Kid ASA

Interim report Q2 2021

Dear Shareholders

Q2 was yet another successful quarter for the Kid Group. On top of last year's extraordinary Q2 revenue growth of 23%, we achieved positive growth figures also in Q2 2021 – despite 32% of our Norwegian and all five Estonian stores closed during April and continued reduced footfall in Sweden and Finland due to governmental restrictions. Combined with higher gross margin and strong cost control we have delivered yet another quarter with high profitability.

These are the key takeaways from the second quarter:

- Online sales continue to grow significantly and accounted for 11.3% of total revenues. We remain confident that our ongoing investment in a new online platform for the group will substantiate further growth both online and in physical stores. We expect the new platform to go live in all markets before the Christmas season.

- We continue to expand our product categories as well as introducing new assortment. Outdoor furniture was successfully launched in Kid Interior in 2020, and further expanded in 2021. During Q2, revenues from furniture almost doubled compared to Q2 last year, reaching MNOK 17. Based on successful pilot testing in Sweden this year, we intend to launch this category in Hemtex in 2022.

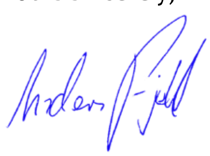
- As a step towards a more integrated and common market approach, the marketing function for Kid Interior and Hemtex was reorganised and centralised. Campaign planning and marketing material is now produced centrally and thereafter adapted to local markets. As a result, we expect cost synergies, reduced time to market and sharing of best practices from both segments going forward.

- As part of the continued integration process in Hemtex, we have refurbished the kitchen department in physical stores based on the Kid Interior concept. Previously, similar department facelifts have proved successful by improving the merchandising of the assortment and improving customer experience, thus driving sales growth. Our refurbishing and physical store expansion program is progressing according to plan and in line with our financial targets.

- Gross margin improved in Q2 due to joint sourcing for Kid and Hemtex. However, we remain alerted towards the unstable, global ocean freight situation with increased spot rates and delays, as well as increased cost of raw materials. We constantly monitor the situation and are prepared to take immediate action to offset the impact of potential delays and price increases.

I remain impressed by the organization and its willingness and ability to adapt. I am proud of how successful we have been to introduce products to inspire our customers. Looking ahead, we will keep up the good work and we are well prepared for the autumn.

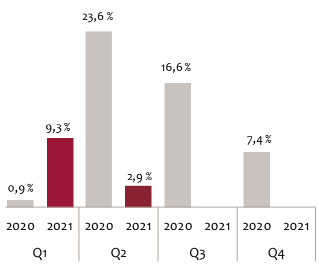
Yours sincerely,



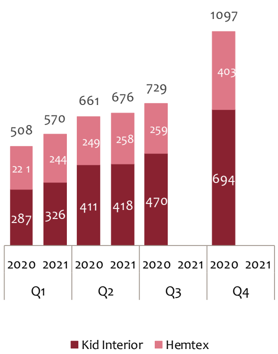
Second quarter in brief

- ✓ Group revenues increased by 3.9% and like-for-like growth increased by 2.9% despite reduced footfall following governmental Covid-19 restrictions. Online sales growth of 23.2% and 5.7% in Kid Interior and Hemtex, respectively.
- ✓ Gross margin increased by 1.8 percentage points to 63.7%, driven by the effect of last year's price adjustments, less rebating due to strong demand, improved purchasing terms because of joint sourcing with Hemtex and favourable changes in product mix
- ✓ OPEX-to-sales was 48.8% (46.0%) and was 49.4% (49.6%) when adding back Covid-19 related cost reduction effects
- ✓ Adjusted EBITDA excluding IFRS16 effects decreased by MNOK 2.4 to MNOK 102.2 (MNOK 104.6)
- ✓ LTM gearing ratio excluding IFRS16 effects was 1.0 (1.1) at the end of the quarter

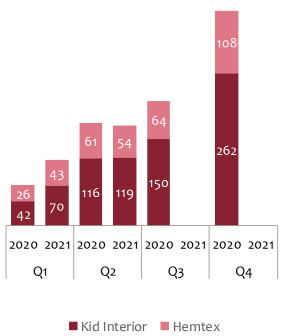
LFL growth (%), Group



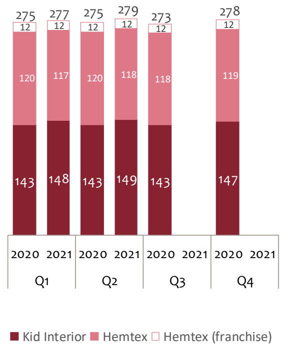
Revenue, MNOK



EBITDA, MNOK



No. of physical stores (period end)



Alternative Performance Measures

(Amounts in NOK million)	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue	**676,3**	**660,5**	**1 246,1**	**1 168,5**	**2 994,7**
Like-for-like growth including online sales [1]	2,9 %	23,6 %	3,7 %	12,1 %	14,8 %
COGS	-245,5	-251,8	-467,6	-454,5	-1 128,7
Gross profit	**430,8**	**408,7**	**778,5**	**714,0**	**1 866,0**
Gross margin (%)	**63,7%**	**61,9%**	**62,5%**	**61,1%**	**62,3%**
Other operating income	1,4	0,0	2,7	0,4	1,7
Employee benefits expense	-149,4	-140,2	-289,4	-281,9	-607,1
Other operating expense	-180,6	-164,0	-350,3	-336,8	-726,6
Other operating expense - IFRS 16 effect	70,4	71,4	143,6	143,8	289,7
OPEX	**-259,7**	**-232,7**	**-496,0**	**-474,9**	**-1 044,1**
Integration costs	0,0	0,0	0,0	1,2	1,2
Opex excluding integration costs	**-259,7**	**-232,7**	**-496,0**	**-473,7**	**-1 042,9**
Adj. EBITDA	**172,5**	**176,0**	**285,3**	**240,7**	**824,8**
Adj. EBITDA margin (%)	**25,5%**	**26,6%**	**22,8%**	**20,6%**	**27,5%**
Depreciation	-17,3	-15,7	-34,3	-30,6	-63,8
Depreciation - IFRS 16 effect	-65,7	-70,1	-131,8	-138,7	-277,1
Adj. EBIT	**89,6**	**90,2**	**119,2**	**71,3**	**483,9**
Adj. EBIT margin (%)	**13,2%**	**13,7%**	**9,5%**	**6,1%**	**16,2%**
Net financial income (expense)	-2,3	-4,5	-19,6	10,1	2,2
Net financial expense - IFRS 16 effect	-6,7	-7,4	-13,8	-15,0	-30,7
Adj. Profit before tax	**80,5**	**78,3**	**85,8**	**66,4**	**455,5**
Adj. Net income	**63,8**	**62,0**	**67,5**	**52,6**	**357,0**
Adjusted earnings per share	**1,57**	**1,53**	**1,66**	**1,29**	**8,78**
Liabilities to financial institutions	-643,7	-618,9	-643,7	-618,9	-521,8
Lease liabilities - IFRS 16 effect	-735,0	-785,6	-735,0	-785,6	-819,2
Cash	60,7	176,8	60,7	176,8	301,3
Net interest bearing debt	**-1 318,0**	**-1 227,7**	**-1 318,0**	**-1 227,7**	**-1 039,7**

[1] *Calculated in constant currency*

Financial review for the Kid Group

Q2 2021 was yet another strong quarter for the Kid Group both in terms of revenue and profitability.

The Covid-19 cost reduction effect in the quarter is estimated to MNOK 4.2 (MNOK 23.5) of which the main part occurred in the beginning of the quarter.

Revenues

Group revenues increased by 3.9% (22.7%) to MNOK 676.3 (MNOK 651.6) based on a constant currency calculation, and by 2.5% when applying actual currency (MNOK 660.5). Group revenues on a like-for-like basis were up by 2.9% (23.6%).

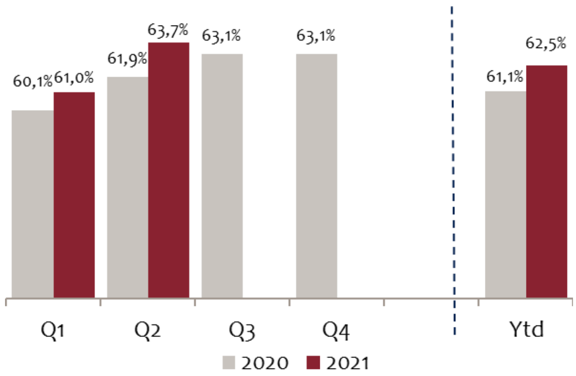
Revenues increased in both segments despite closed stores in Norway in April and Covid-19 restrictions in Sweden, Finland and Estonia. Increased online shopping and compensating sales initiatives utilizing the omni channel platform played an important role in driving growth.

Q2 2020 vs Q2 2021 revenue bridge, MNOK

Gross margin was 63.7%, up 1.8 percentage points compared to Q2 2020.

The increase in gross margin is mainly a consequence of an increased effect of the joint sourcing for Kid and Hemtex resulting in improved purchasing terms with suppliers and the effect of last year's price adjustments, but also less rebating following strong demand and favourable changes in product mix.

Gross margin:



Employee benefits expenses increased by MNOK 9.2 to MNOK 149.4. The increase was mainly due to lower Covid-19 cost reduction effects, which were partly offset by a reduction in bonus provisions.

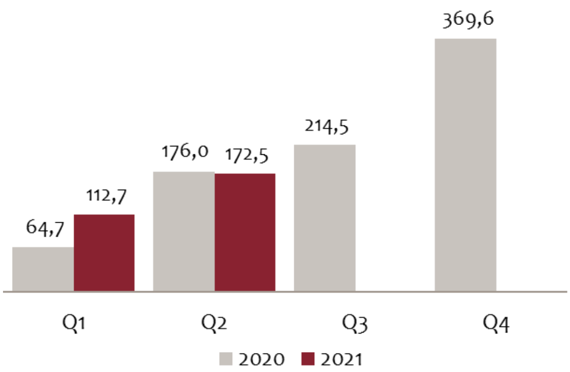
Other operating expenses excluding IFRS16 increased by MNOK 17.6 to MNOK 110.2. Kid Interior had an increase in OPEX due to IT consultant costs as well as increase in online activity resulting in higher distribution costs. Hemtex had an increase in OPEX due to a combination of higher third-party logistic costs, higher online distribution costs and less Covid-19 rental rebates.

OPEX to sales margin was 48.8% (46.0%). When adding back Covid-19 related costs reduction effects OPEX to sales margin was 49.4% (49.6%).

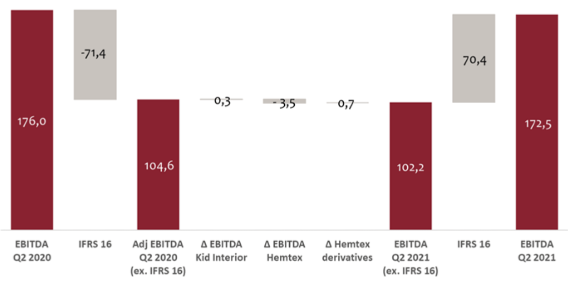
Further details on employee benefits and operating expenses can be found in the segment sections below.

Adjusted EBITDA decreased by MNOK 3.5 from MNOK 176.0 to MNOK 172.5 mainly due to less Covid-19 cost reduction effects in Q2 2021 compared to Q2 2020.

Adjusted EBITDA:



EBITDA exclusive of IFRS16 effects decreased by MNOK 2.4 to MNOK 102.2 from MNOK 104.6 last year. Gross margins increased and cost control was strong, but this was offset by less Covid-19 cost reduction effects.



Net financial expense of MNOK 2.3 relates to net interest expenses of MNOK 4.3, other financial expenses of MNOK 1.5 and net unrealized foreign exchange gain of MNOK -3.7.

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

Adjustments overview (MNOK)	**Q2 2021**	**Q2 2020**	**H1 2021**	**H1 2020**	**FY 2020**
Integration cost related to Hemtex acquisition				1,2	1,2
EBITDA, EBIT and profit adjustments before tax				**1,2**	**1,2**
Tax effects on adjustments (22%)				-0,3	-0,3
Net income adjustments				**0,9**	**0,9**

Liquidity and borrowings

During Q2, Kid ASA paid MNOK 178.8 in dividend, and MNOK 130 of the revolving credit facility was drawn. Furthermore, the renegotiated agreement with Nordea has become effective. Please refer to note 6 in the Financial Statements for further details.

Excluding IFRS16 effects, net interest-bearing debt was MNOK 582.9 (MNOK 442.1) at the end of the quarter, corresponding to 1.0x (1.1x) of the LTM EBITDA excluding IFRS16 effects.

The Group had cash and available credit facilities of MNOK 407.7 (MNOK 503.8) as of 30 June 2021. The Group has a satisfactorily liquidity position.

Capital Expenditures during Q2 amounted to MNOK 24.7 (MNOK 16.8) of which investment in the new e-commerce platform accounted for MNOK 3.9 and the remaining MNOK 20.8 mainly reflects store openings and refurbishments.

Segments: Key figures

KID Interior

(Amounts in NOK millions)	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue	**418,4**	**411,5**	**744,5**	**698,6**	**1 862,8**
Revenue growth	1,7 %	28,0 %	6,6 %	12,8 %	16,0 %
LFL growth including online sales	-0,9%	27,1 %	3,7 %	12,1 %	14,8 %
COGS	-152,9	-157,9	-279,7	-275,6	-703,1
Gross profit	**265,5**	**253,5**	**464,7**	**423,0**	**1 159,7**
Gross margin (%)	63,5 %	61,6 %	62,4 %	60,6 %	62,3 %
Other operating revenue	-0,0		0,5	0,1	0,2
Employee benefits expense	-86,1	-86,4	-166,9	-167,0	-374,1
Other operating expense	-100,2	-88,2	-189,5	-173,6	-366,4
Other operating expense - IFRS 16 effect	39,3	37,1	79,7	75,8	150,9
EBITDA	**118,5**	**115,9**	**188,4**	**158,3**	**570,4**
EBITDA margin (%)	28,3 %	28,2 %	25,3 %	22,7 %	30,6 %
No. of shopping days	71	72	148	149	308
No. of physical stores at period end	149	143	149	143	147

Hemtex

(Amounts in NOK millions)	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020 [1]
Revenue	**257,9**	**249,0**	**501,7**	**469,9**	**1 131,8**
Revenue growth [2]	7,7 %	14,7 %	7,1 %	10,7 %	1,1 %
LFL growth including online sales [2]	9,8 %	18,0 %	8,8 %	13,0 %	6,7 %
COGS	-92,7	-93,2	-187,9	-174,1	-420,7
Gross profit	**165,2**	**155,9**	**313,8**	**295,8**	**711,1**
Gross margin (%)	64,1 %	62,6 %	62,6 %	62,9 %	62,8 %
Other operating revenue	1,5	0,0	2,3	0,3	1,4
Employee benefits expense	-63,3	-53,7	-122,5	-114,1	-232,1
Other operating expense	-80,4	-75,8	-160,8	-162,8	-359,9
Other operating expense - IFRS 16 effect	31,1	34,3	64,0	68,0	138,7
EBITDA	**54,0**	**60,8**	**96,8**	**87,2**	**259,2**
EBITDA margin (%)	20,8 %	24,4 %	19,2 %	18,5 %	22,9 %
No. of shopping days	90	90	90	90	91
No. of physical stores at period end (excl. franchise)	118	120	118	120	119

[1] For reason of comparison, Q2 2020 have been restated with Segment Allocated Costs. Refer Note 5 for further details.
[2] Calculated in local currency

Segment: Kid Interior

Revenues in Kid Interior increased by 1.7% to MNOK 418.4. Like-for-like revenues including online sales were down by -0.9%.

Footfall and revenues decreased in April following temporarily closed stores due to governmental Covid-19 restrictions, which was compensated by growth in May and June.

Revenues from furniture, which was introduced as a new category last year, doubled to MNOK 17.

New sales initiatives utilizing the omni channel platform has proven important as a supplement to our physical stores. Online growth was of 23.2% with online revenues reaching MNOK 38.3 in the quarter.

Gross profit increased by MNOK 12.0 compared to last year and **gross margin** increased by 1.9 percentage points due to the effect of last year's price adjustments, less rebating due to strong demand, improved purchasing terms because of joint sourcing with Hemtex and favourable changes in product mix.

Employee expenses decreased by -0.4% to MNOK 86.1:

- +3.7 percentage points due to net new and relocated stores
- +15.4 percentage points due to less Covid-19 cost reduction effects in LFL stores, partly offset by increased staffing level and salary inflation in stores.
- -17.9 percentage points due to lower bonus provisions for Q2. MNOK 1.6 (MNOK 8.9) was provisioned for store bonuses and MNOK 1.1 (MNOK 9.3) was provisioned for other management and HQ bonuses
- -1.6 percentage points in headquarter costs due to increased number of employees in Kid Interior performing services across segments (e.g centralised purchasing, marketing and IT) which have been allocated to the Hemtex segment.

Year to date bonus provision amounted to MNOK 3.9 (MNOK 18.8) of which store bonuses was MNOK 1.9 (MNOK 9.5) and other management bonuses was MNOK 2.0 (MNOK 9.3).

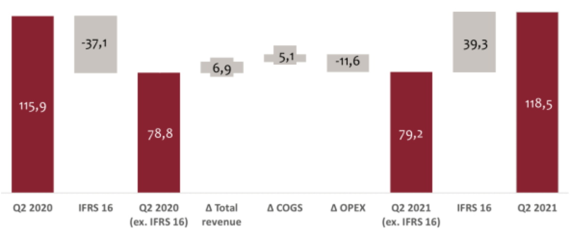
Other operating expenses excluding IFRS16 increased by 13,5% to MNOK 100.2:

- +2.7 percentage points related to rental cost for like-for-like stores partly due to less Covid-19 rebates this quarter
- +1.2 percentage points related to rental cost for new stores
- +1.0 percentage points related to increase in marketing costs due to timing of campaigns
- +8.6 percentage points related to an increase in other OPEX mainly related to increased use of temporarily IT consultants as well as an increase in online activity resulting in higher distribution costs and higher use of external storage resources to meet Covid-19 restrictions

Covid-19 cost effect during Q2 has been estimated at MNOK 3.7 (MNOK 12.0) of which reduced employee expenses accounted for MNOK 1.9 (MNOK 9.0).

EBITDA excluding IFRS16 increased by MNOK 0.4 to MNOK 79.2 (MNOK 78.8) mainly caused by increased gross margin and less Covid-19 cost reduction effects compared to Q2 2020.

Q2 2020 vs. Q2 2021 EBITDA bridge, MNOK



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

One new store was opened, one was relocated, and four stores were refurbished during the second quarter. There were no closed stores. The total number of physical stores at the end of the quarter was 149 (143).

Segment: Hemtex

Revenues increased by MNOK 8.9 to MNOK 257.9. In local currency revenues increased by 7.7% to MSEK 259.8. Like-for-like revenues including online sales were up by 9.8%.

Except for the five stores in Estonia, opened May 3, all stores have been opened during the quarter, but with fluctuating footfall following various Covid-19 governmental restrictions. Online growth increased by 5.7% and online revenues were MNOK 36.5 in the quarter. The Business-to-Business revenues of Hemtex24H decreased by MNOK 0.3 to MNOK 7.0 (MNOK 7.3).

The joint Kid assortment is continuously being introduced in Hemtex and was an important driver of growth in Q2. During the quarter, Kid and Hemtex started to use joint marketing material in various channels driving synergies in production and a similar concept profile.

Gross profit increased by MNOK 9.3 and **gross margin** increased by 1.5 percentage points due to joint sourcing with Kid Interior and favourable changes to product mix.

Employee expenses increased by 17.9% to MNOK 63.3:

- -1.1 percentage points due to net new and closed stores
- +18.4 percentage points in like-for-like stores mainly due to less Covid-19 effects this quarter
- +3.9 percentage points due to more Group services provided by HQ in Norway, partly offset by lower bonus provisions. Bonus provision in Q2 2021 was MNOK 0 (MNOK 1.1) related to management incentives
- -3.3 percentage points due to changes in NOKSEK exchange rate

Year to date bonus provision amounted to MNOK 0.5 (MNOK 1.1) which was related to management incentives.

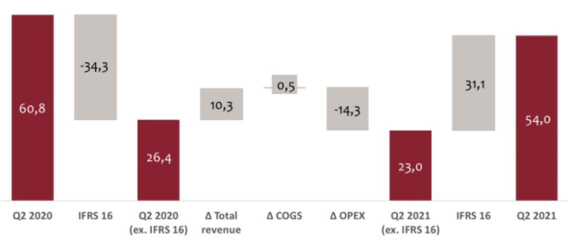
Other operating expenses excluding IFRS16, increased by 6.2% to MNOK 80.4:

- -2.5 percentage points related to retail space and cost for net new/closed stores (net decrease in number of stores)
- +5.0 percentage points related to retail space and cost for LFL stores, partly due to less Covid-19 saving this year
- +1.1 percentage points related to marketing costs due to changes to timing of campaigns
- +6.6 percentage points related to increased third party logistics costs as well as higher online distribution costs
- -0.6 percentage points related to other OPEX
- -3.4 percentage points due to changes in NOKSEK exchange rate

Covid-19 cost reduction effect during Q2 has been estimated at MNOK 0.5 (MNOK 11.5) of which reduced employee expenses accounted for MNOK 0.3 (MNOK 6.4).

EBITDA excluding IFRS16 decreased by MNOK 3.4 to MNOK 23 (MNOK 26.4) caused by increased gross margin offset by less Covid-19 cost reductions.

Q2 2020 vs. Q2 2021 EBITDA bridge, MNOK



Capital Expenditure during Q2 amounted to MNOK 10.9 and include opening and refurbishment of stores in Q2.

One new store was opened, four stores were refurbished during the second quarter. There were no closed or relocated stores in the period. The total number of physical stores (excl. 12 franchise stores) at the end of the quarter was 118 (120).

Events after the end of the reporting period

The pandemic situation appears to be declining, but with local outbreaks and certain governmental restrictions still affecting our markets in different ways. Kid Group is adapting to these restrictions on a running basis.

Following the pandemic situation, raw material prices and overseas freight costs have increased and fluctuate more than what we have seen in recent years. We are constantly monitoring the situation and are prepared to take immediate action to offset the impact of potential delays and price increases.

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

Lier, 20 August 2021

The board of Kid ASA

Kid ASA - Group figures Q2 2021

Financial statements

Interim consolidated statement of profit and loss

(Amounts in NOK thousand)	Note	Q2 2021 Unaudited	Q2 2020 Unaudited	H1 2021 Unaudited	H1 2020 Unaudited	FY 2020 Audited
Revenue		676 317	660 507	1 246 132	1 168 541	2 994 658
Other operating revenue		1 419	45	2 750	371	1 693
Total revenue		**677 736**	**660 552**	**1 248 882**	**1 168 912**	**2 996 351**
Cost of goods sold		-245 548	-251 813	-467 590	-454 539	-1 128 690
Employee benefits expense		-149 433	-140 151	-289 391	-281 894	-607 119
Depreciation and amortisation expenses	9	-82 973	-85 814	-166 020	-169 334	-340 840
Other operating expenses		-110 220	-92 590	-206 646	-193 000	-436 973
Total operating expenses		**-588 173**	**-570 368**	**-1 129 647**	**-1 098 766**	**-2 513 622**
Operating profit		**89 564**	**90 184**	**119 235**	**70 146**	**482 730**
Financial income		3 704	9 040	3 706	29 738	32 299
Financial expense		-12 772	-20 874	-37 113	-34 646	-60 735
Net financial income (+) / expense (-)		**-9 068**	**-11 834**	**-33 407**	**-4 908**	**-28 435**
Profit before tax		**80 496**	**78 350**	**85 828**	**65 237**	**454 295**
Income tax expense		-16 742	-16 347	-18 293	-13 553	-98 196
Net profit (loss) for the period		**63 754**	**62 003**	**67 534**	**51 684**	**356 098**
Interim condensed consolidated statement of comprehensive income						
Profit for the period		63 754	62 003	67 534	51 684	356 098
Other comprehensive income		7 980	-18 994	47 177	-23 134	-56 632
Tax on comprehensive income		-1 748	4 137	-10 161	5 066	12 274
Total comprehensive income for the period		**69 986**	**47 146**	**104 551**	**33 616**	**311 740**
Attributable to equity holders of the parent		69 986	47 146	104 551	33 616	311 740
Basic and diluted Earnings per share (EPS):		**1,57**	**1,53**	**1,66**	**1,27**	**8,76**

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	30.06.2021	30.06.2020	31.12.2020
Assets		Unaudited	Unaudited	Audited
Goodwill	9	69 684	72 024	72 280
Trademark	9	1 513 476	1 515 287	1 515 485
Other intangible assets	9	10 900	9 485	5 623
Deferred tax asset		0	24 125	15 810
Total intangible assets		**1 594 060**	**1 620 920**	**1 609 197**
Right of use asset	9	719 396	797 719	821 683
Fixtures and fittings, tools, office machinery and equipment	9	205 027	180 202	199 512
Total tangible assets		**924 423**	**977 921**	**1 021 195**
Total fixed assets		**2 518 483**	**2 598 841**	**2 630 392**
Inventories		554 258	474 023	482 161
Trade receivables		13 188	7 766	18 381
Other receivables		29 068	15 162	32 725
Derivatives		2 270	0	0
Totalt receivables		**44 526**	**22 928**	**51 106**
Cash and bank deposits		60 716	176 815	301 276
Total currents assets		**659 500**	**673 766**	**834 542**
Total assets		**3 177 983**	**3 272 607**	**3 464 935**

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	30.06.2021	30.06.2020	31.12.2020
Equity and liabilities		Unaudited	Unaudited	Audited
Share capital		48 770	48 770	48 770
Share premium		321 050	321 050	321 050
Other paid-in-equity		64 617	64 617	64 617
Total paid-in-equity		**434 440**	**434 437**	**434 437**
Other equity		676 194	707 837	750 164
Total equity		**1 110 634**	**1 142 274**	**1 184 601**
Deferred tax		316 205	318 112	315 336
Total provisions		**316 205**	**318 112**	**315 336**
Lease liabilities		491 056	560 721	585 131
Liabilities to financial institutions	6	601 700	510 553	461 480
Total long-term liabilities		**1 092 756**	**1 071 274**	**1 046 612**
Lease liabilities		243 937	224 900	234 113
Liabilities to financial institutions	6	41 993	108 333	60 297
Trade payable		56 608	74 163	92 316
Tax payable		46 172	43 553	87 011
Public duties payable		101 962	90 850	167 402
Other short-term liabilities		141 248	149 609	198 883
Derivatives		26 468	49 538	78 364
Total short-term liabilities		**658 388**	**740 946**	**918 385**
Total liabilities		**2 067 349**	**2 130 332**	**2 280 333**
Total equity and liabilities		**3 177 983**	**3 272 607**	**3 464 934**

Interim consolidated statement of changes in equity

(Amounts in NOK thousand)	Total paid-in equity	Other equity	Total equity
Balance at 1 Jan 2020	**434 440**	**715 721**	**1 150 161**
PPA adjustment		7 171	7 171
Adjusted Balance at 1 Jan 2020 [1]	**434 440**	**722 892**	**1 157 332**
Profit for the period YTD 2020	0	51 684	51 684
Other comprehensive income / Cash Flow Hedges	0	-17 969	-17 969
Dividend	0	-48 774	-48 774
Balance at 30 Jun 2020	**434 440**	**707 833**	**1 142 273**
Balance at 1 Jan 2021	**434 440**	**750 164**	**1 184 601**
Profit for the period YTD 2021	0	67 535	67 535
Other comprehensive income / Cash Flow Hedges	0	37 017	37 017
Translation differences	0	317	317
Dividend	0	-178 839	-178 839
Balance at 30 Jun 2021	**434 440**	**676 194**	**1 110 634**

[1] PPA adjustment of deferred tax in Q1 2020.

Interim consolidated statement of cash flows

(Amounts in NOK thousand)	Note	Q2 2021 Unaudited	Q2 2020 Unaudited	H1 2021 Unaudited	H1 2020 Unaudited	FY 2020 Audited
Cash Flow from operation						
Profit before income taxes		80 496	78 350	85 828	65 237	454 295
Taxes paid in the period		-25 000	0	-58 128	-22 103	-50 103
Depreciation & Impairment	9	82 973	85 814	166 020	169 334	340 840
Effect of exchange fluctuations		-3 482	-811	8 901	-21 973	-23 147
Change in net working capital						
Change in inventory		-16 015	95 528	-80 354	29 474	22 777
Change in trade debtors		-3 802	-1 771	4 799	16 426	8 685
Change in trade creditors		-19 477	-32 449	-9 016	-79 507	-61 333
Change in other provisions [1]		16 949	31 433	-111 239	-76 023	57 193
Net cash flow from operations		**112 642**	**256 095**	**6 810**	**80 865**	**749 207**
Cash flow from investment						
Purchase of fixed assets	9	-23 024	-16 791	-36 620	-25 049	-65 398
Net Cash flow from investments		**-23 024**	**-16 791**	**-36 620**	**-25 049**	**-65 398**
Cash flow from financing						
Proceeds from long term loans		130 000	0	130 000	25 000	25 000
Repayment of revolving credit facility		0	-2	0	-80 002	-130 204
Repayment of Term Loans		0	0	-8 678	0	-50 152
Lease payments for principal portion of lease liability		-64 817	-84 801	-132 299	-134 944	-274 956
Dividend payment		-178 839	-48 774	-178 839	-48 774	-284 474
Net interest		-9 943	5 445	-18 729	11 573	-10 575
Net cash flow from financing		**-123 599**	**-128 132**	**-208 545**	**-227 147**	**-725 360**
Cash and cash equivalents at the beginning of the period		91 441	69 966	301 276	339 246	339 246
Net change in cash and cash equivalents		-33 980	111 174	-238 353	-171 329	-41 545
Exchange gains / (losses) on cash and cash equivalents		3 256	-4 325	-2 207	8 897	3 576
Cash and cash equivalents at the end of the period		**60 716**	**176 815**	**60 716**	**176 815**	**301 276**

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

Note 1 Corporate information

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

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

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

Note 2 Basis of preparations

These interim financial statements for the second quarter of 2021 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 2020, 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 2020.

Amendments to IFRSs effective for the financial year ending 31 December 2020 are not expected to have a material impact on the group.

Note 4 Estimates, judgments and assumptions

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

In preparing these interim financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2020.

Note 5 Segment information

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

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

Q2 2021

(Amounts in NOK thousand)	KID Interior	Hemtex	Total
Revenue	418 373	257 944	676 317
COGS	-152 851	-92 697	-245 548
Gross profit	265 522	165 248	430 770
Other operating revenue	-41	1 460	1 419
Operating expense (OPEX)	-146 976	-112 676	-259 652
EBITDA	118 505	54 032	172 536
Operating profit	71 829	17 735	89 564
Gross margin (%)	63,5 %	64,1 %	63,7 %
OPEX to sales margin (%)	35,1 %	43,7 %	38,4 %
EBITDA margin (%)	28,3 %	20,8 %	25,5 %
Inventory	321 000	233 258	554 258
Total assets	2 423 044	754 936	3 177 980

Certain group costs have been booked in Kid Interior and in the parent company Kid ASA and are allocated to the respective segments based on common accepted methodology. For 2020 the cost allocation was performed in Q4 for the entire year but starting 2021 performed on a quarterly basis. Hence, for reason of comparison, Q2 2020 figures have been restated. Please refer below table for details.

Segment allocated costs

(MNOK)	Q1 2021	Q1 2020	Q2 2021	Q2 2020	Q3 2021	Q3 2020	Q4 2021	Q4 2020	Total year 2021	Total year 2020
Kid ASA and Kid Interior										
Segment allocated employee benefits expense	0,8	2,3	5,2	2,4		3,2		2,1	5,9	10,0
Segment allocated other operating expense	1,7	0,1	1,0	0,3		0,3		1,0	2,7	1,7
Hemtex										
Segment allocated employee benefits expense	-0,8	-2,3	-5,2	-2,4		-3,2		-2,1	-5,9	-10,0
Segment allocated other operating expense	-1,7	-0,1	-1,0	-0,3		-0,3		-1,0	-2,7	-1,7

Note 6 Loans and borrowings

Financing agreements
In April 2021, Kid ASA entered into a renewed agreement with Nordea securing a term loan structure of NOK 611.7 million.
In addition, the group also renewed the existing revolving credit facility, overdraft agreement and the NOK 115 million L/C- and guarantee facility. During the quarter, the revolving credit facility was drawn in full.

At the balance sheet date, the Group has the following borrowing facilities:

(Amounts in NOK thousand)	Utilised 30.06.2021	Total Facility	Interest	Maturity	Repayment
Total term loan	511 700	611 700[1]		5 years	Instalments [2]
Of which:					
Denominated in NOK	*395 000*	*495 000*	*Fixed rate at 1,876% + 1.25%* [3]		
Denominated in SEK	*115 000*	*115 000*	*Fixed rate at 1,460% + 1.25%* [4]		
Revolving credit facility	130 000	130 000	3 months Nibor + 1.10%	3 years	At maturity
Overdraft	-	247 000	1 week IBOR + 1.10%	12 months	At maturity
	641 700	**988 700**			

[1]Of which 100 can be drawn at Kid's discretion within two years and with a maximum of two tranches
[2] NOK 30M in annual instalments with bi-annual payments. First instalment is due in November 2021 for the full yearly payment.
[3]Fixed interest rate is secured through an interest rate swap of MNOK 395 maturing May 2029 and subject to hedge accounting
[4]Fixed interest rate and denomination in SEK is hedged through a cross currency interest swap of MNOK 115 maturing November 2024 The effect of the change in fair value of the cross currency interest swap is booked against foreign exchange gains/losses in Statement of profit and loss

Loan covenants
The new loan agreement also made changes to the loan covenants:
(a) the gearing ratio (NIBD/EBITDA) must now be below 2,25 at year end (reduced from 2,5) in accordance with previous agreement
(b) the EBITDA last twelve months at each quarter must exceed 175 MNOK (increased from 150 MNOK), and
(c) CAPEX Year to date was removed

Assets pledged as security

Assets pledged as security for the facilities are the shares in Kid Interior AS and Hemtex AB, NOK 1,200,000 thousand of inventory, accounts receivables and operating equipment in Kid Interior AS and SEK 300,000 thousand of assets in Hemtex AB.

Note 7 Earnings per share

	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
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	63 754	62 003	67 534	51 684	356 098
Earnings per share (basic and diluted) (Expressed in NOK per share)	**1,57**	**1,53**	**1,66**	**1,27**	**8,76**

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 2021 and 2020:

Related Party Transactions	H1 2021	H1 2020
Vågsgaten Handel AS with subsidiaries (Store rental)	559	554
Management for Hire	0	375
Total	559	929

Note 9 Fixed assets and intangible assets

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

(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, disposals and adjustments	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**

RESPONSIBILITY STATEMENT KID ASA

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 30 June 2021 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 2021

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. 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.
- **Constant currency** is exchange rates that the Group uses to eliminate the effect of exchange rates fluctuations when calculating financial performance numbers.

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.