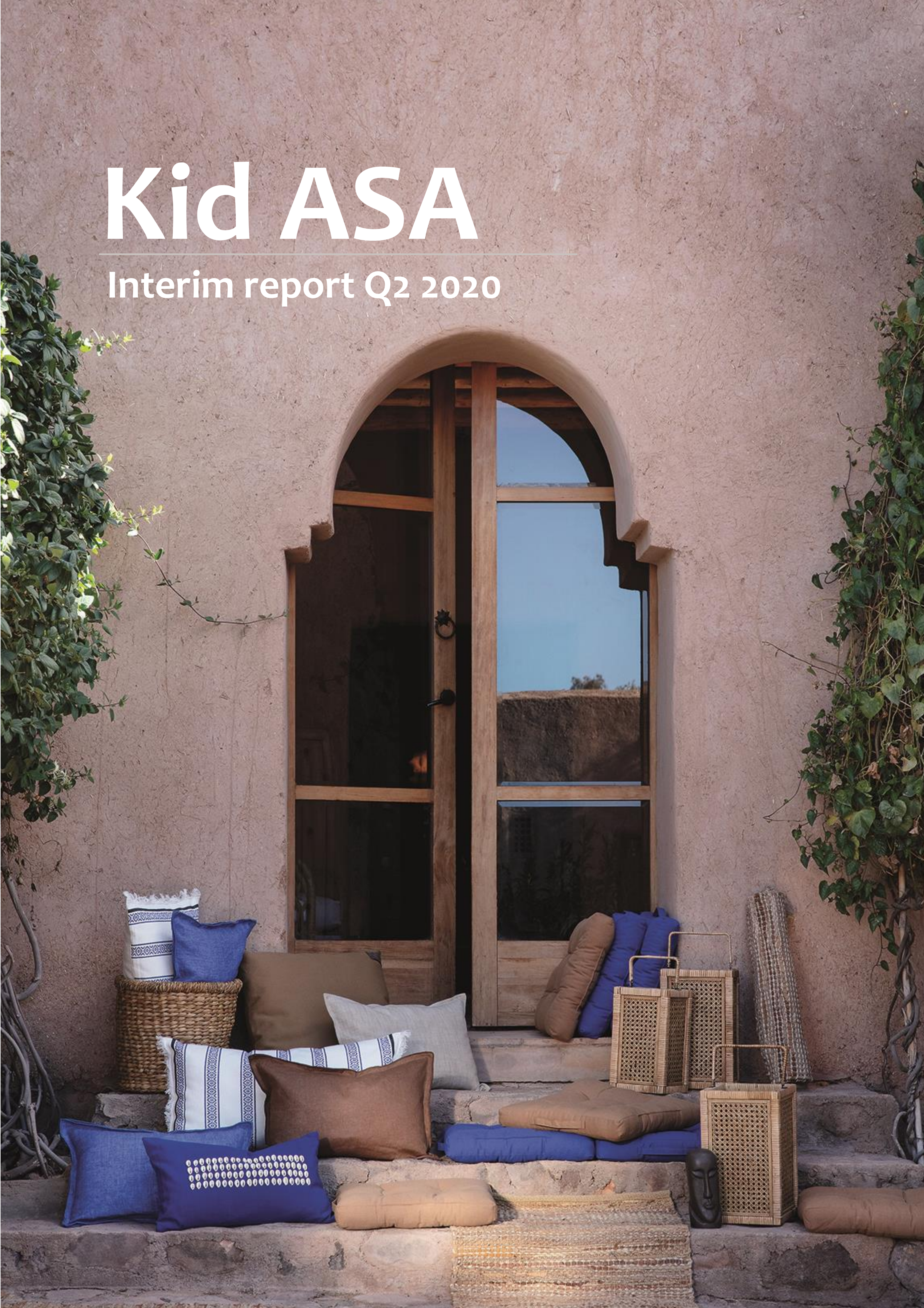
Kid ASA

Interim report Q2 2020



Dear Shareholders

In the second quarter of 2020, our primary focus has been the Covid-19 situation and its implications for our business. I am proud of the team effort our dedicated employees have made during these challenging and uncertain times. Together, we have successfully managed our operations while simultaneously handling temporary lay-offs, store closures and a volatile demand for our products. As a result, we are happy to report strong financial performance for the quarter, including double digit like-for-like sales growth across all categories and all-time-high profitability.

These are the key takeaways from the second quarter:

- Strong sales growth across all traditional categories, fuelled by recently launched products. Our new outdoor product range was a contributor to increased revenues, including outdoor furniture, plant pots, etc. Furthermore, this also demonstrates Kid's potential and capability of product and assortment development.
- As a result of the Covid-19 outbreak, sales in all markets dropped instantly in the second half of March. In Kid Interior, sales picked up again in early April, and following a cautious start to the quarter, Hemtex sales picked up and reached full speed throughout May. Our five Estonian Hemtex stores were closed during the quarter and are now operating as normal.
- We do not foresee major sourcing challenges going forward. However, both sourcing and market conditions can change fast if a challenging Covid-19 situation persists.
- From our perspective, the Covid-19 governmental support measures have been important, and especially the arrangement for temporarily lay-offs. Financially, Kid utilized the option of postponing tax payments. According to our estimates, Kid qualified for a MNOK 3.5 refund under the Business Compensation Scheme ("Kontantstøtteordningen") in Norway on the back of a dramatic sales drop in March. However, as revenues and profitability increased significantly in April and May, we decided not to apply for a refund.
- Introduction of the Kid store concept in Hemtex stores has proven successful. In early March, Hemtex launched Dekosol technical sun screening, which rapidly became a popular category among customers. Going forward, we will continue to introduce the Kid Interior product assortment.
- During the outbreak of Covid-19 we decided to postpone store investments. While only two stores were refurbished during the quarter, we have subsequently initiated several refurbishments which will be finalized before the Christmas season. We have also signed a new store, opening at Giraffen in Kalmar (Sweden) during the third quarter.
- The Autostore has been successfully installed and is fully operational at the Norwegian central warehouse in Lier, and we already experience improved cost efficiency for our logistics operation. Going forward, we will increase inventory availability for online customers, hopefully adding to online sales.
- Social responsibility continues to be an integrated and important part of Kid's business. During the quarter, we launched Petra duvets and pillows which are made of 100% recycled polyester and are GRS certified. This is another positive step towards a sustainable future where we use more recycled materials. We have also continued to purchase climate quotas to compensate for our direct climate emissions in the Norwegian operation.

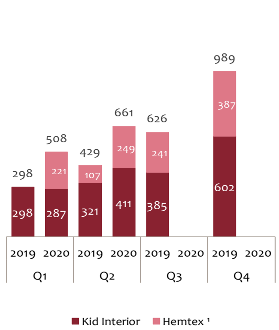
Again, I acknowledge the dedicated hard work from our employees during a challenging quarter. Planning for the following months and quarters is even more challenging than before, but we believe in continued demand for our products. I am confident that we possess both the right concept and business culture, which enables us to exploit emerging opportunity.

Yours sincerely,

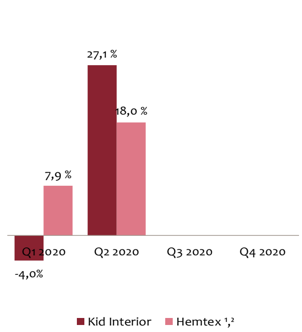
Second quarter in brief

- ✓ Proforma Group revenues increased by 22.7% and like-for-like growth was +23.6%. During the second quarter, Kid has seen solid growth across all categories in both Kid Interior and Hemtex.
- ✓ Gross margin decreased by 0.7 pp to 61.9% due to less favourable FX positions compared to last year.
- ✓ Reduced operating costs during COVID-19 outbreak partly offset by bonus provisions due to strong financial performance.
- ✓ Adjusted EBITDA exclusive of IFRS16 effects increased by MNOK 69.9 to MNOK 104.6 (MNOK 34.7) due to increased sales, cost savings and the inclusion of Hemtex.
- ✓ Postponed store investments because of COVID-19.
- ✓ LTM gearing ratio excluding IFRS16 effects was 1.1 at the end of the quarter.

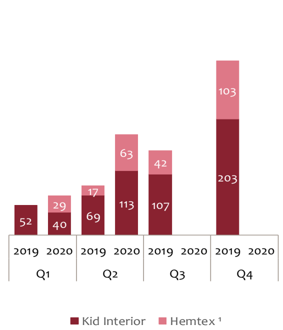
Revenue, MNOK



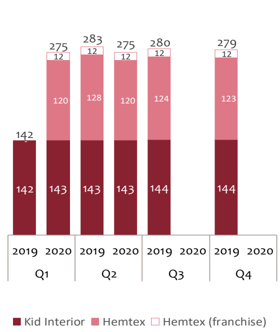
Like-for-like growth (%)



Segmental EBITDA, MNOK



No. of physical stores
(period end)

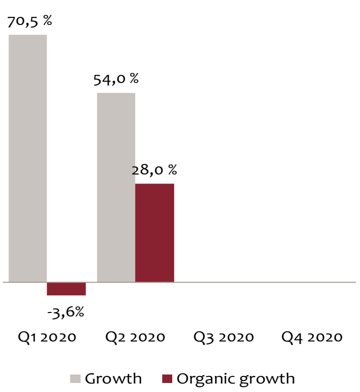


[1] Hemtex AB figures are included in the group accounts from 15 May 2019 [2] Calculated in constant currency. See definition page 20.

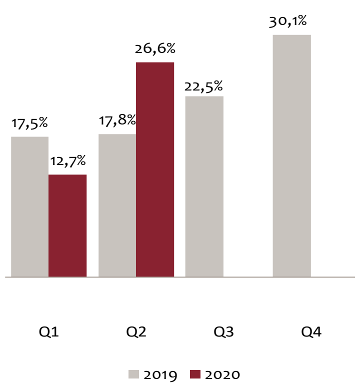
Alternative Performance Measures

(Amounts in NOK million)	Q2 2020	Q2 2019	H1 2020	H1 2019	FY 2019
Revenue	**660,5**	**428,8**	**1 168,5**	**726,8**	**2 342,2**
Like-for-like growth including online sales [1]	23,6 %		12,1 %		6,8 %
COGS	-251,8	-160,2	-454,5	-278,0	-925,7
Gross profit	**408,7**	**268,6**	**714,0**	**448,8**	**1 416,5**
Gross margin (%)	**61,9%**	**62,6%**	**61,1%**	**61,8%**	**60,5%**
Other operating income	0,0	0,9	0,4	0,9	2,1
Employee benefits expense	-140,2	-108,7	-281,9	-191,4	-503,5
Other operating expense	-164,0	-135,4	-336,8	-217,9	-574,8
Other operating expense - IFRS 16 effect	71,4	51,1	143,8	88,1	226,6
OPEX	**-232,7**	**-193,0**	**-474,9**	**-321,3**	**-851,6**
Integration costs	0,0	9,4	1,2	9,4	14,1
Opex excluding integration costs	**-232,7**	**-183,7**	**-473,7**	**-311,9**	**-837,6**
Adj. EBITDA	**176,0**	**85,8**	**240,7**	**137,8**	**581,0**
Adj. EBITDA margin (%)	**26,6%**	**20,0%**	**20,6%**	**18,9%**	**24,8%**
Depreciation	-15,7	-12,1	-30,6	-21,8	-50,5
Depreciation - IFRS 16 effect	-70,1	-49,5	-138,7	-82,5	-214,4
Adj. EBIT	**90,2**	**24,2**	**71,3**	**33,6**	**316,0**
Adj. EBIT margin (%)	**13,7%**	**5,6%**	**6,1%**	**4,6%**	**13,5%**
Net financial income (expense)	-4,5	-3,2	10,1	-6,1	-11,3
Net financial expense - IFRS 16 effect	-7,4	-7,3	-15,0	-14,4	-29,7
Adj. Profit before tax	**78,3**	**13,7**	**66,4**	**13,1**	**275,1**
Adj. Net income	**62,0**	**10,6**	**52,6**	**10,1**	**220,4**
Adjusted earnings per share	**1,53**	**0,26**	**1,29**	**0,25**	**5,42**
Liabilities to financial institutions	-618,9	-773,3	-618,9	-773,3	-674,5
Lease liabilities - IFRS 16 effect	-785,6	-801,6	-785,6	-801,6	-802,3
Cash	176,8	151,6	176,8	151,6	339,2
Net interest bearing debt	**-1 227,7**	**-1 423,4**	**-1 227,7**	**-1 423,4**	**-1 137,5**

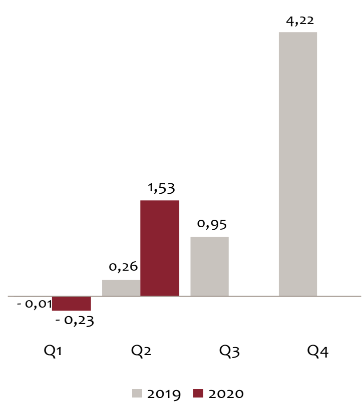
Revenue growth (%) [2]



Adj. EBITDA margin (%) [2,3]



Adj. EPS, (NOK) [2,4]



[1] *Based on Hemtex Q2 2019 revenues of MNOK 199.8 according to Hemtex management accounts and calculated in constant currency*
[2] *Hemtex AB figures are included in the group accounts from 15 May 2019*
[3] *Adjusted for transaction costs and integration costs. See page 6 for details on adjustments*
[4] *Adjusted for transaction costs, integration costs and tax. See page 6 for details on adjustments*

Financial review for the Kid Group

Despite the COVID-19 outbreak, Kid Group had a very strong quarter both in terms of revenues and profitability. Profitability increased also due to certain one-off cost savings during Q2, mainly following temporarily personnel lay-offs and reduced travelling and meeting activity. Total one-off costs savings are estimated at MNOK 23.5. Cost savings are partly offset by bonus provisions due to strong financial performance. Further details are described under the respective segments in the sections below.

Revenues

Proforma Group revenues increased by 22.7% to MNOK 660.5. Pro forma Q2 2019 revenues of MNOK 538.0 include Hemtex revenues of MNOK 216.6. Proforma group revenues on a like-for-like basis were up by 12.1%.

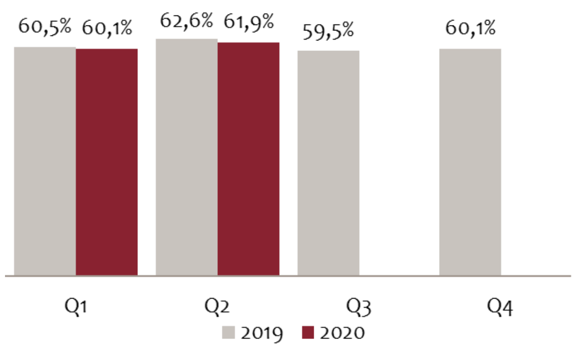
After the first days of initial sales drop in the second half of March, demand quickly improved from the start of Q2 in Norway and subsequently also in Sweden, reaching all-time-high levels throughout the quarter. Only a few stores were temporarily closed in Norway, no stores were closed in Sweden.

The situation in Finland was more challenging, despite no store closings, with revenues decreasing by 5.5% to MNOK 15.9. Furthermore, all stores in Estonia were temporally closed during the quarter, resulting in a revenue decrease of 13.6% to MNOK 5.2. Finland and Estonia account for less than 5% of Group revenues.

Q2 2019 vs Q2 2020 revenue bridge, MNOK

Gross margin was 61.9% which is a reduction of 0.7 percentage points compared to Q2 2019. The decrease was due to favourable FX rates positions last year, together with earlier start of mid-season campaigns in Kid Interior and high volumes during campaigns in Hemtex.

Gross margin:



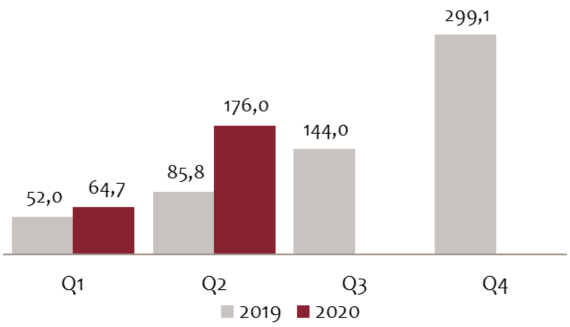
Kid Group has increased its FX-hedging policy to include a period of 8 to 11 months of estimated purchases compared to previously 4 to 7 months.

Employee benefits expenses increased by MNOK 31.5 to MNOK 140.2 mainly due to the inclusion of Hemtex. As further described in the respective Segment sections below, comparable employee benefits expenses are in fact reduced both because of integration effects, but also one-off cost reductions following Covid-19. The cost decrease was partly offset by bonus provisions in Kid Interior following strong financial performance during the quarter.

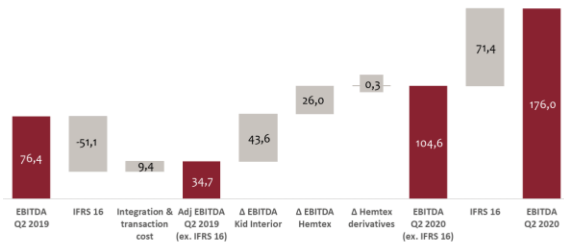
Operating expenses

Excluding IFRS16, Operating Expenses increased by MNOK 8.3 to MNOK 92.6 caused by the inclusion of Hemtex. Comparable operating expenses are reduced following Covid-19 and are otherwise in line with expectations. Further details are described in the Segment sections below.

Adjusted EBITDA increased from MNOK 85.8 to MNOK 176.0 mainly due to higher sales volume and the inclusion of Hemtex. EBITDA was adjusted for transaction and integration costs in Q2-2019, while no such adjustments are made in Q2-2020.



Exclusive of IFRS16 effects, EBITDA was MNOK 104.6 compared to an adjusted EBITDA of MNOK 34.7 last year. The increase of MNOK 69.9 is caused by an increase in sales volumes for both Kid and Hemtex, and the inclusion of half a quarter of Hemtex.



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For Adjusted EBITDA, Adjusted EBIT and Adjusted Net income, a complete overview of adjustments is provided in the following table:

Adjustments overview (MNOK)	**Q2 2020**	**Q2 2019**	**H1 2020**	**H1 2019**	**FY 2019**
Transaction cost related to Hemtex acquisition[1]		8,0			8,8
Intergration cost related to Hemtex acquisition		1,4	1,2	9,4	5,3
EBITDA and EBIT adjustments		**9,4**	**1,2**	**9,4**	**14,1**
Profit adjustments before tax		**9,4**	**1,2**	**9,4**	**14,1**
Tax effects on adjustments (22%)		-0,6	-0,3	-0,6	-1,6
Net income adjustments		**8,8**	**0,9**	**8,8**	**12,4**

[1] For FY 2019 MNOK 6.7 of total MNOK 8.8 in transaction cost were not tax deductible

Liquidity and borrowings

Excluding IFRS16 leasing liabilities, net interest-bearing debt was MNOK 442.1 at the end of the quarter, equal to a 1.1 times LTM EBITDA (also excluding IFRS 16).

The Group has cash and available credit facilities of MNOK 503.8.

Segments: Key figures

KID Interior

(Amounts in NOK millions)	Q2 2020	Q2 2019	H1 2020	H1 2019	FY 2019
Revenue	**411,5**	**321,4**	**698,6**	**619,4**	**1 606,3**
Revenue growth	28,0 %	14,2 %	12,8 %	11,3 %	9,5 %
LFL growth including online sales	27,1 %	11,0 %	12,1 %	7,8 %	6,8 %
COGS	-157,9	-120,8	-275,6	-238,5	-622,6
Gross profit	**253,5**	**200,6**	**423,0**	**380,9**	**983,7**
Gross margin (%)	61,6 %	62,4 %	60,6 %	61,5 %	61,2 %
Other operating revenue		0,1	0,1	0,2	0,2
Employee benefits expense	-88,8	-79,3	-171,7	-162,0	-349,1
Other operating expense	-88,5	-88,9	-174,0	-171,5	-351,4
Other operating expense - IFRS 16 effect	37,1	36,8	75,8	73,8	148,3
EBITDA	**113,2**	**69,4**	**153,2**	**121,4**	**431,7**
EBITDA margin (%)	27,5 %	21,6 %	21,9 %	19,6 %	26,9 %
No. of shopping days	72	71	149	147	303
No. of physical stores at period end	143	143	143	143	144

Hemtex

(Amounts in NOK millions)	Q2 2020	Q2 2019 [1]	H1 2020	H1 2019 [1]	FY 2019 [1]
Revenue	**249,0**	**107,4**	**469,9**	**107,4**	**735,9**
Revenue growth [2]	14,7 %	-1,8%	10,7 %	-1,8%	13,1 %
LFL growth including online sales [2]	18,0 %	3,2 %	13,0 %	3,2 %	12,5 %
COGS	-93,2	-38,5	-174,1	-38,5	-290,5
Gross profit	**155,9**	**68,9**	**295,8**	**68,9**	**445,4**
Gross margin (%)	62,6 %	64,2 %	62,9 %	64,2 %	60,5 %
Other operating revenue	0,0	0,8	0,3	0,8	1,9
Employee benefits expense	-51,3	-29,4	-109,4	-29,4	-154,4
Other operating expense	-75,5	-37,1	-162,4	-37,1	-209,3
Other operating expense - IFRS 16 effect	34,3	14,3	68,0	14,3	78,4
EBITDA	**63,5**	**17,4**	**92,3**	**17,4**	**161,9**
EBITDA margin (%)	25,5 %	16,1 %	19,6 %	16,1 %	21,9 %
No. of shopping days	90	47,0	90	47,0	91
No. of physical stores at period end (excl. franchise)	120	128,0	120	128,0	123

[1] Hemtex AB figures are included in the group accounts from 15 May 2019. FY 2019 is for the period 15 May until the end of FY19.
[2] Based on Hemtex Q2 2019 revenues of MNOK 199.8 according to Hemtex management accounts and calculated in constant currency.

Segment: Kid Interior

Revenues in Kid Interior increased by 28.0% to MNOK 411.5. Like-for-like revenues including online sales were up by +27.1%. Sales have been unusually high all through the quarter and across all categories. The number of customers was at last year's level in April after which they increased in May and June, resulting in 9% more customers during Q2 compared to last year. Revenue per customer also increased by 12%.

Online sale increased by 67.7% to MNOK 31.1.

Gross profit increased by MNOK 52.9 compared to last year caused by higher revenues. Gross margin was 0.8 percentage points lower than the same quarter last year due to a favourable USDNOK position last year and an earlier start of the mid-season sale.

Employee expenses increased by 12.0% to MNOK 88.8:

- -0.3 percentage points due to net new and relocated stores
- -11.4 percentage points reduction mainly due to less hours in LFL stores due to temporarily lay-offs following Covid-19
- +0.3 percentage points increase due to more hours in online store
- +4.7 percentage points due to general salary inflation and increased staffing level at HQ
- +18.7 percentage points due to bonus provisions driven by strong financial performance. Bonus provisions in Q2 was MNOK 8.9 (MNOK 2.5) for store employees, MNOK 4.0 (MNOK 0.8) for HQ and MNOK 5.2 (MNOK 0) as a bonus provision related to integration of Hemtex.

Store bonuses are a function of actual vs budgeted EBITDA per store for the fiscal year ending 31 December, and is capped at a maximum cost of MNOK 0,23. Subject to actual results for the remainder of the year, other management and HQ bonuses of an additional maximum of MNOK 6.8 including social taxes can be provisioned.

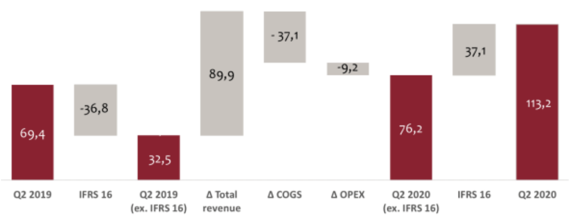
Other operating expenses excluding IFRS16, decreased by -0.3% to MNOK 88.5:

- 2.0 percentage points related to retail space and cost for LFL stores
- 0.5 percentage points related to retail space and cost for net new stores
- -2.6 percentage points related to a decrease in marketing costs mainly related to Covid-19
- -0.2 percentage points related to less activity due to Covid-19, as well as lower prices on electricity

The total Covid-19 cost effect has been estimated at MNOK 12.0 of which reduced employee expenses caused by temporarily lay-offs accounted for MNOK 9.0. Remaining cost savings of MNOK 3.0 mainly relates to rental costs and other costs like travelling etc. Included is also a refund of MNOK 0.5 due to Covid-19 related sick-leaves.

EBITDA increased by MNOK 43.8 mainly due to higher revenues as described above.

Q2 2019 vs. Q2 2020 EBITDA bridge, MNOK



Capital Expenditures during Q2 amounted to MNOK 4.3.

No new stores were opened, relocated or closed, and two stores were refurbished during the quarter. The total number of physical stores at the end of the quarter was 143 which is the same number as Q2 last year.

Segment: Hemtex

The acquisition of Hemtex took place on 15 May 2019 and Hemtex is therefor included with "half" a quarter in Q2 2019. Hence, figures are not directly comparable. Revenue figures are adjusted on a proforma basis by including first half of Q2 2019 based on financial management accounts.

The integration is progressing according to plan.

Revenues in Hemtex increased by 14.7% on a pro forma basis to MNOK 249.0. The number of customers during Q2 2020 was 10% lower than Q2 2019, but average revenue per customer was 18% higher. The introduction of a limited selection of Kid products during Q2 has proven successful.

Online sale increased by 103.0% to MNOK 35.6.

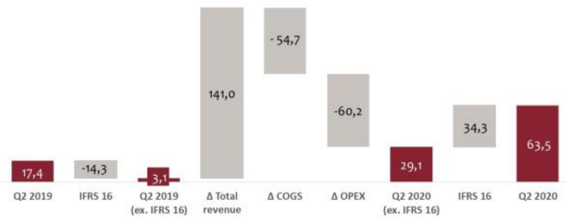
Gross margin decreased by 1.6 pp compared to Q2 2019 due to increased rebate volumes during mid-season sales and a less favourable FX-position.

Employee expenses increased from MNOK 29.4 to MNOK 51.3, but with Q2 2019 only representing half a quarter. From management accounts presenting a full Q2 2019, the underlying cost structure is lower than last year reflecting a reduction of employees at Hemtex HQ.

Operating expenses excluding IFRS 16 increased from MNOK 22.3 to MNOK 41.2, but with Q2 2019 only representing half a quarter. From management accounts showing a full Q2 2019 the underlying cost structure is lower than last year.

The total Covid-19 cost effect has been estimated at MNOK 11.5 of which reduced employee expenses caused by temporarily lay-offs accounted for MNOK 6.0. Remaining cost savings of MNOK 5.5 mainly relates to rental costs and other costs like travelling ect. Included is also a refund of MNOK 0.8 due to Covid-19 related sick-leaves.

EBITDA was MNOK 63.5 which is an increase of 46.1 from last year's "half" quarter with MNOK 17.4.



Following the integration of Hemtex, certain group costs and capital expenditures have been booked in Kid Interior. Such costs will during 2020 be further assessed and allocated to the respective segments, based on common accepted methodology.

Capital Expenditures during Q2 amounted to MNOK 12.5.

There were no changes to the store portfolio in Hemtex during the quarter. The total number of physical stores at the end of the quarter was 132 compared to 140 at the end of Q2 2019.

Events after the end of the reporting period

From mid-August the risk of new outbreak of the pandemic situation has increased. The management is monitoring the situation closely.

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

Lier, 20 August 2020

The board of Kid ASA

Petter Schouw-Hansen

Karin Bing Orgland

Rune Marsdal

Liv Berstad

Gyrid Skalleberg Ingerø

Kid ASA - Group figures Q2 2020

Financial statements

Interim consolidated statement of profit and loss

(Amounts in NOK thousand)	Note	Q2 2020 Unaudited	Q2 2019 [1] Unaudited	H1 2020 Unaudited	H1 2019 [1] Unaudited	FY 2019 [1] Audited
Revenue		660 507	428 792	1 168 541	726 800	2 342 180
Other operating revenue		45	884	371	924	2 082
Total revenue		**660 552**	**429 676**	**1 168 912**	**727 724**	**2 344 263**
Cost of goods sold		-251 813	-160 225	-454 539	-277 964	-925 666
Employee benefits expense		-140 151	-108 749	-281 894	-191 434	-503 494
Depreciation and amortisation expenses	9	-85 814	-61 576	-169 334	-104 253	-264 974
Other operating expenses		-92 590	-84 281	-193 000	-129 857	-348 153
Total operating expenses		**-570 368**	**-414 831**	**-1 098 766**	**-703 507**	**-2 042 288**
Operating profit		**90 184**	**14 845**	**70 146**	**24 217**	**301 975**
Financial income		9 040	788	29 738	1 363	9 510
Financial expense		-20 874	-11 283	-34 646	-21 826	-50 453
Net financial income (+) / expense (-)		**-11 834**	**-10 496**	**-4 908**	**-20 463**	**-40 943**
Profit before tax		**78 350**	**4 350**	**65 237**	**3 754**	**261 032**
Income tax expense		-16 347	-2 520	-13 553	-2 389	-53 082
Net profit (loss) for the period		**62 003**	**1 830**	**51 684**	**1 365**	**207 950**
Interim condensed consolidated statement of comprehensive income						
Profit for the period		62 003	1 830	51 684	1 365	207 950
Other comprehensive income		-18 994	-6 088	-23 134	-5 060	-134
Tax on comprehensive income		4 137	1 316	5 066	1 090	-303
Total comprehensive income for the period		**47 146**	**-2 941**	**33 616**	**-2 605**	**207 513**
Attributable to equity holders of the parent		47 146	-2 941	33 616	-2 605	207 513
Basic and diluted Earnings per share (EPS):		**1,53**	**0,05**	**1,27**	**0,03**	**5,12**

[1] Hemtex AB figures are included in the group accounts from 15

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	30.06.2020	30.06.2019 [1]	31.12.2019 [1]
Assets		Unaudited	Unaudited	Audited
Goodwill	9	72 024	63 614	65 402
Trademark	9	1 515 287	1 508 667	1 510 165
Other intangible assets	9	9 485	2 856	10 085
Deferred tax asset		24 125	19 626	2 185
Total intangible assets		**1 620 920**	**1 594 761**	**1 587 836**
Right of use asset	9	797 719	840 745	822 604
Fixtures and fittings, tools, office machinery and equipment	9	180 202	140 983	179 233
Total tangible assets		**977 921**	**981 728**	**1 001 838**
Total fixed assets		**2 598 841**	**2 576 489**	**2 589 674**
Inventories		474 023	449 436	484 988
Trade receivables		7 766	7 466	23 201
Other receivables		15 162	34 421	25 815
Derivatives		0	0	2 305
Totalt receivables		**22 928**	**41 887**	**51 320**
Cash and bank deposits		176 815	151 566	339 241
Total currents assets		**673 766**	**642 889**	**875 549**
Total assets		**3 272 607**	**3 219 378**	**3 465 223**

[1] Hemtex AB figures are included in the group accounts from 15 May 2019.

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	30.06.2020	30.06.2019 [1]	31.12.2019 [1]
Equity and liabilities		Unaudited	Unaudited	Audited
Share capital		48 770	48 774	48 774
Share premium		321 050	321 049	321 049
Other paid-in-equity		64 617	64 617	64 617
Total paid-in-equity		**434 437**	**434 440**	**434 440**
Other equity		707 837	566 195	715 721
Total equity		**1 142 274**	**1 000 635**	**1 150 161**
Deferred tax		318 112	330 001	315 398
Total provisions		**318 112**	**330 001**	**315 398**
Lease liabilities		560 721	591 129	584 848
Liabilities to financial institutions	6	510 553	494 344	494 498
Total long-term liabilities		**1 071 274**	**1 085 473**	**1 079 346**
Lease liabilities		224 900	210 512	217 427
Liabilities to financial institutions	6	108 333	278 994	180 000
Trade payable		74 163	100 610	145 122
Tax payable		43 553	11 249	51 239
Public duties payable		90 850	71 462	154 233
Other short-term liabilities		149 609	123 513	160 511
Derivatives		49 538	6 929	11 787
Total short-term liabilities		**740 946**	**803 269**	**920 319**
Total liabilities		**2 130 332**	**2 218 743**	**2 315 063**
Total equity and liabilities		**3 272 607**	**3 219 378**	**3 465 223**

[1] Hemtex AB figures are included in the group accounts from 15 May 2019.

Interim consolidated statement of changes in equity

(Amounts in NOK thousand)	Total paid-in equity	Other equity	Total equity
Balance at 1 Jan 2019	**434 440**	**656 247**	**1 090 687**
Profit for the period YTD 2019	0	1 365	1 365
Other comprehensive income	0	-3 970	-3 970
Cash Flow Hedges	0	-6 157	-6 157
Dividend	0	-81 290	-81 290
Balance at 30 Jun 2019	**434 440**	**566 195**	**1 000 634**
Balance at 1 Jan 2020 [1]	**434 440**	**715 721**	**1 150 161**
PPA adjustment	0	7 171	7 171
Adjusted Balance at 1 Jan 2020 [2]	**434 440**	**722 892**	**1 157 332**
Profit for the period YTD 2020	0	51 684	51 684
Other comprehensive income	0	-18 068	-18 068
Cash Flow Hedges	0	-19 903	-19 903
Translation differences	0	20 002	20 002
Dividend	0	-48 774	-48 774
Balance at 30 Jun 2020 [1]	**434 440**	**707 834**	**1 142 274**

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

[1] Hemtex AB figures are included in the group accounts from 15 May 2019.

[2] PPA adjustment of deferred tax in Q1 2020

Interim consolidated statement of cash flows

(Amounts in NOK thousand)	Note	Q2 2020 Unaudited	Q2 2019 [1] Unaudited	H1 2020 Unaudited	H1 2019 [1] Unaudited	FY 2019 [1] Audited
Cash Flow from operation						
Profit before income taxes		78 350	4 350	65 237	3 754	261 032
Taxes paid in the period		0	-3 486	-22 103	-42 217	-49 702
Depreciation & Impairment	9	85 814	61 754	169 334	104 431	265 152
Effect of exchange fluctuations		-811	0	-21 973	0	0
Change in net working capital						
Change in inventory		95 528	-23 286	29 474	-43 028	-77 155
Change in trade debtors		-1 771	813	16 426	2	-15 733
Change in trade creditors		-32 449	10 564	-79 507	21 124	65 636
Change in other provisions [2]		31 433	-20 527	-76 023	-60 531	74 322
Net cash flow from operations		**256 095**	**30 182**	**80 865**	**-16 465**	**523 553**
Cash flow from investment						
Purchase of Hemtex AB, net of cash acquired		0	5 230	0	5 230	5 230
Purchase of fixed assets	9	-16 791	-19 411	-25 049	-32 082	-98 089
Net Cash flow from investments		**-16 791**	**-14 181**	**-25 049**	**-26 852**	**-92 859**
Cash flow from financing						
Proceeds from long term loans		0	674 375	25 000	674 375	674 375
Repayment of revolving credit facility		-2	-627 379	-80 002	-627 775	-627 775
Lease payments for principal portion of lease liability		-84 801	-54 915	-134 944	-84 790	-223 335
Dividend payment		-48 774	-81 290	-48 774	-81 290	-130 064
Net interest		5 445	-7 509	11 573	-17 704	-26 170
Net cash flow from financing		**-128 132**	**-96 718**	**-227 147**	**-137 185**	**-332 969**
Cash and cash equivalents at the beginning of the period		69 966	141 932	339 246	242 152	242 152
Net change in cash and cash equivalents		111 174	-80 718	-171 329	-180 503	97 724
Exchange gains / (losses) on cash and cash equivalents		-4 325	-217	8 897	-652	-634
Cash and cash equivalents at the end of the period		**176 815**	**60 997**	**176 815**	**60 997**	**339 242**

[1] Hemtex AB figures are included in the group accounts from 15 May 2019.

[2] Change in other provisions includes other receivables, public duties payable and short-term liabilities

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.

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 first quarter of 2020 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 2019, 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 2019.

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

Segment reporting

After the acquisition of Hemtex AB and its subsidiaries on 15 May 2019, the Group reports operating segments in accordance with how the corporate management (the chief operating decision maker) makes, follows up and evaluates its decisions. The operating segments have been identified on the basis of internal management information that is periodically reviewed by the management and used as a basis for resource allocation and key performance review. Hemtex operates in Sweden, Finland and Estonia.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred.

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 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 2019.

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.

Group adjustments include integration costs.

Q2 2020

(Amounts in NOK thousand)	KID Interior	Hemtex	Group adjustments	Total
Revenue	411 462	249 045		660 507
COGS	-157 938	-93 175	-700	-251 813
Gross profit	253 524	155 870	-700	408 694
Other operating revenue		45		45
Operating expense (OPEX)	-140 312	-92 429		-232 741
EBITDA	113 212	63 486	-700	175 999
Operating profit	68 711	22 172	-700	90 184
Gross margin (%)	61,6 %	62,6 %	-	61,9 %
OPEX to sales margin (%)	34,1 %	37,1 %	-	35,2 %
EBITDA margin (%)	27,5 %	25,5 %	-	26,6 %
Inventory	285 650	188 373		474 023
Total assets	2 860 575	727 772	4 078	3 592 425

Note 6 Loans and borrowings

Financing agreements

In Q2 2019 Kid ASA secured a NOK 922,000 thousand financing structure with Nordea Bank for the combined Kid and Hemtex group. In Q1 2020 the group obtained an additional NOK 25,000 thousand facility (TL C). At the balance sheet date, the Group has the following borrowing facilities:

(Amounts in NOK thousand)	Utilised 30.06.2020	Total Facility	Interest	Maturity	Repayment
TL A	150 000	150 000	3 months Nibor + 1.30%	3 years	Installments [1]
TL B	395 000	395 000	Fixed rate at 1,876% + 1.10%	3 years	At maturity
TL C	25 000	25 000	3 months Nibor + 1.30%	3 years	Installments [2]
Revolving credit facility	50 000	130 000	3 months Nibor + 1.10%	2 years	At maturity
Overdraft	-	247 000	1 week IBOR + 1.10%	12 months	At maturity
	670 902	**947 000**			

[1] NOK 50,000 thousand annually in semiannual installments

[2] NOK 8,333 thousand anually in annual installments

The facilities are secured by NOK 1,200,000 thousand of inventory, accounts receivables and operating equipment in Kid Interiør AS and Hemtex AB and the shares in Kid Interiør AS and Hemtex AB. The overdraft facility is in addition secured by a floating charge of SEK 300,000 thousand.

In addition to the facilities described above, Kid has secured a NOK 115 million L/C- and guarantee facility.

Note 7 Earnings per share

	Q2 2020	Q2 2019	H1 2020	H1 2019	FY 2019
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	62 003	1 830	51 684	1 365	207 950
Earnings per share (basic and diluted) (Expressed in NOK per share)	**1,53**	**0,05**	**1,27**	**0,03**	**5,12**

Note 8 Related party transactions

The Group's related parties include its 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 first half of 2020 and 2019:

Related Party Transactions	H1 2020	H1 2019
Vågsgaten Handel AS with subsidiaries (Store rental)	554	451
Management for Hire*	375	250
Total	929	701

The chairman of the board, Petter Schouw-Hansen, has been employed by Kid Interiør AS to perform integration work related to Hemtex AB. For the first half of 2020 the payment of salary amounts to NOK 375 thousand. The work is approved by the board as per Kid corporate governance policies. The agreement ended at 31.03.2020.

Note 9 Fixed assets and intangible assets

(amounts in NOK thousand)	Right of use Asset	PPE	Trademark	Other Intangibles	Goodwill
Balance 01.01.2020	**822 604**	**179 233**	**1 510 165**	**10 085**	**65 402**
Exchange differences	22 819	4 732	5 122	665	6 622
Additions	93 126	24 470	-	856	-
Depreciation and amortisation	-140 830	-28 234	-	-2 120	-
Balance 30.06.2020	**797 719**	**180 202**	**1 515 287**	**9 485**	**72 024**

(amounts in NOK thousand)	Right of use Asset	PPE	Trademark	Other Intangibles	Goodwill
Balance 31.12.2018	**-**	**91 530**	**1 459 585**	**9 835**	**-**
IFRS 16 transition effects	674 700	-	-	-6 532	-
Balance 01.01.2019	**674 700**	**91 530**	**1 459 585**	**3 303**	**-**
Exchange differences	-602	-110	-139	-	-132
Acquisition Hemtex	221 516	38 467	49 300	-	63 746
Additions	28 167	32 087	-	144	-
Depreciation and amortisation	-83 035	-20 987	-	-591	-
Balance 30.06.2019	**840 746**	**140 987**	**1 508 746**	**2 856**	**63 614**

RESPONSIBILITY STATEMENT KID ASA

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 30 June 2020 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 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, 20 August 2020

The board of Kid ASA

Petter Schouw-Hansen

Karin Bing Orgland

Rune Marsdal

Liv Berstad

Gyrid Skalleberg Ingerø

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. For Hemtex, the comparative period is derived from Hemtex management information (not audited by Kid ASA). 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 is an important performance measure for Kid. **Adjusted EBITDA** is defined as EBITDA less items defined as other income and expenses, which includes inter alia, transaction and integration costs. These performance measures are important key figures for Kid Group and considered useful to the users of the financial statements when evaluating operational profitability on a more variable cost basis as they exclude amortisation and depreciation expense related to capital expenditure, and also items not considered as a part of ordinary operations.
- **EBITDA margin** is EBITDA divided by Total revenue. The **Adjusted EBITDA margin** is Adjusted EBITDA divided by total Revenue. These performance measures are important key figures for Kid Group and are considered useful to the users of the financial statements when evaluating operational efficiency on a more variable cost basis as they exclude amortisation and depreciation expense related to capital expenditure, and also items not considered as a part of ordinary operations.
- **EBIT** (earnings before interest, tax) is operating profit. **Adjusted EBIT** is defined as EBIT less items defined as other income and expenses, which includes inter alia, transaction and integration costs. These performance measures are considered useful to the users of the financial statements when evaluating operational profitability, also excluding items not considered as a part of ordinary operations.
- **EBIT margin** is EBIT divided by Total revenue. The **Adjusted EBIT margin** is Adjusted EBIT divided by total Revenue. These performance measures are important key figures for Kid Group and are considered useful to the users of the financial statements when evaluating operational efficiency, also excluding items not considered as a part of ordinary operations.
- **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.
- **Adjusted Net Income** is Net Income adjusted for items defined as other income and expenses, which includes inter alia, transaction and integration costs adjusted for tax effects and change in deferred tax caused by change in 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.

Kid

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