Kid ASA

Interim report Q4 2021

Dear Shareholders

It has been an unusual last quarter of the year, caused by reduced capacity in the global value chain and hence delayed product deliveries for our peak season. However, after a slow first part of the quarter we saw a significant increase in revenues from late November as our classic Christmas assortment arrived – resulting in a top line growth of +2.5% for the quarter. I proudly note that we also managed to increase our gross margin despite the challenging logistics situation. Consequently, we passed the NOK 3 billion revenue milestone for the fiscal year and delivered the 7th consecutive quarter with year-on-year EPS growth.

These are the key takeaways from the fourth quarter:

- Our new group ecommerce platform was launched in Norway, Sweden and Finland earlier in the year. During Q4 we also launched the site in Estonia. With all markets now running on the same ecommerce platform, we see additional growth potential as we plan to launch new functionality simultaneously and across markets.
- The implementation of "Click & Collect" in Hemtex during Q3 has proved to be a success and is generating increased footfall and revenues to physical stores.
- We remain confident in our Hemtex growth strategy as we continue to expand the product assortment based on successful categories in Kid Interior. In Q4, we introduced a broader assortment of Christmas seasonal products. We also piloted the "Funkle" lamp collection and based on the positive results from piloting we plan to introduce these products in selected Hemtex stores during 2022.
- In November, we entered into a commercial cooperation for the purpose of building a new warehouse facility in Borås (Sweden) for Hemtex with in-house storage and logistic operations, as well as headquarters. We expect construction to start in spring 2022, and the new warehouse to be operational during spring 2023. By operating our own in-house logistics organization, the group will operate more cost efficiently, reduce operational risk and better serve our customers.
- Kid Interior is the main sponsor for the Pink Ribbon campaign in Norway and donated MNOK 2.0 to the campaign in 2021, while Hemtex donated MSEK 0.2 to SOS Children's Villages Sweden. Moreover, MNOK 0.6 worth of Bokhari dialect shopping bag products have been sold this year in Kid Interior stores, supporting safe and meaningful jobs for Pakistani craftsmen and women.
- COVID-19 impacted our employees and customers also during Q4. Restrictions have been most stringent in Finland and Sweden, and we have adapted and adjusted our business accordingly.
- Following continued strong financial performance in 2021, the Board of Directors will propose to the General Annual Meeting a total dividend payment of NOK 4.00 per share to be paid in May 2022.

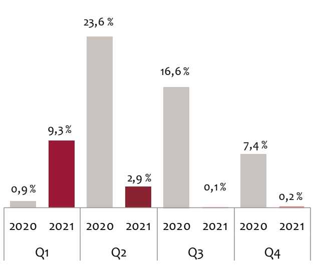
We are all happy to leave 2021 behind and to start a new year with optimism and a lot of new opportunities. We remain dedicated to keep on inspiring our customers, and by that contributing to making life more positive and joyful!

Yours sincerely,

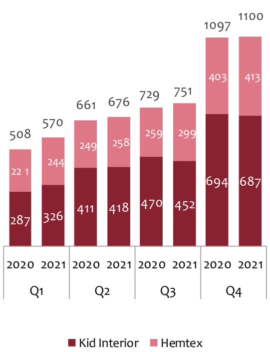
Fourth quarter in brief

- ✓ Group revenues increased by 2.5%, like-for-like growth increased by 0.2% and online sales increased by 1.8%. Compared to Q4 2019, like-for-like sales increased by 7.3%
- ✓ Gross margin increased by 0.3 percentage points to 63.4% as a result of successful pricing, campaigning and a change in product mix, while higher freight cost impacted margins negatively
- ✓ OPEX-to-sales was 36.6% (35.9%), and 36.9% (36.6%) when adding back Covid-19 related cost reduction effects
- ✓ EBITDA excluding IFRS16 effects increased by MNOK 2.1 to MNOK 301.4 (MNOK 299.3)
- ✓ 2021 EPS increased by 8.0% to NOK 9.46 up from NOK 8.76 last year
- ✓ Half-year dividend payment of NOK 4.00 per share, payable in May 2022
- ✓ LTM gearing ratio excluding IFRS16 effects was 0.52 (0.40) by the end of the quarter

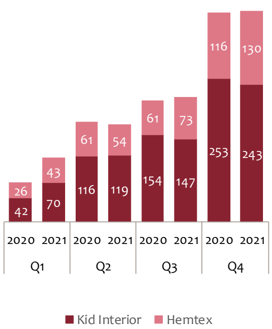
LFL growth (%), Group



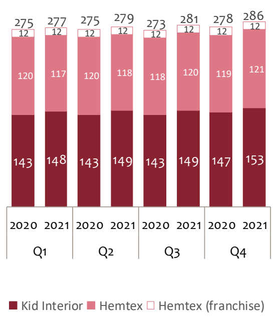
Revenue, MNOK



EBITDA, MNOK



No. of physical stores (period end)



Alternative Performance Measures

(Amounts in NOK million)	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue	**1 100,4**	**1 097,2**	**3 097,1**	**2 994,7**
Like-for-like growth including online sales [1]	0,2 %	7,4 %	11,5%	14,8 %
COGS	-402,5	-405,2	-1 159,5	-1 128,7
Gross profit	**697,9**	**692,0**	**1 937,6**	**1 866,0**
Gross margin (%)	63,4%	63,1%	62,6%	62,3%
Other operating income	6,2	0,9	10,0	1,7
Employee benefits expense	-186,1	-174,7	-617,3	-607,1
Other operating expense	-216,7	-219,0	-739,8	-726,6
Other operating expense - IFRS 16 effect	71,3	70,3	287,0	289,7
OPEX	**-331,4**	**-323,4**	**-1 070,0**	**-1 044,1**
EBITDA	**372,7**	**369,6**	**877,6**	**823,6**
EBITDA margin (%)	33,7%	33,7%	28,2%	27,5%
Depreciation	-18,2	-17,1	-70,1	-63,8
Depreciation - IFRS 16 effect	-67,4	-69,7	-266,3	-277,1
EBIT	**287,1**	**282,8**	**541,2**	**482,7**
EBIT margin (%)	**25,9%**	**25,8%**	**17,4%**	**16,1%**
Net financial income (expense)	**-5,0**	**-5,6**	**-29,1**	**2,2**
Net financial expense - IFRS 16 effect	-6,7	-8,3	-26,9	-30,7
Profit before tax	**275,3**	**268,9**	**485,2**	**454,3**
Net income	**219,1**	**209,7**	**384,4**	**356,1**
Earnings per share	**5,39**	**5,16**	**9,46**	**8,76**
Liabilities to financial institutions	-548,5	-521,8	-548,5	-521,8
Lease liabilities - IFRS 16 effect	-767,3	-819,2	-767,3	-819,2
Cash	239,3	301,3	239,3	301,3
Net interest bearing debt	**-1 076,4**	**-1 039,7**	**-1 076,4**	**-1 039,7**

[1] *Calculated in constant currency*

Financial review for the Kid Group

We managed to increase revenues, increase gross margin, maintain cost control and thereby deliver yet another quarter with increased EBITDA compared to same quarter last year.

On a full year basis, the Kid Group has in 2021 passed through the NOK 3 billion revenue milestone and has further increased its profitability.

The integration of Hemtex is ongoing, and the effects of joint sourcing, category expansion, joint marketing, refurbishment and expansion of stores in Hemtex is the main driver for the increased profitability for the Group during the quarter.

The Covid-19 cost reduction effect in the quarter is estimated at MNOK 2.9 (MNOK 7.8).

Revenues

Group revenues increased by 2.5% (6.6%) to MNOK 1,100.5 (MNOK 1,073.3) based on a constant currency calculation, and by 0.3% when applying actual currency (MNOK 1,097.3). Group revenues on a like-for-like basis were up by 0.2% (7.4%) and by 7.3% compared to Q4 2019.

Both Kid Interior and Hemtex suffered from delays of goods delivery, but revenues increased significantly as products, including our traditional Christmas assortment, arrived in late November.

Carry-over Christmas products still in stock per year-end was approx. MNOK 45 which is MNOK 12 higher than last year.

Q4 2020 vs Q4 2021 revenue bridge, MNOK

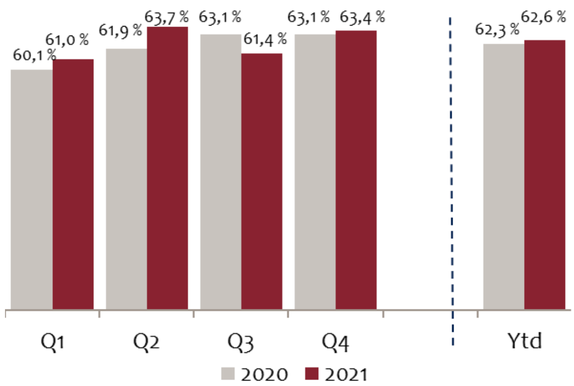
Gross profit increased by MNOK 5.9 to MNOK 697.9 with **Gross margin** at 63.4%, up 0.3 percentage points compared to Q4 2020.

We managed to compensate increased freight costs by adjusting pricing and campaigning. Also, the USD/NOK and the product mix have influenced positively.

Increased freight costs have materialised from September and have further increased towards the end of the year. Hence, some of the products sourced during Q4 at higher freight rates remain in stock. The Kid Group has a comprehensive toolbox to control gross margins which includes price adjustments, bargaining power from joint sourcing, adjustment of campaigns and FX hedging.

We have prepared for the increase in sourcing cost, and we therefore remain confident of our Financial Objectives.

Gross margin:



Employee benefits expenses increased by +6.5% to MNOK 186.1:

- +2.3 percentage points due to net new stores
- +0.3 percentage points due to higher hourly costs in LFL stores in Kid Interior and Covid-19 reduction in LFL stores Hemtex last year
- +2.3 percentage points due to higher bonus provisions

- +1.6 percentage points in headquarter costs mainly due to increased logistics activity in Kid Interior and less Covid-19 cost reduction effect this quarter

Other operating expenses excluding IFRS16 decreased by -1.1% to MNOK 216.7:

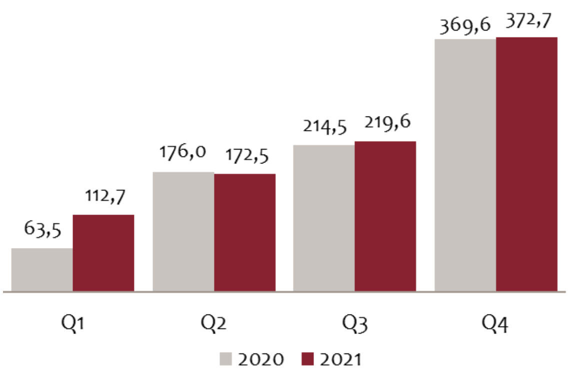
- -2.0 percentage points related to rental cost for LFL stores due to reduced revenue related rental cost in Kid Interior partly offset by expansion of sales area in several Hemtex stores
- +1.0 percentage points related to rental cost for net new stores
- +0.1 percentage points related to marketing costs due to changes in timing of campaigns
- -0.2 percentage points related to increase in other OPEX in Kid Interior and Hemtex mainly offset by changes in NOKSEK

OPEX to sales margin was 36.6% (35.9%). When adding back Covid-19 related costs reduction effects OPEX to sales margin was 36.9% (36.6%).

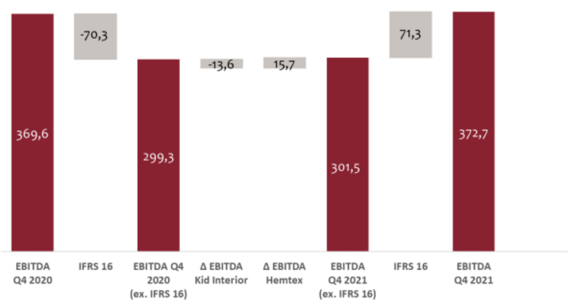
Further details on employee benefits and operating expenses can be found in the segment sections below.

EBITDA increased by MNOK 3.1 to MNOK 372.7 due to increased gross profit partly offset by higher operating expenses. The EBITDA was positively affected by MNOK 5.0 in other income following a pay-out from the Swedish pensions association (FORA) as further described in the Hemtex section.

EBITDA:



EBITDA exclusive of IFRS16 effects increased by MNOK 2.1 to MNOK 301.4 from MNOK 299.3 last year.



Net financial expense excluding IFRS16 of MNOK 5.0 (MNOK 5.6) relates to net interest expenses of MNOK 4.1 (MNOK 3.8), other financial expenses of MNOK 0.4 (MNOK 0.3) and net foreign exchange loss of MNOK 0.5 (MNOK 1.5).

Liquidity and borrowings

Excluding IFRS16 effects, net interest-bearing debt was MNOK 309.1 (MNOK 220.3) at the end of the quarter, corresponding to 0.52x (0.40x) of the LTM EBITDA excluding IFRS16 effects.

The Group had cash and available credit facilities of MNOK 651.3 (MNOK 678.3) as of 31 December 2021. The Group has a satisfactorily liquidity situation.

Capital Expenditures during Q4 amounted to MNOK 26.1 (MNOK 28.9) of which investment in the new ecommerce platform accounted for MNOK 4.1 (MNOK 2.7) and the remaining MNOK 22.0 (MNOK 26.2) mainly reflect store openings and refurbishments.

Segments: Key figures

KID Interior

(Amounts in NOK millions)	Q4 2021	Q4 2020 [1]	FY 2021	FY 2020 [1]
Revenue	**687,4**	**694,2**	**1 883,5**	**1 862,8**
Revenue growth	-1,0%	15,3 %	1,1 %	16,0 %
LFL growth including online sales	-3,8%	13,6 %	-1,8%	14,8 %
COGS	-251,9	-254,5	-702,3	-703,1
Gross profit	**435,5**	**439,6**	**1 181,2**	**1 159,7**
Gross margin (%)	63,4 %	63,3 %	62,7 %	62,3 %
Other operating revenue	0,0	0,1	0,5	0,2
Employee benefits expense	-116,7	-109,3	-367,2	-368,8
Other operating expense	-115,8	-113,8	-395,9	-376,8
Other operating expense - IFRS 16 effect	39,9	36,8	159,8	150,9
EBITDA	**242,9**	**253,4**	**578,5**	**565,2**
EBITDA margin (%)	35,3 %	36,5 %	30,7 %	30,3 %
No. of shopping days	81	80	308	308
No. of physical stores at period end	153	147	153	147

Hemtex

(Amounts in NOK millions)	Q4 2021	Q4 2020 [1]	FY 2021	FY 2020 [1]
Revenue	**413,0**	**403,0**	**1 213,6**	**1 131,8**
Revenue growth [2]	9,0 %	-5,7%	10,1 %	1,1 %
LFL growth including online sales [2]	7,8 %	-1,9%	9,8 %	6,7 %
COGS	-150,6	-150,7	-457,2	-420,7
Gross profit	**262,4**	**252,4**	**756,4**	**711,1**
Gross margin (%)	63,5 %	62,6 %	62,3 %	62,8 %
Other operating revenue	6,2	0,9	9,5	1,4
Employee benefits expense	-69,3	-65,4	-250,0	-237,4
Other operating expense	-100,8	-105,2	-343,9	-349,5
Other operating expense - IFRS 16 effect	31,3	33,5	127,2	138,7
EBITDA	**129,7**	**116,1**	**299,1**	**264,3**
EBITDA margin (%)	30,9 %	28,8 %	24,5 %	23,3 %
No. of shopping days	91	91	363	362
No. of physical stores at period end (excl. franchise)	121	119	121	119

[1] For reason of comparison, Q4 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 -1.0% to MNOK 687.4. Like-for-like revenues including online sales were down by -3.8%.

The decrease in Q4 this year compared with a strong Q4 last year was driven by reduced footfall to physical stores in October and November following the freight delays. Footfall and revenues were significantly up from early December once products, including our traditional Christmas assortment, arrived.

Online revenues increased by 4.7% to MNOK 51.5.

Gross profit decreased by MNOK 4.1 compared to last year due to reduced revenues. The **gross margin** increased by 0.1 percentage points due to successful executed campaigns, pricing, a favourable product mix and improved FX-rates, partly offset by increased freight costs.

Employee expenses increased by 6.7% to MNOK 116.7:

- +2.6 percentage points due to net new stores
- +0.2 percentage points in LFL stores due to reduced store staffing offset by higher hourly cost
- +2.8 percentage points due to higher bonus provisions for Q4. MNOK 3.1 (MNOK 4.9) was provisioned for store bonuses and MNOK 9.3 (MNOK 4.3) was provisioned for other management and HQ bonuses
- +1.1 percentage points in headquarter costs due to increased number of HQ personnel, less Covid-19 cost reduction effects and increased activity in the logistics department, 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 19.7 (MNOK 42.7) of which store bonuses was MNOK 5.4 (MNOK 24.5), other management bonuses was MNOK 10.5 (MNOK 18.1) and the long-term management bonus program approved by the general meeting in May 2021 was MNOK 3.8 (MNOK 0).

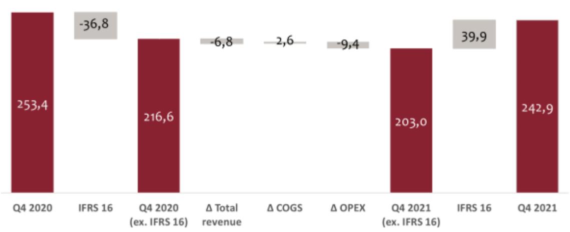
Other operating expenses excluding IFRS16 increased by 1.7% to MNOK 115.8:

- -2.2 percentage points related to rental cost for LFL stores following lower revenue based rental costs this quarter
- +1.8 percentage points related to rental cost for net new stores
- +1.1 percentage points related to a planned increase in marketing costs due changes in timing of campaigns
- +1.1 percentage points in other OPEX as a result of increased use of temporary IT consultants and IT licenses related to the new e-commerce platform

Covid-19 cost effect during Q4 has been estimated at MNOK 2.9 (MNOK 4.7), of which reduced employee expenses (social- and travelling costs) accounted for MNOK 2.6 (MNOK 4.7).

EBITDA excluding IFRS16 decreased by MNOK 13.6 to MNOK 203.0 (MNOK 216.6) mainly caused by reduced revenues and higher employee benefit expenses.

Q4 2020 vs. Q4 2021 EBITDA bridge, MNOK



Capital Expenditure during Q4 amounted to MNOK 17.2 (MNOK 19.6) mainly reflecting refurbishments of stores and investments in the new ecommerce platform.

Four new stores were opened, and three stores were refurbished during the fourth quarter. There were no closed or relocated stores. The total number of physical stores at the end of the quarter was 153 (147).

Segment: Hemtex

Revenues increased by MNOK 10.0 to MNOK 413.0. In local currency revenues increased by 9.0% to MSEK 419.3. Like-for-like revenues including online sales were up by 7.8%.

Footfall in October and November was at the same low level as last year, negatively impacted by delayed deliveries and more stringent COVID-restrictions last year. Footfall and revenues were significantly up from early December 2021 once products, including our traditional Christmas assortment, arrived.

Online revenues decreased by -0.8% to MNOK 54.2. Online revenues were unusual high in Q4 2020 following the physical COVID-restrictions imposed just ahead of the 2020 Christmas shopping season.

The introduction of "Click & Collect" has contributed with increased revenues to our physical stores.

Gross profit increased by MNOK 10.0 due to increased revenues. The **gross margin** increased by 0.9 percentage points due to successful executed campaigns, pricing, favourable product mix and improved FX-rates, partly offset by increased freight costs.

Employee expenses increased by +6.1% to MNOK 69.3:

- +2.7 percentage points due to net new and closed stores
- +5.1 percentage points in LFL stores, mainly due to reduced opening hours and Covid-19 governmental support (of MNOK 1.8) in Q4 last year
- +1.2 percentage points due to higher bonus provisions for Q4. MNOK 1.4 (MNOK 0.6) was provisioned for other management and HQ bonus
- +2.7 percentage points due to more group services provided by HQ in Norway partly offset by fewer HQ employees in Borås.
- -5.6 percentage points due to changes in NOKSEK exchange rate

Year to date bonus provision amounted to MNOK 2.6 (MNOK 2.3), which was related to management bonuses.

Other operating expenses excluding IFRS16, decreased by -4.2% to MNOK 100.8:

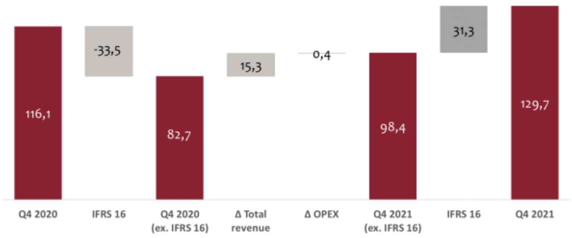
- +0.5 percentage points related to rental cost for LFL stores, due to expansion of several stores and rental rebates last year
- +0.3 percentage points related to rental cost for net new/closed stores
- +0.3 percentage points related to a planned increase in marketing costs due changes in timing of campaigns
- +0.6 percentage points related to Covid-19 rental reduction at HQ last year, as well as increased third-party logistics cost driven by higher volumes
- -5.9 percentage points due to changes in NOKSEK exchange rate

Covid-19 cost reduction effect during Q4 has been estimated at MNOK 0 (MNOK 3.1).

EBITDA excluding IFRS16 increased by MNOK 15.7 to MNOK 98.4 (MNOK 82.7) mainly driven by increased gross profit following higher revenues and reduced operating expenses.

The Swedish pension association Fora is a non-profit organization and all excess returns on their investments is repaid to the Swedish employers. For Hemtex, this has resulted in a pay-out of MNOK 5.0, classified as other income, which has increased the Q4 EBITDA correspondingly.

Q4 2020 vs. Q4 2021 EBITDA bridge, MNOK



Capital Expenditure during Q4 amounted to MNOK 8.9 (MNOK 6.9) and include opening and relocation of stores.

One new store was opened, one store was relocated, and two stores were refurbished during the quarter. There were no closed stores in the period. The total number of physical stores (excl. 12 franchise stores) at the end of the quarter was 121 (119).

Events after the end of the reporting period

Following the pandemic situation, the global overseas freight situation has been challenging causing delays in value chain and increased freight rates. Going forward, we have decided to place orders earlier than normal. We are confident that the spring and summer collections will arrive on-time. Even though it is too early to conclude we do see signs indicating that freight markets are starting to normalize with regards to both delays and freight rates.

The board will propose to the Annual General Meeting a dividend payment of NOK 4.00 payable in May 2022. Together with the prepayment of NOK 4.60 from November 2021 this represent 91% of the net profit - in line with our Financial Objectives.

The board of directors will also propose to the annual general meeting that the board is given the authority to distribute additional half-year dividend in November 2022 in accordance with the dividend policy and considering third quarter 2022 results.

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

Lier, 16 February 2022

The board of Kid ASA

Petter Schouw-Hansen

Karin Bing Orgland

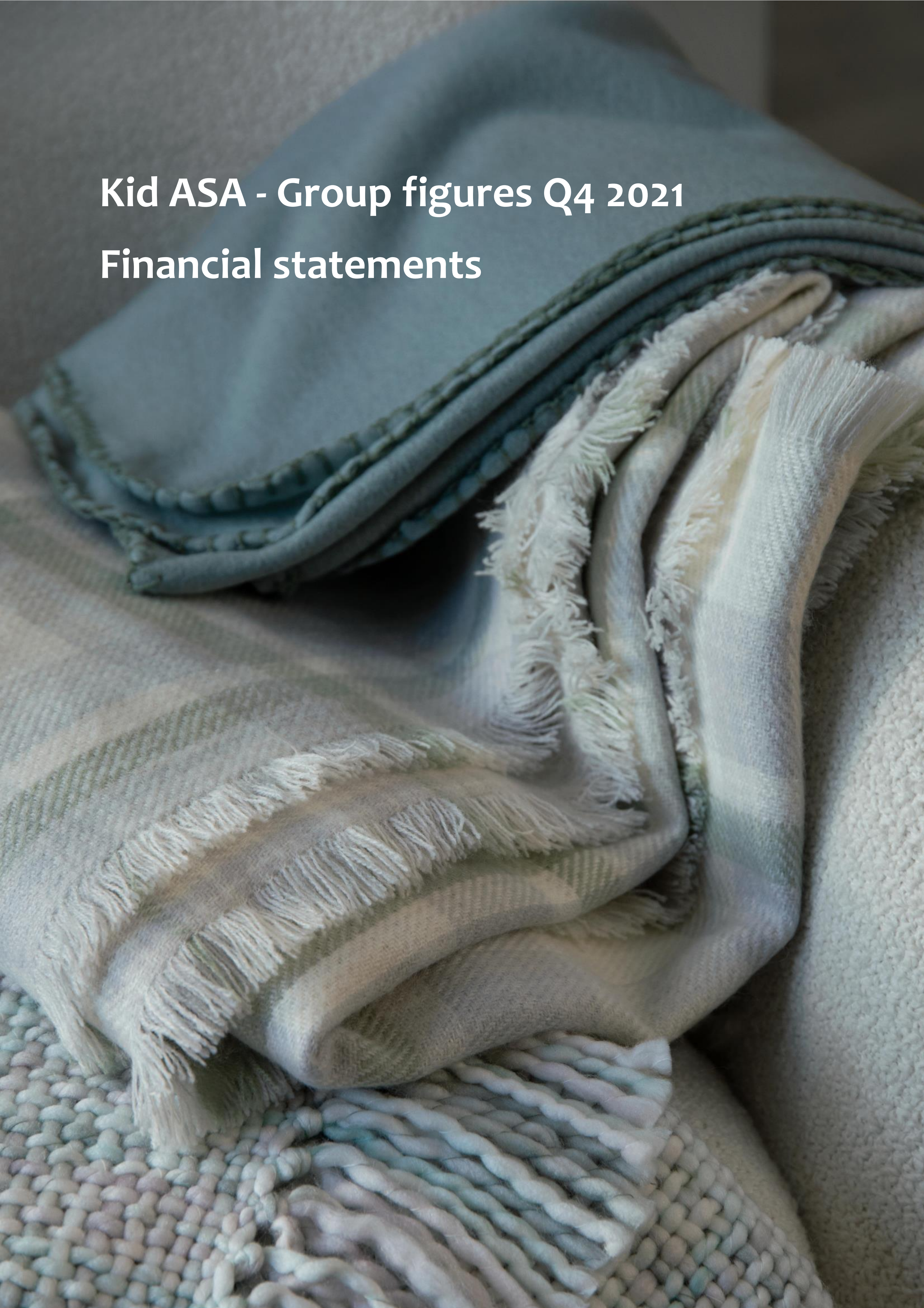
Rune Marsdal

Liv Berstad

Gyrid Skalleberg Ingerø

Kid ASA - Group figures Q4 2021

Financial statements



Interim consolidated statement of profit and loss

(Amounts in NOK thousand)	Note	Q4 2021 Unaudited	Q4 2020 Unaudited	FY 2021 Unaudited	FY 2020 Audited
Revenue		1 100 391	1 097 191	3 097 096	2 994 658
Other operating revenue		6 220	943	10 010	1 693
Total revenue		**1 106 611**	**1 098 134**	**3 107 106**	**2 996 351**
Cost of goods sold		-402 507	-405 186	-1 159 506	-1 128 690
Employee benefits expense		-186 051	-174 665	-617 303	-607 119
Depreciation and amortisation expenses	9	-85 587	-86 782	-336 376	-340 840
Other operating expenses		-145 380	-148 720	-452 730	-436 973
Total operating expenses		**-819 525**	**-815 353**	**-2 565 916**	**-2 513 622**
Operating profit		**287 086**	**282 781**	**541 190**	**482 730**
Financial income		2 404	180	7 361	32 299
Financial expense		-14 141	-14 048	-63 384	-60 735
Net financial income (+) / expense (-)		**-11 738**	**-13 868**	**-56 023**	**-28 435**
Profit before tax		**275 348**	**268 913**	**485 167**	**454 295**
Income tax expense		-56 226	-59 226	-100 741	-98 196
Net profit (loss) for the period		**219 122**	**209 687**	**384 426**	**356 098**
Interim condensed consolidated statement of comprehensive income					
Profit for the period		219 122	209 687	384 426	356 098
Other comprehensive income		7 761	-51 063	75 286	-56 632
Tax on comprehensive income		-1 040	11 077	-16 184	12 274
Total comprehensive income for the period		**225 843**	**169 701**	**443 528**	**311 740**
Attributable to equity holders of the parent		225 843	169 701	443 528	311 740
Basic and diluted Earnings per share (EPS):		**5,39**	**5,16**	**9,46**	**8,76**

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	31.12.2021	31.12.2020
Assets		Unaudited	Audited
Goodwill	9	70 286	72 280
Trademark	9	1 511 788	1 515 485
Other intangible assets	9	19 096	5 623
Deferred tax asset		22 968	15 810
Total intangible assets		**1 624 140**	**1 609 197**
Right of use asset	9	756 941	821 683
Fixtures and fittings, tools, office machinery and equipment	9	203 158	199 512
Total tangible assets		**960 099**	**1 021 195**
Investments in associated companies and joint ventures	10	30	0
Total financial fixed assets		**30**	**0**
Total fixed assets		**2 584 268**	**2 630 392**
Inventories		646 764	482 161
Trade receivables		21 999	18 381
Other receivables		25 023	32 725
Derivatives		17 439	0
Totalt receivables		**64 461**	**51 106**
Cash and bank deposits		239 331	301 276
Total currents assets		**950 556**	**834 542**
Total assets		**3 534 824**	**3 464 935**

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	31.12.2021	31.12.2020
Equity and liabilities		Unaudited	Audited
Share capital		48 770	48 770
Share premium		321 050	321 050
Other paid-in-equity		64 617	64 617
Total paid-in-equity		**434 440**	**434 437**
Other equity		828 223	750 164
Total equity		**1 262 663**	**1 184 601**
Deferred tax		332 280	315 336
Total provisions		**332 280**	**315 336**
Lease liabilities		517 550	585 131
Liabilities to financial institutions	6	451 628	461 480
Total long-term liabilities		**969 177**	**1 046 612**
Lease liabilities		249 737	234 113
Liabilities to financial institutions	6	95 000	60 297
Trade payable		159 751	92 316
Tax payable		90 335	87 011
Public duties payable		172 851	167 402
Other short-term liabilities		197 865	198 883
Derivatives		5 166	78 364
Total short-term liabilities		**970 705**	**918 385**
Total liabilities		**2 272 162**	**2 280 333**
Total equity and liabilities		**3 534 824**	**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	356 098	356 098
Other comprehensive income / Cash Flow Hedges	0	-44 359	-44 359
Dividend	0	-284 474	-284 474
Balance at 31 Des 2020	**434 440**	**750 157**	**1 184 601**
Balance at 1 Jan 2021	**434 440**	**750 164**	**1 184 601**
Profit for the period YTD 2021	0	384 426	384 426
Other comprehensive income / Cash Flow Hedges	0	59 440	59 440
Dividend	0	-365 807	-365 807
Balance at 31 Des 2021	**434 440**	**828 223**	**1 262 663**

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

Interim consolidated statement of cash flows

(Amounts in NOK thousand)	Note	Q4 2021 Unaudited	Q4 2020 Unaudited	FY 2021 Unaudited	FY 2020 Audited
Cash Flow from operation					
Profit before income taxes		275 348	268 913	485 166	454 295
Taxes paid in the period		-40 947	-5 900	-105 964	-50 103
Depreciation & Impairment	9	85 587	86 782	336 376	340 840
Effect of exchange fluctuations		7 541	1 082	16 861	-23 147
Change in net working capital					
Change in inventory		-66 513	76 477	-180 317	22 777
Change in trade debtors		-7 375	-10 889	-4 448	8 685
Change in trade creditors		81 689	37 257	71 228	-61 333
Change in other provisions [1]		128 902	70 182	41 621	57 193
Net cash flow from operations		**464 231**	**523 904**	**660 525**	**749 207**
Cash flow from investment					
Purchase of fixed assets	9	-23 774	-27 208	-79 436	-65 398
Net Cash flow from investments		**-23 774**	**-27 208**	**-79 436**	**-65 398**
Cash flow from financing					
Proceeds from long term loans		0	0	130 000	25 000
Repayment of revolving credit facility		0	-49 802	-65 000	-130 204
Repayment of Term Loans		-30 000	0	-38 678	-50 152
Lease payments for principal portion of lease liability		-65 795	-66 938	-264 951	-274 956
Dividend payment		-186 968	-235 700	-365 807	-284 474
Net interest		-10 549	-13 063	-39 283	-10 575
Net cash flow from financing		**-293 312**	**-365 502**	**-643 718**	**-725 360**
Cash and cash equivalents at the beginning of the period		93 031	173 749	301 276	339 246
Net change in cash and cash equivalents		147 146	131 196	-62 628	-41 545
Exchange gains / (losses) on cash and cash equivalents		-846	-3 669	683	3 576
Cash and cash equivalents at the end of the period		**239 331**	**301 276**	**239 331**	**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. The following accounting policies have become applicable during the period after the year ended 31 December 2020:

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity-accounted investments is tested for impairment.

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.

Q4 2021

(Amounts in NOK thousand)	KID Interior	Hemtex	Total
Revenue	687 391	413 000	1 100 391
COGS	-251 883	-150 625	-402 507
Gross profit	435 508	262 375	697 883
Other operating revenue	35	6 185	6 220
Operating expense (OPEX)	-192 597	-138 830	-331 428
EBITDA	242 945	129 731	372 676
Operating profit	195 057	92 032	287 089
Gross margin (%)	63,4 %	63,5 %	63,4 %
OPEX to sales margin (%)	28,0 %	33,6 %	30,1 %
EBITDA margin (%)	35,3 %	30,9 %	33,7 %
Inventory	413 016	233 748	646 764
Total assets	2 632 302	902 520	3 534 824

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, Q4 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	6,1	2,1	15,6	10,0
Segment allocated other operating expense	1,7	0,1	1,0	0,3	1,3	0,3	2,6	1,0	6,5	1,7
Hemtex										
Segment allocated employee benefits expense	-0,8	-2,3	-5,2	-2,4	-3,6	-3,2	-6,1	-2,1	-15,6	-10,0
Segment allocated other operating expense	-1,7	-0,1	-1,0	-0,3	-1,3	-0,3	-2,6	-1,0	-6,5	-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. At the balance sheet date, the Group has the following borrowing facilities:

(Amounts in NOK thousand)	Utilised 31.12.2021	Available Facility	Interest	Maturity	Repayment
Total term loan	481 700	581 700[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	*85 000*	*85 000*	*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
	546 700	**958 700**			

[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 was 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
(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

	Q4 2021	Q4 2020	FY 2021	FY 2020
Weighted number of ordinary shares	40 645 162	40 645 162	40 645 162	40 645 162
Net profit or loss for the year	219 122	209 687	384 426	356 098
Earnings per share (basic and diluted) (Expressed in NOK per share)	**5,39**	**5,16**	**9,46**	**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 total year of 2021 and 2020:

Related Party Transactions	FY 2021	FY 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	-19 929	-2 569	-3 696	-260	-1 995
Additions, disposals and adjustments	221 459	74 541		16 223	
Depreciation and amortisation	-266 273	-68 327		-2 489	
Balance 31.12.21	**756 941**	**203 158**	**1 511 788**	**19 096**	**70 286**

(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	23 513	7 129	5 319	471	6 879
Additions, disposals and adjustments	254 734	71 164	-	-1 544	-
Depreciation and amortisation	-279 168	-58 014	-	-3 389	-
Balance 31.12.2020	**821 683**	**199 512**	**1 515 485**	**5 623**	**72 280**

Note 10 Investments in subsidiaries and joint ventures

The group had the following subsidiaries as of 31 December 2021

Name	Place of business	Nature of business	Proportion of shares directly held by parent (%)
Kid Interiør AS	Norway	Interior goods retailer	100
Kid Logistikk AS	Norway	Logistics	100
Hemtex Logistikk AS*	Norway	Logistics	100
Hemtex AB	Sweden	Interior goods retailer	100
Hemtex OY	Finland	Interior goods retailer	100
Hemtex international AB	Sweden	Non operating company	100

*Established during the quarter

All subsidiary undertakings are included in the consolidation.

The group had the following joint ventures on 31 December 2021:

Name	Place of business	Nature of relationship	Measurement method	Ownership share	Carrying amount
Prognosgatan Holding AS	Norway	Joint venture	Equity method	50 %	30

As per year-end the the joint venture is reflected in the statement of financial position. Per 31 December 2021, there are no material transactions in the joint venture, hence the “share of result from joint ventures” is not reflected in the Income Statement.

In November 2021 Kid ASA entered into a commercial cooperation through its Norwegian wholly owned subsidiary Hemtex Logistikk AS with Fabritius Gruppen AS establishing a joint venture,"Prognosgatan Holding AS", for the purpose of a plot and for constructing a new warehouse facility in Sweden. The Joint Venture is controlled by Kid (through Hemtex Logistikk AS) and Fabritius on a 50/50% basis. Fabritius is wholly owned by Gjelsten Holding AS, which currently also holds 10.24% of the shares in Kid ASA.

Commitments and guarantees

An agreement with the construction entrepreneur was signed in December 2021. Hemtex Logistikk AS has guaranteed 5% of the total contracted amount MNOK 147.5.

A lease agreement will be signed between Prognosgatan Fastights AB (lessor) and Hemtex AB (lessee) for the use of the planned central warehouse and offices in the warehouse. Kid ASA will place a customary parent company guarantee in favour of the lessor for an amount equal to 12 months of rent inclusive VAT under the lease agreement.

RESPONSIBILITY STATEMENT KID ASA

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 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, 16 February 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. 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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