The solution will enable us to create tailored communication based on customer insight. Our goal is to create the best customer club in Norway by being increasingly more relevant for our customers. The Kid club had 821 199 GDPR compliant members at the end of the year.
- For several years, Kid has been one of the main sponsors of the Pink Ribbon campaign in Norway. Our contribution comes from selling ribbons and a variety of unique products. Our contribution to the campaign was MNOK 2.0, and will raise valuable awareness and funding for breast cancer.
- Our inventory level at the end of the quarter came in at a significantly lower level than last year due to strengthened focus on planning and projections of sales and sourcing. However, our level of safety stock was somewhat low resulting in out-of-stock situations. For Q4 2019, we plan to increase the inventory level for our most important products compared to Q4 2018.

We are now well into the first quarter 2019, and although it will likely be the least important quarter of the year in terms of revenues, with the opening of the new store at CC Vest (Oslo) and the launch of our exciting new lighting collection.

Yours sincerely,

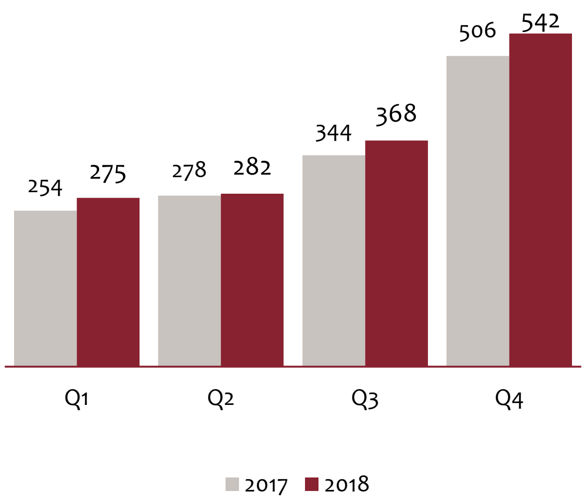
Anders Fjeld
CEO

Fourth quarter in brief

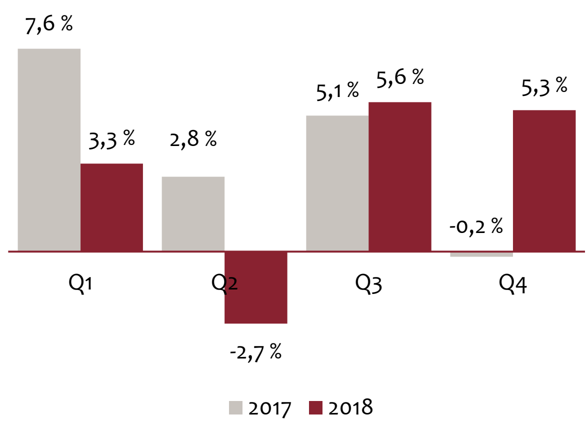
(Figures from the corresponding period - previous year in brackets)

- Revenues of MNOK 542.2 (MNOK 505.5) in Q4 2018, an increase of 7.2% (4.5%). The number of ordinary shopping days in the third quarter was 77, compared to 76 days last year. For the full year, revenues amounted to MNOK 1 466.7 (MNOK 1 381.7), up 6.2% (6.8%) from 2017. The number of ordinary shopping days for the full year was 303 (303).
- Like-for-like sales increased by 5.3% (-0.2%) in the quarter and 3.1% (3.1%) year-over-year.
- Gross margin of 60.4% (59.7%) in Q4 and 60.9% (60.4%) for the full year. The gross margin was positively affected by a lower hedged USDNOK in Q4 compared to last year.
- EBITDA of MNOK 141.3 (MNOK 125.2) in Q4. For the full year, EBITDA was MNOK 250.2 (MNOK 214.5).
- Adjusted EPS increased to NOK 3.79 (3.12) for the last twelve months. The board of directors will propose a half-year dividend of NOK 2,00 per share to the annual general meeting to be held on May 21st 2019.
- The index for sale of home textiles in Q4 2018 in specialised stores in Norway decreased by -2.8% compared to an increase of 7.2% for Kid, according to Statistics Norway. The latest accurate market statistic based on tax returns data show a market growth of 1.0% for the twelve months ending 31.08.2018. For the same period, Kid increased revenues by 5.9% and the market share to 34.6% (33.0%).
- New stores opened at Lagunen (Bergen), Lade (Trondheim) and Jærhagen (Stavanger). The total number of physical stores at the end of the quarter was 143 (140).

Revenues, MNOK



Like-for-like growth

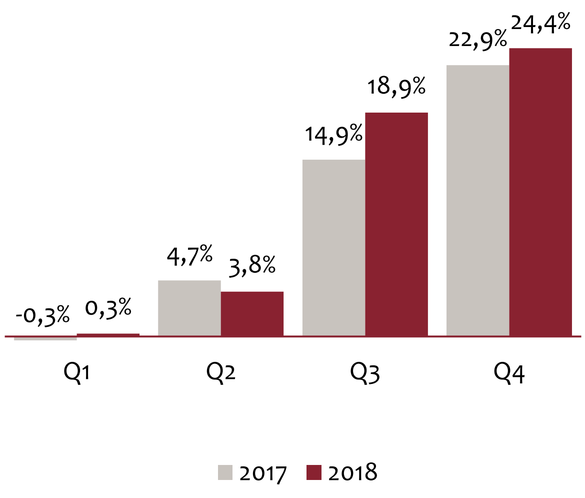


Key figures

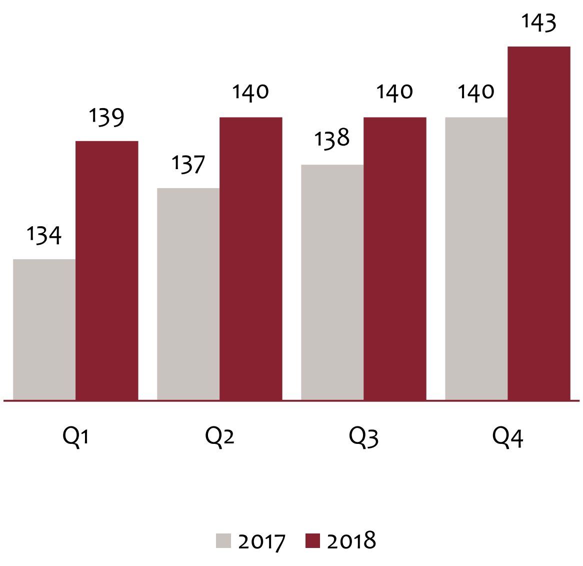
(Amounts in NOK million)	Q4 2018	Q4 2017	Full Year 2018	Full Year 2017
Revenues	542,2	505,5	1466,7	1381,7
Growth	7,2%	4,5%	6,2%	6,8%
LFL growth including online sales	5,3%	-0,2%	3,1%	3,1%
No. of shopping days in period	77	76	303	303
No. of physical stores at period end	143	140	143	140
COGS	-214,6	-203,9	-573,2	-547,6
Gross profit	327,6	301,7	893,5	834,0
Gross margin (%)	60,4%	59,7%	60,9%	60,4%
EBITDA	141,3	125,2	250,2	214,5
EBITDA margin (%)	26,1%	24,8%	17,1%	15,5%
EBIT	132,0	115,9	213,1	179,7
EBIT margin (%)	24,4%	22,9%	14,5%	13,0%
Adj. Net Income*	99,6	85,6	154,1	126,7
#shares at period end	40,6	40,6	40,6	40,6
Adj. Earnings per share	2,45	2,10	3,79	3,12
Net interest bearing debt	185,7	299,4	185,7	299,4

*Adjusted for change in deferred tax caused by lower tax rate in Q4-2017 and Q4 2018.

EBIT margin



Number of physical stores (period end)



Financial review

The figures reported in the Q4 report have not been subject to a review by the Group's auditor PwC, and the preparation has required management to make accounting judgements and estimates that impact the figures. Figures from the corresponding period the previous year are in brackets, unless otherwise specified.

Profit and loss

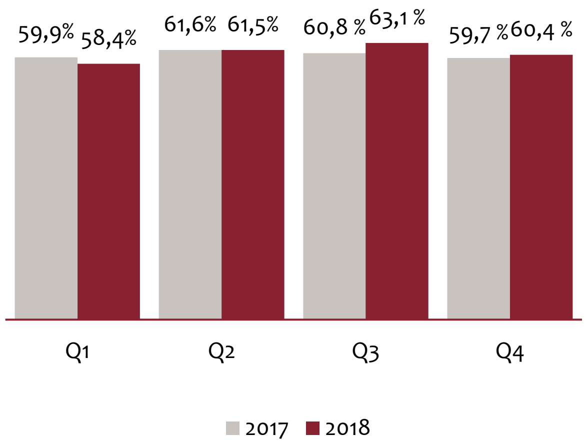
Revenues in the fourth quarter amounted to MNOK 542.2 (MNOK 505.5), an increase of 7.2% (4.5%) compared to the fourth quarter of 2017. The number of ordinary shopping days in the fourth quarter was 77 (76). For the full year, revenues increased by 6.2% (6.8%). The number of ordinary shopping days for the full year was 303 (303).

Online sales increased by 30.0% (33.8%) in the fourth quarter, driven by inspirational elements and design, reduced delivery time, and improved product availability and site speed. Full year online revenues were MNOK 67.8 (MNOK 43.4) - a growth of 56.2% compared to 2017. The online share of total revenues was 4.6% (3.1%) for the full year.

New stores opened at Lagunen (Bergen), Lade (Trondheim) and Jærhagen (Stavanger). The total number of physical stores at the end of the quarter was 143 (140).

Gross margin was 60.4% (59.7%) for the fourth quarter, and 60.9% (60.4%) for the full year. The gross margin was positively affected by a lower hedged USDNOK in Q4 compared to last year. Kid ASA has applied IFRS9 and hedge accounting retrospectively, with initial application from 1 January 2015. All references to historical financial figures are based on IFRS 9 in this report.

Gross margin (hedge accounting):



Operating expenses, including employee benefit expenses, were MNOK 186.6 (MNOK 176.5) in the fourth quarter, up 5.7%. For the full year, operating expenses including employee benefit expenses amounted to MNOK 643.6 (MNOK 620.2), an increase of 3.8%. Operating expenses, relatively to sales, was 43.9% (44.9 %) in 2018. There were no adjustments for extraordinary operating expenses in 2017 or 2018.

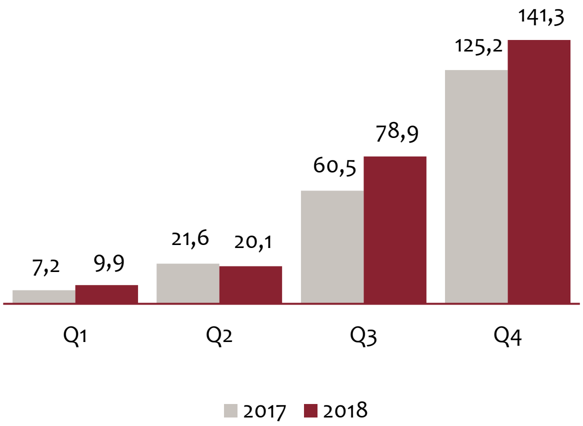
Employee expenses increased by 3.1% to MNOK 92.2 (MNOK 89.4) in the fourth quarter:

- 1.4 percentage points increased from net new stores
- 1.3 percentage points increase due to a combination of general salary inflation and decreased staffing level in stores.
- 0.4 percentage points increase due to increased provision for store, HQ and management bonuses.

Other operating expenses increased by 8.4% in the quarter to MNOK 94.4 (MNOK 87.1):

- 1.1 percentage points related to retail space rental costs for net new stores.
- 1.1 percentage points related to other store and HQ rental costs driven by inflation and relocation of stores.
- 3.0 percentage points related to an increase in marketing expenses.
- 3.2 percentage points related to other OPEX.

EBITDA



EBITDA amounted to MNOK 141.3 (MNOK 125.2) in the fourth quarter. This represents an EBITDA margin of 26.1% (24.8%).

EBITDA for the full year was MNOK 250.2 (MNOK 214.5), an increase of 16.6% driven by revenue growth, an increase of gross margin and increased cost efficiency.

EBIT amounted to MNOK 132.0 (MNOK 115.9) in the fourth quarter. This represents an EBIT margin of 24.4% (22.9%). EBIT was affected by increased depreciation due to last year's CAPEX levels.

EBIT for the full year amounted to MNOK 213.1 (MNOK 179.7), corresponding to an EBIT margin of 14.5% (13.0%).

Net financial expenses amounted to MNOK 2.7 (MNOK 3.1) in the fourth quarter, and MNOK 12.8 (MNOK 12.7) for the full year.

During the fourth quarter Kid paid an instalment of MNOK 50 on its flexible credit facility.

Adjusted net income amounted to MNOK 99.6 (MNOK 85.6) in the fourth quarter. Net income for 2018 was MNOK 154.1 (MNOK 126.7). Net income is adjusted for a change in deferred tax related to trademark of MNOK -14.6 caused by the reduced tax rate from 23% to 22% with effect from 1.1.2019. The same adjustment was made in the fourth quarter of 2017 caused by the reduced tax rate from 24% to 23% with effect from 1.1.2018.

Events after the end of the reporting period

The Board of Directors proposes a half-year dividend of NOK 2.00 per share in May 2019. Kid also paid a half-year dividend of NOK 1,20 per share in November 2018. In total, these payments represent 84,4% of preliminary adjusted net income for 2018.

The board of directors will also propose to the annual general meeting that the board is given the authority to distribute an additional half-year dividend in November 2019 in accordance with the dividend policy and in light of the third quarter 2019 results. Going forward, Kid will aim to distribute 80% to 100% of adjusted net income as dividend.

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

Lier, 14th February 2019

The board of Kid ASA

Henrik Schüssler
Chairman

Bjørn Rune Gjelsten
Board member

Karin Bing Orgland
Board Member

Vilde Falck-Ytter
Board member

Egil Stenshagen
Board member

Kid ASA Q4 2018

Financial statements

Interim condensed consolidated statement of profit and loss

(Amounts in NOK thousand)	Note	Q4 2018 Unaudited	Q4 2017 Unaudited	Full year 2018 Unaudited	Full year 2017 Audited
Revenue		542 196	505 549	1 466 729	1 381 675
Other operating revenue		276	32	336	667
Total revenue		**542 473**	**505 582**	**1 467 064**	**1 382 342**
Cost of goods sold		214 551	203 870	573 230	547 627
Employee benefits expence		92 248	89 438	310 898	306 471
Depreciation and amortisation expenses	9	9 256	9 330	37 123	34 839
Other operating expenses		94 369	87 064	332 703	313 716
Total operating expenses		**410 423**	**389 702**	**1 253 954**	**1 202 653**
Operating profit		**132 049**	**115 880**	**213 110**	**179 689**
Other financial income		990	213	1 337	821
Other financial expense		3 670	3 264	14 115	13 480
Changes in fair value of financial assets		0	0	0	0
Net financial income (+) / expense (-)		**-2 680**	**-3 051**	**-12 778**	**-12 659**
Profit before tax		**129 370**	**112 829**	**200 332**	**167 030**
Income tax expense		15 166	12 676	31 609	25 705
Net profit (loss) for the period		**114 203**	**100 153**	**168 723**	**141 325**
Interim condensed consolidated statement of comprehensive income					
Profit for the period		114 203	100 153	168 723	141 325
Other comprehensive income*		14 719	6 820	19 427	-9 420
Tax on comprehensive income		-3 201	-1 614	-4 284	2 284
Total comprehensive income for the period		**125 722**	**105 359**	**183 866**	**134 189**
Attributable to equity holders of the parent		125 722	105 359	183 866	134 189
Basic and diluted Earnings per share (EPS):		**2,81**	**2,46**	**4,15**	**3,48**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements.

**Mainly related to USD hedge*

Interim condensed consolidated statement of financial position

(Amounts in NOK thousand) **Assets**	**Note**	**31.12.2018** Unaudited	**31.12.2017** Audited
Trademark	9	1 462 889	1 462 354
Store lease rights		6 532	8 423
Total intangible assets		**1 469 421**	**1 470 777**
Fixtures and fittings, tools, office machinery and equipment	9	91 530	91 896
Total tangible assets		**91 530**	**91 896**
Total fixed assets		**1 560 951**	**1 562 672**
Inventories		253 157	301 997
Trade receivables		2 962	3 500
Other receivables	6	24 823	28 506
Derivatives	6	8 949	4 180
Totalt receivables		**36 733**	**36 185**
Cash and bank deposits		242 152	130 071
Total currents assets		**532 042**	**468 252**
Total assets		**2 092 993**	**2 030 924**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Interim condensed consolidated statement of financial

(Amounts in NOK thousand) **Equity and liabilities**	**Note**	**31.12.2018** Unaudited	**31.12.2017** Unaudited
Share capital		48 774	48 774
Share premium		321 049	321 049
Other paid-in-equity		64 617	64 617
Total paid-in-equity		**434 440**	**434 440**
Other equity		656 247	584 077
Total equity		**1 090 687**	**1 018 516**
Deferred tax		321 352	334 585
Total provisions		**321 352**	**334 585**
Liabilities to financial institutions		427 873	429 433
Total long-term liabilities		**427 873**	**429 433**
Liabilities to financial institutions		0	0
Trade payables		37 666	45 161
Tax payable		46 216	40 415
Derivative financial instruments		0	0
Public duties payable		111 812	104 674
Other short-term liabilities		57 388	58 139
Total short-term liabilities		**253 081**	**248 390**
Total liabilities		**1 002 306**	**1 012 408**
Total equity and liabilities		**2 092 993**	**2 030 924**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Interim condensed consolidated statement of changes in equity

(Amounts in NOK thousand)	Total paid- in equity	Other equity	Total equity
	Unaudited	Unaudited	Unaudited
Balance at 1 Jan 2017	**434 440**	**567 852**	**1 002 292**
Profit for the year	0	141 325	141 325
Other comprehensive income	0	-7 136	-7 136
Cash flow hedges	0	3 971	3 971
Dividend	0	-121 935	-121 935
Balance as at 31 des 2017	**434 440**	**584 077**	**1 018 516**
Balance at 1 Jan 2018	**434 440**	**584 077**	**1 018 516**
Profit for the year	0	168 723	168 723
Other comprehensive income	0	15 143	15 143
Cash flow hedges	0	-10 083	-10 083
Dividend	0	-101 613	-101 613
Balance as at 31 des 2018	**434 440**	**656 247**	**1 090 687**

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Interim condensed consolidated statement of cash flows

(Amounts in NOK thousand)	Note	Q4 2018 Unaudited	Q4 2017 Unaudited	2018 Unaudited	2017 Unaudited
Cash flow from operations					
Profit before income taxes		129 370	112 829	200 332	167 030
Taxes paid in the period		-1 200	-20 720	-40 415	-40 849
Gain/loss from sale of fixed assets		0	0	0	0
Depreciation & impairment	9	9 256	9 330	37 123	34 839
Change in financial derivatives		0	0	0	0
Differences in expensed pensions and payments in/out of the pension scheme		0	0	0	0
Effect of exchange fluctuations		0	0	0	0
Items classified as investments or financing		3 153	3 524	14 669	13 736
Change in net working capital					
Change in inventory		75 587	44 840	48 839	-79 807
Change in trade debtors		701	-20	538	-972
Change in trade creditors		-4 310	5 356	-7 495	4 536
Change in other provisions*		44 189	36 463	11 625	19 633
Net cash flow from operations		**256 744**	**191 601**	**265 216**	**118 146**
Cash flow from investments					
Net proceeds from investment activities		0	0	0	0
Purchase of store lease rights		0	0	0	-9 500
Purchase of fixed assets	9	-13 402	-7 999	-37 293	-37 573
Net cash flow from investments		**-13 402**	**-7 999**	**-37 293**	**-47 073**
Cash flow from financing					
Repayment of long term loans		-395	-377	-1 560	-97 111
Repayment of short term loans		-50 000	-50 000	0	-100 000
Net interest		-2 823	-3 490	-12 640	-14 517
Net change in bank overdraft		0	0	0	100 000
Dividend payment		-48 774	-40 645	-101 613	-121 935
Net proceeds from shares issued		0	0	0	0
Net cash flow from financing		**-101 992**	**-94 513**	**-115 813**	**-233 564**
Cash and cash equivalents at the beginning of the period		99 735	40 537	130 071	291 852
Net change in cash and cash equivalents		141 349	89 090	112 110	-162 491
Exchange gains / (losses) on cash and cash equivalents		1 068	445	-29	710
Cash and cash equivalents at the end of the period		**242 152**	**130 071**	**242 152**	**130 071**

*Change in other provisions includes other receivables, public duties payable and other short-term liabilities.

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

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 on the Norwegian market.

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 condensed interim financial statements for the three and twelve months ended 31 December 2018 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2017, 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 condensed consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended 31 December 2017.

Amendments to IFRSs effective for the financial year ending 31 December 2018 are not expected to have a material impact on the group.

The group adopted IFRS 15 as of 1 January 2018 using the full retrospective approach. The implementation of IFRS 15 does not have a material effect on total reported revenues, expenses, assets or liabilities.

The group will implement IFRS 16 from 1.1.2019 by applying the modified retrospective approach. At the date of initial application of the new leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as of 1 January 2019.

The group rent facilities for all stores and the central warehouse, which is the main source of arrangements recognized as lease agreements under IFRS16. The rental agreements define a store or warehouse premises as the lease object in exchange for a defined lease payment. Only fixed rental costs are considered as an obligation under the IFRS 16 definition, while marketing contributions and common operation costs at shopping centres are considered to be outside of the scope. The lease agreements are considered to have a duration equal to the expiration date of the rental contract with the addition of any extension options that are likely to be used. As the agreements do not contain an implicit interest rate, the valuation of the lease agreements will be based on an incremental borrowing rate.

The group have analysed the effects of IFRS 16 under the assumption that it was implemented on 1.1.2019 by using the modified retrospective approach. The effects represent changes from the accounting principles applied in the annual report for 2018. The analysis is based on an incremental borrowing rate in the range of 3.0% - 5.5% dependent of lease length and location type, and indicates an expected lease asset and lease liability at the time of application in the range of MNOK 650 – 780. The effects on profit and loss in the first year after implementation are expected to be a reduction in operating costs in the range of MNOK 140 – 170, an increase in depreciation in the range of MNOK 120 – 150 and an increase of interest expenses in the range of MNOK 25 – 30. Based on this, the total effect on profit before tax one year after implementation is a decrease in the range of MNOK 8 – 10.

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 condensed interim financial statements, the significant judgements made by management inn 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 2017.

Note 5 Segment information

The Group sells home textiles in 143 fully owned stores across Norway and through the Group's online website. Over 98% of the products are sold under own brands. The Group's aggregate online sales are approximately equal to the sales of one physical store and it is therefore not considered as a separate segment. The Norwegian market is not divided into separate geographical regions with distinctive characteristics and Kid's operations cannot naturally be split in further segments.

Note 6 Financial instruments

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.
The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2017.
There have been no changes in any risk management policies since the year-end.

Set out below is a comparison of the carrying amounts and fair values of financial assets and liabilities as at 31 December 2018 and 31 December 2017.

(Amounts in NOK thousand)	31 December 2018		31 December 2017	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables				
Trade and other receivables excluding pre-payments	3 027	3 027	3 513	3 513
Cash and cash equivalents	242 152	242 152	130 071	130 071
Total	**245 179**	**245 179**	**133 584**	**133 584**
Financial liabilities				
Borrowings (excluding finance lease liabilities)	425 000	425 000	425 000	425 000
Finance lease liabilities	2 873	2 873	4 433	4 433
Trade and other payables excluding non-financial liabilities	147 765	147 765	147 832	147 832
Total	**280 108**	**280 108**	**281 601**	**281 601**
Financial instruments measured at fair value through profit and loss				
Derivatives - asset				
Foreign exchange forward contracts	8949	8949	4 180	4 180
Total	8949	8949	4 180	4 180
Derivatives – liabilities				
Foreign exchange forward contracts	0	0	0	0
Total	**0**	**0**	**0**	**0**

Fair value hierarchy
All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:
Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between Levels or changes in valuation techniques during the period.
All of the Group's financial instruments that are measured at fair value are classified as level 2.

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Note 7 Earnings per share

	Q4 2018	Q4 2017	Full year 2018	Full Year 2017
Weighted number of ordinary shares	40 645 162	40 645 162	40 645 162	40 645 162
Net profit or loss for the year	114 203	100 153	168 723	141 325
Earnings per share (basic and diluted) (Expressed in NOK per share)	2,81	2,46	4,15	3,48

Note 8 Related party transactions

The Group's related parties include it associates, key management, members of the board and majority shareholders.

None of the Board members have been granted loans or guarantees in the current year. 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 nine months ended 31 December 2018 and 2017:

Lease agreements:	2018	2017
Gilhus Invest AS (Headquarter rental)*	0	16674
Vågsgaten Handel AS with subsidiaries (Store rental)	1 263	1 272
Total	**1 263**	**17 946**

* Gilhus Invest AS was sold to a non-related party in December 2017.

Note 9 Fixed assets and intangible assets

(amounts in NOK million)	PPE	Trademark	Store lease rights
Balance 01.01.2018	91,9	1 462,3	8,4
Additions	36,2	1,1	
Depreciation and amortisation	-36,6	-0,5	-1,9
Balance 31.12.2018	**91,5**	**1 462,9**	**6,5**

(amounts in NOK million)	PPE	Trademark	Store lease rights
Balance 01.01.2017	88,5	1 463,0	0,0
Additions	36,9	0,7	9,5
Depreciation and amortisation	-33,4	-1,5	-1,1
Balance 31.12.2017	**91,9**	**1 462,4**	**8,4**

Definitions

- **Like for like** are stores that were in operation at the start of last year's period and end of current period. Refurbished and relocated stores, as well as online sales, are included in the definition.
- **Gross profit** is revenue less cost of goods sold (COGS)
- **EBITDA** (earnings before interest, tax, depreciation and amortisation) is operating profit excluding depreciation and amortization
- **EBIT** (earnings before interest, tax) is operating profit
- **Capital expenditure** is the use of funds to acquire intangible or fixed assets
- **Net Income is** profit (loss) for the period
- **Adjusted Net Income** is Net Income adjusted for non-recurring items and change in deferred tax caused by the lower tax rate.

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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