Kid

Interim report Q1 2019

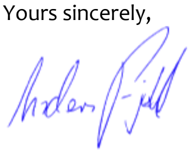
Dear Shareholders

The first quarter was a good start to the year in terms of financial achievements, category development and store optimisation. We believe that this creates a solid foundation for the remainder of the year from both an operational and financial perspective.

- Kid delivered a strong financial performance in Q1 with sales growth of 8.4% and like-for-like growth of 5.1%. The increase was driven by a commercial product portfolio supported by solid operational in-store performance, efficient logistics and good marketing execution. We continue to strengthen the entire value chain, with performance improvement as a main focus.
- Gross margin for the quarter was 60.5% (58.4%). We ended 2018 with a relatively low inventory level which enabled us to be less aggressive on campaign activities during the quarter. We have, at the same time, increased our customer base and sales volumes.
- As Q1 is the slowest period of the year in terms of sales, our store operations team focused their efforts on improving our store portfolio. We believe improving in-store experience is key to success in the current retail market. Following the opening of our new store at CC vest in February, we are pleased to see results in line with our high expectations. We have refurbished seven and closed two stores during the quarter, and will continue with store upgrades in Q2. During the quarter we also signed a new lease agreement with the Exhibition shopping centre in downtown Bergen, which is expected to open during the third quarter.
- We have maintained stringent cost control throughout the quarter. Due to the increased number of working hours related to a larger number of store refurbishments, our personnel cost was, as planned, higher in the first quarter than in the same period last year.
- Online sales grew by 22.6% compared to Q1 2018. We will continue to develop the online channel with further improvements and investments going forward, and to support our e-commerce strategy we have established a new Chief Technology Officer ("CTO") role that will strengthen our management team. The new CTO started on May 1st and comes with relevant experience from retail.
- In March, we launched Funkle as a brand for our new decorative lighting concept. This is a category where we have identified substantial growth potential and consider it a natural addition to our product portfolio. The introduction of Funkle reflects our continuous focus on product development, and more new concepts will arrive in stores during 2019.
- Although Easter is a relatively short season, it still influences our sales figures significantly. This is a result of increased demand for Easter goods in the period leading up to Easter, combined with the impact from lost shopping days during the Easter holidays. In order to better explain this effect year-over-year, we include April sales figures in this Q1 report. The number of shopping days in the first four months of the year were equal to last year, and we are proud to report that we continued our strong trend in Q1 in April, with year-to-date sales growth of 10.2% (6.6%) and like-for- like growth of 6.2% (1.7%).

As we publish this report, our annual summer catalogue is out, promoting our summer interior collections. We are looking forward to the summer season, and are confident that an increasing number of customers will visit Kid stores for an inspiring and joyful shopping experience.

Yours sincerely,

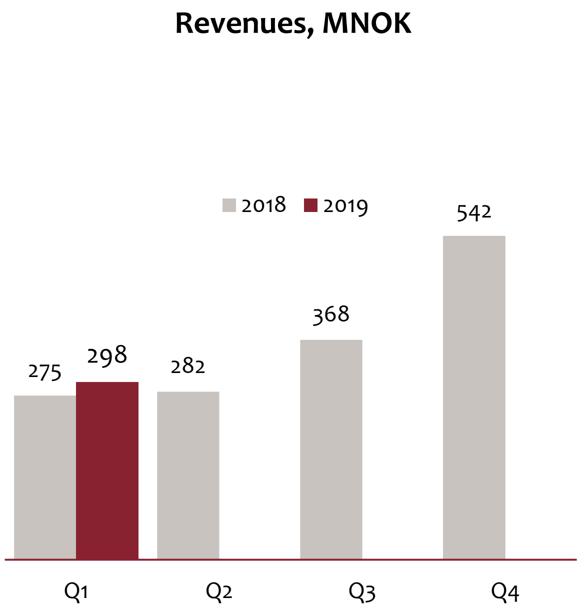


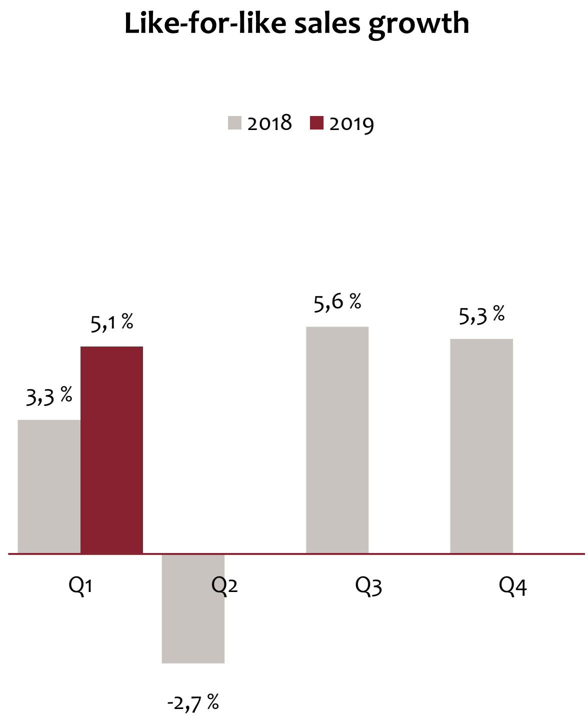
Anders Fjeld
CEO

First quarter in brief

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

- Revenues of MNOK 298.0 (MNOK 274.9) in Q1 2019, an increase of 8.4% (8.3%). The number of ordinary shopping days in the first quarter was 76, compared to 75 days last year due to the timing of Easter. For the period January through April 2019, sales increased by 10.2% (6.6%). The number of ordinary shopping days for the first four months of 2019 was 99 (99).
- Like-for-like sales increased by 5.1% (+3.3%).
- Gross margin of 60.5% (58.4%).
- EBITDA of MNOK 52.0. EBITDA (excluding IFRS 16 effects) of MNOK 15.1 (MNOK 9.9).
- Adjusted EPS increased to NOK 3.82 (3.15) for the last twelve months.
- The index for sale of home textiles in Q1 2019 in specialised stores in Norway increased by 1.0% compared to 8.4% for Kid, according to Statistics Norway. The latest accurate market statistic based on tax returns data show a market growth of 0.9% for the twelve months ending 31.12.2018. For the same period, Kid increased revenues by 8.4% and the market share to 35.5% (33.7%).
- The store at CC Vest (Oslo) opened in February. Kløverhuset and Laksevåg (both Bergen) were closed in February. The total number of physical stores at the end of the quarter was 142 (139).
- IFRs 16 was implemented 1.1.2019 by applying the modified retrospective approach. The implementation effects are shown in note 10 in the disclosures to this report.
- Net interest bearing debt excluding IFRS 16 effects was MNOK 285.5 (MNOK 371.8) as of 31.03.19.





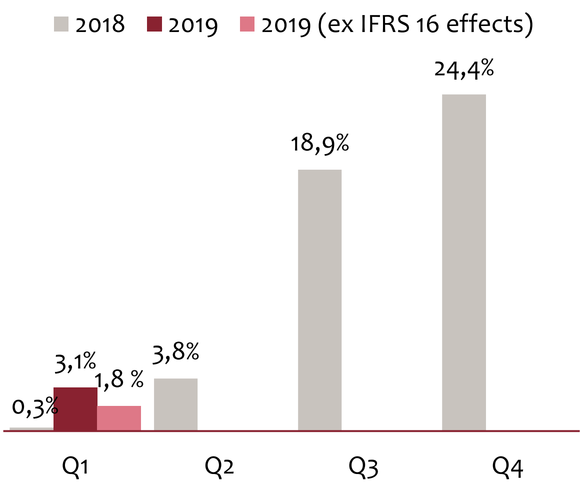
Key figures

The group implemented IFRS 16 from 1.1.2019 by applying the modified retrospective approach.

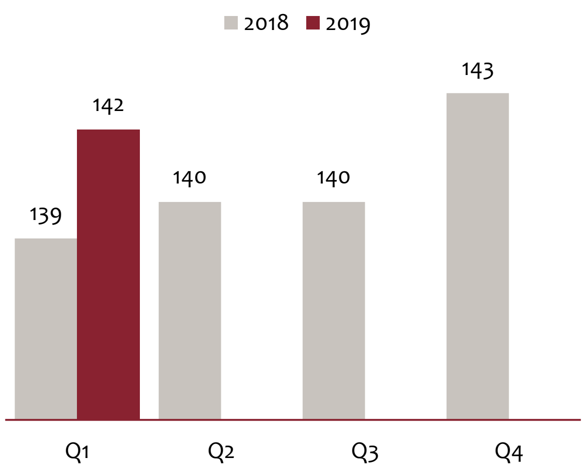
(Amounts in NOK million)	Q1 2019 IFRS 16	Q1 2018 IAS 17	Full year 2018 IAS17
Revenues	298,0	274,9	1466,7
Growth	8,4%	8,3%	6,2%
LFL growth including online sales	5,1%	3,3%	3,1%
No. of shopping days in period	76	75	303
No. of physical stores at period end	142	139	143
COGS	-117,7	-114,3	-573,2
Gross profit	180,3	160,6	893,5
Gross margin (%)	60,5%	58,4%	60,9%
EBITDA	52,0	9,9	250,2
EBITDA margin (%)	17,5%	3,6%	17,1%
EBIT	9,4	0,7	213,1
EBIT margin (%)	3,1%	0,3%	14,5%
Adj. Net Income*	-0,50	-1,8	154,1
#shares at period end	40,6	40,6	40,6
Adj. Earnings per share	-0,01	-0,04	3,79
Net interest bearing debt	939,8	371,8	185,7

*Adjusted for change in deferred tax caused by lower tax rate in 2018.

EBIT margin



Number of physical stores (period end)



Financial review

The figures reported in the Q1 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

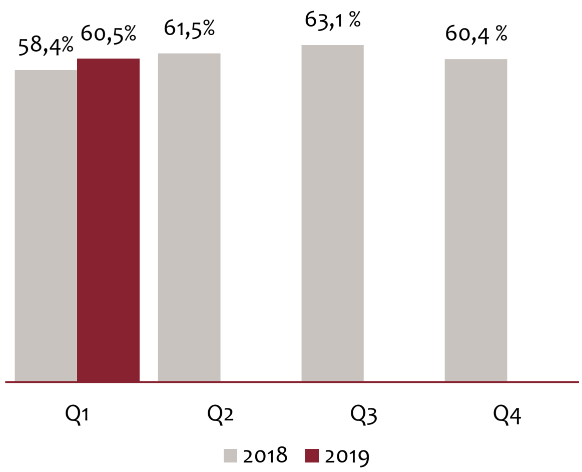
Revenues in the first quarter of 2019 amounted to MNOK 298.0 (MNOK 274.9), an increase of 8.4% (8.3%). The number of ordinary shopping days in the first quarter was 76, compared to 75 days last year due to the timing of Easter. For the period January through April 2019, sales increased by 10.2% (6.6%). The number of ordinary shopping days for the first four months of 2019 was 99 (99).

Online sales increased by 22.6% (54.1%) in the first quarter of 2019. Last twelve months, online revenues were MNOK 70.2 (MNOK 47.2) as of 31 March 2019 - a growth of 48.8% from the corresponding period last year.

During the first quarter of 2019, CC Vest was opened in the beginning of February, the stores at Stopp Senter (Sarpsborg), Lillestrøm, Molde Storsenter, Amfi Madla (Stavanger), Amfi Narvik, Sogningen Storsenter (Sogndal) and Metro (Lørenskog) was refurbished. Grimstad was temporarily closed during the entire quarter due to relocation. Laksevåg and Kløverhuset, both in Bergen, were closed in February. The total number of physical stores at the end of the quarter was 142 (139).

Gross margin was 60.5% (58.4%) for the first quarter. The gross margin improved compared to last year due to a reduction of discounts and favourable USD hedge

Gross margin:



Operating expenses, including employee benefit expenses, were MNOK 128.2 in the first quarter. Operating expenses, excluding IFRS16 effects, were MNOK 165.2 (MNOK 150.6), up 9.6% from Q1-2018. There were no adjustments for extraordinary operating expenses in 2018 or 2019.

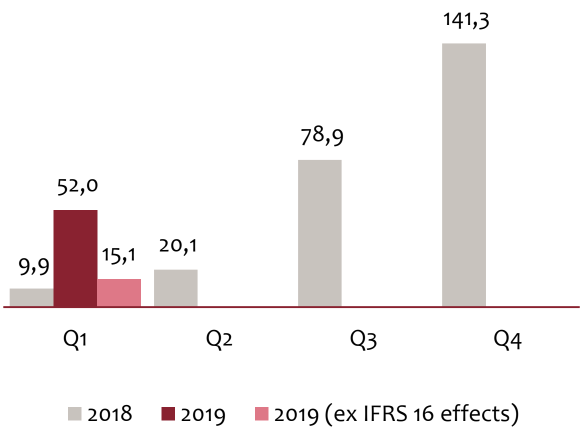
Employee expenses increased by 10.2% to MNOK 82.7 (MNOK 75.0) in the first quarter:

- 3.0 percentage points due to net new stores.
- 3.1 percentage points due to general salary inflation and increased staffing level in stores driven by store projects related to relocation and refurbishments.
- 0.6 percentage point increase due to increased provision for store, HQ and management bonus.
- 3.5 percentage point due to increased staffing on marketing and category development and general salary inflation.

Other operating expenses were MNOK 45.6 in the quarter. Excluding IFRS 16 effects, other operating expenses increased by 9.2% to MNOK 82.6 (MNOK 75.6):

- 3.1 percentage points related to retail space rental costs for net new stores.
- 2.2 percentage points related to other store and HQ rental costs driven by inflation and relocation of stores.
- -0.6 percentage points related to a decrease in marketing expenses.
- 4.5 percentage points related to other OPEX

EBITDA



EBITDA amounted to MNOK 52.0 in the first quarter. Excluding IFRS 16 effects, EBITDA was MNOK 15.1 (MNOK 9.9). This represents an EBITDA margin of 5.1% (3.6%). The increase is related to improved gross margin of 2.1 percentage points, which was partially offset by an increased opex to sales ratio of 0.7%.

EBIT amounted to MNOK 9.4. Excluding IFRS 16 effects, EBIT was MNOK 5.4 (MNOK 0.7) in the first quarter. This represents an EBIT margin of 1.8% (0.3%).

Net financial expenses amounted to MNOK 10.0. Excluding IFRS 16 effects, net financial expenses amounted to MNOK 2.9 (MNOK 3.0) in the first quarter.

Net income amounted to MNOK -0.5 in the first quarter, and excluding IFRS 16 effects MNOK 2.0 (MNOK -1.8).

Events after the end of the reporting period

Kid ASA has entered into a binding share purchase agreement with ICA Gruppen AB for 100% of the shares in Hemtex AB. The agreed purchase price is MSEK 37.6, paid from current cash reserves and credit facilities in Kid ASA. In connection with the transaction, Kid ASA has secured a financing structure with Nordea for the new group. Hemtex AB operates 141 home textile and interior stores across Sweden, Finland and Estonia. All closing events related to the share purchase agreement is completed. Detailed information about the transaction is available on Kid Investor relations.

Due to the timing of Easter, Kid ASA has decided to announce the revenues per April 2019 in this quarterly report. In the first four months of 2019 there were an equal number of ordinary shopping days compared to the first four months of 2018, and revenues had a growth of 10.2% (6.6%). Like-for-like sales increased by 6.2% (1.7%) and online sales increased by 27.1% (66.6%).

The group expects gross margin to normalise for the remainder of 2019 at the same level as Q2-Q4 in 2017. The reason for this is increased USD compared to NOK.

Lier, 15 th May 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 Q1 2019

Interim Financial statements

Interim condensed consolidated statement of profit and loss

(Amounts in NOK thousand)	Note	*Q1 2019 IFRS 16 Unaudited	Q1 2018 IAS 17 Unaudited	Full year 2018 IAS 17 Audited
Revenue		298 009	274 893	1 466 729
Other operating revenue		40	16	336
Total revenue		**298 048**	**274 909**	**1 467 064**
Cost of goods sold		117 739	114 319	573 230
Employee benefits expence		82 685	75 030	310 898
Depreciation and amortisation expenses	9	42 677	9 257	37 096
Other operating expenses		45 576	75 614	332 730
Total operating expenses		**288 676**	**274 220**	**1 253 954**
Operating profit		**9 372**	**689**	**213 110**
Other financial income		575	185	1 337
Other financial expense	10	10 543	3 174	14 115
Net financial income (+) / expense (-)		**-9 968**	**-2 989**	**-12 778**
Profit before tax		**-596**	**-2 300**	**200 332**
Income tax expense		-131	-533	31 609
Net profit (loss) for the period		**-465**	**-1 767**	**168 723**
Interim condensed consolidated statement of comprehensive income				
Profit for the period		-465	-1 767	168 723
Other comprehensive income		1 027	-6 103	19 427
Tax on comprehensive income		-226	1 404	-4 284
Total comprehensive income for the period		**336**	**-6 466**	**183 866**
Attributable to equity holders of the parent		336	-6 466	183 866
Basic and diluted Earnings per share (EPS):		**-0,01**	**-0,04**	**4,15**

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

* The group implemented IFRS 16 from 1.1.2019 by applying the modified retrospective approach.

Interim condensed consolidated statement of financial position

(Amounts in NOK thousand) **Assets**	**Note**	***31.03.2019** IFRS 16 Unaudited	**31.03.2018** IAS 17 Unaudited	**31.12.2018** IAS 17 Audited
Trademark	9	1 459 585	1 459 585	1 459 585
Other intangible assets		2 712	10 312	9 836
Total intangible assets		**1 462 297**	**1 469 897**	**1 469 421**
Right of Use Asset	9,10	667 245	-	-
Fixtures and fittings, tools, office machinery and equipment	9	95 089	88 104	91 530
Total tangible assets		**762 334**	**88 104**	**91 530**
Total fixed assets		**2 224 631**	**1 558 001**	**1 560 951**
Inventories		283 340	306 336	253 157
Trade receivables		3 773	3 109	2 962
Other receivables	6	12 675	25 624	24 823
Derivatives	6	1 689	3 186	8 949
Totalt receivables		**18 137**	**31 919**	**36 733**
Cash and bank deposits		141 932	57 296	242 152
Total currents assets		**443 409**	**395 551**	**532 042**
Total assets		**2 668 040**	**1 953 552**	**2 092 993**

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

* The group implemented IFRS 16 from 1.1.2019 by applying the modified retrospective approach.

Interim condensed consolidated statement of financial position

(Amounts in NOK thousand) Equity and liabilities	Note	*31.03.2019 IFRS 16 Unaudited	31.03.2018 IAS 17 Unaudited	31.12.2018 IAS 17 Audited
Share capital		48 774	48 774	48 774
Share premium		321 049	321 049	321 049
Other paid-in-equity		64 617	64 617	64 617
Total paid-in-equity		**434 440**	**434 440**	**434 440**
Other equity		650 426	580 553	656 247
Total equity		**1 084 866**	**1 014 993**	**1 090 687**
Deferred tax		319 711	333 527	321 352
Total provisions		**319 711**	**333 527**	**321 352**
Lease liabilities	9,10	537 337	4 051	2 873
Liabilities to financial institutions		425 000	425 000	425 000
Total long-term liabilities		**962 337**	**429 051**	**427 873**
Lease liabilities	9,10	119 429	-	-
Trade payables		48 226	39 041	37 666
Tax payable		7 485	20 807	46 216
Public duties payable		66 176	61 179	111 812
Other short-term liabilities		59 811	54 953	57 388
Total short-term liabilities		**301 127**	**175 981**	**253 081**
Total liabilities		**1 583 174**	**938 559**	**1 002 306**
Total equity and liabilities		**2 668 040**	**1 953 552**	**2 092 993**

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

* The group implemented IFRS 16 from 1.1.2019 by applying the modified retrospective approach.

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 2018	**434 440**	**584 078**	**1 018 518**
Profit for the period YTD 2018	-	-1 767	-1 767
Other comprehensive income	-	-4 699	-4 699
Cash flow hedges	-	2 943	2 943
Balance as at 31 March 2018	**434 440**	**580 554**	**1 014 993**
Balance at 1 Jan 2019*	**434 440**	**656 248**	**1 090 687**
Profit for the period YTD 2019	-	-465	-465
Other comprehensive income	-	801	801
Cash flow hedges	-	-6 157	-6 157
Balance as at 31 March 2019*	**434 440**	**650 427**	**1 084 866**

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

* The group implemented IFRS 16 from 1.1.2019 by applying the modified retrospective approach.

Interim condensed consolidated statement of cash flows

(Amounts in NOK thousand)	Note	*Q1 2019 IFRS 16 Unaudited	Q1 2018 IAS 17 Unaudited	Full year 2018 IAS 17 Audited
Cash flow from operations				
Profit before income taxes		-596	-2 300	200 332
Taxes paid in the period		-38 731	-19 607	-40 415
Depreciation & impairment	9	42 677	9 257	37 123
Items classified as investments or financing		10 441	3 462	14 669
Change in net working capital				
Change in inventory		-30 183	-4 340	48 839
Change in trade debtors		-811	391	538
Change in trade creditors		10 560	-6 120	-7 495
Change in other provisions*		-40 004	-42 687	11 625
Net cash flow from operations		**-46 648**	**-61 944**	**265 216**
Cash flow from investments				
Purchase of store lease rights		-	-	-
Purchase of fixed assets	9	-12 671	-5 059	-37 293
Net cash flow from investments		**-12 671**	**-5 059**	**-37 293**
Cash flow from financing				
Repayment of long term loans		-397	-382	-1 560
Repayment of short term loans		-	-	-
Net interest	10	-10 195	-3 030	-12 640
Lease payments for the principal portion of lease liability	10	-29 875	-	-
Net change in bank overdraft		-	-	-
Dividend payment		-	-	-101 613
Net cash flow from financing		**-40 467**	**-3 412**	**-115 813**
Cash and cash equivalents at the beginning of the period		242 152	130 071	130 071
Net change in cash and cash equivalents		-99 785	-70 415	112 110
Exchange gains / (losses) on cash and cash equivalents		-435	-2 359	-29
Cash and cash equivalents at the end of the period		**141 931**	**57 296**	**242 151**

*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 months ended 31. March 2019 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 2018, 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 2018.

Amendments to IFRSs effective for the financial year ending 31 December 2019 are not expected to have a material impact on the group.

The group implemented 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. For further details, see note 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 2018.

Note 5 Segment information

The Group sells home textiles in 142 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 2018.
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 March 2019 and 31 March 2018.

(Amounts in NOK thousand)	31 March 2019		31 March 2018	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables				
Trade and other receivables excluding pre-payments	3 119	3 119	3 134	3 134
Cash and cash equivalents	141 932	141 932	57 296	57 296
Total	**145 051**	**145 051**	**60 430**	**60 430**
Financial liabilities				
Borrowings (excluding finance lease liabilities)	425 000	425 000	425 000	425 000
Lease liabilities	656 765	656 765	4 051	4 051
Trade and other payables excluding non-financial liabilities	113 209	113 209	99 166	99 166
Total	**1 194 974**	**1 194 974**	**528 217**	**528 217**
Financial instruments measured at fair value through profit and loss				
Derivatives - asset				
Foreign exchange forward contracts	1 689	1 689	3 186	3 186
Total	**1 689**	**1 689**	**3 186**	**3 186**
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

	Q1 2019	Q1 2018	Full year 2018
Weighted number of ordinary shares	40 645 162	40 645 162	40 645 162
Net profit or loss for the year	-465	-1 767	168 723
Earnings per share (basic and diluted) (Expressed in NOK per share)	**-0,01**	**-0,04**	**4,15**

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 six months ended 31 March 2019 and 2018:

Lease agreements:	**2019**	**2018**
Vågsgaten Handel AS with subsidiaries (Store rental)	235	333
Total	**235**	**333**

Note 9 Fixed assets and intangible assets

(amounts in NOK million)	Right of use Asset	PPE	Trademark	Other Intangibles
Balance 31.12.2018	**-**	**91,5**	**1 459,6**	**9,8**
IFRS 16 transition effects (see note 10)	*674,8*	*-*	*-*	*-6,5*
Balance 01.01.2019	**674,8**	**91,5**	**1 459,6**	**3,3**
Additions	25,5	12,7	-	-
Depreciation and amortisation	-33,5	-9,1	-	-0,6
Balance 31.03.2019	**666,7**	**95,1**	**1459,6**	**2,7**

(amounts in NOK million)	Right of use Asset	PPE	Trademark	Other Intangibles
Balance 01.01.2018	-	91,9	1 459,6	11,1
Additions	-	4,8	-	1,1
Depreciation and amortisation	-	-8,4	-	-0,9
Balance 31.03.2018	**-**	**88,3**	**1 459,6**	**11,3**

Note 10 Changes in accounting policies – implementation of IFRS 16 Leases

The Group has adopted IFRS 16 Leases from 1 January 2019 using the simplified transition approach in accordance with IFRS 16.C5(b) and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

For leases, which had previously been classified as operating leases under the principles of IAS 17 Leases, the lease liability upon adoption of IFRS 16 is measured as the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The Group's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.20 – 5.15 % individually assessed per lease.

The associated right-of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet at 31 December 2018.

For leases previously classified as financial leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of IFRS 16 (1 January 2019) is the carrying amount of the lease asset and lease liability immediately before that date (31 December 2018), measured in accordance with IAS 17.

In applying IFRS 16 for the first time, the Group has used the following practical expedients as permitted by IFRS 16:

the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases and

the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made when applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

The reclassifications and adjustments arising from the new leasing rules are recognised in the 1 January 2019 opening balance sheet.

IFRS 16 transition table

Lease Liability	
Operating lease commitment 31. December as disclosed in the Group's consolidated financial statem	**775,2**
Discounted using the incremental borrowing rate 1. January 2019	**660,7**
IAS 17 Finance lease liabilities recognised as at 31. December 2018	**2,9**
Recognition exemptions for:	
Short term leases	-4,8
Lease liability recognised at 1. January	**658,7**

Right of Use Asset	
Right of use asset 01.01.2019	**658,7**
Reclassification store lease right	6,5
Prepayments	9,5
Additions Q12019	25,5
Depreciations	-33,5
Right of Use Asset recognized 31.03.2019	666,7

IFRS 16 effects tables

Kid implemented IFRS 16 from January 1st, applying the simplified transition approach, and will not restate comparative amounts for the year prior to first adoption. In the following tables, Q12019 figures excluding IFRS 16 effects are presented to make them comparable with Q12018.

Income statement

Amounts in MNOK	**Q1 2019 IFRS 16**	**IFRS 16 effects**	**Q1 2019 IAS 17**	**Q1 2018 IAS 17**
Revenue	298,0		298,0	274,9
COGS	-117,7		-117,7	-114,3
Gross profit	**180,3**		**180,3**	**160,6**
Gross margin (%)	60,5 %		60,5 %	58,4 %
Other operating income	0,0		0,0	0,0
OPEX	-128,3	-37,0	-165,2	-150,6
EBITDA	**52,0**	**- 37,0**	**15,1**	**9,9**
EBITDA margin (%)	17,5 %		5,1 %	3,6 %
Depreciation and amortisation	-42,7	33,0	-9,7	-9,3
EBIT	**9,4**	**-4,0**	**5,4**	**0,7**
EBIT margin (%)	3,1 %		1,8 %	0,3 %
Net finance	-10,0	7,1	-2,9	-3,0
Profit before tax	**-0,6**	**3,1**	**2,5**	**-2,3**

Balance Sheet

Amounts in MNOK	31.03.2019 IFRS 16	IFRS 16 Effects	31.03.2019 IAS17	31.03.2018 IAS17
Assets				
Trademark	1 459,6	-	1 459,6	1 459,6
Other intangible assets*	2,7	6,1	8,8	10,3
Total intangible assets	**1 462,3**	**6,1**	**1 468,4**	**1 469,9**
Right of use asset*	667,2	-667,2	-	-
Fixtures and fittings, tools, office machinery and equipment	95,1	-	95,1	88,1
Total tangible assets	**762,3**	**-667,2**	**95,1**	**88,1**
Total fixed assets	**2 224,6**	**-667,2**	**1 563,4**	**1 558,0**
Inventories	283,3	-	283,3	306,3
Trade receivables	3,8	-	3,8	3,1
Other receivables	12,7	10,0	22,7	25,6
Derivatives	1,7	-	1,7	3,2
Totalt receivables	**18,1**	**10,0**	**28,1**	**31,9**
Cash and bank deposits	141,9	-	141,9	57,3
Total currents assets	**443,4**	**10,0**	**453,4**	**395,6**
Total assets	**2 668,0**	**-651,2**	**2 016,8**	**1 953,6**

Amounts in MNOK	31.03.2019 IFRS 16	IFRS 16 Effects	31.03.2019 IAS17	31.03.2018 IAS17
Equity and liabilities				
Share capital	48,8	-	48,8	48,8
Share premium	321,0	-	321,0	321,0
Other paid-in-equity	64,6	2,4	67,0	64,6
Total paid-in-equity	**434,4**	**2,4**	**436,9**	**434,4**
Other equity	650,4	-	650,4	580,6
Total equity	**1 084,9**	**2,4**	**1 087,3**	**1 015,0**
Deferred tax	319,7	0,7	320,4	333,5
Total provisions	**319,7**	**0,7**	**320,4**	**333,5**
Lease liabilites	537,3	-537,3	-	4,1
Liabilities to financial institutions**	425,0	2,5	427,5	425,0
Total long-term liabilities	**962,3**	**-534,9**	**427,5**	**429,1**
Lease liabilites	119,4	-119,4	-	-
Trade payables	48,2	-	48,2	39,0
Tax payable	7,5	-	7,5	20,8
Derivative financial instruments	-	-	-	-
Public duties payable	66,2	-	66,2	61,2
Other short-term liabilities	59,8	-	59,8	55,0
Total short-term liabilities	**301,1**	**-119,4**	**181,7**	**176,0**
Total liabilities	**1 583,2**	**-653,6**	**929,6**	**938,6**
Total equity and liabilities	**2 668,0**	**-651,2**	**2 016,8**	**1 953,6**

The accompanying notes are an integral part of the Interim condensed consolidated financial statements

*** reclass of intangible asset of MNOK 6.1 to RoU**

**** reclass of liabilities to financial institutions to lease liabilities**

Cash flow **Amounts in MNOK**	**31.03.2019** **IFRS16** **Unaudited**	**IFRS 16 effects**	**31.03.2019** **IFRS16** **Unaudited**	**31.03.2018** **IAS 17** **Unaudited**
Net cash flow from operations	-46,6	37,0	-83,6	-61,9
Net cash flow from investments	-12,7		-12,7	-5,1
Net cash flow from financing	-40,5	-37,0	-3,5	-3,4
Net change in cash and cash equivalents	**-99,8**		**-99,8**	**-70,4**
Cash and cash equivalents at the beginning of the period	242,2		242,2	130,1
Exchange gains / (losses) on cash and cash equivalents	-0,4		-0,4	-2,4
Cash and cash equivalents at the end of the period	**141,9**		**141,9**	**57,3**

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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