Kid ASA

Interim report Q3 2021

Dear Shareholders

Q3 was yet another strong quarter for the Kid Group. On top of last year's extraordinary Q3 revenue growth of 17%, we also achieved positive growth in Q3 2021. Increased revenues, combined with higher gross margin and stringent cost control, resulted in Q3 2021 being the 6th consecutive quarter with year-on-year increased Earnings Per Share.

These are the key takeaways from the third quarter:

- A key element in the growth strategy for Hemtex is to introduce more Kid Interior products and product categories. During the quarter, we continued to see these initiatives as a driver for growth. In addition, stores that have been upgraded according to the Kid concept generated 13% higher growth in Q3 compared to the rest of the store portfolio. Since the acquisition in May 2019, 28 Hemtex stores have been upgraded.

- Kid Interior saw reduced footfall compared to Q3 2020, but in line with footfall in Q3 2019. Footfall was negatively affected to some extent by late deliveries of seasonal autumn products. Like-for-like revenues were down by 7% compared to 2020 and up by 13% compared to Q3 2019.

- We constantly monitor the unstable, global freight situation to secure deliveries, and especially ahead of our peak season. Although seasonal Christmas products account for only 20% of revenues during Q4, the Christmas assortment is important in making Kid stores relevant and inspirational for customers. Certain delays may occur, but we remain confident that our stores will be filled with relevant and attractive products for the holiday season.

- Our new group ecommerce platform has been launched in Norway, Sweden and Finland. The new online store offers our customers increased focus on inspiration, quicker response time as well as reduced friction. As part of the ecommerce project, we also launched "Click & Collect" in Hemtex. The new platform enables us to continue our digital development at a higher and more efficient pace across markets.

- As part of our marketing strategy, we have revised and renewed our customer club functionality and offerings across the group by focusing on the best elements from Kid Interior and Hemtex, respectively. Our customer club will also be launched in Finland and Estonia during Q4. In combination with our new ecommerce platform, we plan for an improved and more relevant customer communication based on collected customer data.

- Our physical store portfolio remains a key priority. We expect to open four new stores in Norway during Q4, including Storgata in Oslo which will be one of our largest stores with approximately 1000 square meters sales area – twice the size of an average Kid Interior store. In Stockholm, we will soon open a brand-new store on Drottinggatan, which means that Hemtex will be present on all major shopping streets in Sweden. With easing travel restrictions, we ramp up the implementation of our growth strategy for Finland and Estonia, which includes almost doubling the number of physical stores to more than 20.

- We have decided to establish a new warehouse outside of Borås, Sweden. Up until now the Swedish logistics operation has been handled through a third party, but once the new warehouse is finalised in 2023, we will control our own logistics operations, benefiting from in-house logistics competence in Kid Interior.

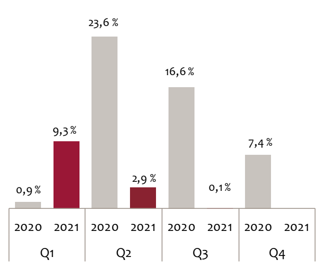
We remain dedicated to inspiring our customers as we are now well into the most important and exciting quarter of the year. On behalf of all employees in the Kid Group, I am confident that we have planned and prepared well for the Christmas shopping season, and we look forward to seeing you online or in one of our stores in the near future.

Yours sincerely,

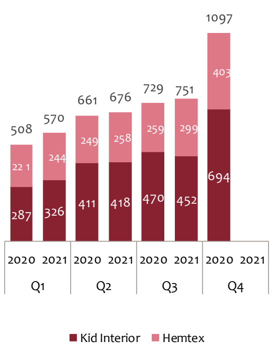
Third quarter in brief

- ✓ Group revenues increased by 3.6%, like-for-like growth increased by 0.1% and online sales increased by 13.2%. Compared to Q3 2019, like-for-like sales increased by 17.4%
- ✓ Gross margin decreased by 1.7 percentage points to 61.4%, driven by increased B2B sales, increased rebating in Hemtex during the summer campaign as well as increased freight costs in both segments
- ✓ OPEX-to-sales was 41.9% (44.1%), and 42.1% (44.4%) when adding back Covid-19 related cost reduction effects.
- ✓ EBITDA excluding IFRS16 effects increased by MNOK 8.6 to MNOK 147.5 (MNOK 138.9)
- ✓ Half-year dividend payment of NOK 4.60 per share, payable in November 2021
- ✓ LTM gearing ratio excluding IFRS16 effects was 0.83 (0.85) at the end of the quarter

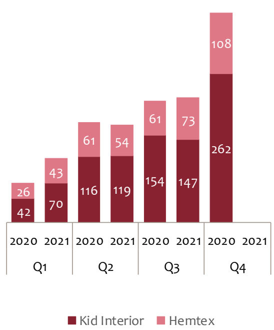
LFL growth (%), Group



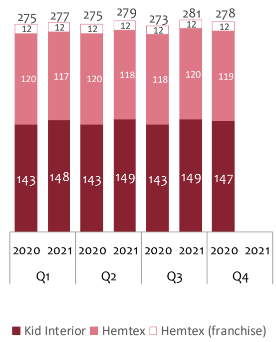
Revenue, MNOK



EBITDA, MNOK



No. of physical stores
(period end)



Alternative Performance Measures

(Amounts in NOK million)	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	FY 2020
Revenue	**750,6**	**728,9**	**1 996,7**	**1 897,5**	**2 994,7**
Like-for-like growth including online sales [1]	0,1 %	16,6 %	-0,6 %	15,5 %	14,8 %
COGS	-289,4	-269,0	-757,0	-723,5	-1 128,7
Gross profit	**461,2**	**460,0**	**1 239,7**	**1 174,0**	**1 866,0**
Gross margin (%)	**61,4%**	**63,1%**	**62,1%**	**61,9%**	**62,3%**
Other operating income	1,0	0,4	3,8	0,7	1,7
Employee benefits expense	-141,9	-150,6	-431,3	-432,5	-607,1
Other operating expense	-172,9	-170,9	-523,1	-507,6	-726,6
Other operating expense - IFRS 16 effect	72,1	75,6	215,8	219,4	289,7
OPEX	**-242,6**	**-245,8**	**-738,6**	**-720,7**	**-1 044,1**
EBITDA	**219,6**	**214,5**	**504,9**	**454,0**	**823,6**
EBITDA margin (%)	**29,2%**	**29,4%**	**25,2%**	**23,9%**	**27,5%**
Depreciation	-17,7	-16,1	-51,9	-46,7	-63,8
Depreciation - IFRS 16 effect	-67,1	-68,6	-198,9	-207,3	-277,1
EBIT	**134,9**	**129,8**	**254,1**	**199,9**	**482,7**
EBIT margin (%)	**17,9%**	**17,8%**	**12,7%**	**10,5%**	**16,1%**
Net financial income (expense)	-4,5	-2,3	-24,1	7,8	2,2
Net financial expense - IFRS 16 effect	-6,4	-7,4	-20,2	-22,4	-30,7
Profit before tax	**124,0**	**120,1**	**209,8**	**185,4**	**454,3**
Net income	**97,8**	**94,7**	**165,3**	**146,4**	**356,1**
Earnings per share	**2,41**	**2,33**	**4,07**	**3,60**	**8,76**
Liabilities to financial institutions	-578,6	-570,9	-578,6	-570,9	-521,8
Lease liabilities - IFRS 16 effect	-716,8	-768,3	-716,8	-768,3	-819,2
Cash	93,0	173,7	93,0	173,7	301,3
Net interest bearing debt	**-1 202,4**	**-1 165,5**	**-1 202,4**	**-1 165,5**	**-1 039,7**

[1] *Calculated in constant currency*

Financial review for the Kid Group

Q3 2021 was a strong quarter for the Kid Group, both in terms of revenues and profitability. We managed to deliver the 6th consecutive quarter with year-on-year increased Earnings Per Share.

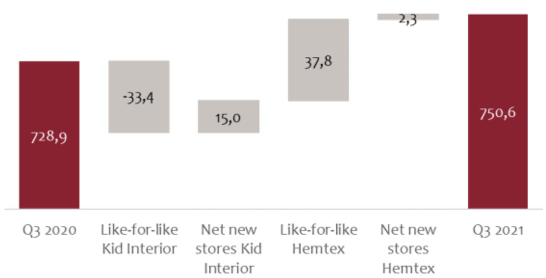
The Covid-19 cost reduction effect in the quarter is estimated to MNOK 1.4 (MNOK 2.5). The reduction occurred in the two first months of the quarter.

Revenues

Group revenues increased by 3.6% (11.5%) to MNOK 750.6 (MNOK 724.7) based on a constant currency calculation, and by 3.0% when applying actual currency (MNOK 729.0). Group revenues on a like-for-like basis were up by 0.1% (16.6%) and by 17.4% compared to Q3 2019.

Revenues decreased in Kid Interior due to reduced footfall and increased in Hemtex due to increased footfall. Both segments experienced increased conversion rates and increased number of products per paying customer. Furthermore, Hemtex delivered strong sales during the summer campaign and increased B2B revenues.

Q3 2020 vs Q3 2021 revenue bridge, MNOK

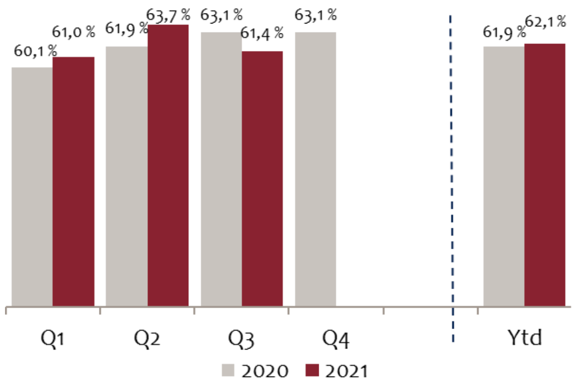


Gross profit increased by MNOK 1.2 on the back of increased revenues. **Gross margin** was 61.4% which was down 1.7 percentage points compared to Q3 2020.

The decrease in gross margin is mainly a consequence of increased B2B sales and increased rebates during the summer campaign in Hemtex, in addition to increased freight costs in both segments.

Freight costs have increased as a result of the unstable, global freight situation (in particular from China), with spot rates for a 40 feet container being up to 7-9 times higher than normal. A higher share of sourced goods sold in Q4 are from China and the increased freight costs have materialised from September. Freight costs are expected to remain at high levels throughout Q4 2021 and into 2022. The Kid Group has prepared for the increase in sourcing cost, and we remain confident of our Financial Objectives.

Gross margin:



Employee benefits expenses decreased by -5.7% to MNOK 141.9:

- +1.4 percentage points due to net new stores
- -0.3 percentage points due to reduced staffing level in LFL stores in Kid Interior, partly offset by an increase in LFL stores in Hemtex
- -7.3 percentage points due to lower bonus provisions
- +0.4 percentage points in headquarter costs due to general salary inflation and increased number of HQ personnel in Norway, partly offset by a reduction of HQ personnel in Hemtex

Other operating expenses excluding IFRS16 increased by +1.2% to MNOK 172.9:

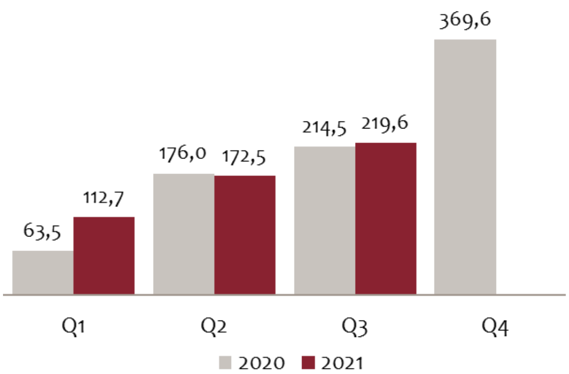
- -1.0 percentage points related to rental cost for LFL stores due to reduced revenue related rental cost, partly offset by less Covid-19 rebates this quarter
- +0.1 percentage points related to rental cost for net new stores
- -0.3 percentage points related to lower marketing costs due to timing of campaigns
- +2.4 percentage points related to increase in other OPEX, mainly due to increased use of IT consultants, higher IT license fees and third-party logistics costs

OPEX to sales margin was 41.9% (44.1%). When adding back Covid-19 related costs reduction effects OPEX to sales margin was 42.1% (44.4%).

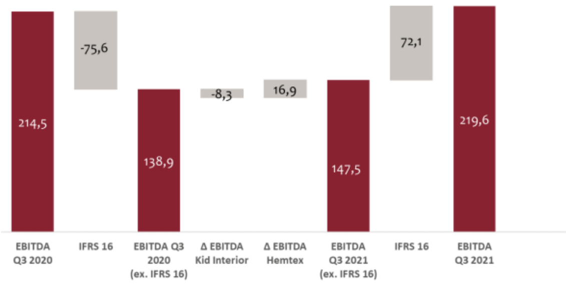
Further details on employee benefits and operating expenses can be found in the segment sections below.

EBITDA increased by MNOK 5.1 from MNOK 214.5 to MNOK 219.6 mainly due to lower employee benefits expenses following lower bonus provision than last year.

EBITDA:



EBITDA exclusive of IFRS16 effects increased by MNOK 8.6 to MNOK 147.5 from MNOK 138.9 last year driven by reduced bonus provisions.



Net financial expense excluding IFRS16 of MNOK 4.5 relates to net interest expenses of MNOK 3.7, other financial expenses of MNOK 0.5 and net unrealized foreign exchange loss of MNOK 0.3.

Liquidity and borrowings

Excluding IFRS16 effects, net interest-bearing debt was MNOK 485.5 (MNOK 397.2) at the end of the quarter, corresponding to 0.83x (0.85x) of the LTM EBITDA excluding IFRS16 effects.

The Group had cash and available credit facilities of MNOK 505.0 (MNOK 500.7) as of 30 September 2021. The Group has a satisfactorily liquidity situation.

Capital Expenditures during Q3 amounted to MNOK 19.2 (MNOK 16.2) of which investment in the new ecommerce platform accounted for MNOK 4.9 and the remaining MNOK 14.3 mainly reflect store openings and refurbishments.

Segments: Key figures

KID Interior

(Amounts in NOK millions)	Q3 2021	Q3 2020 [1]	Q1-Q3 2021	Q1-Q3 2020 [1]	FY 2020 [1]
Revenue	**451,7**	**470,1**	**1 196,1**	**1 168,7**	**1 862,8**
Revenue growth	-3,9%	22,1 %	2,3 %	16,4 %	16,0 %
LFL growth including online sales	-7,1%	20,9 %	-0,6%	15,5 %	14,8 %
COGS	-170,7	-173,0	-450,4	-448,6	-703,1
Gross profit	**281,0**	**297,1**	**745,7**	**720,1**	**1 159,7**
Gross margin (%)	62,2 %	63,2 %	62,3 %	61,6 %	62,3 %
Other operating revenue	0,0	0,1	0,5	0,2	0,2
Employee benefits expense	-83,6	-92,6	-250,5	-259,5	-370,9
Other operating expense	-90,6	-89,4	-280,1	-263,0	-366,1
Other operating expense - IFRS 16 effect	40,3	38,4	119,9	114,1	150,9
EBITDA	**147,1**	**153,5**	**335,5**	**311,9**	**573,9**
EBITDA margin (%)	32,6 %	32,7 %	28,0 %	26,7 %	30,8 %
No. of shopping days	79	79	227	228	308
No. of physical stores at period end	149	143	149	143	147

Hemtex

(Amounts in NOK millions)	Q3 2021	Q3 2020 [1]	Q1-Q3 2021	Q1-Q3 2020 [1]	FY 2020 [1]
Revenue	**298,9**	**258,8**	**800,6**	**728,8**	**1 131,8**
Revenue growth [2]	17,4 %	-3,7%	10,7 %	5,2 %	1,1 %
LFL growth including online sales [2]	14,6 %	9,2 %	10,9 %	11,9 %	6,7 %
COGS	-118,8	-95,9	-306,6	-270,1	-420,7
Gross profit	**180,2**	**162,9**	**494,0**	**458,7**	**711,1**
Gross margin (%)	60,3 %	62,9 %	61,7 %	62,9 %	62,8 %
Other operating revenue	1,0	0,3	3,3	0,6	1,4
Employee benefits expense	-58,2	-58,0	-180,7	-172,1	-235,3
Other operating expense	-82,3	-81,5	-243,1	-244,3	-360,2
Other operating expense - IFRS 16 effect	31,9	37,2	95,9	105,3	138,7
EBITDA	**72,6**	**61,0**	**169,4**	**148,2**	**255,7**
EBITDA margin (%)	24,2 %	23,5 %	21,1 %	20,3 %	22,6 %
No. of shopping days	92	92	271	272	363
No. of physical stores at period end (excl. franchise)	120	118	120	118	119

[1] For reason of comparison, Q3 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 decreased by -3.9% to MNOK 451.7. Like-for-like revenues including online sales were down by -7.1%.

The reason for the decrease was decreased footfall to physical stores. Footfall Q3 2020 was unusually high, and footfall is now more in line with Q3 2019. Lower footfall was partly compensated by higher conversion rates (i.e. higher number of paying customers) and increased number of products per customer. Some seasonal autumn products arrived later than usual, which had a negative effect.

Online revenues increased by 7.1% to MNOK 25.5

Gross profit decreased by MNOK 16.1 compared to last year mainly due to reduced revenues. The **gross margin** decreased by 1.0 percentage points as a result of higher freight costs.

Employee expenses decreased by -9.7% to MNOK 83.6:

- +2.5 percentage points due to net new stores
- -0.9 percentage points due to reduced staffing level in LFL stores
- -12.1 percentage points due to lower bonus provisions for Q3. MNOK 0.5 (MNOK 10.2) was provisioned for store bonuses and MNOK 3.0 (MNOK 4.6) was provisioned for other management and HQ bonuses
- +0.8 percentage points in headquarter costs due to general salary inflation and increased number of HQ personnel, partly offset by employees in Kid Interior performing services across segments (e.g centralised purchasing, marketing and IT) which have been partly allocated to the Hemtex segment.

Year to date bonus provision amounted to MNOK 7.4 (MNOK 33.5) of which store bonuses was MNOK 2.4 (MNOK 19.7), other management bonuses was MNOK 4.6 (MNOK 13.8) and the long-term bonus program approved by the general meeting in May 2021 was MNOK 0.4 (MNOK 0).

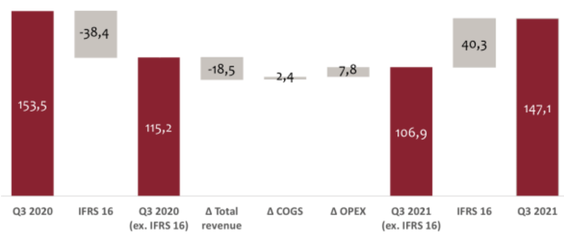
Other operating expenses excluding IFRS16 increased by 1.3% to MNOK 90.6:

- -1.9 percentage points related to rental cost for LFL stores due to less revenue related retail space and cost, partly offset by less Covid-19 rebates this quarter
- +1.8 percentage points related to rental cost for new stores
- +0.7 percentage points related to increase in marketing costs due to timing of campaigns
- +0.7 percentage points related to an increase in other OPEX as a result of increased use of temporary IT consultants and IT licenses

Covid-19 cost effect during Q3 has been estimated at MNOK 1.2 (MNOK 1.7) all related to other operating expenses.

EBITDA excluding IFRS16 decreased by MNOK 8.3 to MNOK 106.9 (MNOK 115.2) mainly caused by lower gross profit following reduced revenues, but partly offset by lower employee bonus provisions.

Q3 2020 vs. Q3 2021 EBITDA bridge, MNOK



Capital Expenditure during Q3 amounted to MNOK 11.1 mainly reflecting refurbishments of stores and new ecommerce platform.

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

Segment: Hemtex

Revenues increased by MNOK 40.1 to MNOK 298.9. In local currency revenues increased by 17.4% to MSEK 295.2. Like-for-like revenues including online sales were up by 14.6%.

The main reason for increased revenues was a positive development in footfall to physical stores throughout the quarter compared to Q3 2020. Increased conversion rates (i.e. higher number of paying customers) and increased number of products per customer added to the growth.

Hemtex24H B2B revenues increased to MNOK 17.9 (MNOK 7.2). Hemtex 24H is currently represented in the main hypermarkets in Sweden (ICA Maxi) and Finland (Kesko), and recently signed a new agreement with Bilka hypermarket (Salling Group) in Denmark.

The introduction of Kid Interior products remains a key driver for the growth in Hemtex.

Online revenues increased by 18.6% to MNOK 30.3.

Gross profit increased by MNOK 17.3 due to increased revenues. The **gross margin** decreased by 2.6 percentage points due to higher Hemtex24H (B2B) sales which has a lower gross margin, in addition to increased rebating related to the summer campaign, and increased freight costs.

Employee expenses increased by 0.4% to MNOK 58.2:

- -0.2 percentage points due to net new and closed stores
- +1.8 percentage points in LFL stores mainly due to higher salaries in Q3 2021 (reduced opening hours due to Covid-19 in Q3 last year)
- +0.4 percentage points due to more group services provided by HQ in Norway and higher bonus provisions, partly offset by fewer HQ employees. Bonus provision related to management bonuses in Q3 2021 was MNOK 0.7 (MNOK 0.6)
- -1.6 percentage points due to changes in NOKSEK exchange rate

Year to date bonus provision amounted to MNOK 1.2 (MNOK 1.7), which was related to management bonuses.

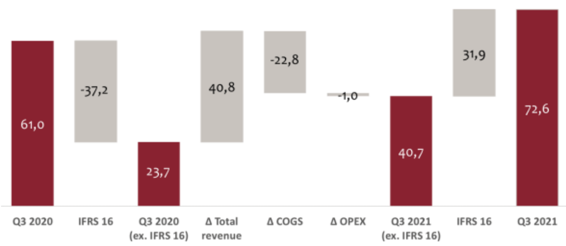
Other operating expenses excluding IFRS16, increased by 1.0% to MNOK 82.3:

- +1.0 percentage points related to retail space and cost for LFL stores, partly due to less Covid-19 savings this year
- -2.1 percentage points related to retail space and cost for net new/closed stores (new stores with rebates)
- -0.9 percentage points related to marketing costs due to changes in timing of campaigns
- +4.7 percentage points related to IT licenses, as well as increased online distribution cost and third-party logistics cost driven by higher volumes
- -1.7 percentage points due to changes in NOKSEK exchange rate

Covid-19 cost reduction effect during Q3 has been estimated at MNOK 0.2 (MNOK 0.8) of which reduced employee expenses accounted for MNOK 0.2 (MNOK 0.5).

EBITDA excluding IFRS16 increased by MNOK 17.0 to MNOK 40.7 (MNOK 23.7) mainly driven by increased gross profit from higher revenues.

Q3 2020 vs. Q3 2021 EBITDA bridge, MNOK



Capital Expenditure during Q3 amounted to MNOK 8.2 and include opening and relocation of stores in Q3.

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

Events after the end of the reporting period

Following the pandemic situation, overseas freight costs have increased. We constantly monitoring the situation to ensure on-time deliveries. With overseas freight spot rates being up to 7-9 times higher than in recent periods, we will see increased cost of goods sold in Q4 2021 and most likely also into 2022, of which the cost increase is partly offset by price increases. Hence, we expect short time volatility in gross margins. We remain confident of our Financial Objectives. To mitigate risk of delays in the value chain we have decided to place orders earlier than normal.

Kid ASA has entered into a commercial cooperation with Fabritius Gruppen AS, a company wholly owned by Gjelsten Holding AS, regarding a project to establish new warehouse facilities in Sweden. Further details are provided in a separate stock announcement.

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

Lier, 4 November 2021

The board of Kid ASA

Petter Schouw-Hansen

Karin Bing Orgland

Rune Marsdal

Liv Berstad

Gyrid Skalleberg Ingerø

Kid ASA - Group figures Q3 2021

Financial statements

Interim consolidated statement of profit and loss

(Amounts in NOK thousand)	Note	Q3 2021 Unaudited	Q3 2020 Unaudited	Q1-Q3 2021 Unaudited	Q1-Q3 2020 Unaudited	FY 2020 Audited
Revenue		750 573	728 927	1 996 705	1 897 467	2 994 658
Other operating revenue		1 040	379	3 790	750	1 693
Total revenue		**751 613**	**729 306**	**2 000 495**	**1 898 217**	**2 996 351**
Cost of goods sold		-289 408	-268 965	-756 998	-723 504	-1 128 690
Employee benefits expense		-141 861	-150 560	-431 252	-432 453	-607 119
Depreciation and amortisation expenses	9	-84 770	-84 724	-250 790	-254 059	-340 840
Other operating expenses		-100 704	-95 253	-307 350	-288 253	-436 973
Total operating expenses		**-616 744**	**-599 503**	**-1 746 391**	**-1 698 269**	**-2 513 622**
Operating profit		**134 869**	**129 803**	**254 104**	**199 949**	**482 730**
Financial income		1 252	2 382	4 958	32 119	32 299
Financial expense		-12 130	-12 041	-49 243	-46 686	-60 735
Net financial income (+) / expense (-)		**-10 878**	**-9 659**	**-44 285**	**-14 567**	**-28 435**
Profit before tax		**123 991**	**120 144**	**209 819**	**185 382**	**454 295**
Income tax expense		-26 221	-25 417	-44 514	-38 970	-98 196
Net profit (loss) for the period		**97 770**	**94 727**	**165 304**	**146 411**	**356 098**
Interim condensed consolidated statement of comprehensive income						
Profit for the period		97 770	94 727	165 304	146 411	356 098
Other comprehensive income		20 347	-9 774	67 525	-32 908	-56 632
Tax on comprehensive income		-4 983	2 116	-15 144	7 182	12 274
Total comprehensive income for the period		**113 134**	**87 069**	**217 685**	**120 686**	**311 740**
Attributable to equity holders of the parent		113 134	87 069	217 685	120 686	311 740
Basic and diluted Earnings per share (EPS):		**2,41**	**2,33**	**4,07**	**3,60**	**8,76**

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	30.09.2021	30.09.2020	31.12.2020
Assets		Unaudited	Unaudited	Audited
Goodwill	9	69 247	72 737	72 280
Trademark	9	1 513 138	1 515 838	1 515 485
Other intangible assets	9	15 130	9 265	5 623
Deferred tax asset		0	15 593	15 810
Total intangible assets		**1 597 515**	**1 613 434**	**1 609 197**
Right of use asset	9	709 525	778 579	821 683
Fixtures and fittings, tools, office machinery and equipment	9	201 176	181 460	199 512
Total tangible assets		**910 701**	**960 039**	**1 021 195**
Total fixed assets		**2 508 216**	**2 573 473**	**2 630 392**
Inventories		586 215	560 005	482 161
Trade receivables		14 955	4 620	18 381
Other receivables		24 972	15 333	32 725
Derivatives		8 390	8 074	0
Totalt receivables		**48 317**	**28 027**	**51 106**
Cash and bank deposits		93 031	173 749	301 276
Total currents assets		**727 563**	**761 781**	**834 542**
Total assets		**3 235 779**	**3 335 254**	**3 464 935**

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	30.09.2021	30.09.2020	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		789 334	809 108	750 164
Total equity		**1 223 774**	**1 243 545**	**1 184 601**
Deferred tax		327 381	315 488	315 336
Total provisions		**327 381**	**315 488**	**315 336**
Lease liabilities		477 095	546 512	585 131
Liabilities to financial institutions	6	536 600	460 403	461 480
Total long-term liabilities		**1 013 695**	**1 006 915**	**1 046 612**
Lease liabilities		239 733	221 817	234 113
Liabilities to financial institutions	6	41 980	110 547	60 297
Trade payable		79 821	55 319	92 316
Tax payable		57 448	42 365	87 011
Public duties payable		115 690	130 433	167 402
Other short-term liabilities		127 634	163 732	198 883
Derivatives		8 624	45 094	78 364
Total short-term liabilities		**670 930**	**769 306**	**918 385**
Total liabilities		**2 012 006**	**2 091 710**	**2 280 333**
Total equity and liabilities		**3 235 779**	**3 335 254**	**3 464 935**

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	146 411	146 411
Other comprehensive income / Cash Flow Hedges	0	-11 425	-11 425
Dividend	0	-48 774	-48 774
Balance at 30 Sep 2020	**434 440**	**809 104**	**1 243 544**
Balance at 1 Jan 2021	**434 440**	**750 164**	**1 184 601**
Profit for the period YTD 2021	0	165 304	165 304
Other comprehensive income / Cash Flow Hedges	0	52 381	52 381
Translation differences	0	324	324
Dividend	0	-178 839	-178 839
Balance at 30 Sep 2021	**434 440**	**789 334**	**1 223 774**

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

Interim consolidated statement of cash flows

(Amounts in NOK thousand)	Note	Q3 2021 Unaudited	Q3 2020 Unaudited	Q1-Q3 2021 Unaudited	Q1-Q3 2020 Unaudited	FY 2020 Audited
Cash Flow from operation						
Profit before income taxes		123 990	120 145	209 818	185 382	454 295
Taxes paid in the period		-6 888	-22 100	-65 017	-44 203	-50 103
Depreciation & Impairment	9	84 770	84 724	250 790	254 059	340 840
Effect of exchange fluctuations		420	-2 256	9 321	-24 229	-23 147
Change in net working capital						
Change in inventory		-33 449	-83 174	-113 804	-53 700	22 777
Change in trade debtors		-1 871	3 148	2 927	19 574	8 685
Change in trade creditors		23 554	-19 083	14 539	-98 589	-61 333
Change in other provisions [1]		-1 041	63 034	-112 281	-12 989	57 193
Net cash flow from operations		**189 484**	**144 438**	**196 294**	**225 303**	**749 207**
Cash flow from investment						
Purchase of fixed assets	9	-19 042	-13 141	-55 662	-38 190	-65 398
Net Cash flow from investments		**-19 042**	**-13 141**	**-55 662**	**-38 190**	**-65 398**
Cash flow from financing						
Proceeds from long term loans		0	0	130 000	25 000	25 000
Repayment of revolving credit facility		-65 000	0	-65 000	-80 002	-130 204
Repayment of Term Loans		0	-50 152	-8 678	-50 152	-50 152
Lease payments for principal portion of lease liability		-66 856	-73 074	-199 155	-208 018	-274 956
Dividend payment		0	0	-178 839	-48 774	-284 474
Net interest		-10 007	-9 485	-28 736	2 087	-10 575
Net cash flow from financing		**-141 863**	**-132 711**	**-350 408**	**-359 858**	**-725 360**
Cash and cash equivalents at the beginning of the period		60 716	176 815	301 276	339 246	339 246
Net change in cash and cash equivalents		28 579	-1 414	-209 774	-172 741	-41 545
Exchange gains / (losses) on cash and cash equivalents		3 736	-1 653	1 530	7 244	3 576
Cash and cash equivalents at the end of the period		**93 031**	**173 749**	**93 031**	**173 749**	**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 third 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 2021 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.

Q3 2021

(Amounts in NOK thousand)	**KID Interior**	**Hemtex**	**Total**
Revenue	451 657	298 916	750 573
COGS	-170 651	-118 757	-289 408
Gross profit	281 006	180 159	461 165
Other operating revenue	16	1 024	1 040
Operating expense (OPEX)	-133 903	-108 607	-242 510
EBITDA	147 119	72 576	219 695
Operating profit	100 539	34 386	134 925
Gross margin (%)	62,2 %	60,3 %	0,6
OPEX to sales margin (%)	29,6 %	36,3 %	0,3
EBITDA margin (%)	32,6 %	24,2 %	0,3
Inventory	352 000	234 215	586 215
Total assets	2 478 512	757 265	3 235 776

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, Q3 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	3,6	3,2		2,1	9,5	10,0
Segment allocated other operating expense	1,7	0,1	1,0	0,3	1,3	0,3		1,0	4,0	1,7
Hemtex										
Segment allocated employee benefits expense	-0,8	-2,3	-5,2	-2,4	-3,6	-3,2		-2,1	-9,5	-10,0
Segment allocated other operating expense	-1,7	-0,1	-1,0	-0,3	-1,3	-0,3		-1,0	-4,0	-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 Q2 the revolving credit facility was drawn in full of which NOK 65 million was repaid in Q3.

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

(Amounts in NOK thousand)	Utilised 30.09.2021	Total Facility	Interest	Maturity	Repayment
Total term loan	511 700	611 700¹		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	65 000	130 000	3 months Nibor + 1.10%	3 years	At maturity
Overdraft	-	247 000	1 week IBOR + 1.10%	12 months	At maturity
	576 700	**988 700**			

¹Of 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.

³Fixed interest rate is secured through an interest rate swap of MNOK 395 maturing May 2029 and subject to hedge accounting

⁴Fixed 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

(a) the gearing ratio (NIBD/EBITDA) must now be below 2,25 at year end
(b) the EBITDA last twelve months at each quarter must exceed 175 MNOK

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

	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 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	97 770	94 727	165 304	146 411	356 098
Earnings per share (basic and diluted) (Expressed in NOK per share)	**2,41**	**2,33**	**4,07**	**3,60**	**8,76**

Note 8 Related party transactions

The Group's related parties include its key management and members of the board. Gjelsten Holding AS and related companies are no longer considered a related party.

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 nine months of 2021 and 2020:

Related Party Transactions	Q1-Q3 2021	Q1-Q3 2020
Management for Hire	0	375
Total	0	375

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	*-10 916*	*-1 749*	*-2 346*	*-167*	*-3 034*
Additions, disposals and adjustments	97 622	54 514		11 016	
Depreciation and amortisation	-198 865	-51 102		-1 341	
Balance 30.09.21	**709 525**	**201 176**	**1 513 138**	**15 130**	**69 247**

(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	*24 735*	*5 788*	*5 673*	*665*	*7 336*
Additions, disposals and adjustments	140 686	40 780	-	956	-
Depreciation and amortisation	-209 447	-44 342	-	-2 440	-
Balance 30.09.2020	**778 579**	**181 460**	**1 515 838**	**9 265**	**72 737**

Definitions

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

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

Disclaimer

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

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